

# MARKET NEWS for pig meat



Market analysis

26 August 2024

Week 35

## MARKET SITUATION

**Europe:** Trading in legs is at slightly rising prices this week while cuts are being traded at unchanged prices.

**UK:** Sales remain stable.

**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 30	Week 31	Week 32	Week 33	Weeks 1-33 2024:23
Carcase weight >110 kg	10,811	12,072	10,949	9,440	+37.4%
Carcase weight <110 kg	239,238	253,577	255,635	237,807	-3.8%
Total	250,049	265,649	266,584	247,247	-2.4%



USA

## Futures

Chicago (\$ per 100 lbs carcase weight)	Lean Hog			Pork Cutout		
	23/8	16/8	Change	23/8	16/8	Change
<b>2024</b>						
Oct	80.55	75.08	5.47	90.93	90.93	0.00
Dec	70.75	67.23	3.52	87.73	84.50	3.23
<b>2025</b>						
Feb	73.83	70.98	2.85	86.88	83.65	3.23
Apr	78.53	76.03	2.50	87.88	86.93	0.95
May	83.18	81.33	1.85	94.48	93.53	0.95
Jun	90.65	88.50	2.15	96.08	94.53	1.55
Jul	91.48	89.38	2.10	97.83	96.28	1.55
Aug	90.30	88.25	2.05	98.15	96.60	1.55
Oct	76.60	74.65	1.95	84.40	82.85	1.55
Dec	69.28	67.58	1.70	80.75	79.20	1.55
<b>2026</b>						
Feb	72.68	70.98	1.70	79.90	78.35	1.55

Conversion factors:  
 1 lb = 0.4536 kg  
 \$ = DKK 6.7094



### 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, Kosovo and North Macedonia.

Countries	Period 15 Aug - 21 Aug		Year to date 1 Jan - 21 Aug		2023		2022	
	Pigs	Wild boar	Wild boar	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		1		13	2	53		57
Latvia	2	20	6	560	8	730	6	913
Lithuania		16	6	398	3	439	16	302
Poland	3	42	40	1,244	30	2,744	14	2,152
Italy	2	10	14	1,125	17	1,047	4	277
Ukraine	5	1	44	12	37	9	7	2
Czech Republic				26		56		1
Romania	7		138	111	740	292	329	465
Hungary		10		255		407		550
Bulgaria			1	95	3	322	2	387
Slovakia		4	1	102		546	5	550
Serbia	52	6	247	88	991	213	107	146
Moldova	1		10	6	19	6	14	3
Montenegro				1				
Bosnia-Herzegovina	1		30	36	1,508	22		
Croatia			6	38	1,124	11		
North Macedonia			3	37	15	41	30	9
Kosovo					9	4		
Belgium								
Germany	1	30	10	331	1	899	3	1,628
Sweden				8		60		
Greece			5	17	6	2		
Albania				2				
<b>Total</b>	<b>74</b>	<b>140</b>	<b>561</b>	<b>4,505</b>	<b>4,513</b>	<b>7,903</b>	<b>537</b>	<b>7,442</b>

### GERMANY

#### Authorities in Hessen erect 50 km permanent fencing

In an attempt to control the spread of African Swine Fever among wild boar, the authorities in the state of Hessen are erecting permanent wire mesh fencing along a 50 km section of the B45 federal motorway.

The project began last week and is expected to take two-three weeks, reports ISN in Germany.

The permanent fence is designed to reinforce the temporary flexible electric fencing that the authorities are using to control any further spread from affected areas.

Hessen was hit by African Swine Fever in June and since then, more than 100 cases among wild boar have been found in the state.

In July, the virus was confirmed among wild boar in the neighbouring state of Rheinland-Pfalz and in August, the virus was also found among wild boar in the state of Baden-Württemberg.

It has not yet been determined how the virus reached the German states.

 **GERMANY**
**Modest rise in pig meat storage in June**

The latest calculations from AMI show that German storage of frozen pig meat amounted to 100,000 tonnes in June against 94,000 tonnes in May.

Last year, the figure was 79,000 tonnes. Within an historical perspective, however, pig meat storage in the German market remains at a relatively low level. In 2022, for example, storage in June amounted to 199,000 tonnes.

 **GERMANY**
**Vion sells shares in Germany**

Last week, Vion Food Group announced the sale of its shares in two Bavarian companies, Vilshofen and Landshut.

Together, the two companies have slaughtering capacity of 33,000 pigs and deboning capacity of 650 tonnes per week.

The buyer is Erzeugergemeinschaft Südbayern, which previously held a 49 per cent stake in these facilities. The deal is expected to close later this year, subject to customary closing conditions and regulatory approvals.

Vion has also announced that the company's remaining German operations are still under strategic review and will continue to run as usual until further decisions are made.

 **HOLLAND**
**EU Commission approves a further EUR 700 million to buy out livestock producers**

The EU Commission has given approval to the Dutch government to spend a further EUR 700 million on a new buy out scheme for livestock producers who voluntarily close their farms to cut nitrogen and phosphate emissions in particularly sensitive areas.

The scheme will supplement existing buy out schemes (LBV and LBV+), which were previously approved by the Commission. The new scheme will run until 1 October 2029 and will apply to small and medium-sized farms.

 **USA**
**Rise in futures for pigs and pig meat last week**

As can be seen above, US futures prices for pigs and pig meat rose last week.

The rise has been attributed to the fact that rising pig prices in China and a weaker dollar are increasing the potential for increased pig meat exports from the U.S.

A fall in U.S. pig meat storage as shown in the 31 July statement was also positively received by the market.

 **USA**
**Pig meat storage as at end July 4 per cent lower than one year ago and 5 per cent lower than the previous month**

With the USDA as the source, the following table shows US pig storage as at 30 June 2024 compared to last month and to one year ago.

1,000 lbs	31 July 2023	30 June 2024	31 July 2024	% change previous month	% change last year
Picnics	8,507	5,826	4,776	-18.0	-43.9
Legs	137,646	128,220	139,230	8.6	1.2
Bellies	51,169	61,071	42,708	-30.1	-16.5
Loins	34,065	33,090	33,821	2.2	-0.7
Ribs	64,892	62,654	59,769	-4.6	-7.9
Trimming	47,142	42,322	37,162	-12.2	-21.2
Butts	15,870	19,774	19,410	-1.8	22.3
By-products	66,993	80,692	72,632	-10.0	8.4
Other	44,480	41,231	41,196	-0.1	-7.4
<b>Total pig meat</b>	<b>470,764</b>	<b>474,880</b>	<b>450,704</b>	<b>-5.1</b>	<b>-4.3</b>
Beef	410,459	407,926	407,127	-0.2	-0.8
Poultry	1,287,665	1,194,524	1,220,006	2.1	-5.3



## USA

### USDA expects US pig meat production to rise in 2024 and 2025

Last week, the USDA published its outlook report for the production of various proteins in 2024 and 2025.

As regards pig meat, the USDA expects US production in 2024 and 2025 to be higher than last year. For 2024, the rise is expected to be 2.7 per cent and for 2025, a further rise of 1.8 per cent is expected.

The rise in production is the result of a higher expected carcass weight and increased productivity among pig producers.

The table below shows the USDA's forecast for quarterly pig slaughtering (in lbs million) next year. Also shown is the expected annual production of various proteins.

Pig meat million lbs	2023	Forecast 2024	% change 2024:23	Forecast 2025	% change 2025:24
Q1	7,071	7,094	0.3	<b>7,110</b>	<b>0.2</b>
Q2	6,593	6,714	<b>1.8</b>	<b>6,800</b>	<b>1.3</b>
Q3	6,490	<b>6,750</b>	<b>4.0</b>		
Q4	7,148	<b>7,490</b>	<b>4.8</b>		
Full year	27,302	<b>28,048</b>	<b>2.7</b>	<b>28,550</b>	<b>1.8</b>

Million lbs	2023	Forecast 2024	% change 2024:23	Forecast 2025	% change 2025:24
Pig meat	27,302	<b>28,048</b>	<b>2.7</b>	<b>28,550</b>	<b>1.8</b>
Beef	26,967	<b>26,736</b>	<b>-0.9</b>	<b>25,445</b>	<b>-4.8</b>
Chicken	46,387	<b>46,876</b>	<b>1.1</b>	<b>47,500</b>	<b>1.3</b>
Turkey	5,457	<b>5,115</b>	<b>-6.3</b>	<b>5,175</b>	<b>1.2</b>
Lamb and mutton	131	<b>135</b>	<b>3.1</b>	<b>133</b>	<b>-1.5</b>



## CANADA

### Pig meat industry welcomes government intervention in rail strike

Canadian Pork Council (CPC) and the Canadian Meat Council (CMC) have issued a joint press release welcoming government intervention to prevent strike action by Canadian rail workers.

A statement from the Chair of CPC says: "The Canadian pork industry relies on the smooth operation of our transportation networks to feed our animals and deliver high-quality products to the global market. The

current transport disruption will threaten producers' livelihoods, the welfare of our animals and Canada's reputation as a reliable trading partner."

The Canadian trade unions, who represent more than 9,000 rail workers, say that they will challenge government intervention.

## CHINA

### **USDA expects Chinese pig meat imports to be unchanged in 2025**

Last week, the USDA updated its outlook for China's production, consumption and trade in pig meat in 2024 and for 2025.

Its outlook for imports (excluding by-products) has not changed for 2024: 1.5 million tonnes compared to 1.9 million tonnes in 2023. For 2025, USDA expects Chinese imports of 1.5 million tonnes to be unchanged.

2025's stable imports are owing to the expected weak demand in a somewhat tight Chinese economy.

As regards China's pig meat production, the USDA continues to expect production to fall from 57.94 million tonnes in 2023 to 56.75 million tonnes in 2024 – a fall of 2.1 per cent. For 2025, production is expected to total 55.50 million tonnes: a further fall of 2.2 per cent.

Chinese slaughtering is expected to fall from 726.62 million in 2023 to 715.00 million in 2024 (-1.6 per cent) and 700.00 million in 2025 (-2.1 per cent).

Pig meat consumption in the Chinese market in 2023 amounted to 59.741 million tonnes. For 2024 and 2025, the USDA expected consumption to fall to 58.150 million tonnes and 56.895 million tonnes.

The expected fall in consumption is owing to a squeezed economy and higher domestic prices for pig meat as the result of the decline in pig meat production.

The table below shows the USDA's outlook for China's market balance for pig meat for 2023-2025.

<b>Carcase weight, 1,000 tonnes</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Slaughtering (million)	726.6	715.0	700.0
Production	57,940	56,750	55,500
Imports of pig meat	1,897	1,500	1,500
Exports of pig meat	96	100	105
Consumption	59,741	58,150	56,895

## PHILIPPINES

### **USDA: expects modest rise in pig meat production in 2024 – and rising imports**

The USDA has updated its outlook for the Philippines' production and imports of pig meat in 2024 and 2025.

As regards production: USDA's outlook is for pig meat production this year to show a slight fall from 1,050,000 tonnes in 2023 to 1,040,000 tonnes in 2024. For 2025, the USDA expects a rise in production of slightly under 2 per cent to 1,060,000 tonnes.

Regarding African Swine Fever, the USDA states that the number of cases fell in the first months of the year but increased in the summer. This will limit production going forward. However, the USDA expects outbreaks to diminish in 2025 and to lead to increased production in H2 2025.

As regards imports, the USDA expects pig meat imports to increase in 2025 to 510,000 tonnes against 480,000 tonnes in 2024 – a rise of 6 per cent. In 2024, imports rose by 7 per cent from 448,000 tonnes in 2023 to 480,000 tonnes in 2024.

The authorities in the Philippines have extended the period of lower import tariffs for pig meat until 2028. This removes uncertainty for importers but is expected to mean lower imports in H2 2024 as there is no longer any reason to speculate about a possible increase in import tariffs.