

MARKET NEWS for pig meat



Market analysis

22 May 2023

Week 21

MARKET SITUATION

The market situation is unchanged from previous weeks.

Europe: Legs and other cuts are being traded at largely unchanged prices.

UK: Sales are good.

China: Very quiet trading continues. **Japan and other Asian markets:** stable demand.

Slaughtering in Denmark

Weekly slaughtering figures for pigs and sows as reported to the Danish Classification Control Service. The figures exclude culled pigs.

	Week 17	Week 18	Week 19	Weeks 1-19 2023:22
Carcass weight >110 kg	10,326	6,996	8,368	-43.2%
Carcass weight <110 kg	297,244	196,504	281,395	-16.2%
Total	307,570	203,500	289,763	-17.5%

USA

Futures

Chicago (\$ per 100 lbs carcass weight)	Lean Hog			Pork Cutout		
	19/5	12/5	Change	19/5	12/5	Change
2023						
Jun	83.03	84.10	-1.07	86.85	88.15	-1.30
Jul	83.13	85.33	-2.20	89.10	90.35	-1.25
Aug	81.50	86.08	-4.58	89.60	93.60	-4.00
Oct	73.95	77.43	-3.48	85.13	88.60	-3.47
Dec	71.65	74.10	-2.45	81.85	83.98	-2.13
2024						
Feb	76.83	78.38	-1.55	85.00	86.65	-1.65
Apr	81.93	82.30	-0.37	88.18	89.83	-1.65
May	86.83	86.70	0.13	95.40	97.05	-1.65
Jun	92.53	91.63	0.90	100.63	102.28	-1.65
Jul	92.63	91.63	1.00	103.53	105.18	-1.65
Aug	92.18	91.10	1.08	105.60	107.25	-1.65
Oct	82.50			100.60		

Conversion factors:
1 lb = 0.4536 kg

1 \$ = DKK
6.8775

China

Futures

Dalian (Yuan per kg)	Pigs					
	24/4	1/5	5/5	15/5	22/5	Change 15/5-22/5
May 2023	15.38	14.49	14.39	14.80	14.21	-0.59
July 2023	17.07	16.52	15.98	15.81	15.18	-0.63
September 2023	18.00	17.38	17.00	16.85	16.42	-0.43
November 2023	18.78	18.09	17.98	17.48	17.17	-0.31
January 2024	18.70	18.18	18.21	17.87	17.57	-0.30
March 2024	17.01	16.42	16.41	16.13	15.78	-0.35

Conversion factors:
1 Y = DKK
0.9830 1 Y =
EUR 0.13

EU

African Swine Fever

According to the EU Commission's reporting system for the outbreak of disease, outbreaks of ASF were reported for the following countries, including Serbia, Ukraine, Moldova and North Macedonia between 28 April-19 May.

Countries	Period 29 April-19 May		Year to date 1 Jan-19 May		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia				20		57	1	67
Latvia		13		156	6	913	2	338
Lithuania		21		148	16	302		238
Poland		259	1	1,554	14	2,152	124	3,023
Italy	1	91	2	489	4	277	1	14
Ukraine	1	2	3	5	7	2	13	3
Czech Republic		6		16		1		
Romania	7	15	76	202	329	465	1,648	1,019
Hungary		35		275		550		2,568
Bulgaria		5		120	2	387	6	318
Slovakia		64		401	5	550	11	1,622
Serbia	39	13	86	165	107	146	33	71
Moldova			15	6	14	3	1	
North Macedonia		1		13	30	9		
Belgium								
Germany		31	1	603	3	1,628	4	2,431
Greece	1		2	2				
Total	49	556	186	4,175	537	7,442	1,844	11,712

 **ITALY**
African Swine Fever reported in Calabria

The southern Italian region of Calabria has reported African Swine Fever in both wild boar and at a pig farm. This means that the disease has travelled more than 800 km from the nearest region affected by African Swine Fever, Lazio, near Rome.

Following an outbreak among wild boar last week, African Swine Fever has now been confirmed in four different areas of Calabria and at a small farm of 70 pigs in the region.

It is still unclear how the disease spread to the area. The Italian authorities are looking into the possibility that the disease arrived via Eastern European farm workers.

 **EU**
More wild boar and fewer domestic pigs infected with African Swine Fever in Europe this year

As can be seen from the summary on page 2, there are relatively more wild boar but fewer domestic pigs infected with African Swine Fever in Europe so far this year.

According to AMI, 3,971 cases of African Swine Fever were confirmed among wild boar up until 12 May this year. This was 600 more compared to the same period last year, with the rise due to more cases in Poland.

However, as mentioned, there was a fall in the number of outbreaks at pig farms. Serbia, however, has seen a substantial increase this year.

 **UK**
Pilgrim's closes slaughtering plant in Ashton

As a result of the sharp decline in pig slaughtering numbers, Pilgrim's UK has announced that it is to close its slaughtering and cutting plant in Ashton-under-Lyne just outside Manchester. The closure follows Pilgrim's introduction of a 4-day working week at the plant in September.

The closure means job losses for 542 people. However, 90 new jobs are expected to be created at three other Pilgrim plants in Spalding, Westerleigh and Bromborough, the company has announced.

"With the breeding herd down 25% in two years and slaughter numbers dropping 20% year on year, this news is disappointing for everyone involved although not a surprise," said Lizzie Wilson, CEO, National Pig Association.

Figures from the trade organisation, AHDB, show that at 305,300 tonnes, British pig meat production in the first four months of the year is 13 per cent lower than the same period last year.

 **RUSSIA**
Increasing pig meat exports

Pig 333, quoting the director of the National Union of Pork Producers, Yuri Kovalev, reports that in Q1 2023, Russia exported 46,800 tonnes of pig meat. This is a rise of 32 per cent compared to Q1 2022.

According to Kovalov, the rise has eased the saturated pig meat market situation.

Vietnam and Belarus are the major markets for Russian pig meat exports.

 **SOUTH KOREA**
Increasing pig prices due to transport restrictions brought on by foot and mouth disease

Temporarily lower pig slaughtering numbers resulted in rising pig prices in South Korea last week.

The downturn in slaughtering is due to transport restrictions introduced as a result of the confirmation of foot and mouth disease at a cattle farm.

The situation, however, is expected to be temporary.

This is the first time since January 2019 that foot and mouth disease has been detected in South Korea.



USA

Uncertainty remains as to the consequences of the Supreme Court's decision concerning higher animal welfare in California

On Thursday, 11 May, the US Supreme Court approved by a vote of 5-4, California's introduction of higher animal welfare legislation.

For the U.S. pig industry, the decision means that from July onwards, all fresh pig meat sold in California must come from housing in which sows are kept in gestation units of at least 2.23 sq.m. per sow.

According to the U.S. media, a number of the large slaughtering companies in the U.S. have assured their investors and consumers that they will be able to supply pig meat to California which complies with the requirements. To what extent this applies now or sometime in the future, is unclear.

According to the U.S. media, California currently consumes around 13 per cent of the pig meat produced in the U.S. California's own production is negligible.



BRAZIL

Pig slaughtering increased by 3.5 per cent in Q1 2023

Figures from the Brazilian authorities show that 14.44 million pigs were slaughtered in Q1 2023. This was a rise of 3.5 per cent compared to the same period last year and a rise of 1.8 per cent compared to Q4 2022.

Measured in tonnes, production in Q1 amounted to 1.29 million tonnes, which is also a rise of 3.5 per cent compared to the same quarter last year and a rise of 1.3 per cent compared to Q4 2022.

Exports of pig meat in Q1 totalled 245,000 tonnes. This is a rise of 15 per cent compared to the same quarter last year.

In their latest forecast from April, USDA expects Brazil's total pig meat production for 2023 to total 4,425 million tonnes. If this turns out to be the case, this will be a rise of 2 per cent compared to last year. As for pig meat exports in 2022, the USDA expects a rise of 5 per cent to 1,390 million tonnes.



DENMARK

Slaughtering

2021	Slaughtering
January	1,545,170
February	1,567,643
March	1,757,842
April	1,391,179
May	1,375,993
June	1,557,041
July	1,479,601
August	1,512,573
September	1,568,786
October	1,546,880
November	1,680,452
December	1,524,097
Jan-Dec 2021	18,507,257
Jan-Dec 2020	17,473,767

Change/head	1,033,490
Change/per cent	5.9

2022	Slaughtering
January	1,642,414
February	1,548,453
March	1,728,660
April	1,320,304
May	1,451,178
June	1,464,973
July	1,429,683
August	1,542,762
September	1,415,621
October	1,420,886
November	1,490,912
December	1,354,538
Jan-Dec 2021	17,810,384
Jan-Dec 2020	18,507,257
Change/head	-696,873
Change/per cent	-3.8

2023	Slaughtering
January	1,492,578
February	1,280,431
March	1,401,730
April	1,032,985
May	
June	
July	
August	
September	
October	
November	
December	
Jan-April 2023	5,207,724
Jan-April 2022	6,239,831
Change/head	-1,032,107
Change/per cent	-16.5