

MARKET NEWS for pig meat



Market analysis

13 March 2017

Week 11

MARKET SITUATION

Europe: Trading in fresh legs is at slightly rising prices this week. For other cuts, trading is at unchanged prices.

UK. Trading remains stable.

Satisfactory demand continues from China and Japan

SLAUGHTERINGS DENMARK

	Week 7	Week 8	Week 9	Week 1-9 2017/2016
Total	327,154	324,574	332,704	-8.7 %

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

PIG PRICES

Finished pigs and sows

DKK/kg	DC	Tican
Finished pigs (basic weight class and basic meat percentage)	10.20	10.20
Sows (above 130 kg.)	7.60	7.60

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av.
Basic	386.45	382.17
SPF+Myc	391.45	387.17
SPF	395.45	391.17
Organic	1030.77	1067.10
Market prices SPF region 1		
PRRS negative	500.00	406.00
PRRS positive	490.00	388.00
Market prices SPF region 2/3		
PRRS negative	500.00	406.00
PRRS positive	490.00	388.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	10.83 kr/kg	7.36 kr/kg	6.66 kr/kg	5.83 kr/kg	5.86 kr/kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	10/3	3/3	Change	10/3	3/3	Change
2017						
Mar	-	-	-	1.53	1.53	0.00
Apr	68.18	66.75	+1.43	1.54	1.54	0.00
May	72.90	72.75	+0.15	1.53	1.53	0.00
Jun	76.90	76.45	+0.45	1.53	1.53	0.00
Jul	77.00	76.83	+0.17	1.53	1.53	0.00
Aug	77.20	76.90	+0.30	1.53	1.53	-
Sep	-	-	-	-	-	-
Oct	67.95	67.48	+0.47	-	-	-
Nov	-	-	-	-	-	-
Dec	63.88	63.08	+0.80	-	-	-
2018						
Jan	-	-	-	-	-	-
Feb	66.63	65.93	+0.70	-	-	-
Mar	69.33	68.43	+0.90	-	-	-
Apr	75.15	75.05	+0.10	-	-	-
May	77.15	76.43	+0.72	-	-	-
Jun	77.00	76.28	+0.72	-	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = €7.0084				Conversion factor: € = 7.4331		



EU

African Swine Fever

According to the EU Commission's reporting system for the outbreak of disease, the following outbreaks of ASF were reported for the following EU countries and the Ukraine:

Number of cases of ASF

Countries	Period		Year to date	
	6 March – 12 March		1 January – 12 March	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		10	0	236
Latvia		15	2	171
Lithuania		12	1	104
Poland		5	0	64
Italy	1		6	25
Ukraine	1		49	2

MOLDOVA

African Swine Fever

Last week the authorities reported one new case of ASF at a small farm in the north of the country close to the Ukrainian border.



Pig slaughterings 2016

Based on reports from the individual EU countries, Eurostat has produced the following statistics with regard to pig slaughterings for 2016 compared to 2015.

For the EU-28 as a whole, the figures show an increase in slaughterings (per head) of 0.6% compared to last year. Measured in tonnes, the increase is 1.2% as the average carcase weight in the EU increased by 0.7% in 2016, from 89.7 kg in 2015 to 90.3 kg in 2016. This is mainly due to an increase in carcase weight in Spain.

Among the large pig producing countries, there was a rise in slaughterings for Spain and Poland of 2.9% and 2.5% respectively. The Spanish increase is due to a rising pig production, while the increase for Poland is a result of increased imports of piglets from, among others, Denmark.

In addition to Denmark, Belgium also saw a decline in slaughterings in 2016. This was due to a slightly lower domestic production and increased exports of pigs from Belgium to Germany.

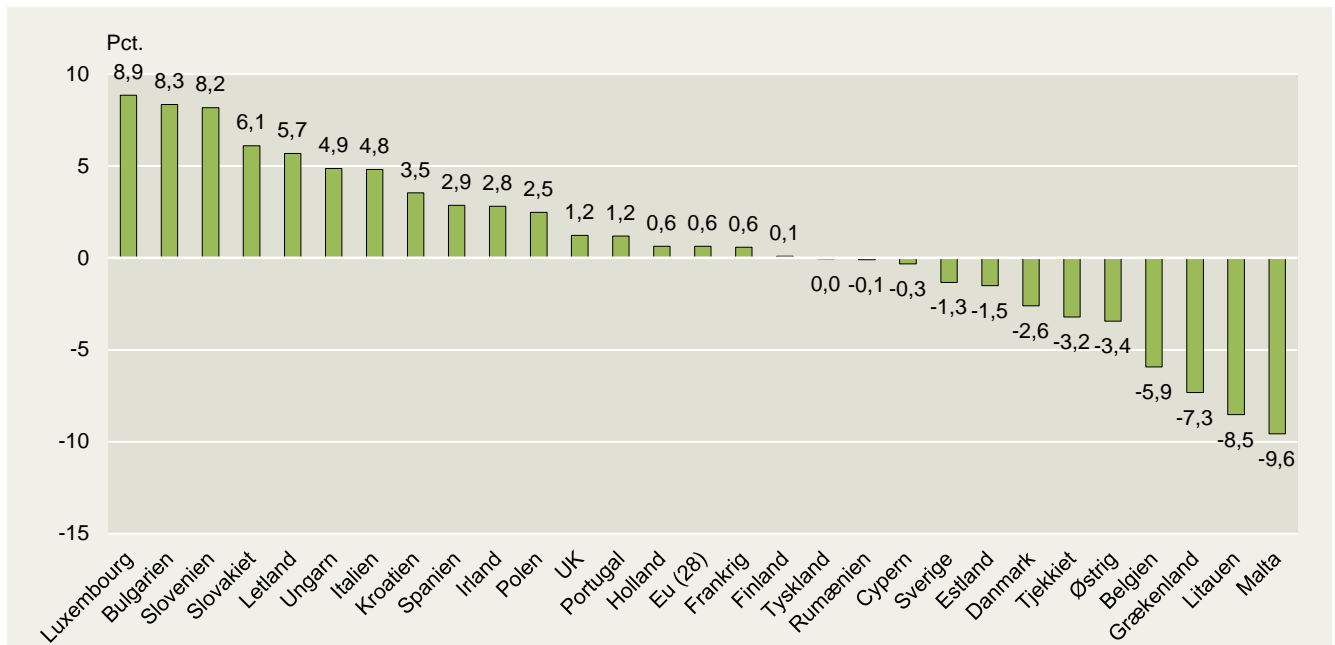
As regards Italy, the figures show a rise in slaughterings for 2016. This, however, does not tally with other sources in Italy that reported a fall in 2016.

EU pig slaughterings 2016

'000 head	2016	2015	% change 2016:15
Germany	59,263	59,292	-0.0
Spain	47,704	46,380	2.9
France	23,815	23,680	0.6
Poland	21,770	21,243	2.5
Denmark	18,228	18,717	-2.6
Holland	15,583	15,514	0.4
Belgium	11,181	11,887	-5.9
Italy	11,848	11,304	4.8
UK	10,981	10,848	1.2
Portugal	5,705	5,638	1.2
Austria	5,228	5,414	-3.4
Hungary	4,676	4,459	4.9
Rumania	4,034	4,038	-0.1
Ireland	3,317	3,226	2.8
Sweden	2,527	2,560	-1.3
Czech Republic	2,428	2,508	-3.2
Finland	2,082	2,080	0.1
Greece	1,395	1,505	-7.3
Croatia	1,127	1,089	3.5
Bulgaria	996	919	8.3
Lithuania	766	837	-8.5
Cyprus	576	577	-0.3
Estonia	525	533	-1.5
Latvia	390	369	5.7
Slovakia	527	497	6.1
Slovenia	258	238	8.2
Luxembourg	172	158	8.9
Malta	56	62	-9.6
EU 28	257,157	255,544	0.6

1,000 tonnes	2016	2015	% change 2016:15
Germany	5,568,0	5,562,0	0.1
Spain	4,058,9	3,854,7	5.3
France	1,987,8	1,967,6	1.0
Poland	1,963,0	1,906,1	3.0
Denmark	1,566,6	1,598,7	-2.0
Holland	1,472,7	1,456,2	1.1
Belgium	1,060,6	1,124,3	-5.7
Italy	1,544,2	1,485,8	3.9
UK	919,3	898,3	2.3
Portugal	377,0	377,5	-0.1
Austria	511,5	527,8	-3.1
Hungary	431,8	409,3	5.5
Rumania	337,1	330,5	2.0
Ireland	282,5	276,4	2.2
Sweden	233,9	233,5	0.2
Czech Republic	220,3	227,7	-3.2
Finland	190,1	191,9	-1.0
Greece	93,5	90,0	3.9
Croatia	79,9	73,0	9.5
Bulgaria	65,7	60,7	8.2
Lithuania	60,4	66,2	-8.8
Cyprus	43,9	43,4	1.1
Estonia	42,8	42,4	1.0
Latvia	31,2	29,3	6.2
Slovakia	48,3	45,3	6.8
Slovenia	22,7	20,2	12.1
Luxembourg	13,8	12,3	12.2
Malta	4,9	5,6	-11.4
EU 28	23.232,2	22.916,8	1.4

% change in slaughtering 2016:2015



Luxembourg, Bulgaria, Slovenia, Slovakia, Latvia, Hungary, Italy, Croatia, Spain, Ireland, Poland, UK, Portugal, Holland, EU 28, France, Finland Germany, Rumania, Cyprus, Sweden, Estonia, Denmark, Czech Republic Austria, Belgium, Greece, Lithuania, Malta

GERMANY

Vion shuts slaughterhouse

Last week Vion announced the closure of its pig slaughterhouse in Zeven by the end of April. Its plant in the town of Emstek in the German state of Lower Saxony will handle future processing operations instead.

Vion has slaughtered and processed 18-19,000 pigs per week at its Zeven plant. At Emstek, however, the company is planning to increase capacity from 70,000 pigs per week to 80,000 pigs per week.

HOLLAND

Vion to introduce new pricing system

Vion has announced that its Dutch business is to introduce a new pricing system for pig farmers known as Good Farming Balance.

Three new delivery modules will be introduced: in addition to the "basic" module, there will also be a "broad" module (better distribution of weight and fat layer thickness) and a "robust" module (pigs with a thicker layer of fat). Each module carries specific requirements as regards delivery weight and fat layer thickness.

Three different pricing modules will also be introduced. Besides the present weekly quotations, producers will be offered a "price index guarantee" that ensures an average price based on a combination of representative international prices and a "long term price" where the aim is to give pig farmers greater long-term certainty.

The contracts apply for a minimum of one year with an extra payment based on Vion's earnings from various supply contracts.

 **SPAIN**
Increase in meat production in 2016

According to figures from Spain's Ministry of Agriculture, Spanish meat production rose by 4.7% in 2016 and reached 6,419,960 tonnes, a rise of 290,822 tonnes compared to 2015.

At 4,058,913 tonnes, pig meat represents 63% of Spain's total meat production. This is followed by poultry (1,524,222 tonnes), beef (637,737 tonnes), lamb (116,499 tonnes), rabbit (59,644 tonnes), horsemeat (13,103 tonnes) and goat meat (9,842 tonnes).

Catalonia remains the province with the largest meat production – around 2.2 million tonnes in 2016. Pig production in Catalonia reached 1.68 million tonnes in 2016. Next come Castille and Leon with 567,000 tonnes, and Aragon with 463,000 tonnes.

Source: Pig333

 **CHINA**
New Hope Liuhe expects sow stock to double in 2017

The Chinese meat and feedstuffs company, New Hope Liuhe, expects its sow stock to exceed 100,000 head by 2017. As a result, its sales of finished pigs are expected to reach 2.5-3.0 million head in 2017 – up from 1.2 million in 2016.

At a meeting of investors, the company announced that they now wished to expand their pig production after having optimised their poultry value chain. The coastal regions in north-east China are ideal locations for pig production so as to meet the demand from Quinxihe, a Beijing-based pig slaughterhouse acquired by the company in 2007.

New Hope previously announced plans to establish 11 new pig production operations in China with an annual production capacity of 4.9 million pigs. The company also wants to invest in pig production in Vietnam. Its plan is to produce 10 million pigs per year by 2020.

In December 2016, New Hope Liuhe announced a 50/50 joint venture with the French company, Cooperl Arc Atlantique, for the production and sale of meat products. The joint venture will focus on the production of western-quality pig products such as bacon, sausage, ham and other products. The new factory is expected to have a capacity of 20,000 tonnes.

Source: Asian Agribusiness