

MARKET NEWS for pig meat



Market analysis

4 December 2023 Week 49

MARKET SITUATION

Europe: Both legs and other cuts are being traded at unchanged prices this week. So far, Christmas trade has proved disappointing and only individual cuts are being traded at increasing prices.

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 45	Week 46	Week 47	Weeks 1-47 2023:22
Carcass weight >110 kg	11,352	11,619	12,170	-32.2%
Carcass weight <110 kg	268,440	275,954	289,953	-18.4%
Total	279,792	287,573	302,123	-19.0%



Futures

Chicago (\$ per 100 lbs carcase weight)	Lean Hog			Pork Cutout		
	1/12	24/11	Change	1/12	24/11	Change
Dec 2023	68.60	67.58	1.02	81.65	79.70	1.95
2024						
Feb	70.10	68.78	1.32	81.80	82.00	-0.20
Apr	76.38	75.28	1.10	82.50	82.78	-0.28
May	83.78	82.03	1.75	89.90	88.50	1.40
Jun	92.23	90.85	1.38	97.75	97.03	0.72
Jul	94.38	93.03	1.35	99.83	99.10	0.73
Aug	95.20	93.63	1.57	99.15	98.43	0.72
Oct	82.10	80.30	1.80	90.95	90.23	0.72
Dec	74.65	72.95	1.70	87.08	86.35	0.73
2025						
Feb	78.05	76.28	1.77	89.90	89.18	0.72
Apr	81.20	79.43	1.77	95.75	95.03	0.72

Conversion factors:
1 lb = 0.4536 kg
\$ = DKK 6.8545

 **CHINA**
Futures

Dalian (Yuan per kg)	Pigs					
	6/11	13/11	20/11	27/11	4/12	Change 27/11-4/12
January 2024	16.14	15.78	15,90	15,55	13,91	-1,64
March 2024	15.22	15.13	15,09	14,59	13,52	-1,07
May 2024	15.89	15.74	15,60	15,18	14,60	-0,58
July 2024	16.87	16.68	16,47	16,21	15,72	-0,49
September 2024	17.77	17.69	17,58	17,31	16,94	-0,37
November 2024					17,30	

Conversion factors:
1 Y = DKK
0.9596, 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 18 - 26 Nov		Year to date 1 Jan - 26 Nov		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		2	2	46		57	1	67
Latvia		6	8	647	6	913	2	338
Lithuania		12	3	371	16	302		238
Poland		62	30	2,527	14	2,152	124	3,023
Italy		14	17	873	4	277	1	14
Ukraine	2		33	7	7	2	13	3
Czech Republic				55		1		
Romania	3		721	265	329	465	1,648	1,019
Holland		3		380		550		2,568
Bulgaria		62	3	242	2	387	6	318
Slovakia		2		523	5	550	11	1,622
Serbia	6		967	203	107	146	33	71
Moldova			19	6	14	3	1	
Bosnia-Herzegovina	72	2	1,477	11				
Croatia	9	1	1,122	10				
North Macedonia		3	13	35	30	9		
Kosovo			9	4				
Belgium								
Germany			1	863	3	1,628	4	2,431
Sweden		7		58				
Greece			6	2				
Total	92	176	4,431	7,128	537	7,442	1,844	11,712

 **SWEDEN**
African Swine Fever restrictions lifted outside the fenced in infection zone

The lifting of restrictions, which took effect from 30 November, is because no new cases of African Swine Fever have been found for some time. The authorities thus assess the risk of further infection to be low.

According to Karl Ståhl from the Swedish National Veterinary Institute, 62 dead wild boar have been discovered with the African Swine Fever virus – all in the same limited area. He expects Sweden to be declared free from African Swine Fever within one year.

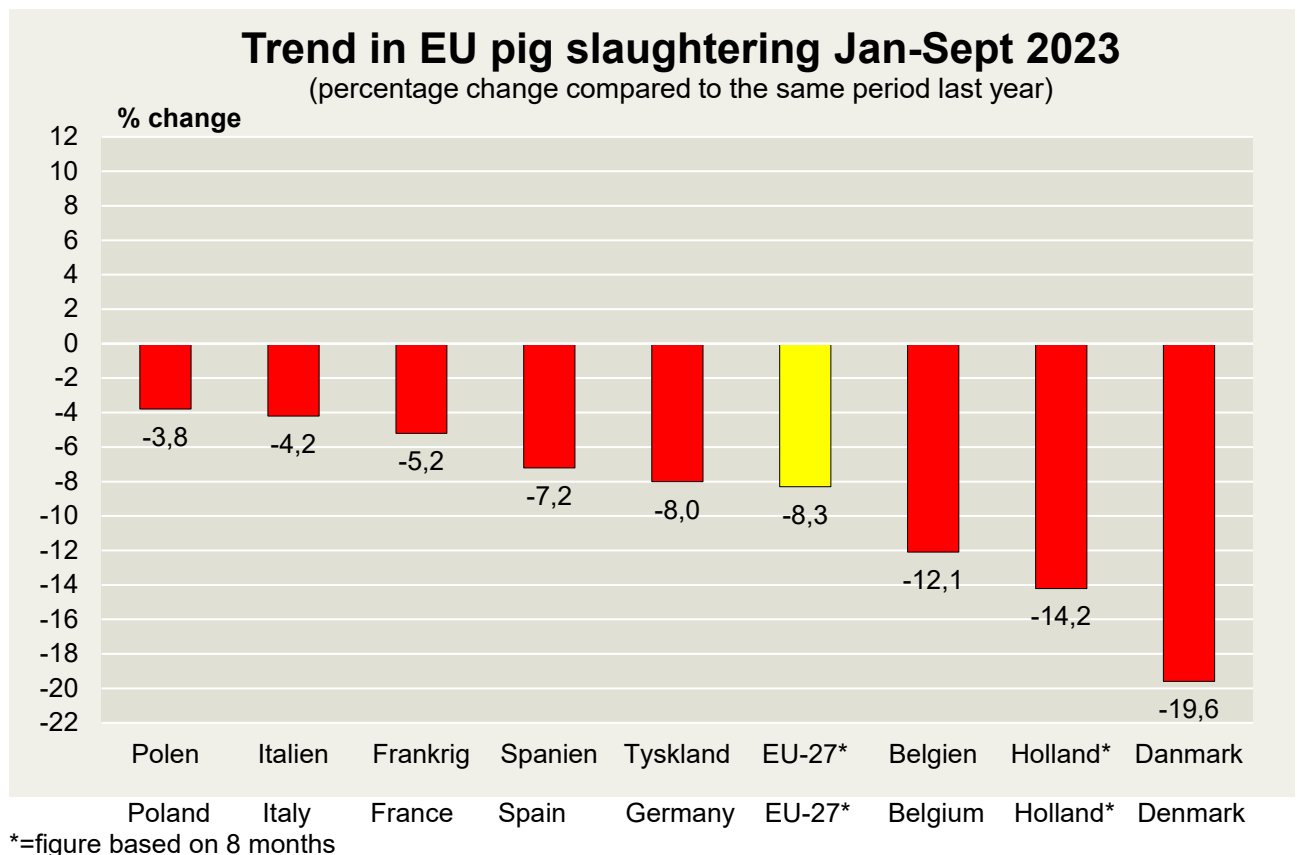
 **EU**
EU pig slaughtering fell by 8.3 per cent between January and September

The following diagram shows the trend for EU slaughtering as well as for the eight largest pig producing countries in the EU for the period January-September 2023 compared to the same period last year.

The figures are based on the respective countries' reportings to Eurostat. For Holland, figures are still only available for eight months, which is why the figure for the EU-27 is correspondingly based on eight months.

As can be seen from the diagram, the preliminary figures for EU slaughtering for the first three quarters of the year were 8.3 per cent lower than the same period last year. In Q1, EU slaughtering was 7.8 per cent lower than the previous year. For Q2, the fall intensified to 9.9 per cent and in Q3, slaughtering was 6.8 per cent down on last year.

It appears, therefore, that we are only gradually moving towards slightly more stable EU slaughtering as compared to last year.



 **GERMANY**
Pig meat storage remains at a stable low level

The most recent figure from AMI for German storage of frozen pig meat amounts to 73,000 tonnes for October.

Since July of this year, therefore, storage has been at a fairly constant level of around 73,000 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. But from May 2022 and to the end of that year, storage fell from 212,000 tonnes in May to 96,000 tonnes in December 2022.

 **USA**
USDA extends trial period allowing higher slaughter speed at pig slaughterhouses

Last week, the USDA announced that the trial period allowing six American pig slaughterhouses to operate at a higher slaughtering speed will be extended by 90 days.

The extension has been granted because not enough data has been collected to determine the consequences of increasing the slaughtering speed on slaughterhouse workers.

The trial, which began in March 2022, allows slaughterhouses to operate at slaughtering speeds that exceed the current maximum slaughtering speed of 1,106 pigs per hour.

Under the Trump administration, the maximum slaughtering speed was removed. However, a court decision back in March 2021 decided that, for the sake of the safety of slaughterhouse workers, a maximum speed limit should apply.

The United Food and Commercial Workers (UFCW) support the restriction.

However, the North American Meat Institute, which represents American slaughterhouses, previously warned that lower speeds could reduce slaughtering capacity by 80,000 pigs per week and mean higher costs for slaughterhouses.

 **USA/**  **CHINA**
China approves a number of American meat companies for export to China

According to US media, China has approved a number of American meat companies for export to China for the first time in 10 years – 18 beef companies and 12 pig meat companies.

According to Erin Borrer, Vice-President of the US Meat Export Federation (USMEF), approval is the result of the 'first phase agreement' from 2020 between the two countries. The agreement aimed at China increasing its imports of American agricultural products.

"It is with a sigh of relief that China has continued to recognise the 'first phase agreement' and has therefore updated its list of approved American companies. We expect further additions to the list in future; hopefully by the end of the year," says Erin Borrer.

President Trump and Vice Premier Liu signed the 'first phase agreement' in 2020.

As regards pig meat, the agreement means that China will allow imports of all American pig meat approved by the U.S. authorities. It is also planned that approval of American companies for the export of pig meat to China should happen at speed through cooperation between the two countries' respective authorities.

 **CHINA**

Continued fall in pig prices and consequent decline in purchase for state reserves

Chinese pig prices have seen sharp falls in recent times. According to China's National Development and Reform Commission, the ratio between pig and feed prices stands at somewhere between 5:1 and 6:1.

The low level means that the authorities are rolling out measures to strengthen the pig price. Last week, the authorities purchased 10,000 tonnes of pig meat for state reserves.



Meat industry regrets Mexican court's decision to stop imports of Brazilian pig meat

Last Friday, the Brazilian Animal Protein Association (ABPA) expressed its regret over the decision by a Mexican court to suspend imports of Brazilian pig meat for the time being.

The suspension follows a request from local Mexican producers. ABPA describes the decision as 'protectionist'.

According to Brazil's Agriculture Ministry, suspension of Brazilian pig meat is the result of legal action taken by the Mexican pig producers' organisation which questions the process of opening the Mexican market to Brazilian pig meat.

Brazilian pig meat to the value of almost USD 60 million has already been shipped or is awaiting permission to enter the Mexican market. The bulk has already been paid for by Mexican importers who will suffer substantial losses as a result of the ban, says the Ministry.

The Ministry also states that an official has been sent to Mexico to negotiate an end to the ban.

According to ABPA, Brazil began exporting pig meat to Mexico in September 2022. The first major shipment of 27 tonnes of pig meat was despatched in February 2023 after the Mexican authorities approved seven companies from the state of Santa Catarina.

Mexico needs to import almost half its pig meat consumption and is among the world's three largest importers of pig meat. As around 90 per cent of Mexico's imports comes from the U.S., Brazil represents a reliable alternative in the Mexican market, says ABPA.



Pig meat imports

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

Tonnes	Total pig meat		
	2023 Jan-Oct	2022 Jan-Oct	% change 2023:22
USA	280,730	299,187	-6.2
Canada	192,892	185,304	4.1
Spain	150,602	164,084	-8.2
Mexico	112,493	115,395	-2.5
Denmark	66,167	88,677	-25.4
Chile	36,119	31,510	14.6
Brazil	32,824	23,143	41.8
Holland	26,410	36,713	-28.1
France	15,509	14,578	6.4
China	12,060	12,324	-2.1
Ireland	11,428	14,818	-22.9
Thailand	7,300	8,515	-14.3
Austria	1,492	3,162	-52.8
Finland	1,237	904	36.8
South Korea	538	515	4.5
Portugal	347	1,354	-74.4

UK	308	771	-60.1
Belgium	152	255	-40.4
Taiwan	135	131	3.1
Australia	111	286	-61.2
Italien	72	5,002	-98.6
Others	112	62	80.6
Total	949,038	1,006,690	-5.7

0203			
Fresh/frozen pig meat			
Tonnes	2023 Jan-Oct	2022 Jan-Oct	% change 2023:22
USA	191,882	198,832	-3.5
Canada	180,282	176,533	2.1
Spain	147,201	160,040	-8.0
Mexico	102,966	107,535	-4.2
Denmark	50,071	71,977	-30.4
Chile	29,891	24,770	20.7
Brazil	28,787	18,018	59.8
Holland	21,719	27,765	-21.8
France	15,154	14,276	6.2
Ireland	6,025	10,111	-40.4
Austria	1,173	2,829	-58.5
Finland	964	624	54.5
UK	308	771	-60.1
Portugal	253	1,327	-80.9
Belgium	126	255	-50.6
Australia	89	282	-68.4
Italy	45	4,258	-98.9
Others	47	0	
Total	776,983	820,203	-5.3