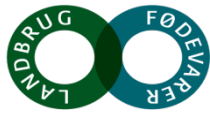


MARKET NEWS for pig meat



Market analysis

4 March 2024

Week 10

MARKET SITUATION

Europe: Legs and other cuts are being traded at slightly rising prices.

UK: Sales are stable.

China: Very quiet trading continues. **Other Asian markets:** stable trade with slightly improved 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 6	Week 7	Week 8	Weeks 1-8 2024:23
Carcass weight >110 kg	17,626	16,589	16,785	+69.1%
Carcass weight <110 kg	288,752	279,613	282,758	-14.1%
Total	306,378	296,202	299,543	-11.4%

USA

Futures

Chicago (\$ per 100 lbs carcass weight)	Lean Hog			Pork Cutout		
	1/3	23/2	Change	1/3	23/2	Change
2024						
Apr	88.08	87.20	0.88	94.00	93.23	0.77
May	92.05	90.85	1.20	100.13	99.35	0.78
Jun	102.05	99.38	2.67	106.63	105.85	0.78
Jul	103.00	100.20	2.80	108.38	107.60	0.78
Aug	102.08	99.63	2.45	107.50	106.73	0.77
Oct	85.80	84.43	1.37	99.30	98.53	0.77
Dec	77.13	76.15	0.98	92.00	91.98	0.02
2025						
Feb	79.75	78.80	0.95	94.83	94.80	0.03
Apr	82.95	81.95	1.00	100.68	100.65	0.03
May	88.80	88.20	0.60	107.28	107.25	0.03
Jun	92.25	91.83	0.42	110.00	109.98	0.02
Jul	92.43	92.25	0.18	111.75	111.73	0.02

Conversion factors:

1 lb = 0.4536 kg

1 \$ = DKK

6.8938

 **CHINA**
Futures

Dalian (Yuan per kg)	Pigs					
	4/12	11/12	18/12	26/12	30/1	Change 30/1-26/12
March 2024	13.52	14.22	14.42	14.05	14.12	0.07
May 2024	14.60	15.25	15.36	15.28	14.89	-0.39
July 2024	15.72	16.23	16.33	16.15	15.84	-0.31
September 2024	16.94	17.29	17.33	17.06	16.77	-0.29
November 2024	17.30	17.39	17.33	17.21	16.85	-0.36
January 2025					16.88	

Conversion factors:
1 Y = DKK 0.9560
1Y = 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 18 Feb-23 Feb		Year to date 1 Jan - 23 Feb		2023		2022	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		1		4	2	53		57
Latvia		12		112	8	730	6	913
Lithuania		17		101	3	439	16	302
Poland		53		293	30	2,744	14	2,152
Italy		50		295	17	1,047	4	277
Ukraine		1	4	3	37	9	7	2
Czech Republic				1		56		1
Romania	1	5	16	71	740	292	329	465
Hungary		1		87		407		550
Bulgaria				193	3	322	2	387
Slovakia		4		28		546	5	550
Serbia	1	9	21	24	991	213	107	146
Moldova				1	19	6	14	3
Montenegro				1				
Bosnia-Herzegovina	1	4	11	30	1,508	22		
Croatia		5		15	1,124	11		
North Macedonia	2		3	29	15	41	30	9
Kosovo					9	4		
Belgium								
Germany		8		42	1	899	3	1,628
Sweden						60		
Greece			2	8	6	2		
Albania				1				

Total	5	170	57	1,339	4,513	7,903	537	7,442
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EU

December pig census

Eurostat has published the results of the December 2023 pig census for all 27 EU countries. The results, which are divided into the total population, breeding sows and pregnant sows, are given in the table below. They also include Serbia.

The results indicate that EU slaughtering in the first half year 2024 will not be far from last year's total. With regard to the second half year, based on a slightly increasing breeding herd, EU slaughtering can be expected to be slightly higher than last year.

As always, the results of the pig census should be viewed with caution. They are based on random samples in the respective countries and for many countries, these are preliminary figures. Moreover, technical changes in individual countries' censuses make it difficult to draw comparisons with the previous year.

'000 head	Total population			Breeding sows			Pregnant sows		
	2023	2022	% change	2023	2022	% change	2023	2022	% change
Spain*	34,452	34,073	1.1	2,804	2,659	5.5	1,808	1,753	3.1
Germany*	21,216	21,366	-0.7	1,397	1,401	-0.3	1,000	1,009	-0.9
France	11,794	12,183	-3.2	852	869	-2.0	596	606	-1.7
Denmark	11,368	11,541	-1.5	1,133	1,118	1.3	704	698	0.9
Holland	10,471	10,706	-2.2	915	888	3.0	565	561	0.7
Poland*	9,770	9,624	1.5	663	593	11.8	456	405	12.6
Italy	9,171	8,739	4.9	649	693	-6.3	536	571	-6.1
Belgium*	5,404	5,751	-6.0	349	365	-4.4	287	300	-4.3
Romania*	3,200	3,329	-3.9	274	285	-3.9	167	174	-4.0
Austria	2,516	2,650	-5.1	204	208	-1.9	145	147	-1.4
Hungary	2,608	2,558	2.0	232	227	2.2	158	151	4.6
Portugal*	2,175	2,183	-0.4	220	225	-2.2	148	152	-2.6
Ireland	1,408	1,570	-10.3	126	127	-0.8	81	88	-8.0
Sweden	1,326	1,416	-6.4	105	119	-11.8	71	79	-10.1
Czech Republic	1,362	1,329	2.5	120	116	3.4	74	73	1.4
Finland*	978	998	-2.0	83	85	-2.4	60	62	-3.2
Croatia*	847	945	-10.4	85	85	0.0	39	33	18.2
Greece*	737	742	-0.7	99	98	1.0	48	49	-2.0
Bulgaria*	727	602	20.8	80	60	33.3	45	39	15.4
Lithuania*	488	517	-5.6	39	39	0.0	31	31	0.0
Slovakia*	403	381	5.8	35	36	-2.8	20	20	0.0
Cyprus	310	331	-6.3	26	27	-3.7	23	23	0.0
Latvia*	289	308	-6.2	36	36	0.0	14	14	0.0
Estonia	272	269	1.1	24	23	4.3	18	18	0.0
Slovenia*	196	202	-3.0	13	13	0.0	8	8	0.0
Luxembourg	65	66	-1.5	3	2	50.0	2	2	0.0
Malta	36	30	20.0	3	4	-25.0	2	3	-33.3
EU-27*	133,589	134,409	-0.6	10,569	10,401	1.6	7,106	7,069	0.5
Serbia	2,141	2,667	-19.7	303	370	-18.1	79	156	-49.4

*=preliminary figures for 2023



CHINA

Authorities lower sow target from 41 million to 39 million

Reuters reports that China's Agriculture Ministry has lowered the target for the number of sows in the country from 41 million to 39 million.

The ministry also wants to prevent substantial fluctuations in the country's pig production and will trigger regulatory measures if the number of breeding sows increases or decreases too much.

Targets for the country's sow population will be adjusted depending on the changes in pig meat consumption and the efficiency of pig production.

The new regulation is a clear signal that the agriculture ministry believes there is significant overcapacity in the current pig population," says Even Pay, agriculture analyst at Trivium China.

In the latest estimate from the Ministry of Agriculture on China's pig population, the number of sows stood at 40.67 million as at the end of January. This was a fall of 6.9 per cent compared to one year ago and a fall of 1.8 per cent compared to the previous month.

CHINA

Fitch Ratings: pig production to remain high in Q2 2024

The U.S. credit rating agency, Fitch Ratings, expects China's substantial pig production to continue in Q2 2024 and put pressure on Chinese pig prices.

Signs of a decline in production with some of the larger Chinese producers may modestly raise pig prices in the second half year, states Fitch, but uncertainty remains high.

Fitch points out that major producers wish to maintain their market position and recoup previous investments. Large breeders also have strong funding access, which allows them to withstand prolonged periods of losses.

The low fixed costs of smaller breeders, however, enable them to sustain operations despite weak prices.

According to Fitch, however, there are signs of a decline in production among some of the major producers such as New Hope, Tech-bank Food and Aonong Biotech, which have all disposed of pig-breeding-related assets since the second half year 2023.

Fitch expects continued pressure on earnings is likely to compel even the more cost-effective producers to reduce production over the coming 12 months – although whether this will reverse oversupply is doubtful.

For the time being, Fitch expects that demand for pig meat will remain stable in the Chinese market and the ongoing surplus supply will keep prices low, although modest improvements are likely in the second half year.

CHINA

Tech-Bank Food sells shares

The Chinese pig producer, Tech-Bank Food, has sold a 30 per cent stake in Shiji Biotechnology to the Chinese feed producer, Tongwei Agriculture Development, reports international news media. The sales price is stated at USD 25.4 million.

This is the second time for Tech-Bank Food to sell shares in Shiji Biotechnology. In 2022, the company sold its 51 per cent shareholding for USD 218 million.

Tech-Bank Food expects a loss for the financial year 2023 of between USD 390-435 million. The company has increased its sale of pigs by 61 per cent but the average price has fallen by 19 per cent, which has resulted in a substantial loss in the pig production business.

CHINA

Wen's Food reports substantial losses in 2023

At an investor meeting, China's second largest pig producer, Wen's Food Group reported substantial losses in its pig operations in 2023, reports international news media.

Wen's revealed at the meeting that in the current market situation, they have switched their focus from increased production of breeding pigs to improving their quality.

 **RUSSIA**
Three Russian companies approved to export pig meat to China

Pig 333 reports that three Russian companies have been approved for export of pig meat to China.

The three companies are Miratorg Agro-Industrial Holding, Velikoluksky Meat Processing Plant and Tambovsky Bacon (part of Rusagro). Pig 333 sourced the information from the Russian veterinary authorities, Rosselkhoznadzor.

 **USA**
Pig meat storage 10 per cent lower compared to one year ago – but 10 per cent higher than the previous month

Drawing on the USDA as the source, the following table shows the latest calculations for U.S. pig meat storage as at 31 January 2024 compared to the previous month and to one year ago.

As at the end of January, total pig meat storage was 10 per cent lower than one year ago, but compared to the previous month, storage rose by 10 per cent.

Beef storage as at 31 January was 1 per cent lower than the previous month and 11 per cent lower than one year ago.

As for poultry, storage increased by 1 per cent on the previous month but is 4 per cent lower than one year ago.

1,000 lbs	31 January 2023	31 December 2023	31 January 2024
Picnics	9,050	6,219	5,693
Legs	78,594	55,004	74,245
Bellies	69,991	56,018	64,045
Loins	45,098	42,402	44,411
Ribs	116,368	80,508	89,168
Trimming	53,109	47,321	48,243
Butts	27,926	17,836	20,236
By-products	72,656	76,603	75,631
Other	46,353	45,485	46,365
Total pig meat	519,145	427,396	468,037
Beef	535,158	480,301	475,362
Poultry	1,181,485	1,122,341	1,136,217

 **JAPAN**
Pig meat imports

The table below shows Japan's total pig meat imports, including fresh/frozen pig meat, for January 2024 compared to January 2023.

Total pig meat			
Tonnes	2024 January	2023 January	% change 2024:23
USA	27,558	24,047	14.6
Canada	20,591	20,912	-1.5
Spain	12,265	13,136	-6.6
Mexico	8,823	9,271	-4.8
Denmark	4,690	5,879	-20.2
Chile	3,918	2,348	66.9
Brazil	3,800	2,641	43.9
Holland	1,490	2,502	-40.4

France	1,244	1,422	-12.5
China	1,162	1,099	5.7
Ireland	792	1,417	-44.1
Thailand	579	679	-14.7
Finland	124	166	-25.3
South Korea	61	34	79.4
Australia	23	1	
Portugal	21	14	50.0
Taiwan	15	11	36.4
Austria	10	264	-96.2
Slovenia	5	0	
UK	0	71	
Italy	0	20	
Others	4	1	
Total	87,175	85,935	1.4

0203			
Fresh/frozen pig meat			
Tonnes	2024 January	2023 January	% change 2024:23
USA	19,112	18,601	2.7
Canada	19,484	20,334	-4.2
Spain	12,110	12,942	-6.4
Mexico	8,120	8,351	-2.8
Denmark	3,437	5,123	-32.9
Chile	3,150	1,868	68.6
Brazil	3,499	2,246	55.8
Holland	1,471	2,294	-35.9
France	1,241	1,396	-11.1
Ireland	336	1,296	-74.1
Finland	101	120	-15.8
Australia	23	1	
Portugal	14	0	
Austria	0	240	
UK	0	71	
Others	0	1	
Total	72,098	74,884	-3.7