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Teagasc Pig Development Dept.

Outlook for Pigs



Irish Pig Industry Stats

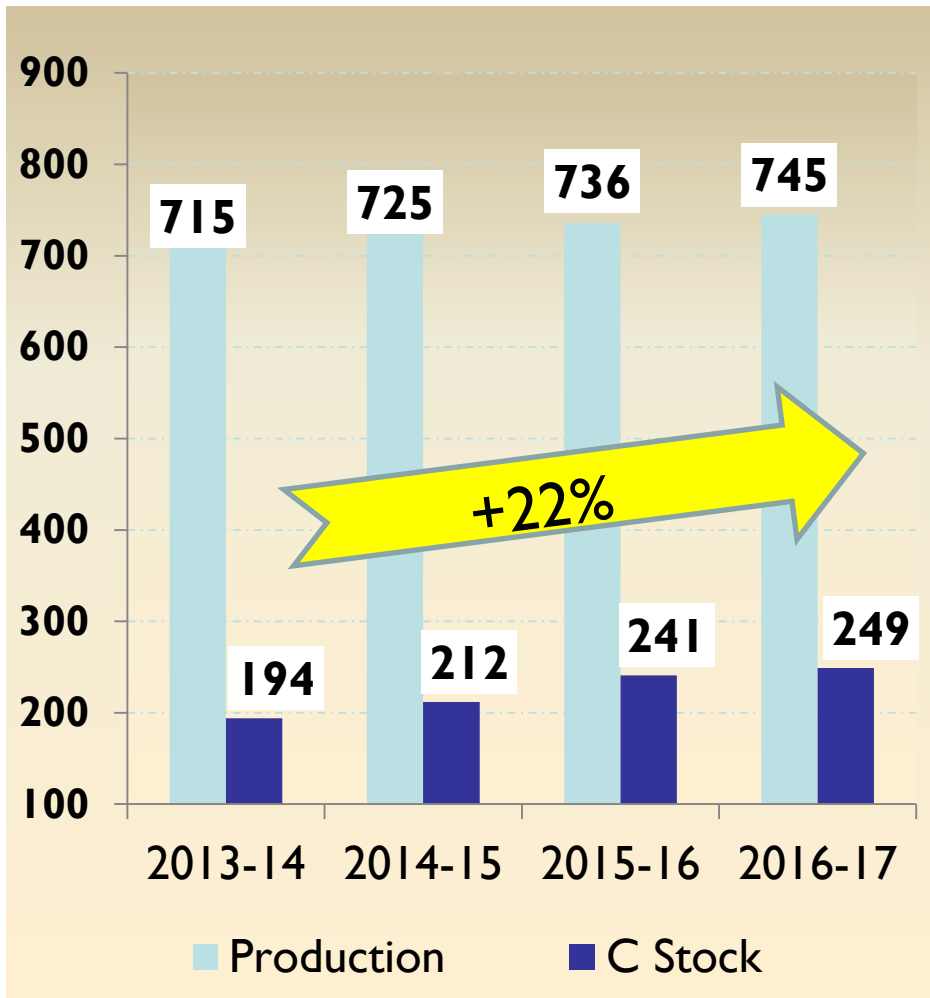
- 3rd Largest agricultural export - €730m
- 8,000 employed either directly & indirectly
- Largest average integrated pig unit size in Europe (600 sows)



Pig Feed Market 2017

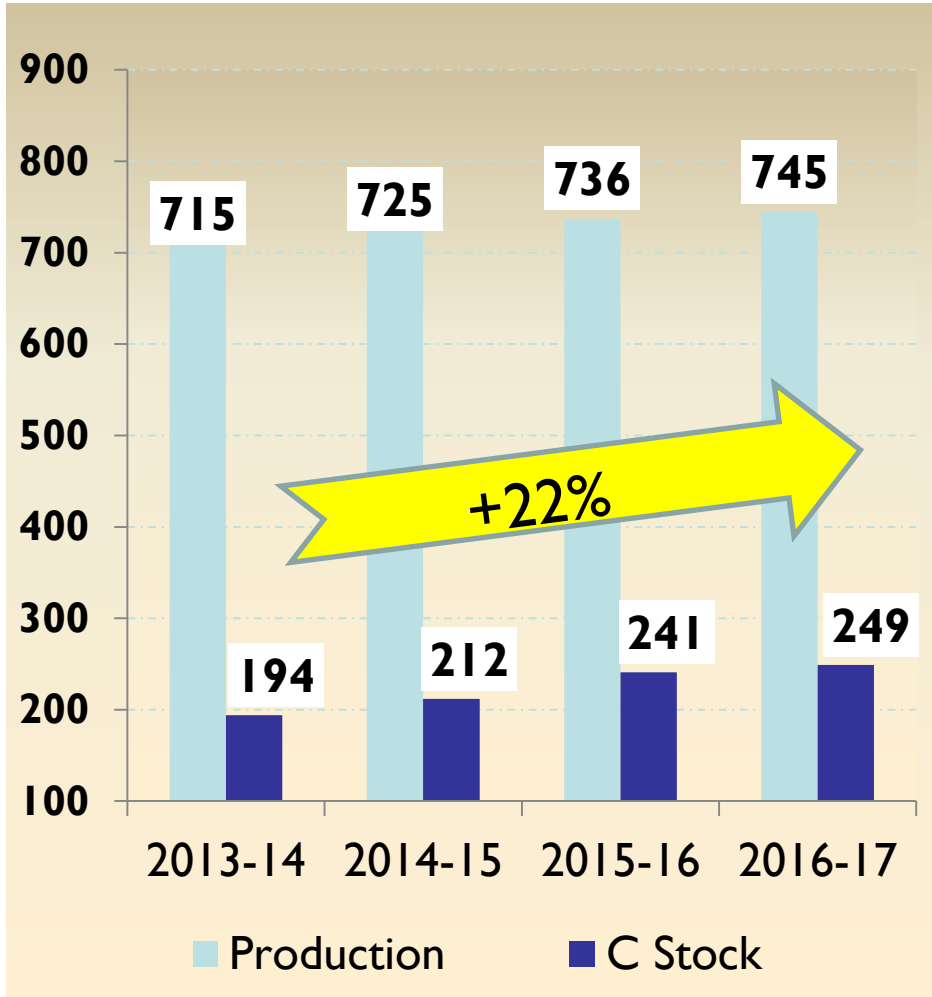
Wheat & Maize Production - MILLION TONNES

Global Wheat

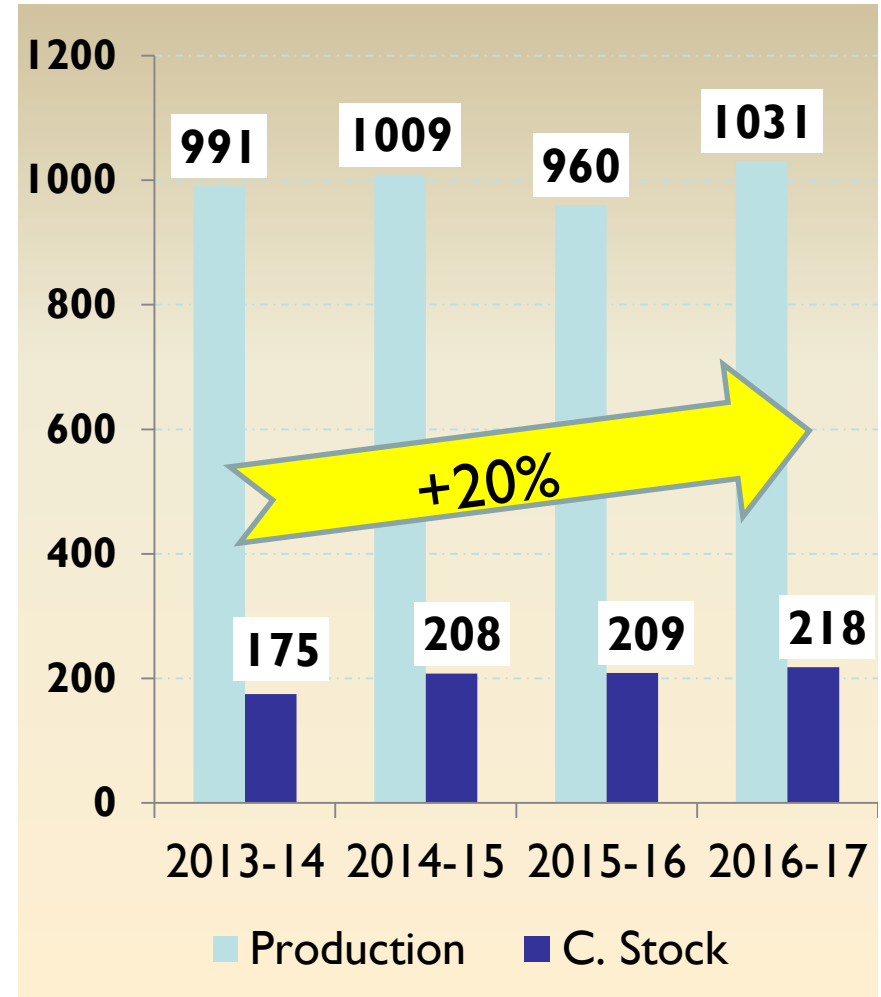


Wheat & Maize Production - MILLION TONNES

Global Wheat

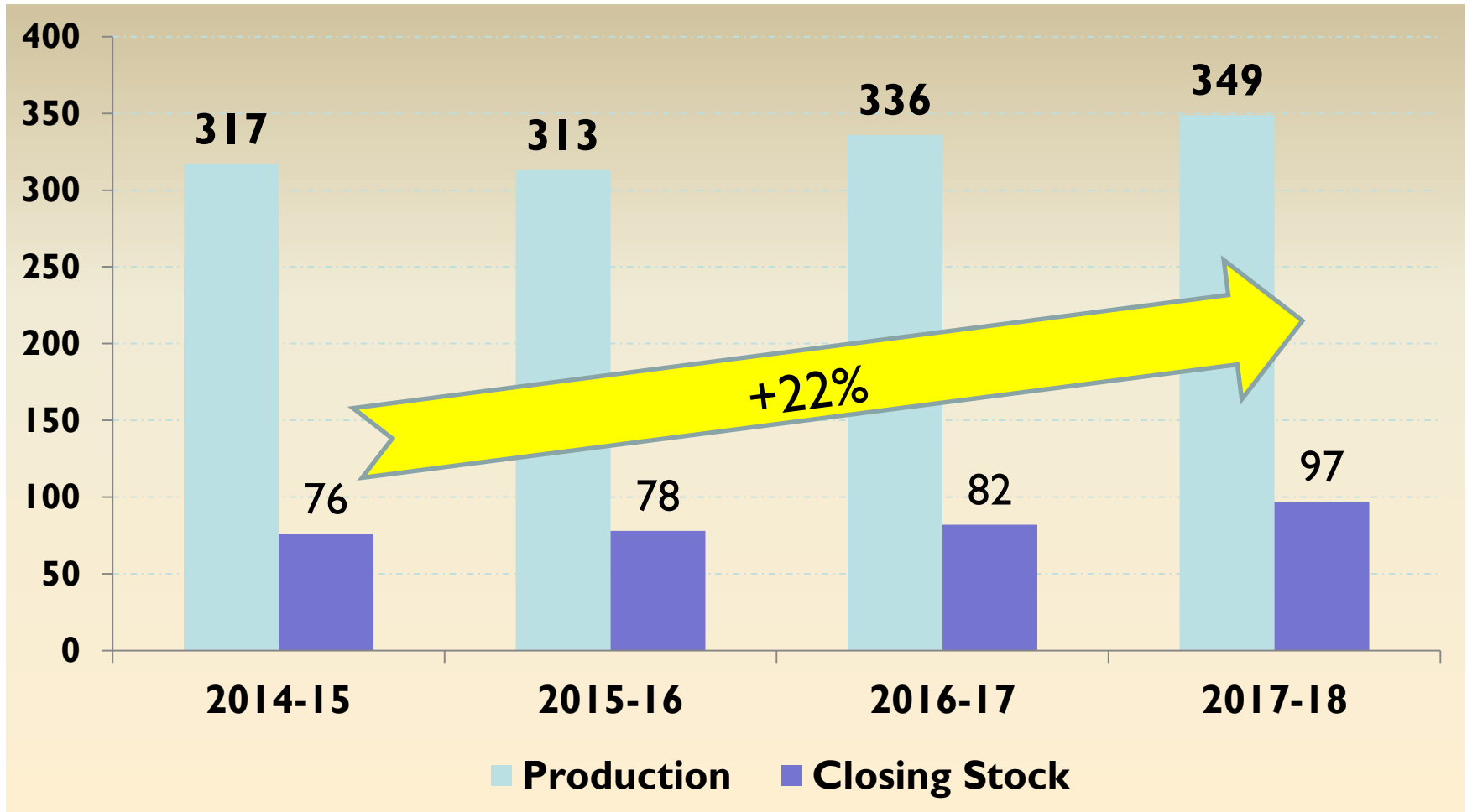


Global Maize

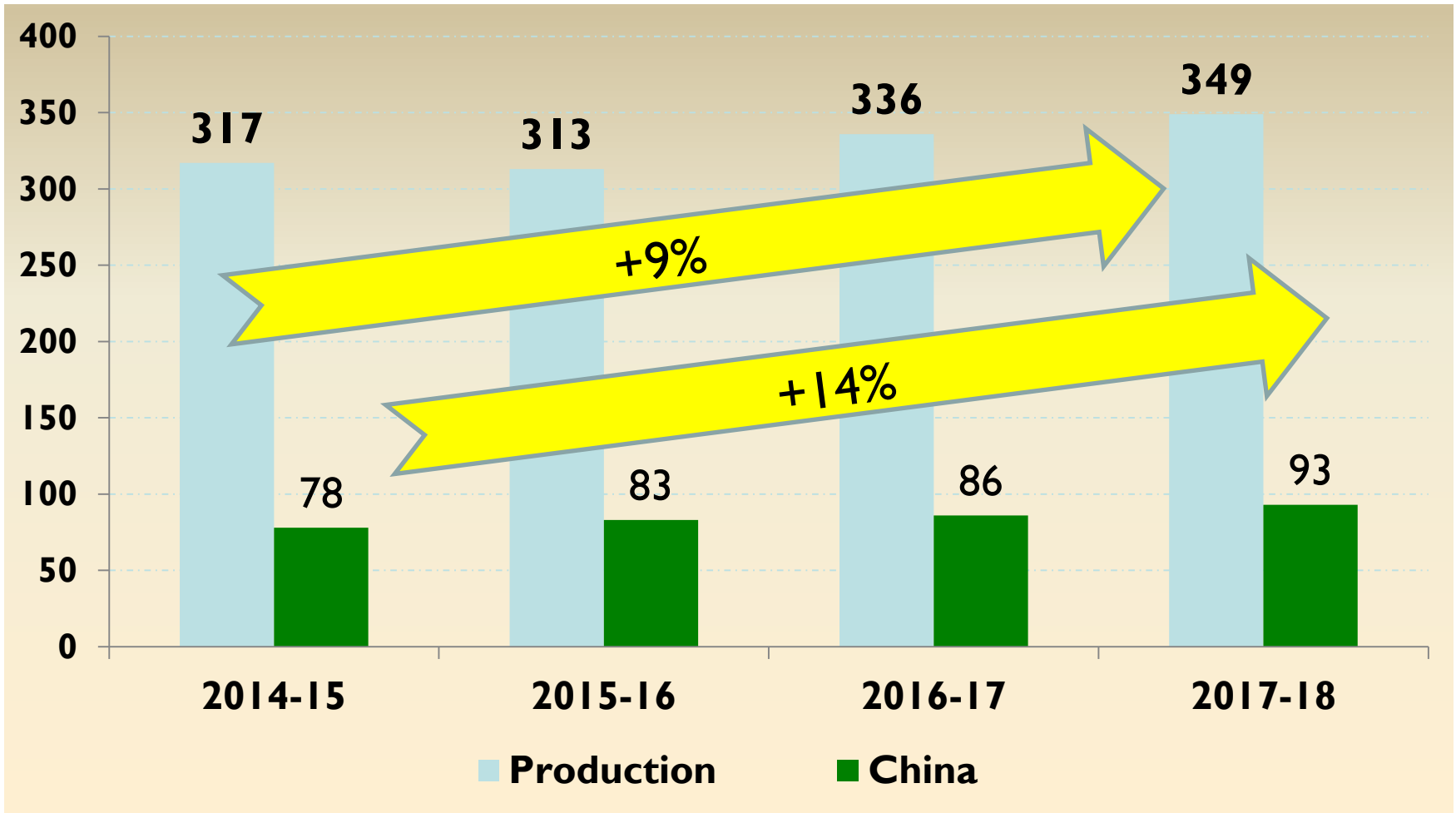


Soyabean Production

- MILLION TONNES

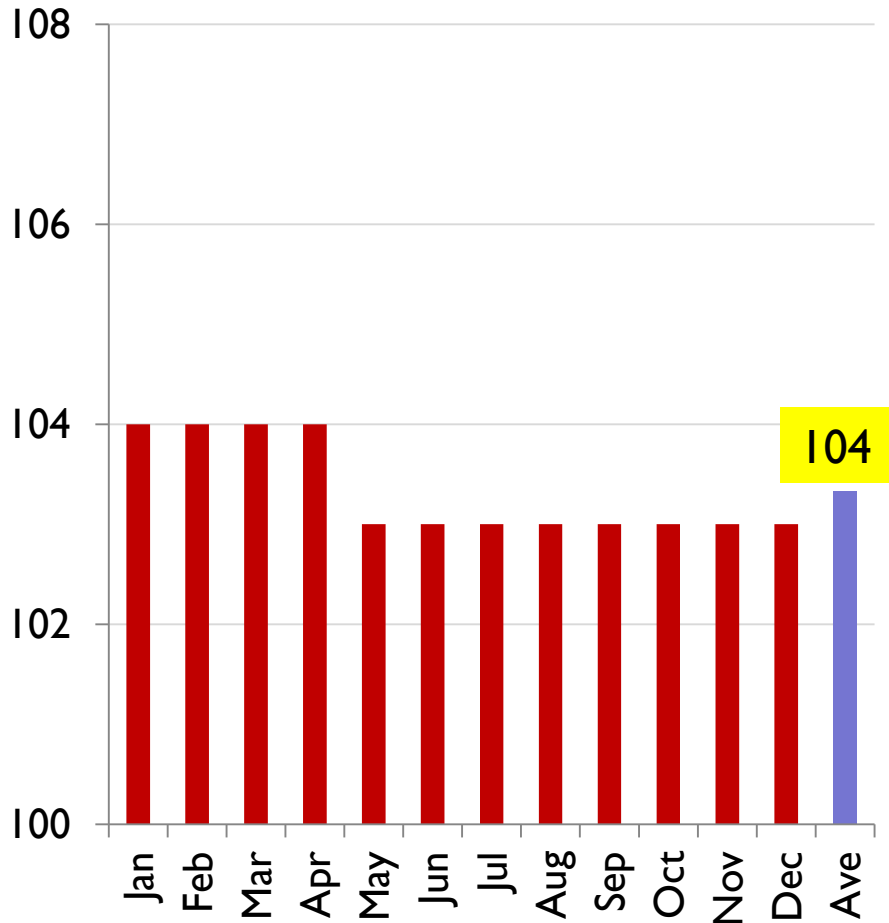


Soyabean Prod. & China - MILLION TONNES



Irish Feed Cost (Cent / Kg Dwt)

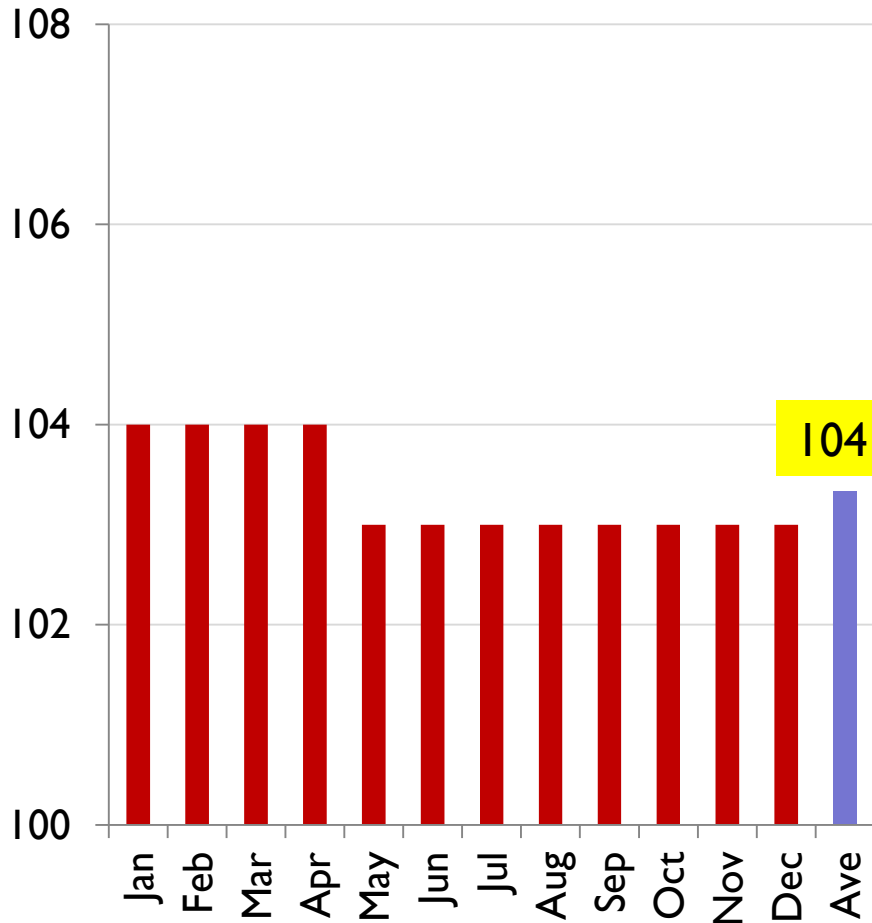
2017 Feed Price



* Nov-Dec Est.

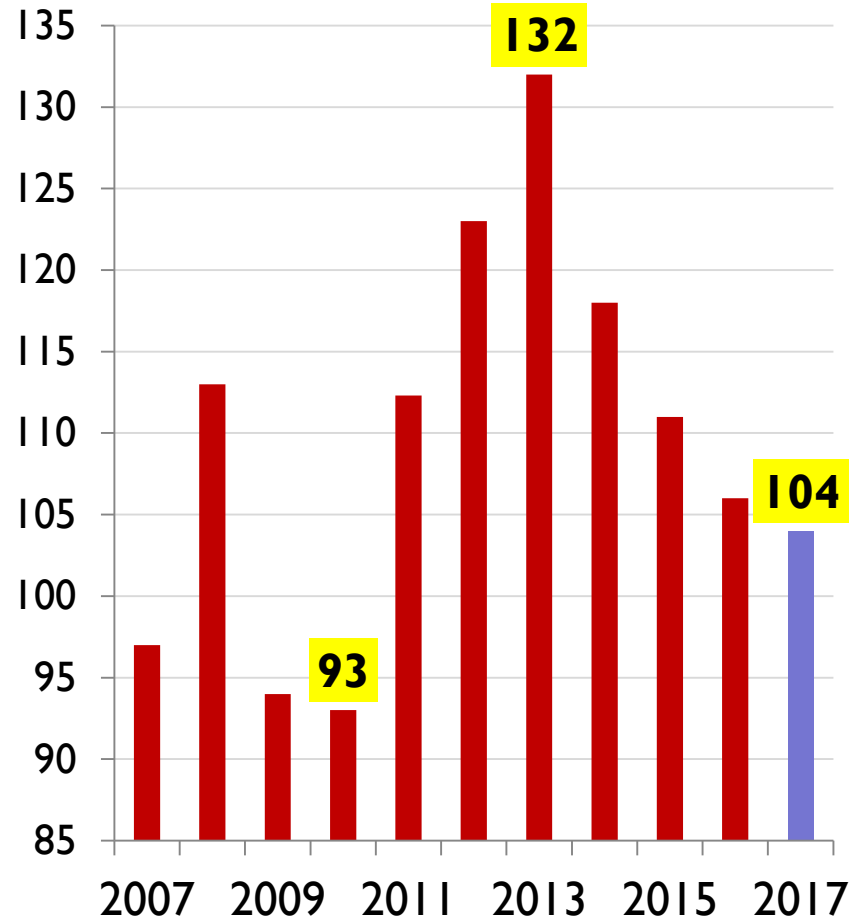
Irish Feed Cost (Cent / Kg Dwt)

2017 Feed Price



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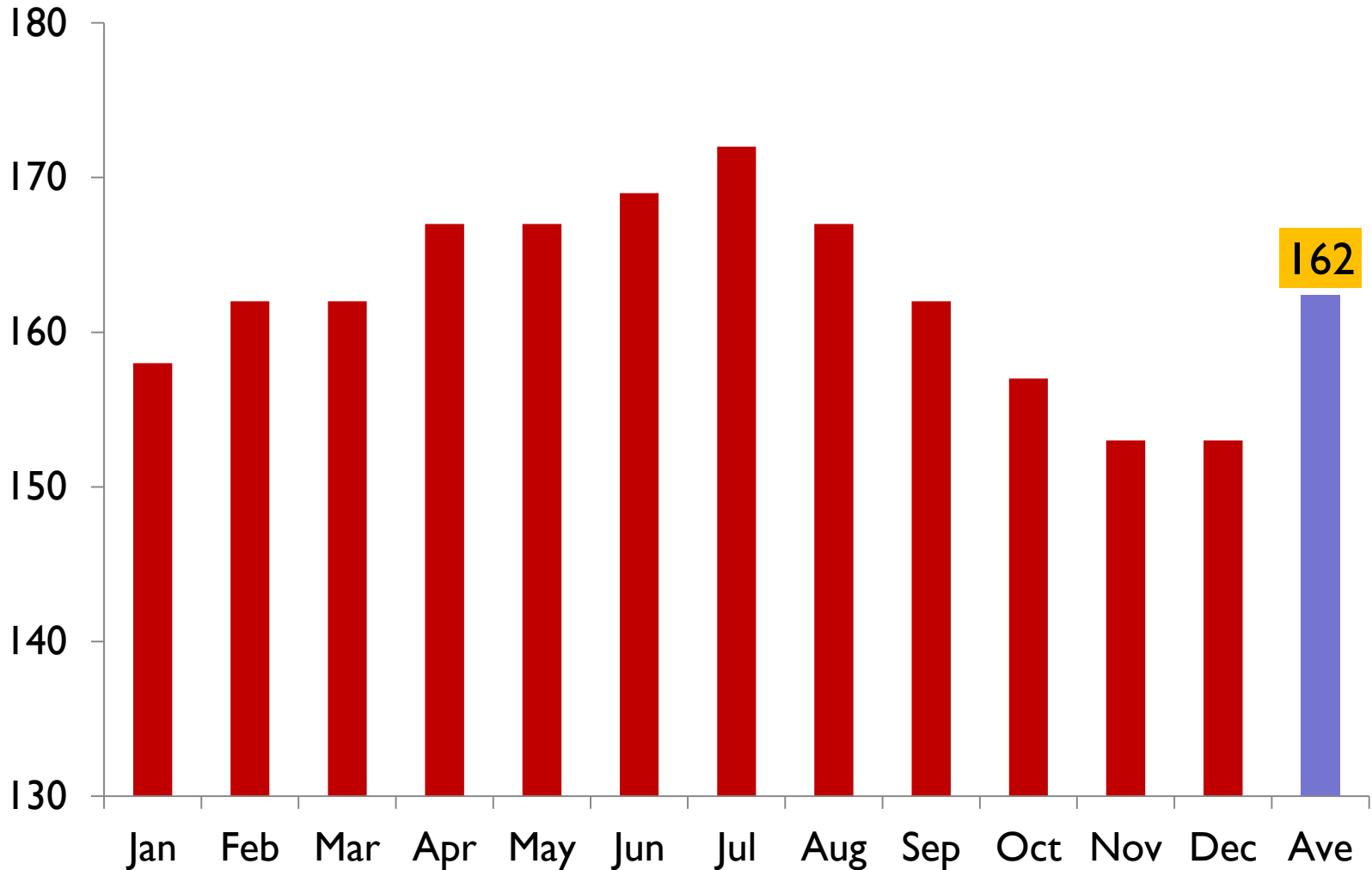
2007 - 2017 Feed Price



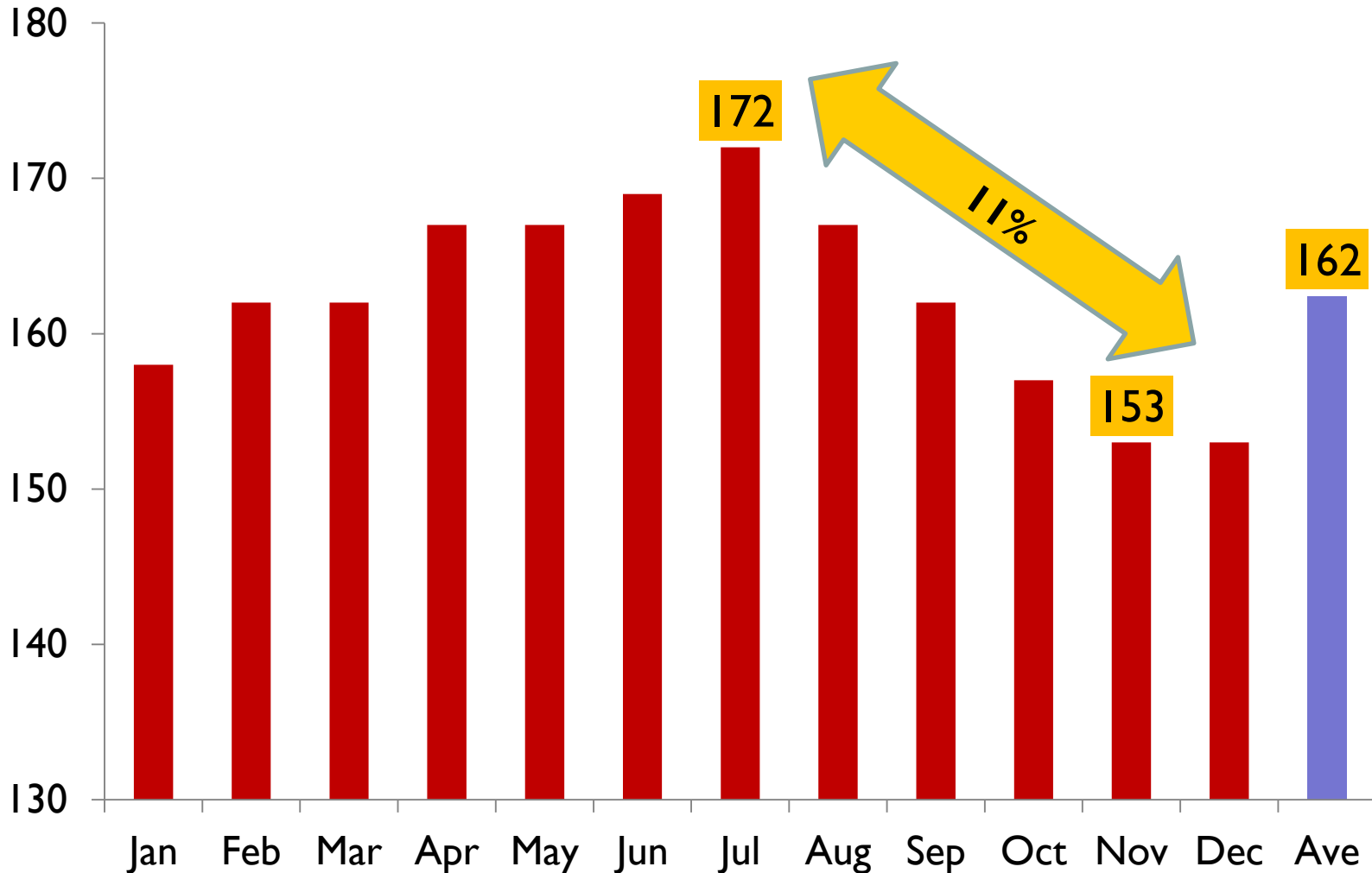
* 2017 Est.

Pigmeat 2017

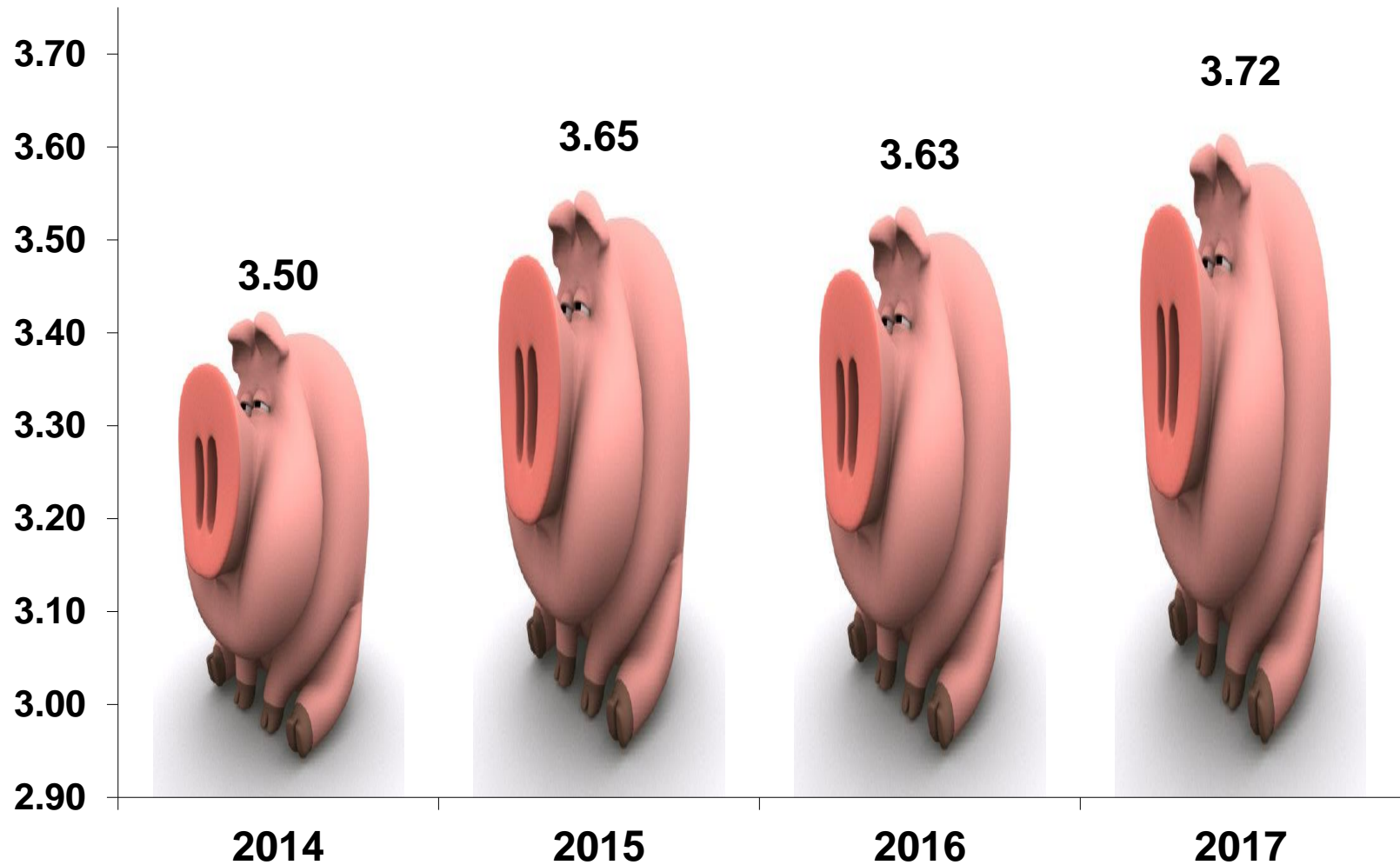
2017 Pig Price (c/kg dwt)



2017 Pig Price (c/kg dwt)



Irish Pig Slaughtering (million head)

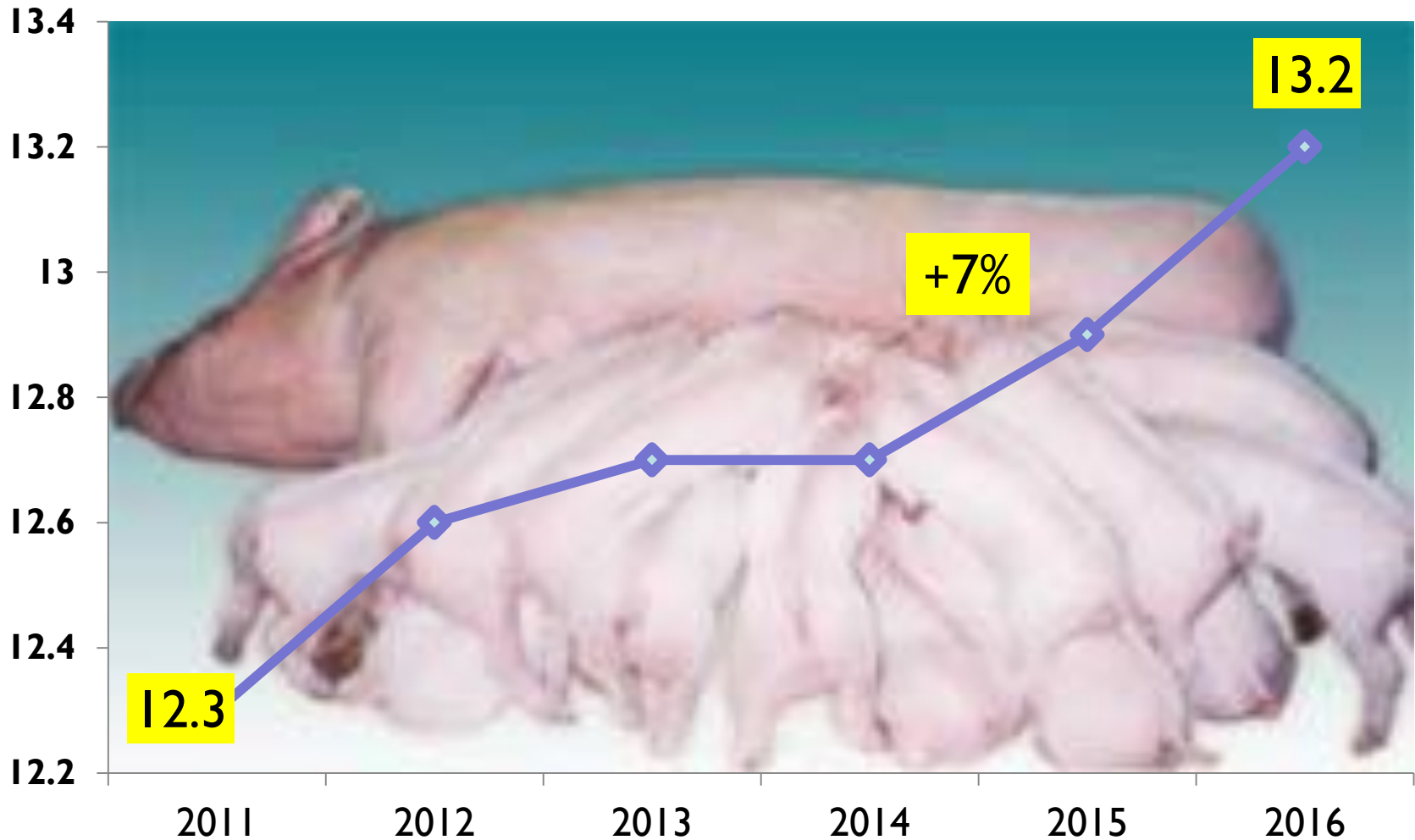


* 2017 Est.

Sow Output – Pigs/litter



Sow Output – Pigs/litter



EU Pig Slaughterings (million head)

	2016*	2017*	% Change
Netherlands	12.1	12.4	2.1
Spain	32.6	32.6	0
UK	8.1	7.7	-4.8
Germany	42.1	41.8	-0.6
France	15.7	15.3	-2.5
Denmark	14.6	13.8	-5.4
Total	125.2	123.6	-1.3

* Jan-Oct

Global Pigmeat Exports

Country	2016	2017*	Change %
IRELAND (TMT)	241	236	-2
EU (MMT)	2.75	2.48	-10
USA (MMT)	1.48	1.61	10
Canada (MMT)	0.810	0.860	6
Brazil (MMT)	0.470	0.540	15

* Estimated

Margin 2017

Margin Over Feed (c/kg dwt.)

	Margin Over Feed	% Diff.
2017*	58	-

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Margin Over Feed (c/kg dwt.)

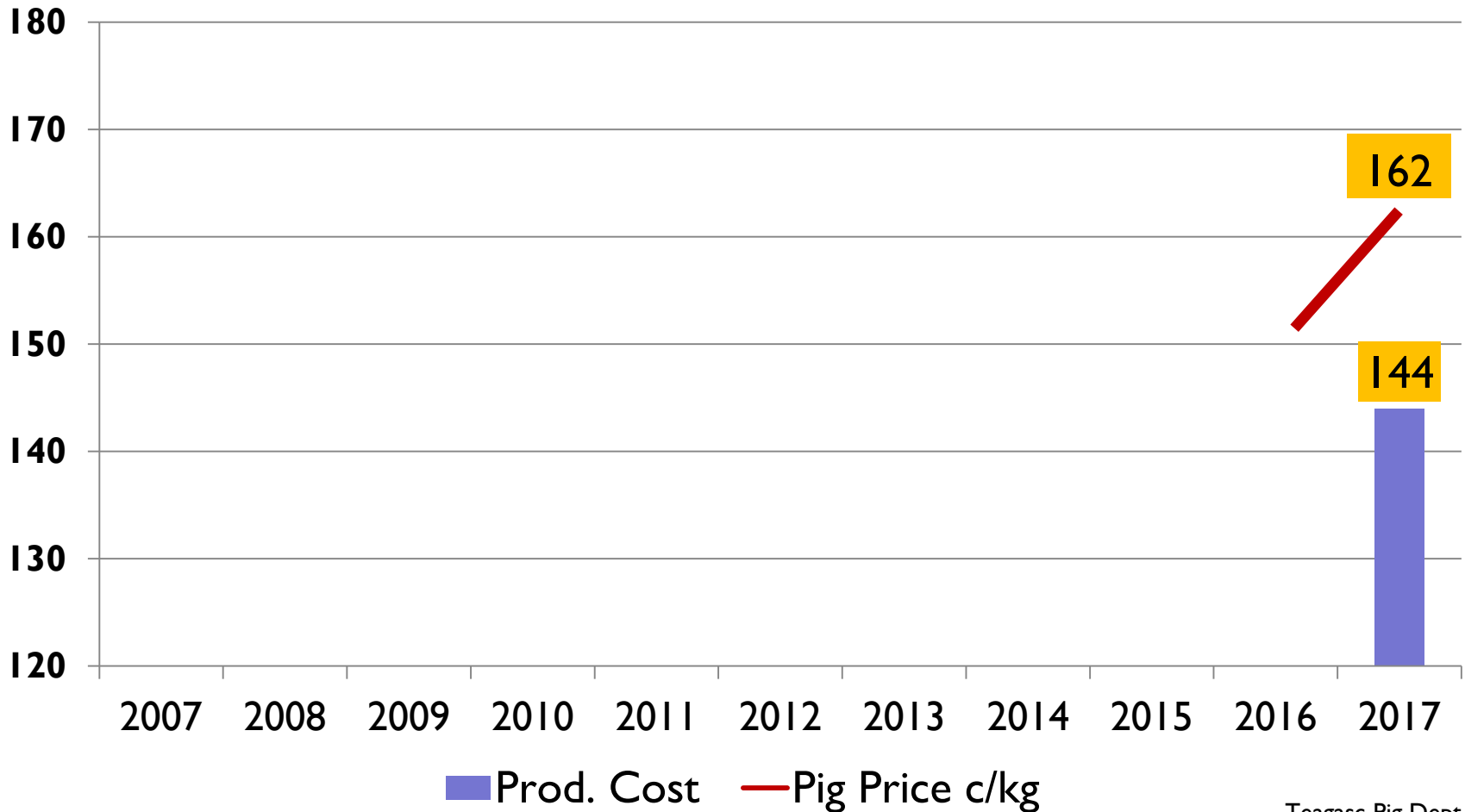
	Margin Over Feed	% Diff.
2017*	58	-
5 Yr (2013-17)	46.2	+26
10 Yr (2008-17)	45.0	+29
15 Yr (2003-17)	47.0	+23
20 Yr (1998-2017)	46.2	+26

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*estimated

Production Cost* & Pig Price

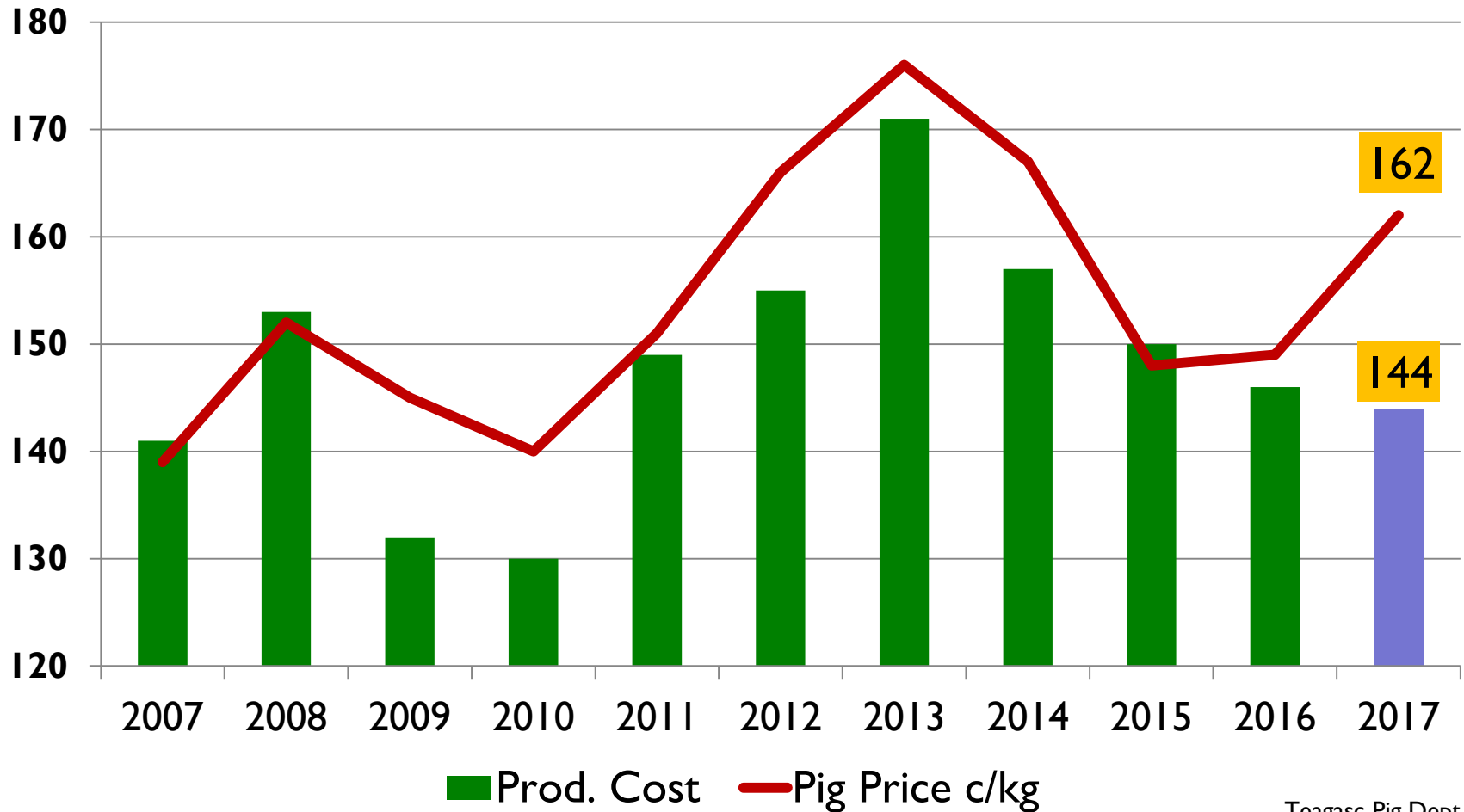
(cent / Kg Dwt)



* 2017 Estimated

Production Cost* & Pig Price

(cent / Kg Dwt)



* 2017 Estimated

Pig Outlook 2018

Feed Ingredient Outlook

CBOT Ingredient Outlook

Wheat			Corn			Soya	
Dec '17	409		Dec '17	337		Jan '18	991
Mar '18	428		Mar '18	350		Mar '18	1002
May '18	441		May '18	359		May '18	1012
Jul '18	455		Jul '18	367		Jul '18	1020
Sep '18	471		Sep '18	374		Sep '18	1015
Dec '18	490		Dec '18	383		Nov '18	1002

Feed Ingredient Outlook

- Global supplies will ensure relatively stable (low) ingredient prices until Autumn 2018
- Soyabeans open to significant hedge fund speculation if crop forecasts become mildly negative

Pigmeat Outlook



Pigmeat Price – China



Worlds Largest Relocation

Map of China Showing Environmental Control Zones



Pigmeat Price - The Chinese Effect

- Production of 36 million pigs expected to move
- Since 2013 it has slaughtered 14 million sows
 - Equivalent in size of total EU sow herd
 - Dropped 6.5% in last 12 months
- Scarcity of pigmeat has led to significant increase in Chinese domestic pork price & strong import volume
- 2018 - China will continue to import large volumes
- However US & Canadian more competitive due to exchange rates and 'Paylean' free
- Irish prices won't reach heights of 2017

Irish Pig Price 2018

Year	2013	2014	2015	2016	2017	2018
Cent / kg dwt	176	167	148	149	162	152

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Price Forecasts

- **Pig price**
 - Average 152 c/kg for 2017
- **Compound Feed:**
 - High global ingredient stocks
 - Result in prices unchanged / marginal increase (3%)
 - Provided S.A. soyabean harvest meets expectations
- **Margin Over Feed :**
 - To reduce to 48 c/kg
 - Below 2017 but above 5 year average (46c).

Thank you for your attention

