

Voluntary Report – Voluntary - Public Distribution

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Report Name: Romanian Swine Herd Continues Sliding

Country: Romania

Post: Bucharest

Report Category: Agricultural Situation, Agriculture in the News, Livestock and Products, Sanitary/Phytosanitary/Food Safety

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Report Highlights:

Animal health concerns, feed, energy, fuel prices, and labor are the major factors impacting the Romanian swine sector. Romania's swine herd had a 5.9 percent year-on-year decline in May 2022, while pork meat imports grew by 23 percent during the first eight months of 2022. Although significantly improved in terms of the number of outbreaks, African Swine Fever (ASF) remains a significant threat for the swine producers and a factor inhibiting investment.

Falling Number of African Swine Fever (ASF) Outbreaks

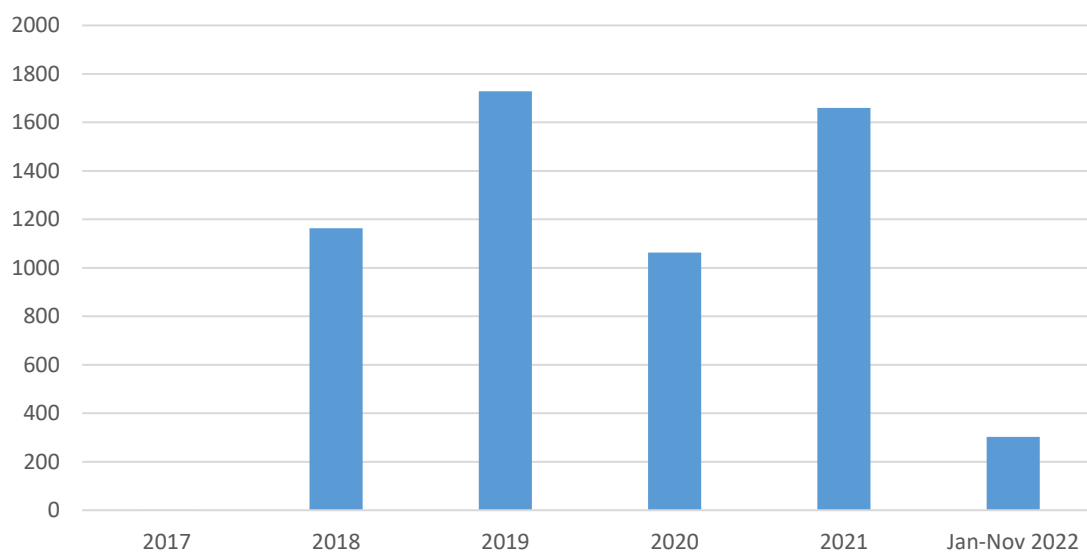
In mid-October 2022, after a calm few months, the National Veterinary and Food Safety Authority (ANSVSA) confirmed the presence of the ASF virus in a commercial swine farm located in the west of Romania. The entire herd of about 40,000 heads was culled and buried. Restrictive measures on the movement of people, animals, products, by-products, and means of transportation were imposed. According to the preliminary findings, the most likely source of infection was a human vector. Two weeks later, the ASF virus was detected in two commercial farms located in the north-east of Romania, most likely caused by humans. Furthermore, in connection with the first farm, a second farm had a confirmed case in late October. Overall, about 100,000 heads were culled or are in process of being culled in one month due to ASF infection, which is about a third of the average monthly number of pigs slaughtered for consumption in 2022.

At the end of November 2022, ANSVSA reported 61 active ASF outbreaks, of which 4 outbreaks were at the level of commercial farms, with the remainder in backyard holdings. For comparison, there were 500 active outbreaks a year ago, of which 17 were in commercial farms. From its first detection in Romania in 2017 until the end of November 2022, ANSVSA has confirmed 5,920 outbreaks in domestic swine, in both backyard and commercial farms (Chart 1). Additionally, 6,830 wild boars were confirmed ASF-positive during the same timeframe. Reportedly, nearly two million pigs have been culled so far as part of the process to mitigate the risk of virus transmission and farm cleaning.

Although the situation is improved, at least in terms of the number of outbreaks being confirmed, the risk of further market deterioration remains high. The commercial farms, as the major domestic suppliers, are the most affected in terms of inventories and supply chain. Even when testing negative, there remains a high likelihood that commercial farms could fall into the surveillance area around a positive case in a backyard farm. Barred from moving animals, farmers continue to feed the pigs beyond the optimal age of slaughter, which translates into lower prices for marketing.

Chart 1: Romania – Number of ASF Outbreaks

(Backyard and Commercial Farms)



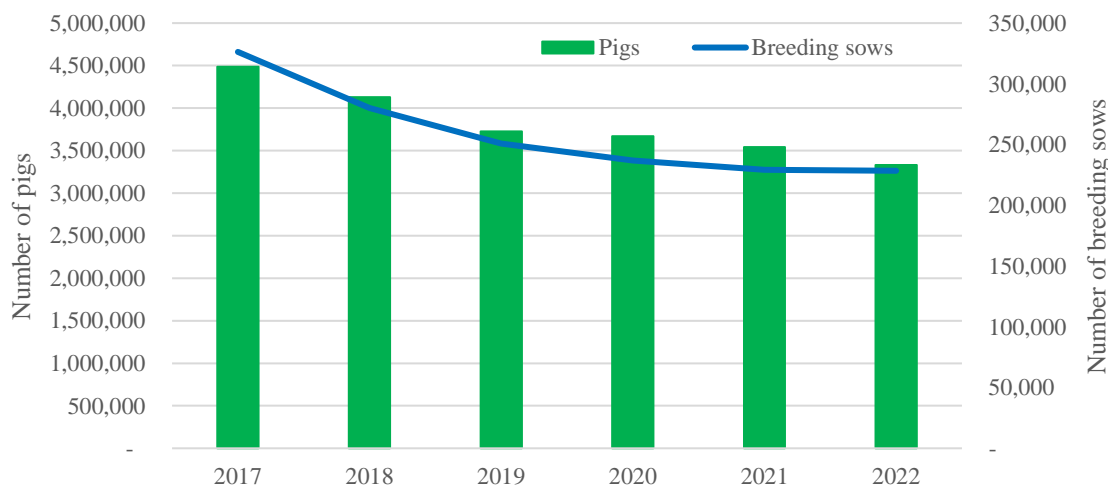
Source: ANSVSA

On the legislation front, the draft law limiting swine breeding in backyard holdings has been subject to debate in Parliament since September 2021. The draft is currently under analysis within the decisional chamber, the Chamber of Deputies, after passing the Senate vote last November. The slow speed of the approval process is interpreted by the industrial pork growers as a fear from the political parties of losing constituents from the rural areas if legal provisions disadvantage backyard holdings. The current draft permits backyard farms to only raise 5 pigs for family consumption and allows the farms registered in the veterinary system to raise a maximum of 15 pigs for both family consumption and market sale. It also provides a range of biosecurity rules which must be observed by all types of operations, which are viewed by the small swine owners as expensive and hard to implement. It also includes provisions related to hunting domain administrators, since wild boars have been viewed as the primary source of spread of virus.

Declining Swine Inventory and Pork Meat Production

Romania’s hog inventory continues to decline, with a 5.9 percent year-on-year drop in May 2022 (Chart 2), per the data provided by the National Institute of Statistics. The decline, which started in 2017, was accelerated by the severe ASF infections in 2018 and 2019. In the case of breeding sows, the decline pace tempered, the sector witnessing a drop of 0.32 percent in 2022 as compared to 14 percent and 10 percent declines in 2018 and 2019, respectively.

Chart 2. Romania - Swine Inventory (May 1)

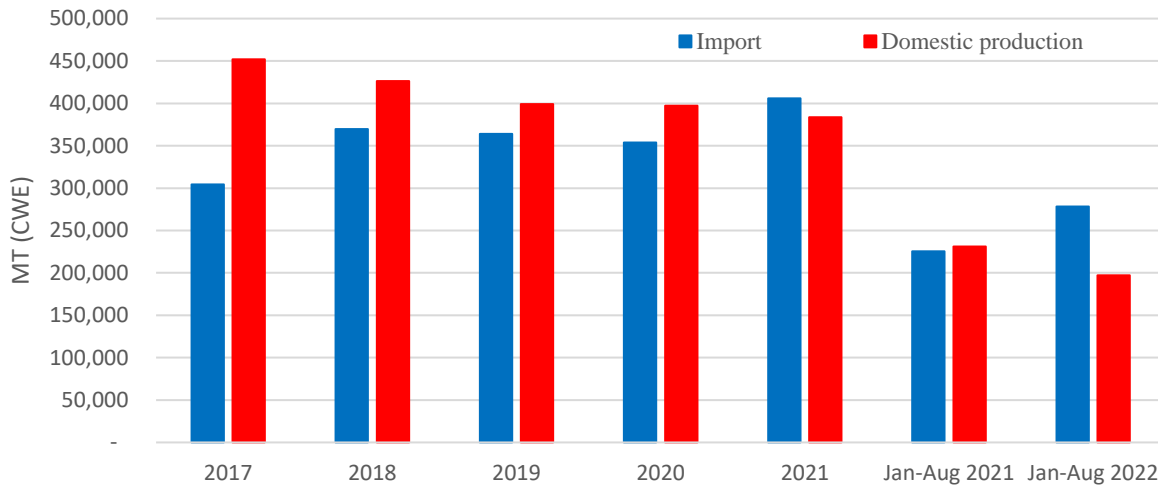


Source: National Institute of Statistics

In line with a declining pig herd, pork meat production dropped by 14.6 percent during the first 8 months of 2022 versus 2021 according to the data provided by the National Institute of Statistics (Chart 3). At the same time, live pig imports climbed by 27 percent year-on-year reflecting a market deficit for piglets. Given the downward trend in production, pork meat imports went the opposite direction surging by 23 percent during January – August 2022 to cover consumer demand. The price of pork meat followed the upward trend of the ingredients and other input prices. According to the data provided by the [EU’s Meat Market Observatory](#), in Romania in November 2022 the carcass weight price was 50 percent higher than a year ago, marginally below the EU average. Citing additional price hikes for energy, fuel, gas, and labor, hog producers anticipate that consumer pork meat prices will continue the upward trend, reflecting increased production costs. Nevertheless, the deteriorating consumer

purchasing power due to the annual rate of inflation (15.32 percent in October 2022) may prevent domestic producers from fully passing the cost increase on to final consumers.

Chart 3. Romania - Pork Meat Production and Import



Sources: National Institute of Statistics, Trade Data Monitor LLC

Attachments:

No Attachments.