

MARKET NEWS for pig meat



Market analysis

20 March 2023

Week 12

MARKET SITUATION

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

UK: Stable trade. New contracts are being signed at increasing prices.

China: Very quiet trading continues. **Japan and other Asian markets:** trading is more stable following sluggish trading for some time.

Slaughtering in Denmark

Weekly slaughtering figures for pigs and sows as reported to the Danish Classification Control Service. The figures exclude culled pigs.

	Week 8	Week 9	Week 10	Weeks 1-10 2023:22
Carcass weight >110 kg	9,738	8,099	6,662	-51.3%
Carcass weight <110 kg	305,374	295,424	289,493	-13.6%
Total	315,112	303,523	296,155	-15.6%

USA

Futures

Chicago (\$ per 100 lbs carcass weight)	Lean Hog			Pork Cutout		
	17/3	10/3	Change	17/3	10/3	Change
2023						
Apr	79.88	87.45	-7.57	86.88	94.30	-7.42
May	86.78	94.93	-8.15	94.03	101.08	-7.05
Jun	93.33	102.78	-9.45	99.15	107.30	-8.15
Jul	95.63	104.90	-9.27	100.53	109.78	-9.25
Aug	95.95	105.25	-9.30	100.10	109.78	-9.68
Oct	84.33	91.98	-7.65	93.03	101.10	-8.07
Dec	78.00	84.08	-6.08	86.50	94.58	-8.08
2024	81.33	86.73	-5.40	88.03	96.10	-8.07
Apr	85.23	90.00	-4.77	90.10	98.18	-8.08
May	90.38	95.15	-4.77	97.33	105.40	-8.07
Jun	94.68	99.15	-4.47	102.55	110.63	-8.08
Jul	94.58	99.05	-4.47	105.45	113.53	-8.08

Conversion factors:
 1 lb = 0.4536 kg
 1 \$ = DKK
 7.0084

 **China**
Futures

Dalian (Yuan per kg)	Pigs					
	20/2	27/2	6/3	13/3	20/3	Change 13/3-20/3
May 2023	17.28	17.11	16.76	15.74	15.85	0.11
July 2023	17.85	17.70	17.81	17.04	16.99	-0.05
September 2023	18.14	18.13	18.30	18.00	18.25	0.25
November 2023	18.41	18.53	18.72	18.54	18.62	0.08
January 2024	18.96	19.03	18.99	19.00	18.94	-0.06
Conversion factors: 1 Y = DKK 1.0182: 1 Y = 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 4 March-10 March.

Countries	Period 4 March-10 March		Year to date 1 Jan-10 Mar		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia				19		57	1	67
Latvia		8		97	6	913	2	338
Lithuania		4		79	16	302		238
Poland		63		810	14	2,152	124	3,023
Italy		29	1	224	4	277	1	14
Ukraine			2	1	7	2	13	3
Czech Republic		1		5		1		
Romania		8	43	155	329	465	1,648	1,019
Hungary		11		170		550		2,568
Bulgaria		18		112	2	387	6	318
Slovakia		37		212	5	550	11	1,622
Serbia	8	21	19	111	107	146	33	71
Moldova	2	1	12	2	14	3	1	
North Macedonia		6		12	30	9		
Belgium								
Germany		5	1	413	3	1,628	4	2,431
Greece				2				
Total	10	212	78	2,424	537	7,442	1,844	11,712

**USA****Fall in futures prices**

As can be seen on page 1, US futures prices for pigs and pig meat fell sharply last week.

A strongly contributing factor was the rumour that there was a possible outbreak of African Swine Fever in the US market.

The rumour arose on Thursday, but has since been denied by the USDA. The department told Reuters that they had heard nothing about a possible outbreak.

**CHINA****Reuters bureau reports a rise in African Swine Fever**

According to Reuters, a rise in African Swine Fever could lead to a fall in Chinese pig meat production later this year.

Reuters cites pig producers and analysts who believe that swine fever infections – particularly in the northern provinces – have surged as a result of the Chinese New Year when millions of people travelled. Both producers and analysts wish to remain anonymous because of the sensitivity that surrounds the issue.

According to an analyst at Huachuang Securities, data from virus testing companies show that the number of positive cases rose sharply after the new year holiday.

A Senior Manager at one of the country's largest pig producers confirmed the development. He said that there were quite a lot of new infections in March. He added that a milder variant of the infection makes it more challenging to detect.

**GERMANY****AMI: German finisher producers almost break even, show model calculations**

Model calculations from AMI in Germany show that German finisher producers posted only a modest loss of 5 euros per produced finisher in March.

This is a definite improvement from January when AMI's model calculation showed a loss of 17 euro per finisher.

Profitability in finisher production has, of course, improved as the result of the rising German pig price in recent months. Finisher prices are now 2.34 euros per kg. Costs – not least in the form of rising piglet prices – have also risen and are currently 2.38 euros per kg.

According to AMI's model calculation, Germany's finisher producers have, on average, experienced losses since July 2020.

**BRAZIL****Negotiations about possible exports of Brazilian pig meat to Australia**

According to Pig333, Brazil and Australia have held preliminary discussions to start trade agreements that may allow the export of Brazilian pig meat to Australia. In return, Australia may be able to export barley and wheat.

The two countries must, however, coordinate with the WTO for the reduction of tariffs that would allow exports between them, states Pig333.

**PHILIPPINES****Strongly rising imports of pig meat**

The table below shows the official figures for the Philippines' imports of pig meat for 2022 compared to the previous two years.

As can be seen, the Philippines has increased its pig meat imports substantially over the past two years. The rise is a direct result of major problems with African Swine Fever. The country has therefore reduced import tariffs for pig meat in an effort to increase imports and prevent price rises.

Brazil and Spain have boosted their exports to the Philippines whereas following a rise in 2021, the US has fallen back to pre-2020 levels.

0203				
Fresh/frozen pig meat				
Tonnes	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2022	% change 22:21
Canada	21,715	72,495	101,882	40.5
Spain	7,389	40,975	98,438	140.2
Brazil	3,112	23,509	75,334	220.4
Holland	4,749	26,099	44,335	69.9
UK	1,156	13,806	21,140	53.1
France	7,946	14,784	20,637	39.6
Denmark	3,299	11,671	15,389	31.9
USA	21,103	49,435	12,793	-74.1
Belgium	55	16,829	7,552	-55.1
Ireland	267	2,523	4,640	83.9
Australia	173	1,357	2,768	104.0
Chile	-	-	743	
Others	120	351	1,030	-
Total	71,084	273,834	406,681	48.5

020649				
By-products				
Tonnes	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2022	% change 22:21
Spain	34,729	73,645	89,327	21.3
Holland	10,732	22,089	22,624	2.4
Canada	8,331	24,859	22,275	-10.4
France	8,263	20,052	20,311	1.3
USA	12,905	18,113	17,127	-5.4
UK	5,538	13,358	14,663	9.8
Denmark	2,341	7,374	14,663	98.8
Belgium	32	13,382	13,426	0.3
Ireland	2,057	3,708	4,929	32.9
Australia	1,472	3,702	4,023	8.7
Austria	218	2,807	3,361	19.7
Brazil	1,341	1,240	3,110	150.8
Sweden	306	2,350	2,794	18.9
Chile		458	1,283	180.1
Italy	479	511	159	-68.9
Others	50	29	-	-
Total	88,794	207,677	234,075	12.7



DENMARK

Denmark' pig meat exports Jan-Dec

2022

Tonnes	By-products	Live pigs	Processed Canned	Bacon	Whole & half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	12,168	175,479	9,870	157	76,537	125,899	6,101	406,212	21.0
Poland	1,108	203,315	34	6	113	139,438	71	344,084	17.8
Italy	1,682	20,337	444	106	656	111,806	381	135,412	7.0
Sweden	8,796	127	1,917	1,329	13	11,029	4,359	27,570	1.4
Holland	8,249	10,050	311	23	0	6,786	1,109	26,529	1.4
Spain	369	11,441	1,183	75	0	5,762	1,844	20,676	1.1
France	2,121	657	1,081	343	0	14,391	806	19,400	1.0
Croatia	161	9,746	64	0	2,794	2,782	1	15,548	0.8
Rest of EU	10,024	14,562	3,459	891	274	42,123	3,884	75,217	3.9
Total EU	44,680	445,714	18,364	2,930	80,388	460,016	18,555	1,070,647	55.3
China	156,744	0	594	0	0	210,819	229	368,386	19.0
UK	4,540	38	10,608	58,091	1,379	66,920	10,988	152,563	7.9
Japan	1,020	6	4,233	0	0	99,512	1,293	106,064	5.5
Australia	125	0	570	0	0	49,293	22	50,010	2.6
USA	4,015	0	6,348	69	0	31,611	1,096	43,139	2.2
Philippines	13,679	81	2,730	0	27	17,950	0	34,468	1.8
South Korea	1,323	34	1,572	0	0	17,158	209	20,296	1.0
Ukraine	1,084	184	583	0	217	14,898	11	16,977	0.9
Taiwan	396	3	91	0	0	12,972	78	13,540	0.7
Other 3rd countries	14,342	2,421	9,542	1,686	9	27,354	5,100	60,455	3.1
3rd countries, total	197,267	2,767	36,871	59,846	1,633	548,487	19,027	865,897	44.7
Total exports	241,947	448,481	55,235	62,776	82,021	1,008,502	37,582	1,936,544	100

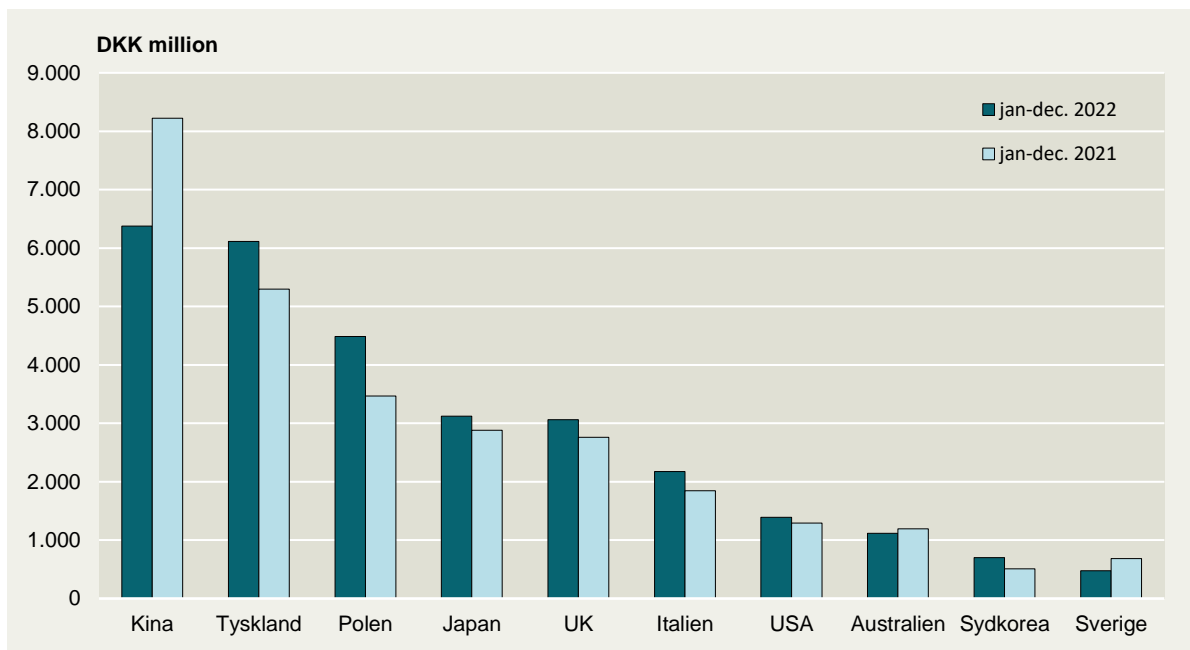
2021

Tonnes	By-products	Live pigs	Processed Canned	Bacon	Whole & half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	11,720	182,558	7,674	123	73,957	114,472	4,411	394,915	19.7
Poland	1,593	159,596	35	3	1,951	125,605	8	288,792	14.4
Italy	2,043	16,489	465	167	261	119,522	306	139,252	7.0
Holland	9,732	11,970	415	22	0	5,974	1,510	29,624	1.5
Sweden	7,363	105	1,466	954	4	9,625	4,125	23,641	1.2
Spain	597	10,641	1,168	26	0	2,185	1,379	15,996	0.8
Romania	150	6,252	41	0	1	7,666	2	14,112	0.7
France	684	777	949	262	0	10,470	903	14,044	0.7
Rest of EU	10,003	13,270	3,336	772	1,665	35,841	3,622	68,508	3.4
Total EU	43,885	401,656	15,548	2,329	77,839	431,360	16,266	988,884	49.4
China	178,168	385	314	0	0	341,421	309	520,597	26.0
UK	4,174	28	10,403	54,661	1,101	71,616	10,319	152,301	7.6
Japan	146	3	4,362	0	0	89,043	1,281	94,835	4.7
Australia	0	0	473	0	0	49,658	61	50,191	2.5
USA	3,284	0	6,984	139	0	31,225	1,159	42,791	2.1
South Korea	1,910	22	1,310	0	0	23,235	191	26,668	1.3
Philippines	8,144	0	1,750	0	0	11,440	0	21,335	1.1
Ukraine	763	309	0	0	254	17,563	0	18,888	0.9
Taiwan	470	2	101	0	0	10,478	70	11,120	0.6
Other 3rd countries	19,064	1,386	11,183	1,872	740	34,805	5,232	74,282	3.7
3rd countries, total	216,124	2,134	36,880	56,672	2,095	680,482	18,623	1,013,009	50.6
Total exports	260,009	403,790	52,428	59,001	79,934	1,111,842	34,889	2,001,893	100

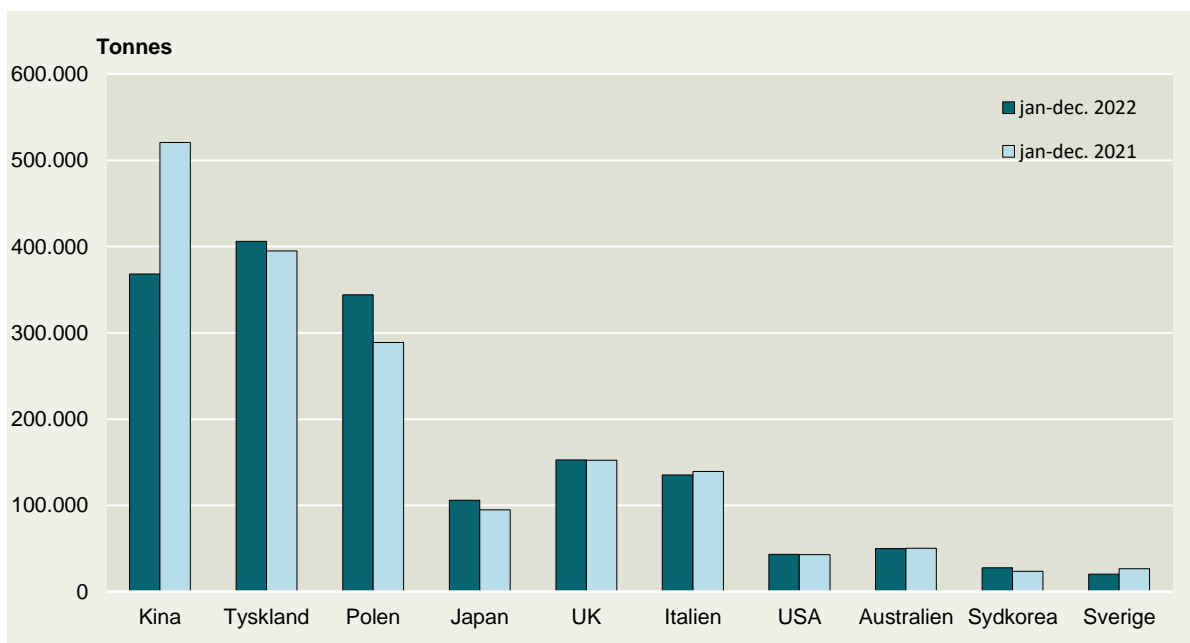
Top 10 importers of Danish pig meat by value

	Jan-Dec 2022	Jan-Dec 2021
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Country	Value in DKK million	Tonnes	Value in DKK million	Tonnes
China	6,379	368,386	8,223	520,597
Germany	6,115	406,212	5,299	394,915
Poland	4,488	344,084	3,469	288,792
Japan	3,123	106,064	2,879	94,835
UK	3,064	152,563	2,758	152,301
Italy	2,174	135,412	1,845	139,252
USA	1,391	43,139	1,292	42,791
Australia	1,116	50,010	1,196	50,191
Sweden	700	27,570	511	23,641
South Korea	476	20,296	682	26,668
Top 10 total	29,026	1,653,736	28,154	1,733,983
Other countries	5,816	282,808	4,809	267,910
Total	34.842	1.936.544	32.963	2.001.893



China Germany Poland Japan UK Italy USA Australia South Korea Sweden



China Germany Poland Japan UK Italy USA Australia South Korea Sweden

 DENMARK

Slaughtering

2021	Slaughtering
January	1,545,170
February	1,567,643
March	1,757,842
April	1,391,179
May	1,375,993
June	1,557,041
July	1,479,601
August	1,512,573
September	1,568,786
October	1,546,880
November	1,680,452
December	1,524,097
Jan-Dec 2021	18,507,257
Jan-Dec 2020	17,473,767
Change/head	1,033,490
Change/per cent	5.9

2022	Slaughtering
January	1,642,414
February	1,548,453
March	1,728,660
April	1,320,304
May	1,451,178
June	1,464,973
July	1,429,683
August	1,542,762
September	1,415,621
October	1,420,886
November	1,490,912
December	1,354,538
Jan-Dec 2022	17,810,384
Jan-Dec 2021	18,507,257
Change/head	-696,873
Change/per cent	-3.8

2023	Slaughtering
January	1,492,164
February	1,280,113
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	
Jan-Feb 2023	2,772,277
Jan-Feb 2023	3,190,867

Change/head	-418,590
Change/per cent	-13.1