

# MARKET NEWS for pig meat



Market analysis

6 February 2023

Week 6

## MARKET SITUATION

**Europe:** Legs and other cuts are being traded at increasing prices again this week.

**UK:** Quiet trade at unchanged prices.

**China:** Very quiet trading continues. **Japan and other Asian markets:** sluggish trade continues.

## Slaughtering in Denmark

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

	Week 2	Week 3	Week 4	Weeks 1-4 2023:22
Carcase weight >110 kg	11,849	11,448	9,106	-51.4%
Carcase weight <110 kg	328,199	328,284	326,946	-11.7%
Total	340,048	339,732	336,052	-14.0%

## USA

### Futures

Chicago (\$ per 100 lbs carcase weight)	Lean Hog			Pork Cutout		
	3/2	27/1	Change	3/2	27/1	Change
<b>2023</b>						
Feb	75.03	75.88	-0.85	82.50	83.68	-1.18
Apr	86.48	86.45	0.03	93.55	93.30	0.25
May	95.28	94.93	0.35	102.05	101.23	0.82
Jun	103.30	103.40	-0.10	107.58	107.95	-0.37
Jul	104.88	104.88	0.00	109.38	109.65	-0.27
Aug	104.60	104.58	0.02	108.95	109.20	-0.25
Oct	92.03	91.75	0.28	98.50	99.43	-0.93
Dec	84.35	84.25	0.10	91.98	92.90	-0.92
<b>2024</b>						
Feb	87.23	87.38	-0.15	93.50	94.43	-0.93
Apr	90.40	90.68	-0.28	95.58	96.50	-0.92
May	96.65	96.93	-0.28	102.80	103.73	-0.93
Jun	99.90	102.30	-2.40	108.03	108.95	-0.92

Conversion factors:  
 1 lb = 0.4536 kg  
 1 \$ = DKK  
 6.8065

 **China**
**Futures**

Dalian (Yuan per kg)	Pigs					
	9/1	16/1	23/1	30/1	6/2	Change 30/1-6/2
March 2023	15,76	15.18	15.26	14.42	14.54	0.12
May 2023	17,37	17.17	17.02	16.48	16.27	-0.21
July 2023	17,51	17.67	17.80	17.43	17.63	0.20
September 2023	17,73	18.00	18.12	18.18	18.22	0.04
November 2023	17,55	18.08	18.25	18.41	18.50	0.09
January 2024			18.76	19.20	19.03	-0.17

Conversion factors:  
 1 Y = DKK  
 1.0093 1 Y =  
 EUR 0.14

 **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 21–28 January.

Countries	Period 21 Jan-28 Jan		Year to date 1 Jan-28 Jan		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		2		9		57	1	67
Latvia		11		46	6	913	2	338
Lithuania		9		35	16	302		238
Poland		84		329	14	2,152	124	3,023
Italy		20		62	4	277	1	14
Ukraine					7	2	13	3
Czech Republic				2		1		
Romania	1	12	26	60	329	465	1,648	1,019
Hungary		12		80		550		2,568
Bulgaria				67	2	387	6	318
Slovakia		15		84	5	550	11	1,622
Serbia	1	34	1	34	107	146	33	71
Moldova		1	4	1	14	3	1	
North Macedonia				5	30	9		
Belgium								
Germany		61		187	3	1,628	4	2,431
Greece		1		2				
<b>Total</b>	<b>2</b>	<b>262</b>	<b>31</b>	<b>1,003</b>	<b>537</b>	<b>7,442</b>	<b>1,844</b>	<b>11,712</b>

 **POLAND**
**December census: sharp decline in sow population**

According to Pig333, newly published figures from the Polish authorities show a continued sharp decline in the Polish sow population in the December 2022 pig census.

The breeding sow population totalled 592,600, 9.4 per cent down on a year ago. For pregnant sows, there was a fall of 6.7 per cent to 404,800 head. Compared to the latest census from June 2021, the population of breeding sows fell by 2.3 per cent, while pregnant sows are down by 3.1 per cent.

Increasing imports of piglets from Denmark mean that for piglets and growers there was only a slight decrease in the population in the December census. The number slaughter pigs even showed a slight increase of 2.2 per cent.

According to preliminary figures from the Polish authorities, Polish imports of piglets increased by 4.3 per cent for the first 11 months of 2022 compared to the same period the previous year.

 **GERMANY**
**Pig meat storage continued to fall in December**

The latest calculations from AMI (Agricultural Market Information) on German storage of frozen pig meat in December shows a continued decline.

For December, storage stands at 96,000 tonnes. This is a decrease from October and November when storage stood at 127,000 and 101,000 tonnes respectively.

At the start of 2022, storage was more than 220,000 tonnes.

The fall should be seen against the background of an improved supply/demand situation for pig meat on the German market, and that high energy costs make it less attractive to freeze products.

 **BELGIUM**
**Sharp fall in pig slaughtering in December**

The Belgian authorities report a sharp fall in Belgium's pig slaughtering numbers in December. According to the country's statistical authorities, 867,578 pigs were slaughtered in December 2022, which is a fall of as much as 13 per cent compared to December 2021.

 **ITALY/PHILIPPINES**
**Philippines lifts import ban on processed pig meat from Italy**

Italy has again been given the green light to export processed hams to the Philippines.

The authorities are of the opinion that resuming the import of processed hams from Italy poses only a negligible risk.

Imports from Italy were stopped in January 2022 after a series of outbreaks of African Swine Fever hit Italy.

Since the Philippine ban was introduced, the authorities in Italy have repeatedly pointed out that any virus will be removed during production. Consequently, approval has now been granted by the Philippine authorities.


**GLOBAL**
**Limited world trade in pig meat in 2023**

In their latest quarterly overview from last week, Rabobank writes that they expect limited world trade in pig meat in 2023. This is due to a decline in the production of pig meat in the major exporting countries, whereas production is increasing in several of the traditional importing countries.

Rabobank expects that demand for pig meat will continue to be negatively affected by an economic slowdown across the world in 2023. However, pig meat will be less affected than other and more expensive animal proteins.

Regarding the lifting of Covid restrictions in the Chinese market, Rabobank writes that the reopening of the Chinese market will affect global supply/demand and create both opportunities and uncertainties. When and by how much Chinese demand will recover is uncertain. Rabobank expects that Chinese demand will develop unevenly as a result of continued waves of Covid infection, macroeconomic headwinds and weak business confidence.

Concerning developments in the various countries/regions of the world, Rabobank writes:

**China:** Pig meat prices have fallen due to an oversupply of pig meat and weak demand. Demand is and has been hit by a strong wave of Covid infection. But increasing demand is expected towards the end of the 1st quarter.

**Europe:** Pig meat production is expected to decline further in 2023. Pig prices are expected to be supported by limited supply and high production costs.

**North America:** The pig population in the United States is at an inflection point as the US herd returns to growth. But for **Mexico and Canada**, production is slowing. Increasing exports from the USA and Canada are expected in 2023, as pig meat from the two countries has become more competitive in export markets.

**Brazil:** Pig producers' earnings should improve as feed prices fall. But Brazil still needs stronger demand from China to balance supply growth.

**Japan:** Stable, flat development in pig meat consumption is expected. Large stocks of pig meat will prevent imports from increasing in 2023.

**Southeast Asia:** Pig meat production is expected to increase in 2023. This is despite continued problems with African Swine Fever and high production costs in 2022.


**CHINA**
**Sow population 1.4 per cent higher compared to one year ago**

Citing figures from the Chinese Ministry of Agriculture, Reuters reports that the Chinese sow population stood at 43.9 million at the end of December. This is an increase of 1.4 per cent compared to a year ago and 0.6 per cent higher than the month before in November.

The total pig population stood at 452.6 million, 0.7 per cent higher than a year ago and had increased by 1.9 per cent compared to the previous month.


**VIETNAM**
**Vaccination programme against African Swine Fever**

The authorities in Vietnam will begin a vaccination programme against African Swine Fever in the country's pig population during February, international media reports.

The vaccine against African Swine Fever was approved back in July last year, and since then 600,000 doses of the vaccine have been tested. According to the authorities, the vaccine has shown an effectiveness rate of up to 95 per cent.

Initially, the vaccine was suspended in August 2022 following deaths in a number of vaccinated pigs. But later investigations have shown that these deaths are due to faulty vaccination, where the pigs were vaccinated at the wrong age as well as with the wrong dosage.

