



Pig special focus: China

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Largest pig producer

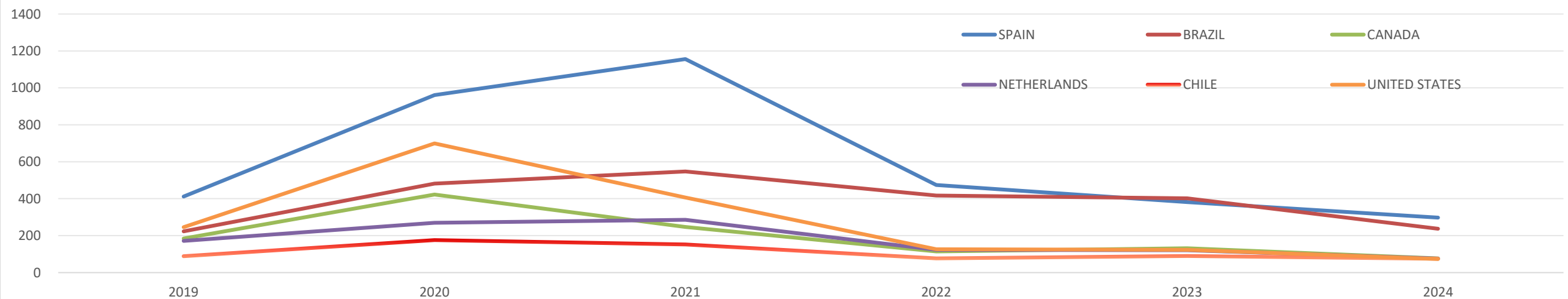
China currently holds the position as the world's largest pork producer, accounting for approximately 46.5% of global output with an annual production exceeding 57 million metric tons.

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From 1st to 3rd pork importer

Simultaneously, it remains the one of biggest pork importer (3rd in 2024, following Mexico and Italy), sourcing over 1 million tons annually. Major suppliers included the EU, United States, and Brazil, and Brazil became the top 2nd exporter.

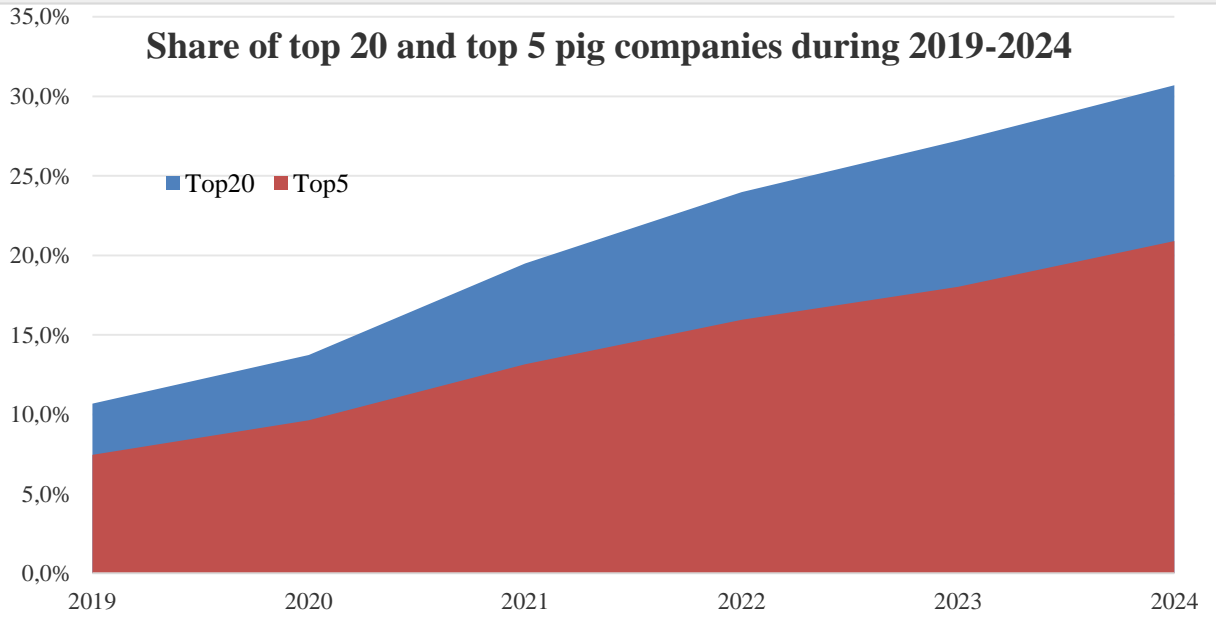
Top 6 pork exporter of China during 2019-24 (1000, tons)



Rapid seating up and high concentration by top pig producers

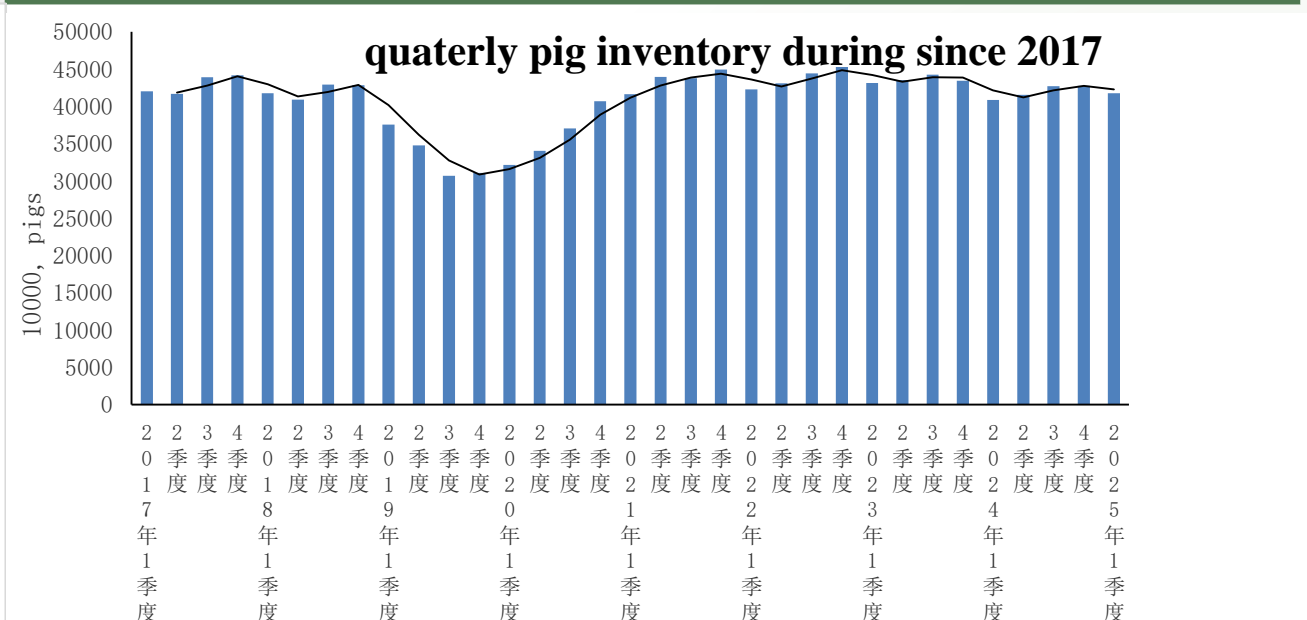


The industry has witnessed a decisive shift toward consolidated, large-scale operations since 2018, with the government actively promoting modernization through subsidies, loans and land incentives.



Rapid herd rebound after ASF

Following ASF outbreak that decimated nearly 40% of the national herd between 2018-2020, China's hog inventory rebounded to pre-crisis levels by the second quarter of 2021 through aggressive repopulation programs. This recovery involved strict biosecurity protocols, genetic improvement initiatives, and vertical integration models adopted by leading producers like Muyuan Foods and Wens Group and the production cost also decreased to below 14 Yuan/Kg.



The altered global trade landscape has significantly impacted China's pork industry.

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Trade Diversification: Due to geopolitical tensions (e.g., U.S.-China trade war, tariff at 37% before Feb 2025), China shifted some imports from the U.S., Canada, to Brazil and Russia.

02

Focused on the production cost reduction for Soybean & Corn Dependency : China imports ~80% of its soybeans (mainly from Brazil, U.S., Argentina) and ~3% of its corn (from U.S., Ukraine, Brazil) for feed. The feed prices, squeezing pig farmers' margins, and china's pig production focused on dopting precision feeding and genetically improved pigs.

03

Rebuilding Domestic Herds and mantain the production stabiility: The government incentivized rapid restocking, leading to overcapacity in 2021 and 2023, which later caused price crashes and New regulation of sow inventory have kept the sow inventroy stable.

Which changes in the last 2 years had the biggest positive / negative impact on the beef sector in your country?

- 2023 marked a turning point for the beef industry's downward trend, under the challenges for supply surpassing demand for Economic Slowdown & Weak Consumer Spending, High Production Costs.
- The cattle industry experienced negative margins 2 years in row. The beef output in 2024 reached 7.79 million tons, at an increase rate of 8.5% compared to 2022. The average annual live cattle prices in 2024 decreased by 26.8%, compared to 2022.
- China remains the world's largest beef importer, and high import showed pressures on beef price rebounding, which shared 50% the beef demand for the processing and catering sector.
- Increased self-sufficiency efforts to improve the production stability and quality by government subsidies for scale beef farms, genetics and breeding improvements to boost productivity.,

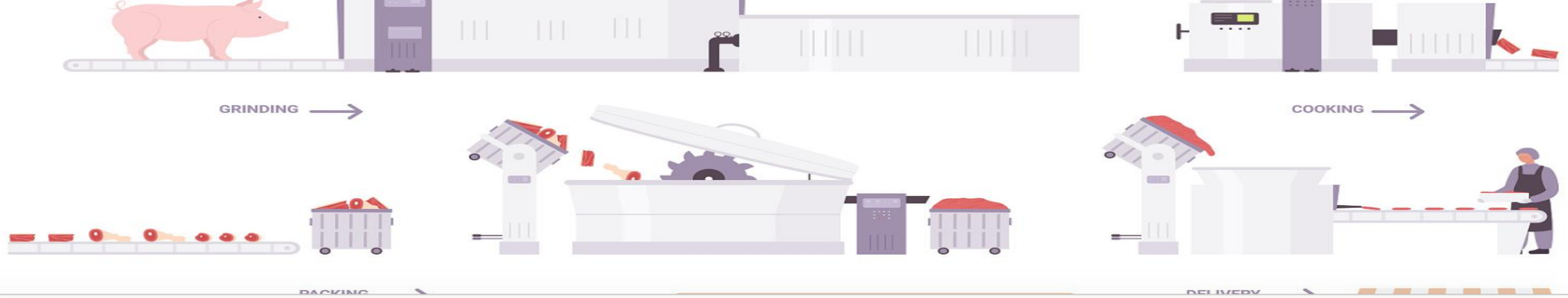
In the next 10 years China will maintain supply stability and improve quality

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Over the next decade, the pork demand has showed the turning point, after reaching the climax in 2023, with decreased population, dietary diversification, for high quality pork at affordable price.

02

China's pig sector will likely be more focused on sustainable high quality development and undergo structural transformation driven by four interconnected forces: precision farming adoption, environmental compliance pressures, supply chain reconfiguration, and protein diversification strategies.



03 Vertical integration will accelerate as leading players like Muyuan and Wen's build closed-loop systems spanning feed mills, breeding centers, and blockchain-tracked distribution networks. Concurrently, 30-40% of smallholder farms might transition to contract farming models under cooperatives to meet tightened wastewater recycling standards.

04 The future pork import will be significantly decreased to the quantity before ASF under the precondition of efficient disease control.

The biggest risks for Chinese pig production



Disease risks , Feed dependence , High concentration, Seperation of pig and crop farming

1. The Chinese pig production sector faces primary risk around disease vulnerabilities. African Swine Fever (ASF) remains the biggest challenge.

2. Feed Supply Vulnerability (Soybean & Corn Dependence) , if Feed costs (~70% of production expenses) spiked, making pig farming unprofitable.

3. Market Monopoly & Price Manipulation Risks, which bring the Oligopoly Pricing Power, Government intervention risks (price caps, anti-monopoly probes), Small Farmer Collapse, Rural employment, Supply Chain Vulnerabilities, Single-point failures.

4. Industrialized pig farming, which has led to a geographical and operational separation of pig production from crop farming.

1. Enhance biosafety by pig farm scaling up, raising awareness , cooperation along the supply chain among the family farm, pig company, slaughter house.

2. Improve the feeding and sow efficiency, domestic protein source alternatives

3. Regulation on the leading companies expansion speed and set the capacity target.

4. Strengthen policies linking pig farms to cropland



THANKS

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