

# Swine Fever? Trade War? China Turns to Strategic Pork Reserve

The tariff fight has added to Chinese shoppers' grocery bills. How is the government coping? By tapping its gigantic stockpile of emergency meat.



*On the outskirts of Beijing, workers unloaded carcasses at a warehouse that is part of China's national pork reserve. Credit Gilles Sabrié for The New York Times*

**By Wang Yiwei and Raymond Zongg Oct. 7, 2019**

BEIJING — When supplies of China's favorite meat run low, Beijing calls upon its strategic pork reserve, a name that brings to mind vast piles of sausages, bacon and spareribs housed in secret underground vaults across the country.

That's not quite how it works. But China's pork reserve is real, and it is basically a carnivore's version of the Strategic Petroleum Reserve, which keeps the United States flush with oil during emergencies. Pork prices in China today are skyrocketing, the result of an epidemic that is ravaging the country's hogs, and the government has been drawing upon its reserves to lift supplies for shoppers.

The trade war with the United States hasn't helped — China's retaliatory tariffs have made imports of American food and agriculture products more expensive. As the two countries' negotiators meet this week in Washington for another round of trade talks, ballooning grocery bills are adding to the pressure on Beijing to reach a deal.

Last month, 30,000 metric tons of pork from the national reserve was sold into the market ahead of Oct. 1, the 70th anniversary of modern China's founding. A batch of 9,600 tons was released in January, shortly before Chinese New Year. Local governments have also tapped their stores.

China is hardly alone in stockpiling food at gigantic scale. The Canadian province of Quebec, famously, has a maple syrup reserve. Until not that long ago, the United States had a national raisin reserve.

But yes, the idea of a strategic pork reserve raises some questions. Let's take them in turn.

### **Why does China have a pork reserve?**

The system was created in the late 1970s, just as the nation began emerging from economic ruin. Mao's government had kept emergency stockpiles of grain, salt and sugar since the '50s as part of the planned economy. As the country introduced market reforms, reserves became a tool for controlling price swings, not just for pork, but for beef, chicken and lamb, too.

In addition to the latest pork deployments, 2,400 tons of beef and 1,900 tons of lamb were put on the market in early September.



*Buyers examining the offerings at a wholesale meat market in Beijing. Credit Gilles Sabrié for The New York Times*

### **How much pork are we talking about?**

The exact numbers are a state secret. [No, seriously.](#)

Officials have, however, given some hints. Part of the point of a reserve is psychological. If there's too much secrecy, the reserve loses its power to reassure people that supplies are ample.

In a 1996 essay, an official with China Foods Limited, a government-affiliated company that managed the national pork reserve, wrote that the official stockpile had grown to 200,000 tons from around 20,000 tons at inception. The number dipped in the early 2000s, researchers say. But it seemed to have recovered by 2011, when, amid a bout of infectious disease that brought pork prices to new highs, China's commerce ministry said the national reserve held around 200,000 tons.

The big question, of course, is whether the reserves could ever be large enough to have a meaningful effect on prices. China consumes over 50 million tons of pork a year, or nearly half of the pork that is eaten annually by all of humankind. Pretty much all of that comes from pigs raised within the country.

But analysts estimate that China's herd is already 40 percent smaller this year than last, as hogs die from African swine fever, are culled to control the disease's spread or are never born in the first place. Analysts at Jefferies, the investment bank, predict that the nation will produce 30 percent less pork this year compared with last year, a drop of 16 million tons.

Against those numbers, even 200,000 tons of emergency meat can seem like a drop in the ocean.

### **Where is all that pork kept?**

China's central government has more than a dozen storehouses around the country, each of which can hold around 10,000 tons of frozen raw pork. There are also private and state-owned companies that work with the authorities to manage national and local reserves.

These companies mostly keep their pork in unmarked suburban warehouses, where the meat stays at the state-mandated temperature of minus-18 degrees Celsius, or just under zero degrees Fahrenheit. In 2013, a reporter in the eastern province of Shandong got a peek inside one such facility, where 1,500 tons of pork was sitting behind a double-locked door. The guard at the warehouse was wearing eight layers of clothing.

Technically, though, China's pork reserves don't contain only meat. Since the '90s, the government has stockpiled live pigs, too.

In 2007, when reporters in Shandong visited a farm that bred pigs for the provincial reserve, they found tens of thousands of hogs running around in what sounded like pretty idyllic conditions: "The area is lush with vegetation and shaded by trees. The hog house is tall and spacious. There is heating in the winter and ventilator fans in the summer."

And then there is Yunnan, a southwestern province famous for its ham. The local government there said last year that it held 3,000 tons of ham in addition to 132,000 live pigs and 400 tons of frozen meat.



*The daily price of pork on an electronic billboard at a Beijing wholesale market. Credit Gilles Sabrié for The New York Times*

### How does strategic reserve pork taste?

Just fine, apparently.

The government mandates that pork in the reserves be swapped out three times a year, which means no piece of meat is supposed to stay for more than four months.

Recently on Weibo, the Chinese social media platform, a user wrote a post titled "Today I Bought Government Reserve Pork."

The pork in question was found at the local supermarket, the user, @lbtgs, wrote. It was labeled "No. 4 meat," which is government code for pork leg. It was cheaper than the "non-reserve pork" he found at the same meat counter, he said, so he gave it a shot.

"The quality isn't bad, and it doesn't smell weird," he reported. "It is totally edible meat."

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