Pigmeat and Poultry Market Situation

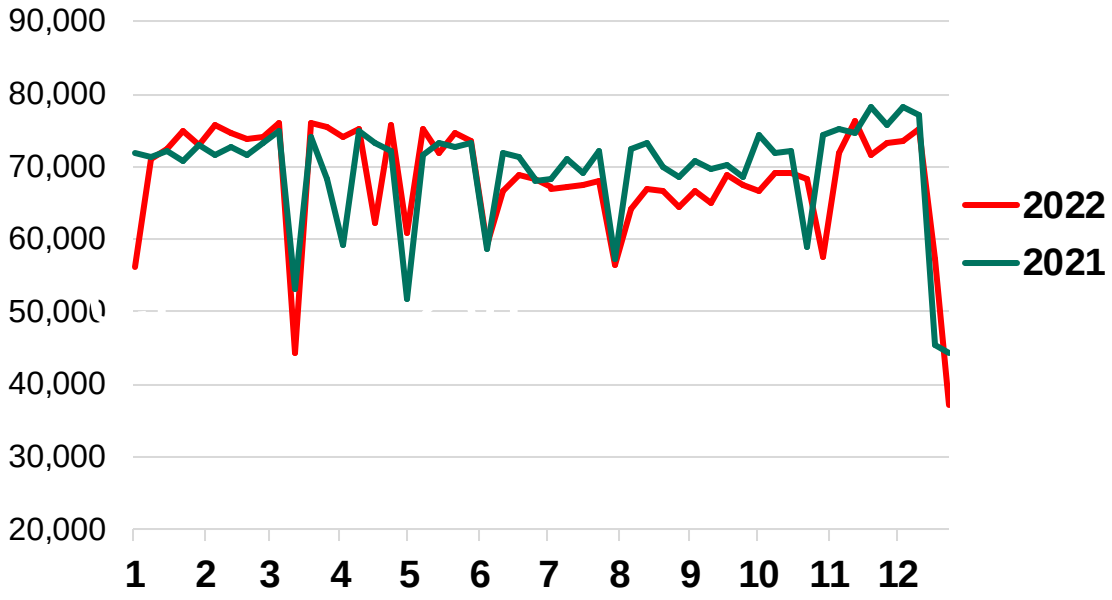


Peter Duggan

13th January 2023

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Irish Domestic Pig Supplies fall by almost 2%

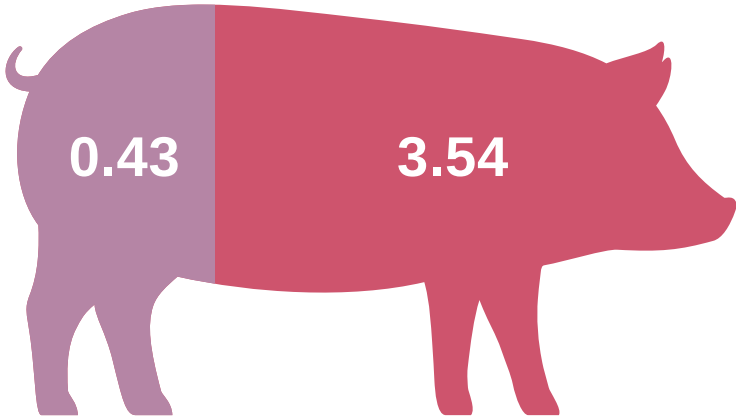


Source: Department Agriculture Food and the Marine (DAFM)

	Head '000	% Change v's 2021
Q1	842	-0.9
Q2	913	2.3
Q3	857	-4.9
Q4	934	-3.6
Total	3,546	-1.8

Lower pig availability impacts overall supplies

mn head

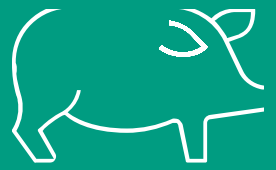


High production costs impact pig availability from Q3

Live pig exports 6.6% lower at 430k head

Total pig supplies 2.3% lower at 3.97 million head

Irish pigmeat producer prices strengthen during 2022



2020
170c/kg

2021
155c/kg

2022
177c/kg



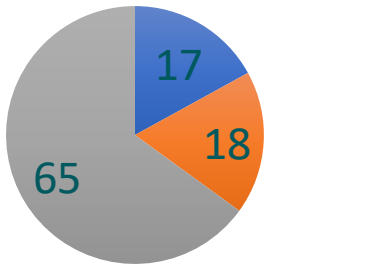
Source: Department of Agriculture, Food and the Marine

Irish Pigmeat Exports Performance

	2021	2022(e)	% Change 22/21
Value (Primary)	€530mn	€539mn	+2%
Total Volume	238,000tn	228,500tn	-4%

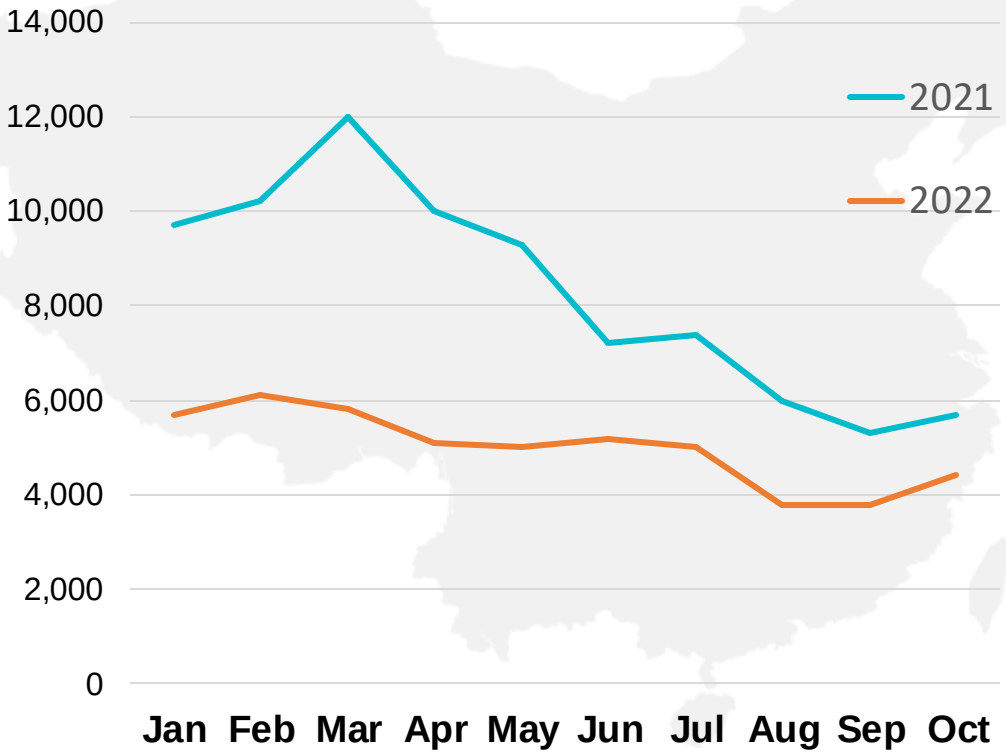
Source: CSO & Bord Bia Estimates

2022 IE Pigmeat Exports, % of export value



Share of International exports have moved from 68 to 65%

Pigmeat Exports to China



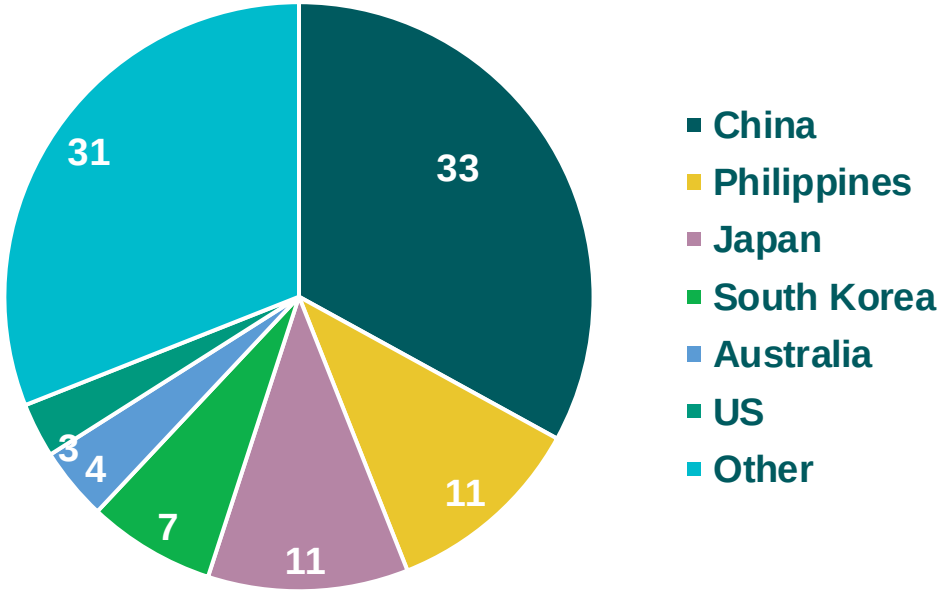
Source: CSO

2022 EU Pigmeat shipments fall significantly

Yr	Mn Tonnes	% Change YoY
2018	3.8	
2019	4.6	+20%
2020	5.4	+19%
2021	5.3	-3%
2022 (Jan-Oct)	3.7	-18

Source: EU Commission

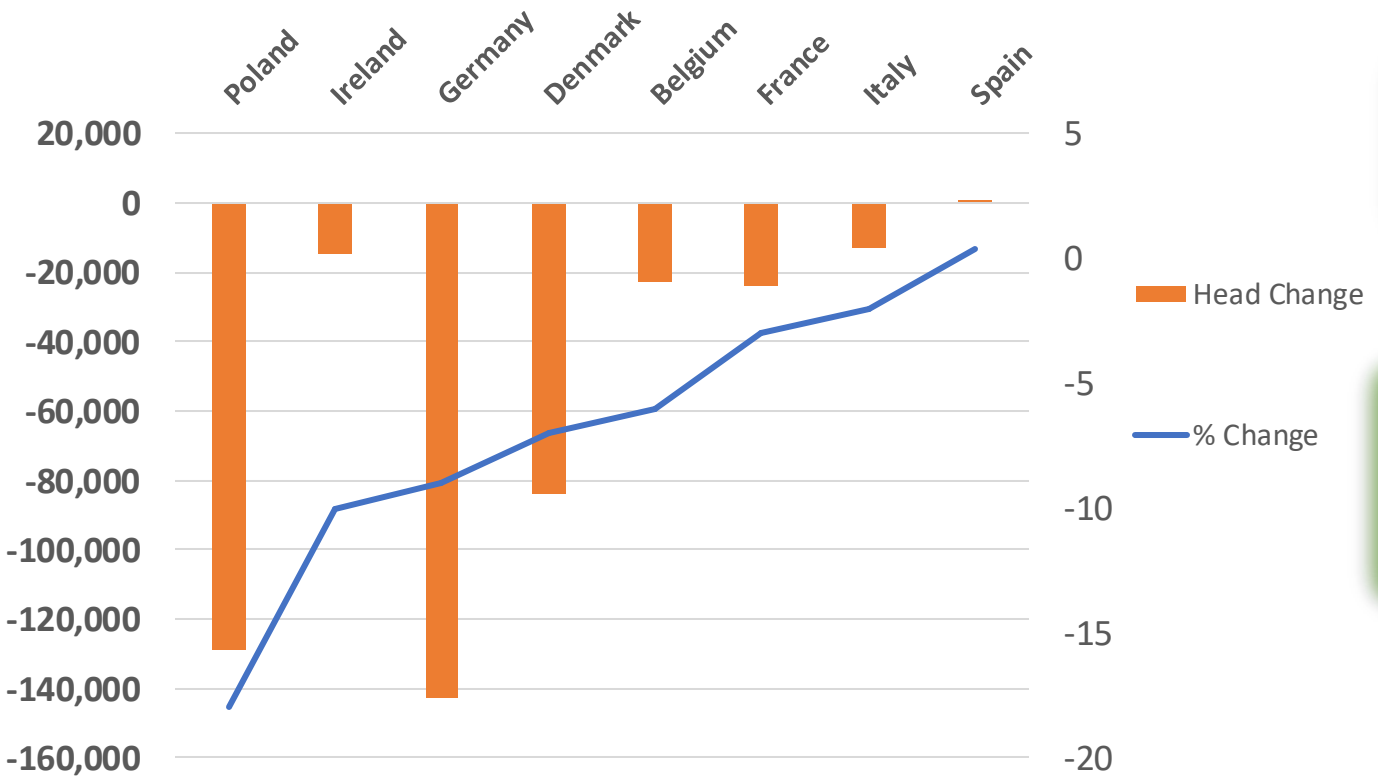
Partner Destination for EU Exports, Jan-Oct 22,%



Source: EU Commission

- Slowdown in Chinese demand alters International market destination
- China accounted for **33%** of EU exports during 2022 compared to **62%** during 2020

European Breeding Herd Decline Accelerates



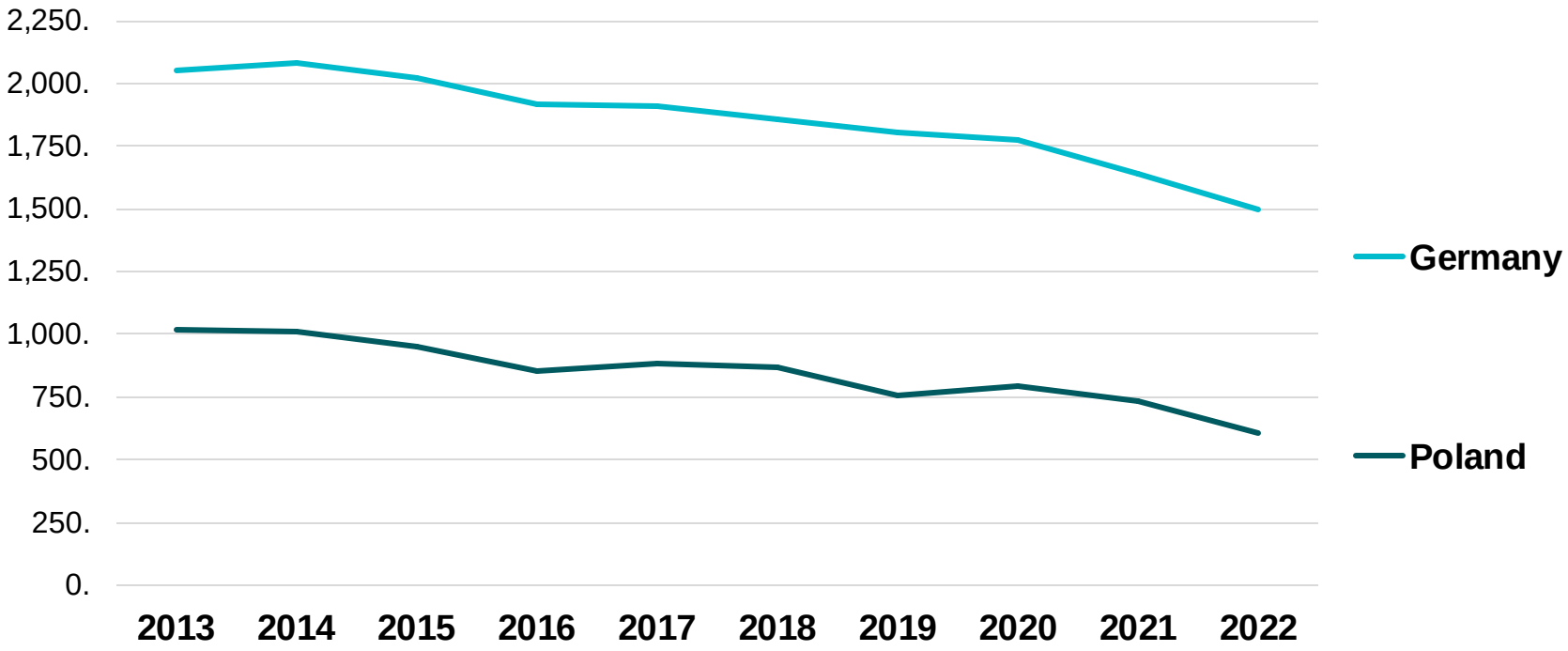
Source: Eurostat, 2022 May/June Livestock Survey

Breeding herd 5% or 483k head lower @10.1 million hd

- Animal Welfare
- Ageing Farming Community
- Decreasing confidence

ASF & Pricing Impact European pig population

Breeding herd developments (May/June Survey), ‘000 head



2013-2022

DE – down 27%

PL - down 41%

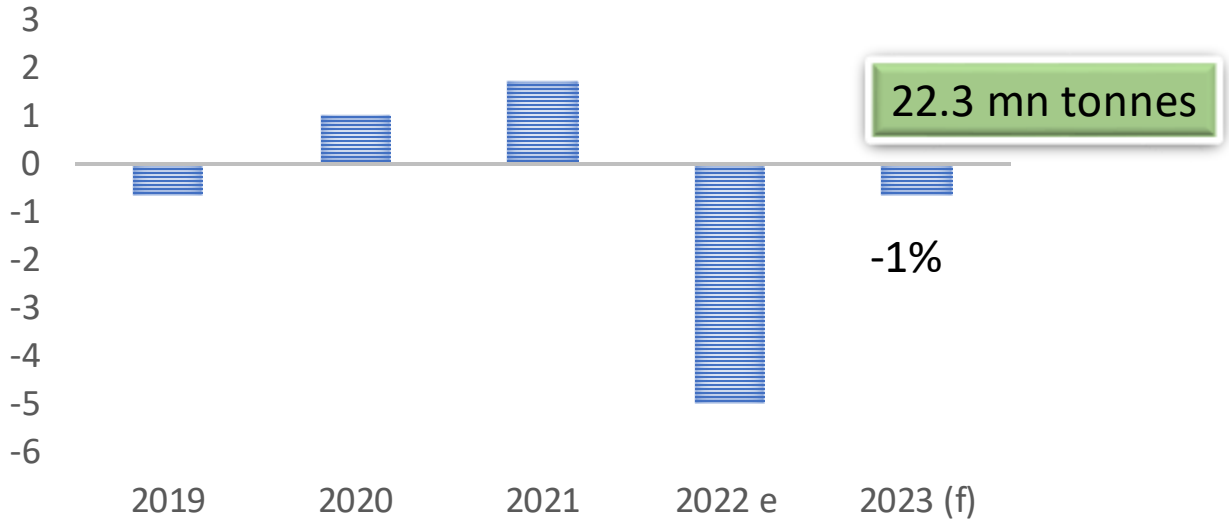
Source: Eurostat

Market Prospects

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Lower EU pigmeat production forecast for 2023



Gira predict a 3% decline in EU pig production in 2023

Ongoing ASF risks

Tight EU poultry supplies will boost demand during H1

A weak Euro against dollar will support exports during 23

Source: 2022 EU Short term outlook

Irish pig production (est) to have fallen by 4% to 317,000 tonnes during 2022

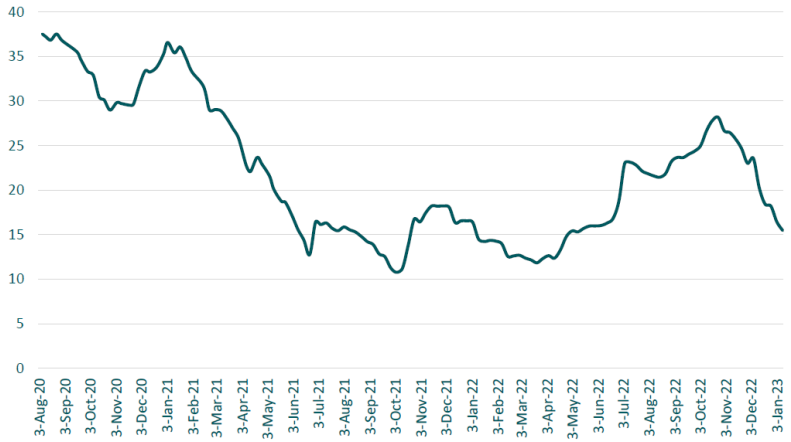
- Lower breeding herd impact
- Offset against rising productivity levels

Chinese market volatility to continue

- Chinese pig prices 40% lower since December 22
- Ongoing low consumption despite restrictions relaxing as Covid cases spiked
- Processing sites impacted by Covid cases
- A recovery in market demand is anticipated after the Chinese New Year
- Supplies will tighten during H1 2023 before recovering during H2 2023



Live hog prices (CNY/kg)



¥15.46

Today's price (January 10th)

-6%

Weekly change

-16.1%

Monthly change

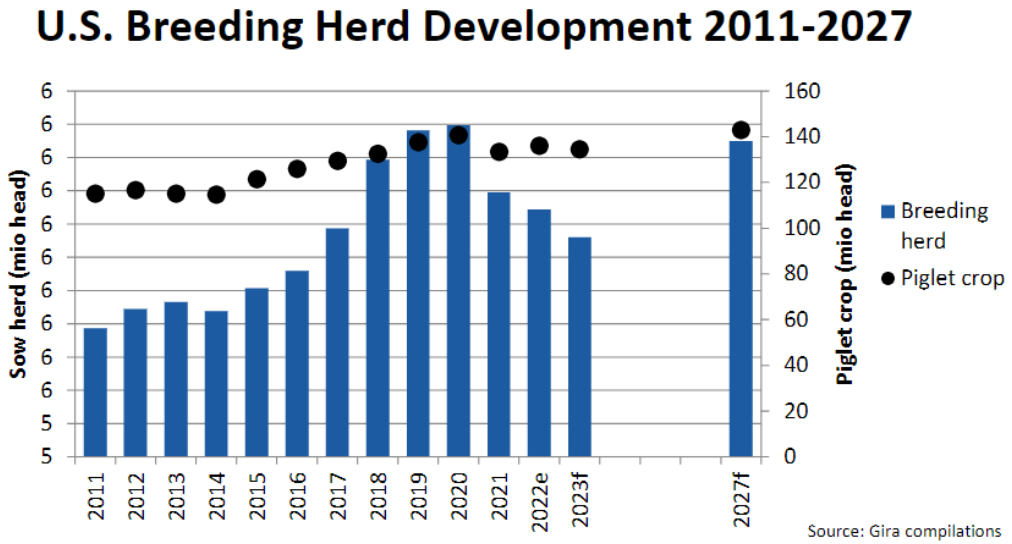
Key net export market trends

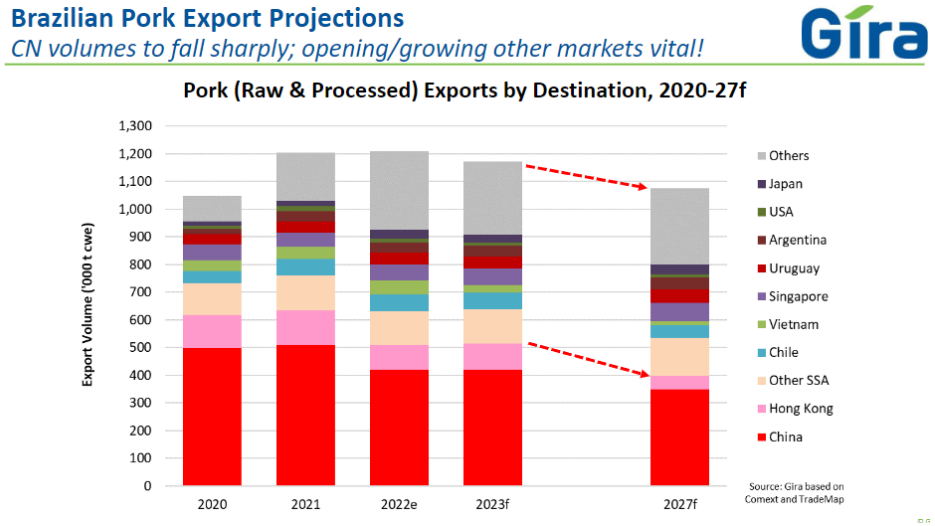


- Lower US Pork anticipated for 2023
- California proposition 12 uncertainty
- California matters- 12% of national production
- Increase in live imports from Canada
- Export demand expected to remain firm
- A strong dollar will impact trade flows



- Production to increase by 1.5%
- Weak BR Real has supported exports
- Inflationary pressure will support increased local demand





2023 Promotional Activities







TV Activity

Social & Influencer Activity

Press Activity

Radio Activity

Food Service Initiative follow-up





Malaysian Pigmeat Market Understanding

February 2023

Summary

- European and Irish pigmeat production impacted by higher cost of production during 2022
- International markets continue to play a critical role for Irish pigmeat suppliers
- Pigmeat shipments from Europe to China fall
- Irish and European pigmeat supplies to tighten during 2023
- The Chinese market is expected to recover gradually following the Chinese New Year
- Currency dynamics will play a key role in exports from the two global pigmeat trade powerhouses, US and Brazil
- Promotional activities will continue to be intensified

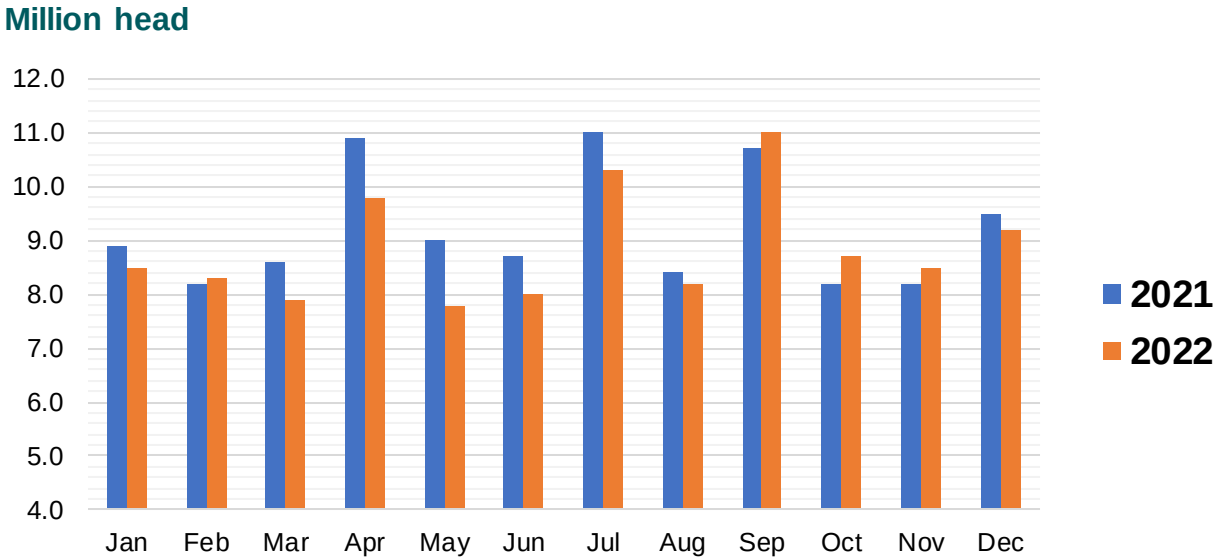


Poultry Review & Outlook

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Irish poultry supplies fall by 4%



Source: DAFM

- Higher costs and disease risk impacting poultry supplies
- Irish poultry supplies to stabilise during 2023

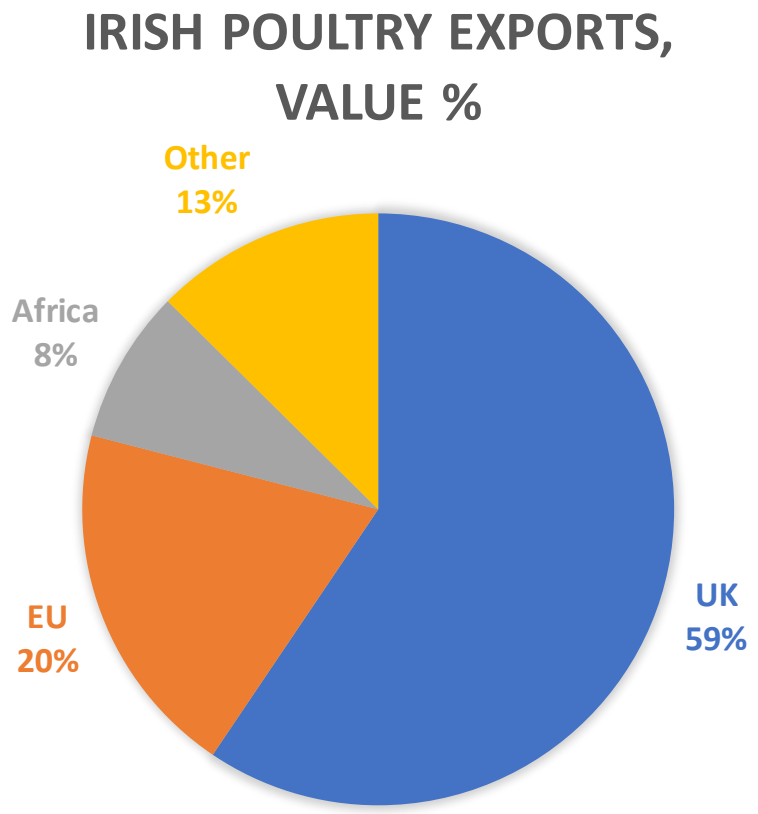


Irish Primary Poultry Exports Performance

	2021	2022(e)	% Change 22/21
Value	€125mn	€143mn	+14%
Volume	75,700tn	77,800tn	+3%

Source: CSO & Bord Bia Estimates

- Market access restrictions due to Avian Influenza
- Recovery in demand from the UK and EU



Poultry benefits from ‘Inflationary pressure’

Relative % Share of EU Meat Consumption

	2018	2022
Poultrymeat	30	32
Pigmeat	50.5	49
Beef	17.5	17.5

Source: EU Commission



In value terms, the poultry category has grown as average prices rose during 2022

2023 Home marketing campaign



Social & Influencer Activity

Radio Activity

Market Prospects



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2023 Market Prospects

- Global Impact of Avian Influenza
- Ireland was relatively unimpacted
- UK imports rose significantly during 2022 for eggs and turkey reflecting high outbreak numbers.
- Cost of feed & energy will have a significant bearing on growth
- Irish broiler meat production to stabilise
- EU broiler meat production will also stabilise
- Poland will remain the leading EU producer
- Cost of living crisis will see consumers continuing to switch to poultry protein



Pigmeat and Poultry Market Situation

Peter Duggan

13th January 2023

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