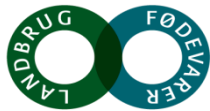


MARKET NEWS for pig meat



Market analysis

23 October 2023

Week 43

MARKET SITUATION

The market situation is unchanged from previous weeks.

Europe: Once again this week, legs and other cuts are being traded at more or less unchanged prices.

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 39	Week 40	Week 41	Weeks 1-41 2023:22
Carcass weight >110 kg	10,694	10,372	10,664	-34.7%
Carcass weight <110 kg	264,528	271,878	268,362	-18.9%
Total	275,222	282,250	279,026	-19.6%

USA

Futures

Chicago (\$ per 100 lbs carcass weight)	Lean Hog			Pork Cutout		
	20/10	13/10	Change	20/10	13/10	Change
2023						
Dec	66.00	69.50	-3.50	76.25	79.05	-2.80
2024						
Feb	70.43	74.35	-3.92	78.45	81.73	-3.28
Apr	76.90	81.30	-4.40	83.58	87.58	-4.00
May	82.63	86.63	-4.00	88.68	94.00	-5.32
Jun	90.78	94.68	-3.90	96.78	99.90	-3.12
Jul	92.33	95.80	-3.47	99.28	102.28	-3.00
Aug	92.15	95.48	-3.33	98.05	101.05	-3.00
Oct	80.05	83.15	-3.10	89.85	92.85	-3.00
Dec	74.18	77.10	-2.92	85.98	88.98	-3.00
2025						
Feb	78.53	81.05	-2.52	88.80	91.80	-3.00
Apr	82.90	88.00	-5.10	94.65	97.65	-3.00

Conversion factors:
1 lb = 0.4536 kg

1 \$ = DKK
7.0456

CHINA

Futures

Dalian (Yuan per kg)	Pigs					
	25/9	2/10	9/10	16/10	23/10	Change 16/10- 23/10
November 2023	16.78	16.57	15.95	15.74	14.98	-0.76
January 2024	17.21	16.95	16.65	16.82	16.45	-0.37
March 2024	15.47	15.20	14.90	15.15	15.18	0.03
May 2024	15.83	15.64	15.58	15.76	15.89	0.13
July 2024	16.56	16.49	16.51	16.50	16.64	0.14
September 2024		17.09	17.10	17.03	17.49	0.46
Conversion factors: 1 Y = DKK 0.963: 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.

Country	Period 7 – 13 October		Year to date 1 January – 13 Oct		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		1	2	36		57	1	67
Latvia		5	8	568	6	913	2	338
Lithuania		3	3	311	16	302		238
Poland	1	28	30	2,335	14	2,152	124	3,023
Italy		5	17	801	4	277	1	14
Ukraine	2		19	6	7	2	13	3
Czech Republic				53		1		
Romania	9	4	695	246	329	465	1,648	1,019
Hungary				357		550		2,568
Bulgaria		5	3	128	2	387	6	318
Slovakia				512	5	550	11	1,622
Serbia			762	198	107	146	33	71
Moldova			19	6	14	3	1	
Bosnia-Herzegovina	210	1	1,355	8				
Croatia	65		1,019	9				
North Macedonia	7		13	32	30	9		
Kosovo			9	4				
Belgium								
Germany			1	846	3	1,628	4	2,431

Sweden		3		47				
Greece			6	2				
Total	294	55	3,961	6,505	537	7,442	1,844	11,712



EU

Pig meat exports are down by 18 per cent for Jan-July 2023

With the EU Commission as the source, the following tables show EU exports of pig meat according to categories, importers and exporters for January-July 2023 compared to the same period in 2022.

Exports are stated in product weight. The UK is included as a third market country outside the EU.

By category

Tonnes	Jan-July 2023	Jan-July 2022	% change 23:22
Live pigs	30,680	26,830	14
Fresh/frozen	1,186,029	1,606,481	-26
Bacon	127,851	132,651	-4
Processed	255,248	271,865	-6
By-products	788,011	860,435	-8
Total	2,387,819	2,898,262	-18

Importers of pig meat from EU

Tonnes	Jan-July 2023	Jan-July 2022	% change 23:22
China	682,823	773,293	-12
UK	497,776	484,732	3
Japan	203,144	247,732	-18
Philippines	168,423	277,119	-39
South Korea	127,976	187,223	-32
Vietnam	60,444	45,497	33
Australia	48,647	81,452	-40
Ivory Coast	48,004	60,614	-21
USA	47,731	82,946	-42
Hong Kong	37,412	44,156	-15
Taiwan	37,069	46,917	-21
Others	427,920	566,581	-24
EU-27	2,387,369	2,898,262	-18

Exporters of pig meat from EU

Tonnes	Jan-July 2023	Jan-July 2022	% change 23:22
Spain	757,485	927,684	-18
Holland	406,985	476,263	-15
Denmark	356,768	475,280	-25
Germany	187,880	235,367	-20
France	149,494	174,301	-14
Poland	137,705	171,759	-20
Ireland	123,452	141,491	-13
Belgium	76,429	73,494	4
Italy	53,976	54,841	-2
Austria	29,816	34,881	-15
Others	107,830	132,901	-19
EU-27	2,387,820	2,898,262	-18

 **CHINA**
Record pig meat production in Q3 2023

Reuters reports that preliminary figures from China's National Bureau of Statistics (NBS) puts Chinese pig meat production in Q3 at 12.69 million tonnes.

This is the highest quarterly production since 2014 and a rise of 4.8 per cent compared to the same quarter last year, reports Reuters.

Pig meat production for the first three quarters of the year totals 43.01 million tonnes, 3.6 per cent higher than the same period last year.

It's not only pig meat production that is rising in China. For the first three quarters of the year, beef production rose by 5 per cent, poultry by 4 per cent and 5 per cent for mutton and lamb.

According to figures from NBS, meat production for the first three quarters totalled 69.74 million tonnes, which is a rise of 3.9 per cent compared to last year.

 **CHINA**
Unchanged sow population – but rising productivity increases production

Based on figures from China's Ministry of Agriculture and Rural Affairs, Reuters reports that China had 42.4 million sows at the end of September, little changed from the previous month.

At a press briefing, a spokesperson from the ministry said that the number of sows in September was 3.4 per cent higher than the normal level.

Productivity is also increasing, with each sow breeding 0.5 more pigs every year than the previous year, said the spokesperson. This means rising pig production despite the fact that the sow population is unchanged.

Increasing Chinese pig production has meant relatively low pig prices and poor returns for pig producers for most of 2023. According to the ministry spokesperson, pig prices may rebound in the fourth quarter, which is the peak consumption season. However, the spokesperson sees "no basis for a sharp rise". And after the Chinese New Year, he believes that there could be a decline in consumption as well as an increase in the number of pigs slaughtered.

So, according to the spokesperson, after the Chinese New Year, pig producers may once again be facing a period when financial losses in pig production may be greater than that of the same period last year. The spokesperson, therefore, has urged pig producers to adjust their production accordingly.

Chinese pig producers have lost money for most of this year, but rising pig prices and falling production costs in July and August meant that producers saw positive returns.

Prices have fallen again, however. According to China's National Reform and Development Commission, Chinese pig producers saw an average loss of 15.75 yuan (EUR 2.02) per pig in week 41.

 **CHINA**
Fall in China's pig meat imports in Q3 2023

The Chinese authorities have published import figures for Q3 2023. Pig meat imports in Q3 are at the lowest level since Q1 2019.

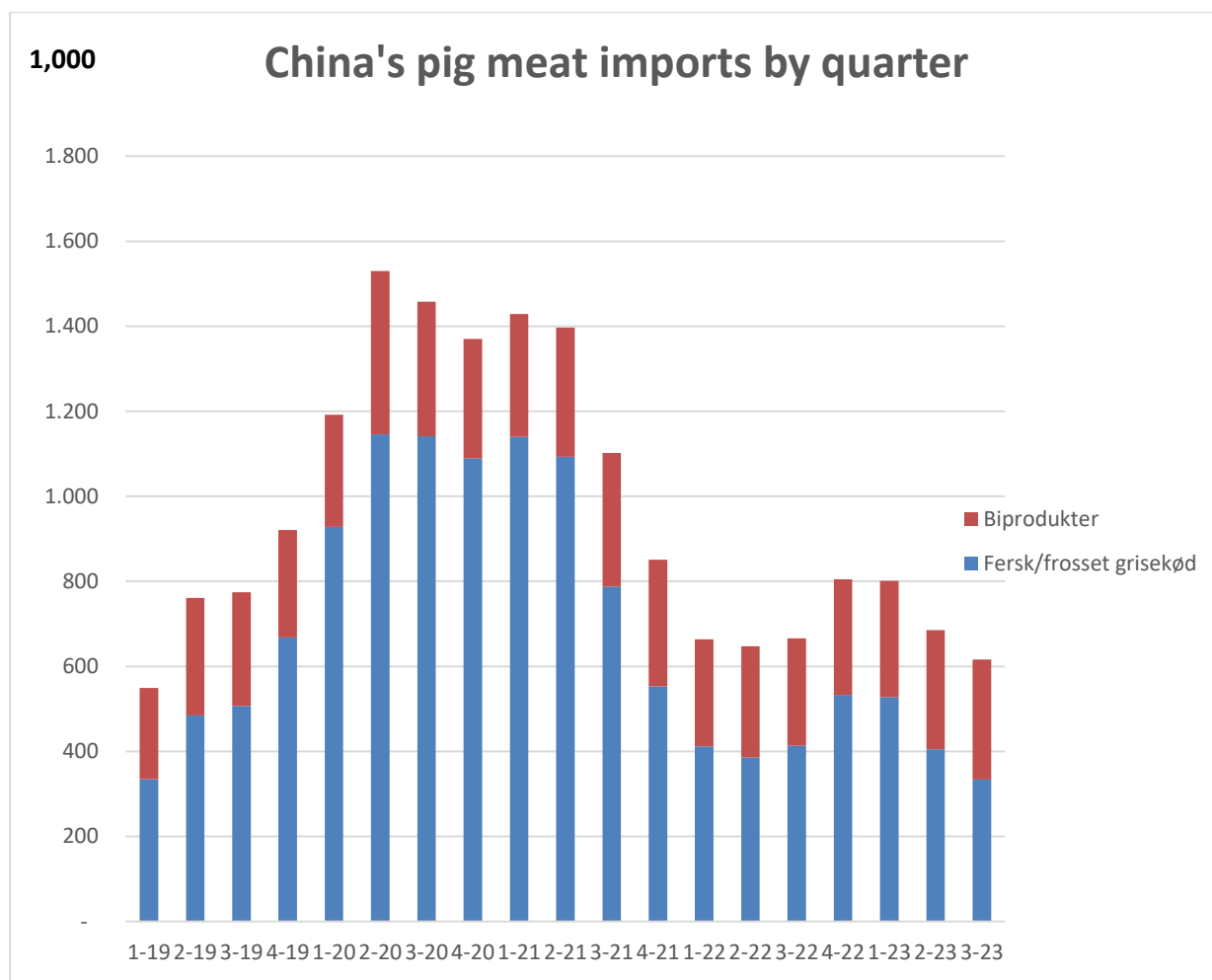
The chart below shows the quarterly development in China's imports of pig meat since Q1 2019 (fresh/frozen pig meat (product code 0203) and by-products (product code 020649)).

As can be seen, Chinese pig meat imports peaked from Q2 2020 to Q2 2021. There was, however, a slight rise in imports in the two first quarters of the year compared to the same quarters last year. But figures for Q3 are lower than the previous quarters.

Imports of fresh/frozen pig meat have varied

substantially from quarter to quarter while imports of

by-products are more stable.



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

As can be seen, the EU lost market share in the Chinese market to Brazil, USA and Canada in 2023.

0203				
Fresh/frozen				
Tonnes	Jan-Sept 2021	Jan-Sept 2022	Jan-Sept 2023	% change 23:22
Brazil	402,569	277,490	323,566	16.6
Spain	944,779	340,803	308,793	-9.4
Canada	208,396	73,250	111,049	51.6
USA	358,072	90,261	105,287	16.6
Holland	249,002	81,033	101,513	25.3
Denmark	290,107	118,102	99,755	-15.5
Chile	115,497	53,998	67,013	24.1
UK	78,569	56,639	52,162	-7.9
France	128,414	49,270	49,196	-0.2
Ireland	56,781	29,690	26,630	-10.3
Austria	39,849	11,668	10,700	-8.3
Finland	17,418	5,297	4,530	-14.5
Portugal	22,203	4,127	3,303	-20.0
Mexico	63,835	15,472	2,362	-84.7

Switzerland	784	842	793	-5.8
Argentina	19,963	74	267	260.8
Italy	22,955	2,407		
Others	2,579	100		
Total	3,021,772	1,210,524	1,266,918	4.7

020649				
By-products - pigs				
Tonnes	Jan-Sept 2021	Jan-Sept 2022	Jan-Sept 2023	% change 23:22
USA	243,015	184,671	239,575	29.7
Spain	219,895	166,594	167,671	0.6
Denmark	119,259	118,731	91,115	-23.3
Holland	92,803	81,133	90,982	12.1
Canada	38,160	36,522	76,986	110.8
France	66,064	57,668	57,341	-0.6
UK	36,347	39,574	37,679	-4.8
Chile	34,028	30,686	29,258	-4.7
Ireland	21,517	18,117	17,369	-4.1
Brazil	14,063	16,495	15,613	-5.3
Finland	6,396	7,481	7,624	1.9
Switzerland	1,810	2,130	2,288	7.4
Portugal	544	736	844	14.7
Mexico	3,458	2,958	197	-93.3
Others	10,001	2,478	3	
Total	907,360	765,974	834,545	9.0



USA

Smithfield prepares to go public again, US media reports

According to the Wall Street Journal, Chinese-owned Smithfield Foods may go public again in the United States and is working with U.S. banks to do so.

In 2013, Smithfield Foods was acquired by the Chinese WH Group for USD 4.7 billion.



PHILIPPINES

Authorities plan to extend the period of reduced import duties for pig meat

According to Pig Progress, citing Philippine press, the Philippine government plans to extend the period of reduced import duties for pig meat beyond 2023.

At a press conference, a spokesperson from the Philippine Department of Agriculture stated that they will coordinate with the private sector on the amount to be imported, but that “as a result of African Swine Fever, we need to import pig meat until the end of the year”.



PHILIPPINES

Slight rise in pig population

At the latest pig census from 30 June 2023, the Philippines' pig population was put at 10.07 million – a slight rise of 1.4 per cent compared to the corresponding census one year ago.

Around 67.5 per cent of the pig population comes from small-scale productions, while the remaining 32.5 per cent of the population comes from semi or fully commercial pig farms.

USDA previously estimated that in 2024, the Philippines will see a gradual return to more normal production following major problems with African Swine Fever. For 2024, the USDA expects Philippine pig meat production to reach 970,000 tonnes against 950,000 tonnes in 2023 and 925,000 tonnes in 2022.

However, the USDA states that if the authorities succeed in rolling out a successful vaccine strategy, production can increase faster.

GERMANY

AMI: Continued positive earnings for German piglet producers in October

Model calculations from AMI (agricultural market information company) in Germany for monthly earnings for German pig producers show continuing positive results for October.

For October, the profit for a 25 kg piglet is calculated at EUR 14.20 per piglet. Earnings are put at 86.40 euros/pig, while production costs are put at 72.20 euros/pig.

However, this is a fall in profits from September when profits were calculated at 20.50 euros/pig. Profits peaked in the summer months when they reached over 35 euros/pig.

According to the model calculation, piglet producers have been showing a profit since January this year. However, this follows a long period of losses since the mid-2020s.

SOUTH KOREA

Increasing imports from North America at the cost of Europe

The table below shows the official figures for South Korea's imports of fresh/frozen pig meat for Jan-Sept 2023 compared to the same period in 2022 and 2021.

As can be seen, South Korea's total imports of fresh/frozen pig meat for the first nine months of 2023 were slightly lower than the same period last year, but higher than two years ago.

However, there have been major shifts in imports from individual countries. Imports from the U.S., Canada, Mexico and Brazil have increased this year while imports from the EU have declined.

In 2022, South Korea resumed imports from Belgium after the country was declared free from African Swine Fever.

0203 Fresh/frozen pig meat				
Tonnes	Jan-Sept 2021	Jan-Sept 2022	Jan-Sept 2023	% change 23:22
USA	111,382	109,170	123,073	12.7
Spain	59,619	120,922	84,552	-30.1
Canada	33,246	43,533	55,094	26.6
Holland	22,896	38,734	29,890	-22.8
Chile	19,494	25,209	23,803	-5.6
Austria	21,197	22,702	17,849	-21.4
Mexico	6,645	6,123	10,132	65.5
Denmark	19,560	14,980	9,317	-37.8
Belgium	0	6,185	7,961	28.7
Brazil	2,756	4,972	6,665	34.1
France	6,195	7,987	6,030	-24.5
Ireland	2,451	8,245	5,189	-37.1
Finland	3,294	3,796	3,927	3.5
UK	3,021	2,413	3,887	61.1
Sweden	1,620	2,082	2,077	-0.2
Australia	2,269	2,303	1,664	-27.7
Portugal	694	1,227	846	-31.1
Switzerland		20		

Germany	2,810			
Total	319,149	420,603	391,956	-6.8

 **BRAZIL**
Increasing exports of pig meat

The table below shows the official figures for Brazil's exports of fresh/frozen pig meat for January-September 2023 compared to the same period in 2022 and 2021.

As can be seen, Brazil's pig meat exports in 2023 were higher than the same period in the previous two years.

Apart from China and Argentina, there has been a marked rise in exports from Brazil to a number of markets in Asia and South America.

Recently, the Dominican Republic has also opened up its market to Brazilian pig meat. The Dominican Republic is seeing rising imports of pig meat after the country was hit by African Swine Fever in 2021.

0203				
Fresh/frozen pig meat				
Tonnes	Jan-Sept 2021	Jan-Sept 2022	Jan-Sept 2023	% change 2023:2022
China	427,297	300,871	295,655	-1.7
Hong Kong	89,172	65,733	78,202	19.0
Philippines	16,882	62,464	76,996	23.3
Chile	48,114	39,346	62,517	58.9
Singapore	35,034	43,980	48,527	10.3
Vietnam	25,387	32,110	38,431	19.7
Uruguay	28,403	31,297	35,060	12.0
Japan	9,328	18,991	28,462	49.9
Georgia	9,185	14,235	21,464	50.8
Mexico			16,970	
Angola	14,180	12,099	12,858	6.3
Argentina	22,556	29,854	12,364	-58.6
FAE	7,038	8,221	9,952	21.1
USA	8,147	11,234	9,808	-12.7
Others	35,582	75,771	71,256	-6.0
Total	776,305	746,206	818,522	9.7