



## Principles and targets of 12th 5 year plan

- **Making balance in between supply and demand of animal products in domestic market;**
- **Restructure production system, encourage increasing farm size with adapting standard management;**
- **Enhance food safety and quality;**
- **Promote environment friendly production model-combine animal production with agriculture;**
- **Encourage innovation and practice in the field;**
- **Re-balancing animal production sectors, encourage higher efficient industry, like poultry and dairy cow; stabilize and consolidate pig industry.**

## Key words of the plan

- Self-sufficiency;
- Restructure;
- Food safety;
- Environment friendly;
- Innovation and practice;

## Content

- 1, Figure and fact of China pig industry;**
- 2, Challenge and opportunities;**
- 3, Development trend and prospective;**
- 4, Summarize**

Since 2009,  
CAAA publishes  
annual report of  
pig industry  
development in  
China.  
Now, there are 2  
publications.

## 2008中国养猪业年度报告 及2009年发展预测

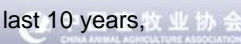
2008 ANNUAL REPORT AND 2009 FORECAST  
OF CHINA'S PIG INDUSTRY DEVELOPMENT



### 2000-2010, population, pig meat output, import & export, per capita consumption estimation

Year	Pork output 10,000 T	Import 10,000 T	Export 10,000 T	Diff E/I 10,000 T	Apparent consumption 10,000 T	Per capita kg/p/y	per capita/day Gram/p/d	Population 100 Million
2000	3966	23.6	11.2	-12.4	3978.4	31.40	86.03	12.67
2001	4051	20.4	17.2	-3.2	4054.2	31.77	87.05	12.76
2002	4123	22	23.6	1.6	4121.4	32.07	87.87	12.85
2003	4238	31.2	30.5	-0.7	4238.7	32.61	89.33	12.92
2004	4341	29.1	41.5	12.4	4328.6	33.09	90.67	13
2005	4555	20	38.6	18.6	4536.4	34.52	94.59	13.08
2006	4650	22	41.9	19.9	4630.1	35.05	96.03	13.14
2007	4288	47.3	26.9	-20.4	4308.4	32.44	88.88	13.21
2008	4620	91.4	17.1	-74.3	4694.3	35.14	96.27	13.28
2009	4889	52.8	17.7	-35.1	4924.1	36.86	100.98	13.36
2010	5070	90.2	18.6	-71.6	5141.6	38.28	104.89	13.43

There 20.5% increased of pork per capita consumption made in last 10 years  
With 1.9% average annual growth.



## □ Pig slaughtered from 2000-2010

There are total 667 million heads slaughtered, with 3.4% increased.



Date resource: MOA

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## □ Pork output from 2000-2010

In the year of 2009, pork output reached 50.7 million tons, with 3.7% increasing.

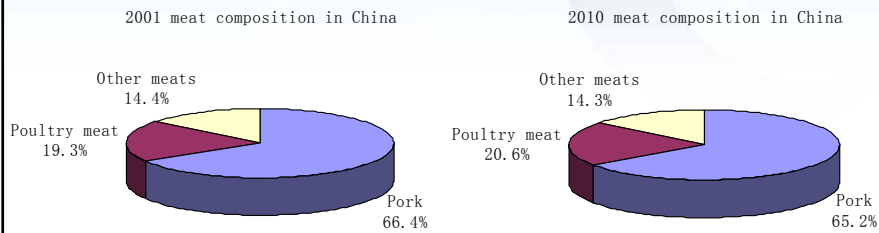


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## □ Diversifying meat output composition

Pork still dominates the meat market, but poultry meat build up solid position as being the best alternative meat of pork



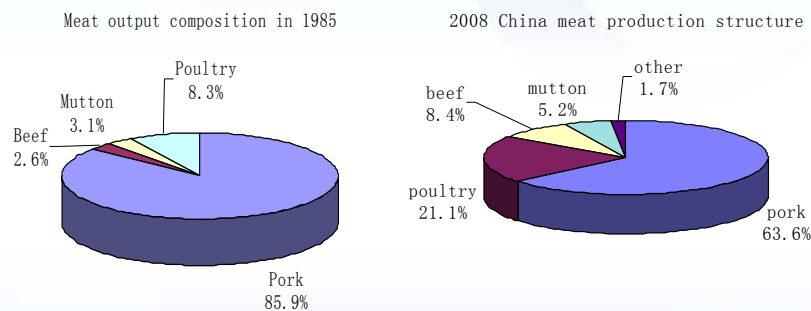
Pork: -1.2 points; Poultry meat: +1.3 points

Data resource: NBS

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## □ Diversifying meat output composition

Pork still dominates the meat market, but poultry meat build up solid position as being the best alternative meat of pork



Pork: -22.3 points; Poultry meat: +12.8 points  
Beef: +5.8 points; Mutton: +2.2 points

Data resource: NBS

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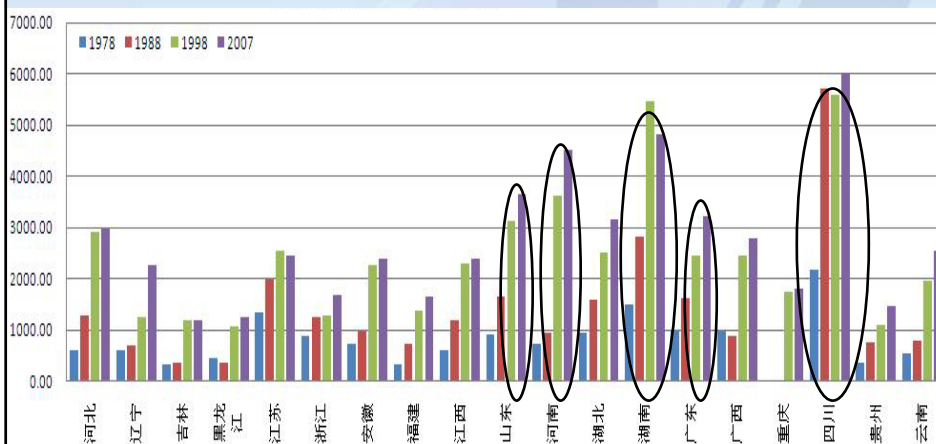
## □ Pork is the most favorite meat of Chinese

### Per Capita Consumption

	2006	2007	2008	2009	2010 Oct	2010 Apr
HongKong	60.4	61.5	65	68.5	65.4	68.6
Belarus	40.8	39.1	44.9	42	43.2	42.7
Taiwan	40.7	40.5	41.2	42.1	41.8	42.3
EU-27	42.1	43.9	42.8	42.1	42.2	41.9
China	35	32.3	34.9	36.4	37.3	37.5
Switzerland	34	34.7	36.7	35.5	35.8	35.7
Korea,South	29.5	31.1	31.4	30.5	29.4	30.8
United States	29	29.8	29	29.3	27.7	27.6
Norway	24.7	27.7	27.3	27.3	26.9	26.9
Canada	25.2	26.6	25.5	25.1	22.7	25

Date resource: USDA

## □ No. of reproductive sows in past 3 decades

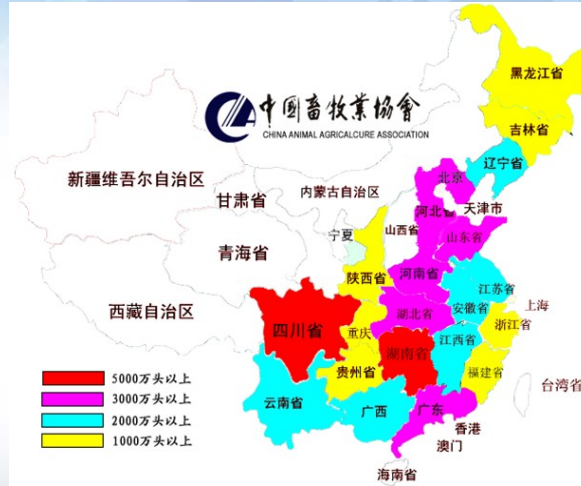


Date resource: MOA

## □ Geographic distribution of pig production

- In general, pig production areas are concentrated in Yangtze river area 42.6%, North of China 22.5%, and Southeast costal area 16.8%.

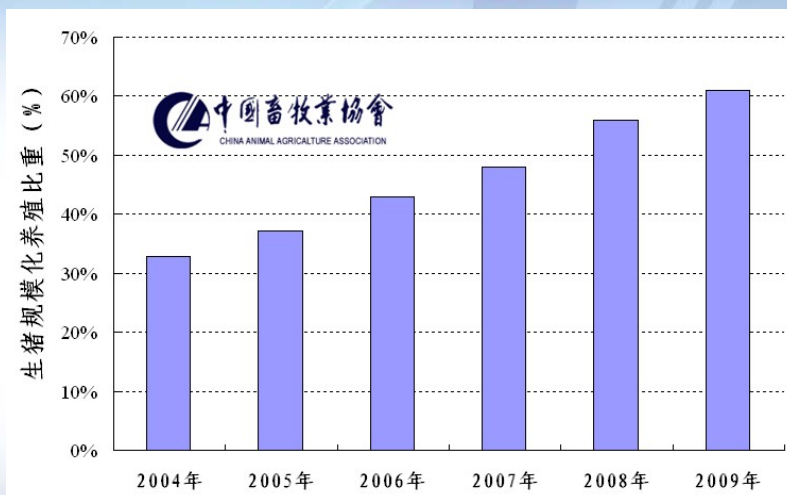
- In 2007, there 92% in total output are produced by 12 main pig production provinces (yearly output exceeds 20 million heads).



Date resource: MOA

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## □ Farm size increased steadily

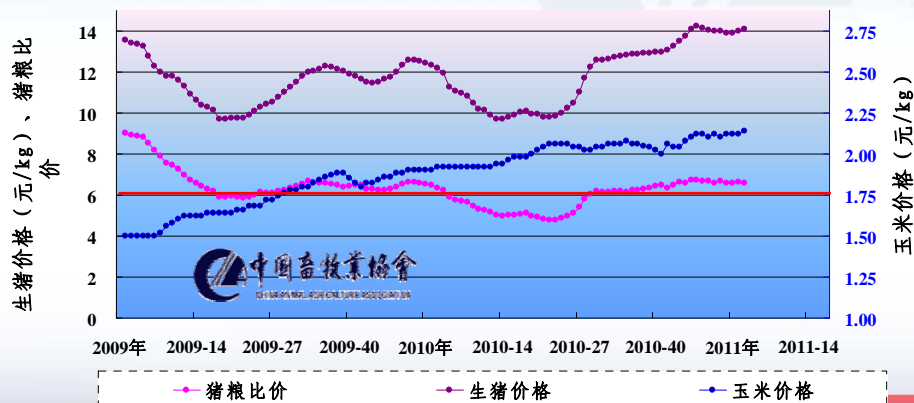


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## Market price of live hog, corn and H/C ratio

2009-2011 Live pig, corn price



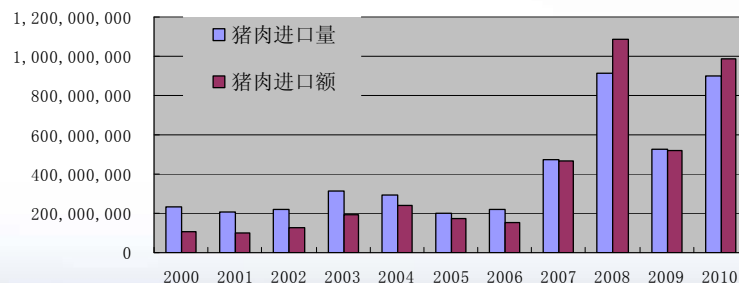
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## Import and export of pork and breeding pigs

- There are less than 3,000 breeding pigs imported in 2010;
- China imported 200,000 tons of pork and 700,000 tons of by products in 2010, with 47.8% and 78.8% increasing respectively.

2000-2010年猪肉进口情况



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- 1, Figure and fact of China pig industry;
- 2, **Challenge and opportunities;**
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## Challenges and opportunities

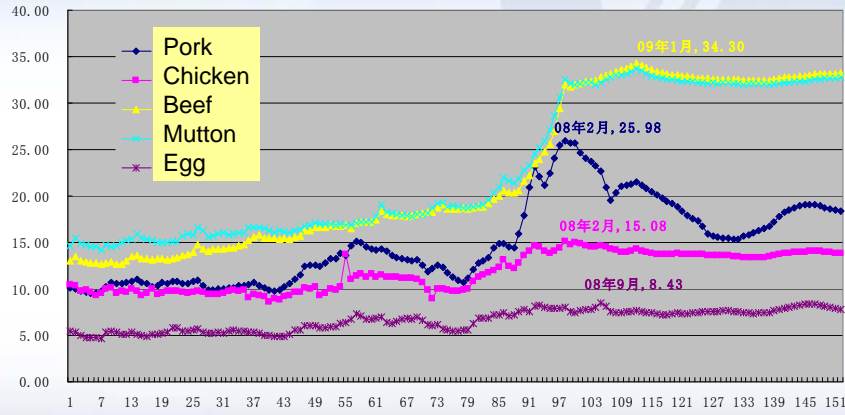
### 1, Consumption growth will slow down

- Per capita consumption already 38.6kg/p/yr;
- Food safety scandal impacts on consumption;
- Vegetarian for health and climate change concern is initiating and keep growing;

**Strengthen consumption study and guide consumers to go for a health way; keep communication with consumers; handling the scandal of food safety.**

## □ The reasonable of meat price structure has formed

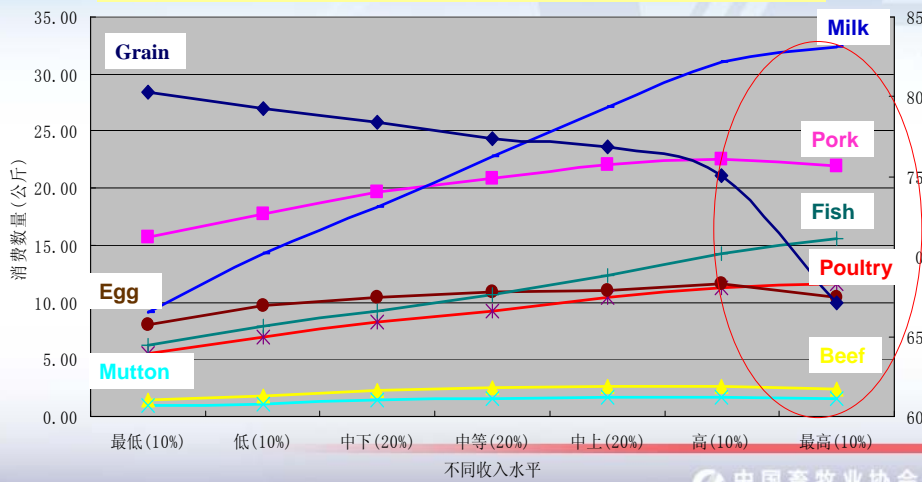
Meat and egg weekly price from 2000-2009



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## □ Income drives more meat consumption

Food consumption pattern according to income classes

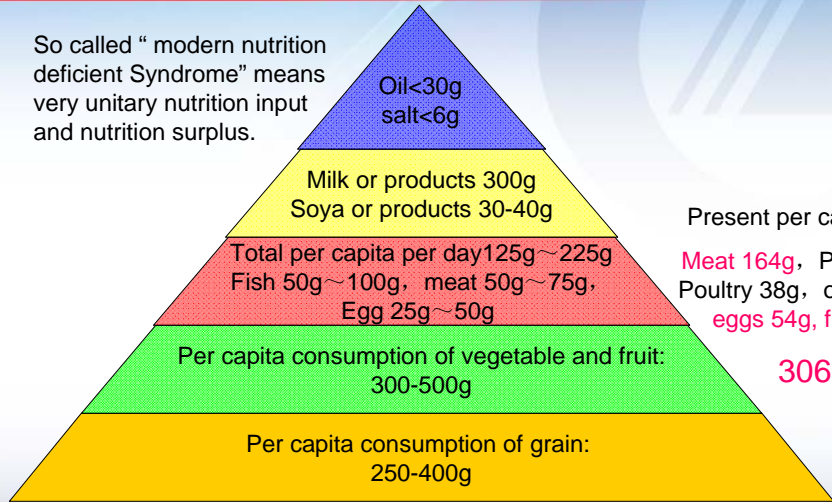


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# “ Dietary pyramid” made by MOH

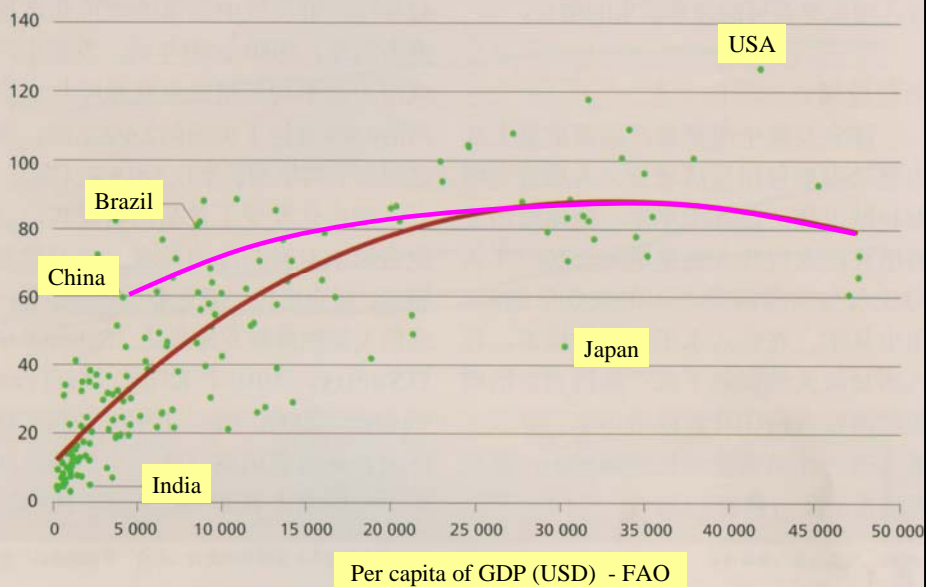
So called “ modern nutrition deficient Syndrome” means very unitary nutrition input and nutrition surplus.



Present per capita / day  
**Meat 164g, Pork 101g, Poultry 38g, other 25g, eggs 54g, fish 88g,**  
**306g**

## Meat consumption trend according to per capita GDP

Per capita consumption of meat Kg/p



## Communication with customers on internet “healthy food, healthy life”



## Challenges and opportunities

### 2, Environment protection and climate change

- Animal production is facing more strictly restriction in some area due to environment protection;
- Total production cost will increase;
- Bio energy projects is finding it's space to develop;

**Pay more attention, make preparation, start to practice.**

## Challenges and opportunities

Premier Wen committed in Copenhagen world climate conference that China will reduce GHG emission 45% till to 2020 at the basis of 2005.



## Challenges and opportunities

### 3, Food safety

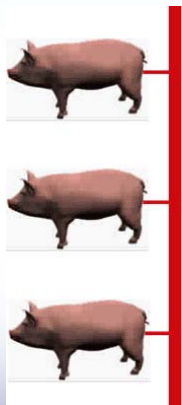
- Shock the confidence of consumers;
- It is the basic right for all people in different classes to have safe food;

**Law and regulations, surveillance, trucking and tracing, communication with consumers.**

## Food safety

Still called swine flu (UK,2009,11)

- **Clenobuterol residuals**



1998 May, HK

2006, Shanghai

2009 Feb, Guangzhou



Nice color of meat after using Clenobuterol



## Challenges and opportunities

### 4, technical improvement is the best way to deal with resources limitation

- Facing resources limitation will be the long term situation;
- Poor technical management makes large waste;

**Strengthen R&D, promote new technologies,  
Improve management.**

## Improvement productivity and consequence the feed saving

	Sow reduction Million heads	Save feed Million Tons	Save corn Million Tons
2 pigs more to 15 heads/sow/yr	6.7	6.7	4
7 pigs more to 20 heads/sow/yr	17.5	17.5	10.5
13 pigs more to 26 heads/sow/yr	25	25	15

## Content

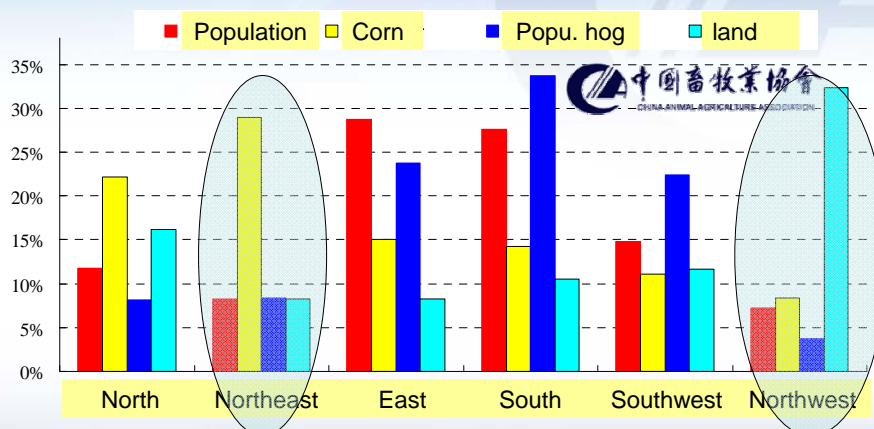
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## Development goal in next 10 years

Keep on the present per capita consumption, 105 grams/day.  
The increment of pork just matches the population increasing.

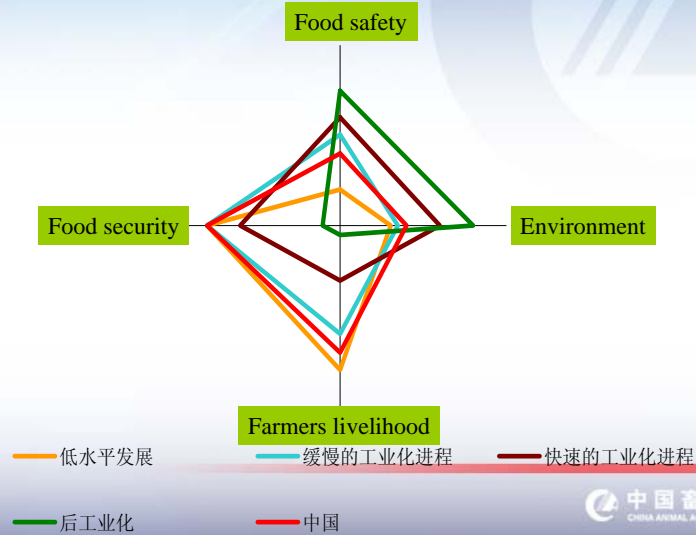
Yr	per capita	Popu	Appr. consumption	Dome. output	hogs	carcass wgt
	grams/p/d	Bio	Million T	Mio T	mio Head	kg/h
2005	95.0	1.308	45.4	45.6	603.3	75.5
2008	96.8	1.328	46.9	46.2	612.0	75.5
2010	105.0	1.343	51.5	50.7	667.1	76.0
2015	105.0	1.378	52.8	52.6	657.6	80.0
2020	105.0	1.413	54.2	54.0	658.0	82.0

## Possibility of production area relocation



## Balance policy for pig industry development

资料来源：FAO/中国畜牧业协会



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## Summary

- In general, China played net importer of pork, but small amount in total output, and mainly the by-products. So, the self-sufficiency is not really the case;
- Consumption of pork will slow down the growth, consequently, the production growth will slow down as well, but will keep growing steadily;
- Food safety and environment protection is the biggest challenge and most concern of the industry together with consumers;
- Technical improvement will help a lot to overcome the difficulties of resources limitation;

## Summary

- Capital invest, technology transferring, training program, whole production chain operation and management, are the areas of which foreign companies could find their opportunities in China;
- Young generation will keep increasing pork consumption, but mainly meat, not offal;
- Consumer in rural area will increase pork consumption as income growth; on the other hand, people live in urban area will reduce pork consumption slowly, due to health concern and chose more alternative meat, like poultry meat and fish.



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**Thanks for your attention!**

**谢谢关注!**