

Korean Pork Industry

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Korea Pork Producers Association
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Korea Pork Producers Association will defend the pride of Korean pig-raising industry spreading toward the world.

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I. Present Status of Pig Industry

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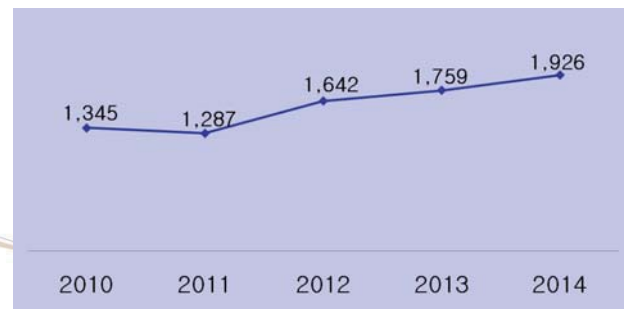
Trend of Rapid Specialization and Scaling



Average number of pig per household (Unit : 1,000 heads, household)

	2010	2011	2012	2013	Sep. 2014
Number of pigs	9,881	8,171	9,916	9,912	9,966
Number of farms	7,347	6,347	6,040	5,636	5,174
Average per household	1.345	1.287	1.642	1.759	1.926

*Livestock Trend of 2014



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Trend of Rapid Specialization and Scaling



Change in scales of pig farms

Size (head)	Year	No. of farms		No. of pigs		Ave No. / Farm
		household	%	head	%	
1-999	2010	4,099	55.79	1,150,351	11.64	281
	2014	2,325	44.94	981,551	9.85	422
1,000-4,999	2010	2,943	40.06	5,843,485	59.14	1,986
	2014	2,486	48.05	5,402,841	54.21	2,173
5,000-	2010	305	4.15	2,886,796	29.22	9,465
	2014	363	7.01	3,581,301	35.94	9,866
Total	2010	7,347	100.00	9,880,632	100.00	1,345
	2014	5,174	100.00	9,965,693	100.00	1,926

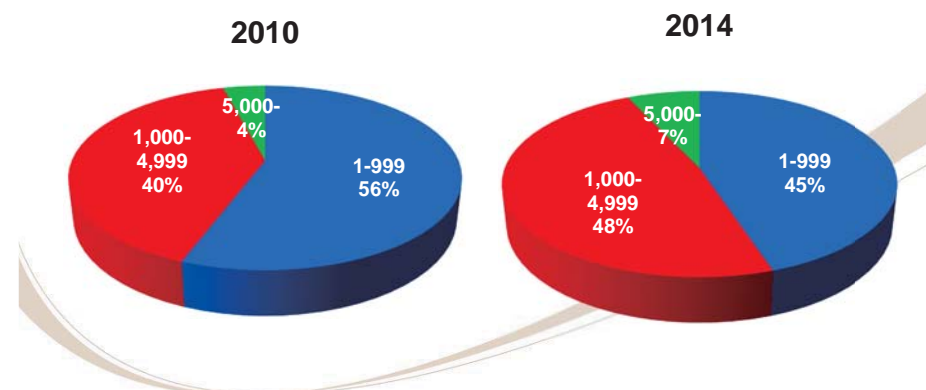
Livestock Survey Report of 2014



Trend of Rapid Specialization and Scaling



Proportion in scales of pig farms



Production Cost and Net Gain per Head

□ Status of Porker Production Cost and Management Cost

Classification	'11(A)		'12(B)		'13(B)	
	Management cost	Production cost	Management cost	Production cost	Management cost	Production cost
Pork (1,000 won/100 kg)	283	302	278	294	269	290

* **Production Cost=Management Cost**(miscellaneous expenses including livestock cost and feed cost)
+Own supply cost(self labor cost+ cost of capital+ service cost of land)

□ Status of Porker Profitability

Classification	'11			'12			'13		
	Gross income	Income	Net gain	Gross income	Income	Net gain	Gross income	Income	Net gain
Pork(1,000 won/head)	483	165	143	340	26	9	296	-4	-28

* **Income = gross income - management cost, net gain = gross income - production cost**



Livestock production cost in 2013

Meat Consumption %

	2010	2012	2013
Pork	49.7%	47.4%	48.8%
Beef	22.8%	24.0%	24.2%
Chicken	27.5%	28.6%	27.0%





Amounts of Pork, Beef & chicken Consumption

(Unit : 1,000 ton)

	2010	2012	2013
Pork	940.6	960.0	1,049.3
Beef	431.3	486.0	519.0
Chicken	522.3	579.4	579.9
Total	1,894.2	2,025.4	2,148.2



Pork Import

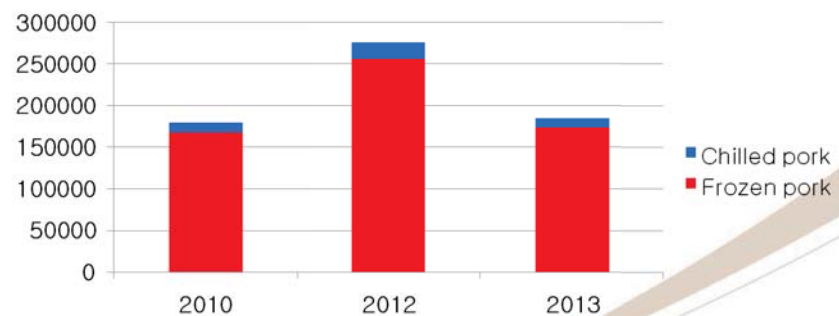
(Unit : 1,000 ton)

	2010	2012	2013
Total	940.6	960.0	1,049.3
Imports	180	276	185
%	19.1	28.8	17.6



Pork Import

(Unit : Ton)

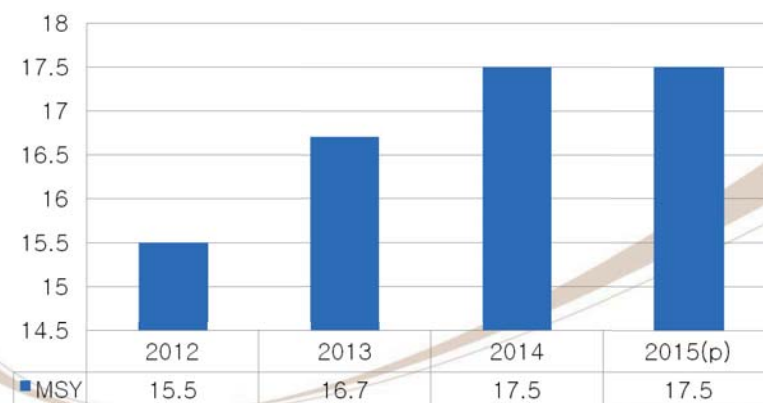


Item	2010	2012	2013
Frozen	167,318	255,836	173,160
Chilled	12,173	20,319	11,801
Total	179,491	276,155	184,961



MSY

(Unit : Heads)





Pork Supply and Demand Status

(Unit : ton)

Classification		2010	2011	2012	2013	2014(p)
Number of slaughter (1,000 heads)		14,629	10,819	14,018	16,110	15,700
Supply	Production (A)	764,000	574,000	750,000	853,000	832,000
	Import volume	179,491	370,000	275,000	185,000	230,000
	Subtotal	943,491	944,000	1,025,000	1,038,000	1,062,000
Consumption per person (kg)		19.3	19.0	19.2	20.9	21.7
Self-sufficiency rate(A/B,%)		81.0	61.0	73.1	82.1	78.3

※ Main statistics of Ministry for Food, Agriculture, Forestry and Fisheries
 ※ Estimate for 2014



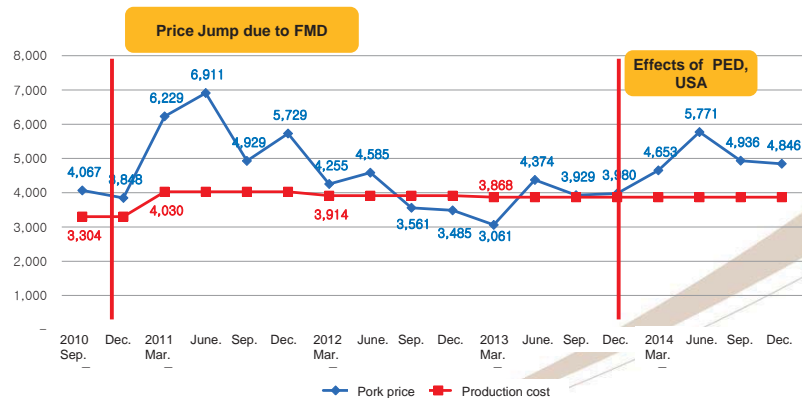
Number of slaughter and carcass price

Classification	2010	2011	2012	2013	2014(p)
Total head raised (1,000 heads)	9,795	7,723	9,307	9,912	9,966
Head of sow (1,000 heads)	980	822	948	895	925
Head of slaughter (1,000 heads)	14,629	10,833	14,040	16,100	15,700
Price(won)/liveweight. Kg	2,909	4,227	3,045	2,726	3,565

※ National Statistical Office



Change in Pig Price ('10. 9 ~ '14. 9)



II. Economic Scale of Pig Industry



Economic Scale of Pig Industry



Rural Economy First industry,

Domestic Agricultural, Animal, Marine Products
Production second

(Rice : First 8.5trillion)

Ministry of Agriculture, Food and Rural Affairs - statistics(2013)

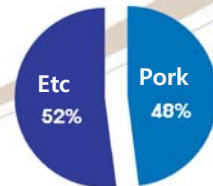
About 5 trillion



Production cost of pork industry

Pork's Major sources of protein,
Meat consumption 48%

Meat consumption per person 19.2kg



Meat consumption

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Production Cost of Agro and Livestock Products

(Unit : 10 billion won)

Rank		2012		2013
1	Rice	81,175	Rice	85,316
2	Pig	53,482	Pig	50,095
3	Korean beef	32,630	Korean beef	35,062
4	Chicken	20,900	Chicken	21,712
5	Milk	20,118	Milk	20,742
6	Dried red pepper	13,662	Eggs	16,394
7	Eggs	13,662	Strawberry	13,359

- Production cost of livestock for 2013 : 16 trillion 200 billion / 46 trillion 600 billion (34.8% of agricultural production)
- Inductive effects of livestock production – 3 times

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□ Proportion of Production cost

(Unit : 10 billion won, %)

Classification	Production cost	Proportion
Livestock	162,328	34.8%
Crops	102,540	22.0%
Vegetable	96,327	20.6%
Fruit	41,143	8.8%
Cash crop	35,617	7.6%
Forestry	20,392	4.4%

* Production cost of livestock for 2013

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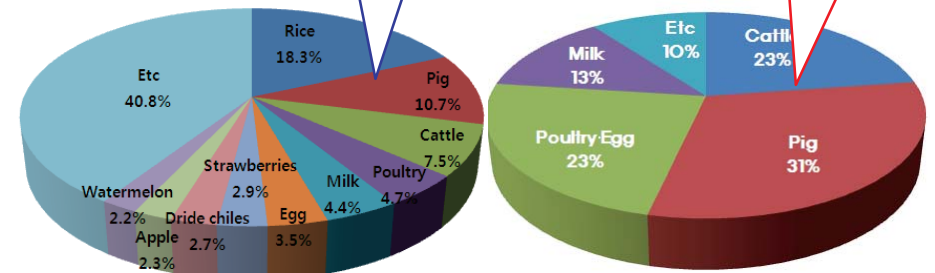


Pig industry

Agriculture value of production 2013, MAFRA

Agricultural value of production:
46.6 trillion won
pig : 10.7% (5trillion)
second

Livestock total value of production:
16.2 trillion won
pig : 31% (5trillion)
first



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III. Pig Industry System



1. Check off System

“The system of preparing and operating the fund for itself to keep and develop domestic pig industry”

- Legalization in 2002, started contribution since 2004
- Farm contribution (800 won per head) + government support fund (50% of contribution) = about **20 billion won**
- Contribute 1,100 won per head for farm contribution since 2015 (increase portion is for supply and demand stabilization fund)

- Promote consumption and expand sales channel
- Enlightenment education and supply of information
- Research and investigation
- Policy development and system improvement
- Improvement of distribution system for autonomous supply and demand stabilization
- Activate export and development of new products



1. Check off System

Promote consumption



2. Harmful Residue Examination Program

“Prevent production and distribution of meat that may contain harmful residue such as antibiotics”

- Conducted monitoring inspection or regulation check since introduction in 1991
- Monitoring test : prevent forwarding of livestock exceeding standards with random examination on livestock forwarded
- Regulation check: inspect the livestock from the farm violating the standard of residue examination as a result of monitoring
- Residue detection rate : 0.17%

3. Livestock Grade System

“Provide purchase index to consumers with differentiation of quality”

- Judge grade in consideration of carcass weight, thickness of back fat and color of meat
- Classify into 1+, 1, 2, off-grade grade
- * 1+grade : 83~93kg of carcass weight, 17~25mm of thickness of back fat

Grade 1+ pork belly

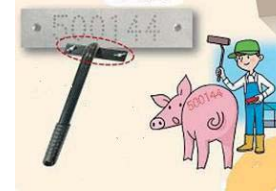


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4. Pork Traceability System

“Provide purchase index to consumers with differentiation of quality”

- Stage of breeding : mark a farm identification number on Pig



- Stage of slaughter : mark a trace number on all pigs slaughtered
- Stage of sale : mark a trace number on package at the time of pork processing
- Stage of consumption : check trace number to check trace number of pork

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5. HACCP Certification System

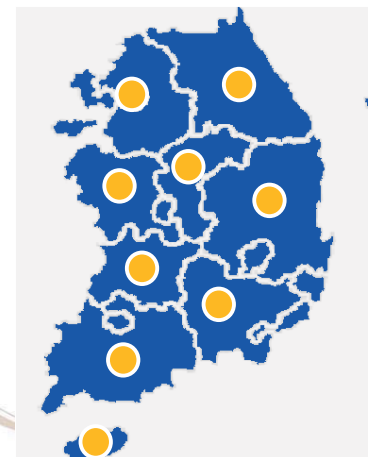
“Provide Safe Food through Construction of Scientific Health Control System”

- Livestock hygiene management system throughout the stage from production to sales
- Number of pig-raising farms with HACCP certification : 1,199 farms
- Stage of breeding CCP(Critical Control Point) : residue of antibiotic, injection needle
- Application Process :12 stages of CODEX (Codex Alimentarius Commission) guidelines



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KPPA organization



9 Provincial offices
 121 Branches
 4,000 members(77%)
 8,500,000 heads(84%)



한돈협회의 추진사업(KPPA Program)

정책개발 및 제도개선사업
(Policy Representation and institutional reform)

양돈경영 및 기술지도 사업
(Pork Production Management Education)

국산 돼지고기 소비홍보 사업
(Pork Consumption Promotion)

각종 행사 개최 및 양돈인 위상제고
(Hold Events and Raise Producer's status)



당면과제(Problem)

소모성 질병(Chronic Wasting Disease)

분뇨처리(Manure Treatment)

생산성 향상(Productivity Improvement)

사료비 절감(Reduction of Feed cost)



Thank you.

