

MARKET NEWS for pig meat



Market analysis

27 February 2023

Week 9

MARKET SITUATION

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

UK: Stable trade at unchanged prices.

China: Very quiet trading continues. **Japan and other Asian markets:** sluggish trade.

Slaughterings in Denmark

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

	Week 5	Week 6	Week 7	Weeks 1-7 2023:22
Carcase weight >110 kg	9,199	6,696	7,223	-54.7%
Carcase weight <110 kg	326,677	319,990	295,758	-12.6%
Total	335,876	326,686	302,981	-15.0%

USA

Futures

Chicago (\$ per 100 lbs carcase weight)	Lean Hog			Pork Cutout		
	24/2	17/2	Change	24/2	17/2	Change
2023						
Apr	86.03	85.28	0.75	92.83	91.80	1.03
May	95.35	94.40	0.95	101.13	100.10	1.03
Jun	103.48	102.73	0.75	106.70	106.30	0.40
Jul	105.83	104.60	1.23	110.33	109.20	1.13
Aug	106.00	104.58	1.42	110.50	109.03	1.47
Oct	92.63	92.30	0.33	100.78	100.35	0.43
dec	84.50	85.00	-0.50	94.25	93.83	0.42
2024						
Feb	87.33	87.83	-0.50	95.78	95.35	0.43
Apr	90.73	91.08	-0.35	97.85	97.43	0.42
May	96.98	97.33	-0.35	105.08	104.65	0.43
Jun	100.23	100.58	-0.35	110.30	109.88	0.42
Jul	101.75	102.10	-0.35	113.20	112.78	0.42

Conversion factors:

1 lb = 0.4536 kg

1 \$ = DKK

7.0424

 **China**
Futures

Dalian (Yuan per kg)	Pigs					
	30/1	6/2	13/2	20/2	27/2	Change 20/2-27/2
March 2023	14.42	14.54	14.69	15.07	14.91	-0.16
May 2023	16.48	16.27	16.98	17.28	17.11	-0.17
July 2023	17.43	17.63	17.67	17.85	17.70	-0.15
September 2023	18.18	18.22	18.09	18.14	18.13	-0.01
November 2023	18.41	18.50	18.33	18.41	18.53	0.12
January 2024	19.20	19.03	18.99	18.96	19.03	0.07

Conversion factors:
1 Y = DKK
1.0189 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 13-18 February.

Countries	Period 13 Feb-18 Feb		Year to date 1 Jan-18 Feb.		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		1		18		57	1	67
Latvia		20		85	6	913	2	338
Lithuania		3		59	16	302		238
Poland		39		536	14	2,152	124	3,023
Italy		29	1	122	4	277	1	14
Ukraine				1	7	2	13	3
Czech Republic				3		1		
Romania	3	18	39	126	329	465	1,648	1,019
Hungary		11		118		550		2,568
Bulgaria				94	2	387	6	318
Slovakia		32		149	5	550	11	1,622
Serbia	3	6	10	72	107	146	33	71
Moldova	1		8	1	14	3	1	
North Macedonia				5	30	9		
Belgium								
Germany		42		309	3	1,628	4	2,431
Greece				2				
Total	7	201	58	1,700	537	7,442	1,844	11,712



December pig census

Eurostat has now published the results of December's 2022 pig census for all EU countries. The results for the individual countries and for the EU as a whole can be seen in the table below. Due to its new calculation method, the results for Italy cannot be compared with the previous year. Italy has therefore been omitted from the EU average calculation.

As always, the results should be taken with caution as they are based on sample counts. Moreover, technical changes in the pig censuses of individual countries can make it difficult to make comparisons with the previous year.

The published results show a decline in both the total population and the breeding herd for almost all EU countries. Only Sweden shows a slight increase in the total population. Among the major pig producing countries, there are significant declines in the total population and breeding herd in Germany and Denmark while Spain and Holland recorded only modest population declines.

Based on the census results, EU pig slaughtering in the first half of 2023 will be significantly lower than the previous year.

'000 head	Total population			Breeding sows			Pregnant sows		
	2022	2021	% change	2022	2021	% change	2022	2021	% change
Spain*	34,075	34,454	-1.1	2,659	2,685	-1.0	1,753	1,759	-0.3
Germany*	21,330	23,762	-10.2	1,395	1,583	-11.9	1,007	1,130	-10.9
Denmark	11,541	13,152	-12.2	1,118	1,235	-9.5	698	777	-10.2
France	12,183	12,941	-5.9	869	928	-6.4	606	647	-6.3
Holland	10,706	10,872	-1.5	888	910	-2.4	561	567	-1.1
Poland	9,624	10,242	-6.0	592	654	-9.5	405	434	-6.7
Italy**	8,739	8,408		693	551		571	464	
Belgium	5,751	6,042	-4.8	365	386	-5.4	300	314	-4.5
Romania*	3,407	3,620	-5.9	282	299	-5.7	172	183	-6.0
Austria	2,650	2,786	-4.9	208	224	-7.1	147	158	-7.0
Hungary	2,558	2,726	-6.2	227	241	-5.8	151	156	-3.2
Portugal*	2,174	2,221	-2.1	224	230	-2.6	152	157	-3.2
Ireland	1,570	1,714	-8.4	127	145	-12.4	88	101	-12.9
Czech Republic	1,329	1,493	-11.0	116	126	-7.9	73	80	-8.8
Sweden	1,416	1,373	3.1	119	121	-1.7	79	80	-1.3
Finland*	998	1,094	-8.8	85	93	-8.6	62	68	-8.8
Croatia*	931	972	-4.2	85	104	-18.3	34	38	-10.5
Greece*	724	759	-4.6	96	104	-7.7	56	58	-3.4
Bulgaria	512	695	-26.3	53	66	-19.7	33	39	-15.4
Lithuania*	515	574	-10.3	39	44	-11.4	31	36	-13.9
Slovakia	381	453	-15.9	36	37	-2.7	20	17	17.6
Cyprus	331	361	-8.3	27	31	-12.9	23	26	-11.5
Latvia*	308	327	-5.8	36	40	-10.0	14	15	-6.7
Estonia	269	308	-12.7	23	26	-11.5	18	21	-14.3
Slovenia*	202	216	-6.5	13	14	-7.1	8	8	0.0
Luxembourg	66	78	-15.4	2	3	-33.3	2	2	0.0
Malta	30	40	-25.0	4	4	0.0	3	3	0.0
EU-26*	125,581	133,275	-5.8	9,688	10,333	-6.2	6,496	6,874	-5.5
EU-27	141,683			10,884			7,338		
Serbia	2,667	2,868	-7.0	370	397	-6.8	156	155	0.6

*=Preliminary figures for 2022

**=New calculation method in 2022

 **JAPAN**
Pig meat imports

The table below shows Japan's total imports of pig meat, including fresh/frozen pig meat, for January 2023 compared to January 2022.

Total pig meat			
Tonnes	2023 Jan	2022 Jan	% change 2023:22
USA	24,048	28,127	-14.5
Canada	20,912	21,070	-0.7
Spain	13,136	14,131	-7.0
Mexico	9,271	10,205	-9.2
Denmark	5,879	6,833	-14.0
Holland	2,502	3,645	-31.4
Chile	2,348	2,687	-12.6
Brazil	2,641	1,959	34.8
Ireland	1,417	1,823	-22.3
China	1,099	1,278	-14.0
France	1,422	1,183	20.2
Thailand	679	698	-2.7
Italy	20	689	-97.1
Austria	264	592	-55.4
Portugal	16	115	-86.1
Finland	166	86	93.0
UK	71	48	47.9
South Korea	34	27	25.9
Australia	1	4	-75.0
Belgium	0	0	-
Others	12	27	-55.6
Total	85,938	95,227	-9.8

0203 Fresh/frozen pig meat			
Tonnes	2023 Jan	2022 Jan	% change 2023:22
USA	18,601	21,821	-14.8
Canada	20,334	20,907	-2.7
Spain	12,942	13,904	-6.9
Mexico	8,351	9,679	-13.7
Denmark	5,123	5,712	-10.3
Holland	2,294	2,879	-20.3
Chile	1,868	2,087	-10.5
Brazil	2,246	1,547	45.2
Ireland	1,296	1,535	-15.6
France	1,396	1,177	18.6
Austria	240	576	-58.3
Italy	0	537	-100.0
Portugal	0	115	-100.0
Finland	120	62	93.5
UK	71	48	47.9
Belgium	0	0	-
Australia	1	0	-
Others	1	1	0.0
Total	74,884	82,587	-9.3



USA

Pig meat storage 19 per cent higher at the end of January compared to one year ago

With the USDA as the source, the table below shows the latest figures for US pig meat storage as at 31 January compared with the previous month and a year ago.

Total pig meat storage as at the end of December was 13 per cent higher than the previous month and 19 per cent higher than a year ago.

Compared to a year ago, stocks of bellies are having a strong impact on the figures. They have increased by 57 per cent in one year and equate to more than 25,000 tonnes.

Beef storage was 2 per cent lower than the previous month, but 1 per cent higher than a year ago.

Poultry storage was 3 per cent higher than the previous month and 13 per cent higher than a year ago.

1,000 lbs	31 Jan 2022	31 Dec 2022	31 Jan 2023
Picnics	5,798	5,734	8,992
Legs	74,775	53,414	78,340
Bellies	44,707	63,015	70,134
Loins	37,636	36,325	43,922
Ribs	96,114	112,495	116,688
Trimnings	48,860	53,075	52,876
Butts	18,664	20,226	27,994
By-products	64,442	67,651	72,655
Other	43,419	44,444	46,116
Total pig meat	434,415	456,379	517,717
Beef	525,724	543,955	532,733
Poultry	1,017,173	1,123,308	1,152,981



USA

The Supreme Court expected to rule on animal welfare legislation in California

According to US media, a decision from the Supreme Court can soon be expected in the case brought by the US pig meat industry, i.e. the National Pork Producers Council (NPPC) and the American Farm Bureau Federation, against California's law on higher welfare for sows.

The two organisations believe that California's animal welfare legislation — known as Proposition 12 - which prohibits the sale in the state of pig meat from pigs that were not born and bred in accordance with the state's animal welfare rules, is in violation of national legislation, which gives Congress the power to regulate trade between states.

The law was passed by referendum in California back in November 2018.

Almost all pig meat produced in the US does not comply with California's animal welfare regulations. Therefore, in order to continue selling pig meat to California's 40 million inhabitants (which represents about 15 per cent of the entire US market) it requires pig producers in the other states to switch to new housing systems for sows.

The decision from the Supreme Court can thus have a major impact on the entire US pig meat industry. The Supreme Court's decision will also affect similar planned legislation in a number of other US states.

The US pig meat industry is getting support for its arguments from the Biden administration and 20 US states. In contrast, the California Animal Welfare Act has the support of 14 US states and a number of environmental and animal welfare groups.

 **CHINA**
Authorities set a target of 41 million sows

International news media report that the Chinese Ministry of Agriculture issued a statement last week stating that the Chinese authorities will try to keep the Chinese sow population at a reasonable level of around 41 million head.

The most recent census from December put the sow population at 43.9 million.

At a previous press briefing in January, China's Ministry of Agriculture urged the country's pig producers to reduce the number of pigs. At the time, according to a ministry spokesman, the population was slightly higher than the desired level.

 **BRAZIL/**  **CHINA**
A case of BSE temporarily halts Brazil's beef exports to China

A case of BSE at a farm in northern Brazil means that last week Brazil halted beef exports to China until further notice.

60 per cent of Brazil's total beef exports went to China in 2022.

 **BRAZIL**
Key figures for Brazil's pig meat market in 2022

According to figures from the Brazilian authorities, Brazilian pig meat production increased by 5.2 per cent in 2022, i.e. from 4.9 million tonnes in 2021 to 5.2 million tonnes in 2022. Pig slaughtering increased by 5.7 per cent from 53 million in 2021 to 56 million in 2022.

Brazilian exports of pig meat fell by 1.6 per cent in 2022, i.e. from 1.11 million tonnes in 2021 to 1.10 million tonnes in 2022.

Brazil's pig meat imports are very limited compared to its exports. Imports increased to 9,760 tonnes in 2022 against 5,630 tonnes in 2021.

Pig meat consumption in the Brazilian market rose by 7 per cent in 2022 to 19.5 kg per capita, i.e. from 3.79 million tonnes in 2021 to 4.07 million tonnes in 2022.

According to figures from the USDA, a 4 per cent increase in Brazilian pig meat exports is forecast for 2023.

 **MEXICO**
Mexico expands opening for Brazilian pig meat

Pig333 reports that Mexico has expanded its market for Brazilian pig meat. Brazil can now export pig meat without the need for products to undergo thermal processing.

Six Brazilian companies have already been approved, and it is expected that the list of approved companies will be further expanded. Approval has been given to Brazilian companies already approved for export to the US and Canada, reports Pig333.

 **MEXICO****Key figures for Mexico's pig market in 2022**

According to figures from the Mexican authorities, Mexican pig meat production increased by 2.6 per cent in 2022, from 1,687 million tonnes in 2021 to 1,731 million tonnes in 2022. The production of beef and poultry also increased - by 2.3 and 3.3 per cent respectively.

Mexican imports of pig meat increased by 9 per cent in 2022, from 1,327 million tonnes in 2021 to 1.446 million tonnes in 2022. Measured in value, imports increased by as much as 25.3 per cent. in 2022.

Mexico's pig meat exports fell by 12 per cent in 2022 - from 0.263 million tonnes in 2021 to 0.231 million tonnes in 2022. The fall in total pig meat exports was largely influenced by a fall in sales to China.

The consumption of pig meat in the Mexican market increased by 7 per cent in 2022, from 2,752 million tonnes in 2021 to 2,945 million tonnes in 2022. Consumption was positively influenced by competitive prices for pig meat compared to prices for beef and poultry.

According to figures from the USDA, a further increase of 4.6 per cent in Mexican pig meat production is forecast for 2023. The strong domestic demand for pig meat means that the USDA only expects a minor decline of 2.7 per cent in Mexican pig meat imports in 2023.