

## PolicyPennings by Daryll E. Ray &amp; Harwood D. Schaffer

## Hog and pork trends

China is far and a way the largest producer of pork meat and has the largest inventory of live hogs. The US comes in third on both counts. With regard to international trade, US is the largest importer of live hogs, nearly all of which come from Canada, making Canada the largest exporter of live hogs. It's the growth in pork exports that is the real success story for the US pork industry. The US percent share of world pork exports has gone from single digits in the early 1990s to over 30 percent in recent years.

The US swine herd, as measured by beginning year inventory, has declined slightly over the last 32 years (1980-2012) from 67.3 million head to 66.4 million head. Before beginning a slow steady increase to current levels, the numbers bottomed in 1987 out at 51.0 million head.

The number of live pigs imported into the US in 1980 stood at 247 thousand head, increasing to 921 thousand by 1994. With the North American Free Trade Agreement (NAFTA) coming into effect January 1, 1994, the number of pigs imported into the US began to climb in 1995, reaching 10.0 million head in 2007 before falling back to 5.7 million head in 2012.

The numbers for the US import of pigs and the Canadian export of pigs are virtually identical. Since the formation of the European Union (EU) and the treatment of intra-EU shipments of hogs as domestic shipments, the US has become the largest importer of pigs in the world with Russia a distant second since 2006. Canada is the world's largest exporter of pigs followed by China and the UE.

During this period, US hog exports stayed below 300 thousand head and in most of those years the numbers were less than 100 thousand head, while the Canadian import of pigs never exceeded 14 thousand.

In 1980, the US slaughtered 97.2 million hogs. After a decline that fell to 80.0 million head in 1986, the US hog slaughter increased to 113.2 million head in 2012. During this period, the non-US slaughter of hogs increased from 607.0 million head to 1.1 billion head.

The US production of pork from the hog slaughter grew from 7.5 Million Metric Tons (MMT) to 10.6 MMT, an increase of 40 percent over the period.

China is the world's largest producer of pork with production growing from 11.3 MMT in 1980 to 52.4 MMT in 2012, an increase of 362 percent. The EU comes in second with pork production of 22.6 MMT. At the present time, Brazil comes in a distant fourth with 3.3 MMT of pork production of pork in 2012, though it has increased its production of pork by 292 percent over the 32 year period.

In 2012, the US was the world's largest pork exporter at 2.4 MMT followed by the EU at 2.2 MMT, Canada at 1.2 MMT, Brazil at 661 Thousand Metric Tons (TMT), and China at 235 TMT.

Japan is the world's largest importer of pork growing from 155 TMT in 1980 to 1.3 MMT in 2012. In 2012, Japan was followed by Russia at 1.1 MMT, China at 730 TMT, Mexico at 706 TMT, and South Korea at 502 TMT.

Among the large exporters, the US and China, are also among the world's largest importers. In 1980, the US was a net importer of 135 TMT of pork. By 2012, the US was a net exporter of 2.1 MMT of pork. China's net trade moved the other way from being a net exporter of 160 TMT of pork in 1980 to becoming a net importer of 495 TMT of pork in 2012.

For the US, pork exports have been a bright spot for hog producers as domestic per capita pork consumption has declined from 57.3 pounds in 1980 to 45.9 in 2012. The challenges ahead will be the continued rapid increases in pork production in China and competition from the EU and Canada in the export market. If Brazil is able to leverage its large potential in oilseed and feed grain production into pork production, it could also become a threat to the US lead in the export market.

Daryll E. Ray holds the Blasingame Chair of Excellence in Agricultural Policy, Institute of Agriculture, University of Tennessee, and is the Director of UT's Agricultural Policy Analysis Center (APAC). Harwood D. Schaffer is a Research Assistant Professor at APAC. (865) 974-7407; Fax: (865) 974-7298; [dray@utk.edu](mailto:dray@utk.edu) and [hdschaffer@utk.edu](mailto:hdschaffer@utk.edu); <http://www.agpolicy.org>.