

# **The impacts of African Swine Fever (ASF) on global meat and feed markets**

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**(For references, please see slides in the Annex)**

# Overview

1. Setting the scene
2. Impacts on the protein/meat markets
3. Impacts on the feed markets
4. Summary and ASF in perspective: Global meat and feed markets in the midst of a confluence of changes: ASF, COVID-19, etc.

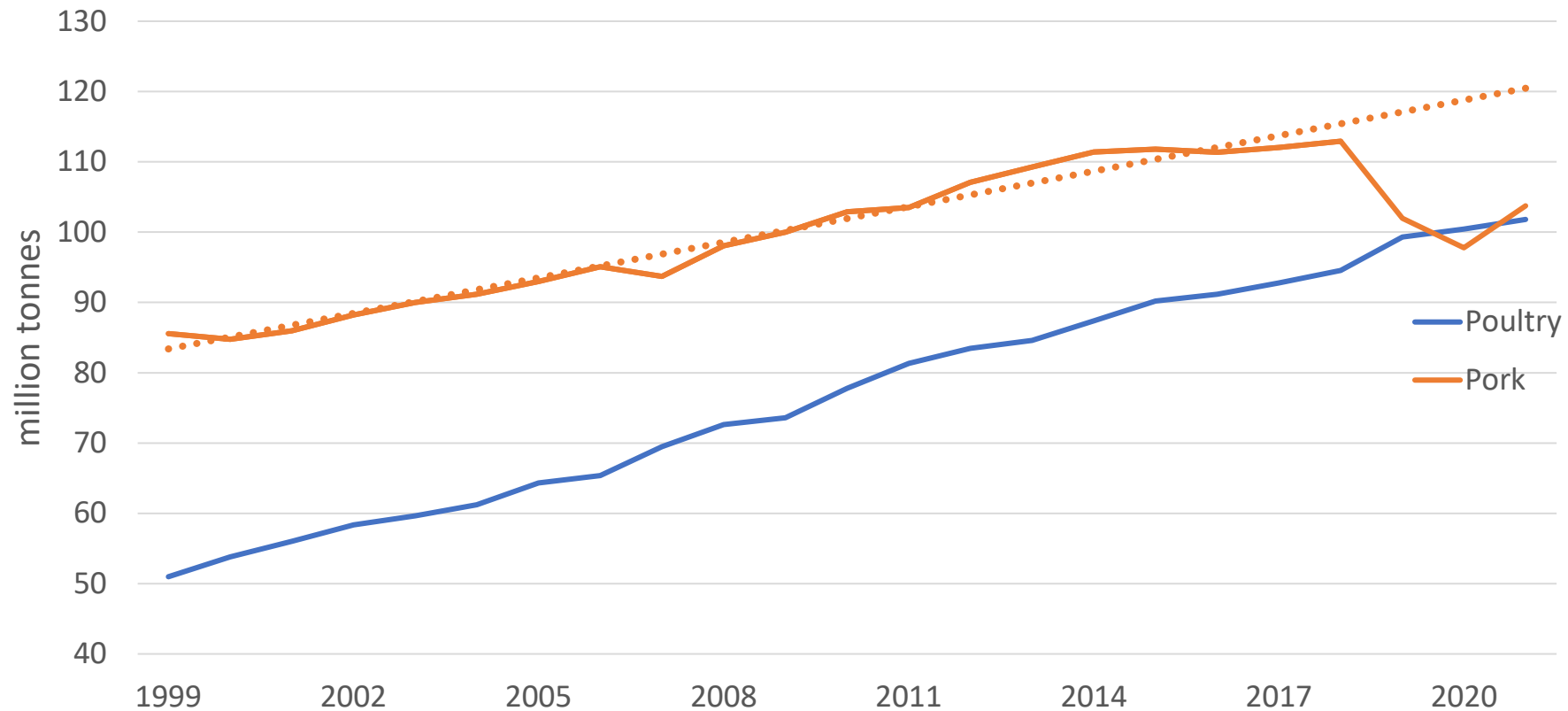
# Setting the scene

# Setting the scene: The *global* economic damage caused by ASF

***ASF has wiped out more meat production than any other animal disease in modern history***

## Global pork and poultry production

Data: USDA, PS&D

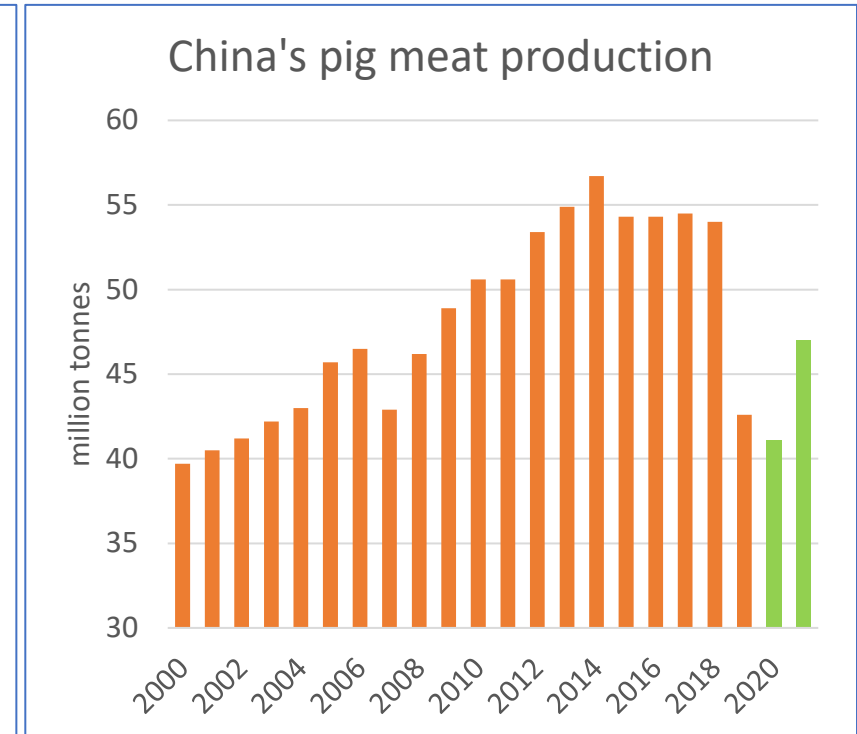
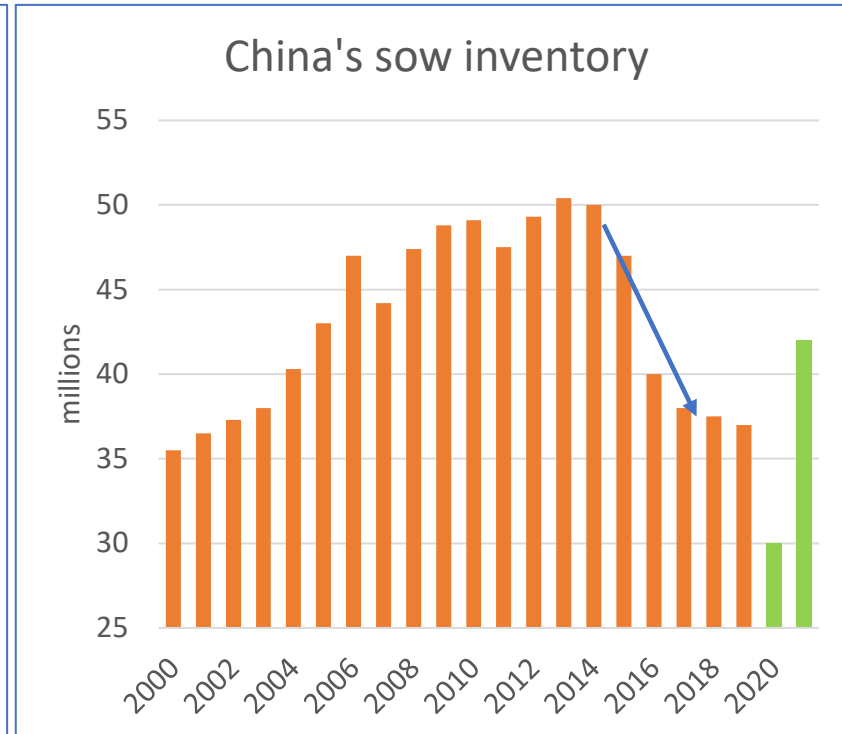
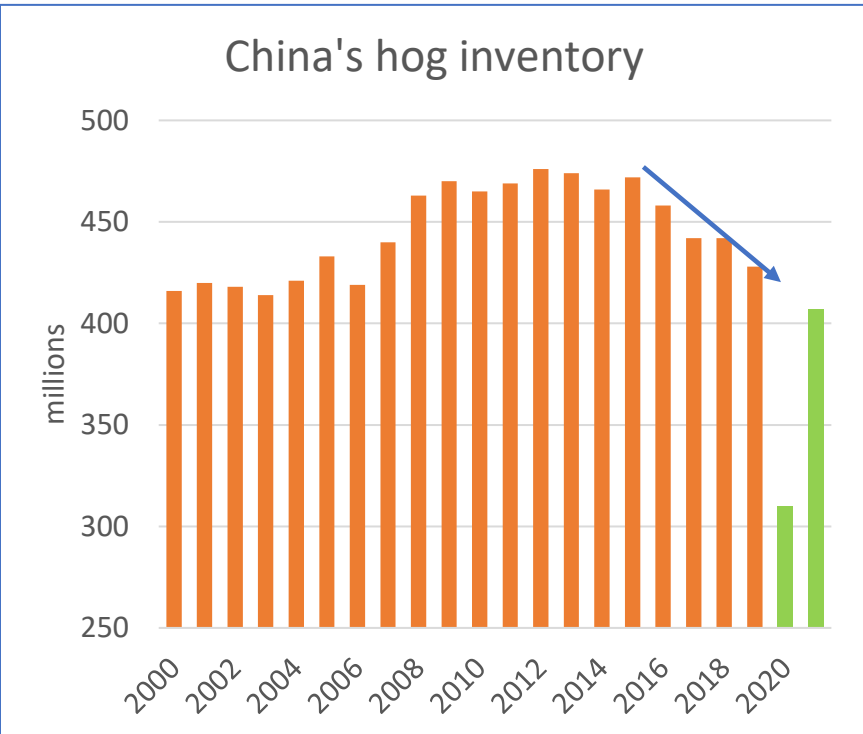


# Setting the scene: The spread of ASF

1. June 2007: outbreak in Georgia
2. Spread to the East: China, Viet Nam, Mongolia, Cambodia, Hong Kong, Lao PDR, Republic of Korea, Democratic People's Republic of Korea, Timor-Leste, Indonesia, PNG, India, Malaysia and The Philippines.
3. China affected since August 2018: New (2021) outbreaks in Guangdong, Hebei, Sichuan, Yunnan, Hong Kong and Xinjiang.
4. Spread to the West: Baltics, Balkan, Eastern Europe, most recently wild boar population in Germany.

Focus of this presentation is on China: **solely** because of its overwhelming importance for global meat and feed markets.

# Latest data suggest a swift recovery in supply

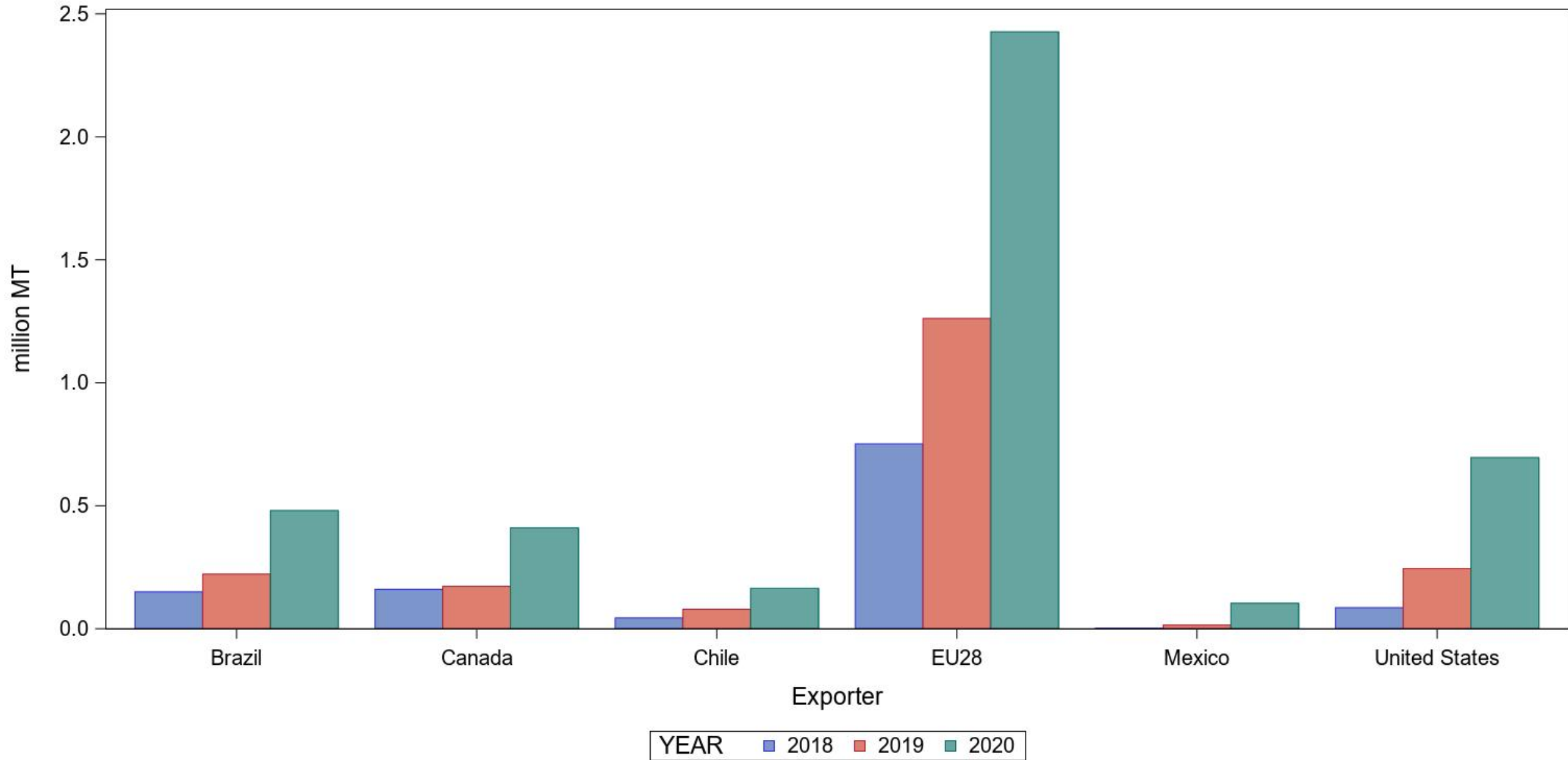


Source: Data from USDA and MARA  
2020 = estimate

# Impacts on global meat markets

# The EU has trebled its pigment exports to China over the last 3 years

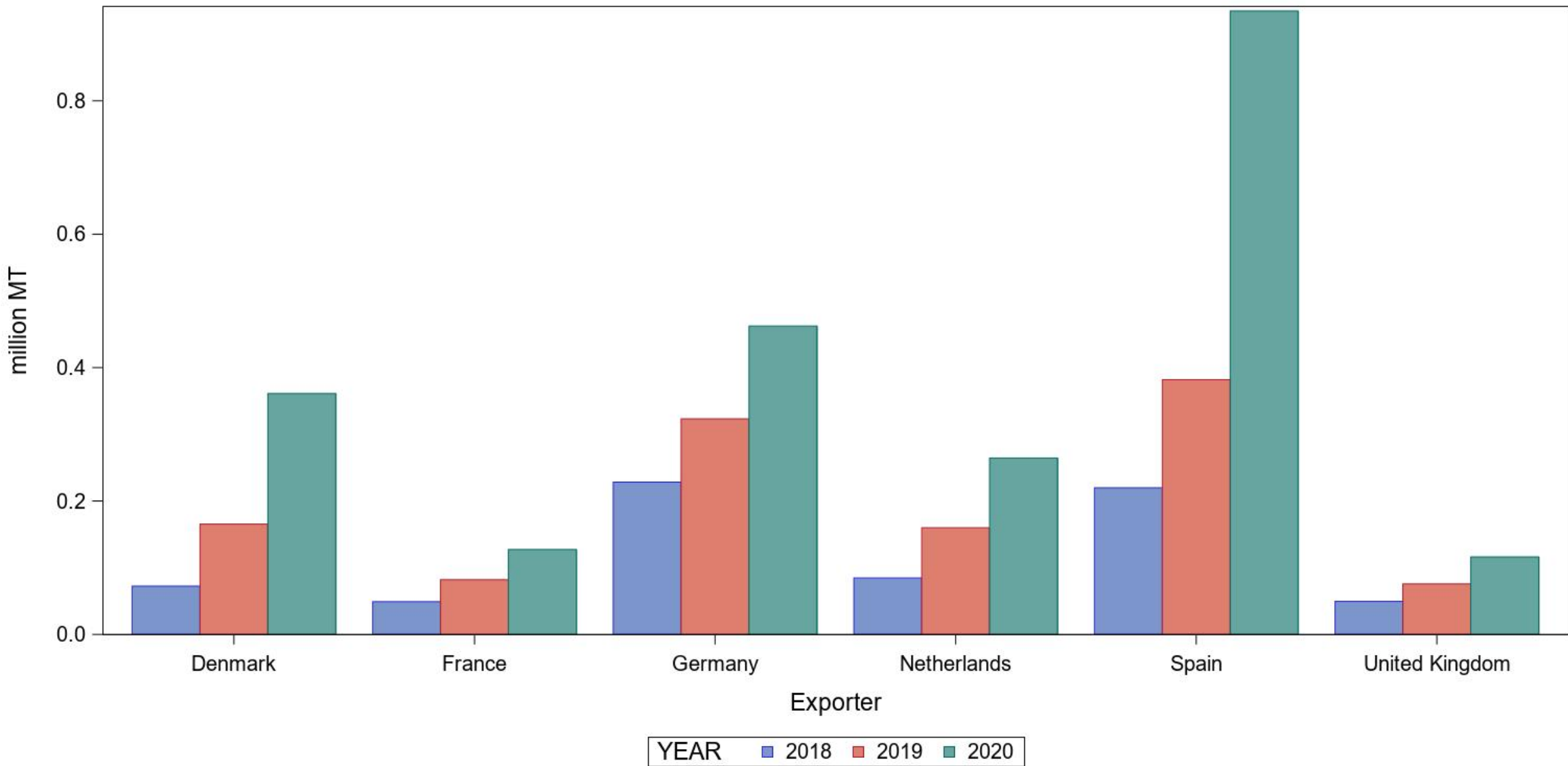
2018-2020



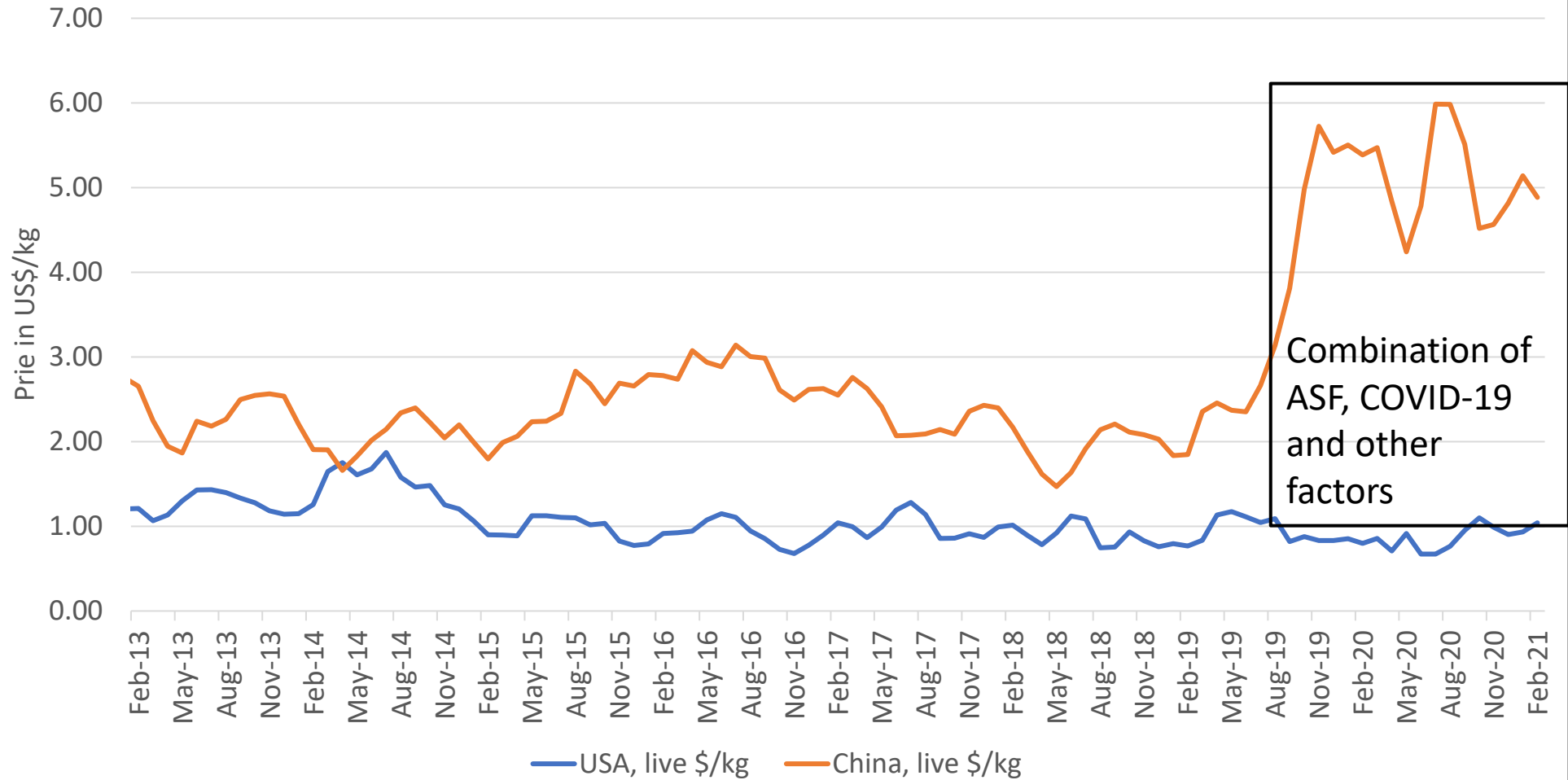


# Within the EU, Spain has emerged as the leading exporter

EU exports to China, 2018-2020

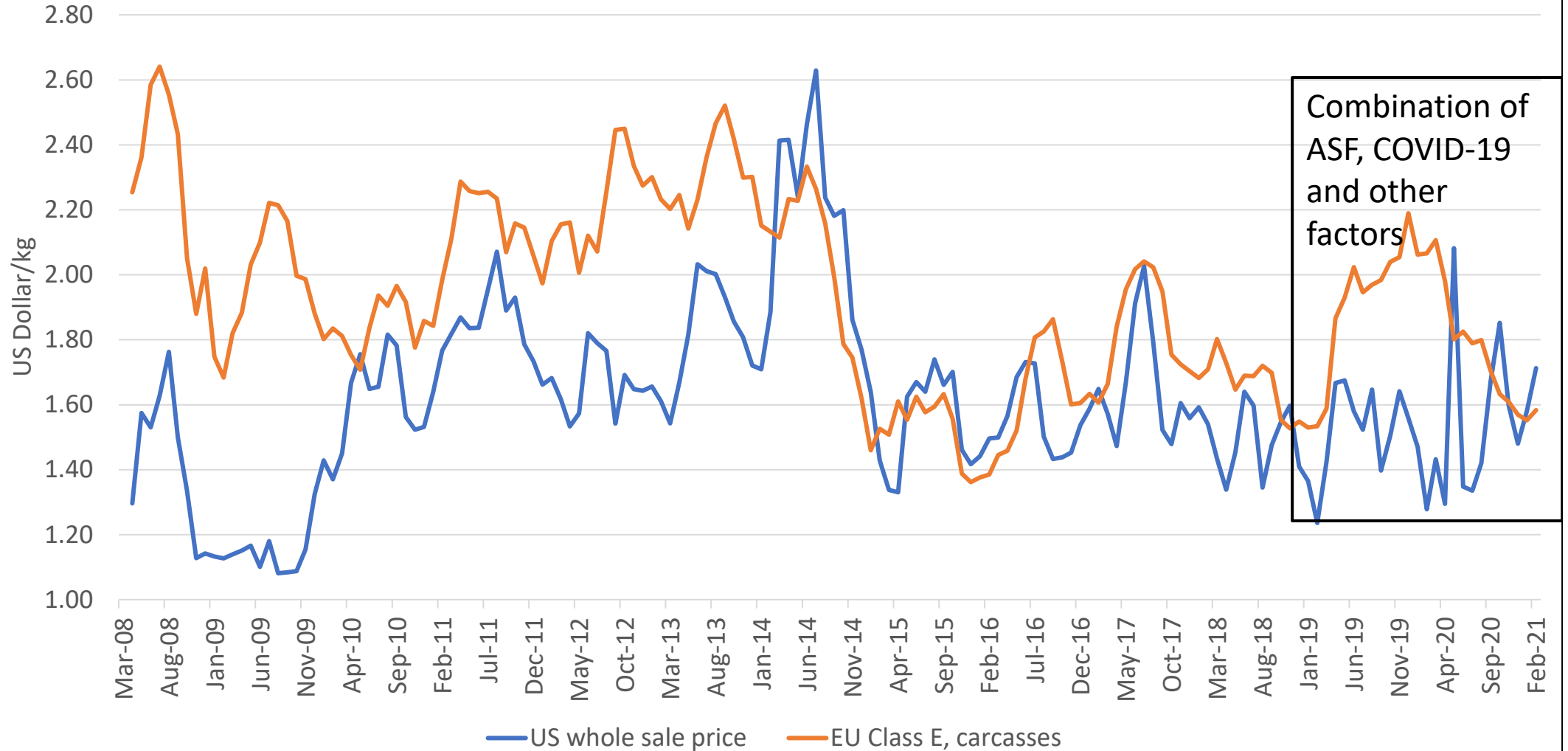


## Pig prices (live) up to 4 times higher in China compared to the USA



Source: Data from USDA and MARA

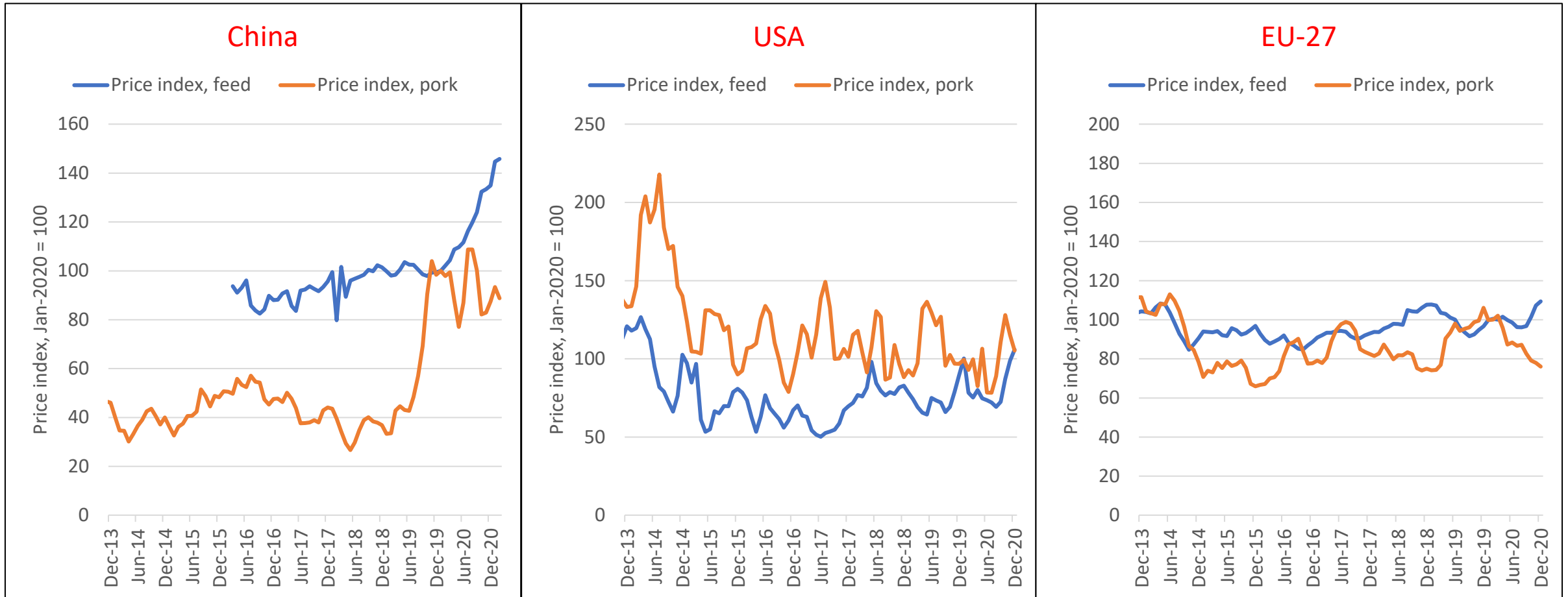
## Noticeable price differential between the EU and the US has shrunk



Source: Data from USDA and Eurostat

# Price indexes for feed consumption and pork production

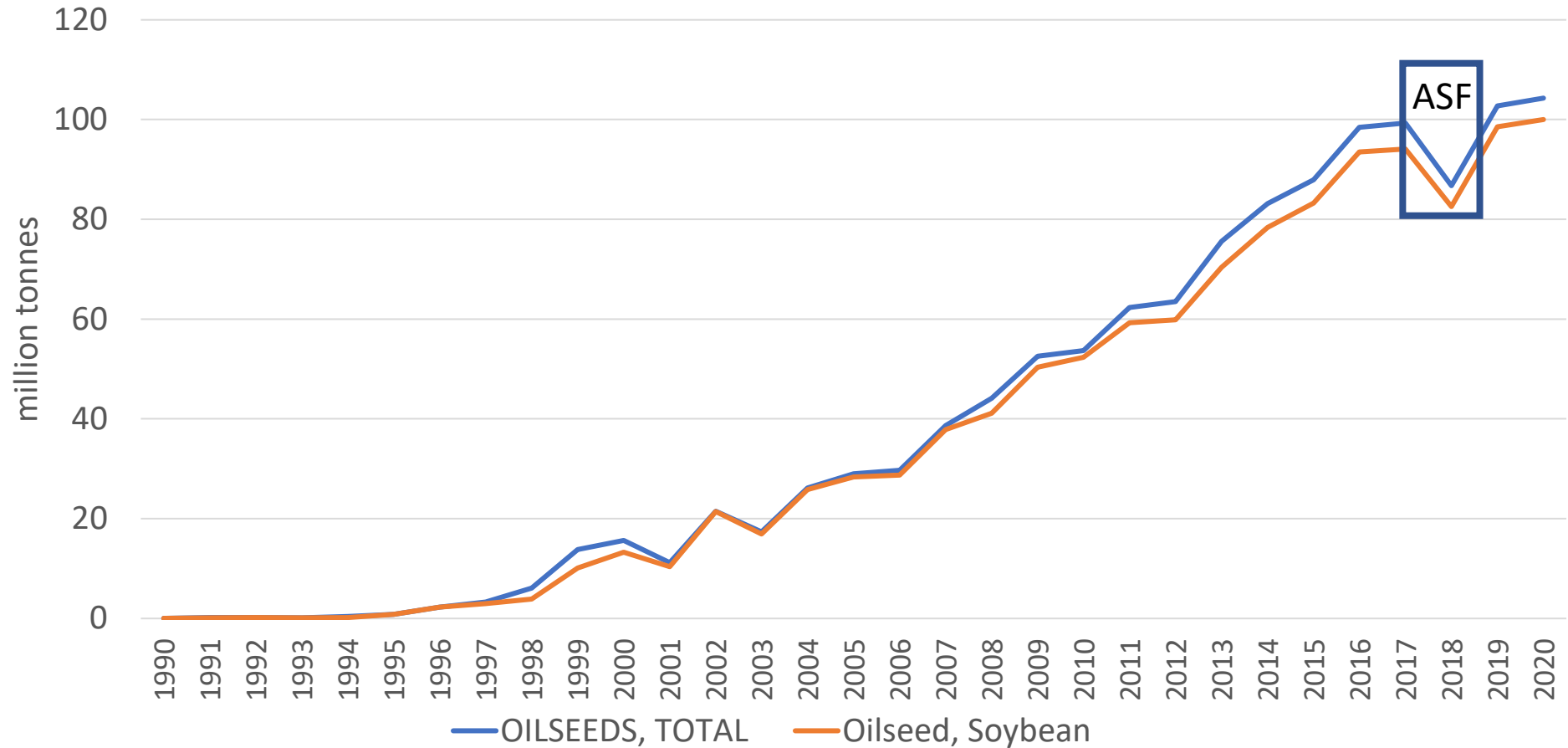
*\*weighted by quantities of feed consumption/pork production 2014-2016*



Source: author's calculations, based on FAOSTAT, MARA of China, USDA, European Commission, [www.pig333.com](http://www.pig333.com)  
Differences must not be interpreted as margins, but they allow to draw inferences on the *change* in margins.

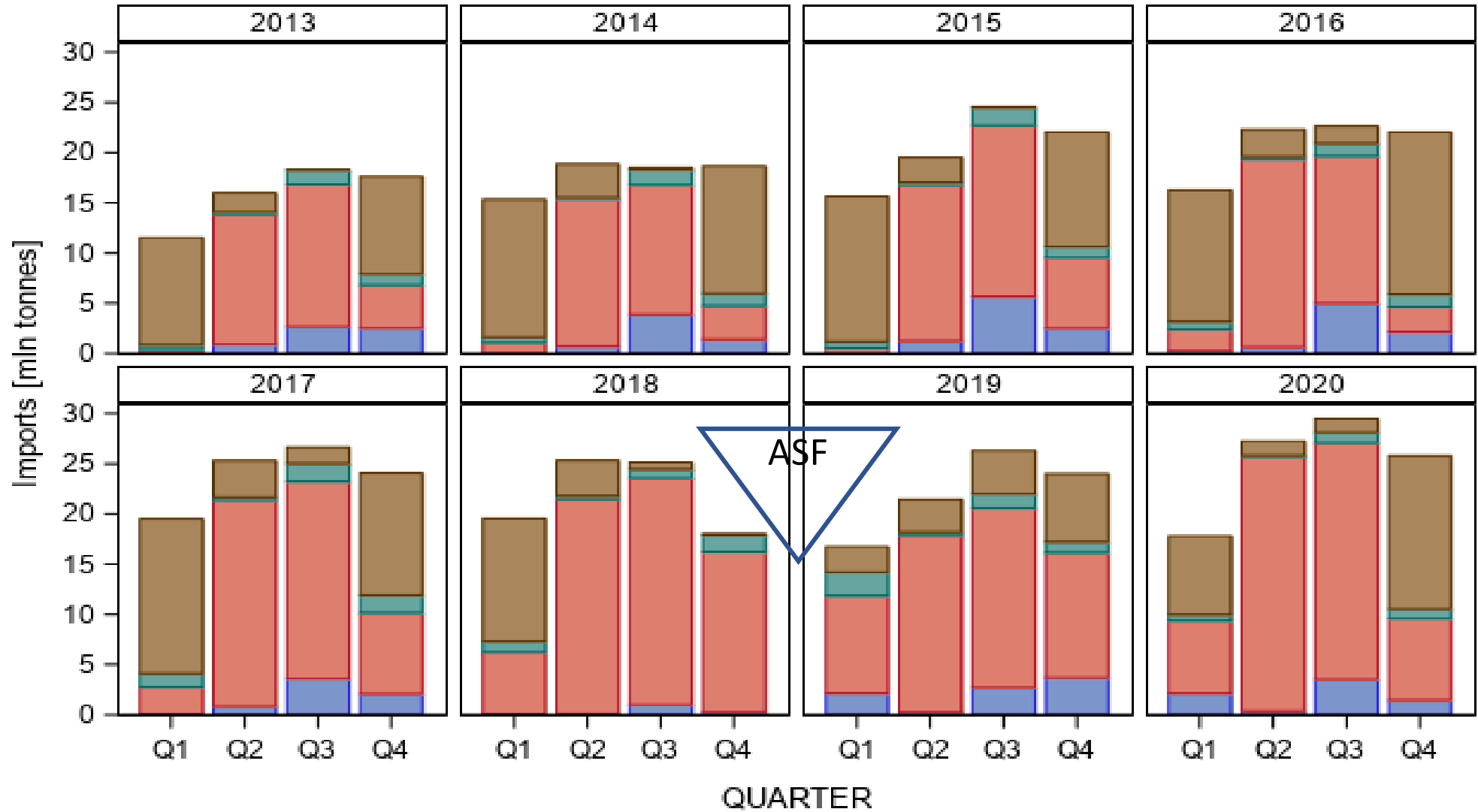
# Impacts on feed markets

# Soybean and oilseeds imports by China



Data source: USDA, PS&D, own calculations

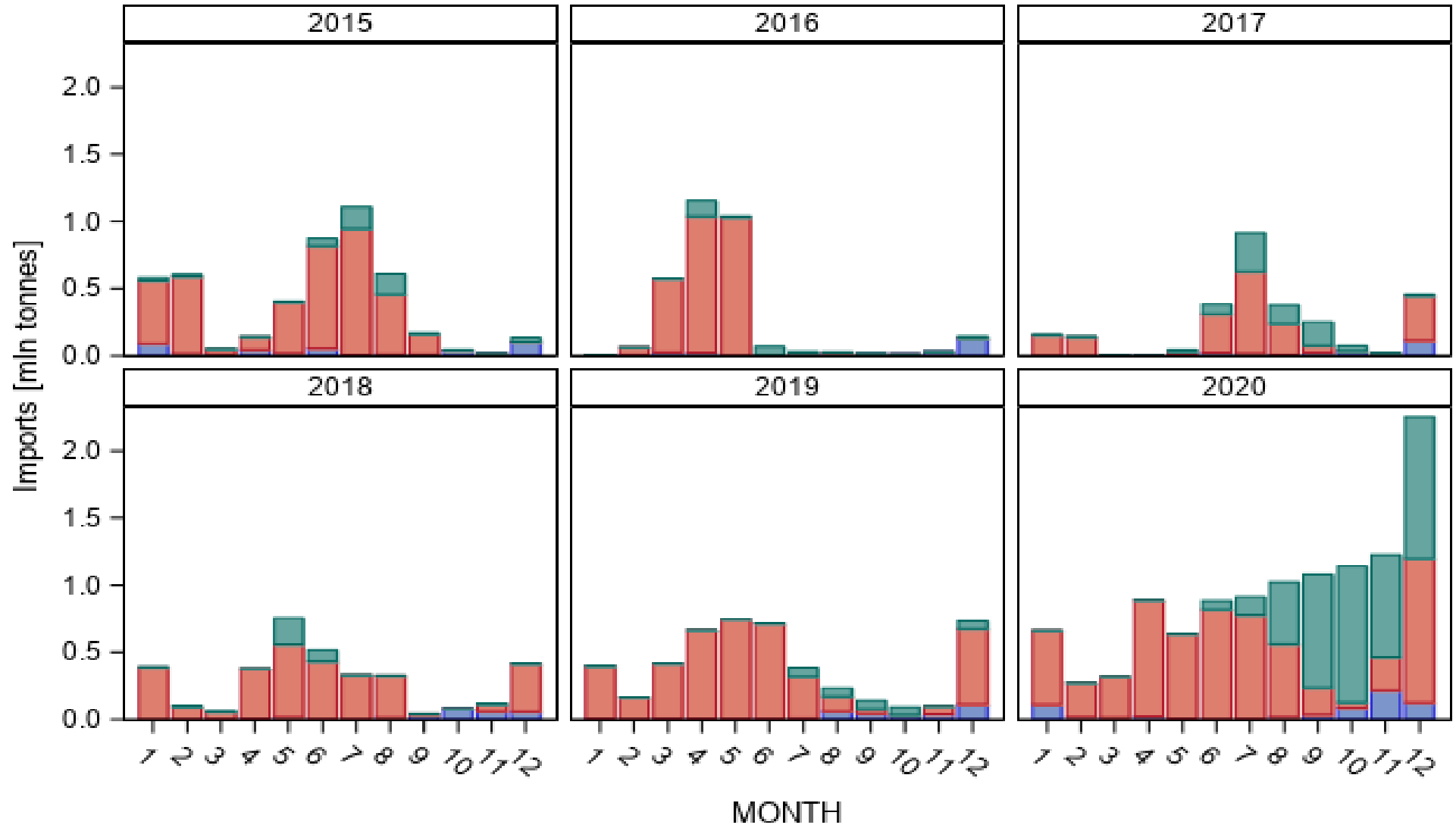
### China's soybean imports by origin and quarter



Imports from: ■ Argentina ■ Brazil ■ RoW ■ United States

Data source: TDM, JS-03-2021

### China's maize imports by origin and month



Imports from: ■ RoW ■ Ukraine ■ United States

Data source: TDM, JS-03-2021

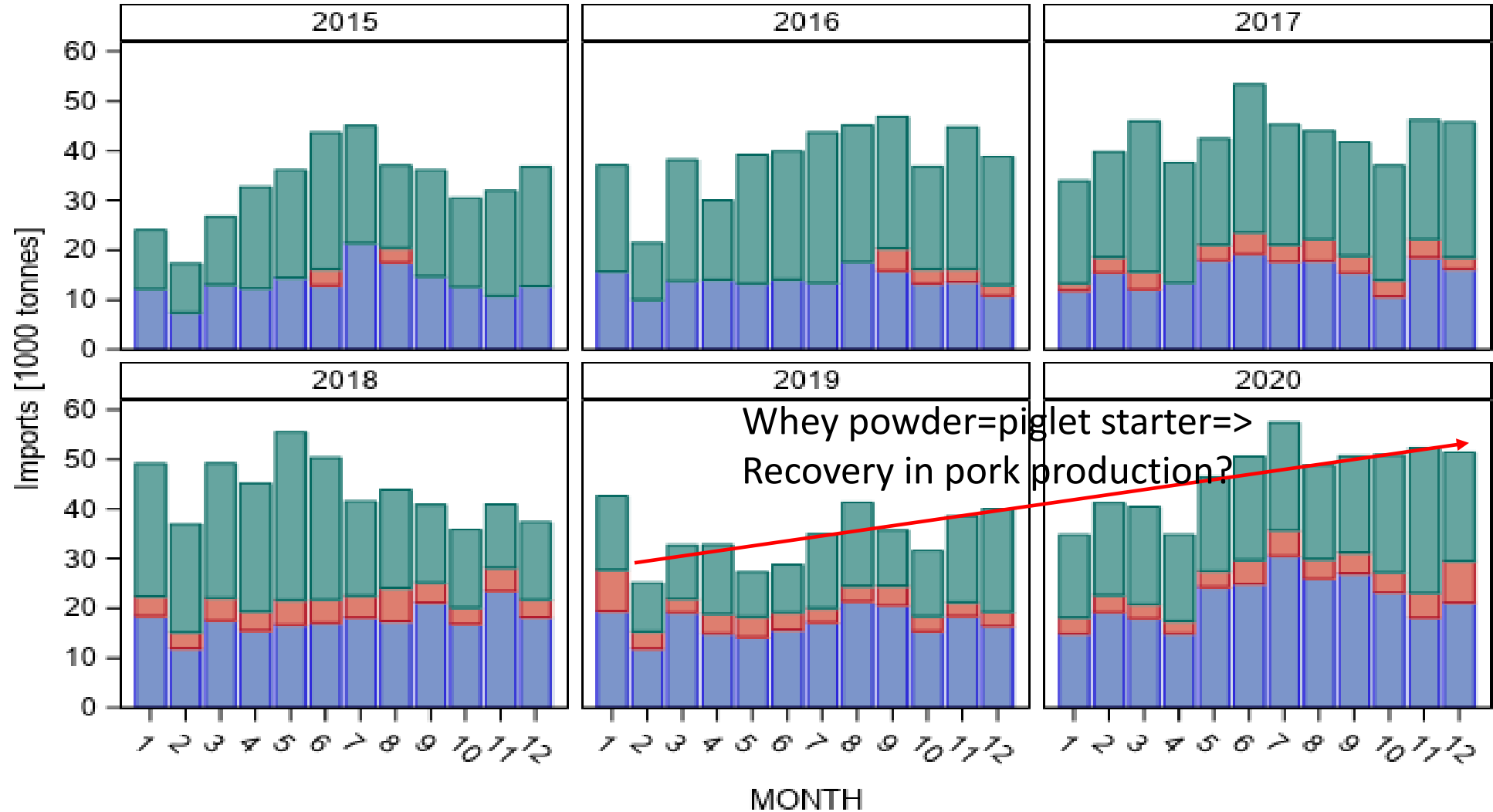


# Summary of the salient points

1. Significant economic losses for farmers world-wide, notably in Asia.
2. Severity of the ASF outbreak in China and the importance of China for the global pork market created noticeable spill-over effects on global meat and feed markets.
3. These included record pork imports by China in 2020, higher world prices for pork (and other meats). Also initially lower grain and oil meal imports, lower feedstuff prices.
4. Initial meat shortage and feed glut led to higher margins for pork and poultry producers.
5. As producers reacted to the stimulus, profitability has reversed. From low feed prices and high meat prices in 2018 to high feed prices and low meat prices in 2020/21. Margins have eroded significantly.
6. Medium term:
  - When will China's biosecurity situation reach a level that allows effective & sustainable ASF-control? Is the current rebound sustainable?
  - Will ASF proceed further towards "the west" and, if so, how fast?
  - As ASF continues to spread, "regionalisation and compartmentalisation" will become more important in managing the economic effects of the spread.
7. ASF is not the only factor affecting global feed and meat markets. But so far the effects of other factors, including the COVID-19 pandemic, have been small compared to those of ASF.

**Thanks**

### China's whey powder imports by origin and month



Imports from: ■ EU28 ■ RoW ■ United States

Data source: TDM, JS-03-2021

# References documenting the spread of the disease (slide 5 and slide 24)

<http://www.fao.org/ag/againfo/programmes/en/empres/ASF/index.html>

[http://www.moa.gov.cn/ztl/fzwwfk/rdgz/201812/t20181212\\_6164823.htm](http://www.moa.gov.cn/ztl/fzwwfk/rdgz/201812/t20181212_6164823.htm)

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<http://cj.zhue.com.cn/xingye/2021/0312/364685.html>

# References to statements on the reasons and impacts of ASF in China

- **Link to the document about regulating appointed abattoirs**

[http://www.moa.gov.cn/govpublic/SYJ/201812/t20181218\\_6165133.htm](http://www.moa.gov.cn/govpublic/SYJ/201812/t20181218_6165133.htm)

- **Link to the original document promoting 'nan zhu bei yang' (slide 8)**

[http://www.gov.cn/zhengce/2017-02/05/content\\_5165626.htm](http://www.gov.cn/zhengce/2017-02/05/content_5165626.htm)

- **Link to the original document stating that 46% of 87 outbreaks from 8/2018-12/2018 involved long distance transportation (slide 8)**

[http://www.moa.gov.cn/ztzl/fzzwfk/rdgz/201812/t20181212\\_6164823.htm](http://www.moa.gov.cn/ztzl/fzzwfk/rdgz/201812/t20181212_6164823.htm)

- **Link to a document that describes the environmental implications of feeding China's pigs (slide 8):**

[https://www.researchgate.net/publication/274640484\\_Feeding\\_China's\\_Pigs\\_Implications\\_for\\_the\\_Environment\\_China's\\_Smallholder\\_Farmers\\_and\\_Food\\_Security](https://www.researchgate.net/publication/274640484_Feeding_China's_Pigs_Implications_for_the_Environment_China's_Smallholder_Farmers_and_Food_Security)

- **Link to the statement 7, slide 24:**

[https://www.researchgate.net/publication/323899904\\_Survival\\_of\\_viral\\_pathogens\\_in\\_animal\\_feed\\_ingredients\\_under\\_transboundary\\_shipping\\_models](https://www.researchgate.net/publication/323899904_Survival_of_viral_pathogens_in_animal_feed_ingredients_under_transboundary_shipping_models)

## References to policies regulating long distance transportation:

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