

# MARKET NEWS for pig meat



Market analysis

8 May 2023

Week 19

## MARKET SITUATION

The market situation is unchanged from previous weeks.

**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 15	Week 16	Week 17	Weeks 1-17 2023:22
Carcass weight >110 kg	9,887	10,783	10,298	-43.3%
Carcass weight <110 kg	232,626	292,989	297,012	-15.2%
Total	242,513	303,772	307,310	-16.6%

## USA

### Futures

Chicago (\$ per 100 lbs carcass weight)	Lean Hog			Pork Cutout		
	5/5	28/4	Change	5/5	28/4	Change
<b>2023</b>						
May	75.53	79.65	-4.12	81.20	84.65	-3.45
Jun	83.78	91.70	-7.92	88.08	96.75	-8.67
Jul	82.43	93.68	-11.25	91.28	99.90	-8.62
Aug	86.38	94.68	-8.30	93.70	103.18	-9.48
Oct	78.40	84.38	-5.98	88.70	94.83	-6.13
Dec	75.28	80.10	-4.82	84.98	89.78	-4.80
<b>2024</b>						
Feb	79.80	83.80	-4.00	87.65	91.30	-3.65
Apr	83.73	87.08	-3.35	90.83	93.95	-3.12
May	88.13	91.10	-2.97	98.05	101.18	-3.13
Jun	93.00	95.98	-2.98	103.28	106.40	-3.12
Jul	93.00	96.00	-3.00	106.18	109.30	-3.12
Aug	92.50	95.83	-3.33	108.25	111.38	-3.13

Conversion factors:  
 1 lb = 0.4536 kg  
 1 \$ = DKK  
 6.7277

 **China**
**Futures**

Dalian (Yuan per kg)	Pigs					
	11/4	19/4	24/4	1/5	5/5	Change 1/5-5/5
May 2023	14.78	15.03	15.38	14.49	14.39	-0.10
July 2023	16.26	16.63	17.07	16.52	15.98	-0.54
September 2023	17.87	17.93	18.00	17.38	17.00	-0.38
November 2023	18.84	18.75	18.78	18.09	17.98	-0.11
January 2024	18.93	18.86	18.70	18.18	18.21	0.03
March 2024	17.25	17.15	17.01	16.42	16.41	-0.01

Conversion factors:  
 1 Y = DKK  
 0.9734 1 Y =  
 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 22-28 April.

Countries	Period 22 - 28 April		Year to date 1 Jan-28 April		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
<b>Estonia</b>				20		57	1	67
<b>Latvia</b>		3		143	6	913	2	338
<b>Lithuania</b>		1		127	16	302		238
<b>Poland</b>		55	1	1,295	14	2,152	124	3,023
<b>Italy</b>		25	1	398	4	277	1	14
<b>Ukraine</b>		1	2	3	7	2	13	3
<b>Czech Republic</b>		1		10		1		
<b>Romania</b>	3	7	69	187	329	465	1,648	1,019
<b>Hungary</b>		13		240		550		2,568
<b>Bulgaria</b>		1		115	2	387	6	318
<b>Slovakia</b>		6		337	5	550	11	1,622
<b>Serbia</b>			47	152	107	146	33	71
<b>Moldova</b>		1	15	6	14	3	1	
<b>North Macedonia</b>				12	30	9		
<b>Belgium</b>								
<b>Germany</b>		27	1	572	3	1,628	4	2,431
<b>Greece</b>	1		1	2				
<b>Total</b>	<b>4</b>	<b>141</b>	<b>137</b>	<b>3,619</b>	<b>537</b>	<b>7,442</b>	<b>1,844</b>	<b>11,712</b>


**FRANCE/ CHINA**
**China approves several French plants for export and confirms regionalisation agreement for African Swine Fever**

According to the French trade organisation, Inaporc, President Macron's recent state visit to China has paved the way for a further 15 French plants to be approved for pig meat exports to China, i.e. four slaughterhouses and 11 processing plants.

According to Inaporc, China has now signed all the technical protocols relating to the African Swine Fever regionalisation agreement.

The regionalisation agreement between the two countries was concluded in 2021 and followed a previous meeting in Beijing in 2019 between President Macron and President Xi Jinping.

China has otherwise prevented all imports of pig meat from countries hit by African Swine Fever from entering the country.


**CHINA**
**Authorities consider new round of pig meat purchases for state reserves to support better prices**

According to Reuters, China's National Reform and Development Commission (NRDC) is planning to begin a new round of pig meat purchases for state reserves.

The purpose is to secure better pig prices for pig producers who are currently under financial pressure because of the low prices.


**GERMANY**
**Pig meat storage remains at a low level**

The latest calculations from AMI for German storage of frozen pig meat in March stands at 93,000 tonnes.

This is a slight fall compared to February and January when storage amounted to 95,000 and 103,000 tonnes respectively. Compared to one year ago, this is around 50 per cent less.

The fall should be seen on the backdrop of an improved supply/demand situation for pig meat in the German market. High energy costs also make it less attractive to freeze product.


**GERMANY**
**Imports of live pigs stable in Q1 2023**

Preliminary figures from AMI show stable German imports of live pigs in Q1 this year compared to one year ago. This follows in the wake of a fall in imports of live pigs in recent years.

According to AMI, German imports of pigs in Q1 stood at 2.8 million head, which is largely unchanged compared to Q1 last year.

The two major supplier countries are Denmark and the Netherlands. German imports of pigs from Denmark fell by 5 per cent to 1.6 million head in Q1 while imports from the Netherlands rose by 5 per cent to 1.0 million.


**DENMARK**

**Pig population as at 1 April 2023**

Statistics Denmark has just published the results of the pig census carried out on 1 April 2023. The census, which is shown in the table below, is based on a random sample comprising 1,495 farms.

The census shows a decline in the Danish pig population while the breeding herd has stabilised compared to 1 January's census.

The total pig population is 14.0 per cent lower compared to one year ago and has fallen by 7.1 per cent since the most recent census on 1 January. The 'Finishers >50 kg' category shows a significant fall of 24.6 per cent compared to one year ago.

The breeding herd in the form of pregnant sows is 6.6 per cent lower compared to one year ago. Compared to the census from 1 January, the figure is more or less stable, i.e. a modest fall of 1.0 per cent.

The high production costs and poor returns for most of 2021 and 2022 are the major reasons for the general fall in the pig population.

The stabilisation of the breeding herd since the census on 1 January 2023 is due to rising piglet prices and the strong improvement in the economics of pig production since the turn of the year.

'000 head	April census			January census		
	1 April 2023	1 April 2022	% change 23:22	1 Jan 2023	1 Jan 2022	% change 23:22
Breeding boars	10	10	-	10	10	-
Pregnant gilts	173	185	-6.5	174	192	-9.4
Other pregnant sows	518	555	-6.7	524	585	-10.4
Total pregnant sows	691	740	-6.6	698	777	-10.2
Nursing sows	185	205	-9.8	186	207	-10.1
Dry sows	30	33	-9.1	31	36	-13.9
Sows and boars for slaughtering	5	7	-28.6	6	7	-14.3
Gilts >50 kg for breeding	197	213	-7.5	203	215	-5.6
Piglets with sows	2,333	2,569	-9.2	2,332	2,592	-10.0
Weaned pigs <50 kg	5,078	5,774	-12.1	5,357	6,048	-11.4
Finishers >50 kg	2,196	2,914	-24.6	2,718	3,260	-16.6
<b>Total pigs</b>	<b>10,725</b>	<b>12,465</b>	<b>-14.0</b>	<b>11,541</b>	<b>13,152</b>	<b>-12.2</b>
<b>Total pigs excl. finishers *</b>	<b>8,529</b>	<b>9,551</b>	<b>-10.7</b>	<b>8,823</b>	<b>9,892</b>	<b>-10.8</b>

## AUSTRALIA

### Fall in pig meat imports in Q1 2023

Australian pig meat imports took a dive in Q1 2023 compared to the same quarter last year.

The table below shows Australian imports of fresh/frozen pig meat by country for January-March 2023 compared to the same period in the previous two years.

As the figures show, there has been a substantial decline in imports this year from the two largest exporting countries, Denmark and Holland. Imports from the two countries, however, are higher compared to 2021 figures.

By contrast, Australian imports of pig meat from the <sup>5</sup> U.S. have shown a slight increase this year compared to a strong decline in 2022.

<b>0203</b>				
<b>Fresh/frozen pig meat</b>				
<b>Tonnes</b>	<b>Jan-Mar 2021</b>	<b>Jan-Mar 2022</b>	<b>Jan-Mar 2023</b>	<b>% change 23:22</b>
Denmark	6,301	18,302	9,993	-45.4
Holland	6,687	13,360	8,595	-35.7
USA	18,341	5,712	6,186	8.3
Ireland	3,092	3,930	4,790	21.9
Canada	1,695	1,861	1,446	-22.3
UK	263	639	519	-18.8
Sweden			74	
Spain		5	15	
Others	62	1	0	-100.0
<b>Total</b>	<b>36,441</b>	<b>43,810</b>	<b>31,618</b>	<b>-27.8</b>

## USA

### **Smithfield shuts a number of pig production operations in Missouri**

U.S. media report that Smithfield is shutting 37 of the company's sow farms in Missouri.

Smithfield has not commented on the development. Instead the company refers to a statement from the company's Vice-President: "We are always taking steps to enhance our business for consistently strong performance through favourable and unfavourable market conditions".

Smithfield Foods is owned by the Chinese WH Group. In connection with WH Group's quarterly accounts, the company informed the Hong Kong stock exchange that the American part of the group is experiencing challenging market conditions caused by continuing high pig production costs and pig meat prices being adversely affected by poor consumer demand.