

# MARKET NEWS for pig meat



Market analysis

27 December 2023 Week 52

## MARKET SITUATION

**Europe:** The usual post-Christmas lull in trading this week. The trading that is taking place is at largely unchanged prices.

**UK:** Sales are stable.

**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 48	Week 49	Week 50	Weeks 1-50 2023:22
Carcass weight >110 kg	11,555	11,310	11,438	-30.8%
Carcass weight <110 kg	285,740	294,526	285,728	-18.1%
Total	297,295	305,836	297,166	-18.6%



## Futures

Chicago (\$ per 100 lbs carcass weight)	Lean Hog			Pork Cutout		
	22/12	15/12	Change	22/12	15/12	Change
<b>2024</b>						
Feb	71.35	71.90	-0.55	81.73	81.73	0.00
Apr	77.58	78.63	-1.05	83.95	83.90	0.05
May	83.95	84.70	-0.75	90.55	90.50	0.05
Jun	92.30	93.20	-0.90	97.15	97.08	0.07
Jul	93.95	94.58	-0.63	99.73	99.50	0.23
Aug	94.30	94.88	-0.58	100.15	99.75	0.40
Oct	81.88	81.93	-0.05	91.95	91.55	0.40
Dec	74.53	74.75	-0.22	88.08	87.68	0.40
<b>2025</b>						
Feb	77.90	78.15	-0.25	90.90	90.50	0.40
Apr	81.40	81.65	-0.25	96.75	96.35	0.40
May	88.28			103.35		
Jun	96.33			109.68		

Conversion factors:  
1 lb = 0.4536 kg

1 \$ = DKK  
6.7640

 **CHINA**

**Futures**

Dalian (Yuan per kg)	Pigs					
	27/11	4/12	11/12	18/12	26/12	Change 18/12- 26/12
January 2024	15.55	13.91	14.13	14.80	14.06	-0.74
March 2024	14.59	13.52	14.22	14.42	14.05	-0.37
May 2024	15.18	14.60	15.25	15.36	15.28	-0.08
July 2024	16.21	15.72	16.23	16.33	16.15	-0.18
September 2024	17.31	16.94	17.29	17.33	17.06	-0.27
November 2024		17.30	17.39	17.33	17.21	-0.12

Conversion factors:  
1 Y = DKK  
0.9481: 1 Y =  
EUR 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 9 Dec-16 Dec		Year to date 1 Jan - 16 Dec		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		3	2	52		57	1	67
Latvia		23	8	713	6	913	2	338
Lithuania		24	3	424	16	302		238
Poland		42	30	2,659	14	2,152	124	3,023
Italy		22	17	964	4	277	1	14
Ukraine		1	35	8	7	2	13	3
Czech Republic				55		1		
Romania	4	8	737	283	329	465	1,648	1,019
Hungary				395		550		2,568
Bulgaria		27	3	303	2	387	6	318
Slovakia		2		537	5	550	11	1,622
Serbia			977	204	107	146	33	71
Moldova			19	6	14	3	1	
Bosnia-Herzegovina	22	6	1,508	22				
Croatia			1,124	10				
North Macedonia			15	36	30	9		
Kosovo			9	4				
Belgium								
Germany		6	1	891	3	1,628	4	2,431
Sweden				60				

			3					
Greece			6	2				
<b>Total</b>	<b>26</b>	<b>164</b>	<b>4,494</b>	<b>7,628</b>	<b>537</b>	<b>7,442</b>	<b>1,844</b>	<b>11,712</b>

## GERMANY

### Stabilisation in German pig population

Last week, the German authorities published preliminary figures for the German pig population as at 3 November 2023 compared to one year ago.

The figures show that the sharply declining pig population of recent years has now been replaced by a more stable population.

The population stands at 21,216 million head as at 3 November 2023, which is 0.7 per cent lower compared to one year ago. With regard to the two previous censuses, the population – compared to last year – was down 10.1 per cent in November 2022 and 6.2 per cent in May 2023.

At -0.2 per cent, the breeding population as regards the November 2023 census was largely unchanged from last year. As regards 1<sup>st</sup> time gestating sows and gilts, there is thus an increase of 4.6 per cent and 5.6 per cent respectively. This should be viewed against the background of an uplift in the economy of pig production in 2023.

The unchanged breeding population encompasses differences in developments in individual German states. In Bayern and Lower Saxony, the breeding population declined whereas there was a rise in North-Rhine Westphalia and Saxony-Anhalt.

The number of pig farms in Germany in one year fell by 4.1 per cent from 16,900 to 16,200, reveals the preliminary figures. Finisher farms fell by 4.9 per cent over the year from 14,300 to 13,600 while sow farms fell 5.5 per cent from 5,500 to 5,200.

1000 head	November census		
	2023	2022	% change
Pigs	6,401.6	6,368.0	0.5
Pigs under 50 kg	3,825.9	3,866.2	-1.0
Finishers over 50 kg	9,575.5	9,716.4	-1.5
- 50-80 kg	4,215.9	4,247.1	-0.7
- 80-110 kg	4,187.3	4,305.5	-2.7
- over 110 kg	1,172.4	1,163.8	0.7
Breeding pigs	1,412.6	1,415.6	-0.2
- Breeding sows	1,397.3	1,401.1	-0.3
- - Gestating sows	999.9	1,008.7	-0.9
- - - 1st time gestating sows	164.2	157.0	4.6
- - - Other gestating sows	835.7	851.7	-1.9
- - Non-gestating sows	397.3	392.3	1.3
- - - Gilts	168.3	159.3	5.6
- - - Sows	229.0	233.0	-1.7
- Boars	i.o.	14.6	
<b>Total</b>	<b>21,215.7</b>	<b>21,366.3</b>	<b>-0.7</b>

The number of boars was not estimated in 2023 because the random sample was too small.

## USA

### Decline in breeding population, but unchanged overall pig population

The results of the U.S. pig census from 1 December 2023 were published on 23 December by the USDA.

Compared to the corresponding census from one year ago, the result shows an unchanged population, while the breeding herd fell by 3.3. per cent.

Expected farrowings for the current quarter are 1.8 per cent lower than the same quarter last year, while the expected farrowings for the coming quarter are 1.2 per cent lower than last year.

1000 head	2023 1 Dec	2022 1 Dec	% change
Breeding population	5,999	6,204	-3.3
Piglets and finishers	68,973	68,752	0.3
Total	74,971	74,956	0.0
	<b>2023/24</b>	<b>2022/23</b>	
Expected farrowings:			
Dec-Feb	2,900	2,952	-1.8
Mar-May	2,907	2,941	-1.2

The results of the 1 December pig census indicate that U.S. pig production for the 1st half year 2024 will be close to the level of the same period last year.

US analysts had previously indicated a slight fall (-0.7 per cent) in the overall US pig population in the December census.

It seems that the poor performance of U.S. pig production in 2023 has so far only resulted in a limited decline in the breeding population – a decline that is offset by rising productivity.



## USA

### Pig meat storage 8 per cent lower compared to one year ago

With the USDA as the source, the table below shows the latest figures for U.S. storage of pig meat as at 30 November compared to the previous month and to one year ago.

Total pig meat storage at the end of November was 8 per cent lower compared to one year ago. Compared to the previous month, storage was down 5 per cent.

Beef storage as at 30 November was 2 per cent higher than the previous month but 13 per cent lower than one year ago. As regards poultry, storage fell by 8 per cent compared to the previous month but is 3 per cent higher than one year ago.

1,000 lbs	30 November 2022	31 October 2023	30 November 2023
Picnics	4,854	6,725	7,253
Legs	55,284	113,570	58,251
Bellies	54,429	28,061	46,976
Loins	39,379	39,335	40,516
Ribs	111,143	70,095	76,667
Trimmings	44,744	37,795	44,724
Butts	22,273	19,526	19,073
By-products	73,529	73,553	74,409
Other	45,963	49,241	48,225
<b>Total pig meat</b>	<b>451,598</b>	<b>437,901</b>	<b>416,094</b>
Beef	523,249	445,668	454,662
Poultry	1,052,878	1,180,910	1,086,705



## CHINA

Wen's to invest in increased slaughtering capacity

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China's second largest pig producer, Wen's Food Group, has, through its subsidiary Jiarun Meat Qujing Jingbao Food Co, recently commissioned a new slaughter line for 1 million pigs per year, reports international news media.

This is part of a plan whereby Wen's – through its subsidiary – is to expand its substantial pig production by the slaughtering and subsequent processing of pig meat. Wen's subsidiary was established in Qujing City in 2019 and operates in South-Western China in Yunnan province.

The commissioning of the new line will bring slaughtering capacity up to 4 million pigs. A further three slaughtering lines with 1 million pigs for each has been planned. This will bring slaughtering capacity up to 7 million head. In 2022, Wen's produced 18 million pigs.

Wen's investments in its own slaughtering capacity have occurred at the same time that the company, like other large Chinese pig producers, realised massive losses on their pig production in 2023.

## CHINA

### **Purchase of pig meat**

The Chinese authorities have announced that 23,000 tonnes of pig meat was purchased on 25 December for the state's strategic reserves.

This is an attempt to strengthen the pig price which has fallen to an unsustainable level for pig producers.

According to China's National Development and Reform Commission, the ratio between the pig price and the price of feed is somewhere between 5:1 and 6:1. The low price level resulted in the authorities announcing at the beginning of December that they were initiating measures to strengthen the pig price.

## CHINA

### **China is developing vaccine against African Swine Fever**

Pig Progress reports that Chinese scientists are in the process of developing a new vaccine against African Swine Fever.

So far, only Vietnam has approved and used a vaccine against African Swine Fever.

## BRAZIL

### **Expects pig meat production to rise by 1 per cent next year**

The Brazilian trade organisation, Brazilian Animal Protein Association (ABPA), expects Brazil's pig meat production to rise by 1 per cent to 5.15 million tonnes in 2024.

ABPA expects unchanged sales of pig meat to the home market of around 3.8 million tonnes next year, while exports of pig meat are expected to rise by 6.6 per cent to 1.3 million tonnes.

A rise in production of 2.3 per cent to 5.1 million tonnes is expected for 2023. According to ABPA, exports are estimated to rise by 8.9 per cent to 1.22 million tonnes this year.

## **BANGLADESH**

### **First case of African Swine Fever**

According to the World Organisation for Animal Health (WOAH), Bangladesh has officially reported its first case of African Swine Fever in the country. The virus was reported at a farm of 414 pigs in the town of Rangamati in the south-east of the country.