

MARKET NEWS for pig meat



Market analysis

17 October 2017

Week 42

MARKET SITUATION

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

UK: Trading is stable.

Trade is reported as stable for Japan and China.

SLAUGHTERINGS DENMARK

	Week 38	Week 39	Week 40	Week 1-40 2017/2016
Total	332,238	338,042	341,189	-5.6 %

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)	10.00	10.00
Sows (above 130 kg.)	6.20	6.20

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av.
Basic	384.51	406.77
SPF+Myc	389.51	411.77
SPF	393.51	415.77
Organic	926.21	1033.85
Market prices SPF region 1		
PRRS negative	405.00	481.00
PRRS positive	375.00	464.00
Market prices SPF region 2/3		
PRRS negative	405.00	481.00
PRRS positive	375.00	464.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	10.19 kr./kg	9.08 kr./kg	6.61 kr./kg	5.46 kr./kg	5.60 kr./kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	13/10	6/10	Change
2017			
Oct	60.40	59.18	+1.22
Nov	-	-	-
Dec	62.20	60.93	+1.27
2018			
Jan	-	-	-
Feb	67.45	66.55	+0.90
Mar	-	-	-
Apr	71.95	71.40	+0.55
May	77.00	76.38	+0.62
Jun	80.30	79.88	+0.42
Jul	80.48	80.48	+0.00
Aug	79.78	79.88	-0.10
Sep	-	-	-
Oct	67.00	67.75	-0.75
Nov	-	-	-
Dec	61.20	62.05	-0.85
2019			
Jan	-	-	-
Feb	64.50	65.20	-0.70
Mar	67.80		
Conversion factors: 1 lb = 0.4536 kg \$ = €6.3031			

**EU****African Swine Fever**

The EU Commission's reporting system for the outbreak of disease has not been updated. Only outbreaks up to and including 8 October for EU countries and the Ukraine have, therefore, been registered.

Countries	Period 2 Oct – 8 Oct		Year to date 1 Jan – 8 Oct	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		11	3	519
Latvia		10	7	689
Lithuania		29	30	710
Poland	1	18	79	356
Italy			16	28
Ukraine	3		99	15
Czech Republic		5		111
Romania			2	



EU

EU launches further measures to curb the spread of African Swine Fever

Agra Europe reports that the EU has launched new initiatives to control the spread of ASF.

The new rules mean more robust requirements as regards the washing and disinfection of vehicles entering the EU from Moldova, Russia, Belarus and Ukraine.



RUSSIA

African Swine Fever

Last week Russia reported three outbreaks of ASF at small pig farms.



GLOBAL

Pig meat: forecast production, consumption and trade in 2018

Last week, the US Department of Agriculture, USDA, published its forecast for production, consumption and trade in pig meat for 2018 for a number of countries.

The figures cover a number of selected countries and production, consumption and trade is calculated in carcass weight. Trade covers only fresh/frozen pig meat. The substantial Chinese imports of by-products are thus not included in the import/export figures. .

Pig meat production

USDA expects a rise in pig meat production in 2018 for almost all the countries in the table: a modest decline is expected for the EU and Japan. Overall, global production is expected to rise by 2 per cent in 2018.

For China, the world's largest producer and importer of pig meat, the USDA expects a rise in production of 2 per cent.

For US, a 4 per cent rise in pig meat production is expected for 2018. With regard to the other major exporting countries, Canada and Brazil, more modest rises of 2 per cent and 1 per cent are expected.

For Russia, where pig meat production has been rising significantly for a number of years, USDA expects only a modest 1 per cent rise in production for 2018.

Production in 1,000 tonnes	2014	2015	2016	2017	Forecast 2018	% change 2018:2017
China	56,710	54,870	52,990	53,500	54,750	2
EU	22,540	23,249	23,523	23,400	23,350	0
USA	10,368	11,121	11,320	11,722	12,188	4
Brazil	3,400	3,519	3,700	3,725	3,755	1
Russia	2,510	2,615	2,870	2,960	3,000	1
Vietnam	2,431	2,572	2,701	2,750	2,775	1
Canada	1,805	1,899	1,914	1,960	2,000	2
Philippines	1,402	1,463	1,540	1,585	1,635	3
Mexico	1,290	1,323	1,376	1,430	1,480	3
South Korea	1,200	1,217	1,266	1,307	1,332	2
Japan	1,264	1,254	1,279	1,275	1,270	0
Total – selected countries	104,920	105,102	104,479	105,614	107,535	2

Consumption in 1,000 tonnes	2014	2015	2016	2017	Forecast 2018	% change 2018:2017
China	57,194	55,668	54,980	54,935	56,115	2
EU	20,390	20,873	20,410	20,613	20,563	0
USA	8,544	9,341	9,475	9,597	9,868	3
Russia	3,021	3,016	3,192	3,260	3,275	0
Brazil	2,846	2,893	2,870	2,917	2,927	0
Vietnam	2,414	2,550	2,676	2,718	2,740	1
Japan	2,543	2,568	2,626	2,705	2,705	0
Mexico	1,991	2,176	2,256	2,395	2,510	5
South Korea	1,660	1,813	1,894	1,978	1,990	1
Philippines	1,600	1,637	1,734	1,824	1,824	0
Taiwan	875	937	902	913	918	1
Total – selected countries	103,078	103,472	103,015	103,855	105,435	2

Pig meat: trade and world markets

USDA expects relatively stable global trade in pig meat in 2018 compared to 2017.

After a substantial rise in Chinese imports of pigs meat (excl. by-products) in 2015 and 2016, the USDA expects a decline in Chinese imports in 2017 and stable imports in 2018. Japanese imports increased in both 2016 and 2017, but are expected to remain stable in 2018. As regards Mexico, the third major importer of pig meat, USDA expects to see a continued rise in imports in 2018. .

Among the major exporters of pig meat, the USDA expects to see stable exports for the EU in 2018 whereas a 5 per cent rise in US exports is expected for 2018. As regards the two other major exporting countries, Canada and Brazil, the USDA expects a modest rise in exports of 2 per cent for 2018.

Imports in 1,000 tonnes	2014	2015	2016	2017	Prognose 2018	% change 2018:2017
China	761	1,029	2,181	1,650	1,600	-3
Japan	1,332	1,270	1,361	1,440	1,435	0
Mexico	818	981	1,021	1,125	1,200	7
South Korea	480	599	615	680	655	-4
USA	459	506	495	506	454	-10
Hong Kong	347	397	429	410	425	4
Russia	516	408	347	325	300	-8
Australia	191	220	210	220	230	5
Canada	214	216	215	220	225	2
Philippines	199	175	195	215	215	0
Chile	45	47	76	105	125	19
Total – selected countries	5,362	5,848	7,145	6,896	6,864	-0

Exports in 1,000 tonnes	2014	2015	2016	2017	Forecast 2018	% change 2018:2017
EU	2,164	2,388	3,125	2,800	2,800	0
USA	2,310	2,272	2,377	2,589	2,706	5
Canada	1,220	1,239	1,320	1,330	1,350	2
Brazil	556	627	832	810	830	2
China	277	231	191	215	235	9
Chile	163	178	173	180	195	8
Mexico	117	128	141	160	170	6
Australia	37	36	38	42	45	7
Vietnam	21	30	35	40	43	8
Russia	5	7	25	25	25	0
Serbia	25	19	11	17	22	29
Total – selected countries	6,895	6,887	8,268	8,208	8,421	3

 **DENMARK**
Denmark's exports of pig meat, tonnes
Jan-July 2017

	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	12,574	110,189	4,716	101	48,749	139,025	1,413	316,766	29.2
Poland	1,927	93,314	159	0	0	72,580	0	167,980	15.5
UK	5,221	204	5,211	21,159	0	78,148	5,405	115,349	10.6
Italy	1,107	12,978	246	39	0	56,037	161	70,569	6.5
Sweden	5,633	3	1,178	741	0	10,180	2,896	20,630	1.9
Holland	5,695	6,668	138	19	0	4,216	147	16,882	1.6
France	798	676	606	235	0	7,766	515	10,596	1.0
Spain	356	2,430	770	273	0	4,093	852	8,774	0.8
Other EU countries	8,244	7,769	1,738	68	0	29,991	2,048	49,859	4.6
Total EU	41,556	234,230	14,762	22,636	48,749	402,037	13,436	777,406	71.6
China	97,667	21	0	0	0	45,720	0	143,408	13.2
Japan	2,049	10	2,304	163	0	62,241	941	67,710	6.2
Australia	115	0	114	259	0	25,356	29	25,874	2.4
USA	1,686	0	2,991	72	0	14,926	518	20,193	1.9
South Korea	408	24	1,550	0	0	7,180	200	9,363	0.9
Taiwan	944	3	10	0	0	7,909	0	8,866	0.8
Philippines	3,292	4	274	0	0	804	1	4,376	0.4
Hong Kong	921	0	376	17	0	2,507	92	3,913	0.4
Canada	70	0	202	0	0	1,862	0	2,133	0.2
Other Third Countries	6,697	603	4,905	666	0	5,973	4,355	23,199	2.1
Third Countries, total	113,849	666	12,726	1,177	5	174,477	6,137	309,038	28.4
Exports, total	155,405	234,897	27,488	23,812	48,753	576,514	19,573	1,086,443	100.0

Jan- July 2016

	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	13,814	102,694	5,263	144	52,225	128,164	1,682	303,986	27.3
Poland	1,331	76,173	15	2	9	64,794	20	142,342	12.8
UK	3,573	151	6,993	29,702	0	75,483	5,608	121,511	10.9
Italy	1,066	12,602	235	34	0	58,275	161	72,372	6.5
Sweden	5,070	10	1,279	882	17	11,657	3,127	22,043	2.0
Holland	10,670	6,162	86	21	0	3,278	109	20,326	1.8
France	1,385	513	589	182	0	7,375	571	10,615	1.0
Spain	405	2,339	817	504	0	3,329	856	8,249	0.7
Other EU countries	6,651	5,759	1,684	334	0	20,950	1,852	37,230	3.3
Total EU	43,965	206,402	16,961	31,805	52,251	373,305	13,985	738,674	66.3
China	112,963	48	1	0	0	89,241	0	202,253	18.1
Japan	2,431	5	2,713	92	0	63,564	954	69,759	6.3
Australia	288	0	39	225	0	32,017	11	32,581	2.9
USA	1,561	0	2,361	94	0	15,585	431	20,031	1.8
Hong Kong	4,080	0	246	10	0	5,386	14	9,737	0.9
South Korea	438	11	2,324	0	0	6,595	217	9,585	0.9
Taiwan	330	0	10	0	0	5,787	0	6,127	0.5
Singapore	843	0	73	136	0	755	366	2,173	0.2
New Zealand	0	0	17	0	0	2,041	0	2,058	0.2
Other Third Countries	5,254	831	4,914	469	0	5,712	4,554	21,735	1.9
Third Countries, total	128,190	895	12,699	1,026	10	226,684	6,546	376,049	33.7
Exports, total	172,154	207,297	29,660	32,831	52,261	599,988	20,531	1,114,723	100.0

Top 10 importers of Danish pig meat measured in value

The tables below provide a breakdown of the top ten countries for Danish pig meat exports ranked according to value for Jan-July 2017. All pig meat (including live pigs) is included.

Country	Jan-July 2017		Jan-July 2016	
	Value in DKK million	Tonnes	Value in DKK million	Tonnes
Germany	4,729	316,766	3,639	303,986
Poland	2,912	167,980	1,851	142,342
Japan	2,140	67,710	2,063	69,759
UK	1,953	115,349	1,930	121,511
China/Hong Kong	1,846	147,321	2,620	211,989
Italy	1,124	70,569	995	72,372
USA	620	20,193	612	20,031
Australia	567	25,874	625	32,581
Sweden	438	20,630	460	22,043
France	254	10,596	229	10,615
Top 10 total	16,583	962,988	15,025	1,007,229
Other countries	2,350	123,455	1,902	107,483
Total	18,933	1,086,443	16,927	1,114,723

 **CHINA**
Substantial decline in pig population

Reuters, citing information from China's Ministry of Agriculture, reports that, at the beginning of September, China's pig population was 6.1 per cent lower compared to one year ago. The decline was 5 per cent for sows.

This is the most significant decline for the sow population since March 2016. The decline in the overall population and in the sow herd has been accelerating since July when there was a fall of 4.8 per cent and 4.2 per cent respectively.

The closure of pig businesses is becoming increasingly widespread in the run-up to the December 2018 deadline, which was set up as part of a three-year campaign instigated by the authorities to combat growing environmental problems through a restructuring of the livestock sector.

 **EU**
Increased number of organic pigs in the EU

Weekly Tribune reports that the number of organic pigs in the EU rose by 6 per cent to 424,000 in 2016. Despite the rise, organic pig production remains modest and accounts for less than 1 per cent of the EU's total pig production.

Germany has the highest number of organic pigs – 118,000 – followed by Denmark and France with 66,000 and 63,000 respectively.

 **BELGIUM**
Lidl only to sell pig meat under the Better Life programme

The Pig Site reports that Lidl in Belgium is only to sell pig meat that is part of the Better Life programme.

 **THAILAND**
Agricultural organisations protest against the possible opening of the market to US pig meat

Some 12 agricultural organisations in Thailand are protesting to the government against the possible opening of the market to US pig meat.

In connection with the Thai Prime Minister's visit to President Trump in the White House last week, expectations/rumours are circulating that Thailand has entered an agreement that will pave the way for imports of US pig meat.

According to the Prime Minister, however, there is no such agreement. However, he has acknowledged that a committee is to examine certain trading issues.

In the past twelve years, Thailand has not permitted imports of US pig meat owing to the use of ractopamine in US pig production.

 **CANADA**
Canadian Meat Council calls for TPP agreement without USA

Canadian Meat Council has called on the remaining 11 countries at the next meeting of the Asia Pacific Economic Cooperation Group to progress plans for a Trans Pacific Partnership agreement without the US.

The Canadian Meat Council believes that such an agreement would be of great long-term benefit to Canada's agricultural exports.

 **IVORY COAST**
African Swine Fever

Last week, the authorities in the Ivory Coast reported a single outbreak of ASF in a herd of 486 pigs.