

INDUSTRY NEWS

A High Level Review of 2025

China to cull one million sows

China's Ministry of Agriculture and Rural Affairs plans to reduce the nation's breeding sow herd by one million animals, signaling a decisive move to correct market imbalances. The reduction will bring the sow inventory to 39.5 million.

The size of breeding sow herd is often seen as a bellwether for future pork production. With China importing large amount pork and pork offal, any major production shift can alter global trade dynamics and influence export strategies for producers in North America and beyond.

This move also comes as major Chinese pork companies reported a 30% increase in slaughter volume YoY for May. In the meantime, the pig price remains at low level.

In response, regulators are not only reducing sow numbers but also cracking down on practices like feeding pigs beyond slaughter weight to boost returns, a method blamed for worsening oversupply. (Source: Cailianshe Financial News, 17th June 2025)

Over the past year we have scanned publicly available news stories on China's animal protein supply chain! This newsletter summarizes some of these interesting stories and offers a "snap shot" on the year that was 2025!

As the head winds are erasing we are looking forward to sharing more news and insights throughout 2026!

China's 2025 No. 1 Central Policy Document: Key Implications for the Livestock Industry

What are the implications?

Supporting the stable development of animal husbandry

The document clearly states that it is necessary to "support the stable development of animal husbandry", especially to monitor and regulate pig production capacity to promote the stable development of the pig industry. At the same time, the document also mentions the need to promote the beef and dairy cattle industries and stabilize basic production capacity. This means that China will continue to increase its support for animal husbandry to ensure stable production and supply of animal husbandry. The document clearly proposes to stabilize pig production capacity, which will help avoid drastic fluctuations in pig prices, ensure



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China calls in major pig farmers to rein in production and tackle oversupply

The Chinese government has summoned 25 leading pig companies for talks as it seeks to rein in production, ease oversupply, and stabilize prices.

A proposal to cut sow numbers emerged after pig prices dropped nearly 25% this year amid weak demand, as the government urged farmers to shrink herds in an effort to combat oversupply.

The ministry's livestock office said participants must submit details of their sow breeding population reduction targets in advance by January, as well as their production plans for the following year.

China, the world's largest pork producer, has urged farmers to reduce their breeding sow herds this year to combat oversupply pressures, with wholesale pork prices falling nearly 12% over the past 25 months as consumption weakens amid a slowing economy. (Source: Caijing, 11th September 2025)

market supply, and safeguard the interests of farmers.

Integrated development of dairy farming and processing.

The document emphasizes the need to support the integrated development of dairy farming and processing with family farms and farmers' cooperatives as the main body, and to implement the national standard for sterilized milk. This will promote the development of the entire dairy industry chain from farming to processing, and improve the quality and market competitiveness of dairy products.

Supporting the integrated development of dairy farming and processing will help increase the added value of dairy products and promote the dairy industry to move from traditional farming models to modernization, scale and intensiveness.

Strengthen epidemic prevention and control to enhance the industry's ability to resist risks. Strengthening animal disease prevention and control will help reduce the impact of diseases on animal husbandry, enhance the industry's ability to resist risks, and ensure the stable development of animal husbandry.

Strengthening animal disease prevention and control.

The document proposes to strictly enforce the law enforcement and supervision of pig slaughter quarantine and strengthen the prevention and control of major animal diseases and key zoonotic diseases. This indicates that the country will continue to strengthen the prevention and control of animal diseases, ensure the healthy development of animal husbandry, and reduce the impact of diseases on the industry.

Improving forage production capacity.

The document also mentioned the need to improve forage production capacity and accelerate the transformation and upgrading of grassland for animal husbandry. This means that China will increase support for the forage industry, promote the sustainable



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Transforming animal husbandry: How China's grain-saving action reshapes industry practice

Launched in 2025, China's "Grain-Saving Action in Animal Husbandry" centers on promoting low-protein diet technology. This involves reducing crude protein in feed through precise amino acid supplementation to lower consumption of key grains like soybeans and corn.

Spearheaded by the Ministry of Agriculture, its goal is to enhance overall feed efficiency in the industry.

This policy is reshaping the sector. It targets the largest cost component—feed—helping maintain profitability. By necessitating technologies like precision nutrition, it accelerates industry upgrading and consolidation, favoring larger enterprises with greater resources and technical capacity. The action signals that future growth hinges on resource efficiency and technological innovation, not just scale. (Source: MARA, 18th February 2025)

China 2025

development of grassland for animal husbandry, and reduce dependence on imported forage.

Improving forage production capacity will help promote the transformation and upgrading of grassland for animal husbandry, reduce dependence on imported forage, and enhance the independent and controllable capabilities of domestic animal husbandry. (Source: Xinhua News, 23rd February 2025)

China's mandatory farm filing rules: A framework for industry consolidation



The "Measures for the Administration of Registration and Filing of Livestock and Poultry Farms," effective September 1, 2025, establishes a mandatory national framework that fundamentally reshapes

China's livestock industry. Its core mandate requires all scale farms to register with local county-level agricultural departments within 30 days of reaching threshold capacity, submitting detailed information on operations, waste management, and biosafety plans.

The primary impact is accelerated industry consolidation, as the policy sets a clear compliance barrier that favors large, modern enterprises while pressuring informal smallholders to standardize or exit. By legally mandating filing, it enhances traceability and proactive oversight over environmental protection and disease control, moving regulation from reactive to preventive. A key long-term implication is the formal integration of farming data into government digital platforms, which promotes transparency and paves the way for tech-driven management.

Ultimately, this measure signals a decisive shift toward a more regulated, consolidated, and technology-intensive livestock sector in China. Compliance is no longer just a regulatory issue but a strategic foundation for business survival and growth, as the policy incentivizes investment



in scale, sustainability, and digital infrastructure to build a more resilient food supply chain. (Source: MARA, 11th July 2025)

Chinese livestock giants accelerate Southeast Asian expansion amid domestic pressures



Facing significant domestic headwinds, including intense price competition, stringent environmental and biosecurity regulations, and a state-led push to reduce overcapacity, China's leading animal husbandry corporations are strategically pivoting overseas. Prominent players such as Muyuan Foods, New Hope Liuhe, and Haid Group are markedly accelerating investments and forming partnerships in Southeast Asia, particularly in Vietnam and Cambodia.

This move represents a critical new phase in their globalization strategy. It is driven by the need to secure long-term growth avenues outside the saturated Chinese market and to leverage competitive advantages in integrated farming models and advanced technology. The expansion is not limited to farming alone but often encompasses building or acquiring integrated feed-mill-to-table supply chains.

In September 2025, Muyuan Foodstuff signed an agreement with Vietnam's BAF Agricultural Company to invest CNY 3.2 billion in constructing a high-tech multi-story pig farming project in Vietnam. New Hope Group, which entered the Vietnamese market in 1999, continues to deepen its presence in Southeast Asia. Wens Foodstuff Group has established an overseas exploration team, designating Vietnam as its first stop for global expansion. Haid Group simultaneously launched projects in Vietnam, Cambodia, and Nigeria in November.

In essence, this is not merely an offshoring of production but a strategic redeployment of capital and expertise, marking these firms' evolution from national champions into aspiring global agribusiness leaders. (Source: Company News Release, 2025)

AI poultry farming: A game changer in China



China's poultry industry has entered a new era of intelligent farming with the official launch of the "Smart Layer Model S1" in December 2025. Developed through a collaboration between leading research institutes, universities, and the industry platform "Smart Layer," this AI model is the first of its kind in China's domestic poultry sector.

The core of the model is its five smart application scenarios designed to tackle everyday farming challenges. Through a mobile app assistant, farmers can access real-time market price



indices and predictive reports, receive instant AI-powered diagnoses for 38 common chicken diseases, and obtain personalized, algorithm-generated farming plans. This system effectively shifts decision-making from relying on tradition and personal experience to being driven by integrated data and artificial intelligence.

This project will demonstrate best practices in cage-free egg production and showcase good management for cage-free farms. Additionally, the project will provide cage-free egg production trainings, provide a communication channel for stakeholders and help cage-free farms increase their profits. This project will promote the collaboration between industry, academia and research, form cage-free egg production standards and promote the sustainable development of cage-free egg production.

This launch are significant for the industry's transformation. By making advanced veterinary and management knowledge accessible and affordable, the model particularly empowers small and medium-scale farmers. Experts hail it as a practical path for the industry's digital upgrade, promising to reduce costs, increase profits, and improve overall production quality by fostering a fundamental shift from "experience-based" to "data-based" farming.(Source: Xinhua News, 19th December 2025)

China's beef cattle industry appeals for emergency safeguard measures



Chinese beef cattle farmers and industry associations are urgently calling for the government to implement safeguard measures against imported beef. The domestic beef industry is under severe pressure as surging beef imports have driven down prices. This has led to significant losses for farmers, forcing many farms to slaughter their core breeding cows.

Data shows a 3% decline in the national

breeding cow herd in 2024, which experts warn could destabilize the industry's foundation for years due to cattle's long production cycle.

The situation has created a critical threat to the entire domestic supply chain. Farmers in regions like Xinjiang report selling premium breeding cows at meat prices, while slaughterhouses are operating at a loss. More broadly, the crisis jeopardizes the livelihoods of millions of rural households dependent on cattle farming in southwest, northwest, and northeast China. Industry representatives argue that without intervention, the sector's foundational breeding capacity will be eroded, leading to a long-term decline in domestic beef production and self-sufficiency.

The core appeal from the industry is for prompt government action to set a "red line" on imports, providing stability and confidence. While China's Ministry of Commerce initiated a safeguard investigation in late 2024, imports have continued to rise into 2025. The



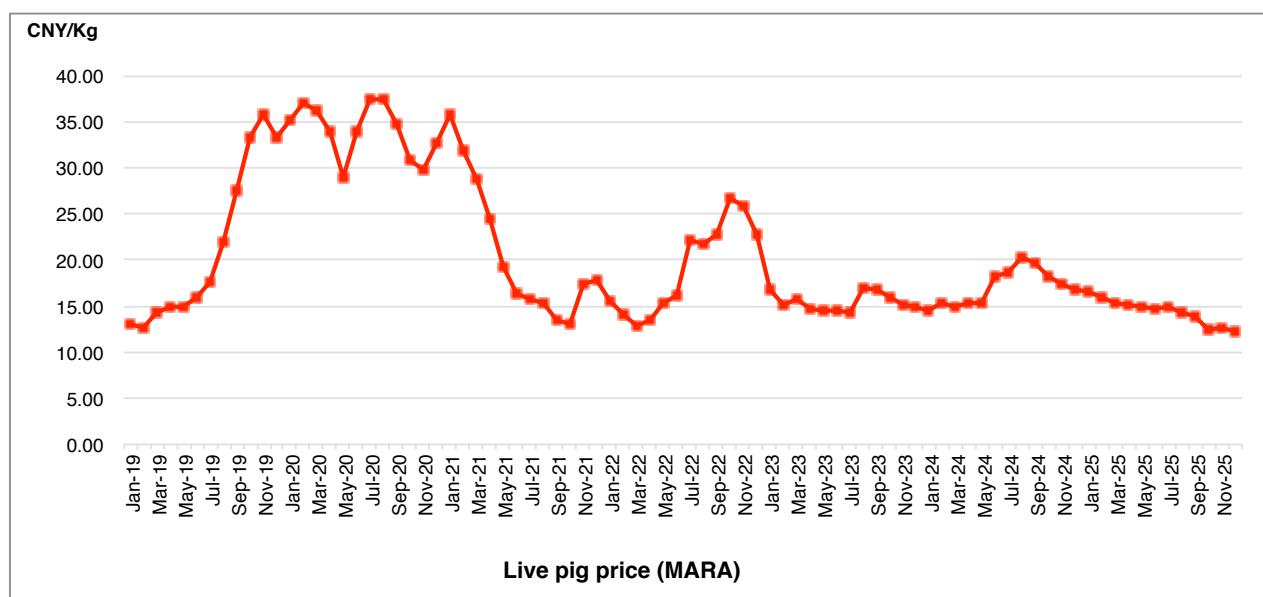
industry's plea highlights the tension between open markets and protecting vital agricultural sectors with long investment cycles. The call for measures also reflects a broader trend where traditional farming sectors seek technological and policy support to remain competitive. (Source: Global Times, 26th December, 2025)

2025 live pig price trend: sustained decline

In 2025, pig prices follow a distinct downward trajectory: after stabilizing around 16 CNY/kg in early 2025 (Jan-Feb), prices gradually slipped to 14.76 CNY/kg by mid-year (Jun), then dropped sharply to 12.17 CNY/kg by December, showing a 27% decline from the start of the year, hitting a multi-quarter low.

This slump stems primarily from persistent oversupply: by late 2024, China's breeding sow inventory had exceeded the reasonable 40-million-head threshold for 8 months, with large-scale expansions by top enterprises and speculative secondary fattening flooding the 2025 market. Weak consumer demand (sluggish household spending, substitution by cheaper poultry) amplified the pressure; rising feed costs also forced breeders to sell pigs at low prices to cut losses, fueling a downward spiral.

By late 2025, however, sow inventories fell below 40 million head, and sow slaughter rates spiked, which signs that capacity de-stocking is nearing completion. This sets the stage for prices to stabilize and rebound in early 2026, as supply contraction begins to balance the market. (Source: MARA, 2023)



2025 poultry prices: chicken stability vs. egg declines

In 2025, retail chicken and egg prices in China diverged sharply: chicken prices remained relatively stable (hovering around 22–23 CNY/kg from Jan to Nov), while egg prices slid steadily from 10.21 CNY/kg in early 2025 to 8.60 CNY/kg by December, a 15% drop.

This split trend stems from supply-demand dynamics: chicken supplies stayed balanced (supported by moderate expansion of large-scale farms and steady processing demand), while egg markets faced oversupply—2024's high egg prices spurred breeder flocks to expand, flooding 2025 with output, compounded by weak consumer demand (sluggish catering recovery curbed bulk egg purchases). (Source: MARA, 2025)

