

INDUSTRY NEWS

China Livestock | Animal Health | Animal Nutrition

Feed production reached 70.52 million tonnes in first quarter

The national feed production was 70.52 million tonnes in first quarter with a YoY decrease of 3% from the same period of 2023, including 65.42 million tonnes compound feed, 1.58 million tonnes premix feed and 3.24 million tonnes concentrate feed.

Compound feed price for fattening pigs, layer and broiler was CNY 3.74 per kg, CNY 3.48 per kg and CNY 3.93 per kg, decrease 1.9%, 2.2% and 2.2% from the previous month.

Concentrate feed price for fattening pigs, layer and broiler was CNY5.65 per kg, CNY4.05 per kg and CNY4.70/kg, decrease 2.4%, 2.5% and 2.6% from the previous month.

Premix feed price for fattening pigs, layer and broiler was CNY 4.92per kg, CNY 4.58 per kg and CNY 5.52 per kg, decrease 0.8% and 0.1% and increase 0.9% from the previous month (Source: China Feed Industry Association, 18th April 2024)

China's sow inventory continues to decrease in first quarter

At the end of Q1 the sow inventory was 39.92 million heads, with a YoY decrease of 7.3%. The pig inventory was 408.5 million heads, with a YoY decrease of 5.2%.

In first quarter, the pig production was 194.55 million heads, with a YoY decrease of 2.2%. The scaled slaughterhouse slaughtered 83.74 million pigs, with a YoY increase of 7.0%.

In first quarter, the pork production was 15.83 million tonnes, with a YoY decrease of 0.4%.

In March, the pig grain ratio was 6.04, with a month on month decrease of 1.0% and a YoY increase of 13.3%. The cost per head of backyard and scaled pig farms was CNY 2,056 and CNY 1,984 respectively, with a YoY decrease of 9.1% and 11.5% respectively.

In March, the net profit per head of backyard and scaled pig farms was CNY -70 and CNY 66 respectively.

(Source: MARA, 26th April 2024)





Meat imports to China reach 1.68 millions tonnes in first quarter

China imported 1.68 million tonnes of meat (including offal) in the first quarter of 2024. The value was USD 42.57 billion, a YoY decrease of 13.9% in volume and a YoY decrease of 15.1% in value.

Pork imports were 550,000 tonnes, with a value of CNY 8.04 billion, a decrease on the previous year of 33.2% in volume and 44.5% in value.

Poultry meat imports were 82,946 tonnes, with a value of CNY 1.80 billion, a decrease on the previous year of 52.2% in volume and 39.1% in value.

Beef imports were 780,000 tonnes, with a value of CNY 26.5 billion, an increase on the previous of 21.8% in volume and 12.8% in value.

Lamb imports were 108,456 tonnes, with a value of CNY 2.48 billion, an increase on the previous of 2.2% in volume and a decrease 19.7% in value.

(Source: China Custom, 18th April, 2024)

Note: beef and pork includes offal

Zoetis to sell medicated feed additive portfolio to Phibro Animal Health

Zoetis and Phibro Animal Health Corporation announced on April 28 that they have entered into a definitive agreement where Phibro Animal Health will acquire Zoetis' medicated feed additive (MFA) product portfolio, certain water soluble products and related assets for USD 350 million, subject to customary closing adjustments.

The transaction is expected to be complete in the second half of calendar year 2024. The product portfolio, which generated approximately USD 400 million in revenue in 2023, is comprised of more than 37 product lines that are sold in approximately 80 countries. Also included in the Zoetis-Phibro agreement are six manufacturing sites, four in the United States one in Italy and one in China. More than 300 Zoetis employees who support manufacturing, distribution and commercial activities are expected to transition to Phibro Animal Health.

The transaction demonstrates Zoetis' disciplined capital allocation strategy to focus its investments on solutions for animal health, productivity and sustainability, the company said. With this divestiture, Zoetis can focus its livestock investments in other solutions, including vaccine, biologic and genetic programs.

Zoetis' portfolio of MFA and water soluble products across cattle, swine and poultry will complement and expand Phibro Animal Health's species and product portfolios.

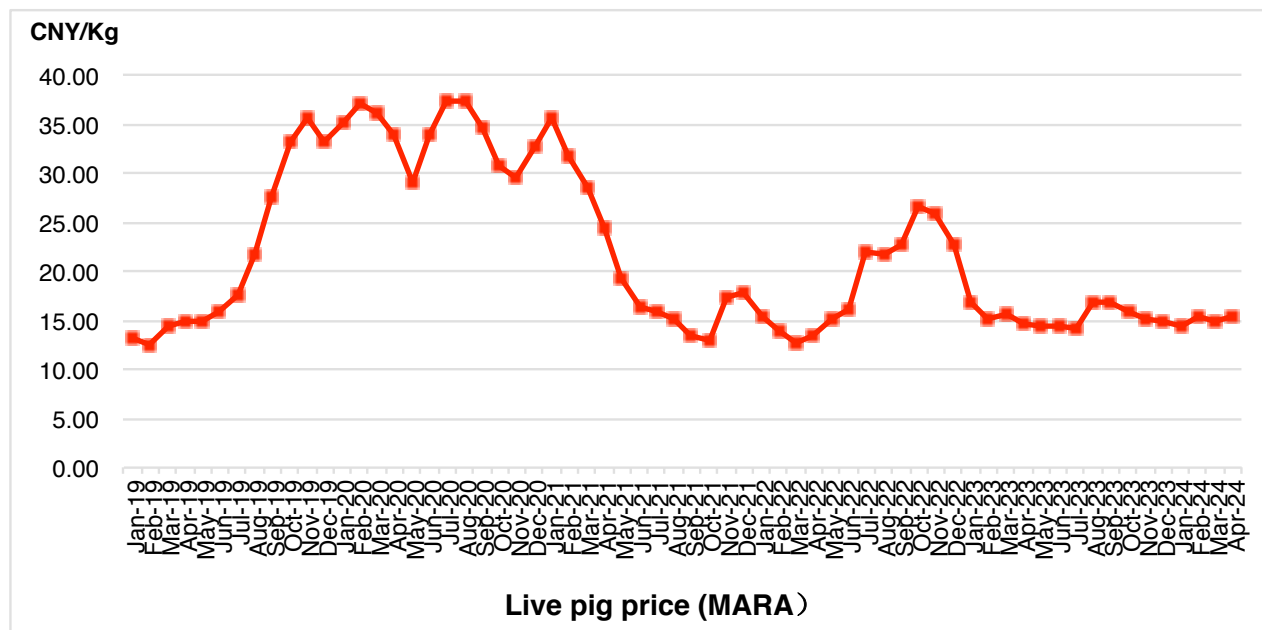
On a combined basis for the acquisition, Phibro's sales in the last 12 months would have been approximately USD1.4 billion. The portfolio is expected to boost Phibro Animal Health's profitability and EBITDA margin and be accretive to its adjusted earnings per share.

The acquisition is expected to be funded primarily with debt, and Phibro has received financing commitments from a number of key relationship banks. (Source: Zoetis, 28th April 2024)



Live pig price in April 2024

China pig average pig prices in China was CNY 15.35/kg in April, which was 3% higher than the previous month and 4.6% higher than the same period last year. (Source: MARA, April 2024)



Chicken and egg price in April 2024

China chicken and egg average pig prices in China was CNY 23.47/kg and CNY 9.73/kg in April, chicken price was 1% lower than the previous month and 2% lower than the same period last year. Egg price was 3% lower than the previous month and 13% lower than the same period last year. (Source: MARA, April 2024)

