New Release

28th March 2024

*For immediate use*

**Pig market shows early signs of seasonal uplift**

After some downward pressure at the start of 2024, the GB Standard Pig Price (SPP) pig price has been trending relatively stable in February and March. However, there have been some signs of seasonal increase when the lightest and heaviest pigs are removed from the price reporting sample. Prices paid for carcases weighing 70-104.9kg have edged higher in five of the last six weeks, rising 0.4% from a year-to-date low of 212.55p/kg to reach 213.43p/kg in the week ending March 23.

“Despite evidence of a slight seasonal upturn, prices have still slipped behind year-earlier levels for the first time in two years,” says QMS Market Intelligence Manager, Iain Macdonald. “Still, they were up 35% on their five-year average in mid-March, reflecting the sharp market rebound between spring 2022 and 2023.”

Pig producers will be relieved that the price of feed has been falling. Defra’s animal feed price series shows that grain prices in January were down 25-30% on 2023 levels. Protein meal prices have also fallen sharply since a brief rebound in autumn 2023, taking them down over 20% on the year. Since then, market data suggests that there has been further downwards pressure on both grain and protein meals, although grain prices have rebounded slightly in the second half of March.

“These trends reflect a well-supplied global arable crop market, supported by factors such as an improvement in Ukraine’s export capacity and favourable growing weather in South America,” explains Iain. “A stronger sterling against the US dollar than in early 2023 has also helped.”

Although wages have been rising quickly and energy and borrowing costs remain elevated, the current balance between production costs and output prices suggests that pig producers’ finances are slowly recovering from the financial crisis of 2021/22.

“However, given the scale of that crisis, there’s still a long way to go,” says Iain.

Its legacy - a significantly smaller pig herd - has supported a higher level of farmgate prices. Defra slaughter data showed an 11% decline in prime pig throughput at GB abattoirs in 2023 and the trend continued at the start of 2024, down another 4% in the first two months. While December pig census results are not available for Scotland, England’s results show that finishing pig numbers were still down by 11% year-on-year, and by 18% on the peak reached two years before.

“Sow numbers in England did show a marginal rebound in December 2023, but they were still 19% lower than in December 2021. So, while there could be some recovery in the second half, there is little room for any significant rebound in prime pig slaughter in England in 2024,” Iain continues.

Closer to home, ScotEID data points towards stronger momentum in Scotland’s pig herd.

“In the first two months of 2024, while still down on 2022, the number of pigs leaving Scottish farms for slaughter rose by 14% from the lows of 2023. Nevertheless, Scotland is home to only around 8% of GB finishing pigs, so a faster rate of recovery here will have limited impact on overall market conditions.”

Given the sharp reduction in domestic pork production since 2022, the external trade balance has been supporting availability for consumption. UK export volumes fell by nearly a quarter in 2023 and while imports fell slightly in the year as a whole, they were higher than in 2022 between April and the year-end.

Iain says higher import volumes have been supporting market supplies for nearly a year, and import prices tend to closely follow trends in EU pig prices.

“After six months trading at a small discount of only around 5% to GB levels, EU pigs became relatively cheap in the second half of 2023 and the price gap widened beyond 20% in early 2024. However, there has been a strong seasonal rebound in the EU since February, and the price gap dipped to 13% in the third week of March.”

While EU pork remains competitive, it is not as cheap as it looked over the winter, and EU supply remains fundamentally tight.

“Although there was some recovery in the EU sow herd in December 2023, numbers were still 7% below pre-covid levels,” explains Iain. “In addition, fattening pigs were still showing a year-on-year decline of 2.4%, highlighting that, like at home, any recovery in EU pork production is likely to be weak. As a result, the downwards pressure on the domestic market from EU imports is likely to remain limited.”

Looking further afield, Iain notes that the USDA is expecting increased global trade this year, with a key driver being China. “China’s pork production rose sharply late last year as loss-making producers liquidated herds. As a result, numbers are expected to tighten in 2024, resulting in higher import requirements once stocks built up in 2023 have been used up,” he says.

“Although pork prices have dipped seasonally since Chinese New Year, wholesale prices continue to look relatively attractive, holding above GB farmgate price levels, and the Chinese market has often risen between spring and autumn.”

By 2023, UK exports to China had fallen back to around where they had been before China’s severe pork shortage of 2019 and 2020. However, at a share of 36%, they made up a significantly higher proportion of UK exports than in the pre-African Swine Fever period, highlighting China’s position as a vital market outlet for processors looking to achieve carcase balance.

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Words count 898

**Notes to editors:**

QMS is the public body responsible for promoting the Scotch Beef and Scotch Lamb brands in the UK and PGI labelled Scotch Beef and Scotch Lamb branded products abroad, and for promoting Scottish pork products under the Specially Selected Pork logo.

Please note that the use of the word Scotch in the Scotch Beef and Scotch Lamb brands is correct and should not be substituted for an alternative such as Scots or Scottish. The history of the use of the word Scotch in this way, traces back to the 18th century.

QMS also helps the Scottish red meat sector improve its sustainability, efficiency and profitability and maximise its contribution to Scotland's economy.

The quality assurance schemes run by QMS cover more than 90% of livestock farmed for red meat in Scotland. They offer consumers in the UK and overseas the legal guarantee that the meat they buy has come from animals that have spent their whole lives being raised to some of the world’s strictest welfare standards.

Scotland’s beef, lamb and pork producers make an important contribution to the country’s economic, social and environmental sustainability, contributing over £2 billion to the annual GDP of Scotland and supporting around 50,000 jobs (many in fragile rural areas) in the farming, agricultural supply and processing sectors.

For more information visit [www.qmscotland.co.uk](http://www.qmscotland.co.uk) or follow QMS on Facebook or Twitter.