

MARKET NEWS for pig meat



Market analysis

16 July 2024

Week 29

MARKET SITUATION

Europe: Legs and other cuts are being traded at unchanged or slightly falling prices this week.

UK: Sales remain stable.

Asian markets: Good and 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 24	Week 25	Week 26	Week 27	Weeks 1-27 2024:23
Carcase weight >110 kg	11,199	11,165	10,493	10,654	+42.5%
Carcase weight <110 kg	251,386	244,851	249,307	254,287	-4.3%
Total	262,585	256,016	259,800	264,941	-2.7%



Futures

Chicago (\$ per 100 lbs carcass weight)	Lean Hog			Pork Cutout		
	12/7	14/6	Change	12/7	14/6	Change
2024						
Jun		91.18			100.34	
Jul	88.70	93.65	-4.95	96.15	103.50	-7.35
Aug	88.45	90.45	-2.00	98.65	103.80	-5.15
Oct	70.15	76.75	-6.60	86.65	91.95	-5.30
Dec	62.38	71.05	-8.67	80.75	88.30	-7.55
2025						
Feb	67.50	75.23	-7.73	83.13	91.13	-8.00
Apr	74.05	80.20	-6.15	86.40	94.40	-8.00
May	82.18	84.90	-2.72	93.00	101.00	-8.00
Jun	87.88	91.88	-4.00	94.00	102.00	-8.00
Jul	88.80	93.20	-4.40	95.75	103.75	-8.00
Aug	88.65	92.55	-3.90	96.08	104.08	-8.00
Oct	74.58	77.93	-3.35	82.33	90.33	-8.00
Dec	68.89			78.68		

Conversion factors:
1 lb. = 0.4536 kg

1 \$ = DKK
6.8512



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 and North Macedonia.

Countries	Period 13 June-10 July		Year to date 1 Jan - 10 July		2023		2022	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		3		7	2	53		57
Latvia	4	87	4	392	8	730	6	913
Lithuania	3	38	3	328	3	439	16	302
Poland	11	129	17	1,023	30	2,744	14	2,152
Italy		134		1,042	17	1,047	4	277
Ukraine	10	2	23	11	37	9	7	2
Czech Republic		6		25		56		1
Romania	17		76	97	740	292	329	465
Hungary		24		236		407		550
Bulgaria			1	95	3	322	2	387
Slovakia		9		87		546	5	550
Serbia	63	6	110	80	991	213	107	146
Moldova	3		6	6	19	6	14	3
Montenegro				1				
Bosnia-Herzegovina			19	34	1,508	22		
Croatia				38	1,124	11		
North Macedonia			2	29	15	41	30	9
Kosovo					9	4		
Belgium								
Germany	1	48	2	162	1	899	3	1,628
Sweden		1		7		60		
Greece			5	15	6	2		
Albania				2				
Total	112	487	268	3,717	4,513	7,903	537	7,442

GERMANY

Outbreak of African Swine Fever among wild boar hits new German states

In mid-June, an outbreak of African Swine Fever among wild boar was discovered for the first time in the state of Hessen. Now in July, another outbreak has been confirmed among dead wild boar in the state of Rheinland-Pfalz.

Since the first outbreak in mid-June, up to 20 dead wild boar with African Swine Fever have been found in Hessen and the first case at a pig farm.

In Rheinland-Pfalz, two dead wild boar have been tested positive for African Swine Fever.

It is still unclear how the virus spread to the two states in western Germany.

The German authorities have introduced the usual measures to prevent the virus from spreading further.

The authorities state that they expect to draw on the experience of Eastern Germany in combating the disease where they have succeeded in containing the disease so far.

GERMANY

Modest storage of pig meat in May – and slight fall in storage from April to May

The latest calculations from AMI for German storage of frozen pig meat shows that storage amounted to 94,000 tonnes in May.

This is a slight fall from 100,000 tonnes in April, but slightly up on one year ago when storage in May totalled 85,000 tonnes.

From an historical perspective, storage of pig meat in the German market remains at a low level. Back in 2022, storage at the same time totalled more than 200,000 tonnes.

GERMANY

Pig census May 2024

At the end of June, the German authorities published preliminary figures for the German pig population for May 2024.

The census shows an unchanged population compared to the same census one year ago.

The breeding population increased by 0.9 per cent while the piglet population is 3.7 per cent higher than one year ago. This indicates that German slaughtering in H2 will be slightly up on last year.

The number of pig farms in Germany continues to decline, but at a slower pace than was shown in previous censuses. The May census puts the number of pig farms at 15,700. This is a fall of 500 farms, corresponding to 3.4 per cent in one year.

'000 head	May census		
	2024	2023	% census
Piglets	6,326.9	6,100.4	3.7
Pigs under 50 kg	3,829.5	3,762.0	1.8
Finishers over 50 kg	9,371.2	9,679.3	-3.2
Breeding stock	1,420.9	1,408.0	0.9
Of which: pregnant sows	1,016.9	1,019.7	-0.3
Total	20,948.5	20,949.7	0.0

GERMANY

Decline in Germany's cattle population continues

The results from May's German cattle census shows an ongoing decline

The total population amounted to 10.6 million, which is a decline of 2.8 per cent compared to one year ago.

SPAIN

Vall Companys acquires Iberian ham production company

The Spanish meat company, Vall Companys, has acquired the Salamanca-based Iberian pig production company, Ganaderia Casaseca.

Ganaderia Casaseca runs a modern feed company with capacity for 150,000 tonnes per year and a network of integrated farms which produce around 130,000 Iberian pigs per year.

 **SPAIN**
Producers call for postponement of new animal welfare requirement

The two Spanish agricultural organisations, ASAJA (Association of Young Farmers) and COAG (Umbrella Organisation of Farming Associations) has called on the Spanish government to postpone the introduction of new animal welfare requirements for Spanish pig producers.

A joint statement from the two organisations claims that a three-year postponement until 2028 would ensure a more "effective and sustainable transition".

In addition to the postponement, the two organisations also want the government to provide financial support to help producers adapt to the new rules.

Estimates from the sector show that the new animal welfare requirements may mean that between 4-8 million fewer finishers would be reared in Spain because of the new animal welfare regulations.

 **CHINA**
Sow population 6.2 per cent down at the end of May compared to one year ago

China's Agriculture Ministry's figures put the total sow population at 39.96 million at the end of May.

This is a fall of 6.2 per cent compared to one year ago, but a slight rise of 0.3 per cent compared to the end of April when the population stood at 39.86 million.

Earlier in the year, the ministry lowered its target for the number of sows in the country from 41 million head to 39 million.

Chinese pig prices increased significantly at the end of May and at the beginning of June. The higher prices for producers combined with lower feed prices mean that Chinese pig producers are in profit once again.

A contributory factor to the higher pig prices has been the fall in pig slaughtering. In the first six months of the year, the authorities' figure shows a decline in slaughtering of 3.1 per cent, which largely occurred in Q2.

 **VIETNAM**
Rise in African Swine Fever virus

Reuters reports that African Swine Fever outbreaks are rising in Vietnam.

This year, 660 African Swine Fever outbreaks have been detected in the country compared to 208 cases during the same period last year. Some 42,000 pigs have been culled so far this year to prevent further infection, up by nearly five times that of the same period last year.

Reuters also reports that a document from the Vietnamese government confirms that the risk of the disease spreading further is high, which can affect food supplies and consumer prices.

Earlier in the year, the Vietnamese authorities stated that the country's pig population stood at 30.3 million in November 2023. This is a rise of 4 per cent compared to one year ago.

According to Vietnam's Agriculture Ministry, Vietnam's pig production in 2023 rose by 7.2 per cent to 4,866 million tonnes carcass weight. For 2024, the ministry estimates that production will increase by a further 4 per cent.

In 2023, Vietnam imported 116,000 tonnes of pig meat, a rise of 1.8 per cent compared to 2022. Imports make up 3 per cent of domestic pig meat consumption.

According to Pig 333, Vietnam also imported 122,000 tonnes of porcine by-products in 2023. This is a rise of 76.7 per cent compared to last year.

 **USA**

Pig census 1 June 2024

The results of the U.S. pig census from 1 June 2024 was published at the end of June by the USDA.

Compared to the same census one year ago, the results show a slight rise of 1.3 per cent in the total pig population whereas the breeding herd fell by 3.2 per cent.

Expected farrowings for the current quarter are 2.5 per cent lower than the same quarter last year whereas expected farrowings for the coming quarter are 0.6 per cent lower than last year.

'000 head	2024 1 June	2023 1 June	% change
Breeding population	6,008	6,206	-3.2
Piglets and finishers	68,479	67,345	1.7
Total	74,486	73,551	1.3
	2024	2023	
Expected farrowings:			
June-Aug	2,963	3,040	-2.5
Sept-Nov	2,945	2,962	-0.6

The result of the 1 June pig census indicates that U.S. pig production in H2 will be slightly higher than the same period last year.



USA

Pig producers showing a profit once again

U.S. pig producers are beginning to show a profit following an extended period of losses.

Calculations from Iowa State University show that U.S. pig producers' average earnings were between USD 12 to USD 17 per pig in April, May and June (farrow to finish).

By contrast, losses were experienced in 20 of the previous 24 months. Futures prices for the coming autumn and winter indicate that earnings will be under pressure going forwards.

USDA projects that US pig meat production will rise by 3 per despite the economic pressures of pig production. For 2025, USDA expects a further rise in US pig production of 1 per cent.



USA

WH Group plans an American stock listing of Smithfield Foods

On Sunday, the Chinese WH Group announced that they are planning to list Smithfield Foods on the New York Stock Exchange.

The subsidiary Smithfield Foods comprises Smithfield in the U.S. and Mexico.

The announcement was made on the Hong Kong Stock Exchange where the WH Group is listed.

For the plan to be implemented, approval from both the Stock Exchange in New York and the Stock Exchange in Hong Kong is required.



FRANCE

New campaign to prevent African Swine Fever from entering France

With new outbreaks of African Swine Fever in Northern Italy and Western Germany, the African Swine Fever virus is close to France.

Northern Italy and Western Germany, the African

The French authorities have therefore implemented a prevention campaign targeted at international hauliers, hunters, hikers, tourists, etc. to control the disease.

When, in 2019, Belgium was hit by the disease, the French authorities erected a 112 km fence at the Belgian border to prevent the spread of infection from the affected area.

SOUTH KOREA

Increasing imports to South Korea in H1 2024 – but decline in imports from EU

The table below shows the official figures for South Korea's imports of fresh/frozen pig meat for January-June 2024 compared to the same period in 2023 and 2022.

As can be seen, South Korea's total imports of fresh/frozen pig meat in H1 2024 were higher than the same period in the previous two years.

In Q1, South Korea posted increasing quantities of pig meat from U.S, Canada, Chile and Brazil. By contrast, there was a fall in imports from the major exporting EU countries like Spain, Holland and Denmark.

In 2024, South Korea resumed exports of pig meat from Germany after an almost three-year suspension due to African Swine Fever. In 2022, South Korea resumed imports of pig meat from Belgium after the country was declared free from African Swine Fever.

0203 Fresh/frozen pig meat				
Tonnes	Jan-June 2022	Jan-June 2023	Jan-June 2024	% change 24:23
USA	69,556	86,325	118,844	37.7
Spain	85,489	63,275	52,582	-16.9
Canada	27,027	38,376	40,896	6.6
Chile	16,173	15,836	21,019	32.7
Holland	25,194	21,960	18,267	-16.8
Germany			17,367	
Austria	16,160	11,780	9,837	-16.5
Brazil	2,325	3,626	9,139	152.0
Denmark	11,370	6,737	6,112	-9.3
Mexico	3,836	5,773	5,295	-8.3
Belgium	4,322	5,422	5,182	-4.4
France	5,755	4,534	3,978	-12.3
Finland	2,384	2,713	2,345	-13.6
UK	1,447	2,289	2,249	-1.7
Ireland	5,290	4,233	1,626	-61.6
Sweden	1,511	1,560	1,279	-18.0
Australia	1,739	1,254	1,104	-12.0
Portugal	843	591	366	-38.1
Poland			65	
Others	19	0	2	
Total	280,440	276,284	317,554	14.9

Last week, the USDA published its quarterly report for global production, consumption and trade in pig meat for 2024.

Trade only covers fresh/frozen and processed pig meat. Major Chinese imports of by-products are not included in the trade figures.

Pig meat production

Compared to the most recent quarterly overview from April, the USDA has upgraded its projections for Chinese production in 2024. The USDA now expects a fall in Chinese production of 2 per cent compared to the previous projection of a 3 per cent fall.

By contrast, the projection for Brazil's production in 2024 was slightly downgraded in relation to the April figure. USDA now expects a rise of 2 per cent in Brazilian production. In April, the projection was for a rise of 4 per cent.

As for other countries, the projection is for only modest adjustments in the production forecast for 2024 compared to the April forecast.

Taken as a whole, the USDA expects pig meat production to remain unchanged in 2024 compared to 2023. The expected fall in Chinese production of 2 per cent will be offset by rises in production for the other countries.

Production in 1,000 tonnes	2020	2021	2022	2023	% change 23:22	Forecast 2024	% change 24:23
China	36,340	47,500	55,410	57,940	5	56,750	-2
EU	23,219	23,615	22,277	20,800	-7	21,150	2
USA	12,845	12,560	12,252	12,391	1	12,771	3
Brazil	4,125	4,365	4,350	4,450	2	4,560	2
Canada	2,115	2,101	2,078	2,106	1	2,050	-3
Mexico	1,451	1,484	1,530	1,557	2	1,590	2
South Korea	1,403	1,407	1,419	1,435	1	1,440	0
Japan	1,306	1,318	1,293	1,294	0	1,315	2
Philippines	1,115	1,000	1,020	1,050	3	1,050	0
UK	984	1,035	1,041	927	-11	933	1
Hong Kong	63	74	91	93	2	95	2
Others	11,121	11,525	11,881	12,268	3	12,620	3
Total – selected countries	96,087	107,984	114,642	116,311	1	116,324	0

Consumption in 1,000 tonnes	2020	2021	2022	2023	% change 23:22	Forecast 2024	% change 24:23
China	41,517	51,724	57,434	59,741	4	58,150	-3
EU	18,203	18,720	18,220	17,782	-2	18,100	2
USA	10,034	9,919	9,957	9,829	-1	10,039	2
Brazil	2,949	3,047	3,033	3,038	0	3,142	3
Mexico	2,052	2,320	2,544	2,653	4	2,740	3
Japan	2,732	2,760	2,765	2,740	-1	2,750	0
South Korea	1,976	1,997	2,072	2,109	2	2,216	5
Philippines	1,268	1,430	1,545	1,522	-1	1,593	5
UK	1,430	1,506	1,559	1,492	-4	1,523	2
Canada	856	858	907	1,042	15	920	-12
Hong Kong	441	438	342	352	3	365	4
Others	11,794	12,538	12,954	13,188	2	13,554	3
Total – selected countries	95,252	107,257	113,332	115,488	2	115,092	0

Pig meat imports

Once again, the USDA has adjusted its projections for China's imports of pig meat in 2024. In January, the USDA expected rising imports in 2024 and stable imports in April. The projection is now for a substantial fall in Chinese exports in 2024.

For Japan, the USDA expects imports to be stable.

Mexico's pig meat imports have been on the rise for a number of years. For 2024, the USDA expects a rise in imports - albeit a slightly smaller rise than the 9 per cent the USDA expected in April.

Imports in 1,000 tonnes	2020	2021	2022	2023	% change 23:22	Forecast 2024	% change 24:23
China	5,277	4,328	2,125	1,897	-11	1,500	-21
Japan	1,412	1,420	1,523	1,431	-6	1,445	1
Mexico	945	1,155	1,299	1,354	4	1,410	4
UK	792	727	779	757	-3	775	2
South Korea	554	570	713	675	-5	775	15
USA	410	535	610	518	-15	550	6
Philippines	168	462	561	448	-20	500	12
Hong Kong	378	364	251	259	3	270	4
Canada	274	263	234	261	12	250	-4
EU	160	98	122	108	-11	100	-7
Others	1,243	1,569	1,579	1,492	-6	1,533	3
Total - selected countries	11,613	11,491	9,796	9,200	-6	9,108	-1

Exports of pig meat

The USDA continues to expect that, in their estimate of exports, US pig meat exports will overtake exports from the EU. Compared to April, there has been a slight downgrading in export estimates in 2024 for both the US and EU.

Estimates for Brazilian exports in 2024 have been downgraded compared to April's figures. Brazilian exports in 2024 are now expected to be largely unchanged. In April, the USDA's outlook was for a 5 per cent increase.

By contrast, Canada's exports have been upgraded from April. An increase of 6 per cent is now expected compared to the 1 per cent expected in April.

Exports in 1,000 tonnes	2020	2021	2022	2023	% change 23:22	Forecast 2024	% change 24:23
USA	3,302	3,186	2,878	3,095	8	3,287	6
EU	5,176	4,993	4,179	3,126	-25	3,150	1
Brazil	1,178	1,321	1,319	1,414	7	1,420	0
Canada	1,546	1,483	1,416	1,326	-6	1,400	6
Mexico	344	319	285	258	-9	260	1
UK	346	256	261	192	-26	185	-4
China	100	104	101	96	-5	100	4
South Korea	5	10	8	11	38	12	9
Japan	4	4	3	3	0	2	-33
Philippines	1	1	1	1	0	1	0
Others	569	554	505	571	13	598	5
Total - selected countries	12,570	12,230	10,955	10,092	-8	10,414	3

Pig meat storage

The table below provides storage figures for Japan until the end of May 2024.

Tonnage	Own production		Imported volumes		Total storage
	Fresh	Frozen	Fresh	Frozen	
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
End April 23	1,070	19,503	12,096	191,949	224,618
End May 23	1,047	19,146	14,590	209,312	244,095
End June 23	978	18,608	13,751	211,457	244,794
End July 23	969	19,789	11,542	208,525	240,825
End August 23	867	29,165	13,596	204,108	238,736
End September 23	1,045	20,407	9,463	194,014	224,929
End October 23	930	18,759	10,827	181,985	212,501
End November 23	945	19,209	13,058	171,195	204,407
End December 23	1,437	19,944	11,764	158,356	191,501
End January 24	549	20,287	13,292	159,880	194,008
End February 24	578	20,861	12,454	153,232	187,125
End March 24	614	22,503	12,269	153,850	189,236
End April 24	496	22,174	15,011	159,048	196,729
End May 24	455	23,784	15,137	174,788	214,164