

Commodity Intelligence Report

August 29, 2019

China Soybeans: 2019/20 Production at a Record High

China's 2019/20 soybean production is forecast at a record high primarily due to a rise in area planted, which is at a 5-year high. USDA forecasts production at 17 million metric tons (mmt), up 1.1 million from last year. This season's production is roughly 7 percent higher than last year's record crop of 15.9 mmt (Figure 1). Area is forecast at 9.1 million hectares, up 0.7 million or 8.3 percent from last year.

From 2009 to 2015 China's soybean production declined significantly due to substantial area decreases. However, the trend has since turned around beginning in 2016. According to China's National Development and Reform Commission (NDRC), the change is due primarily to farmers' response to the government enactment of strong agricultural support policies including high minimum prices, guaranteed purchases, and production subsidies. In addition, in 2014 the government introduced a series of agricultural policies aimed at managing the domestic corn market, reducing corn inventories, and preventing stockpiles from increasing further. Farmers have significantly expanded soybean area for the past 5 years while decreasing planted corn area (Figures 1, 2).

Yield is forecast at 1.87 tons per hectare (t/ha), down 1 percent from last year, but up 2 percent from the 5-year average of 1.83 t/ha. The year-to-year yield decrease is due primarily to drier-than-normal soil moisture conditions during the early part of the growing season (May-June), especially in the central China plains (Figure 3). These conditions slowed planting and early plant establishment. Overall, however, the 2019/20 season has progressed well across the major soybean growing regions with bumper crops expected. Favorable weather conditions continued to prevail mid-to-late season. Satellite-derived data and other observations indicated that June and July soil moisture ranged from adequate-to-abundant, resulting in favorable crop growth and development. The soybean crop is currently in advanced reproductive-maturity stages, as indicated by crop model indicators.

Harvest typically begins in late September in the North China Plains and in the Northeastern provinces. About 50 percent of China's soybeans are grown in the Northeast provinces of Heilongjiang, Jilin, and Inner Mongolia. Heilongjiang province alone accounts for about 40 percent of the national soybean output. Other major provinces include Anhui, Henan, and Shandong (Figure 4).

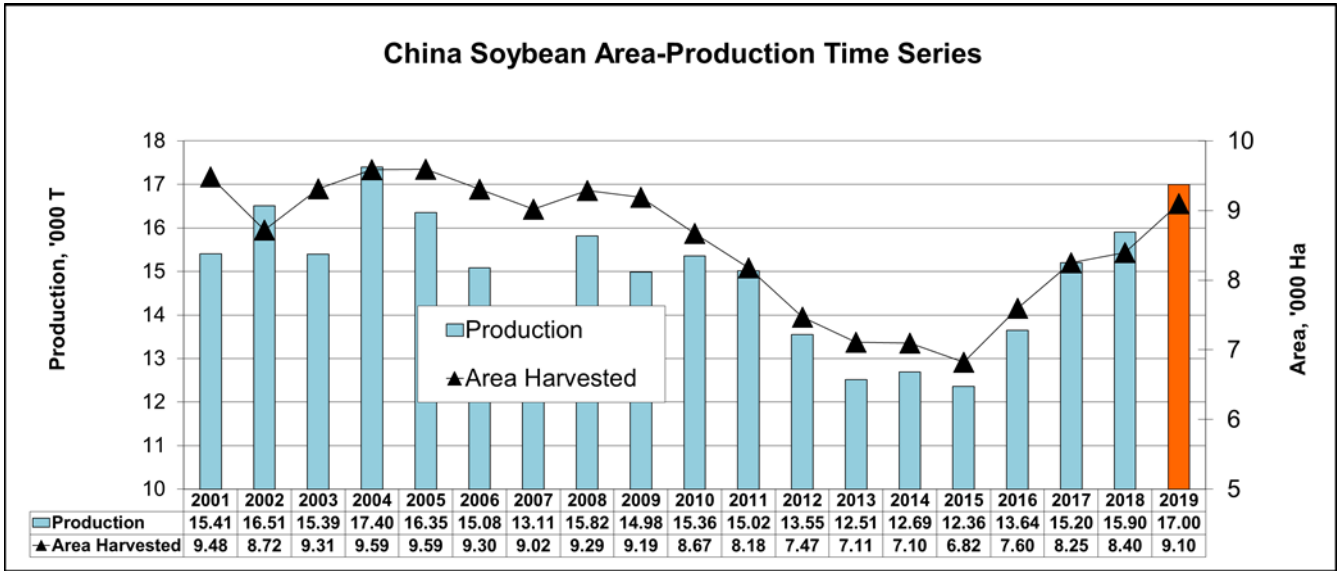


Figure 1: China's soybean area and production

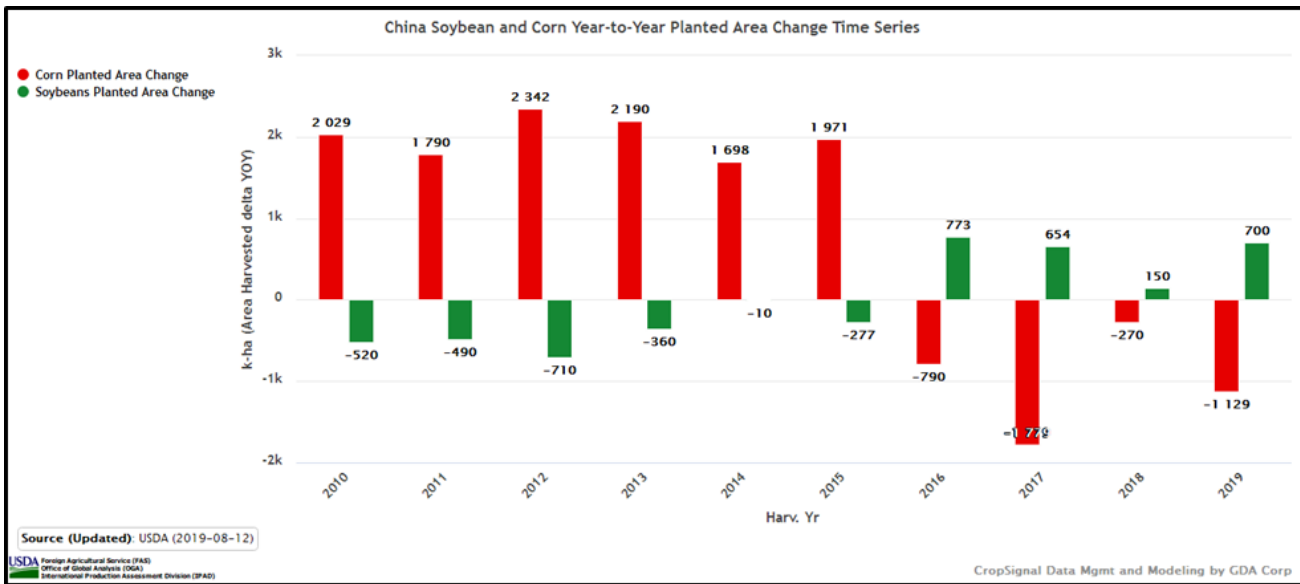


Figure 2: China's soybean and corn area year-to-year change

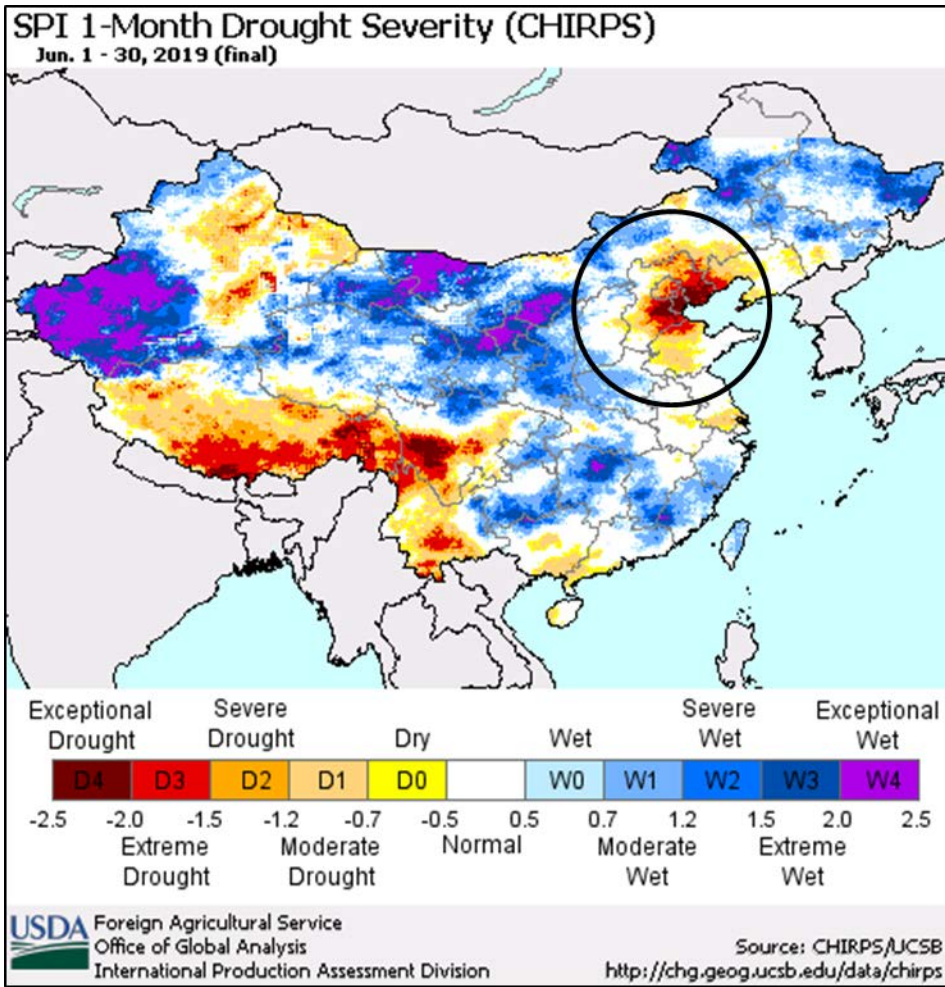
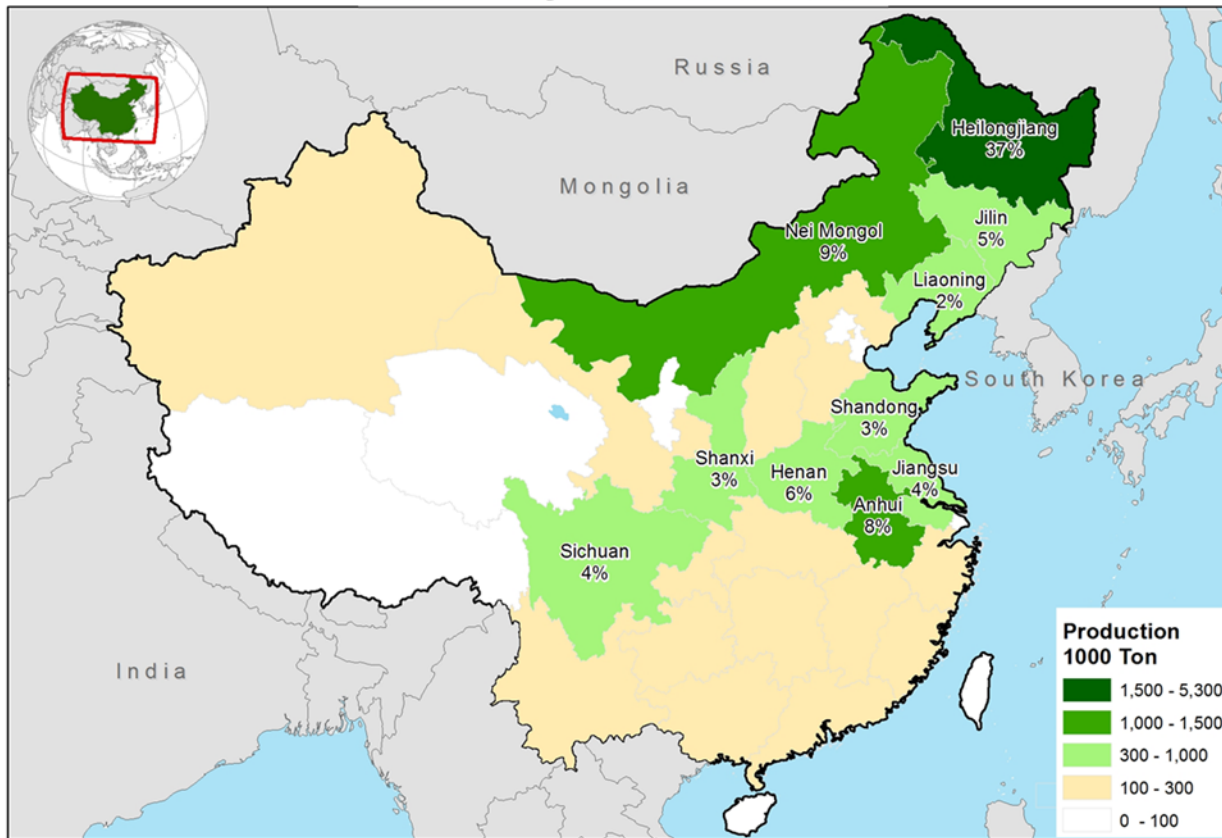


Figure 3: Central China plains experienced drier-than-normal soil moisture conditions in June.

China: Soybean Production



Source: National Bureau of Statistics of China (data excluding Taiwan)
Average Crop Production 2010-2014

Foreign Agriculture Service
Office of Global Analysis
International Production Assessment Division

Figure 4: China's soybean production provinces

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Current area and production estimates for grains and other agricultural commodities are available on IPAD's Agricultural Production page:

[Crop Explorer https://ipad.fas.usda.gov/cropexplorer/](https://ipad.fas.usda.gov/cropexplorer/) or

Production, Supply and Distribution Database (PSD Online):

<http://apps.fas.usda.gov/psdonline/psdHome.aspx>

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