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Germany

Livestock and Products

German Efforts to Open Pork Exports to China Show Progress

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Report Highlights:

In September 2008, Germany and China signed a veterinary agreement that would allow Germany to export pork to China. Since then, the necessary veterinary certificates have been developed. The next step will be inspection of German slaughter houses by Chinese veterinary experts. First shipments of German pork to China are not expected to occur before May 2009. German meat exporters are particularly interested in finding a market for variety meats that are less popular with German consumers such as claws, ears, and tails.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
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This is a follow-up report to GM8042

Background

On September 1, 2008, Dr. Gerd Mueller, Under Secretary in the German Ministry for Food, Agriculture, and Consumer Protection (BMELV), and his Chinese counterpart Wei signed a veterinary agreement (VEA) that will allow Germany to export pork to China in the future. China had imposed import restriction for German pork several years ago in reaction to outbreaks of Classical Swine Fever (CSF) in commercial farms in Germany.

Status

Since then, China has approved the newly developed model certificates. For the development of a list of approved plants, Chinese veterinarians will have to inspect German slaughter houses and meat processors. Dates for these inspections have not been confirmed but we understand that they are unlikely to occur before the end of February 2009. We understand that about 20 German companies have applied to be inspected. Only facilities that exclusively process hogs/pork meat can apply. Industry sources estimate that the first exports could start in May 2009.

Possible Impact

Over the past year German exports of pork offals to Hong Kong have significantly increased. Industry sources expect that once the Chinese market is open for German pork exports, new shipments will go to China instead and exports to Hong Kong will fall back to previous levels.

In addition, we understand German exporters will likely ship products that are not popular in Germany but considered delicacies in China, such as claws, ears, tails, and bellies. Because of lack of demand in Germany, these products are cheap enough to be competitive on the Chinese market. Exports of pork meat are expected to be negligible in the foreseeable future but might develop in the long term if Chinese demand and purchasing power increases.

As a result, German pork exports to China are unlikely to have a major impact on German pork prices on the domestic market.

Recent Trade

Despite current trade restrictions, German customs data indicate that Germany is shipping some pork to China. These shipments could potentially consist of imported meat from CSF free regions such as Denmark.

Table 1: German Exports of Fresh and Frozen Pork in MT

	1999	2002	2005	2006	2007	2008 (Jan-Sep)
China	8,607	5,499	1,351	187	152	93
Hong Kong	1,342	2,171	5,378	6,970	11,213	19,262
Extra EU-27	139,504	55,190	50,665	79,212	79,846	113,952
Intra EU-27	314,301	483,290	782,685	820,970	974,154	828,758
Total Exports	454,119	538,496	833,357	900,182	1,054,005	942,709

Source: German Customs Data

**Table 2: German Exports of Pork to China and Hong Kong (Jan – Sep. 2008)
by CN Code¹ in MT**

CN Code	Description	China MT	Hong Kong MT
Fresh/chilled			
0203 11	whole/half swine carcasses	-	-
0203 12 11	Bone-in swine hams/cuts	-	-
0203 12 19	Bone-in swine shoulders/cuts	-	-
0203 12 90	Bone-in non-dom. swine hams/shoulders	-	23
0203 19 11	swine fore-ends/cuts, fresh/chilled	-	27
Frozen			
0203 21 10	whole/half dom. swine carcasses	-	1
0203 21 90	whole/half non-dom. swine carcasses	-	24
0203 22 11	Bone-in swine hams/cuts	-	49
0203 22 19	Bone-in swine shoulders/cuts	23	2,292
0203 22 90	Bone-in non-dom. swine hams/shoulders	-	18
0203 29 11	dom. swine fore-ends/cuts	-	278
0203 29 13	dom. swine loins/cuts	-	243
0203 29 15	dom. swine bellies/cuts	-	3,065
0203 29 55	Other products from dom. swine, boneless	21	1,243
0203 29 59	Other products from dom. swine, other	50	11,878
0203 29 90	Other products from non-dom. swine	-	120
Grand Total		93	19,262

Note: dom. = domestic swine, non-dom. = wild swine/boars

Related reports:

Report number	Title	Date released
GM8042	Germany to Take Advantage of Increasing Demand for Pork in China http://www.fas.usda.gov/gainfiles/200809/146295892.pdf	09/24/2008
E48094	EU Annual Report http://www.fas.usda.gov/gainfiles/200808/146295593.pdf	08/21/2008

¹ The Combined Nomenclature (CN) code is the EU equivalent of the HS code