Pig Production in China

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--CEO of
Scandinavian Farms Pig Breeding Technology Limited
Scandinavian Farms Pig Industries Limited
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Background of Joergen Lindberg

- 1981-1985  Take care of Dairy cows in Denmark and Canada
- 1987-2002  Operate private farm with 90 sows, 25 hectare in scale at the beginning, grow up to the one with 550 sows plus 30kg pigs, another producing 22000 7-30 piglets bought from other farms, and 200 hectare in scale with less mechanical operation.
- 2002-2008  Take care of 660 plus 620 sows, plus 3000 finishers.
- 2008-2012  Take care of about 15,000 sows as Production manager at DPL Invest A/S.
As concerns mount among Chinese consumers about the quality and overall safety of food products, stemming largely from recent scandals in the Chinese food and pharmaceutical industries, the concept of safe, traceable food products is one that Chinese consumers are eager to embrace. The demand for such products has found many consumers willing to pay premium prices to ensure that the consumable goods are free of diseases, bacteria, and toxins that are sometimes inherent byproducts of the standard means of production.

A key element of high quality pork production is the availability of breeding pigs with the best genetic sources. This project involves the establishment and management of a modern breeding farm (hereinafter referred to as the "Breeding Farm") based on the most optimal genetic sources available in Denmark.

The realization of this concept will be done through the development of a complete, integrated chain of pig breeding and farming of slaughter pigs. It will comprise a breeding pig farm, commercial pig farms and on site feed mills. In the future, the possibilities of establishing a slaughterhouse & processing plant, and a distribution system may also be considered.
Why SF want pig production in China

SF Vision & Mission

- To enhance the understanding for the need of Prime Safe Food in the New China

- Providing the Chinese Market with best Danish Genetics and Prime Safe Pork based on, good quality Feed, high Bio Safety and Manage methods, complying with the best recognized standards of CSR and Animal Welfare
How SF want pig production in China

- SF Strategy
- Danyu
- SFPI & Feed
- Slurry to field
- Slaughter House & Meat Processing
- Logistic & Distribution
- Brand / sales

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How SF want pig production in China

SF Structure
How SF want pig production in China

Pig Production Structure

- CEO
- Administration
- HR
- Veterinary
- Finance
- Sales
- Logistic
- Slurry
- Maintain
- Feedmill
- SFPI Farm
- DY Farm
- Purchase
How SF want pig production in China

SF Location

Lianyungang Farms
连云港猪场

Suzhou Office
苏州办公室

Shanghai Office
上海办公室
SF pig production achievements in China

- Lianyungang Office
SF pig production achievements in China

Breeding Farm Layout
SF pig production achievements in China

- SFPI Farm Layout
SF milestone in China

- 2010.05.01 Rent a land 340.9 Mu on Guanxi Salt Farm
- 2010.07.14 Registered Lianyungang Dan Yu Pig Breeding Technology Co., Ltd. in Guanyun County, Lianyungang City, Jiangsu Province, China.
- 2010.12.11 Groundbreaking ceremony of Lianyungang Dan Yu Breeding Farm
  - 2011.12.01 Started construction
- 2013.01.17 649 pure bred pigs take plane fly to China from Denmark
- 2011.07.01 Rent a land 709.8 Mu on Guanxi Salt Farm
- 2011.09.08 Registered Lianyungang Scandinavian Farms Pig Industries Limited in Guanyun County, Lianyungang City, Jiangsu Province, China.
- 2013.07.26 Groundbreaking ceremony of Lianyungang SFPI Farm
  - 2013.10.01 Started Construction
- 2013.12.16 First pigs moved from Dan Yu Farm to SFPI farm
- 2013.11 First slaughter pigs delivered to slaughter house
LYG DY Breeding Farm phase 1 with 600 sows started operation from 17th Jan., 2013. According to blood test, it is one of few SPF breeding farm in China. The pig farm introduced advanced Danish digital management technology, automatic feeding system, Piggery environmental control technology and slurry disposal technology. At present, average annual wean is 28.6 heads/sow, average live born is 14.9 heads/liter. It reaches the average production level in Denmark and it is a successful case that Danish genetic has a good performance in China.

1st of May, 2014, DY breeding farm phase 2 with 1000 sows started construction and started to use now. At present, whole farm can produce 15,000 gilts and 500 boars. The rest 30 kg finishers will sell to SFPI farm. At the same time, DY breeding farm already set up AI Station to provide world leading genetic.
LYG SFPI farm started operation from the middle of Dec., 2013. There are 2500 sows in stables now. Average live born is 14.5/liter. According to the blood test made by Nanjing SIQ blood test station, the health level is high, specific pathogen free. June of 2014, SFPI phase 2 with 2500 more sows started construction. It is expected to be used around Chinese New Year 2015. After that, SFPI farm can produce 135,000 finishers per year.

SFPI operated by SPF production system, paying much attention to bio-security, strictly control medicine using, transporting pigs by EU standard truck. At the same time, pig farm invest huge money for environment protection to use slurry as organic fertilizer. It is our goal to provide safe, green pork to Chinese citizens, and to contribute to China modern pig production industry development.
SF pig production achievements in China

Pig Farm
SF pig production achievements in China

- SF Vehicle made according to DK & EU regulations
SF pig production achievements in China

- Slurry Disposal
  - Separate solid part and liquid part
  - Stock in Lagoon for 6 months
  - Construct pipe underground connect from lagoon to agriculture field
More than 130 Chinese staff and 5 Danish staff is working in SF Group now.
Most of our staff are young people who were born after 1980, single child in family. Lack of cooperative ability

Some of staff are not willing to share information with each other

Some of staff like talking behind instead of face conflicts and solve it

Most staff think section/department leader is the one who work more and harder

Therefore, we give leader course training twice per year
Wheat and barley from two local farms

- Dong Xin Farm: belong to provincial lever, state owned, built in 1950, has 200,000 Mu agriculture land, Main grain products are wheat, barley, rice. Quality is stable, reliable and well controlled, barley: 30,000 Mu, yield 10,000T-15,000/year, Wheat: 100,000 Mu, yield for feed/food, 15,000T-20,000T/year plus another part for seed, ware house capacity is 50,000 T

- Prisoner Farm: Belong to provincial level, Have 50,000 Mu Agriculture Land, Produce around 1500T barley, 25,000T wheat + 25000T rice per year, ware house capacity is 10,000 T

- Corn purchased from North East China by agent

- Soya bean crasher purchased from local supplier Yi Hai Group which is famous all of China
SF raw material purchase and feed produce

- Premix purchased from a Belgium company located in Suzhou
- We produce feed by ourselves
Land scale in China is small piece by small piece and operated by individual small family, difficult to control quality.

For two big local farms, they don’t have storage capacity.

Prefer to use bags instead of bulk, cause labor work and bio-security problem.

Long distance delivery and slow unloading capacity if we want to pick up by own truck.
How do SF sell slaughter pigs

- Vehicle: we bought our own pig truck with 3 layer include ventilation system, water drinking system and so on according to DK and EU regulations.

- Delivery: always drive and control by our own staff. Wash it and disinfect immediately after using. One time entry to pig farm per day.

- Market: Mainland china. But we got the permission for export pork.

- Buyer: Yu Run Group right now located around 120 kms away and plan to cooperate with COFCO located 240 kms. Both of them are two big meat group company in China. Distance.

- Sell slaughter alive pigs to slaughter house, few clients asked for meat.
Challenge during selling slaughter pigs

- Live pig price in China goes little down these two years, even there is a big scrape between citizen consumption and pork production. Some people guess it is controlled by government somehow.

- Slaughter house focus on killing gain. Quality of live pigs in China has big difference. Low quality live pigs affect general price.

- Slaughter house has big capacity but not enough good pigs to slaughter. Policy or guiding price set up by management level who is not dealing with market.

- Small pig farmers like push out all slaughter pigs during a period when they found the price has no hope to go up. It cause supplying market is bigger than purchase market temporarily so as to affect price.
How does SF sell breeding pigs

- Set up sales department in Shanghai Office where is the traffic center all over China.
- 3 Market staff are in charge of market research and after sales service. 2 staff back in Shanghai office are in charge of documents preparation
- We got breeding permission both for Dan Yu farm (purebred pigs), and SFPI (Crossbred gilts), and got sales permission of fresh semen
Challenge during selling breeding pigs

- Our breeding pigs has a higher value, it takes time for clients to certify
- Many Chinese farms doesn’t has proper facilities or management people
- Some Chinese farms has wrong impression about DanBred pigs. They thought DanBred pigs a little fragile, difficult to manage during production

![Landrace](image1)  ![Yorkshire](image2)

**Landrace** 长白猪  **Yorkshire** 大白猪

![Duroc](image3)

**Duroc** 杜洛克猪
According to SF development plan, we set up a food company called SFFI in HK already. A local food company will be set up in Shanghai soon. So, in the future some of our slaughter pigs will go to our food company to build up SF brand.
Approvals, Permits and Permissions:
In China, they have many kinds of approvals, permits and permissions to run business. Each approval, permit and permission involve different departments and different sections. For example, you need to go to east part of Guanyun to get signature, and west part of Guanyun to get stamp. Plus you have to lucky enough to catch the officials at office.

Environment Protection:
China started to pay much attention to environment protection. But most of them thinks slurry is waste water instead of organic fertilizer if you use it properly. Chinese officials or experts thinks bio-gas is the best solution to deal with slurry, but most of pig farms just build a small one for approval purpose, never use during operation.
China has no regulation for agriculture land regarding how much chemical fertilizer can put into field. So farmers prefer to use chemical fertilizer which can give fast performance. There is not a mature way how to combine pig farm with agriculture farm

Staff Education
It’s little difficult to make Chinese staff take care about themselves during work.
Thank You

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