

Voluntary Report – Voluntary - Public Distribution

Date: September 06, 2023

Report Number: SP2023-0030

Report Name: Spanish Swine and Pork Production Driven Down by Lower Exports and Animal Welfare Regulations

Country: Spain

Post: Madrid

Report Category: Livestock and Products

Prepared By: Carmen Valverde

Approved By: Karisha Kuypers

Report Highlights:

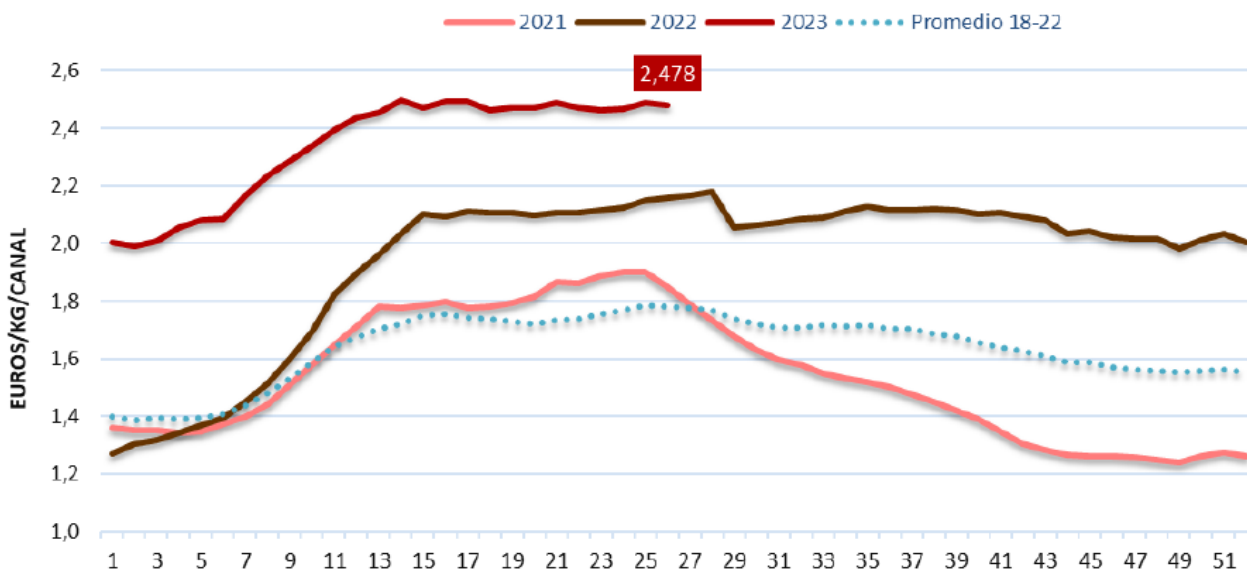
Spain's swine sector expects a continued downward trend in swine and pork production in 2023 and 2024 to slightly less than 5 million tons of pork and below 55 million heads slaughtered. These reductions are driven by lower pork exports to non-EU markets, mainly to China, continued high input costs, and imposition of new EU regulations.

Production

In 2022, Spain continued to be the major European Union (EU) pork producer and exporter. However, industry sources forecast declines in the swine herd, numbers of sows, and pig crop in Spain in 2023 and 2024 after hitting record levels in 2022. The reduction in sows and pig crop in 2023 is partially compensated by increased EU imports of piglets, mainly from the Netherlands and Portugal, which may continue in 2024. These EU pig imports alleviated the reduction in domestic slaughters in 2022 to meet the slaughterhouses' demand.

In 2022, lower pig production in Spain was also exacerbated by several Porcine Reproductive and Respiratory Syndrome (PRRS) outbreaks in Catalonia and Aragon but was compensated by major intra-EU pig imports. Current PRRS situations are under control according to Spanish sources. The record high input price experienced in 2022 in the swine sector resulted in a two percent reduction of total slaughter to 56,657 million heads and 5 million MT of pork. Pork prices have since skyrocketed (Chart 1).

Chart 1. Weekly Spanish Pork Price (€/100 kg, E Class)



Source: Spanish Ministry of Agriculture

According to the sector, the main driver to this reduction other than the expected decline in pork exports to China and other non-EU markets is the [Spanish Royal Decree 159/2023](#) on Animal Welfare, which includes stricter requirements for sows and pigs than the EU regulation. The Decree, whose goal is to reduce tail docking of pigs, includes new values for the maximum density of animals in farms and new conditions regarding feeding, water, feeders, environmental conditions, and the availability of manipulable material for the animals. Existing farms will have two years to make the adaptations. As a result, Spain will have to restructure the swine sector for the next two years to readjust pork production. Due to these adjustments, sow herd and slaughter may continue to decline in 2023 and 2024, with higher carcass weights needed to reach the level of pork production slightly below five million tons. In 2022,

according to official data, sow slaughter increased to 900,000 animals. The sector expects another increase in 2023 due to the reduction in sow herds due to the Animal Welfare legislation.

Fertility rates may remain constant despite unfavourable weather conditions. In Spanish indoor swine production (which accounts for around 92 percent of the total herd), fertility rates are 27-28 piglets per sow, while in the Iberian pig production that are raised outdoors, the rates decrease to 10 piglets per sow. Fertility rates for Iberico production were strongly affected by the severe drought in 2023.

Additionally, due to the measures adopted to reduce antibiotic levels in swine in accordance to the 'One Health' approach and EU regulations (see [EU Livestock and Products Semi-Annual](#) Policy Section), mortality rates and losses also increased in 2022 and may continue in 2023 and 2024.

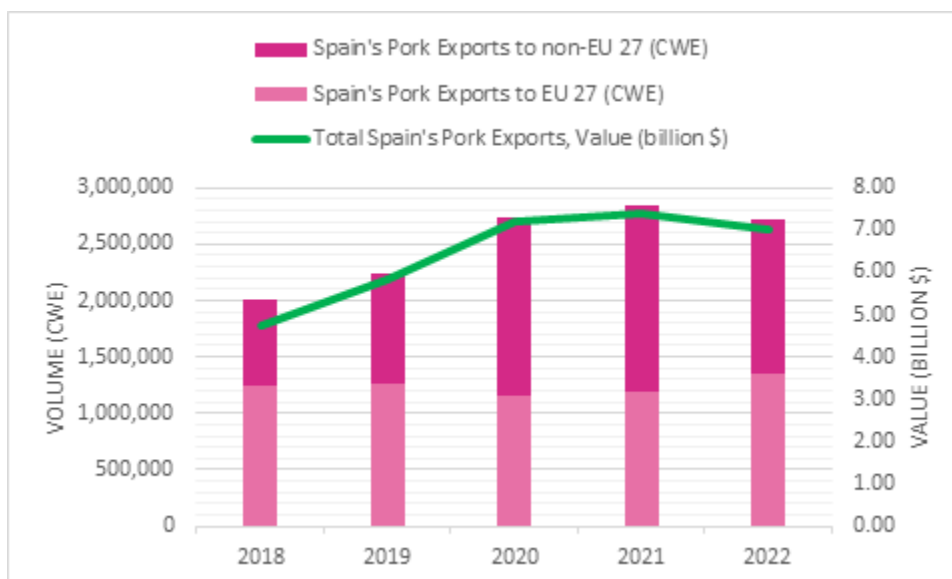
Consumption

In 2022, according to [official data](#) from the Spanish Ministry of Agriculture, Spanish domestic pork prices went up by almost 14 percent due to higher food inflation and higher production costs derived from the conflict in Ukraine. In 2022, according to the Spanish Ministry of Agriculture, fresh pork meat consumption in Spanish households declined almost 11 percent while pork product consumption decreased almost 9 percent, which includes gourmet goods such as Iberico pork products. In early 2023, Spain adopted measures to alleviate food inflation by reducing the value-added tax (VAT) from 4 to 0 percent in basic food products (excluding meat products) until December 2023. However, the increase in Hotels, Restaurants, and Institutions (HRI) and tourism rebounding to pre-pandemic levels may alleviate the reduction in total domestic pork consumption.

Trade

In 2022, according to Trade Data Monitor (TDM), Spain continued to be the major pork and pork products exporter worldwide, amounting to 2.7 million tons in carcass weight equivalent (CWE) of pork valued at \$7 billion (Chart 2). Spain mainly exports frozen and chilled pork meat, in-bone and prepared hams and shoulders, salted/smoked pork, and offal. However, in 2022, Spain's pork meat exports contracted 4.4 percent compared to 2021, as China reduced its demand. However, growth in Asian markets such as Japan, South Korea, the Philippines, and Taiwan among others partially compensated for the 50 percent reduction in sales to China to reach about 521,000 tons (CWE) of Spanish pork. Other important non-EU markets are Malaysia, New Zealand, Chile, Mexico, Cuba, the UK, United States, and Canada.

Chart 2. Spain’s Pork Exports 2018-2022



Source: Trade Data Monitor (TDM)

On the other hand, Spanish pork exports to the EU rebounded in 2022 due to the shortage of pork meat in the EU market to reach 50 percent market share of total Spain’s pork exports. The pork industry estimates that in 2023, Spanish pork sales to non-EU markets will continue to decline in volume because of reduced demand from China and the increase in Spanish pork prices. Exports to the EU may remain strong due to the shortage of pork meat in other Member States. During the first half of 2023, Spanish pork exports rose in value by 13.5 percent due to the increase in the pork unit value, compensating for the nine percent decline in volume.

Regarding imports, other EU Member States are the main pork suppliers to Spain. Spain’s pork imports from non-EU markets account for only two percent of total imports. In recent years, Spain has steadily increased non-EU pork imports from Chile. During the first half of 2023, Chile ranked as the major non-EU pork supplier to Spain, valued at \$1.7 million. Spain’s pork imports from the United States are negligible. With the price hikes in both Spanish and EU pork, Spain’s pork imports from non-EU markets with lower pork prices may continue to increase, with product mainly destined for pork processing plants.

Related Reports

[EU Livestock and Products Semi-Annual](#), March 2023

[EU Livestock and Products Annual](#), September 2022

[High Input Prices Limit Expansion of Spanish Meat Production](#), February 2022

Attachments:

No Attachments.