

MARKET NEWS for pig meat



Market analysis

9 December 2024

Week 50

MARKET SITUATION

Europe: Trade in legs and other cuts is at unchanged prices this week.

UK: Good sales continue to the UK bacon market.

Asian markets: stable 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 45	Week 46	Week 47	Week 48	Weeks 1-48 2024:23
Carcase weight >110 kg	13,687	12,312	12,997	8,810	+28.1%
Carcase weight <110 kg	296,539	289,247	306,181	269,078	-2.6%
Total	310,226	301,559	319,178	277,888	-1.5%



USA

Futures

Chicago (\$ per 100 lbs carcase weight)	Lean Hog			Pork Cutout		
	6/12	29/11	Change	6/12	29/11	Change
2024						
Dec	83.30	82.08	1.22	91.78	92.30	-0.52
2025						
Feb	87.33	86.33	1.00	94.40	94.40	0.00
Apr	91.85	90.75	1.10	95.50	96.15	-0.65
May	94.78	93.85	0.93	102.10	102.75	-0.65
Jun	102.35	101.30	1.05	107.45	107.63	-0.18
Jul	102.33	101.35	0.98	107.40	106.85	0.55
Aug	101.13	99.88	1.25	107.73	107.18	0.55
Oct	83.08	82.23	0.85	93.98	93.43	0.55
Dec	73.48	72.88	0.60	90.33	89.78	0.55
2026						
Feb	76.18	75.75	0.43	89.48	88.93	0.55
Apr	79.23	78.80	0.43	90.15	89.60	0.55

Conversion factors:

1 lb = 0.4536 kg

1 \$ = DKK

7.0489



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, Albania, Montenegro, and North Macedonia

Countries	Period 28 Nov - 4 Dec		Year to date 1 Jan - 4 Dec		2023		2022	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		1		24	2	53		57
Latvia		42	7	850	8	730	6	913
Lithuania		20	8	514	3	439	16	302
Poland		63	44	1.889	30	2.744	14	2.152
Italy		6	31	1.172	17	1.047	4	277
Ukraine			67	13	37	9	7	2
Czech Republic				27		56		1
Romania	5	13	199	150	740	292	329	465
Hungary		19		376		407		550
Bulgaria		5	1	462	3	322	2	387
Slovakia		7	1	139		546	5	550
Serbia	1	2	293	92	991	213	107	146
Moldova			11	6	19	6	14	3
Montenegro				1				
Bosnia-Herzegovina			33	37	1.508	22		
Croatia			6	39	1.124	11		
North Macedonia			3	42	15	41	30	9
Kosovo					9	4		
Belgium								
Germany		32	10	759	1	899	3	1.628
Sweden				8		60		
Greece			5	18	6	2		
Albania				3				
Total	6	210	719	6.621	4.513	7.903	537	7.442

GERMANY

Dead wild boar with African Swine Fever carried along the Rhine

All investigations indicate that a dead wild boar with African Swine Fever was carried along the Rhine 100 km from the area where it was infected.

The wild boar was found at the end of November on the banks of the Rhine in the Rhein-Hunsrück district, about 100 km from the area known to be infected with African Swine Fever.

Subsequent investigations using drones have revealed no signs of African Swine Fever in the area where the wild boar was found.

It is therefore assumed that the dead wild boar comes from an existing ASF zone and was carried 100 km down the Rhine. No ASF zone has therefore been set up around the location of the dead wild boar.

 **CHINA**
Sow population 3.2 per cent down on one year ago

Reuters reports that China's sow population stood at 40.73 million head at the end of October. This is a fall of 3.2 per cent compared to the population one year ago, but a slight rise compared to previous months.

40.73 million sows are also somewhat higher than the target the Chinese Agriculture Ministry set earlier in the year when the ministry reduced the target from 41 million head to 39 million.

In the first 10 months of the year, Chinese slaughtering totalled 264.21 million, reports Reuters. This is a fall of 2.6 per cent compared to the corresponding period last year.

 **UK/ CHINA**
China reopens its market to a number of British pig meat companies

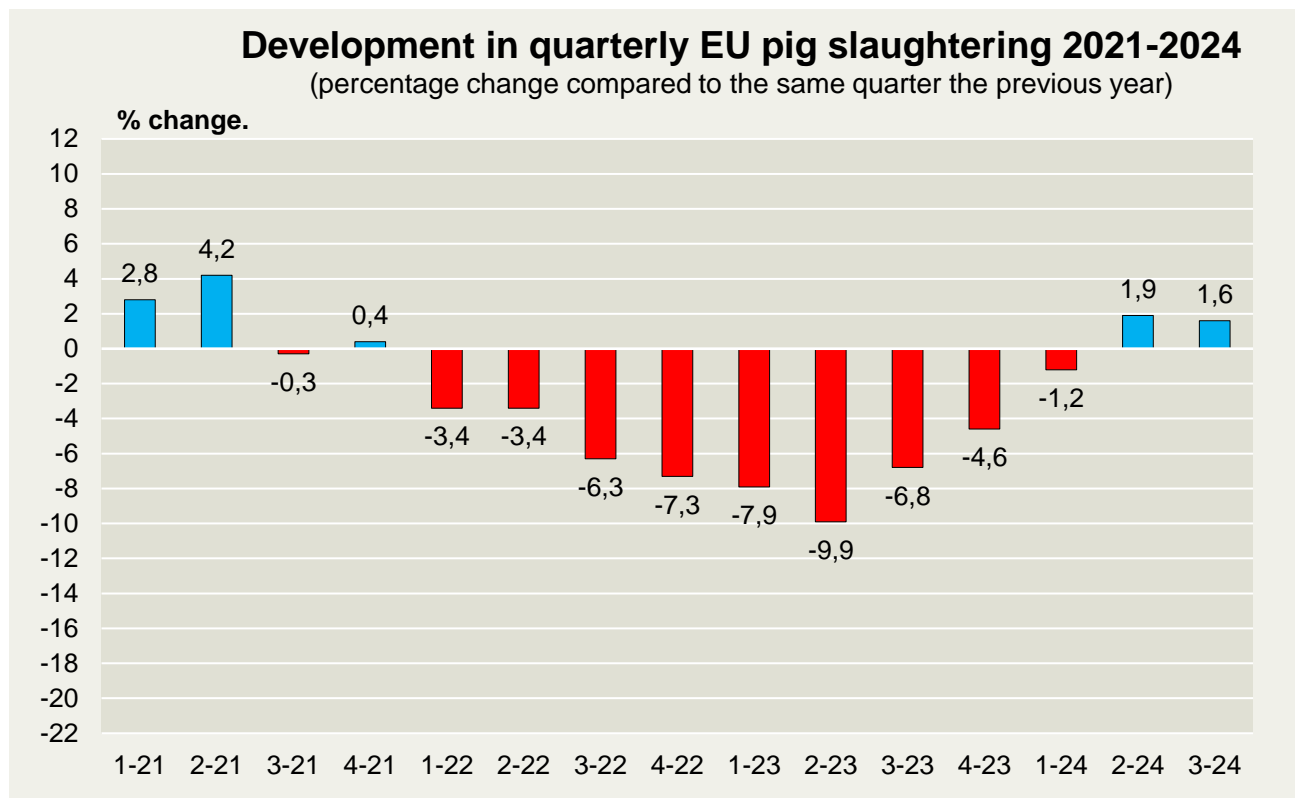
According to a press release from the UK Ministry of Agriculture, China has opened up its market to a number of British pig meat companies.

During the Covid pandemic in 2020, the Chinese authorities introduced a number of restrictions on British companies. These restrictions are now being lifted, which paves the way for a resumption of exports.

 **EU**
Decline in slaughtering in 2022 and 2023 replaced by a rise in slaughtering in 2024

The chart below shows the development in EU pig slaughtering per quarter for the period 2021-2024. The percentage change for each quarter is in relation to the same quarter of the previous year.

As can be seen from the chart below, the fall in EU pig slaughtering in 2022 and 2023 was replaced in the final two quarters of 2024 by a slightly higher slaughtering level than last year





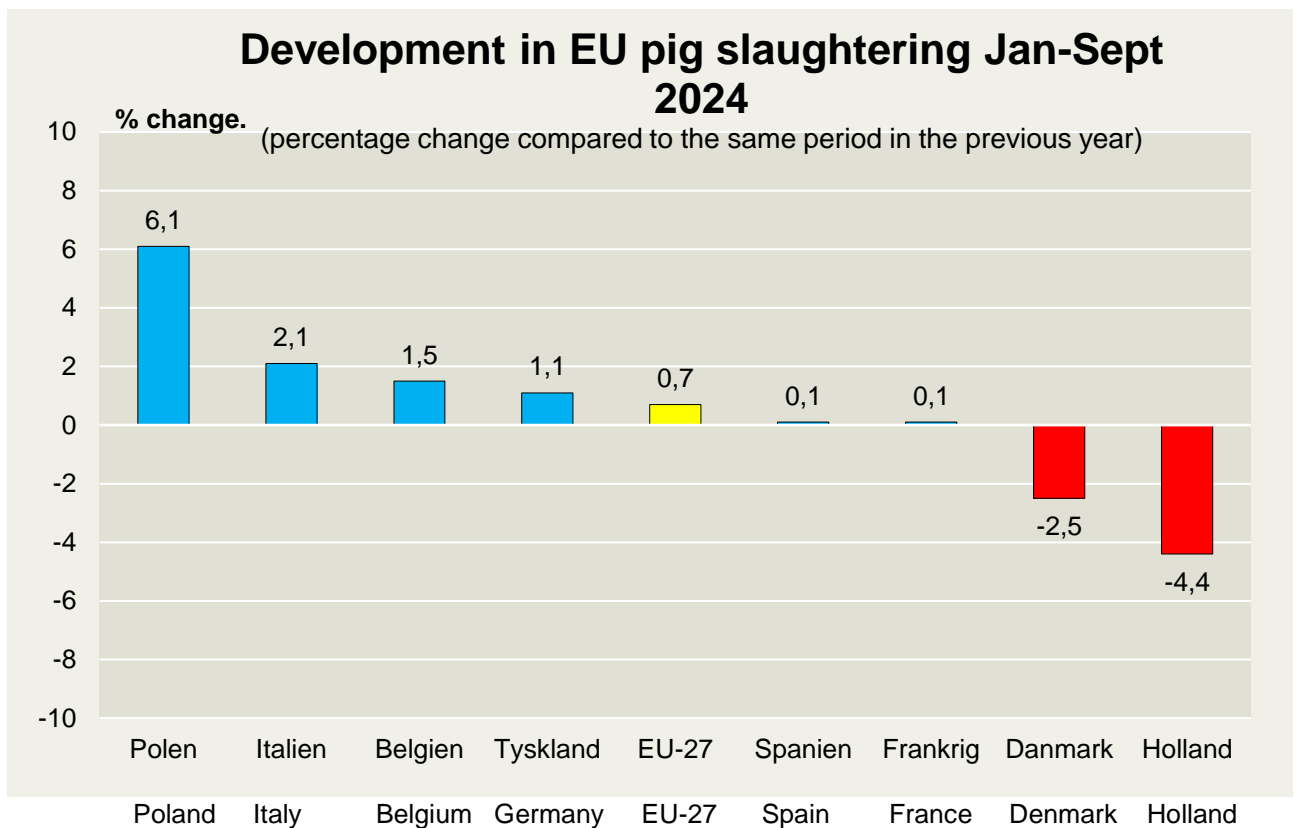
0.7 per cent rise in total pig slaughtering across the EU for the first three quarters of 2024

All EU countries have now reported their pig slaughtering figures to Eurostat for the first nine months of 2024.

For the EU as a whole, slaughtering (measured in figures) rose by 0.7 per cent for the first three quarters of 2024, compared to the same period last year. A rise in slaughter weight, however, meant that measured in tonnage, the increase stood at 3.3 per cent.

The chart below shows the development in slaughtering (measured in figures) for the EU as a whole and for the eight largest pig producing countries in the EU. These eight countries account for 85 per cent of slaughtering in the EU.

In addition to Poland, there is a notable rise in slaughtering of 6-7 per cent for a number of other East European EU countries such as Bulgaria, Hungary, Romania, Croatia and the Czech Republic.



Trump names Jamieson Greer as new trade envoy

Donald Trump has named Jamieson Greer as the new US trade envoy.

Greer, a leading trade lawyer, has been a strong critic of China's trading practice. The nomination signals a potential shift in direction towards a more aggressive policy towards China.



USA

Smithfield Foods and Murphy reestablish Murphy as an independent pig producer

Smithfield Foods and Murphy Family Ventures have signed an agreement that means that from the end of this year, Murphy will become an independent pig producer with 150,000 sows and an annual production of around 3.2 million finishers to be slaughtered by Smithfield.

The announcement from Smithfield also states that going forward, Murphy will be supplied with “production services, including the supply of feed and transportation services”.

The agreement will re-establish the Murphy family farming business as an independent pig producer. The Murphy family has been a contract growing partner with Smithfield for the past 24 years.

The deal should be viewed in the light of the plans of the Chinese owner, WH Group, to list their subsidiary, Smithfield, on the New York Exchange.

In this connection, WH Group intends for Smithfield to be viewed as “a more streamlined consumer packaged goods company focused on value-added fresh pork and packaged meats delivered from a portfolio of popular brands recognised for quality and taste.”

WH Group plans to list 20 per cent of Smithfield’s shares and retain 80 per cent.

Smithfield will continue as a subsidiary of WH Group. Proceeds from the offering will be used for infrastructure investments, automation and capacity expansion for processed meat.

WH Group expects Smithfield’s listing will give WH Group the opportunity to focus its activities on China and Europe while Smithfield focuses on growth opportunities in its core markets of the U.S. and Mexico.

WH Group also hopes that the listing will create a dedicated fundraising platform for Smithfield that will improve the company’s ability to attract equity for future growth initiatives, mergers and acquisitions.



USA

Tyson Foods closes companies in Kansas and Philadelphia

Last week, Tyson Foods announced the closure of a large processing company in Kansas with more than 800 employees. The company produces both pork and beef products.

With effect from 31 January, Tyson will also close two meat processing plants in Philadelphia, with 229 employees.

Earlier this year, Tyson Foods announced the closure of its pig slaughterhouse in Perry, not far from Des Moines in Iowa. The slaughterhouse slaughtered around 9,000 pigs per day and employed a workforce of 1,200.

Since the start of 2023, Tyson Foods has also closed six poultry plants.



USA

Cargill to cut around 8,000 jobs

The multinational company, Cargill, headquartered in Minnesota, USA, has announced that over the coming year, they plan to cut their workforce by 5 per cent, corresponding to approximately 8,000 employees.

According to U.S. media, the restructuring at Cargill comes as a result of challenging times for America’s agricultural and food industry. Grocery prices are falling which, coupled with a decline in cattle slaughtering, has contributed to a fall in earnings for Cargill’s beef business.