

MARKET NEWS for pig meat



Market analysis

16 October 2023

Week 42

MARKET SITUATION

Europe: Once again this week, legs and other cuts are being traded at more or less unchanged 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 38	Week 39	Week 40	Weeks 1-40 2023:22
Carcass weight >110 kg	10,544	10,694	9,848	-35.2%
Carcass weight <110 kg	268,559	264,405	271,833	-19.0%
Total	279,103	275,099	281,681	-19.7%

USA

Futures

Chicago (\$ per 100 lbs carcass weight)	Lean Hog			Pork Cutout		
	13/10	6/10	Change	13/10	6/10	Change
2023						
Oct	81.93	82.33	-0.40	92.80	93.90	-1.10
Dec	69.50	73.58	-4.08	79.05	83.68	-4.63
2024						
Feb	74.35	77.58	-3.23	81.73	84.80	-3.07
Apr	81.30	83.00	-1.70	87.58	89.28	-1.70
May	86.63	87.60	-0.97	94.00	93.68	0.32
Jun	94.68	95.25	-0.57	99.90	102.70	-2.80
Jul	95.80	96.35	-0.55	102.28	103.03	-0.75
Aug	95.48	96.00	-0.52	101.05	101.20	-0.15
Oct	83.15	83.05	0.10	92.85	93.00	-0.15
Dec	77.10	76.60	0.50	88.98	89.13	-0.15
2025						
Feb	81.05	80.70	0.35	91.80	91.95	-0.15
Apr	88.00			97.65		

Conversion factors:
1 lb = 0.4536 kg

1 \$ = DKK
7.0868

 **CHINA**

Futures

Dalian (Yuan per kg)	Pigs					
	18/9	25/9	2/10	9/10	16/10	Change 9/10- 16/10
November 2023	16.74	16.78	16.57	15.95	15.74	-0.21
January 2024	17.13	17.21	16.95	16.65	16.82	0.17
March 2024	15.63	15.47	15.20	14.90	15.15	0.25
May 2024	15.93	15.83	15.64	15.58	15.76	0.18
July 2024	16.62	16.56	16.49	16.51	16.50	-0.01
Sept 2024			17.09	17.10	17.03	-0.07

Conversion factors:
1 Y = DKK
0.9698; 1 Y =
DKK 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 23 Sept-6 Oct		Year to date 1 January – 6 Oct		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia			2	35		57	1	67
Latvia		7	8	563	6	913	2	338
Lithuania		25	3	308	16	302		238
Poland	4	44	29	2,307	14	2,152	124	3,023
Italy	1	6	17	796	4	277	1	14
Ukraine	2		17	6	7	2	13	3
Czech Republic				53		1		
Romania	24	4	686	242	329	465	1,648	1,019
Hungary		2		357		550		2,568
Bulgaria		2	3	123	2	387	6	318
Slovakia		6		512	5	550	11	1,622
Serbia	111		762	198	107	146	33	71
Moldova			19	6	14	3	1	
Bosnia-Herzegovina	276		1,145	7				
Croatia	91	1	954	9				
North Macedonia	7		13	32	30	9		
Kosovo			9	4				
Belgium								
Germany		5	1	846	3	1,628	4	2,431

Sweden		9		44				
Greece			6	2				
Total	516	111	3,674	6,450	537	7,442	1,844	11,712

SWEDEN

Authorities begin fencing off the area affected by African Swine Fever

Last Wednesday, the Swedish authorities began fencing off the area affected by African Swine Fever near the town of Fagersta.

Examinations of dead wild boar across the country in the past month have not detected African Swine Fever outside the affected area. Some 49 wild boar in the core area have been found dead with African Swine Fever so far.

When the fencing is completed, the idea is to allow the disease to rage within the affected area so that all remaining wild boar in the area die.

An intensive hunt for wild boar will begin outside the fenced area in order to establish a buffer zone. The idea is to reduce the risk of a wild boar finding its way into the core area and leaving with the infection.

The intensive hunting of wild boar in the neighbouring areas will take place by means of traps and night hunting, reports SVT Nyheter.

EU

EU Commission expects slight rise in EU's pig meat production in 2024

Last week, the EU Commission published its latest Short-Term Outlook for EU agricultural markets with preliminary estimates for 2023 and an outlook for 2024.

The table below shows the EU Commission's outlook for changes in the EU's production, export and consumption of pig meat in 2023 and 2024 compared to previous years.

As can be seen, the Commission expects a fall in the EU's pig meat production of 6.6 per cent in 2023 to be replaced by a slight rise in production in 2024 of 1.6 per cent.

EU-27 pig meat

Carcass weight, 1,000 tonnes	2021	2022	2023 Estimated	% change 2023:22	2024 Outlook	% change 2024:23
Net production	23,616	22,274	20,809	-6.6	21,137	1.6
Imports of pig meat	97	122	97	-20.5	88	-9.3
Exports of pig meat	4,752	3,968	3,333	-16.0	3,499	5.0
Consumption	18,962	18,428	17,574	-4.6	17,725	0.9
Consumption per inhabitant (kg)	33.1	32.1	30.4	-5.3	30.6	0.7
Degree of self-sufficiency (%)	125	121	119		120	

With regard to beef, the EU Commission expects a slight fall in production in 2024 of 0.9 per cent. This follows a 2.6 per cent fall in production in 2023.

With regard to poultry, the EU Commission expects a rise in EU production in 2024 of 1.2 per cent. This follows a 3.3 per cent rise in 2023.



Expected production, consumption and trade in pig meat in 2024

Last week, the USDA updated its quarterly report on its outlook for global production, consumption and trade in pig meat for 2023 and 2024.

The figures cover a number of selected countries with production, consumption and trade stated in carcass weight. Trade only comprises fresh/frozen and processed pig meat. The substantial Chinese imports of by-products are thus not included in the import/export figures.

Pig meat production

For the selected countries as a whole, the USDA expects production of pig meat in 2024 to be unchanged compared to 2023.

Slightly lower production in China and the EU is expected to be largely offset by rises in production for Brazil, Vietnam and the U.S.

China: a modest 1 per cent reduction is expected for 2024. Poor domestic demand has resulted in major financial losses for Chinese pig producers in 2023, states the USDA.

EU: USDA expects a continued fall in production of 2 per cent in 2024. African Swine Fever and new environmental and animal welfare restrictions will have a negative impact on production in 2024.

USA: rising productivity in pig production is expected to contribute to a 2 per cent rise in production in 2024.

Brazil: a substantial rise in production of 5 per cent is expected in 2024. The rise reflects increased pig meat exports to a number of markets at the same time as production costs are expected to fall.

The strong rise in Vietnam's production in 2023 and 2024 reflects in part that the challenges presented by African Swine Fever are declining and in part that domestic demand is increasing after the lifting of Covid restrictions.

Trade in pig meat

USDA expects only a slight rise in international trade in pig meat in 2024. As for individual countries, the expected import and export volumes in 2024 are close to the levels of 2023.

As regards exporting countries, the USDA states that they expect Brazil to gain market shares from the EU and the U.S., particularly in Japan and Mexico.

As regards importing countries, slightly rising imports are expected for China, Hong Kong, Japan and USA while imports are expected to be slightly lower for UK, Canada and Taiwan.

Production in 1,000 tonnes	2020	2021	2022	Expected 2023	% change 23:22	Outlook 2024	% change 24:23
China	36,340	47,500	55,410	56,500	2	55,950	-1
EU	23,219	23,615	22,277	21,500	-3	21,150	-2
USA	12,845	12,560	12,252	12,385	1	12,660	2
Brazil	4,125	4,365	4,350	4,600	6	4,825	5
Russia	3,611	3,700	3,910	3,950	1	4,000	1
Vietnam	2,930	3,084	3,313	3,511	6	3,686	5
Canada	2,115	2,101	2,082	2,050	-2	2,025	-1
Mexico	1,451	1,484	1,530	1,580	3	1,600	1
South Korea	1,403	1,407	1,419	1,380	-3	1,390	1
Japan	1,306	1,318	1,293	1,295	0	1,300	0
Philippines	1,115	1,000	925	950	3	970	2
Others	5,624	5,820	5,772	5,797	0	5,936	2

Total – selected countries	96,084	107,954	114,533	115,498	1	115,492	0
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Consumption in 1,000 tonnes	2020	2021	2022	Expected 2023	% change 23:22	Outlook 2024	% change 24:23
China	41,517	51,724	57,434	58,683	2	58,140	-1
EU	18,204	18,720	18,225	18,400	1	18,050	-2
USA	10,034	9,919	9,957	9,839	-1	10,048	2
Russia	3,468	3,558	3,758	3,755	-0	3,792	1
Brazil	2,949	3,047	3,033	3,152	4	3,297	5
Vietnam	3,057	3,258	3,415	3,606	6	3,786	5
Japan	2,732	2,760	2,765	2,760	-0	2,790	1
Mexico	2,052	2,320	2,544	2,630	3	2,645	1
South Korea	1,976	1,997	2,072	2,073	0	2,080	0
UK	1,430	1,505	1,563	1,440	-8	1,440	0
Philippines	1,268	1,430	1,450	1,443	-0	1,494	4
Others	6,561	7,007	7,023	7,224	3	7,363	2
Total – selected countries	95,248	107,245	113,239	115,005	2	114,925	0

Exports in 1,000 tonnes	2020	2021	2022	Expected 2023	% change 23:22	Outlook 2024	% change 24:23
EU	5,175	4,993	4,173	3,200	-23	3,200	0
USA	3,302	3,186	2,878	3,067	7	3,152	3
Brazil	1,178	1,321	1,319	1,450	10	1,530	6
Canada	1,546	1,483	1,415	1,310	-7	1,305	0
Mexico	344	319	285	260	-9	265	2
UK	346	256	261	175	-33	190	9
Chile	295	268	230	260	13	265	2
China	100	104	101	92	-9	110	20
Russia	156	158	170	210	24	220	5
Australia	34	38	35	45	29	50	11
Singapore	8	15	18	16	-11	16	0
Others	85	79	55	59	7	62	5
Total – selected countries	12,569	12,220	10,940	10,144	-7	10,365	2

Imports in 1,000 tonnes	2020	2021	2022	Expected 2023	% change 23:22	Outlook 2024	% change 24:23
China		4,328	2,125	2,275	7	2,300	1
Japan	1,412	1,420	1,523	1,490	-2	1,510	1
Mexico	945	1,155	1,299	1,310	1	1,310	0
UK	792	727	779	720	-8	710	-1
South Korea	554	570	713	700	-2	705	1
USA	410	535	610	510	-16	533	5
Philippines	168	462	561	480	-14	480	0
Hong Kong	378	364	251	270	8	300	11
Australia	201	210	241	210	-13	210	0
Canada	274	263	234	255	9	250	-2
Chile	135	187	134	165	23	170	3
Others	1,065	1,278	1,327	1,256	-5	1,271	1

Total – selected countries	11,611	11,499	9,797	9,641	-2	9,749	1
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