

MARKET NEWS for pig meat



Market analysis

24 April 2023

Week 17

MARKET SITUATION

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

UK: Sales are good. New contracts are being agreed at increased price levels.

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 13	Week 14	Week 15	Weeks 1-15 2023:22
Carcass weight >110 kg	9,896	6,228	8,140	-45.9%
Carcass weight <110 kg	299,996	172,338	229,093	-16.2%
Total	309,892	178,566	237,233	-17.6%

USA

Futures

Chicago (\$ per 100 lbs carcass weight)	Lean Hog			Pork Cutout		
	21/4	18/4	Change	21/4	18/4	Change
2023						
May	77.03	78.83	-1.80	83.13	84.98	-1.85
Jun	86.08	85.75	0.33	91.65	91.33	0.32
Jul	88.80	88.78	0.02	95.55	95.23	0.32
Aug	89.95	89.88	0.07	97.73	97.33	0.40
Oct	80.73	80.40	0.33	91.58	90.60	0.98
Dec	76.80	76.43	0.37	86.40	85.30	1.10
2024						
Feb	80.93	80.25	0.68	87.93	86.83	1.10
Apr	85.15	84.20	0.95	90.58	89.48	1.10
May	90.13	89.18	0.95	97.80	96.70	1.10
Jun	94.20	93.73	0.47	103.03	101.93	1.10
Jul	94.00	93.53	0.47	105.93	104.83	1.10
Aug	94.50			108.00		
Conversion factors: 1 lb = 0.4536 kg 1 \$ = DKK 6.7888						

 **China**
Futures

Dalian (Yuan per kg)	Pigs					
	20/3	31/3	11/4	19/4	24/4	Change 19/4-24/4
May 2023	15.85	15.08	14.78	15.03	15.38	0.35
July 2023	16.99	16.80	16.26	16.63	17.07	0.44
September 2023	18.25	18.02	17.87	17.93	18.00	0.07
November 2023	18.62	18.69	18.84	18.75	18.78	0.03
January 2024	18.94	18.94	18.93	18.86	18.70	-0.16
March 2024		17.36	17.25	17.15	17.01	-0.14

Conversion factors:
1 Y = DKK
0.985; 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 1-14 April.

Countries	Period 1 -14 April		Year to date 1 Jan-14 Apr		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		1		20		57	1	67
Latvia		21		135	6	913	2	338
Lithuania		9		114	16	302		238
Poland	1	164	1	1,184	14	2,152	124	3,023
Italy		30	1	316	4	277	1	14
Ukraine			2	2	7	2	13	3
Czech Republic				9		1		
Romania	9		62	171	329	465	1,648	1,019
Hungary		11		220		550		2,568
Bulgaria		1		114	2	387	6	318
Slovakia		41		308	5	550	11	1,622
Serbia	10	3	39	152	107	146	33	71
Moldova			15	5	14	3	1	
North Macedonia				12	30	9		
Belgium								
Germany		46	1	532	3	1,628	4	2,431
Greece				2				
Total	20	327	121	3,296	537	7,442	1,844	11,712

Meat production in Q1 2.5 per cent higher compared to same quarter last year

Figures from China's National Bureau of Statistics (NBS) show that China's meat production in Q1 2023 was 2.5 per cent (corresponding to 610,000 tonnes) higher than the same quarter last year.

As was stated in Market News last week, pig meat production was 1.9 per cent (corresponding to 290,000 tonnes) higher compared to last year. Beef, mutton & lamb as well as poultry saw increases of 5.1, 5.0 and 3.2 per cent respectively.



USA / MEXICO

Rabobank: Outlook for pig meat market in U.S and Mexico

The findings of Rabobank's recently published North American Agribusiness Review are as follows:

U.S.: pig prices are down 20 per cent on last year due to both a fall in slaughterhouse demand and poor domestic demand.

Rabobank expects that Q2 will result in a drop in slaughtering levels with prices firming. It also expects lower pork prices to lead to a stabilisation of pork consumption as the barbecue season approaches.

American pig producers are currently operating at a loss, but Rabobank expects a return to profitability in Q2 & 3 before returning to losses late in the year.

Mexico: pig prices are 15 per cent lower compared to one year ago. This is due to ample supply and low demand. Low-cost, imported pig meat is also pressuring the market.

The majority of Mexican pig producers are operating at a loss. Rabobank therefore expects production growth to slow even if higher chicken prices may help stabilise pig prices going forward.



CANADA

USDA: expects fall in pig herd and slaughtering in 2023

Last week, the USDA published its half-year report on the pig meat market in Canada.

The projection is for a 2-3 per cent decline in Canadian production and slaughter of pigs in 2023. Slaughtering capacity is expected to be reduced in the east of the country due to higher feed prices, strongly fluctuating pig prices and the general departure of pig producers from the industry.

In 2023, Canadian pig meat exports are expected to fall in line with a downturn in slaughtering. Canadian exporters are expected to focus on gaining market shares in Far Eastern export markets.



PORTUGAL

Temporary lifting of VAT on certain food products, including meat

International news media report that Portugal is lifting 6 per cent VAT on 46 food products as a temporary measure – including meat products.

The measure takes effect from 18 April and is expected to apply until the end of October. The retail sector has been given 15 days to ensure that this is reflected in the prices on supermarket shelves.

According to the government, the lower VAT should be seen as an effort to battle the inflation which is currently hitting consumers.

A similar initiative was implemented in Spain at the start of the year. However, the VAT exemption did not apply to meat and fish products.



CHINA

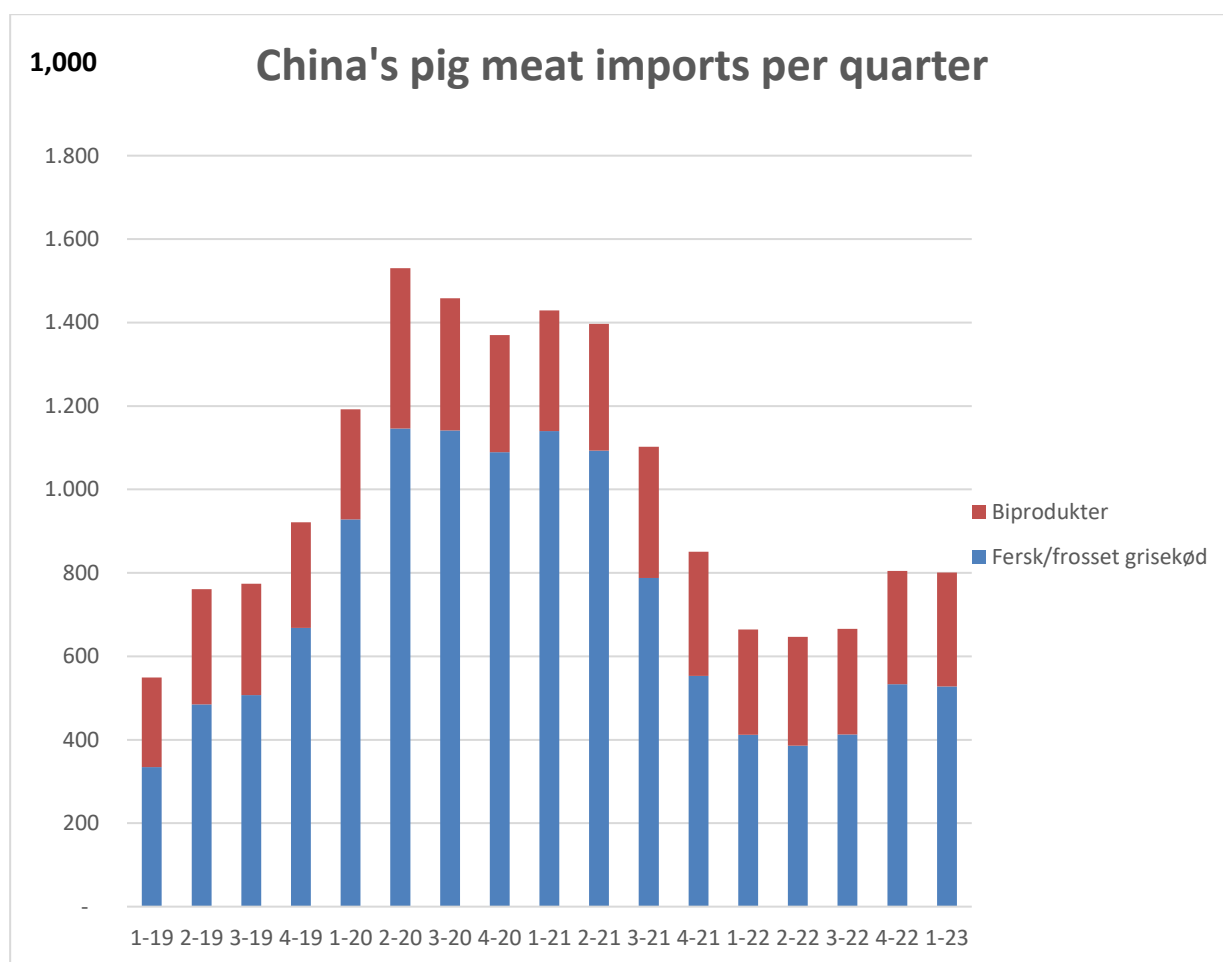
Pig meat imports in Q1 2023 on par with the previous quarter

The Chinese authorities have published import figures for Q1 2023. Pig meat imports in Q1 are on a par with the previous quarter, but higher than the corresponding quarter one year ago.

The chart below shows the quarterly development in China's pig meat imports in Q1 2019 divided into fresh/frozen pig meat (product code 0203) and by-products (product code 020649).

As can be seen, Chinese pig meat imports peaked from Q2 2020 to Q2 2021. However, there was a slight rise in the previous two quarters compared to the first three quarters of 2022.

In the main, imports of fresh/frozen pig meat have seen the most substantial fluctuations while imports of by-products have been more stable.



Biprodukter – By-products: Fersk/frosset grisekød – Fresh/frozen pig meat

The tables below show Chinese imports of fresh/frozen pig meat and by-products for January-March 2023 compared to the same period in the previous two years.

As can be seen, when compared to 2022, the EU has lost market shares in the Chinese market to Brazil, U.S. and Canada.

0203				
Fresh/frozen				
Tonnes	Jan-March 2021	Jan-March 2022	Jan-March 2023	% change 23:22
Spain	382,274	125,287	132,359	5.6
Brazil	121,210	81,122	121,850	50.2
Denmark	96,428	45,562	62,853	38.0
Holland	106,897	25,805	49,900	93.4
Canada	84,334	26,540	41,175	55.1
USA	137,303	30,279	40,629	34.2

Chile	40,363	16,574	24,010	44.9
UK	26,912	20,048	20,807	3.8
France	50,912	15,774	16,290	3.3
Ireland	20,252	10,509	8,308	-20.9
Austria	13,363	3,458	4,423	27.9
Finland	5,757	2,091	2,167	3.6
Mexico	27,313	5,396	1,946	-63.9
Portugal	9,303	1,145	1,108	-3.2
Switzerland	319	296	218	-26.4
Argentina	6,355	48	50	4.2
Italy	8,786	2,282		
Others	2,315	13	-	
Total	1,140,396	412,229	528,093	28.1

020649				
By-products - pigs				
Tonnes	Jan-March 2021	Jan-March 2022	Jan-March 2023	% change 23:22
USA	71,737	57,163	76,854	34.4
Spain	72,950	59,069	54,179	-8.3
Denmark	32,209	41,869	36,529	-12.8
Holland	33,876	26,236	33,177	26.5
France	21,776	17,193	18,870	9.8
Canada	15,909	11,420	18,287	60.1
UK	11,416	11,791	12,463	5.7
Chile	11,207	9,672	8,568	-11.4
Brazil	4,305	4,897	5,144	5.0
Ireland	6,914	6,098	4,925	-19.2
Finland	1,715	2,083	2,687	29.0
Switzerland	680	827	605	-26.8
Portugal	187	268	185	-31.0
Mexico	1,097	1,144	153	-86.6
Others	3,238	2,269	0	-100.0
Total	289,216	251,999	272,626	8.2



EU

Pig meat exports fell by 10 per cent in January 2023 when UK is included in exports out of the EU
The tables below EU exports of pig meat by category, importers and exporters for January 2023 compared to January 2022.

Exports are according to product weight. The figures are stated in product weight, with the UK as a third market country outside the EU.

By category

Tonnes	January 2023	January 2022	% change 23:22
Live pigs	4,674	4,782	-2
Fresh/frozen	199,943	234,935	-15
Bacon	18,194	17,056	7
Processed	35,128	35,076	0
By-products	113,342	119,212	-5
Total	371,281	411,062	-10

Importers of pig meat from
EU

Tonnes	January 2023	January 2022	% change 23:22
China	121,515	125,951	-4
UK	68,478	67,801	1
Japan	32,502	29,367	11
Philippines	21,203	30,551	-31
South Korea	21,058	32,785	-36
Australia	11,076	11,909	-7
Ivory Coast	8,419	8,010	5
USA	6,643	12,208	-46
Hong Kong	6,138	7,265	-16
Taiwan	5,929	9,821	-40
Ukraine	5,559	9,807	-43
Others	62,761	65,587	-4
EU-27	371,281	411,062	-10

Exporters of pig meat from EU

Tonnes	January 2023	January 2022	% change 23:22
Spain	121,289	135,657	-11
Denmark	66,986	79,006	-15
Holland	61,300	61,198	0
Germany	26,190	31,960	-18
France	21,307	25,429	-16
Poland	20,548	21,067	-2
Ireland	17,620	19,375	-9
Italy	6,463	5,246	23
Belgium	9,846	11,005	-11
Austria	4,080	4,656	-12
Hungary	1,656	3,475	-52
Others	13,996	12,988	8
EU-27	371,281	411,062	-10