

China Hog Industry Boom Analysis and Forecast Report

April 2018



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BOABC Viewpoint

In April 2018, average hog price is 10.16 yuan/kg nationwide, decreasing by 6.67% month on month; piglet price is 26.24 yuan/kg, decreasing by 8.66% month on month. In this month, domestic feeding profit of hogs slides down rapidly, of which, the profit of feeding self-produced pigs and outsourcing pigs respectively is -210.81 yuan/head and -317.13 yuan/head.

In April, hog prices dropped below 12yuan/kg to 10.16yuan/kg, and farmers suffered losses fully. But, compared with the change trend in March, the decrease of hog prices in April slowed down. It's predicted that hog prices will be mainly stabilized in May. The slaughter volume of eliminated sows increased sharply in March and April, farmers started to cut production capacity, but it's still in the early stage of de-capacity and hog supply will be relatively sufficient in the short term. It's estimated that hog prices in May will fluctuate down as a whole, but be stabilized gradually in late May.

In March, piglet prices continued to decline, farmers were still not active in restocking. It's predicted that piglet prices will be about 26.00yuan/kg in May.

BOABC estimates that China's slaughter of hog was about 691 million heads in 2018, decreasing by 0.39% year on year, pork output was 53.67 million tons, increasing by 0.50% year on year and the average price of hog will be 14.50yuan/kg, decreasing by 3.59% year on year. The detail data are as follow:

Table 1, Hog Industry Data In April, 2018 and Future Forecast

Index	Apr-18	Mar-18	Annual Prediction In 2018
Hog Price (yuan/kg)	10.16	10.89	14.50
Piglet Price (yuan/kg)	26.24	28.73	30.35
Compound Feed Price (yuan/kg)	3.06	3.07	3.03
Ratio between Hog and Feed	3.32	3.55	5.50
Ratio between Hog and Grain	5.41	5.46	7.50
Profit of Sow and Hog Feeding (yuan/head)	-210.81	-135.37	205
Profit of only Hog Feeding (yuan/head)	-317.13	-280.26	100
Hog Inventory (10,000 heads)	33,880	33,883	34,500
Sow Inventory (10,000 heads)	3,379	3,383	3,400
Pork production (1,000 tons)	3,800	3,798	53,670
Net Import Volume of Pork (1,000 tons)	130	135.9	1,000
Wholesale Price of Pork (yuan/kg)	16.63	18.25	20.00

Data source: BOABC

1 Hog Market Price and Prosperity Analysis

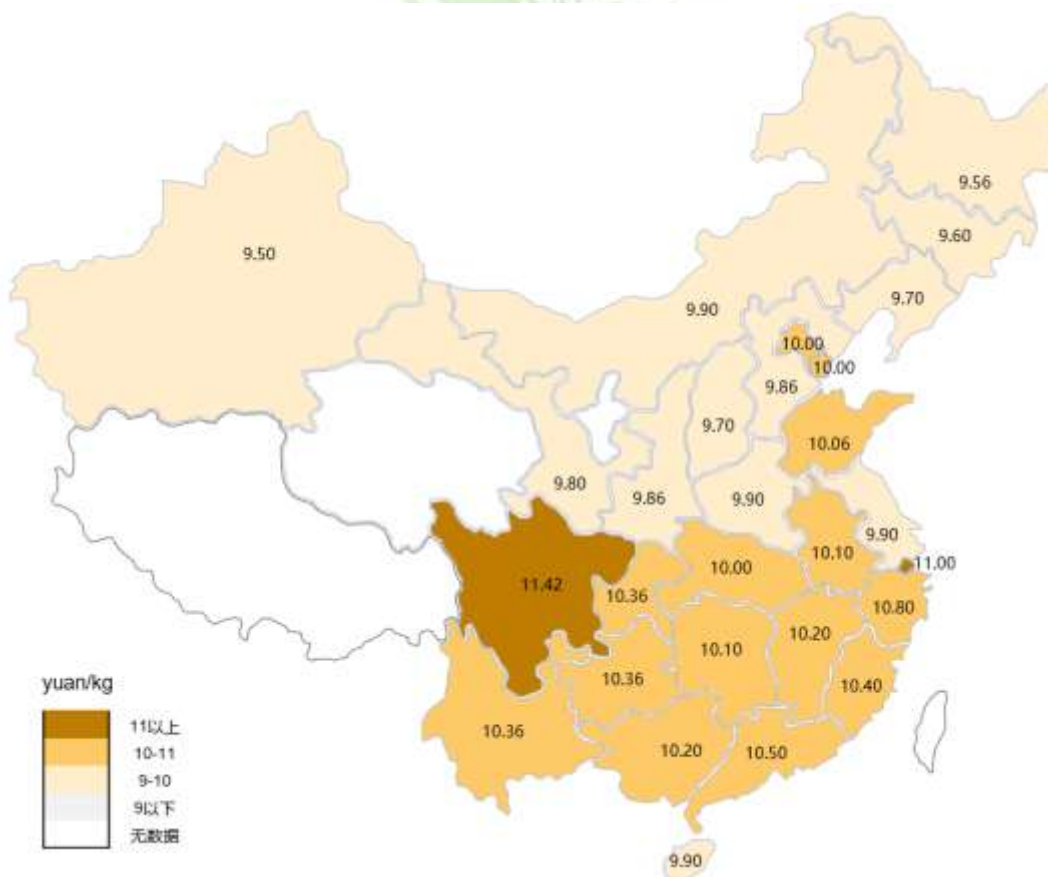
1.1 Hog and Feed Market Price Change

1.1.1 Hog prices fell sharply In April

The average price of hog was 10.16 yuan/kg nationwide, decreasing by 6.67% month on month and decreasing by 34.28% year on year. Piglet prices were 26.24 yuan/kg, decreasing by 8.66% month on month and decreasing by 39.53% year on year. Wholesale prices were 16.63 yuan/kg, decreasing by 8.91% month on month and decreasing by 24.98% year on year respectively. The prices of compound feed for fattening pigs were 3.06 yuan/kg, decreasing by 0.34% month on month, increasing by 5.43% year on year respectively.

The average weight of hogs for slaughtering is 117.64 kg/head in April 2018, decreasing by 0.59% month on month and decreasing by 1.01% year on year.

Figure 1, Domestic Hog Slaughter Prices In April



Data source: BOABC

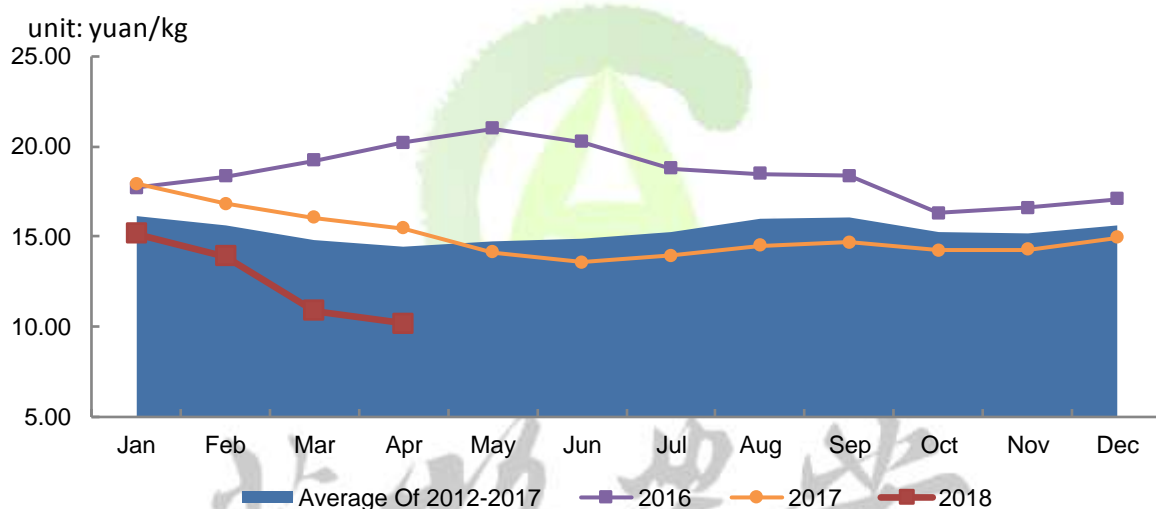
Table 2, Price Trend of Hog, Piglet, Pork and Compound Feed for Growing and Fattening Pigs In April, 2018

unit: yuan/kg

	Hog	Piglet	Pork	Compound Feed Price
March-18	10.89	28.73	18.25	3.07
April-18	10.16	26.24	16.63	3.06
MoM	-6.67%	-8.66%	-8.91%	-0.34%
YoY	-34.28%	-39.53%	-24.98%	5.43%

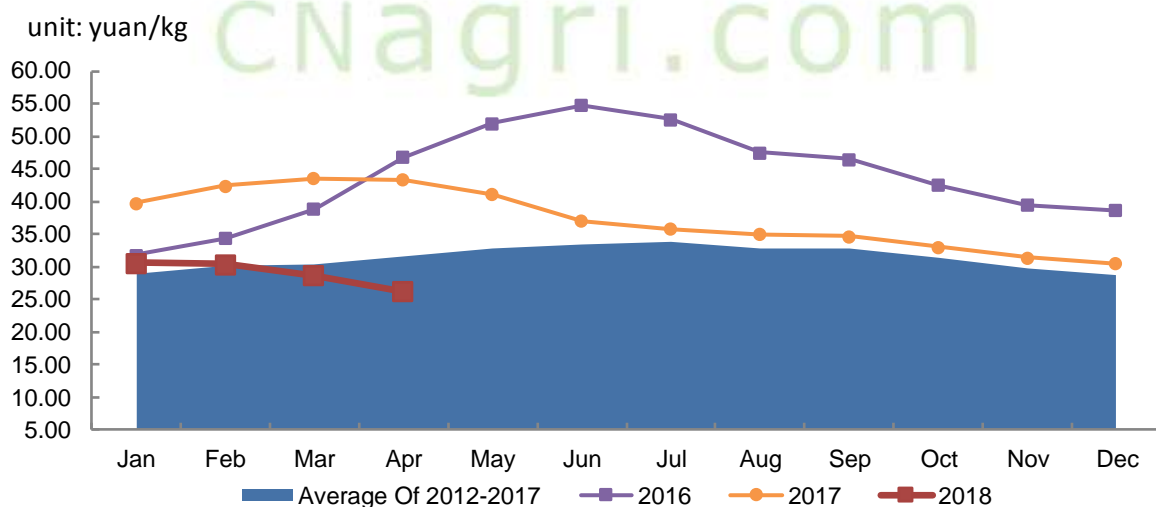
Data source: MOA, BOABC

Figure 2, Price Trend of Hog, 2012-2018



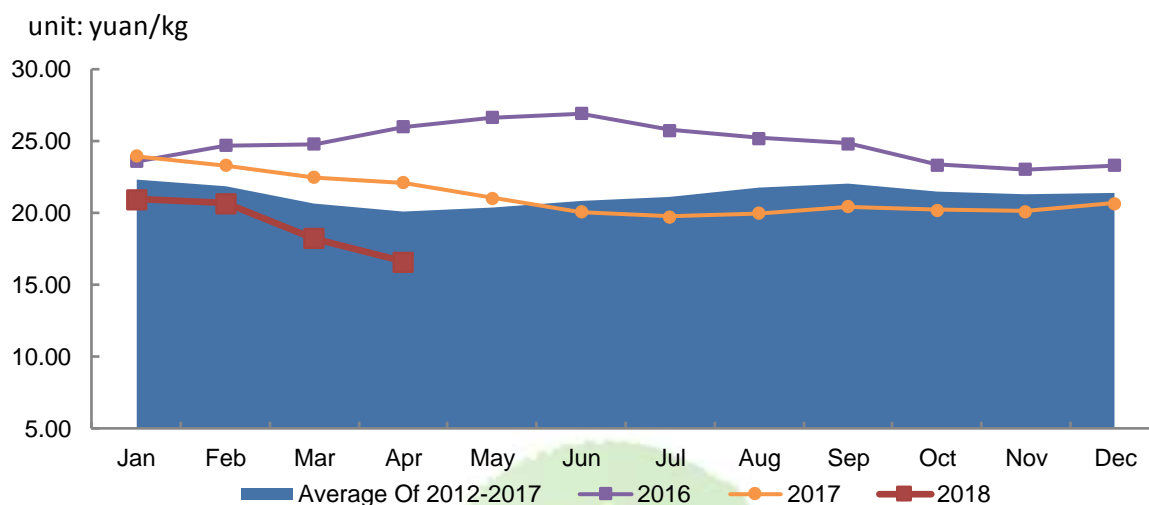
Data source: MOA, BOABC

Figure 3, Price Trend of Piglet, 2012-2018



Data source: MOA, BOABC

Figure 4, Price Trend of Pork, 2012-2018



Data source: MOA, BOABC

1.1.2 In April, domestic prices of hogs and piglets declined sharply

In April, hog prices dropped below 12yuan/kg to 10.16yuan/kg, and farmers suffered losses fully. But, compared with the change trend in March, the decrease of hog prices in April slowed down. It's predicted that hog prices will be mainly stabilized in May. The slaughter volume of eliminated sows increased sharply in March and April, farmers started to cut production capacity, but it's still in the early stage of de-capacity and hog supply will be relatively sufficient in the short term. It's estimated that hog prices in May will fluctuate down as a whole, but be stabilized gradually in late May.

In March, piglet prices continued to decline, farmers were still not active in restocking. It's predicted that piglet prices will be about 26.00yuan/kg in May.

Table 3, Prediction on Price Trend of Hog, Piglet and Pork in Domestic

	Hog	Piglet	Pork
May-18 (E)	10.12	26.15	16.30
April -18	10.16	26.24	16.63

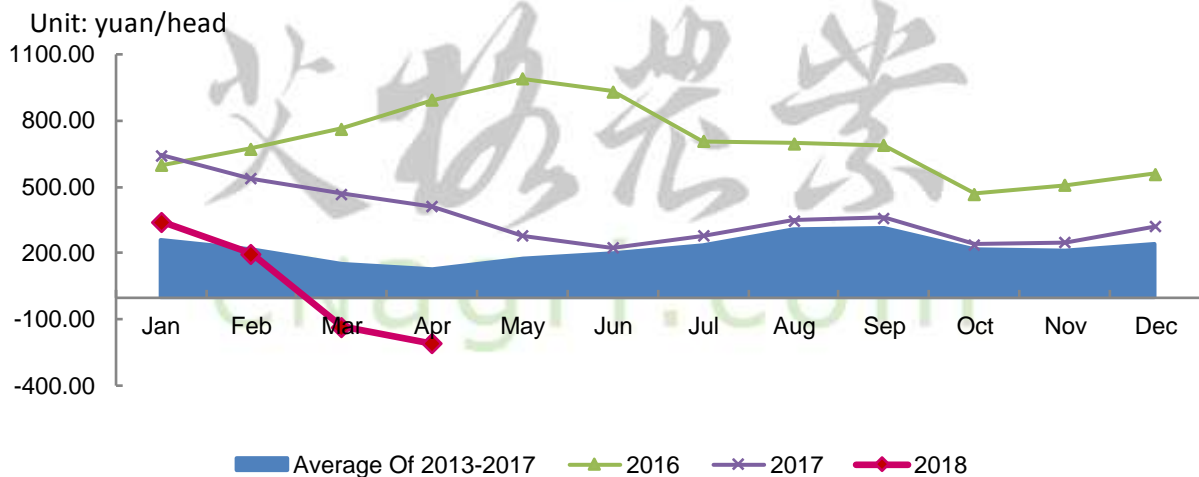
Data source: BOABC

1.2 Hog farming profit dropped sharply in April, 2018

The ratio between hog and grain was 6.96 and the ratio between hog and feed was 4.55 in domestic In April.

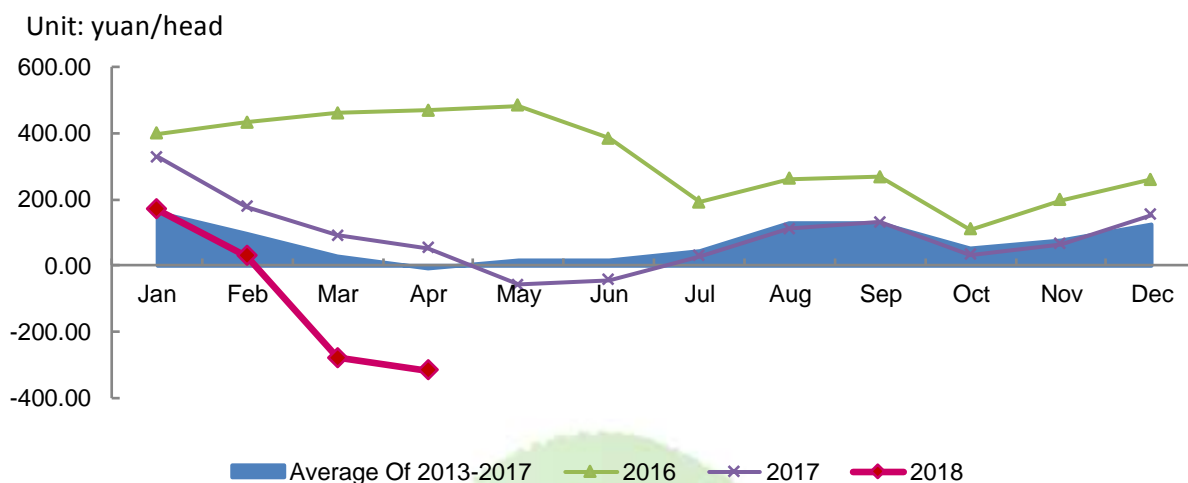
- (1) Feeding link: the feeding profit of pigs was -210.81 yuan/head, loss increased by 55.58% month on month; the gross profit of fattening purchased piglets was -317.13 yuan/head, loss increased by 13.16% month on month.
- (2) Slaughtering link: the gross profit of slaughtering purchased hog (doesn't slaughter pigs for other farms or farmers) was about 144.50 yuan/head, down by 13.48% month on month.
- (3) Wholesale link of pork: the gross profit was about 215.02 yuan/head, down by 9.63% month on month.
- (4) Retail link of pork: the gross profit was about 175.56 yuan/head, down by 7.09% month on month.

Figure 5, Monthly Profit Trend of feeding pigs, 2013-2018



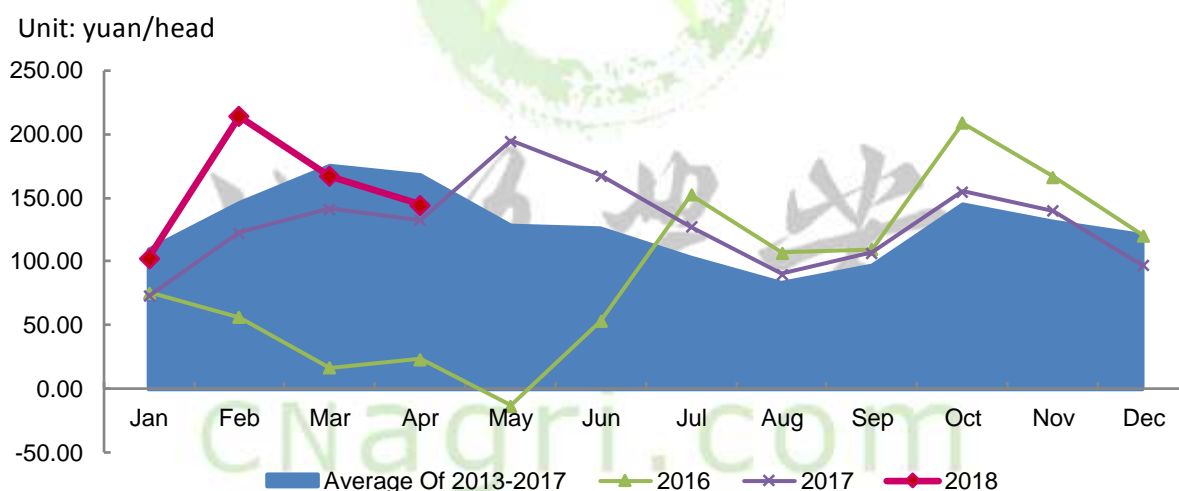
Data source: BOABC

Figure 6, Monthly Profit Trend of fattening purchased piglets, 2013-2018



Data source: BOABC

Figure 7, Monthly Profit Trend of slaughtering pigs, 2013-2018



Data source: BOABC

Table 4, Profit Status of Each Link of China's Hog Industry

unit: yuan/head

	Hog price/ Grain price	Hog price/ feed price	Hog Feeding	fattening purchased piglets	Slaughter	Wholesale	Retail
March-18	4.99	7.71	-135.50	-280.26	167.01	237.93	188.96
April-18	4.55	6.96	-210.81	-317.13	144.50	215.02	175.56

Data source: BOABC

2 Market Analysis of Hog Industry

2.1 Hog production capacity is gradually released, and sluggish hog prices are predicted to continue until 2019

Since the Tomb-Sweeping Day, domestic hog price has been adjusted around 10.2 yuan/kg, which is lower than the industry cost of 13 yuan/kg, and hog farming industry has fallen into full loss. **As for future market, BOABC believes that hog prices will be in the down stage in 2018, and sluggish hog prices will continue to 2019.**

The price of hogs is mainly determined by the supply and demand of hogs in domestic. At present, consumer market is relatively stable, and hog supply has become the major factor affecting price changes. Therefore, we will analyze the fluctuation of hog prices in the short-term, medium-term and long-term depending on the cycle of pig slaughter.

(1) In the short term, hog prices are mainly affected by recent supply of pork. Currently, the inventory of hogs has rebounded, and the average weight of hogs for slaughtering is increasing continuously. It is expected that pork production will remain surplus in the short term, and hog prices will continue to oscillate at a low level. ①According to the statistics of the Ministry of Agriculture and Rural Affairs, in March, China's inventory of hogs stood at approximately 358 million head, an increase of 1.4% over the previous month, and the supply of hogs was adequate. ②According to BOABC's monitoring, the weekly weight of hogs for slaughtering has been increasing since the beginning of March and has now reached 117.86 kg/head, an increase of 1.6%.

(2) In the medium term, the amount of piglet restocking affects the supply of hogs six months later. Current decline in piglet prices means that the enthusiasm for restocking is decreasing, and the growth momentum of hog slaughter in six months later is obviously insufficient, so it's impossible for hog prices to drop sharply, and there is no

lack of rally. However, according to our investigations, some second-time fattening households are currently bullish about the prices in July and August. If they start to speed up restocking in recent period, there will be no significant reduction in hog supply, and then the rebound in hog prices or will be limited.

(3) In the long term, the number of reproductive sows in hand affects the amount of hogs slaughtered 10 months later. In 2019, pig production capacity tends to increase, and it may be difficult for hog prices to come out of the trough. ① In March 2018, the Ministry of Agriculture and Rural Affairs issued data that the inventory of reproductive sows increased by 0.1% month-on-month, and the estimated inventory was 36.11 million head. Current data has stopped falling and picked up, which means the increase in hog production capacity in 2019. ② New Hope Liuhe Group, Da Bei Nong Group and other enterprises continued to invest in hog industry from January to March 2018, and the planned capacity of 18 million hogs will be released around 2019 and 2020.

2.2 Hog prices move onto a downward path, large-scale enterprises increase capital investment to make layout in hog industry continuously

After the Spring Festival, for continuous decrease in hog prices and growth in corn prices, hog industry moved onto a downward path. Currently, hog prices remained at around RMB 10.2/kg, which has fallen below the cost line, and farmers have generally entered a deficit state. Recently, we found that in the downturn of this round of "pig cycle", New Hope Group, Muyuan, Da Bei Nong and other enterprises did not slow down their pace of expansion. Instead, they chose to continue expanding scale farming and increase the layout of hog industry.

According to incomplete statistics by BOABC, as of April 13, 2018, large-scale enterprises have invested more than 22.2 billion yuan in hog industry in 2018, and the planned production capacity of hogs has reached approximately 18.31 million head. Among them, the

investment of Muyuan is about 6.38 billion yuan (including the newly established farming subsidiary, but the planned capacity can't be counted), and the planned production capacity is about 3.455 million head. New Hope Group has invested about 6.277 billion yuan, and the planned production capacity is about 5.41 million head. Da Bei Nong has invested about 1.95 billion yuan in building a production capacity of 2.2 million hogs.

According to general industry rules, when the ratio of hog price to grain price is below the breakeven point, it is a good time for investment. When hog prices are low, some disadvantaged players will be eliminated because of cost and capital flow problems. For large companies with strong risk resistance ability, it's a good opportunity to purchase land, establish factories, or acquire eligible target companies, so they didn't slow down the pace of building factories.

It is expected that hog prices will be around 13.5 yuan/kg in 2018, or there will be short-term rebounds, but the overall sluggish will not change. If hog prices don't drop enough in 2018, it means that some farmers have stronger anti-risk ability and the backward production capacity isn't eliminated fully, and low prices will continue until 2019. We believe that during this period, the industry will face another reshuffling, weak companies will withdraw, large integrated enterprises will continue their layout in hog industry through low costs, and the planned production capacity will be released around 2020, or they will just hit the upward period of the coming "pigs cycle" and get better returns.

Muyuan, New Hope, and Da Bei Nong's new investment projects in hog farming industry in 2018

Unit:100 million yuan, 10 thousand head

Investment Enterprise	Date	Investment Way	Capital Source	Amount Invested	Annual Slaughter of Hogs	Investment Region
Muyuan	Jan.	capital increase	self-raised	31.16	210	Increase capital to subsidiaries in Inner Mongolia, Heilongjiang, Liaoning, and Jilin to expand hog farming capacity
	Mar.	capital increase	Fundraising	24.76	-	Increase capital to farming subsidiaries
	Apr.	Set up subsidiary	Owned fund	0.2	-	Establish Liaoning Heishan Muyuan to make layout in hog industry
	Apr.	capital increase	Fundraising	17.68	135.5	Plan to raise money to increase capital to farms in Henan
New Hope	Jan.	New construction	Owned fund	18.74	183	Building farms in Dong'e county in Shandong province and Ningjin county in Dezhou city
	Mar.	New construction + Lease	Owned fund	3	38	Build farms in Zhangjiakou Hebei; lease farm to raise 2000 sows in Tangshan
	Apr.	New construction + extension	Owned fund+ borrowing	41.03	320	Build new farms or expand existing farms in Sichuan, Hebei, Guangxi, Chongqing, and Hubei
Da Bei Nong	Jan.	capital increase	Owned fund	2.11	-	Increase 100 million yuan to Hunan Xin Guang An Farming Co., Ltd. to increase shares; purchase Rongchang Breeding for 111 million yuan, holding 73.19% shares
		capital increase	self-raised	5.41	-	Increase capital to Heilongjiang Da Bei Nong to expand hog farms
	Mar.	New construction	self-raised	4.41	50	First phase of the project in Wugang county in Hunan is planned to be started, and will be put into production in the first half of 2019
	Apr.	New construction	self-raised	6.74	120	Build farms in Jiangxi and Guangxi, and the farms will be put into production in 2020
	Apr.	New construction	self-raised	0.8	50	Build farm in Xinjiang, and the farm is expected to go into operation in 2023.

2.3 China imposes an additional 25% tariff on US soybean, which or will lead to about 3.5% increase in hog production costs.

After the announcement of a 25% tariff on US pork since April 1, the State Council unveiled a list of products originating from the US, and has decided to impose additional tariffs of 25% on 106 items of products under 14 categories, including soybeans, automobiles, etc. If the tariffs are implemented, **the growth in soybean prices will lead to about 3.5% increase in hog production costs.**

From the perspective of feed ingredients, the costs of various concentrated feeds including soybean meal account for 44% of the production costs of hogs. If 25% ingredients of feed are soybean meal, the costs of soybean meal account for 11% of hog production costs. If the addition tariffs of 25% on US soybeans are implemented, the prices of international soybeans will end higher after initially falling. The decrease may maintain for a period, and then the prices may increase 250-300 cents/bushel from current 1004 cents/bushel. The growth in US soybeans prices will be 30-35%, which will lead to an increase of about 3.5% in hog production costs.

When soybean meal prices are too high, domestic feed enterprises or will control costs through adjustment of feed formula. At present, corn, highly processed products and amino acid are sufficient in domestic, which will substitute for protein ingredients to ensure basic supply if the prices of soybean meal increase. When the prices of soybean meal are excessively high, the prices of other protein ingredients also will rise. Feed industry can reduce the additive amount of soybean meal or its substitutes through the adjustment of formula or low protein daily ration technology (decrease space of about 15-20%).

If the trade war upgrades in days to come, our country officially imposes tariffs on US soybean, the prices of raw materials including soybean meal, corn, etc. sure will be driven up, and the increase in feed costs will be directly transferred to the growth in hog production

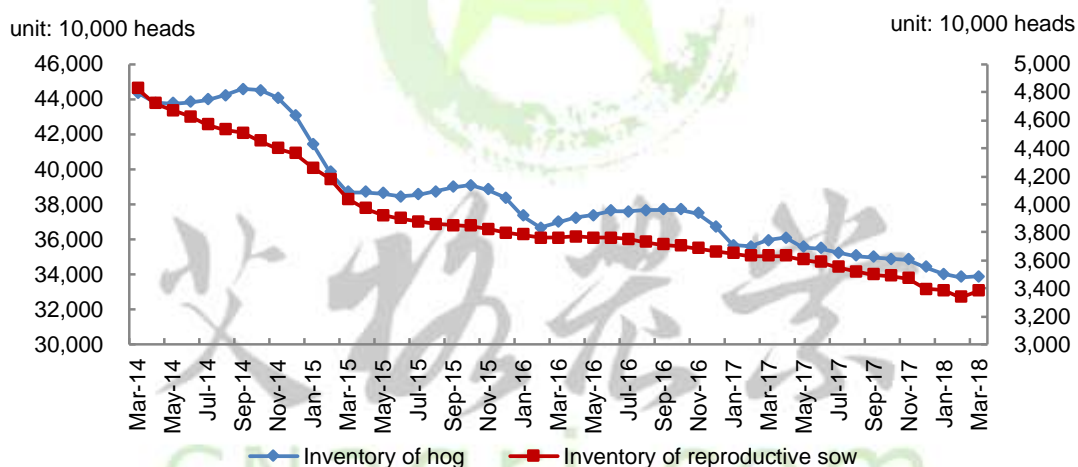
costs. At present, pork consumption market is sluggish continuously, the trade war sure will lead to more serious losses to farmers.

3 Analysis and Prediction on Hog Industry Production

3.1 Domestic inventory of hogs and reproductive sows both decreased in March

According to data published by the MOA, domestic inventory of reproductive sow was 33.83 million head in March 2018, reaching a month-on-month decrease of 1.41% and a year-on-year decrease of 6.87%; hog inventory was 338.83 million head, realizing a month-on-month decrease of 0.10% and a year-on-year decrease of 5.76%.

Figure 8, Trend of Monthly Inventory of Pig and Reproductive Sow in China, 2014-2018



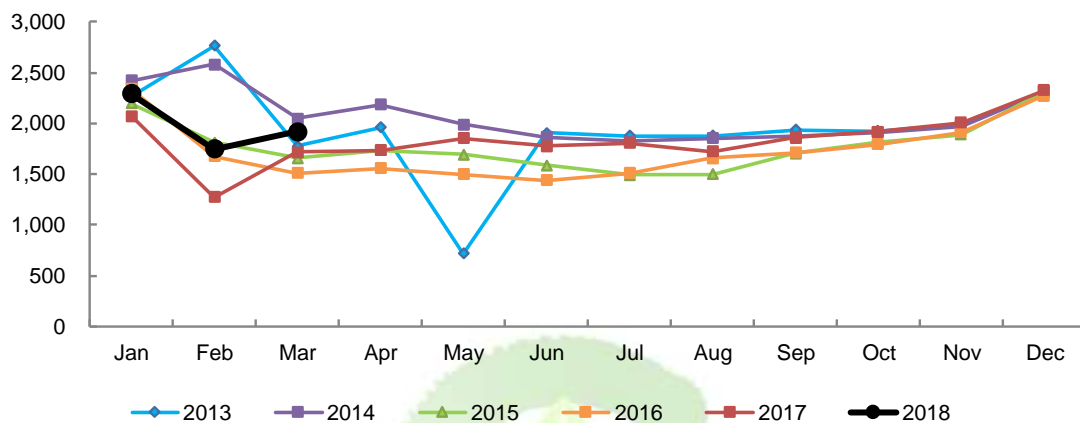
Data source: MOA, BOABC

3.2 Slaughterhouses Purchased 17.19 Million Hogs

In March 2018, the slaughter volume of fixed hog slaughterhouses above designated size was 17.17 million head, up 9.64% month on month, up 11.51% year on year.

Figure 9, Slaughter Quantity of Large-scale Designated Hog Slaughterhouses in China

Unit: 10,000 heads



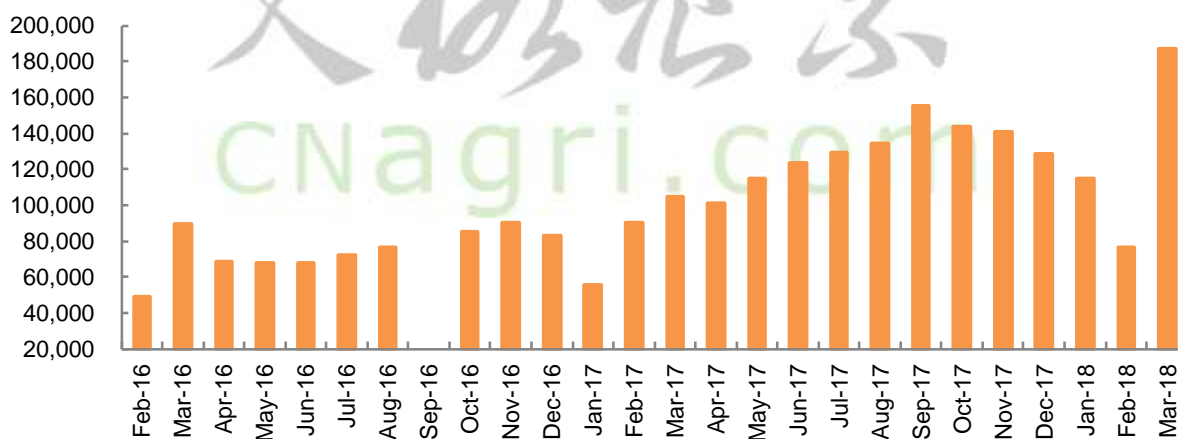
Data source: MOA, BOABC

3.3 Slaughter volume of eliminated sows was 186,745 head, up by 144.87% month on month.

The slaughter volume of eliminated sows in March, 2018, was 186,745 head, up by 144.87% month on month and 78.59% year on year.

Figure 9, China's slaughter volume of eliminated sows, 2014-2018

unit: heads



Data source: MOA, BOABC

4 Analysis and Forecast on Import & Export of Hog and Pork

4.1 in March, China import breeding pigs was 1,200 head.

In March 2018, China import breeding pigs was 1,200 head. The imported breeding pigs all came from America.

During the period from January to March, the accumulative import volume of breeding pigs was 1,200 head, increasing 376.19% year on year.

4.2 113,247 live pigs were exported in March 2018, with Hong Kong as main destination

China exported 113,247 live pigs in March 2018, decreasing by 16.33% from last month and decreasing by 0.36% from a year earlier. Hong Kong and Macro were export destinations, of which the exports to Hong Kong accounted for 92.53%.

4.3 Pork Trade Changing Features

4.3.1 China's net import volume of pork reached 1.36 thousand tons in March, decreasing by 89.55% year on year

March, the accumulative import volume of fresh frozen pork was 135.9 thousand tons, increasing 89.55% year on year.

China exported 3,519 tons fresh frozen pork in March, up by 17.83% year on year; during the period from January to March, China's total exports of fresh frozen pork was 9,945 tons, decreasing 20.68% year on year.

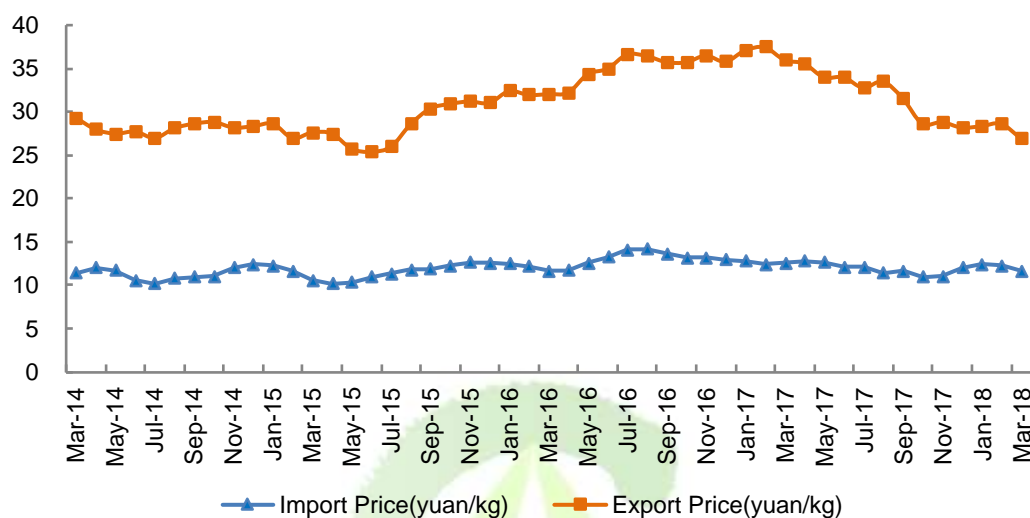
4.3.2 Change of Import & Export Price of Pork

In March, the average CIF price of imported fresh frozen pork was 1,872 USD/T, increasing 1.26% from last month, up by 2.82% year on year; during the period from January to March, the average CIF price of fresh frozen pork was 1,862 USD/T, up by 1.84% year on year.

In March, the average export price of pork was 30,192 yuan/ton, decreasing 2.60% from last month, down by 16.20% year on year; during the period from January to March, the average

export price of pork was 30,712 yuan/ton , down by 16.75% year on year.

Figure 10, Change of Import & Export Price of China's Fresh Frozen Pork, 2014-2018



Data Source: China Customs and BOABC

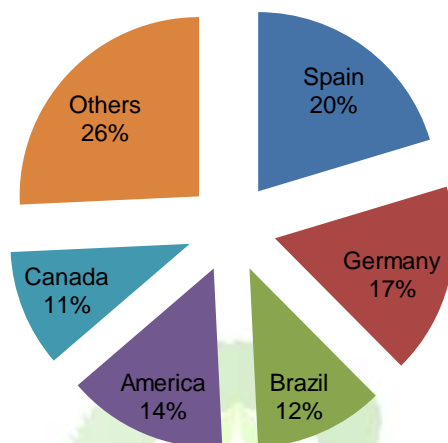
4.3.3 Distribution of Import and Export Countries of China's Pork

(1) The imported pork mainly came from Germany and Spain.

China's imported fresh chilled and frozen pork in September came from 16 countries, the top five countries respectively are Spain, Germany, America, Brazil and Canada, with import volumes of 27.7 thousand tons, 23.4 thousand tons, 19.7 thousand tons, 15.9 thousand tons and 14.4 thousand tons. The import volumes from them respectively accounted for 20.35%, 17.22%, 14.47%, 11.67% and 10.56% of the total import volume.

During the period from January to March, the accumulative import volume of imported fresh frozen pork coming from Germany was about 68.4 thousand tons, occupying 21.10% of the total import volume; the accumulative import volume of imported fresh frozen pork coming from Spain was 64.1 thousand tons, occupying 19.78% of the total import volume; and the accumulative import volume of imported fresh frozen pork coming from Canada and America totaled 39.7 thousand tons and 35.4 thousand tons, occupying 12.24% and 10.94% of the total import volume.

Figure 11, Distribution of Source Countries of China's Imported Fresh Frozen Pork in Jan., 2018



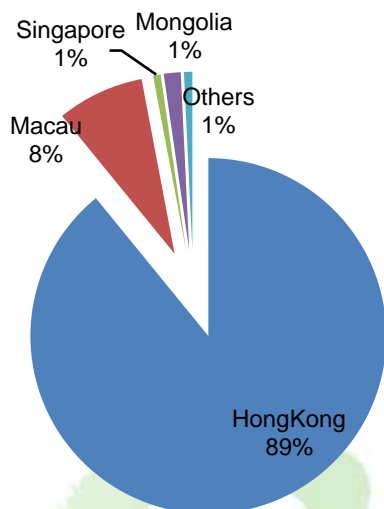
Data Source: China Customs

(2) The exported pork mainly was Hong Kong.

In export aspect, fresh chilled and frozen pork mainly was exported to Hong Kong and Macau, and the export volume was 3,136 tons and 279 tons in March, accounted for 89.11% and 7.92% of the total export volume.

During the period from January to March, the accumulative exports of fresh frozen pork to Hong Kong was 8.5 thousand tons, occupying 85.55% of the total import volume; the accumulative exports of fresh frozen pork to Macau was 0.8 thousand tons, occupying 8.07% of the total import volume.

Figure 12, Destinations of China's Exported Fresh Frozen Pork in Jan., 2018



Data Source: China Customs



5 Industry News

5.1 Monthly Sales Status of Listed Hog Companies

In March 2018, the sales volume of commercial hogs of Wens, Muyuan, Tech-Bank respectively was 1967.1 thousand heads, 997 thousand heads and 393.3 thousand heads, increasing 23.34%, -18.14% and 29.20% month on month separately.

Table 5, Monthly Sales of Commercial Hogs of Listed Companies In March,2018

Unit:10 thousand head,100 million yuan, kg

Company Name	Sales Volume	Income	Average weight of hog for slaughter	MoM Sales Volume	MoM Sales Revenue	MoM Weight	
Wens	196.71	26.33	122.02	60.32%	35.44%	3.66%	
Muyuan	99.7	10.72	103.79	-18.14%	-36.00%	3.02%	
Zhengbang	39.33	4.89	-	29.20%	9.15%	-	
Truein	29.66	3.34	139.01	9.41%	-6.44%	11.73%	
Tech-Bank	18.95	2.40	121.08	41.63%	21.83%	8.96%	
Longda Meat	2.9	0.36	112.14	-47.27%	-59.55%	3.60%	
Luoniushan	2.15	0.26	-	-57.20%	-65.65%	-	
Tecon Biology	Commercial Hog	2.63	0.30	121.61	14.85%	-5.78%	2.77%
	Piglet	1.73	0.08	14.77	-39.51%	-42.28%	-2.90%
	Breeding Swine	0.15	0.04	80.39	0.00%	43.81%	17.10%
Jin Xinnong	Commercial Hog	0.83	0.10	116.65	66.00%	36.42%	2.09%
	Piglet	0.59	0.03	20.02	-25.32%	-29.67%	4.08%
	Breeding Swine	0.43	0.10	82.49	290.91%	340.43%	11.94%

Source::Public information

5.2 Monthly Investment of Hog Industry

In April, 2018, main listed farming companies newly invested a production capacity of about 2.96 million head in hog industry.

Table 6, Summary of Hog Industry Investment Projects in April, 2018

Unit:100 million yuan, 10 thousand head

Investment Enterprise	Investment Way	Capital Source	Amount Invested	Annual Slaughter of Hogs	Investment Region	Project Introduction
1 MUYUAN	New construction / capital increase	financing	17.68	135.5	Henan	Expanding capacity or increasing capital in various farms in Henan
2 Tianzow Breeding Technology	New construction	joint venture	-	10	Heilongjiang	First phase project is started in March, 2018, and will be completed at the end of October. It's predicted that the project will be put into operation at the end of November after finishing introduction of breeding pigs. The designed annual production capacity is 100,000 hogs
3 Da Bei Nong	New construction	Owned fund	0.8	50	Xinjiang	At present, the construction of first phase project will be started. The total project is planned to be completed by two phases with a construction cycle of five years and a total investment of about 1 billion yuan.
4 Huaxi hope	New construction	-	-	30	Guizhou	Planned time limit is 12-18 months.
5 TIEQILISHI GROUP	New construction	-	2	20	Heilongjiang	It's predicted to be finished at the end of 2018.
6 COFCO Meat	New construction	-	-	50	Jilin	The project has been signed and will adopt "company+ cooperative" breeding model
7 Aonong Biological Technology	capital increase	increase in capital and share	-	0.42	Jiangxi, Sha ndong, Fujian, Sichuan	Increasing capital in Jinggangshan Aoxin Huafu Breeding Company, Dezhou Aoxin Breeding Company, Zhangzhou Aonong Modern Agriculture Co., Ltd., and Sichuan Aonong Xinxexi Animal Husbandry Co., Ltd.

Source: Public information

6 Industry News

6.1 Construction of 7500 sows farm project of New Hope Liuhe in Jiayang county has been finished with only 171 days

On April 19, 2018, the 7500 sows farm project of New Hope Liuhe in Jiayang county has been delivered successfully after completion. The project started on October 1, 2017 and was successfully finished on April 10, 2018. The actual construction period totaled 171 calendar days, creating a new pace for the construction of pig farms in New Hope Liuhe.

6.2 990 American breeding pigs imported from the US by Sichuan smoothly arrived at Chengdu Airport

On April 18, 2018, 990 American breeding pigs imported from PIC by Sichuan Giastar Group in Jiange county successfully arrived at Chengdu Airport. It is the first time that Sichuan has directly introduced breeding pigs from the United States.

6.3 CAHIC, Pulike, and CITIC Modern Agricultural Investment jointly invest 350 million yuan in establishing Zhongpu pharmaceutical Co., Ltd.

CAHIC, Pulike, and CITIC Modern Agricultural Investment announced on April 10, that they will jointly invest 350 million yuan in establishing Zhongpu pharmaceutical Co., Ltd. with registered capital of 350 million yuan. CAHIC will contribute 169.75 million yuan in kind and cash, accounting for 48.5% of share capital; Pulike invests 162.75 million yuan in cash, making up 46.5% of share capital; and CITIC Modern Agricultural Investment contributes 17.50 million yuan in cash, accounting for 5% of share capital.

6.4 Muyuan and SDIC sign strategic cooperation

On April 12, 2018, Muyuan issued an announcement that it has signed the "Strategic Cooperation Framework Agreement" with SDIC. The signing of the Agreement this time does not involve specific amounts.

6.5 Zhengbang Technology's ecological farming project in Zhanhua, Shandong has been put into production

On March 27, Zhengbang Technology's ecological farming project in Zhanhua, Shandong officially introduced the first batch of 200 breeding pigs, marking the starting of operation of the farm. With planned investment of 450 million yuan, the project will reach an annual capacity of having 30,000 sows and 60,000 piglets on hand and producing 70,000 piglets annually after the completion of the project.

6.6 Swine FMD O-type and A-type bivalent inactivated vaccine is officially launched.

Recently, the new veterinary drug, swine FMD O-type and A-type bivalent inactivated vaccine, jointly researched and developed by Lanzhou Veterinary Research Institute, Chinese Academy of Agricultural Sciences, and China Agricultural Vet. Bio. Science and Technology Co., Ltd. is officially launched.

O-type and A-type FMDs exist in swine herd for a long time and outbreak repeatedly, and swine FMD vaccines can only be immunized against one virus, which is not well-targeted. In addition, the stability and protection effectiveness of vaccines are poor. The advent of this vaccine will largely meet the needs of prevention and control of O-type and A-type FMDs at home and abroad.

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Appendix List

Appendix list 1, Import & Export Situation of Feeding Pigs in China in Jan.-Mar., 2018

Month	Import Volume (Head)	Import Value (USD)	Export Volume(Head)	Export Value (USD)
2018-Jan	0	0	0	0
2018-Feb	0	0	0	0
2018-Mar	1,200	1,681.33	0	0

Data Source: China Customs

Appendix list 2, China's Live Hog Export Situation in Jan.-Mar., 2018

Month	Export Volume (Head)	Export Value (Million USD)	MOM	YOY
2018-Jan	8051	2.39	-96.80%	36.13%
2018-Feb	135354	38.72	1581.21	5.90%
2018-Mar	113,247	32.98	-16.33%	-0.36%

Data Source: China Customs

Appendix list 3, Import & Export Volume Change of Fresh Frozen Pork in China in Jan.-Mar., 2018

Month	Import Volume (10,000 T)	Import Value (Million USD)	Export Volume (10,000T)	Export Value (Million USD)
2018-Jan	11.64	217.16	0.34	16.56
2018-Feb	7.17	132.58	0.30	14.64
2018-Mar	13.59	254.47	0.35	16.81
Accumulative YOY	-6.41%	-4.55%	-20.68%	-28.31%

Data Source: China Customs

Appendix list 4, Source Countries of China's Imported Fresh Frozen Pork in Jan.-Mar., 2018

Unit:MT,US\$/MT

	2018-02	CIF	2018-03	CIF	Jan. to present	% In Tot
Total	71,711.70	1,848.73	135,930.39	1,872.08	323,999.62	100.00
Germany	16,913.64	1,898.57	23,412.58	1,829.98	68,350.84	21.10
Spain	13,888.87	1,833.55	27,655.50	1,887.05	64,071.41	19.78
Canada	8,490.48	1,737.08	14,358.86	1,699.65	39,672.35	12.24
United States	7,190.73	1,702.81	19,667.53	1,704.22	35,441.73	10.94
Brazil	5,057.39	2,299.69	15,857.77	2,388.59	24,817.68	7.66
Denmark	5,203.29	1,911.14	9,140.17	1,902.73	23,401.67	7.22
Netherlands	4,952.08	1,786.06	6,329.01	1,815.74	20,111.47	6.21
France	2,167.09	2,458.45	5,112.70	2,262.59	12,187.26	3.76
Chile	2,683.58	1,375.71	4,300.50	1,479.72	10,607.97	3.27
United Kingdom	1,575.84	1,420.38	4,945.67	1,499.61	10,380.83	3.20
Ireland	1,875.92	1,755.69	3,090.15	1,808.56	8,496.26	2.62
Hungary	1,132.68	1,659.75	1,495.83	1,907.85	4,193.01	1.29
Belgium	393.79	2,204.33	290.73	2,038.27	1,332.50	0.41
Mexico	108.13	1,363.53	143.74	1,415.39	551.86	0.17
Finland	78.19	1,777.32	128.94	1,299.06	382.08	0.12
Italy	-	-	0.70	3,874.29	0.70	-
Other	-	-	-	-	-	-

Data Source: China Customs

Appendix list 5, Destination of China's Exported Fresh Frozen Pork in Jan.-Mar., 2018

Unit:MT,US\$/MT

	2018-02	FOB	2018-03	FOB	Jan. to present	% In Tot
Total	2,986.79	4,902.39	3,519.23	4,776.76	9,945.23	100.00
Hong Kong	2,628.76	4,837.94	3,135.87	4,784.24	8,508.46	85.55
Macau	229.75	5,081.66	278.57	4,777.88	802.57	8.07
Mongolia	28.00	3,789.14	54.00	1,970.78	337.00	3.39
Singapore	47.78	10,430.16	24.10	12,392.12	165.12	1.66
Malaysia	26.00	2,650.35	26.00	2,655.35	78.00	0.78
Brazil	-	-	-	-	26.88	0.27
Brunei	26.50	3,160.19	-	-	26.50	0.27
Italy	-	-	0.70	3,874.29	0.70	0.01
Other	-	-	-	-	-	-

Data Source: China Custom

Appendix list 6, Other Frozen Pork Imports by Country in Jan.-Mar. 2018

Unit:MT,US\$/MT

	2018-02	CIF	2018-03	CIF	Jan. to present	% In Tot
Total	48,834.07	1,886.05	92,543.23	1,941.90	221,698.75	100.00
Germany	11,020.33	1,961.92	16,026.88	1,882.57	46,638.06	21.04
Spain	9,423.68	1,840.86	19,768.92	1,924.72	44,719.81	20.17
Brazil	4,616.79	2,354.15	15,188.15	2,425.83	23,184.40	10.46
Canada	5,214.31	1,709.69	7,664.71	1,700.96	21,976.98	9.91
United States	4,631.57	1,607.69	9,688.82	1,616.54	20,795.16	9.38
Denmark	3,686.26	2,058.69	6,690.97	2,129.83	17,077.24	7.70
Netherlands	3,720.90	1,794.64	4,321.12	1,832.79	14,406.12	6.50
France	1,948.83	2,525.33	4,637.88	2,312.26	10,978.81	4.95
United Kingdom	1,146.86	1,333.07	3,245.38	1,383.62	7,080.97	3.19
Chile	1,350.99	1,065.47	2,173.27	1,241.27	5,629.38	2.54
Ireland	1,090.98	1,743.98	1,828.43	1,807.09	5,228.49	2.36
Hungary	608.69	1,693.18	821.57	2,111.70	2,390.73	1.08
Belgium	295.29	2,438.54	266.13	2,029.79	987.10	0.45
Finland	27.98	1,286.60	118.95	1,238.80	321.88	0.15
Mexico	50.61	1,180.12	102.05	1,335.57	283.62	0.13
Other	-	-	-	-	-	-

Data Source: China Custom



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Typical Cases:

- In 2000, provide Ajinomoto with research report on China's pig feedstuff market;
- In 2005, provide Beijing Kaoshanju Group with research analysis before entering local chicken breeding, and sales market;
- In 2005, provide British Publishing Company with China's animal health market research;
- In 2006, successfully implement China's animal health market research in 10 provinces and municipalities for French Merial Group;
- In 2009, provide a survey on pork processing market and pork product enterprises for a Japanese company;
- In 2010, provide a survey project on hog farming and feedstuff agents for a British company;
- In 2010, provide a world TOP3 animal health product group with porcine circovirus vaccine dealer survey;
- In 2011, provide a survey on poultry salmonella in China for a South Korean company;
- In 2013, provide poultry market depth research in Anhui/Henan/Jiangxi province for Jiangsu Lihua company;
- In 2015, provide Avian influenza vaccine study for a Japanese company.
- In 2015, provide poultry vaccine market research for a professional animal health industry multinational group.



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