

Pigmeat & Poultry Market Outlook

Peter Duggan

6th Jan 2017

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

Irish pig supplies 1% higher in 2016

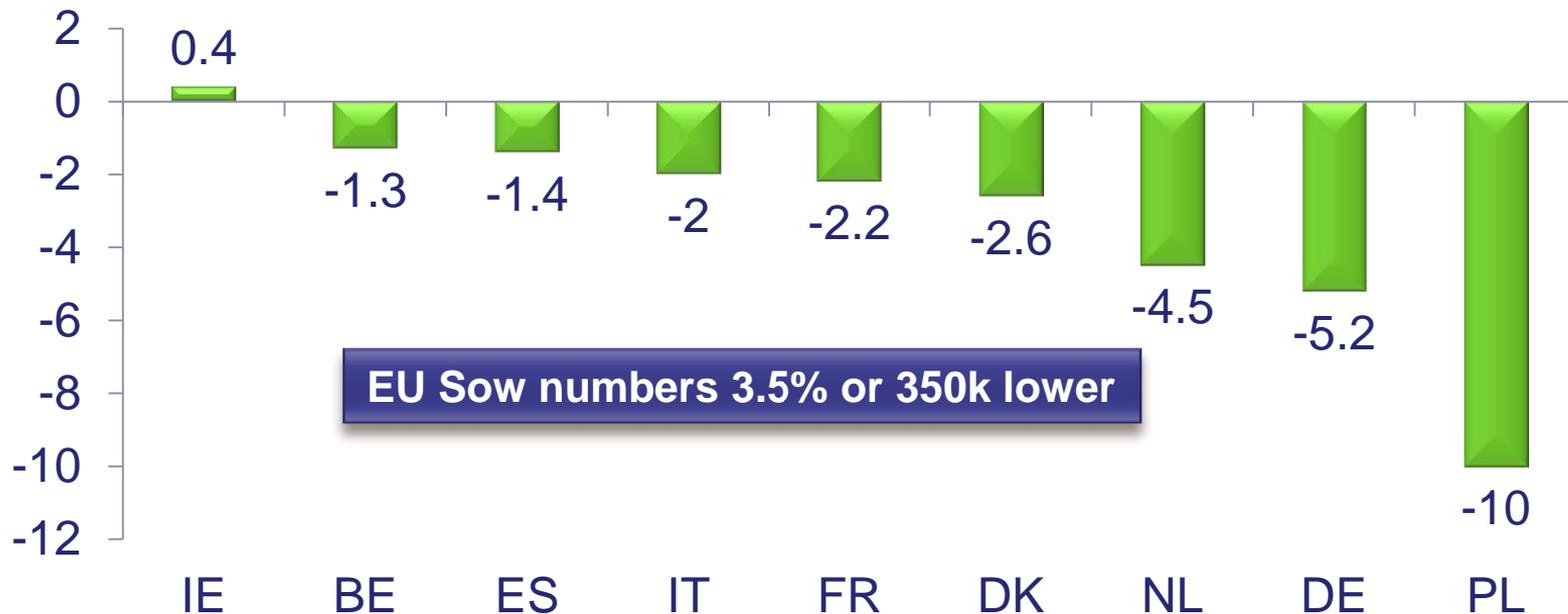
	2015 (‘000 hd)	2016 (‘000 hd)	Difference (‘000 hd)	% Change
ROI	3,147	3,254	+ 107	+ 3.4%
NI	510	420	-90	-17.6%
Total	3,657	3,674	+17	+0.5%

Output to rise by 1-2% during 2017

- ✓ Increase in the breeding herd
- ✓ Further advancement in productivity levels

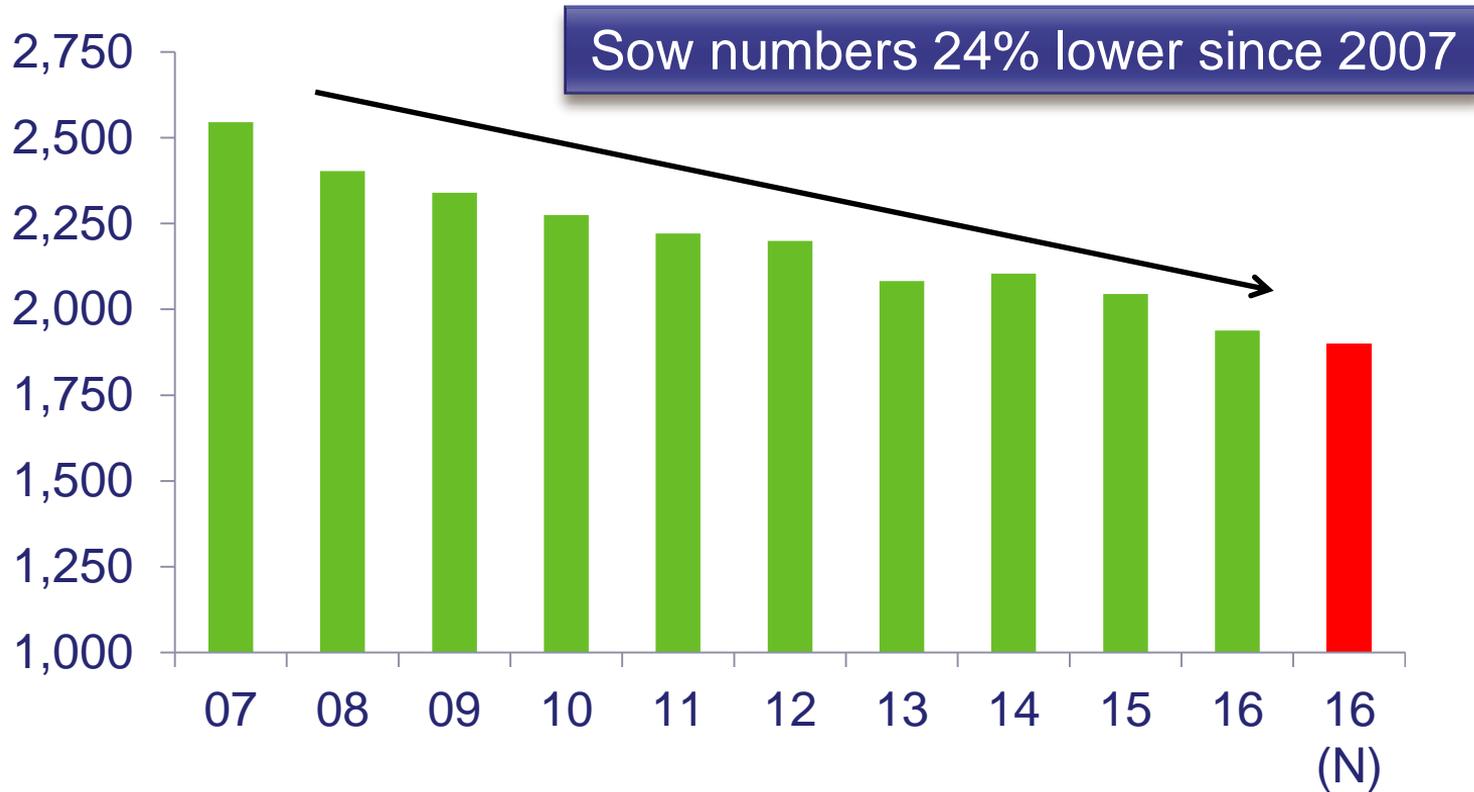


EU Breeding Sows, May/June Census % change 2016 v's 2015

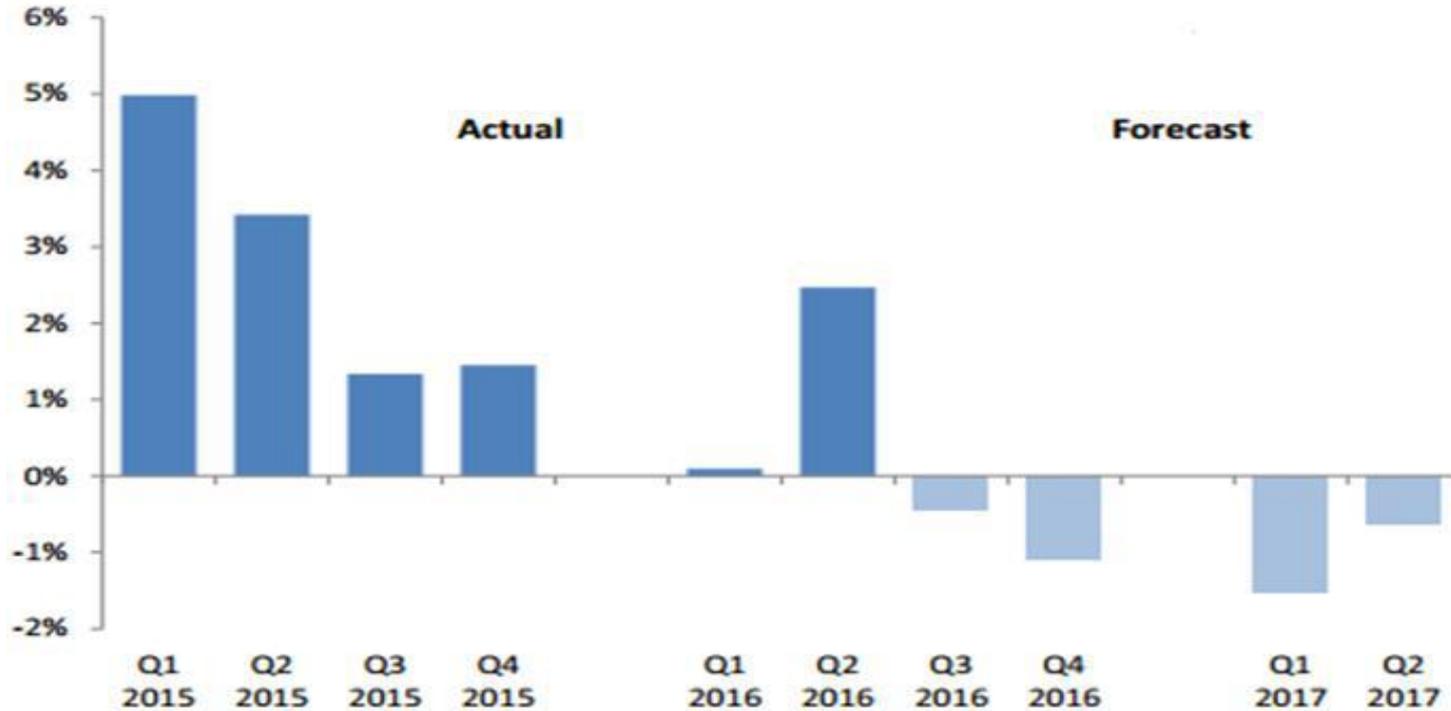


Source: Eurostat

German breeding sows, '000 head

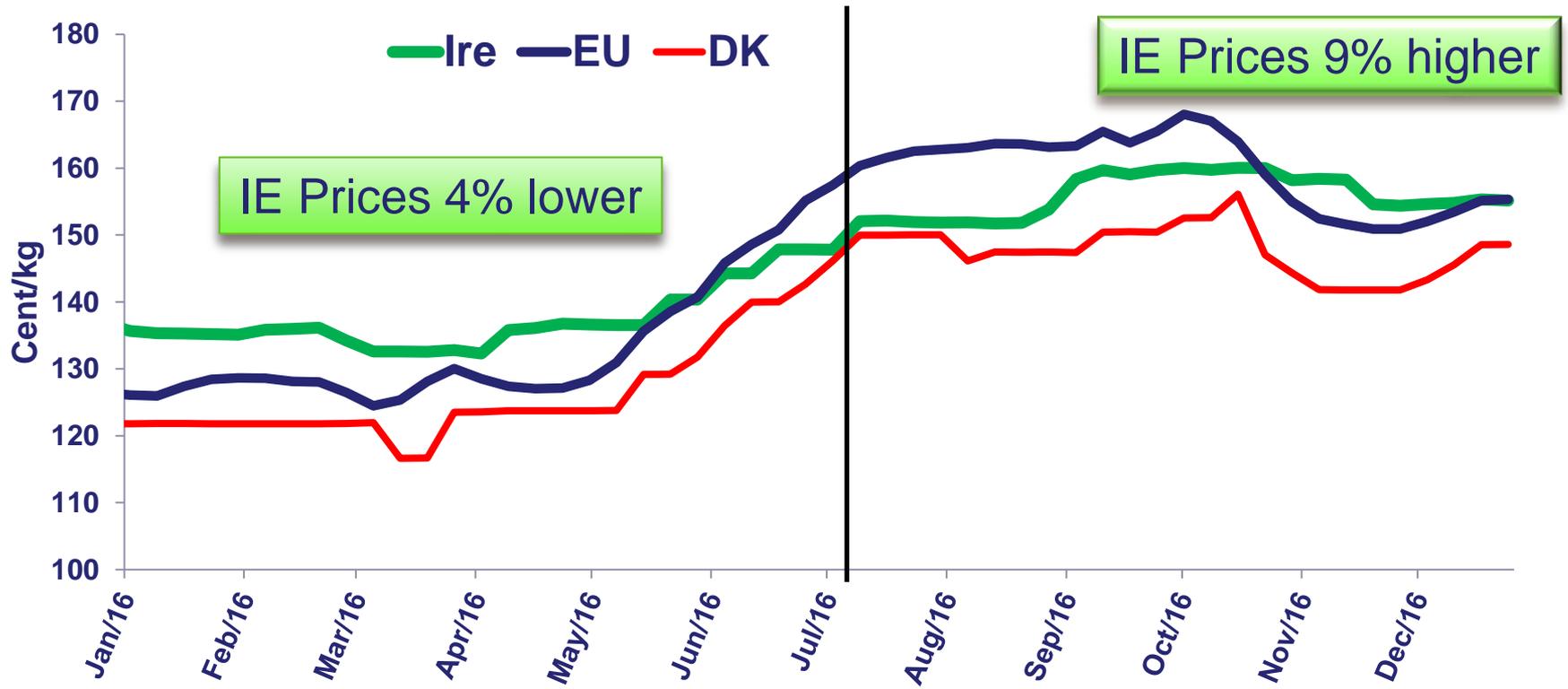


Annual changes in EU pig supplies

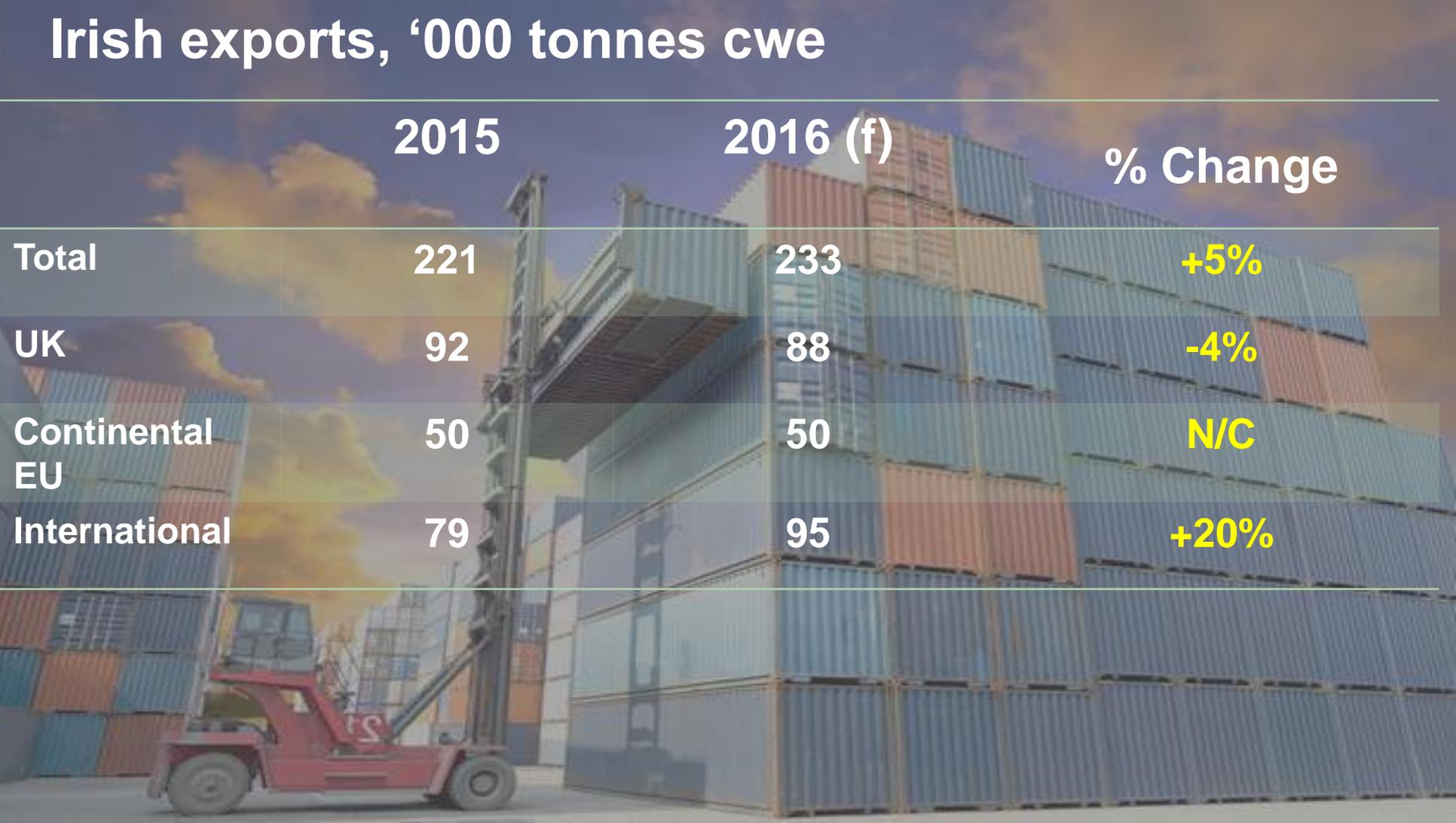


Sources: Eurostat, EU Commission pig meat forecasting working group

EU prices rally during the 2nd half of 2016

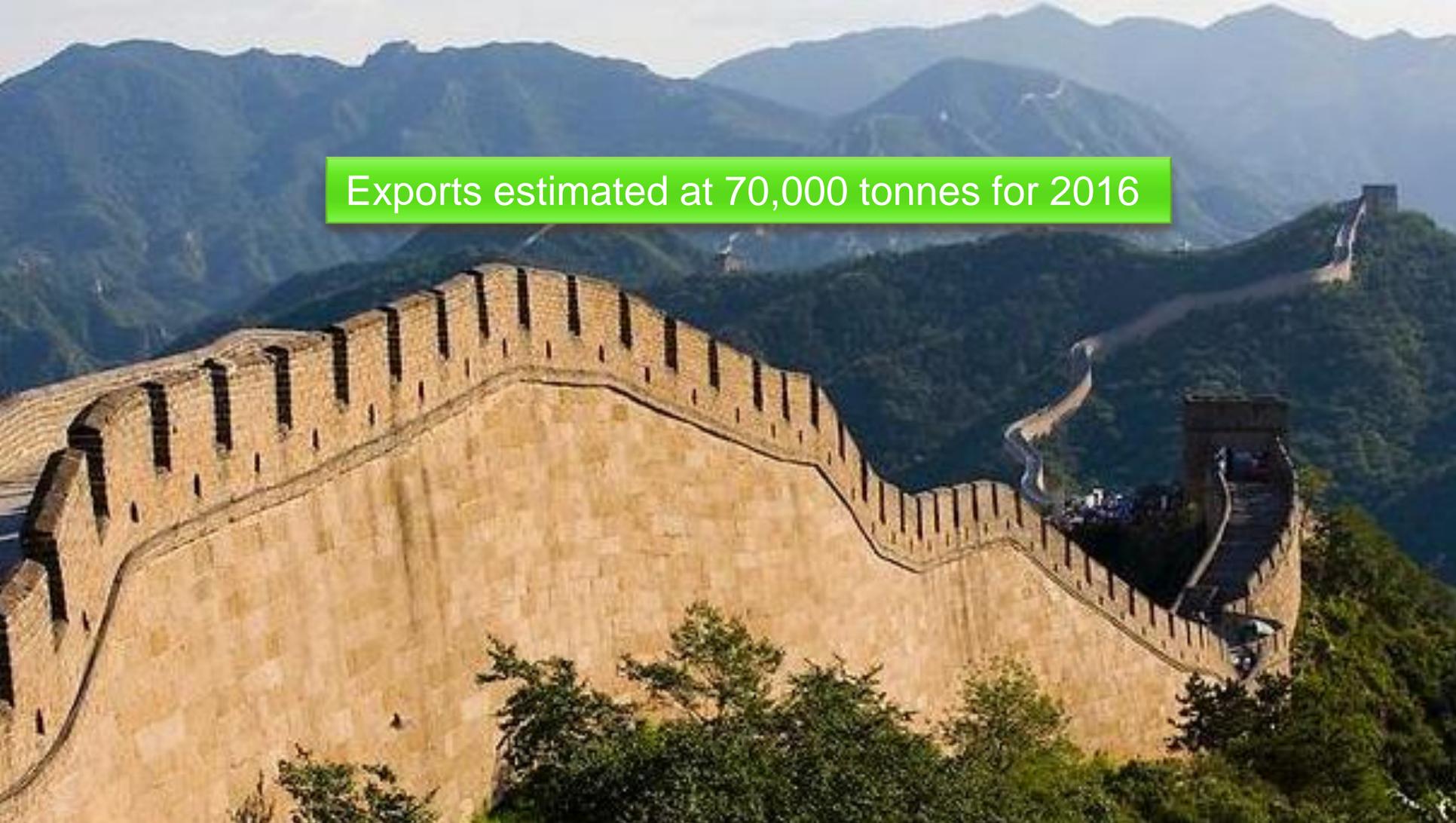


Irish exports, '000 tonnes cwe

The background of the slide is a photograph of a shipping yard. In the foreground, a red forklift is positioned on the left, facing right. Behind it, there are several tall stacks of intermodal containers in various colors, including blue, red, and white. The sky is a mix of blue and orange, suggesting a sunset or sunrise. The overall scene is industrial and related to logistics.

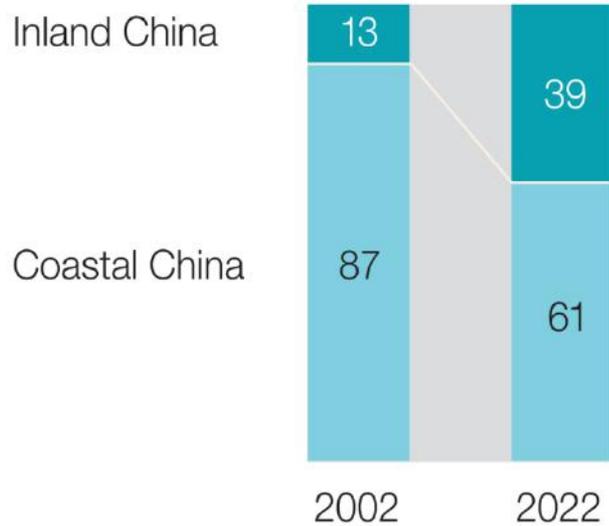
	2015	2016 (f)	% Change
Total	221	233	+5%
UK	92	88	-4%
Continental EU	50	50	N/C
International	79	95	+20%

Exports estimated at 70,000 tonnes for 2016





Share of middle class,¹ by geography, %





Pollution scandal engulfs China's meat industry

By Mark Godfrey , 30-Jun-2016
Last updated on 30-Jun-2016 at 14:00 GMT

 Post a comment



40% of Chinese rivers are seriously polluted

China to invest \$626 billion in water related projects by 2020

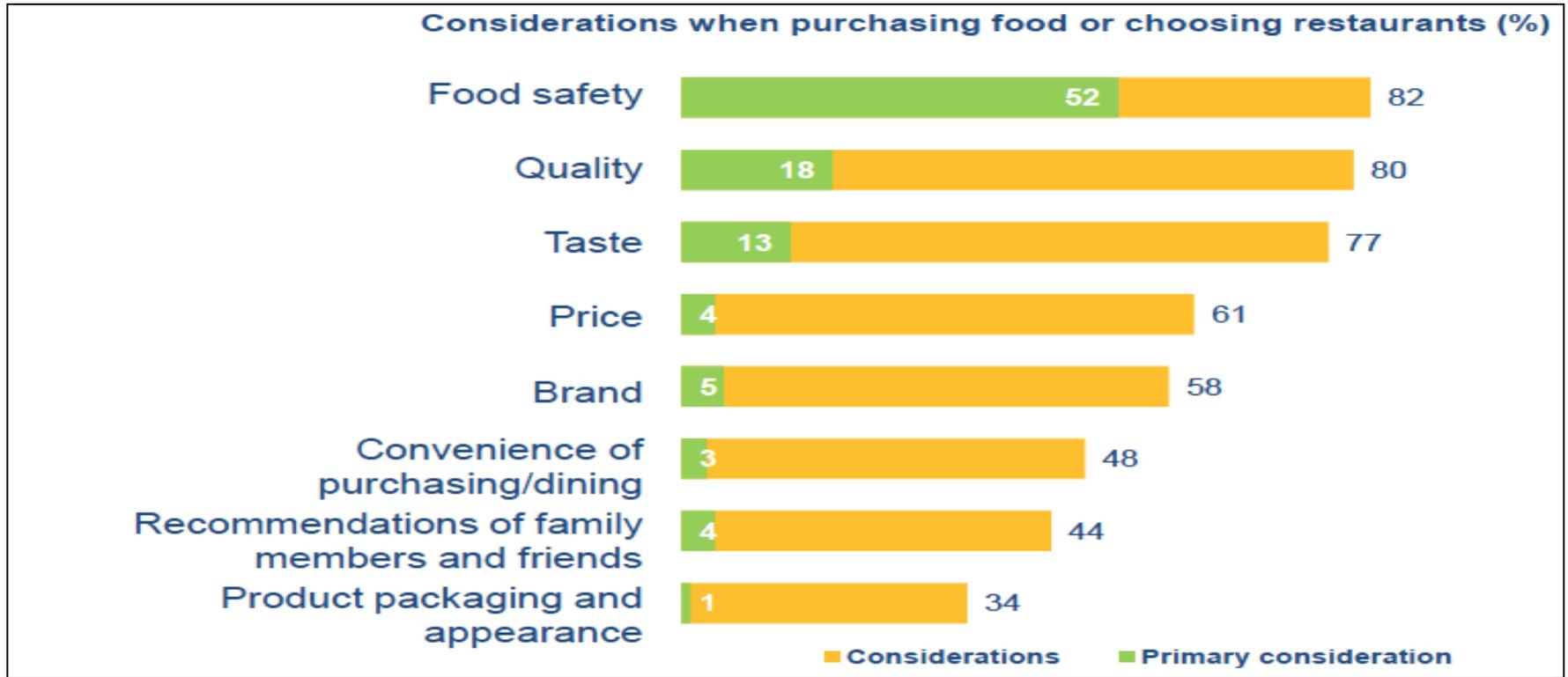
Over 4,000 barrels of toxic waste have been removed from a pig farm in China

Food safety and pollution top of mind



In this Chinese kitchen, there are three types of water. Regular tap water to clean dishes, filter water to wash & cook food and bottled water for consumption.

Food Safety Top Priority for Chinese Consumers



98% of Chinese Consumers Check for Symbol of Quality

(Base: All Grocery Shoppers 18+)

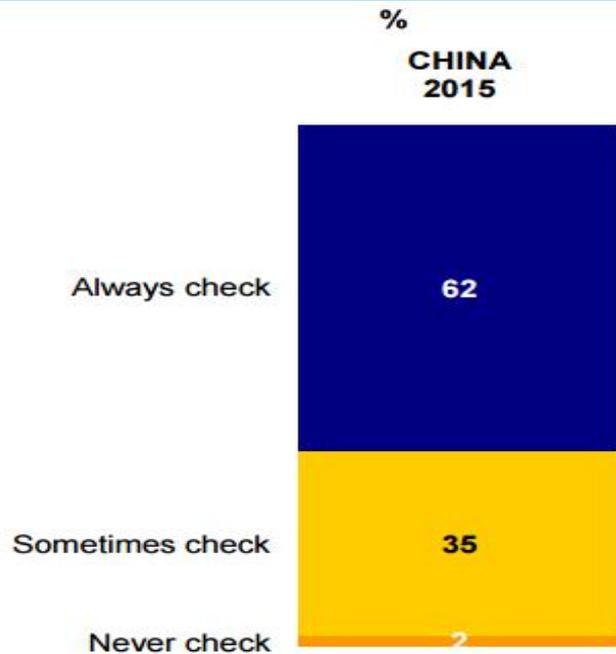
PERiscope2015



CHINA

Checking for Symbol of Quality

97



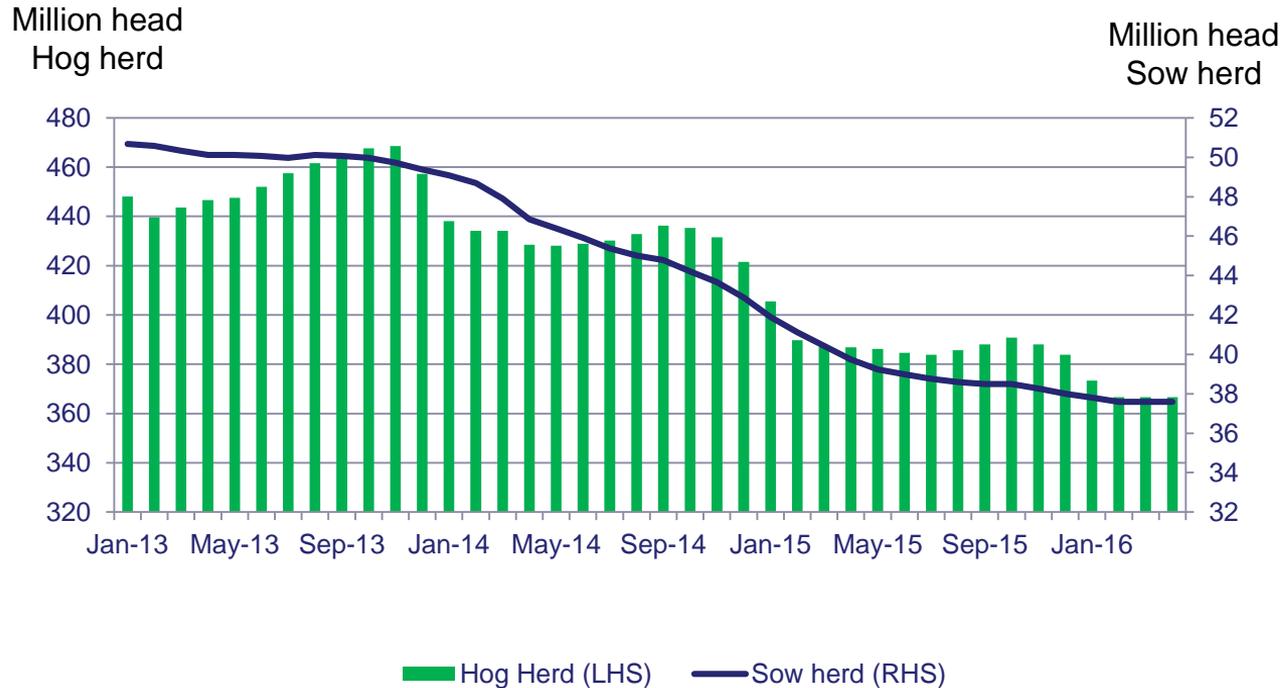
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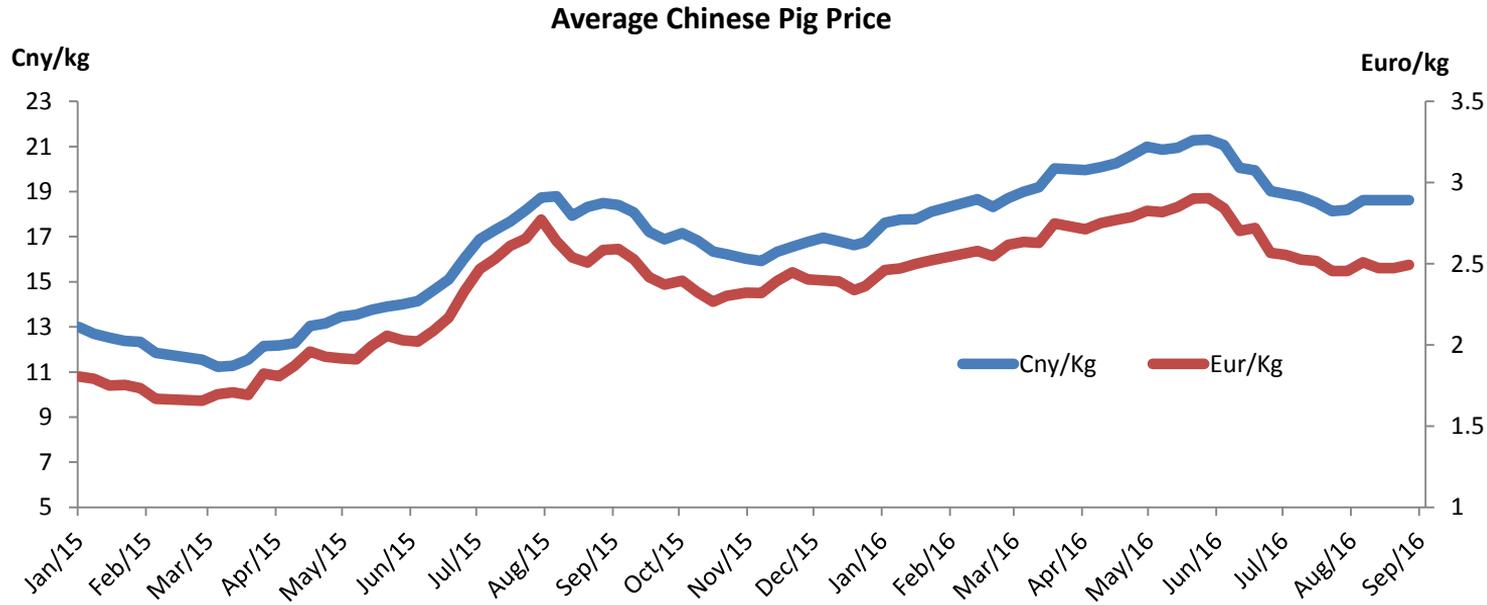
Restructuring of Chinese Pigmeat Industry



China's breeding herd in decline since 2013

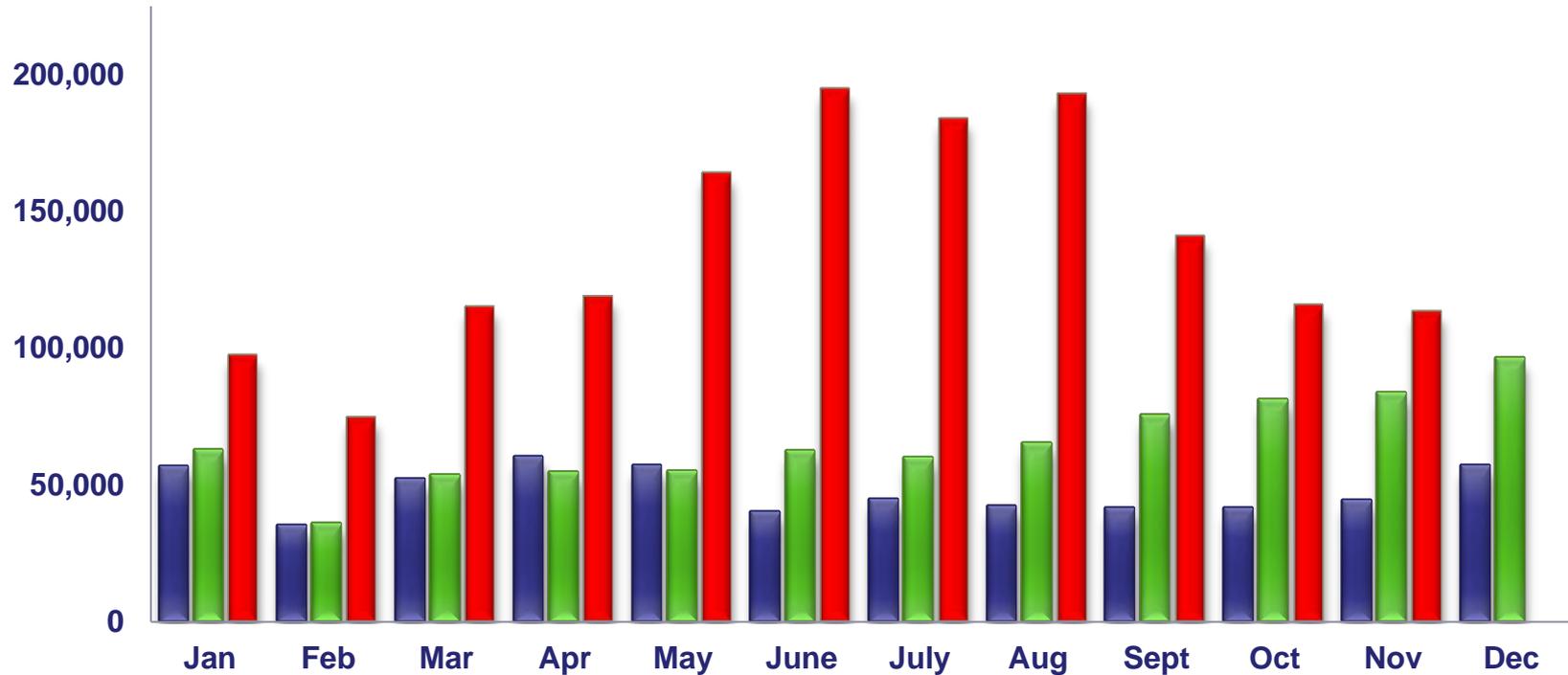


Tight supplies driving Chinese pig prices



Source: BOABC

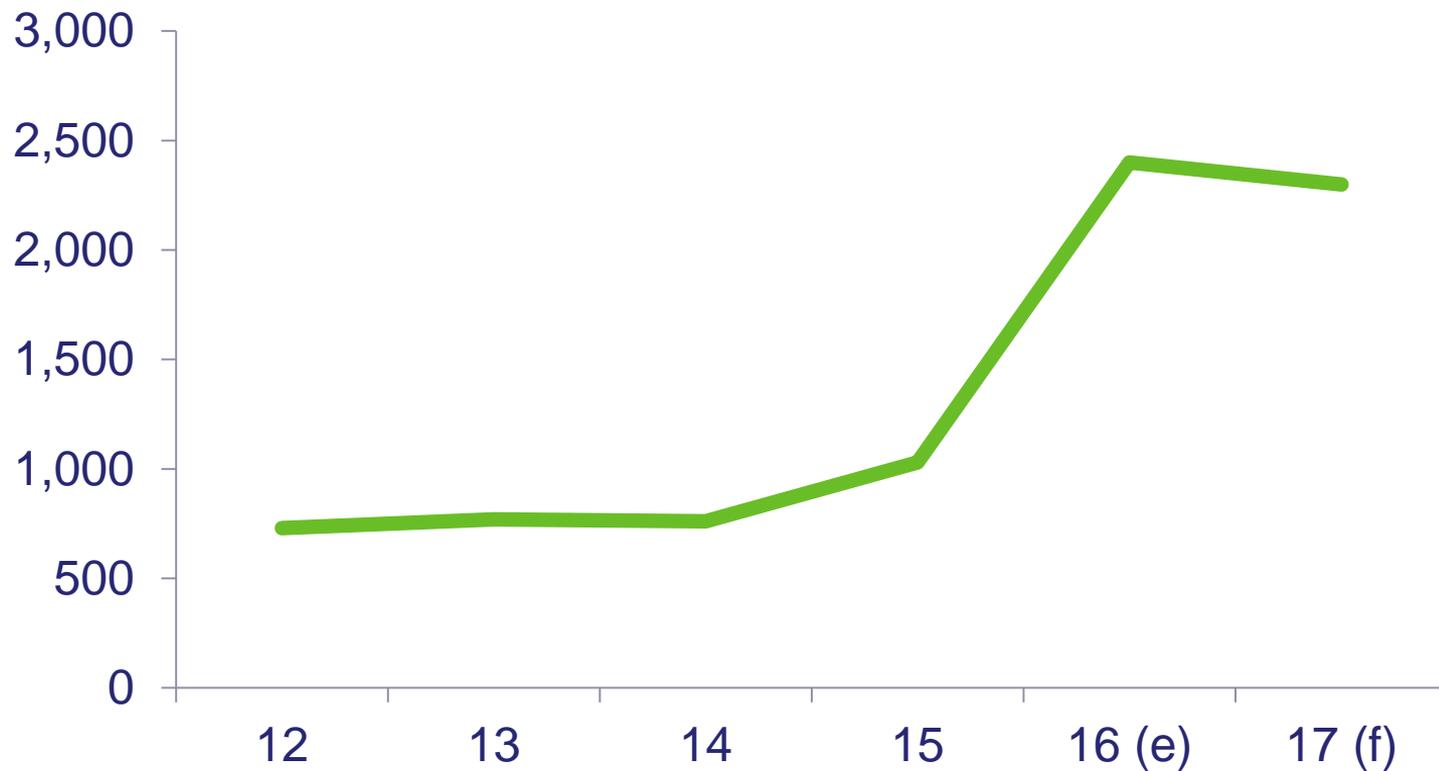
Chilled, Fresh and Frozen Pork Chinese Imports, tonnes



Source: BOABC

■ 2014 ■ 2015 ■ 2016

Chinese Pigmeat & Offal Imports Surge, '000 tonnes



US Pig Herd at highest level since 1943

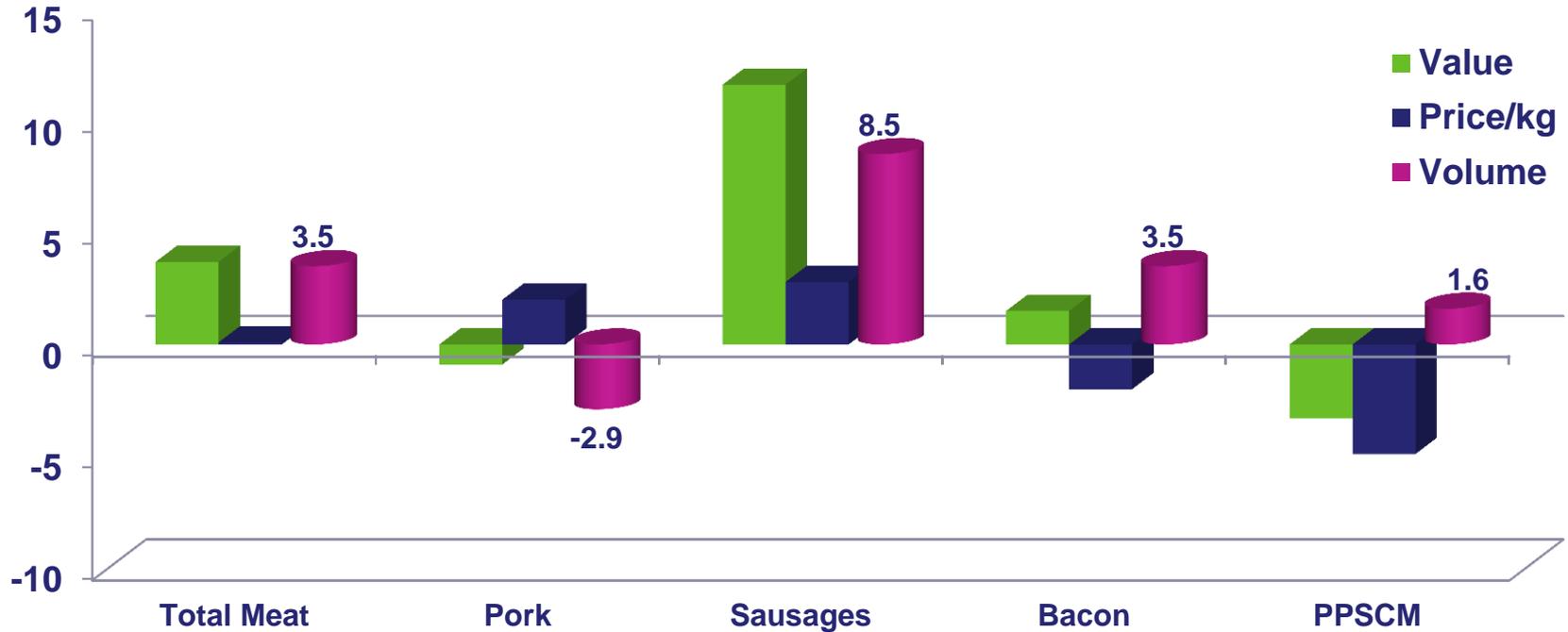
	2015 1 st Dec	2016 1 st Dec	% Change
Breeding pigs	6,002	6,090	+1%
Slaughter pigs	62,917	65,410	+4%
Total pigs	68,919	71,500	+4%



✓ Increased US supplies could threaten the competitiveness of EU pork

Irish consumption

% Change 52 w/e 4th Dec 2016



Ham & Bacon TV Ad will be phased out with new Ad during 2017

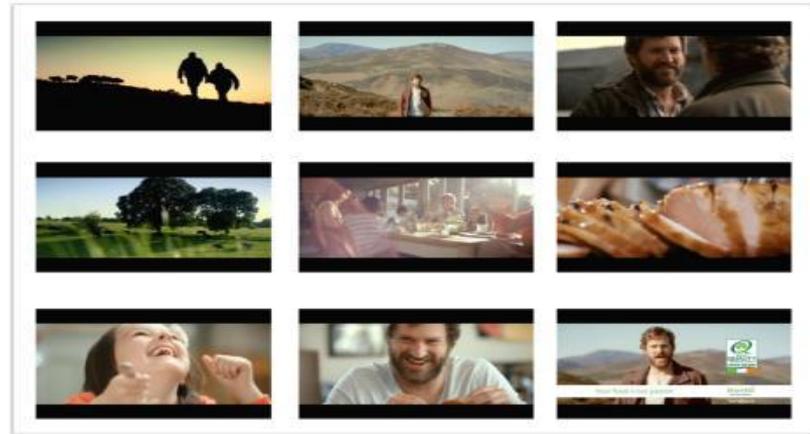
✓ TV Advertising & Video on Demand for Ham & Bacon

- 1 bursts (Mar)



✓ New TV Advertising & Video on Demand for Pork & Bacon

- 2 bursts (May & September/October)



Digital Activity/Recipe Videos



1.1 million views of Bord Bia digital activity during 2016

21 new digital videos will be developed for pork, bacon and ham during 2017



Education Programme

- ✓ Schools – competitions
- ✓ Chef Education – information videos



A promotional flyer for the "THE BORD BIA QUALITY MARK Cookery Competition". At the top right is the Bord Bia Quality Assurance Scheme logo with the text "ORIGIN-IRELAND". Below the logo is a photograph of a "Pork & Bacon Edition" dish, which is a pork loin roast served with a fresh salad of green beans, cherry tomatoes, and red onions. To the right of the dish is a circular portrait of a woman, identified as Beaz Purcell, the Food Blogger and Cookbook Author. Below the photo is a letter addressed to "Dear Teacher," explaining the competition's goal to encourage students to use the Quality Mark and create a healthy main course. The letter concludes with "So let's get cooking...". At the bottom of the flyer is a green banner with the text "Your food is our passion" and the Bord Bia Irish Food Board logo. Social media icons for Facebook, Twitter, YouTube, and Instagram are located at the very bottom.

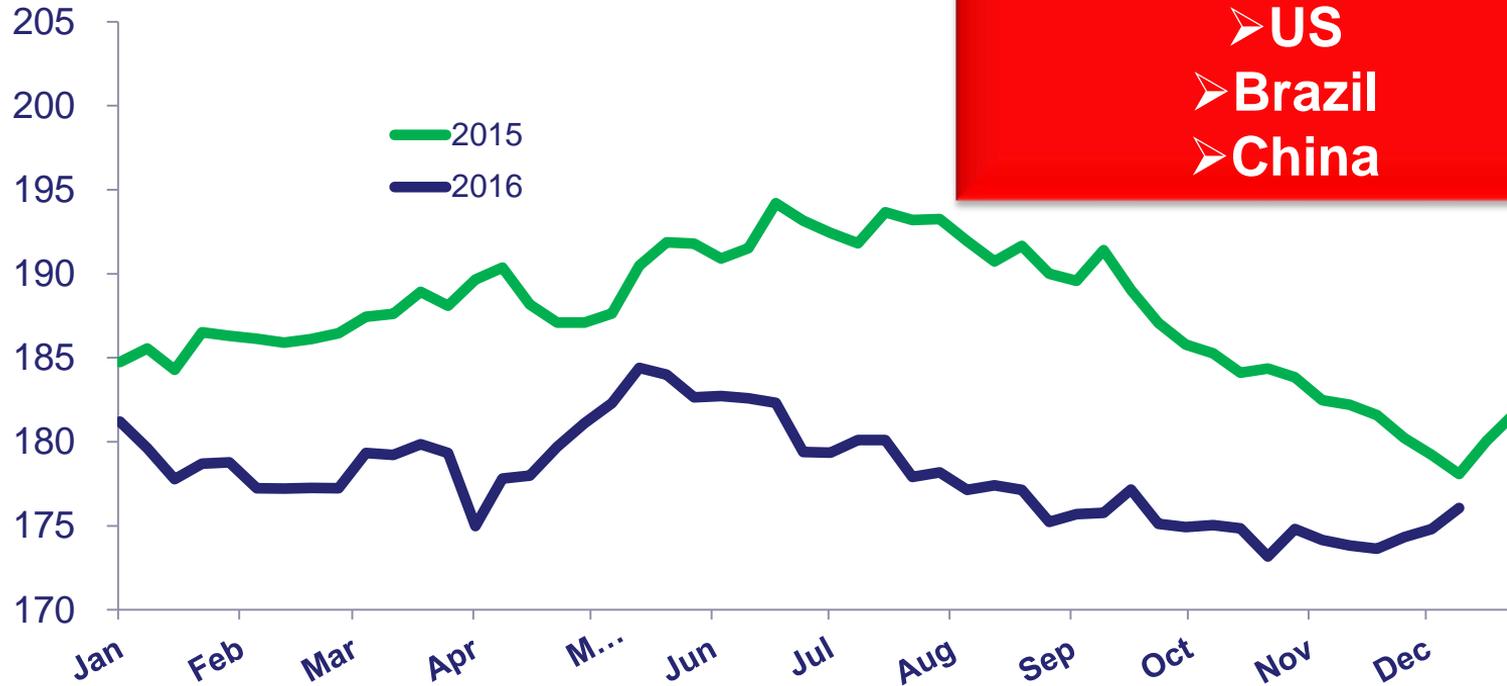
In summary....

- ✓ Irish output set to increase during 2017
- ✓ EU output to fall during 1H 2016
- ✓ Pollution leading to Chinese pig farm closures
- ✓ Chinese import demand to remain close to record levels
- ✓ Solid domestic demand being reported
- ✓ Bord Bia developing a new TV advert for Pork and Bacon for 2017

Poultry market update

EU broiler price running 5% lower

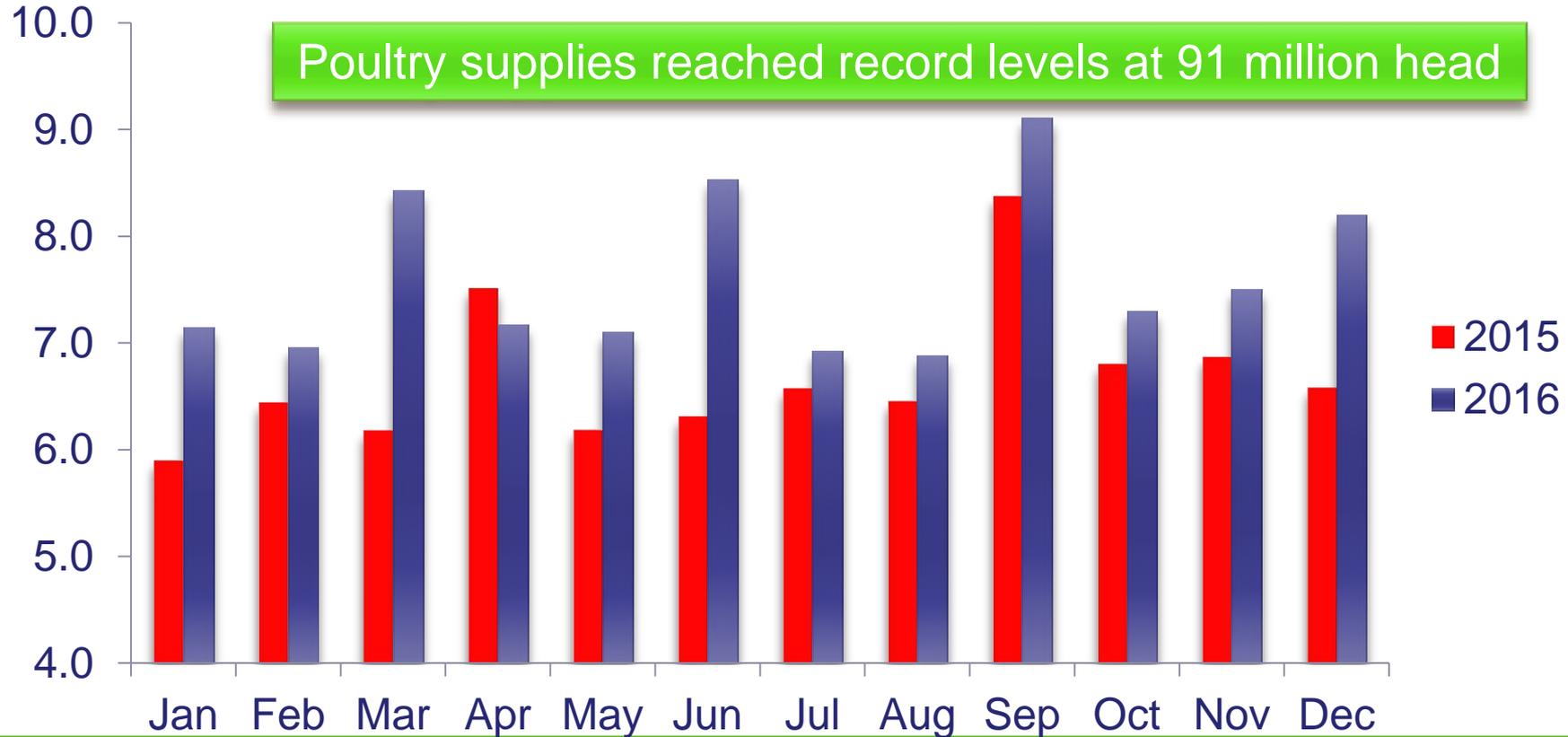
Cent/kg



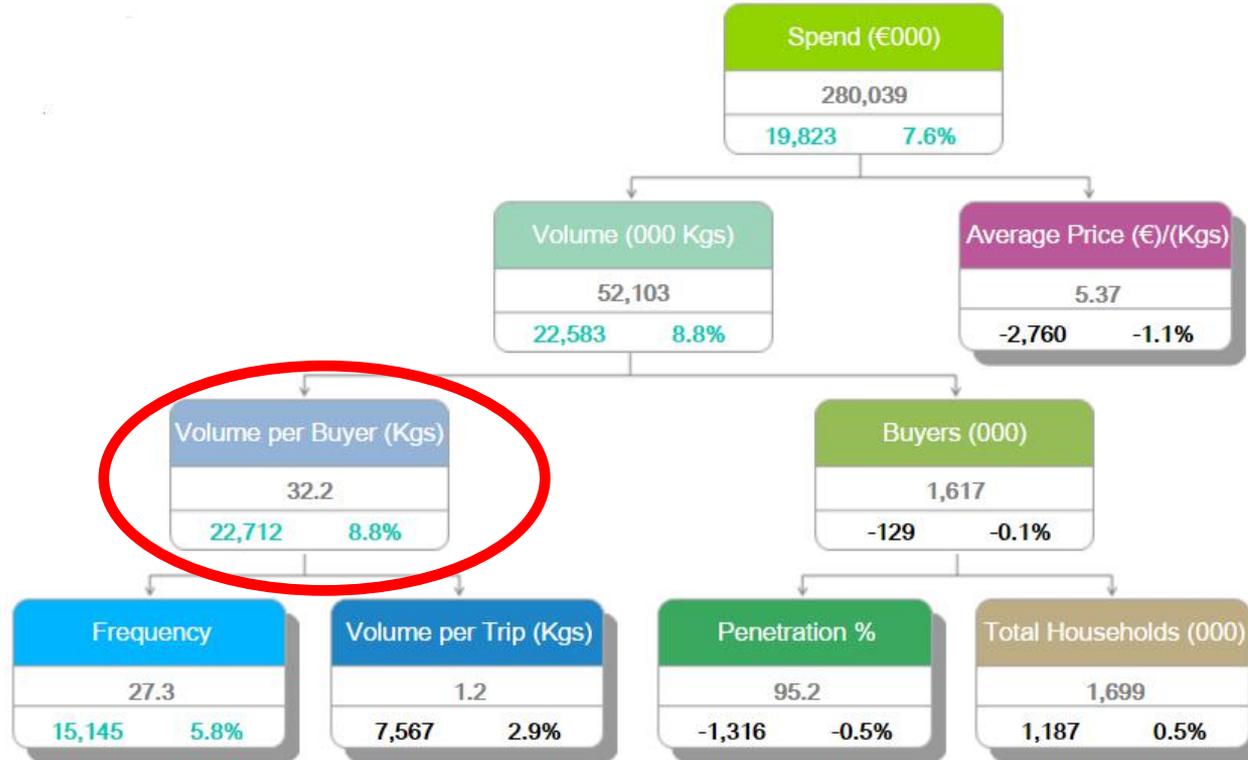
2017 Supply Slowdown:
➤ US
➤ Brazil
➤ China

Irish poultry supplies 14% higher

Million head

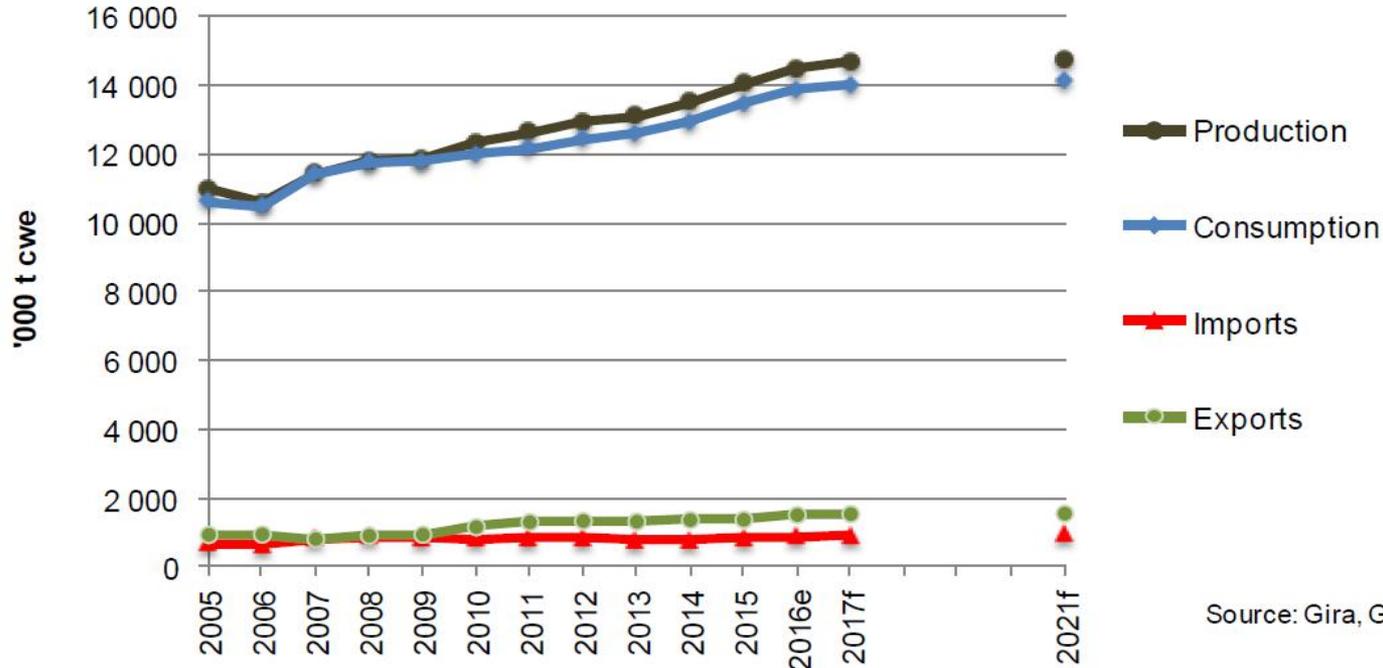


Irish poultry consumption, 52 w/e 4th Dec 2016



Growth in EU production and consumption forecast

EU Poultrymeat Balance, 2005-2017f, 2021f



Source: Gira, GMC

Avian influenza continues to be the 'wild card'

Potential to affect:

- ✓ Supply
- ✓ Trade
- ✓ Consumer Demand



Summary

- ✓ Avian influenza clouds challenge positive outlook
- ✓ Slowdown in production forecast in China, Brazil and the US
- ✓ Feed prices are expected to remain stable
- ✓ Irish consumers continue to purchase within the poultry category more frequently
- ✓ Irish production hit record levels during 2016



Thank you

Peter Duggan

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