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Report Highlights:

Post raises MY2026/27 corn production to 306 MMT on improved yields and expanding planted area, while cutting corn imports to 6 MMT as Beijing continues to restrict grain inflows. China's wheat harvest will increase slightly year-on-year but faces a regional quality imbalance, with a redirecting of downgraded wheat into feed and narrowing the wheat-to-corn price gap. China resumed targeted auctions of aged rice stocks for feed use in late May, the first since 2023, prompting Post to raise MY2026/27 rice consumption. MY2025/26 barley imports are revised up based on strong trade data, with Australia as the dominant supplier.

Executive Summary

China's MY2026/27 total grain feed and residual use is revised up to 293 MMT, led by stronger-than-expected old stock rice releases for feed and continued poultry sector growth.

Corn production for MY2026/27 is revised up 1 MMT, supported by favorable early-season crop conditions and expanding planted area in Northeast China. Corn imports for MY2026/27 are revised down to 6 MMT, and MY2025/26 imports are adjusted down to 5 MMT, reflecting continued import restrictions and Beijing's silence on grain import deals. Government auctions of imported corn resumed in June after a two-month suspension, with strong clearance rates, signaling solid downstream demand for low-toxin, good-quality corn.

MY2026/27 wheat production is revised 1 MMT higher on improved yields, with the 2026 harvest increasing year-on-year despite an acute quality imbalance in rain-affected provinces. Downgraded wheat is being redirected to feed, narrowing the wheat-to-corn price gap. MSP wheat auctions resumed in January 2026 after nearly two years of suspension.

Rice production for MY2025/26 is forecast to increase slightly on stable area and higher yields. MY2026/27 rice consumption is revised up 2 MMT following the resumption of targeted aged rice auctions in late May 2026, the first since September 2023. Rice imports for MY2025/26 are revised up to 4 MMT on persistently low international prices, while MY2026/27 imports are forecast at 3.3 MMT as global prices trend higher amid El Niño concerns.

FEED OVERVIEW

China's MY2026/27 total feed and residual use is forecast to be 293 million metric tons (MMT), slightly higher than MY2025/26 on anticipated higher feed demand from the poultry and aquaculture sectors (see Table 1). The proportion of corn mixed into feed is forecast to be stable. In the long term, the Chinese Government plans to reduce the overall grain and oilseed proportion in feed. [Goals](#) by 2030 include reducing the share of grain and oilseed in total feed to about 60 percent and soybean meal to about 10 percent.

Table 1. China: Grain Feed and Residual Demand Estimates and Forecast¹

(Unit: MMT)	MY2024/25	MY2025/26	MY2026/27	Change
Corn	235	240	241	1
Sorghum	5.5	7.8	8	0.2
Barley	9.5	10	9	-1
Wheat	33	33	33	0
Old Stock Rice (milled equivalent)	0	0	2	2
Total	283	290.8	293	2.2

Note: The totals listed in the table include residual and represent the unprocessed amount of major feed grains used in feed production. **Source:** FAS China analysis

¹ China's commodity marketing year for corn, sorghum, and barley is October 1-September 30, and July 1-June30 for wheat and rice.

China Feed Industry Association (CFIA) data show that China's industrial feed production in the first five months of 2026 is about 4 percent higher than a year earlier. May production saw no month-on-month increase. According to the Ministry of Agricultural and Rural Affairs (MARA), China's breeding sow inventory remained broadly stable but trended slightly lower in late 2025 and early 2026, with official data showing 39 million sows at the end of the first quarter 2026, down 1.4 percent quarter-on-quarter and 3.3 percent year-on-year. Hog slaughter is expected to be relatively stable to slightly lower during mid-2026. As a result, China's hog output in the first half of 2026 is expected to increase slightly year-on-year, supporting continued modest growth in feed production and feed demand. The MY2026/27 feed growth is expected to come predominantly from the poultry sector (see Table 2), which is forecast to continue to expand production.

Table 2. China: Industrial Feed Consumption

	2025	2026 est.	% change from 2025	2027 est.	2030 F
Swine	163,890	163,420	-0.29%	165,840	177,100
Broiler	101,540	104,010	2.43%	105,450	109,490
Layer	31,970	32,100	0.41%	33,250	38,020
Aquaculture	23,410	23,610	0.85%	24,130	24,610
Ruminants	14,450	14,080	-2.56%	13,270	13,800
Total Consumption	339,330	341,310	0.58%	346,050	367,190

Source: 2026 China Agricultural Outlook Conference; in 1,000 MT

Industry experts at the China Agricultural Outlook Conference estimated that total feed consumption for 2026 would increase by 0.6 percent year-on-year to 341 MMT. China's industrial feed sector is expected to continue steady expansion over the next decade, entering a higher-quality growth phase driven by technology upgrades, better feed efficiency, and wider adoption of commercial feed. The figures in Table 2 differ from Table 1 as they are on a calendar year rather than a marketing year basis and include oilseed meal but exclude residual demand. Please see FAS China's recently published [Semi-Annual 2026 Livestock](#) and [Poultry](#) GAIN reports for additional information on these sectors, as well as the [2026 Oilseeds Annual](#).

On May 14, 2026, the leaders of China and the United States held a meeting and announced that their economic and trade teams had reached broadly balanced and positive outcomes. According to China's Ministry of Commerce [press release](#), the two countries agreed to establish a Board of Trade, through which both sides will discuss tariff reductions and have agreed in principle to lower tariffs on products of comparable importance to each country. In addition, they reached positive understandings on expanding bilateral agricultural trade through tariff reductions, improved market access, and the reduction of non-tariff barriers, with the goal of restoring and strengthening agricultural trade cooperation.

Currently, certain U.S. agricultural products are still subject to Section 301 retaliatory tariffs, which can be excluded upon request by importers through December 31, 2026, and Section 232 retaliatory tariffs. U.S. agricultural, fishery, and forestry products still face a much higher applied tariff compared to

products from other competing countries. Please refer to [China Reduces Tariff Rates on US Agricultural Products](#) for more information.

FEED GRAINS

Corn

Post adjusted MY2026/27 corn production up by 1 MMT to 306 MMT from its March report, driven by steady increases in both planted area and yields. Planting incentives remain strong. Supported by relatively firm corn prices since late last year, farmers, especially in Northeast China, are expected to expand acreage in 2026, potentially pushing output even higher.

According to Chinese industry’s “2026 Heilongjiang Soybean and Corn Planting Profitability Comparison Study” published in late May, soybean profitability is almost entirely dependent on policy subsidies. Under current high production costs and conservative yield assumptions, soybean farming would almost certainly incur losses without full subsidies. Even with the maximum subsidy package totaling \$1,447 per hectare (RMB 656/mu), net profit would only reach \$6 per hectare (RMB 3/mu), indicating extremely weak profitability. By contrast, corn profitability is considered more stable. Based on assumptions of 10 MT per hectare yield and a price of \$300 per MT, full subsidies could raise net profit to \$331 per hectare (RMB 150/mu).

Table 3: China:2026 Heilongjiang Soybean and Corn Planting Profitability Comparison

	Soybeans	Corn
Planting cost	RMB 21,200/hectare	RMB 24,300/hectare
Production revenue	RMB 11,400/hectare	RMB 21,260/hectare
Total subsidies (maximum)	RMB 9,850/hectare	RMB 5,290/hectare
Final net profit	RMB 42/hectare	RMB 2,250/hectare

Note: 1 hectare = 15 mu

China’s [2024 action plan](#) calls for boosting grain production capacity by 50 MMT by 2030, with corn as a major contributor to the increase in grain output.

As of early June, according to the China Meteorological Administration, most spring corn in northern China is in the three to seven leaf stage. China's MY2026/27 spring corn crop is generally developing normally, while summer corn planting in North China will begin after the winter wheat harvest. Weather conditions in Northeast China have been generally favorable, with adequate sunlight and rainfall supporting crop growth and improving soil moisture. However, some areas in southeastern Inner Mongolia continue to experience soil moisture deficits, which may hinder crop emergence and early development.

Image 1&2: China: Corn Field in Beijing and Shanxi in late May



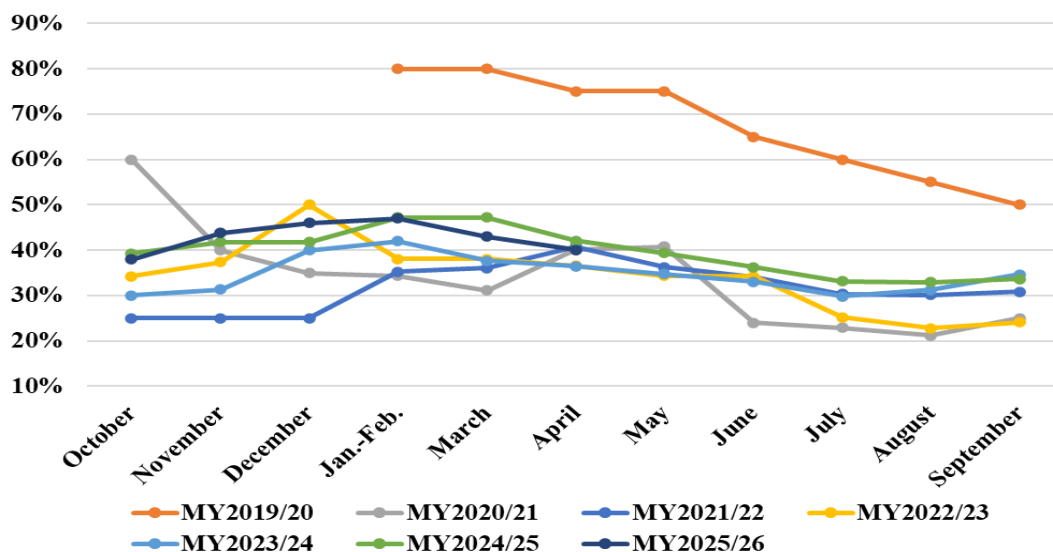
Source: FAS China

Consumption

Post's forecast for MY2026/27 feed and residual corn consumption remains unchanged from its March report at 241 MMT, a 0.4 percent increase from MY2025/26. Feed use accounts for 60-70 percent of China's total corn consumption. Corn demand in hog feed will not increase, while poultry feed will become the main growth engine in MY2026/27. Despite government measures to guide hog capacity reduction, actual adjustments have been slow — driven by speculative producer behavior and a persistent mismatch between policy expectations and market response. Hog feed demand nonetheless surged year-over-year in early 2026, even as weak sector profitability and more flexible feed formulations are expected to gradually temper demand for high-quality corn.

Post forecasts for MY2026/27 corn industrial consumption will be flat and in line with MY2025/26. Corn prices have increased by 6 percent in the first half of 2026, leading to lower operational profits compared to same period last year. The resumption of imported corn auction in June, old stock rice auctions in late May and Minimum Support Price (MSP) wheat auctions from January till late April have greatly pressured corn prices, giving hope for better processing demand in the second half of 2026. In early June, corn starch processing in Northeast provinces saw negative profits at around -\$2/MT (RMB -14/MT), while North China Plain (NCP) provinces faced about -\$26/MT (RMB -180/MT) losses. MY2025/26 exports of corn processing products to Southeast Asian countries saw close to 3 percent increase year over year.

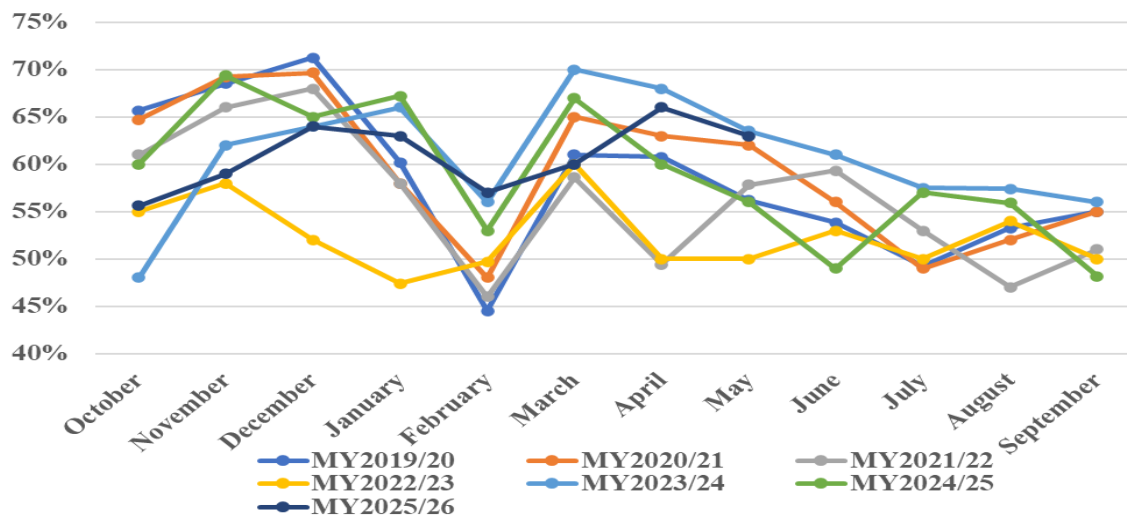
Chart 1. China: Percentage of Corn in Compound Feed



Source: Industry Sources

In recent years, capacity utilization of China's corn deep-processing sector has declined to around 60 percent, indicating the industry has entered a more mature, cyclical phase with slower growth. Regional restructuring is also underway, with the Northeast shifting toward amino acids and bio-based products, while eastern and western regions attract new investment due to cost and policy advantages. The industry faces structural challenges, including overcapacity in basic processing, rising investment and operating costs, stricter environmental regulations, and regional imbalances leading to inefficient resource allocation. At the same time, new opportunities are emerging. Strong policy support for bio-manufacturing, green development, and agricultural processing is driving innovation. Companies are encouraged to focus on differentiation, cost control, technological innovation, and risk management, while building closed-loop value chains to maximize profitability and long-term competitiveness.

Chart 2. China: National Average Corn Starch Operation Rates



Source: Industry Sources

Imports

Post revised MY2026/27 corn imports down to 6 MMT, 2 MMT lower than the March estimate. MY2025/26 corn imports were adjusted down to 5 MMT, as the domestic supply gap narrows due to uncertain trade policy such as retaliatory tariffs and Beijing's silence on grain import deals, remaining well within tariff-rate quota levels. The Chinese Government continues to promote higher local production via better yield on stable area and discourages grain imports reportedly to protect the interests of local farmers.

China's corn imports rebounded strongly in the first four months of 2026, surging 86 percent due largely to a low comparison base in 2025, but still 90 percent lower than the same period in 2021-2024. China's strategy of diversifying grain imports is increasing competition among suppliers, with Argentina and Brazil emerging as new challengers to traditional U.S. and Australian dominance. Argentina has re-entered China's corn market after a 13-year absence, with 12 corn vessels totaling about 454,000 MT shipped since April this year. Argentina's reentrance follows bilateral negotiations around agricultural biotechnology and phytosanitary issues. Brazil, while not shipping major corn volumes in the first quarter, has begun exporting DDGS to China totaling about 262,000 MT, although market acceptance remains weak so far. Future DDGS import growth will depend on improved price competitiveness, while any potential return of U.S. DDGS to the Chinese market remains uncertain despite recent U.S.-China diplomatic engagement.

Import levels for corn substitutes in the first four months of 2026 vary, with cassava imports declining sharply by around 780,000 MT, or 40 percent year over year, limiting overall growth in alternative feed ingredients, while wheat flour imports increased modestly. Shipping schedules indicate that Australian barley and U.S. sorghum will continue to dominate China's feed grain imports in the second quarter of 2026.

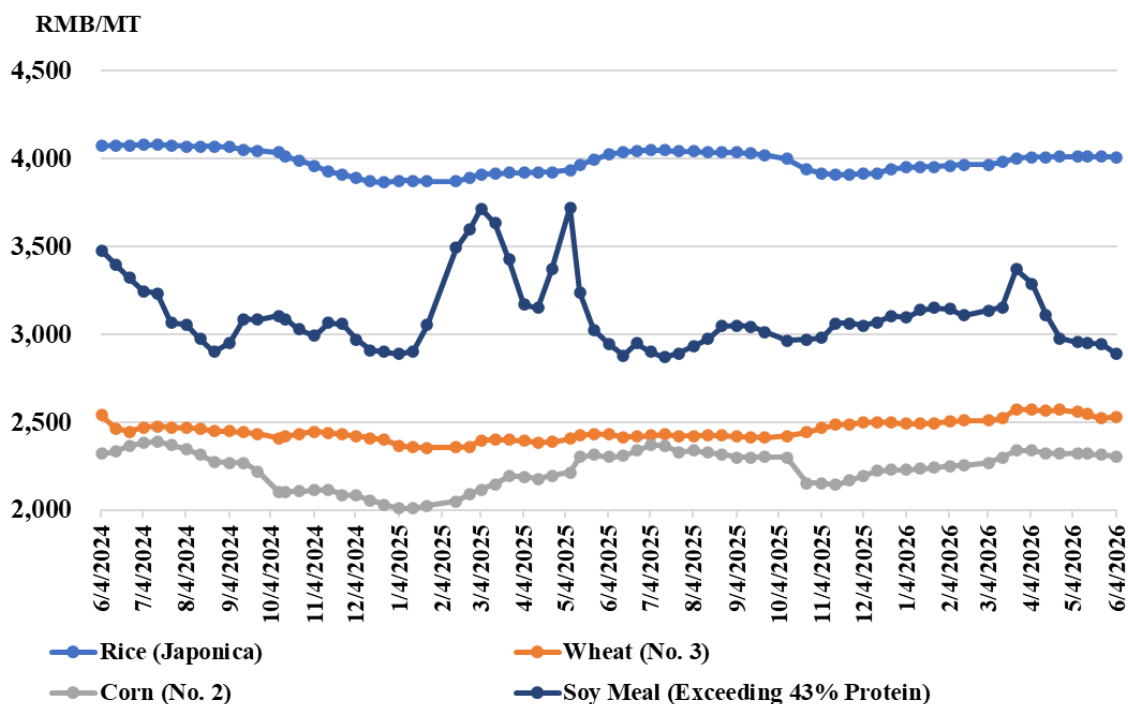
Starting November 10, 2025, China reduced additional tariffs on U.S. corn to 10 percent. This policy shift however has not led to a resumption of U.S. corn purchases by China. There are still no immediate large-scale U.S. corn purchase announcements following the May 2026 Trump-Xi Summit. China currently holds no contracts for U.S.-origin corn (excluding unknown destinations) for delivery in MY2025/26, with 0 MT in outstanding sales. In addition, even without the 10 percent additional retaliatory tariffs, China's purchase of U.S. corn were low in the first quarter of 2026, as importers indicated they were holding the Tariff Rate Quota (TRQ) allocations in reserve due to bilateral tariff concerns.

Stocks

MY2026/27 corn ending stocks are forecast at 164 MMT, 11 MMT lower than MY2025/26 due to lower imports and more auctions. The bulk of corn imported in previous years is believed to be stored in government reserves and not yet circulated in the domestic market. Since April 2026, the government had largely suspended sales of imported corn, with only occasional small-volume auctions that attracted little market attention. However, on June 5, authorities resumed sales with a relatively sizable auction of 155,000 MT of imported corn from the 2021–2023 crop years, sourced from the United States and Brazil and offered through warehouses in Liaoning, Hebei, Shandong, Jiangsu, and Anhui provinces. Of the 155,000 MT offered, 143,000 MT were sold at a strong 92 percent clearance rate, with buyers

bidding aggressively at an average premium of \$9/MT (RMB 64) above the starting price, indicating solid demand for low-toxin, good-quality corn. Subsequent auctions on June 9 and June 16, totaling 400,000 MT of U.S. and Ukrainian corn, achieved clearance rates of 95 percent and 100 percent respectively, confirming sustained downstream demand.

Chart 3. China: National Average Grain Prices 2024-2026



Source: National Bureau of Statistics (NBS)

Table 4. China: Corn Production, Supply, and Distribution

Corn Market Year Begins	2024/2025		2025/2026		2026/2027	
	Oct 2024		Oct 2025		Oct 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
China						
Area Harvested (1000 HA)	44741	44741	44960	44960	45400	45400
Beginning Stocks (1000 MT)	211192	211192	191928	190928	178148	175148
Production (1000 MT)	294917	294917	301240	301240	307000	306000
MY Imports (1000 MT)	1823	1823	6000	5000	6000	6000
TY Imports (1000 MT)	1823	1823	6000	5000	6000	6000
Total Supply (1000 MT)	507932	507932	499168	497168	491148	487148
MY Exports (1000 MT)	4	4	20	20	20	20
TY Exports (1000 MT)	4	4	20	20	20	20
Feed and Residual (1000 MT)	234000	235000	239000	240000	243000	241000
FSI Consumption (1000 MT)	82000	82000	82000	82000	82000	82000
Total Consumption (1000 MT)	316000	317000	321000	322000	325000	323000
Ending Stocks (1000 MT)	191928	190928	178148	175148	166128	164128

Total Distribution (1000 MT)	507932	507932	499168	497168	491148	487148
Yield (MT/HA)	6.5916	6.5916	6.7002	6.7002	6.7621	6.7401
(1000 HA) ,(1000 MT) ,(MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, which for Corn begins in October for all countries. TY 2026/2027 = October 2026 - September 2027						

Sorghum and Barley

Production

Post forecasts both sorghum and barley production will remain stable in MY2026/27, as government policies continue to promote stable corn and soy planting and target higher yields for coarse grains with a stable planted area. About 47 percent of local barley output is for malt, produced mainly in Jiangsu, Yunnan, and Gansu. The rest is for feed use, produced mainly in Hubei, Yunnan, and Jiangsu.

Consumption

Post's forecast of sorghum consumption for both MY2026/27 and MY2025/26 remain unchanged. China's sorghum market is heavily dependent on imports for feed use, while domestic sorghum production is largely tied to the baijiu industry through contract farming arrangements in regions such as Shanxi and Northeast China. Sorghum pricing therefore follows a broader "grain pool," with corn serving as the main benchmark and wheat acting as a secondary pricing influence. China's sorghum imports fell sharply in 2025 mainly because of U.S.-China trade tensions, pressure in the baijiu sector, abundant corn and wheat substitutes, and rising import costs. However, imports are expected to recover gradually in 2026 as trade conditions improve.

Post adjusted up barley consumption of both MY2026/27 and MY2025/26 based on higher imports. China's barley market is highly dependent on imports, making international prices the key driver of domestic market trends. Feed demand accounts for the majority of barley consumption and is the main pricing force, while brewing demand remains relatively stable. Imports are likely to remain above 10 MMT as domestic production remains uncompetitive against international supplies. Although China's hog sector continues to maintain high production capacity, weak farming margins have reduced feed purchasing enthusiasm, encouraging feed mills to substitute cheaper grains when barley prices rise. In contrast, aquaculture and ruminant sectors are expected to become the main growth engines for barley demand in 2026, supported by relatively healthy livestock profitability and stronger structural demand for barley-based feed.

Table 5. China: Imported Coarse Grain and Substitute Prices in Major Ports

Commodity	RMB Price	U.S. Price
Grain products		
Local Corn (Guangdong - Spot)	¥2,470.00	\$363
Imported U.S. Corn Gulf (July Delivery - 11% tariff Within Quota)	¥2,321.60	\$341
Imported U.S. Corn Gulf (July Delivery - 1% tariff Within Quota)	¥2,117.86	\$311
Imported U.S. Corn West Coast (July Delivery - 11% tariff Within Quota)	¥2,227.52	\$328
Imported U.S. Corn West Coast (July Delivery - 1% tariff Within Quota)	¥2,032.25	\$299
Imported Brazilian Corn (July Delivery - Within Quota)	¥2,180.58	\$321
Imported Argentine Corn (July Delivery - Within Quota)	¥1,982.71	\$292
Imported Argentine Barley (July Delivery)	¥2,374.87	\$349
Imported Australian Barley (July Delivery)	¥2,174.38	\$320
Imported French Barley (July Delivery)	¥2,260.65	\$332
Imported U.S. Sorghum (July Delivery 12% tariff)	¥2,413.69	\$355
Imported U.S. Sorghum (July Delivery 2% tariff)	¥2,203.55	\$324
Imported Australian Sorghum (July Delivery)	¥2,552.70	\$375
Imported Argentine Sorghum (July Delivery)	¥2,280.76	\$335
Local Wheat (Guangdong - Spot)	¥2,560.00	\$376
Imported U.S. Soft Red Winter Wheat (July Delivery -11% tariff within Quota)	¥2,599.20	\$382
Imported U.S. Soft Red Winter Wheat (July Delivery -1% tariff within Quota)	¥2,370.45	\$349
Imported U.S. Hard Red Winter Wheat (July Delivery - 11% tariff within Quota)	¥2,939.92	\$432
Imported U.S. Hard Red Winter Wheat (July Delivery - 1% tariff within Quota)	¥2,680.47	\$394
Local DDGs	¥2,490.00	\$366
Imported U.S. DDGS (July Delivery - without AD/CVD)	¥1,979.10	\$291

Unit: RMB per metric ton, exchange rate as of early June 2026 U.S. \$1 = RMB 6.8.

Source: Industry Sources

Imports

There is no change to Post forecasts of sorghum and barley imports for MY2026/27. Global sorghum supply is reportedly tightening across the three major exporters in MY2026/27 — the United States, Argentina, and Australia. As a result, China may face tighter access to imported sorghum supplies, supporting higher international FOB prices. Weak livestock profitability in China constrains further price increases, as feed buyers may switch back to cheaper corn or wheat if sorghum prices become too expensive. U.S. sorghum remains the preferred feed-grade product because of its very low tannin content and superior feed efficiency, while Argentine sorghum has higher tannin levels and is more commonly used in alcohol production. Australian sorghum serves both feed and brewing markets, but its sorghum prices have risen sharply in 2026, reducing import margins and making buyers more cautious. Emerging suppliers such as Brazil and Mexico are potential long-term alternatives that could weaken U.S. pricing power if exports to China expand.

Post revised up MY2025/26 barley imports by 1.5 MMT to 12 MMT based on trade data. Australia has regained its position as China's largest barley supplier following the removal of antidumping/countervailing duties in 2023, supported by zero tariff, lower freight costs and geographic proximity. Canadian barley's main advantage in China lies in the premium malting barley segment rather than feed use.

In the first four months of 2026, China imported around 1.6 MMT of sorghum at an average price of \$263/MT. Imports rose sharply in March, likely reflecting improving U.S.-China trade conditions and resumed U.S. sales in late 2025. The United States became the dominant supplier during the quarter, accounting for more than 60 percent of imports, while Argentina maintained roughly 20 percent of the market. In the first four months of 2026, China imported around 4.9 MMT of barley at an average price of \$258/MT. Close to 80 percent is from Australia. Shipping schedules indicate that Australian barley and U.S. sorghum will continue to dominate China's feed grain imports in June. Australia shipped 2.48 MMT of sorghum and barley to China during April–June. Accounting for an approximate two-week transit time, estimated arrivals total 1.43 MMT in May, 450,000 MT in June, and 90,000 MT in July. Meanwhile, China has purchased more than 3 MMT of U.S. sorghum for the current marketing year, with May and June arrivals each potentially approaching 700,000 MT.

Table 6. China: Sorghum Production, Supply, and Distribution

Sorghum Market Year Begins China	2024/2025		2025/2026		2026/2027	
	Oct 2024		Oct 2025		Oct 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	630	630	650	650	650	650
Beginning Stocks (1000 MT)	426	426	455	455	350	350
Production (1000 MT)	3000	3000	3100	3100	3100	3100
MY Imports (1000 MT)	5531	5531	7500	7600	7500	7800
TY Imports (1000 MT)	5531	5531	7500	7600	7500	7800
Total Supply (1000 MT)	8957	8957	11055	11155	10950	11250
MY Exports (1000 MT)	2	2	5	5	5	5
TY Exports (1000 MT)	2	2	5	5	5	5
Feed and Residual (1000 MT)	5500	5500	7700	7800	7700	8000
FSI Consumption (1000 MT)	3000	3000	3000	3000	3000	3000
Total Consumption (1000 MT)	8500	8500	10700	10800	10700	11000
Ending Stocks (1000 MT)	455	455	350	350	245	245
Total Distribution (1000 MT)	8957	8957	11055	11155	10950	11250
Yield (MT/HA)	4.7619	4.7619	4.7692	4.7692	4.7692	4.7692
(1000 HA) ,(1000 MT) ,(MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, which for Sorghum begins in October for all countries. TY 2026/2027 =						
October 2026 - September 2027						

Table 7. China: Barley Production, Supply, and Distribution

Barley Market Year Begins China	2024/2025		2025/2026		2026/2027	
	Oct 2024		Oct 2025		Oct 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	500	560	560	560	560	560
Beginning Stocks (1000 MT)	1698	1698	550	550	450	650
Production (1000 MT)	2000	2300	2300	2300	2300	2300
MY Imports (1000 MT)	10252	10252	12000	12000	10500	10500
TY Imports (1000 MT)	10252	10252	12000	12000	10500	10500
Total Supply (1000 MT)	13950	14250	14850	14850	13250	13450
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	9200	9500	10200	10000	8700	9000
FSI Consumption (1000 MT)	4200	4200	4200	4200	4200	4200
Total Consumption (1000 MT)	13400	13700	14400	14200	12900	13200
Ending Stocks (1000 MT)	550	550	450	650	350	250
Total Distribution (1000 MT)	13950	14250	14850	14850	13250	13450
Yield (MT/HA)	4	4.1071	4.1071	4.1071	4.1071	4.1071
(1000 HA) ,(1000 MT) ,(MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, which for Barley begins in October for all countries. TY 2026/2027 = October 2026 - September 2027						

MAJOR FOOD GRAINS

Wheat

Production

Post adjusted MY2026/27 wheat production 1 MMT higher than its March report, reflecting steady increases in both planted area and yields. According to MARA's June survey, MY2026/27 winter wheat area increased slightly from the previous year. To deal with "rotten rain" damage that has recurred in recent years, local governments summarized a "three prevention, three rushes" strategy—preventing rain damage, lodging, and sprouting/mold in wheat ears, while accelerating harvesting, drying, and grain storage. By June 8, winter wheat harvesting was 65 percent complete nationwide, with harvesting in Southwest China close to completion. Wheat harvest in Anhui is basically completed, Henan is approaching 96 percent, Jiangsu has surpassed 70 percent, Shaanxi has exceeded 30 percent, while large-scale harvesting in Hebei and Shanxi is close to 10 percent completion. China's meteorological department forecast that most of the North China Plain between the Yellow River and Huai River will experience predominantly dry and favorable weather, supporting wheat maturation, harvesting, and post-harvest drying activities. Overall, crop development has exceeded expectations, providing a solid basis for a strong 2026 wheat harvest.

Image 1&2. China: Wheat Field in Beijing in early June



Source: FAS China

MY2026/27 wheat production is forecast at a new record high, extending a steady upward trend, though growth remains incremental year-on-year. An industry field survey indicates regional quality divergence: nationally, average wheat quality is close to normal or slightly above, supported by effective control of major diseases such as Fusarium head blight. Recent rains in Hubei, Henan, Hebei, and Shandong have led to higher levels of sprouted kernels, DON contamination, lower test weights, and localized mildew problems. Quality is expected to remain stable or improve in Jiangsu, Anhui, and most of Henan, while quality in Hubei, Hebei, and Shandong is likely to remain unchanged or slightly decrease compared to last year. Severe impacts on yields and quality are expected to be concentrated in parts of Hubei and southern Henan. Downgraded wheat is expected to be channeled mainly into feed use or blended with higher-quality grain. Overall, China's wheat market remains sufficiently supplied, with production, inventories, and imports able to meet demand across all sectors.

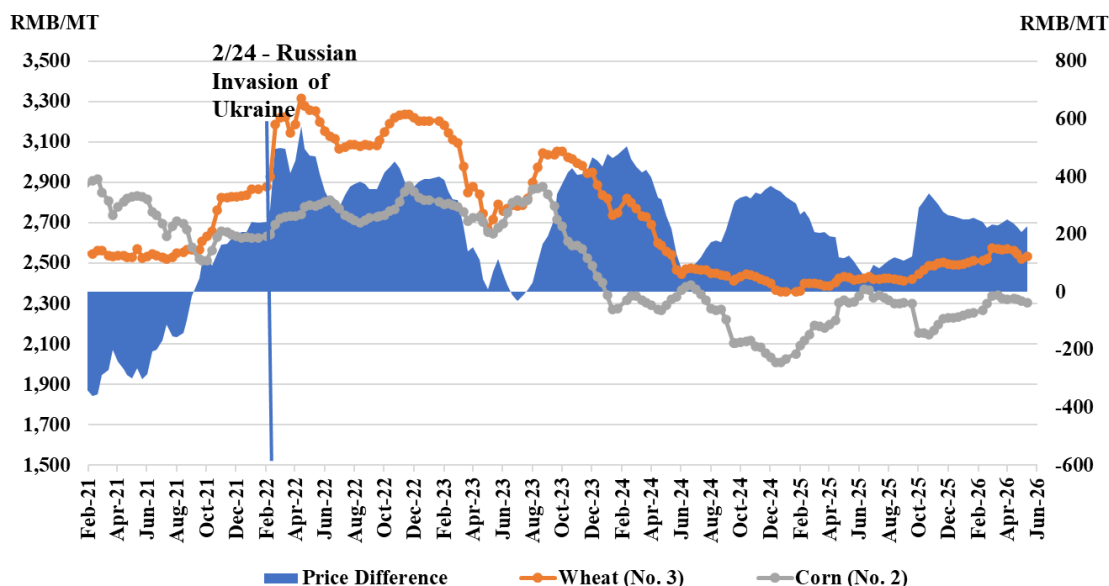
Consumption

Post forecasts MY2026/27 wheat consumption at 150 MMT, unchanged from MY2025/26. Milling remains the dominant and most stable outlet, accounting for roughly 65 percent of total wheat consumption. Demand continues to shift toward higher-quality, specialized, and health-oriented flour products, including whole-grain and functional flour, supporting growth in value-added processing. Feed demand remains highly price-sensitive and cyclical. Industrial use represents a relatively small and stable share of total consumption.

Domestic corn prices accelerated their gains from March onward, prompting some feed manufacturers in North China to increase the use of wheat as a substitute for corn in feed formulations. Industry reported that wheat inclusion rates in swine feed in North China have risen to approximately 10–20 percent as a replacement for corn, reflecting the improved cost competitiveness of wheat in feed applications. Since May, the sprouting and mold damage in newly harvested wheat across most of Hubei and parts of southern Henan significantly improved wheat's price competitiveness against corn in feed rations, increasing pressure on domestic corn prices during the new crop marketing period. Based on current prices in Shandong in June, wheat-to-corn price difference has already reached substitutable levels. Sprouted wheat in Hubei is reportedly priced below \$323/MT (RMB2,200) before drying and under

\$353/MT (RMB2,400) delivered to Shandong, compared to \$357-\$368/MT (RMB 2,430-2,500) corn prices, making it attractive for feed use.

Chart 4. China: Corn and Wheat Average Price Difference 2021-2026



Source: NBS

Imports

MY2026/27 and MY2025/26 wheat imports are forecast 1.8 MMT higher than MY2024/25, due to a low MY2024/25 base. Wheat imports in the first four months of 2026 showed a sharp 136 percent increase year-on-year mainly because 2025 imports had fallen to an exceptionally low base, rather than because China suddenly returned to unusually high import volumes. From 2021 to 2024, China's wheat imports exceeded the 9.6 MMT tariff-rate quota (TRQ), partly driven by commitments under the Phase One trade agreement as well as strong feed demand. However, imports fell sharply in 2025 to around 3.8 MMT, due to a combination of large domestic harvests, ample inventories, and bilateral trade friction.

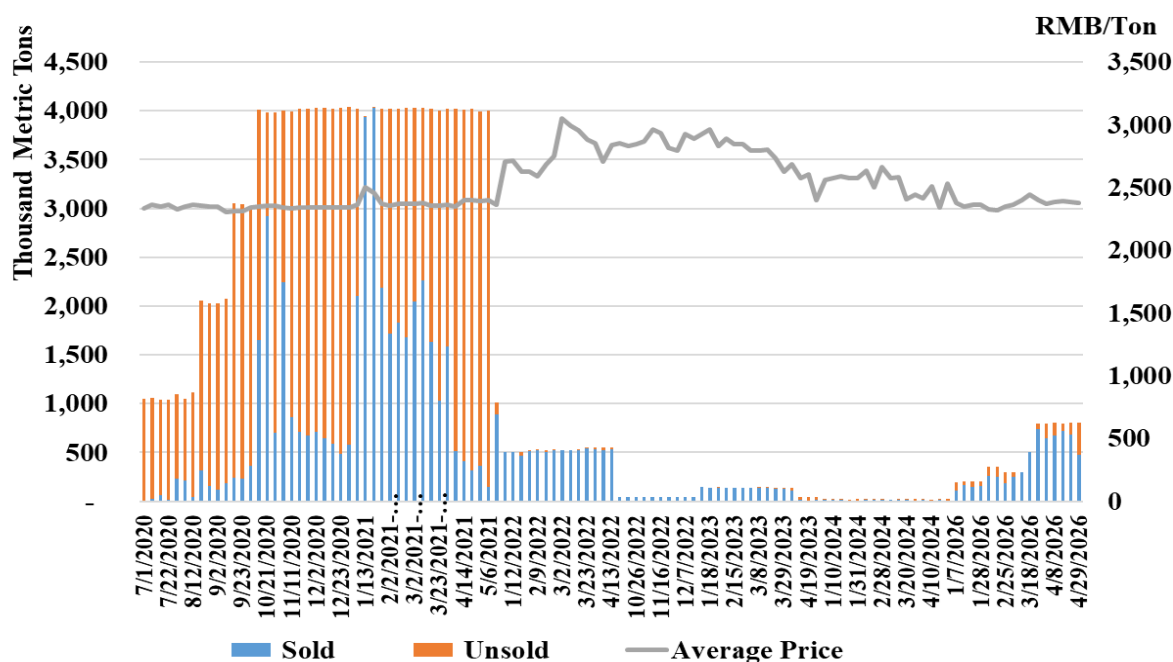
China primarily imports wheat to meet specific quality requirements, particularly either high-protein wheat or low-protein milling wheat along with certain specialty classes that are not readily available domestically. Demand from the food sector for these quality attributes should remain relatively stable as consumer preferences continue to shift toward higher-quality products. However, demand for imported wheat used in feed rations is likely to remain limited given abundant domestic grain supplies and improved availability of alternative feed ingredients.

Against an increasingly challenging geopolitical backdrop, China appears to be making every effort to diversify import sources, preferring nearby countries. This could reduce China's dependence on imports from more distant exporters; however, it is not expected to impact U.S. wheat exports. In April 2026, China and Ukraine signed an agreement allowing Ukrainian wheat flour to enter the Chinese market. In 2025, Ukraine exported about 70,000 MT of wheat flour and pasta, with over half going to the EU, highlighting China as a potentially significant new destination.

Kazakhstan's wheat flour exports to China have expanded rapidly under favorable bilateral policies. Imports reportedly rose from 248,000 MT in 2022 to more than 3 MMT in 2025 under HS Code 230230, enjoying zero tariff and no TRQ restrictions as processed feed powder. Much of the product consists of blended flour formulations containing Kazakhstani wheat and barley and Russian feed quality wheat, customized for Chinese buyers. However, the sector now faces significant regulatory tightening. Since March 2026, Chinese customs rules reportedly require imports to use only Kazakhstani wheat barley and bran from a single approved local producer, with many previously registered exporters losing approval. Market participants explained that some of these imports included Russian-origin wheat processed to wheat flour and re-exported via Kazakhstan to China. China's tightened scrutiny of such trade flows in 2026 is expected to drive a sharp decline in imports from Kazakhstan in the second quarter.

Looking specifically at U.S. wheat, any meaningful increase in purchases will likely depend on price competitiveness, quality advantages, freight economics, and the broader trade environment. The 10 percent additional tariff remains in place, and there is no clear indication that large-scale purchases are imminent. At the same time, improving relations with Canada and Australia are expected to support higher wheat imports from those countries.

Chart 5. China: Wheat Auctions 2020-2026



Source: China Grain Trade Center

Stocks

After nearly two years of suspension, MSP wheat auctions resumed on January 7, 2026. Weekly volumes rose from 200,000 MT in January to 300,000 MT in February, 500,000 MT in mid-March, and 800,000 MT from late March onward. Authorities also relaxed eligibility requirements in late March, allowing traders and feed mills to participate and significantly boosting market activity. Auctions experienced their most active trading conditions in years, with several rounds recording substantial premiums above the starting price. When auctions were suspended on April 29, cumulative sales had

reached approximately 6.2 MMT — drawn from an initial 8.7 MMT of 2017-vintage inventory — at an overall sales rate exceeding 80 percent and an average transaction price of \$350/MT (RMB 2,380), leaving roughly 2.5 MMT in reserves. The reserve releases may have met the grain needs of a wide range of market participants, helped stabilize market operations, and likely achieved the government's destocking objective ahead of the new crop.

As of May 2026, government-held wheat stocks are estimated at around 25 MMT from 2017-2020 minimum support price (MSP) procurement programs, in addition to more than 14 MMT of policy-adjustment wheat purchased in 2024 and over 16 MMT acquired under the 2025 MSP program. The majority of these reserves are believed to remain unconsumed and could be released if prices rise too quickly or a feed grain shortage emerges.

Government MSP procurement was launched in 2025 after four years of suspension. With higher-quality wheat commanding favorable market prices, the scale and geographic coverage of government MSP procurement are expected to be smaller than in 2025. Nevertheless, commercial traders and market participants are showing relatively strong buying interest, and commercial wheat inventories are expected to increase year-on-year.

Table 8. China: Wheat Production, Supply, and Distribution

Wheat Market Year Begins	2024/2025		2025/2026		2026/2027	
	Jul 2024		Jul 2025		Jul 2026	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	23587	23587	23580	23580	23600	23600
Beginning Stocks (1000 MT)	134523	134523	127775	127775	122845	122845
Production (1000 MT)	140099	140099	140070	140070	141000	141000
MY Imports (1000 MT)	4169	4169	6000	6000	6000	6000
TY Imports (1000 MT)	4169	4169	6000	6000	6000	6000
Total Supply (1000 MT)	278791	278791	273845	273845	269845	269845
MY Exports (1000 MT)	1016	1016	1000	1000	1000	1000
TY Exports (1000 MT)	1016	1016	1000	1000	1000	1000
Feed and Residual (1000 MT)	33000	33000	33000	33000	31000	33000
FSI Consumption (1000 MT)	117000	117000	117000	117000	117000	117000
Total Consumption (1000 MT)	150000	150000	150000	150000	148000	150000
Ending Stocks (1000 MT)	127775	127775	122845	122845	120845	118845
Total Distribution (1000 MT)	278791	278791	273845	273845	269845	269845
Yield (MT/HA)	5.9397	5.9397	5.9402	5.9402	5.9746	5.9746
(1000 HA) ,(1000 MT) ,(MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, which for Wheat begins in July for all countries. TY 2026/2027 = July 2026 - June 2027						

Rice

Production

MY2025/26 rough rice production is forecast to increase slightly by 1 MMT due to a stable planted area and higher yields than last year. According to the Heilongjiang Daily, as of May 22, rice transplanting had been completed across the province's state farms, marking the successful completion of spring planting for more than 47 million mu (about 3.13 million hectares) of crops. All crops were planted or transplanted within the optimal growing window, laying a solid foundation for another solid grain harvest this year.

Favorable weather conditions in southern China during the spring, with the absence of late-season cold spells and severe flooding, supported smooth seedling raising and transplanting activities. As a result, early rice planted areas are expected to remain stable this year. In late May and early June, persistent rainfall in many southern regions has slightly delayed crop development, but the overall impact has been limited. Currently, early rice in South China is at the jointing to booting stages, while crops in the middle and lower reaches of the Yangtze River are at the tillering to jointing stages. Overall crop conditions and growth are broadly in line with normal seasonal levels.

Much of southern China is forecast to experience heavy rainfall and frequent severe convective weather in mid-to-late June. Excessive precipitation could lead to waterlogging in low-lying fields. In addition, persistently humid field conditions may increase the risk of disease and pest outbreaks, potentially posing challenges to crop management and yield prospects.

Consumption

MY2026/27 rice consumption is forecast at 147 MMT, 2 MMT higher than Post's prior forecast, based on anticipated greater old stock rice supply for feed use.

Rice consumption for feed depends on old stock rice auctions, low quality new crops, and imported broken rice. Since the last targeted auction concluded in September 2023, rumors of old stock rice auctions have surfaced multiple times without materializing. With significantly fewer imports of both corn and corn substitutes in MY2024/25 and rising corn prices, the government began releasing old stock rice to replenish the market in late May. On May 29, 2026, China reportedly resumed its targeted auction of aged old stock rice inventories after a hiatus of more than two years. The auctions were rumored to include 2.2 MMT of older 2016–2018 rice and 14.7 MMT of relatively newer 2019–2020 rice. Corn processing and compound feed producers with an annual capacity above 100,000 MT are eligible to participate, and purchased rice must be used internally for feed production rather than resold or processed for trade, to reduce government grain stockpiles and stabilize feed supply.

The first auction reportedly offered 1 MMT of Grade 3 and above japonica rice produced between 2019 and 2021 from Heilongjiang, with a starting price of \$221/MT (RMB 1,500). The first auction sold 634,000 MT, resulting in a 63.4 percent sales rate. Demand varied significantly by region: roughly one-third of the offers in eastern China remained unsold, while some offers in western regions attracted premiums of up to RMB 1,600/MT. Based on the rumored auction floor price of \$221/MT (RMB 1,500) for Heilongjiang aged rice, processed brown rice offers only a small price advantage in some regions

and no meaningful advantage in others, significantly reducing its competitiveness against corn. Market rumors also indicate that the 2026 auction program may be held once every two weeks rather than weekly. The additional rice supply may partially reduce corn demand and cap corn prices, although the gradual release schedule should prevent a sharp market decline. By mid-June, cumulative offerings have reached 2.5 MMT and sales totaled 1.8 MMT, resulting in a 71 percent clearance rate, for both feed and ethanol production.

Rice consumption for food will gradually decline mainly due to shrinking population and changing diets. Rice consumption as food has entered its slow seasonal period in summertime as warmer weather reduces household demand, while purchases from restaurants, cafeterias, and other institutional buyers remain subdued. Downstream distributors and retailers are maintaining cautious procurement strategies, purchasing only for immediate needs rather than building inventories. As a result, rice mills are facing rising finished-product inventories and slower sales.

Trade

Post increased its forecast for rice imports in MY2025/26 due to low global rice prices and high inventories in exporting countries. Since the beginning of 2026, international rice prices have continued to decline, supporting continued growth in China's rice imports. During January–April 2026, China imported a cumulative 1.5 MMT of rice, an increase of 63 percent year-on-year, while rice exports reached 581,665 MT, up 66 percent year-on-year. The sharp decline in global rice prices has improved the competitiveness of imported rice in the domestic market, while China's rice exports have also expanded from a relatively low base.

In the first quarter of 2026, rice export prices across major Asian suppliers continued to decline, with Thailand recording the sharpest drop. The downturn reflected a confluence of factors: forecasts of record production and exports, particularly from India, seasonal harvest pressure in countries such as Vietnam, weaker import demand amid trade uncertainties, and logistical disruptions in the Strait of Hormuz that caused additional rice supplies to accumulate in India's domestic market. Meanwhile, Chinese domestic rice prices remained relatively firm, widening the gap with falling international prices and improving the competitiveness of imported rice in the Chinese market.

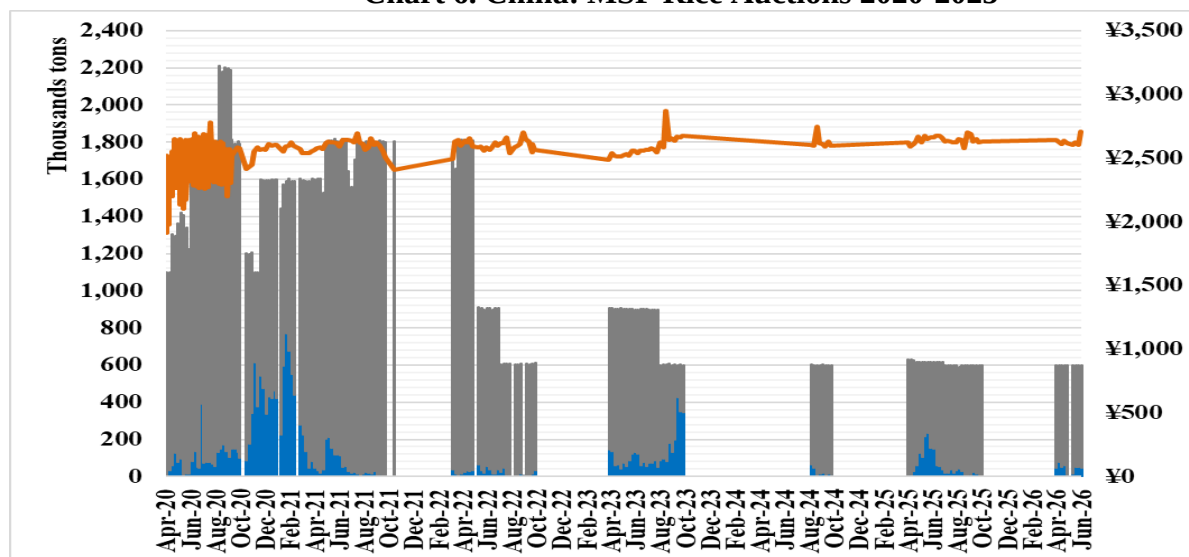
Post forecasts MY2026/27 imports to be 700,000 MT lower than MY2025/26, as export prices among Asia's major rice exporters have shown some divergence but have generally trended higher. Escalating fertilizer and fuel costs linked to geopolitical tensions in the Middle East have increased production expenses and weakened farmers' planting incentives. At the same time, concerns are growing that the anticipated El Niño could reduce rice production in major exporting countries, including India and other parts of Asia, raising fears of tighter global rice supplies. As of May 25, Thailand 5-percent broken rice export prices stood at \$446/MT FOB, up \$17/MT from the previous week. Vietnam 5-percent broken rice export prices rose \$8/MT to \$414/MT FOB. In contrast, India rice export prices edged down \$2/MT to \$344/MT FOB, while Pakistan prices declined \$3/MT to \$349/MT FOB.

China's top export markets in 2026 are Cote d'Ivoire, Cuba, Papua New Guinea, South Korea, and Libya. China's rice exports consist primarily of low-quality or old rice sold at low prices, which helps draw down China's large rice stocks.

Stocks

In the first quarter, the National Grain Trade Center resumed auctions of minimum purchase price rice on March 31, one day earlier than in the previous year. The starting prices for 2022 medium- and late-indica rice, 2024 medium- and late-indica rice, 2022 japonica rice, and 2023 japonica rice were reduced by varying amounts compared with last year. The first auction offered 600,000 MT of rice, including early indica, medium- and late-indica, and japonica rice. Actual sales totaled only 47,600 MT, resulting in a relatively low overall sales rate of 7.91 percent. Transaction prices ranged from \$377/MT (RMB 2,565) to \$413/MT (RMB 2,805), with an average price of \$389/MT (RMB 2,644). Japonica rice, all located in Heilongjiang, accounted for most sales, with 46,200 MT sold and a sales rate of 15 percent. Compared with the first auction last year, japonica rice sales increased significantly, and average prices were modestly higher, indicating stronger demand in Northeast China. In contrast, indica rice sales remained disappointing despite the lower reserve prices. Market participants viewed policy rice prices as still uncompetitive relative to prevailing market conditions, while concerns over the quality of aged stocks and additional withdrawal and logistics costs further reduced processors' willingness to bid.

Chart 6. China: MSP Rice Auctions 2020-2025



Source: China Grain Trade Center

Note: Price spikes that occur yearly in August are likely the result of japonica rice auctions instead of indica rice.

By April 30, 2026, the peak procurement season for mid- and late-season rice came to an end, with cumulative purchases reaching 103 MMT. Market-oriented purchases accounted for more than 90 percent of total procurement, highlighting the dominant role of market forces in rice marketing. Minimum purchase price procurement programs were activated in Heilongjiang, Henan, and Hunan, where government agencies purchased 4.18 MMT of rice under the support mechanism. This volume was 2.92 MMT lower than the previous year, indicating stronger market-based absorption of rice supplies and a reduced need for government intervention this year.

Table 9. China: Rice Production, Supply, and Distribution

Rice, Milled Market Year Begins China	2024/2025		2025/2026		2026/2027	
	Jul 2024		Jul 2025		Jul 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	29007	29007	29000	29000	29000	29000
Beginning Stocks (1000 MT)	103000	103000	104500	104500	105000	105400
Milled Production (1000 MT)	145275	145275	146329	146329	147000	147000
Rough Production (1000 MT)	207536	207536	209041	209041	210000	210000
Milling Rate (.9999) (1000 MT)	7000	7000	7000	7000	7000	7000
MY Imports (1000 MT)	2335	2335	3500	4000	3300	3300
TY Imports (1000 MT)	3102	3102	3500	4000	3300	3300
Total Supply (1000 MT)	250610	250610	254329	254829	255300	255700
MY Exports (1000 MT)	1153	1153	1900	2000	2200	2200
TY Exports (1000 MT)	1725	1725	1900	2000	2200	2200
Consumption and Residual (1000 MT)	144957	144957	147429	147429	145100	147100
Ending Stocks (1000 MT)	104500	104500	105000	105400	108000	106400
Total Distribution (1000 MT)	250610	250610	254329	254829	255300	255700
Yield (Rough) (MT/HA)	7.1547	7.1547	7.2083	7.2083	7.2414	7.2414
(1000 HA) ,(1000 MT) ,(MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2026/2027 = January 2027 - December 2027						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments