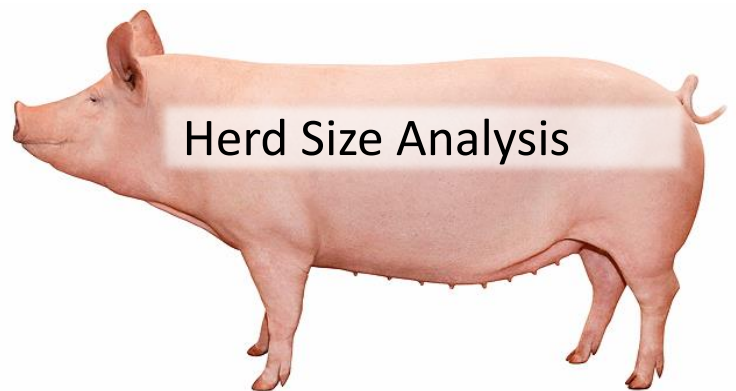


A close-up photograph of a pig's face, showing its eye, ear, and snout. The pig has pink skin and white hair. A semi-transparent white rectangular box is overlaid on the center of the image, containing the title and author's name.

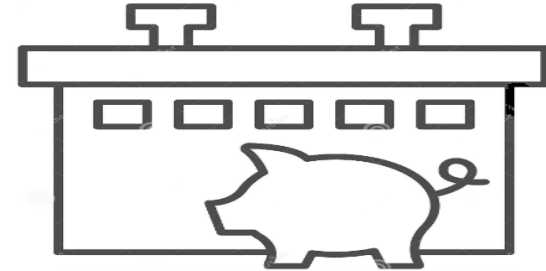
# **Pig Sector Outlook**

**Michael McKeon**

# Irish Pig Sector Statistics



# Irish Pig Sector Statistics



Per Sow Unit = €3.5m



45%



25%



# Irish Pig Sector Statistics

Total Active 'Herds'

1641

Commercial Herds

320

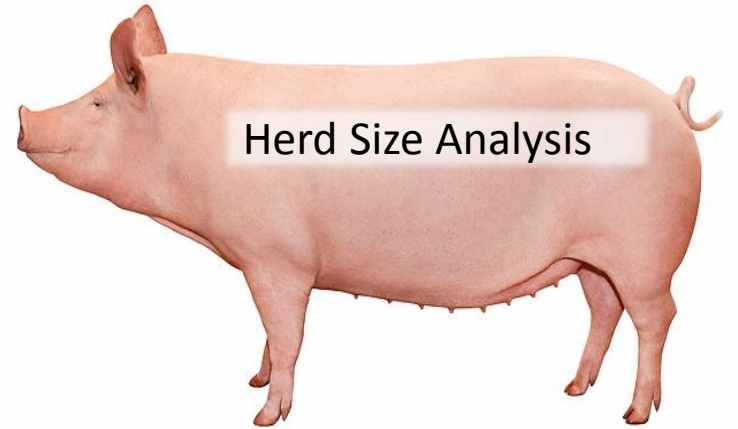
Integrated  
Herds

265

Finisher  
Herds

55

Ave Size = 574 sows



# Irish Pig Sector Statistics



Total Employment 8,000

On-Farm  
Employment

1,200

Associated Industries

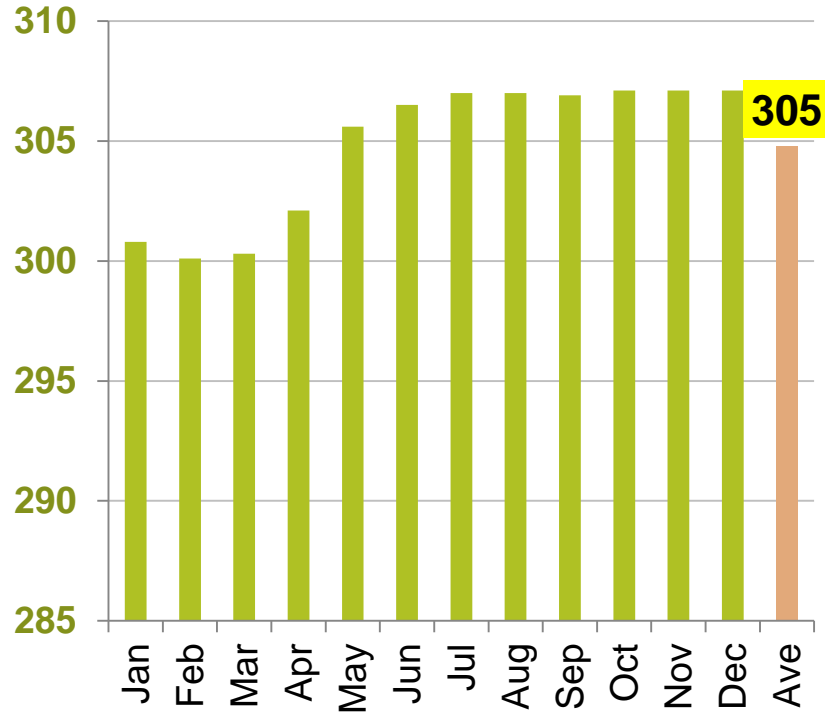
6,800

# Pig Sector Review

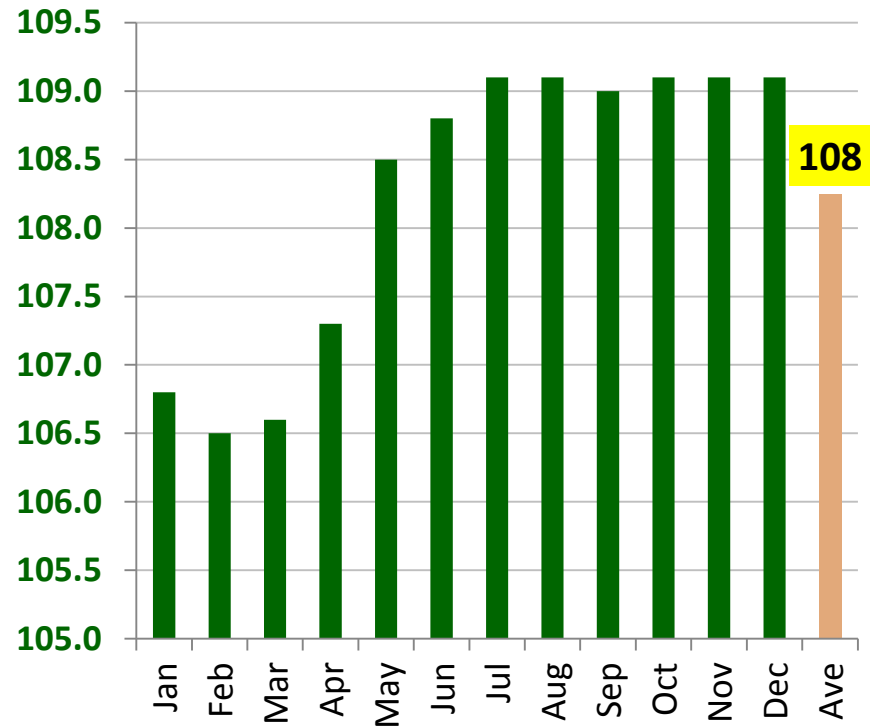


# Feed Price 2020

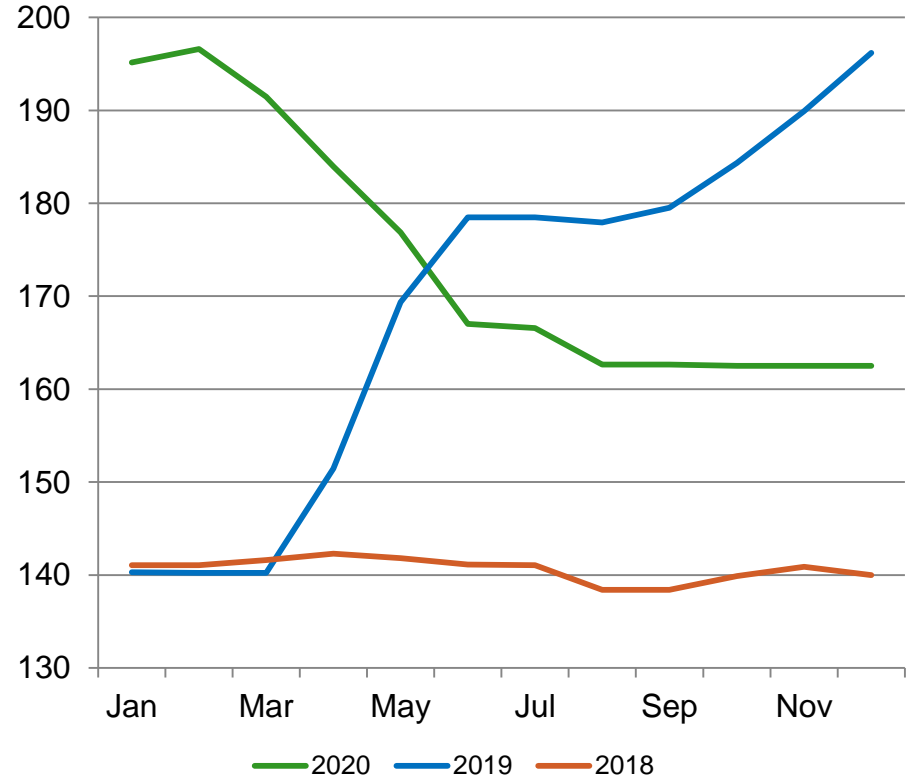
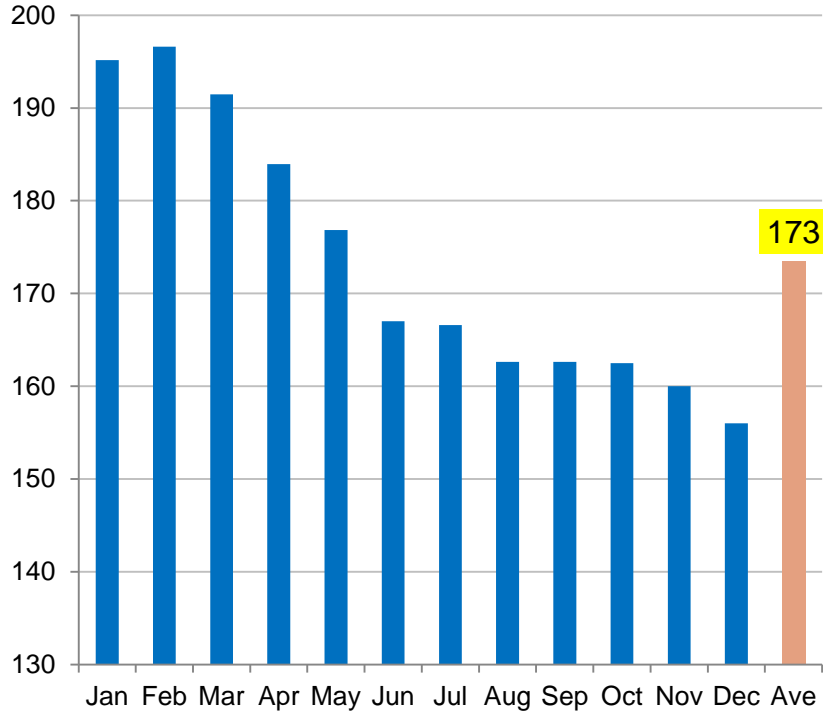
Composite Cost/ Tonne (Compound)



Feed Cost c / kg dwt.

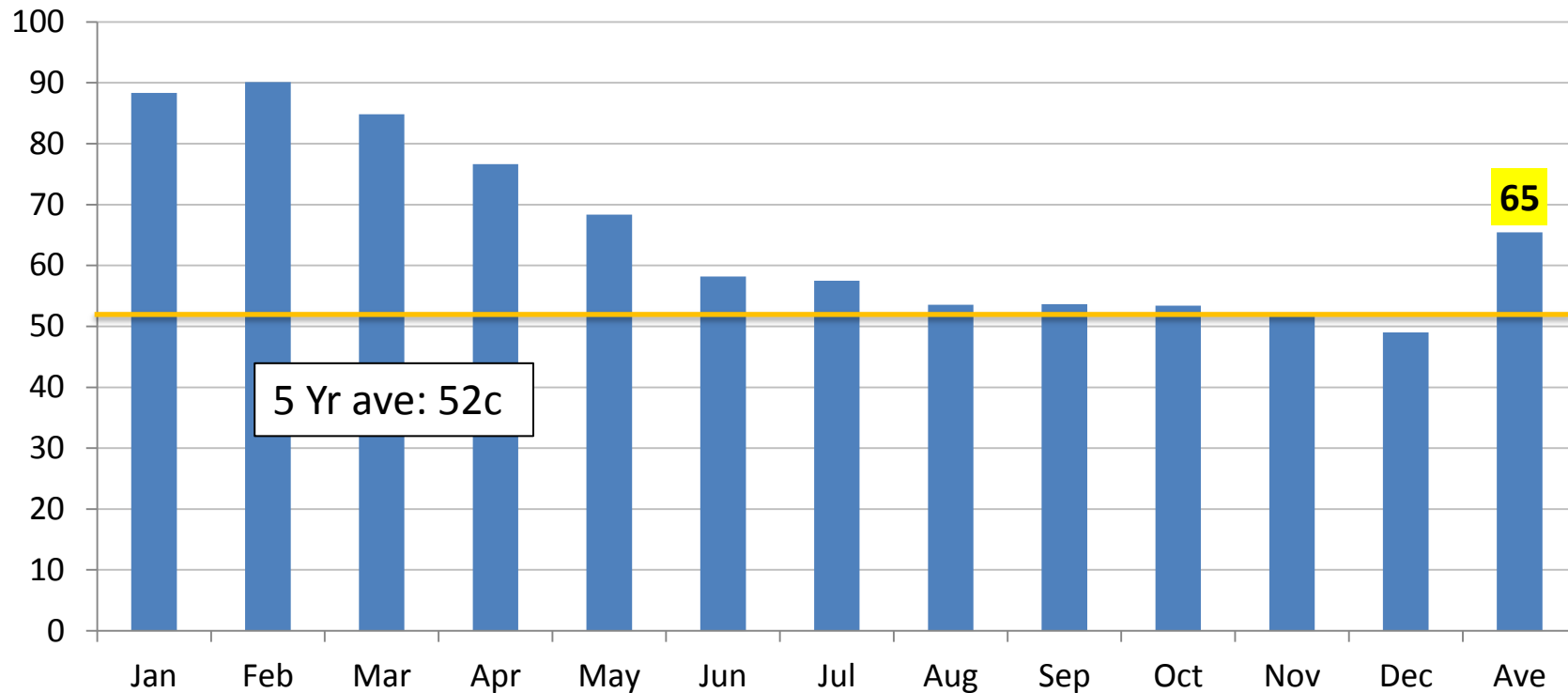


# Pig Price 2020 (c/kg dwt)





# Margin-Over-Feed 2020 (c/kg dwt)



# 2020 – Profitability (EBITA)

PER KG



PER PIG



PER FARM^

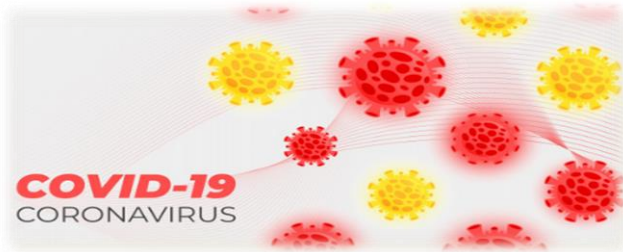


# Pig Sector Forecast



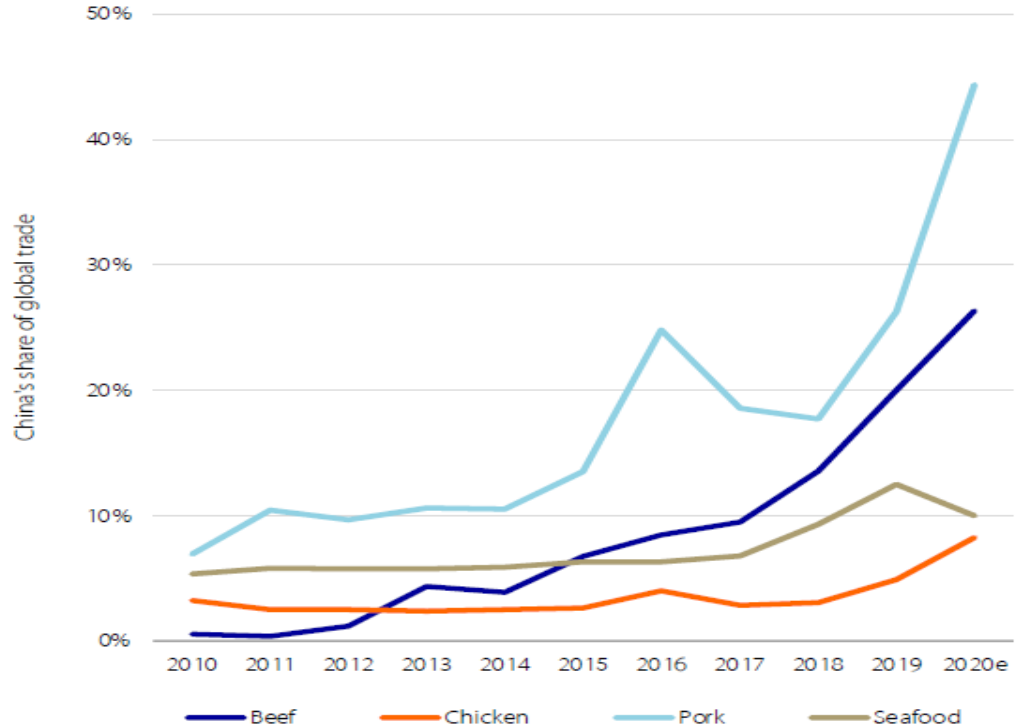
# Pig Price Outlook

Outlook based on these four factors:



# Pig Price Outlook

Chinese Imports as a % of Global Trade

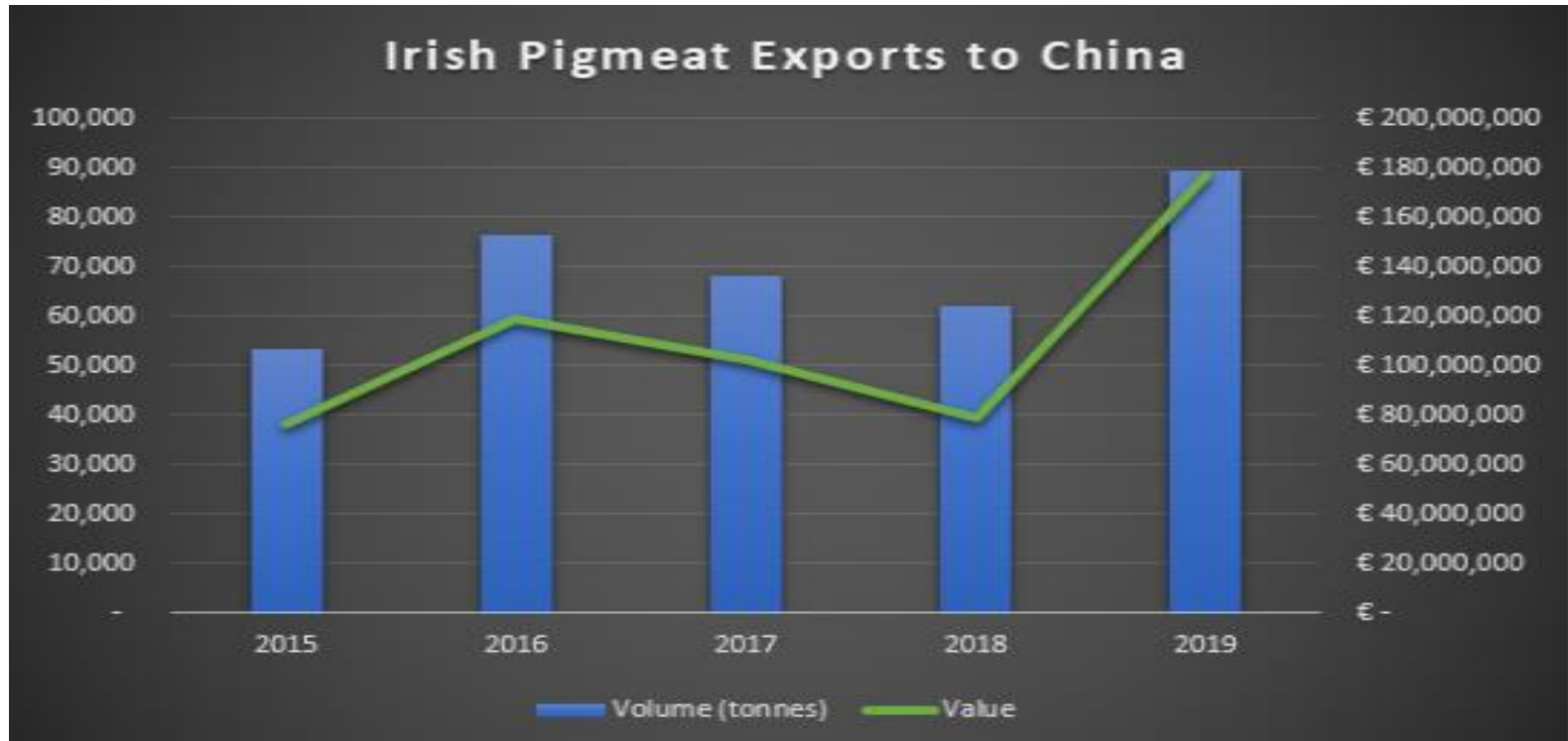


# Pig Price Outlook



- Largest sow herd in the world. Approx. 19 million sows culled in 2018 from ASF.  
= combined US + EU+ Canadian herd
- Recovering due to massive government support. €26bn invested in 2 years
- Will be end of 2021 before approaching pre-2018 levels (80-85%)
- However market price will cool during 2021 due to herd increase & aggressive US competition. EU pigmeat exports -10%

# Irish Pig Sector Statistics



Bord Bia 2020

# Pig Price Outlook

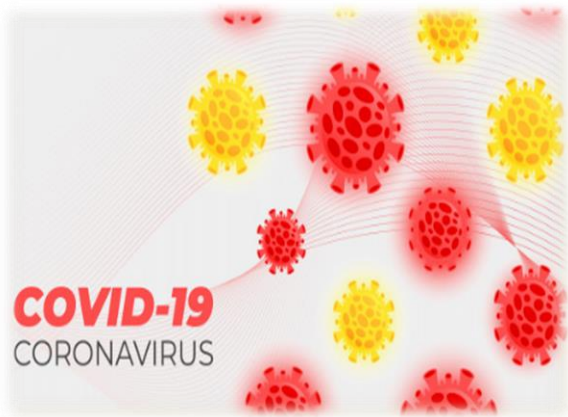
African Swine Fever  
Wild Boar



- Initially spread in Eastern Europe by wild boars
- Two German regions infected by wild boar infections (185 boar cases)
- Germany currently excluded from Chinese market. Important as:
  - They are 2<sup>nd</sup> biggest EU producer
  - China's 3<sup>rd</sup> largest source of pigmeat
- German pigmeat must be sold within the EU market e.g. Italian ham market & UK



# Pig Price Outlook



- Caused severe logistical problems:
  - Transmission within slaughter plants
  - Shipment issues – reefers
  - Loss of Chinese export license
- Slaughtering disruptions:
  - Germany backlog of 700,000 pigs
  - Denmark backlog of 120,000 pigs
- Essential priority workers?
  - UK won't close plants
  - Priority for vaccines?

# Pig Price Outlook

Brexit



- UK important for Irish pigmeat:
  - Destination for 45% of exports
  - Worth €500m / Year
  - 12% of ROI pigs slaughtered in N. Ire

However

- UK only 40-45% self sufficient :
  - Will UK set tariffs at 0% in crash-out ?
  - ROI & N.IRE strong trade links

# Pig Feed Outlook

Soyabean



Wheat/Barley



Maize



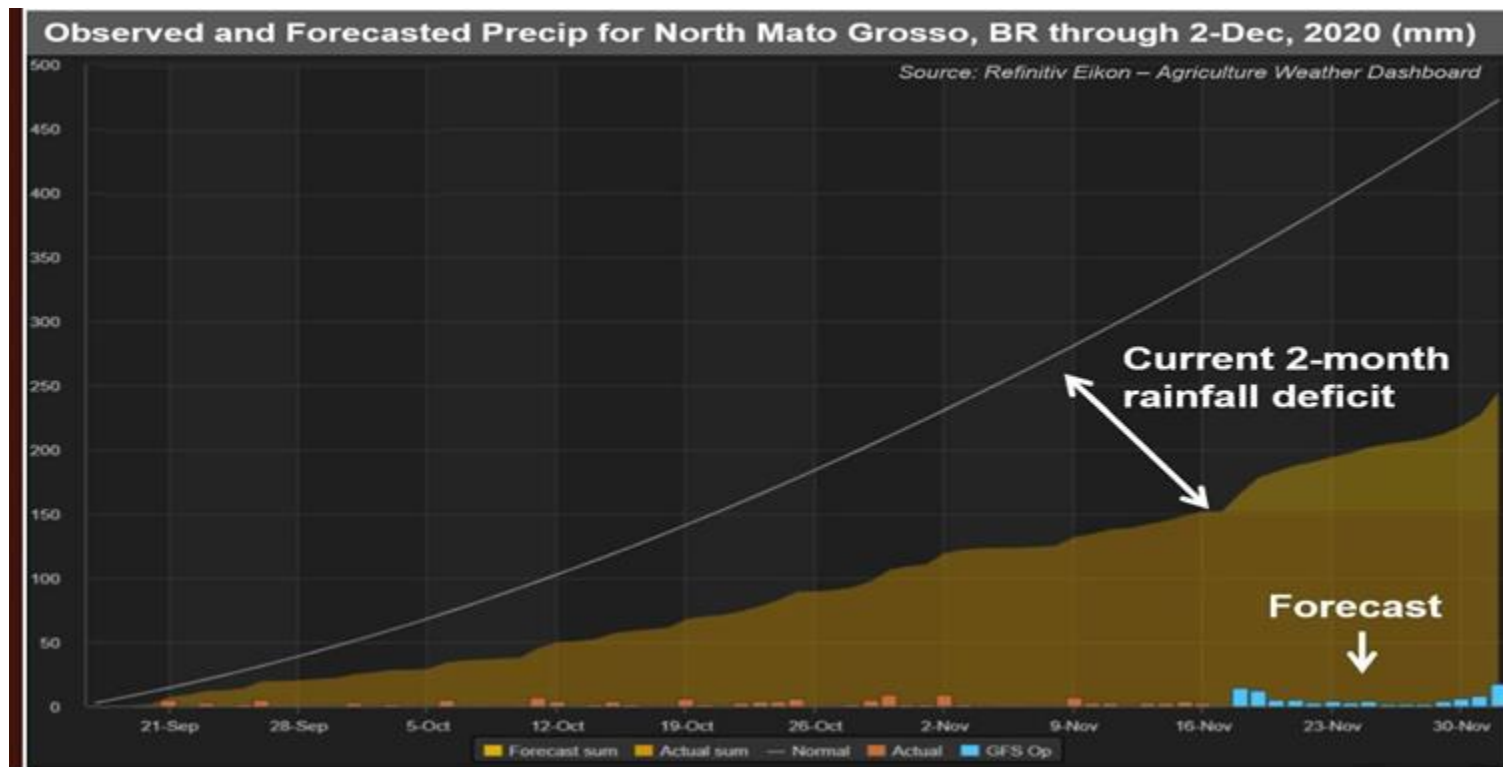
# Pig Feed Outlook

## Soyabean



- Poor US harvest will decrease closing stock so in 2021 reduced buffer zone.
- Record Brazilian crop expected (133 MT) – looks optimistic with late planting & poor planting conditions, cant see it happening
- US-Chinese trade war
  - China was increasing S.A. imports
  - Will new US administration do trade deal?
- Recent moderate price increase likely to be sustained (€420) however many Irish producers are fortunately locked-in till end of 2021 (Jul 2020: Jan-Dec 21 at €327)

# Pig Feed Outlook



# Pig Feed Outlook

## Wheat/Barley



- Poor ground conditions in autumn 2019 were realised in harvest esp. for wheat in UK & France.
- 2020 poor Irish yield & harvesting conditions
- Current high prices (Wheat €225, Barley €205) likely to be sustained until mid-2021. Risk of wheat supply getting tighter in spring depending on ruminant feed trade
- Early crop conditions across EU looking much better for autumn 2021. Australian output 29MT (+14MT)
- Harvest 2021 prices lower: 5-10%

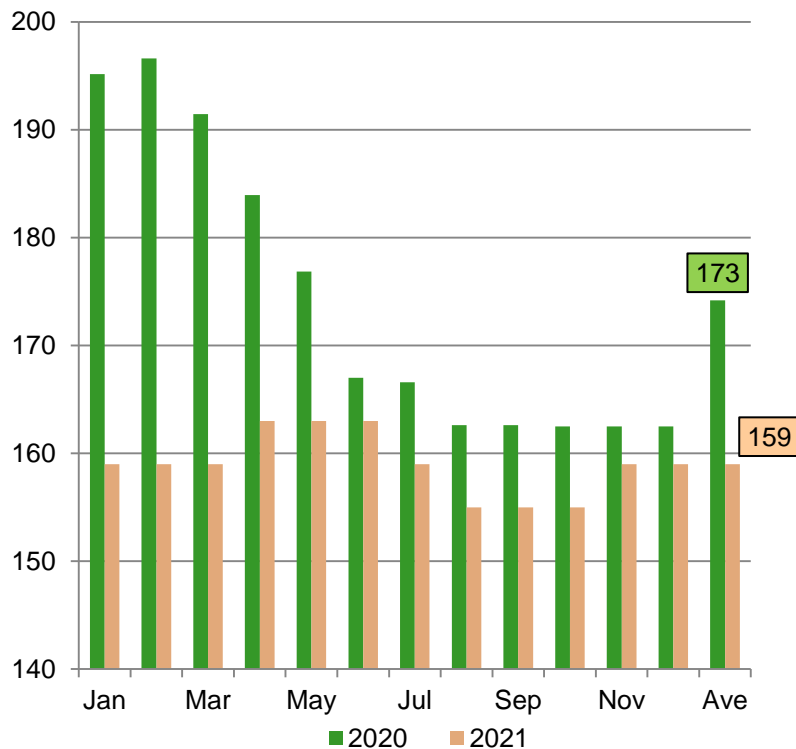
# Pig Feed Outlook

## Maize

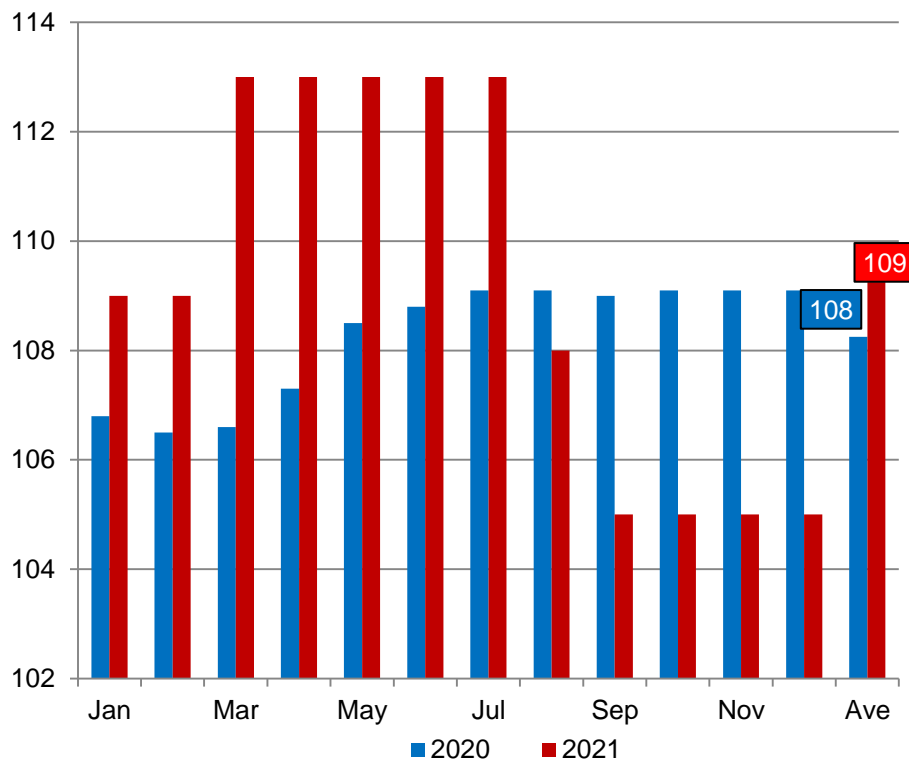


- U.S. 2020 harvest down by 20 Mt (YOY)
- Late SA soya planting will affect subsequent maize planting
- Chinese used large volume of stock in spring during lockdown. Resulted in lower closing stocks and requires higher imports in coming months + pig herd is increasing
- Global Stock:Use ratio expected to decrease to 24% - still relatively comfortable but lowest since crash of 2013. Current price ~ €215
- Low wheat & maize production in same year is unfortunate

## Forecast: Pig 2021 (c/kg)



## Feed 2021 (c/kg)





Thank you for your attention!

