



Global Pork Economic Update

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October 25, 2023

Overview

- Global pork overview
- Macro update
- U.S. pork exports
- Global industry updates
 - Canada
 - Mexico
 - EU
 - Brazil
 - China

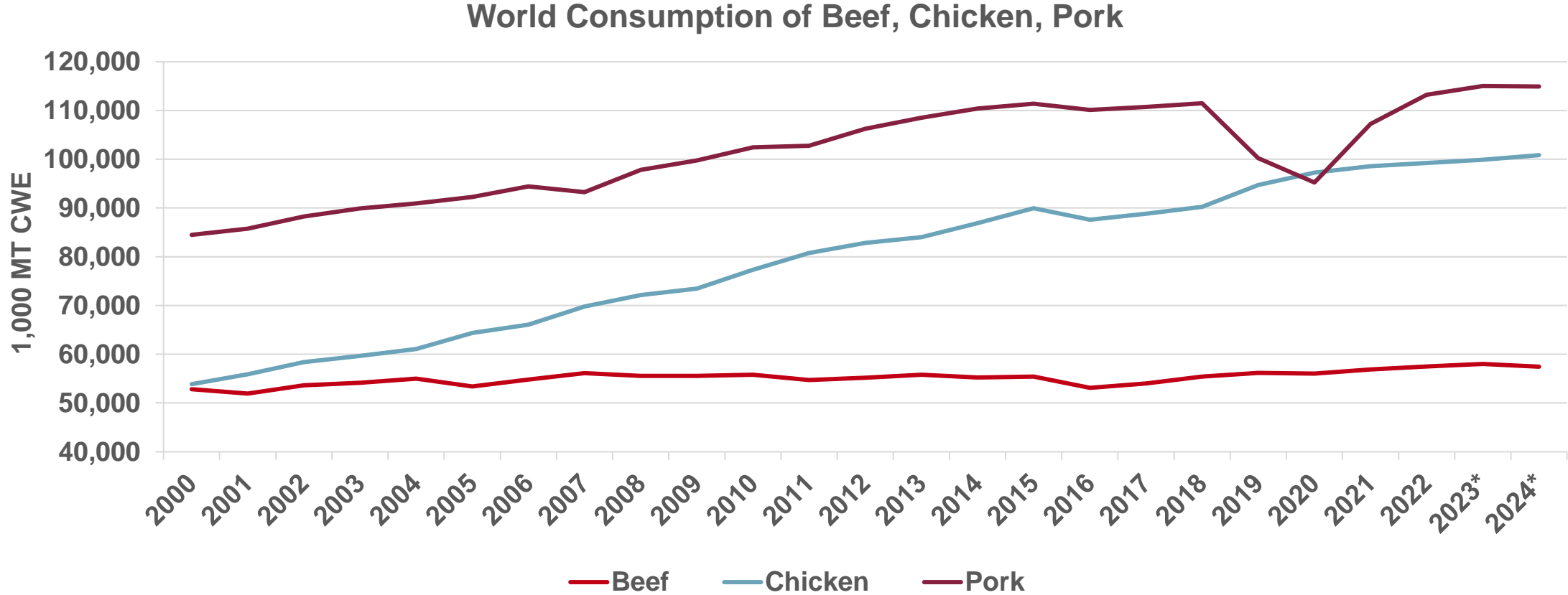


Global Overview



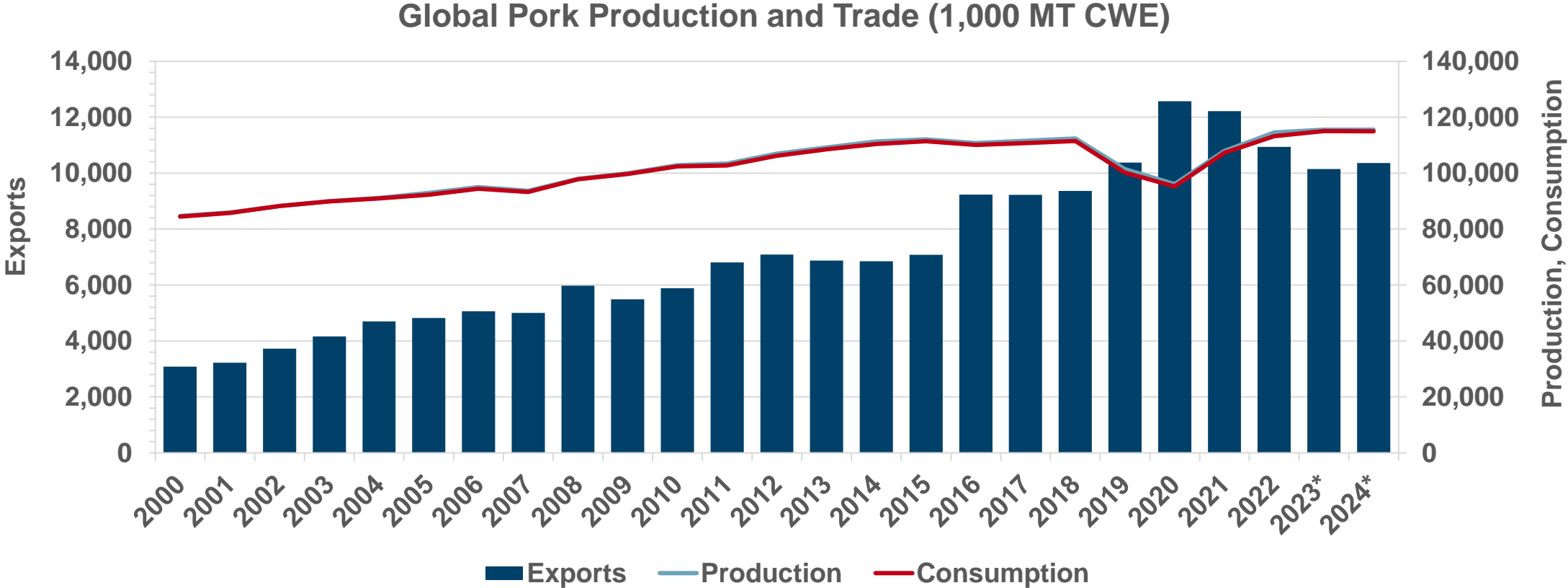
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Pork continues to be most consumed meat in the world



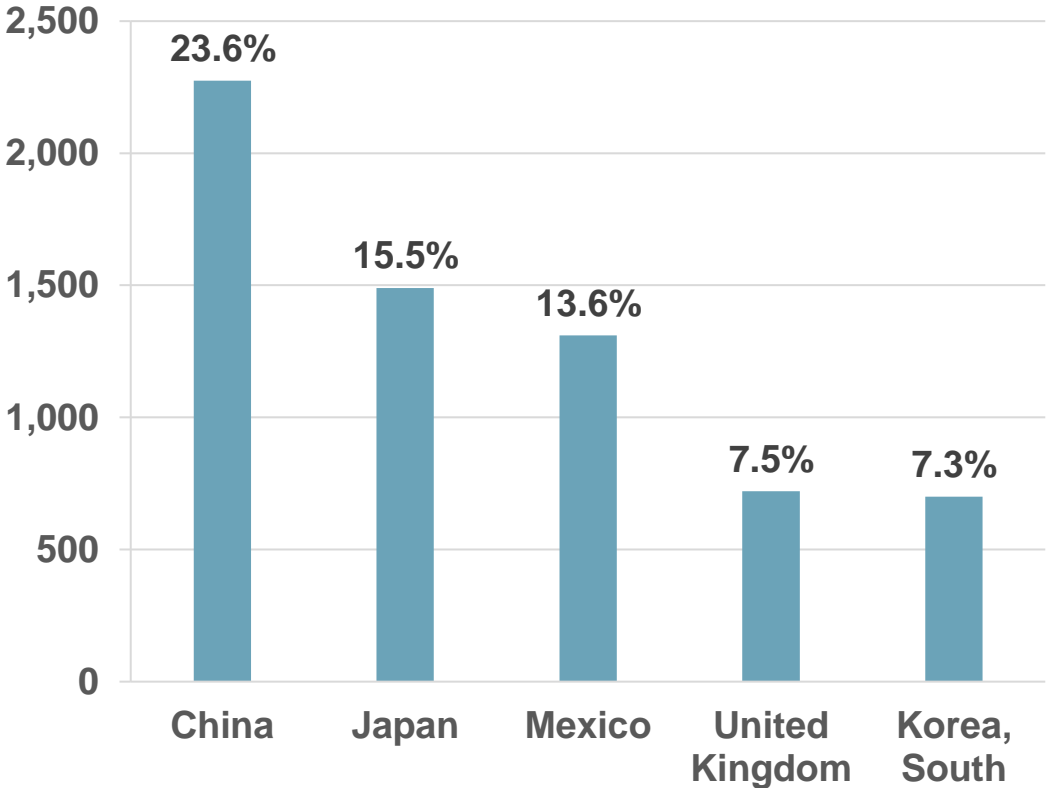
Source: USDA FAS PSD Data
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Global pork production flat, exports lower in 2023

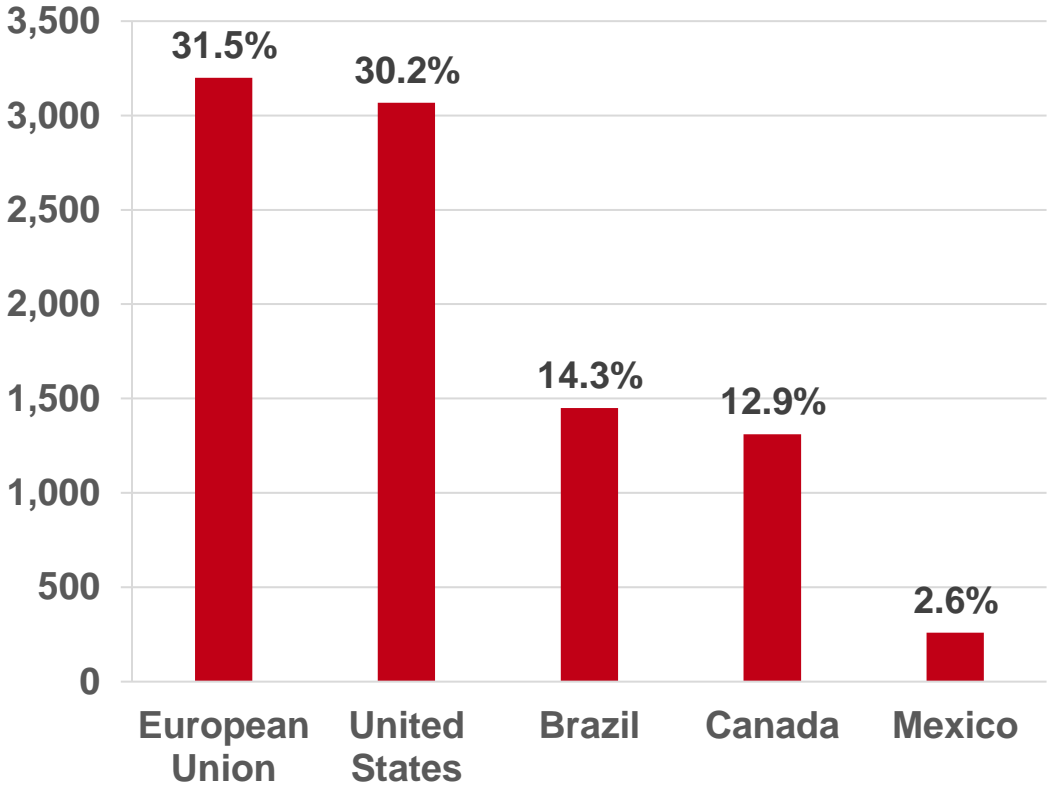


Top Pork Importing and Exporting Countries (2023)

Top 5 Pork Importers



Top 5 Pork Exporters



Source: USDA FAS PSD Data
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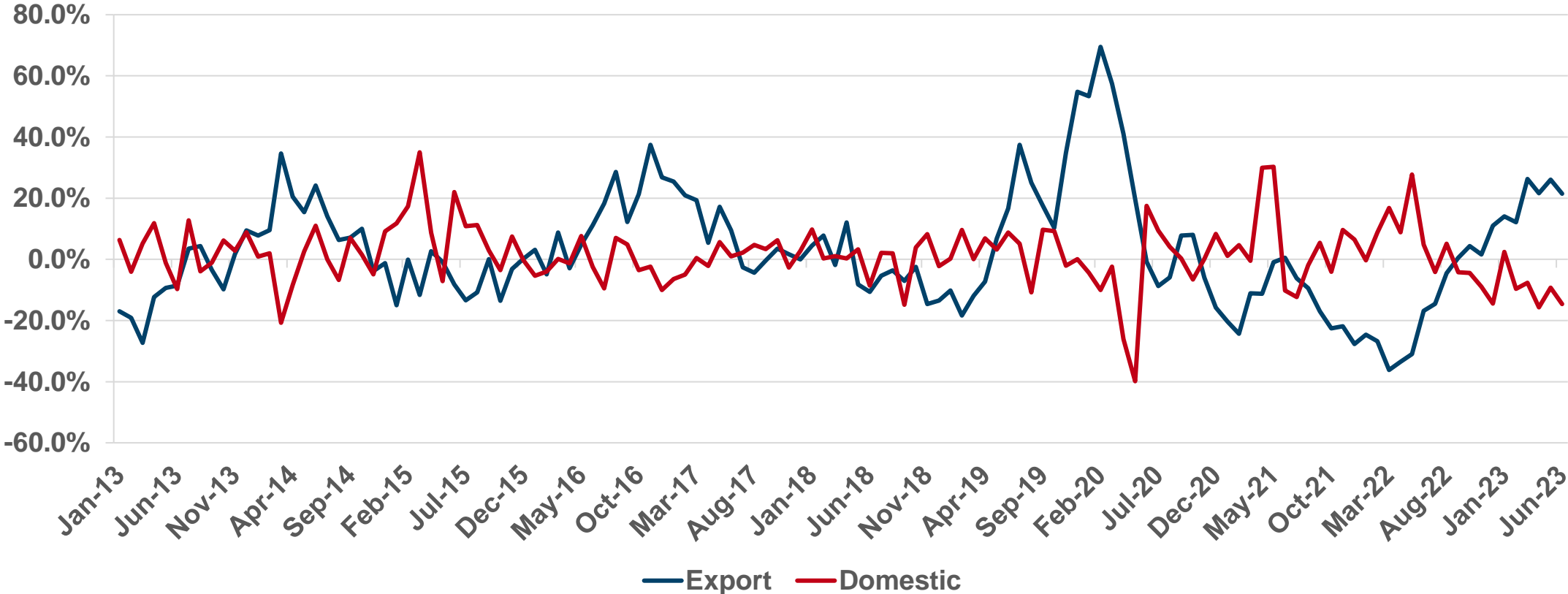
Macro Update



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Domestic demand weaker, export demand stronger in 2023

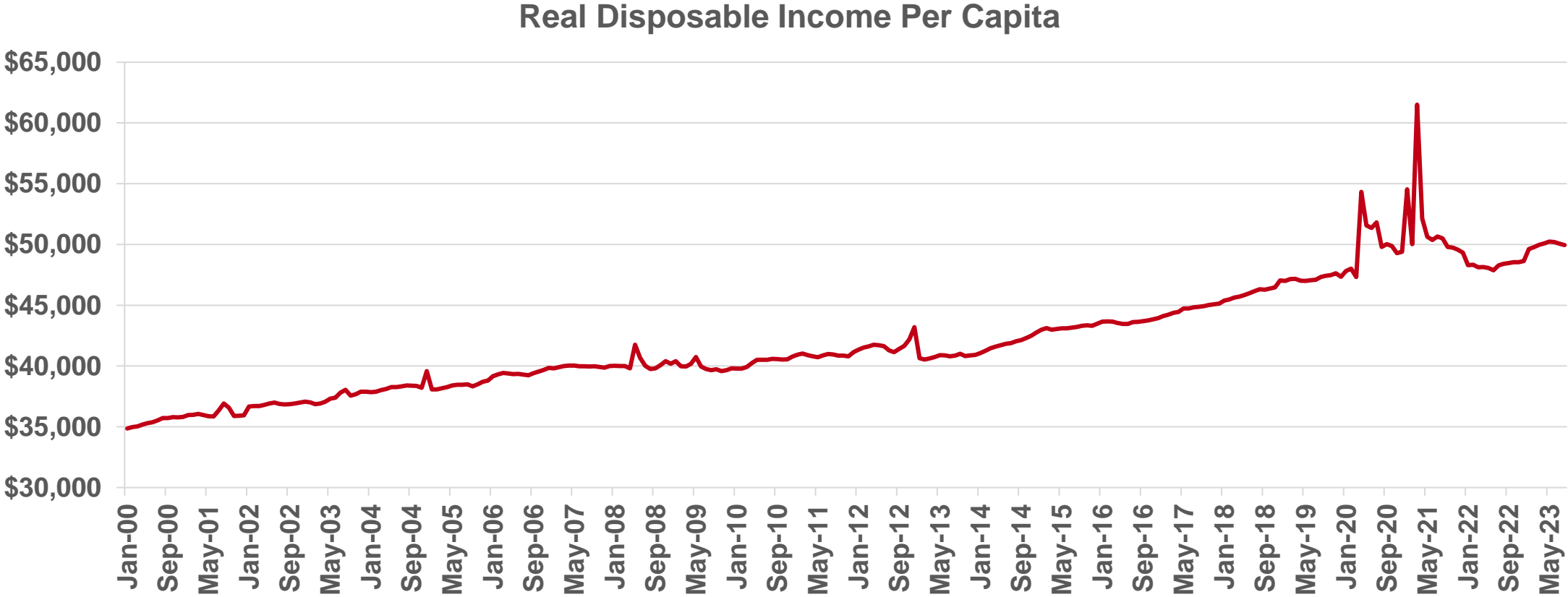
U.S. Pork Demand Index (Year Over Year Change)



Source: Kansas State University

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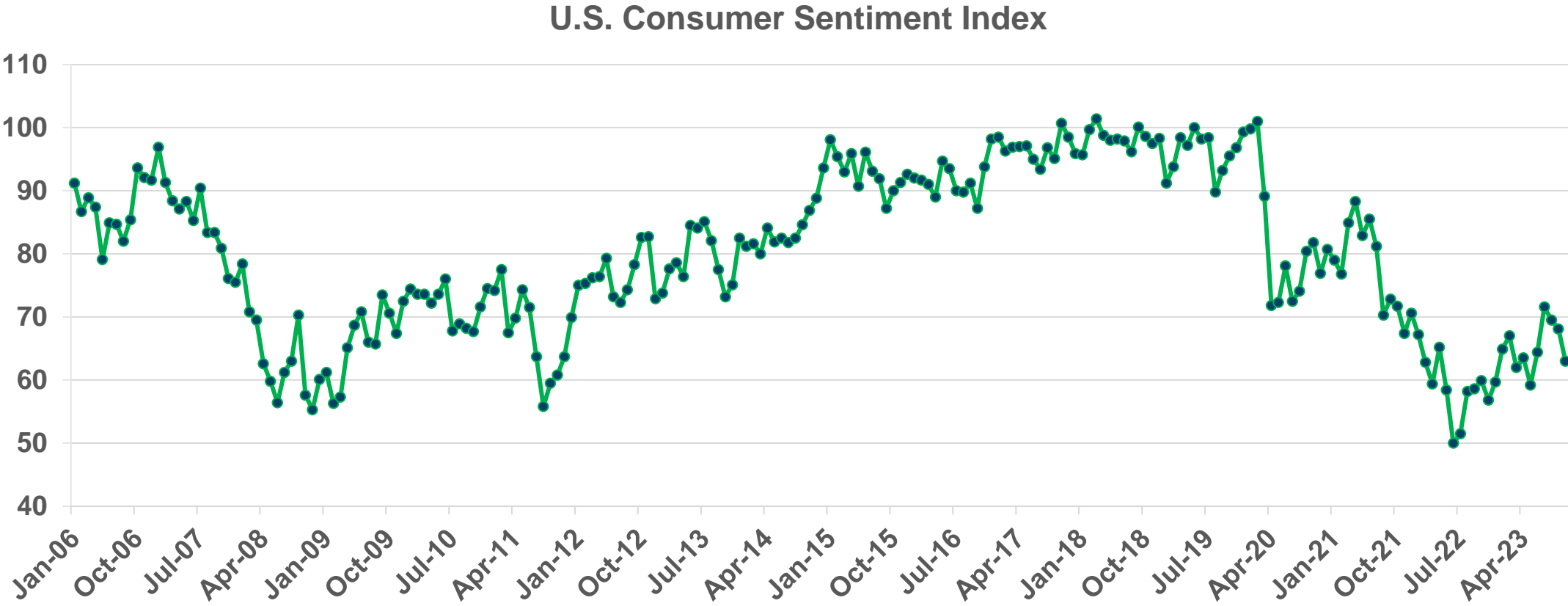
Real consumer incomes declined in U.S. after pandemic



Source: St. Louis Federal Reserve

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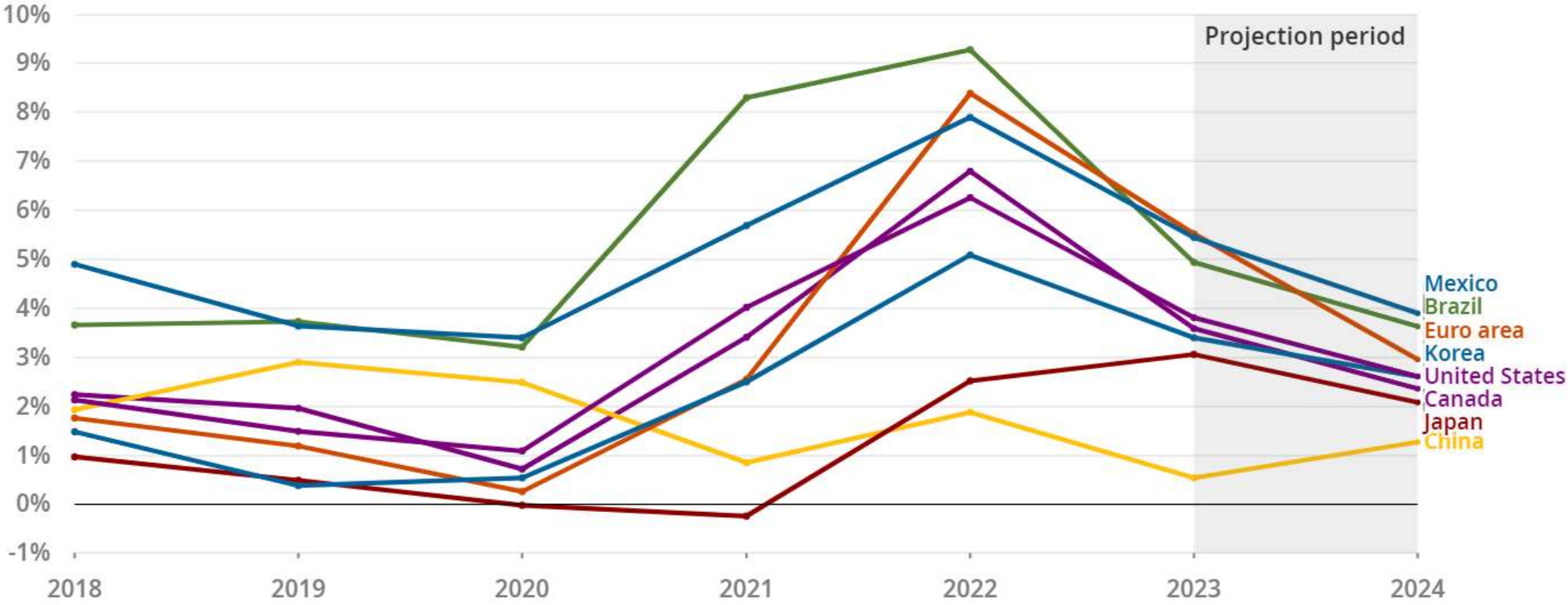
Consumer sentiment is stronger than 2022, but remains low



Source: University of Michigan Consumer Sentiment Index

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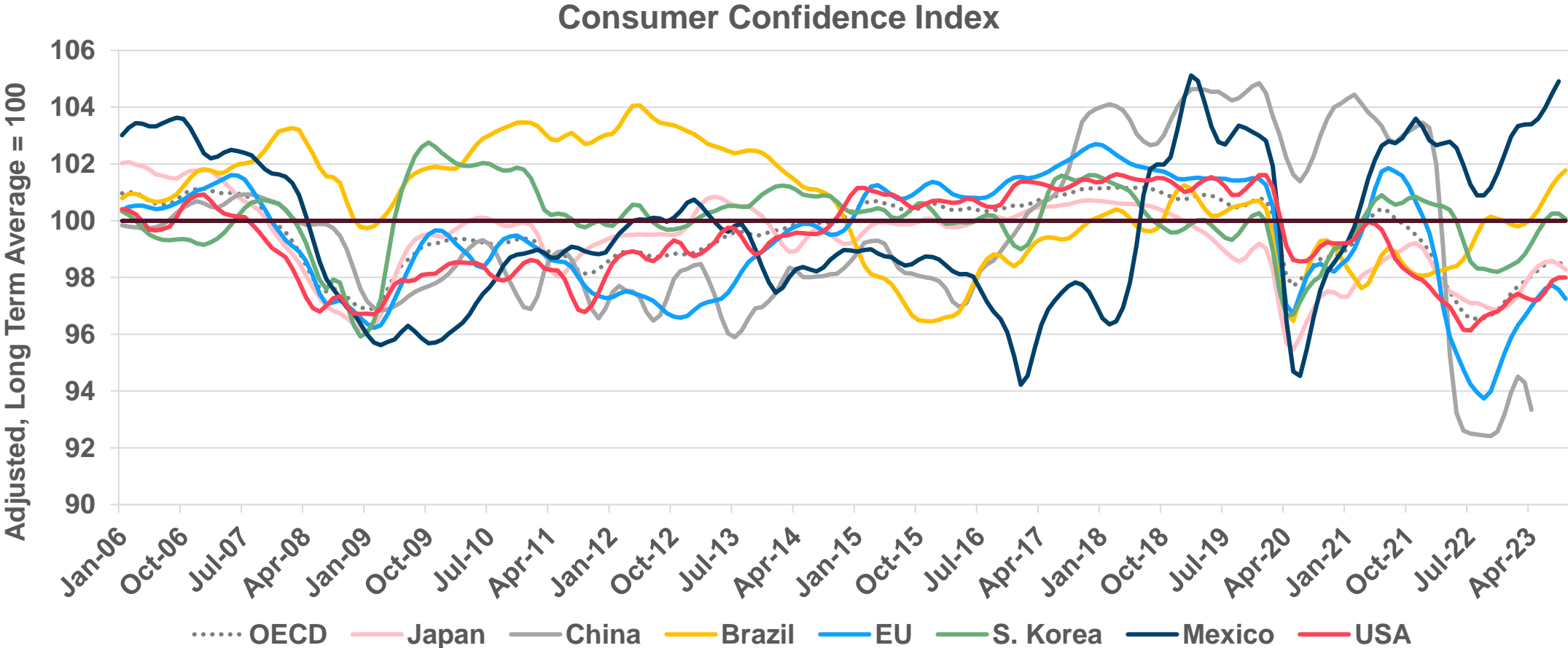
Inflation easing, but high prices still a global concern



Source: OECD Economic Outlook, Interim Report September 2023

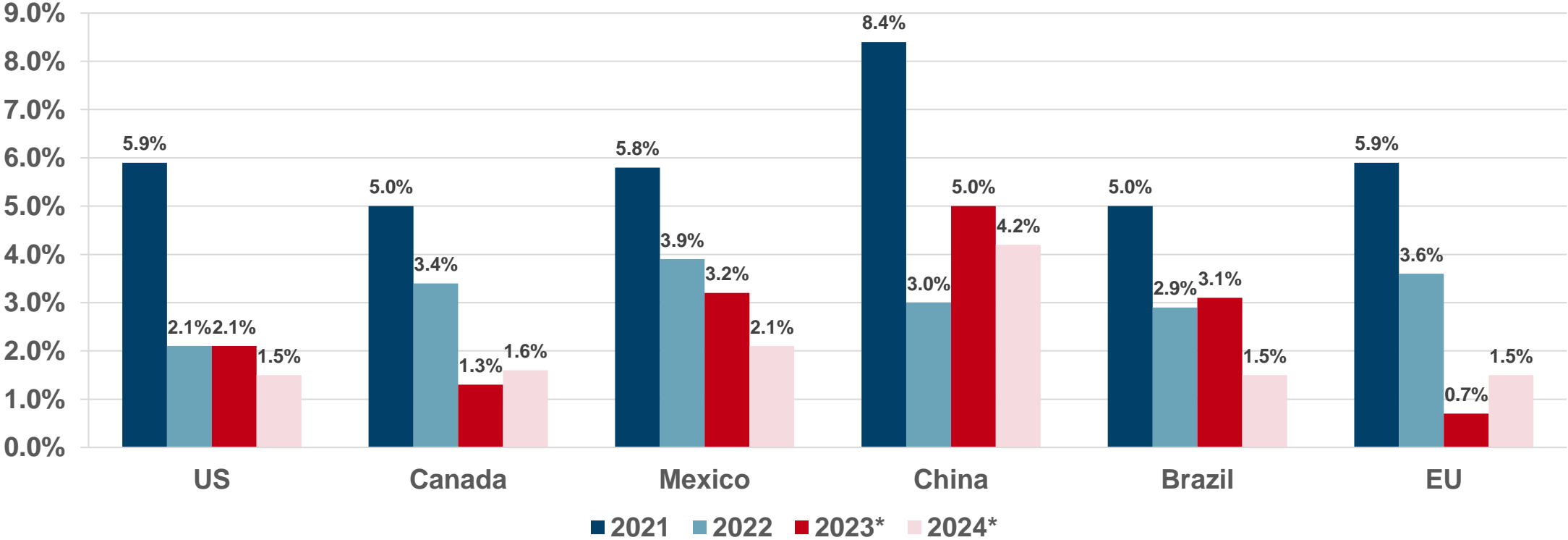
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Consumer confidence showing signs of improvement



Financial conditions expected to limit global GDP growth

Real GDP Growth in Selected Countries



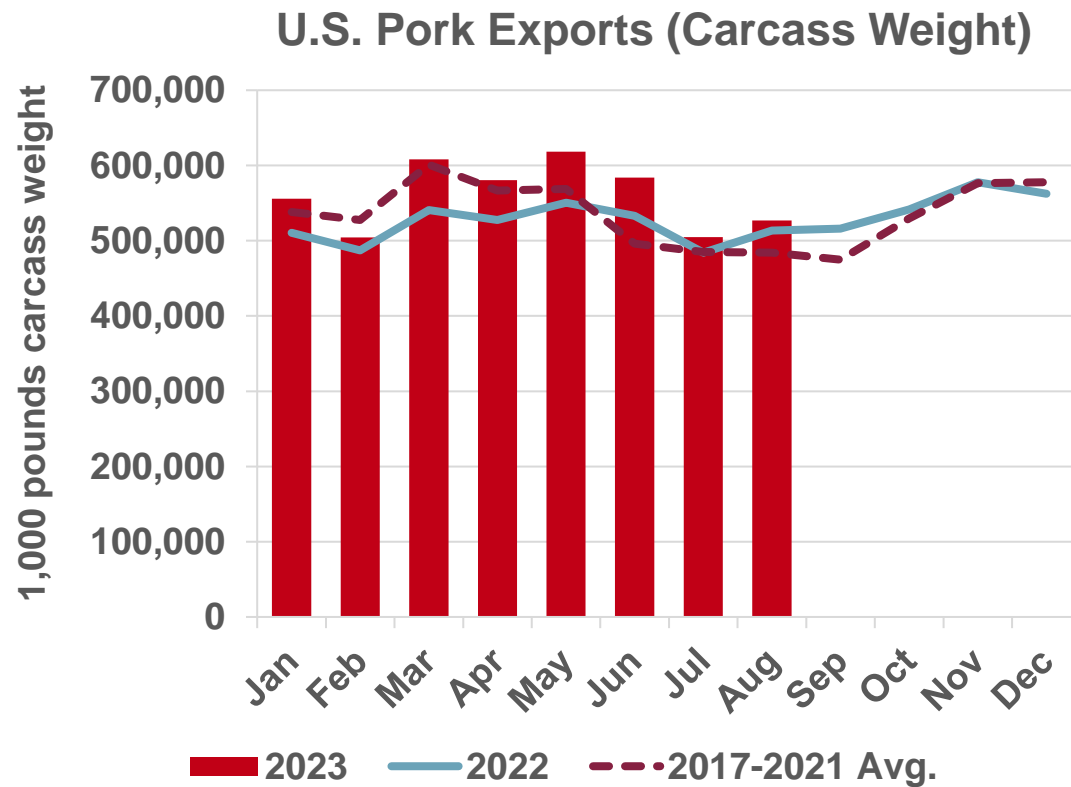
Source: International Monetary Fund
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U.S. Pork Exports



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U.S. pork exports gained momentum in first half of 2023



Destination	YTD Change	% of Total
Mexico	+8.1%	36.7%
Japan	+0.7%	16.8%
China/Hong Kong	+1.8%	8.8%
South Korea	+4.2%	8.6%
Canada	+10.0%	7.9%
Dominican Republic	+20.7%	4.2%
Colombia	-17.6%	3.6%
Australia	+68.9%	3.0%
Rest of World	+26.9%	10.5%
TOTAL	+8.1%	100%

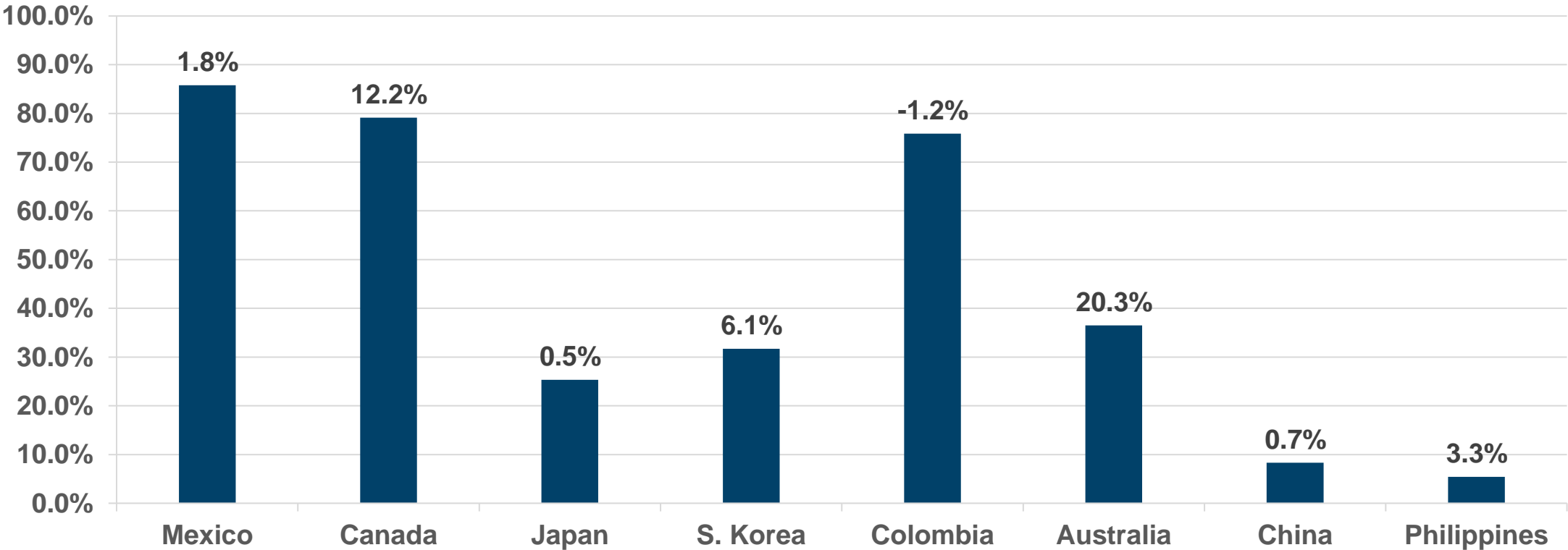


Source: USDA ERS Livestock and Meat International Trade Data

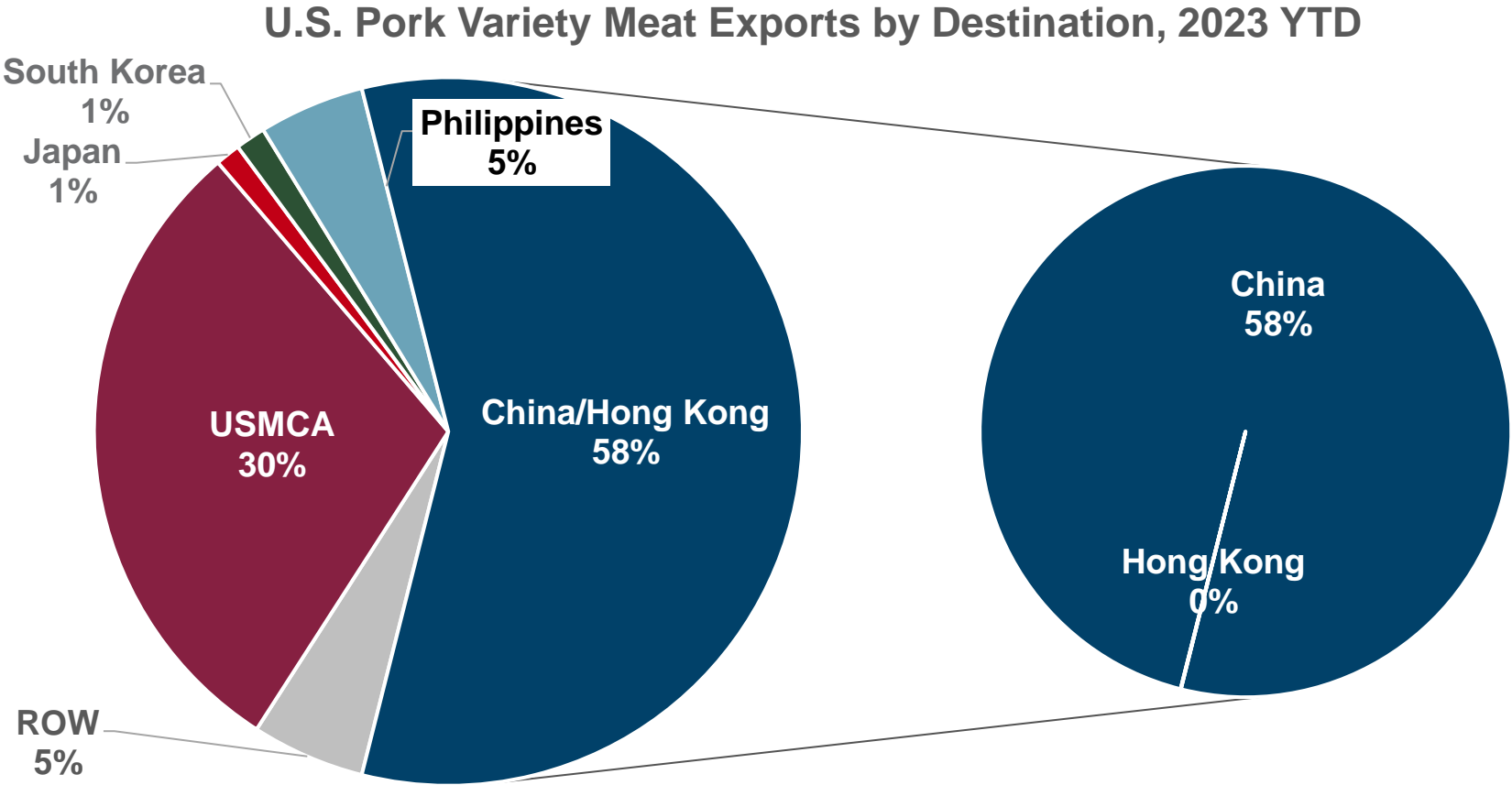
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U.S. share of exports increased in many top markets

U.S. Share of Total Exports in Top Markets, Jan-Aug YTD



Variety meat export volumes +20%, value +15% YTD



Source: USDA FAS GATS
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Global Industry Updates



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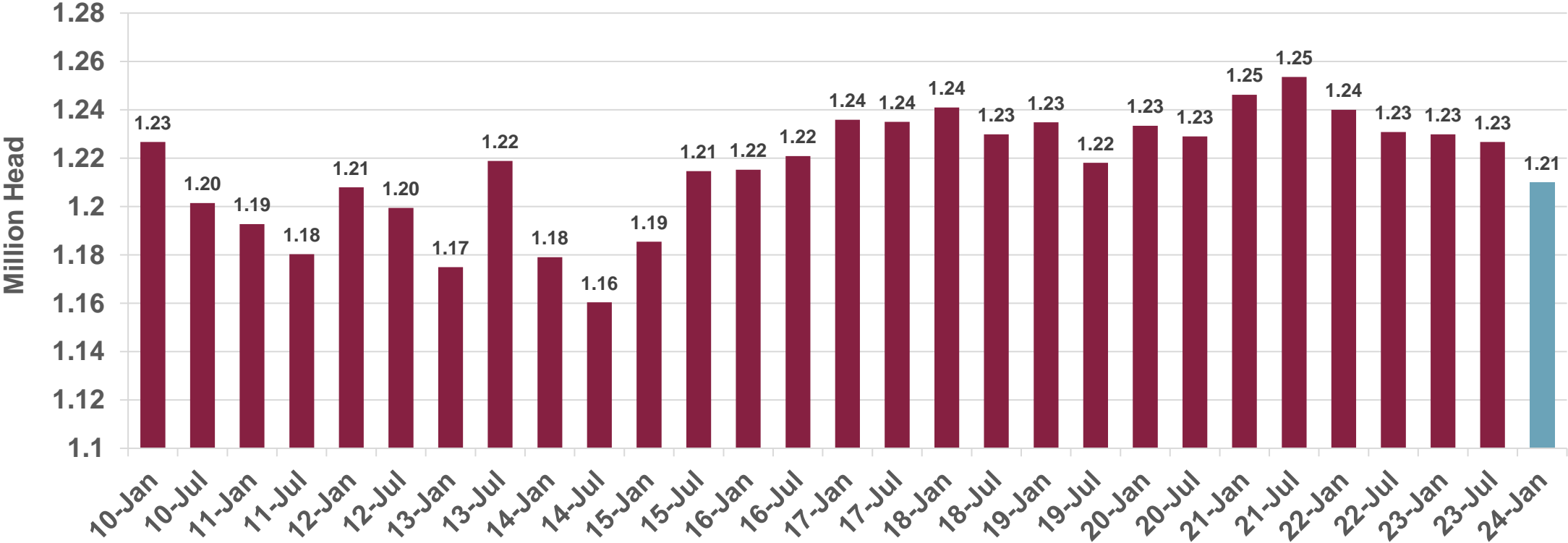
Canada



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Reduced processing capacity driving contraction in Canada

Sows and Gilts, 6 months or older

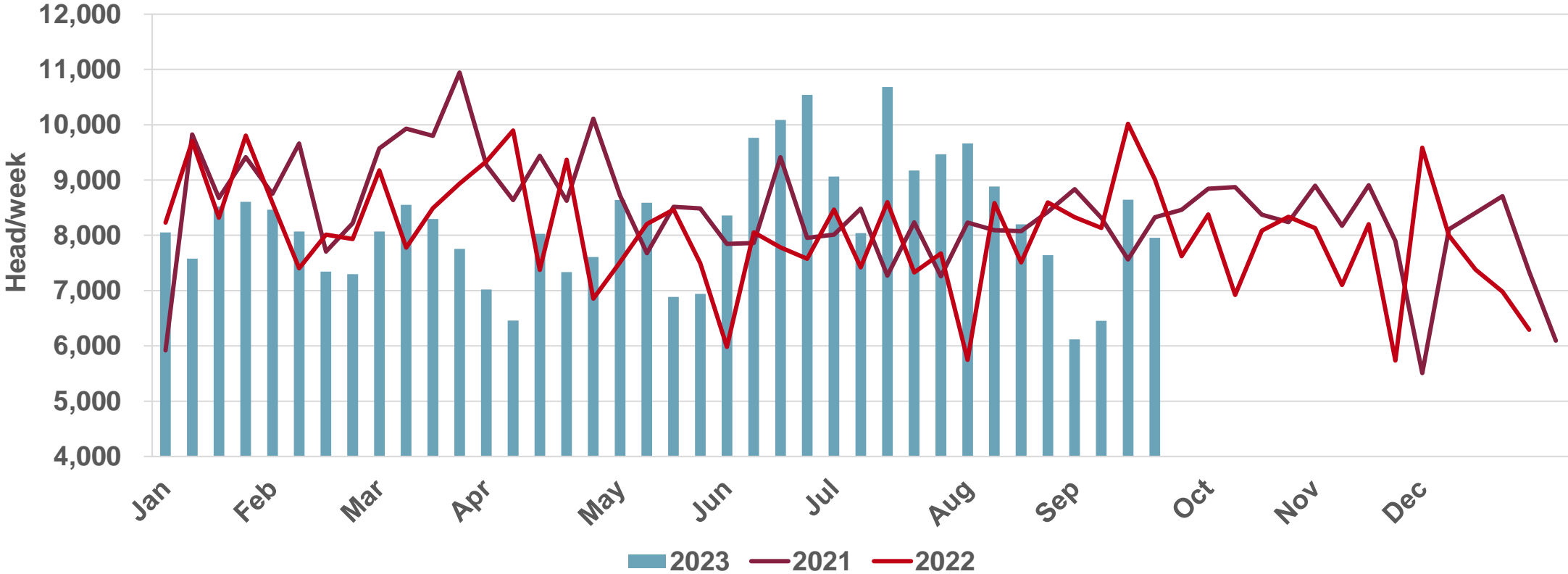


Source: Statistics Canada, USDA FAS PSD Forecast

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U.S. imports of Canadian sows increased for Jan-Sep

U.S. Imported Sows for Slaughter from Canada

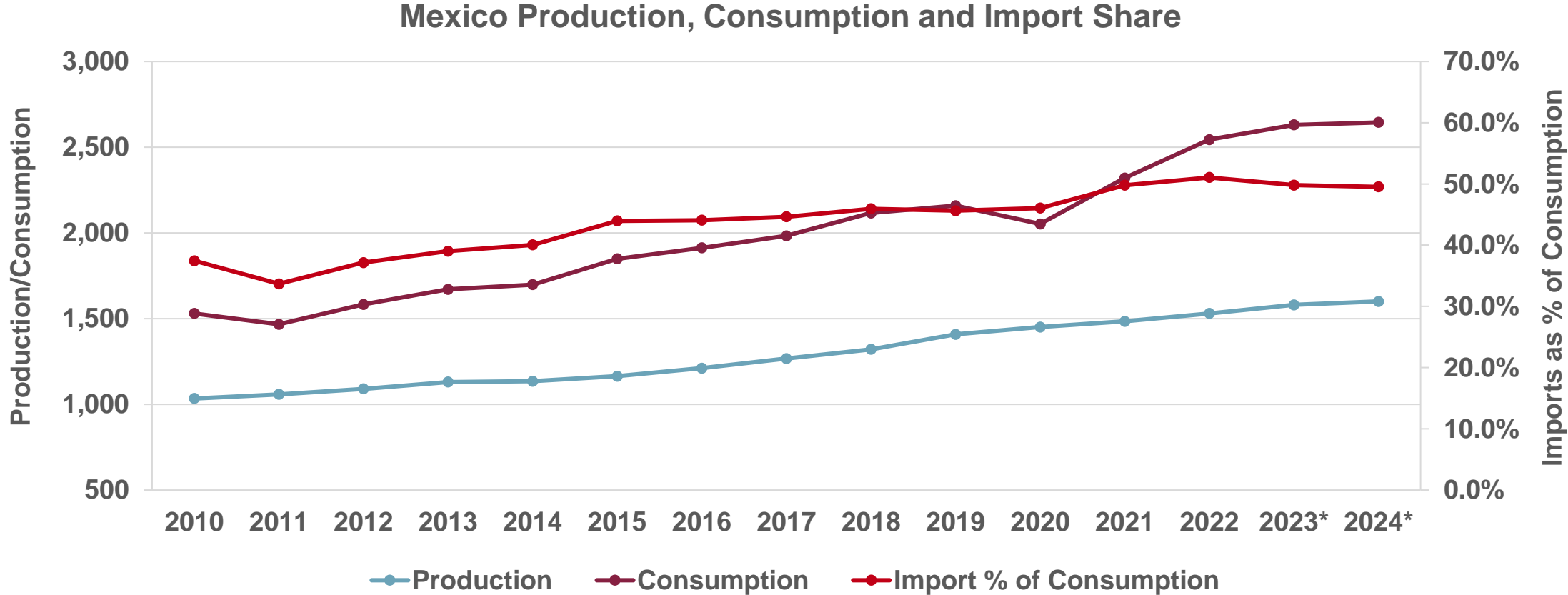


Mexico



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Mexico production forecast reduced, imports up slightly



Source: USDA FAS Production, Supply, and Distribution

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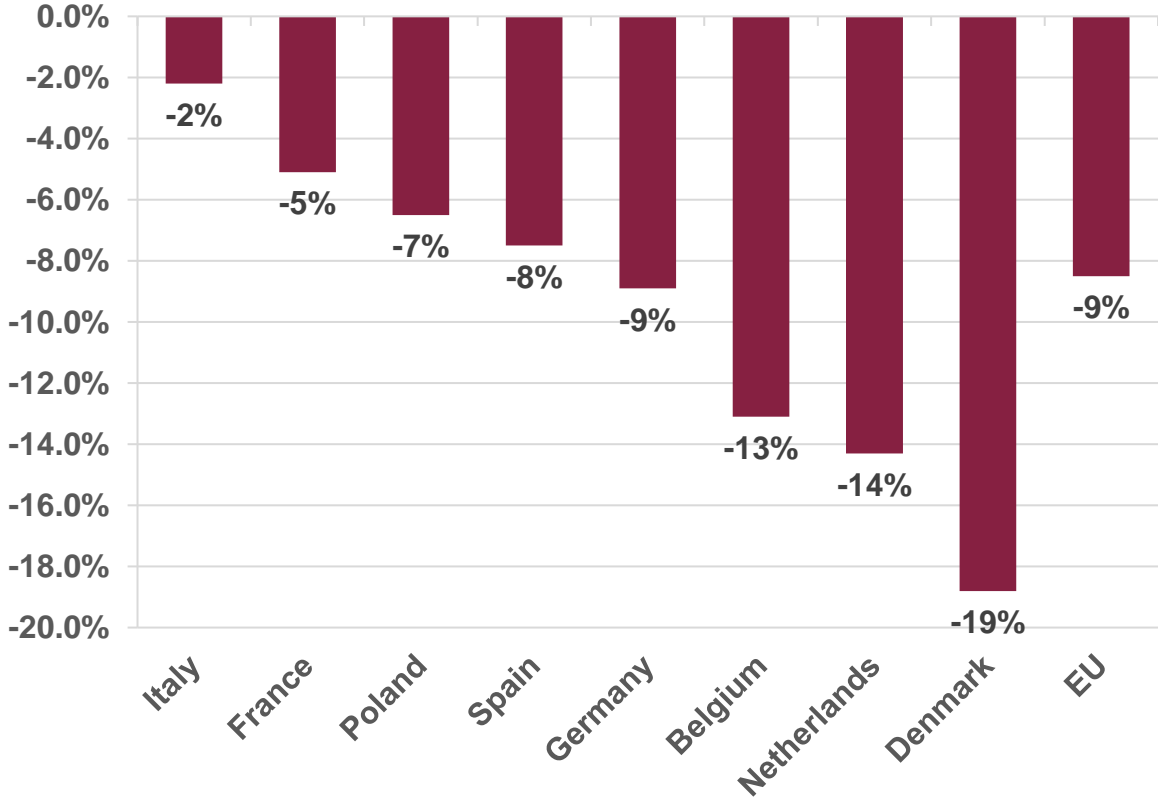
European Union



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Declining EU production led to high prices in first half 2023

Changes in EU Hog Slaughter Jan-July 2022/2023



Weekly EU Hog Prices

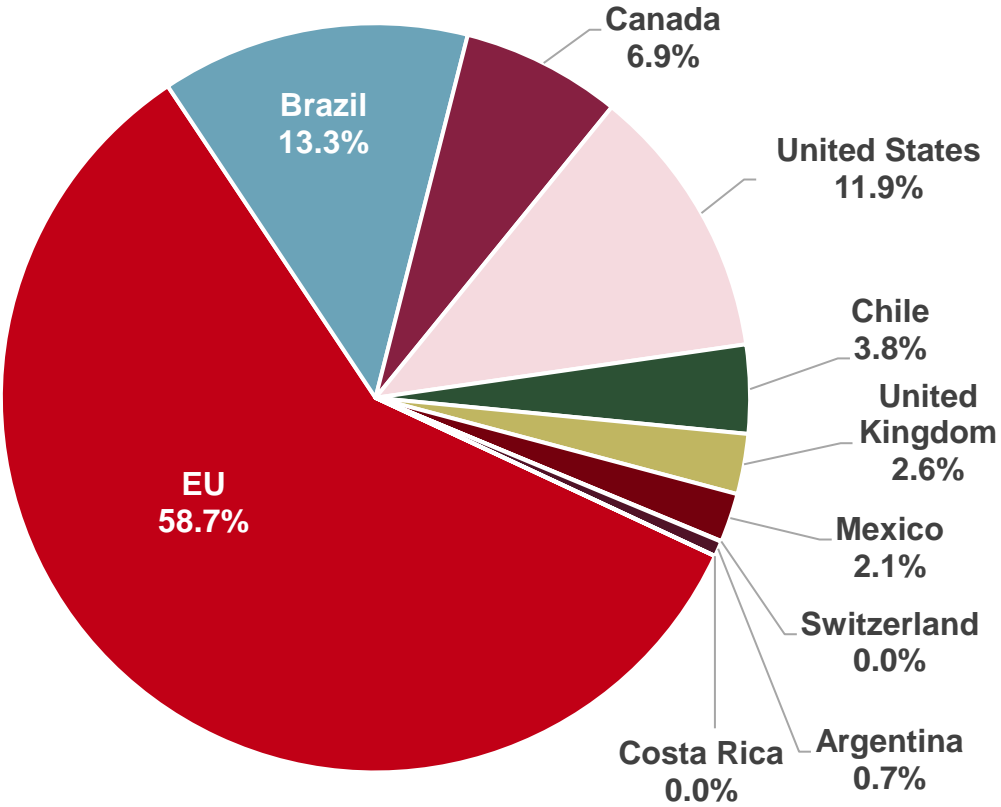


Source: European Commission

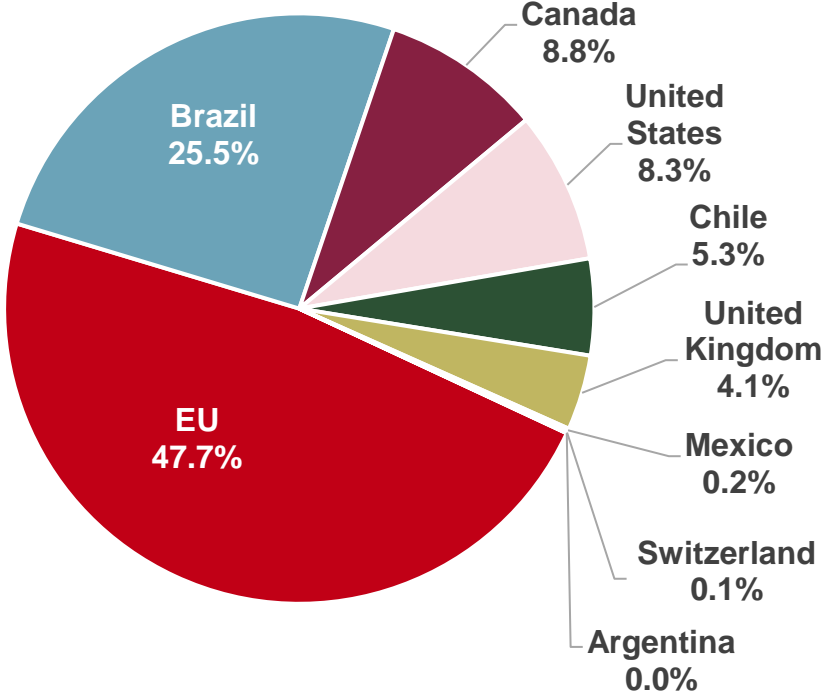
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Import market share declining for EU in China

China 0203 Pork Imports (2021)



China 0203 Pork Imports (2023)

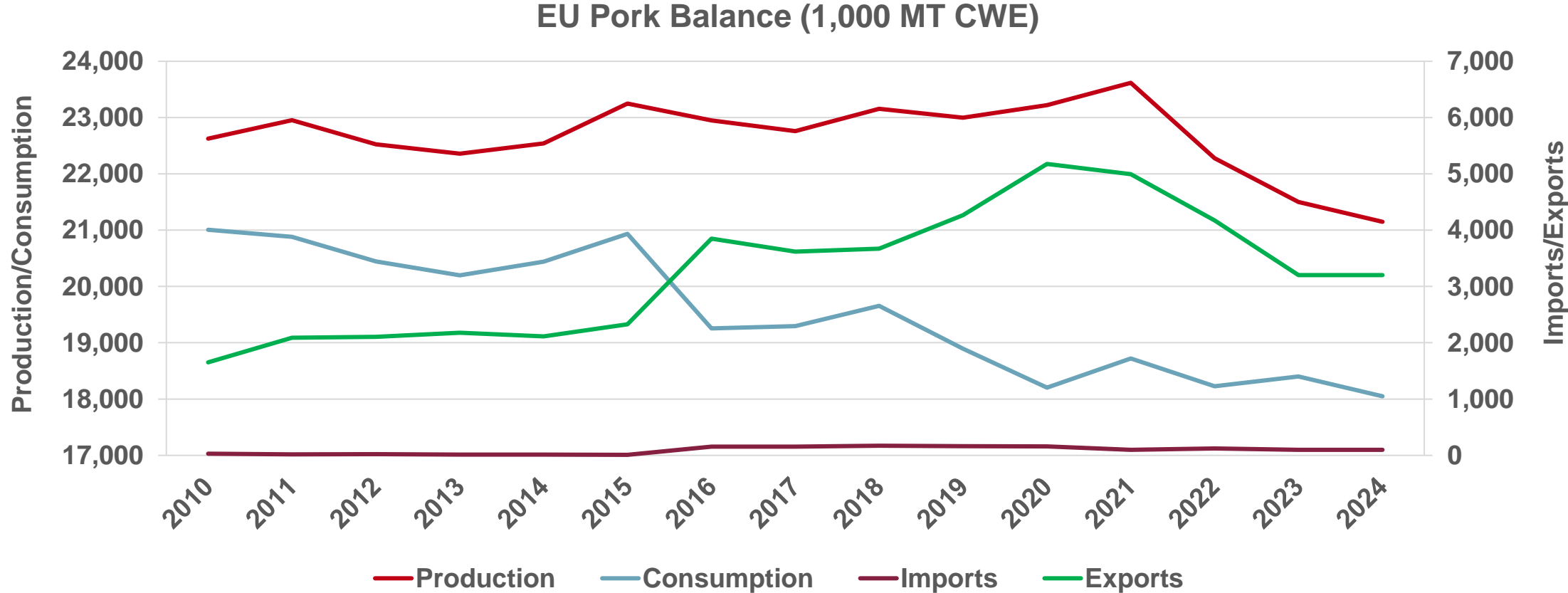


Total YTD imports: 2.56 million MT

October 25, 2023 Source: Trade Data Monitor

Total YTD imports: 1.05 million MT

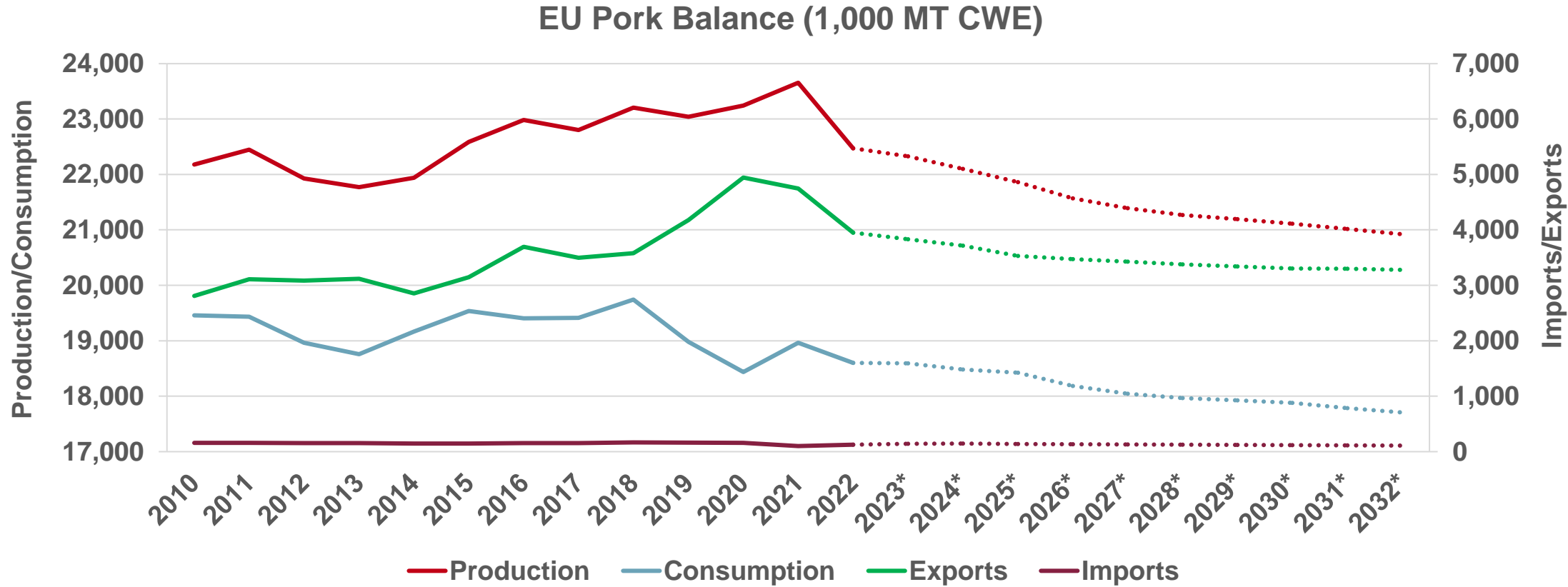
Pork production expected to be record low for EU this year



Source: USDA FAS Production, Supply, and Distribution

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EU forecasts declining pork production through 2032



Source: European Union, Medium Term Outlook January 2023

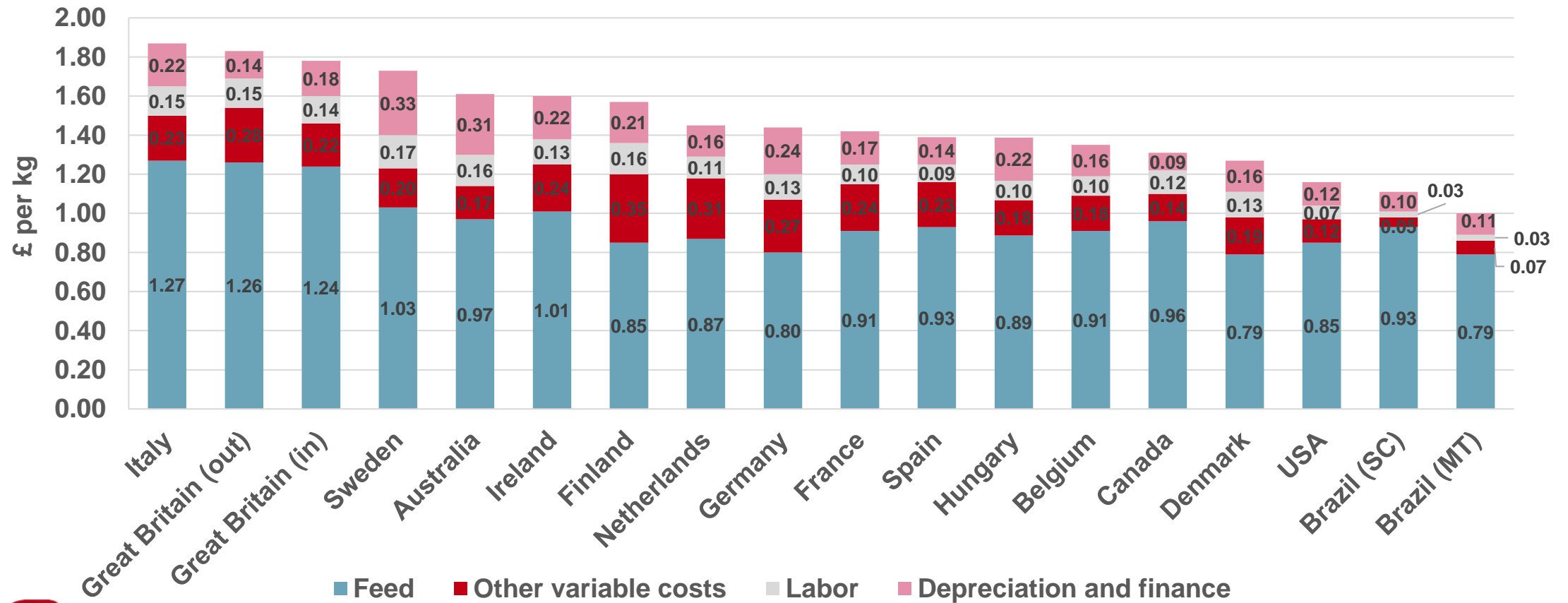
Brazil



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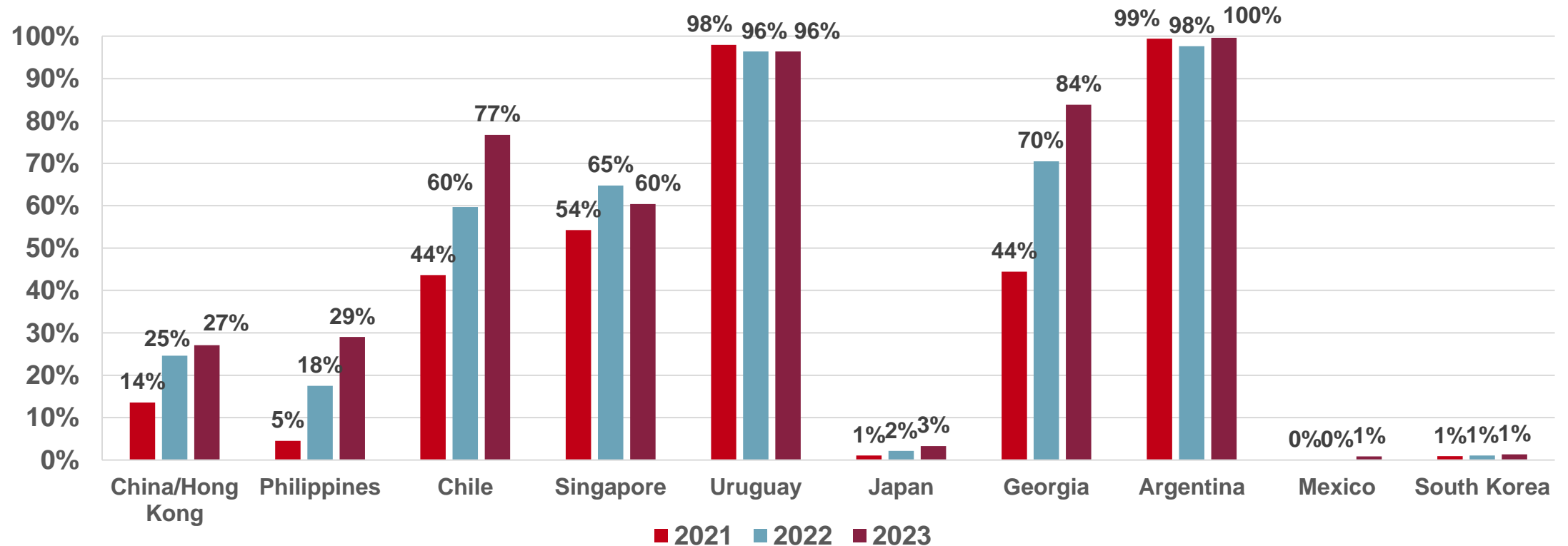
Brazil and U.S. are most cost efficient in the world

Cost of Production in Selected Countries, 2021



Brazil gains share of export totals in its top markets

Brazil Market Share in Top Destinations



Source: Trade Data Monitor

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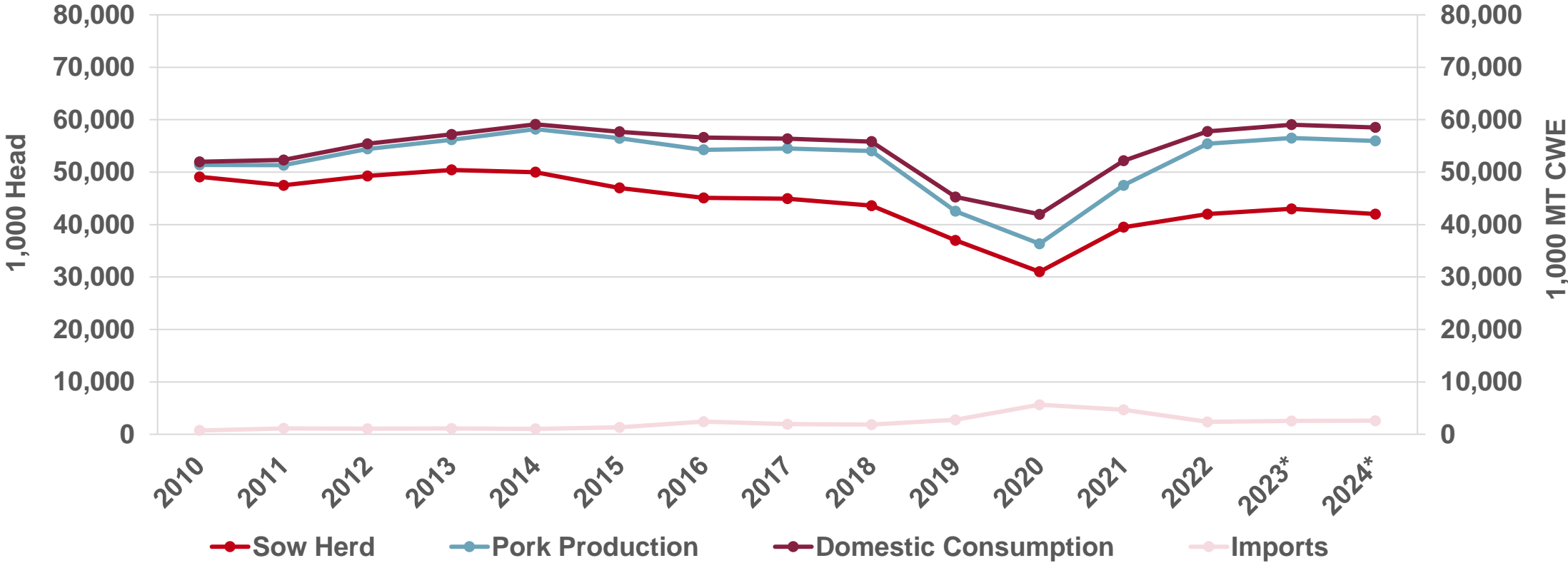
China



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China pork production higher in 2023 as imports stabilize

China Sow Herd and Pork Production, Consumption, Imports



Source USDA FAS Production, Supply, Distribution

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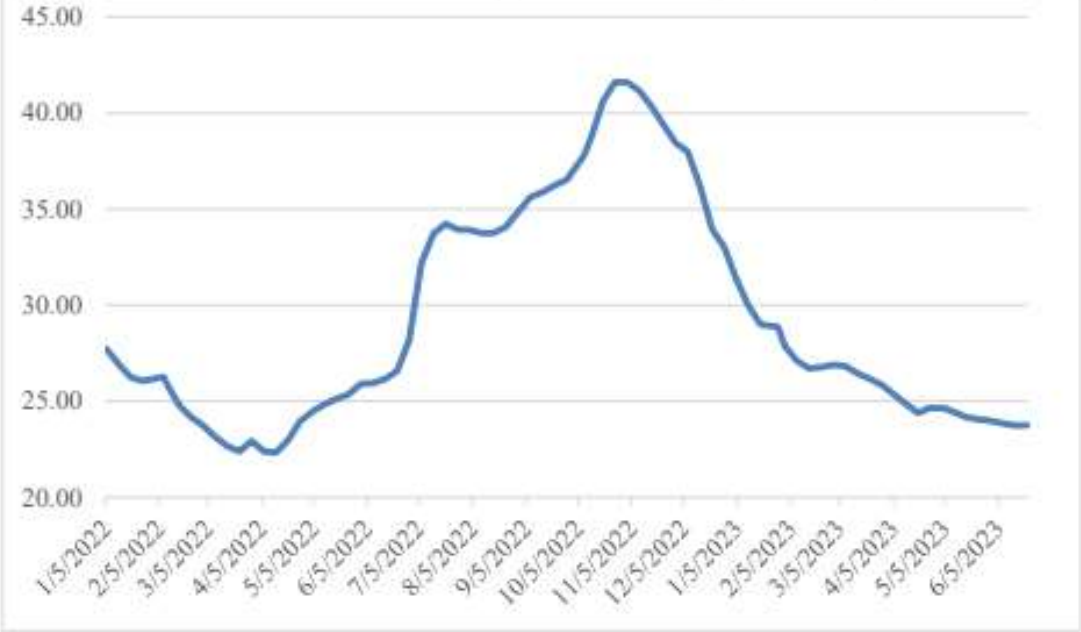
Low prices expected to drive reduced production in 2024

Chart 1. China: National Average Live Swine Price (RMB/KG)



Source: USDA GAIN Report, MARA data

Chart 4. China: National Average Pork Price⁴ (RMB/KG)



Source: USDA GAIN Report, MARA data



USDA World Pork Outlook



October 25, 2023

Looking Ahead: 2024 USDA Forecasts

- Global pork production largely unchanged
- Global pork trade to increase 2.2%
- U.S. pork exports +6.6% in 2023, +2.8% in 2024
- Factors to watch:
 - Easing inflation, regulations, production costs, and ASF spread/recovery





The global voice for the
U.S. pork industry