

# MARKET NEWS for pig meat



Market analysis

5 September 2017

Week 36

## MARKET SITUATION

Europe: Trading in fresh legs is at unchanged prices. This same situation applies to other cuts.

UK: Trading is slow but stable.

Trade is reported as stable for Japan and China.

## SLAUGHTERINGS

	Week 32	Week 33	Week 34	Week 1-34 2017/2016
Total	317,417	315,163	317,991	-6.0 %

**Source:** Danish Classification Control Service – representing around 98% of all finished pigs and sows slaughtered, excluding culled pigs.

## PRICES

### Finished pigs and sows

DKK/kg	DC	Tican
Finished pigs (basic weight class and basic meat percentage)	10.80	10.80
Sows (above 130 kg)	7.10	7.10

### Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	415.96	408.02
SPF+Myc	420.96	413.02
SPF	424.96	417.02
Organic	964.96	1046.50
<b>Market prices SPF region 1</b>		
PRRS negative	485.00	478.00
PRRS positive	465.00	461.00
<b>Market prices SPF region 2/3</b>		
PRRS negative	485.00	478.00
PRRS positive	465.00	461.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	11.43 kr./kg	9.01 kr./kg	7.12 kr./kg	5.74 kr./kg	5.92 kr./kg

## PRICES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	1/9	25/8	Change	1/9	25/8	Change
Sep	-	-	-	1.70	1.75	-0.05
Oct	61.45	63.08	-1.63	1.75	1.75	0.00
Nov	-	-	-	1.70	1.70	0.00
Dec	58.05	58.95	-0.90	1.65	1.65	0.00
<b>2018</b>						
Jan	-	-	-	1.65	1.65	0.00
Feb	62.73	63.80	-1.07	1.65	1.65	0.00
Mar	-	-	-	-	-	-
Apr	67.00	67.80	-0.80	-	-	-
May	72.48	72.75	-0.27	-	-	-
Jun	76.50	76.83	-0.33	-	-	-
Jul	76.65	76.95	-0.30	-	-	-
Aug	76.13	76.43	-0.30	-	-	-
Sep	-	-	-	-	-	-
Oct	64.50	64.95	-0.45	-	-	-
Nov	-	-	-	-	-	-
Dec	59.83	60.20	-0.37	-	-	-
<b>2019</b>						
Jan	62.63	61.70	+0.93	-	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = €6.2398				Conversion factor DKK/kg: € = 7.4378		



EU

### African Swine Fever

The EU Commission's reporting system for the outbreak of disease has not been updated with last week's figures. Only cases of ASF in EU countries and the Ukraine up until 27 August are provided below:

Countries	Period		Year to date	
	31 July – 27 August		1 January – 27 August	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		32	2	471
Latvia		100	4	601
Lithuania	14	111	24	510
Poland	26	27	68	294
Italy			16	28
Ukraine	7	1	83	12
Czech Republic		11	0	72



RUSSIA

### African Swine Fever

Last week, Russia reported six outbreaks ASF - five at small pig farms and one among wild boar.



### Pig census

With the publication of Holland's pig census last week, Eurostat has now published preliminary results from its May/June pig census for five EU countries: Germany, Denmark (census 1 July), Holland, Italy and Austria. Eurostat has also published the result from the May/June census for Serbia.

Some 14 EU countries are expected to publish their figures showing the pig population trend for May/June 2017 compared to the previous year. Figures for the remaining 9 EU countries are expected to be published this month.

#### Pig census EU May-June 2016

'000 head	Total population			Breeding sows			Pregnant sows		
	2017	2016	%-change	2017	2016	%-change	2017	2017	%-change
Germany	27,100	27,146	-0.2	1,894	1,917	-1.2	1,381	1,407	-1.8
Spain		27,541			2,374			1,577	
France		13,672			1,031			727	
Denmark	12,467	12,313	1.3	1,228	1,216	1.0	771	760	1.4
Holland	12,397	12,416	-0.2	1,065	1,053	1.1	708	707	0.1
Poland		10,239			797			548	
Italy	8,774	8,708	0.8	579	572	1.3	478	472	1.3
Belgium		6,193			432			354	
UK		4,862			497			350	
Rumania		4,575			339			210	
Hungary		3,025			271			175	
Austria	2,669	2,667	0.1	236	232	1.7	164	162	1.2
Ireland		1,594			149			103	
Sweden		1,387			148			103	
<b>EU (5)</b>	<b>63,407</b>	<b>63,250</b>	<b>0.2</b>	<b>5,002</b>	<b>4,990</b>	<b>0.2</b>	<b>3,502</b>	<b>3,508</b>	<b>-0.2</b>
<b>EU (14)</b>		<b>136,338</b>			<b>11,028</b>			<b>7,655</b>	
Serbia	2,883	3,016	-4.4	427	444	-3.8	213	201	6.0

### SPAIN/ ITALY

#### Italy's Pini to invest €70 million in new Spanish pig abattoir

Italy's Pini Group, which sold its Polish interests to Smithfield a few weeks ago, is to invest €70 million in a new abattoir and cutting plant in the Aragon region, reports Agra Europe.

The new plant will be situated in Binéfar and is expected to employ approximately 600 people. According to Pini's owner, Piero Pini, the abattoir will benefit from being located close to the provinces of Husca, Zaragoza, Lerida and Barcelona. Together the provinces account for 39% of Spain's pig production.

Work on the new abattoir is expected to get underway in November and will become operational at the end of 2018/start of 2019. According to Pini, focus will be on the Chinese and Japanese markets.

### BELGIUM/ HOLLAND

#### Ter Beke to acquire Holland's Cebeco Meat Products

Agra Europe reports that Belgium's food group, Ter Beke, is negotiating the acquisition of the Dutch Cebeco Meat Products.

Cebeco Meat Products is part of Zwanenberg Food Group and produces sliced meat products for the Dutch market. Cebeco's annual turnover amounts to €130.6 million and the acquisition will mean that Ter Beke will almost double its turnover in the Dutch market.

 **GERMANY**
**Vion reduces payment for entire males**

Vion has amended their payment for entire males so that the overall price has now fallen by 3 eurocents per kg.

A similar reduction was made by Tönnies and Westfleisch in July.

The move comes as a consequence of a limited market for entire males and with no prospect of growth.

Source: Weekly Tribune

 **RUSSIA**
**Miratorg to invest in the Kursk region**

AHDB Pork reports that one of the largest producers of meat in Russia, Miratorg, is planning to invest RUB 68.4 billion (£914 million) in the construction of a pig breeding and processing complex in the Kursk region.

Miratorg already operates pig, beef and dairy productions in the region. In 2016, Miratorg's total volume of pig meat production amounted to 409,000 tonnes of pork

*(Source: abireg.ru & AHDB. AHDB has asked the Russian authorities for confirmation of this incredibly high investment)*

 **RUSSIA**
**Russia's pig meat imports – January-June**

Tonnes	0203 fresh/frozen pig meat		020649+020641 By-products		020910 Fat		Total			
	Jan-June 2017	Jan-June 2016	Jan-June 2017	Jan-June 2016	Jan-June 2017	Jan-June 2016	Jan-June 2017	Jan-June 2016	Jan-June 2015	
Brazil	113,170	111,455	2,435	2,374	1,439	1,989	117,044	115,818	33,924	
Chile	5,142	4,856	1,904	1,353	3,684	3,931	10,730	10,140	31,549	
Belarus	3,452	2,366	212	52	1	7	3,664	2,425	9,749	
Serbia	2,419	969	73	51	142	88	2,634	1,107	7,180	
Paraguay	644	650	210	172	241	529	1,096	1,350	5,837	
Argentina	267	196	373	272	3,424	813	4,064	1,281	3,334	
Kazakhstan	124	600	45	2	122	-	292	602	5,454	
Switzerland	99	-	-	1	175	99	274	100	3,162	
Uruguay	25	-	-	-	-	-	25	-	2,703	
Thailand	-	-	-	-	-	-	-	-	2,695	
Ukraine	-	-	-	-	-	-	-	-	2,642	
China	-	-	-	-	-	-	-	-	2,293	
Others	-	-	-	-	1,992	3,549	1,992	3,549	6,564	
<b>Total</b>	<b>125,342</b>	<b>121,091</b>	<b>5,252</b>	<b>4,276</b>	<b>11,221</b>	<b>11,003</b>	<b>141,814</b>	<b>136,371</b>	<b>117,086</b>	

 **CANADA**
**Pig census**

The results from Canada's pig census from 1 July 2017 show a 2.1% increase in the total population and a 1.2% increase in the breeding herd. The increase in Canada's pig population is thus slightly lower than the US census from 1 June which showed a 3.4% increase in the total population and a 1.5% rise in the breeding herd.

'000 head	1 July 2017	1 July 2016	% change 2017:2016
Breeding herd	1,275.3	1,260.8	1.2
Piglets and Finished Pigs	12,854.7	12,579.2	2.2
Total	14,130.0	13,840.0	2.1

Statistics Canada reports that as at 1 July, there were 7,800 pig farms, which is a rise of 1.0% compared to last year.

In the first half year 2017, pig slaughterings increased by 2.3% to 10.9 million.

Exports of live pigs to the U.S. totalled 2.9 million in the first half year 2017, i.e. a rise of 2.0% compared to the same period in 2016.

 **USA**
**Seaboard Triumph Foods to begin slaughterings at new abattoir on 5 September**

Seaboard Triumph Foods has announced that slaughterings will begin at their new slaughterhouse in Sioux City, Iowa this week.

The plant will employ a workforce of 1,100 (900 hourly workers) on a one-shift system and will slaughter around 10,000 pigs per day, i.e. 3 million pigs per year.

Seaboard Triumph Foods previously announced that from the spring of 2018, they expected to switch to a two-shift system and employ around 2,000 people (1,800 hourly workers). The planned expansion in 2018 will mean an increase from 3 million slaughterings per year to 6 million per year at the new plant. .

The new plant is a 50/50 joint venture between Seaboard Foods and Triumph Foods. The latter is owned by pig producers while the former is a subsidiary of Seaboard Corporation.

Triumph Foods and Seaboard Foods are already collaborating on pig production, slaughtering, sales etc. If the two companies were regarded as one company, it would be the U.S.'s second largest pig producer, among the five largest abattoirs and one of the U.S.'s leading exporters of pig meat.

Seaboard Foods will market and sell pig meat from the new abattoir under the Prairie Fresh Premium Pork and Seaboard Farms labels. The abattoir will also supply Daily's Premium Meats with raw materials, including raw and cooked bacon.

 **USA**
**USDA forecasts increased revenues for U.S. pig producers in 2017**

USDA expects U.S. farmers to increase their 2017 earnings by an average of 3% compared to 2016.

Revenues for crop producers are expected to remain more or less the same (+0.3%). Pig and poultry producers are expected to produce the largest increases, i.e. an average increase of 15% for 2017 compared to 2016. Beef producers are expected to see increases of 6% in 2017.

 **PHILIPPINES**

**Philippines' pig meat imports, January-June**

<b>0203</b>				
<b>Fresh/frozen pig meat</b>				
<b>Tonnes</b>	<b>Jan-June 2015</b>	<b>Jan-June 2016</b>	<b>Jan-June 2017</b>	<b>% change 17:16</b>
Germany	9,115	12,774	11,085	-13.2
Canada	4,075	10,040	10,954	9.1
France	6,263	7,307	7,115	-2.6
USA	2,186	3,140	5,281	68.2
Spain	2,489	2,654	4,121	55.3
Holland	714	559	1,485	165.7
UK	341	891	1,378	54.6
Brazil	730	117	757	546.5
Belgium	838	398	729	83.0
Denmark	1,301	956	612	-36.0
Australia	67	76	503	560.6
Ireland	156	575	466	-18.9
Other	139	78	171	-
<b>Total</b>	<b>28,413</b>	<b>39,565</b>	<b>44,655</b>	<b>12.9</b>

<b>020649</b>				
<b>By-products - pigs</b>				
<b>Tonnes</b>	<b>Jan-June 2015</b>	<b>Jan-June 2016</b>	<b>Jan-June 2017</b>	<b>% change 17:16</b>
Germany	12,001	19,022	20,560	8.1
Spain	9,174	15,192	18,106	19.2
USA	8,874	9,245	8,945	-3.2
France	5,041	7,498	6,990	-6.8
Belgium	3,888	5,872	5,485	-6.6
Holland	6,090	5,373	4,986	-7.2
UK	1,974	2,875	3,229	12.3
Denmark	2,081	2,499	2,971	18.9
Canada	4,714	5,528	2,738	-50.5
Ireland	1,173	1,195	921	-22.9
Australia	1,167	1,022	719	-29.7
Other	808	291	1,376	373.1
<b>Total</b>	<b>56,986</b>	<b>75,611</b>	<b>77,026</b>	<b>1.9</b>

<b>020641</b>				
<b>Pigs' liver</b>				
<b>Tonnes</b>	<b>Jan-June 2015</b>	<b>Jan-June 2016</b>	<b>Jan-June 2017</b>	<b>% change 17:16</b>
Holland	1,508	1,518	2,000	31.8
Spain	1,379	3,451	1,933	-44.0
Canada	987	912	1,516	66.4
UK	-	559	1,227	119.7
Germany	623	1,791	1,000	-44.2
Ireland	992	735	914	24.3
Australia	691	1,023	740	-27.7
Belgium	224	710	483	-32.0
France	104	156	173	11.4
Other	237	485	263	-45.8
<b>Total</b>	<b>6,746</b>	<b>11,339</b>	<b>10,249</b>	<b>-9.6</b>



## AUSTRALIA

### Australia's imports of fresh/frozen pig meat, January-June

<b>0203</b>				
<b>Fresh/frozen pig meat</b>				
<b>Tonnes</b>	<b>Jan-June 2015</b>	<b>Jan-June 2016</b>	<b>Jan-June 2017</b>	<b>% change 17:16</b>
USA	24,450	29,113	31,775	9.1
Denmark	28,985	29,180	25,422	-12.9
Holland	10,621	8,268	14,103	70.6
Canada	17,097	9,555	9,986	4.5
Ireland	2,377	3,875	3,398	-12.3
Belgium	1,122	1,901	2,017	6.1
Others	118	982	305	-68.9
<b>Total</b>	<b>84.769</b>	<b>82.874</b>	<b>87.006</b>	<b>5.0</b>



## CHINA

### Authorities to subsidise slurry treatment

In an effort to curb the growing problem of polluted lakes and rivers, China's Agriculture Ministry announced last week that they are extending financial support to farmers who invest in slurry treatment plants to transform slurry into electricity and fertiliser.

The ministry has not revealed the amount concerned.



## MONGOLIA

### Foot and mouth disease

Last week, the authorities in Mongolia reported four cases of foot and mouth disease. Some 91 head of cattle, 84 goats and 127 sheep were affected by the outbreak.



## SOUTH AFRICA

### Foot and mouth disease

Last week, the authorities in South Africa reported one case of foot and mouth disease. Some 1,010 head of cattle were affected by the outbreak.