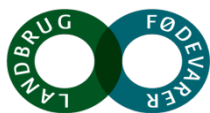


MARKET NEWS for pig meat



Market analysis

20 November 2023

Week 47

MARKET SITUATION

The market situation is unchanged from last week.

Europe: Legs and other cuts are being traded at unchanged prices this week. The market is awaiting the upcoming Christmas trade.

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 43	Week 44	Week 45	Weeks 1-45 2023:22
Carcase weight >110 kg	10,637	11,057	11,309	-33.1%
Carcase weight <110 kg	280,231	273,556	267,101	-18.7%
Total	290,868	284,613	278,410	-19.3%



USA

Futures

Chicago (\$ per 100 lbs carcase weight)	Lean Hog			Pork Cutout		
	17/11	10/11	Change	17/11	10/11	Change
Dec 2023	70.98	71.90	-0.92	81.45	82.05	-0.60
Feb 2024	75.45	75.58	-0.13	85.78	84.88	0.90
Apr 2024	81.45	81.53	-0.08	88.78	88.70	0.08
May 2024	87.03	86.85	0.18	93.95	94.20	-0.25
June 2024	95.00	94.55	0.45	100.90	101.58	-0.68
July 2024	96.65	96.08	0.57	102.98	103.65	-0.67
Aug 2024	96.75	95.93	0.82	101.75	102.43	-0.68
Oct 2024	83.85	83.23	0.62	93.55	94.23	-0.68
Dec 2024	77.13	76.50	0.63	89.68	90.35	-0.67
Feb 2025	80.85	80.30	0.55	92.50	93.18	-0.68
Apr 2025	83.88	83.33	0.55	98.35	99.03	-0.68

Conversion factors:
1 lbs = 0.4536 kg
1 \$ = DKK
6.8600

 **CHINA**
Futures

Dalian (Yuan per kg)	Pigs					
	23/10	30/10	6/11	13/11	20/11	Change 13/11- 20/11
January 2024	16.45	16.07	16.14	15.78	15.90	0.12
March 2024	15.18	15.17	15.22	15.13	15.09	-0.04
May 2024	15.89	15.96	15.89	15.74	15.60	-0.14
July 2024	16.64	16.89	16.87	16.68	16.47	-0.21
September 2024	17.49	17.77	17.77	17.69	17.58	-0.11

Conversion factors: DKK/kg:
1 Y = DKK
0.951; 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.

Countries	Period 4–10 Nov		Year to date 1 January – 10 Nov		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pig	Wild boar	Pigs	Wild boar
Estonia			2	42		57	1	67
Latvia		17	8	629	6	913	2	338
Lithuania		5	3	340	16	302		238
Poland		25	30	2,429	14	2,152	124	3,023
Italy		12	17	852	4	277	1	14
Ukraine	7		29	7	7	2	13	3
Czech Republic				54		1		
Romania	8	3	710	261	329	465	1,648	1,019
Hungary		3		370		550		2,568
Bulgaria			3	180	2	387	6	318
Slovakia		3		521	5	550	11	1,622
Serbia	99	2	861	200	107	146	33	71
Moldova			19	6	14	3	1	
Bosnia-Herzegovina			1,405	9				
Croatia	17		1,111	9				
North Macedonia			13	32	30	9		
Kosovo			9	4				
Belgium								
Germany		4	1	858	3	1,628	4	2,431
Sweden		4		51				
Greece			6	2				
Total	131	78	4,227	6,856	537	7,442	1,844	11,712

 **SWEDEN**
60 wild boar found dead with African Swine Fever – all in the same zone

60 wild boar have now been found dead with African Swine Fever in the Fagersta area in Sweden. All were in the same limited area, which is being fenced off.

As new dead wild boar with African Swine Fever are now rather infrequent, the authorities have reduced the risk of finding cases of African Swine Fever outside the zone.

The Swedish Jordbruksverket (agricultural agency) reports that it has also been decided to launch an additional hunt with the purpose of reducing the number of wild boar in the affected area. Traps will also be used as the hunt should be conducted in a way that will cause least stress to the animals.

 **ITALY**
African Swine Fever in the Emilia Romagna region

As can be seen in the table above, the Italian authorities continue to find new cases of African Swine Fever. The majority of cases are found among wild boar, but the virus is also occasionally found in pig herds.

In November, the Emilia Romagna region was added to the list of Italian regions that have now had their first case of African Swine Fever in a wild boar confirmed.

Likewise in Sardinia, where no cases have been confirmed for some time, a new case was detected in November. This involved a small pig farm where the infection is thought to have entered via infected food waste for dogs.

The virus found in Sardinia is the same type of virus that is found on the Italian mainland and not the type that has hit Sardinia so far.

 **VIETNAM**
Growing number of African Swine Fever cases since August

Pig333, drawing on information from Vietnam's Ministry of Agriculture, reports that since August this year, the number of African Swine Fever cases has grown.

So far this year, more than 530 cases have been registered in the country, which has led to the culling of more than 20,000 pigs in 44 provinces and towns.

With the aim of stepping up control of the virus, the authorities have implemented a set of measures which comprise: rapid intervention in the event of new cases, improved organisation of the culling of disease-infected pigs, better information for producers, organised vaccinations, etc.

 **RUSSIA**
Pig meat exports to China expected to begin in mid-2024

According to Pig 333, Russia's Deputy Prime-Minister Viktoria Abramchenko has stated that Russia expects to begin exports of pig meat to China from mid-2024.

 **BELGIUM**
EU Commission approves buyout scheme for pig farmers in Flanders

The EU Commission has given its approval for a new scheme in Belgium to support the voluntary closure of pig production in Flanders.

Under the new scheme, the amount of nitrate discharge has been eased to enable more pig producers to participate in the scheme. The measure was necessary as so far, only 236 out of 980 pig farms in Flanders have chosen to accept the offer of support to cease pig production.

The new requirements mean that a further 2,700 pig farms have the opportunity to opt for the cessation scheme.

The scheme was introduced to reduce nitrogen emissions. Some EUR million has been earmarked for the purchase of small and medium-sized pig farms in Flanders.

Pig producers who wish to participate can submit their application until 19 January 2024. The buyout scheme is expected to run until 30 June 2025.

USA

USDA raises its expectations for U.S. pig production in 2024

In their latest Outlook Report, the USDA expects U.S. pig production in 2024 will be 1.9 per cent higher than in 2023. This is an uplift compared to three months ago when production was expected to be largely unchanged in 2024.

The USDA estimates a modest rise in production of 0.8 per cent for 2023.

The table below shows the USDA's forecast for pig slaughtering per quarter in 2024 (lbs million) compared to previous years.

Pig meat lbs million	2021	2022	Forecast 2023	% change 2023:22	Forecast 2024	% change 2024:23
Q1	7,292	6,905	7,071	2.4	7,070	-0.0
Q2	6,668	6,639	6,593	-0.7	6,520	-1.1
Q3	6,530	6,534	6,488	-0.7	6,730	3.7
Q4	7,185	6,919	7,065	2.1	7,410	4.9
Full year	27,675	26,997	27,217	0.8	27,730	1.9

The table below shows the USDA's forecast for U.S. production of various types of meat in 2023 and 2024.

As can be seen, a significant decline in the production of beef in both 2023 and 2024 is expected. By contrast, the outlook is for increased production of pig meat and poultry.

lbs million	2021	2022	Forecast 2023	% change 2023:22	Forecast 2024	% change 2024:23
Pig meat	27,675	26,997	27,217	0.8	27,730	1.9
Beef	27,948	28,291	26,932	-4.8	25,810	-4.2
Chicken	44,899	46,206	46,209	0.0	46,650	1.0
Turkey	5,558	5,222	5,500	5.3	5,595	1.7
Lamb and mutton	138	131	129	-1.5	126	-2.3

GLOBAL

Rabobank: less disease pressure and rising productivity

According to Pig333 and other news media, Rabobank, in their latest quarterly report, writes that less pressure from disease and improved productivity will result in increased pig meat production globally.

Demand continues to be challenged. Pig meat consumption, however, should benefit from more consumers eating at home, and from relatively high prices for other animal proteins.

With regard to developments in various countries/regions of the world, Rabobank writes the following:

China: Pig meat prices are expected to rise modestly in 2024 compared to 2023. This is due to the fact that supply is expected to remain under pressure while consumption is expected to rise slightly.

Europe: Pig meat production saw a sharp fall in 2023. Production is expected to continue to fall going forwards, but the fall is expected to ease off as margins recover. Consumer demand may be tested again as a result of higher energy costs in the winter months. Pig meat exports are expected to remain weak as a result of relatively high pig prices in Europe.

North America: Increased productivity is expected to mean a slight rise in production. An actual decrease in the pig population is expected to be limited as a result of lower feed costs.

Brazil: The pig meat industry is expected to benefit from the fact that feed costs have fallen by 26 per cent in a year. Both in the domestic and in export markets, pig meat is expected to retain a competitive advantage over other animal proteins.

Japan: Domestic pig meat production has bottomed out and is expected to rise going forwards. Imports of chilled pig meat are expected to rise in the current Q4.