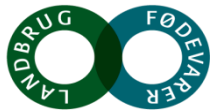


MARKET NEWS for pig meat



Market analysis

1 May 2023

Week 18

MARKET SITUATION

The market situation is unchanged from last week.

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

UK: Sales are good.

China: Very quiet trading continues. **Japan and other Asian markets:** stable 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 14	Week 15	Week 16	Weeks 1-16 2023:22
Carcass weight >110 kg	6,228	9,455	8,527	-44.9%
Carcass weight <110 kg	172,404	232,578	288,001	-15.2%
Total	178,632	242,033	296,528	-16.6%

USA

Futures

Chicago (\$ per 100 lbs carcass weight)	Lean Hog			Pork Cutout		
	28/4	21/4	Change	28/4	21/4	Change
2023						
May	79.65	77.03	2.62	84.65	83.13	1.52
Jun	91.70	86.08	5.62	96.75	91.65	5.10
Jul	93.68	88.80	4.88	99.90	95.55	4.35
Aug	94.68	89.95	4.73	103.18	97.73	5.45
Oct	84.38	80.73	3.65	94.83	91.58	3.25
Dec	80.10	76.80	3.30	89.78	86.40	3.38
2024						
Feb	83.80	80.93	2.87	91.30	87.93	3.37
Apr	87.08	85.15	1.93	93.95	90.58	3.37
May	91.10	90.13	0.97	101.18	97.80	3.38
Jun	95.98	94.20	1.78	106.40	103.03	3.37
Jul	96.00	94.00	2.00	109.30	105.93	3.37
Aug	95.83	94.50	1.33	111.38	108.00	3.38

Conversion factors:
1 lb = 0.4536 kg

\$ = DKK 6.7879

 **China**
Futures

Dalian (Yuan per kg)	Pigs					
	31/3	11/4	19/4	24/4	1/5	Change 24/4-1/5
May 2023	15.08	14.78	15.03	15.38	14.49	-0.89
July 2023	16.80	16.26	16.63	17.07	16.52	-0.55
September 2023	18.02	17.87	17.93	18.00	17.38	-0.62
November 2023	18.69	18.84	18.75	18.78	18.09	-0.69
January 2024	18.94	18.93	18.86	18.70	18.18	-0.52
March 2024	17.36	17.25	17.15	17.01	16.42	-0.59

Conversion factors:
1 Y = DKK
0.9810; 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 15-21 April.

Countries	Period 15 -21 April		Year to date 1 Jan-21 Apr		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia				20		57	1	67
Latvia		5		140	6	913	2	338
Lithuania		12		126	16	302		238
Poland		56	1	1,240	14	2,152	124	3,023
Italy		57	1	373	4	277	1	14
Ukraine			2	2	7	2	13	3
Czech Republic				9		1		
Romania	4	9	66	180	329	465	1,648	1,019
Hungary		7		227		550		2,568
Bulgaria				114	2	387	6	318
Slovakia		23		331	5	550	11	1,622
Serbia	8		47	152	107	146	33	71
Moldova			15	5	14	3	1	
North Macedonia				12	30	9		
Belgium								
Germany		13	1	545	3	1,628	4	2,431
Greece				2				
Total	12	182	133	3,478	537	7,442	1,844	11,712

 **GREECE**
Another case of African Swine Fever

Last week, Greece announced its second case of African Swine Fever. The first was confirmed precisely three years ago in the same region of north-eastern Serres, not far from the border with North Macedonia and Bulgaria. This time, the disease was found in a herd of 675 pigs. The region also recorded cases of African Swine Fever among wild boar earlier this year.

 **SINGAPORE**
African Swine Fever found in imported pigs

Last week, the authorities in Singapore reported that African Swine Fever had been found in imported pigs from Palau Bulan in Indonesia. The discovery was made at a slaughterhouse.

The authorities have stopped all imports of pigs from Palau Bulan, which normally accounts for 15 per cent of pig meat supplies, reports Pig333.

 **GLOBAL**
Rabobank: Consumption under pressure

In their latest quarterly report, Rabobank sees clear signs that consumption is under pressure due to high global inflation.

However, demand for pig meat is less negatively affected than other more income-sensitive proteins such as beef and expensive fish and seafood products. Nevertheless, Rabobank is of the opinion that generally high retail prices are limiting demand for all proteins.

As regards developments in the following countries/areas, Rabobank states the following:

China: Pig meat prices have fallen as a result of weak demand and over supply due to new cases of African Swine Fever. Pig meat production is expected to fall in late Q2 and Q3, which will mean higher pig prices as demand improves.

Europe: Pig meat production is expected to be limited in Q2. Producers' earnings have improved in line with the historically high pig prices.

North America: North American pig meat is highly competitive in export markets. But the rise in pig production will be curbed by poor domestic demand. Pig producers' losses will increase.

Brazil: Pig meat exports continue at a high level. An expected fall in feed prices should improve margins.

Japan: Demand for pig meat is expected to be weaker in Q2. A fall in pig meat imports from Europe is expected as a result of high European prices and high inventories.

South-East Asia: African Swine Fever remains a challenge for the region. Only a weak rise in pig meat production is therefore expected in 2023.

 **USA**
Fire leads to the temporary closure of Tyson slaughterhouse

A fire on 23 April has led to the temporary closure of a slaughterhouse in Nebraska. The plant is expected to remain shut until mid-May.

According to American sources, the plant normally slaughters 8,250 pigs per day, i.e. around 2 per cent of the U.S.'s total slaughtering output.

Tyson is transferring its slaughtering operations to other Tyson plants in Iowa.



USA

Increasing pig meat storage

With the USDA as the source, the table below provides the latest figures for U.S. pig meat storage as on 31 March compared to the previous month and to one year ago.

Total pig meat storage at the end of March was 3 per cent higher compared to the previous month and 10 per cent higher compared to one year ago.

Storage of bellies continues to have a significant impact on overall storage figures: in one year, storage increased by 35 per cent corresponding to more than 20,000 tonnes.

On 31 March, beef storage was 4 per cent lower compared to one month ago and 10 per cent lower compared to one year ago.

Poultry storage was on a par with the previous month and 9 per cent higher compared to one year ago.

1,000 lbs	31 Mar 2022	28 Feb 2023	31 Mar 2023
Picnics	9,216	8,478	11,076
Legs	74,118	85,069	84,701
Bellies	56,836	70,955	76,979
Loins	39,472	42,555	43,335
Ribs	116,768	116,456	111,876
Trimming	52,991	51,089	55,679
Butts	20,670	26,475	23,274
By-products	70,623	69,494	80,024
Other	45,305	49,617	46,972
Total pig meat	485,999	520,188	533,916
Beef	535,839	500,206	480,896
Poultry	1,096,101	1,188,145	1,195,046



USA

Still no Supreme Court decision on higher animal welfare in California

A decision from the Supreme Court is still awaited in the matter brought by the U.S. pig industry (National Pork Producers Council (NPPC) and the American Farm Bureau Federation)) against California's higher sow welfare legislation.

The two organisations believe that the so-called Proposition 12, which prohibits the sale in the state of meat from pigs that have not been born and bred in accordance with the state's animal welfare regulations, is in contravention of national legislation, which gives Congress power to regulate trade between states.

The legislation was adopted by referendum in California in November 2018.

According to Pig333, 10 US states (Arizona, California, Colorado, Florida, Maine, Massachusetts, Michigan, Ohio, Oregon and Rhode Island) have currently passed legislation restricting the use of non-loose housed sows. However, the 10 states account for less than 8 per cent of the country's sows and their share of the total herd is falling.

Only two of the states, California and Massachusetts, have extended the scope of the legislation to cover pig meat sold in the state in addition to housing conditions. However, this legislation has been put on hold until the Supreme Court reaches a decision.

The Supreme Court decision could have a major impact on the entire U.S. pig meat industry as there are 40 million consumers in California alone. The decision will also impact similar planned legislation in a number of other states.

It was previously reported that the US pig meat industry is getting support from the Biden administration and 20 US states. By contrast, the Californian welfare legislation has the support of 14 American states and a number of environmental and animal welfare groups.

