

MARKET NEWS for pig meat



Market analysis

15 May 2023

Week 20

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 16	Week 17	Week 18	Weeks 1-18 2023:22
Carcase weight >110 kg	10,785	10,326	4,878	-44.4%
Carcase weight <110 kg	293,001	297,080	180,758	-17.1%
Total	303,786	307,406	185,636	-18.5%

USA

Futures

Chicago (\$ per 100 lbs carcase weight)	Lean Hog			Pork Cutout		
	12/5	5/5	Change	12/5	5/5	Change
2023						
May	76.63	75.53	1.10	82.13	81.20	0.93
Jun	84.10	83.78	0.32	88.15	88.08	0.07
Jul	85.33	82.43	2.90	90.35	91.28	-0.93
Aug	86.08	86.38	-0.30	93.60	93.70	-0.10
Oct	77.43	78.40	-0.97	88.60	88.70	-0.10
Dec	74.10	75.28	-1.18	83.98	84.98	-1.00
2024						
Feb	78.38	79.80	-1.42	86.65	87.65	-1.00
Apr	82.30	83.73	-1.43	89.83	90.83	-1.00
May	86.70	88.13	-1.43	97.05	98.05	-1.00
Jun	91.63	93.00	-1.37	102.28	103.28	-1.00
Jul	91.63	93.00	-1.37	105.18	106.18	-1.00
Aug	91.10	92.50	-1.40	107.25	108.25	-1.00

Conversion factors:
 1 lb = 0.4536 kg
 1 \$ = DKK
 6.8384

 **China**
Futures

Dalian (Yuan per kg)	Pigs					
	19/4	24/4	1/5	5/5	15/5	Change 5/5-15/5
May 2023	15.03	15.38	14.49	14.39	14.80	0.41
July 2023	16.63	17.07	16.52	15.98	15.81	-0.17
September 2023	17.93	18.00	17.38	17.00	16.85	-0.15
November 2023	18.75	18.78	18.09	17.98	17.48	-0.50
January 2024	18.86	18.70	18.18	18.21	17.87	-0.34
March 2024	17.15	17.01	16.42	16.41	16.13	-0.28

Conversion factors:
1 Y = DKK
0.9837 1Y =
EUR 0.13

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



USA

U.S. Supreme Court upholds law on higher welfare in California

With a 5-4 decision, the U.S. Supreme Court has upheld California's Proposition 12 regarding higher animal welfare. The legislation bans the sale of pig meat from pigs not born and bred according to the state's animal welfare regulations.

The higher animal welfare legislation was approved by California voters in November 2018.

However, the legislation was challenged by the National Pork Producers Council (NPPC) and the American Farm Bureau Federation. The two organisations argued that the California law contravenes national legislation which gives Congress the power to regulate interstate commerce.

The Supreme Court decision could have a major impact on the entire American pork industry as there are 40 million consumers in California alone. The Supreme Court's decision will also affect similar planned legislation in a number of other U.S. states.

According to Pig333, 10 states (Arizona, California, Colorado, Florida, Maine, Massachusetts, Michigan, Ohio, Oregon, and Rhode Island) have approved legislation that restricts the confinement of sows. According to Pig333, the 10 states account for less than 8 per cent of the country's sows and their share of the country's sow population is declining.

Only two of the 10 states, California and Massachusetts, have extended the legislation to also apply to pork sold in the state. So far, however, the legislation has been put on hold pending the Supreme Court's decision.

NPPC President Scott Hayes commented:

"We are very disappointed with the Supreme Court's opinion. Allowing state overreach will increase prices for consumers and drive small farms out of business, leading to more consolidation. We are still evaluating the Court's full opinion to understand all the implications. NPPC will continue to fight for our nation's pork farmers and American families against misguided regulation."

The American media previously reported that the Californian welfare legislation has received support from 14 states and a number of environmental and welfare groups. The US pork industry has been supported in its arguments by the Biden administration and 20 US states.



USA

Rise in U.S. pig meat exports in Q1 2023 – but exports down on two years ago

With U.S. export statistics as the source, the table below shows U.S. pig meat exports by country for Q1 2023 compared to the same period in the previous two years.

As can be seen, there was a rise in U.S. exports of fresh/frozen pig meat and by-products for Q1 2023. This applies to all the major U.S. pig meat markets.

Exports of fresh/frozen pig meat, however, are somewhat below the same quarter two years ago when the figure was positively affected by substantial exports to China.

U.S. exports of processed pig meat are lower than the same period last year.

0203				
Fresh/frozen pig meat				
Tonnes	Jan-March 2021	Jan-March 2022	Jan-March 2023	% change 23:22
Mexico	152,415	212,958	226,117	6.2
Japan	94,791	72,405	79,988	10.5
China	157,611	39,273	46,895	19.4

South Korea	43,208	40,251	42,581	5.8
Canada	32,700	24,694	32,260	30.6
Dom. Rep.	16,504	17,492	30,083	72.0
Columbia	24,414	19,663	19,613	-0.3
Honduras	12,327	11,483	11,124	-3.1
Australia	20,784	6,670	8,802	32.0
Others	57,471	27,122	31,356	15.6
Total	612,225	472,011	528,819	12.0

020649				
By-products				
Tonnes	Jan-March 2021	Jan-March 2022	Jan-March 2023	% change 23:22
China	62,823	53,990	77,645	43.8
Mexico	12,520	8,176	7,958	-2.7
Philippines	4,533	3,520	6,197	76.1
Canada	1,967	2,813	2,244	-20.2
Dom. Rep.	620	780	1,477	89.4
Colombia	1,010	1,074	1,375	28.0
Japan	1,189	2,628	1,313	-50.0
South Korea	1,117	1,254	845	-32.6
Others	5,322	1,858	2,097	12.9
Total	91,101	76,093	101,151	32.9

160249, 160241, 160242, 021012, 021019, 021011				
Processed pig meat				
Tonnes	Jan-March 2021	Jan-March 2022	Jan-March 2023	% change 23:22
Canada	20,331	19,941	18,228	-8.6
Japan	8,336	15,998	8,903	-44.3
Mexico	6,090	8,459	8,238	-2.6
Philippines	2,855	1,731	2,794	61.4
Australia	819	1,074	1,166	8.6
Panama	1,290	1,365	774	-43.3
Guatemala	1,503	770	729	-5.3
Others	6,094	6,075	4,766	-21.5
Total	47,318	55,413	45,598	-17.7

 DENMARK

Denmark's pig meat exports January-February

2023

Tonnes	By-products	Live pigs	Processed Canned	Bacon		Cuts	Sausages	Total	Per cent
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					Whole and half pigs/sows				
Germany	2,320	27,662	1,667	26	11,379	17,771	1,026	61,850	20.6
Poland	734	32,168	3	0	0	26,152	32	59,089	19.7
Italy	345	3,108	68	9	55	15,910	84	19,581	6.5
Sweden	1,296	57	319	252	2	1,722	693	4,342	1.4
Holland	1,112	1,538	74	1	0	1,386	131	4,243	1.4
Romania	66	157	40	0	0	3,823	0	4,087	1.4
France	455	102	163	38	0	2,981	177	3,918	1.3
Spain	55	1,942	181	35	0	1,258	241	3,712	1.2
Rest of EU	2,010	2,581	521	332	187	9,168	618	15,417	5.1
EU Total	8,393	69,315	3,037	694	11,624	80,171	3,004	176,238	58.7
China	25,578	0	47	0	0	22,287	47	47,959	16.0
UK	455	7	1,469	9,049	772	11,769	1,775	25,296	8.4
Japan	288	0	738	0	0	14,192	272	15,491	5.2
Australia	0	0	106	0	0	9,324	0	9,430	3.1
USA	692	0	1,191	11	0	3,231	179	5,303	1.8
Philippines	2,099	2	82	0	0	1,355	20	3,558	1.2
South Korea	65	0	268	0	0	2,512	38	2,883	1.0
Taiwan	255	3	18	0	0	2,223	17	2,516	0.8
Malaysia	105	0	86	0	0	2,212	0	2,402	0.8
Other 3rd countries	1,823	627	1,268	233	1	4,494	739	9,184	3.1
3rd countries, total	31,360	639	5,272	9,293	773	73,599	3,088	124,023	41.3
Exports, total	39,753	69,953	8,309	9,987	12,397	153,770	6,091	300,262	100

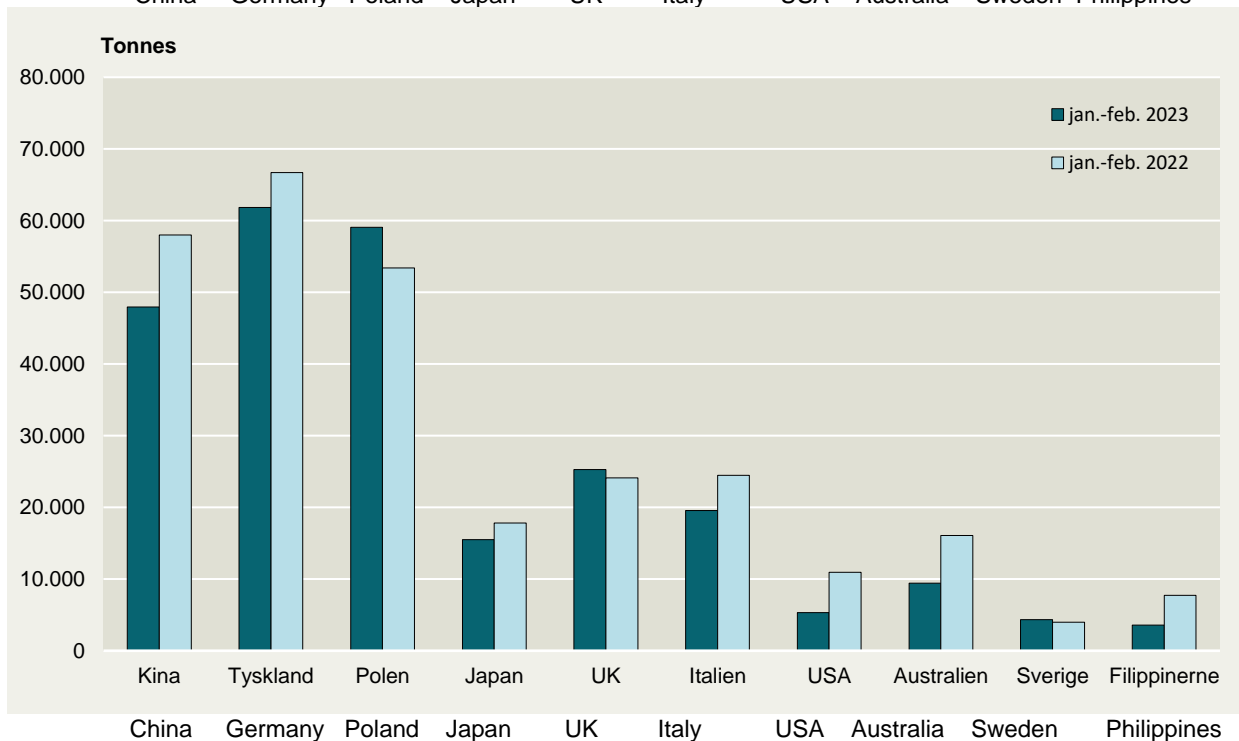
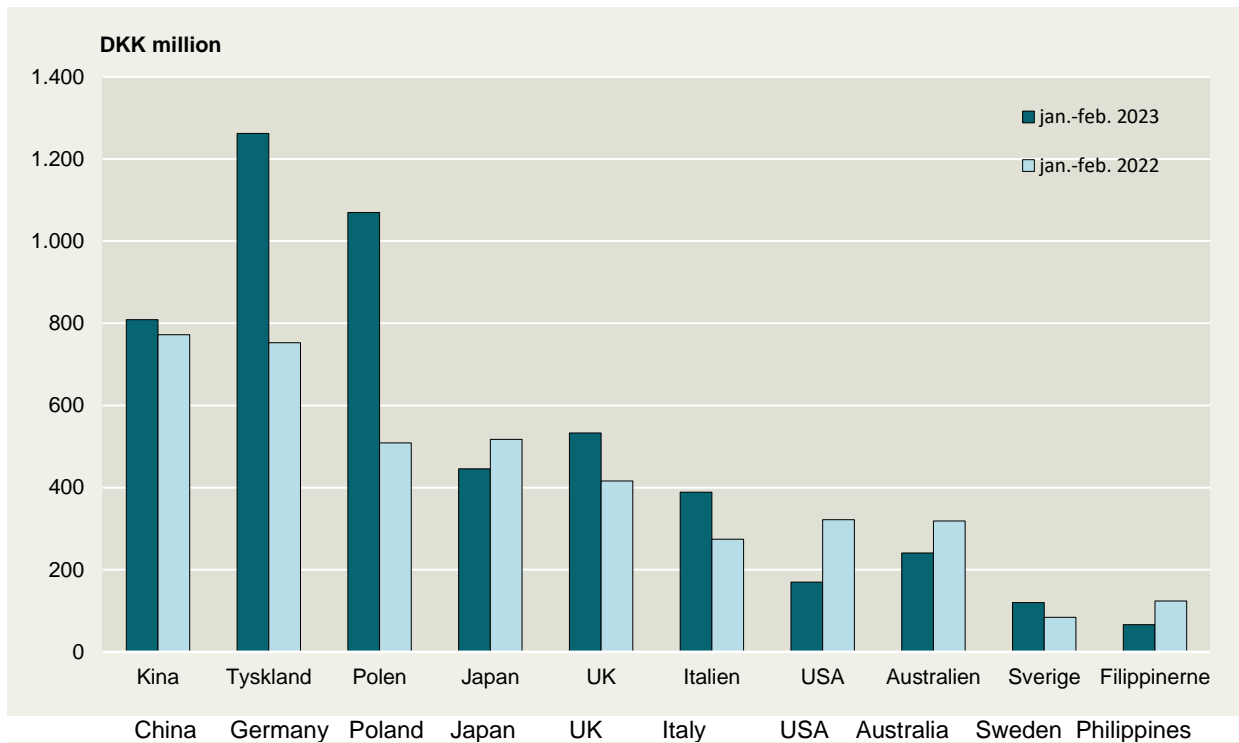
2022

Tonnes	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	1,892	27,155	1,077	17	13,165	22,715	681	66,702	20.1
Poland	329	23,540	3	1	113	29,403	2	53,390	16.1
Italy	277	2,563	74	13	121	21,372	43	24,463	7.4
Holland	1,602	1,719	26	9	0	1,061	210	4,626	1.4
Sweden	1,431	11	311	218	0	1,444	572	3,987	1.2
Spain	103	1,841	198	20	0	382	287	2,831	0.9
France	190	72	168	38	0	2,006	132	2,606	0.8
Hungary	136	710	34	0	0	777	2	1,659	0.5
Rest of EU	1,478	2,428	414	38	313	6,667	598	11,937	3.6
EU Total	7,436	60,038	2,306	355	13,712	85,827	2,527	172,202	52.0
China	29,432	0	77	0	0	28,461	39	58,009	17.5
UK	884	1	1,847	9,219	0	10,496	1,682	24,128	7.3
Japan	29	3	453	0	0	17,146	189	17,821	5.4
Australia	125	0	90	0	0	15,865	0	16,080	4.9
USA	543	0	1,356	0	0	8,942	88	10,929	3.3
Philippines	2,322	49	581	0	0	4,800	0	7,752	2.3
Ukraine	40	0	0	0	56	5,005	0	5,101	1.5
South Korea	616	0	309	0	0	4,067	26	5,019	1.5
Taiwan	140	0	17	0	0	3,101	9	3,267	1.0
Other 3rd countries	2,102	314	2,525	275	1	4,803	771	10,791	3.3
3rd countries, total	36,233	368	7,254	9,494	56	102,686	2,804	158,896	48.0
Total exports	43,670	60,406	9,559	9,849	13,768	188,513	5,331	331,098	100

Top 10 importers of Danish pig meat by value

	Jan - Feb 2023	Jan - Feb 2022
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Country	Value in DKK million	Tonnes	Value in DKK million	Tonnes
China	809	47,959	772	58,009
Germany	1,262	61,850	753	66,702
Poland	1,070	59,089	509	53,390
Japan	446	15,491	517	17,821
UK	533	25,296	416	24,128
Italy	389	19,581	274	24,463
USA	170	5,303	322	10,929
Australia	241	9,430	319	16,080
Sweden	120	4,342	84	3,987
Philippines	66	3,558	124	7,752
Top 10 total	5,106	251,899	4,090	283,261
Other countries	1,159	48,363	866	47,837
Total	6.265	300.262	4.956	331.098



 **JAPAN**
Pig meat storage

The table below shows the figures up to the end of March 2023 for the development in Japan's pig meat storage

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
End February 23	782	19,123	11,214	177,907	209,026
End March 23	1,016	19,216	12,909	176,663	209,804

 **CHINA**
Losses for Chinese pig producers

As could be read in last week's Market News, the Chinese authorities are planning a new round of pig meat purchases for state reserves in order to secure better pig prices.

According to data from China's National Reform and Development Commission (NRDC), Chinese pig producers lost an average of 164 yuan (approx. EUR 22) per produced pig in the second week of May. According to NRDC, the ratio between pig price and feed price stands at 5.21.

INDONESIA

African Swine Fever on Bulan Island

Reuters reports that the authorities in Indonesia have confirmed that African Swine Fever has been found at a large pig farm of 285,000 pigs on Bulan Island.

Two weeks ago, it was reported that the authorities in Singapore had found African Swine Fever in imported pigs from Palau Bulan. The virus was discovered at a slaughterhouse in Singapore where the suspicion was put on imported pigs.

ROMANIA

Exports of processed pig meat to U.S. can recommence

Following an inspection by the U.S. authorities in Romania, Romania has been given the go-ahead to export processed pig meat products to the U.S.

Romania has been unable to export processed pig meat to the U.S. since 2008.