

# Weather and Economic Conditions Hit Danish Pig Meat Prices

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**ANALYSIS - The Danish pig sector failed to hit its forecast price quotations this year because of poor weather and troubled global economic conditions.**

According to Karsten Flemin, an economist and analyst at the Danish Pig Research Centre, the forecast rise in prices did not occur because the barbecue season in June and July when pork sales are expected to rise sharply was hit by bad weather.

Over the year there was also a dramatic drop in the value of the Japanese Yen and the US dollar and sterling which hit export markets hard.

The Japanese market alone saw a loss of nearly 20 per cent – down by about ¥3.25 billion.

Danish pig meat exporters also saw a drop in exports to Russia, because of lower pig prices.

Across the year Danish pig producers are expecting to see prices of around 11.35DKK per kilo this year compared to 11.30DKK last year.

Speaking during the annual meeting and conference of the Danish Pig Research Centre in Herning, Mr Flemin said that across Europe over the forthcoming year pig production looks as though it will remain fairly stable.

Spain and France are expected to see a two per cent drop in production, following a four per cent and two per cent fall in the previous year, while Poland will see a seven per cent fall following a three per cent drop in 2013 compared to 2012.

However, Danish pig meat production is expected to rise by two per cent next year and the Netherlands and other EU countries are forecast to see a one per cent rise.

As Russia increases its pig meat production by about five per cent over the coming year, Mr Flemin said that imports into Russia are expected to be low. Japan is also expected to see a fall in imports, but there could be good prospects in the Chinese market, with imports there expected to rise.

However, the Chinese domestic production of pig meat which is forecast to rise by two per cent depends a lot on the disease situation in the country, Mr Flemin said.

Globally, Mr Flemin expects to see more of a battle on the export markets, with the US and Brazil increasing exports by about two per cent each and Canada increasing exports by one per cent.

The EU is expected to see little changing in exports and also to have a stable production.

“There is no expectation for prices as they are expected to remain stable,” Mr Flemin said.

However, there is some hope for better prices in the Spring of 2014 in the Danish prices are forecast to rise by about 50øre per kilo in the second quarter of the year. Over the whole year Mr Flemin said that the Danish pig prices would see a slight rise to 11.56DKK per kilo compared to the expected 11.35DKK at the end of this year.

The Danish market, however, is expected to still be affected by the rising numbers of piglets being exported for finishing in Germany, Poland and Sweden.

While total slaughterings are forecast to drop by 400,000 head from 19.4 million to 19 million, total production is expected to rise from 29.1 million to 29.3 million

*ThePigSite News Desk*