

**Voluntary Report** – Voluntary - Public Distribution

**Date:** February 10, 2022

**Report Number:** HK2022-0011

**Report Name:** Rising Export Opportunities for US Swine Breeding Stocks

**Country:** Hong Kong

**Post:** Hong Kong

**Report Category:** Agricultural Situation, Agriculture in the Economy, Agriculture in the News, Livestock and Products

**Prepared By:** Caroline Yuen

**Approved By:** Jennifer Clever

**Report Highlights:**

To compete with live pig supplies from China, Hong Kong local farms are looking for quality breeding stock. The United States is one of their few preferred sources. In 2021, U.S. sales of live breeding pigs to this market grew eleven-fold to \$494,000, the highest value since 2014. Hong Kong also became the sixth largest export destination for U.S. live breeding pigs. In addition, a few small farms in Hong Kong do breeding utilizing frozen genetics. Currently, there is also interest in sourcing genetics for large black pigs with lean meat.

Hong Kong has forty-three pig farms. The farm size ranges from three hundred to six thousand head. Most farms have an average of one thousand pigs. Local production only accounts for about 12 percent of domestic consumption with the rest sourced from mainland China. For the past twelve months (February 2021 to January 2022), Hong Kong imported around 829,600 head of pigs from China while local farms supplied 113,900 head to the market.



Source: Hong Kong Food and Environmental Hygiene Department

Note: Gradual Increase in Live Pig Supplies over the months was due to the gradual control of African Swine Fever in China leading to increased supplies to Hong Kong.

Over the past two years, with the prevailing presence of African Swine Fever (ASF) in the region, Hong Kong pig farmers have been shopping around the globe for good breeding pigs. Only a few farms in Hong Kong have the knowhow to do breeding through genetics. Fresh pork coming from local farms sells at a premium compared to those from mainland China because of the well-established consumer confidence in the food safety and proper use of veterinary drugs in local production. Given the higher operation costs in Hong Kong, local farmers realize that their pigs are not price competitive, therefore, they have every incentive to source quality breeding stock in order to compete in quality with pork from China.

Taiwan, Canada, and the United States have been the main suppliers of breeding pigs to Hong Kong. Local farmers in general have better confidence in breeding stock from the United States and Canada but reportedly do not have a strong preference on one over the other. Supplies from Taiwan are not particularly price competitive and recently, local farmers have bigger concerns with these supplies given the prevailing ASF presence in the region. However, supplies from Taiwan offer relatively more economical transportation costs. Local farmers also wanted to buy from Australia. Yet, according to farmers, the Australian and Hong Kong’s animal authorities have yet to solve certification and animals testing protocols.

Hence, there are export opportunities for U.S. breeding stocks in the Hong Kong market. In 2021, U.S. sales of breeding pigs to this market grew eleven-fold to \$494,000 compared to 2020 and the highest value since 2014. Last year, the Hong Kong market ranked as the sixth largest export destination for U.S. breeding pigs. Hong Kong farmers have confidence and high regard in U.S. breeding stock’s animal health, growth rate, and meat quality. Local importers comment that the drawback of sourcing from the United States continues to be transportation costs. This is particularly true with the ongoing supply chain logistics issues since the onset of the COVID-19 pandemic. (For details on the air freight disruption please refer to this [gain report](#).) Nevertheless, the demand is evident as shipments from the United States have increased despite ongoing logistics issues.

Hong Kong farmers tend to be very traditional. Once they start a business relationship and the supplies are found to be satisfactory, they prefer not to change suppliers. The Hong Kong Livestock Industry Association is a closely knitted organization comprising all pig farms in Hong Kong. They have monthly meeting to share industry information and welcome having more information on breeding stock suppliers. Apart from breeding pigs, a few small farms in Hong Kong possess the knowhow to do breeding utilizing frozen genetics. Currently, there is interest in sourcing frozen semen for large black pigs with lean meat. U.S. exporters interested in exploring export opportunities are most welcome to contact the ATO. Our office can facilitate communication with interested buyers.

**Table 1: U.S. exports of Breeding Swine, USD thousand**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	
<b>Partner</b>	<b>Value</b>	<b>Value</b>	<b>Value</b>	<b>Value</b>	<b>Period/Period Percent Change (Value)</b>
World Total	13,864	6,529	15,531	28,750	85
China	6,597	0	8,537	22,972	169
Mexico	2,653	2,350	2,003	1,881	-6
Brazil	351	757	904	785	-13
Canada	585	1,310	1,230	726	-41
Korea, South	388	449	80	617	676
<b>Hong Kong</b>	<b>224</b>	<b>80</b>	<b>42</b>	<b>494</b>	<b>1,084</b>

Source: U.S. Census Bureau

**Attachments:**

No Attachments.