



# Protein Market Watch

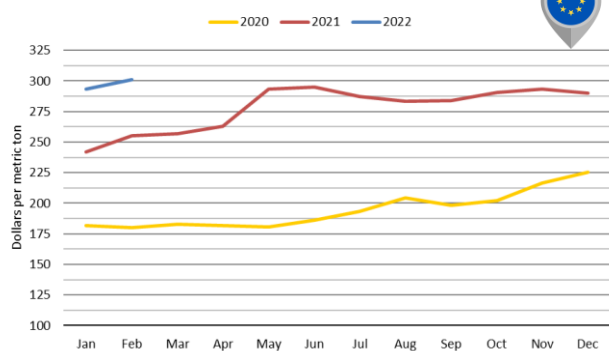
## Farming inputs prices

### CORN



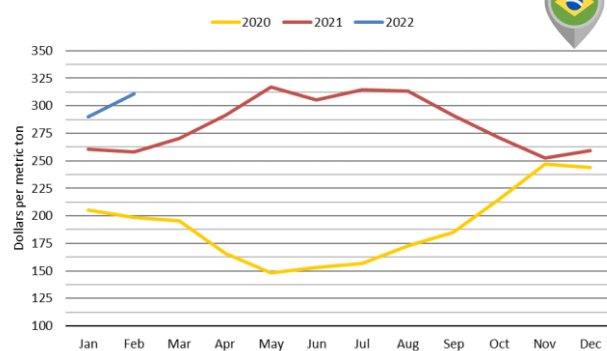
- The conflict in Ukraine has panicked all the markets, the Black Sea origin is no longer available. Corn prices are on the rise in all production bases.
- With the water deficit in Latin America, world production is revised downwards. This deficit affects yields in Argentina and Brazil.
- In China, the price is stable in February, but the disappointing national harvest will lead to an increase in import quantities and a price increase in the coming months.

Feed maize (average market price, EU without UK)



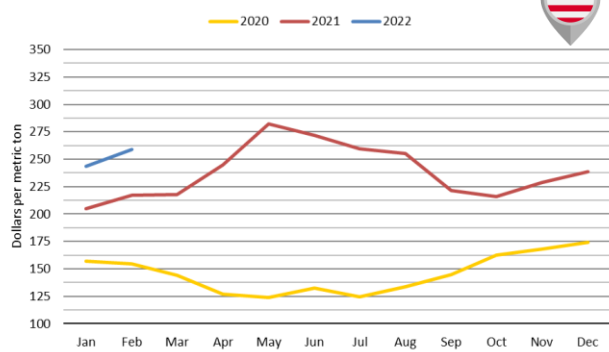
Source: EC Agridata

Yellow corn (wholesale price, Campinas)



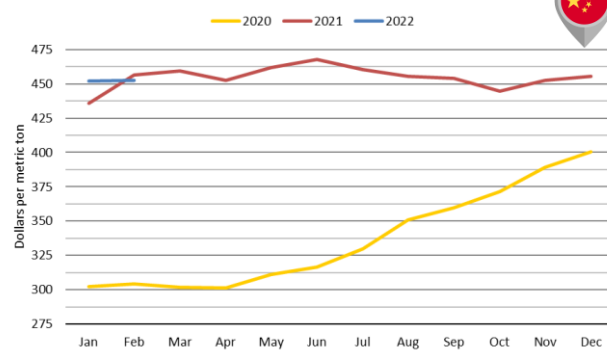
Source: Cepea

Yellow corn #2 (market price, Chicago)



Source: USDA ARS Feed Grains database

Corn (cash price, China mainland)



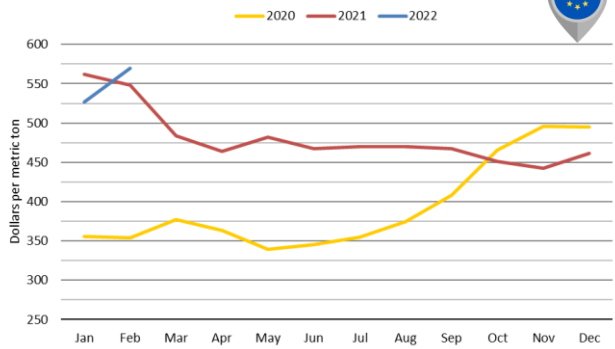
Source: Chinese Ministry of Agriculture and Rural Affairs

## SOYMEAL



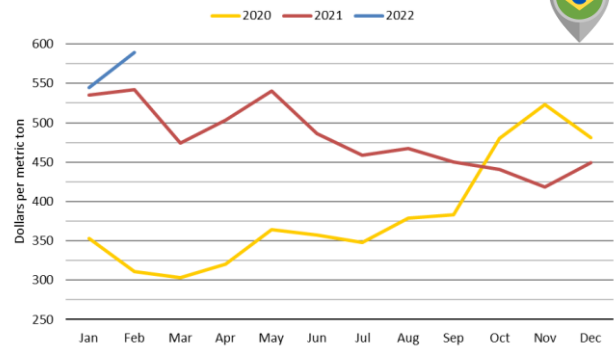
- All oilseed complex prices increased in February, especially soybeans. The conflict in Ukraine is also impacting this sector. Some quotations are also missing.
- In Brazil, harvests are ahead of 2021 but uncertainties persist about yields. The Argentinian origin is coveted but the new taxes put in place don't serve the export.
- Soybeans prices are on the rise in the Chinese domestic market. New purchases have been made with the USA origin, which is becoming rarer. This rise seems to be only the beginning.

Soybean meal, Brazil origin, high protein (CIF Rotterdam)



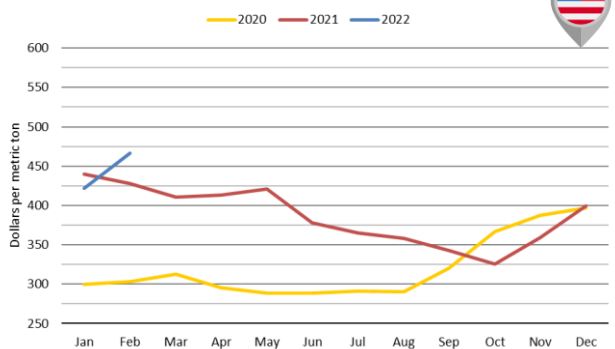
Source: World Bank's Pink Sheet

Soybean meal (wholesale price, Espirito Santo)



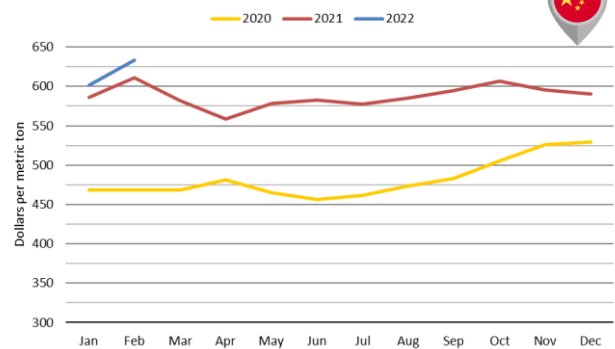
Source: Conab

Soybean meal, high protein (wholesale price, Illinois)



Source: USDA ARS Feed Grains database

Soybean cake and meal (cash price, China mainland)

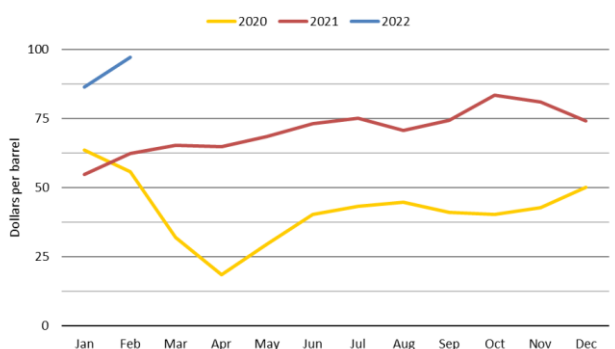


Source: Chinese Ministry of Agriculture and Rural Affairs

## ENERGY

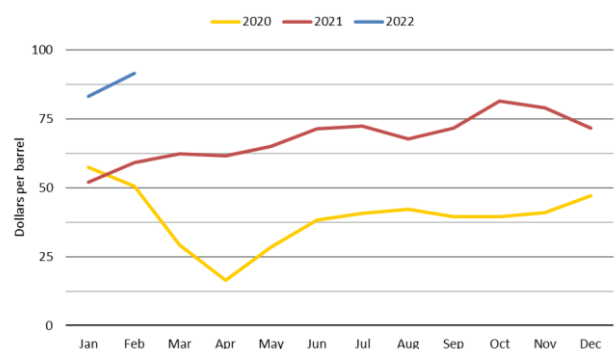


Crude oil, Brent Spot Price (Europe, FOB)



Source: US Energy Information Administration / Thomson Reuters

Crude oil, WTI Spot Price (Oklahoma, FOB)



Source: US Energy Information Administration / Thomson Reuters

# Farming outputs prices

## BROILER CHICKEN



**In February, prices surge as the poultry market faces high inflation accelerated by the conflict in Ukraine. Supplies are expected to decline over the next months with avian flu affecting production and production costs continuing to soar.**

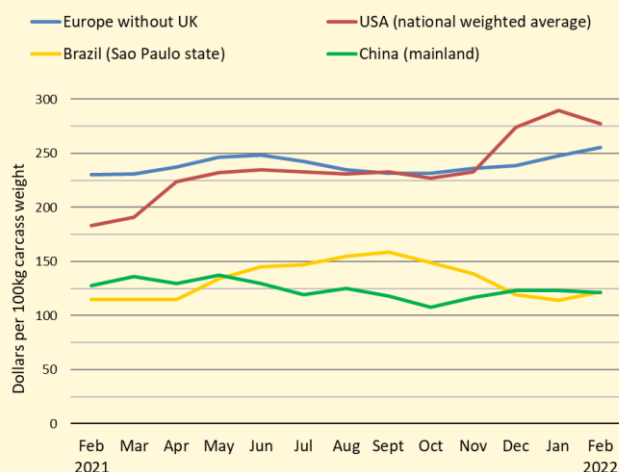
The price of broilers surge as the supply are low, and the feed price hits record high. However, the industry faces a low supply due to HPAI and labor issues. In 2022 outbreaks of HPAI totalled 649 in France. European production should fall sharply in the first half of 2022.

The chicken prices remain strong with increased activity. The lack of labor in meat plants keep pressure on supplies of chicken meat. More HPAI cases confirmed in commercial flocks in three US states. The outbreaks risk to trigger import bans by some countries.

Brazil's meat industry keeps facing high demand for chicken meat for exports. Chicken slaughtering fell by 1.2% in the last quarter of 2021, but the global market situation boosted the performance of Brazilian exports. In January-February, Brazilian chicken exports show an increase in volume (+13%) and value (+34%).

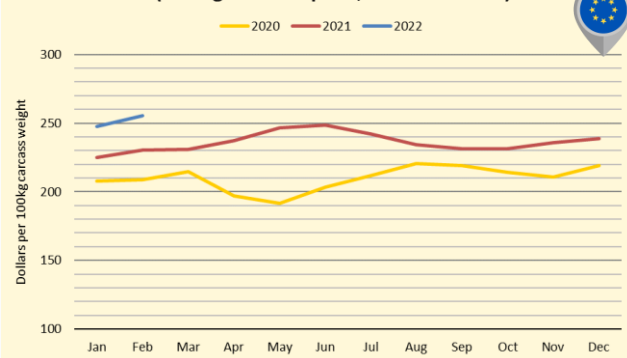
The price of chicken in China remains unchanged in February. The demand decrease as the pork supply are high. The permanent closure of live bird markets in urban areas impact the yellow bird production. China imposes new lockdown following spike in Covid cases, this would impact consumer demand.

### Broiler chicken market prices: zone comparison



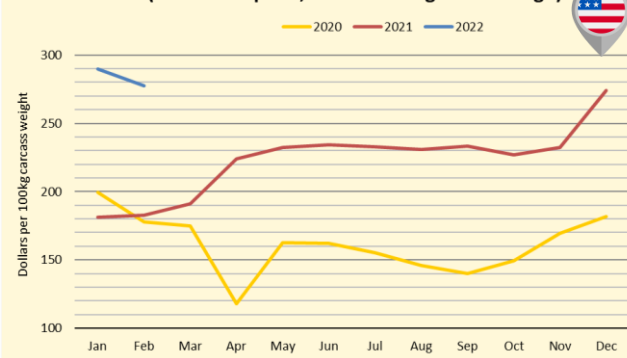
**NB: all broiler prices include the cost of delivery to the slaughterhouse, and the cost of slaughter**

### Broiler chicken (average market price, EU without UK)



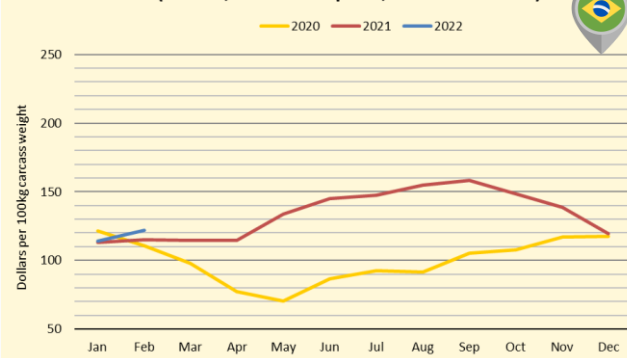
Source: EC Agridata

### Whole broiler (wholesale price, national weighted average)



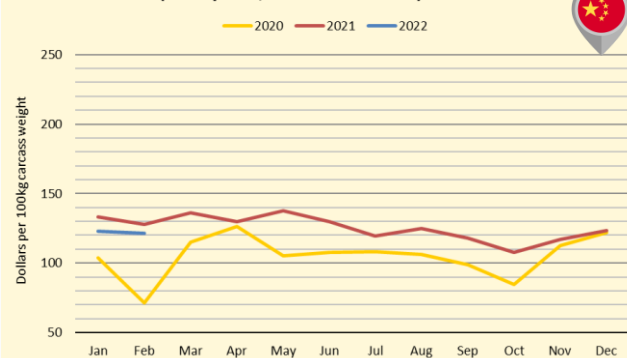
Source: USDA AMS reports

### Whole chicken (chilled, wholesale price, Sao Paulo state)



Source: Cepea

### Broiler chicken (cash price, China mainland)



Source: National Development and Reform Commission

## PORK MEAT



**Uncertainties prevail in the world. Energy and feed prices explode due to the war in Ukraine. Unrest about the world food supply is increasing, leading to inflation and reorientation of production choices.**



Due to the sharp decline in the pig population, the supply is now declining, and will continue in the next months. This has led to an exceptionally rapid increase in pig prices. However, due to rising feed costs, the average profitability of pig farming remains negative.



Pig prices are rising sharply due to the declining supply, good national demand and increasing supply, good national demand and increasing pork exports to Mexico. There is also a threat of rising feed costs in the US, which could reduce farm gains.

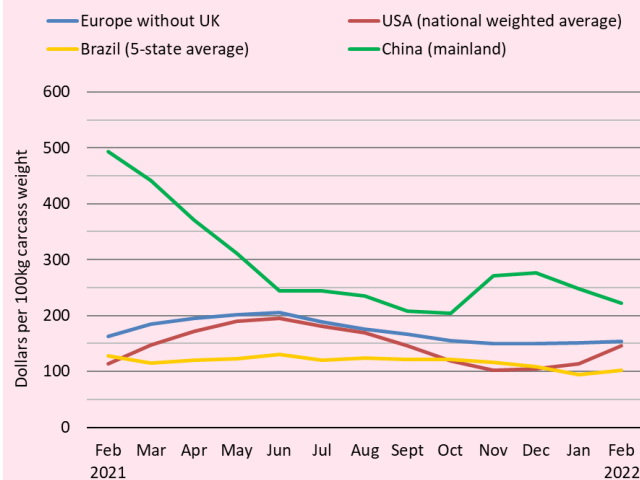


Small correction from a low level of the pig price in February. Due to the rising international for maize and soy, the choice to export raw materials instead of exporting pork is becoming more and more interesting. This could temporarily compromise a new increase in pig production.



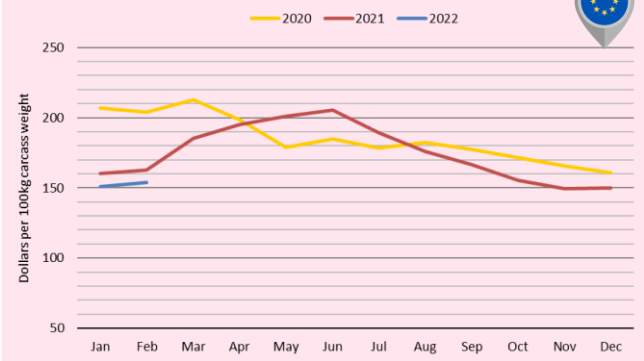
The low pork price persists due to the combination of high supply and weak demand for pork. New outbreaks of Covid explain this low demand. Pig farmers suffer great losses, which will even increase due to the high feed prices.

### Fattening pigs market prices : zone comparison



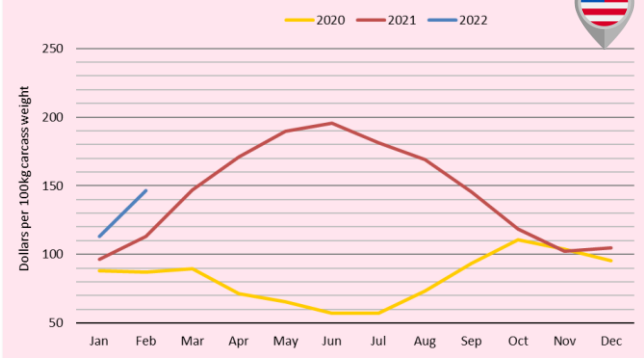
**NB: prices are for live pigs, delivered to the slaughterhouse (but for Brazil, where pigs are collected on farm in 3 states out of 5)**

### Pigs to slaughter (live, delivered, EU average without UK)



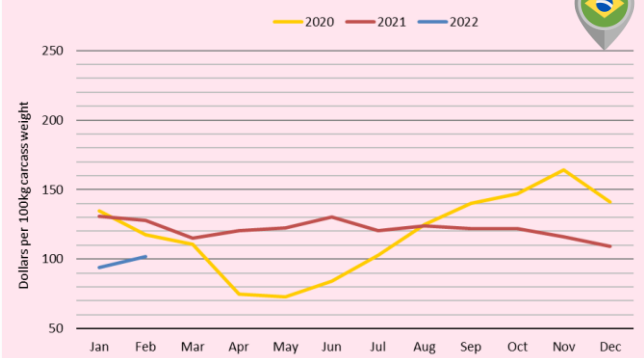
Source: EC Agridata

### Pigs to slaughter (live, delivered, national weighted average)



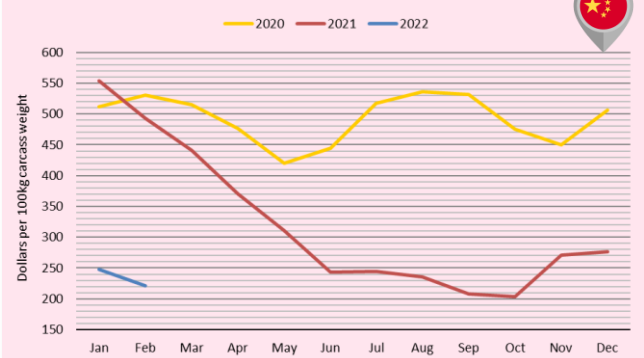
Source: USDA AMS reports

### Pigs to slaughter (live, mix, 5-state weighted average)



Source: Cepea

### Hogs (cash price, China mainland)



Source: Chinese Ministry of Agriculture and Rural Affairs

## BEEF MEAT



The positive price trend continues for all categories and offers remain tight. Margins are under pressure due to high input costs, especially for grain finishing systems. Russia-Ukraine conflict may have indirect and probably only minimal impact on the European meat trade. The impact will be more significant on production costs.



Prices for slaughter cattle remain high and prices for consumer should increase. Beef processors like Tyson Foods and JBS USA are making the weakest amount of money per head of cattle slaughtered in more than two years, according to data from Hedges Edge LLC. In March, estimated profit margins for beef packers fall to less than 102,5 US\$ per head. During the pandemic outbreak (May 2020), packer margins had exceeded 1 000 US\$/head.

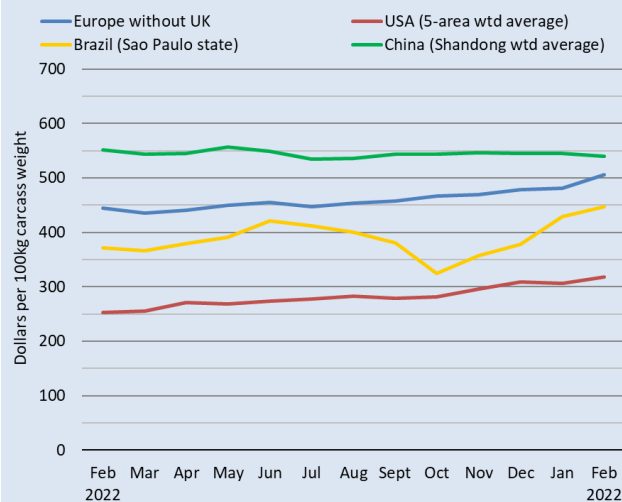


Fed cattle prices remained firm in Brazil in February with strong international demand for Brazilian beef and low supply of slaughter cattle. In 2021, the number of cattle slaughtered was the lowest in 17 years. On the other hand, productivity per animal (amount of meat produced per animal) has increased in recent years, reaching a record in 2021. This reflects the investments made in recent years in nutrition, health, pasture management and genetics to produce heavier animals.



An increase in domestic production, especially for pork, curbed the demand for global meat imports. China imported only 1,1 million tons of meat in January and February (-33% vs. 2021). But prices for slaughter cattle remain firm. Hong Kong keeps carrying out random tests on imports of chilled and frozen foods for the Covid-19 virus. The latest detections were connected to frozen meats' packaging from Brazil (beef) and Poland (pork) in February 2022.

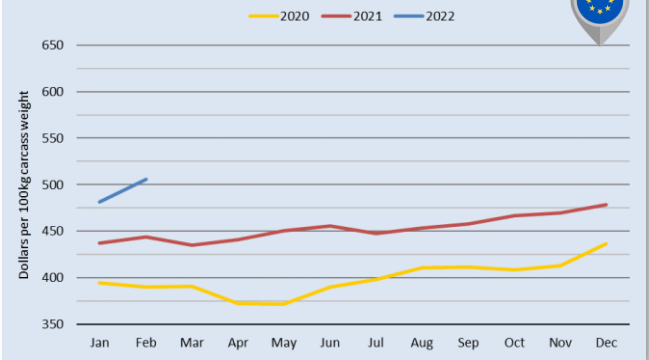
### Male cattle market prices : zone comparison



**NB: prices are for live cattle (male only), but the transportation to the slaughterhouse is either included or not, depending on the data available for each zone.**

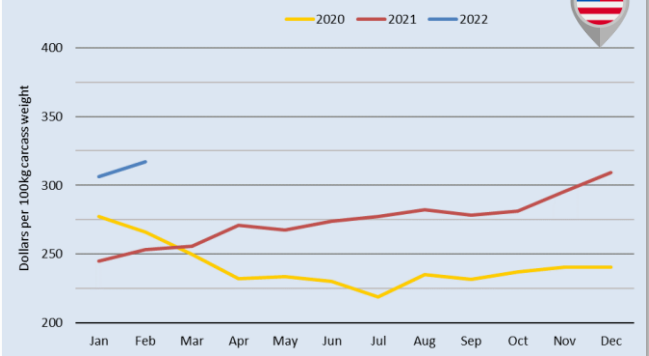
**International comparison should then be interpreted with caution.**

### Beef, all males (live, delivered, EU average without UK)



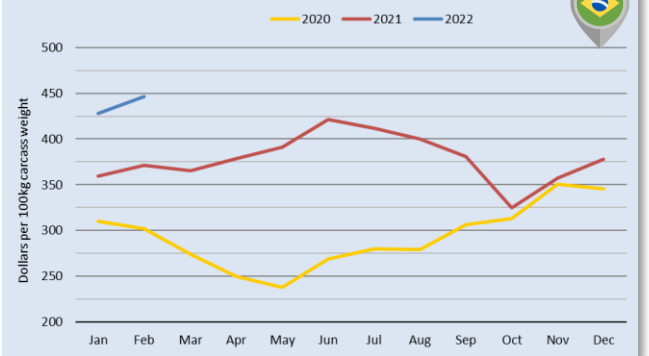
Source: EC Agridata

### Steers, all grades (live, delivered, 5-area weighted average)



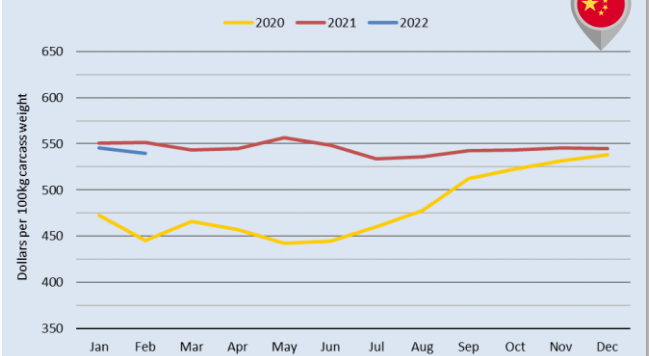
Source: USDA AMS reports

### Beef, all males (live, on farm, Sao Paulo state)



Source: Cepea

### Beef cattle (cash price, Shandong weighted average)



Source: CASS

# Market news

## SECTION

### ► Title

Body of the news

[Link to source](#), 2022/XX/XX

**PROTEIN MARKET WATCH** is a monthly newsletter edited by Ceva Headquarters (Libourne, France)

**Editor-in-chief:** Caroline Gremillet, Ceva

**Writers:** Caroline Gremillet (layout), Jan-Peter van Ferneij (ABCIS, market data & swine market analysis), Mohamed Bouzidi (ABCIS, poultry market analysis), Baptiste Buczinski (ABCIS, beef market analysis), Mathilde Le Boulch (ABCIS, feed market analysis).

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