

**Voluntary Report** – Voluntary - Public Distribution

**Date:** January 18, 2022

**Report Number:** TH2022-0003

**Report Name:** Thai Pork Supplies Disrupted by ASF

**Country:** Thailand

**Post:** Bangkok

**Report Category:** Livestock and Products, Pest/Disease Occurrences

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**Report Highlights:**

ASF outbreak was officially confirmed in Thailand on January 11, 2022. Swine production is expected to decline by 35-40 percent in 2022, causing an upward price pressure on pork meat which is expected to increase around 30 percent compared to 2021. An export ban on live swine was immediately imposed by the government, but the government and farmers still object to the imports of pork meat.

## **Executive Summary**

Thailand officially confirmed an African Swine Fever (ASF) outbreak on January 11, 2022, after domestic prices of pork meat surged to a record high. The government provided financial assistance of 1.1 billion baht (\$34 million) for 8,998 farms (301,532 swine) affected by ASF between July 2019 and October 15, 2021. Most of the affected farmers are small-scale farms, about 93 percent of total swine farms. Small farmers did not implement recommended, but costly, biosecurity practices while they were facing high production costs from rising feed grain prices. As of the publication of this report, the Department of Livestock Development (DLD) has yet to notify the World Organization for Animal Health (OIE) of the ASF outbreak.

The DLD officials and traders expect swine production in 2022 to reach 12-13 million head, down 35-40 percent from average annual production of around 19-20 million pigs prior to the outbreak. The reduced swine production has put upward pressure on swine prices since 2019 (Figure 1). Farm-gate prices of hogs, as well as the retail prices of pork meat, increased to a record level in January 2022. Average retail prices of pork meat in 2022 are expected to increase around 30 percent from 2021.

The Thai government immediately banned exports of live swine in response to the domestic pork prices surge. The export ban will be in effect for three months as of January 7, 2022, in an effort to manage domestic supply shortages. However, the government's steps to curb the price surge did not include an opportunity for pork imports even in the short term due to objections from swine farmers and the concerns about the sanitary issues from imported pork meat.

### **First case detected amid rumors of ASF in Thailand over the past three years**

The DLD officially confirmed on January 11, 2022, the first case of ASF disease in the slaughterhouses in Nakhonprathom province, which is one of Thailand's top-three swine-raising provinces. Rumors about the ASF outbreaks have persisted since 2019 when the government reported the detection of Porcine Reproductive and Respiratory Syndrome (PRRS). The DLD is expected to notify the OIE of the ASF outbreak in Thailand. In the meantime, the Cabinet approved on January 11, 2022, financial assistance of 574 million baht (\$17 million) for 4,941 swine farmers (159,453 swine) who had been affected by the outbreak since 2021 (March 23 - October 15, 2021). In fact, the government already provided financial assistance of around 560 million baht (\$17 million) to 4,057 swine farmers (142,079 swine) who were affected by the government measure to depopulate swine farms across the affected province to control the outbreak between July 1, 2019, and March 22, 2021. Moreover, the Vietnamese government had suspended the imports of live swine from Thailand since June 30, 2021, after the ASF was detected in a batch of 980 live swine imported from Thailand on May 19, 2021.

### **Swine production dropped by 30-40 percent with an upward pressure on pork meat prices**

The DLD officials and traders expect swine production in 2022 at 12-13 million head, down 35-40 percent from average annual production of around 19-20 million pigs prior to the outbreak. According to the DLD, small-scale swine farms account for 93 percent of total swine farm and the rest are medium-

scale farms (5%) and large-scale farm (2%). However, swine production from small-scale swine farms accounts for 17 percent of total swine production; swine production from medium and large-scale farms respectively accounts for 12 percent and 71 percent of total swine production. Around 90 percent of the affected swine farms were small-scale farmers, totaling 8,998 farms (301,532 swine) between July 2019 and October 15, 2021. The Swine Raisers Association of Thailand (SRAT) expects a significant reduction in the number of small-scale swine farms due to the outbreaks which caused a 50 percent reduction in swine breeding stock.

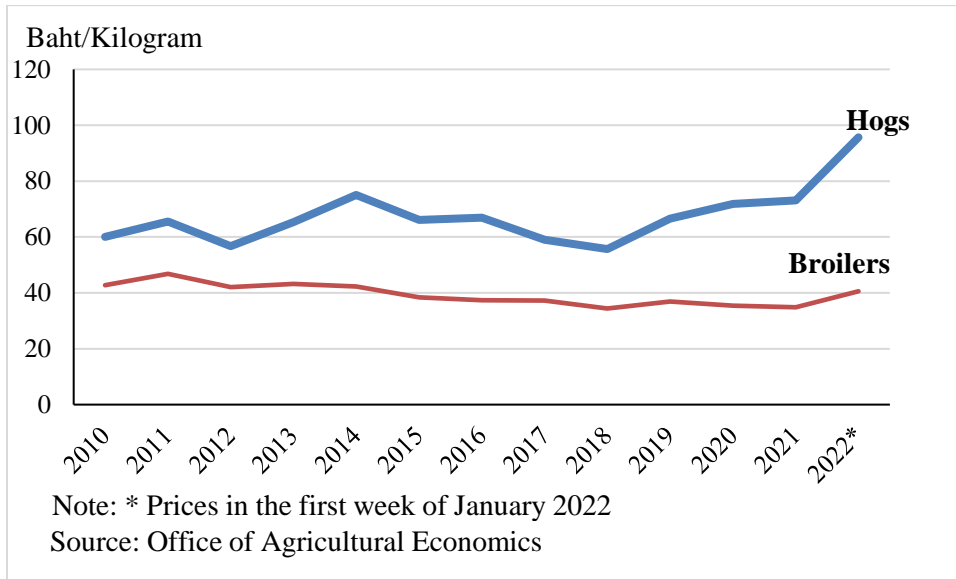
**Table 1: Thailand’s Swine Farm Registration in 2020**

	<b>Small and Medium scale</b>	<b>Large Scale</b>	<b>Total</b>
<b>Number of Farms</b>	184,091	3,181	187,272
<b>Hog (Head)</b>	2,247,332	5,746,265	7,993,597
<b>Breeding Stock (Head)</b>	390,993	683,998	1,074,991
<b>Piglet (Head)</b>	689,562	1,532,035	2,221,597
<b>Total (Head)</b>	3,327,887	7,962,298	11,290,185

Source: Department of Livestock Development

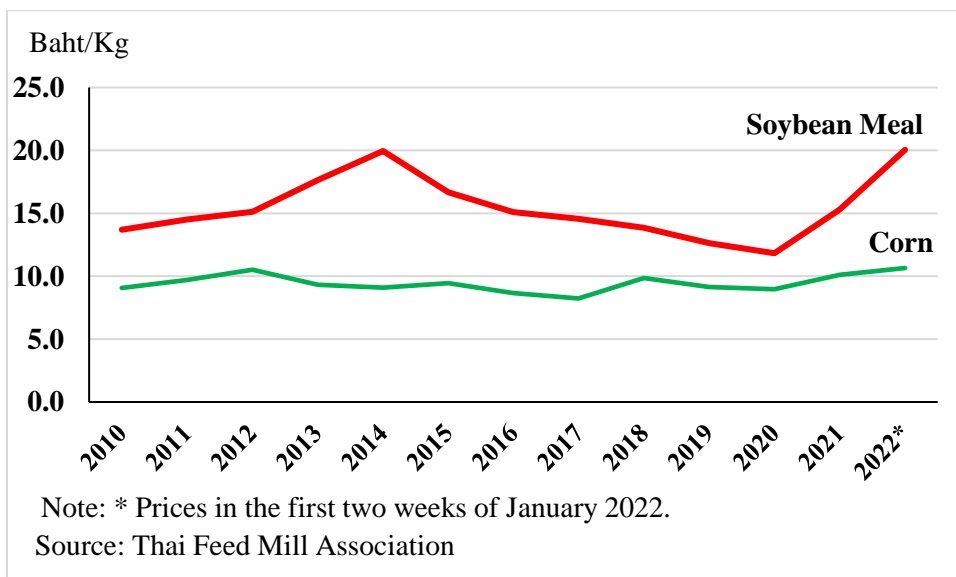
The reduced swine production has put upward pressure on swine prices since 2019 (Figure 1). Farm-gate prices of hogs in January 2022 increased to a record 96 Baht/kilogram (\$2,885/MT), up 27 percent from the same period last year (Figure 2). Meanwhile, retail prices of pork meat increased to 190-200 Baht per kilogram (\$2.6 - 2.7/lb), up 23 percent from the same period last year, which is far above the government’s control prices of 150 baht per kilogram (\$2.0/lb). Traders expect that retail prices of pork meat will further increase to 300 baht per kilogram in February 2022, driven by strong demand for pork meat during the Lunar New Year. They expect that average retail prices of pork meat in 2022 will be at 190-220 baht per kilogram (\$2.6 – 3.0/lb), up around 30 percent from 2021 due to limited supplies of swine during the ASF outbreak. In addition, farm-gate prices of broilers in January 2022 increased significantly by 16 percent from the same period last year as consumers shifted to chicken meat consumption as a substitute. However, chicken meat production is mostly recovered from the pandemic disruption and supplies remain strong.

**Figure 1: Farm-gate Prices of Hogs and Broilers**



The increase in farm-gate prices of hogs and broilers also reflected the surge in prices of feed grains which account for 60-70 percent of total production cost. Prices of corn and soybean meal in January 2022, which account for around half of swine feed rations, respectively increased 15 percent and 60 percent from the same period last year (Figure 3). In addition, swine farmers will have an addition cost of 4-5 baht per kilogram (\$120-150/MT) to improve their on-farm biosecurity practices. The Office of Agricultural Economics estimated average costs of swine production at 77-81 baht per kilogram (\$2,314 – 2,434/MT) in 2021, up 17 percent from 2020.

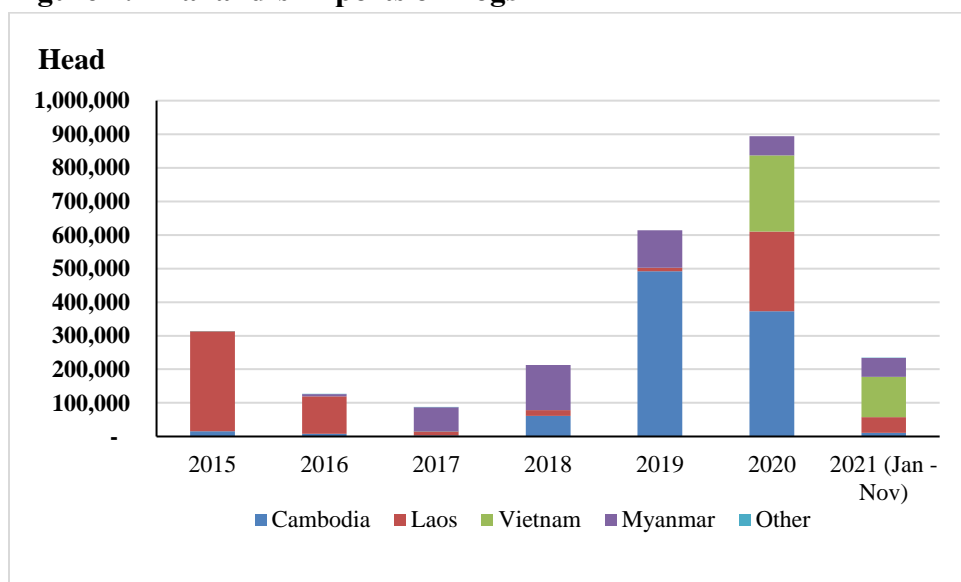
**Figure 3: Prices of Feed Grains (Ex-Factory Prices)**



## Export ban on hogs but no priority on imports of pork meat

One of the immediate responses of the Thai government to the surge in domestic prices of pork meat was the export ban on live swine. The Thai government announced the export ban on live swine on January 6, 2022. This export ban will be in effect for three months, beginning January 7, 2022, to handle current domestic supply shortages as exports of live swine increased significantly to 614,288 head in 2019, and further increased to 894,340 head in 2020 (Figure 4). Most hog exports are destined to neighboring countries where swine farms were also affected by ASF outbreaks. Exports of hogs in between January and November 2021 declined significantly as Cambodia and Vietnam respectively implemented the import ban on Thai hogs in March and June 2021 due to the concerns about the ASF outbreak in Thailand.

**Figure 4: Thailand's Exports of Hogs**



The government's measure to curb prices of pork meat did not include an opportunity for pork meat imports even in the short run due to the objection from swine farmers. The SRAT urged the government to provide financial assistance and soft loans for affected farmers to implement biosecurity practices, especially for small-scale farms, as their expectation is that cheaper imported pork will undermine prospects for domestic swine production. The government also has concerns about the sanitary issues of imported pork meat that will affect consumer health.

End of report.

### Attachments:

No Attachments.