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## Spain

**Post:** Madrid

### Spain's Swine and Pork Production Report 2015

**Report Categories:**

Livestock and Products

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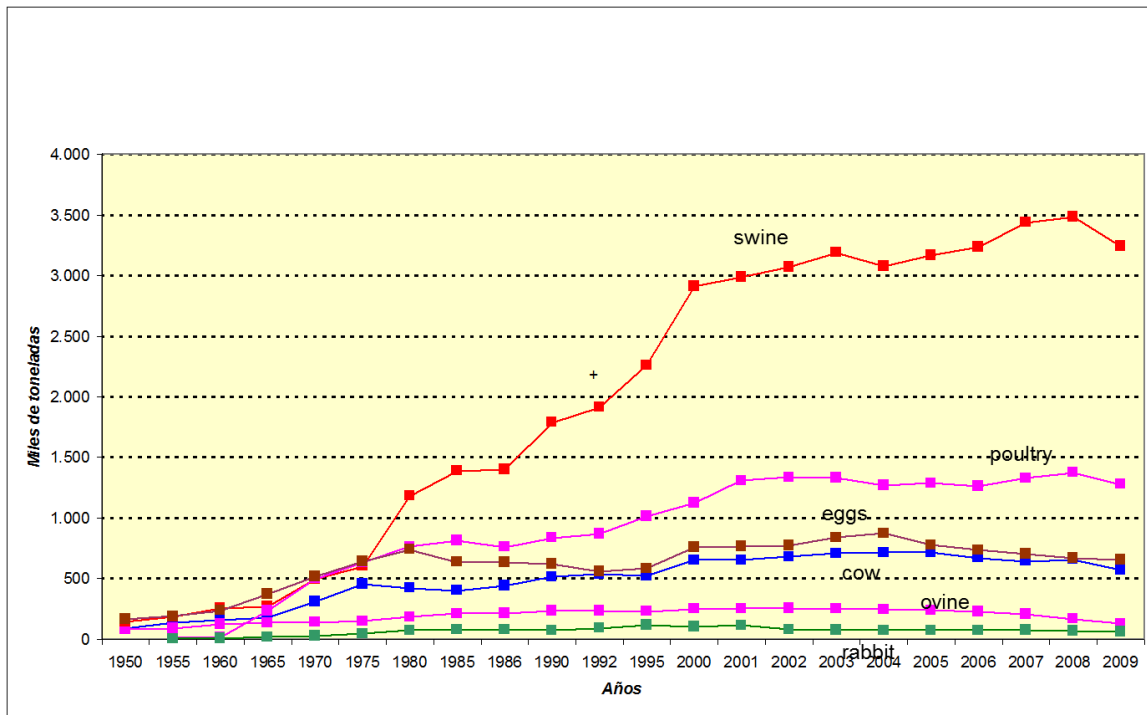
**Report Highlights:**

Despite the current low prices, larger pig herd and increased productivity following good results on new strategic export markets should create conditions to continue the rebound in production.

**General Information:**

As the first livestock production in Spain swine production shows an important increase since the 80's (Graph 1). Relevant official data of the Spanish Ministry of Agriculture, Food and Environment (MAGRAMA) in 2014 shows the Spanish swine sector accounts for 37 percent of the final livestock production and 14 percent of final agricultural production. Besides, in 2015 the Spanish swine sector started with 86,552 farms, (80 percent of the farms as intensive swine production and 20 percent as extensive swine production) thus 1.2 percent higher than previous year and 13 percent lower than 2007, but with higher efficiency. Almost half of the Spanish swine census is concentrated in the north-east.

The main regions of pig population are Catalonia, Aragon, Castile Leon and Andalusia. Spain is the second European swine producer after Germany (Graph 2).



Graph 1: Livestock production in Spain  
Source: MAGRAMA

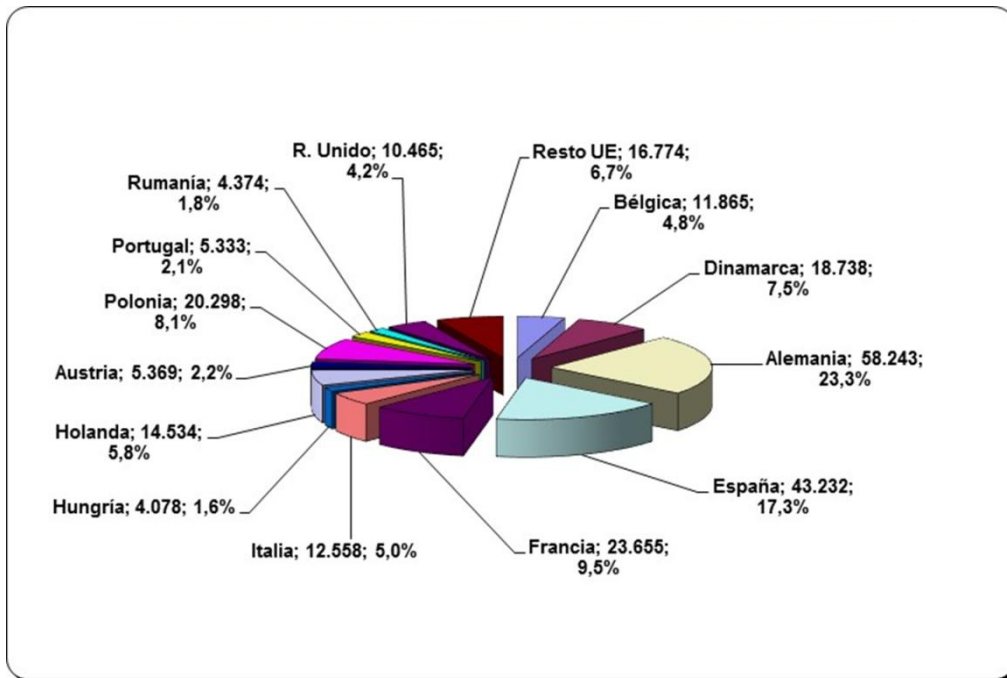
According to Eurostat official data (Table 1), in January 2015 total swine beginning stocks increase by 4.2 percent, reaching 26,567 thousand heads, continuing with the rebound since the previous year after the downward trend of the last years. Breeding sow numbers in January 2015 started with 2,357 thousand heads, a 4.7 percent increase, after a prolonged decrease due to the EU animal welfare regulations. This increase in total swine herd may imply a rebound of production in 2015 of 5.6 percent, reaching 45,206 thousand heads. This recovery may continue in 2016 but at a lower rate. In the EU, Spain has been most successful in restructuring its swine sector. Due to recent restructuring, a strong integration with high dimensioned structures with high investment and technification and the highest efficient use of labor hand in the EU, the swine production cost is the lowest in the EU. The efficient use of labor is expressed in reportedly the lowest number of workers per animal reported in the EU.

	May 2013	Nov 2013	May 2014	Nov 2014
<b>Total (x 1000)</b>	<b>24.597,2</b>	<b>25.494,7</b>	<b>25.412,2</b>	<b>26.551,5</b>
Piglets < 20	7.103	7.055,3	7.594,4	7,878,1
Pigs 20 – 49	5.811,9	5.591,8	5.850,2	5.997,9
<b>Total pigs</b>	<b>9.523,2</b>	<b>10.559,1</b>	<b>9.578,7</b>	<b>10.284,3</b>
Pigs 50 – 79	4.315,2	4.634,6	4.595,5	4.477,6
Pigs 80 – 109	4.444,2	5.198,7	4.151,8	4.683,0
Pigs > 109	763,7	725,8	831,4	1.123,7
Boars	36,3	35,7	35,5	33,3
<b>Total Sows</b>	<b>2.235,1</b>	<b>2.252,9</b>	<b>2.353,4</b>	<b>2.357,8</b>
Mated sows	1.542,4	1.491,7	1.629,2	1.629,7
Mated 1 <sup>st</sup> time	230,1	225,6	266,5	271,0
No pregnant	692,7	761,2	724,2	728,1
Gilts	202,7	222,4	253,9	256,8

Table 1. Pig population in Spain 2013/2014

Source: Eurostat

According to Ministry of Agriculture, Food and Environment (MAGRAMA) last official data, in the first quarter of 2015 total swine slaughter shows an increase of 8 percent compared to same quarter of previous year. Total swine slaughter in 2014 was already 5 percent higher than previous year. According to the Spanish swine industry this upward trend may continue in 2015 with an increase of total swine slaughter of 5.5 percent, reaching more than 45,000 thousand heads. The increase in production and slaughters that may occur in 2015 will follow the start point of the swine production recovery occurred in 2014.



Graph 2: Swine slaughter in the EU 28 in 2014 (x 1000 head)

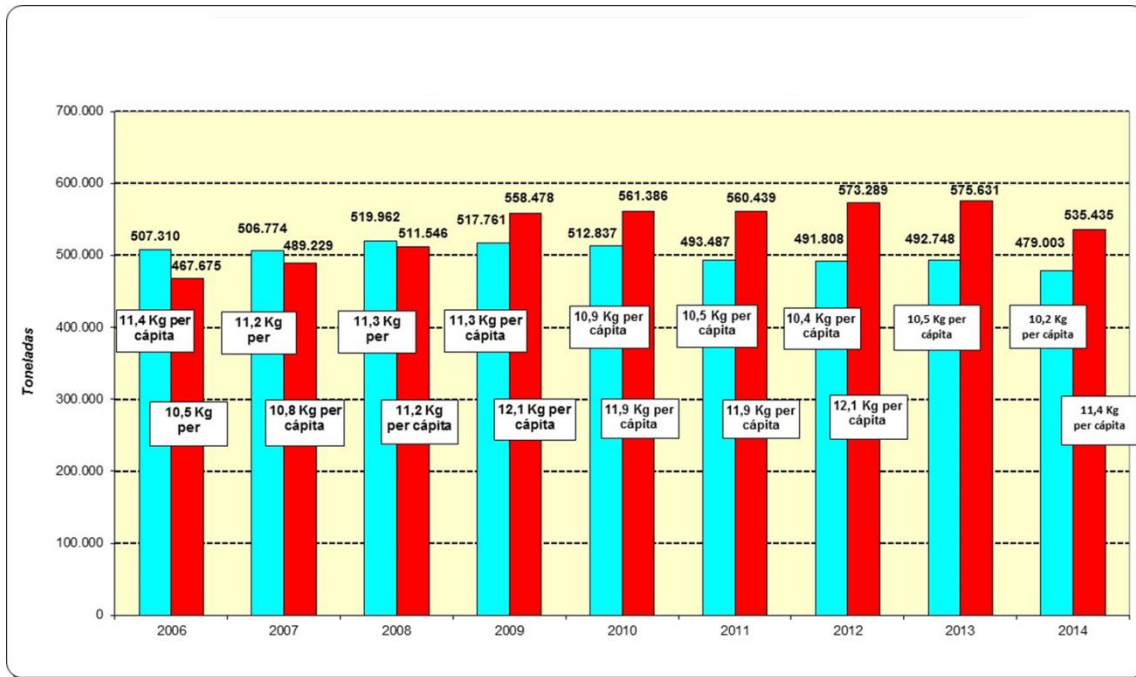
Source: MAGRAMA

In addition, due to the reduction of the number of sows in 2013, in order to maintain the total supply, Spain imported animals mainly from the Netherlands were extremely important in 2013 and continued this growth in 2014 with 28 percent increased of total swine live imports into Spain. In the first three months of 2015 it is observed this same upward trend with a growth of 56 percent with importing animals coming mainly from The Netherlands and Portugal.

2014 in general was a positive year in pig production resulting from lower feed prices and higher pork demand and exports, but with very low prices. Thus, in 2014 the swine sector started a recovery when compared to previous years that according to the swine industry, in 2015 pig production could be higher than 2014 still with important imports of live animals, and may continue in 2016 due to the good export demand.

In 2014 pork production in Spain started recovering as growers have completed the adaptation to the new animal welfare regulations. In 2014, pork production increased 5.4 percent reaching 3,620 thousand MT at the same level as slaughter. This trend may be maintained in 2015 with 5.5 percent growth reaching 3,820 thousand MT. This means there are no projected changes to the average carcass weight.

Although 2014 marked a marginal improvement as Spanish economic situation started recovering, domestic pork consumption may continue the downward trend as the Spanish population continues to decrease (Graph 3).

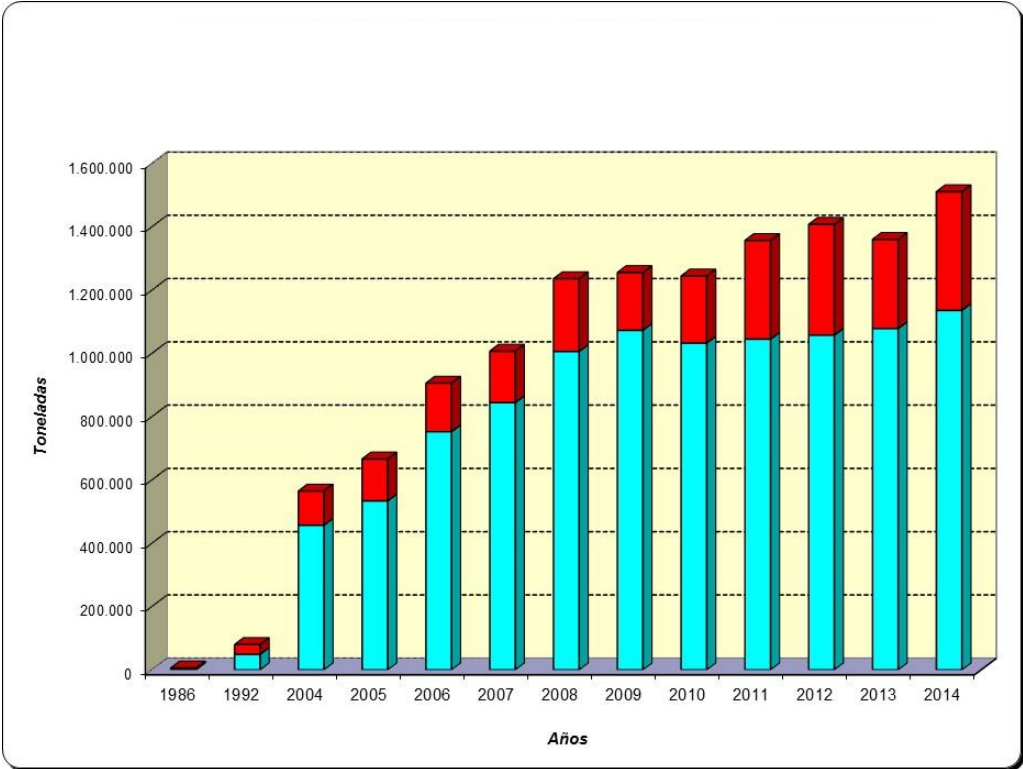


Graph 3: Pork Consumption (fresh and processed meat)

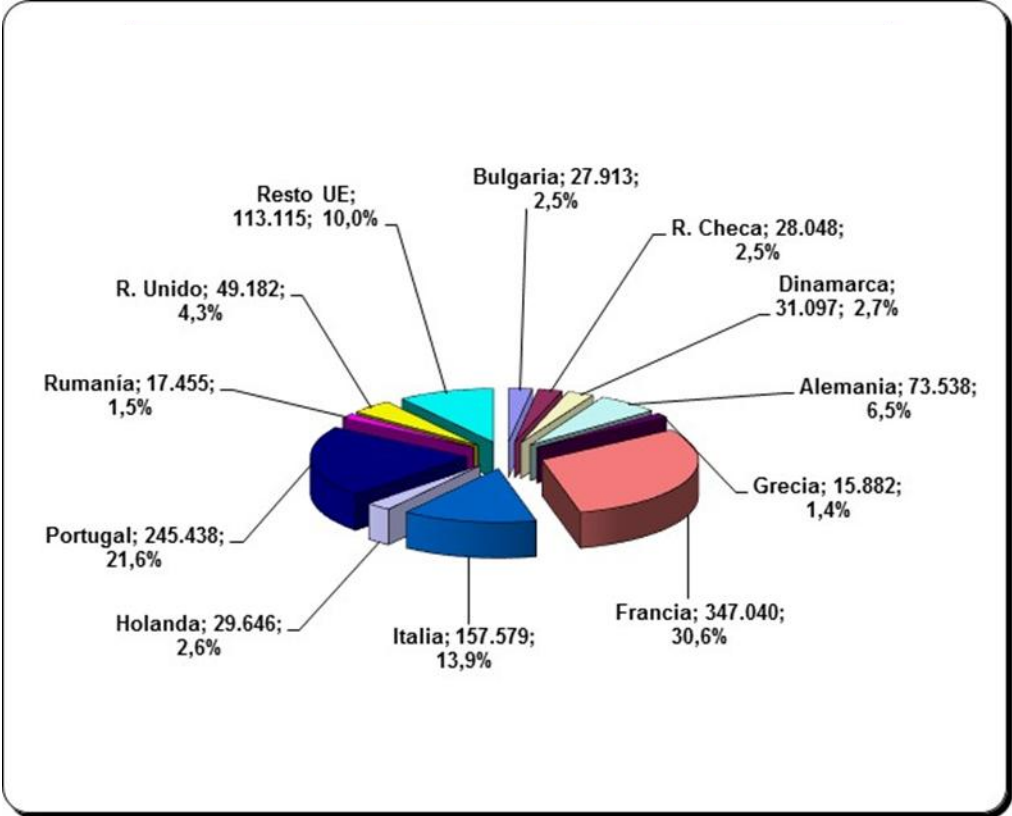
Source: MAGRAMA

According to GTA in 2014 EU pig meat exports dropped by 2 percent due to the Russian ban, while Spanish pork exports increased by 7.5 percent resulting in a record level reaching 1,460 thousand MT of pork meat valued 7 percent higher, due to reorientation to alternative markets from the strong demand of Asian countries (Graph 4 and Graph 5). Spain is a net exporter of pork since 2004 with an upward trend since then; with 72 percent of total Spanish pork exports going to other MS. Spanish pork exports to third countries grew almost 40 percent in 2014. After France, Portugal and Italy, China-Hong Kong remains as the main extra EU destination of Spanish pork exports, after the Russian restrictions. Japan, South Korea, Philippines, and Singapore are the markets with higher growth. In 2014 Spain opened the pork market in Taiwan as new strategic market. In 2014 Spanish pork exports to the United States grew by 83 percent valued 45 percent higher.

In the first 3 months of 2015, Spanish pork exports increased 20 percent, with increases in France, Portugal and Italy, and 49 percent growth in third countries. While export quantities have increased, pork prices are so low that it shows a decrease in value of 5.5 percent.



Graph 4: Evolution of Spanish pork exports to the EU and third countries (tons)



Graph 5: Main destinations of Spanish pork inside the EU 28 (tons)

