

MARKET NEWS for pig meat



Market analysis

3 September 2024

Week 36

MARKET SITUATION

Europe: Trading in legs is at rising prices this week while cuts are being traded at unchanged or slightly rising 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 31	Week 32	Week 33	Week 34	Weeks 1-34 2024:23
Carcase weight >110 kg	12,072	10,949	10,878	10,654	+37.0%
Carcase weight <110 kg	253,746	255,814	241,001	232,724	-3.9%
Total	265,818	266,763	251,879	243,378	-2.5%



USA

Futures

Chicago (\$ per 100 lbs carcase weight)	Lean Hog			Pork Cutout		
	30/8	23/8	Change	30/8	23/8	Change
2024						
Oct	82.23	80.55	1.68	91.23	90.93	0.30
Dec	72.78	70.75	2.03	88.85	87.73	1.12
2025						
Feb	75.38	73.83	1.55	88.00	86.88	1.12
Apr	79.63	78.53	1.10	89.00	87.88	1.12
May	84.10	83.18	0.92	95.60	94.48	1.12
Jun	91.73	90.65	1.08	97.20	96.08	1.12
Jul	92.48	91.48	1.00	98.95	97.83	1.12
Aug	91.18	90.30	0.88	99.28	98.15	1.13
Oct	76.73	76.60	0.13	85.53	84.40	1.13
Dec	69.05	69.28	-0.23	81.88	80.75	1.13
2026						
Feb	72.45	72.68	-0.23	81.03	79.90	1.13

Conversion factors:
1 lb = 0.4536 kg

1 \$ = DKK
6.7276



EU

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 22 Aug - 28 Aug		Year to date 1 Jan - 28 Aug		2023		2022	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia				13	2	53		57
Latvia	2	26	6	586	8	730	6	913
Lithuania		8	6	406	3	439	16	302
Poland	2	44	42	1,288	30	2,744	14	2,152
Italy	5	6	19	1,131	17	1,047	4	277
Ukraine	2		46	12	37	9	7	2
Czech Republic		1		27		56		1
Romania	1	2	139	113	740	292	329	465
Hungary		3		258		407		550
Bulgaria			1	95	3	322	2	387
Slovakia		4	1	106		546	5	550
Serbia	4		251	88	991	213	107	146
Moldova			10	6	19	6	14	3
Montenegro				1				
Bosnia-Herzegovina			30	36	1,508	22		
Croatia			6	38	1,124	11		
North Macedonia		2	3	39	15	41	30	9
Kosovo					9	4		
Belgium								
Germany		20	10	351	1	899	3	1,628
Sweden				8		60		
Greece			5	17	6	2		
Albania				2				
Total	16	116	575	4,621	4,513	7,903	537	7,442

GERMANY

Authorities in Hessen offer reward for culling wild boar in the buffer zone

In an effort to control African Swine Fever, the authorities in Hessen are offering a EUR 100 reward for each wild boar shot within the buffer zone.

The payment is being offered to hunters authorised to hunt there.

According to ISN in Germany, 124 cases of African Swine Fever had been found in Hessen by 26 August: 117 in the Gros-Gerau district, two in the Bergstrasse district and five in the Darmstadt-Dieburg district.

The latter district has now established a buffer zone where the payment is being offered.

 **ITALY**
New outbreaks of African Swine Fever at pig farms in Lombardy

As in Germany, Italy was hit by new outbreaks of African Swine Fever this summer. In addition to wild boar, the virus has also been reported at a number of Italian pig farms.

Pig Progress reports that by 30 August, 23 farms had been affected in northern Italy.

Outbreaks have been particularly prevalent in Italy's largest pig producing region, Lombardy.

 **USA**
Smithfield spins off its European operations to focus on its American business

Smithfield announced last week that it is separating its European operations to focus on plans to list in the United States.

Smithfield runs a number of operations in Europe, which will either continue under the WH Group or perhaps be sold off, as some American media have speculated. The European operations cover a number of companies in Poland, Romania, the UK, Slovakia, Hungary and Spain.

The decision to separate its European operations from the rest of Smithfield should, according to the company, be seen as part of a new strategy to streamline operations and focus on Smithfield's efforts in the core market of North America where they want to continue to grow within packaged meats.

In 2013, Smithfield Foods was acquired by the Chinese WH Group for USD 4.7 billion. WH Group is the world's largest pork company with leading positions in China, the U.S. and Europe.

 **USA**
Pig producers posted earnings of USD 15 per pig in July

Calculations from Iowa State University show that American pig producers (farrow to finish) posted average earnings of USD 15 dollars per pig in July.

This is unchanged from June and is the fourth month in a row for the model calculation to show a profit for US pig producers.

Earnings since April have fluctuated between USD 12 and USD 17 dollars per pig and follow an extended period of losses. According to the calculations from Iowa State University, pig producers posted losses of USD 31 per pig in 2023.

The recent improvement is a consequence of rising settlement prices and falling feed prices.

 **CANADA**
Unions to challenge government intervention in court

Last week, the Canadian government intervened to prevent a strike among Canadian rail workers.

The union representing the rail workers has now filed court challenges against the country's industrial labour board. They believe that the intervention erodes the workers' bargaining power.

There has so far been no reaction from either the rail company or the labour minister to the union's decision.

 **EU**

Pig meat exports fell by 3 per cent in first five months of 2024

With the EU Commission as the source, the table below shows EU exports of pig meat by category, importer and exporter for Jan-May 2024 compared to the same period in 2023.

By category

Tonnes	Jan-May 2024	Jan-May 2023	% change 24:23
Live pigs	36,701	22,578	63
Fresh/frozen	820,062	895,678	-8
Bacon	90,539	90,777	0
Processed	183,691	183,633	0
By-products	590,434	573,494	3
Total	1,721,427	1,766,180	-3

Importers of pig meat from EU

Tonnes	Jan-May 2024	Jan-May 2023	% change 24:23
China	444,862	519,389	-14
UK	353,101	352,307	0
Japan	144,256	157,267	-8
Philippines	148,825	126,988	17
South Korea	119,361	96,159	24
Vietnam	58,083	38,794	50
USA	47,073	33,421	41
Australia	35,286	36,783	-4
Serbia	35,277	24,985	41
Ivory Coast	31,341	36,263	-14
Hong Kong	24,164	29,563	-18
Others	279,798	314,241	-11
EU-27	1,721,427	1,766,160	-3

Exporters of pig meat from EU

Tonnes	Jan-May 2024	Jan-May 2023	% change 24:23
Spain	545,242	570,190	-4
Holland	280,795	296,480	-5
Denmark	255,851	270,383	-5
Germany	157,196	135,007	16
France	111,232	104,029	7
Ireland	94,795	90,232	5
Poland	93,158	101,279	-8
Belgium	59,652	59,985	-1
Italy	40,658	37,162	9
Austria	20,969	21,688	-3
Hungary	14,618	9,774	50
Others	47,261	69,951	-32
EU-27	1,721,427	1,766,160	-3



JAPAN

Imports of pig meat

The table below shows Japan's total pig meat imports, including fresh/frozen pig meat, for the period January-July 2024 compared to the same period last year.

Total pig meat			
Tonnes	2024 Jan-July	2023 Jan-July	% change 2024:23
USA	200,387	208,753	-4.0
Canada	152,287	134,033	13.6
Spain	101,353	118,349	-14.4
Mexico	76,084	78,802	-3.4
Denmark	43,582	51,138	-14.8
Brazil	37,173	21,851	70.1
Chile	30,737	24,648	24.7
France	12,444	10,938	13.8
Holland	9,933	21,760	-54.4
China	8,798	7,967	10.4
Ireland	6,917	8,957	-22.8
Thailand	4,833	5,155	-6.2
Finland	1,066	848	25.7
UK	537	308	74.4
Austria	361	1,121	-67.8
South Korea	269	425	-36.7
Portugal	156	291	-46.4
Australia	108	67	61.2
Taiwan	89	89	0.0
Others	165	11	1400.0
Total	687,279	695,511	-1.2

0203 Fresh/frozen pig meat			
Tonnes	2024 Jan-July	2023 Jan-July	% change 2024:23
Canada	143,029	124,249	15.1
USA	137,524	144,808	-5.0
Spain	99,686	115,743	-13.9
Mexico	70,064	71,866	-2.5
Denmark	34,563	39,337	-12.1
Brazil	34,320	18,754	83.0
Chile	24,656	20,389	20.9
France	12,230	10,701	14.3
Holland	9,827	17,819	-44.9
Ireland	4,112	5,090	-19.2
Finland	837	664	26.1
UK	537	308	74.4
Austria	264	889	-70.3
Portugal	120	230	-47.8
Others	116	253	-54.2
Total	571,885	571,100	0.1

Spain's Prime Minister to meet China's President Xi Jinping next week

During a visit to China, the Spanish Prime Minister, Pedro Sanchez, will meet China's President Xi Jinping.

The visit will take place against the backdrop of an escalating trade dispute: China has threatened to impose additional tariffs on European pig meat in retaliation for European tariffs on Chinese electric vehicles.

 **RUSSIA****Rusagro expects to export up to 10,000 tonnes of pig meat to China this year**

Pig333 reports that the large agricultural holding company, Rusagro, stated at an investor meeting that they expect to export up to 10,000 tonnes of pig meat to China. The company will also export feed to China.

The Russian Union of Pork Producers (RUPP) previously stated that Russia's exports to China were expected to total between 30,000 and 35,000 tonnes pig meat.

In March, the first three Russian companies were approved for the export of pig meat to China. One of the three companies was Tambovsky Bacon, which is a part of Rusagro.

PANAMA**Panama opens its market to pig meat and poultry from Brazil**

The Pig Site reports that the authorities in Panama have announced the opening of its market to imports of pig meat and poultry from Brazil.

The decision has, of course, been welcomed by the Brazilian Animal Protein Association (ABPA).

Panama has a population of 4.4 million and is a popular tourist destination.

According to USDA, the country imported 15,500 tonnes of chicken and 17,000 tonnes of pig meat in 2023 mainly from North America.

Please note

Market News will not be published next week owing to holidays. The next issue will be published on Tuesday 17 September (week 38).