

MARKET NEWS for pig meat



Market analysis

31 July 2023

Week 31

MARKET SITUATION

Europe: The market continues to be affected by the holiday season, which means sluggish trade for both legs and other cuts.

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 27	Week 28	Week 29	Weeks 1-29 2023:22
Carcass weight >110 kg	9,099	9,246	7,907	-40.4%
Carcass weight <110 kg	242,254	242,555	242,446	-19.0%
Total	251,353	251,801	250,353	-20.0%

USA

Futures

Chicago (\$ per 100 lbs carcass weight)	Lean Hog			Pork Cutout		
	28/7	21/7	Change	28/7	21/7	Change
2023						
Aug	103.20	100.68	2.53	109.88	108.83	1.05
Oct	85.03	84.25	0.78	95.25	94.95	0.30
Dec	77.05	76.83	0.22	86.10	86.78	-0.68
2024						
Feb	80.88	80.93	-0.05	89.00	89.10	-0.10
Apr	85.30	85.15	0.15	91.70	91.38	0.33
May	89.15	88.73	0.43	96.98	97.35	-0.37
Jun	95.70	95.13	0.58	102.20	102.58	-0.38
Jul	96.05	95.50	0.55	103.08	103.45	-0.37
Aug	95.28	94.55	0.73	104.38	104.75	-0.37
Oct	83.58	82.50	1.08	96.18	96.55	-0.37
Dec	79.05	78.33	0.72	92.30	92.68	-0.38

Conversion factors:

1 lb = 0.4536 kg

1 \$ = DKK

6.7690

 **China**
Futures

Dalian (Yuan per kg)	Pigs					
	12/6	19/6	17/7	24/7	31/7	Change 24/7-31/7
Sept 2023	16.10	15.91	15.02	15.85	17.14	1.29
Nov 2023	17.06	16.96	16.09	16.72	17.81	1.09
Jan 2024	17.76	17.74	16.77	17.34	17.72	0.38
March 2024	15.90	15.99	15.62	15.75	15.96	0.21
May 2024	16.52	16.60	16.24	16.30	16.44	0.14
July 2024					16.84	

Conversion factors:
1 Y = DKK
0.9458; 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 were reported for the following countries plus Serbia, Ukraine, Moldova, Bosnia-Herzegovina, Kosovo and North Macedonia.

Countries	Period 9 July - 22 July		Year to date 1 January - 22 July		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia	1	3	1	25		57	1	67
Latvia	4	87	5	290	6	913	2	338
Lithuania	1	15	3	215	16	302		238
Poland	6	58	16	1.994	14	2.152	124	3.023
Italy		27	6	736	4	277	1	14
Ukraine	3	1	6	6	7	2	13	3
Czech Republic		16		44		1		
Romania	113	6	259	223	329	465	1.648	1.019
Hungary		7		325		550		2.568
Bulgaria	1	1	1	121	2	387	6	318
Slovakia		12		490	5	550	11	1.622
Serbia	80	7	280	194	107	146	33	71
Moldova			15	6	14	3	1	
Bosnia-Herzegovina	163	1	186	1				
Croatia	81	2	112	3				
North Macedonia	2	5	4	21	30	9		
Kosovo	1	1	1	1				
Belgium								
Germany		12	1	748	3	1.628	4	2.431
Greece			6	2				

Total	456	261	902	5.445	537	7.442	1.844	11.712
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SERBIA/ CROATIA/ BOSNIA-HERZEGOVINA

African Swine Fever hits pig production in Serbia, Croatia and Bosnia-Herzegovina

As can be seen from the table on page 2, a number of pig production businesses in Serbia, Croatia and Bosnia-Herzegovina were hit by African Swine Fever in July.

Last week, the veterinary authorities from the three countries met in Bosnia to discuss the situation at which they agreed to make a joint request to the European Commission and WHO for financial assistance to help the countries' affected pig producers.

The Croatian government has already approved a EUR 7.5 million aid package to compensate the affected pig producers in the country.

VIETNAM

Authorities approve African Swine Fever vaccine for commercial use

As the first country in the world to do so, the authorities in Vietnam have approved two newly developed vaccines against African Swine Fever for commercial use.

According to the authorities, extensive tests among pig producers across the country have shown that the two vaccines are 95 per cent effective against African Swine Fever.

CHINA

Surprising rise in pig population

According to Reuters, whose source is China's Agriculture Ministry, the Chinese pig population stood at 435.17 million head in Q2, which is a rise of 1.1 per cent compared to one year ago when the population stood at 430.57 million head.

The sow population at the end of June was put at 42.96 million head, which is a rise of 0.9 per cent compared to 42.58 million at the end of May. Compared to one year ago, the sow population has risen by 0.4 per cent from 42.77 million.

Bearing in mind the poor returns from pig production, it is surprising that both China's breeding herd and the total number of pigs showed increases at the end of June.

CHINA

Pig producers publish preliminary financial results with substantial losses

Last week, the two major Chinese pig producers, Muyan Foodstuff and New Hope Liuhe, published their preliminary results for H1 2023 at the Shenzhen Stock Exchange. They showed substantial losses.

The two companies expect losses for H1 of between 2.55 and 3.25 billion yuan and 2.79 to 2.99 billion yuan. The losses are, however, less than for the same period last year. Both companies attribute this to a fall in production costs.

USA

Decline in pig meat storage

With the USDA as the source, the table below shows the latest figures for U.S. pig meat storage as at 30 June compared to the previous month and to one year ago.

At the end of June, total pig meat storage was 8 per cent lower than the previous month and 9 per cent lower than one year ago. Compared to one year ago, only belly storage was higher.

At the end of June, beef storage was 3 per cent lower than the previous month and 20 per cent lower than one year ago.

By contrast, poultry storage was 5 per cent higher than the previous month and 10 per cent higher than one year ago.

1,000 lbs	30 June 2022	31 May 2023	30 June 2023
Picnics	8,049	8,179	7,922
Legs	139,283	137,159	137,666
Bellies	53,183	82,531	70,573
Loins	35,240	32,890	34,950
Ribs	108,871	79,382	62,721
Trimming	52,431	55,032	48,306
Butts	17,440	17,862	13,340
By-products	76,375	69,499	69,882
Other	48,228	49,223	44,832
Total pig meat	539,100	531,757	490,192
Beef	516,785	425,660	411,877
Poultry	1,188,225	1,239,229	1,301,928



USA

Fall in cattle population

The latest U.S. cattle census from 1 July shows a total population of 95.9 million, which is a fall of 3 per cent compared to one year ago.

The population has not been lower since 2014 and has fallen by 7 per cent since 2019.



GLOBAL

Rabobank: consumption remains under pressure

In the latest quarterly report from July, Rabobank states that the global pig meat market is being affected by weak economic growth, fall in demand, recurrent outbreaks of disease, and productivity problems.

Weak economic growth has a negative impact on demand. Slower exports, rising unemployment and a lack of investor confidence are all causing problems in China, South-East Asia and some South American countries. In North America and Europe, demand is being squeezed by high food inflation.

In all cases, consumers are changing their shopping patterns, i.e. trading down and buying smaller portions and cheaper products. Pig meat – which is less expensive than beef and many fish and seafood products, but dearer than poultry – is maintaining a relatively stable share on consumers' plates, reports Rabobank.

In Asia and Europe, continued outbreaks of African Swine Fever are having a negative impact on pig meat production in Asia and Europe. Moreover, PRRS remains a challenge in Spain.

Rabobank expects global trade in pig meat in the second half of 2023 will be lower than the same period last year. This is due to the fact that China's imports will be squeezed by substantial reserves and weak domestic demand, while Europe's exports will be limited by a fall in pig meat production.



JAPAN

Imports of pig meat

The table below shows Japan's total pig meat imports, including fresh/frozen pig meat, for the period January-June 2023 compared to the same period last year.

Total pig meat

Tonnes	2023 Jan-June	2022 Jan-June	% change 2023:22
USA	181,844	185,460	-1.9
Canada	116,183	114,171	1.8
Spain	103,662	94,924	9.2
Mexico	67,283	69,757	-3.5
Denmark	45,899	55,529	-17.3
Chile	21,150	15,852	33.4
Holland	19,009	23,219	-18.1
Brazil	17,707	13,317	33.0
France	9,233	9,631	-4.1
Ireland	7,925	9,495	-16.5
China	6,673	7,434	-10.2
Thailand	4,370	5,067	-13.8
Austria	1,038	2,119	-51.0
Finland	752	472	59.3
South Korea	420	268	56.7
UK	308	388	-20.6
Portugal	285	961	-70.3
Belgium	151	48	214.6
Italy	66	3,365	-98.0
Australia	52	176	-70.5
Others	123	131	-6.1
Total	604,133	611,784	-1.3

0203			
Fresh/frozen pig meat			
Tonnes	2023 Jan-June	2022 Jan-June	% change 2023:22
USA	125,928	125,956	0.0
Canada	107,580	110,014	-2.2
Spain	101,391	92,781	9.3
Mexico	61,116	65,280	-6.4
Denmark	36,020	45,403	-20.7
Chile	17,419	12,660	37.6
Holland	15,523	17,681	-12.2
Brazil	15,407	10,431	47.7
France	9,019	9,496	-5.0
Ireland	4,586	5,941	-22.8
Austria	841	1,966	-57.2
Finland	592	284	108.5
UK	308	388	-20.6
Portugal	230	956	-75.9
Belgium	126	48	162.5
Australia	47	172	-72.7
Italy	45	2,714	-98.3
Others	0	0	
Total	496,178	502,171	-1.2



HONG KONG

Imports of pig meat January-June 2023

0203
Fresh/frozen pig meat

Tonnes	Jan-June 2021	Jan-June 2022	Jan-June 2023	% change 23:22
Brazil	53,049	45,545	52,865	16.1
China	7,195	15,862	14,381	-9.3
Holland	10,649	7,772	8,394	8.0
Poland	7,453	4,196	3,675	-12.4
Vietnam	2,227	3,233	3,846	19.0
Germany	31,036	2,593	3,933	51.7
Spain	2,796	2,486	1,889	-24.0
Russia	3,312	472	1,447	206.6
USA	3,592	1,486	1,107	-25.5
Canada	1,161	971	1,036	6.7
Thailand	9,860	414	890	115.0
Japan	561	494	447	-9.5
Denmark	498	329	397	20.7
Australia	1,408	324	233	-28.1
Belgium	443	312	384	23.1
Others	2,741	1,021	562	-45.0
Total	137,981	87,510	95,486	9.1

020649				
By-products - pigs				
Tonnes	Jan-June 2021	Jan-June 2022	Jan-June 2023	% change 22:21
Brazil	21,149	9,726	7,080	-27.2
Poland	13,215	3,818	4,272	11.9
Germany	50,307	6,732	3,317	-50.7
Holland	19,393	6,326	1,596	-74.8
Canada	3,164	697	723	3.7
Belgium	3,742	1,782	643	-63.9
Spain	7,753	2,266	625	-72.4
Denmark	3,425	735	550	-25.2
Russia	7,604	754	256	-66.0
Italy	3,744	250	244	-2.4
Japan	698	284	236	-16.9
Ireland	489	125	181	44.8
UK	3,079	543	124	-77.2
Argentina	1,414	134	108	-19.4
France	1,442	220	76	-65.5
Portugal	659	161	75	-53.4
Sweden	884	97	42	-56.7
China	118	6	33	450.0
USA	1,878	207	26	-87.4
Others	6,316	934	18	-98.1
Total	150,473	35,797	20,225	-43.5