

# MARKET NEWS for pig meat



Market analysis

2 October 2023

Week 40

## MARKET SITUATION

**Europe:** Once again this week, legs are being traded at slightly rising or unchanged prices. Other cuts are being traded at 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 36	Week 37	Week 38	Weeks 1-38 2023:22
Carcass weight >110 kg	9,927	10,293	10,542	-36.0%
Carcass weight <110 kg	246,360	251,551	268,256	-19.1%
Total	256,287	261,844	278,798	-19.9%

## USA

### Futures

Chicago (\$ per 100 lbs carcass weight)	Lean Hog			Pork Cutout		
	29/9	22/9	Change	29/9	22/9	Change
<b>2023</b>						
Oct	80.20	81.53	-1.33	91.35	92.20	-0.85
Dec	71.78	72.18	-0.40	82.00	82.73	-0.73
<b>2024</b>						
Feb	75.45	75.35	0.10	83.38	83.55	-0.17
Apr	80.93	81.28	-0.35	87.33	87.65	-0.32
May	85.95	86.43	-0.48	92.23	92.05	0.18
Jun	94.13	94.00	0.13	101.73	102.13	-0.40
Jul	95.23	94.70	0.53	101.98	102.38	-0.40
Aug	94.78	93.95	0.83	100.15	100.55	-0.40
Oct	81.63	81.13	0.50	91.95	92.35	-0.40
Dec	75.80	75.45	0.35	88.08	88.48	-0.40
<b>Feb 2025</b>	79.90	79.55	0.35	90.90	91.30	-0.40

Conversion factors:

1 lb = 0.4536 kg

1 \$ = DKK

7.0390

 **CHINA**
**Futures**

Dalian (Yuan per kg)	Pigs					
	4/9	11/9	18/9	25/9	2/10	Change 25/9-2/10
November 2023	16.78	16.70	16.74	16.78	16.57	-0.21
January 2024	17.35	17.13	17.13	17.21	16.95	-0.26
March 2024	15.82	15.73	15.63	15.47	15.20	-0.27
May 2024	16.16	16.02	15.93	15.83	15.64	-0.19
July 2024	16.66	16.61	16.62	16.56	16.49	-0.07
September 2024					17.09	

Conversion factors:  
1 Y = DKK  
0.9640: 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.

Country	Period 9–22 September		Year to date 1 January - 22 Sept		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Svin	Vildsvin
<b>Estonia</b>			2	35		57	1	67
<b>Latvia</b>		30	8	556	6	913	2	338
<b>Lithuania</b>		19	3	283	16	302		238
<b>Poland</b>	3	60	25	2.263	14	2.152	124	3.023
<b>Italy</b>	1	2	16	790	4	277	1	14
<b>Ukraine</b>	1		15	6	7	2	13	3
<b>Czech Republic</b>				53		1		
<b>Romania</b>	72	5	662	238	329	465	1,648	1,019
<b>Hungary</b>		3		355		550		2,568
<b>Bulgaria</b>			3	121	2	387	6	318
<b>Slovakia</b>		7		506	5	550	11	1,622
<b>Serbia</b>	143		651	198	107	146	33	71
<b>Moldova</b>			19	6	14	3	1	
<b>Bosnia-Herzegovina</b>	299		869	7				
<b>Croatia</b>	194	2	863	8				
<b>North Macedonia</b>	1	8	6	32	30	9		
<b>Kosovo</b>	1		9	4				
<b>Belgium</b>								
<b>Germany</b>		9	1	841	3	1,628	4	2,431
<b>Sweden</b>		34		35				
<b>Greece</b>			6	2				

Total	715	179	3,158 <sup>3</sup>	6,339	537	7,442	1,844	11,712
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## CHINA/ RUSSIA

### **China gives the go-ahead for pig meat imports from Russia**

Last week, China's General Administration for Customs announced that they will allow imports of pig meat from regions in Russia that are free from African Swine Fever.

Although the decision takes immediate effect, it is expected to take up to two months before imports get underway. The first step is to negotiate a veterinary certificate for Russian pig meat.

The agreement with Russia is the first time for China to allow imports of pig meat from a country hit by African Swine Fever.

Only France (following a visit by President Macron to Beijing) has been able to negotiate a regionalisation agreement with the Chinese authorities. An agreement that will be put to the test should France ever be hit by African Swine Fever.

The agreement with China may accelerate the Russian transition from being a net importer of pig meat (until 2020) to now being a net exporter of pig meat.

## CHINA

### **Slight fall in sow population**

According to Reuters, citing China's Agriculture Ministry, China's sow population totalled 42.41 million in August.

This is a fall of 0.7 per cent compared to the previous month and a fall of 1.9 per cent compared to one year ago.

## SWEDEN

### **African Swine Fever remains in the same area**

According to Swedish media, African Swine Fever in dead wild boar continues to be confined to the same area of Fagersta.

At the weekend, around 350 hunters found a further three dead wild boar in the area.

The authorities expect to start enclosing the affected area of approx. 100 km<sup>2</sup> with an electric fence. The measure is expected to be in place for up to two years.

## USA

### **Pig census 1 September 2023**

The result of the American pig census of 1 September 2023 was published on Thursday last week by the USDA.

The result of the census shows – compared to the same census last year – a slight rise of 0.3 per cent in the total pig population while the breeding herd fell by 1.2 per cent.

Projected farrowings for the current quarter are 5.2 per cent lower than the same quarter last year while projected farrowings for the coming quarter are 1.4 per cent lower than last year.

'000 head	2023 1 Sept	2022 1 Sept	% change
Breeding herd	6,079	6,152	-1.2
Piglets and finishers	68,241	67,973	0.4
Total	74,320	74,125	0.3
	2023/24	2022/23	
Expected farrowings:			
Sept-Nov	2,930	3,092	-5.2
Dec-Feb	2,912	2,952	-1.4

The result of the 1 September pig census indicates that U.S. pig production for the last quarter this year and the first half of next year will be largely on a par with the same period last year.

American analysts had previously indicated that they expected a slight fall (-0.7 per cent) in the total US pig population, which put pressure on U.S. futures prices following increases earlier in the week.

## USA

### **Pig meat storage on a par with the previous month – but 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 31 August compared to the previous month and to one year ago.

As at the end of August, total pig meat storage was on a par with the previous month and 13 per cent lower compared to one year ago.

Beef storage as at 31 August was 3 per cent higher than the previous month but 18 per cent lower than one year ago. As regards poultry, storage is on a par with the previous month and 1 per cent higher compared to one year ago.

1,000 lbs	31 August 2022	31 July 2023	31 August 2023
Picnics	6,958	8,507	8,649
Legs	163,992	137,646	153,959
Bellies	35,684	51,169	36,872
Loins	33,651	34,065	34,090
Ribs	108,107	64,892	56,825
Trimming	44,001	47,142	40,984
Butts	16,842	15,870	17,130
By-products	81,823	66,993	74,733
Other	51,543	44,480	47,849
<b>Total pig meat</b>	<b>542,601</b>	<b>470,764</b>	<b>471,091</b>
Beef	513,788	410,459	421,627
Poultry	1,272,356	1,287,665	1,284,383

## PHILIPPINES

### **USDA: Only slight rise in Philippines' pig meat production expected in 2024**

The USDA has updated its outlook for the Philippines' production and imports of pig meat in 2023 and 2024.

With regard to production, the USDA expects pig meat production will increase from 925,000 tonnes in 2022 to 950,000 tonnes in 2023 and 970,000 tonnes in 2024. In other words, a slow return to a more normal state of production after major problems with African Swine Fever.

However, the USDA states that if the authorities succeed with a successful vaccine strategy, production can rise faster.

On the import side, the USDA expects that imports in 2022 of 560,000 tonnes carcass weight for 2023 and 2024 will be replaced by imports of 525,000 tonnes and 500,000 tonnes respectively.

However, this is with the proviso that the temporary lower import duties for pig meat will be replaced with a higher duty from 1 January 2024, as is the plan.

For the first half year of this year, imports fell by 29 per cent from 337,000 tonnes to 238,000 tonnes.

Assuming that the temporary import duty only operates until the end of the year, the USDA thus expects an increase in imports in the second half of the year until the new year.

A number of industry sources from the Philippines have, however, expressed that they are optimistic about a possible extension of the lower import duty after new year.