

**Voluntary Report** – Voluntary - Public Distribution

**Date:** May 27, 2022

**Report Number:** CH2022-0067

**Report Name:** Spanish-origin alfalfa hay pellets dominate Chinese consumption

**Country:** China - People's Republic of

**Post:** Guangzhou ATO

**Report Category:** SP1 - Expand International Marketing Opportunities, Agricultural Situation, Competitor, Market Development Reports, Market Promotion/Competition

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**Report Highlights:**

In 2021, Chinese imports of alfalfa pellets hit record levels of 52,254 metric tons (MT) and \$13.66 million by value, increases of 62 percent and 70 percent respectively. The market is dominated by Spanish-origin pellets. This report provides information about the market for alfalfa pellets in China and Spanish competition in the sector.

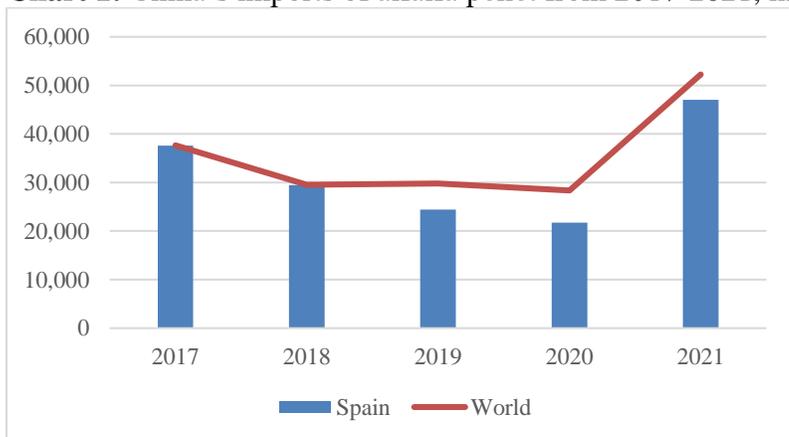
## Chinese demand grows

Swine farms are increasingly using alfalfa pellets as feed for pregnant sows, following research, described below, by the Spanish forage industry. Large farms with capital for good feed see alfalfa pellets are a desirable choice.

In 2021, Chinese imports of alfalfa pellets (HS code: 1214.10) hit record levels - 52,254 metric tons (MT) and \$13.66 million, increases of 62 percent and 70 percent, respectively. (Chart 1) Alfalfa pellets from Spain dominate the Chinese market, accounting for 90 percent market share valued at \$12.23 million (47,027 MT). (Chart 2)

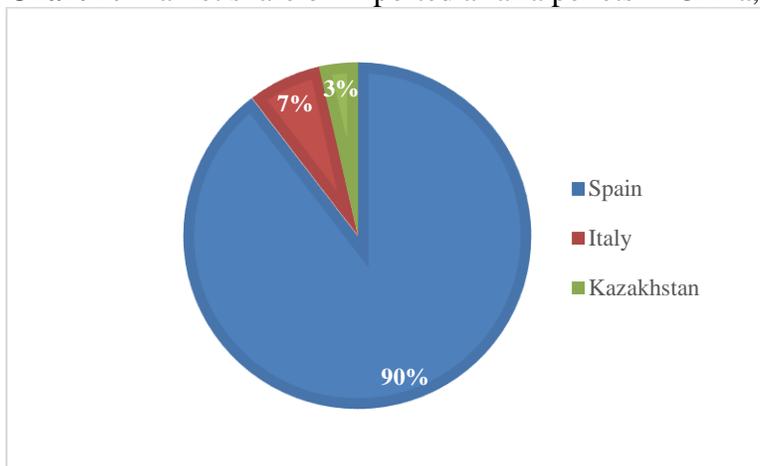
Chinese demand for alfalfa pellets continues to climb. From January to March 2022, Chinese imports reached 13,835 MT, an increase of 73 percent over the same period in 2021. While Spain still dominated with over 85 percent of market share, Italian alfalfa pellet exports to China grew to 2,034 MT in January – March 2022, an increase of 859 percent year-on-year, driven by Chinese demand.

**Chart 1:** China's imports of alfalfa pellet from 2017-2021, in metric tons



Source: China Customs data by Trade Data Monitor

**Chart 2:** Market share of imported alfalfa pellets in China, 2021



Source: China Customs data by Trade Data Monitor

China is the third largest market for Spanish alfalfa pellets, and accounts for 11 percent of purchases. Saudi Arabia is Spain's largest buyer (35 percent) and France the second largest buyer (16 percent).

China's imported hay market still has potential to grow. In February 2022, China's government announced its [14<sup>th</sup> 5-Year \(2021-2025\) Plan for National Feed Hay Industry Development](#), which states that China has a 50 million MT shortage of good quality forage.

### **Spanish pellets compete in China**

The Spanish Association of Dehydrated Alfalfa Manufacturers (La Asociación Española de Fabricantes de Alfalfa Deshidratada, referred to as AEFE) invests in market promotion in China. The Association manages a website ([xibanyamuxu.com](http://xibanyamuxu.com)) and a WeChat social media account to promote hay products in Chinese.

On its website, AEFE introduces the Hehan University of Agriculture's feed trials featuring sow hog and piglet feed with alfalfa leaf meal. These feed trials indicate that alfalfa feed can help sows improve their reproductive performance and reduce gestation problems, and also help the weaning piglet improve digestion and reduce diarrhea.

Made from the 2021 hay crop, Spanish alfalfa pellets with 14 percent crude protein were priced at around RMB2,500 (\$391) per MT in China and mostly used for hog feed. Pellet stocks are now reportedly running low. Alfalfa with a higher protein content is more beneficial to hogs health and reproduction and therefore more desirable. In China, some feed suppliers have pelletized imported baled U.S. alfalfa hay with 20 percent protein content for swine and pet food; these pellets are priced at around RMB4,000 (\$625) per MT.

Industry importers the new crop of Spanish-origin baled alfalfa is priced at \$454-475 per MT for the Chinese market, 26 percent higher than \$306-378 in 2021. As a result, alfalfa pellet prices will also increase.

### **Status of U.S. alfalfa pellets**

Currently, there are 12 U.S. hay facilities from Washington, Idaho, California, and Utah eligible to export alfalfa pellet (and cube) to China. As comparison, 53 Spanish and 19 Italian facilities are registered to export alfalfa pellets to China. Since gaining market access in early 2020, U.S. alfalfa pellets have not been exported to China.

For more information on alfalfa hay pellets and cubes, and other forages, please see other FAS China GAIN reports: [China: New to Market Product Report - Alfalfa Hay Pellets and Cubes](#) (July 2, 2020) and [China: Market Overview - Alfalfa Hay and Other Forages](#) (December 6, 2021).

**Helpful resources:**

Marketing report on alfalfa pellet: [China: New to Market Product Report - Alfalfa Hay Pellets and Cubes](#) (Date: July 2, 2020)

Marketing report on alfalfa hay and other forages: [China: Market Overview - Alfalfa Hay and Other Forages](#) (Date: December 6, 2021)

China's governmental policy: [China's MARA 14th 5-Year Plan for National Feed Hay Industry Development](#) (in Chinese, Date: February 16, 2022)

[The list of approved overseas hay facilities](#) by China's General Administration of Customs (in Chinese, Date: November 11, 2021)

**Attachments:**

No Attachments.