

MARKET NEWS for pig meat



Market Analysis

18 September

Week 38

MARKET SITUATION

Europe: Trading in fresh legs is at slightly falling prices. Other cuts are trading at largely unchanged prices.

UK: Trading is slow but stable.

Trade is reported as stable for Japan and China.

SLAUGHTERINGS DENMARK

	Week 34	Week 35	Week 36	Week 1-36 2017/2016
Total	317,991	315,491	316,023	-6.1 %

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

PRICES

Slaughter pigs and sows

DKK/kg	DC	Tican
Finished pigs (basic weight class and basic meat percentage)	10.50	10.50
Sows (above 130 kg)	6.80	6.80

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	405.75	407.98
SPF+Myc	410.75	412.98
SPF	414.75	416.98
Organic	964.90	1041.80
Market prices SPF region 1		
PRRS negative	475.00	480.00
PRRS positive	450.00	463.00
Market prices SPF region 2/3		
PRRS negative	475.00	480.00
PRRS positive	450.00	463.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	11.02 kr/kg	9.07 kr/kg	6.95 kr/kg	5.62 kr/kg	5.77 k./kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	15/9	8/9	Change	15/9	8/9	Change
2017						
Sep	-	-	-	1.70	1.70	0.00
Oct	60.98	61.50	-0.52	1.75	1.75	0.00
Nov	-	-	-	1.70	1.70	0.00
Dec	58.48	58.90	-0.42	1.65	1.65	0.00
2018						
Jan	-	-	-	1.65	1.65	0.00
Feb	64.10	63.75	+0.35	1.65	1.65	0.00
Mar	-	-	-	-	-	-
Apr	68.90	68.70	+0.20	-	-	-
May	74.20	74.18	+0.02	-	-	-
Jun	77.86	77.83	+0.03	-	-	-
Jul	78.25	78.13	+0.12	-	-	-
Aug	77.90	77.58	+0.32	-	-	-
Sep	-	-	-	-	-	-
Oct	66.13	65.76	+1.26	-	-	-
Nov	-	-	-	-	-	-
Dec	61.25	60.60	+0.77	-	-	-
2019						
Jan	64.90	62.88	+0.25	-	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = €6.1693				Conversion factor DKK/kg: € = 7.4400		



EU

African Swine Fever

The EU Commission's reporting system for the outbreak of disease has published the following figures:

Countries	Period 4 Sept - 10 Sept		Year to date 1 Jan – 10 Sept	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		7	2	488
Latvia	1	21	5	633
Lithuania	2	56	27	586
Poland	1	8	72	311
Italy			16	28
Ukraine	4		91	15
Czech Republic		25	0	97
Romania			2	



POLAND

Funding for fence

AHDP Pork reports that Poland's Ministry of Finance has approved an expenditure of €27.7 million to fence the border between Poland, Belarus and Ukraine in order to stop the migration of wild boar with African Swine Fever into Poland.

 **RUSSIA**
African Swine Fever

Last week, Russia reported five outbreaks of African Swine Fever: three at small pig farms and two among wild boar.

 **RUSSIA**
African Swine Fever at a major pig farm means a setback in Russia's export ambitions

An outbreak of African Swine Fever at a major pig farm in the Belgorod region means a setback in Russia's ambitions to step up its pig meat exports.

Last week, a pig farm with around 16,000 pigs in the Belgorod region was confirmed as being infected with African Swine Fever. The farm is owned by Rusagro, which also owns more than 24 pig farms in the region. Altogether, Rusagro's pig business produces in the region of 85,000 tonnes pig meat per year.

The outbreak is the first in a commercial herd in the Belgorod region, which accounts for 20 per cent of Russia's pig production. According to a spokesman from Russia's largest pig producer, Miratorg, the outbreak is a serious blow to Russia's ambitions to get pig meat exports underway: Russia can forget about exporting pig meat for another two-three years, he said.

Source: Pig Progress

 **RUSSIA**
Rusagro investigates potential for pig production in China

Rusagro is currently investigating the possibility of starting pig production in north east China.

The CEO of Rusagro, Maxim Basov, said that it is still too early to say anything about the size of the investment because it will depend on how much land can be acquired and where. However, he says that the company is aiming for a major project with possibly a Chinese partner.

 **RUSSIA**
Miratorg anticipates exports to China

Miratorg's President Victor Linnik has said that in the long-term, China will be forced to import meat from Russia because China does not have the resources to be self-sufficient in food.

"We're getting no help from the WTO, but we will gradually gain access to export markets ourselves," said the president. "At the latest meeting of the Far Eastern Economic Forum, Putin was particularly focused on matters that related to exports to China. I believe that sooner or later, China will be open to us."

 **RUSSIA**
Continued rise in pig population

The Russian authorities have published figures for Russia's pig population at 31 July 2017, which, at 23.9 million head, shows a rise of 2.0 per cent compared to one year ago.

However, the pace of growth in the pig population compared to the same census last year is declining as the previous censuses this year and last showed increases of between 3 per cent and 5 per cent.

The cattle population as at 31 July was 19.7 million, i.e. 0.9 per cent down on one year ago.

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	1,388,979	45,071	1,434,050
February	1,325,895	41,159	1,367,054
March	1,659,600	51,456	1,711,056
April	1,080,045	40,805	1,120,850
May	1,165,748	48,312	1,214,060
June	1,691,224	51,065	1,742,289
July*	1,266,848	40,660	1,307,508
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Jan-June	9,578,339	318,528	9,896,867

* = 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	1,023,887	17,196	1,600	1,083,112
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	12,770,723	240,165	36,176	13,511,016

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	37,601	1,185,581	17,812	592	1,241,586
April	36,047	959,023	13,885	2,311	1,011,266
May	46,023	1,286,358	29,781	4,574	1,366,736
June	38,015	1,187,257	50,920	2,253	1,278,445
July*	36,172	1,008,102	17,710	1,852	1,063,836
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-June	258,944	7,739,890	164,548	13,994	8,177,376

* = Preliminary figures



May/June pig census

Eurostat has now published the results of its May/June pig census for a number of countries, which means that 13 of the 14 countries that are expected to publish their results have now done so. Belgium's figures are still awaited.

The results show a total EU pig population, which is 1.0 per cent higher than last year. As regards the breeding herd in the form of breeding sows and pregnant sows, the census reveals a 1.2 per cent and 2.1 per cent increase respectively. The increase is primarily due to a strong rise for both Spain and Poland.

The most recent EU pig census was in December 2016 which showed a 1.0 per cent decline in the total herd. The sow population, including pregnant sows, showed a decline of 1.7 per cent and 1.6 per cent respectively.

As the census is a sample survey, the results should be treated with some caution. However, they indicate that the modest decline in EU slaughterings so far this year can be expected to be replaced over the coming quarters by overall EU slaughterings that are higher than the previous year.

Pig census EU May-June 2017

' 000 head	Total population			Breeding sows			Pregnant sows		
	2017	2016	% change	2017	2016	% change	2017	2016	% change
Germany	27,100	27,146	-0.2	1,894	1,917	-1.2	1,383	1,407	-1.7
Spain	28,667	27,541	4.1	2,516	2,374	6.0	1,728	1,577	9.6
France	13,045	13,280	-1.8	984	1,007	-2.3	701	710	-1.3
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	11,353	10,865	4.5	885	854	3.6	603	586	2.9
Italy	8,774	8,708	0.8	579	572	1.3	478	472	1.3
Belgium		6,193			432			354	
UK	4,978	4,866	2.3	498	494	0.8	351	350	0.3
Romania	4,487	4,575	-1.9	326	339	-3.8	208	210	-1.0
Hungary	2,807	3,026	-7.2	253	269	-5.9	171	173	-1.2
Austria	2,669	2,667	0.1	236	232	1.7	164	162	1.2
Ireland	1,557	1,594	-2.3	143	149	-4.0	98	103	-4.9
Sweden	1,362	1,354	0.6	140	139	0.7	100	97	3.1
EU (13)	131,663	130,351	1.0	10,747	10,615	1.2	7,464	7,314	2.1
EU (14)		136,544			11,047			7,668	
Serbia	2,883	3,016	-4.4	427	444	-3.8	213	201	6.0



Pig meat exports

The EU Commission has published preliminary figures for EU pig meat exports (measured in slaughter weight) for the period January-July 2017 compared with the same period last year.

EU-28 pig meat exports

Slaughter weight, tonnes	Jan- Jul 2017	Jan - Jul 2016	% change
China	788,261	1,164,572	-32.3
Japan	244,477	228,372	7.1
Hong Kong	202,922	199,427	1.8
South Korea	166,943	132,699	25.8
Philippines	148,839	129,723	14.7
USA	90,849	75,106	21.0
Other	532,308	517,947	2.8
Total	2,174,598	2,447,846	-11.2

 **MEXICO**
Mexico considers including pig meat in NAFTA negotiations

Reuters news agency reports that Mexico is considering including its substantial imports of American pork legs in the current NAFTA negotiations as a counterproposal to US plans to give American fruit and vegetable producers better protection against imports from Mexico.

Last year, US exports of legs to Mexico reached 690,000 tonnes, i.e. 80 per cent of US exports of pig meat to Mexico.

The new NAFTA negotiations are a consequence of President Trump's threats to take the US out of the current NAFTA agreement if he cannot get a better deal for US workers.

The National Pork Producers Council (NPPC) has already expressed their concern about a possible re-opening of the current NAFTA agreement which provides free access for US pig meat to Mexico, which is of considerable benefit to US pig producers.

 **GERMANY**
The competition authorities approve Tönnies' acquisition of three sausage companies

Zur Mühlen Group, which is a part of Tönnies, has been granted permission by Germany's competition authorities, to acquire three sausage factories, previously owned by Lutz Fleischwaren.

The three companies are located in Chemnitz, Landsberg and Weimar.

 **UKRAINE**
Record high pig prices may result in export restrictions

Reuters news agency, citing a Ukrainian government official, reports that Ukraine may impose substantial curbs on pig meat exports to stabilise local pig prices.

Domestic prices for pig meat increased 43 per cent in the first eight months of the year, while beef and poultry were up 26 per cent and 31 per cent respectively.

According to the official, the rise in pig meat exports is one of the reasons for the increase in prices.

 **CHINA**
Tech-Bank Food to invest \$369 million in pig production

Asian Agribusiness reports that the Chinese feed and pig producer, Tech-Bank Food, is to invest \$369 million over the next two years in an expansion of its existing pig production.

The company is planning to increase the number of sows from 125,000 head currently to 161,550 head by the end of this year and to 331,800 head by 2018.

The company also expects its annual output of finishers to hit 2.61 million in 2018 and 6.04 million in 2019. Tech-Bank produced 608,200 finished pigs in the first eight months of 2017, a rise of 85% compared to last year.

 **MONGOLIA****Foot and Mouth disease**

Last week, the authorities in Mongolia reported nine cases of Foot and Mouth disease: 449 cattle, 167 goats and 80 sheep were affected.

 **ZIMBABWE****Foot and Mouth disease**

Last week, the authorities in Zimbabwe reported 35 cases of Food and Mouth disease: 56,890 cattle were affected.