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from the global market. This article examines how ASF in China has influenced China's global meat and feed grain imports, and in particular, which countries benefit most from China's growing import demand due to ASF.

## China's growing meat import demand due to ASF

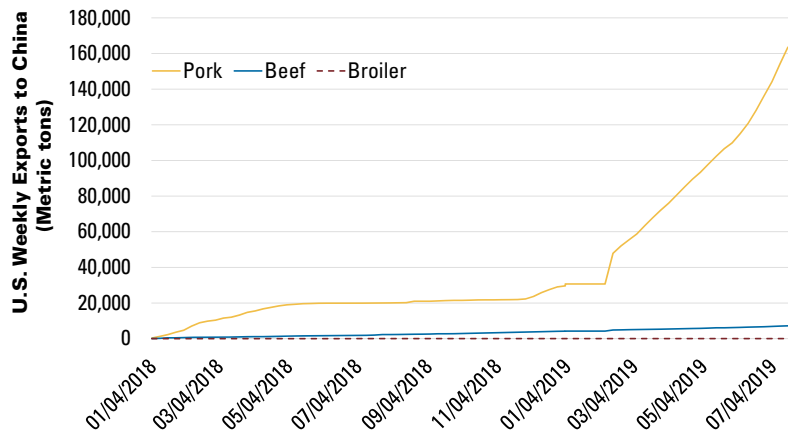
An earlier article (Li et al. 2019) states that U.S. pork exports to China have exploded despite the high tariffs on U.S. pork products. Figure 2 shows that total cumulative sales of U.S. pork products to China have totaled 91,805 metric tons within the first six months of 2019, almost four times the total exports to China in 2018 (29,028 metric tons). The chart includes the period from May to December 2018 with zero exports of U.S. pork to China due to several rounds of escalations of the U.S.-China trade war (Li, Zhang and Hart 2018). As of the writing of this article, the total commitment of pork to China is at 1,805,220 metric tons for the first five months of 2019, this includes total exports plus outstanding sales of 1,713,415 metric tons. Given the high tariffs, the Chinese government is likely behind these purchases, either by directly ordering state-owned firms to buy or by waiving tariffs.

Figure 2 shows some evidence of meat substitution to chicken and beef when ASF in China understandably heightens the Chinese consumers' concerns about the safety and quality of their domestically produced pork. U.S. beef was banned for exports to China in 2003 and this did not change until 2017 when both countries reached a new agreement. However, Figure 2 reveals that mostly because of tariffs, U.S. beef exports to China are at minuscule levels when compared to pork. Over the past 18 months, China imported broiler products in insignificant amounts, a trend that goes back to the 2009/2010 tires vs. chickens trade dispute.

## U.S. didn't get the lion's share in China's meat demand spurt

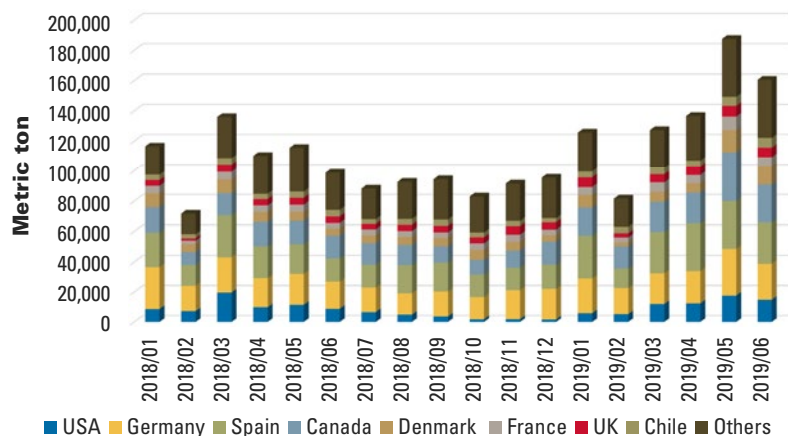
It would be misleading to just focus on Figure 2 and conclude that the U.S. is the major benefactor from China's growing meat demand due to ASF, especially given the ongoing trade war. Figure 3 shows global pork and hog imports by China and even with the recent dramatic hikes in U.S. pork exports to China, the volume was less than 8% of the total pork bought by the Chinese from the global market. In particular, five European countries (Germany, Spain, Denmark, France and United Kingdom) accounted for more than half of China's pork imports since January 2018.

**Figure 2. Total U.S. pork, broiler, and beef exports to China, January 2018 – June 2019**



Source: [U.S. Export Sales](https://apps.fas.usda.gov/export-sales/esrd1.html) from USDA Foreign Agricultural Service, <https://apps.fas.usda.gov/export-sales/esrd1.html>; and [broiler exports data](http://www.ers.usda.gov/data-products/livestock-and-meat-international-trade-data) from USDA Economic Research Service, [www.ers.usda.gov/data-products/livestock-and-meat-international-trade-data](http://www.ers.usda.gov/data-products/livestock-and-meat-international-trade-data)

**Figure 3. China's pork & hog imports by source country, January 2018 – June 2019**



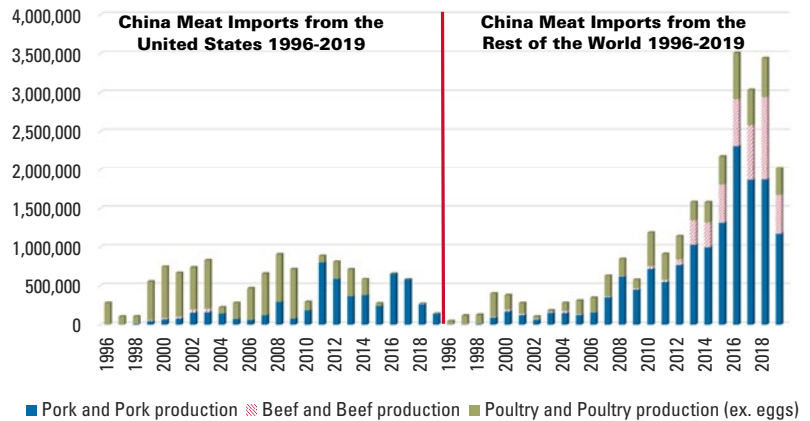
Source: [General Administration of Customs of China](http://www.customs.gov.cn/), <http://www.customs.gov.cn/>

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Narrowing to 2019 only, the U.S. still only accounted for 8% of global pork exports to China.

Unfortunately, this diversification away from the United States in China's global agricultural imports is not a new phenomenon. This started well before the 2018 trade war. Figure 4 compares the total pork, beef and poultry exports from 1996 to 2019 from the U.S. to China, shown on the left panel, with the aggregate meat exports from the rest of the world (ROW) to China on the right panel. Unlike the previous charts, the United Nations comtrade data only contains exports data from January to May 2019 for the calendar year of 2019, and note that the imports reported by China may be less than exports reported by the U.S. in part due to transportation and logistics. Figure 4 shows that in 2001, the year when China joined the World Trade Organization (WTO), China bought more agricultural products from the United State than all other countries combined. However, over the past decade especially the past five years, the volume of U.S. pork exports has been dwarfed by competition from Europe, which was exacerbated by greater transportation connectivity between China and Europe via China's *Belt and Road Initiative* started in 2013. In addition, U.S. poultry exports, mainly in the form of chicken feet, dropped to much lower levels due to the Chinese tariff retaliation in the 2009/2010 trade dispute surrounding tires. Lastly, notice the explosion of Chinese beef imports (patterned section) shown on the right panel since 2013, this beef is predominantly supplied by U.S. competitors such as Australia, Brazil, and Uruguay. This increase was the result of higher per-capita income growth in China, which led to a 20% growth in per capita beef consumption for every Chinese citizen over the past five years. Unfortunately U.S. beef was shut off from the Chinese market due to the 2003-2017 mad cow disease ban and the 2018 trade war.

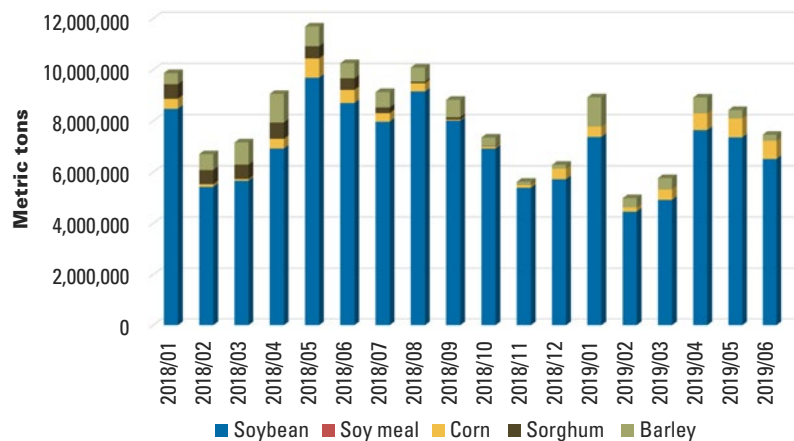
**Figure 4. China's imports from the U.S. compared to the rest of the world (ROW), 1996-2019**



Source: [UN comtrade](https://comtrade.un.org/), <https://comtrade.un.org/>, [General Administration of Customs of China](http://www.customs.gov.cn/), [www.customs.gov.cn/](http://www.customs.gov.cn/)

Note: this data only includes exports data for 2019 from January to May.

**Figure 5. China's monthly total global feed grain imports, January 2018 – June 2019**



Source: [General Administration of Customs of China](http://www.customs.gov.cn/), [www.customs.gov.cn/](http://www.customs.gov.cn/)

### ASF's impacts on China's feed grain demand

Another natural linkage with China's dwindling pork production due to ASF is the subsequent reduction in China's demand for feed grains. China currently, at best, could only produce 15-20% of soybean demand domestically. The deficit is mainly supplied by Brazil and the U.S. The 2018 trade war has further tilted China's reliance on Brazil for feed grains. Figure 5 shows that the 25-30% reduction in Chinese hog inventory indeed led to a reduction in China's imports of feed grains across the globe, which includes predominantly Brazilian soybeans as well as

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some barley, corn, and sorghum. Comparing the feed grain demand by China from January to May 2019 relative to the same period last year, which is mostly before the trade war, we found that China's feed grain demand is down by about 15% for soybeans and almost half for soy meals. Given the ongoing stress imposed by ASF, there could be further impacts on the global feed grain and meat markets.

In conclusion, it is beneficial for U.S. pork producers to see significant growth in pork exports to China due to the substantial impacts from ASF, which has also compensated price losses from the trade war. However, a closer examination of the global meat trade reveals that Europe, not the U.S., benefits most from China's growing demand due to ASF. This is in part due to China's better transportation network reaching Europe via the new *Belt and Road Initiative*.

U.S. pork, beef and poultry exports to China still have significant room for growth, and a trade deal with China would be a valuable first step.

**References**

Minghao Li, Tao Xiong, Yongjie Ji, Dermot Hayes, and Wendong Zhang. 2019. "[African Swine Fever in China: An Update](#)." Agricultural Policy Review. Winter 2019 Issue, Center for Agricultural and Rural Development, Iowa State University. [www.card.iastate.edu/ag\\_policy\\_review/article/?a=91](http://www.card.iastate.edu/ag_policy_review/article/?a=91)

Li, M., W. Zhang, and C. Hart. 2018. "[What Have We Learned from China's Past Trade Retaliation Strategies?](#)" Choices. Quarter 2. [www.choicesmagazine.org/choices-magazine/submitted-articles/what-have-we-learned-from-chinas-past-trade-retaliation-strategies](http://www.choicesmagazine.org/choices-magazine/submitted-articles/what-have-we-learned-from-chinas-past-trade-retaliation-strategies)



**Helping farm men under crisis**

By Larry Tranel, 563-583-6496, [tranel@iastate.edu](mailto:tranel@iastate.edu), Iowa dairy specialist, ISU Extension and Outreach, [www.extension.iastate.edu/dairyteam/](http://www.extension.iastate.edu/dairyteam/); Mostly adapted from Randy Weigel, University of Wyoming Extension

This is the fifth article in a series from the ISU Extension and Outreach Dairy Team on [Dealing with Farm Stress](#), [www.extension.iastate.edu/dairyteam/familyfarm-stress](http://www.extension.iastate.edu/dairyteam/familyfarm-stress).

**Traditional male farm identity** or beliefs of how men should behave have roots at many levels of society and at many levels in the minds of men. This identity encourages men to be independent, strong, self-reliant, competitive, achievement oriented, powerful, adventurous, and emotionally restrained (Harris, 1995). This leads to four traditional attitudes about masculinity:

- men should not be feminine ("no sissy stuff"),
- men should strive to be respected for successful achievement ("the big wheel"),
- men should never show weakness ("the sturdy oak"), and
- men should seek adventure and risk ("give 'em hell") (Brannon, 306).

This traditional view of being male causes many men to hesitate to seek help ... some men are taught that masculine power, dominance, competition, and control are essential to proving one's masculinity; that vulnerabilities, feelings, and emotions in men

are signs of femininity and are to be avoided; that masculine control of self, others, and environment are essential for men to feel safe, secure, and comfortable; and that men seeking help and support from others is a sign of weakness, vulnerability, and potential incompetence. (Robertson, Fitzgerald, 1992).

**Perception of self and others** causes men to not seek help as concerns about their personal or financial reputation; lack of knowing what help is available; not having a mindset of seeking help; lack of time, money or insurance to seek help; feeling the need to be self-reliant; fear of being perceived as lazy or mentally unstable, or simply too much pride or distrust of those in helping professions.

**Bottom line = need to change the mindset!**

The following mindset strategies can help men emotionally survive a crisis and may offer support and encouragement:

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**Embrace the crisis.** Why? Because you will learn how strong you are and how strong you can be. Let the crisis teach you about yourself. Realize you will never be the same person after the crisis. But, if you so choose, you will be stronger.

**Refuse to be a victim or play the blame game.** An unforgiving spirit takes a lot of energy. You may be a victim of circumstance but don't blame others or yourself for what happened or dig yourself into a rut. You may not be able to control the crisis, but you can control your attitude toward it. Remember, your life has a purpose because you are alive and much more. Forgive those who wrong you and focus on love.

**Accept your emotions.** Lying in bed at night, the chest-pounding and mind-racing, thoughts of anger, failure, guilt, shame, and even death may surface. Do not deny these thoughts but accept them as part of the learning experience. They are normal; they are who you are. Living with your emotions is painful, but it builds your resolution to persevere.

**Connect with other men.** This is not easy for our gender because, in general, men are not great communicators. But simple gestures from other men, such as phone calls and texts, can be very comforting. Silence, on the other hand, is invariably seen as judgment or lack of concern. Reaching out to others keeps you connected to the world.

**Stay away from negative people.** Nothing brings you crashing down faster than negative thoughts. Research on stress and crisis, as well as health issues, shows that people with positive attitudes handle and recover from a crisis better than those with negative attitudes. Keep your sense of humor. It is often said that 'laughers survive and survivors laugh.'

**Decide when to worry.** If one worries about their crisis in the evening, one might toss fitfully all night with negative thoughts. Limit worry to two hours every morning when you have more energy and a better attitude—then try (not always successfully) not to worry the rest of day.

**Don't shut out your family.** When facing a crisis, men often become quiet and withdrawn. This causes anxiety in other family members, which then causes more withdrawing. Let the people in your family know how you're feeling, your worries, your fears, and if you really are okay.

**Take care of yourself.** There is a wealth of research on the value of good health in handling stress and crisis. It gives you energy, protection, a positive attitude, and a sense of control. Practice added safety. Eat well, exercise, get enough sleep, and rely on your faith to pull you through. Research has shown prayer to be a positive tool in healing and life quality.

**Believe in tomorrow.** There may be a reason this crisis is happening to you, and your job is to find out why. Keep telling yourself, "I will survive, I will get through this." The future is promising in many ways: Believe you will be there to see it.

Though farm crisis, family crisis, and personal crisis are all different, the human response is similar. "Anyone can give up, but only the strong will continue to battle." Men can use male identity value of "Take the Bull by the Horns" using mindset strategies, and deal with crisis or stress in competitive ways.

Farmers are resourceful; be resourceful for yourself too.

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Men in rural areas tend to be more introverted, thus taking more of an inward approach during stressful times. Encouraging and helping connections while respecting the needed time to privately process stress is important.

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Updates, continued from page 1

**Internet Updates**

The following Information Files and Decision Tools have been updated on [www.extension.iastate.edu/agdm](http://www.extension.iastate.edu/agdm).

- Understanding Net Worth – C3-19 (3 pages)
- Net Worth Statement -- Short Form – C3-19 (Decision Tool)
- Understanding Profitability – C3-24 (5 pages)
- Comprehensive Farm Financial Statements – C3-56 (Decision Tool)
- Five-Year Trend for Farm Financial Measures – C3-56 (Decision Tool)

**Current Profitability**

The following tools have been updated on [www.extension.iastate.edu/agdm/info/outlook.html](http://www.extension.iastate.edu/agdm/info/outlook.html).

- Corn Profitability – A1-85
- Soybean Profitability – A1-86
- Iowa Cash Corn and Soybean Prices – A2-11
- Season Average Price Calculator – A2-15
- Ethanol Profitability – D1-10
- Biodiesel Profitability – D1-15

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