

MARKET NEWS for pig meat



Market analysis

30 January 2024

Week 5

MARKET SITUATION

Europe: Trading is at unchanged price levels. This applies to both legs and other cuts.

UK: Sales are stable.

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 1	Week 2	Week 3	Weeks 1-3 2024:23
Carcass weight >110 kg	12,880	21,724	18,351	+47.2%
Carcass weight <110 kg	177,952	268,528	258,150	-27.7%
Total	190,832	290,252	276,501	-25.1%

USA

Futures

Chicago (\$ per 100 lbs carcass weight)	Lean Hog			Pork Cutout		
	26/1	19/1	Change	26/1	19/1	Change
2024						
Feb	74.93	70.75	4.18	87.45	85.40	2.05
Apr	83.25	78.15	5.10	88.73	88.08	0.65
May	87.80	83.98	3.82	93.95	92.05	1.90
Jun	96.00	91.65	4.35	101.95	99.08	2.87
Jul	96.60	93.43	3.17	104.00	101.63	2.37
Aug	95.70	93.33	2.37	104.43	102.05	2.38
Oct	82.45	82.10	0.35	96.23	93.85	2.38
Dec	74.63	75.23	-0.60	92.35	89.98	2.37
2025						
Feb	77.80	78.35	-0.55	95.18	92.80	2.38
Apr	81.58	82.00	-0.42	101.03	98.65	2.38
May	88.30	88.73	-0.43	107.63	105.25	2.38
Jun	92.95	93.38	-0.43	113.95	111.58	2.37

Conversion factors:
1 lb = 0.4536 kg

1 \$ = DKK
6.8576

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 0.9481;
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 15 Jan-19 Jan		Year to date 1 Jan. - 19 Jan		2023		2022	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		1		2	2	53		57
Latvia		17		42	8	730	6	913
Lithuania		10		43	3	439	16	302
Poland		44		113	30	2,744	14	2,152
Italy		32		86	17	1,047	4	277
Ukraine			1		37	9	7	2
Czech Republic				1		56		1
Romania	2	10	5	26	740	292	329	465
Hungary		15		41		407		550
Bulgaria		70		150	3	322	2	387
Slovakia		1		10		546	5	550
Serbia			3	2	991	213	107	146
Moldova					19	6	14	3
Bosnia-Herzegovina	2	6	2	6	1,508	22		
Croatia				3	1,124	11		
North Macedonia				11	15	41	30	9
Kosovo					9	4		
Belgium								
Germany					1	899	3	1,628
Sweden						60		

				3				
Greece		1	1	1	6	2		
Total	4	207	12	537	4,513	7,903	537	7,442

GERMANY

Pig meat storage saw slight increase in December but remains at a low level

Storage of frozen pig meat for December 2023 amounted to 89,000 tonnes, according to the latest figures from AMI. This is an increase from 84,000 tonnes in November and 73,000 tonnes in October but remains low within a historical perspective and also lower than one year ago when storage amounted to 96,000 tonnes.

Pig meat storage in Germany was at a high level in 2021 and at the start of 2022 – often at more than 200,000 tonnes. From May 2022 and until the end of 2022, storage fell from 212,000 tonnes to 96,000 tonnes..

In 2023, only in January and April did storage reach over 100,000 tonnes.

BELGIUM

New animal welfare label for pig meat to be launched this year

According to Pig333, which cites the agriculture minister in Flanders, a new animal welfare label for pig meat will be launched in Belgium this year. This will be followed by the poultry and cattle sectors in 2025 and 2026.

The label - Better for Animals – has been developed by a Belgium welfare organisation at the request of the minister. Pig producers, hauliers and slaughterhouses will be required to meet certain conditions.

The Belgian animal welfare organisation will develop the brand together with the equivalent animal welfare label in Holland, Better Leven (Better life).

POLAND

Competition authorities call for changes in finisher production contracts

According to international news media, the Polish competition authorities have ordered the two major companies in the Polish market, the Dutch Royal Agrifirm Group (feed) and Agri Plus (owned by Smithfield), to amend their pig fattening contracts with Polish farmers.

The competition authorities believe that the current contracts mean that finisher producers are paid a lower premium because of conditions over which they have no control, e.g. inputs in the form of piglets and feed that come from the two companies

The authorities want the contractually bound finisher producers to have more time to check and possibly raise objections to the feed and piglets with which they are supplied.

USA

Tyson Foods opens new bacon factory in Kentucky

Last week Tyson Foods announced the opening of a new bacon factory in Bowling Green, Kentucky.

The new plant will produce 2 million lbs of bacon per week for both the retail sector and foodservice. Some 450 new jobs will be created.

The announcement also states that the new factory will help the company meet the immediate demand for bacon as well as the expected future increase. Bacon currently accounts for more than \$1 billion in sales for Tyson Foods.

**USA****Pig meat storage 6 per cent lower than one year ago**

With the USDA as the source, the table below shows the latest figures for American pig meat storage as at 31 December 2023 compared to the previous month and one year ago.

Total pig meat storage was 6 per cent lower compared to one year ago, but compared to the previous month, storage increased by 3 per cent.

As at 31 December, beef storage was 6 per cent higher than the previous month but 11 per cent lower compared to one year ago. As regards poultry, storage increased by 4 per cent on the previous month and is on a par with one year ago.

1,000 lbs	31 December 2022	30 November 2023	31 December 2023
Picnics	5,734	7,309	6,219
Legs	53,414	57,290	55,003
Bellies	63,015	48,323	56,017
Loins	36,325	40,509	42,401
Ribs	112,495	76,106	80,508
Trimming	53,075	44,580	47,321
Butts	20,226	18,812	17,742
By-products	67,651	74,779	76,604
Other	44,444	47,954	45,485
Total pig meat	456,379	415,662	427,300
Beef	543,955	457,411	485,127
Poultry	1,123,308	1,086,301	1,126,670

**CHINA****Sow population 5.7 per cent lower than one year ago**

Reuters reports that the Chinese sow population stood at 41.4 million head at the end of November. This is a fall of 5.7 per cent compared to one year ago.

The Chinese authorities put the total pig population at 434.2 million head, which is 4.1 per cent lower than one year ago.

**CHINA****Authorities to assist producers in reducing their pig production**

Reuters reports a spokesperson from China's Agriculture Ministry as saying that the authorities will "guide" pig producers in reducing their pig production. However, it is not clear from the article as to the form the guidance will take.

According to the spokesperson from the Ministry of Agriculture, the Chinese pig population – even after the latest decline – remains high and a continued reduction may put further pressure on prices over the next 1-2 months. However, the current decline in the sow population will help prices in Q2, said the spokesperson.

It was also stated at the press briefing that in 2023, Chinese pig producers will have lost an average of 76 yuan (EUR 9.89) per pig.

**CHINA/  RUSSIA****China permits imports of pig meat from Russia**

Last week, China's General Administration for Customs announced that imports of pig meat would now be allowed from Russia.

 **CHINA**
Fall in Chinese pig meat imports quarter by quarter in 2023

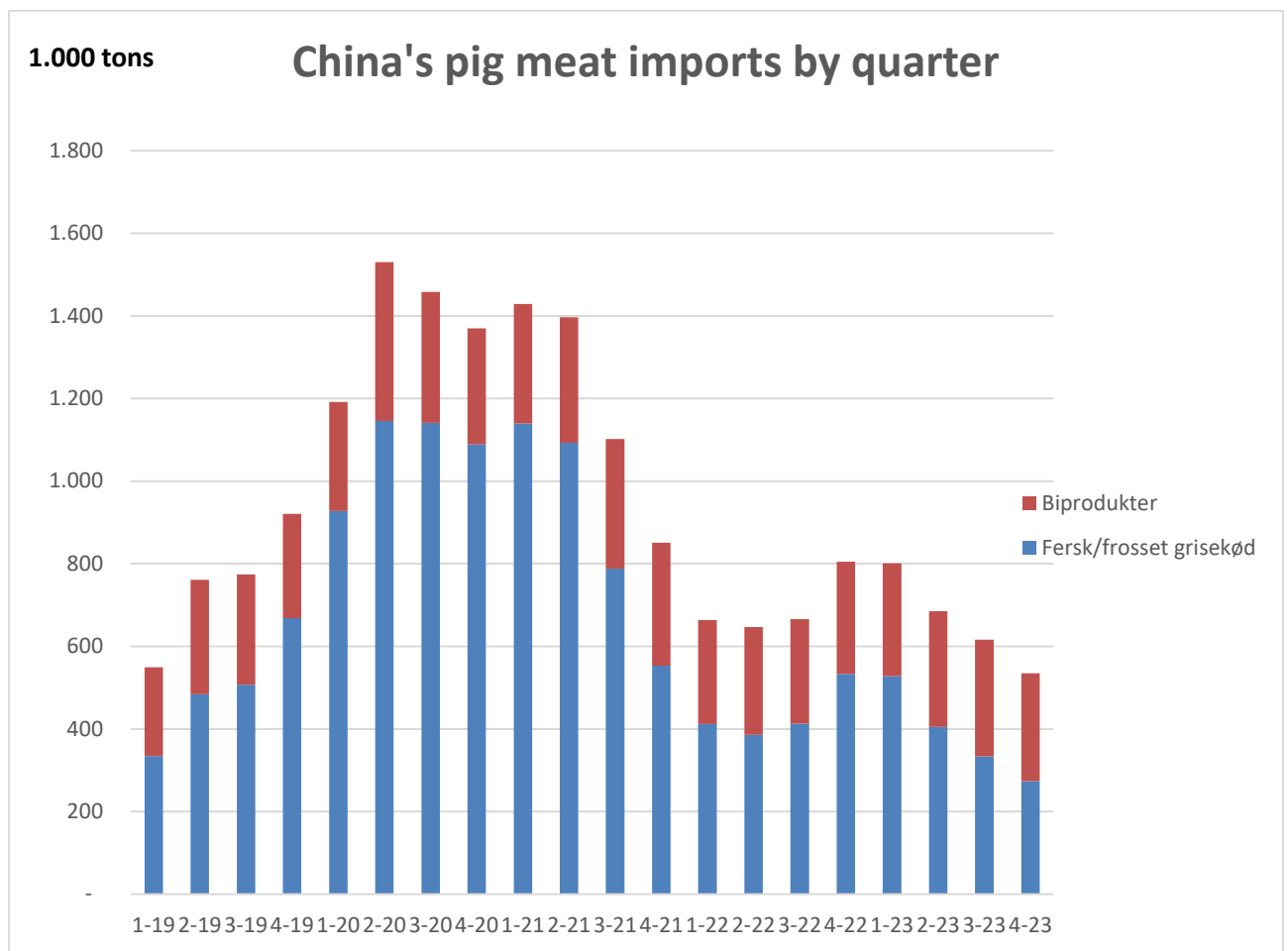
The Chinese authorities have published import figures for Q4 2023. Pig meat imports in Q4 are the lowest since 2018 and show a fall on a quarterly basis throughout 2023.

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

As can be seen from the diagram, Chinese pig meat imports peaked from Q2 2020 to Q2 2021 when China's domestic production was hit by African Swine Fever.

There was a slight rise in imports in Q4 2022 and in Q1 2023. But since Q1 2023, imports have been lower for each quarter.

Imports of fresh/frozen pig meat have seen the greatest fluctuations while imports of by-products have been more stable.



Below – in table form – are 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, EU countries lost market share to Brazil, U.S. and Canada.

0203				
Fresh/frozen				
Tonnes	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2023	% change 23:22
Brazil	546,477	416,712	402,175	-3.5

Spain	1,097,891	469,109	378,101	-19.4
Canada	235,796	113,959	131,869	15.7
USA	397,908	126,078	122,504	-2.8
Holland	276,880	122,971	120,449	-2.1
Denmark	351,820	194,160	114,225	-41.2
Chile	137,654	71,866	84,162	17.1
UK	99,111	74,313	66,123	-11.0
France	152,780	64,120	60,817	-5.2
Ireland	68,270	37,282	32,973	-11.6
Austria	44,766	16,265	12,598	-22.5
Finland	20,060	7,351	5,871	-20.1
Portugal	24,454	5,647	3,956	-29.9
Mexico	70,510	20,024	3,280	-83.6
Switzerland	1,114	1,065	1,035	-2.8
Argentina	20,858	99	491	396.0
Italy	25,436	2,407		
Others	2,599	113		
Total	3,574,384	1,743,541	1,540,627	-11.6

020649				
By-products - pigs				
Tonnes	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2023	% change 23:22
USA	332,126	264,772	302,477	14.2
Spain	281,890	220,092	223,535	1.6
Holland	121,552	110,137	120,493	9.4
Denmark	159,695	156,807	120,274	-23.3
Canada	48,777	52,397	107,946	106.0
France	87,680	76,944	74,325	-3.4
UK	47,889	52,853	49,683	-6.0
Chile	45,100	38,298	38,802	1.3
Ireland	27,956	23,499	23,170	-1.4
Brazil	20,945	22,003	20,102	-8.6
Finland	9,631	10,185	10,518	3.3
Switzerland	2,647	2,863	3,058	6.8
Portugal	705	1,000	1,085	8.5
Mexico	4,852	3,517	350	-90.0
Italy	13,012	2,433		
Others	766	58		
Total	1,205,223	1,037,858	1,095,816	5.6


HONG KONG
Imports of pig meat January-December 2023

0203				
Fresh/frozen pig meat				
Tonnes	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2023	% change 23:22
Brazil	114,617	84,961	99,726	17.4
China	20,173	34,242	30,236	-11.7
Holland	18,100	15,953	15,252	-4.4

Vietnam	4,921	7,130	8,736	22.5
Poland	13,506	9,019	6,952	-22.9
Germany	35,314	5,574	6,912	24.0
Russia	3,487	2,040	3,609	76.9
Spain	5,617	5,285	3,598	-31.9
USA	5,260	2,869	2,332	-18.7
Thailand	12,772	1,073	1,844	71.9
Canada	1,818	1,834	1,493	-18.6
Japan	1,141	1,043	978	-6.2
Belgium	886	578	823	42.4
Denmark	1,099	713	685	-3.9
Australia	1,945	766	452	-41.0
Others	4,899	2,108	1,544	-26.8
Total	245,555	175,188	185,172	5.7

020649				
By-products - pigs				
Tonnes	Jan-Dec 2021	Jan-Dec 2022	Jan-Dec 2023	% change 23:22
Brazil	38,821	17,462	15,993	-8.4
Poland	19,388	8,594	9,304	8.3
Germany	59,664	7,823	6,967	-10.9
Holland	25,938	7,563	3,580	-52.7
Canada	4,413	1,379	2,259	63.8
Spain	9,492	2,482	1,569	-36.8
Belgium	4,749	1,911	1,082	-43.4
Denmark	4,526	1,436	1,020	-29.0
Russia	9,209	877	584	-33.4
Italy	4,206	300	547	82.3
Ireland	590	319	540	69.3
UK	3,955	796	437	-45.1
Japan	1,124	479	432	-9.8
USA	2,523	243	285	17.3
Argentina	1,854	185	284	53.5
Portugal	710	163	198	21.5
Sweden	1,205	97	171	76.3
Thailand	1,266	162	135	-16.7
France	1,744	220	76	-65.5
Others	7,664	1,145	435	-62.0
Total	203,041	53,636	45,898	-14.4



EU

Pig meat exports fell by 19 per cent in Jan-Oct 2023

The tables below show the EU Commission's figures for EU exports of pig meat according to category, importer and exporter for January-October 2023 compared to the same period in 2022.

Exports are stated in product weight, with the UK as a third country outside the EU.

By category

Tonnes	Jan-Oct 2023	Jan-Oct 2022	% change 23:22
Live pigs	48,055	45,902	5

Fresh/frozen	1,654,004	2,315,032	-29
Bacon	187,851	194,290	-3
Processed	367,182	396,293	-7
By-products	1,122,962	1,219,095	-8
Total	3,380,054	4,170,612	-19

Importers of pig meat from EU

Tonnes	Jan-Oct 2023	Jan-Oct 2022	% change 23:22
China	952,433	1,196,102	-20
UK	720,045	712,172	1
Japan	267,337	336,739	-21
Philippines	235,635	367,317	-36
South Korea	177,651	242,953	-27
Vietnam	97,674	77,847	25
USA	74,901	106,570	-30
Australia	66,380	110,772	-40
Ivory Coast	65,708	81,957	-20
Serbia	56,419	64,538	-13
Hong Kong	54,564	62,117	-12
Others	611,307	811,528	-25
EU-27	3,380,054	4,170,612	-19

Exporters of pig meat from EU

Tonnes	Jan-Oct 2023	Jan-Oct 2022	% change 23:22
Spain	1,054,888	1,300,297	-19
Holland	573,667	695,857	-18
Denmark	501,079	710,310	-29
Germany	272,663	331,868	-18
France	215,893	248,894	-13
Poland	198,647	247,168	-20
Ireland	175,224	205,491	-15
Belgium	108,178	103,819	4
Italy	79,995	81,653	-2
Austria	41,895	49,440	-15
Others	157,925	195,815	-19
EU-27	3,380,054	4,170,612	-19

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 2023 compared to 2022 and 2021.

As can be seen, South Korea's total imports of fresh/frozen pig meat in 2023 was slightly lower than the previous year, but higher than two years ago.

There are, however, significant differences in imports from individual countries. Imports from the U.S., Canada, Mexico and Brazil increased in 2023 while imports from the EU fell.

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-Dec 2021	Jan-Dec 2022	Jan-Dec 2023	% change 23:22

USA	139,439	139,795	161,840	15.8
Spain	87,806	147,406	108,365	-26.5
Canada	43,894	60,341	73,584	21.9
Holland	33,204	51,208	36,681	-28.4
Chile	27,155	33,435	32,038	-4.2
Austria	30,052	28,479	23,484	-17.5
Mexico	8,782	9,811	13,705	39.7
Denmark	25,300	21,083	12,034	-42.9
Brazil	3,746	8,744	10,385	18.8
Belgium	494	8,241	9,912	20.3
France	8,761	9,474	8,322	-12.2
Ireland	5,517	10,043	6,221	-38.1
UK	3,999	3,078	5,646	83.4
Finland	4,763	4,902	5,147	5.0
Sweden	2,061	2,523	2,594	2.8
Australia	3,074	2,880	2,229	-22.6
Portugal	1,008	1,529	1,018	-33.4
Germany	2,832	22	907	4022.7
Estonia		46		
Switzerland		20		
Total	431,887	543,060	514,112	-5.3