

**For information
On 14 May 2002**

LegCo Panel on
Food Safety and Environmental Hygiene

Supply Chains of Pork Available in the Retail Market

PURPOSE

This paper outlines the supply chains of pork available in the retail market.

TYPES OF PORK

2. There are three types of pork available in the market –
 - Pork from freshly slaughtered pigs
 - Chilled pork – the pork is chilled immediately after the slaughtering process and is required to be stored and displayed in chillers between 0° C - 4° C.
 - Frozen pork – the pork is frozen immediately after the slaughtering process and is required to be stored and displayed in freezers at or below - 18° C.

PLACES OF ORIGIN OF THE DIFFERENT TYPES OF PORK AND MARKET SHARE

3. There is no restriction on the place of origin of live pigs or pork supplied to Hong Kong. As long as the live animals or food to be imported meet our sanitary requirements, trading of these commodities is free of restrictions.

4. Before 1988, places including the Mainland, Malaysia, Taiwan and Thailand had exported live pigs to Hong Kong while local pig farms have all along met part of the supply. In recent years, only the Mainland and local pig farmers have been able to remain in the market. The Mainland at present supplies about 80 % of the live pigs slaughtered in Hong Kong. All live pigs, regardless of the place of origin, have to

meet stringent sanitary requirements before they are allowed to be imported. The pig carcasses and offal are also inspected before leaving the slaughterhouse to ensure that these are fit for human consumption.

5. Chilled pork is mainly supplied by Thailand, Australia and USA.
6. The main places of origin of frozen pork are the Mainland, Brazil and Denmark.
7. The market shares of pork from freshly slaughtered pigs, chilled pork and frozen pork are as follows –

Pork from freshly slaughtered pigs	51 %
Chilled pork	3 %
Frozen pork	46 %

SUPPLY CHAIN OF PORK FROM FRESHLY SLAUGHTERED PIGS

Mainland live pigs

8. In the Mainland, only registered export farms are allowed to export live pigs to Hong Kong. The standard of registered farms and of their products are overseen and regulated by the General Administration Quality Supervision, Inspection and Quarantine (AQSIQ) (國家質量監督檢驗檢疫總局) of the Central People's Government. These registered export farms sell live pigs to the export companies (食品出口公司) which are given export quotas by the Ministry of Foreign Trade and Economic Cooperation (MOFTEC) (對外貿易經濟合作部). In turn, these export companies consign their live pigs to Ng Fung Hong (NFH) (五豐行有限公司) for sale in Hong Kong.

9. MOFTEC has appointed the company NFH as the sole agent for the sale of Mainland livestock, including pigs, to Hong Kong since the early 1950s. On arrival in Hong Kong, the pigs will be looked after by the Chung Kong Luen Livestock Co. Ltd. (CKL) (中港聯合生豬有限公司) which is co-owned by NFH and others. Staff of CKL takes care of the pigs before they are slaughtered.

10. CKL assists NFH in holding auctions of live pigs every morning at the Sheung Shui and Tsuen Wan Slaughterhouses. All imported pigs at the two Slaughterhouses are sold through auctions with participation of

all interested parties. Any person interested in buying live pigs can attend the auction. In practice, most pork retailers appoint pig buyers to handle the buying for them.

Local live pigs

11. Local pigs are sold in two ways. Some farmers sell their pigs to pig buyers before their pigs leave their farms for the slaughterhouses. On arrival at the slaughterhouses, these pigs simply await slaughter. Other pigs are sent by local farmers to “laans” (欄) in the Sheung Shui Slaughterhouse that look after local pigs and arrange for auctioning. There are four such “laans” in Sheung Shui Slaughterhouse. The proceeds from the auction are returned to the farmer and the “laan” charges the farmer a fee for the service it offered. As for Tsuen Wan Slaughterhouse, all local pigs are sold directly to pig buyers before arrival at the Slaughterhouse and there is no auctioning for sale of local pigs there.

SUPPLY CHAIN OF CHILLED PORK

12. Chilled pork is imported into Hong Kong by importers who then sell the chilled pork to distributors. These distributors then sell the chilled pork to retailers. We understand that some retailers further sell the chilled pork to other retailers.

SUPPLY CHAIN OF FROZEN PORK

13. Frozen pork is imported into Hong Kong by importers and subsequently passed to other downstream distributors. A large proportion of frozen pork is sold to restaurants and food premises.

SUPPLY OF CHILLED AND FROZEN PORK FROM THE MAINLAND

14. The Mainland used to appoint NFH as the sole agent for export of chilled and frozen pork and beef to Hong Kong, although there has not been any chilled pork or beef export to Hong Kong yet. The supply of chilled pork and beef, like livestock, were subject to a quota system whereby quotas were allocated by MOFTEC to export companies to control the volume of export. In mid December 2001, the MOFTEC announced that the quota system and sole agent system for chilled and frozen pork and beef export would be abolished from 1 January 2002.

15. Since 1 January 2002, 35 companies including NFH have imported frozen pork into Hong Kong.

16. As for chilled pork, since there has not been any export from the Mainland hitherto, we need to work with AQSIQ on the sanitary requirements for such a new type of commodity. Furthermore, we also need to inspect the processing plants that will produce chilled pork for export to Hong Kong to have a better understanding of their hygiene standard before approving the import of such. We have agreed with AQSIQ that before the sanitary requirements are agreed between the two sides and before we have had an opportunity to inspect some of the processing plants, there would be no import of chilled pork.

Environment and Food Bureau
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