The invisible enemies
ASF and Corona changing animal husbandry

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The biggest problem one year ago???
AFRICAN SWINE FEVER !!!
• **African Swine fever is not dangerous for human**

• **Eating infected meat is not harmful**

• **It is not a food safety concern**
Short Overview

- First case of ASF in China was on 3 August 2018
- Until now still new outbreaks
- It spread over the whole country
- Approx. 35% of pigs in China were culled or died
- Before ASF pork consumption was 40 kg/person/year
- Total meat consumption was 64 kg/person/year
Figure 1: Chinese meat consumption has dropped significantly since 2018

ASF affected mainly small backyard farms
Bigger farms survived:

better hygiene
better biosecurity
better management
Production per sow average in China was approx. 20-22 PSY.

Production will go up to 24-26 PSW.
What we saw happening:

1. Price went up
2. Consumption of pork went down
3. Shortage of sows
4. Pigs were slaughtered at heavier bodyweight
5. China want to buy breeding animals world wide
6. China started to import more pork
7. Chinese government released port from state reserves
8. Pork prices went up worldwide
Pork prices, income levels had historically little influence on consumption.

Figure 2: Price elasticity of pork consumption, Jan 2011–Jul 2019

Source: MARA, Rabobank 2020
But prices were so high that pork got a strong price elasticity. Turning point was about 30 rmb/kg.

Figure 3: Price elasticity of pork consumption, Aug 2019–Jul 2020

Source: MARA, Rabobank 2020
But *why did production per sow did not go up***??

Fattening pigs were kept for breeding!!!
Was there a substitute for pork?

1. Poultry meat
   1. Cheaper
   2. Easier to prepare

There used to be a strong price correlation between poultry and pork. Although it was influenced by another virus (H5N1) what influenced consumer trust in poultry meat.
Beginning of 2020 Corona Virus hit China

Big impact on food service, fast food, dining out and wet markets.
As a result poultry prices did not follow any more the pork prices. Slight oversupply of white broiler meat.

Yellow broiler market suffered much more than white broiler market.
Was there a substitute for pork?

1. Beef
   1. In the past beef was too expensive compared to pork
   2. Now almost same price as pork

Initially beef prices showed little correlation to pork prices.

After July 2019 beef prices went up together with pork prices resulting in shortage of beef.

But still a growing alternative for home cooking
Import of meat in China

There has always been import of pork in China.

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<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020*</th>
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<tbody>
<tr>
<td>Pork</td>
<td>1,22</td>
<td>1,19</td>
<td>2,11</td>
<td>4,75</td>
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<td>Beef</td>
<td>0,695</td>
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<td></td>
<td></td>
<td></td>
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<td>(estimated)</td>
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<tr>
<td>Poultry</td>
<td>0,425</td>
<td>0,505</td>
<td>0,797</td>
<td>0,760</td>
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</tbody>
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in million tons
* In first 6 months
Recently China cut back on its approved list of meat importers
As a result of
   1. Corona virus detected on imported meat
   2. Corona infections in slaughterhouses

Despite the fact that there is no scientific proof that the coronavirus can be transmitted via food.

As a result prices of meat in China went up again!
And went down in rest of the world.
Thanks for your attention.