

MARKET NEWS for pig meat



Market analysis

21 August 2023

Week 34

MARKET SITUATION

Europe: Legs and other cuts are being traded at unchanged or slightly falling prices this week.

UK: Sales are good.

China: Very quiet trading continues. **Japan and other Asian markets:** subdued 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 30	Week 31	Week 32	Weeks 1-32 2023:22
Carcass weight >110 kg	8,772	9,826	10,023	-39.0%
Carcass weight <110 kg	249,717	251,461	249,364	-19.3%
Total	258,489	261,287	259,387	-20.2%

USA

Futures

Chicago (\$ per 100 lbs carcass weight)	Lean Hog			Pork Cutout		
	18/8	11/8	Change	18/8	11/8	Change
2023						
Oct	82.13	81.33	0.80	93.20	91.08	2.12
Dec	74.50	74.50	0.00	84.80	84.13	0.67
2024						
Feb	78.60	78.55	0.05	87.23	86.95	0.28
Apr	83.25	83.30	-0.05	90.95	90.90	0.05
May	87.28	87.60	-0.32	95.63	95.43	0.20
Jun	93.93	93.98	-0.05	100.70	100.45	0.25
Jul	94.05	94.23	-0.18	101.58	101.33	0.25
Aug	92.88	93.23	-0.35	102.88	102.63	0.25
Oct	80.30	81.68	-1.38	94.68	94.43	0.25
Dec	75.88	76.58	-0.70	90.80	90.55	0.25
Feb 2025	80.23			93.63		
Conversion factors: 1 lb = 0.4536 kg 1 \$ = DKK 6.8569						

 **China**
Futures

Dalian (Yuan per kg)	Pigs					
	24/7	31/7	7/8	14/8	21/8	Change 14/8-21/8
September 2023	15.85	17.14	16.98	16.21	16.46	0.25
November 2023	16.72	17.81	17.43	17.24	17.04	-0.20
January 2024	17.34	17.72	17.30	17.34	17.18	-0.16
March 2024	15.75	15.96	15.88	15.86	15.78	-0.08
May 2024	16.30	16.44	16.38	16.29	16.01	-0.28
July 2024		16.84	16.77	16.78	16.64	-0.14

Conversion factors:
1 Y = DKK
0.9409; 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 have been reported for the following countries plus Serbia, Ukraine, Moldova, Bosnia-Herzegovina, Kosovo and North Macedonia.

Countries	Period 23 July – 4 Aug		Year to date 1 January - 4 Aug		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia	1	3	2	28		57	1	67
Latvia	1	101	6	391	6	913	2	338
Lithuania		14	3	229	16	302		238
Poland	3	43	19	2,037	14	2,152	124	3,023
Italy		13	6	749	4	277	1	14
Ukraine	2		8	6	7	2	13	3
Czech Republic		5		49		1		
Romania	136	3	395	226	329	465	1,648	1,019
Hungary		2		327		550		2,568
Bulgaria	1		2	121	2	387	6	318
Slovakia		5		495	5	550	11	1,622
Serbia	123		403	194	107	146	33	71
Moldova	3		18	6	14	3	1	
Bosnia-Herzegovina	81	3	267	4				
Croatia	201	1	313	4				
North Macedonia		2	4	23	30	9		
Kosovo	2	1	3	2				
Belgium								
Germany		31	1	779	3	1,628	4	2,431
Greece			6	2				
Total	554	227	1,456	5,672	537	7,442	1,844	11,712

 **CHINA**
WH Group expects higher pig prices in H2

WH Group, which via its Chinese subsidiary, Shuanghui, China's largest pig processor, stated at an investor meeting that they expect higher Chinese pig prices in the second half year.

As a result of the substantial pig production losses over a significant period of time, WH Group expects that a number of smaller producers will reduce their pig production in the second half year. Since there is traditionally better demand in the second half year, WH Group expects a price level in the second half year that is 10-20 per cent higher than the first half year.

For the year as a whole, WH Group expects an average price of around 16 yuan/kg while the price in the 2nd half year is expected to be around 17 yuan/kg on average.

 **CHINA**
USDA expects a slight fall of 1 per cent in China's pig meat production in 2024

Last week, the USDA updated its expectations for China's production, consumption and trade in pig meat in 2023 and prepared a forecast for 2024.

USDA expects that China's pig meat production in 2024 will fall by 1.0 per cent to 55.95 million tonnes. Production totalling 56.50 million tonnes is expected for 2023, which is a rise of 2.0 per cent compared to 2022.

As regards China's pig meat imports (excl. by-products and according to carcass weight), the USDA expects more or less unchanged import volumes of 2,320 million tonnes in 2024. For 2023, imports are put at 2,300 million tonnes, which is a rise of 8 per cent compared to imports of 2,125 million tonnes in 2022.

 **JAPAN**
USDA expects Japan's pig meat imports to remain unchanged in 2024

Last week, the USDA updated its expectations for Japan's production, consumption and trade in pig meat for 2023 and drew up a forecast for 2024.

USDA expects that China's pig meat imports in 2024 will land at 1,510 million tonnes, which is unchanged on the figure for 2023. In 2022, imports totalled 1,523 million tonnes.

The USDA also expects Japanese pig meat production to remain stable. For 2024, production is put at 1,300 million tonnes against 1,295 million tonnes in 2023 and 1,293 million tonnes in 2022.

 **BRAZIL**
High expectations for pig meat exports to the Dominican Republic

As was reported in last week's Market News, the Dominican Republic has given the go-ahead to pig meat from Brazil. The Brazilian Animal Protein Association (ABPA) is highly optimistic about future export potential.

Imports of pig meat to the Dominican Republic have risen sharply after the country was hit by African Swine Fever in 2021.

According to figures from the USDA, the Dominican Republic produced 45,000 tonnes of pig meat in 2022 while consumption stood at 165,000 tonnes.

Production fell by 28 per cent in 2022 and for 2023, the USDA expects a further fall in production of 9 per cent. Almost 90 per cent of pig meat imports currently come from the U.S.

According to Brazil's Ministry of Agriculture, seven Brazilian plants have been approved for exports to the country with more approvals expected to follow.



USA

Judge sets date for hearing on Massachusetts animal welfare rules

A U.S. district judge has set 6 September as the date for a hearing on a motion by Triumph Foods and others challenging a new animal welfare law passed by referendum in Massachusetts in 2016.

Triumph Foods believes that the new animal welfare law in Massachusetts discriminates against out-of-state pig producers and slaughterhouses who will not be able to sell their products in Massachusetts if they do not comply with the new animal welfare law. The plaintiffs believe that the law will disrupt supply chains and could result in contractual breaches between farmers and companies.

Triumph Foods and the other plaintiffs argue that their challenge to the new law in Massachusetts does not overlap with arguments presented to the US Supreme Court when it upheld similar legislation in California earlier this year.



EU

EU Commission forecast 5.5 per cent fall in EU pig production in 2023

The EU Commission has published its latest short-term outlook for EU agricultural markets with its forecast for 2023.

The table below shows the EU Commission's forecast for changes in the EU's production, export and consumption of pig meat in 2023 compared with the previous years.

As can be seen, the Commission forecasts a 5.5 per cent fall in the EU's production of pig meat in 2023. The fall for 2022 is 5.6 per cent.

EU-27 pig meat

Carcass weight, 1,000 tonnes	2020	2021	2022	% change 2022:21	2023 Forecast	% change 2023:22
Net production	23,220	23,616	22,274	-5.7	21.051	-5.5
Pig meat imports	159	97	122	25.8	109	-10.7
Pig meat exports	4,943	4,752	3,968	-16.5	3.492	-12.0
Consumption	18,436	18,962	18,428	-2.8	17.669	-4.1
Consumption per inhabitant (kg)	32.2	33.1	31.8	-3.9	30,4	-4.4
Self-sufficiency rate (per cent)	126	125	121	-3.2	119	-1.7

As regards beef, the EU Commission expects a 2 per cent fall in the EU's production in 2023. This follows a 2.3 per cent fall in production in 2022.

As regards poultry, the EU Commission expects a 2.4 per cent rise in production in 2023. This follows a 1.7 per cent fall in production in 2022.



Pig meat exports down 15 per cent for the period January-May 2023

With the EU Commission as the source, the tables below show EU exports of pig meat by category, importer and exporter for January-May 2023 compared to the same period in 2022.

Exports are according to product weight. The UK is included as a Third Market country, outside the EU.

By category

Tonnes	Jan-May 2023	Jan-May 2022	% change 23:22
Live pigs	22,083	17,281	28
Fresh/frozen	895,959	1,158,157	-23
Bacon	90,958	95,032	-4
Processed	183,424	193,845	-5
By-products	574,842	619,441	-7
Total	1,767,267	2,083,755	-15

Importers of pig meat from EU

Tonnes	Jan-May 2023	Jan-May 2022	% change 23:22
China	515,584	557,680	-8
UK	353,490	346,776	2
Japan	161,669	179,738	-10
Philippines	126,354	194,509	-35
South Korea	96,198	139,225	-31
Australia	37,097	59,705	-38
Vietnam	38,741	30,169	28
Ivory Coast	36,830	46,060	-20
USA	33,414	65,765	-49
Taiwan	29,524	38,276	-23
Hong Kong	29,138	32,944	-12
Others	309,228	392,908	-21
EU-27	1,767,267	2,083,755	-15

Exporters of pig meat from EU

Tonnes	Jan-May 2023	Jan-May 2022	% change 23:22
Spain	570,048	671,841	-15
Holland	298,640	338,698	-12
Denmark	270,383	346,580	-22
Germany	135,043	169,273	-20
France	104,030	127,229	-18
Poland	101,279	122,185	-17
Ireland	89,374	100,288	-11
Belgium	59,985	53,353	12
Italy	37,162	37,294	0
Austria	21,688	25,374	-15
Others	79,635	91,640	-13
EU-27	1,767,267	2,083,755	-15

Denmark's pig meat exports January-May

2023

Tonnes	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	5,648	74,495	3,818	74	27,543	40,817	2,828	155,223	21.9
Poland	1,064	87,290	9	0	0	55,157	43	143,564	20.3
Italy	726	10,679	228	187	241	37,163	171	49,394	7.0
Holland	2,759	4,988	212	5	0	3,877	462	12,305	1.7
Sweden	3,814	65	771	712	6	4,165	1,878	11,410	1.6
Spain	197	5,127	482	31	0	3,041	764	9,641	1.4
France	821	266	408	130	0	6,644	405	8,673	1.2
Romania	83	681	102	0	0	5,638	2	6,507	0.9
Rest of EU	4,754	6,688	1,348	414	418	20,536	1,561	35,720	5.0
EU total	19,867	190,278	7,378	1,552	28,208	177,039	8,115	432,436	61.1
China	57,883	0	94	0	0	41,115	198	99,290	14.0
UK	1,328	17	3,906	21,790	1,134	28,686	4,470	61,331	8.7
Japan	867	0	1,858	0	0	32,555	559	35,839	5.1
Australia	25	0	233	1	0	16,418	10	16,688	2.4
USA	1,733	0	2,363	24	0	7,009	368	11,496	1.6
Philippines	5,966	2	325	0	0	3,758	20	10,072	1.4
Malaysia	284	0	189	0	0	6,582	0	7,054	1.0
South Korea	130	15	612	0	0	5,880	86	6,722	0.9
Taiwan	771	5	38	0	0	5,278	35	6,127	0.9
Other 3rd countries	3,673	1,519	3,260	612	4	9,415	2,111	20,595	2.9
3rd countries, total	72,660	1,558	12,878	22,427	1,138	156,695	7,856	275,213	38.9
Total exports	92,526	191,836	20,256	23,979	29,346	333,734	15,971	707,649	100

2022

Tonnes	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	4,929	74,348	3,599	69	32,516	63,038	2,276	180,773	22.5
Poland	430	65,925	9	1	113	70,631	26	137,135	17.1
Italy	739	8,465	257	51	153	51,524	172	61,363	7.6
Holland	3,721	4,273	106	16	0	3,027	626	11,768	1.5
Sweden	3,788	43	844	597	2	4,447	1,713	11,433	1.4
Spain	252	4,308	502	46	0	1,995	768	7,871	1.0
France	861	261	412	140	0	5,458	340	7,471	0.9
Romania	414	1,746	43	1	83	2,050	0	4,337	0.5
Rest of EU	3,621	5,851	1,396	258	693	17,392	1,546	30,757	3.8
EU total	18,755	165,220	7,166	1,179	33,560	219,562	7,466	452,908	56.4
China	70,311	0	202	0	0	57,939	73	128,526	16.0
UK	1,828	19	4,436	23,727	0	26,620	4,334	60,964	7.6
Japan	101	3	1,255	0	0	43,414	591	45,364	5.7
Australia	125	0	190	0	0	25,255	0	25,570	3.2
USA	1,728	0	2,824	45	0	20,312	254	25,164	3.1
Philippines	5,510	49	1,489	0	0	8,681	0	15,729	2.0
South Korea	950	2	678	0	0	7,579	52	9,262	1.2
Ukraine	222	0	577	0	56	7,732	11	8,596	1.1
Taiwan	189	0	17	0	0	6,075	35	6,317	0.8
Other 3rd countries	6,053	1,143	4,337	732	2	10,234	1,981	24,481	3.0
3rd countries, total	87,017	1,216	16,005	24,504	58	213,842	7,330	349,973	43.6
Total exports	105,772	166,437	23,172	25,683	33,617	433,404	14,796	802,881	100

Top 10 importers of Danish pig meat according to value

Countries	Jan - May 2023		Jan - May 2022	
	Value in DKK million	Tonnes	Value in DKK million	Tonnes
China	1,717	99,290	1,816	128,526
Germany	3,409	155,223	2,512	180,773
Poland	2,884	143,564	1,699	137,135
Japan	1,046	35,839	1,315	45,364
UK	1,445	61,331	1,145	60,964
Italy	1,075	49,394	882	61,363
USA	367	11,496	778	25,164
Australia	441	16,688	520	25,570
Sweden	330	11,410	264	11,433
Philippines	186	10,072	254	15,729
Top 10 total	12,900	594,307	11,185	692,021
Other countries	2,881	113,342	2,215	110,660
Total	15.781	707.649	13.400	802.681



