

MARKET NEWS for pig meat



Market analysis

23 January 2023

Week 4

MARKET SITUATION

Europe: the low supplies of pig meat mean that prices are stabilising and appear to be bottoming out. This applies to both legs and other cuts.

UK: Trade is sluggish and at unchanged prices.

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

Slaughtering in Denmark

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

	Week 52	Week 1	Week 2	Weeks 1-2 2023:22
Carcase weight >110 kg	8,102	10,102	9,187	-59.9%
Carcase weight <110 kg	228,801	317,105	323,059	-12.9%
Total	236,903	327,207	332,246	-15.8%

USA

Futures

Chicago (\$ per 00 lbs carcase weight)	Lean Hog			Pork Cutout		
	20/1	13/1	Change	20/1	13/1	Change
2023						
Feb	77.83	78.65	-0.82	85.68	86.90	-1.22
Apr	85.73	87.28	-1.55	93.55	94.13	-0.58
May	93.80	95.15	-1.35	100.70	101.83	-1.13
Jun	102.53	103.88	-1.35	107.30	108.15	-0.85
Jul	104.13	105.78	-1.65	108.85	110.23	-1.38
Aug	103.73	105.63	-1.90	108.38	110.23	-1.85
Oct	91.05	92.33	-1.28	98.60	100.45	-1.85
Dec	83.88	84.40	-0.52	92.08	93.93	-1.85
2024						
Feb	87.28	87.48	-0.20	93.60	95.45	-1.85
Apr	90.63	90.18	0.45	94.30	95.78	-1.48
May	96.88	96.43	0.45	101.53	103.00	-1.47
Jun	103.50	103.20	0.30	106.75	108.23	-1.48

Conversion factors:

1 lb = 0.4536 kg

1 \$ = DKK

6.8715

 **China**
Futures

Dalian (Yuan per kg)	Pigs					
	26/12	2/1	9/1	16/1	23/1	Change 16/1-23/1
March 2023	16.81	16.15	15.76	15.18	15.26	0.08
May 2023	17.98	17.34	17.37	17.17	17.02	-0.15
July 2023	17.54	17.09	17.51	17.67	17.80	0.13
September 2023	17.66	17.32	17.73	18.00	18.12	0.12
November 2023	17.52	17.40	17.55	18.08	18.25	0.17
January 2024					18.76	

Conversion factors:
1 Y = DKK
1.0132: 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 8–14 January.

Countries	Period 8 Jan -14 Jan		Year to date 1 Jan -14 Jan		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		3		5		57	1	67
Latvia		5		20	6	913	2	338
Lithuania		2		13	16	302		238
Poland		70		152	14	2,152	124	3,023
Italy		7		20	4	277	1	14
Ukraine					7	2	13	3
Czech Republic				2		1		
Romania	14	17	23	27	329	465	1,648	1,019
Hungary		14		45		550		2,568
Bulgaria		42		67	2	387	6	318
Slovakia		33		55	5	550	11	1,622
Serbia					107	146	33	71
Moldova	1		2		14	3	1	
North Macedonia					30	9		
Belgium								
Germany		54		63	3	1,628	4	2,431
Greece								
Total	15	247	25	469	537	7,442	1,844	11,712


VIETNAM
Pig price falls below production costs

Asian Agribusiness reports that low demand is having an adverse impact on pig prices in Vietnam. In the run-up to the Tet holiday, prices fell below production costs and averaged USD 2.18/kg live weight.

The supply of pig meat is expected to remain stable in Q1 2023, but live prices will remain below production costs.

In November, the Vietnamese authorities reported that, at the end of October, the pig population was 13.6 per cent higher compared to one year ago. In the first three quarters of 2022, pig slaughtering totalled 3.23 million tonnes, which is a rise of 5.8 per cent compared to the same period last year.


VIETNAM
Exports of pigs to China expected

Asian Agribusiness reports that Vietnam expects to export more pigs to China following the lifting of Covid restrictions.

Both countries are in negotiation to facilitate official exports, says Vietnam's Department of Animal Health.

Currently, no official agreement between the two countries exists which permits such exports.


CHINA
China's pig meat production rose 4.6 per cent in 2022

Figures from China's National Bureau of Statistics (NBS) show that Chinese production of pig meat rose by 4.6 per cent to 55.41 million tonnes in 2022. Totalling almost 700 million, pig slaughtering was 4.3 per cent up on last year.

China's pig population totalled 452.65 million at the end of December, which is a rise of 0.7 per cent compared to one year ago.


CHINA
Authorities urge pig producers to reduce sow numbers

At a press briefing last week, a spokesperson from China's Ministry of Agriculture urged the country's pig producers to reduce the number of sows.

China's sow population stood at almost 44 million at the end of December which, according to the spokesperson, is slightly higher than the desired level.

According to the Ministry's figures, the Chinese pig price has fallen for 11 weeks in a row to a level of 16.3 yuan per kg/live weight by mid-January. This is below production costs, which average 16.7 yuan.

The spokesperson also stated that the authorities will take steps to acquire pig meat for the state's reserves to support prices.

 **CHINA**

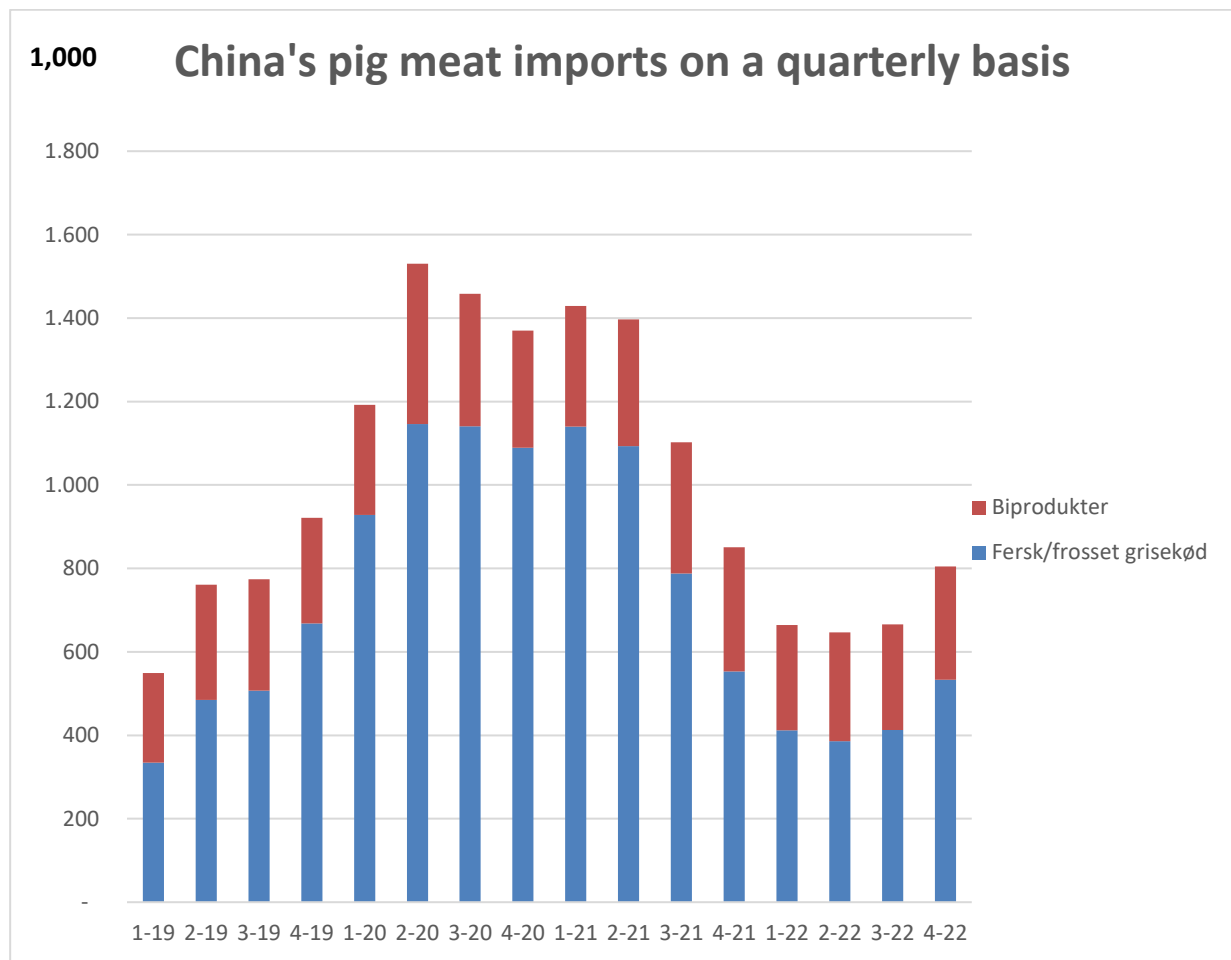
Fall in China's pig meat imports in 2022 – but a slight rise in imports in Q4 2022

Last week, the Chinese authorities published import figures for 2022, which show that pig meat imports were significantly lower than previous years.

The chart below shows the quarterly development in China's pig meat imports since Q1 2019 according to fresh/frozen pig meat (product code 0203) and by-products (product code 020649).

As can be seen, China's pig meat imports saw a substantial fall after peaking from Q2 2020 to Q2 2021. There was, however, a slight rise in Q4 2022 compared to the first three quarters of 2022.

Imports of fresh/frozen pig meat saw the most substantial fall, but imports of by-products were more stable in the individual quarters.



Key: Biprodukter – By-products: Fersk/frosset grisekød – Fresh/frozen pig meat

The next page shows Chinese imports of fresh/frozen pig meat and by-products for Jan-Dec 2022 compared to the same period in the two previous years.

0203				
Fresh/frozen				
Tonnes	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2022	% change 22:21
Spain	933,837	1,097,891	469,109	-57,3
Brazil	480,608	546,477	416,711	-23,7
Denmark	359,596	351,820	194,160	-44,8
USA	696,110	397,908	126,078	-68,3
Holland	264,736	276,880	122,971	-55,6
Canada	410,539	235,796	113,959	-51,7
UK	116,221	99,111	74,313	-25,0
Chile	164,599	137,654	71,866	-47,8
France	127,294	152,780	64,120	-58,0
Ireland	65,080	68,270	37,282	-45,4
Mexico	103,670	70,510	20,024	-71,6
Austria	39,673	44,766	16,265	-63,7
Finland	19,784	20,060	7,351	-63,4
Portugal	20,970	24,454	5,647	-76,9
Italy	15,345	25,436	2,407	-90,5
Switzerland	889	1,114	1,065	-4,4
Germany	462,346	2,432	48	-98,0
Others	22,365	21,025	165	-99,2
Total	4,303,662	3,574,384	1,743,541	-51,2

020649				
By-products pigs				
Tonnes	Jan-Dec 2020	Jan-Dec2021	Jan-Dec2022	% change 22:21
USA	247,515	332,126	264,772	-20.3
Spain	235,784	281,890	220,092	-21.9
Denmark	148,479	159,695	156,807	-1.8
Holland	107,284	121,552	110,137	-9.4
France	77,718	87,680	76,944	-12.2
UK	58,583	47,889	52,853	10.4
Canada	108,776	48,777	52,397	7.4
Chile	39,148	45,100	38,298	-15.1
Ireland	24,840	27,956	23,499	-15.9
Brazil	12,662	20,945	22,003	5.1
Finland	6,970	9,631	10,185	5.8
Mexico	3,552	4,852	3,517	-27.5
Italy	9,764	13,012	2,433	-81.3
Germany	163,937	712		
Others	1,586	3,406	3,921	15.1
Total	1,246,598	1,205,223	1,037,858	-13.9



Pig meat exports fell by 18 per cent in the first 11 months of 2022

The tables below show the EU's figures for exports of pig meat according to categories, importers and exporters for January-November 2022 compared to the same period last year.

Exports are according to product weight and do not include the UK.

As can be seen, there was an 18 per cent fall in EU exports for Jan-Nov 2022 compared to the same period last year. The fall is due to a decline in exports to China while there was a rise in exports to a number of Asian markets and to Australia and Ukraine.

By category

Tonnes	Jan-Nov 2022	Jan-Nov 2021	% change 22:21
Live pigs	17,767	11,780	51
Fresh/frozen	2,275,076	2,917,288	-22
Bacon	45,739	42,668	7
Processed	176,660	170,698	3
By-products	1,298,857	1,489,754	-13
Total	3,814,099	4,632,187	-18

Importers of pig meat from EU

Tonnes	Jan-Nov 2022	Jan-Nov 2021	% change 22:21
China	1,357,363	2,356,110	-42
Philippines	379,126	303,847	25
Japan	370,169	294,896	26
South Korea	264,026	222,166	19
Australia	122,359	93,420	31
USA	113,155	116,614	-3
Ukraine	95,320	84,792	12
Vietnam	84,842	127,077	-33
Taiwan	65,136	59,372	10
Others	797,870	838,975	-5
EU-27	3,814,099	4,632,187	-18

Exporters of pig meat from EU

Tonnes	Jan-Nov 2022	Jan-Nov 2021	% change 22:21
Spain	1,381,863	1,694,668	-18
Denmark	650,930	790,080	-18
Holland	604,599	636,520	-5
Germany	247,890	377,090	-34
France	239,237	308,369	-22
Poland	188,564	220,440	-14
Ireland	123,336	137,013	-10
Italy	71,131	115,627	-38
Belgium	57,006	66,304	-14
Austria	52,804	78,265	-33
Hungary	35,855	40,351	-11
Others	160,884	167,460	-4
EU-27	3,814,099	4,632,187	-18



Fall in piglet exports in 2022

With the Dutch authorities RVO (Rijksdienst Voor Ondernemend – Netherlands Enterprise Agency) as the source, the table below shows the preliminary figures for Dutch exports of live pigs for 2022 compared to 2021.

Dutch exports of piglets fell from 6,260 million in 2021 to 5,690 million in 2022: a fall of 570,000 corresponding to 9.1 per cent. This is due to the fact that exports of piglets to Germany declined by 619,000 to 2.9 million. Exports to Belgium and Italy also saw a fall whereas exports to Spain and Romania increased.

Exports of finishers from Holland in 2022 rose by almost 100,000 to 817,960. There were increases to Spain, Poland, Belgium and Italy while exports to Germany decreased at approximately the same level as last year.

Exports of slaughter sows saw a slight fall in 2022. Germany imported more sows from Holland whereas there was a fall in Dutch exports of sows to Croatia and Spain.

Exports of piglets

	2022	2021	% change 2022:21
Germany	2,945,025	3,564,102	-17.4
Spain	1,697,247	1,550,830	9.4
Belgium/Luxembourg	642,596	766,615	-16.2
Romania	155,220	58,768	164.1
Italy	69,087	96,796	-28.6
Slovenia	55,614	48,899	13.7
Austria	49,131	47,064	4.4
Others	180,904	223,511	-19.1
Total	5,690,079	6,260,622	-9.1

Exports of finishers

	2022	2021	% change 2022:21
Germany	553,760	559,208	-1.0
Spain	94,217	48,238	95.3
Belgium/Luxembourg	67,205	50,796	32.3
Poland	65,331	24,107	171.0
Italy	24,789	21,806	13.7
Others	12,658	17,238	-26.6
Total	817,960	721,393	13.4

Exports of sows

	2022	2021	% change 2022:21
Germany	199,106	183,143	8.7
Croatia	146,789	157,045	-6.5
Spain	50,056	84,966	-41.1
Italy	48,191	46,268	4.2
Belgium/Luxembourg	24,769	29,180	-15.1
Others	14,375	12,307	16.8
Total	483,286	512,909	-5.8



USA

USDA expects production of American pig meat to rise by 2 per cent in 2023

In their latest Outlook Report, the USDA reports that American pig slaughtering in 2023 (measured in carcass weight) will be 2 per cent higher than in 2022.

The table below shows the USDA's outlook for pig slaughtering per quarter compared to previous years.

Pig meat million lbs	2021	2022	2023	% change 2023:22
Q1	7,292	6,904	7,040	2.0
Q2	6,668	6,639	6,575	-1.0
Q3	6,530	6,533	6,650	1.8
Q4	7,185	6,920	7,215	4.3
Whole year	27,675	26,996	27,480	1.8

In addition to pig meat, the USDA also expects a rise in production of chickens and turkeys in 2023. However, American production of beef is expected to decline significantly.

Million lbs	2021	2022	2023	% change 2023:22
Pig meat	27,675	26,996	27,480	1.8
Beef	27,948	28,302	26,445	-6.6
Chicken	44,899	46,245	46,900	1.4
Turkey	5,558	5,223	5,560	6.5
Lamb and Mutton	138	131	128	-2.3