



INSTITUTE FOR AGRICULTURE AND TRADE POLICY

China, Smithfield and the Global Meat Industry Webinar

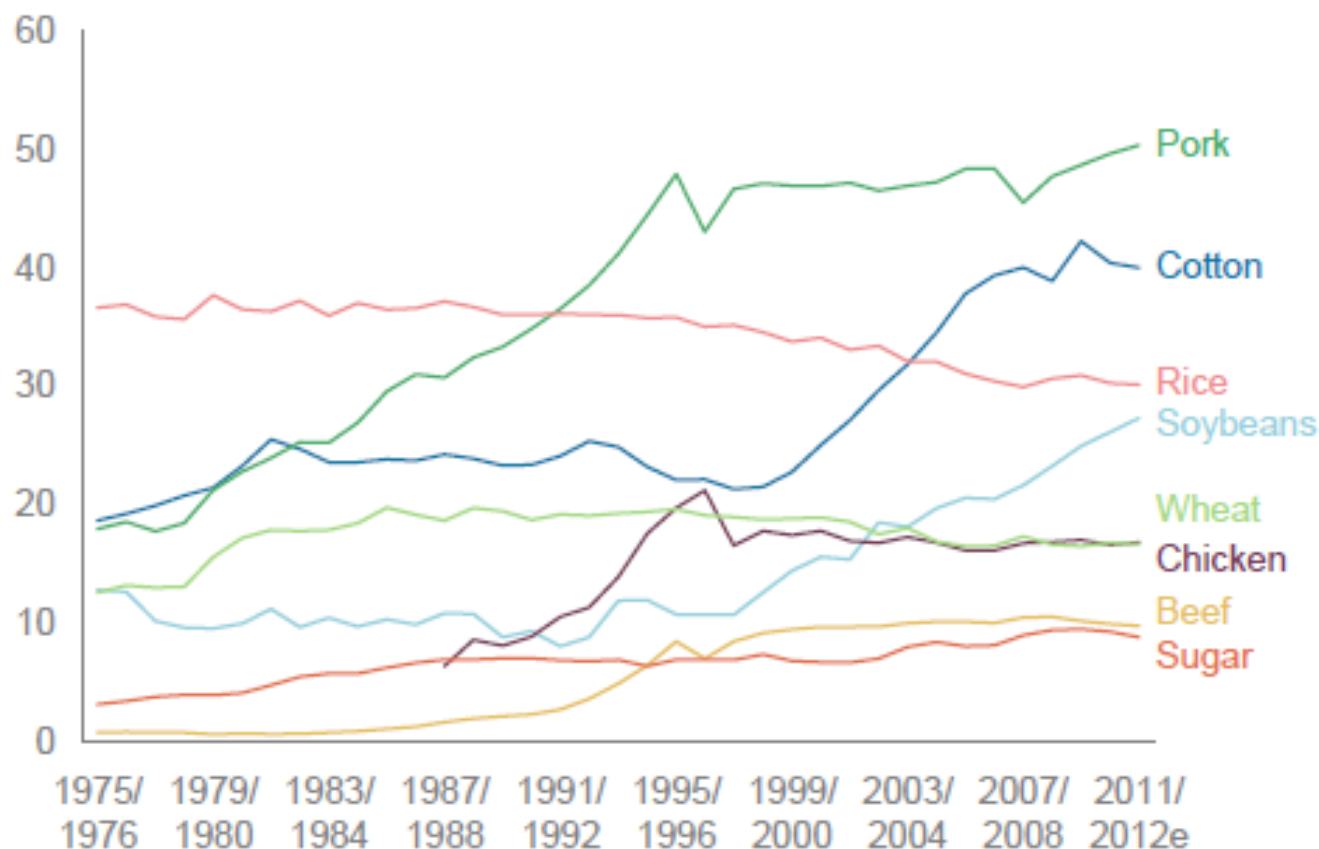
Jim Harkness

Shefali Sharma

June 18, 2013

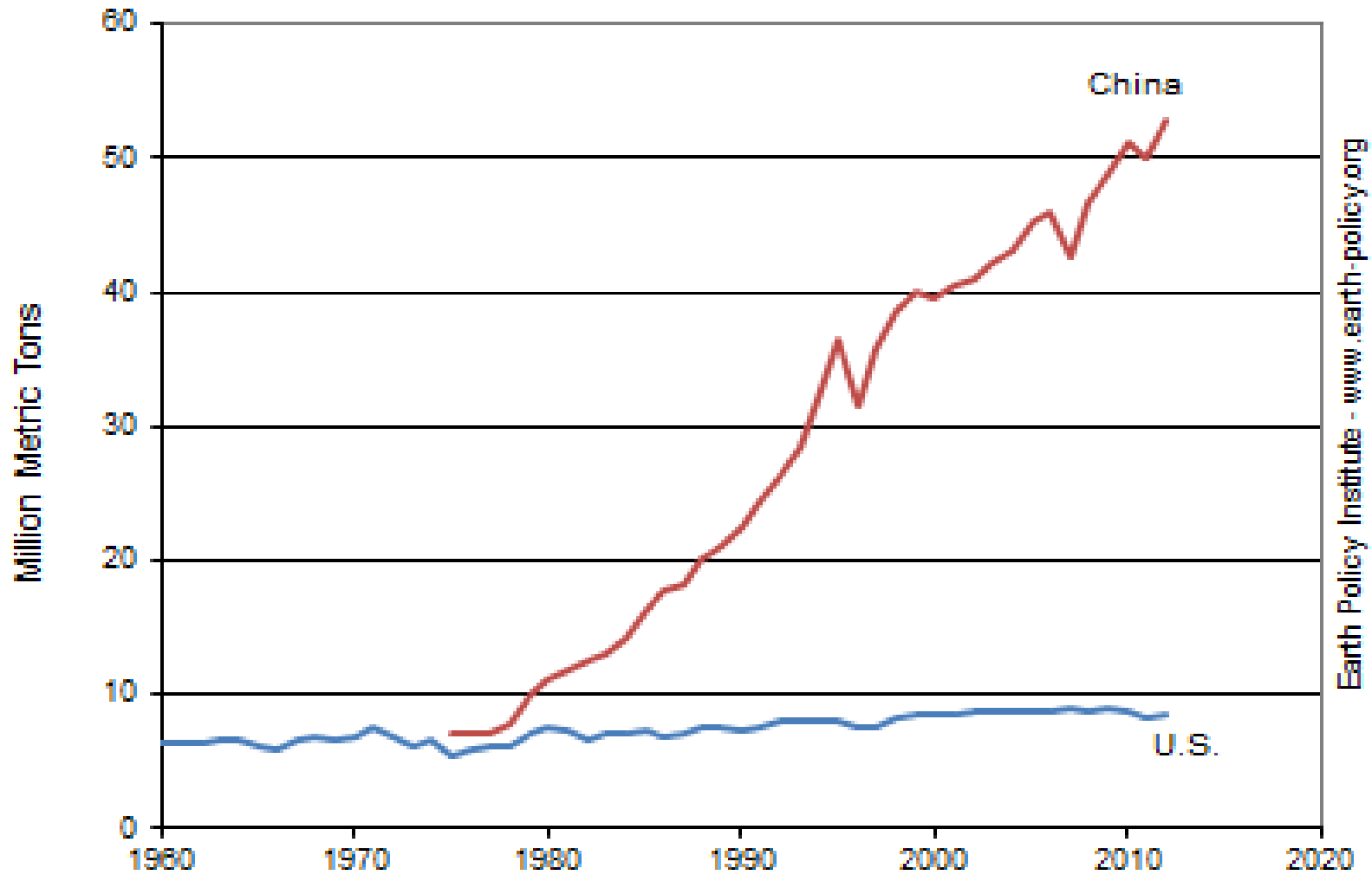
Chinese Domestic Consumption of Commodities and Foods as a % of World Total

Share of world consumption (%)



Source: USDA, Morgan Stanley Commodity Research.

Pork Consumption in China and the United States, 1960-2012



Source: USDA

Earth Policy Institute - www.earth-policy.org

Even on a per capita basis, China is already a significant pork consumer, especially among Asian peers

中国已经是一个人均猪肉消费大国，尤其与亚洲其他国家相比

Per capita animal protein consumption (kg/capita/annum) 人均动物蛋白质消费量 (千克/人/年)

Source: FAO, 2009 来源: 联合国粮农组织, 2009

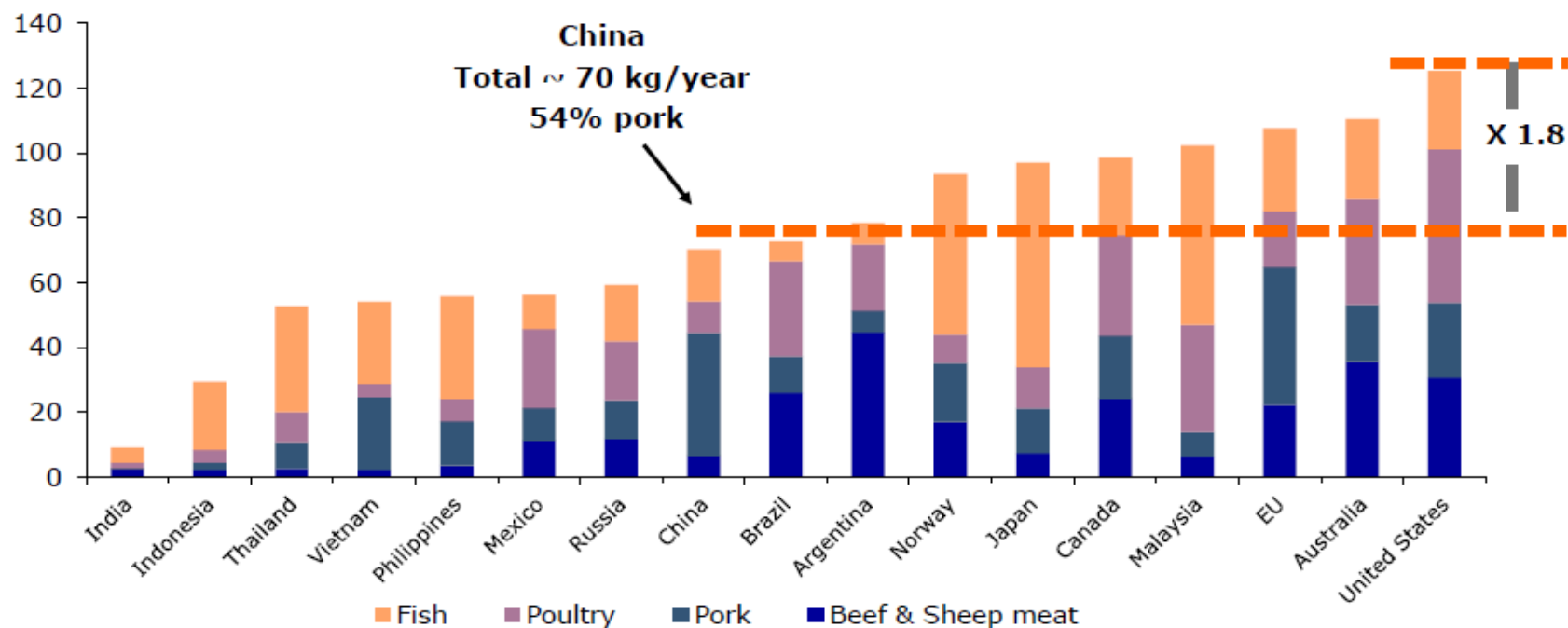
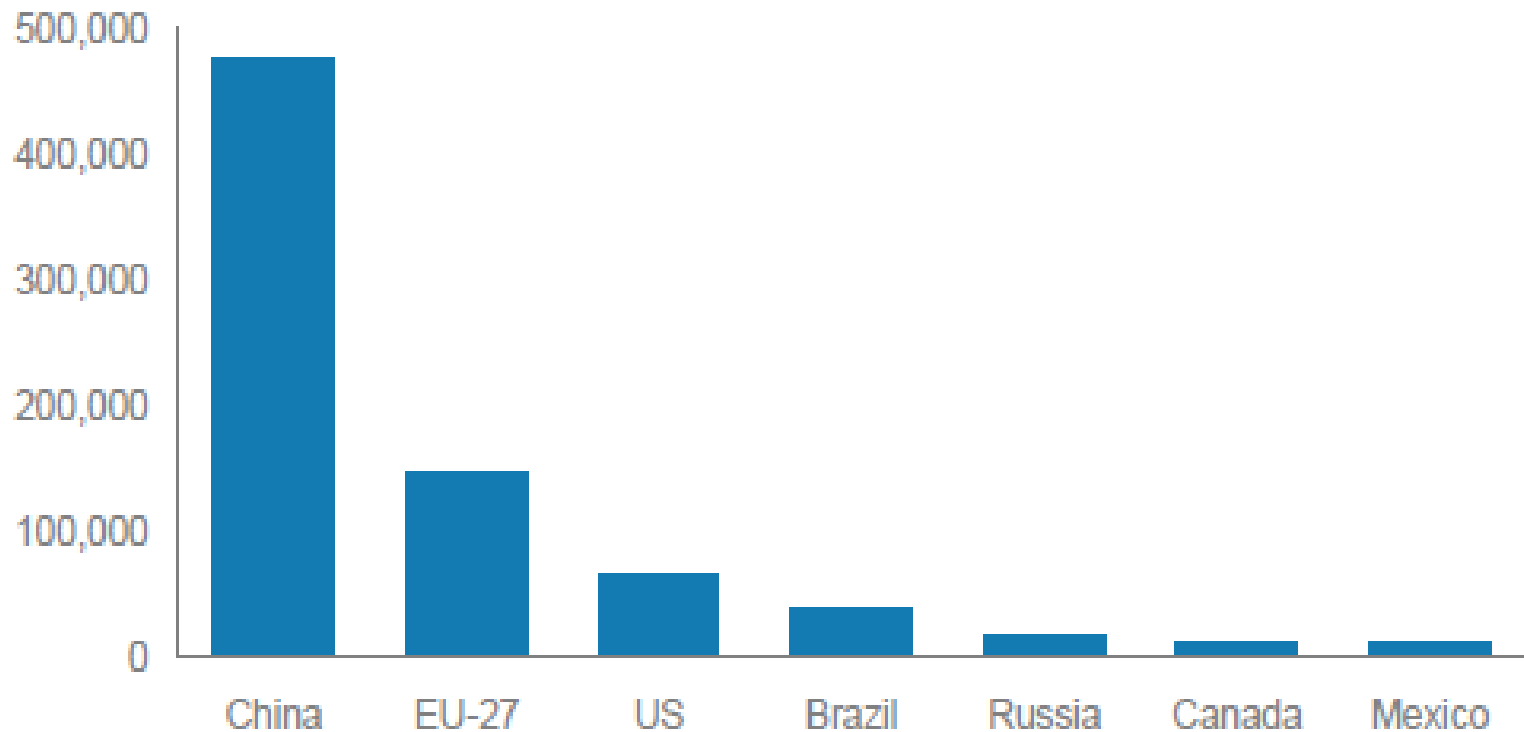


Exhibit 14

China's Hog Herd Triple the Size of the Next Largest Producer

Swine inventory

(thousands of heads)

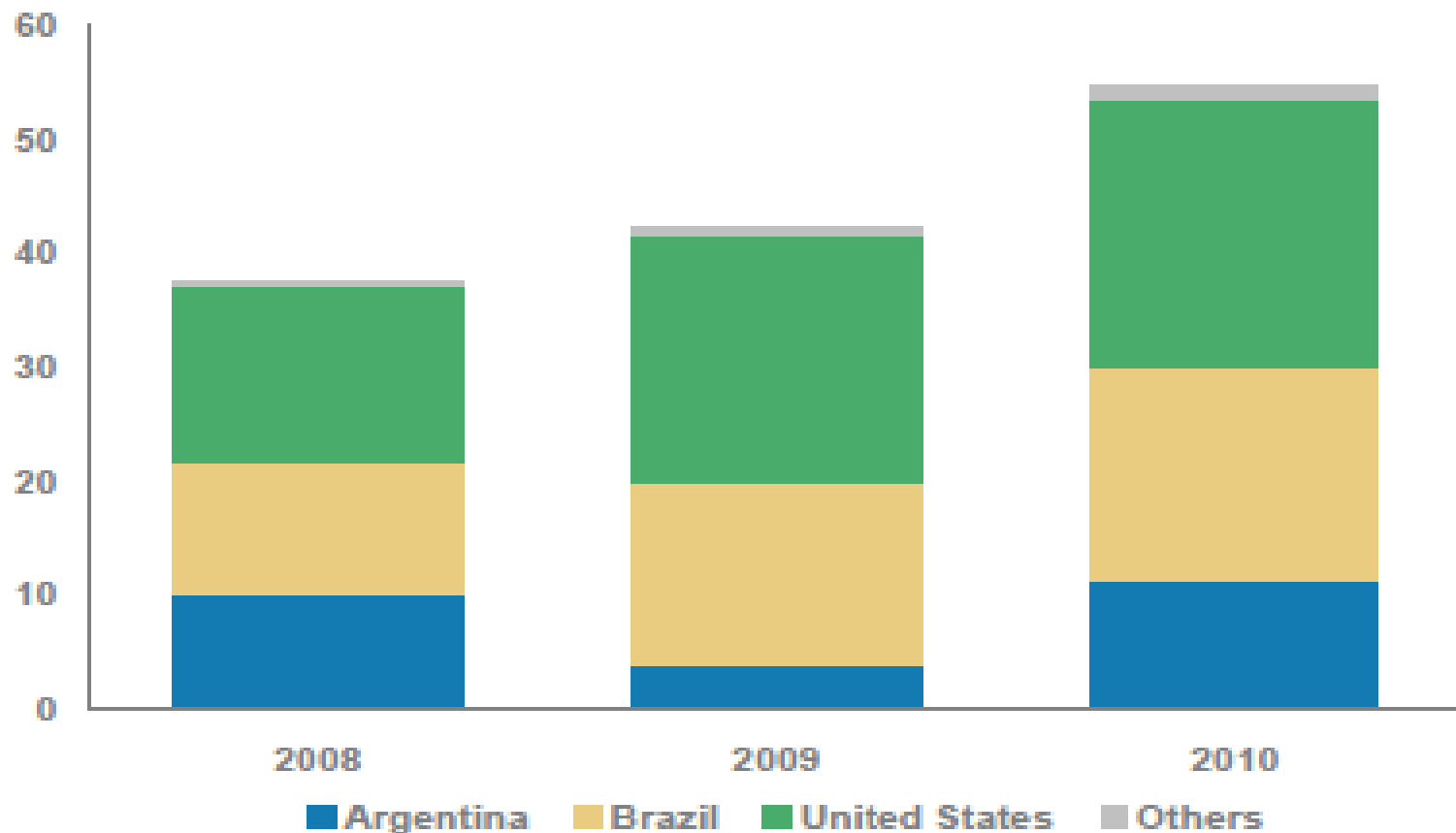


Source: USDA, Morgan Stanley Commodity Research estimates.



Trade: China Soybean Imports by Country

Soybean imports (metric tons/millions)



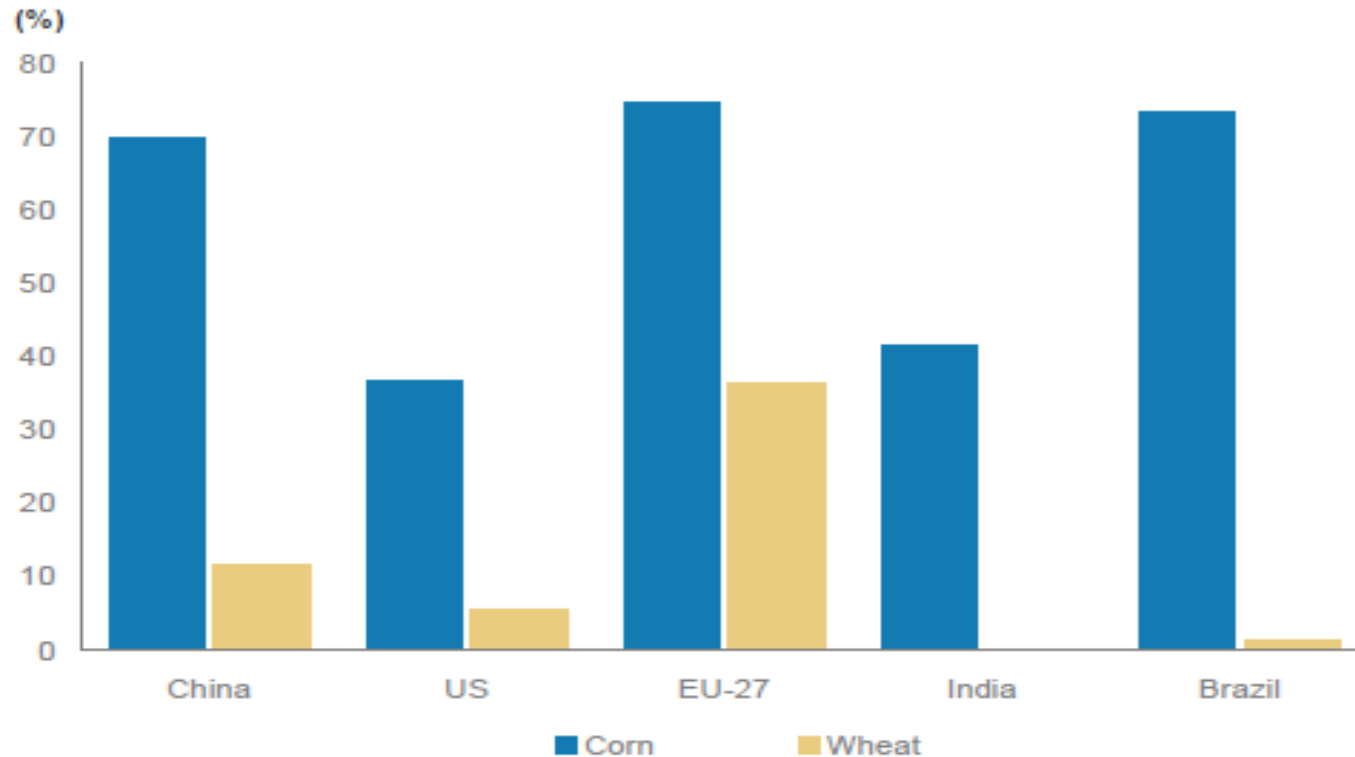
Source: JCI, Morgan Stanley Commodity Research.



Exhibit 15

China's Livestock Sector Already Makes up a Large Share of Domestic Grain Consumption

Total domestic consumption

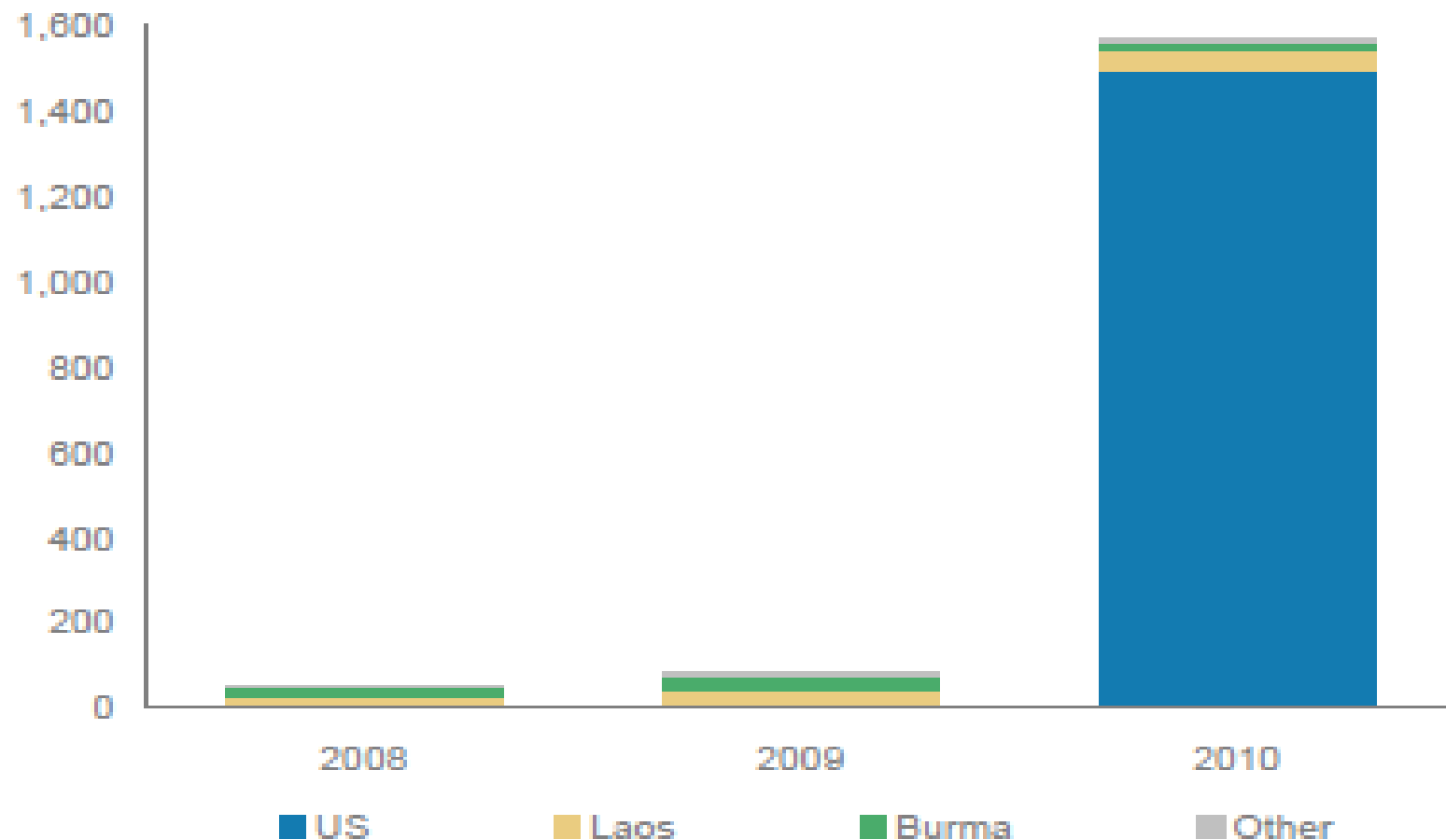


Source: USDA, Morgan Stanley Commodity Research estimates.



Trade: China Corn Imports by Country

China corn imports (thousands metric tons)



Source: JCI, Morgan Stanley Commodity Research.

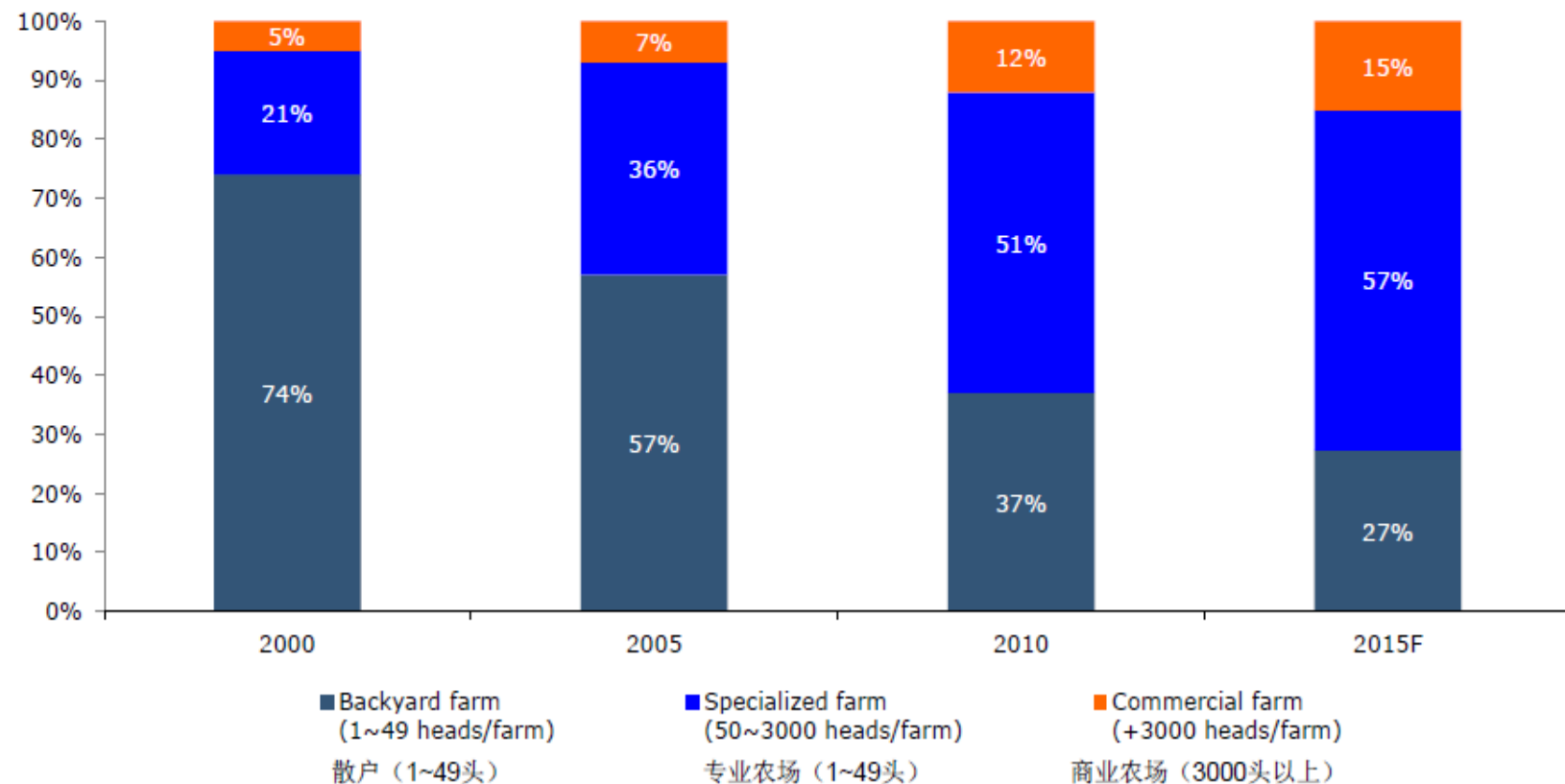


Chinese Pork Industry Structure and Future Prospects

Trends toward upscale farming 生猪养殖规模化

Evolving structure of pig farming in China 中国生猪养殖的结构变迁

Source: Ministry of Agriculture, Rabobank, 2011 来源: 农业部, 荷兰合作银行, 2011



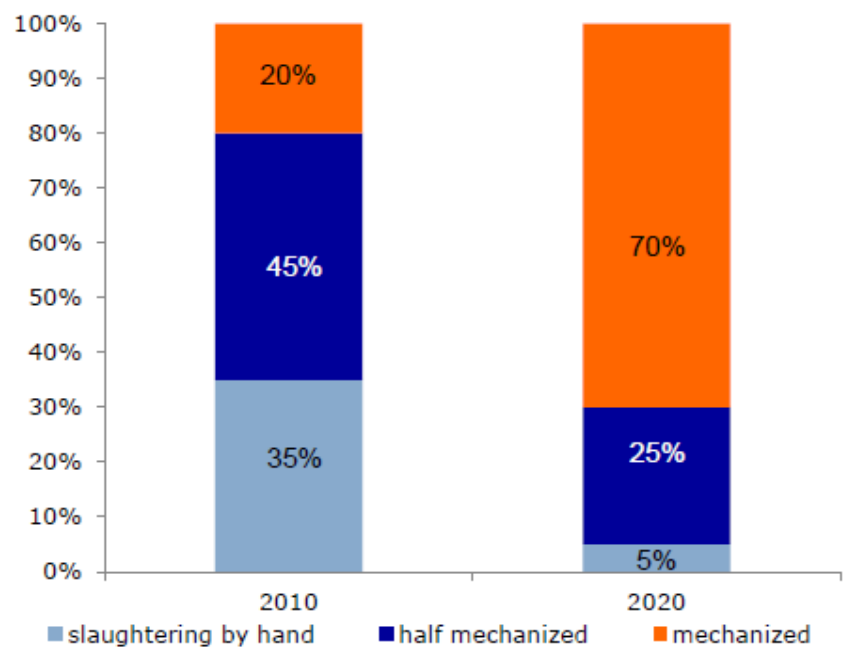


Rapid consolidation in slaughtering and processing... 屠宰和加工业的快速整合

Changing trends of swine slaughtering equipment

生猪屠宰结构趋势

Source: Rabobank, 2012 来源: 荷兰合作银行, 2011

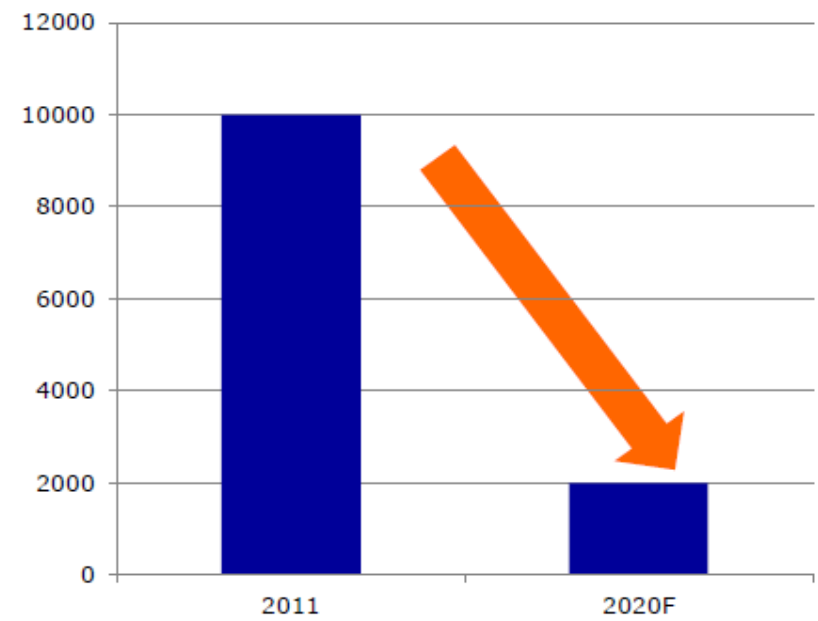


Changes in number of designated abattoirs

定点屠宰场的数目变化

Source: China Commerce Department, Rabobank, 2011

来源: 商务部, 荷兰合作银行, 2011







Shuanghui – Smithfield: Why This Deal, at This Time?

Potential risk: Overcapacity 潜在风险：产能过剩

Slaughtering capacity and real slaughtering number of selected companies in 2011

2011年部分公司的屠宰能力和实际屠宰数量

Source: Company Data, Rabobank, 2012

Million head (单位: 百万)	Slaughter capacity by end 2011 2011年底屠宰能力	Estimated real slaughtering numbers in 2011 2011年实际屠宰量
 双汇集团 SHINEWAY GROUP Shineway 双汇	25	10
 Yurun 雨润	46	15
 People's Food 大众食品/金锣	20	8
 顺鑫农业 SHUNXIN AGRICULTURE Shunxin Agriculture 顺鑫农业	3	2

Potential Impacts:

Economic

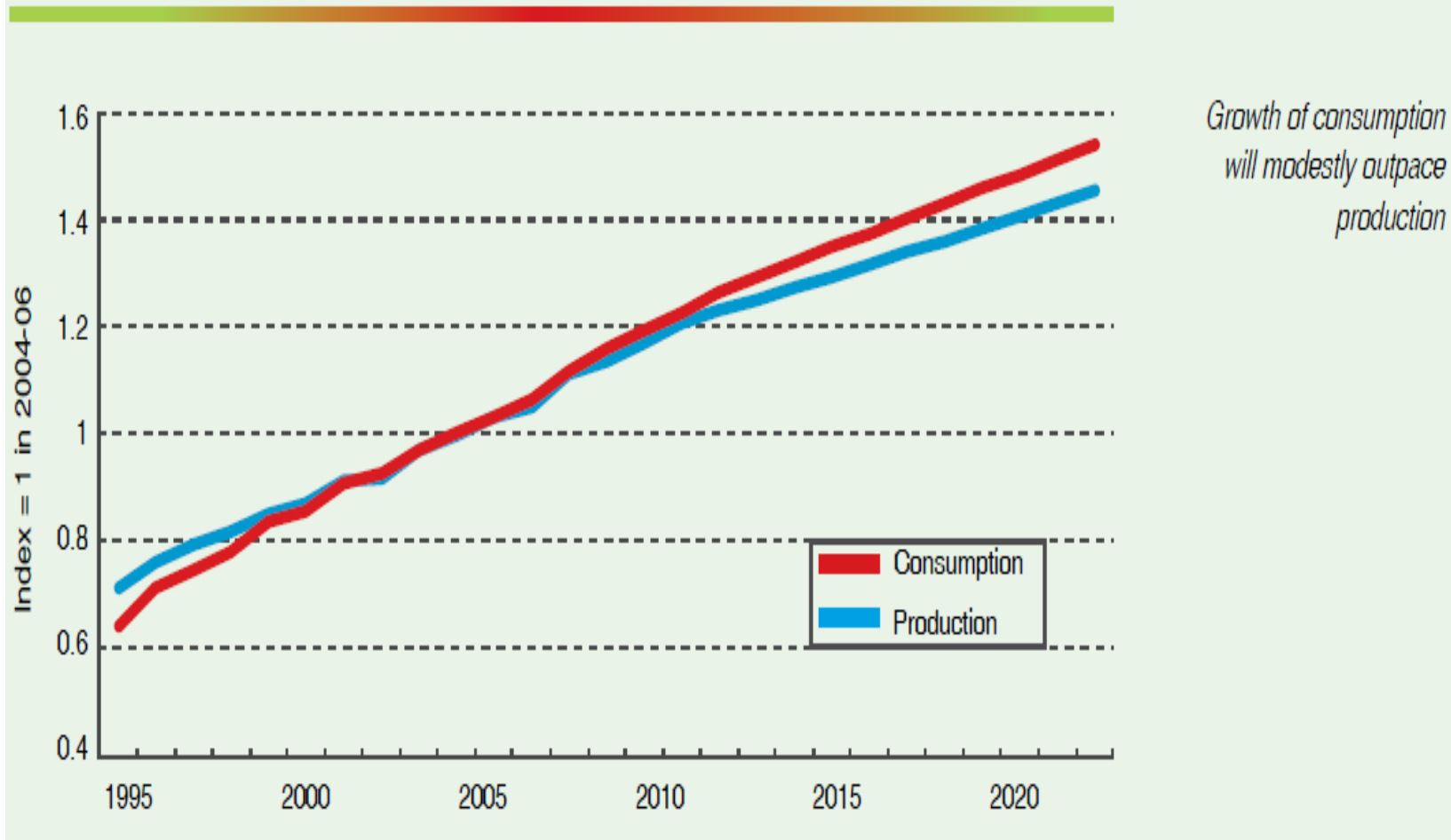
Health

Environment

Food Security

OECD-FAO Agricultural Outlook 2013-2022: China

Figure 5. Indices of agriculture and fish consumption and production in China



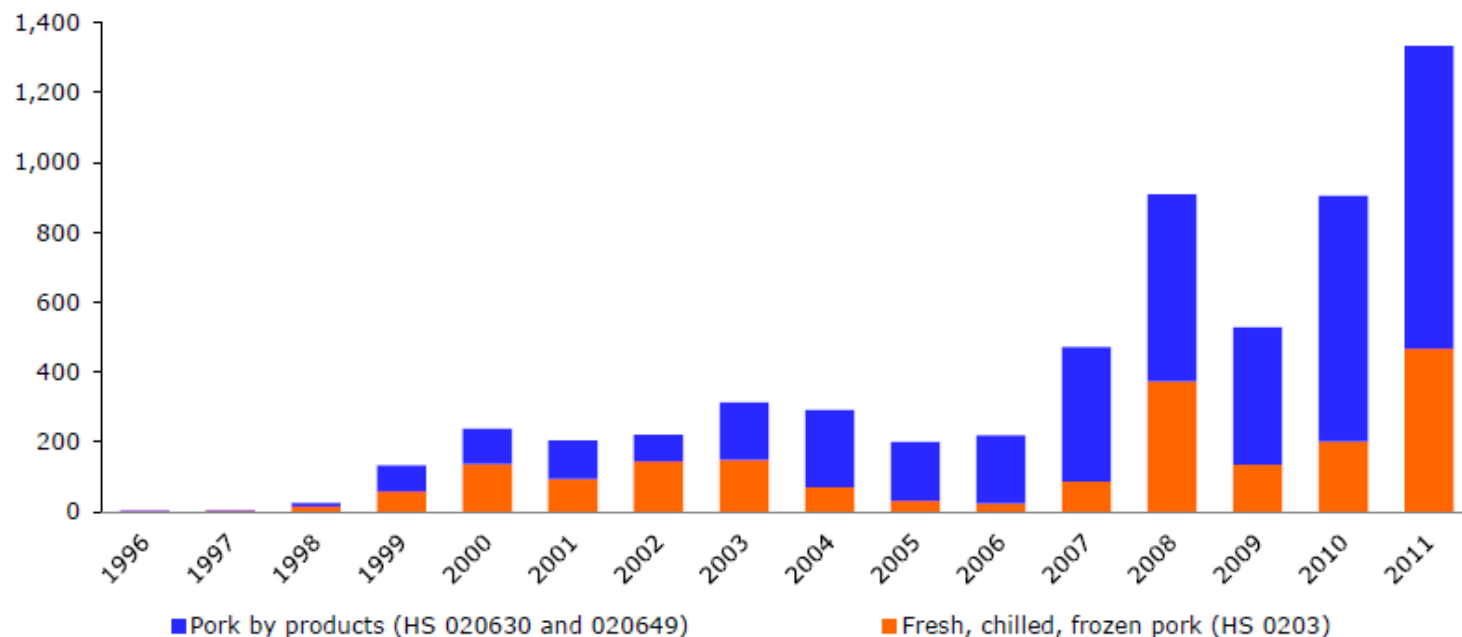
Increasing pork imports 猪肉进口近些年不断增加

China pork meat and by-products imports, 1996-2011 中国猪肉和猪肉制品进口情况, 1996-2011

Source: UN Comtrade, BOABC, 2011

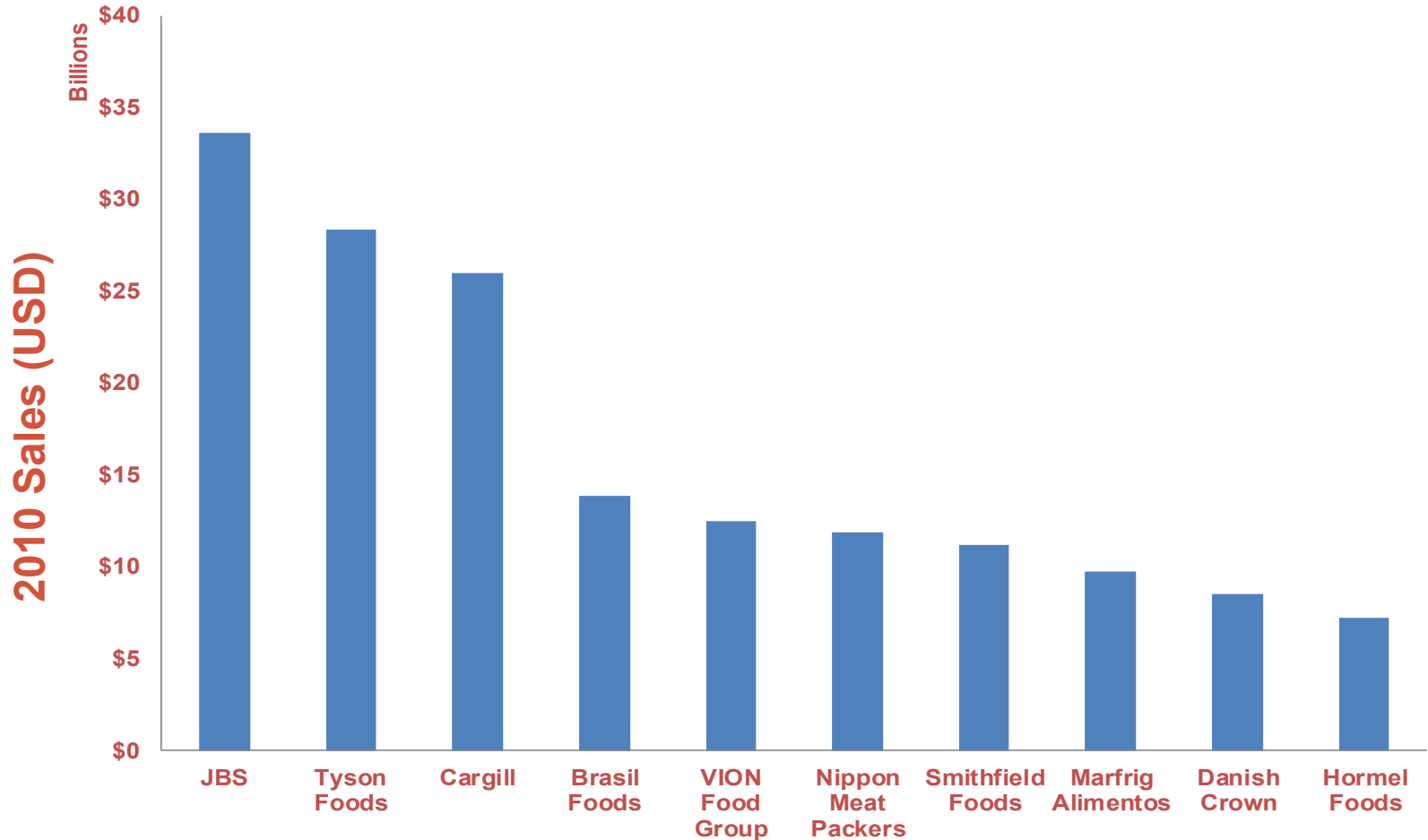
来源: UN Comtrade, BOABC, 2011

Unit: Thousand tons



Slide from the IUF 2011: Global Meat Conference

Ten Largest Meat Companies in the World



Conversion rates from close 3/30/2011