

# INDUSTRY NEWS

China Livestock | Animal Health | Animal Nutrition

## First half of 2023 total feed production reached 149.3 million tonnes

The national feed production was 26.29 million tonnes in June, with a YoY increase of 9.6% from the same period of 2022.

The total feed production was 149.3 million tonnes in the first half of 2023, with a YoY increase of 7.0% from the same period of 2022, including 138.66 million tonnes compound feed, 3.36 million tonnes premix feed and 6.67 million tonnes concentrate feed.

In July, the price of compound feed for fattening pigs was approximately 3.87 CNY/kg, down 2.0% from the previous month, and slight increase YoY. The price of compound feed for broilers was 4.02 CNY/kg, down 1.0% from the previous month and increased 6% YoY. The price of layer compound feed for layer was 3.72 CNY/kg, down 1% from the previous month and increased 5% YoY. (Source: China Feed Industry Association, 18<sup>th</sup> July 2023)

## China's Q2 pork output highest in a decade

China's second-quarter pork output rose 4.6% from a year earlier to 14.4 million tonnes, the highest in at least a decade for the period. China's pork output in the first half of 2023 rose 3.2% from a year earlier to 30.3 million tonnes.

At the end of the second quarter, the sow inventory was 42.96 million heads, with a YoY increase of 0.5%. The pig inventory was 435.17 million heads, with a YoY increase of 1.1%.

In the first half of 2023, the pig production was 375.48 million heads, with a YoY increase of 2.6%.

In June, the pig grain ratio was 5.08, with a month on month decrease of 1.7% and a YoY decrease of 12.7%. The cost per head of backyard and scaled pig farms was CNY 2,227 and CNY 2,153 respectively, with a YoY increase of 5.7% and 7.5% respectively.

In June, the net profit per head of backyard and scaled pig farms was CNY -367 and CNY -196 respectively, with a YoY decrease of 1,447.4% and 205.2% respectively. (Source: MARA, 26<sup>th</sup> July 2023)





## Meat imports to China reached 3.81 millions tonnes in the first half of 2023

China imported 3.81 million tonnes of meat (including offal) in the first half of 2023, with a value of 14.27 USD billion, a YoY increase of 10.2% in volume and 2.1% in value.

**Pork (including offal)** was imports 1.53 million tonnes in the first half year, with a value of 3.84 USD billion, a YoY increase of 12.9% in volume and 31.2% in value.

**Poultry meat** imports was 387,929 tonnes in the first half of 2023, with a value of 0.94 USD billion, a YoY increase of 22.2% in volume and 36.0% in value.

**Beef** imports was 1.23 million tonnes in the first half of 2023, with a value of USD 6.62 billion, a YoY increase of 6.8% in volume and a decrease of 12.6% in value.

**Lamb** imports was 233,883 tonnes in the first half year, with a value of USD 1.01 billion, a YoY increase of 23.7% in volume and decrease 13.7% in value.

In our view, given the lower pork price, perhaps some of this pork is going into the storage rather than going into the market. (Source: China Custom, 21<sup>st</sup> July, 2023)

## China June soybean imports up 25% on year

China imported 10.27 million tonnes of soybeans in June, up 24.5% from a year earlier. Brazil is still the largest supplier, China imported 9.53 million tonnes of soybeans from Brazil in June, a decrease of 12.84% month-on-month and a YoY increase of 31.72%. U.S. is the second largest supplier, China imported 527,823 tonnes of soybeans from U.S. in June, a decrease of 44.14% month-on-month and a YoY decrease of 31.72%.

The import volume were significantly lower than the record 12.02 million tonnes in May, but still among one of the largest monthly numbers on record.

A surge in soybean arrivals at Chinese ports in recent months comes after buyers in China bought up cheap supplies from Brazil, which has produced a record crop this year.

Imports were relatively low in late 2022 and buyers had expected rising demand from farmers after China's re-opening from strict measures to rein in COVID-19.

However, pig farmers have lost money since the start of the year, which hurt the soymeal demand.

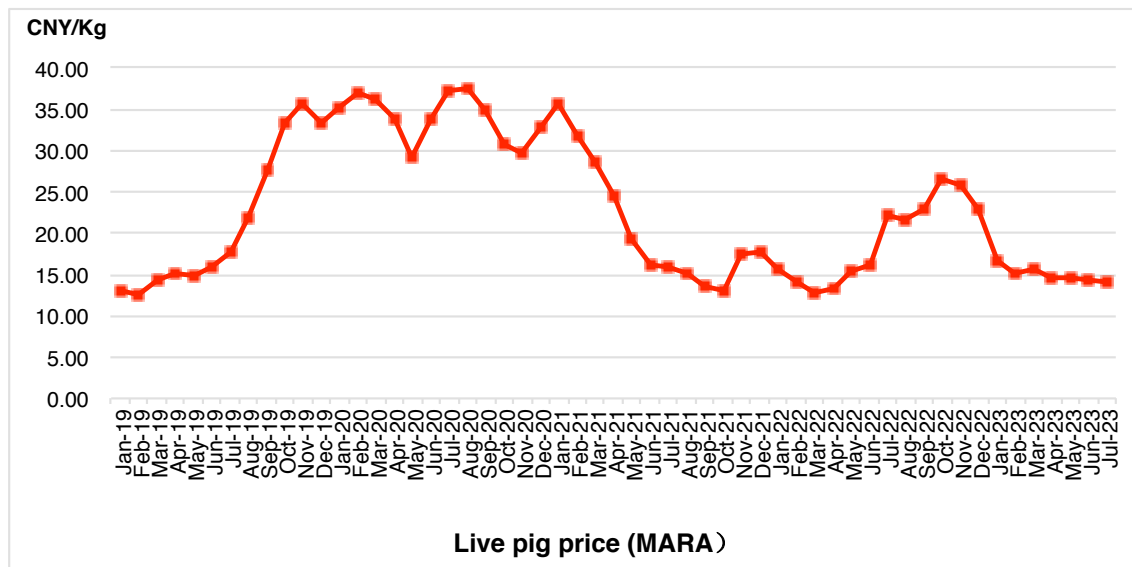
Total soybean imports in the first six months of the year reached 52.58 million tonnes, up 13.6% year-on-year. Another 10-11 million tonnes are expected to arrive in July. (Source: China Customs, 21<sup>st</sup> July 2023)



### Live pig price in July 2023

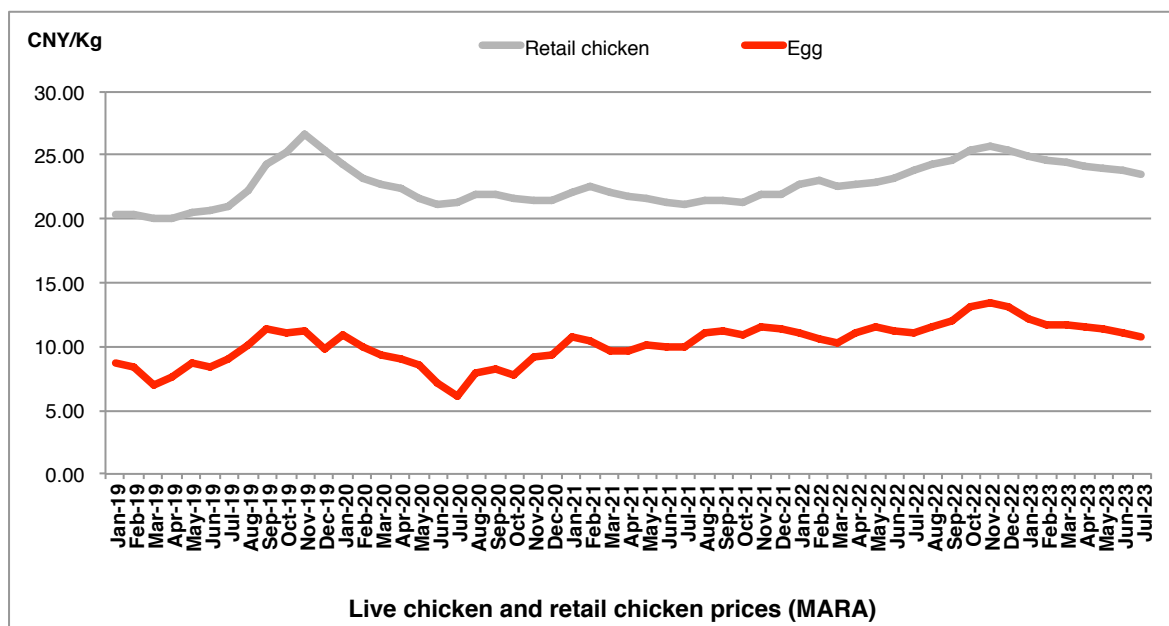
China pig average pig prices in China was CNY 14.21 Kg in July, which was 2% lower than the previous month and 36% lower than the same period last year. The pig price expected to decrease a little in the near future, due to the weak consumption in the summer season

In the first week of August, the average live pig price was CNY 17.22 kg, showing an increase of 21% compared to the average live pig price in July (Source: MARA, July 2023)



### Chicken and egg price in July 2023

China chicken and egg average pig prices in China was CNY 23.54 Kg and 10.68 in July, chicken price was 1% lower than the previous month and 1% lower than the same period last year. Egg price was 4% lower than the previous month and 4% higher than the same period last year. (Source: MARA, July 2023)



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