



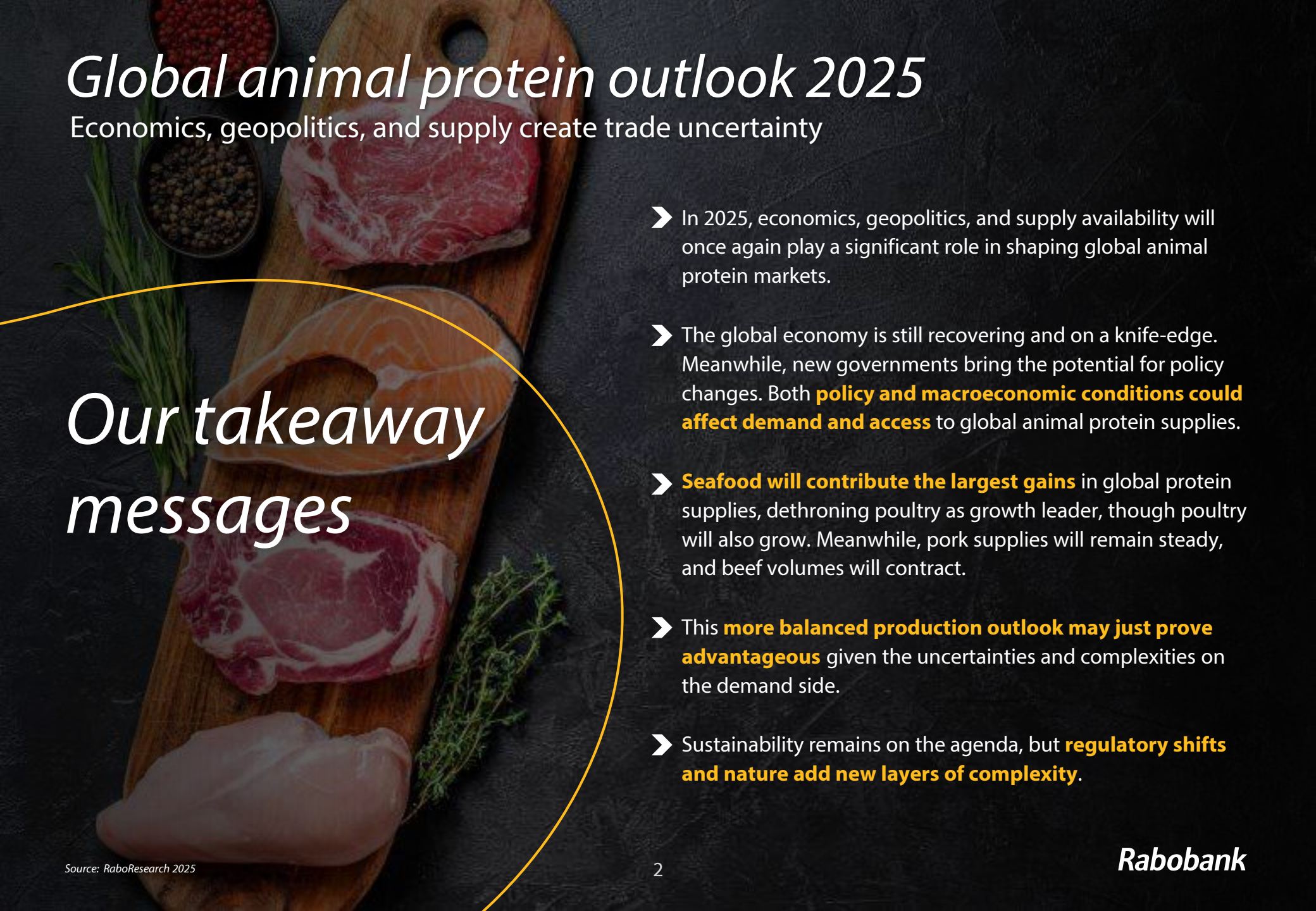
Global animal protein outlook 2025

RaboResearch
Food & Agribusiness

Rabobank

January 2025

*Positioning for growth while
managing uncertainties*



Global animal protein outlook 2025

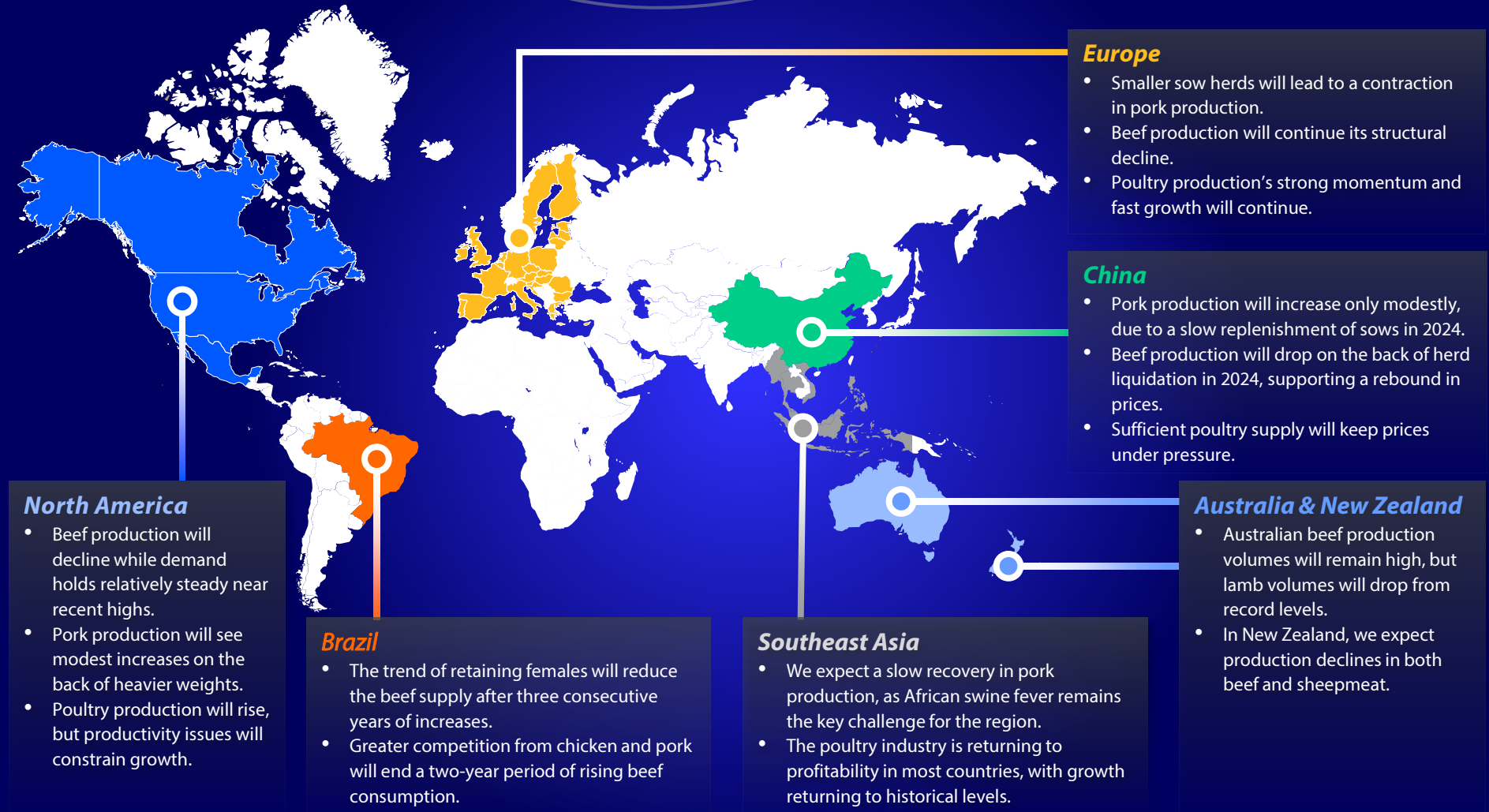
Economics, geopolitics, and supply create trade uncertainty

Our takeaway messages

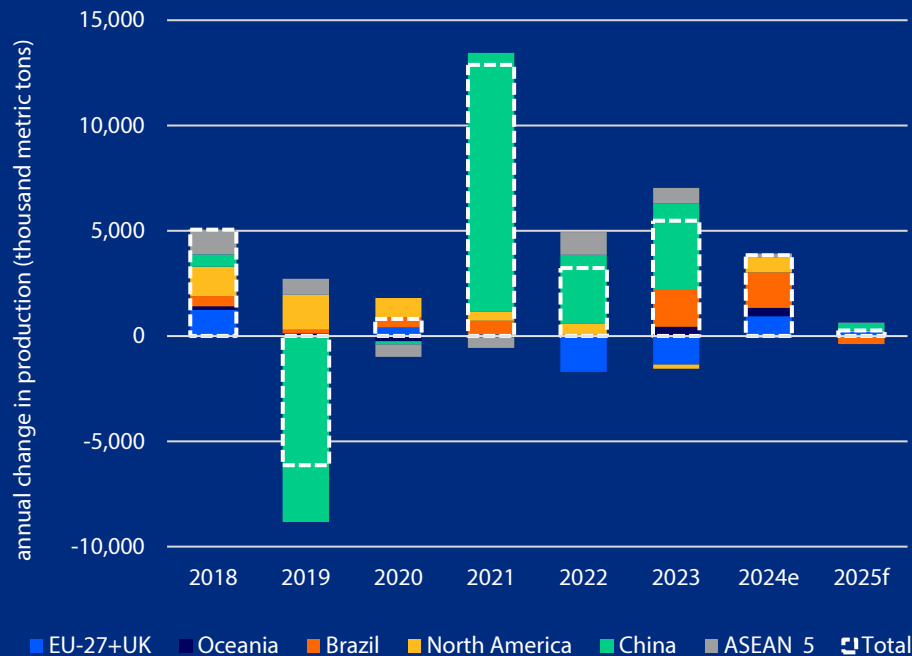
- In 2025, economics, geopolitics, and supply availability will once again play a significant role in shaping global animal protein markets.
- The global economy is still recovering and on a knife-edge. Meanwhile, new governments bring the potential for policy changes. Both **policy and macroeconomic conditions could affect demand and access** to global animal protein supplies.
- **Seafood will contribute the largest gains** in global protein supplies, dethroning poultry as growth leader, though poultry will also grow. Meanwhile, pork supplies will remain steady, and beef volumes will contract.
- This **more balanced production outlook may just prove advantageous** given the uncertainties and complexities on the demand side.
- Sustainability remains on the agenda, but **regulatory shifts and nature add new layers of complexity**.

Global market outlook

Global market finds balance amid a mixed bag of performances across regions and species



Production growth in terrestrial species will slow for most regions in 2025



- Brazilian production will decline 1% from 2024 levels, driven in part by a 5% drop in beef.
- China is likely to see the biggest increase in production (+0.4%) in 2025 after negative growth in 2024.
- Oceanian production will remain steady at 2024 levels.
- The EU, the UK, North America, and Southeast Asia will all see a slowdown in production growth compared to 2024 levels.

Note: ASEAN 5 includes Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

Sources: ABPA, ABS, MARA, European Commission, FAO, Statistics Canada, Stats NZ, USDA, RaboResearch 2025



Production outlook for 2025 in key regions

Global production growth in the main terrestrial species will slow from 2024 rates, with volumes in Brazil contracting and China seeing a much smaller increase than in earlier years.

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Production outlook for 2025 by species

Overall production growth will continue at a slightly higher rate than in 2024, driven by aquaculture, wild catch, and poultry. Other species are unlikely to contribute much to projected growth.

Aquaculture and wild catch to dethrone poultry as the growth leader



- Aquaculture and wild catch are both projected to see strong growth of 2.3% YOY, following 2024's marginal 0.3% decline.
- Poultry production's steady growth will continue in 2025, as it has done for the past decade.
- Beef production will decline, driven by contractions in the US, Brazil, China, and Europe.
- Pork production will hold steady (up just 0.1%) after strong growth of up to 13% from 2021 through 2023 following recovery from African swine fever (ASF).

Sources: ABPA, ABS, MARA, European Commission, FAO, Statistics Canada, Stats NZ, USDA, RaboResearch 2025

Disruption of global trade

Geopolitical tensions, leadership changes, and military conflicts have the potential to materially impact global trade. The increase in protectionist policies could lead to tariffs, adding costs to trade and potentially redirecting it. Similarly, military conflicts could disrupt shipping and freight, adding increased volatility to global markets.

Inflection point for production

For many regions and commodities, 2025 will be an inflection point. Seafood and pork are expected to transition from contraction to growth, while beef moves from growth to contraction. This will alter the balance of power in the market and the supply chain, influencing price drivers and margins.

Economic uncertainty

Although inflationary pressures are trending downward, policy decisions could reverse this, changing the course of monetary policy, adding costs to the system, and keeping consumers focused on prices. Without an improvement in incomes to counteract the effect, greater costs could weaken consumer demand.

Managing biosecurity

The presence and impact of animal diseases continue to challenge producers. Although vaccines, genetics, and technologies like artificial intelligence aren't new, the industry will increasingly turn to these solutions to better manage and control the impact.

*What's on the grill **in 2025***

Regulatory shifts and nature complicate sustainability initiatives

Addressing nature, climate, and regulatory demands will require a data-driven systems approach

Delays and lack of guidelines for sustainability-based regulations create uncertainty

Legislative action on sustainability is an emerging trend for animal protein supply chains, but political influences and implementation delays make policy developments hard to predict. Preparing for regulatory requirements without detailed compliance guidelines risks added costs and uncertainty, while complacency brings reputational risk. Movements on climate and nature mandates in the EU, namely the decision to delay EU Deforestation Regulation (EUDR) compliance through the end of 2025 and the first Corporate Sustainability Reporting Directive submissions in January 2025, foreshadow the uncertainties other regions may face.

Nature topics gain momentum, but relevant metrics are still being defined

Effective management of nature-related issues is now recognized as a strategic risk management issue that is essential for sustaining business models. As such, nature and biodiversity are becoming important topics in the sustainability discussions of animal protein supply chains. Supply chains can already begin preparing for data collection as guidance on nature reporting continues developing. The Taskforce for Nature-related Financial Disclosures has published draft guidance for nature transition planning that is designed to provide a structured approach for addressing dependencies, impacts, risks, and opportunities related to biodiversity.

Lack of consensus on credible nature and biodiversity metrics may stall land and water commitments under the Science Based Targets Network (SBTN). However, technological integration and data could foster opportunities for demonstrating progress, as nature indicators may prove more tangible compared to climate. Identifying synergies with climate-mitigation activities will be a preliminary step toward understanding the ecological complexities in animal protein systems and accounting for trade-offs.

Investment in data-based technologies benefits sustainability and competitiveness

Competitive advantage rests on finding synergies between climate, nature, and regulatory demands. Emerging technologies and innovations offer animal protein companies opportunities to collect, report, and act on operational and supply chain data. Although investments in agricultural technology have declined from their 2021 highs, venture capital deal values began showing signs of recovery in 2H 2024. This suggests a focus on more strategic, higher-quality investments in emerging innovations that advance sustainability in animal protein. Adopting technologies can streamline the collection of sustainability data, tap into commercial opportunities, address operational inefficiencies, and future-proof animal protein through a systems approach.

Addressing the impacts animal protein has on nature

Accessible technologies for data collection and monitoring are necessary to address the impacts of a complex agri-food system on nature. Companies may initially prioritize metrics such as water usage as guidelines for measuring other ecological impacts mature. To identify the materiality of the matrix of impacts animal protein has on nature, companies can use the SBTN's Sector Materiality Tool. The ratings indicate how important each pressure category is for decision-making in each segment of the animal protein supply chain.

Pressure category	Raising livestock ¹	Aquaculture ²	Processing animal protein	Food retail
Terrestrial ecosystem use	Very high			
Freshwater ecosystem use		Very high		
Marine ecosystem use		High		
Water use	Very high		High	High
Soil pollutants	Medium	High	Medium	High
Water pollutants	Medium	High	Medium	Medium
Non-GHG air pollutants	High		High	Medium
Solid waste	Low	High	High	Medium
Invasive species	Medium	Medium		

Note: All categories represent direct operations. Blank boxes denote insufficient data.

¹Cattle, buffaloes, sheep, goats, pigs, and poultry.

²Marine and freshwater species.

North America

Strong demand will continue, with pork and poultry gaining market share due to declining beef production.

Europe

Structural changes in animal protein production and consumption will continue.

China

Prices will remain under pressure, as supply is growing amid relatively stagnant demand.

Brazil

Exports will grow across pork, poultry, and beef.

Seafood

Salmon supply will rise while shrimp production growth falls.

Alternative proteins

Markets will remain under pressure as consumer interest fades.

Key animal protein markets in 2025

Southeast Asia

Pork production will recover, but imports will pose a threat. Poultry will continue to grow.

Australia & New Zealand

Australia will enjoy high production and stable prices. New Zealand pricing will improve on smaller herds.

Feed

Price relief in feed and forage markets will slow.

North American beef: Herd stabilizes, demand strengthens

Cattle producers look for opportunities to rebuild herds, while beef consumers willingly pay more

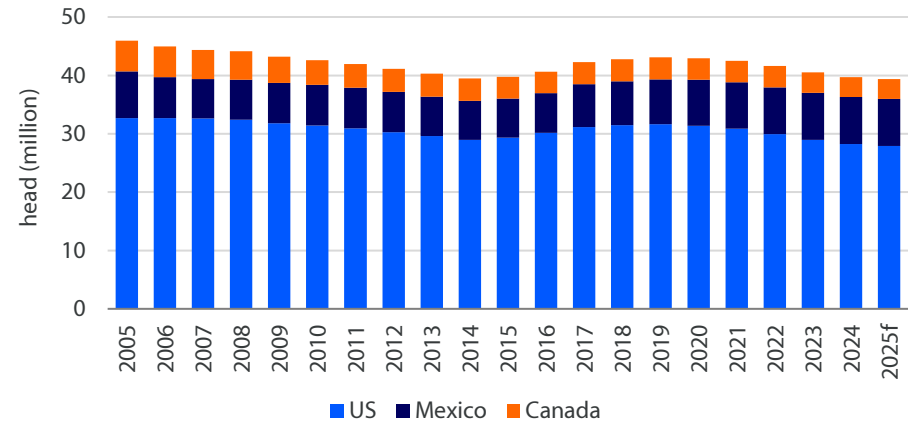
Herd contraction has ended, but the path to rebuilding is complicated

The US beef cow herd stabilized in 2024, with an average culling rate of 10.5%. However, to grow the cow herd from the current low of 28m head, culling rates need to be consistently around 9% or less and heifer retention needs to be more widespread. Farmers and ranchers are more willing to sell calves for record-high profits than invest in rebuilding the next herd, and for many cattle operations, current production risks outweigh returns. In Q4 2024, more than 60% of US beef cow herds were affected by drought, and volatile market prices continued to thwart producer optimism. Canadian producers experienced similar market and weather conditions, and drought slowed Mexican cow herd growth. That will ensure a relatively steady North American beef cow herd in 2025, but previous herd liquidation in the US and Canada will reduce North American cattle slaughter by 1.5m head (-3%) in 2025. Similarly, 2025 beef production will drop 400,000mt (-3%) from prior-year levels. Steeper year-on-year production declines will be more common in 2026 and 2027, as more heifer calves are likely to stay on farms.

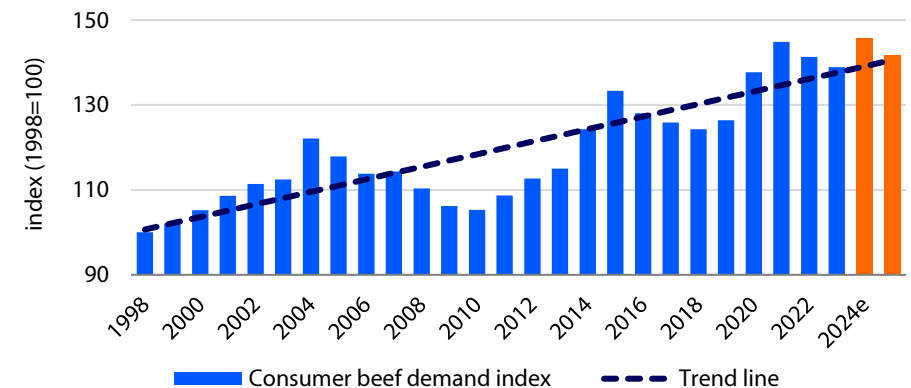
Thirty years of creating demand for US beef supports prices, global trade

Consumer beef demand has been nothing short of impressive. Retail beef prices in the US, Canada, and Mexico all set record highs in 2024. Yet domestic consumption was steady to growing across all three markets despite higher consumer inflation and stagnant income growth across much of the continent. Improvements in North American food safety and beef quality have played an important role in demand resiliency. Since the lows of 1998, US beef demand has grown 1.5% annually, with 2024 estimates pegged at highs not seen since 1986. Although declining cattle inventories will reduce consumption in the US and Canada in 2025, we expect Mexico to maintain per capita supply growth. New US and Mexican government leadership and political uncertainty in Canada add risk to global trade in the new year. However, record-high US cattle and beef prices in 2025 should support the North American marketplace, and US beef imports are on pace to set records again, with 2025 volumes forecast at 2.13m mt (+5% YOY).

Beef cow inventories to stabilize near cyclical lows in 2025



US consumer beef demand to remain historically strong in 2025



North American poultry: Another year of strong profits ahead

Constraints on supply growth will keep the market in balance

Productivity and disease challenges will limit broiler production growth

A strong rebound in industry profitability will incentivize broiler production growth in 2025, yet productivity challenges will remain a bit of a constraint on expansion. A shift toward heavier-weight birds and a gradual improvement in livability as disease challenges moderate will bring about the majority of the year-on-year production increase in 2025. US hatchability remains near historical lows and will improve gradually as the industry adds new hatcheries and adapts management practices. Production will also stabilize in Mexico, as the industry continues to benefit from lower costs of production and investments in biosecurity. North American poultry producers are likely to see another year of lower feed costs in 2025, driven by good US corn and soybean crops that helped restore inventories. RaboResearch anticipates relatively flat costs of production, which should support continued industry profitability.

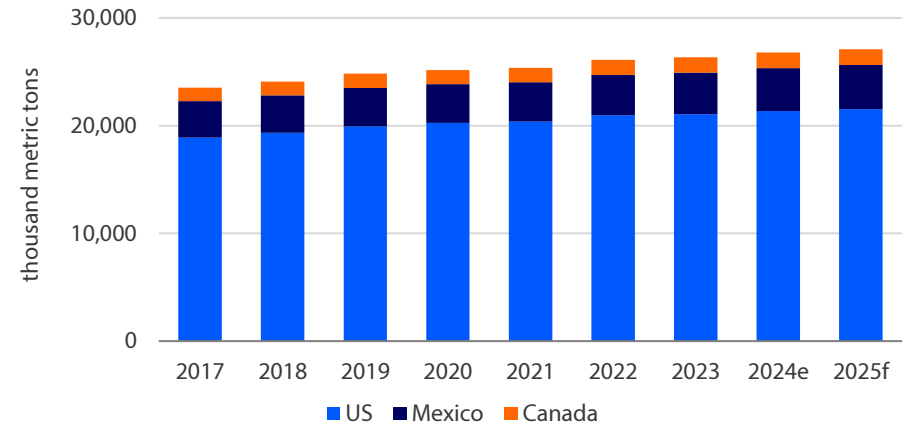
We forecast a 1% to 1.5% increase in US ready-to-cook chicken production in 2025. This follows a 1.5% YOY increase in pounds produced in 2024, the result of two additional slaughter days.

Strong domestic demand helps offset weaker export outlook

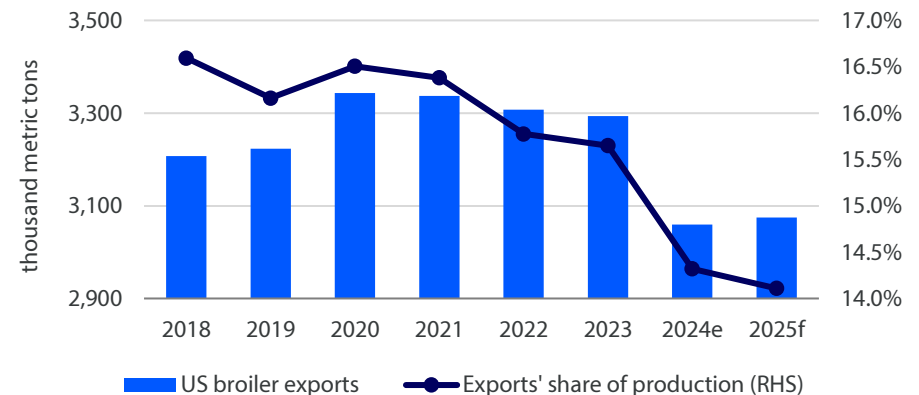
We expect North American chicken consumption to remain strong in 2025, driven by a modest increase in supply and strong demand from the foodservice sector, partly due to reduced domestic beef availability. Given announcements of additional chicken items on menus and planned foodservice promotions in the quick-service channel, we expect prices for boneless, skinless chicken breast and tenders to trend higher year-on-year. Chicken also continues to gain share as an affordable protein at retail, offering consumers a versatile and convenient option. Growth in domestic sales of boneless, skinless thighs and stronger sales of lower-cost dark meat items will continue to compete with exports for volume.

US broiler exports are unlikely to improve materially in 2025, as a strong US dollar and robust domestic demand will limit interest. Increasing geopolitical tensions under a new Trump administration and continued disease-related trade constraints also challenge a return to historical export volumes in the coming months.

North American broiler production moving steadily higher



US broiler exports expected to remain depressed in 2025



North American pork: Margins to stabilize on balanced supply

Industry is slow to expand sow herd after a challenging few years

North American pork supplies to remain stable in 2025

The North American pork industry returned to profitability in 2024 due to a 20% decline in the cost of production and improved herd health in most regions. We expect North American production to stabilize at 16.5m mt in 2025, a 1% increase versus the prior year. After a challenging 2024, Mexican pork production will see a sharp recovery in 2025, thanks to restocking efforts and investments in biosecurity that will drive a recovery in hog availability. Mexican pork production will begin to increase early in the year, with forecasts estimating a 6.8% YOY rise in 2025.

Producers in the US and Canada are taking a more measured approach to growth, focusing on repairing balance sheets and aligning supply with projected demand increases. The US sow herd has stabilized and, assuming a steady health status, is likely to see 1% growth again in 2025. The Canadian sow herd, which contracted in 2023 and 2024 in response to earlier plant closures, will also remain stable. RaboResearch forecasts a slight decrease in Canadian live hog exports to the US in 2025, given limited production growth due to the industry's focus on plant optimization.

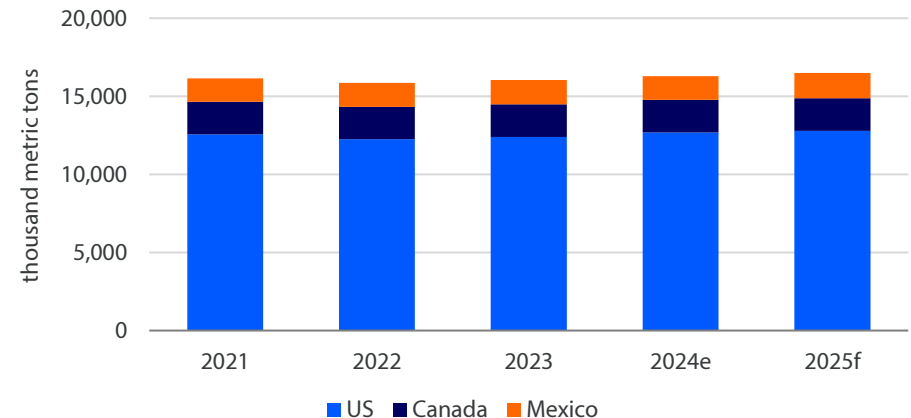
Exports projected to reach new highs, but geopolitics poses a risk

We expect US and Canadian pork exports to remain steady in 2025, following high-single-digit increases over the past year. Despite the stagnant demand in China, global pork demand should remain robust in 2025 due to improving economic trends and reduced competition from European pork. Steady consumption growth in Southeast Asia and Central America will drive consistent exports from the US and Canada, with volumes forecast to increase 1% YOY for both countries.

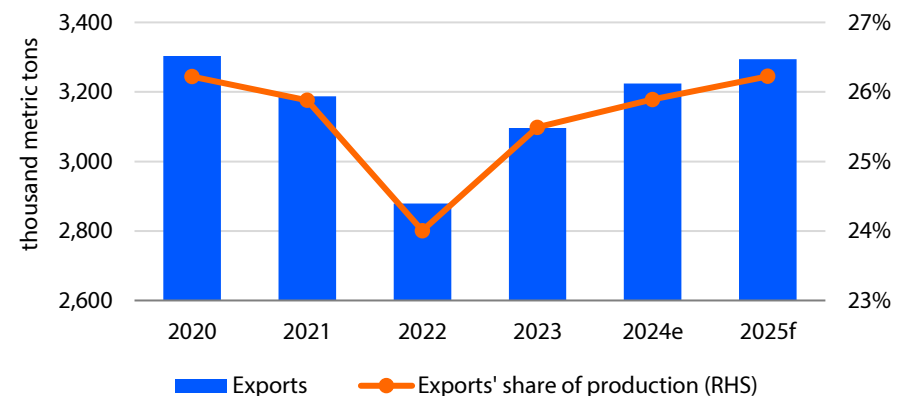
While political uncertainty grows given the new administrations in the US and Mexico and increasing political risk in Canada, North American pork trade terms should remain favorable. However, rising Mexican pork supplies could slow exports from the US and Canada and, therefore, remain a risk to our forecast.

North American pork demand will remain stable in 2025, supported by steady economic growth and lower supplies of competing proteins. Retail demand for fresh pork should remain solid, while demand for processed items could slow in the wake of 2024's recalls.

North American herd to grow modestly in 2025, Mexico to rebound



Record US pork exports expected in 2025



European pork: Production set to decline after growth in 2024

Downward price pressure in 2H 2024 and structural changes drive the cycle

European pork production at a turning point, again

In 2024, improved margins contributed to moderate increases in pork production in the EU-27+UK, but the growth is unlikely to continue in 2025. In 1H 2024, herds in the Netherlands and Italy contracted 6% compared to 2H 2023. Meanwhile, numbers remained flat in Belgium, Spain, and France and increased 1% in Germany and Denmark and 3% in Poland. Overall, the sow herd in the eight major producing countries declined by 0.6% during that period. According to industry estimates, the UK sow herd also showed a marginal decline of 1%. We expect the sow herd inventory remained stable or declined slightly in 2H 2024 in response to lower prices.

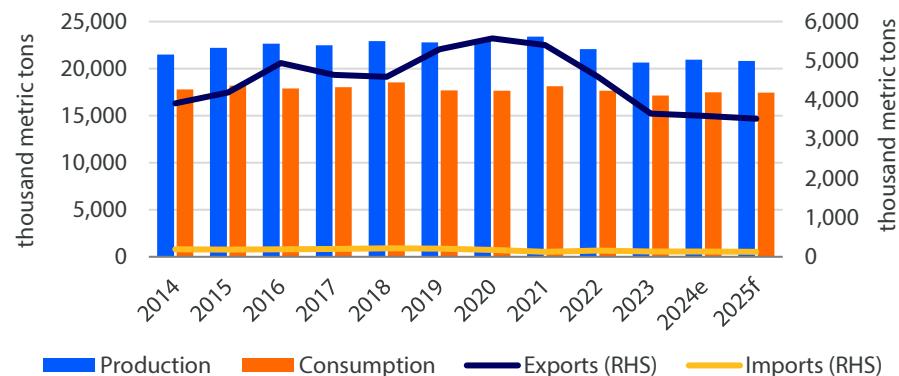
Government buyout programs in the Netherlands will begin to impact production in 2025, leading to a year-on-year decline of 10% to 15%. Additionally, ASF remains one of the biggest risk factors for European pork production, with hot spots concentrated in western Germany and northern Italy. The recently concluded Strategic Dialogue on the future of EU agriculture maintains the targets of the Green Deal but promises more considerations for producer profitability and affordability for consumers, which may slow the pace of implementation.

EU pork trade has stabilized, but risks remain on the horizon

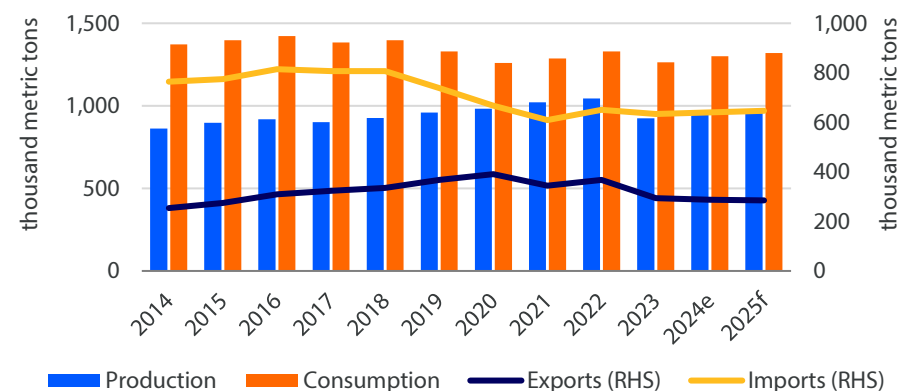
Pressures on EU-27+UK exports will likely persist in 2025. Both EU and UK pork exports are expected to decline 1% to 2% YOY in 2025. However, increasing geopolitical tensions remain a risk to this forecast. China's antidumping investigation into European pork and Donald Trump's return to the White House both carry a risk of higher import tariffs on European pork. With China and the US being major markets for Europe, higher import tariffs would likely negatively impact margins and prices in the EU pork supply chain and lead to a reshuffling of global trade flows.

Pork consumption in the EU has been subdued, but Europe's improved macroeconomic outlook in 2025 may stimulate higher consumption. The tightness in European beef supply may support this as well. However, as with trade, the actions of the second Trump administration will have a major influence on the macroeconomic environment in Europe.

EU pork consumption to remain flat, while production and exports slightly decline



UK pork production set for modest growth in 2025



European poultry: Strong growth, but with regional differences

Industry to continue shifting production from northwestern Europe to eastern and southern EU

Strong growth momentum for EU industry, with regional differences

EU poultry production grew 3.5% YOY in 2024, continuing the strong momentum that began in 2023 (+3.3%) after a few years of slow growth between 2020 and 2022. Profitability was healthy due to solid chicken prices and lower costs, with Spain, France, and especially eastern EU countries like Poland, Romania, and Hungary benefiting and expanding production significantly.

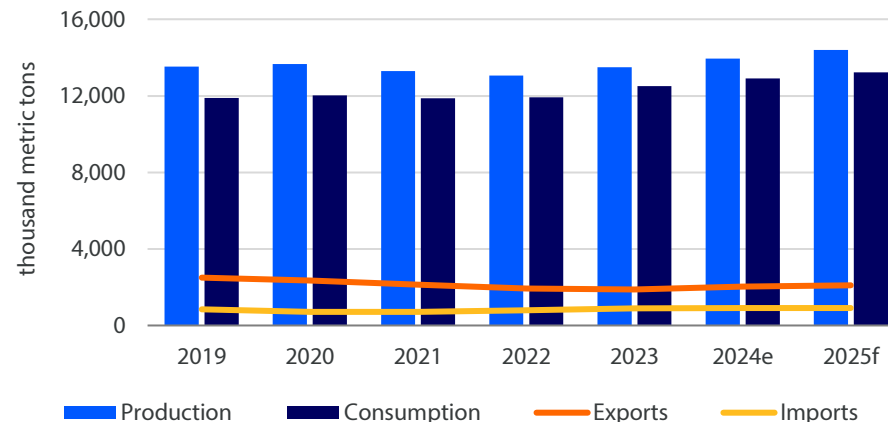
Robust consumer demand is driving growth, with consumers increasingly switching to poultry due to its favorable pricing and product development. Rising immigration, which usually supports chicken demand, is also bolstering consumption. Likewise, customers' rising commitments to sustainability standards, especially greenhouse gas emissions reductions, and poultry's low environmental footprint are further driving growth.

RaboResearch forecasts EU chicken consumption to rise 3% to 3.5% in 2025, offering the industry further room for production growth. Eastern and southern European countries will benefit most, while northwestern countries will increasingly face challenges from customer- and NGO-driven moves toward less-extensive production.

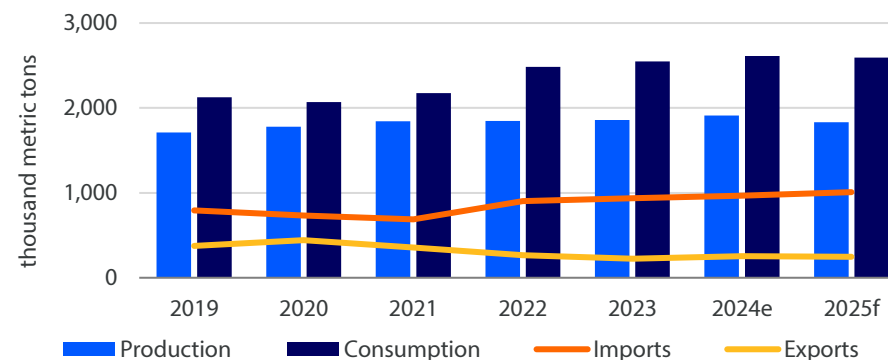
UK production to contract due to introduction of new retail standards

In 2024, the UK poultry industry saw almost 3% annual production growth, driven by increasing consumption (+2.5%) and recovering exports (+10%), mainly to EU countries. But 2025 will be different, due in particular to the 30kg/m² housing standard that major retailers Tesco, Morrisons, Aldi, and Lidl plan to introduce (Sainsbury's has already implemented it). The new standard means not only 20% more space for chickens sold to these retailers but also reduced farm capacity and, therefore, reduced production potential in the short term. Implementation will occur throughout the year, making it difficult to predict the impact. However, our base case projects a 3% to 5% drop in poultry production and a 5% increase in imports. Likely, the UK industry will focus increasingly on local retail supply, and the wholesale and processing segments will use more imported supply. Upcoming farm expansions will offset some of this shift, but self-sufficiency will drop further, in line with the ongoing trend since Brexit.

Accelerated poultry production growth to continue in the EU in 2025



Further drop in UK poultry self-sufficiency after introduction of new retail standards



European beef: Supply to decline, supporting high prices

Consumption to shrink on lower production and easing imports in a tight global beef market

Beef production to return to a downtrend

EU-27+UK beef production trended upward in 2024, but RaboResearch expects it to return to a structural downtrend in 2025, declining 1% YOY in the EU and 2.5% in the UK. In 1H 2024, the cow herd contracted versus prior-year levels in most major beef-producing countries. Only Italy (+6.8% YOY) and Romania (+0.9% YOY) expanded their herds compared to 1H 2023, while in France, Germany, and Spain, the number of cows declined by 1.7%, 2.3%, and 1.9% YOY, respectively. Of the three largest producers, only Spain had a stable herd in 1H 2024 versus the end of 2023. In the UK, lower registrations of calves under 12 months of age point to the herd's continuing decline.

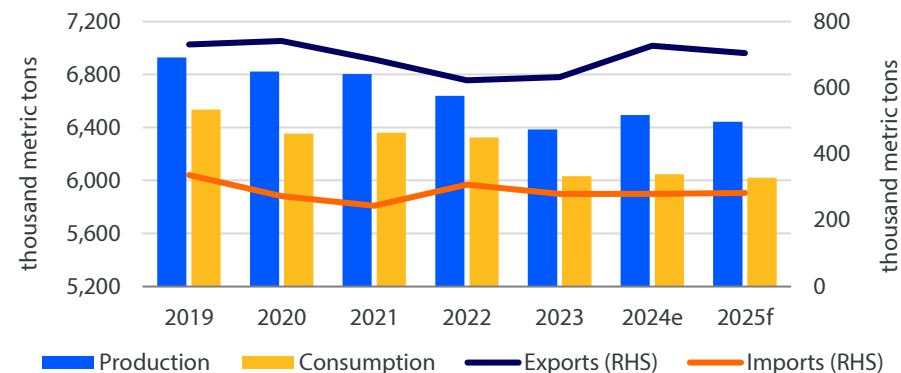
Beef carcass prices reached record highs in 2024, and shrinking production will likely buoy already high prices in 2025. Although we expect European consumers to increasingly turn toward beef following forecast improvements in economic conditions and budgets in 2025, supply will remain a bottleneck. While higher carcass prices and lower feed costs supported better producer margins in 2024, pressure on profitability in beef production persists. This, together with the increasing requirements around environmental issues, remains a concern for the sector in the long term.

Availability to constrain trade

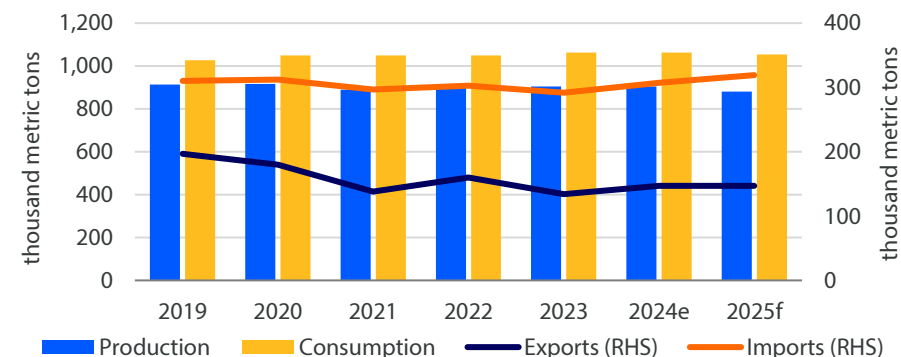
In 2024, EU beef exports boomed, driven primarily by higher volumes to Turkey but also by shipments to Algeria and South Africa, which saw significant increases. RaboResearch expects the relatively high demand from Turkey to continue in 2025. However, total EU beef exports will likely decline in 2025 due to lower availability. Meanwhile, UK beef exports will remain flat year-on-year.

Although high beef carcass prices in Europe point toward strong demand, imports into the bloc are unlikely to increase, as global beef markets are set to tighten, with both US and Brazilian production forecast to drop in 2025.

Low EU beef supply and high prices to remain a bottleneck for consumption



Rising beef imports to offset falling UK production, resulting in flat consumption



Brazil and Argentina beef: Exports to remain strong

An expected drop in global supply and competitive prices should favor shipments

Brazilian supply to drop while exports remain strong

After three years of increases, Brazilian beef supply is set to decline in 2025 as the livestock cycle moves into a contractionary phase marked by greater retention of females to increase calf production. Delays in the onset of rains should postpone the arrival of cattle fattened on pasture and ready for slaughter, which could support live cattle prices in early 2025. However, supply will rise between Q1 and Q2 and could pressure prices, depending on demand. RaboResearch projects a 5% YOY drop in production in 2025.

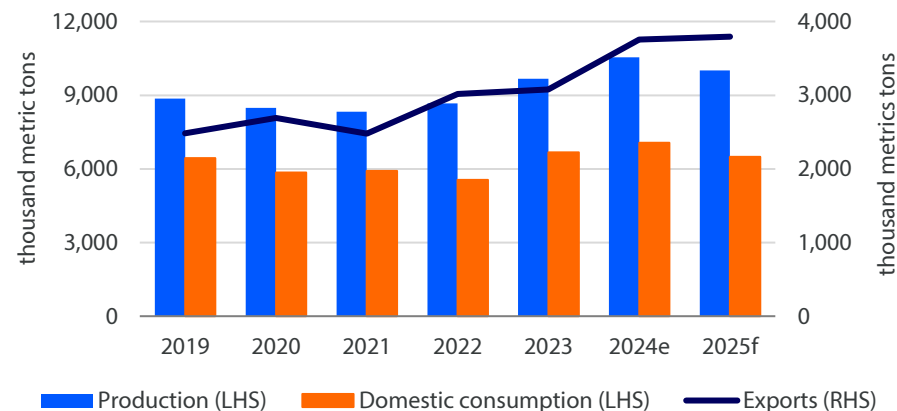
An expected contraction in global beef supply, combined with stiff price competition from other proteins in Brazil's domestic market, will drive exports up 1% to 2% YOY to another record. China and the US will remain the main destinations in 2025. Domestic feed prices should stay at 2H 2024 levels. Therefore, we expect demand for feedlot cattle to remain high in 2H 2025. In the local market, chicken and pork consumption will increase on the back of strong price competitiveness while per capita beef consumption falls after two years of increases.

Argentine beef exports to continue rising

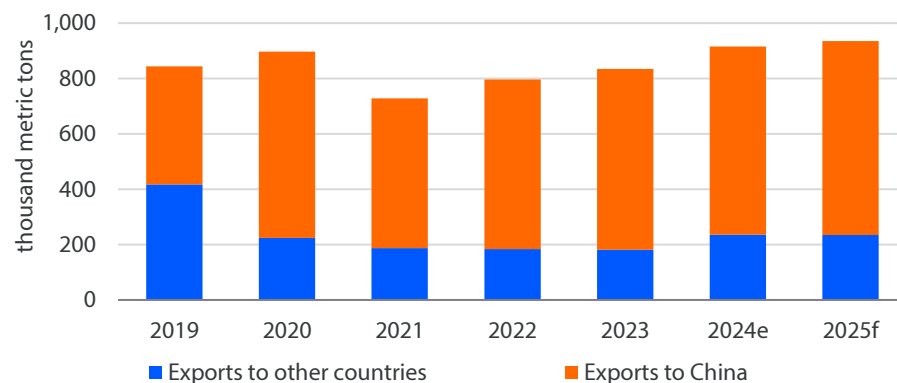
The implementation of policies that stimulate exports, such as reduced export tariffs, has boosted Argentine beef shipments. Year-to-date exports were 14% higher as of October 2024, with volumes to China rising 8.5% and representing 74% of the total volume. For 2025, we estimate that competitive prices in the foreign market, combined with government-stimulated exports, will result in a 2% to 3% YOY increase in shipments and a new record. Fiscal adjustments have positively impacted the Argentine economy but reduced the purchasing power of the population. At 44.8kg per capita, consumption is the lowest it's been in almost 100 years.

On the supply side, the severe drought at the beginning of 2024 stimulated the slaughter of females, reduced pasture quality, and impacted carcass weights. High interest rates also limited herd rebuilding. With calf prices appreciating, we anticipate greater retention of females in a climate-neutral scenario in Q1. This would result in supply stability for 2025, with ranchers increasing the average carcass weight to compensate for the lower supply of females.

Brazilian beef supply to fall after three years of increases



Argentine beef exports to set records for another year



Brazilian poultry and pork: Exports heading for a new record

Competitive pricing and biosecurity expected to bring opportunities for another year

Firm demand strengthens recovery of hog farming margins

A strong increase in demand, mainly external, at the end of the 1H 2024, coupled with cautious supply expansion, drove up live hog prices in Brazil. Prices reached BRL 9.41/kg, the highest value in the last 14 years, in November 2024, marking a 52% YOY increase. In the export market, volumes to China dropped significantly (-41% YTD as of October), but other markets filled the gap. The Philippines increased its purchases by 98% YTD, reaching 192,000mt, just 8,000mt less than China, which remains the primary destination. We project a new record in exports for 2025, with an uptick of 1% to 2% YOY.

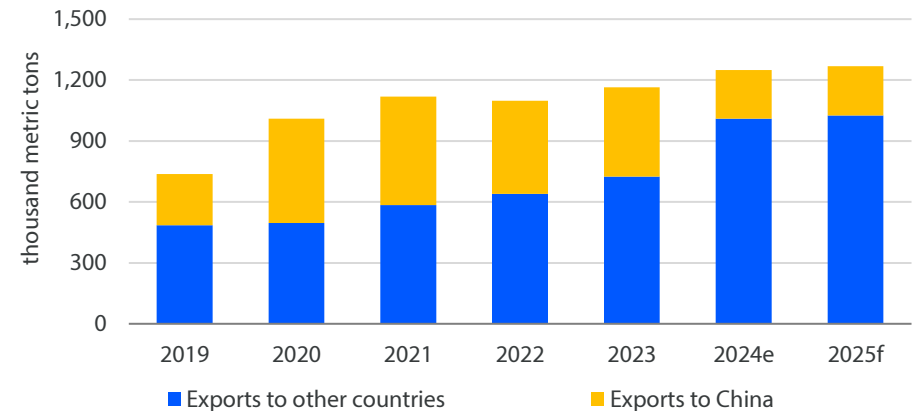
In the local market, we expect strong demand to continue in 2025, primarily due to gains in pork's competitiveness relative to beef. The appreciation of beef prices also allows for increases in local consumer prices of cheaper proteins, serving to test purchasing power and enhance profitability. Consequently, we expect pork supply will continue to grow in 2025, rising 1% to 2% YOY. Although the projected smaller planted area for second-crop corn could, in combination with storage challenges, mean higher corn prices, the record soybean harvest should increase availability and keep feed prices stable in 1H 2025.

Opportunities remain high for Brazil's broiler sector

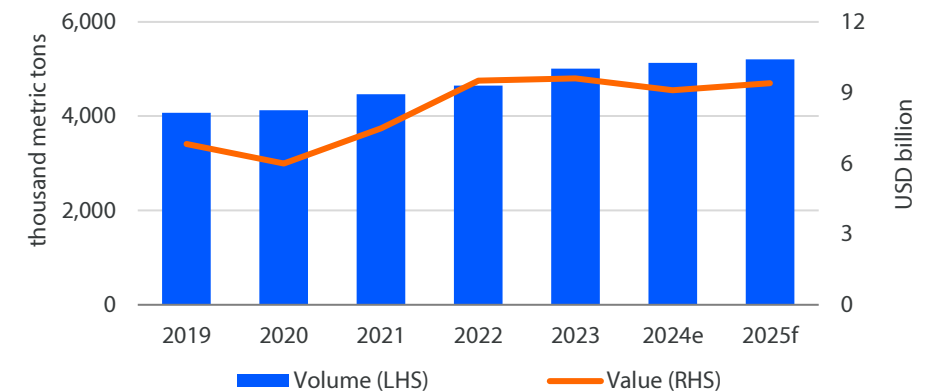
Climate variables, especially those concerning the second-corn harvest, have directly impacted feed prices in recent years and are likely to remain significant in 2025. Grain storage capacity will also be tested given expectations of high production volumes, which could exert downward pressure on feed prices. We project stable feed prices in 1H 2025, consistent with the levels seen in 2H 2024, and therefore forecast both chicken supply and exports to reach records in 2025, with growth of 1% to 2% YOY.

Issues related to animal diseases, particularly highly pathogenic avian influenza, remain the primary risk due to their disruptive potential and low predictability. But Brazil has established regionalization agreements with major importers such as China, the EU, Saudi Arabia, and Japan. These agreements prevent a complete suspension of exports and allow for the redirection of production to neighboring plants. Despite a brief trade suspension due to an atypical case of Newcastle disease, Brazil's estimated chicken exports up to November 2024 were on track to hit a record for the year. In the local market, high beef prices are likely to drive consumers toward chicken.

Even with a sharp drop to China, pork exports remain at record levels



Brazilian chicken exports expected to rise for seventh consecutive year



Chinese pork: Production to increase slowly in 2025

Producers stay cautious while demand remains soft

Domestic production expected to increase slowly in 2025

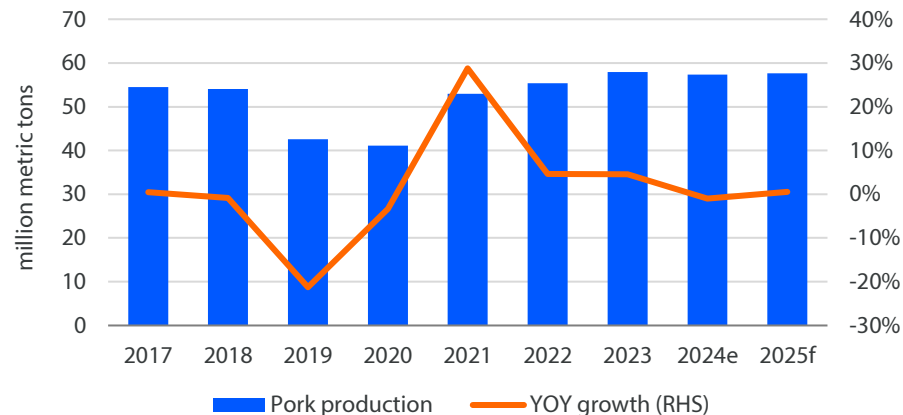
Chinese pork production declined slightly in 2024, driven by herd liquidation following disease outbreaks and financial losses among producers. This supported a strong increase in prices since midyear, although they are now facing resistance due to soft demand. Despite the price improvement, producers have been cautious with sow herd expansion. Large-scale farms maintained a stable sow herd and continued to liquidate unproductive sows, prioritizing efficiency and productivity. Consequently, the sow herd rebounded to 40.6m head by October 2024 – only 1.7% above the Q1 2024 low point and 4.2% lower than the same period in 2023.

Meanwhile, production costs in 2024 declined materially compared to 2023, from above CNY 16/kg on a liveweight basis to below CNY 15/kg. This is the result of a combination of factors, including disease prevention, lower input costs, and enhanced productivity. Market consolidation continues, with smallholders exiting sow production and focusing on short-term activities, such as fattening and secondary fattening. Looking ahead, we expect pork production to increase on a year-on-year basis in 2H 2025. Prices will fall compared to 2024 but stay above breakeven.

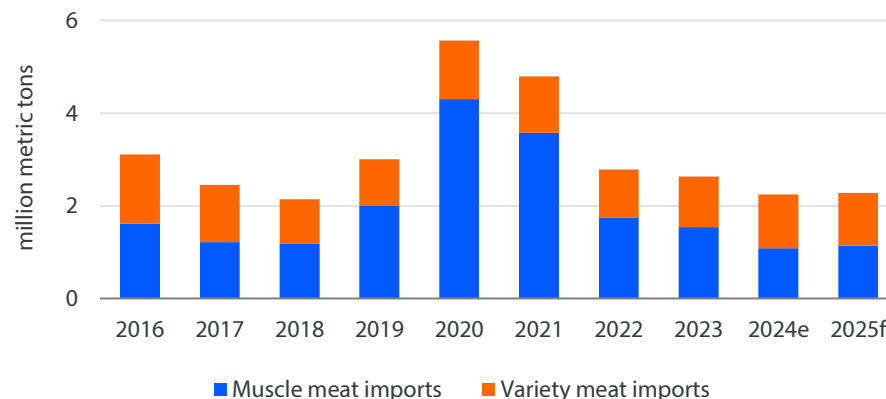
Imports to level off or increase slightly in 2025

Due to declining local pork prices, China's pork imports dropped significantly in 2024, though they may have slightly rebounded in the final few months. We estimate that 2024 imports dropped 15% YOY, with muscle meat down 30% and variety meat up 6%. The possibility of a trade war between the US and China – and a reshuffling of global trade flows as a result – may further increase uncertainty in 2025. Currently, the additional tariffs on US pork exports from the 2018 trade war remain in place. The market has absorbed much of the financial impact of these duties, and we therefore expect the impacts of another trade war to be modest. However, the outcome of China's antidumping investigation of EU pork exports to China is still unclear. Spain was the largest pork supplier in the first three quarters of 2024, though Brazil surpassed Spain in 2023 with slightly higher volumes. Should China impose additional tariffs on EU pork, it would negatively impact imports. Overall, we expect imports in 2025 to stay around 2024 levels.

Chinese pork production will see a modest increase in 2025



China's pork imports likely to stay around 2024 levels



Chinese poultry and beef: Rebalancing for a price rebound

Poultry's price challenges are likely to persist, and beef imports may slow

China's poultry market is rebalancing

Estimates peg 2024 Chinese poultry production growth in the low single digits, due to production discipline under loss-making pressures. Poultry prices in 2024 declined slightly year-on-year due to soft demand and oversupply resulting from capacity expansion in prior years. However, profit margins did not worsen compared to 2023, thanks to lower input costs, particularly for corn and soymeal. Nevertheless, farming and slaughtering margins remained negative. Meanwhile, breeding and further processing performed better. Breeder imports increased due to the resumption of shipments from the US. Consequently, local breeder supply declined modestly, due to demand partly shifting to imports. Overall imports of breeders in 2024 exceeded 2023 levels, implying that production capacity is still high and will pressure prices in 2025.

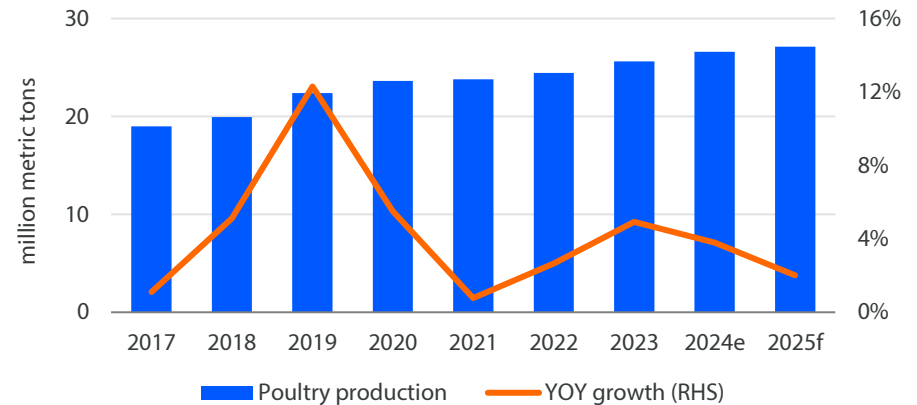
Poultry imports dropped 30% YOY in the first three quarters of 2024. Brazil, Russia, Thailand, and the US were the leading origins, representing 59%, 14.7%, 11.8%, and 7% of China's total imports. While a potential trade war between the US and China looms, the impact on chicken shipments is likely to be limited given the US' relatively small share.

Beef demand has limited upside

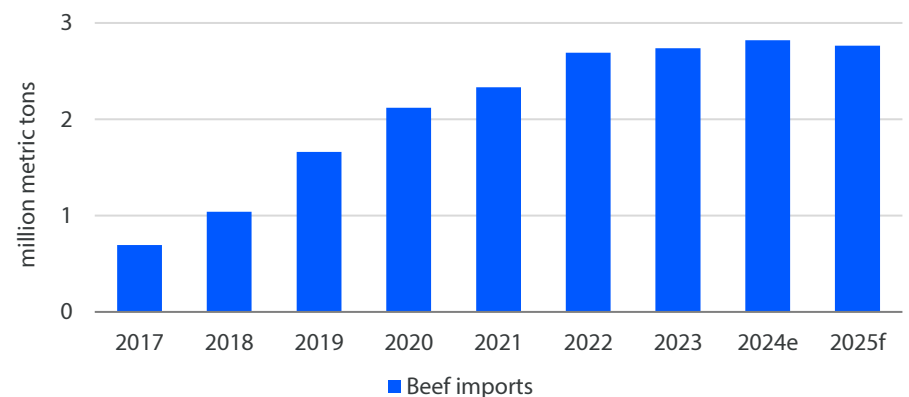
China's beef market was weak in 2024, seeing lower prices at the farmgate and in retail markets. Retail prices dropped 17%, from over CNY 80/kg at the beginning of 2024 to CNY 67/kg in October. Although beef prices have stabilized at current levels, we expect limited upside in 2025. The industry liquidated a significant number of cattle, including dairy cows, in the first half of the year but slowed the pace in Q3. As prices are likely to stay low, herd liquidation will likely continue but at a slower rate, and the focus will shift from reducing losses to improving productivity. We expect local beef production to decline modestly in 2025, following 2024's slight decrease.

Despite weak local prices, beef imports grew about 3% in the first three quarters of 2024, partly driven by lower international prices compared to 2023. Frozen beef inventories were high in 1H but declined in 2H, as consumption volumes were still growing when prices dropped. In 2025, we expect imports to decline slightly due to forecast higher international prices and soft local demand.

China continues to rebalance its poultry production



China's beef imports to decline slightly in 2025



Southeast Asian pork: Rising imports may impact local prices

Economic resilience and disciplined production will benefit the supply chain as market faces rising imports

Vietnamese pork supply to increase in 2025

Vietnam's pork prices increased sharply in 2024, from a low point of VND 50,000/kg in Q1 to VND 67,000/kg in October, due to herd liquidation and improving demand. The industry experienced only sporadic outbreaks of ASF in Q2 and Q3 due to the decline in herd intensity following recent liquidation. Nevertheless, ASF remains the key challenge for the sector. We estimate that 2024 pork production contracted slightly. Despite strong prices, sow herd replenishment has been slow, reflecting the cautiousness of producers who instead are focused on efficiency and productivity for better profits. Looking into 2025, we expect pork production to increase at a low-single-digit rate, due to better productivity, although the disease situation remains uncertain.

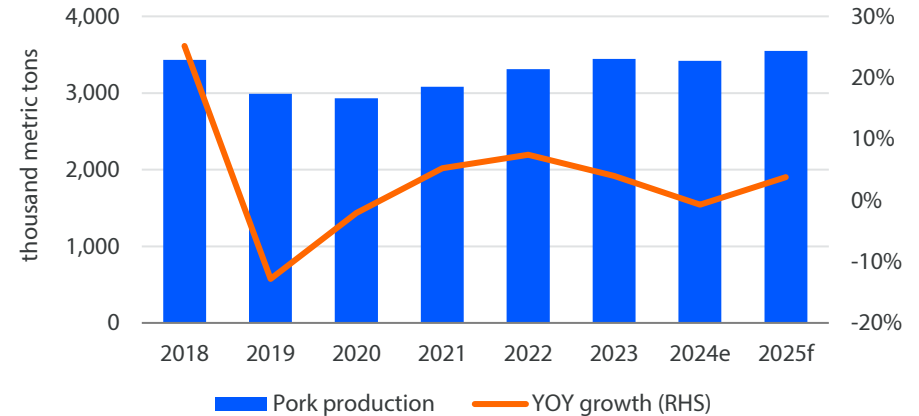
Vietnam's pork import volumes increased substantially in 2024, driven by strong prices and limited supply in the local market. If China imposes antidumping duties on EU pork, more supply, particularly variety meat, will be available for the Vietnamese market and may put downward pressure on local prices.

Pork production to recover slowly in the Philippines

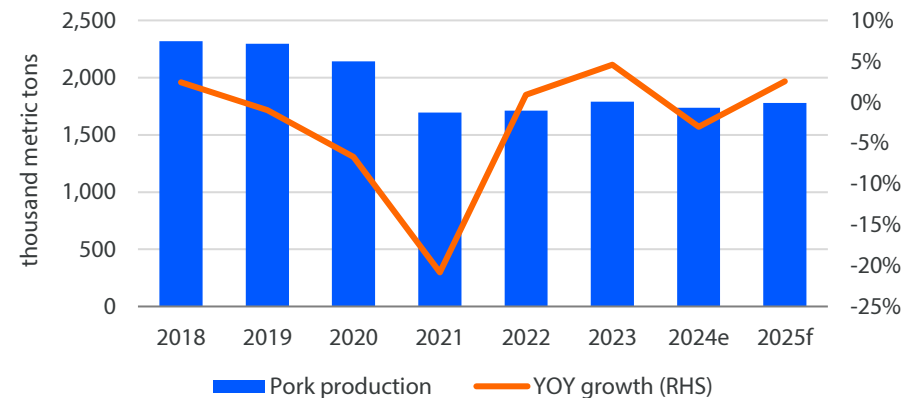
Pork production dropped an estimated 3% to 4% in the Philippines in 2024, due to persistent impacts from ASF. Beginning in early 2024, hog inventory declined continuously, falling to 9.09m head by the end of September – an 8.2% drop from the same period in 2023. With disease outbreaks triggering sow liquidation throughout 2024, we expect 1H 2025 pork production to remain low. However, it may see a modest recovery in 2H, as the government began vaccinations against ASF on a small portion of the herd in September 2024 and may roll out vaccines more broadly in 2025.

Imports surged 24% in the first eight months of 2024, to 224,000mt, due to limited domestic supply, rising prices in the local market, and the extension of tariff reductions through 2028. Import rates are 15% in-quota and 25% out-of-quota. Brazil increased imports over 80% during that period, to become the largest supplier to the Philippines, which is the second-largest destination for Brazil's pork exports. In 2025, we anticipate strong imports driven by limited supply and relatively high local prices.

Vietnamese pork production to resume growth in 2025



Philippine pork production continues slow recovery



Southeast Asian poultry: Industry returns to growth

Production growth returns to historical levels amid strong domestic demand and lower prices

Thai market fundamentals to stay strong, but oversupply is a concern

The Thai poultry industry had a strong 2024 marked by firm chicken prices and declining feed prices. Margins improved, and production rose 2%, with further growth constrained by limited day-old chick supply. Strong domestic consumption, driven by rising tourism and an improving economy, plus solid exports powered the improving market conditions.

Turmoil in the Middle East is forcing Thai exporters to use alternative shipping routes with higher costs and longer transport times. Still, improved spending power in export markets boosted demand for processed poultry in the EU, UK, and Japan. But raw chicken trade was soft due to weak demand in China, Japan, and South Korea, Asia's primary export markets.

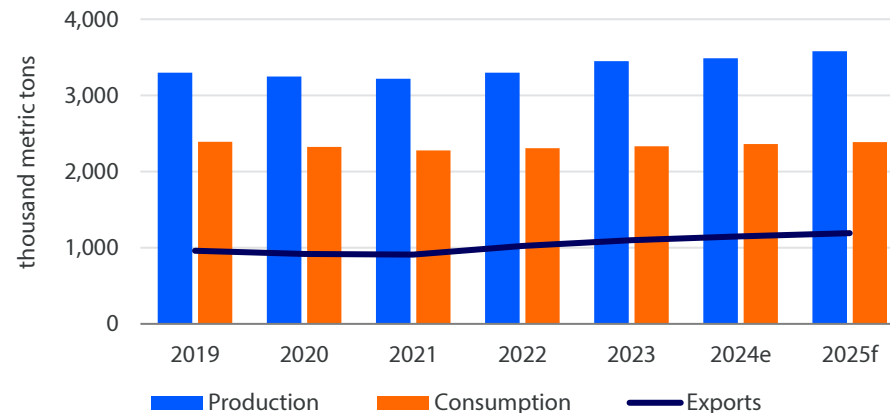
We expect Thai market conditions to stay relatively strong in 2025, with solid export growth (+3% to 4%) pushing exports to new records, including shipment of more processed poultry to Europe and Japan. Domestic consumption will rise 2% to 3%, driven by a stronger economy and rising tourism numbers. Higher domestic demand and increased exports should lay a solid base for a strong year, but disciplined supply growth will be key, as a market downturn in late 2024 added worries about a too optimistic outlook for industry growth.

Southeast Asian poultry production returns to historical growth rates

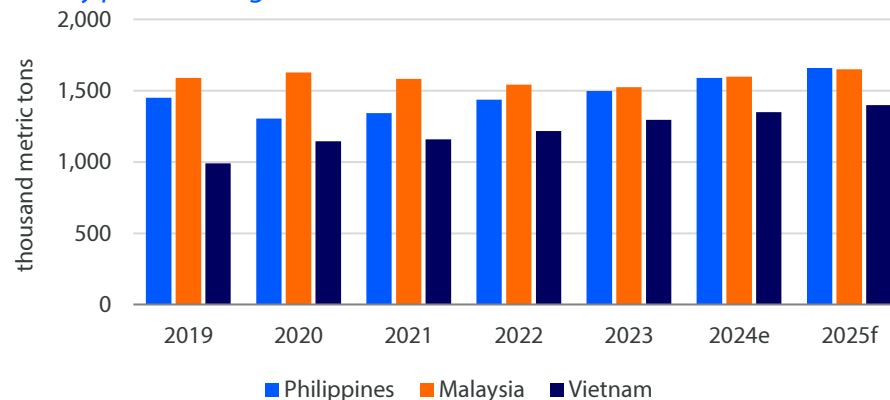
Southeast Asian poultry production grew 3.3% in 2024 on the back of stronger economic growth, rising tourism numbers, lower inflation, and lower feed costs. The rise exceeded our expectations by 0.8% and underlines the region's significantly improved market conditions. Improved spending power and more affordable chicken also supported demand. The Philippines saw the fastest growth (+6%), followed by Vietnam and Malaysia (both between 4% and 5%). The pork industry's continuing struggles with ASF were a significant driver of the rapid production increase observed in the Philippines and provide ongoing support for chicken's growth potential.

We expect production in the region to rise between 3% and 4% in 2025, in line with our long-term expectations, with 4% to 5% growth in the Philippines and 3% to 4% increases in most other countries. Feed prices will stay around current levels, and disciplined expansion will be key for producers. Strong domestic market conditions will also boost imports in line with market growth, as the Philippines, Vietnam, and Malaysia are all net importers.

Thai poultry industry shows strong export and consumption growth



Poultry production growth makes a comeback all over Southeast Asia



Australian beef and sheepmeat: Supplies at historical highs

Consecutive favorable seasons have led to increased herd and flock inventories and high production

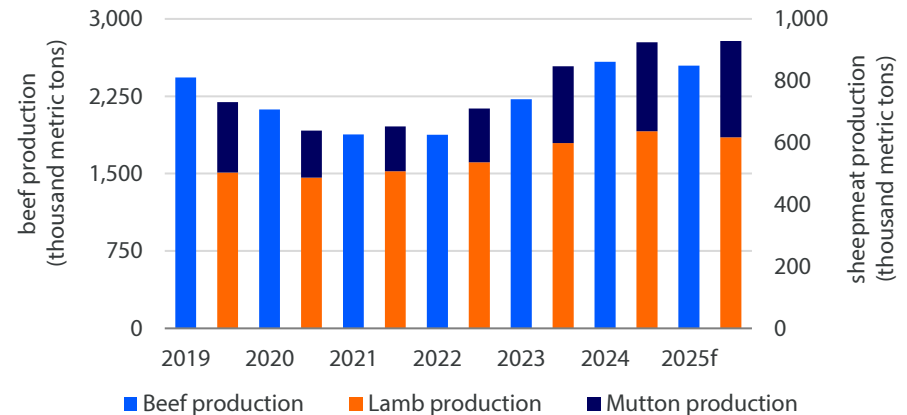
Beef production hits a new record and is likely to stay high

Australian beef production reached a record 690,694mt cwt in Q3 2024. Although some parts of the southeast and the west were dry in 2024, successive favorable seasons allowed the cattle inventory to reach what we believe to be the next cyclical peak, and the higher cattle numbers are now flowing through into higher slaughter numbers. In 2024, cattle slaughter jumped an estimated 19% to 8.3m head and production rose 17% to 2.6m mt. RaboResearch expects production and slaughter numbers to remain very similar in 2025 and exports to remain at high levels as a result. Cattle on feed reached a record 1.4m head in Q3 2024. However, with demand for high-priced long-fed cattle softer, 2025 may see an increase in shorter feeding programs that raises grain-fed beef volumes but reduces marbling characteristics. Higher cattle inventories will likely lift live cattle exports in 2025. Though Australian cattle prices emerged from the lows of 2023, they remained relatively range-bound through most of 2024. Favorable seasonal conditions in 2025 would support cattle prices, with stronger global markets driving potential upside.

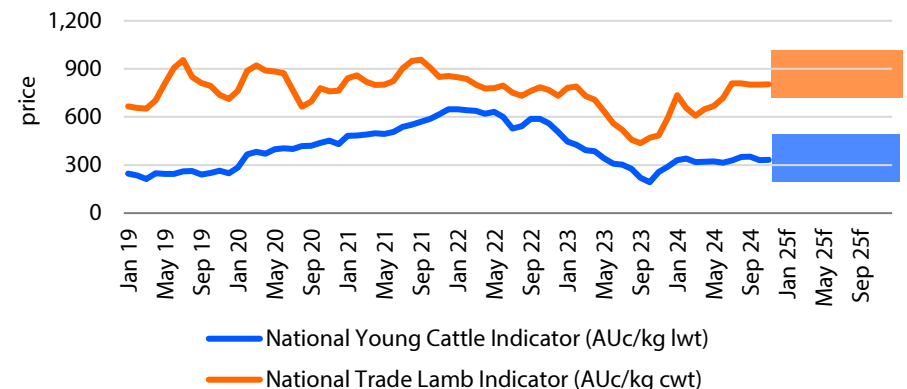
Lamb supplies down from records, providing support for prices

After record lamb production in the first half of 2024, volumes started to recede through the second half of the year. In Q3, lamb slaughter volumes dropped 4% YOY. Uncertainty about how many lambs will be available in the 2024/25 season linger in the market, but elevated sheep slaughter throughout 2023 and 2024 suggests lower availability. However, poor seasonal conditions have prevented producers from finishing lambs within normal time frames, masking the impacts of lower breeding numbers. We believe there is still a volume of lambs yet to come to the market, though it is unlikely to be significant enough to translate to substantially lower lamb prices. RaboResearch expects lamb production in 2025 to decline from 2024 levels and prices to hold and then increase from current levels. The lower volumes will likely also mean increased supply variability throughout the year.

Sheepmeat and beef production volumes at historically high levels



Prices expected to hold at current levels, with some upside possible



New Zealand beef and sheepmeat: Welcoming improving demand

Sheep numbers decline as producers look to capitalize on beef's strong outlook

Production declines for beef and sheep in 2025

Throughout 2024, beef was the moneymaker for New Zealand red meat exports. But production will likely decline around 6% in 2025. Beef cattle numbers in 2024 were an estimated 7% lower than the five-year average, and fewer beef calves were raised over the last two years, constraining 2025 production potential. However, RaboResearch sees potential for the beef cattle inventory to stabilize and possibly even rise into 2026.

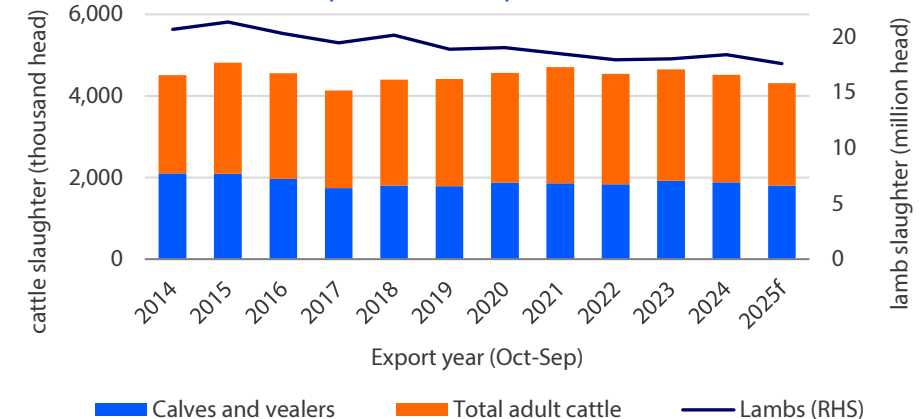
Sheep numbers in New Zealand continue to decline. In response to challenging farmgate prices for sheepmeat in 2024, some red meat producers chose to capitalize on strong beef export returns by slightly increasing cattle numbers. Retention of dairy-beef cattle increased, with bobby calf processing up to early November 2024 declining 4.3%. With export returns for sheepmeat down 7% despite total export volumes being up 3%, the 2023/24 export season was challenging. Lower breeding ewe inventories and difficult lambing conditions in key sheep-production regions in 2024 reduced the number of lambs available for slaughter, impacting 2025 production and exports.

Strong farmgate pricing for beef brings optimism to the sector

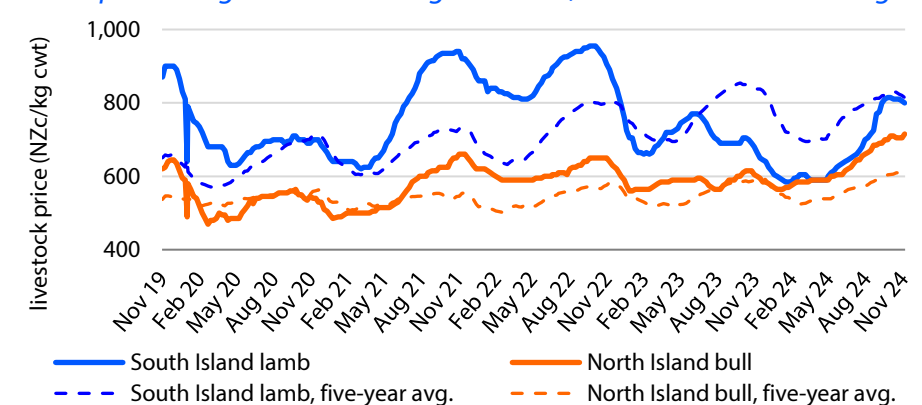
Beef farmgate returns climbed to 20% above five-year averages in 2024, and pricing is on track to remain above five-year averages in 2025. Conversely, sheepmeat farmgate prices hit a cyclical low over the 2023/24 season, with farmgate returns as much as 20% below five-year averages, while a strong lamb crop saw sheepmeat production volumes increase in 2024. Sheepmeat pricing has recently improved, closing in on five-year averages, due to improved demand and higher volumes to markets outside of China, particularly the EU, UK, and US.

Strong export demand will support stabilization and a slow increase in New Zealand beef herd inventories in 2025. Contraction in the US beef production system added upside to export demand and farmgate prices for manufacturing beef, which has, in turn, increased demand across all cohorts of cattle. Australian sheepmeat supplies for export may continue to add competition and limit upside in pricing, but with improved demand in markets such as the UK, EU, and US, lamb-export earnings are likely to improve from 2023/24 levels.

New Zealand's red meat production expected to decline in 2025



Cattle prices surged above averages in 2024, lamb returned to average



Salmon: Supply growth hinges on improving biological conditions

Elevated prices to soften in 2025 but remain comparable to 2024 levels

Global supply growth hinges on improving biological conditions

The global salmon market will remain tight in 2025, with 3.5% YOY growth. Despite improvements compared to 2023, annual production in 2024 only grew an estimated 1% to 2%. Throughout the year, considerable biological issues challenged the industry, especially in Norway, the world's largest producer.

Looking ahead, we remain cautiously optimistic about production growth in 2025, forecasting a supply increase of 3% to 4% YOY. However, the constraints that Norwegian farmers may face, including ongoing sea lice pressure and low vaccination rates for winter sores, temper our optimism. Despite some incremental improvements on the back of new winter sores vaccines and lower seawater temperatures, our forecast includes downside risks. Furthermore, if high lice pressure returns to Norwegian waters in the summer, it could lead to increased mortality if it follows the same pattern as in 2024.

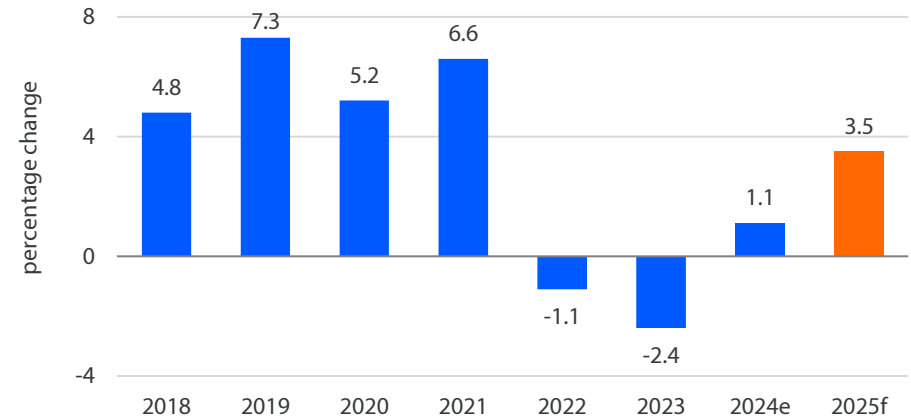
Chile experienced low biomass entering 2024, due to advanced harvests undertaken as a countermeasure to the risks associated with El Niño and increased algae blooms. Again in 2025, biomass is low. However, cooler water temperatures are likely to bring improved biological conditions, lower mortality rates, and better harvest weights, resulting in a projected supply growth of 1% to 2%.

Salmon's relative price competitiveness may attract price-sensitive consumers

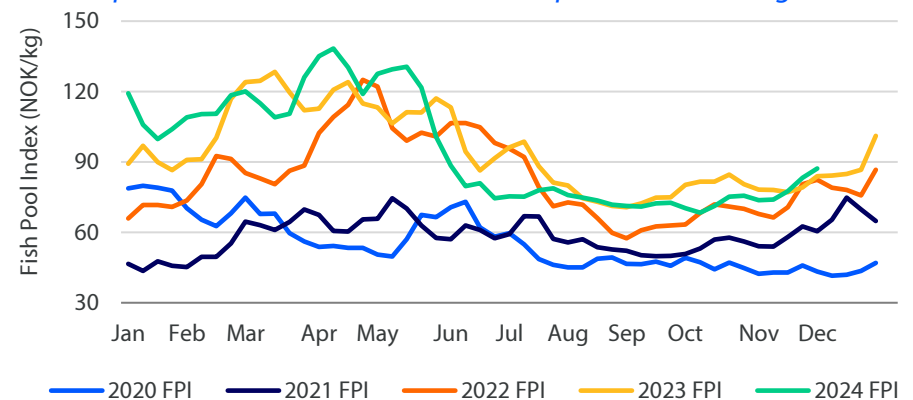
We expect salmon prices to remain strong in 2025. However, they may fall below 2024's peaks in the first half of the year due to a projected recovery in superior-grade fish supply. Despite the lower prices expected for superior-grade fish, the higher quality will improve average realized prices for farmers.

Economic uncertainty and inflationary pressures may further reduce consumer spending on premium products like salmon, making it harder for the market to absorb the increased supply. Despite these challenges, salmon remains relatively affordable compared to other high-priced animal proteins. This price advantage could attract cost-conscious consumers, thereby boosting incremental demand.

Salmon supply growth to improve after three years of limited growth



Salmon prices remain at elevated levels despite mild softening



Shrimp: Markets to rebalance as producers adjust growth rates

With demand in major markets expected to improve, a gradual reduction in oversupply may lead to further price recovery

Global shrimp supply growth slows

To adjust to low prices and oversupply, the shrimp industry is likely to decelerate supply growth to 1% to 2% YOY in 2025, potentially rebalancing the market.

We expect Ecuadorian production growth to drop to single figures – 0% to 2% for 2024 and 2% to 3% for 2025 – after experiencing double-digit growth in recent years. Prolonged declines in consumer spending in China, Ecuador's main export market, may make producers hesitant to expand production rapidly. However, if China's economy recovers more robustly than expected, this forecast could change. To mitigate the impact of low prices and reduce reliance on China, Ecuador is investing in value-added processing to diversify its export markets, which will increase competition with Asian producers.

In Asia, shrimp production is set to grow by 2% YOY in 2025, reflecting cautious optimism. This growth, which marks an improvement over the past two years, hinges on better prices and reduced costs following a period of low profitability. Gradual demand improvement in both the US and the EU will likely encourage farmers to stock their ponds, although increasing competition from Ecuador in these markets could limit growth prospects.

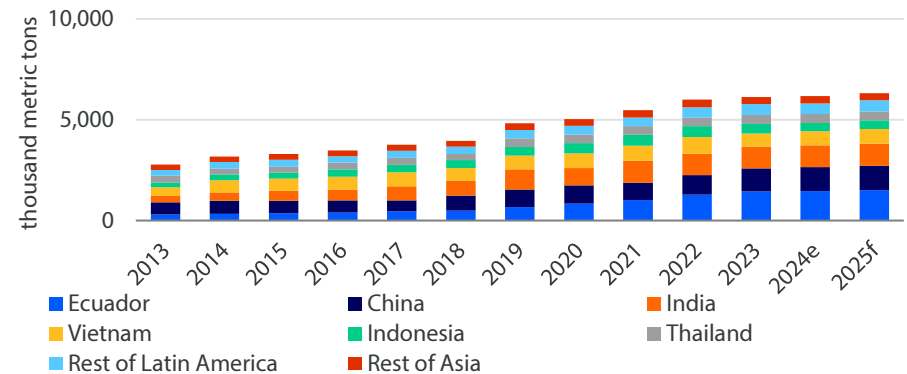
Rebalancing expected to lead gradual price recovery

We expect the anticipated slowdown in supply growth to ease the current oversupply, potentially marking an inflection point for shrimp prices. In the US, demand has not fully recovered, but import volumes and prices have rebounded significantly since January 2024, reaching their highest levels since 2H 2022. Retailers are adjusting prices to reflect wholesale levels, making shrimp prices competitive at retail for the first time since 2020.

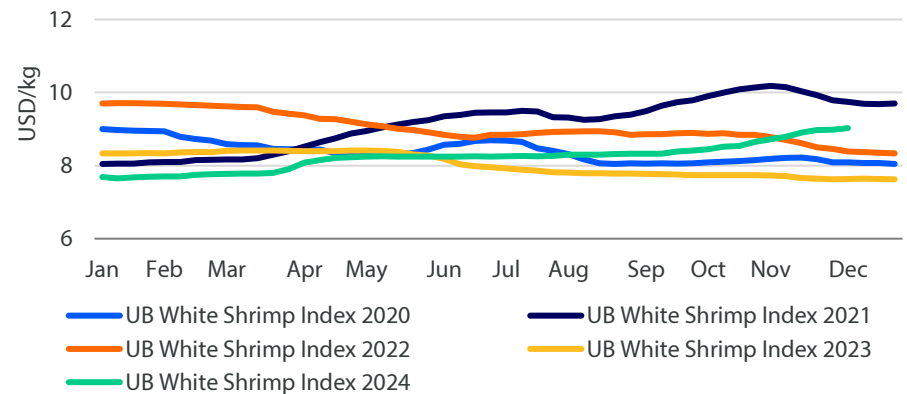
In contrast, China's import volumes and values have been declining month-on-month since February 2024. Continued uncertainty about China's economic outlook due to a property market correction, weak domestic demand, and the need for fiscal support could result in prolonged weakness in shrimp demand in 2025.

Overall, while the US and Europe show signs of recovery, China's market remains a concern. The global shrimp market is poised for a cautious recovery, with supply adjustments potentially stabilizing prices and fostering a more balanced market in 2025.

Shrimp supply growth flat to negative in 2024, with cautious optimism for 2025



Shrimp prices at inflection point as uptrend outpaces supply growth



Alternative proteins: Still under pressure as consumer interest fades

Industry shifts focus from becoming mainstream toward building a solid niche

Consolidation continues amid tough market conditions

In recent years, alternative protein markets have cooled as sales have come under pressure. In 2024, US retail sales dropped throughout the year, with pockets of growth in foodservice, niche formulations, and brands. Major players first responded by increasing promotional activity. Recently, however, they have shifted focus to premium products and catering to a niche audience. European markets have faced a similar slowdown. However, the drop in sales seems to have leveled off in 2024 compared to 2023.

Many players have exited the industry while others have scaled down operations, taken a new approach in their marketing strategies, or focused on reducing costs. We have also seen a decline in new product launches, due to waning consumer excitement about alternative proteins. However, new alternatives to meat-mimicking products that promise cleaner labels and an increased focus on healthiness have come to shelves, highlighting less processing, new ingredients (mushroom roots, for instance), and fiber content (in addition to protein).

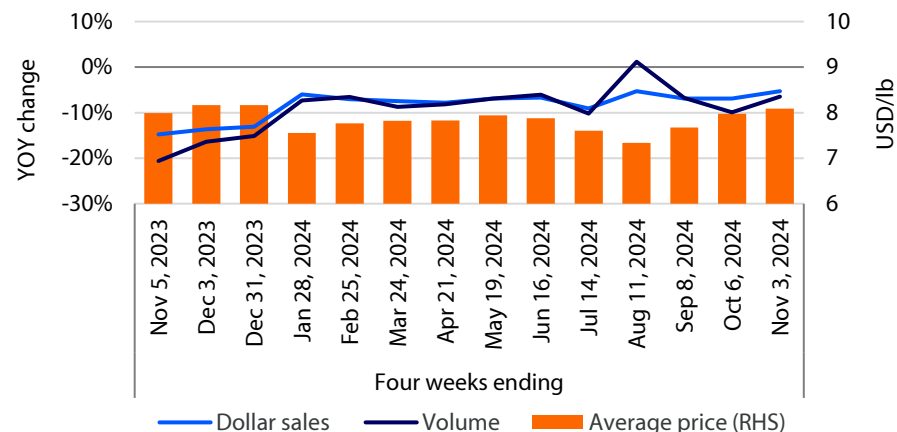
Companies return to niche, with investor appetite declining

Alternative protein companies started out a few years ago with very high ambitions of capturing a significant share of the total protein market, aiming for price parity with meat. More recently, though, companies have changed product positioning and replaced ambitions to maximize volumes with competition for niche segments. Competition on pricing has also taken a backseat for now. As a result, investor appetite has declined on lower growth ambitions.

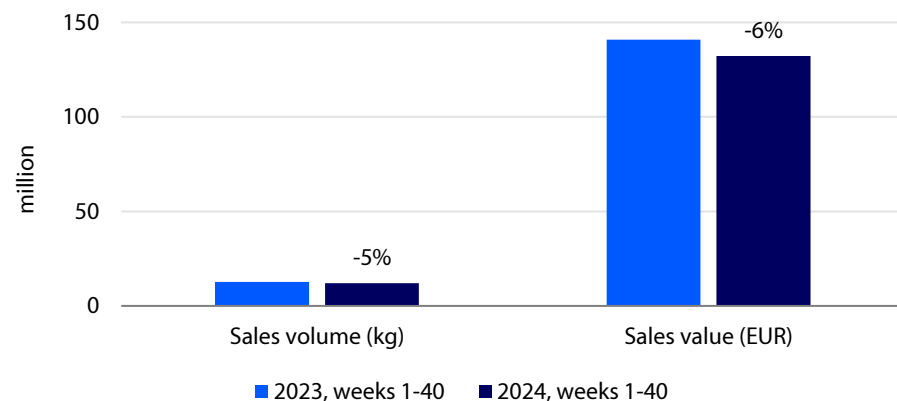
Health and taste, along with concerns about animal welfare, are key motivators for consumers who continue to buy alternative proteins. Minimally processed plant-based options, such as mycoproteins, do very well, as do smaller brands with products outside the meat-mimicking segment.

In 2025, we expect the industry will continue to focus on establishing a solid niche and developing products that are more in line with consumers' expectations.

US retail sales growth of plant-based proteins remains negative



Alternative protein sales in the Netherlands declined in 2024



Fish meal: Quota inspires optimism for continued supply recovery

Normalizing fish meal supply combined with soymeal surplus should induce a partial correction in fish meal prices

Supply boost expected for key commodities as La Niña returns

Following a period of neutral conditions, La Niña developed in the second half of 2024 and is expected to positively influence fish meal production. Peru announced an anchovy quota of 2.51m mt for the second fishing season of 2024, eliciting cautious optimism in the industry. This substantial quota reflects a healthy biomass after last year's disruption from El Niño and represents a 49% increase compared to the second season of 2023. According to IFFO – The Marine Ingredients Organization, if the full quota is harvested, it could add 500,000mt of fish meal and 60,000 to 80,000mt of fish oil to global supplies. Even if the quota is not fully caught, a high catch rate, which is a likely outcome at the time of writing, would represent a welcome boost to supply.

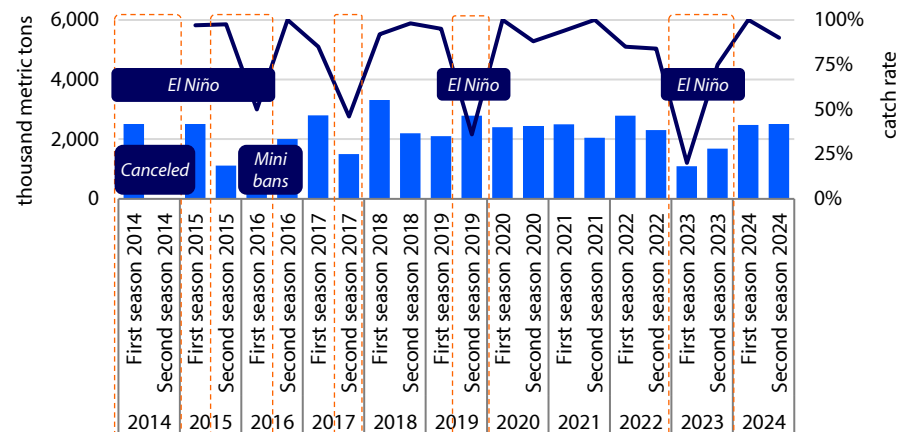
Similarly, the end of El Niño is likely to reduce drought events in key soy-producing regions. The top three exporting countries – the US, Brazil, and Argentina – are experiencing strong soybean production. Meanwhile, China's import demand remains lackluster. This combination is likely to result in an overwhelming surplus in 2025.

Fish meal and soymeal prices are facing downward price pressure

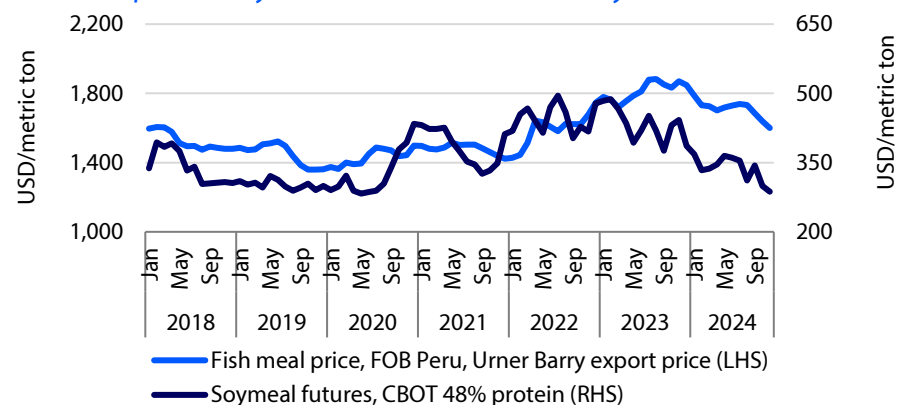
China, the world's largest fish meal buyer, has been rebuilding its inventory due to improved Peruvian supply in the first fishing season. Typically, fish meal demand peaks in Q3 during the aquaculture season. However, stocks at major ports have been rising since July 2024, indicating weaker demand in both the aquaculture and pork sector. China's grain and oilseed stockpiles, especially of soybeans, are reaching record levels in anticipation of a trade war. Favorable seasons in the US, Brazil, and Argentina are expected to create a soymeal surplus, which will likely depress prices further in 2025.

Despite a favorable quota announcement, fish meal remains relatively expensive compared to soymeal, suggesting that a mild price correction is still possible for 2025. This assumes no unforeseen supply issues in the soy and fish meal industries.

Return of La Niña conditions to boost fish meal supply in 2025



Fish meal prices may correct further based on soymeal futures



Feed and forage: Price relief in markets to slow in 2025

Sustained stock growth needed for lower prices, but weather and geopolitics bring uncertainty

Additional stocks needed to drive feed prices lower

Global feed commodity prices will likely trend sideways through 2025. Rising production coupled with sluggish demand pulled prices back in 2023 and 2024, but a more sustained rebuilding of feedstocks is needed before feed costs can fall even lower. Movements within the commodity groups have been bipolar recently. The supply of small grains, particularly wheat, has gotten tighter in recent years. But this has caused only marginal feed price appreciation, as corn and soy drive these markets. Corn stocks have remained relatively flat, albeit at a low level. Soybean stocks continue to grow, as does use, but at a slightly slower rate. While soybean oil drives the crushing equation, meal helps margins as it continues to gain share of total value. This indicates that corn could receive a little more price support than soybeans in 2025.

[For more detail, read RaboResearch's Agri commodity markets outlook 2025: Fat tariffs lead to slim margins.](#)

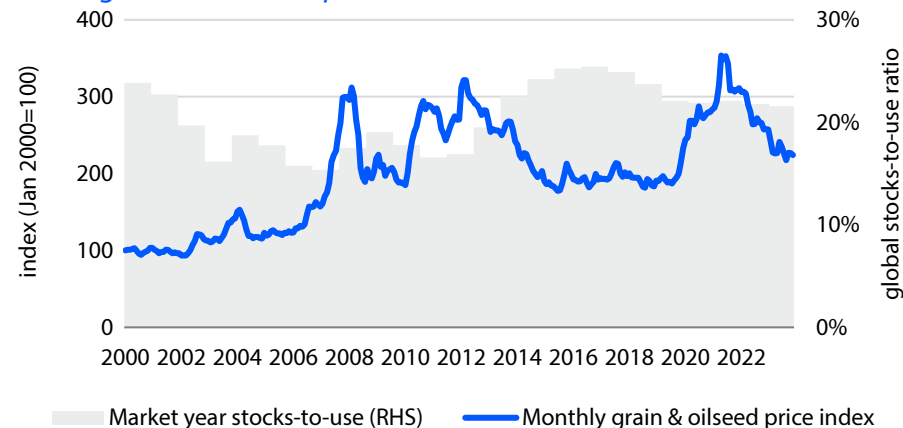
Weather improved in 2024, but a moisture deficit lingers

Drought has plagued many major feed- and forage-growing regions across the globe in recent years, constraining supply, limiting forage, and creating logistical challenges. Last year, grain producers across the globe saw some relief. According to the National Oceanic and Atmospheric Administration, the 12-month period from November 2023 to October 2024 saw global land and ocean precipitation increase to 998mm, the most since 2016. However, accumulated rainfall over the past 48 months is the lowest it's been since 1995. Recent rainfall improved the situation, but more precipitation is needed to replenish soil moisture and groundwater levels across the most important acres for feed and forage production.

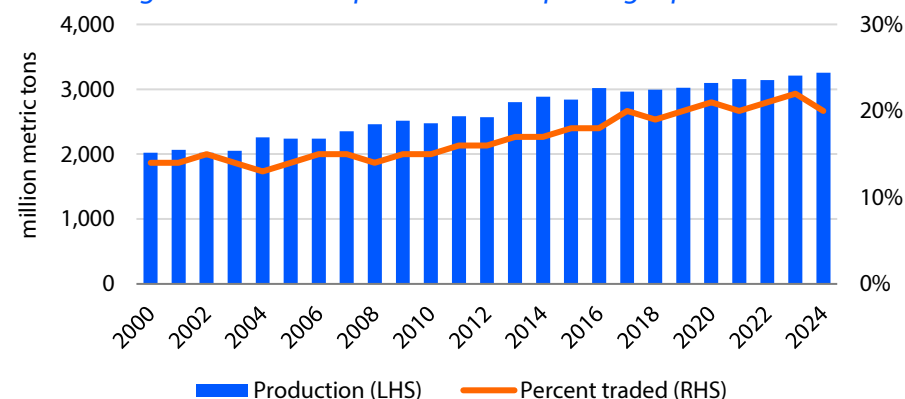
Political uncertainty could inject volatility into markets

Global trade of feed grains has grown steadily since 2000, rising to more than 20% of annual production the last few years. But recent conflicts and geopolitics have disrupted feed grain export availability and increased feed price volatility. The Red Sea is the main region of concern, with 95% of container traffic now diverted around Africa, increasing shipping times and costs. Across the globe, additional market disorder looms on the heels of the political changes resulting from elections in 2024. Almost half the global population participated in an election – the most in history. The US, Mexico, and the European Union, just to name a few, experienced leadership changes. With new leadership assuming power in key producing and exporting countries, policy changes could alter existing trade flows and cause a structural shift in regional supplies, potentially changing the cost paradigm. Increased geopolitical risk will remain a major factor in 2025 market prices.

Recent grain and oilseed price declines will slow if stocks aren't rebuilt



Trade's larger share of feed production amplifies geopolitical risk



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