

MARKET NEWS for pig meat



Market analysis

6 March 2023

Week 10

MARKET SITUATION

The market situation is largely unchanged from last week.

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

UK: Stable trade at unchanged prices.

China: Very quiet trading continues. **Japan and other Asian markets:** sluggish trade.

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 2023:22
Carcase weight >110 kg	6,696	7,273	7,522	-55.4%
Carcase weight <110 kg	319,989	295,940	301,928	-13.3%
Total	326,685	303,213	309,450	-15.57%

USA

Futures

Chicago (\$ per 100 lbs carcase weight)	Lean Hog			Pork Cutout		
	3/3	24/2	Change	3/3	24/2	Change
2023						
Apr	84.55	86.03	-1.48	91.15	92.83	-1.68
May	93.45	95.35	-1.90	99.13	101.13	-2.00
Jun	100.63	103.48	-2.85	105.23	106.70	-1.47
Jul	102.85	105.83	-2.98	107.78	110.33	-2.55
Aug	103.60	106.00	-2.40	107.95	110.50	-2.55
Oct	91.48	2.63	-1.15	99.93	100.78	-0.85
Dec	84.10	84.50	-0.40	93.40	94.25	-0.85
2024						
Feb	86.80	87.33	-0.53	94.93	95.78	-0.85
Apr	90.15	90.73	-0.58	97.00	97.85	-0.85
May	96.05	96.98	-0.93	104.23	105.08	-0.85
Jun	99.08	100.23	-1.15	109.45	110.30	-0.85
Jul	98.98	101.75	-2.77	112.35	113.20	-0.85

Conversion factors:
1 lb = 0.4536 kg
\$ = DKK 7.0101

 **China**
Futures

Dalian (Yuan per kg)	Pigs					
	6/2	13/2	20/2	27/2	6/3	Change 27/2-6/3
March 2023	14.54	14.69	15.07	14.91	14.00	-0.91
May 2023	16.27	16.98	17.28	17.11	16.76	-0.35
July 2023	17.63	17.67	17.85	17.70	17.81	0.11
September 2023	18.22	18.09	18.14	18.13	18.30	0.17
November 2023	18.50	18.33	18.41	18.53	18.72	0.19
January 2024	19.03	18.99	18.96	19.03	18.99	-0.04

Conversion factors:
1 Y = DKK
1.0148 1Y =
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 19-25 February.

Countries	Period 19 Feb-25 Feb		Year to date 1 Jan-25 Feb		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia				18		57	1	67
Latvia		3		88	6	913	2	338
Lithuania		4		63	16	302		238
Poland		74		610	14	2,152	124	3,023
Italy		37	1	159	4	277	1	14
Ukraine				1	7	2	13	3
Czech Republic		1		4		1		
Romania	1	15	40	141	329	465	1,648	1,019
Hungary		17		135		550		2,568
Bulgaria				94	2	387	6	318
Slovakia		22		171	5	550	11	1,622
Serbia	1	18	11	90	107	146	33	71
Moldova	1		9	1	14	3	1	
North Macedonia				5	30	9		
Belgium								
Germany		24		333	3	1,628	4	2,431
Greece				2				
Total	3	215	61	1,915	537	7,442	1,844	11,712

 **CANADA**
Pig census 1 January

Last week, the authorities in Canada published the results of the pig census carried out on 1 January 2023.

The census shows a 1.8 per cent decline in piglets and finishers and a 0.8 per cent fall in the breeding herd.

'000 head	1 Jan 2023	1 Jan 2022	% change 2023:2022
Breeding herd	1,246.8	1,256.9	-0.8
Piglets and finishers	12,683.2	12,913.1	-1.8
Total	13,930.0	14,170.0	-1.7

Some 7,140 pig farms were recorded in Canada on 1 January 2023 – a decline of 2.6 per cent compared to one year ago, when the number stood at 7,330.

Canadian pig slaughtering fell by 1.4 per cent to 10.7 million head in Q2 2022.

Exports of live pigs from Canada for the second half of 2021 stood at 3.2 million head. This is a fall of 7.4 per cent compared to the same period in the previous year, reports Statistics Canada.

 **CHINA**
Sow population 1.8 per cent higher compared to one year ago

Reuters reports that China's sow population stood at 43.67 million head at the end of January. This is a rise of 1.8 per cent compared to one year ago but a decline of 0.5 per cent compared to the previous month.

 **GERMANY**
African Swine Fever confirmed at a small pig farm in Brandenburg

Last week, the German authorities reported one case of African Swine Fever at a small pig farm of 11 pigs in the town of Cottbus in Brandenburg.

This is the first time in 2023 for the virus to be reported at a German pig farm. As can be seen from the table on page 2, three and four cases were reported at German pig farms in 2022 and 2021, respectively.

This is the eighth case of African Swine Fever at a German pig farm, and the fifth time for the disease to be found in a herd in Brandenburg. The first case of African Swine Fever was discovered among wild boar in September 2020 in Brandenburg.

 **GERMANY**
Pig meat storage remains at a low level, shows January's figures

The latest figures from AMI for Germany's storage of frozen pig meat for January shows that storage stood at 103,000 tonnes.

This is a slight rise compared to December when storage stood at 96,000 tonnes. Compared to January 2022, however, this is more than a 50 per cent fall as storage then stood at 225,000 tonnes.

The fall should be viewed against the backdrop of an improvement in the supply/demand for pig meat in the German market and that high energy costs make it less attractive to freeze product.



Pig meat exports fell by 17 per cent in 2022

With the EU Commission as the source, the tables below show EU pig meat exports by category, importers and exporters for 2022 compared to 2021.

Exports are stated in product weight and do not include the UK.

As can be seen, there was a 17 per cent fall in the EU's pig meat exports in 2022. This is due to a downturn in exports to China but with increased exports to a number of other Asian markets as well as Australia and Ukraine.

By category

Tonnes	Jan-Dec 2022	Jan-Dec 2021	% change 22:21
Live pigs	19,783	13,599	45
Fresh/frozen	2,471,914	3,135,585	-21
Bacon	49,641	46,712	6
Processed	192,346	187,611	3
By-products	1,407,245	1,608,610	-13
Total	4,140,929	4,992,117	-17

Importers of pig meat from EU

Tonnes	Jan-Dec 2022	Jan-Dec 2021	% change 22:21
China	1,502,834	2,485,196	-40
Philippines	397,577	332,173	20
Japan	403,304	327,912	23
South Korea	283,036	257,103	10
Australia	129,878	108,783	19
USA	119,347	128,403	-7
Ukraine	100,915	93,920	7
Vietnam	87,792	130,214	-33
Taiwan	70,096	66,157	6
Others	866,129	913,190	-5
EU-27	4,140,939	4,992,117	-17

Exporters of pig meat from EU

Tonnes	Jan-Dec 2022	Jan-Dec 2021	% change 22:21
Spain	1,505,475	1,828,010	-18
Denmark	705,956	851,780	-17
Holland	655,406	691,062	-5
Germany	265,627	396,127	-33
France	260,475	331,747	-21
Poland	204,651	239,179	-14
Ireland	133,193	147,405	-10
Italy	77,017	125,002	-38
Belgium	61,874	71,892	-14
Austria	57,164	83,585	-32
Hungary	37,547	42,849	-12
Others	176,544	183,479	-4
EU-27	4,140,929	4,992,117	-17



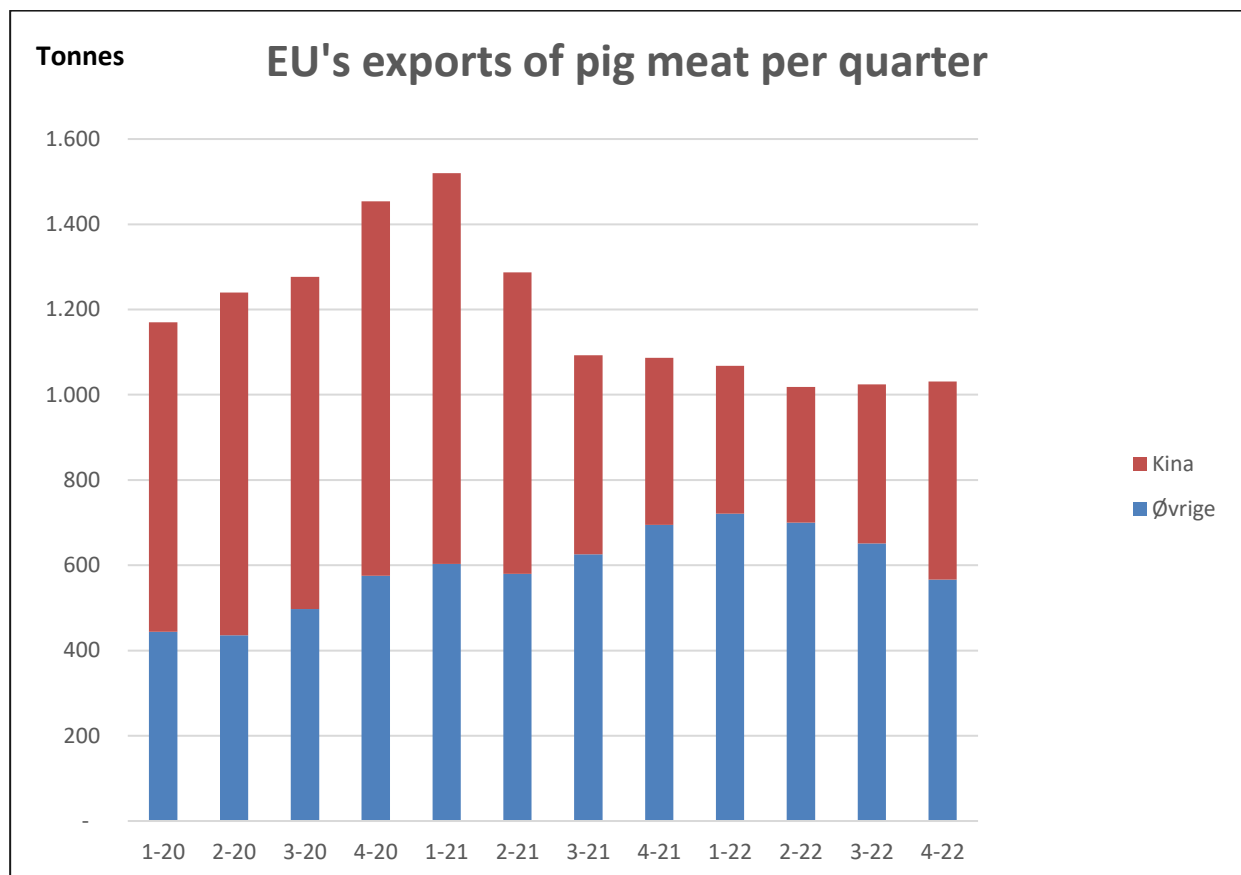
The chart below shows the development in the EU's quarterly exports of pig meat (in tonnes) for the period 2020-2022. Exports are stated in product weight, do not include the UK and are divided between China and other markets.

As can be seen, 2020 saw an increase in EU pig meat exports, which peaked in Q1 2021. This was driven by increased export volumes to China, where production was affected by African Swine Fever.

After a peak in exports in Q1 2021, EU exports fell in the following quarters and since Q3 2021, exports have stabilised. Exports to China even increased slightly in the final quarters of 2022.

However, when exports for the current quarter are published in due course, a fall in both the EU's overall exports and exports to China is projected.

Exports of traditional cuts to China are subject to quarterly fluctuations whereas exports of by-products are more stable.



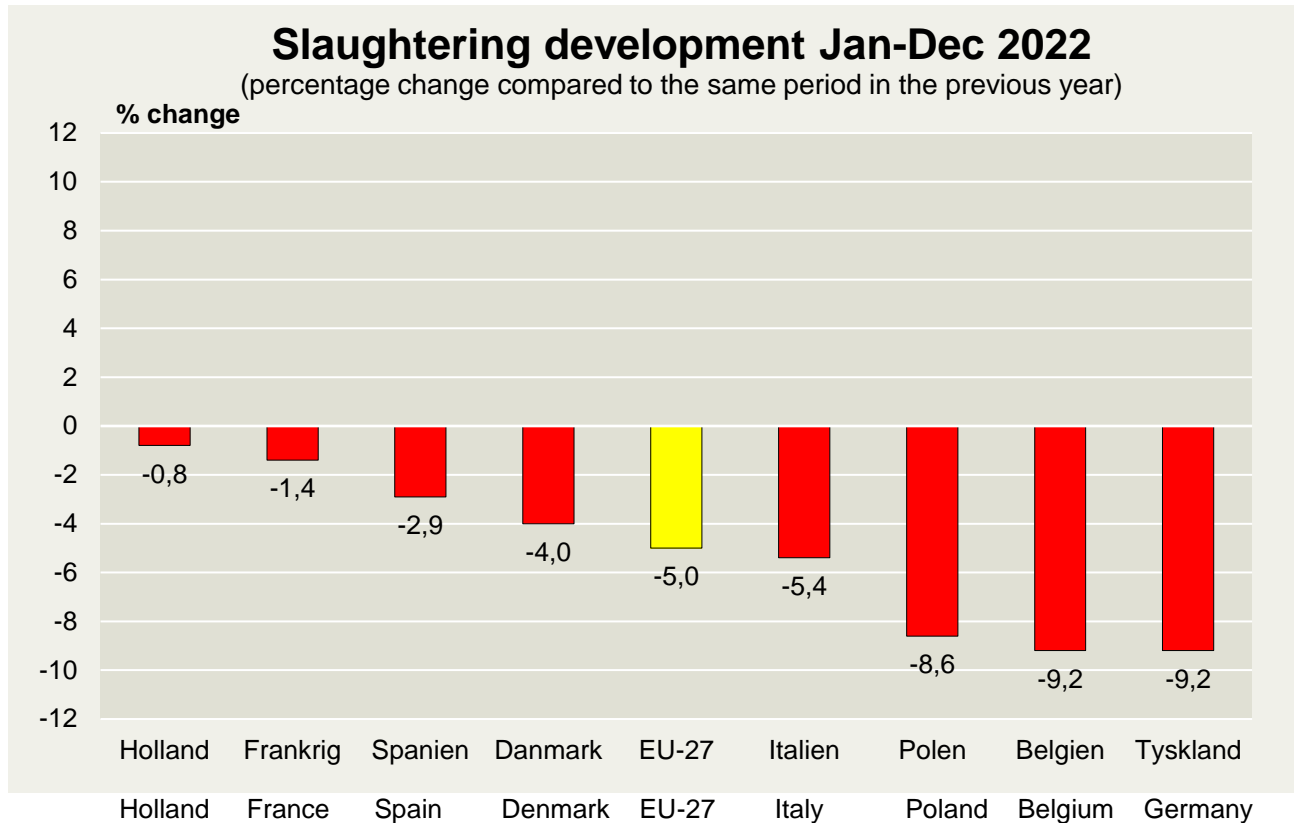


EU pig slaughtering fell by 5.0 per cent in 2022

Pig slaughtering in the EU fell by 5.0 per cent in 2022 compared to 2021. This is evident from the EU countries' provisionally reported slaughtering figures to Eurostat.

The fall in EU slaughtering intensified in 2022. In the first half of the year, slaughtering was 3.4 per cent lower than the previous year, while there was a decline of 6.6 per cent in the second half year.

The development in EU slaughtering for the eight largest pig producing countries in the EU can be seen in the chart below.



Losses continued for British pig producers in Q4 2022

The British trade organisation, AHDB, has calculated that British pig producers suffered losses of £17 per pig in Q4 2022.

The estimated cost of production stood at 224 p/kg carcass weight in Q4 against 227 p/kg in Q3. Pig prices stabilised at between 200p/kg and 205 p/kg in Q4.

Production costs in Q4 eased when compared to Q3 due to lower feed costs.


UKRAINE
Increased imports of fresh/frozen pig meat in 2022

Ukraine's pig meat imports increased in 2022 as a direct result of the war, which has caused a decline in Ukraine's pig meat production.

With Ukraine's trading statistics as the source, the table below shows Ukraine's imports of fresh/frozen pig meat (product code 0203) for 2022 compared to the same period in the previous two years.

0203				
Fresh/frozen pig meat				
Tonnes	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2022	% change 2022:2021
Denmark	8,958	21,173	17,918	-15.4
Holland	2,236	5,244	11,509	119.5
Poland	7,145	6,978	9,032	29.4
Belgium	1	2,237	3,294	47.3
Spain	1,075	2,358	2,359	0.0
France	669	380	1,385	264.5
Sweden		21	761	3523.8
Canada	4,593	2,236	393	-82.4
Others	3,340	18	283	1472.2
Total	28,017	40,645	46,934	15.5

Despite increasing imports, overall pig meat consumption in Ukraine in 2022 fell as a result of the many people who have left the country because of the war. The US Department of Agriculture, USDA, expects a rise in Ukrainian pig meat imports in 2023.

In addition to fresh/frozen pig meat, Ukraine also normally imports breeding pigs from, primarily, Denmark and France as well as processed pig meat products primarily from Poland.