The Outlook for the Pig Market

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Outlook 2013

10th December 2012

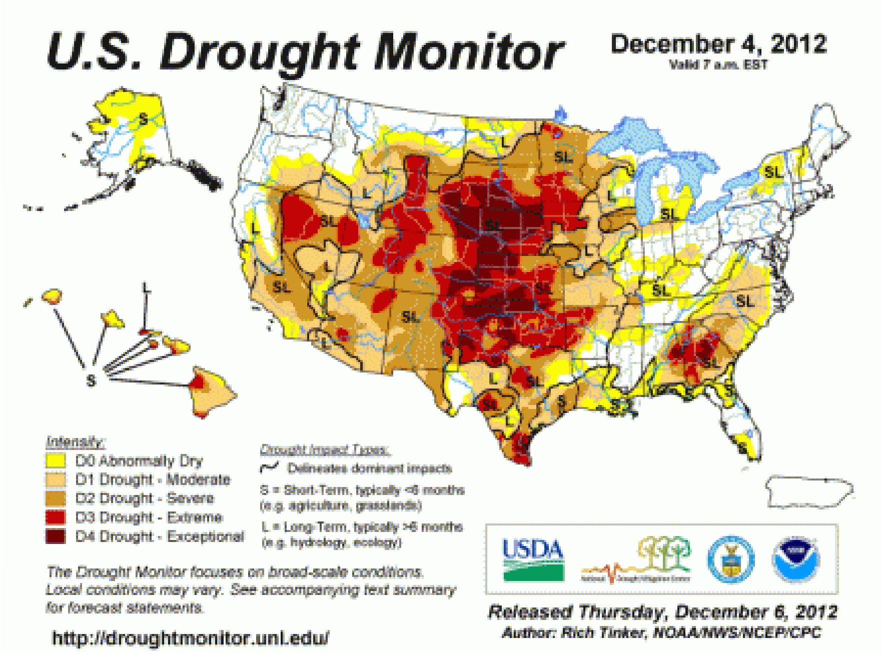
Back to Jan 2012: Predictions

- Pigmeat prices to continue to rise and reach 165 cent by June 2012

  ➡ Reached 163 cent by June 2012

- Pig feed prices to fall by 8 – 10 % in 2012

  ➡ Increased by 8%



Pigmeat 2012

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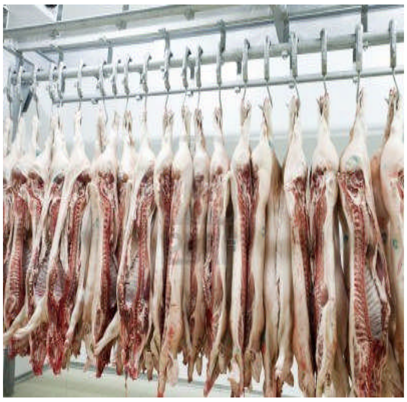
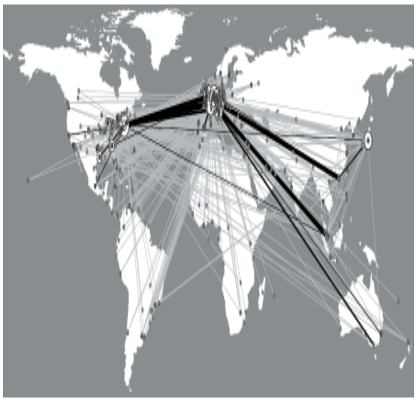
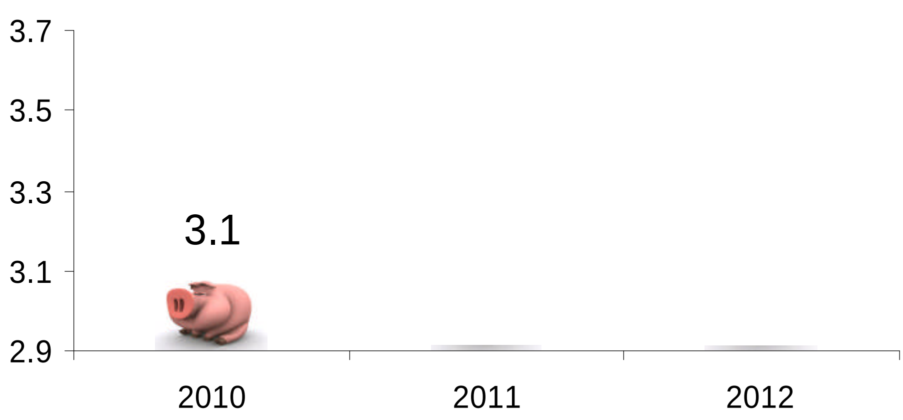




EU Slaughter Trend **EU Exports**

Irish Slaughter Numbers (Mil. head)



Source: Teagasc Pig Department

* Est.

Irish Slaughter Trend (mil. Head)

(2012 vs 2011)

Source: Teagasc Pig Department

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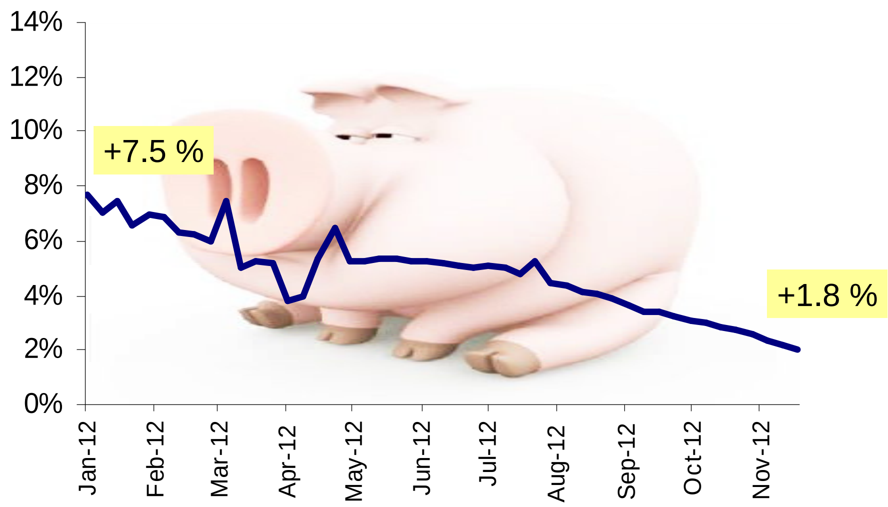
The Irish Agriculture and Food Development Authority

Irish Slaughter Trend (Mil Head)

(2012 vs 2011)



Source: Teagasc Pig Department

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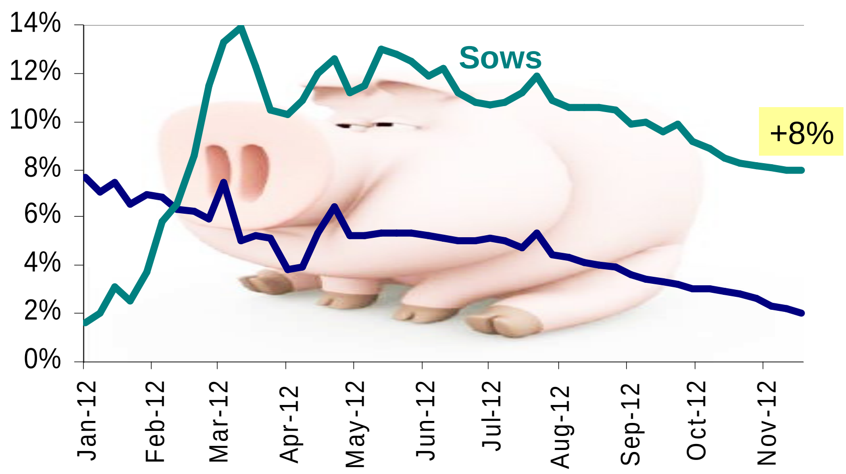
The Irish Agriculture and Food Development Authority

Irish Slaughter Trend (Mil Head)

(2012 vs 2011)



Source: Teagasc Pig Department

European Slaughter Trend (Mil. head)

	2011*	2012*	+/-
Germany			
Denmark			
Netherlands			
UK			
Spain			
France			

* (44 wks)

Source: DG AGRI C4

European Slaughter Trend (Mil. head)

	2011*	2012*	+/-
Germany	42.7	41.7	-2.32
Denmark	15.1	14.0	-6.8
Netherlands	11.9	11.7	-1.57
UK	8.0	8.2	2.5
Spain	33.5	35.9	3.49
France	16.9	16.5	-2.62

Source: DG AGRI C4

* (44 wks)

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European Slaughter Trend (Mil. head)

	2011*	2012*	+/- %
Germany	42.7	41.7	-2.32
Denmark	15.1	14.0	-6.8
Netherlands	11.9	11.7	-1.57
	69.7	67.5	-3.16
UK	8.0	8.2	2.5
Spain	33.5	35.9	3.49
France	16.9	16.5	-2.62

Source: DG AGRI C4

* 44 wks

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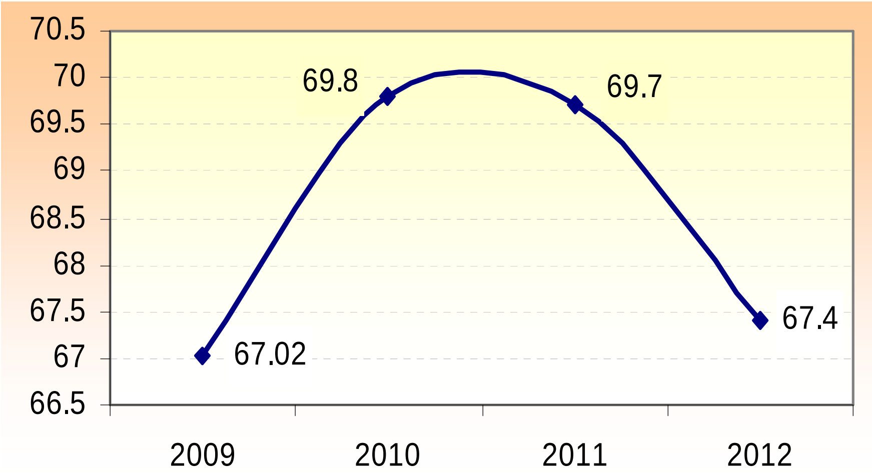
Slaughter Trend:

Germany, Denmark, Netherlands (Mil. head)



Source: DG AGRI C4

EU Exports

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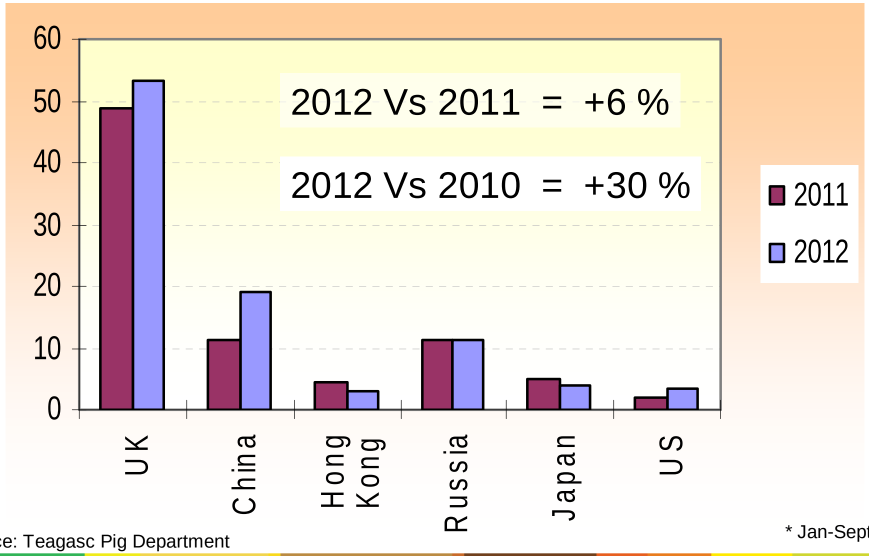
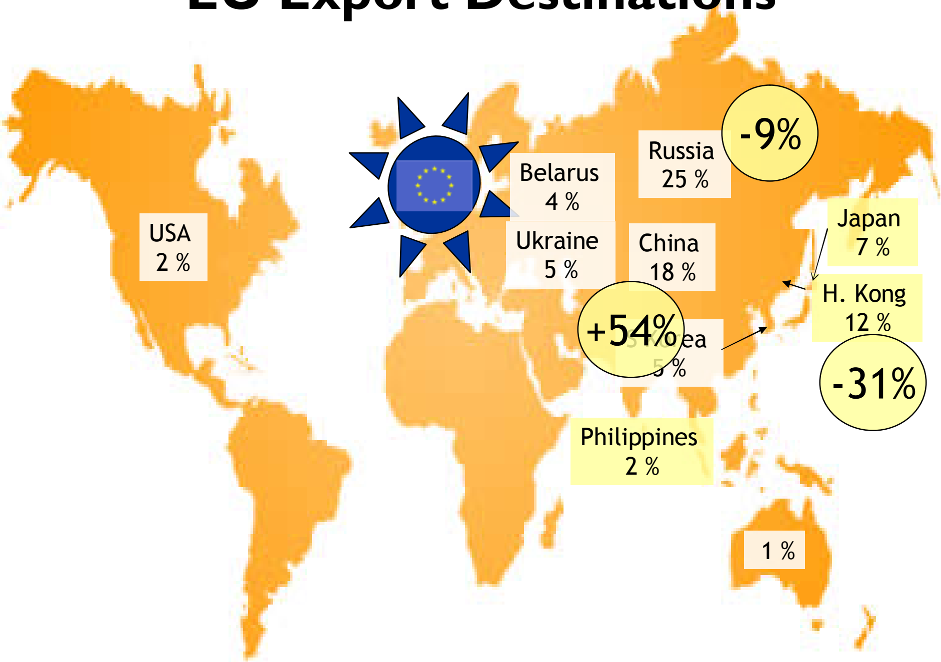
Irish Exports (000 Tonnes Product Wt)*



Source: Teagasc Pig Department

* Jan-Sept

EU Export Destinations



Global Export (Million Tonnes Product)

Country	2011	2012	%
EU	2.05	2.07	1.1

Source: DG AGRI C4

Global Export (Million Tonnes Product)

Country	2011*	2012*	%
EU	2.05	2.07	1.1
USA	1.4	1.5	2.5
Canada	0.74	0.78	5.1
Brazil	0.39	0.43	9.7
Total	4.62	4.75	2.8

Source: *DG AGRI, US Meat Export Federation, Agriculture and Agri -Food Canada, Abipecs*

* Jan – Sept 12

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Pigmeat 2012 - summary

Irish slaughter numbers up on 2011 but trending down

Germany, Denmark, Netherlands down

UK & Spain up

Europe up 1.1 % on 2011

China significantly up + 54%

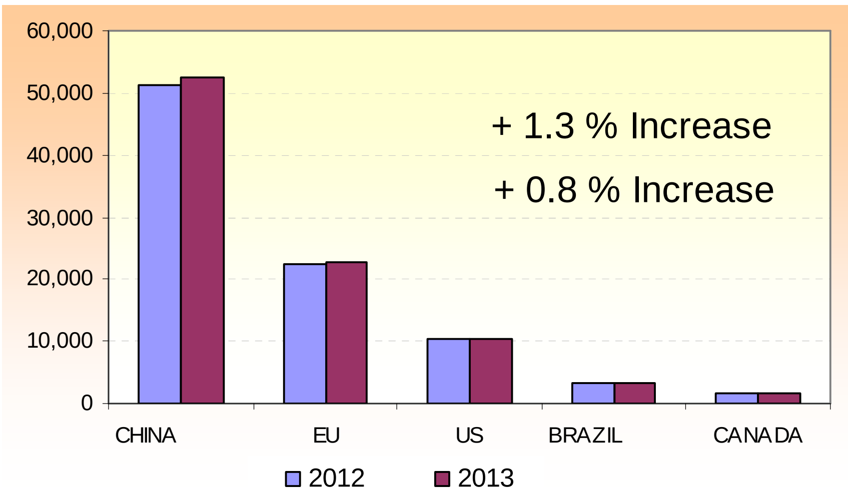
Global exports up 2.8%

EU Slaughter Trend

EU Exports

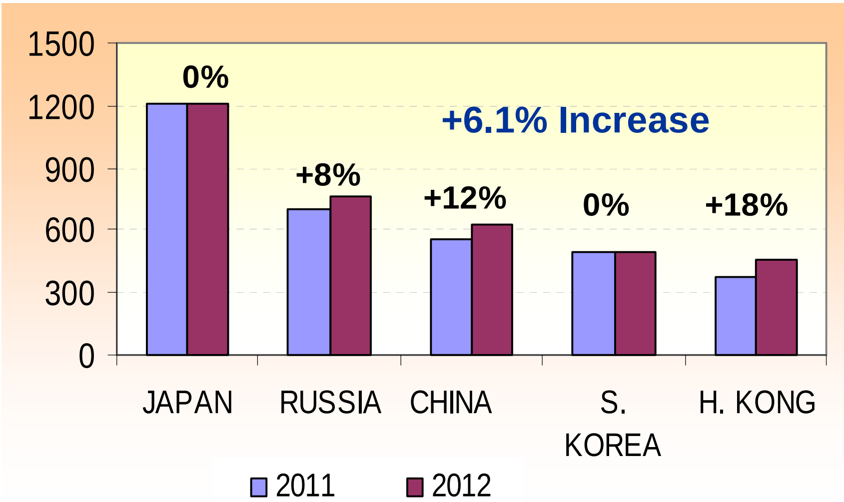
Outlook 2013

International Production *(000, Tonnes)*



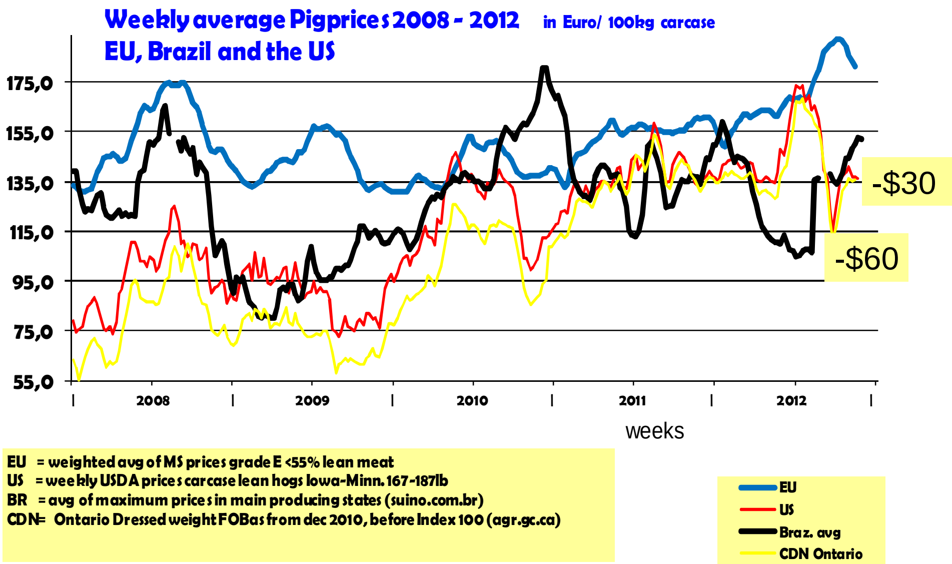
Source: USDA

International Imports (000 Tonnes)

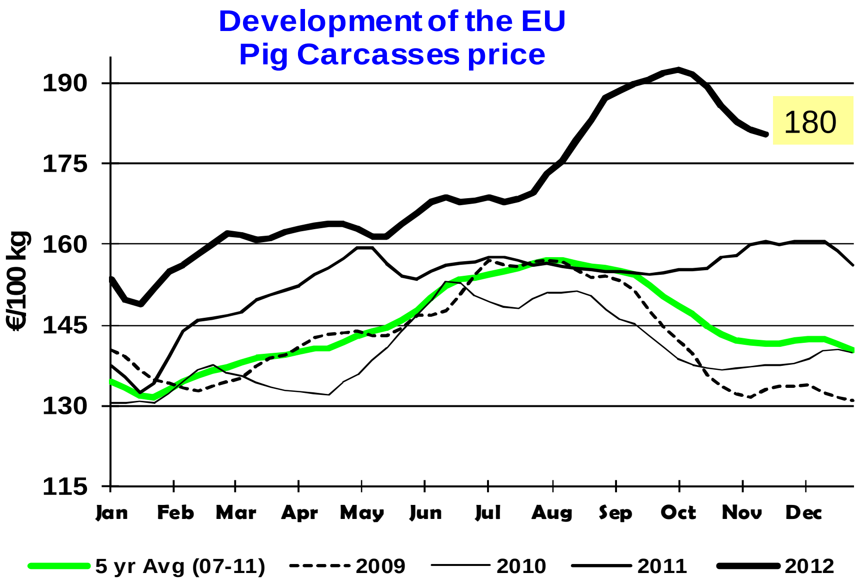


Source: USDA

Pigmeat Price



Source: DG AGRI C4



Source: DG AGRI C4

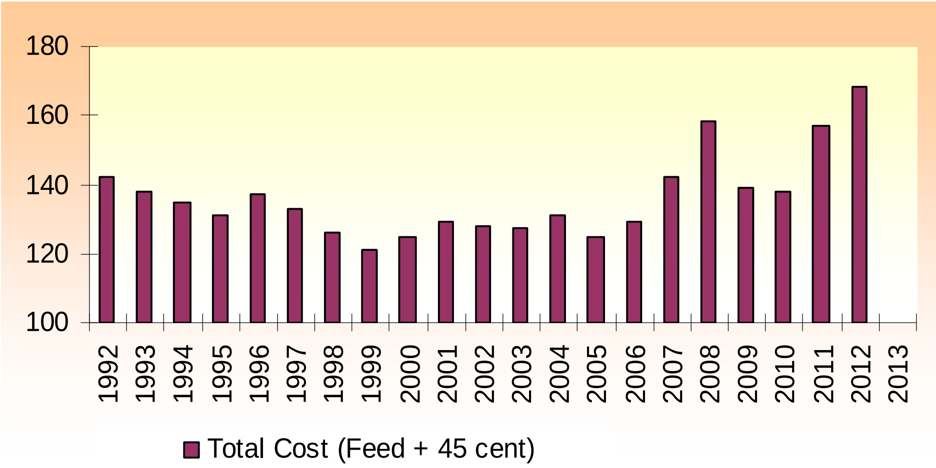
Irish Pig Price 2013 ?

Year	2009	2010	2011	2012	2013
Cent / kg dwt	145	140	151	166	?

- Analysis of global pig future markets are indicating an increase of 6.2 percent

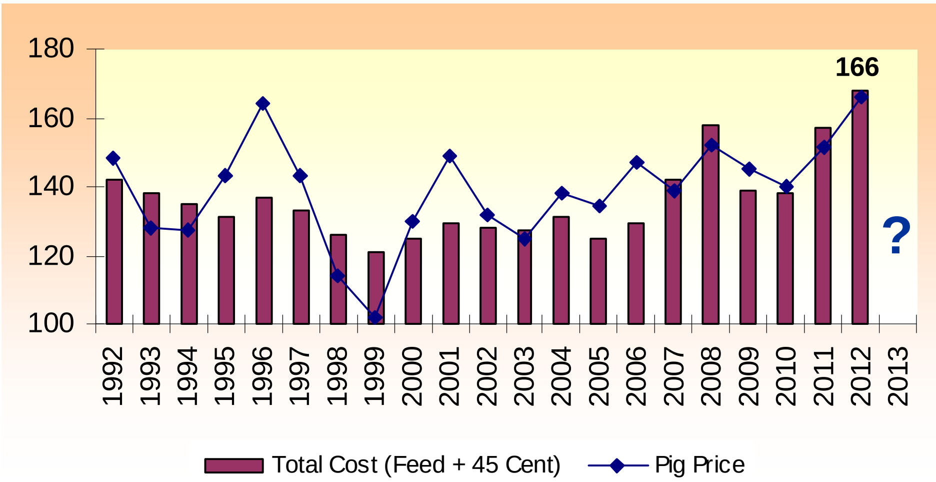
Source: Teagasc Pig Department

Financial Margin (c/kg dwt)



Source: Teagasc Pig Department

Financial Margin (c/kg dwt)



Source: Teagasc Pig Department

2013 Outlook Summary

- Higher feed cost during the first two quarters of 2013. Improved Northern Hemisphere harvest in the last two quarters to ease feed cost and improve margin
- Pig price to increase by 6% during 2013 on the strength of continued tightening pig supply and strong exports.
- Financial margins remaining tight until the 3rd quarter

Thank You
For Your Attention

Teagasc The Irish Agriculture and Food Development Authority