



## Global Pork Trade Profile & Outlook

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### Key Points:

- Total global pork exports increased by an estimated 18 percent YoY in 2016. The increase is mainly driven by surging shipments to China, catapulting China to become the largest importer of pork. China's imports are expected to slip in 2017 as recent high Chinese pork prices have led to herd recovery efforts that will modestly increase its domestic production.
- U.S. pork consumption is anticipated to grow in close tandem with the U.S. population. Domestic production, however, will continue to outpace domestic usage, further escalating the importance of exports for supply/demand balance and pricing expectations.
- The European Union was the biggest beneficiary of the surging Chinese pork buying in 2016, accounting for roughly 70 percent of China's imports. EU pork production forecasts are essentially flat through 2017 due to recent low prices and depressed margins. In comparison, the U.S. is expected to grow output around 2 percent.
- A wave of commercialization and modernization is transforming China's pork production sector. In just two short years, the number of household farms has decreased from 57 percent to fewer than half of all hog farms. These backyard operations are being replaced by more commercialized hog production facilities. Increased levels of productivity as well as improved economies of scale will be realized during this transformation.
- As global incomes rise, the long term outlook for pork consumption improves. However, forecasts project very different trends for developed and developing nations. The developed world has reached a saturation point and per capita protein consumption is likely to grow or decline steadily with overall population trends. On the other hand, demand for high quality animal protein among developing nations will grow with increasing incomes.