

MARKET NEWS for pig meat



Market analysis

13 March 2023

Week 11

MARKET SITUATION

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

UK: Stable trade. New contracts are being signed at increasing prices.

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

Slaughtering in Denmark

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

	Week 7	Week 8	Week 9	Weeks 1-9 2023:22
Carcase weight >110 kg	9,760	9,737	7,876	-50.8%
Carcase weight <110 kg	296,916	305,329	293,316	-13.6%
Total	306,676	315,066	301,192	-15.6%

USA

Futures

Chicago (\$ per 100 lbs carcase weight)	Lean Hog			Pork Cutout		
	10/3	3/3	Change	10/3	3/3	Change
2023						
Apr	87.45	84.55	2.90	94.30	91.15	3.15
May	94.93	93.45	1.48	101.08	99.13	1.95
Jun	102.78	100.63	2.15	107.30	105.23	2.07
Jul	104.90	102.85	2.05	109.78	107.78	2.00
Aug	105.25	103.60	1.65	109.78	107.95	1.83
Oct	91.98	91.48	0.50	101.10	99.93	1.17
Dec	84.08	84.10	-0.02	94.58	93.40	1.18
2024						
Feb	86.73	86.80	-0.07	96.10	94.93	1.17
Apr	90.00	90.15	-0.15	98.18	97.00	1.18
May	95.15	96.05	-0.90	105.40	104.23	1.17
Jun	99.15	99.08	0.07	110.63	109.45	1.18
Jul	99.05	98.98	0.07	113.53	112.35	1.18

Conversion factors:

1 lb = 0.4536 kg

1 \$ = DKK

7.0305

 **China**
Futures

Dalian (Yuan per kg)	Pigs					
	13/2	20/2	27/2	6/3	13/3	Change 6/3-13/3
March 2023	14.69	15.07	14.91	14.00	13.50	-0.50
May 2023	16.98	17.28	17.11	16.76	15.74	-1.02
July 2023	17.67	17.85	17.70	17.81	17.04	-0.77
September 2023	18.09	18.14	18.13	18.30	18.00	-0.30
November 2023	18.33	18.41	18.53	18.72	18.54	-0.18
January 2024	18.99	18.96	19.03	18.99	19.00	0.01

Conversion factors:
1 Y = DKK
1.0113; 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 26 February-3 March.

Countries	Period 26 Feb-3 Mar		Year to date 1 Jan-3 Mar		2022		2021	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		1		19		57	1	67
Latvia		1		89	6	913	2	338
Lithuania		12		75	16	302		238
Poland		137		747	14	2,152	124	3,023
Italy		36	1	195	4	277	1	14
Ukraine	2		2	1	7	2	13	3
Czech Republic				4		1		
Romania	3	6	43	147	329	465	1,648	1,019
Hungary		24		159		550		2,568
Bulgaria				94	2	387	6	318
Slovakia		4		175	5	550	11	1,622
Serbia			11	90	107	146	33	71
Moldova	1		10	1	14	3	1	
North Macedonia		1		6	30	9		
Belgium								
Germany	1	75	1	408	3	1,628	4	2,431
Greece				2				
Total	7	297	68	2,212	537	7,442	1,844	11,712

 **BELGIUM**
Buy-out scheme for pig farms approved by EU Commission

Pig333 reports that the EU Commission has approved a buy-out scheme for pig farms in Flanders.

With the aim of reducing nitrogen emissions, EUR 200 million has been allocated for the buy-out of small and medium-sized pig farms in Flanders. The scheme is expected to run until 30 June 2025.

 **SERBIA**
Rising imports of pig meat

According to international news media, Serbia's pig meat imports in 2022 rose to a new record level of 51,074 tonnes, an increase of 52 per cent compared to 2021.

More than 50 per cent came from Spain, i.e. some 28,312 tonnes. This is a rise of 69 per cent compared to 2021.

African Swine Fever is a major problem in Serbia. In 2022, 107 cases were reported at pig farms and 146 cases among wild boar. In 2023, for the first two months of the year, 11 cases were detected in pig farms and 90 cases among wild boar.

The latest pig census from December 2022 shows a 7 per cent decline in both Serbia's overall pig and sow populations, which suggests a continued increase in Serbian pig meat imports in 2023.

 **GERMANY**
German pig slaughtering fell by 9.2 per cent in 2022

With AMI as the source, the table below shows the development in German pig slaughtering for the period 2015-2022.

Slaughtering amounted to 47.1 million head in 2022, which is a fall of 4,773 million and corresponding to 9.2 per cent compared to 2021. The unbroken, declining trend in slaughtering since 2016 therefore continues and intensified sharply in 2022. In the previous years, slaughtering fell by 2-3 per cent.

The decline in 2022 can solely be attributed to a fall in Germany's own pig production. The number of imported finishers thus increased in 2022 following substantial falls since 2016.

	Total slaughtering	German finishers	Imported finishers	Imported
				%
2015	59,435,349	55,161,102	4,274,247	7.2
2016	59,480,468	54,826,352	4,654,116	7.8
2017	58,408,370	54,471,535	3,936,835	6.7
2018	56,895,229	53,669,851	3,225,378	5.7
2019	55,194,809	51,872,797	3,322,012	6.0
2020	53,376,865	51,088,245	2,288,620	4.3
2021	51,874,641	50,717,566	1,157,075	2.2
2022	47,101,771	45,869,905	1,231,866	2.6
% change 2022:21	-9.2	-9.6	6.5	

Germany's cattle slaughtering also saw a significant decline in 2022, i.e. 7.8 per cent down on 2021.

 **GERMANY**
Pig census November 2022

The German authorities have just published final figures for the German pig population following the November 2022 census.

Compared to the preliminary figures published in December, there has been a slight readjustment for most pig categories. Where the preliminary figures showed an overall decline in the total population of 10.2 per cent, the final figures now show a decline of 10.1 per cent. For pregnant sows, the decline has been adjusted to 10.7 per cent, where the preliminary figures in December showed a decline of 10.9 per cent.

The number of pig farms in Germany remains at 16,900, which is a decline of 10.1 per cent in a year. Finisher farms have declined by 8.9 per cent in one year, from 15,700 to 14,300, while sow farms have declined by 11.3 per cent from 6,200 to 5,500.

The final figures for the German pig population, as shown in the 2022 November census, are shown below.

'000 head	November census		
	2022	2021	% change
Piglets	6,368.0	6,991.1	-8.9
Pigs under 50 kg	3,866.2	4,173.2	-7.4
Finishers over 50 kg	9,716.4	10,995.5	-11.6
- 50-80 kg	4,247.1	4,832.3	-12.1
- 80-110 kg	4,305.5	4,814.7	-10.6
- over 110 kg	1,163.8	1,415.6	-17.8
Breeding pigs	1,415.6	1,602.4	-11.7
- Breeding sows	1,401.1	1,583.0	-11.5
- - Pregnant sows	1,008.7	1,129.5	-10.7
- - - Pregnant gilts	157.0	180.8	-13.2
- - - Other pregnant sows	851.7	948.8	-10.2
- - Non pregnant sows	392.3	453.5	-13.5
- - - Young gilts	159.3	194.6	-18.1
- - - Other sows	233.0	258.9	-10.0
- Boars	14.6	19.4	-24.7
Total	21,366.3	23,762.3	-10.1

 **CHINA**
USDA forecasts an unchanged production and a slight rise in Chinese pig meat imports in 2023

Last week, the USDA updated its forecast for China's production, consumption and trade in pig meat in 2023.

The USDA forecasts pig slaughtering in China to total 701.5 million in 2023 and pig meat production to amount to 55.5 million tons. This is more or less unchanged compared to 2022, but an increase of 17 per cent compared to 2021. In 2022, slaughtering figures were stated at 700.0 million and production at 55.4 million tonnes. In 2021, the number of slaughterings totalled 600.0 million and production at 47.5 million tonnes.

When it comes to China's pig meat imports (excluding by-products and calculated in carcase weight), the USDA forecasts imports amounting to 2.2 million tonnes in 2023. This is a slight increase of 3.5 per cent compared with 2022, when imports totalled 2.125 million tonnes.

The USDA has assumed that pig meat consumption in the Chinese market in 2023 will amount to 57.55 million in 2023. This is largely unchanged from 2022, when consumption amounted to 57.434 million tonnes, but an increase of 11 per cent compared with 51,724 million tonnes in 2021.

As regards consumption, the USDA forecasts an uplift in demand now that all Covid restrictions have been lifted. Consumption was under pressure in the winter months: first as a result of the Covid restrictions and then as a consequence of many people falling ill immediately after the lifting of restrictions.

 **AUSTRALIA**
The USDA forecasts a slight decline in Australian pig meat production and unchanged imports in 2023

The USDA forecasts a slight decline of 2.5 per cent in Australian pig meat production with unchanged Australian pig meat imports in 2023.

In an updated report from last week on the Australian market, the USDA forecasts that Australian pig meat production in 2023 will amount to 425,000 tonnes compared to 436,000 tonnes in 2022.

The USDA has put Australian pig meat imports at 240,000 tonnes in 2023, which is virtually unchanged from 2022, when the imports, according to the USDA's calculations, amounted to 241,000 tonnes.

 **JAPAN**
Pig meat storage

The table below shows the figures for Japan's pig meat storage until the end of January 2023.

Tonnage	Own production		Imported volumes		Total storage
	Fresh	Frozen	Fresh	Frozen	
End January 20	451	21,023	7,099	180,639	209,212
End February 20	383	22,694	9,249	175,793	208,119
End March 20	403	24,659	7,991	177,084	210,137
End April 20	437	22,687	8,555	192,266	223,945
End May 20	393	20,465	8,663	206,221	235,742
End June 20	365	22,843	9,721	202,144	235,073
End July 20	374	21,004	10,289	193,785	225,452
End August 20	393	19,947	9,955	190,222	220,847
End September 20	361	19,324	9,658	183,728	213,071
End October 20	346	18,987	8,463	176,392	204,188
End November 20	466	18,945	10,867	164,711	194,989
End December 20	498	19,916	10,253	157,644	188,311
End January 21	368	22,065	8,872	151,259	182,564
End February 21	353	22,522	8,912	152,487	184,274
End March 21	444	23,660	11,726	146,154	181,984
End April 21	483	25,110	9,922	149,121	184,636
End May 21	415	25,437	9,863	149,760	185,475
End June 21	414	24,876	9,688	152,751	187,729
End July 21	428	23,498	11,381	149,262	184,569
End August 21	397	22,491	10,986	154,587	188,461
End September 21	433	21,495	11,242	154,249	187,419
End October 21	460	20,899	10,587	150,861	182,807
End November 21	428	21,176	11,010	143,741	176,355
End December 21	561	22,351	9,240	136,436	168,588
End January 22	463	22,763	11,477	142,569	177,272
End February 22	471	22,690	12,061	143,974	179,196
End March 22	623	23,378	12,410	143,684	180,095
End April 22	529	21,703	12,601	157,379	192,212
End May 22	390	22,052	8,210	168,749	199,401
End June 22	469	20,684	11,364	180,913	213,430
End July 22	500	20,479	10,554	189,497	221,300
End August 22	495	19,870	12,013	195,953	228,331
End September 22	351	19,020	10,493	193,979	223,843
End October 22	808	18,890	9,606	186,501	215,805
End November 22	1,015	17,736	13,653	181,903	214,307
End December 22	1,159	18,657	10,793	174,620	205,229
End January 23	814	17,724	11,067	177,599	207,204