

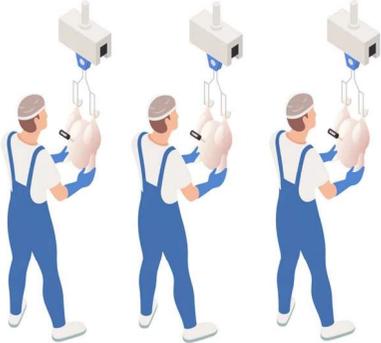
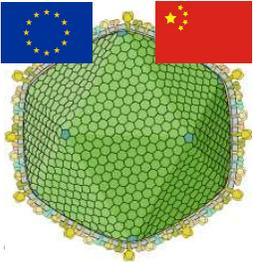
Global Pork Sector Outlook

Extracted from the Gira Meat Club, for DG Agri Pork
CDG

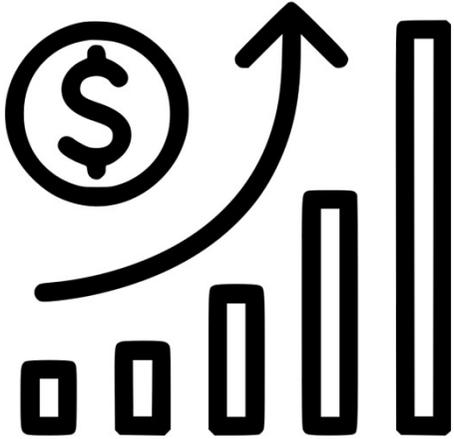
25th April 2023

Array of global issues challenging the meat (food) industry

... threatening, inflationary ... and difficult to respond to



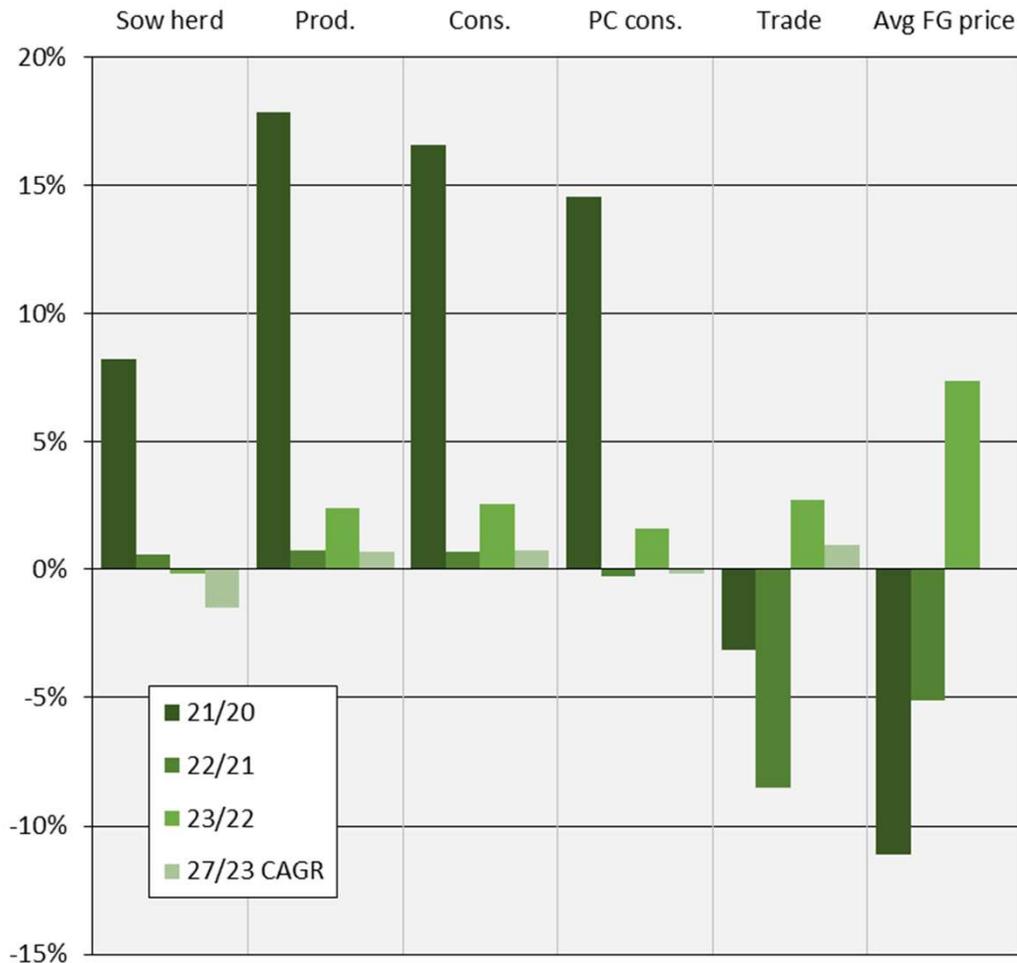
COP27
SHARM EL-SHEIKH
EGYPT 2022



Global Pork Outlook

2022e-23f Pork headlines

End of CN recovery impact; inflation and weaker global demand



Source: Gira forecasts. No n+5 FG (farmgate) price forecasts

Major impact of Chinese market (40-50% of global pork market) ... so Chinese situation and outside China

2022 in China:

- End of post-ASF production rebuilding
- Overproduction vs weak demand (zero-C19 policy)
- Impacting trade

2022 elsewhere:

- Many tight supplies offset growth in Asia
- Tight supplies in the US, EU vs recovering demand (HPAI)
- Impact of Chinese recessing import demand

2023f:

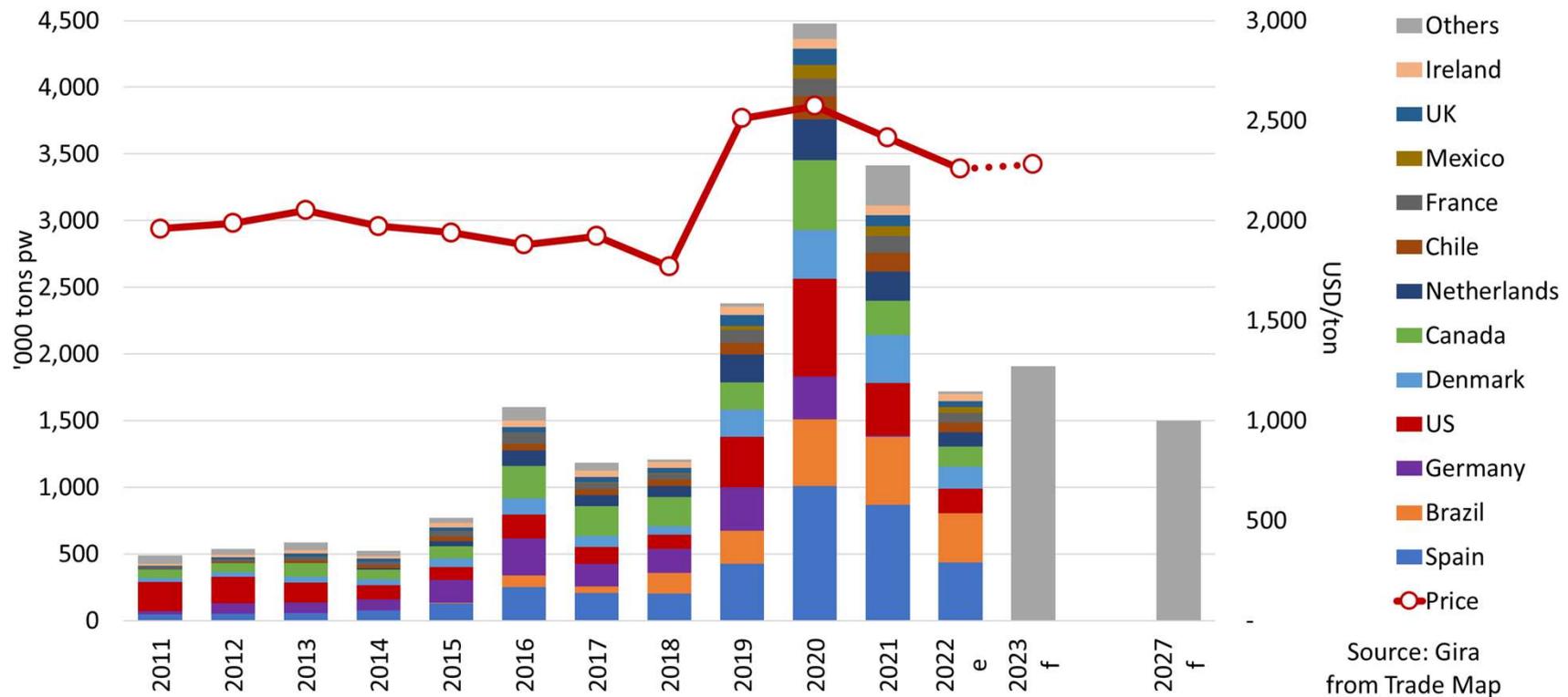
- Imbalance in Chinese Supply/Demand?
- Production contraction in EU & US

Imports

Massive drop from 1H 2021 import levels



China Direct Pork Imports by Origin, 2011-2027f



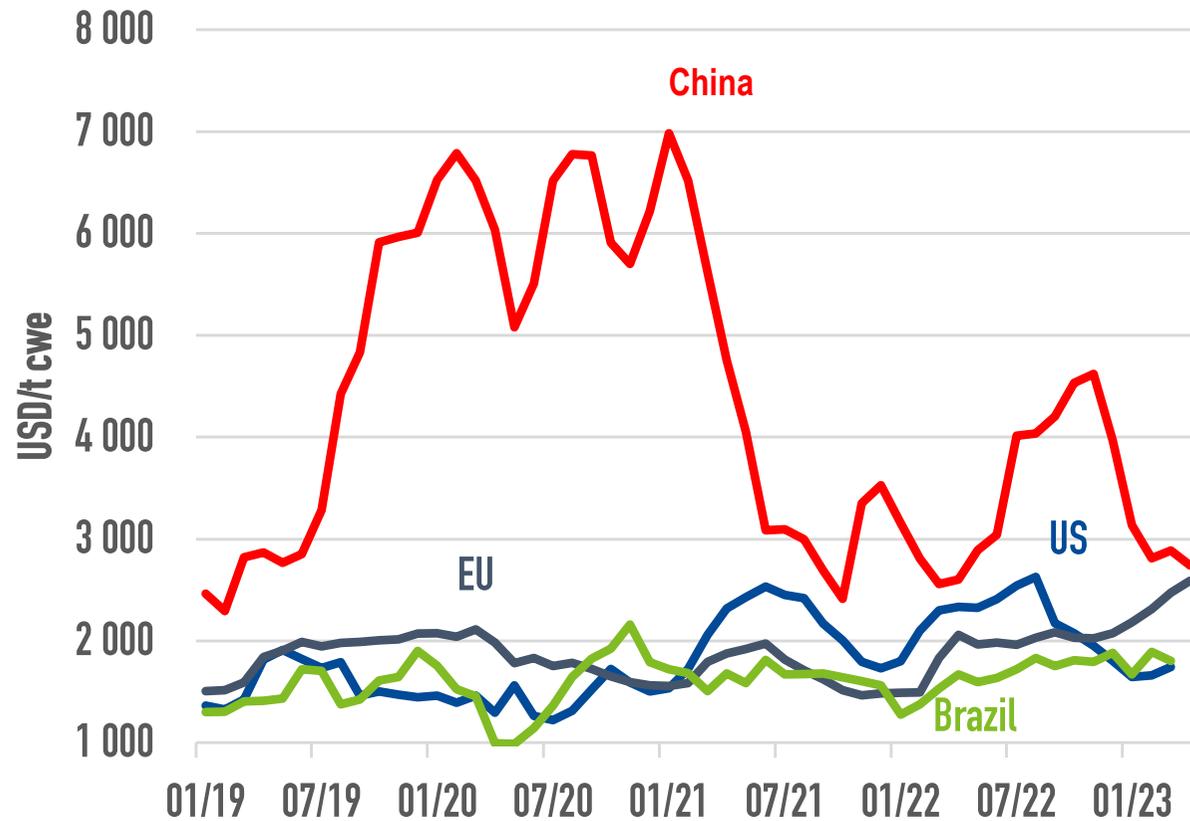
Source: Gira from Trade Map

Prices

Record high prices in EU & strengthening € vs \$



Pork producer prices (USD/t cwe), monthly Jan. 2019 – 1Q23



Source: Gira compilations

Final Thoughts

Final Thoughts

Global pork market remain firm



➤ **Inflationary impact** on global meat consumption ... and production:

- Impact of feed costs recessing ...
- ... but tight supplies (esp. in EU) ...
- ... and a recovering pork demand in US and EU amid HPAI impact on poultry.

➤ **Very unusual situation in EU pork market**

- High pig prices despite recessing grains & oilseed prices ...
- ... but pig production likely to only marginally recovers: farmers' demographics, increasing financing costs, tightening regulations, etc.

➤ **Restructuring pig sector in Asia, regional development in Latin America, deglobalization** ... but trade still important for carcass equilibrium

➤ **'Expensive' ... and production costs continue to rise:** especially in Europe

- Feed, labour, sustainability, AW, etc

Thank you for your attention

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