

# MARKET NEWS for pig meat



Market analysis

15 May 2017

Week 20

## MARKET SITUATION

The market situation is largely unchanged from last week.

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

UK: Trading is stable.

Good demand is reported for markets outside Europe. However, higher European prices mean quiet and stable trade to China, Japan and South Korea.

## SLAUGHTERINGS DENMARK

	Week 16	Week 17	Week 18	Week 1-18 2017/2016
Total	229,863	361,591	307,888	-6.7 %

**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)	11.60	11.60
Sows (above 130 kg)	8.20	8.20

### Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	446,02	396,22
SPF+Myc	451,02	401,22
SPF	455,02	405,22
Organic	1061,93	1068,14
<b>Market prices SPF region 1</b>		
PRRS negative	555,00	436,00
PRRS positive	550,00	419,00
<b>Market prices SPF region 2/3</b>		
PRRS negative	555,00	436,00
PRRS positive	550,00	419,00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	12.83 kr/kg	7.53 kr/kg	7.60 kr/kg	6.28 kr/kg	6.34 kr/kg

## FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	12/5	5/5	Change	12/5	5/5	Change
<b>2017</b>						
May	71.90	69.40	+2.50	1.75	1.74	+0.01
Jun	77.95	76.33	+1.62	1.74	1.74	0.00
Jul	78.60	76.83	+1.77	1.75	1.75	0.00
Aug	77.90	76.85	+1.05	1.75	1.75	0.00
Sep	-	-	-	1.75	1.75	0.00
Oct	67.05	67.48	-0.43	1.75	1.75	0.00
Nov	-	-	-	-	-	-
Dec	61.60	62.28	-0.68	-	-	-
<b>2018</b>						
Jan	-	-	-	-	-	-
Feb	66.03	66.65	-0.62	-	-	-
Mar	69.38	69.73	-0.35	-	-	-
Apr	73.68	73.65	+0.03	-	-	-
May	77.75	77.75	0.00	-	-	-
Jun	76.90	76.75	+0.15	-	-	-
Jul	76.10	75.75	+0.35	-	-	-
Aug	75.30	-	-	-	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = €6,8509				Conversion factor DKK/kg: € = 7.4401		



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 30 April – 7 May		Year to date 1 January – 7 May	
	Pigs	Wild boar	Pigs	Wild boar
	<b>Estonia</b>		5	0
<b>Latvia</b>		15	2	254
<b>Lithuania</b>			1	171
<b>Poland</b>		5	0	119
<b>Italy</b>			10	28
<b>Ukraine</b>	1		61	5

### Poland calls for a co-ordinated effort against ASF

On the initiative of Poland, the EU has been discussing the eradication of African Swine Fever, with particular focus on the role of neighbouring countries, including Ukraine, Belarus and Moldova, reports Agra Europe.

Poland claims that their own initiatives to combat African Swine Fever are effective, but that the disease remains a constant threat due to the particular way Ukraine and Belarus are dealing with the problem.

According to the Polish authorities, Ukraine has allocated insufficient resources to the issue, while Belarus is failing to obtain information about the number of cases. Poland points to the need for a coordinated approach to prevent further spread through wild boar.

According to Agra Europe, Poland's views are supported by several other EU countries, including Slovakia, Hungary, Czech Republic, Latvia, Belgium, Denmark and Spain.



As last week's Market News contained a calculation error, please find an amended version of April's pig census below.

### Pig census 1 April 2017

Statistics Denmark has published the results of its pig census from 1 April 2017, which is based on random checks of 2,500 farms.

The results show that the overall population is 1.5% down on one year ago. The most recent census from 1 January showed a year-on-year decline of 3.3%.

The fall in the total pig population is solely due to a strong fall of 8.1% in the "Finished pigs > 50 kg" group. Excluding this group, there is a rise in the total population of 0.6% against a fall of 1.9% in the January census.

As regards the breeding population, i.e. pregnant sows, there is a 1.6% increase compared to one year ago. The census from 1 January showed a decline in pregnant sows of 1.5%.

## STATISTICS DENMARK

### PIG CENSUS FROM 1 APRIL 2017

1,000 head	April census			January census		
	1 April 2017	1 April 2016	% change 17:16	1 January 2017	1 January 2016	% change 17:16
Breeding boars	11	11	-	11	11	-
Pregnant gilts	190	186	+2.2	187	191	-2.1
Other pregnant sows	581	573	+1.4	578	586	-1.4
Total pregnant sows	771	759	+1.6	765	777	-1.5
Nursing sows	207	206	+0.5	202	205	-1.5
Dry sows	36	35	+2.9	35	34	+2.9
Sows and boars for slaughter	6	7	-14.3	6	7	-14.3
Gilts >50 kg for breeding	216	217	-0.5	234	221	+5.9
Piglets with sows	2,520	2,474	+1.9	2,445	2,474	-1.2
Weaned pigs <50 kg	5,697	5,700	-0.1	5,677	5,826	-2.6
Finished pigs >50 kg	2,764	3,009	-8.1	2,906	3,147	-7.7
<b>Total pigs</b>	<b>12,228</b>	<b>12,418</b>	<b>-1.5</b>	<b>12,281</b>	<b>12,702</b>	<b>-3.3</b>
<b>Total pigs excl. finished pigs</b>	<b>9,464</b>	<b>9,409</b>	<b>+0.6</b>	<b>9,375</b>	<b>9,555</b>	<b>-1.9</b>



## Denmark's pig meat exports, tonnes

Jan-Feb 2017

	By-products	Live pigs	Processed/canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	3,477	29,338	1,332	24	13,591	41,652	433	89,846	29.3
Poland	505	24,998	34	0	0	17,006	1	42,545	13.9
UK	1,306	48	1,391	6,569	0	21,666	1,431	32,412	10.6
Italy	311	3,231	74	5	0	14,899	46	18,566	6.1
Sweden	1,462	3	263	206	0	2,593	730	5,257	1.7
Holland	1,602	1,560	24	4	0	1,058	39	4,286	1.4
France	261	253	157	56	0	1,954	144	2,824	0.9
Spain	140	748	181	80	0	1,268	247	2,664	0.9
Other EU countries	2,425	2,248	411	17	0	6,989	510	12,600	4.1
<b>Total EU</b>	<b>11,488</b>	<b>62,427</b>	<b>3,867</b>	<b>6,961</b>	<b>13,591</b>	<b>109,084</b>	<b>3,581</b>	<b>211,000</b>	<b>68.9</b>
China	30,021	21	0	0	0	16,310	0	46,352	15.1
Japan	889	8	703	18	0	16,777	241	18,637	6.1
Australia	26	0	34	49	0	8,841	0	8,949	2.9
USA	426	0	1,113	24	0	3,797	93	5,453	1.8
South Korea	358	0	380	0	0	2,736	60	3,534	1.2
Philippines	1,692	0	123	0	0	293	0	2,109	0.7
Taiwan	201	0	0	0	0	1,876	0	2,077	0.7
Hong Kong	450	0	94	1	0	650	29	1,224	0.4
Thailand	667	33	11	0	0	0	1	712	0.2
Other Third Countries	1,438	136	1,305	189	0	2,073	946	6,087	2.0
<b>Third Countries, total</b>	<b>36,167</b>	<b>199</b>	<b>3,762</b>	<b>281</b>	<b>0</b>	<b>53,353</b>	<b>1,371</b>	<b>95,134</b>	<b>31.1</b>
<b>Exports, total</b>	<b>47,656</b>	<b>62,625</b>	<b>7,630</b>	<b>7,242</b>	<b>13,591</b>	<b>162,437</b>	<b>4,952</b>	<b>306,134</b>	<b>100</b>

Jan-Feb 2016

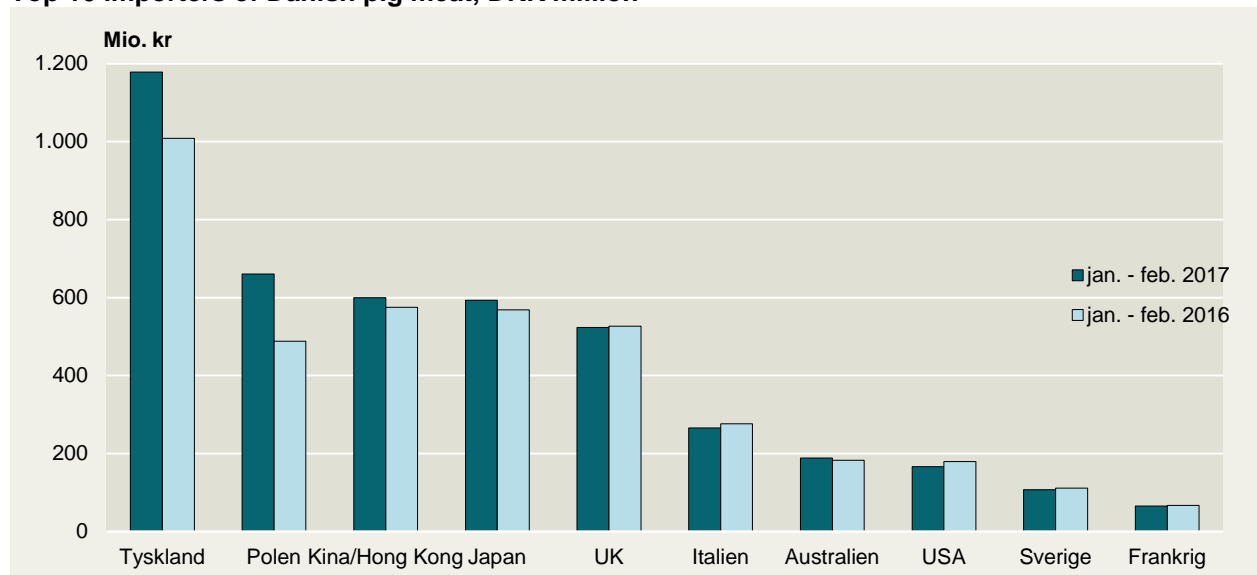
	By-products	Live pigs	Processed/canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	4,358	31,798	1,777	40	15,957	41,325	524	95,780	30.2
Poland	140	20,770	1	1	7	19,626	2	40,547	12.8
UK	1,463	48	2,083	8,851	0	20,455	1,358	34,257	10.8
Italy	246	3,821	17	9	0	17,973	44	22,110	7.0
Sweden	1,537	4	284	235	0	3,101	727	5,889	1.9
Holland	3,306	1,598	29	4	0	876	34	5,847	1.8
France	423	128	148	43	0	2,454	159	3,356	1.1
Spain	54	274	262	332	0	959	302	2,183	0.7
Other EU countries	2,146	2,074	297	66	0	6,347	527	11,456	3.6
<b>Total EU</b>	<b>13,674</b>	<b>60,516</b>	<b>4,898</b>	<b>9,580</b>	<b>15,964</b>	<b>113,115</b>	<b>3,677</b>	<b>221,424</b>	<b>69.8</b>
China	32,065	0	0	0	0	15,118	0	47,183	14.9
Japan	436	4	731	36	0	18,511	270	19,988	6.3
Australia	142	0	0	47	0	9,396	0	9,586	3.0
USA	669	0	796	47	0	4,485	86	6,083	1.9
South Korea	329	0	400	0	0	1,931	20	2,681	0.8
Hong Kong	866	0	87	0	0	981	6	1,940	0.6
Taiwan	50	0	0	0	0	1,292	0	1,342	0.4
Singapore	257	0	6	12	0	326	104	704	0.2
Canada	46	0	0	0	0	549	0	595	0.2
Other Third Countries	1,741	273	1,420	111	0	1,417	910	5,872	1.8
<b>Third Countries, total</b>	<b>36,602</b>	<b>278</b>	<b>3,440</b>	<b>252</b>	<b>3</b>	<b>54,006</b>	<b>1,395</b>	<b>95,976</b>	<b>30.2</b>
<b>Exports, total</b>	<b>50,276</b>	<b>60,794</b>	<b>8,338</b>	<b>9,832</b>	<b>15,967</b>	<b>167,121</b>	<b>5,072</b>	<b>317,400</b>	<b>100</b>

### Top 10 importers of Danish pig meat measured in value

The following chart shows the top ten countries for Danish pig meat exports ranked according to value for January-February 2017. All pig meat (including live pigs) is included in the export figures.

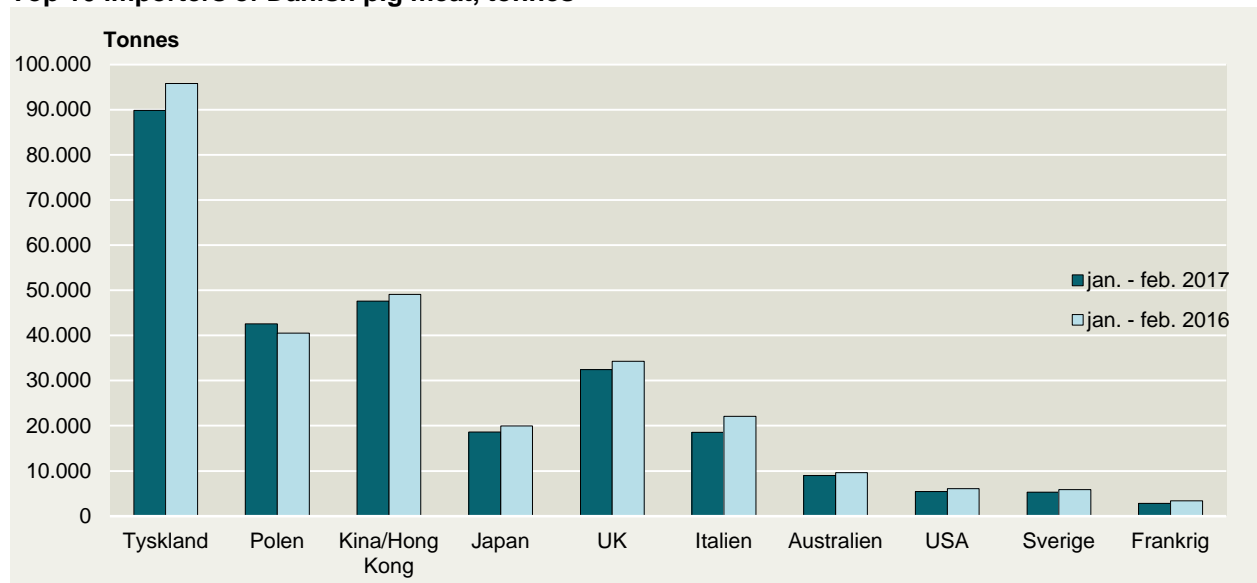
Country	Jan-Feb 2017		Jan-Feb 2016	
	Value in DKK million	Tonnes	Value in DKK million	Tonnes
Germany	1,178	89,846	1,009	95,780
Poland	661	42,545	488	40,547
China/Hong Kong	600	47,576	576	49,123
Japan	593	18,637	569	19,988
UK	523	32,412	527	34,257
Italy	266	18,566	277	22,110
Australia	189	8,949	183	9,586
USA	166	5,453	179	6,083
Sweden	108	5,257	112	5,889
France	65	2,824	67	3,356
<b>Top 10 total</b>	<b>4,350</b>	<b>272,065</b>	<b>3,986</b>	<b>286,717</b>
Other countries	588	34,069	489	30,682
<b>Total</b>	<b>4,938</b>	<b>306,134</b>	<b>4,475</b>	<b>317,400</b>

### Top 10 importers of Danish pig meat, DKK million



Germany, Poland, China/Hong Kong, Japan, UK, Italy, Australia, US, Sweden, France

### Top 10 importers of Danish pig meat, tonnes



Germany, Poland, China/Hong Kong, Japan, UK, Italy, Australia, USA, Sweden, France

 **GERMANY**
**Tönnies to increase slaughtering capacity**

Weekly Tribune reports that Tönnies has sought permission to increase capacity at their slaughterhouse in Rheda-Wiedenbrück from 26,000 pigs per day to 30,400 pigs per day. The capacity increase will raise production volume at the factory from 3,000 tonnes, measures in live weight per day, to 3,500 tonnes.

The rise in slaughtering capacity will probably take several years to achieve and will be implemented through improved working procedures and new production technology.

 **RUSSIA**
**Rise in pig slaughterings in Q1 2017**

According to figures from Russia's Agricultural Ministry, pig slaughterings measured in live weight rose by 5.3% in Q1 2017 compared to the same quarter last year and reached more than one million tonnes.

The most significant rise was registered in the Pskov, Chelyabinsk, Tver and Voronezh regions and in the Stavropol area. A slight fall occurred in Tomsk, Penza, Vladimir, Ryazan and Krasnodar.

 **CANADA**
**New case of PEDv**

The veterinary authorities in the province of Manitoba have confirmed a further two cases of PEDv in a sow and finisher herd.

So far this month, there have been three reported cases. This is the first outbreak of PEDv since last September.

 **USA**  **CHINA**
**China to open its market to U.S. beef in July**

Last Thursday, the Trump administration announced that China will allow U.S. beef into the country by 16 July. The move follows the meeting between Chinese President Xi Jinping and President Trump.

China lifted the 2003 ban on U.S. beef imports in September, but Chinese traceability requirements prevented significant exports from taking place.

 **CHINA**
**Stable pig meat production in Q1 2017**

The Chinese authorities report that Chinese pig slaughterings and pig meat production for Q1 2017 were stable compared to last year.

191.49 million pigs were slaughtered in Q1 2017 at a total weight of 14.68 million tonnes. Measured in tonnage and per head, this represents a modest rise of 0.2% compared to the corresponding quarter last year.

Production of pig meat, beef, poultry and lamb amounted to 22.49 million tonnes in Q1 2017 – a rise of 0.2% compared to last year.

 **CHINA**
**Foot & Mouth disease**

Last week, the authorities in China reported two outbreaks of Foot & Mouth disease. Some 1,310 head of cattle have been affected by the outbreaks, which are in the north of the Xinjiang region.

 **VIETNAM**
**Minister calls on meat companies to aid pig producers**

Vietnam's Agriculture Minister has called on meat companies in the country to increase their purchases of pigs and pig meat and, if necessary, to store the meat in order to mitigate the effects of a serious economic crisis among the country's pig producers.

Vietnamese pig prices have fallen sharply this year and have reached their lowest level in 30 years. The Vietnamese Agriculture Minister has already proposed a reduction in prices for animal feed and veterinary medicine and also suggested that banks and credit institutions write off pig producers' debts.

In return, representatives of the meat industry in Vietnam have proposed that the authorities impose a temporary ban on pig meat imports in order to stabilise prices.

 **AUSTRALIA**
**Rise in production, import and consumption of pig meat**

Australia reports a rise in production, imports and consumption of pig meat.

Australian Pork Limited reports that weekly pig slaughterings are 2,000 head up on last year. With annual slaughterings totalling around 5 million pigs, the 2,000 extra correspond to slightly more than a +2% production increase.

In addition, imports of fresh/frozen pig meat have seen solid increases: in Q1 from 40,500 tonnes to 49,900 tonnes.

The increased supply of pig meat has put pig meat prices under pressure, with prices for producers reported at 2.80 \$/kg compared to 3.80 \$/kg one year ago.

The increased supply is expected to mean an increase in pig meat consumption, which is expected to rise to 27kg per inhabitant. According to official statistics, pig meat consumption in 2015 exceeded beef consumption for the first time in the Australian market. However, poultry consumption outperformed both beef and pork at 50kg per inhabitant.

 **BRAZIL**
**Police investigating loans to JBS**

Reuters news agency reports that Brazilian police have launched an investigation into suspected fraud in loans from the state development bank, BNDES, to the Brazilian meat company, JBS.

The move caused JBS shares to fall by 3% on the Sao Paulo stock exchange.

 **ECUADOR**
**First outbreak of PRRS**

PRRS has been reported for the first time in Ecuador at a farm in Luz de América, approximately 60 miles west of the country's capital, Quito.

 **TUNISIA****Foot & Mouth disease**

Last week, the authorities in Tunisia reported one case of Foot & Mouth disease. 32 cattle have been affected by the outbreak, which was in the north of the country.

 **ISRAEL****Foot & Mouth disease**

Last week, the authorities in Israel reported one case of Foot & Mouth disease. 60 cattle have been affected.