

# PANORAMA

Thematic portfolio



## African swine fever: responding to the global threat



# PERSPECTIVES

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*Pig meat is a major source of protein in human diets, with a stable share of 35–40% of global meat production, currently representing an annual consumption of more than 110,000 metric tonnes. When African swine fever (ASF) emerged in the People's Republic of China in 2018, major losses were expected. However, the observed losses have eclipsed the estimates made at the onset of the outbreak.*

The disease is known for its economic impact on smallholders and emerging commercial farmers. It negatively affects the livelihoods of numerous poor households that depend on pigs as a source of protein and income, as means to capitalise savings, and as 'safety nets' during times of hardship. Many such farmers have lost or will lose their businesses because of ASF. Simultaneously, market prices have soared: in China, retail prices rose by 78% (month to month) in September 2019, impacting consumers. At the national level, one major consequence of ASF is the loss of status for international trade and the costs of implementing drastic measures to control the disease. In Vietnam, for example, it is estimated that nearly 6 million pigs have been culled since February 2018, representing approximately 20% of the pig population. This is significant in a country where the pig sector was valued at US\$ 4.03 billion, nearly 10% of the national agriculture sector.

### African swine fever is expected to have a noticeable worldwide effect on both meat and animal feed markets

Globally, the main economic impact is occurring in China, where annual pork production had grown by more than 50 million tonnes since 2010. Prior to ASF, half of the world's total output of pork was produced in China. By the end of 2019, the Chinese national pig herd had fallen by half, and it is expected that production will continue to fall by 10–15% in 2020, in addition to a 25% reduction in 2019. In September 2019, it was estimated that China alone had experienced direct economic losses of US\$ 141 billion. With the emergence of COVID-19, control measures taken by the Chinese authorities, including social distancing, restrictions on transportation, and limitations on people's mobility, have led to additional challenges to business continuity for farmers, particularly those with small- and medium-sized businesses.

As global pig production is threatened, tensions have grown along the supply chain. According to the Food and Agriculture Organization of the United Nations (FAO) Food Outlook dated May 2019 [1], global meat output is expected to decline because of a fall in the pig meat component, primarily in China; this gap will not be compensated for by expansions in bovine, poultry and ovine meat production. Thus, ASF is expected to have a noticeable worldwide effect on both meat and animal feed markets. Accordingly, China's total consumption of animal feeds, such as soy, dropped by 17% in 2019.

### The shortfalls in Asian pork production create challenges, as well as opportunities

The shift in global trade patterns to meet the demand for animal protein remains dynamic. The shortfalls in Chinese and regional pork production create challenges, as well as opportunities for exporters (e.g. Brazil, the European Union and the United States of America) and for suppliers of alternative animal proteins, with the poultry share projected to grow by more than 30% by 2025, at the expense of pork [2]. Nevertheless, although ASF creates opportunities, it may also bring constraints and raise costs throughout the global supply chain.

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## PERSPECTIVES

## ► OPINIONS AND STRATEGIES

# The global economic impact of ASF

## KEYWORDS

#African swine fever (ASF), #socio-economic impact.

## AUTHORS

[Franck Berthe](#), Senior Livestock Specialist in the Agriculture Global Practice, [The World Bank](#).

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2. Rabobank (2019). – [China's recovery from African swine fever: Rebuilding, relocating, and restructuring](#).

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12, rue de Prony - 75017 Paris, France  
Tel: +33 (0)1 44 15 18 88 - Fax: +33 (0)1 42 67 09 87 - [oie@oie.int](mailto:oie@oie.int)