

MARKET NEWS for pig meat



Market analysis

17 July 2023

Week 29

MARKET SITUATION

Europe: The market has entered the holiday season, which means that trading is at largely unchanged price levels 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 25	Week 26	Week 27	Weeks 1-27 2023:22
Carcass weight >110 kg	10,055	8,837	8,073	-41.0%
Carcass weight <110 kg	266,274	247,702	239,539	-18.5%
Total	276,329	256,539	247,612	-19.6%

USA

Futures

Chicago (\$ per 100 lbs carcass weight)	Lean Hog			Pork Cutout		
	14/7	16/6	Change	14/7	16/6	Change
2023						
Jul	101.98	92.85	9.13	110.75	96.58	14.17
Aug	96.20	90.68	5.52	104.7	97.43	7.27
Oct	83.60	80.08	3.52	94.25	91.13	3.12
Dec	76.35	75.95	0.40	86.23	85.75	0.48
2024						
Feb	80.23	80.83	-0.60	88.28	89.38	-1.10
Apr	84.75	85.93	-1.18	91.13	92.18	-1.05
May	88.70	90.65	-1.95	97.40	99.40	-2.00
Jun	94.93	96.25	-1.32	102.63	104.63	-2.00
Jul	94.58	95.78	-1.20	103.5	107.53	-4.03
Aug	93.40	94.90	-1.50	105.58	109.6	-4.02
Oct	79.95	82.75	-2.80	97.38	101.40	-4.02
Dec	74.88	79.25	-4.37	93.50	97.53	-4.03
Conversion factors: 1 lb = 0.4536 kg 1 \$ = DKK 6.6379						

 **China**
Futures

Dalian (Yuan per kg)	Pigs					
	30/5	6/6	12/6	19/6	17/7	Change 19/6-17/7
September 2023	16.30	16.23	16.10	15.91	15.02	-0.89
November 2023	17.09	17.01	17.06	16.96	16.09	-0.87
January 2024	17.46	17.64	17.76	17.74	16.77	-0.97
March 2024	15.86	15.91	15.90	15.99	15.62	-0.37
May 2024	16.43	16.51	16.52	16.60	16.24	-0.36

Conversion factors:
1 Y = DKK 0.930
1Y = EUR 0.12

 **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 10 June-8 July.

Country	Period 10 June - 8 July		Year to date 1 January - 8 July		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia				22		57	1	67
Latvia	1	34	1	203	6	913	2	338
Lithuania	2	21	2	200	16	302		238
Poland	9	150	10	1,936	14	2,152	124	3,023
Italy	2	131	5	709	4	277	1	14
Ukraine			3	5	7	2	13	3
Czech Republic		16		44		1		
Romania	60	5	146	217	329	465	1,648	1,019
Hungary		16		318		550		2,568
Bulgaria				120	2	387	6	318
Slovakia		32		478	5	550	11	1,622
Serbia	114	22	200	187	107	146	33	71
Moldova			15	6	14	3	1	
Bosnia-Herzegovina	23		23					
Croatia	31	1	31	1				
North Macedonia	2	2	2	16	30	9		
Belgium								
Germany		86	1	736	3	1,628	4	2,431
Greece	3		6	2				
Total	247	516	445	5,200	537	7,442	1,844	11,712

New outbreak of African Swine Fever

As can be seen in the table on page 2, a number of new outbreaks of African Swine Fever have been registered on EU pig farms.

At the end of June, both Croatia and Bosnia-Herzegovina confirmed their first outbreaks of African Swine Fever. These have hit pig farms in the border region between the two countries and also close to the border with Serbia.

Lithuania, Latvia and North Macedonia have also registered their first cases of African Swine Fever on pig farms this year. The affected countries have so far only registered the disease in wild boar.

A number of pig farms in Poland have also been hit in the past month.

Finally, African Swine Fever has now also been registered in the Italian province of Lombardy in Northern Italy, where the disease was found in a dead wild boar.

CHINA

Pig meat production 3.2 per cent higher in first half of 2023 compared to the first half of last year

According to Reuters, preliminary figures from China's National Bureau of Statistics (NBS) show that, at 30.3 million tonnes, Chinese pig meat production in the first half of 2023 was 3.2 per cent higher compared to the first half of 2022.

According to figures from NBS, pig slaughtering in the first half year totalled 375.48 million, an increase of 2.6 per cent compared to the same period last year.

CHINA

Fall in sow population

According to Reuters, which cites the Chinese Agriculture Ministry, the Chinese sow population is declining.

June saw a decline of 1.7 per cent compared to the previous month. This follows falls of 0.6 per cent in May and 0.5 per cent in April.

CHINA

Authorities begin new collection and storage of the central reserve of pig meat to ensure better pig prices

At the start of July, China's National Reform and Development Commission (NRDC) announced that pig prices had entered the first level early warning range, which triggered the new round of purchases for the state's reserves.

However, purchasing has begun at the same time as previously purchased pig meat is being released. In the first week of July, 28,750 tonnes of pig meat were released from storage. The authorities have announced that a similar amount will be purchased for its central reserves.

NEW ZEALAND/ **EU**

New Zealand and EU enter free trade agreement

New Zealand and the EU signed a new free trade agreement in July. It will become effective when ratified by both parties.

The agreement means that all customs tariffs will be removed on pig meat when the agreement comes into force.

Current tariffs on pig meat are already quite modest at 5 per cent for cuts and 0 per cent for processed products.

GERMANY

Pig census May 2023

Last June, the German authorities published preliminary figures for the German pig population in May 2023.

The census shows an ongoing sharp decline in Germany's pig population: the total pig herd amounts to 20.7 million, 7.3 per cent lower than the corresponding census one year ago. Compared to the most recent count from November 2022, the decline is a more modest 3.1 per cent.

This is the lowest pig population since Germany's reunification in 1990 when there were 30.8 million pigs, reports the German authorities.

The May census shows that the breeding herd fell by 8.0 per cent compared to one year ago. This indicates a continued significant decline in the total population when the next census is published in November.

The number of pig farms in Germany also continues to fall. The May census shows that the number totalled 15,900 pig farms, a fall of 2,000, which corresponds to 11.6 per cent in one year.

'000 head	May census		
	2023	2022	% change
Piglets	6,037.7	6,800.5	-11.2
Pigs below 50 kg	3,741.4	3,768.8	-0.7
Finishers over 50 kg	9,547.2	10,257.9	-6.9
Breeding pigs	1,388.2	1,509.5	-8.0
Of which: pregnant sows	1,007.4	1,079.8	-6.7
Total	20,714.5	22,336.7	-7.3

USA

Pig census 1 June 2023

The results of the 1 June 2023 US pig census were published at the end of June by the USDA.

Compared to the same census one year ago, the results show a slight rise of 0.1 per cent in the total pig population, while the breeding herd fell by 0.4 per cent.

Expected farrowings for the current quarter are 3.9 per cent lower than the same quarter of the previous year while the expected farrowings for the coming quarter are 4.5 per cent lower than the previous year.

'000 head	2023 1 June	2022 1 June	% change
Breeding herd	6,146	6,168	-0.4
Piglets and finishers	66,249	66,146	0.2
Total	72,395	72,314	0.1
	2023	2022	
Expected farrowings:			
June-Aug	2,942	3,062	-3.9
Sept-Nov	2,953	3,092	-4.5

The results of the 1 June pig census indicate that U.S. pig production in the second half year was largely at the same level as the corresponding period last year.

Of the total pig population of 72.395 million head, Iowa accounts for 23.8 million followed by Minnesota and North Carolina with 8.7 and 7.6 million respectively.

In the past year, the pig population of North Carolina has fallen from 8.2 million to 7.6 million. By contrast, the population in Iowa increased from 23.0 million in 2022 to 23.8 million in 2023 and in Minnesota from 7.6 to 8.2 million.

USA

Implementation of Proposition 12 in California delayed from 1 July to 31 December

A judge at Sacramento County Superior Court decided at the end of June that the implementation of California's law on higher animal welfare, the so-called Proposition 12, would be postponed from 1 July to 31 December.



Expected production, consumption and trade in pig meat in 2023

Last week, the USDA updated its quarterly report for the expected global production, consumption and trade in pig meat for 2023.

The figures cover a number of selected countries and are stated in tonnage. Trade comprises only fresh/frozen and processed pig meat. China's substantial imports of by-products are therefore not included in the import/export figures.

Pig meat production

China: the sharp rise in pig meat production of 17 per cent is expected to be followed by a modest 1 per cent rise in production in 2023.

EU: a 3 per cent fall in production is expected for 2023.

USA: a slight 1 per cent rise in production is expected in 2023.

Brazil: both production and exports in 2023 have been slightly upgraded compared to the April report. Production has been upgraded from +2 to +3 per cent and exports from +5 per cent to +14 per cent due to increasing exports to Asia.

Canada: expects a 3 per cent fall in pig meat production in 2023. April's forecast was for a 4 per cent fall.

Mexico: a continued rise in pig meat production is expected, i.e. a rise of 2 per cent in 2023. In April, the rise was put at 3 per cent.

South Korea: a 3 per cent fall in production continues to be expected for 2023.

Japan: production in 2023 is expected to be at the same level as last year.

UK: a substantial decline of 14 per cent is expected for 2023.

Philippines: a gradual restoration of production following African Swine Fever is expected for 2023. New outbreaks of African Swine Fever mean that the expected production increase in 2023 is now 3 per cent against 5 per cent in April.

Production in 1,000 tonnes	2019	2020	2021	2022	% change 22:21	Forecast 2023	% change 23:22
China	42,550	36,340	47,500	55,410	17	56,000	1
EU	22,996	23,219	23,615	22,275	-6	21,650	-3
USA	12,543	12,845	12,560	12,252	-2	12,422	1
Brazil	3,975	4,125	4,365	4,350	-0	4,465	3
Canada	2,000	2,115	2,101	2,090	-1	2,030	-3
Mexico	1,408	1,451	1,484	1,530	3	1,560	2
South Korea	1,364	1,403	1,407	1,419	1	1,380	-3
Japan	1,279	1,306	1,318	1,293	-2	1,295	0
UK	957	984	1,034	1,045	1	895	-14
Philippines	1,585	1,115	1,000	925	-8	950	3
Hong Kong	74	63	74	91	23	93	2
Others	10,295	10,797	11,477	11,713	2	12,019	3
Total – selected countries	101,026	95,763	107,935	114,393	6	114,759	0

Consumption in 1,000 tonnes	2019	2020	2021	2022	% change 22:21	Forecast 2023	% change 23:22
China	44,865	41,517	51,724	57,434	11	58,190	1
EU	18,894	18,204	18,720	18,224	-3	18,050	-1
USA	10,066	10,034	9,919	9,957	0	9,771	-2
Brazil	3,116	2,949	3,047	3,033	-0	2,967	-2
Japan	2,714	2,732	2,760	2,765	0	2,780	1
Mexico	2,159	2,052	2,320	2,544	10	2,610	3
South Korea	2,011	1,976	1,997	2,072	4	2,088	1
UK	1,499	1,430	1,505	1,562	4	1,395	-11
Philippines	1,806	1,282	1,461	1,484	2	1,449	-2
Canada	945	856	858	922	7	985	7
Hong Kong	405	441	438	342	-22	393	15
Andre	11,344	11,561	12,625	12,882	2	13,157	2
Total – selected countries	99,824	95,034	107,374	113,221	5	113,835	1

Imports in 1,000 tonnes	2019	2020	2021	2022	% change 22:21	Forecast 2023	% change 23:22
China	2,450	5,277	4,328	2,125	-51	2,300	8
Japan	1,493	1,412	1,420	1,523	7	1,470	-3
Mexico	985	945	1,155	1,299	12	1,310	1
UK	876	792	727	778	7	700	-10
South Korea	694	554	570	713	25	715	0
USA	429	410	535	610	14	487	-20
Philippines	222	168	462	560	21	500	-11
Hong Kong	331	378	364	251	-31	300	20
Canada	242	274	263	234	-11	255	9
EU	164	160	98	121	23	100	-17
Brazil	2	2	3	2	-33	2	0
Others	1,425	1,325	1,688	1,678	-1	1,669	-1
Total – selected countries	9,313	11,697	11,613	9,894	-15	9,808	-1

Exports in 1,000 tonnes	2019	2020	2021	2022	% change 22:21	Forecast 2023	% change 23:22
EU	4,266	5,175	4,993	4,172	-16	3,700	-11
USA	2,867	3,302	3,186	2,878	-10	3,136	9
Canada	1,286	1,546	1,483	1,413	-5	1,300	-8
Brazil	861	1,178	1,321	1,319	-0	1,500	14
Mexico	234	344	319	285	-11	260	-9
UK	334	346	256	261	2	200	-23
China	135	100	104	101	-3	110	9
South Korea	2	5	10	8	-20	10	25
Japan	3	4	4	3	-25	3	0
Philippines	1	1	1	1	-	1	0
Others	376	561	540	509	-6	531	4
Total – selected countries	10,365	12,562	12,217	10,950	-10	10,751	-2



EU

Pig meat exports fell by 13 per cent in Q1

The tables below show the EU Commission figures for EU exports of pig meat according to categories, importers and exporters for January-March 2023 compared to the same period in 2022.

Exports are calculated in product weight, with the UK counted as a third market country outside the EU.

By category

Tonnes	Jan-March 2023	Jan-March 2022	% change 23:22
Live pigs	13,402	13,799	-3
Fresh/frozen	583,207	727,397	-20
Bacon	54,716	56,067	-2
Processed	112,352	115,705	-3
By-products	359,532	373,539	-4
Total	1,123,209	1,286,507	-13

Importers of pig meat from EU

Tonnes	Jan-March 2023	Jan-March 2022	% change 23:22
China	336,784	347,090	-3
UK	211,643	212,674	0
Japan	105,691	107,657	-2
Philippines	78,796	112,390	-30
South Korea	63,704	92,508	-31
Australia	26,696	41,250	-35
Ivory Coast	23,637	26,583	-11
USA	22,002	41,825	-47
Hong Kong	19,465	23,006	-15
Taiwan	17,151	27,486	-38
Vietnam	21,849	17,675	24
Others	195,791	236,363	-17
EU-27	1,123,209	1,286,507	-13

Exporters of pig meat from EU

Tonnes	Jan-March 2023	Jan-March 2022	% change 23:22
Spain	369,911	401,711	-8
Denmark	182,939	233,452	-22
Holland	181,617	207,953	-13
Germany	84,080	106,564	-21
France	64,486	78,837	-18
Poland	64,737	70,405	-8
Ireland	56,232	62,087	-9
Italy	21,124	21,384	-1
Belgium	35,172	33,083	6
Austria	12,877	15,259	-16
Hungary	5,089	11,435	-55
Others	44,945	44,337	1
EU-27	1,123,209	1,286,507	-13



JAPAN

Imports of pig meat

The table below shows Japan's total pig meat imports and fresh/frozen pig meat for the period Jan-May 2023 compared to the same period last year.

Total pig meat			
Tonnes	2023 Jan-May	2022 Jan-May	% change 2023:22
USA	151,278	150,838	0.3
Canada	96,908	94,520	2.5
Spain	88,695	75,291	17.8
Mexico	53,765	57,596	-6.7
Denmark	42,082	46,394	-9.3
Holland	15,685	20,030	-21.7
Chile	16,642	12,509	33.0
Brazil	13,922	10,410	33.7
Ireland	6,530	7,577	-13.8
China	5,618	6,281	-10.6
France	7,994	8,035	-0.5
Thailand	3,525	4,135	-14.8
Italy	65	2,922	-97.8
Austria	829	1,640	-49.5
Portugal	262	701	-62.6
Finland	586	387	51.4
UK	260	290	-10.3
South Korea	300	229	31.0
Australia	52	146	-64.4
Belgium	102	0	
Others	100	112	-10.7
Total	505,200	500,043	1.0

0203 Fresh/frozen pig meat			
Tonnes	2023 Jan-May	2022 Jan-May	% change 2023:22
USA	104,184	104,365	-0.2
Canada	90,095	91,404	-1.4
Spain	86,722	73,591	17.8
Mexico	49,002	54,068	-9.4
Denmark	32,972	37,941	-13.1
Holland	12,623	15,240	-17.2
Chile	13,558	9,846	37.7
Brazil	12,075	8,258	46.2
Ireland	3,912	4,888	-20.0
France	7,815	7,927	-1.4
Austria	672	1,511	-55.5
Italy	45	2,377	-98.1
Portugal	216	700	-69.1
Finland	471	247	90.7
UK	260	290	-10.3
Belgium	101	0	
Australia	46	142	-67.6
Others	1	-1	-200.0
Total	414,770	412,794	0.5

Pig meat storage

The table below shows the figures for the development in Japan's pig meat storage until the end of May 2023.

Tonnage	Own production		Imported volumes		Total storage
	Fresh	Frozen	Fresh	Frozen	
End January 20	451	21,023	7,099	180,639	209,212
End February 20	383	22,694	9,249	175,793	208,119
End March 20	403	24,659	7,991	177,084	210,137
End April 20	437	22,687	8,555	192,266	223,945
End May 20	393	20,465	8,663	206,221	235,742
End June 20	365	22,843	9,721	202,144	235,073
End July 20	374	21,004	10,289	193,785	225,452
End August 20	393	19,947	9,955	190,222	220,847
End September 20	361	19,324	9,658	183,728	213,071
End October 20	346	18,987	8,463	176,392	204,188
End November 20	466	18,945	10,867	164,711	194,989
End December 20	498	19,916	10,253	157,644	188,311
End January 21	368	22,065	8,872	151,259	182,564
End February 21	353	22,522	8,912	152,487	184,274
End March 21	444	23,660	11,726	146,154	181,984
End April 21	483	25,110	9,922	149,121	184,636
End May 21	415	25,437	9,863	149,760	185,475
End June 21	414	24,876	9,688	152,751	187,729
End July 21	428	23,498	11,381	149,262	184,569
End August 21	397	22,491	10,986	154,587	188,461
End September 21	433	21,495	11,242	154,249	187,419
End October 21	460	20,899	10,587	150,861	182,807
End November 21	428	21,176	11,010	143,741	176,355
End December 21	561	22,351	9,240	136,436	168,588
End January 22	463	22,763	11,477	142,569	177,272
End February 22	471	22,690	12,061	143,974	179,196
End March 22	623	23,378	12,410	143,684	180,095
End April 22	529	21,703	12,601	157,379	192,212
End May 22	390	22,052	8,210	168,749	199,401
End June 22	469	20,684	11,364	180,913	213,430
End July 22	500	20,479	10,554	189,497	221,300
End August 22	495	19,870	12,013	195,953	228,331
End September 22	351	19,020	10,493	193,979	223,843
End October 22	808	18,890	9,606	186,501	215,805
End November 22	1,015	17,736	13,653	181,903	214,307
End December 22	1,159	18,657	10,793	174,620	205,229
End January 23	814	17,724	11,067	177,599	207,204
End February 23	782	19,123	11,214	177,907	209,026
End March 23	1,016	19,216	12,909	176,663	209,804
End April 23	1,070	19,503	12,096	191,949	224,618
End May 23	1,047	19,146	14,590	209,312	244,095