

Alternative Pig Marketing: Lessons from Northern Thailand

By Boonsong Thansrithong



Back ground

In 2008, the Mitmaitree foundation established a Training and Development Center with Natural Pig Farming as a priory activities. The purpose was to lower the cost of raising pigs. But when the pig was at market size, I could not sell it at the Market price, but only 10 baht per Kilogram less. It was difficult to find a buyer. Why was pig farming so expensive and why was it so difficult to sell them?????

**Give thanks to the LORD,
call on his name;
make known among the
nations what he has done.**

1 Chronicles 16:8

14 12:21PM

ราคาอาหารสัตว์เดือนสิงหาคม 2556

Animal feed price (August 2013)

เดือนสิงหาคม 2556 ที่มา สมาคมผู้ผลิตอาหารสัตว์ไทย

ข้าวโพด Maize	10	รำ rice bran	10
กากถั่วเหลือง soybean meal	17	ปลายข้าว Broken rice	14
ปลาป่น Fish meal	30	มันเส้น Casava	7

ราคาสุกรมีชีวิต เดือนสิงหาคม 2556

live pig price August 2013

เดือนสิงหาคม 2556 ที่มา สมาคมผู้เลี้ยงสุกรแห่งชาติ

ราชบุรี Ratchaburee	72	เชียงใหม่ Chiang Mai	75
นครปฐม Nakornpratom	72	อีสาน Northern East	73
ตะวันออก Eastern	74	ใต้	76
ราคาสุกรชำแหละ จากกรมการค้าภายใน Pork			140 - 145
ราคาลูกสุกร Piglet			2,000 +/- 70

ราคาขายส่ง (เงินสด) อาหารสัตว์สำเร็จรูปในตลาดกรุงเทพ หน่วย : บาท/30 ก.ก.

รายการ	2555									2556			
	เม.ย.	พ.ค.	มิ.ย.	ก.ค.	ส.ค.	ก.ย.	ต.ค.	พ.ย.	ธ.ค.	ม.ค.	ก.พ.	มี.ค.	เม.ย.
หัวอาหารสำเร็จรูปเม็ด													
หมูเล็ก	490	490	490	490	490	490	490	490	490	507	507	507	507
หมูรุ่น ขุน	478	478	478	478	478	478	478	478	478	495	495	495	495
หมูเนื้อ	463	463	463	463	463	463	463	463	463	477	477	477	477

ที่มา: www.cpffeed.com Average about **16** baht per Kg

Pig food formula for wined up to 30 kilograms

Material	Kg	%pt	Price/kg	Cost	pt	Cost
Pickled banana stock	110	10	3	330	11.00	
Premix	1	0	50	50	-	
Soybean Cake	0	20	1	0	-	
Commercial Food-market	0	14	12	0	-	
Fish meal	4	60	39	156	2.40	
Soybean meal	8	40	15	120	3.20	
Rice bran	20	12	7	140	2.40	
Corn meal	20	8	11	220	1.60	
Total	163	164	138	1016	20.6	
Cost / kg / B						6.23

การผลิตสุกรในประเทศไทย เกษตรกร 75% บริษัท 25%

Thailand pig produce (contract farm 75% company 25%)

	2003	2004	2005	2006	2007
จำนวน (ล้านตัว) pig	9.1	9.94	9.83	10.40	11.62
ปริมาณผลิต (ล้าน ตัน) pork – million ton	688.87	752.46	744.13	787.28	879.63

น้ำหนักเฉลี่ยขายที่ Average 75.7 kg/pig

Main questions?

- Why Natural Pig farming?
- Why it difficult to sell ?
- Why does the “modern,” or general, market not accept pig pork from small farms?

Why I am interested in Natural pig Farming

- To **lower food cost** by using local resource as much as I could. How? I use 70% of fermented banana stock and 30% of concentrated food.
- Looking for **multi benefit** from natural pig farming. What is its? Manure for compost and biogas for energy.
- **Dependency.**
- Sustainability



All of the slides above should be the dream goal for all development agencies & farmers, but it still difficult. WHY?

BECAUSE!

Not because of quality or quantity but **difference system** from “mainstream” or “modern market system” such as

Luke 20:24-25 - NLT

（“Show me a Roman coin. Whose picture and title are stamped on it?”
“Caesar’s,” they replied. “Well then,” he said, “give to Caesar what belongs to Caesar, and *give to God what belongs to God.*”）

Scripture

“If I follow a modern pig farm & marketing system I should belong to it which it has its own rules & regulations requirement. If I don't, but do Natural pig farming system, I should have my own options. So - ***what is my own option? How to perceived “option”***?”

-S. ChockChai, Northern Natural Farming Organization

(Jeremiah 6:16 *This is what the LORD says: "Stand at the crossroads and look; ask for the ancient paths, ask where the good way is, and walk in it, and you will find rest for your souls. But you said, 'We will not walk in it)*

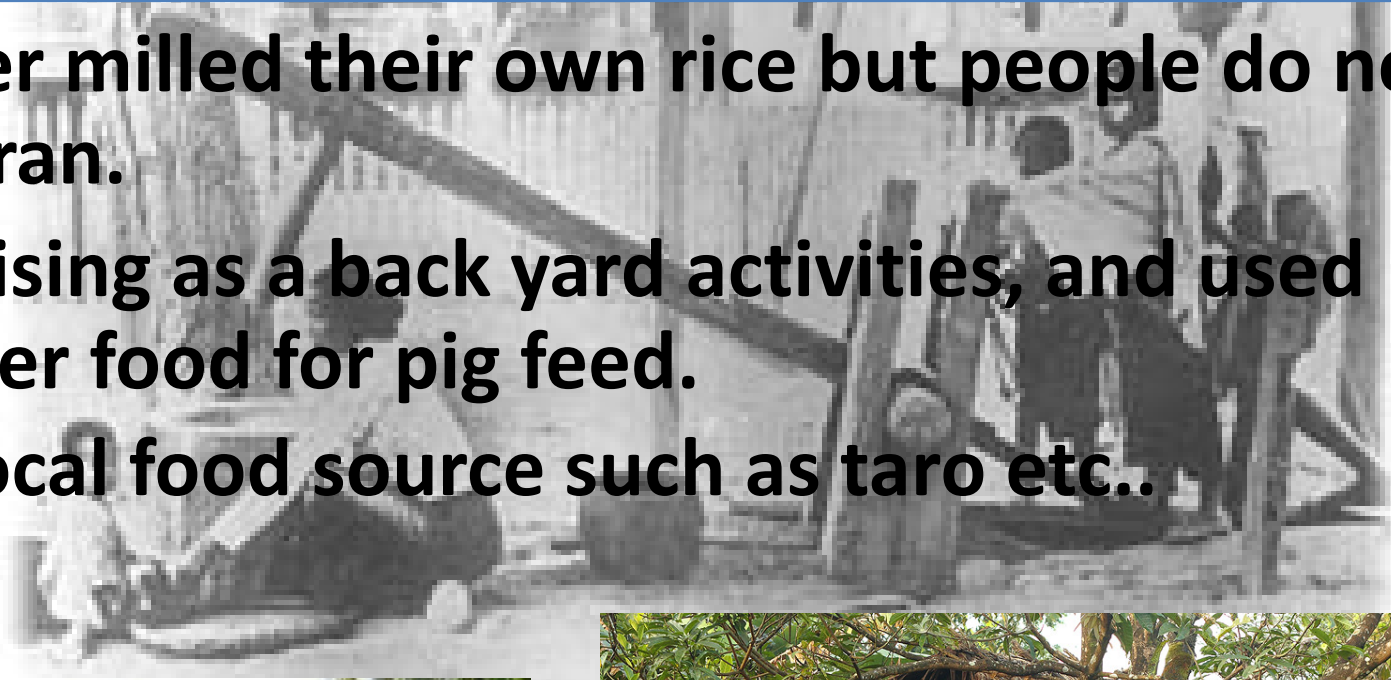
3 level of market

- Local Market (shops, rotational markets)
- City (Big C, Lotus, Super Malls)
- International – Export-import



What is the ancient Pig/pork way?

- Farmer milled their own rice but people do not eat rice bran.
- Pig raising as a back yard activities, and used leftover food for pig feed.
- Use local food source such as taro etc..



What Ancient Pork market look like?

- Exchanging (pork with rice, bullet etc.) have not money still able to have pork.
- Shared
- Delivery
- Farmer can slaughter and sale pork
- Farmer can sale their pig to every one freely with a happy price
- Farmer can negotiate pig price
- Raise pig as piggy saving

What is modern Pork market look like?

- Use money as exchanging media only
- Sale By weight only (kilogram, pound etc.)
- You can buy pork mostly from a market
- Farmer do not sale pork but pork shop.
- Farmer can sale pig to farm(buyer) to slaughter at slaughter place only
- Pig price told my market which control by who ever control pig population this base on demand and supply.
- Raising as investment

Market as demand – supply

- High demand less supply, high price
- High demand high supply, good price
- Low demand low supply, good price
- Low demand high supply, poor price

2013 is period of **capitalism**: Minimum invest but Maximum benefit. To make maximum benefit s/he must be able to control demand – supply but it's very expensive to control it so only wealthy people can do it. To **control pork market** must control feed (corn, fish meal etc.) pig population, slaughter facilities, and market- shop. Key methodology is credit; to pig farm (contract) farmer who grow maize (loan seed and other supply), market-shop. If a pig farm under this system you are a **chick in hand**, if you are not! You are pork market excluded or force you to sell at a low price. You have 2 choices lost benefit or quit...

My direct experience

ปัญหาของผู้ผลิตสุกร ธรรมชาติ

- สุกรพันธุ์หายาก
- อาหารสุกรมีราคาแพง
- ไม่มีตลาด
- ขายราคาต่ำกว่าราคาฟาร์ม ประมาณ **10** บาทต่อกิโลกรัม

Natural pig farming main problems

- Difficult to get a good breeder
- Pig feed expensive
- No market
- Force to sale at 10 baht per Kilogram lower than regular market

Pig is a favorite protein source, but

Piglets are expensive, food is expensive, and it is difficult to get a good breed. It is most painful for the farmer after they have made all these inputs, along with their efforts, and it is difficult to find a market, or they are forced to sell at a low price. This is why many small pig farms are not able to make ends meet...

As development agency, do I believe that pigs are able to make economic gain via the market?

Marketing is a game (it has rules to follow) The market is a place? There is ***never just only one game to play but many***, so play a game that you know the rule, skillful must less risked to be a winner.

Pig Market is a game

- Have to be a farm (EVAB)?
- Have to be clean (sanitary)
- Must feed pig with require food
- Must slaughter at slaughter place
- Must sale at market (at raw meat shop)

All these requirement are great, but expensive. How many people are able to invest? How is it possible for a poor farmer?



This is all taking place on a **macro economic (Market)** scale, but as development agency, we have to work with small-holder farmers in rural areas or frontier areas. We could not just focus on macro scale, but must base our pig and pork market on the **micro economic (Market)** scale.

What is Market ?

it is PPP(**P**ork **P**lace **P**eople)

- A place to buy a pig and pork
- A place to sale a pig and pork
- Etc.

Where market is

- In town
- At a shop
- Etc.

Market is PPP

Pork, every farmer can grow pig freely. Farmer should have their food choice to feed their pig to product pork.

Place, a market is a center where people are exchanging, not necessary to be at the town or shop but other place as well?

People, there is two group of people (producer and consumer). Producers could be people who raise pig and consumers are those who consume the pork.

Global Pork Consumption in 1,000 ton

Source: FAS, USDA, SPEA

2007	China	EU	US	JP	KOR	Viet	Thailand
	55,324	20,122	8,874	2,501	1,310	1,815	876

Global population Pork Consumption per person in Kg

Source: FAS, USDA, SPEA

2007	China	EU	US	JP	KOR	Viet	Thailand
	41.9	43.9	29.5	19.6	26.7	21.5	13.7

“Power attach with status not always true, like power of beauty, it is every where.” (Pierre Bourdieu).

I(Boonsong) say: Market attached with place not always true, but everywhere, and my market is migrant people who are labor worker for a nursery and others places in Chiang Mai, Thailand, they also have power to buy/consume a pork.



TDC market case

- **Pork**, TDC have a sow to produce piglet by artificial breeding and raise pig with banana stock 70% and concentrate food 30% with fermented solution drink.
- **Place**, TDC as a place where people buy, slaughter pig, divide shared & socialize.
- For TDC, **People** is migrant worker who work close to the farm.

Comparing modern & TDC market

Modern's market

- Shop owner credit pork from some place/company/Farm. (eg. 70 b/kg)
- Slaughter agency will delivery port to shop, (this process) generate some cost.(eg 30 b. kg)
- Shop owner have to rent a place to sale pork from market owner (also impact to pork price) 30 b/kg
- low socialize
- Total price / kg is 130 b
- Long line

TDC's market

- Debit to farm 70 b/kg
- Eat a parts while slaughter may cost 30b/kg
- Do not rent a place
- High socialize
- Total price is 100 b/ kg
- Short line

Compare Modern – TDC market

Modern Market

- Can't negotiate pork/pig price
- Separated (sale and buyer)
- Slaughter at other place
- Pork just for food



TDC Market.

- Price negotiation
- Sale person – Buyer (one person play for both roles)
- Slaughter – Processing at TDC
- Pork as food and nostalgia & culture
- Socialize



Compare Modern – TDC Market (cont)

Modern Market

- Pay by Separate Parts. Red Meat, streaky pork, Bond, head, leg organs etc.
- Price depend on company (demand-supply)

TDC Market

- Paid by shared (all parts together as a shared)
- Slaughter & eat & socialize pay by pork
- Sum all rested parts & divide into equal shared
- Price & amount depend on how many people (more people less in amount and price)
- Culture and beliefs included, parts like breeding organ (believe that good for health)



ราคา Price

ราคา เป็นเพียงเครื่องมือชิ้นหนึ่ง ที่ใช้วัดคุณค่าในการแลกเปลี่ยน แต่ไม่ได้

หมายความว่า ราคาจะเท่ากับคุณค่า แต่ราคามักจะมีค่ามากกว่าหรือน้อยกว่า คุณค่าเสมอ ดังที่เรามักจะพูดว่าคุ้มค่า เกินคุ้ม ไม่คุ้ม

It just a kind of tool that define exchanging value it do not implies that Price equal to value but (Price \neq Value). Price always worth (less or more) than value that why we usually said (worthwhile, over worthwhile, under worthwhile)



รูปแบบตลาดหมู / pork market pattern

Modern

- Farm(company/contract)
- Company controls the pig population
- Company controls the slaughter
- Company controls the market by making contract with sale at the market (sale always have port to sale everyday)
- Company offer credit to a shop at the market
- Monopolize - *Close*

TDC farm

- Independent Farm
- No **pig population control**
- Buyer and Farm did a Slaughter
- Pork market exist just while TDC farm and Buyer meet (no one control market but together.
- Cash system.
- Share & Socialize & *open*

TDC Pork/pig Market evaluated & assumption

Chiang Mai has 1,655,642
population X 13.7 (Thailand
average pork population not
include tourist & migrant) = need
22,682,295.4 kilograms of pork
or about 300,427.75 pigs

Source:

<http://th.wikipedia.org/wiki/%E0%B8%88%E0%B8%B1%E0%B8%87%E0%B8%AB%E0%B8%A7%E0%B8%B1%E0%B8%94%E0%B9%80%E0%B8%8A%E0%B8%B5%E0%B8%A2%E0%B8%87%E0%B9%83%E0%B8%AB%E0%B8%A1%E0%B9%88>

Trade Investment Service Center

**Chiang Mai has migrant worker about 100,000
(75,439 legal X 13.7) need 1,370,000 kilograms of
pork or about 13,700 pigs**

**TDC/ Partners Relief and Development farm has 4
Sows pregnant 2 times per year with average 10
piglets so partners produce 80 pigs (maximum) per
year this just enough for 483 person or only
0.48 % of migrant worker in Chiang Mai.**

Source: Trade Investment Service Center

TDC market capacity

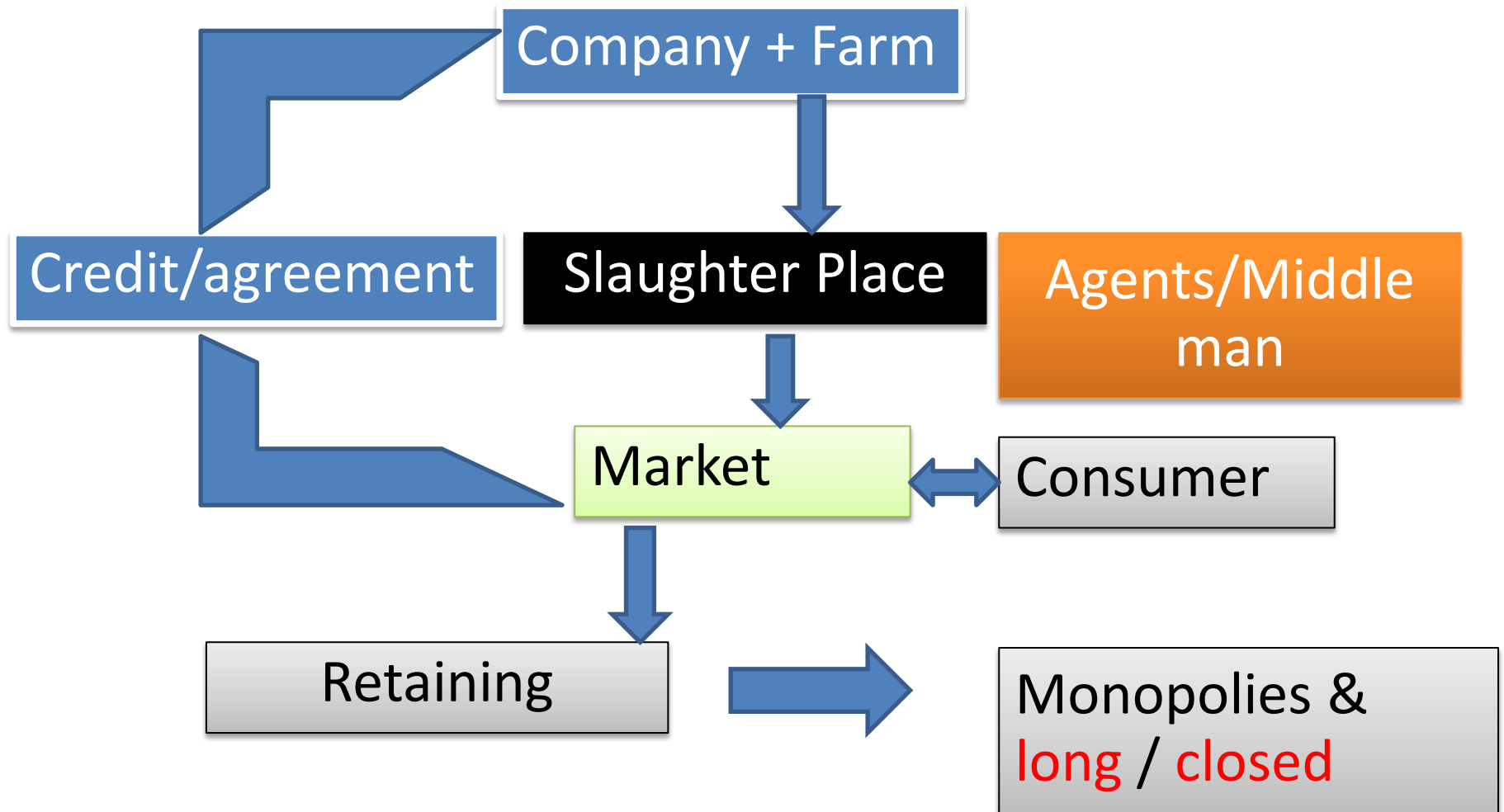
- Sale Piglet (age at 30 – 45 day) at 1,000 – 1,200 baht per piglet.
- Slaughter at least 2 pig per month. 24 pig/year at 70 kg



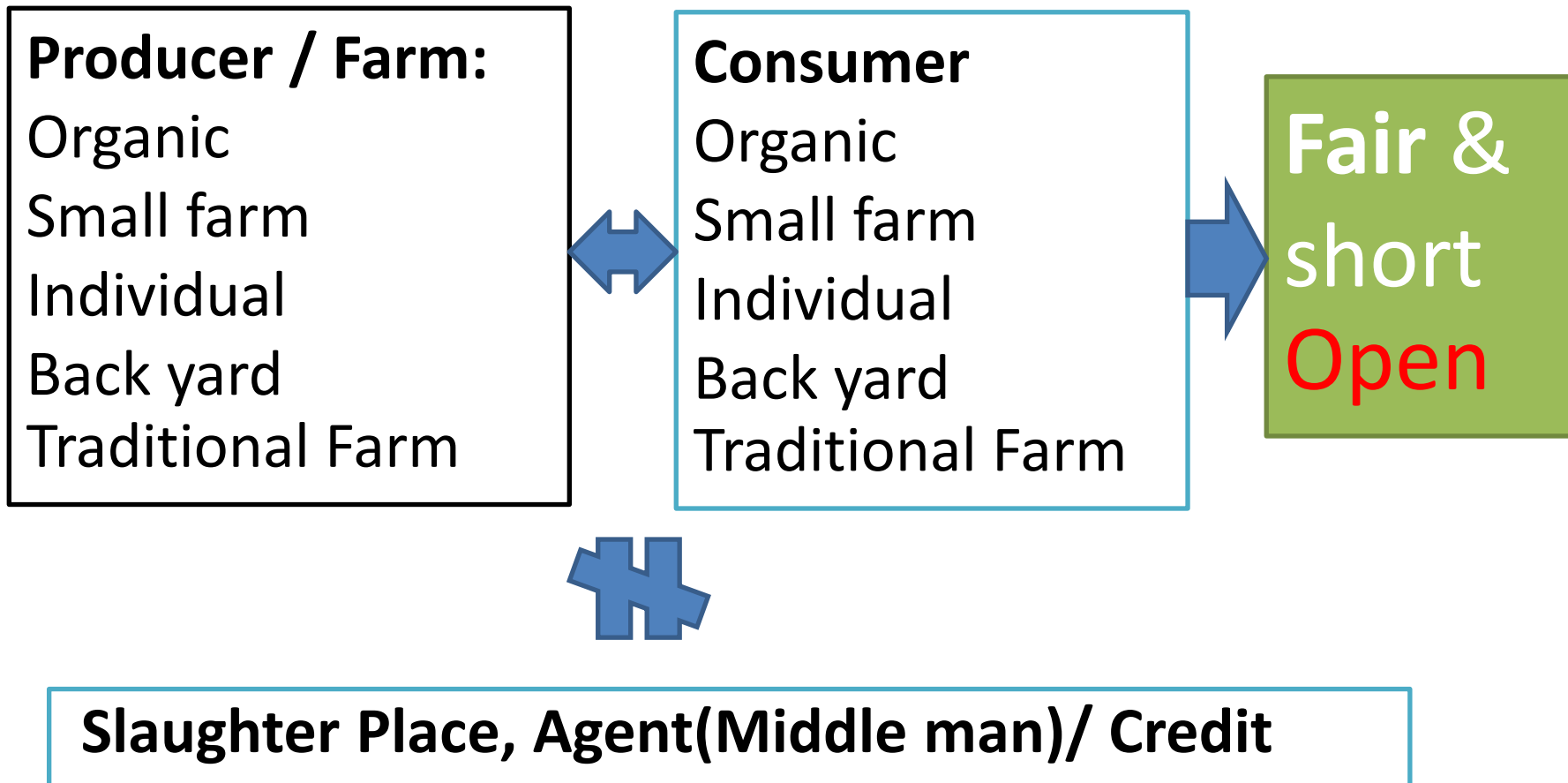
Conclusion



Modern/Vertical Market Channel



TDC / Horizontal Pig Market



Partners Farm Cases Study

(กรณีศึกษาศูนย์ฟาร์มเนอรั)

Organic Pig, หมูอาหารหมัก

Pig Pen(คอก): Hmoo Loom (หมูหลุม), &
Cement pen (ซีเมนต์)

Food(อาหาร): Fermented banana Stock 70% (กล้วยหมัก) & Concentrate 30% (อาหารข้น) with
Fermented Juice and Herbal juice (น้ำหมักและสมุนไพรหมัก)

Horizontal Market (ตลาดแบบ

แนวราบ): Migrant worker near
by the farm (แรงงานอพยพ)

Notice, Which Market are You?

หมายเหตุ คุณอยู่ในตลาดรูปแบบใด ?

- Modern / Vertical Market(แนวตั้ง)
- TDC / Horizontal Market(แนวนราบ)

Suggestion: Do not oppose, but apply (ไม่ต่อต้านแต่ต่อยอด)



Thank you, I hope this topic will provide you with satisfaction & has been worthwhile for your trip to ECHO Asia Conference 2013. I do hope to see you again in 2015. Thank you!