

Pigmeat and Poultry Market Situation

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10th January 2020

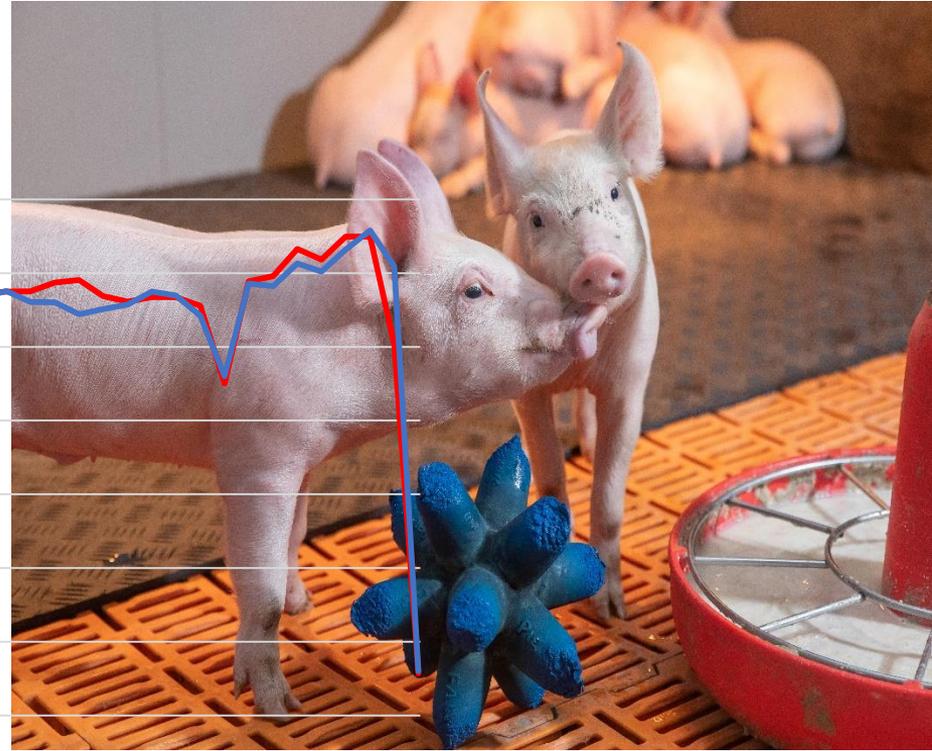
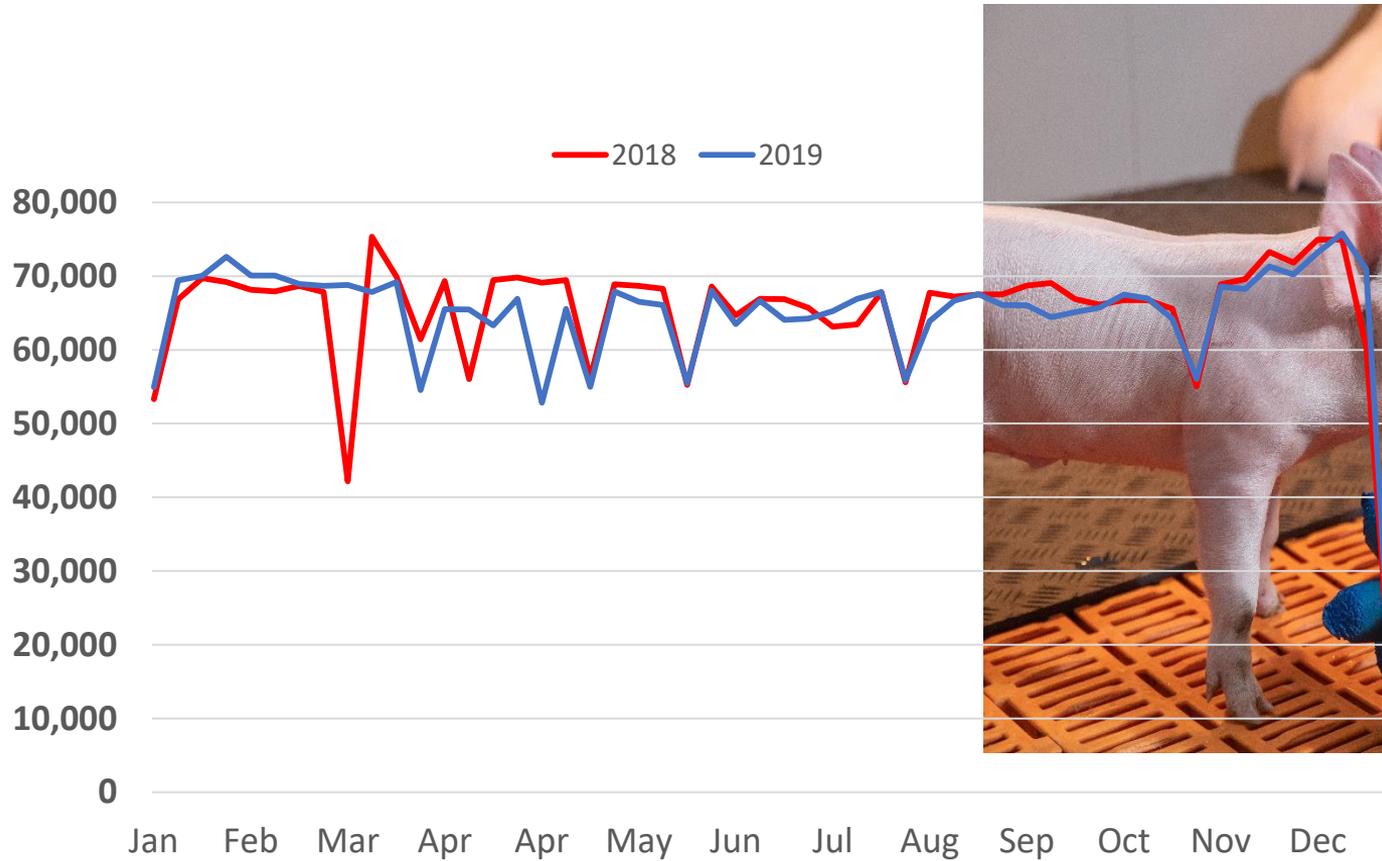
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2019 Year in Review

Irish pigmeat export plant supplies marginally lower during 2019



Irish pig supplies over 1% lower during 2019

	2018 (‘000 hd)	2019 (‘000 hd)	Difference (‘000 hd)	% Change
ROI	3,388	3,372	16	-0.5
Live Exports	458	416	42	-9.1
Total	3,846	3,788	58	-1.5

EU Pigmeat Production tightens by 1%

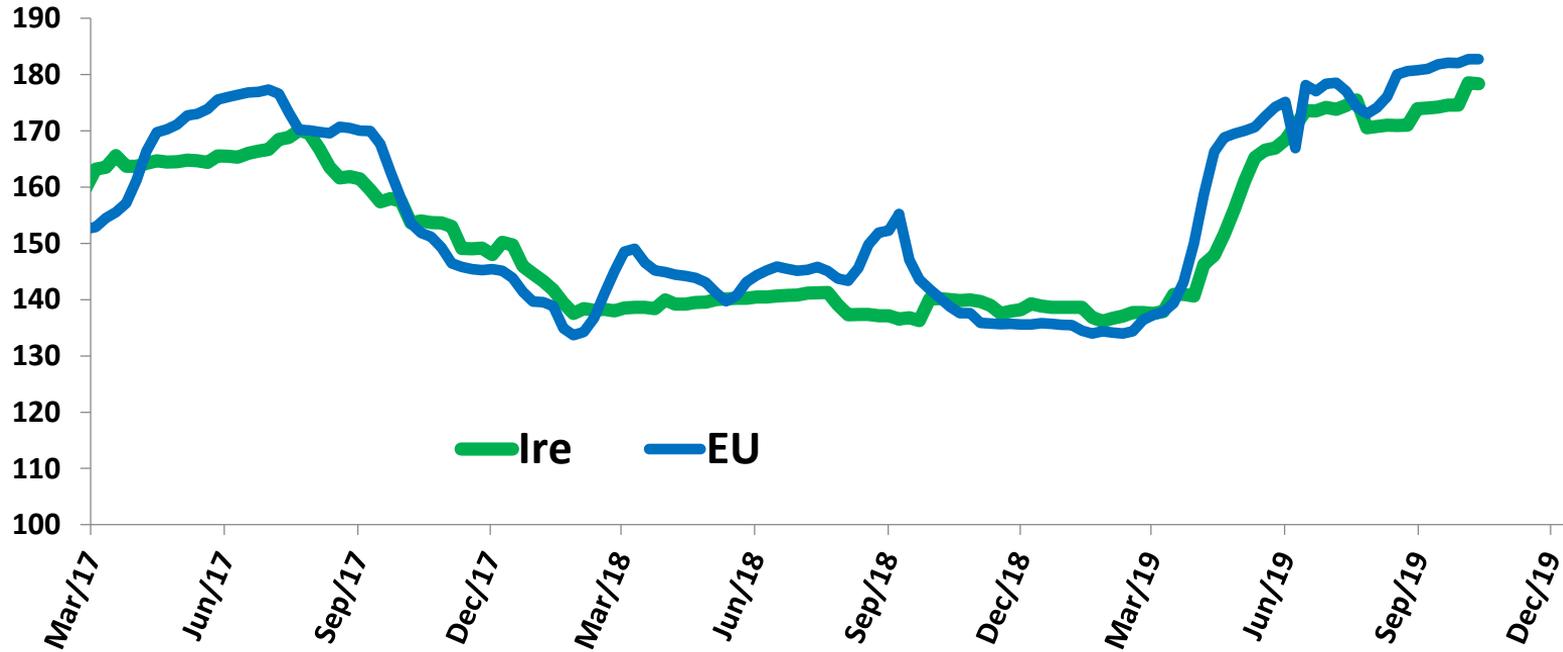
'000 tonnes

	2018 (Jan-Oct)	2019 (Jan-Oct)	% Change	
Germany	4,450	4,352	-2.2	★
Spain	3,769	3,845	2.0	
France	1,822	1,840	1.0	
Poland	1,723	1,643	-4.6	★
Netherlands	1,288	1,323	2.7	
Denmark	1,327	1,237	-6.8	★
Italy	1,230	1,203	-2.3	
Belgium	893	864	-3.3	
United Kingdom	772	792	2.6	
Austria	424	419	-1.2	
Hungary	362	364	0.4	
Portugal	300	303	1.0	
Romania	296	283	-4.7	★
Ireland	255	254	-0.4	
Sweden	209	203	-3.0	
EU 28	19,851	19,672	-0.9	

Source: Eurostat

European & IE prices have recovered strongly

Cent/kg excl VAT



Source: DAFM & EU Commission

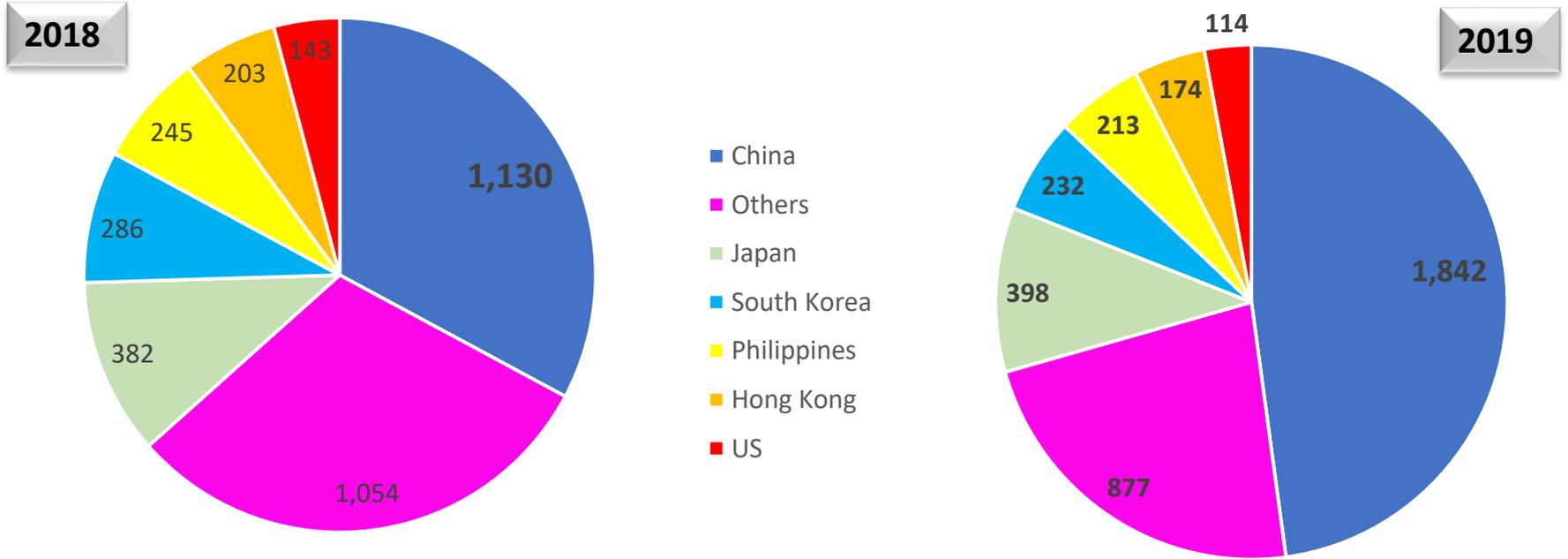


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CHINESE YEAR OF PIG

2019 EU Pigmeat Trade, 18% higher (Jan-Oct)

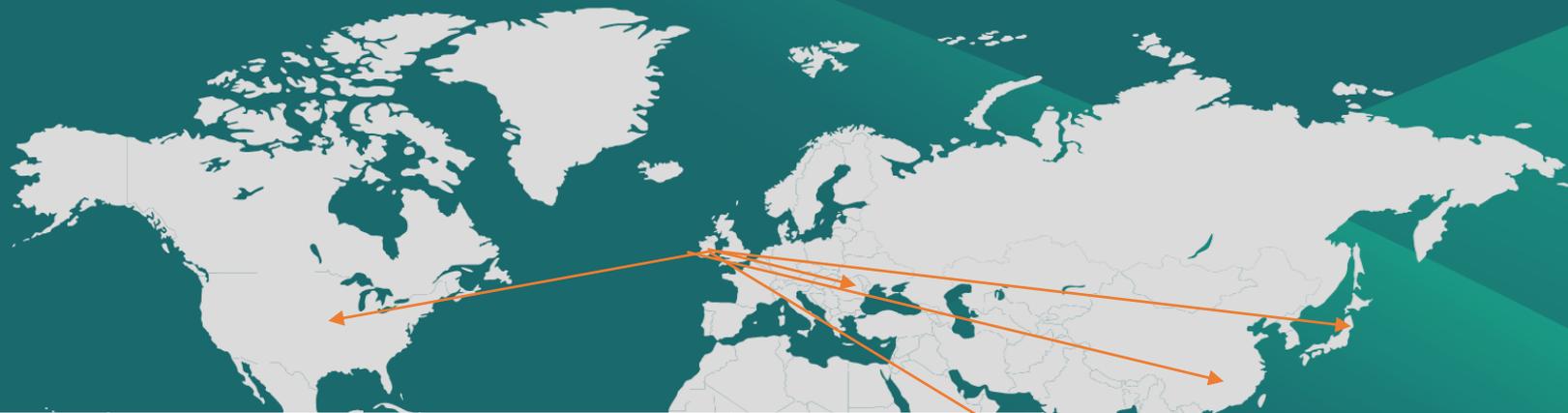
'000 tonnes



IE full year exports to China to reach record 82k tonnes mark

Source: Eurostat

2019 Irish Pigmeat Exports



	2018	2019 (e)	% YoY Change
UK	108,000	96,000	-11%
Continental EU	63,000	48,000	-24%
International	93,000	110,000	+18%
Total	264,000	254,000	-4%

2020 at a Glance

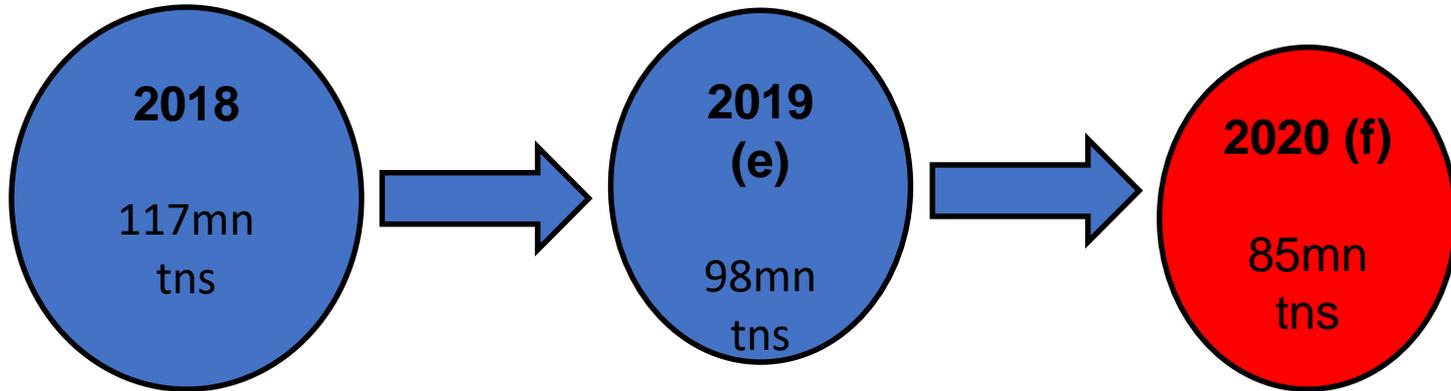
Ongoing global turbulence

IE/EU Output to stabilise

Productivity gains



Global Pigmeat Production Shock

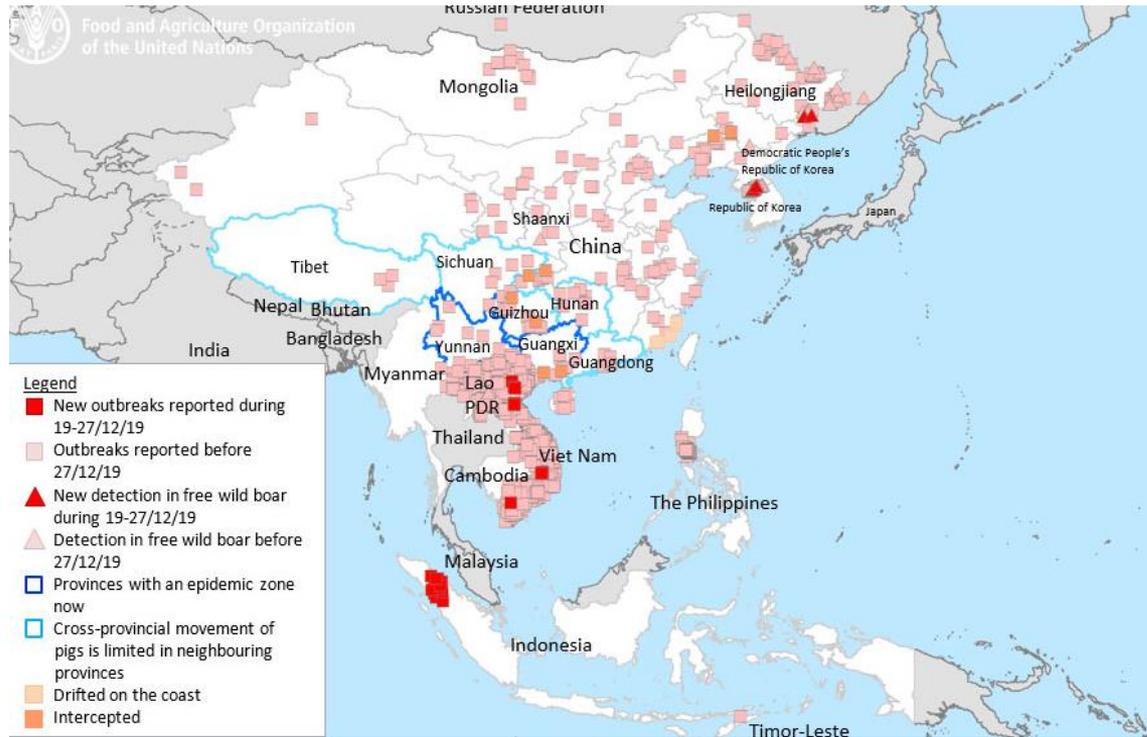


Global pigmeat output to fall by 27% by 2020

Source: Gira compilations, Dec 19

Why? African Swine Fever

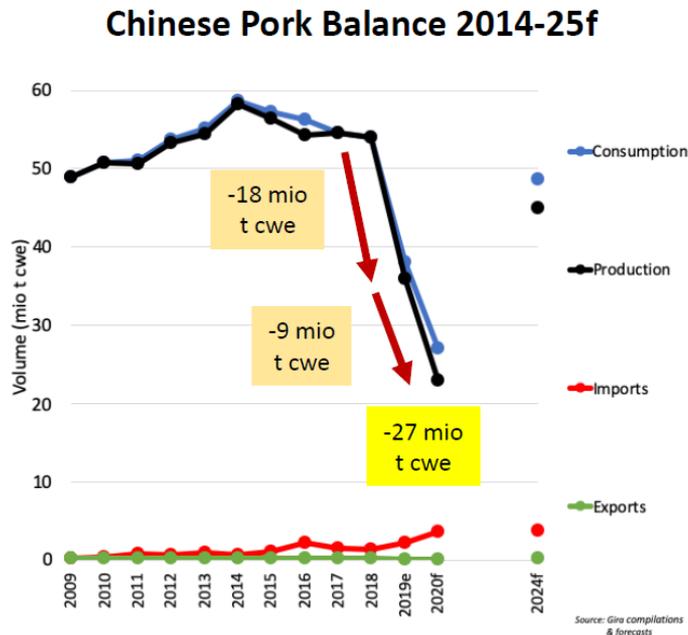
✓ ASF is a fatal animal disease affecting pigs and wild boars with up to 100% case fatality rate



Asian Countries Impacted

China
Mongolia
Vietnam
Cambodia
South Korea
Laos
Myanmar
The Philippines
North Korea
Timor
Indonesia

Further decline in Chinese pigmeat production forecast

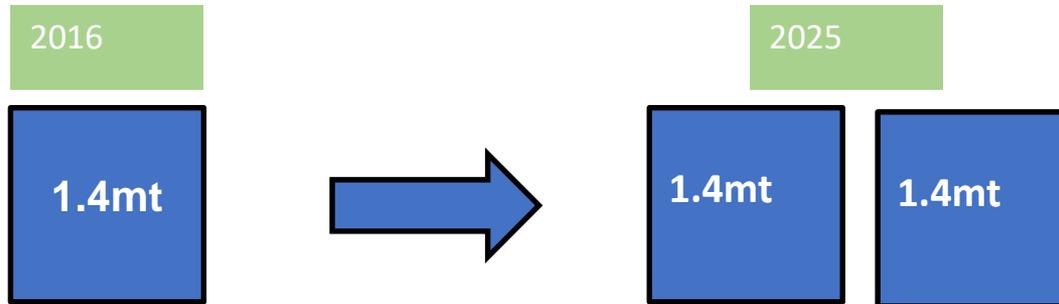


- ✓ Pigmeat production to halve to 27 million tonnes (compared to 2018 levels)
- ✓ Herd falls to under 200 million head
- ✓ Rebuilding expected to take place from 2nd half of 2020
- ✓ Other proteins to benefit
 - Esp fish and chicken

Source: Gira Dec 2019

Changing Role of Imports in Supply Balance

Chinese pigmeat self sufficiency will move from 96% to 92%



Source: GIRA

Structural Change will be fast tracked in China

2003

Throughput
557mn hd

Holdings less
than
50 pigs

71
%

Holdings
greater than
10,000 pigs

3%

2025 (f)

Throughput 570mn
hd

1%

47%

Multi Level Sow Barns - China



Source: Gira

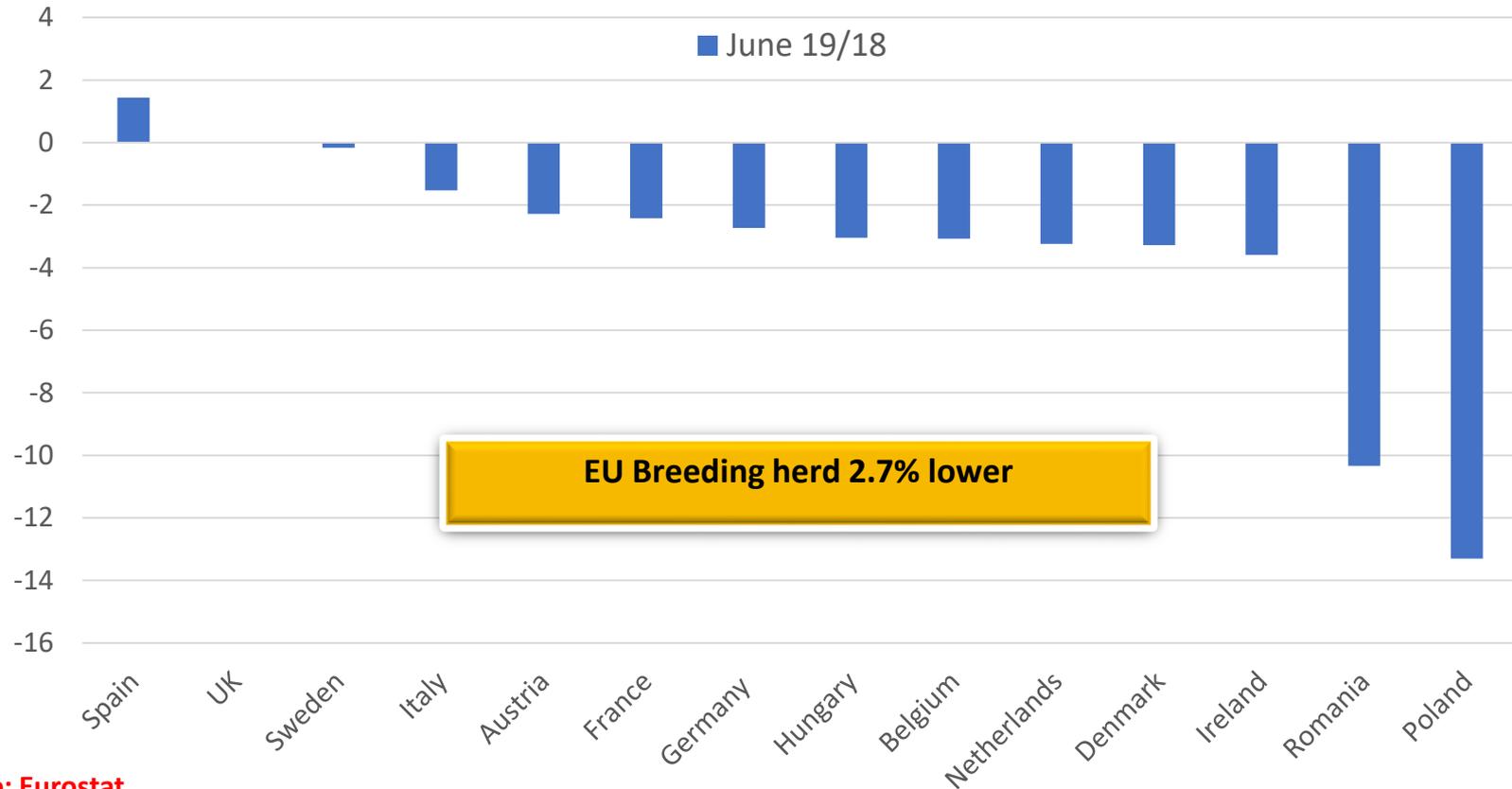
ASF Impact on South East Asia

Vietnam, South Korea, the Philippines, Myanmar, Cambodia, Laos

2018 Combined Output= 7.5mn tonnes

30-50% production fall forecasted (2020)

EU breeding pig numbers % change



Source: Eurostat

Other 2020 Global Developments



Production 6% higher
China will take 15% of production



Production 3% higher
13mn tonnes produced = record
Exports critical



Production 2% higher
Another suspension?

Poultry Market Situation

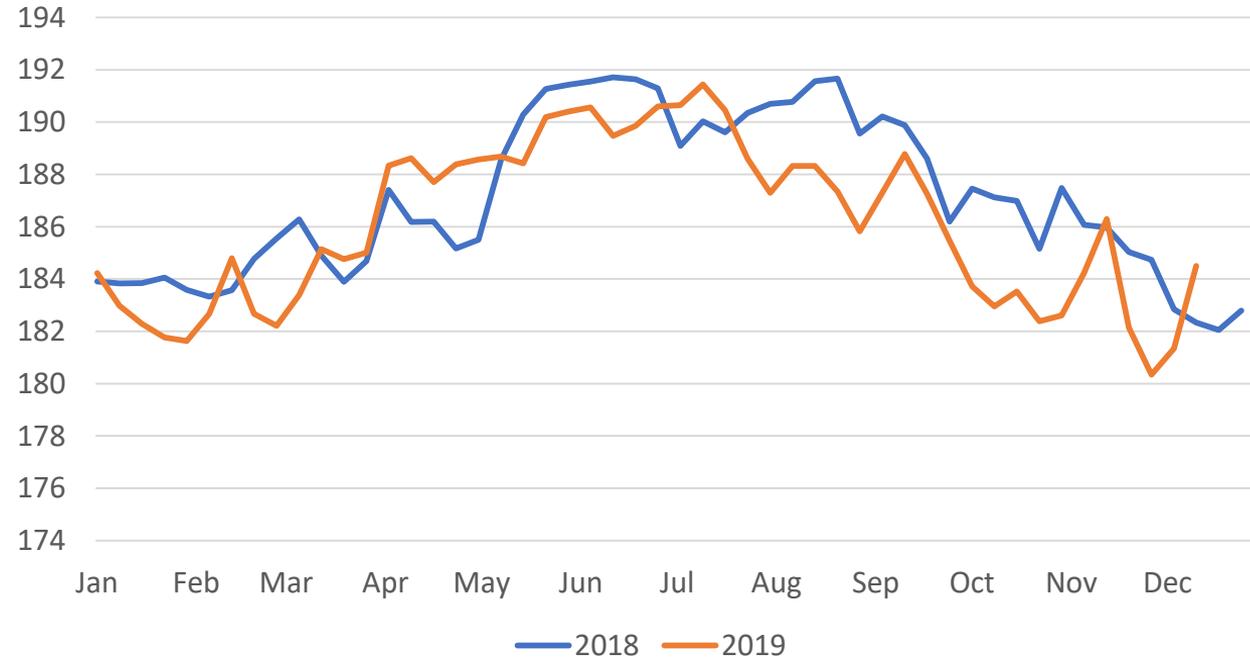
Bord Bia Meat Seminar

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EU broiler price marginally lower during 2019

Eur/100kg

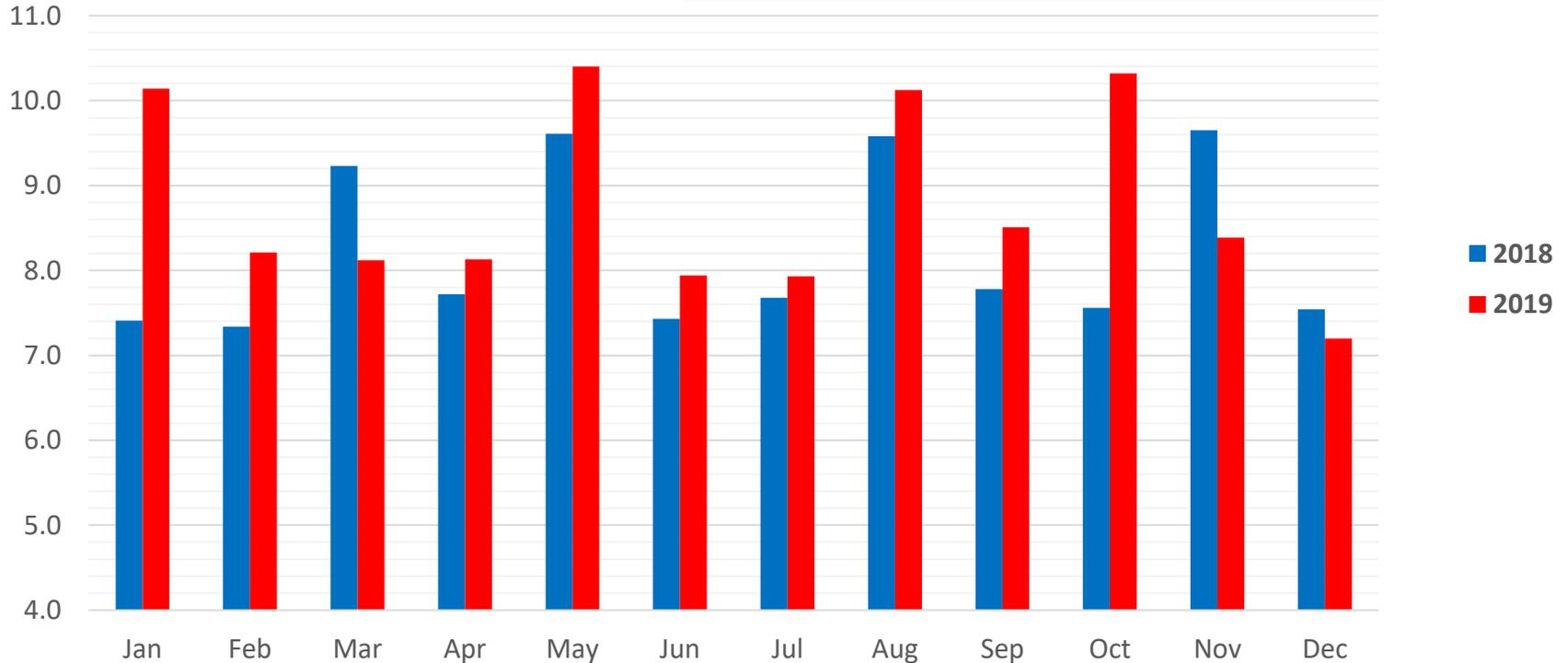


Higher EU Output
Lower Demand
Imports rising

Irish poultry supplies continue to hit record levels

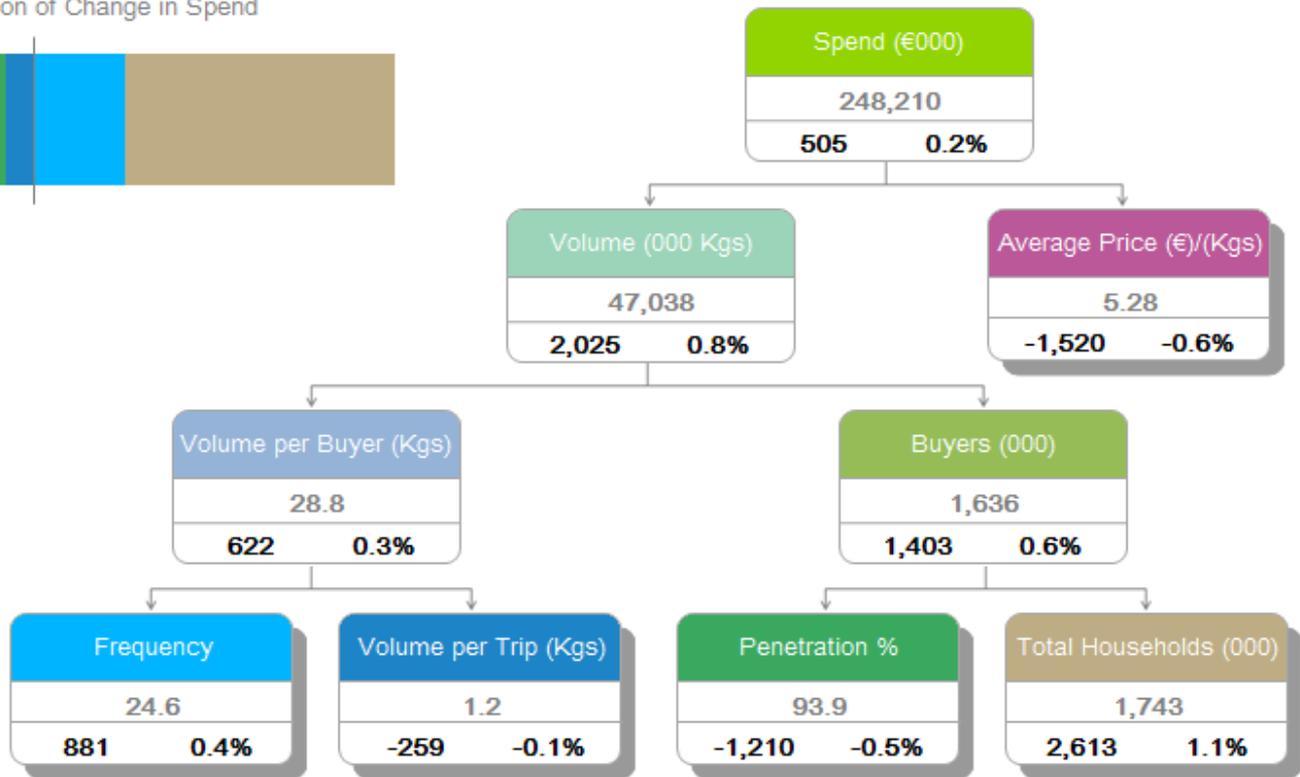
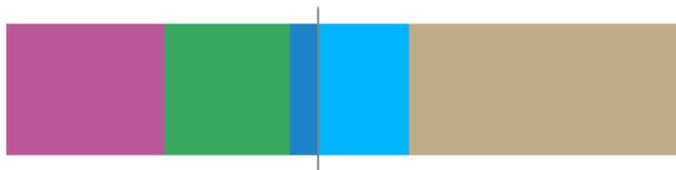
Million head

Irish poultry supplies 7% higher at 106m birds



Chicken Consumption 1% higher (yr ending 1st Dec 2019)

Attribution of Change in Spend



KEY

- = > 3% Change
- = < -3% Change

Global Chicken Output growing strongly

Global Output 2015= 91.4 million tonnes

Global Output 2019= 99.5 million tonnes

Global Output 2020= 103.5 million tonnes

Opportunistic Chinese Producer

Layers kept up until Chinese New Year (Jan 2020)

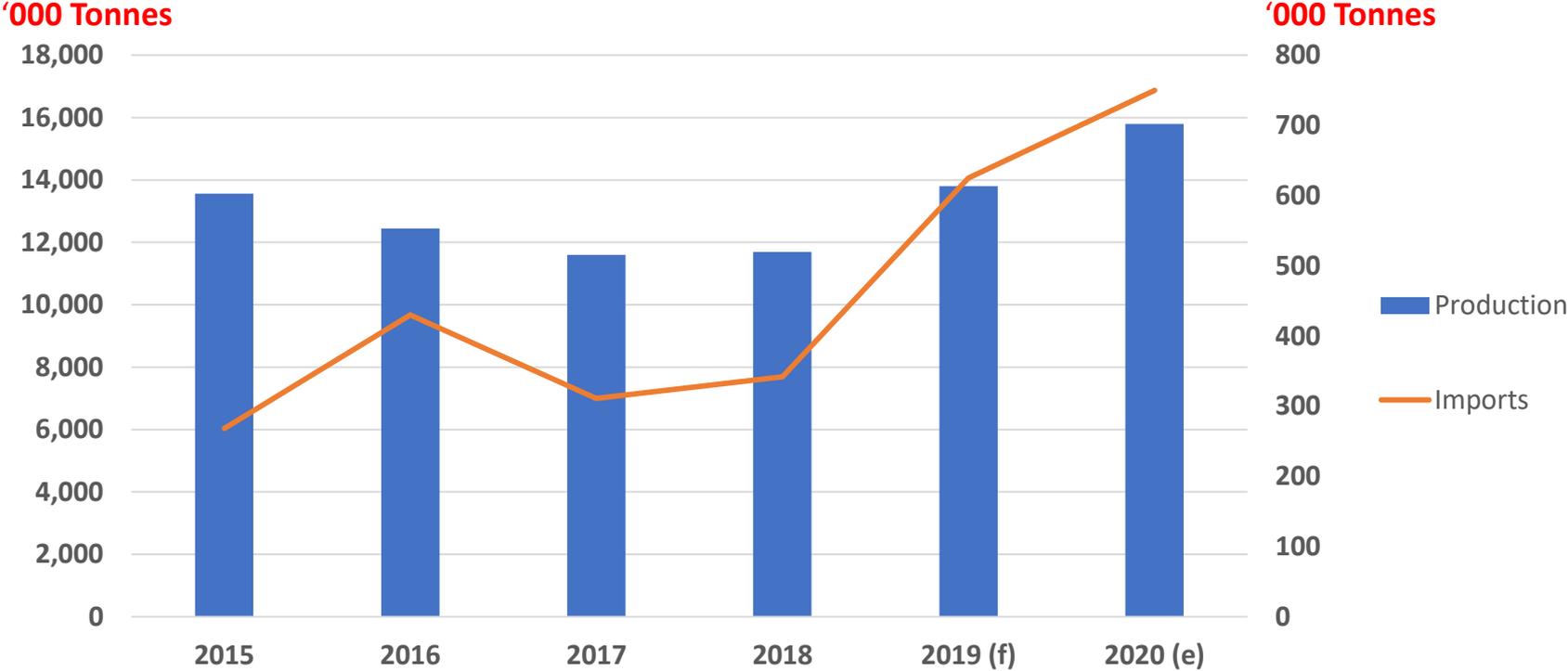
Spent hen- A Chinese Favourite

Multiplier effect

Broiler farms focusing on yellow chicken, as they can be raised outdoors



Changing Chinese Chicken Industry Dynamic



Source: USDA/FAS/Oct 19

2020 Outlook



Avian Influenza



Market Access/EU Quota



IE/EU Output to slowdown



THANK YOU

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