

《Causes and effect of recent price surge of pork》

Pork is one of China's favorite sources of meat. But since early March, many marketplaces around the country have been raising its price. CCTV reporter Wang Hui, went out and about- talking to butchers and customers alike - to investigate the causes and analyse the effects of the price surge.

Feng Suying has been selling pork in the market for years. Today, she purchased it for 27 yuan a kilogram, and intends to sell it at 31. This four-yuan-per-kilo profit is worth about 60 US cents.

"The profit is small. As the meat is already expensive, if I mark it any higher, it will drive my old customers away. I don't want to lose them," butcher Feng Suying said.

Feng's competition are no different.

Their regular customers are also feeling the pinch, but feel they have no other option.

Chinese people have a special affinity for pork. A report from the Ministry of Agriculture revealed that it yielded two-thirds of all China's meat in 2014. A year later, Chinese people ate 60 million tonnes of it - or about 42-kilograms per person.

However, the country's pork industry regularly experiences periods of boom and bust, with smallholder farmers quick to respond to any changes in cost. The price drop since late 2014 has driven many farmers out, which has had a knock-on effect on supply...and this has driven the price up further.

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"I think this time, the price hike is decided by the demand and offer. Chinese market is not so stable, as most of the Chinese farmers raise pigs individually, so they cannot sense the market fluctuations," said Ding Yifan, senior fellow of Institute of World Development.

Ding says the price surge may remain for several months. And this might force the Chinese government to step in.

"The Chinese will try to stabilize the prices by releasing some pork in the stock. Because Chinese government has some 'strategic reserve of pork. In the emergency situation, the Chinese could pour more pork into the market to bring down the prices," Ding said.

Ding says pork's rather small contribution to the consumer price index won't affect the likelihood of inflation. And although the Chinese government has committed to importing more agricultural products in the future, he doesn't believe the price hike will have any influence on that decision.