

**For discussion  
On 10 July 2007**

**LegCo Panel on Food Safety and Environmental Hygiene**

**Live Pig Supply**

**Purpose**

This paper briefs Members on the arrangements on supply of live pigs to Hong Kong and the current supply situation.

**Background**

2. Pork is one of the most popular kinds of meat for Hong Kong people. In 2006, Hong Kong people consumed about 5 430 pigs every day. Apart from fresh pork, the public also consumed a large amount of chilled and frozen pork. At present, the market shares of live pigs, frozen pork and chilled pork are 30%, 66% and 4% respectively. In 2006, we consumed a total of 1.96 million pigs, 174 265 tonnes of frozen pork and 4 620 tonnes of chilled pork. Most of the live pigs supplied to Hong Kong come from the Mainland. Frozen pork mainly comes from the Mainland, Belgium, Vietnam, Germany, Hungary and the Netherlands, and chilled pork mainly comes from the Mainland, Thailand and Australia, etc. The market share of live pigs in the pork market has declined from 51% in 2002 to 30% in April this year. On the other hand, since we began to import chilled pork from the Mainland in August 2006, the volume of import has increased by over 140%. The above figures have shown that frozen pork and chilled pork have become increasingly popular in the local market.

**Mainland Live Pig Supply**

3. Hong Kong has set no restrictions on the origins of live pig supply. Provided that our hygiene and quarantine requirements are met, import of live pigs from any place is allowed into Hong Kong (the same hygiene and quarantine requirements also apply to local live pigs). Before the 90's, live pigs were imported from the Mainland, Malaysia, Taiwan and Thailand etc. In recent years, most of the live pigs supplied to Hong Kong come from the Mainland and local farms, with the Mainland supply accounting for over 80%

of the total supply.

4. The Ministry of Commerce has appointed two companies as the main agents for live pig supply to Hong Kong in accordance with the Mainland's economic and trade policies. The two agents are responsible for approximately 80% and 20% of the live pig supply from the Mainland respectively. When live pigs arrive at Hong Kong, they will be sent to the Sheung Shui Slaughterhouse and the Tsuen Wan Slaughterhouse on the same day for handling and necessary inspection before sale by public auction. Every morning, the agent concerned will hold public auctions at the Sheung Shui Slaughterhouse and the Tsuen Wan Slaughterhouse. Interested parties can attend the public auctions to bid for live pigs. In practice, most of the pork retailers appoint buyers to purchase live pigs for them.

### **Local Live Pigs**

5. In local live pig supply, as at 2006, there are a total of 430 000 live pigs in local pig farms, which accounts for about 20% of supply in the live pig market. Since the introduction of the voluntary surrender scheme for pig farm licenses in May 2006, 243 out of the 265 pig farms have submitted applications. The local live pig supply will be reduced significantly as a result. Due to recent shortage of live pigs from the Mainland, the demand for and price of local live pigs have both increased. Some of the pig farmers who have submitted applications to surrender their licences have indicated that they may reconsider continuing their pig farm operations. Therefore, the final reduction in the population of local pigs has yet to be finalised.

### **Reasons for the Short Supply of Live Pigs**

6. Before 2007, the supply of Mainland live pig supply has been generally stable. However, in early July, the supply declined from a daily average supply of 4 500 pigs to the range of 3 000 to 3 400 pigs on a few days. Live pigs from the Mainland were in short supply because some Mainland pig farmers previously chose to reduce the population of pigs reared in the face of a decline in prices, and animal diseases found in some parts of the Mainland also affected the production of live pigs. Statistics show that the prices of large pigs and small pigs in the Mainland have increased by 45% and 70% respectively over the past year and have reached the highest levels in four years. Besides, the continuous strong demand for pork in major Mainland cities has also boosted the price of pork. Recently, domestic market prices for pigs had gone above export prices, with a difference of \$200 to \$300 for every pig. This has resulted in a temporary shortage of live pig supply to Hong Kong.

## **Measures to Maintain Stable Supply**

7. In view of the recent shortage of live pig supply to Hong Kong, the Food and Health Bureau has immediately met the agent to assess the situation and to express the concerns of the Government. The local agent has worked with the Mainland suppliers with a view to securing a steady supply of live pigs. As a result of these measures, Mainland live pig supply has gradually picked up to around 4 000 every day. Together with the 600 to 700 pigs supplied locally, the daily supply is back to over 4 500 again, which is approximately 85% of the normal supply. In addition, there is no drastic increase in the auction prices of live pigs. The supply of chilled pork, which is considered a substitute for fresh pork, has also been stable.

## **Advice Sought**

8. Members are invited to note and comment on the paper.

**Food and Health Bureau**  
**Food and Environmental Hygiene Department**  
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