

MARKET NEWS for pig meat



Market analysis

5 April 2017

Week 14

MARKET SITUATION

Europe: Trading in fresh legs and other cuts is at increasing prices this week.

UK: Trading is stable.

Good demand is reported from China and Japan. However, higher European prices mean quiet and stable trade to both China, Japan and South Korea.

SLAUGHTERINGS DENMARK

	Week 10	Week 11	Week 12	Week 1-12 2017/2016
Total	324,896	332,400	333,042	-5.1 %

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)	10.70	10.70
Sows (above 130 kg)	7.90	7.90

Nominal prices for piglets (30 kg)

DKK/head	Current	52 week av
Basic	407.62	385.89
SPF+Myc	412.62	390.89
SPF	416.62	394.89
Organic	1039.05	1067.24
Market prices SPF region 1		
PRRS negative	515.00	415.00
PRRS positive	510.00	397.00
Market prices SPF region 2/3		
PRRS negative	515.00	415.00
PRRS positive	510.00	397.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	11.55 kr./kg	7.41 kr./kg	7.00 kr./kg	5.99 kr./kg	6.03 kr./kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	31/3	24/3	Change	31/3	24/3	Change
2017						
Apr	65.68	67.28	-1.60	1.58	1.62	-0.04
May	69.85	72.23	-2.38	1.64	1.63	+0.01
Jun	73.85	75.75	-1.90	1.66	1.66	0.00
Jul	74.03	75.78	-1.75	1.70	1.70	0.00
Aug	73.75	75.73	-1.98	1.70	1.70	0.00
Sep	-	-	-	1.70	1.70	-
Oct	64.78	67.13	-2.35	-	-	-
Nov	-	-	-	-	-	-
Dec	60.70	63.28	-2.58	-	-	-
2018						
Jan	-	-	-	-	-	-
Feb	63.85	66.13	-2.28	-	-	-
Mar	66.83	68.63	-1.80	-	-	-
Apr	71.53	73.45	-1.92	-	-	-
May	74.80	76.00	-1.20	-	-	-
Jun	75.05	75.98	-0.93	-	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = € 6.9572				Conversion factor DKK/kg: € = 7.4379		



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:

Countries	Period 19 March - 2 April		Year to date 1 January – 2 April	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		14	0	260
Latvia		23	2	202
Lithuania		20	1	135
Poland		16	0	86
Italy	1	2	7	27
Ukraine	5	2	55	4



RUSSIA

African Swine Fever

Last week, the authorities in Russia reported one new case of ASF at a small pig farm in the south of the country, close to the border with Mongolia.



MOLDOVA

African Swine Fever

Last week, the authorities in Moldova reported one new case of ASF at a small farm in the north of the country.

 **UKRAINE**
African Swine Fever on the rise

So far this year, Ukraine has been hit by at least 55 cases of African Swine Fever which have affected pigs and wild boar.

According to Volodimir Lapa, head of Ukraine's food safety and consumer service, 91 cases of ASF were reported in 2016. As a result, Ukraine's veterinary service was forced to cull around 52,000 pigs.

In general, the number of cases in Ukraine are increasing by the year. In 2015, 20 cases were recorded while just 16 were reported in 2014.

Source: Pig Progress

 **RUSSIA**
ASF in Siberia

As mentioned on page 2, Russia has reported its first outbreak of ASF in Siberia, close to the border with Mongolia, and thousands of kilometres from the previous outbreak of ASF in Russia.

The authorities in the Irkutsk region have culled more than one thousand pigs in an effort to stop the outbreak.

Meanwhile, neighbouring regions have set up checkpoints to prevent the spread of the disease through contaminated products or animals.

According to Agra Europe, the outbreak in Siberia could mean a setback for Russian ambitions to export pig meat to China. Moscow has been pushing for China to open its market to the parts of Russia that are ASF-free.

The case in Siberia is the closest ASF has got to China over the past decade. According to Agra Europe, this underlines the fact that European countries need to be aware that ASF can rapidly spread to areas previously unaffected by the disease.

 **CHINA**
Foot and Mouth in the Guangdong province

Reuters reports that on 23 March, the Chinese authorities reported one case of foot and mouth disease at a pig farm in the southern Guangdong province.

A total of 37 pigs were affected by the outbreak. According to the Chinese authorities, all 37 pigs were immediately culled, and the outbreak should now be under control.

 **BRAZIL**
Authorities begin to lift export ban on Brazilian production plants

After China and certain other countries lifted their temporary ban on imports of meat from Brazil last week, the Brazilian authorities are also beginning to lift their export ban on Brazilian production plants. An export ban was imposed in the wake of the Brazilian meat scandal.

The authorities have initially lifted their ban on three plants. However, an export ban on 18 plants is still in force.


Slaughterings

2015	Pigs/sows	Sows etc.	Total
	50-110 kg	above 110 kg	
January	1,801,534	65,316	1,866,850
February	1,518,612	45,563	1,564,175
March	1,498,617	37,317	1,535,934
April	1,579,842	49,161	1,629,003
May	1,301,793	44,381	1,346,174
June	1,403,521	45,657	1,449,178
July	1,693,617	50,667	1,744,284
August	1,381,699	43,093	1,424,792
September	1,392,141	43,777	1,435,918
October	1,775,467	42,091	1,817,558
November	1,533,406	43,372	1,576,778
December	1,557,981	41,110	1,599,091
Jan-Dec	18,438,230	551,505	18,989,735

2016	Pigs/sows	Sows etc.	Total
	50-110 kg	above 110 kg	
January	1,542,852	49,976	1,592,828
February	1,442,088	44,695	1,486,783
March	1,595,234	47,847	1,643,081
April	1,372,690	45,301	1,417,991
May	1,270,399	42,165	1,312,564
June	1,683,766	51,569	1,735,335
July	1,330,632	40,749	1,371,381
August	1,327,556	44,362	1,371,918
September	1,698,226	48,624	1,746,850
October	1,382,249	43,324	1,425,573
November	1,475,498	45,403	1,520,901
December	1,623,095	46,922	1,670,017
Jan-Dec	17,744,285	550,937	18,295,222

2017	Pigs/sows	Sows etc.	Total
	50-110 kg	above 110 kg	
January	1,388,890	45,071	1,433,961
February*	1,316,258	33,109	1,349,367
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Jan-Dec	2,705,148	78,180	2,783,328

* = Preliminary figures


Exports of live pigs

2015	Piglets		Pigs/sows 50-135 kg	Pigs/sows above 135 kg	Total
	0-15 kg	15-50 kg			
January	42,630	919,542	29,148	3,104	994,424
February	32,552	944,306	33,330	3,666	1,013,854
March	30,147	966,766	31,340	3,580	1,031,833
April	36,128	1,053,984	25,245	4,709	1,120,066
May	31,159	916,293	18,966	3,436	969,854
June	36,096	918,366	27,421	4,054	985,937
July	31,212	988,119	20,122	4,087	1,043,540
August	33,360	922,436	22,920	3,563	982,279
September	31,500	1,023,964	23,760	4,551	1,083,775
October	30,715	874,603	21,448	3,324	930,090
November	30,018	929,703	15,621	3,370	978,712
December	46,115	1,105,335	20,859	7,148	1,179,457
Jan-Dec	411,632	11,563,417	290,180	48,592	12,313,821

2016	Piglets		Pigs/sows 50-135 kg	Pigs/sows above 135 kg	Total
	0-15 kg	15-50 kg			
January	43,054	1,158,651	16,967	4,426	1,223,098
February	35,503	891,644	21,095	6,806	955,048
March	45,142	1,102,519	17,526	2,196	1,167,383
April	43,235	1,073,102	22,482	4,442	1,143,261
May	41,933	1,069,525	16,384	4,051	1,131,893
June	36,059	1,052,983	36,263	4,255	1,129,560
July	35,510	1,019,201	19,854	2,879	1,077,444
August	35,973	1,098,135	18,203	1,396	1,153,707
September	40,429	1,023,837	17,196	1,600	1,083,062
October	33,161	1,057,389	16,592	1,372	1,108,514
November	36,939	1,117,457	15,546	1,868	1,171,810
December	37,014	1,106,230	22,057	885	1,166,186
Jan-Dec	463,952	12,770,673	240,165	36,176	13,510,966

2017	Piglets		Pigs/sows 50-135 kg	Pigs/sows above 135 kg	Total
	0-15 kg	15-50 kg			
January	37,756	1,132,400	18,025	1,270	1,189,451
February*	27,330	981,169	16,415	1,142	1,026,056
March	0	0	0	0	0
April	0	0	0	0	0
May	0	0	0	0	0
June	0	0	0	0	0
July	0	0	0	0	0
August	0	0	0	0	0
September	0	0	0	0	0
October	0	0	0	0	0
November	0	0	0	0	0
December	0	0	0	0	0
Jan-Dec	65,086	2,113,569	34,440	2,412	2,215,507

* = Preliminary figures

 **USA**
Pig census 1 March 2017

The US pig census from 1 March was published last week. It shows an increase of 4.2 per cent in the overall pig population with a more modest rise of 1.5 per cent in the breeding herd.

The expected number of farrowings for the current year is 1.4 per cent higher than one year ago, while the June-August quarter is 0.4 per cent down on the same quarter last year.

1000 head	2017 1 March	2016 1 March	% change
Breeding herd	6,068	5,980	1.5
Piglets and slaughter pigs	64,908	62,144	4.4
Total	70,976	68,124	4.2
	2017	2016	
Expected farrowings:			
March-May	3,010	2,968	1.4
June-Aug	3,045	3,057	-0.4

As regards piglets, finished pigs and the breeding herd, the result of the pig census is more or less in line with previous US forecasts.

 **USA**
Prestage Foods begins construction of new slaughterhouse in Iowa

Last week, Prestage Foods began the construction of its new slaughterhouse in Wright County, Iowa.

The new slaughterhouse will become operational in the autumn of 2018 and will slaughter around 10,000 pigs per day when operating at full capacity.

In 2016, Prestage Farms was the USA's seventh largest pig producer with 175,000 sows. Ron Prestage commented that the construction of the new slaughterhouse should be seen as a logical step towards more vertical integration. Prestage Foods, however, expects to buy 40% of its pigs for slaughter from independent producers.

 **BELGIUM**
Debra-Meat slaughterhouse remains closed

The Belgian slaughterhouse, Debra-Meat in Tielt, remains closed due to the images published by the animal welfare group, Animal Rights, which revealed widespread animal welfare issues at the slaughterhouse.

The authorities have announced that the slaughterhouse can only be opened when the company, in collaboration with the authorities, has drawn up an action plan that will prevent similar problems in future.

Although Debra-Meat is set to open over the next few days, the slaughterhouse faces challenging times since the company's largest supermarket customer has announced they have stopped their co-operation with the company.

 **ENGLAND**
Sale of Karro Food Group to private equity firm

The British press have reported that the Yorkshire-based Karro Food Group is to be sold to CapVest, a private equity firm for around £180 million.

Karro Food produces around 45,000 pigs per week, of which 4,600 are high welfare. The company, which also services the delicatessen and food service sectors, is currently owned by the private equity firm, Endless, which acquired the business from Vion Food in 2013.

 **POLAND**
Animex plans to acquire Pini's meat processing operations in Poland

According to the international news media, Smithfield's business in Poland, Animex, is planning to acquire Pini's meat processing activities in Poland, which include Pini Hamburgers and Pini Polska.

It is not yet known whether the Animex acquisition includes a poultry slaughterhouse and processing facility currently under construction. The slaughterhouse, known as Royal Chicken, is expected to be the largest poultry slaughterhouse in Poland with the capacity to slaughter 500,000 chickens per day. .

 **HOLLAND**
Open Farm Day

According to the Dutch supermarket, Albert Heijn, 10 pig producers are taking part in the annual Open Farm Day on Easter Monday when consumers can visit farms that supply to Albert Heijn.

Although the Dutch farm event began in 2012, it was only in 2014 that pig producers joined in the scheme.

 **CHINA**
Beijing DBN to acquire U.S. breeding firm

Asian Agribusiness reports that the Chinese feed producer, Beijing DBN Technology Group, through its subsidiary Changnong Co., has signed a contract with Max Waldo, the owner of Waldo Farms Inc., to buy a 100% stake in the US breeding firm for USD 16.5 million.

DBN also plans to invest another USD 10 million in the Nebraska-based family business, DeWitt, that was founded in 1895.

DBN said that "the purchase will help our expansion of both feed and farming segments".

The deal is subject to approval by the Beijing Municipal Commission of Commerce and the Committee of Foreign Investment in the United States.

 **THAILAND/PHILIPPINES**
Charoen Pokphand Group invests in pork and poultry production in the Philippines

Asian Agribusiness reports that Thailand's Charoen Pokphand Group (CP Group) is planning to invest an estimated USD 2 billion in the Philippines over the next five years to produce pork and chicken for both local and export markets.

CP Group already operates in the Philippines, mainly in the Luzon area, but would like to expand to the Visayas and Mindanao regions.

CP Group's Chairman, Dhanin Chearavanont, said the company has decided to invest more because the Philippines is the only country in Asia that is free from foot and mouth disease and avian flu.

2,000 people are expected to be employed as a result of CP Group's expansion.



Pig meat exports

The tables below show pig meat exports according to categories, exporters and importers for January 2017 and 2016.

Source: EU Commission

According to categories

Tonnes	Jan 2017	Jan 2016	% change 17:16
Live pigs	503	877	-42.6
Fresh/frozen	175,944	135,267	30.1
Bacon	2,677	2,099	27.5
Processed	12,266	10,232	19.9
By-products	141,005	121,481	16.1
Total	332,396	269,956	23,1

Exporters of pig meat from EU

Tonnes	Jan 2017	Jan 2016	% change 17:16
Germany	83,894	70,363	19.2
Spain	69,613	47,935	45.2
Denmark	48,553	47,767	1.6
France	20,527	20,376	0.7
Holland	35,196	19,964	76.3
Poland	16,490	14,903	10.6
UK	12,107	9,813	23.4
Ireland	8,509	7,890	7.8
Belgium	8,361	7,142	17.1
Italy	8,077	6,999	15.4
Hungary	9,437	5,698	65.6
Austria	3,136	2,866	9.4
Other	8,496	8,240	3.1
EU-28	332,396	269,956	23.1

Importers of pig meat from EU

Tonnes	Jan 2017	Jan, 2016	% change 17:16
China	154,553	115,813	33.5
Hong Kong	28,506	24,948	14.3
Japan	27,544	23,960	15.0
Philippines	16,614	17,336	-4.2
South Korea	22,941	14,027	63.5
USA	8,976	9,576	-6.3
Ukraine	4,859	7,159	-32.1
Australia	8,703	6,224	39.8
Montenegro	1,683	2,047	-17.8
Angola	2,170	1,930	12.4
Russia	423	548	-22.8
Belarus	-	24	-
Other	55,425	46,365	19.5
EU-28	332,396	269,956	23.1

 **JAPAN**
Imports of fresh/frozen pig meat

0203					
Fresh/frozen pig meat					
Tonnes	2017	2016	2017	2016	%
	February	February	Jan-Feb	Jan-Feb	change
					2017:16
USA	20,903	19,211	43,604	40,271	8.3
Canada	15,210	12,890	30,730	27,212	12.9
Denmark	8,172	9,389	19,261	19,257	0.0
Spain	7,772	6,165	16,121	15,191	6.1
Mexico	6,743	5,494	13,235	11,884	11.4
Hungary	2,112	2,515	4,297	5,416	-20.7
Chile	1,850	1,955	3,410	4,828	-29.4
Holland	1,581	1,551	3,766	4,085	-7.8
France	1,350	1,048	2,662	1,943	37.0
Germany	1,139	672	2,852	1,479	92.9
Italy	667	785	1,794	2,033	-11.8
Austria	428	985	691	1,609	-57.0
Ireland	383	617	1,294	1,148	12.8
Finland	123	99	175	222	-21.0
Belgium	24	-	51	-	-
Australia	14	29	65	59	10.7
Poland	-	-	-	-	-
Other	112	217	338	428	-21.1
Total	68,585	63,622	144,347	137,065	5.3

Japan's imports of sausage varieties

0210		
Sausage varieties		
Tonnes	2017	% change
	Jan-Feb	2017:16
China	1,143	-10.5
Taiwan	18	-46.0
Thailand	846	-26.2
Denmark	221	-46.2
Canada	18	80.0
USA	1,384	6.2
Brazil	730	9.6
Other	308	28.9
Total	4.668	-8.3

Development in pig meat storage

Tonnage	Own production		Imported volumes		Total storage
	Fresh	Frozen	Fresh	Frozen	
End January 15	485	16,338	3,408	164,417	184,648
End February 15	357	17,536	4,432	157,018	179,343
End March 15	294	16,373	9,726	152,201	178,594
End April 15	325	16,401	10,026	161,157	187,909
End May 15	300	16,430	7,556	169,538	193,824
End June 15	266	15,018	5,741	167,676	188,701
End July 15	343	16,666	8,036	158,202	183,247
End August 15	227	16,675	7,823	153,957	178,682
End September 15	328	14,949	9,368	145,103	169,748
End October 15	283	15,693	8,813	139,170	163,959
End November 15	295	15,568	9,178	134,262	159,303
End December 15	511	15,638	6,167	131,661	153,977
End January 16	294	16,559	6,530	144,724	168,107
End February 16	313	16,839	7,088	144,023	168,263
End March 16	351	15,601	9,206	144,222	169,380
End April 16	611	17,479	7,843	147,530	173,463
End May 16	510	18,368	8,524	150,870	178,272
End June 16	492	20,660	9,180	149,946	180,278
End July 16	521	18,184	7,350	146,181	172,236
End August 16	382	17,151	11,429	147,350	176,312
End September 16	425	17,153	10,342	141,460	169,380
End October 16	644	16,916	8,636	137,490	163,686
End November 16	467	15,700	10,026	138,043	164,236
End December 16	604	16,196	7,781	137,656	162,237
End January 17	442	16,843	7,780	150,579	175,644

 **ALGERIA**
Foot and Mouth disease

In the past week, the authorities in Algeria reported one outbreak of Foot and Mouth disease at a small farm with 12 cows.

 **ZIMBABWE**
Foot and Mouth disease

In the past week, the authorities in Zimbabwe reported one outbreak of Foot and Mouth disease in a herd consisting of 313 head of cattle.