Livestock and Poultry Breeding Equipment Demand and Competitive Landscape in China 2016

Beijing Orient Agribusiness Consultant Limited
Mar. 2016
1 Livestock and poultry breeding features large scale and distinct regionalization in China

China is world's largest pork and egg producing country and the second largest broiler producing country just after the US. In 2014, China's hog slaughter was 735 million head, pork output was 56.7 million tons; egg output was 25 million tons; broiler slaughter was near 9 billion birds; dairy cattle inventory was 14.99 million head, milk output was 37.25 million tons. Hog, broiler and layer breeding in China also shows obvious regional characteristics, see Figure 1-3.

**Figure 1, Distribution of Hog Breeding by Counties in China**
2 Scale degree and mechanization level of livestock and poultry breeding is increasing constantly

As the rising of rural labor cost, the scale degree of livestock and poultry breeding is increasing constantly. The slaughter of pig farms with annual slaughter of over 500 head accounted for about 46% of national hog slaughter in 2013, increasing by about 34% from ten years ago; it’s predicted that this proportion would increased to more than 50% in 2015. The scale degree of broiler breeding is higher, in terms of slaughter, the proportion of farms with annual slaughter of 10,000 birds was about 80%, while family farm with annual slaughter of...
10,000-50,000 birds is the main body of broiler breeding, and its proportion was about 39.3% in 2014 and increased by 13.8% from ten years ago.

In spite of various main parts, breeding ways and greater difference of breeding scales, the mechanization level of livestock and poultry farms of different types and scales is increasing continuously with the rising of rural labor cost in recent ten years.

3 The development of livestock and poultry breeding equipment industry can't meet domestic market demand

Domestic labor cost is increasing continuously, and the price of relevant equipment produced by domestic livestock and poultry breeding equipment manufacturers is low relatively, so the
equipment is rapidly promoted and applied in market.

In order to raise market share, domestic livestock and poultry breeding equipment manufacturers and suppliers continuously increase their sales volume of equipment by cooperating with breeding enterprises directly or by inner merger and acquisitions in the industry. As for foreign equipment manufacturers, suppliers and retailers, some of them build joint venture, some build sole corporation and some set up sales organization to promote their equipment with high quality.

Now, there are many livestock and poultry breeding equipment manufacturers in domestic, but home equipment still is in a period of imitation and has greater gap compared with imported equipment in production process, materials and other basic aspects, the core component and control system of animal husbandry equipment still depend on import. Foreign enterprises continuously increase promotion and marketing in domestic market, but for higher promotion and marketing cost, the production benefits of foreign enterprises are affected greatly.

Taking four major livestock and poultry breeds including hog, broiler (yellow feather and white feather broiler), layer and dairy cattle as objects, the report focuses on the analysis of following five aspects:

1) Development status, future development model and development potential of China’s animal husbandry

2) Use characteristics of equipment for different livestock and poultry breeds and different breeding ways

3) Characteristics and current situation of market demand of animal husbandry equipment in China

4) Demand potential of animal husbandry equipment market in the future

5) Main animal husbandry equipment corporations and industrial competitive landscape.
This report is a reference for large animal husbandry equipment enterprises, large breeding enterprises and agricultural investment organizations to make important decision.
# TABLE OF CONTENTS

## BACKGROUND .......................................................................................................................... II

## PART ONE: PRODUCTION AND FUTURE DEVELOPMENT POTENTIAL OF CHINA'S ANIMAL HUSBANDRY INDUSTRY ........................................................................................................ 1

1 INVENTORY, SLAUGHTER AND OUTPUT OF MAIN LIVESTOCK AND POULTRY BREEDS IN CHINA IN 2014 ..................................................................................................................... 1

1.1 Year-end inventory ...................................................................................................................... 1

1.2 Slaughter ...................................................................................................................................... 1

1.3 Animal products output .............................................................................................................. 2

2 OUR COUNTRY’S MAIN ANIMAL PRODUCTS CONSUMER MARKET STILL HAS GREATER POTENTIAL ................................................................................................................................. 2

  2.1 Per capita consumption comparison of animal products between China and foreign countries ...................................................................................................................................................... 2

  2.2 Forecast of China’s consumption of main animal products in the future .................................... 3

## PART TWO: HOG BREEDING EQUIPMENT DEMAND AND COMPETITIVE LANDSCAPE IN CHINA ................................................................................................................................. 5

1 CHINA’S HOG PRODUCTION AND FUTURE VARIATION TREND (2025) ............. 5

  1.1 Hog inventory change ................................................................................................................. 5

  1.2 Hog slaughter change .................................................................................................................. 6

  1.3 Hog inventory and slaughter forecast ....................................................................................... 7

2 CHINA’S HOG BREEDING MODES AND FUTURE CHANGE TRENDS ....... 8

  2.1 Change characteristics of various hog breeding modes ........................................................... 8

    2.1.1 Proportion of individual farmers and professional farmers declines sharply ...................... 8

    2.1.2 Slaughter proportion of scale farms rises up ......................................................................... 9

    2.1.3 Slaughter volume of integrated large scale breeding enterprises is limited .................... 9

    2.1.4 Enterprises with “Company + farmer” mode have obvious advantages .......................... 11

  2.2 Per capita raising number and per capita output value of various hog breeding modes ... 12

    2.2.1 Professional farmers ............................................................................................................ 12

    2.2.2 Scale farms .......................................................................................................................... 12

    2.2.3 “Company + farmer” mode breeding enterprises ................................................................. 12

    2.2.4 Integrated large scale breeding enterprises .......................................................................... 12
2.3 Variation trend of hog breeding modes of different scales in the future ............................................... 13
  2.3.1 Hog scale degree will rise up to about 88% ................................................................................. 13
  2.3.2 The slaughter proportion of “company + farmer” mode will reach 7% ................................. 14

3 USE CHARACTERISTICS OF EQUIPMENT FOR VARIOUS HOG BREEDING
MODES......................................................................................................................................................... 14
  3.1 Individual farmers and professional farmers .................................................................................. 14
  3.2 Scale farms ........................................................................................................................................ 15
  3.3 “Company + farmer” mode breeding enterprises ..................................................................... 16
  3.4 Integrated large scale breeding enterprises .............................................................................. 17

4 HOG BREEDING EQUIPMENT DEMAND AND MARKET SHARES OF
DIFFERENT TYPES OF MANUFACTURERS .......................................................................................... 18
  4.1 Hog breeding equipment demand .............................................................................................. 18
  4.2 Market shares of different types of manufacturers .................................................................... 19
  4.3 Development characteristics of foreign hog breeding equipment manufacturers
     in China ........................................................................................................................................ 20

5 INFLUENCING FACTORS OF EQUIPMENT PURCHASING DECISION OF
FARMERS AND THEIR RANKING ......................................................................................................... 21
  5.1 Influencing factors of equipment purchasing decision of farmers ............................................. 21
    5.1.1 Hog breeding scale .............................................................................................................. 21
    5.1.2 Hog breeding benefits ....................................................................................................... 21
    5.1.3 Capital status of investors ................................................................................................... 22
    5.1.4 Participation degree of contract breeding .......................................................................... 22
    5.1.5 Equipment price ................................................................................................................ 22
    5.1.6 Equipment performance and quality .................................................................................. 22
    5.1.7 Service of equipment supplier .......................................................................................... 22
    5.1.8 Policy support of government .......................................................................................... 23
  5.2 Influencing factors ranking ........................................................................................................... 23

6 FORECAST ON HOG BREEDING EQUIPMENT DEMAND IN THE FUTURE (2025)
................................................................................................................................................................ 24
  6.1 Variation trend of equipment application of different scale hog breeding modes ................. 24
  6.2 Estimation on market capacity of hog breeding equipment ...................................................... 25

7 DOMESTIC, FOREIGN AND JOINT-VENTURED MANUFACTURERS OF HOG
BREEDING EQUIPMENT ....................................................................................................................... 26
PART THREE: LAYER BREEDING EQUIPMENT DEMAND AND COMPETITIVE LANDSCAPE IN CHINA

1 CHINA’S LAYER PRODUCTION AND FUTURE VARIATION TREND (2025)....32

1.1 Layer inventory change ............................................................................................................ 32
1.2 Forecast on layer inventory variation trend ........................................................................... 33

2 LAYER BREEDING MODES AND FUTURE CHANGE TREND IN CHINA........34

2.1 Change characteristics of different layer breeding modes ...................................................... 34
   2.1.1 Inventory and inventory proportion of small and individual farmers decline obviously..34
   2.1.2 Inventory and inventory proportion of large and middle size layer farms increase sharply
   .............................................................................................................................................................. 35
   2.1.3 Change of inventory and inventory proportion of major large scale layer breeding
   enterprises ........................................................................................................................................... 36

2.2 Per capita raising number and per capita output of different types of layer breeding
   modes................................................................................................................................................ 37
   2.2.1 Professional farmers ................................................................................................................ 37
   2.2.2 Large and middle-sized farms ............................................................................................... 37
   2.2.3 Major large scale breeding enterprises ................................................................................. 37

2.3 Variation trend of layer breeding modes of different scales in the future ..................... 38

3 USE CHARACTERISTICS OF EQUIPMENT FOR DIFFERENT TYPES OF LAYER
   BREEDING MODES .................................................................................................................. 39

3.1 Small and individual farmers .................................................................................................. 39
3.2 Large and middle-sized farms .................................................................................................. 39
3.3 Large scale breeding enterprises ................................................................................................. 40
4 LAYER BREEDING EQUIPMENT DEMAND AND MARKET SHARES OF DIFFERENT TYPES OF MANUFACTURERS ............................................................... 41
  4.1 Layer breeding equipment demand ................................................................................. 41
  4.2 Market shares of different types of manufacturers .......................................................... 42
  4.3 Development characteristics of foreign layer breeding equipment manufacturers in China ................................................................. 43

5 INFLUENCING FACTORS OF EQUIPMENT PURCHASING DECISION OF FARMERS AND THEIR RANKING ........................................ 44
  5.1 Influencing factors of equipment purchasing decision of farmers ................................. 44
      5.1.1 Layer breeding benefits ....................................................................................... 44
      5.1.2 Layer breeding modes .......................................................................................... 44
      5.1.3 Layer breeding scale ............................................................................................ 45
      5.1.4 Labor cost .............................................................................................................. 45
      5.1.5 Contract breeding mode ....................................................................................... 45
      5.1.6 Equipment price .................................................................................................. 45
      5.1.7 Equipment performance and quality ...................................................................... 45
      5.1.8 Service of equipment supplier ............................................................................. 45
      5.1.9 Policy support of government .............................................................................. 46
  5.2 Influencing factors ranking ............................................................................................. 46

6 FORECAST ON LAYER BREEDING EQUIPMENT DEMAND IN THE FUTURE (2025) ........................................................................ 46
  6.1 Variation trend of equipment application of different scale layer breeding modes .......... 46
  6.2 Estimation on market capacity of layer breeding equipment ....................................... 48

7 DOMESTIC, FOREIGN AND JOINT-VENTURED MANUFACTURERS OF LAYER BREEDING EQUIPMENT ................................................... 48
  7.1 Big Dutchman (Tianjin) Livestock Equipment Co., Ltd. ................................................ 49
  7.2 Guangdong Guangxing Group ...................................................................................... 49
  7.3 Big Herdsman Machinery Co., LTD ............................................................................ 50
  7.4 Shanghai Extra Machinery Co., Ltd. .......................................................................... 50
  7.5 Chore-Time Brock International ..................................................................................... 51
  7.6 Guangzhou Huanan Poultry Equipment Co., Ltd. ....................................................... 51
  7.7 Henan Jinfeng Poultry Equipment Co., Ltd. ................................................................. 52
  7.8 Qindao Tianrui Poultry Equipment Co., Ltd. ................................................................. 52
  7.9 Tianjin Boil Dairy and Poultry Equipments Co., Ltd. .................................................... 53
PART FOUR: BROILER BREEDING EQUIPMENT DEMAND AND COMPETITIVE LANDSCAPE IN CHINA

1 CHINA’S BROILER PRODUCTION AND FUTURE VARIATION TREND (2025)

1.1 White feather broiler production and future variation trend

1.1.1 Slaughter change of white feather broiler

1.1.2 Forecast on change trend of white feather broiler slaughter

1.2 Yellow feather broiler production and future variation trend

1.2.1 Slaughter change of yellow feather broiler

1.2.2 Forecast on change trend of yellow feather broiler slaughter

2 BROILER BREEDING MODES AND FUTURE CHANGE TREND IN CHINA

2.1 Different breeding modes of white feather broiler and their change characteristics

2.1.1 Integrated large scale breeding enterprises and change of their slaughter proportion

2.1.2 “Company +farmer” type breeding enterprises and change of their slaughter proportion

2.1.3 Slaughter of large and middle-sized farms and change of their slaughter proportion

2.1.4 Slaughter and slaughter proportion change of small farmers

2.2 Different breeding modes of yellow feather broiler and their change characteristics

2.2.1 Integrated large scale breeding enterprises and change of their slaughter proportion

2.2.2 “Company +farmer” type breeding enterprises and change of their slaughter proportion

2.2.3 Slaughter of large and middle-sized farms and change of their slaughter proportion

2.2.4 Slaughter and slaughter proportion change of small and individual farmers

2.3 Per capita raising number and per capita output of different types of broiler breeding modes

2.3.1 Per capita raising number and per capita output of different types of white feather broiler breeding modes

2.3.2 Per capita raising number and per capita output of different types of yellow feather broiler breeding modes

2.4 Variation trend of broiler breeding modes of different scales in the future

2.4.1 Variation trend of white feather broiler breeding modes of different scales

2.4.2 Variation trend of yellow feather broiler breeding modes of different scales
3 USE CHARACTERISTICS OF EQUIPMENT FOR DIFFERENT TYPES OF BROILER BREEDING MODES .................................................................69

3.1 Use characteristics of white feather broiler breeding equipment ........................................69

3.1.1 Integrated large scale breeding enterprises.................................................................69
3.1.2 “Company + farmer” type breeding enterprises.........................................................70
3.1.3 Large and middle-sized farms.....................................................................................71
3.1.4 Small farmers............................................................................................................72

3.2 Use characteristics of yellow feather broiler breeding equipment....................................73

3.2.1 Integrated large scale breeding enterprises.................................................................73
3.2.2 “Company + farmer” type breeding enterprises.........................................................73
3.2.3 Large and middle-sized farms.....................................................................................74
3.2.4 Small and individual farmers.....................................................................................74

4 BROILER BREEDING EQUIPMENT DEMAND AND MARKET SHARES OF DIFFERENT TYPES OF MANUFACTURERS...............................75

4.1 Broiler breeding equipment demand...............................................................................75

4.1.1 Estimation on breeding equipment demand of white feather broiler..........................75
4.1.2 Estimation on breeding equipment demand of yellow feather broiler..........................76

4.2 Market shares of different types of broiler equipment manufacturers..............................77

4.3 Development characteristics of foreign broiler breeding equipment manufacturers in China..................................................................................78

5 INFLUENCING FACTORS OF BROILER BREEDING EQUIPMENT PURCHASING DECISION AND THEIR RANKING .................................79

5.1 Influencing factors of equipment purchasing decision of farmers.....................................79

5.1.1 Broiler breeding modes..............................................................................................79
5.1.2 Broiler breeding scale...............................................................................................79
5.1.3 Closeness of contractual breeding.............................................................................80
5.1.4 Labor cost..................................................................................................................80
5.1.5 Equipment price.........................................................................................................80
5.1.6 Equipment performance and quality..........................................................................80
5.1.7 Service of equipment supplier...................................................................................80
5.1.8 Policy support of government....................................................................................81

5.2 Influencing factors ranking.............................................................................................81

6 FORECAST ON BROILER BREEDING EQUIPMENT DEMAND IN THE FUTURE (2025) ...............................................................................81
6.1 Forecast on white feather broiler breeding equipment demand in the future ............... 81
   6.1.1 Variation trend of equipment application of different scale white feather broiler breeding modes .................................................................................................................................................. 81
   6.1.2 Estimation on market capacity of white feather broiler breeding equipment ............. 82
6.2 Forecast on yellow feather broiler breeding equipment demand in the future .......... 83
   6.2.1 Variation trend of equipment application of different scale yellow feather broiler breeding modes .................................................................................................................................. 83
   6.2.2 Estimation on market capacity of yellow feather broiler breeding equipment .......... 84

7 DOMESTIC, FOREIGN AND JOINT-VENTURED MANUFACTURERS OF BROILER BREEDING EQUIPMENT ................................................................................ 84
   7.1 Big Herdsman Machinery Co., LTD ................................................................. 85
   7.2 Big Dutchman (Tianjin) Livestock Equipment Co., Ltd ........................................ 85
   7.3 Qingdao Xinfutai Industrial Corporation. LTD .................................................. 86
   7.4 Guangdong Guangxing Animal Husbandry Equipment Co., Ltd ............................ 86
   7.5 Shanghai Extra Machinery Co., Ltd ................................................................. 87
   7.6 Guangzhou Huanan Poultry Equipment Co., Ltd ............................................. 87
   7.7 Henan Jinfeng Poultry Equipment Co., Ltd ..................................................... 88
   7.8 Shanghai Val-coLivestock Equipment Co., Ltd .................................................. 88
   7.9 GSI in China ................................................................................................. 89
   7.10 Langfang Yanbei Animal Husbandry Machinery Group Co., Ltd ...................... 90