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## Pig meat market situation and outlook

The forecasting Committee of the pig meat Advisory Group met in Brussels on Thursday 10<sup>th</sup> October 2013.

From the meeting it emerged that the EU pig meat market situation would chiefly be characterized by:

- A falling production (-1.3%) for the second consecutive year;
- An upward trend in prices;
- Stable exports;
- Falling feed costs;
- Promising margins;
- Demand always influenced by the slump but also by the weather conditions.

SECRÉTARIAT & CORRESPONDANCE: 81A rue de la Loi (bte 9)  
1040 BRUXELLES, Belgique  
Tel: 32 (0) 2 230 46 03 - Fax: 32 (0) 2 230 94 00  
E-mail: [info@uecbv.eu](mailto:info@uecbv.eu) - Web: [www.uecbv.eu](http://www.uecbv.eu)

## 1° EU MARKET

### 1.1. Numbers

The preliminary results of the May/June 2013 survey showed a fall in numbers by approx. 0.9%. A fall by 1.7% had already been recorded in December last year.

The number of sows is down (-2.4% on an average), while the number of mated sows goes down by 2.5%. But on the other hand, the number of sows mated for the first time is on the increase (+1.9%).

The major lessons to be drawn are:

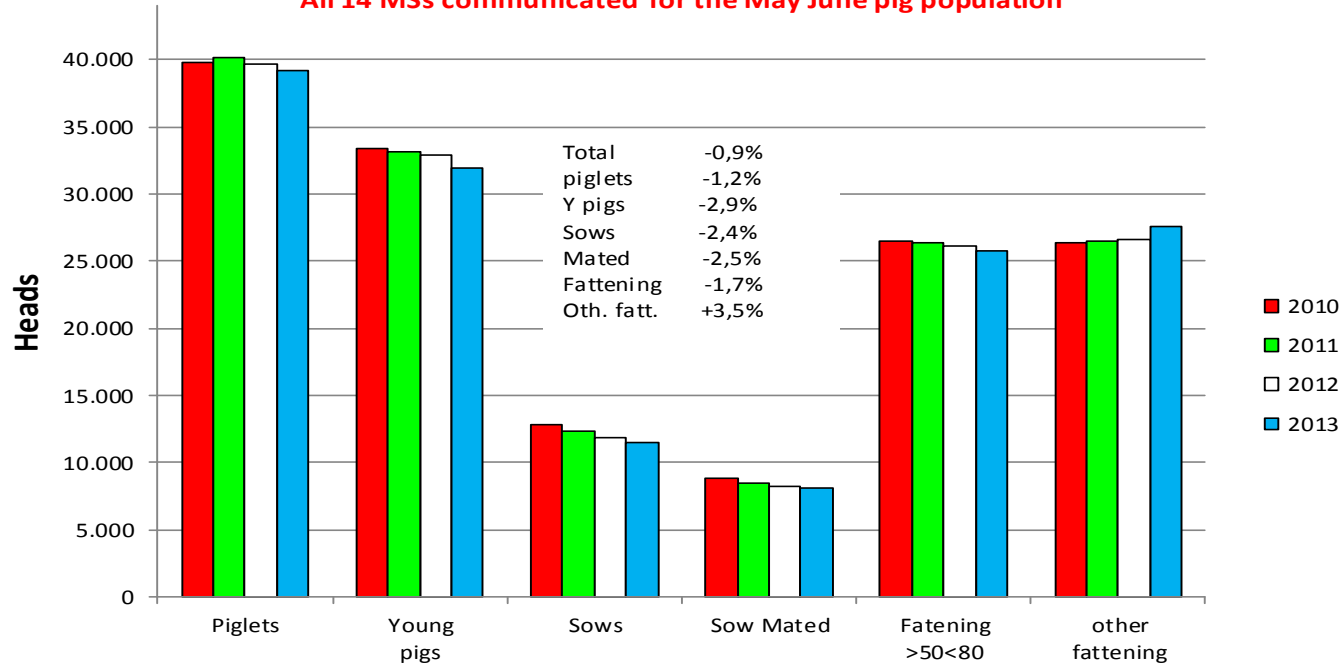
- A further fall in the pig numbers;
- A slower reduction in the number of breeding animals;
- Compensation through higher productivity. As a result, the fall in the number of piglets is only -1.2%. The productivity growth is higher in the EU-12.

#### **Evolution of the number of pigs in the EU per category** **Preliminary results of the May/June 2013 survey (14 Member States)**

a) Community average

## Preliminary results of the May June 2013 Survey on Pigs

All 14 MSs communicated for the May June pig population



b) Evolution per category (not available)

c) Evolution per Member State

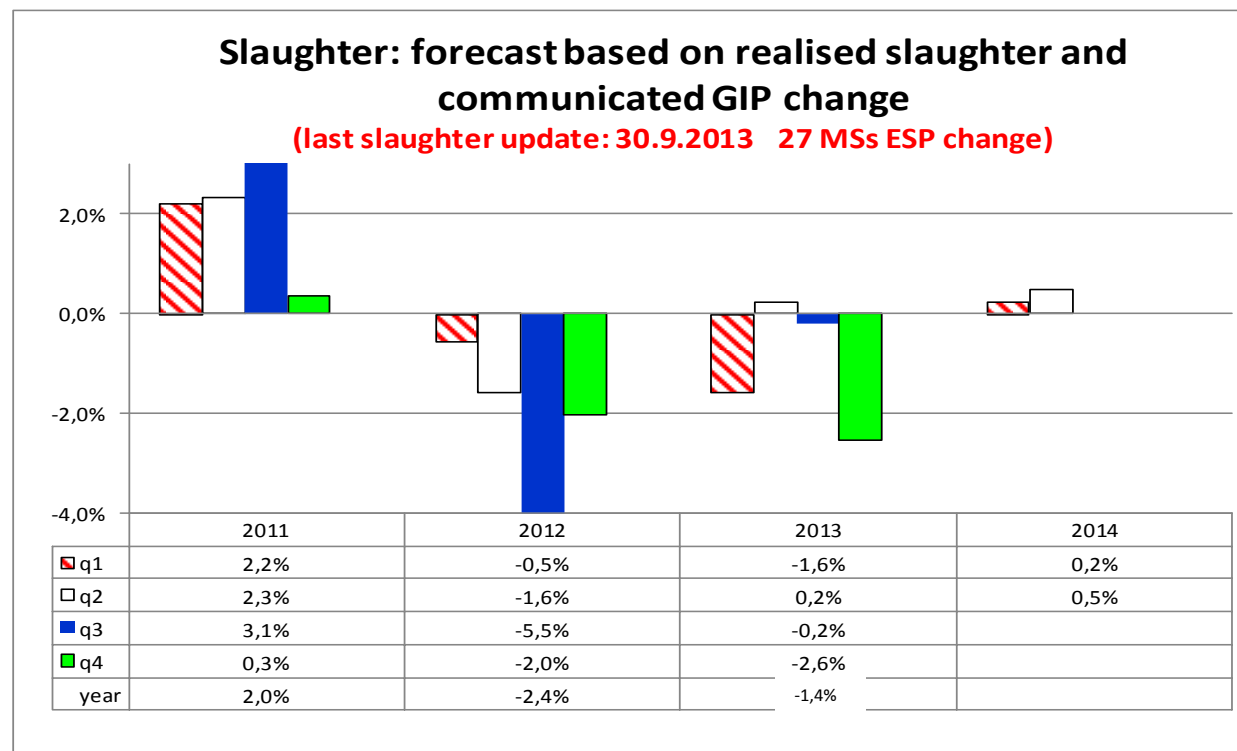
Preliminary results of the May/June 2013 survey (x '000 head)

	Belgium	Bulgaria	Czech Republic	Denmark	Germany	Estonia	Ireland	Spain	France	Italy	Latvia	Lithuania	Luxembourg
<b>Pig population</b>													
2013	6.593,0	NA	NA	12.252,0	27.690,1	NA	1.552,0	24.419,4	13.594,0	8.664,4	NA	NA	NA
2013/2012	-0,6%	NA	NA	-1,3%	-1,6%	NA	-1,2%	-2,9%	-0,6%	-6,6%	NA	NA	NA
<b>Sows</b>													
2013	489,2	NA	NA	1.228,0	2.054,9	NA	146,5	2.203,5	1.084,0	588,7	NA	NA	NA
2013/2012	-0,9%	NA	NA	+0,2%	-5,4%	NA	+1,3%	-6,5%	-2,1%	+0,6%	NA	NA	NA
<b>Materd sows</b>													
2013	396,1	NA	NA	783,0	1.479,3	NA	103,4	1.522,8	774,0	490,0	NA	NA	NA
2013/2012	-1,4%	NA	NA	0,0%	-6,5%	NA	-1,2%	-6,8%	-2,3%	+3,3%	NA	NA	NA

	Hungary	Malta	Netherlands	Austria	Poland	Portugal	Roumania	Slovenia	Slovakia	Finland	Sweden	UK	EU-14
<b>Pig population</b>													
2013	2.850,0	NA	12.219,0	2.872,5	12.517,9	NA	4.527,0	NA	NA	NA	1.413,9	4.979,0	136.144,2
2013/2012	-2,2%	NA	0,1%	-3,0%	+4,8%	NA	-1,4%	NA	NA	NA	+3,7%	+11,1%	-0,9%
<b>Sows</b>													
2013	282,0	NA	1.076,0	257,3	1.110,3	NA	354,5	NA	NA	NA	153,1	505,0	11.533,0
2013/2012	-1,4%	NA	+0,9%	-3,8%	+1,2%	NA	-1,6%	NA	NA	NA	+9,3%	-0,4%	-2,4%
<b>Mated sows</b>													
2013	183,0	NA	726,0	179,8	747,5	NA	210,8	NA	NA	NA	105,0	345,0	8.045,7
2013/2012	-2,1%	NA	+1,4%	-4,1%	+4,9%	NA	-2,0%	NA	NA	NA	+7,9%	-4,4%	-2,5%

## 1.2. Production

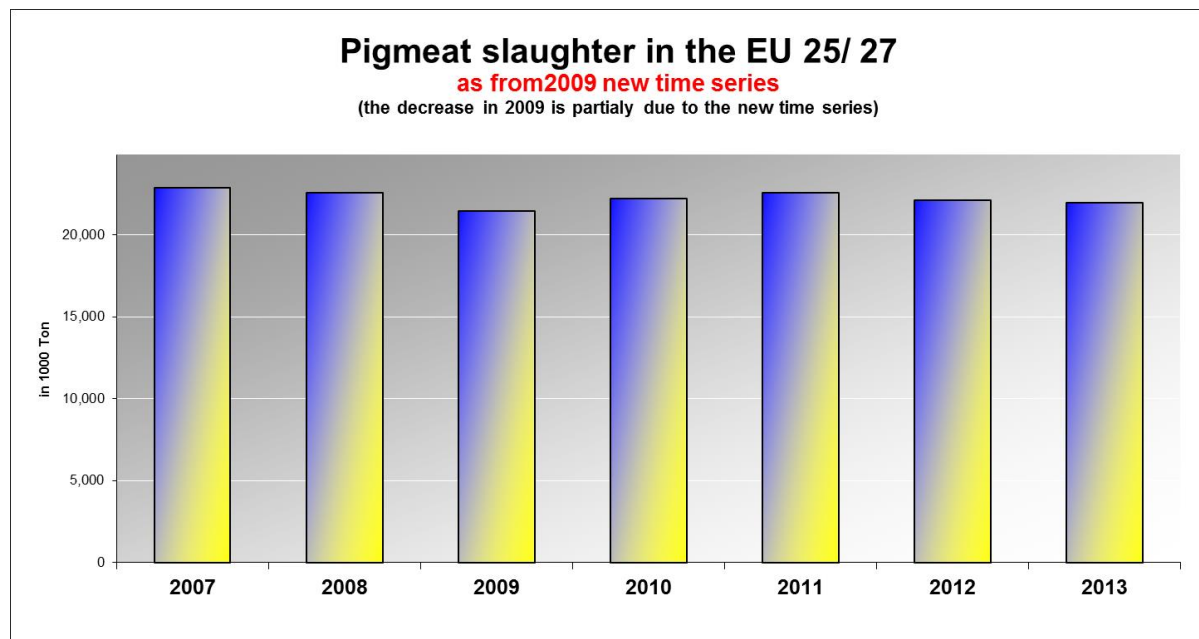
Gross indigenous production (GID): when expressed in head, GID decreased in 2012 (-2.4%). There was a moderate fall during the first half of the year (-0.8%), but a pronounced one during the second half (-3.8%). The downward trend continues this year (-1.6%). In 2013 the fall would be unevenly 'distributed' between the first half of the year (-1.4%) and the second half (-2.4%). However, the fall is likely to be below the forecasts made in April 2013 (-1.6% instead of -3.1%). Further erosion of production during the first half of 2014 (-0.6%).



All the production areas except in Spain (+1.4%) are affected by the erosion of production. Severe erosion in the Eastern European Member States, (Poland: -15.8%; Romania: -8.5%).

In 2014 Member States such as Germany, Denmark, the Netherlands are likely to revive growth but Belgium, Spain, France are not. Eventually, production in Poland would stabilize.

When expressed in tons cwe., production in 2012 was lower than in 2011 (-1.8%), but it was slightly up on 2010 (+1.5%). This year, the fall will be more modest (-0.7%). EU production would reach around 21,973,000 t. against 22,135,000 t. in 2012 and 22,551,000 t. in 2011.



In April 2013, the experts had added nuances to the fall in production that the EU Commission Services estimated on the basis of Eurostat statistics: they had estimated it at 2% instead of 3.1%. Their prudence was verified during the first seven months of the year.

### 1.3 Prices

#### **1.3.1. Meat**

In 2005 the prices had risen by 0.5% to reach € 139.12 per 100kg cw. (annual average). Given the availability of cereals and the feed cost, the years 2004 and 2005 had been satisfactory years for pig farmers.

Good profitability was reflected in the pig meat / feed index above 100 from June 2004 onwards. It peaked in June and August 2005 (121).

In 2006 pig farmers strengthened their situation. The prices during the first half of the year were higher than forecast. During the third quarter they continued to go up. This could be explained by dynamic demand both in and outside the EU, stimulated by either the confidence crisis putting poultry meat consumption upside down or the blocking of Brazilian meat in Russia on account of foot-and-mouth disease. The prices had declined during the last quarter of the year to fall again under the level they had reached in 2005 and 2004.

In 2007 the prices were influenced by the offer pressure. However, while being under the record level they had reached in 2006, they were close to the average prices recorded between 2002 and 2006, at least until October. In November and December the fall was clearer and, as a result, the average price in 2007 was similar to the average price during this period.

In 2008 the pig meat prices had been supported by dynamic exports stimulated by refunds and a reduced production. However, neither their recovery nor the fall in the feed price had made it possible for farmers to significantly recover their cash.

In 2009 the pig meat prices had prematurely started to decline from August 2009 in several production areas, such as Spain and France.

This could be explained by several factors:

- External demand affected by the financial crisis, the economic crisis, the devaluation of the currencies of the major buying countries (e.g. South Korea, Russia);
- Touristic summer migration, less important than in the past, to the detriment of consumption in several Member States, such as Spain.

Nonetheless:

- The prices had remained higher than the average prices recorded in the 2005-2009 period;
- The fall in the feed price had compensated the relative weakness of pig meat prices and led to a recovery of the farmer's margin amounting to € 50 per 100 kg cw. Even slightly higher than this level for a few months. As a result of this, the pig meat price / feed price index in 2009 had risen up to 99 (annual average) as compared with 83 in 2008 and 87 in 2007.

In 2010, the expected contraction was confirmed, induced by a growth in the offer and an apathetic domestic demand.

However, the improvement hoped for the fourth quarter, as compared to the same period of 2009, was confirmed, causing the average of the last months to be superior to the five-year average.

The positive forecasts for 2011 have been confirmed. Since the end of January, the prices had been holding up at a level above the one of the 2006/2010 five-year period (€143.34/100kg cw.), showing an atypical uptrend during the last quarter. The annual average reached €152.2/100kg cw.

It is true that the prices of the first quarter have been supported by the private storage scheme, within which approximately 143,000 tons were stored for a period of three to five months.

It is also true that the de-stocking of the meat, combined with a poor summer, so not too favourable for consumption, had a significant influence on the prices of the pig meat from June to August. Therefore, the seasonal peak dropped below forecast.

By contrast, it is also true that the traditional seasonal autumn trough was significantly diminished, due to an exceptional increase in prices during the last quarter. The main reason would be the strengthening of the external demand.

The forecast was favourable for 2012. The prices were supposed to be supported by:

- Stability of the production,
- Stimulating world demand.

In 2012, the development was actually favourable. Starting August, the prices got carried away and reached a historically high level since the introduction of the single currency. The upward trend continued in September, affecting seasonality; the trend should have been downward, not upward. Then, the seasonal decline was triggered while keeping prices at a level higher than the one of the previous years.

The firmness has continued in 2013, due to:

- the drop in production,
- the increased feed costs (first half of the year).

Apart from the May/June slot and the month of October, the prices were higher than in 2012. However, the seasonal autumn drop is ahead of last year's. In terms of annual averages, the increase is estimated to be +2.8%.

The rise in summer can be explained by scarcity of supply and demand supported by "grill-friendly" weather conditions.

**EU price for E grade – Evolution and forecast (euros/100kg cw.)**

	<b>2000</b> (1)	<b>2001</b> (1)	<b>2002</b> (1)	<b>2003</b> (1)	<b>2004</b> (2)	<b>2005</b> (2)	<b>2006</b> (2)	<b>2007</b> (3)	<b>2008</b> (3)	<b>2009</b> (3)	<b>2010</b> (1)	<b>2011</b> (1)	<b>2012</b> (1)	<b>2013</b> (1)	<b>2014</b> (1)
<b>Q1</b>	121,73	173,90	138,97	126,27	125,51	139,33	139,04	129,17	136,46	136,02	133,55	142,81	152,39	170,99	169,01
<b>Q2</b>	142,28	181,18	138,04	124,31	135,89	135,56	145,47	133,47	153,34	145,82	140,99	155,70	160,10	176,41	171,65
<b>Q3</b>	148,71	166,09	138,00	136,49	149,74	143,88	158,89	145,73	171,83	153,32	148,22	155,86	179,12	183,61	
<b>Q4</b>	153,06	144,95	127,05	121,88	142,06	137,63	137,83	132,31	151,35	133,70	138,23	158,36	179,70	171,72	
<b>YEAR</b>	141,64	166,53	135,51	127,24	138,41	139,12	145,34	135,17	153,24	142,22	140,24	153,20	170,20	175,40	

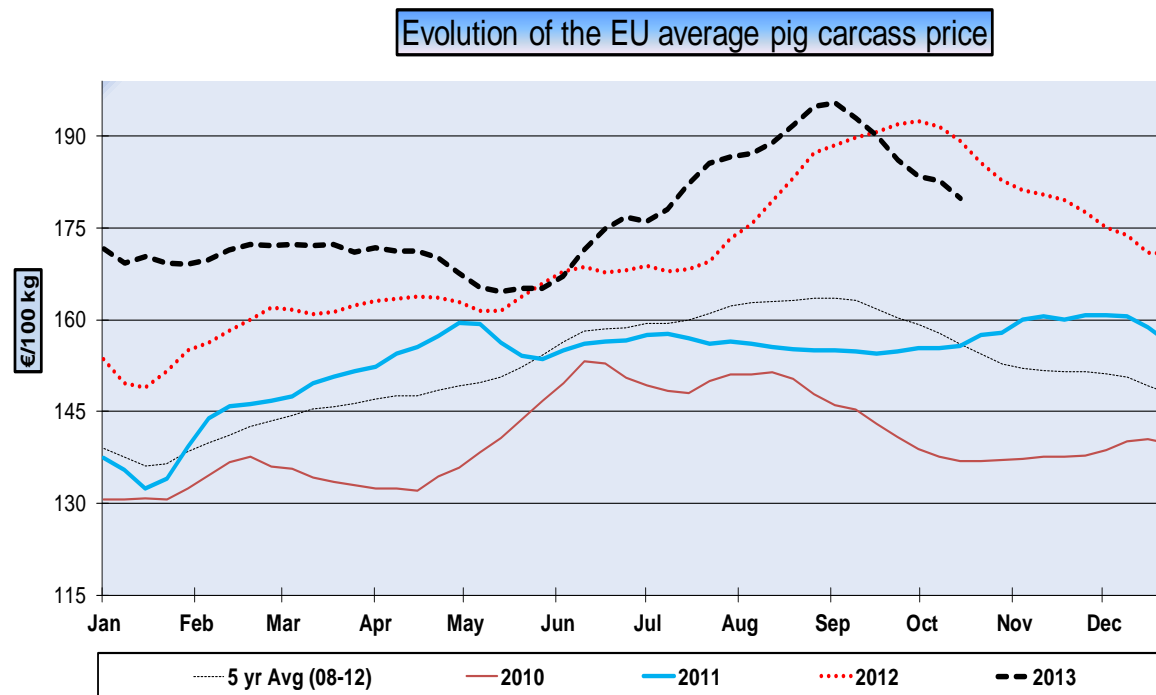
(1) EU-16 (92% of production)

(2) EU-25

(3) EU-27

Same firmness in prices during the first half of 2014, however at a lower level than in 2013 but at a higher level than in 2010, 2011 and 2012.





### 1.3.2. Piglets

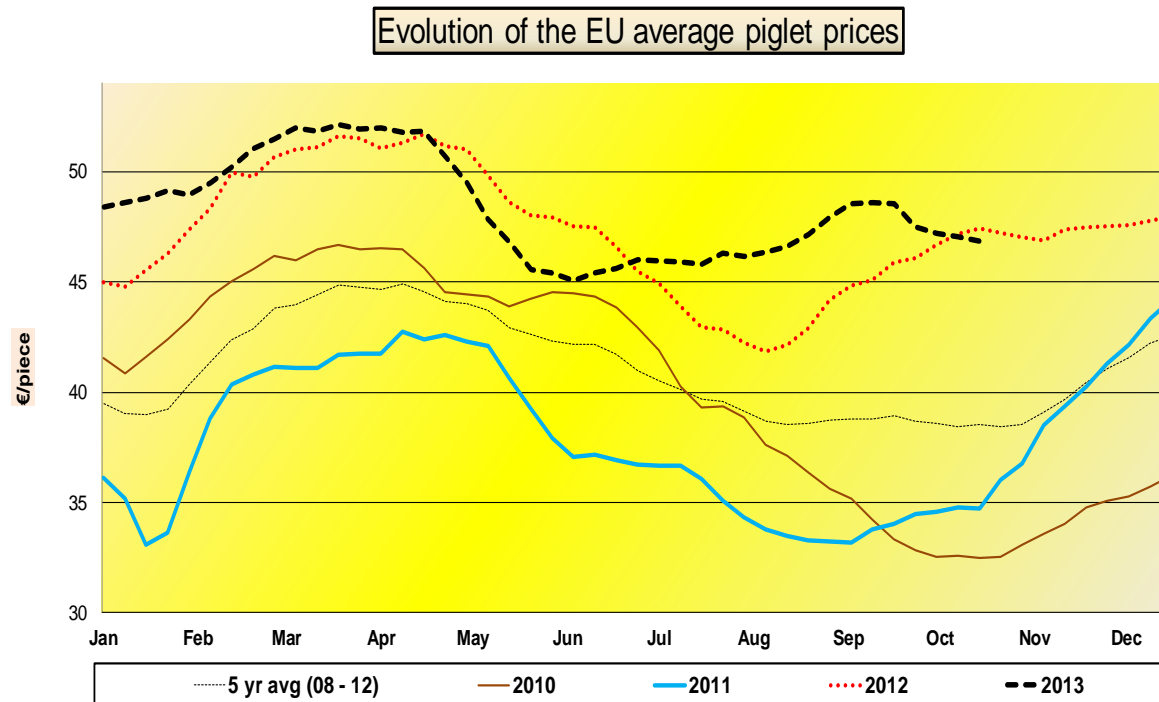
The seasonal fall in 2011 was more pronounced and came earlier than in the previous years, which means that fatteners are mistrustful. However, their morale went higher and, as a result, there has been a strong price recovery for piglets.

The recovery strengthened in 2012 and pushed the price above € 50 (EU average) during the second quarter.

The high trend declined again to reinstate during the summer season, but more modestly this time and in full contrast from one Member State to the other. It was actually higher in Spain, in France than in other production areas.

Generally, the piglet price, along with the feed one, contributed to the increase in the pig meat production cost.

It remained high in 2013 except in the May-to-June period.



#### 1.4. Raw materials – Feed – Farmer's stock margin

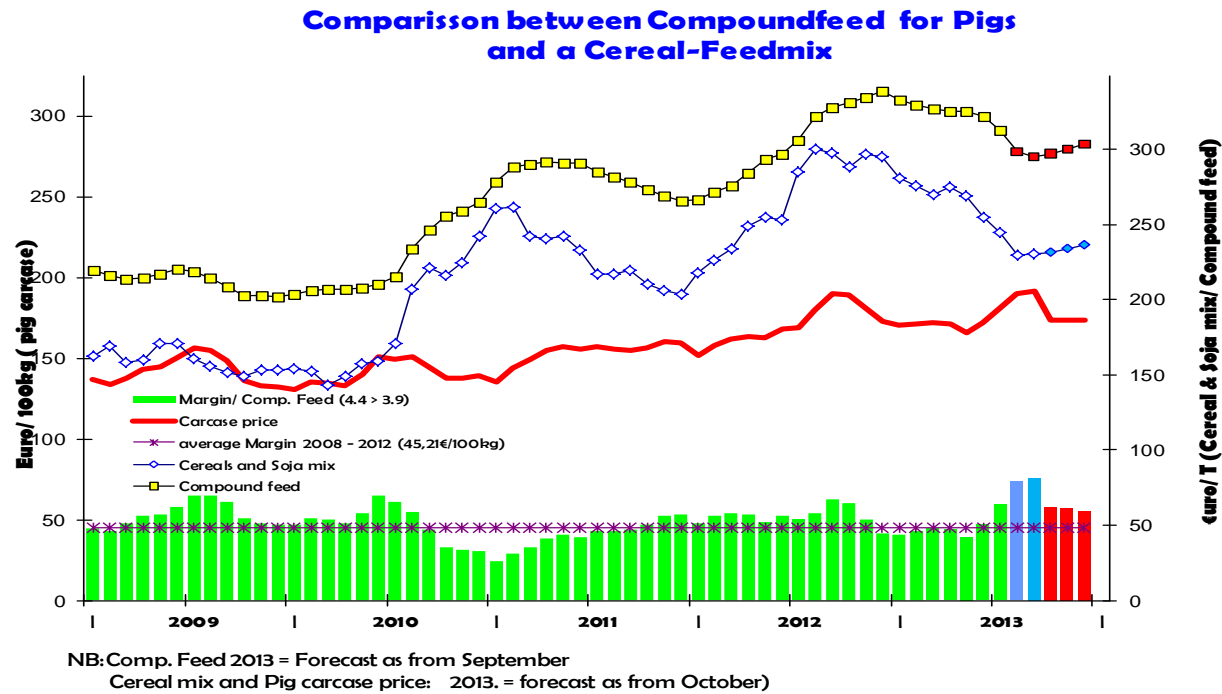
Tension on cereal prices and its influence on feed prices were mentioned by many experts. This tension relaxed during the second half of 2011 except for soy.

Relaxation had a beneficial effect on the feed cost from summer onwards. Where combined with higher meat prices, it concurred to push the farmers' margin up.

As from summer 2012, the trend reversed and the animal feed cost went high, compromising the profitability of the pig farms.

The relief of the cereals price pressure this year has been confirmed. The main cause thereof is the bountiful cereals harvest.

As a result of this, the farmers' margin increases significantly.



## 1.5. External trade

### 1.5.1. Imports (meat and derivatives)

In 2005 imports collapsed (-53%) because of the accession of the ten New Member States who used to be the EU's major suppliers. 21,000 t. of pig meat were imported into the EU mainly from the USA, Croatia, Norway, and Switzerland.

In 2006 imports (all products) went up in 2005 to reach 32,000 t. (product weight) of which 14,700 t. of meat, 3,700 t. of preparations/preserves and 13,400 t. of derivatives (lard, fat, offal).

A further rise had occurred in 2007 (43,097 t. product weight or +33.7%). The imports originated mainly from Chile, Switzerland, and the USA.

In 2008 the rise in imports from Chile and the USA continued in the framework of tariff quotas.

Trend reversal in 2009: imports fell significantly (-13.7%) because of the USA (-70%) and Chile (-30%). Chile recorded its first fall in sales to the EU since 2005.

Switzerland and Croatia improved their performances.

In 2010, the decline continued (-16%). This is mainly due to the drop in imports from Chile, second supplier of the EU after Switzerland. On the other hand, imports from Croatia progressed, but not enough to compensate for the drop in exports from Chile.

The fall continued in 2011 (-13%), in 2012 (-9%) and will continue in 2013. Imports had no impact on the evolution of the EU market.

***Imports into the EU of certain pig products (tons product weight)***

Origins	2009		2010		2011		2012		Jan-Aug 13		Compared to Jan-Aug 12
	tonnes	%	tonnes	%	tonnes	%	tonnes	%	tonnes	%	
Switzerland	17.240	33%	17.480	40%	18.659	49%	18.567	53%	11.709	51%	-12%
Chile	16.554	32%	8.874	20%	7.082	19%	7.291	21%	3.998	17%	-14%
Serbia	387	1%	851	2%	2.389	6%	2.386	7%	1.951	8%	22%
USA	6.540	13%	5.616	13%	1.436	4%	1.148	3%	924	4%	8%
Canada	340	1%	414	1%	42	0%	67	0%	70	0%	50%
Other	6.667	13%	4.971	11%	4.102	11%	4.404	13%	4.418	19%	
EXTRA EU 25/27	51.789		43.437		38.201		34.900		23.070		
% change			- 16%		- 12%		- 9%		- 7,2%		

### 1.5.2. Exports

In 2004 the EU exported 1,828,000 t. product weight of pig meat and derivatives.

Russia had remained the EU's first trade partner (in terms of volume) as regards low-quality pig meat (trimmings, fats, etc).

Also in 2004 it should be pointed out that the Asian market, esp. Japan, was dynamic: Japan significantly improved its trade in first-quality cuts with the EU following the US/Canada crisis on BSE.

In 2005 there was a further rise in exports, probably thanks to the New Member States that accounted for 13.7% of the total quantities.

They went mainly to Russia (25.1%), Japan (15.9%), the USA (3.8%) and the accession candidate countries.

However, unlikely what happened in 2004, market shares were lost in Japan. Despite the arrival of Hungary and the rise in its sales to Japan (+1.1%), exports from the EU-25 fell compared to the USA (+12%), Canada (+6%), Mexico (+5%) and Chile (+30%). Denmark – the largest exporter in the EU – had recorded a fall by 13.7%.

In 2006 a new record was established, consolidating the EU's position among the world's largest exporters. The EU's sales of carcasses and cuts to Russia were particularly high. They more than compensated for the fall in exports to Japan. Also South Korea and Romania were attractive destinations in 2006.

In 2007 exports went down (-9%) to 1,889,829 t. product weight. This was due to the fact that Bulgaria and Romania joined the EU on 1st January 2007 and the sales to these two countries were counted under « deliveries » (and not under « exports » any more). However, the fall slowed down during the second half of the year affecting meat more than the other product groups.

In 2008 all the records were broken (+34%) thanks to the availabilities and export refunds. The export performances to China, Hong Kong, Russia and Ukraine improved.

With high exports in 2008, the results of 2009 were an underachievement.

The fall was aggravated by the effects of the financial, economic and monetary crises. It reached -7.0% (all products).

Taking into account the circumstances, the cancellation of export refunds for meat, this had been a rather moderate evolution.

Nevertheless, it concealed different realities according to the products and the destinations.

Actually, this underachievement especially affected fresh & frozen meat (-19%) and prepared & preserved meat (-17%). Such products were high value-added products.

But on the other hand, live exports boomed (+59%) to reach 151,000 t. (product weight).

As far as the destinations are concerned, the decline was quasi general, in particular to Ukraine (-22%), Japan (-21%), South Korea (-18%) and Hong Kong (-11%).

Only China (+21%), Croatia (+11%) and Australia (+2%) were not affected by the fall in exports which also hit other important exporters such as Canada and the USA.

Given the quality redeployment of the exports in 2009, the fall in value (-12%) was more pronounced than the fall in quantity.

Exports were very active in 2010. During the first half of the year, they were encouraged by the depreciation of the euro and by the relatively high price of pig meat originating in North America, one of the main competitors of EU pig meat on international markets.

During the second half of the year, the firmness of the Brazilian demand reduced the quantities available for export while the needs of the international market increased, driven by South Korea.

As a consequence, the EU reached a new exports record, with exports above 2.685 million tons product weight, and of a value of 4.257 billion euro.

The year 2011 saw an improvement of the performance of the previous year, both in terms of volume (+13%) and value (2010: €4.26 billion / 2011: €5.63 billion).

### EU exports of certain pig products (tons product weight)

Destinations	2009		2010		2011		2012		Jan-Aug 13		Compared to Jan-Aug 12
	tonnes	%	tonnes	%	tonnes	%	tonnes	%	tonnes	%	
China	178.671	7,7%	207.128	7,7%	393.183	12,3%	586.283	18,7%	438.816	21,7%	+ 23%
Russia	762.144	32,9%	808.683	30,1%	847.540	26,6%	745.509	23,8%	497.876	24,6%	- 3%
Hong Kong	413.921	17,9%	426.697	15,9%	539.338	16,9%	380.596	12,2%	240.330	11,9%	- 5%
Japan	186.049	8,0%	223.637	8,3%	231.282	7,2%	230.800	7,4%	149.165	7,4%	- 5%
Ukraine	147.346	6,4%	137.736	5,1%	113.941	3,6%	161.619	5,2%	85.366	4,2%	- 22%
South Korea	95.036	4,1%	100.790	3,8%	193.909	6,1%	137.219	4,4%	64.184	3,2%	- 35%
Philippines	26.573	1,1%	89.407	3,3%	96.880	3,0%	73.363	2,3%	68.146	3,4%	+ 37%
Belarus	28.427	1,2%	80.331	3,0%	103.830	3,3%	123.433	3,9%	59.651	2,9%	- 27%
USA	55.522	2,4%	58.593	2,2%	59.396	1,9%	60.689	1,9%	39.765	2,0%	- 5%
Angola	45.383	2,0%	44.399	1,7%	61.535	1,9%	58.905	1,9%	38.976	1,9%	+ 6%
Australia	46.731	2,0%	50.304	1,9%	44.265	1,4%	47.189	1,5%	29.577	1,5%	- 2%
Other	329.727	14,2%	389.458	14,5%	435.718	13,7%	450.637	14,4%	311.835	15,4%	
EXTRA EU15-25	2.315.530		2.617.163		3.120.816		3.056.241		2.023.685		
% change			+ 13%		+ 19%		- 2%		- 0,6%		

End of 2011, the experts were wondering whether the favourable factors would recur in 2012. Nonetheless, they considered that the global demand would remain positive. So it is likely to sustain EU exports at a high level. The performance of the exports in 2012 proved them right. A slight deterioration was recorded (-2%), maintaining the exports beyond the threshold of three million tonnes (product weight).

The increase in sales to Belarus, China, Croatia and Ukraine has almost offset their decline to the destination of South Korea, Hong Kong and Russia.

Contrary to previous forecasts, this year's export performance is growing stronger, despite an adverse climate during the first months of the year. It is true that exports decrease significantly to South Korea, Belarus, Ukraine (rise in production thanks to State aid; return of Brazilian competitors). But on the other hand exports to Russia are steady despite the rise in domestic production and they progress significantly to China and the Philippines. It should be pointed out that 33% of EU exports go to China and Hong Kong.

## 2° SELECTED MEMBER STATE MARKETS

### 2.1. Germany (19.3% of EU population)

All the records were broken in 2007: slaughterings +6.4%, production +6.9%, purchases of pigs (more than 10 million head), consignments/exports of meat +20%, prices -10%.

2008 was characterized by a halt to the rise in numbers (-1.5%), even by a fall in sow numbers (-5%) and much more young sows. Nonetheless, the counter-performance in numbers was compensated by an improved productivity and much more by a constant increase in purchases of pigs.

In 2009 there was a reversal of the trend for numbers (+0.5%) due to a rise in the numbers of piglets and of pigs for fattening, whereas the number of sows continued to fall (-2.6%). At the same time, confirmation that the purchases of pigs went up.

2010 and 2011 saw a further increase in slaughterings (+3.6% and + 1.8% respectively) mainly thanks to an increase in piglet purchases (but on the other hand, 2011 saw a decrease in purchases of pigs destined for slaughter). Reversal in the trend in 2012. The slaughterings dropped (-2.3%: 58,350,000 head), due to a decline in the gross indigenous production (-0.1%), pig purchases, but to an increase in their delivery (+14.6%: 3,395,000 head).

In 2013, stabilization of slaughterings (+0.06%, total = 59,736,000 head), rise in purchases of pigs but decrease in consignments of pigs. Probable stability of gross indigenous production during the first half of 2014.

Purchase of pigs (head):

	2008	2009	2010	2011	2012	2012
<b>Total</b>	11,556,141	14,100,000	14,600,000	15,523,000	14,604,000	15,825,000
Slaughter pigs				4,723,000	4,504,000 -4.6%	4,725,000 +4.9%
Piglets	-	-	-	10,800,000	10,100,000 -6.5%	11,100,000 +1.09%

The 2011 survey was based on a new methodology being used in certain regions; hence, comparison with the previous years is impaired. For example, the results showed an artificial rise in numbers (+1.9%), whereas stability prevailed.

This recurred during the survey of April/May/June 2012. For this reason, this survey showed an increase in numbers of 3.6%. The increase is actually the result of methodological changes. The drop in the breeding animal numbers (sows: -1.4%; covered sows: -3.1%) is closer to reality than the increase of the population.

The December 2012 survey reveals a recovery in numbers. There will be no effect on the gross indigenous production before 2014. A fall was recorded in May/June (-1.6%). It is reflected in the reduction in gross indigenous production (-1.6%). This reduction will be offset by an increase in purchases of pigs and a decrease in consignments of pigs (-4.71%). Improved productivity has also contributed to stabilizing slaughterings.

Demand is slack. It is estimated to be about 2% down (-3% in 2012), whereas poultry meat consumption goes up (+5%). This fall releases a greater potential for exports to China and the Philippines. The price forecasts are not very optimistic: they show a fall by 0.9% in 2013 (+11.8% in 2012) and by 2.8% in Q1/2014. Slight rise (+1.0%) in Q2.

## 2.2. [Belgium \(4.4% of EU population\)](#)

The May/June 2013 shows a fall in numbers (-0.6%). Reduction in the number of pig farms and increase in their size continue.

Contrary to Eurostat data, gross indigenous production stabilizes in 2013, even increases slightly (+0.2%); but, on the other hand, predictable fall during the first half of 2014 (-1.35%).

Modest increase in prices (+1.3%; €160.00 per 100kg) because of the influence of the slump on consumer demand. The rise can be explained by consignments and exports of meat. The reduction in production is likely to cause a fall in prices during the first half of 2014 (+11.6%). Slow consumer demand (-2%).

## 2.3. [Bulgaria \(0.4% of EU population\)](#): The expert was absent.

## 2.4. [Denmark \(8.3% of EU population\)](#)

Fall in numbers (-1.3%) but stable number of sows (+0.2%) and even increase in the number of sows mated for the first time (+16%). This is a foretaste of a rise in production to come in 2014. Gross indigenous production was sustained in 2011 (+3.1%), fell in 2012 (-1.2%) and stabilizes in 2013 (+0.4%) thanks to an increase in Q2 (+4.8%) and Q3 (+1.2%).

New increase during the first half of 2014 (+2.5%), that can mainly be explained by a postponement of the marketing from 2013 until 2014. The increase that Eurostat estimated at +7.8% in terms of annual average is exaggerated.

Consignments of piglets go up, hence slaughterings go down.

The price forecast (expressed in euro) remains optimistic:

- in 2011
  - first half: +10%;
  - second half: +10.6%.Annual average: 139 €/100 kg carcase (+10.3%).
- in 2012
  - first half: +8.8%;
  - second half: +17.3%.Annual average: 155 €/100 kg carcase (+13.1%).
- in 2013
  - first half: +6.0%;
  - second half: -2.8%.Annual average: 168 €/100 kg carcase (+1.3%).
- in 2014
  - first half: +2.6%.



## 2.5. [Spain \(17.2% of EU production\)](#)

The expert was absent.

Fall in gross indigenous production in 2013 (-3.8%) and in 2014 (-2.2% during first half of the year).

Good price performance in 2012 (+8.7%), in 2013 (+4.5%) and in 2014 (+1.1% during first half of the year).

## 2.6. [France \(9.4% of EU production\)](#)

Erosion of population in December 2012 (-1.8%) and May/June 2013 (-0.6%). Total population is less than 14 million head (13.6). The number of sows shows a downward trend (-2.1%), and so does the number of mated sows (-2.3%). However, the fall in the breeding number is offset by an improvement in productivity.

This means that the fall in numbers leads to a mitigated fall in gross indigenous production in 2013 (-1.5%) and in 2014 (-1.5%, first half of the year).

Supply declines, probably under the influence of the upgrading to welfare standards.

Prices fell in 2009 (-4.1%) due to the adverse conditions of both domestic demand and foreign demand. They were stable in 2010 (+0.2%). They picked up in 2011 (+12.5% in terms of annual average), in 2012 (+10.2%), and in 2013 (+2.7%). Probable rise during the first half of 2014 (+6.2%) because of a fall in supply.

Domestic demand for fresh meat in 2012 was slack. And so will it be in 2013. Better consumer demand for processed products.

Exports picked up in Q2/2013 so that the volumes exported during the first seven months of 2013 are higher than on the corresponding period a year earlier.

## 2.7. [Greece \(0.8% of EU population\)](#)

Confirmation of the downtrend of gross indigenous production:

- 2011: -2.4%;
- 2012: -1.6%;
- 2013: -2.8%;
- 2014: -2.5% (first half of the year).

But on the other, the prices are on the increase except in 2014:

- 2011: +7.2%;
- 2012: +10.9%;
- 2013: +3.3%;
- 2014: -2.2% (first half of the year).

## 2.8. [Italy \(5.9% of EU production\)](#)

A big drop in numbers in December 2012 (-7.4%) and in May/June 2013 (-6.6%). The expert indicated that the fall would eventually be higher than the one announced by Eurostat.

But on the other hand, gross indigenous production goes up in 2013 (+3.5%) and in 2014 (+9.5%, first half of the year). Also the prices rose in 2011 (+15% in terms of annual average). The rise continued in 2012 (+5.8%) and continues in 2013 (+2.3%). Stable prices in 2014 (+0.5%, first half of the year). Weak consumer demand for fresh meat and processed products, bearing the brunt of the economic crisis. No expansion of production despite the decline in production costs.

## 2.9. Hungary (2.0% of EU production)

Further decrease in numbers in December 2012 (-2.3%) and in May/June 2013 (-2.2%). The numbers are sustainably below 3 million head. Neither the number of sows (-1.4%) nor the number of mated sows (-2.1%) escapes the downward trend. The significant decrease in gross indigenous production in 2012 (-10.0%) continues in 2013 (-7.0%). A further decrease is expected in 2014 (-2.1%, first half of the year). In return for this, purchases of slaughter pigs from Denmark and the Netherlands go up. The price recovery in 2012 (+20.0%) continues in 2013 (+2.9%) and will continue in 2014 (+2.8%, first half of the year).

## 2.10. Netherlands (8.2% of EU population)

The total numbers are stable at about 12.2 million head. But on the other hand, increase in the number of sows (+0.9%) and in the number of mated sows (+1.4%). Gross indigenous production showed an uptrend in 2010 (+1.9%) and in 2011 (+1.7%). The trend changed in 2012 (-1.4%). Production is stable in 2013 (-0.3%) and would be on the increase in 2014 (+1.0%, first half of the year). Consignments of piglets and slaughter pigs go up in 2013. This progression causes a drop in slaughterings.

The prices were disappointing in 2010 (-1.2%) and were down on the soaring production costs. Recovery in 2011 (+9.3%) and 2012 (+11.6%). Stability in 2013 (+0.8%). Also stability is forecasted in 2014 (+0.4%). Increase in prices in Q2/2014 since the weather conditions can only get better compared with those prevailing in spring 2013.

## 2.11. Poland (7.6% of EU population)

The December survey showed a further significant decline in numbers (-14.7%), affecting the number of sows (-10.0%), among them: the mated sows (-6.0%). The May/June 2013 surveys indicated a rise by 4.8% which was considered too optimistic by the expert. Poland – now the fifth keeper of pigs in the EU, behind Germany (28.3 million), Spain (25.3 million), France (13.75 million), and Denmark (12.3 million) – would experience a further fall in gross indigenous production. The fall was pronounced in 2012 (-7.1%). The same will hold true in 2013 (-2.8%) and in 2014 (-7.5%, first half of the year). The fall is only partly offset by the progression of purchases of piglets (2,000,000) and slaughter pigs (2,500,000) between January and July 2013. The prices were bullish in 2012 (+16.8%). However, they are likely to stagnate in 2013 (+0.3%) and to show a modest rise during the first half of 2014 (+0.8%).

### 2.12. Portugal (1.4% of EU population)

Stable gross indigenous production in 2013 (+1.8%) and 2014 (-0.1%, first half of the year). Restructuring of the farms continues under the impact of the implementation of the animal welfare legislation.

Big rise in prices in 2012 (+12.5%). Same trend in 2013 (+6.9%). Probable stability during the first half of 2014.

The EU prices are supported by foreign demand and the increase in the pig meat price in Brazil and the USA.

Big drop in the animal feed costs thanks to corn, whereas the wheat and barley prices remain firm.

### 2.13. Romania (3.6% of EU population)

The expert was absent.

### 2.14. United Kingdom (2.9% of EU population)

The increase in numbers that Eurostat has indicated (+11.1%) is not realistic because the numbers in Scotland are on the decrease and so is the number of sows.

The recovery in gross domestic production that had been announced in 2011 (+6.5%) was confirmed in 2012 (+2.4%). It will be modest in 2013 (+0.8%) and 2014 (+1.35%, first half of the year). Thus, slaughterings are relatively stable. Possible progression during the second half of 2014.

The price firmness that had been recorded in 2011 (+2.1%) continued in 2012 (+4.1%), continues in 2013 (+10.1%) and will probably continue in 2014 (+5.5%, first half of the year). This reflects a positively oriented consumer demand thanks to the beef labelling scandal that caused a shift in consumption. The rise in exports contributes also to the price firmness.

# Annex I: Production ~ EU-27 ~ in tonnes cwe.

	AT	BE	DE	DK	ES	FI	FR	UK	GR	IE	LU	PT	CZ
2005 <sup>(1)</sup>	501.045	1.012.934	4.498.774	1.792.829	3.163.860	203.347	2.274.597	70.587	130.446	205.200	10.823	327.081	380.290
2006 <sup>(1)</sup>	505.280	1.007.519	4.662.221	1.735.549	3.257.095	208.109	2.262.789	696.549	122.813	209.000	9.833	338.630	358.505
2007	530.924	1.063.277	4.985.367	1.802.195	3.513.449	213.320	2.281.263	738.984	121.610	205.300	9.923	364.071	360.318
2008	525.865	1.056.169	5.111.404	1.707.400	3.484.363	217.067	2.276.678	739.602	119.032	202.450	9.953	381.265	336.485
2009	499.360	1.029.749	5.188.034	1.739.502	3.420.442	209.678	2.246.749	755.436	116.641	195.651	10.288	368.653	270.342
2010	501.960	991.156	5.213.283	1.844.422	3.388.527	200.139	2.215.037	781.398	114.556	199.183	11.815	367.191	264.418
2011	543.771	1.108.255	5.563.640	1.718.400	3.479.470	201.755	1.998.317	806.021	115.121	233.714	9.504	383.750	262.944
2012	529,759	1.109,610	5.459,000	1.603,700	3.466,324	192,819	1.957,359	824,637	114,632	241,493	10,347	362,342	239,752
2013	519,345	568,455	5.459,846	1.596,398	3.431,773	195,180	1.941,101	826,927	109,881	237,494	10,458	350,695	226,473
2014	259,820	560,647	2.780,454	824,333	1.707,425	97,988	947,953	414,290	43,238	118,361	5,399	170,207	118,221
2013/2012	-2,0%	-48,8%	0,0%	-0,5%	-1,0%	1,2%	-0,8%	0,3%	-4,1%	-1,7%	1,1%	-3,2%	-5,5%
	EE	CY	LV	LT	HU	MT	PL	SI	SK	IT	NL	SE	BG
2005 <sup>(1)</sup>	38.070	54.682	37.800	105.621	456.204	8.890	1.925.641	31.677	139.938	1.514.741	1.297.281	275.131	---
2006 <sup>(1)</sup>	35.078	52.473	37.812	106.217	487.574	8.216	2.071.355	33.624	122.259	1.556.059	1.229.904	265.600	---
2007	37.798	54.978	40.433	99.288	499.437	8.017	2.090.618	33.187	113.826	1.603.280	1.289.935	264.869	41.236
2008	39.645	59.177	40.733	75.863	460.413	8.503	1.888.035	31.405	102.406	1.606.013	1.317.705	270.758	72.917
2009	39.645	61.432	40.559	61.711	432.107	9.643	1.681.201	30.794	90.245	1.593.317	1.329.316	263.911	71.974
2010	40.884	61.814	42.126	64.597	415.666	7.991	1.740.426	30.794	93.802	1.585.484	1.421.142	271.170	65.698
2011	30.961	55.213	23.451	58.856	387.304	7.262	1.810.778	22.955	56.908	1.570.225	1.347.165	256.085	48.222
2012	33,329	51,723	23,990	58,860	345,931	5,665	1.695,200	21,034	54,157	1.620,719	1.331,731	232,971	48,838
2013	34,361	46,483	26,265	58,072	325,965	5,666	1.548,224	19,048	54,227	1.714,496	1.301,291	232,596	46,040
2014	17,714	25,473	14,068	24,495	167,871	2,627	818,631	9,210	26,672	921,570	670,454	117,593	28,421
2013/2012	3,1%	-10,1%	9,5%	-1,3%	-5,8%	0,0%	-8,7%	-9,4%	0,1%	5,8%	-2,3%	-0,2%	-5,7%
	RO	HR	UE-28										
2005 <sup>(1)</sup>	---		21.092.489										
2006 <sup>(1)</sup>	---		21.380.063										
2007	491.300		22.858.203										
2008	455.100		22.596.406										
2009	408.566		22.164.948										
2010	380.465		22.315.143										
2011	450.808		22.550.855										
2012	498,844		22.134,766										
2013	482,452	NA (available Jan.-Jul.)	21.973,169										

<b>2014</b>	141,163	35,371 Jan.-June)	22.222,366										
<b>2013/2012</b>	-3,3%		-0,7%										

(1) EU-25

## Annex II: Consumption - Evolution and Forecast ~ EU-15 from 1997 until 2003; EU-25 from 2004 onwards; EU-27 from 2007 onwards

Domestic consumption	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
t. cwe.	16.383.686	16.554.029	16.608.580	16.665.453	19.819.229	19.638.012	19.822.582	21.324.934	20.874.868	19.943.064	20.401.906	20.391.728	19.968.537	19.887.051	20.337.366
kg per capita	43,55	43,83	43,90	43,81	43,38	42,73	43,00	43,22	42,14	40,06	40,74	40,69	39,73	39,45	40,03
Selfsufficiency %	----	----	----	----	----	107,6	108,2	107,1	108,2	108,1	109,3	110,9	111,0	110,6	109,9

### Annex III: Market price forecast in EU-27 (euro/100kg cw.)

EU-27 price forecast						
Forecast (€/100kg)						
Member State	Q1/2013	Q2/2013	Q3/2013	Q4/2013	Q1/2014	Q2/2014
Germany	170,58	168,59			165,62	170,00
Austria	167,25	164,59			189,00	181,00
Belgium	154,10	152,60			166,00	171,00
Bulgaria	207,56	188,78			0,00	0,00
Cyprus	193,35	208,21			0,00	0,00
Denmark	157,23	153,16			157,52	160,87
Spain	185,97	189,92			175,46	181,13
Estonia	171,24	170,80			0,00	0,00
Finland	182,57	180,78			168,00	168,00
France	157,56	158,90			165,33	171,00
Greece	204,54	191,54			195,00	190,00
Hungary	169,64	169,51			176,35	171,94
Ireland	168,73	162,83			172,00	174,00
Italy	189,31	167,99			187,13	167,38
Latvia	176,63	178,16			0,00	0,00
Lithuania	169,69	174,59			0,00	0,00
Luxembourg	169,88	167,09			0,00	0,00
Malta	237,00	237,00			0,00	0,00
Netherlands	152,95	153,15			152,00	157,00
Poland	167,39	169,84			166,94	171,71
Portugal	177,13	179,19			171,00	179,00
Czech Republic	166,05	167,15			0,00	0,00
Romania	180,92	167,05			0,00	0,00
United Kingdom	179,82	187,09			191,99	195,52
Slovakia	171,36	170,86			0,00	0,00
Slovenia	162,21	163,49			0,00	0,00
Sweden	185,92	187,22			0,00	0,00

Change (forecast) 2012 - 2013 (per quarter)						
Change in %						
Member State	Tr. I 2013 /Tr. I 2012	Tr. II 2013 /Tr. II 2012	Tr. III 2013 /Tr. III 2012	Tr. IV 2013 /Tr. IV 2012	Tr. I 2014 /Tr. I 2013	Tr. II 2014 /Tr. II 2013
Germany	6,11	5,25			-2,91	0,84
Austria	9,15	6,03			13,00	9,97
Belgium	0,74	2,86			7,72	12,06
Bulgaria	16,71	17,06			-100,00	-
Cyprus	-	-			-	-
Denmark	11,23	9,41			0,18	5,04
Spain	11,81	9,81			-5,65	-4,63
Estonia	-	-			-	-
Finland	17,00	11,42			-7,98	-7,07
France	3,98	14,26			4,93	7,61
Greece	12,28	10,61			-4,66	-0,81
Hungary	1,26	-7,10			3,96	1,43
Ireland	15,90	13,08			1,94	-
Italy	7,82	5,23			-1,15	-0,37
Latvia	-	-			-	-
Lithuania	-	-			-	-
Luxembourg	-	-			-	-
Malta	-	-			-	-
Netherlands	5,42	4,49			-0,62	2,52
Poland	2,61	3,40			-0,27	1,10
Portugal	11,49	7,63			-3,46	-0,10
Czech Republic	-0,90	-0,57			-100,00	-
Romania	20,32	14,62			-	-
United Kingdom	9,04	3,98			6,77	4,51
Slovakia	-	-			-	-
Slovenia	-	-			-	-
Sweden	-	-			-	-