

MARKET NEWS for pig meat



Market analysis

13 November 2017

Week 46

MARKET SITUATION

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

UK: Trading remains under pressure due to ample supply.

Trade is reported as stable for Japan and China.

SLAUGHTERINGS DENMARK

	Week 40	Week 41	Week 42	Week 43	Week 44	Week 1-44 2017/2016
Total	343,169	338,280	338,248	339,635	351,609	-5.3 %

N.B! The slaughtering figures from week 40 up to and including week 43 have been amended.

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)	9.60	9.60
Sows (above 130 kg)	5.90	5.90

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	367.29	405.75
SPF+Myc	372.29	410.75
SPF	376.29	414.75
Organic	917.33	1019.27
Market prices SPF region 1		
PRRS negative	365.00	480.00
PRRS positive	345.00	463.00
Market prices SPF region 2/3		
PRRS negative	365.00	480.00
PRRS positive	345.00	463.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	9.53 kr./kg	9.09 kr./kg	6.34 kr./kg	5.34 kr./kg	5.47 kr./kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	10/11	03/11	Change
2017			
Dec	62.48	65.10	-2.62
2018			
Jan	-	-	-
Feb	70.25	71.98	-1.73
Mar	-	-	-
Apr	74.05	75.46	-1.41
May	79.78	80.16	-0.38
Jun	83.45	83.08	+0.37
Jul	83.50	82.88	+0.62
Aug	82.23	81.30	+0.93
Sep	-	-	-
Oct	69.78	69.38	+0.40
Nov	-	-	-
Dec	63.95	63.73	+0.22
2019			
Jan	-	-	-
Feb	66.70	66.78	-0.08
Mar	70.00	70.08	-0.08
Conversion factors: 1 lb = 0.4536 kg \$ = €6.3842			



EU

African Swine Fever

The EU Commission's reporting system for outbreaks of African Swine Fever in EU countries and Ukraine has been updated up to and including 29 October.

Countries	Period 15 Oct – 29 Oct		Year to date 1 Jan – 29 Oct	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		16	3	542
Latvia		36	8	749
Lithuania		65	30	794
Poland		22	80	398
Italy			17	28
Ukraine	6	1	110	17
Czech Republic		2		115
Romania			2	



RUSSIA

African Swine Fever

Last week, the authorities in Russia reported two outbreaks of African Swine Fever: one at a small pig farm of 20 pigs and the other among wild boar.

 **RUSSIA**
Pig population as at 30 September

The Russian authorities have calculated the country's pig population at 24.1 million head as at 30 September 2017, which is a rise of 3.6 per cent compared to one year ago.

The cattle population totalled 19.3 million, 0.7 per cent down on the previous year. Poultry numbered 583 million head, a rise of 2.3 per cent.

 **RUSSIA**
Meat companies gain access to Vietnam

According to the Russian veterinary service, Rosselkhoznadzor, three Russian meat companies have been granted access to Vietnam.

Two of the companies produce poultry products while the third produces processed meat products.

 **USA**
JD.com announces plans to import pig meat from Smithfield

In connection with President Trump's visit to China last week, it has been announced that the large Chinese on-line retailer, JD.com, has entered agreements to import USD 1.2 billion of American meat over the next three years.

The agreement means that JD.com will import beef from Montana Stockgrowers Association and pork from Smithfield Foods. Moreover, JD.com is planning to import a range of other agricultural products from the US, which will bring total imports over the next three years up to USD 2 billion.

Dow Jones Newswires reports that JD.com has a market share of more than 25 per cent for on-line trading in the Chinese market and ranks second after the Alibaba Group.

On-line sales of meat through JD.com have increased significantly in recent years. In the first half year 2017, sales of fresh meat via JD.com rose by 780 per cent compared to the same period last year.

 **CHINA**
Shuanghui pig slaughterings surge in July quarter

Shuanghui, WH Group's subsidiary in China, reports a significant increase in pig slaughtering volumes for the July quarter.

Asian Agribusiness reports that in the third quarter alone, slaughterings increased by 37.9 per cent to 3.74 million. In the first nine months of the year, the company slaughtered 10.09 million pigs, which is a rise of 13 per cent compared to the same period last year. As a result of lower prices, revenue was down 2.7 per cent to USD 5.6 billion.

 **CHINA**
Yunnan Shennong rejected by Chinese regulator

Asian Agribusiness reports that the Chinese authorities have rejected a request from Yunnan Shennong Agricultural Industry Group to be listed on the Shanghai Stock Exchange.

Yunnan Shennong is a feed and pig production company located in south-west China. Its application was based on a wish to raise capital to expand its commercial pig production, including an investment in breeding sows. The company recently purchased 2,000 gilts from PIC in North America. Last year, Yunnan Shennong produced 133,000 finished pigs – up from 88,000 a year earlier.

Asian Agribusiness reports that the rejection was due to concerns over a high proportion of cash sales in its revenue and a less-than-expected source of feed raw materials.



DENMARK

Denmark' pig meat exports, tonnes

Jan - August 2017

	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	14,665	131,587	5,587	116	56,577	159,361	1,617	369,511	29.3
Poland	2,757	109,525	178	0	0	84,952	0	197,412	15.6
UK	5,659	248	6,358	24,339	0	89,964	6,289	132,857	10.5
Italy	1,242	14,643	362	48	0	64,043	183	80,521	6.4
Sweden	6,352	39	1,349	845	0	12,251	3,281	24,116	1.9
Holland	6,751	7,877	150	26	0	4,823	159	19,786	1.6
France	939	810	671	272	0	8,786	598	12,077	1.0
Spain	384	2,749	876	285	0	4,828	957	10,079	0.8
Other EU countries	9,353	9,325	2,053	77	0	36,253	2,361	59,422	4.7
Total EU	48,103	276,803	17,584	26,008	56,577	465,261	15,445	905,781	71.8
China	111,801	21	0	0	0	52,156	0	163,979	13.0
Japan	2,049	10	2,637	181	0	73,354	1,043	79,275	6.3
Australia	163	0	114	303	0	29,203	32	29,815	2.4
USA	1,887	0	3,375	72	0	17,252	637	23,223	1.8
South Korea	429	30	1,725	0	0	7,748	219	10,152	0.8
Taiwan	1,141	3	10	0	0	8,817	0	9,971	0.8
Hong Kong	996	0	416	22	0	3,672	100	5,205	0.4
Philippines	3,695	4	301	0	0	804	1	4,806	0.4
Ukraine	2,567	150	0	0	0	278	0	2,995	0.2
Other 3rd countries	5,689	612	5,952	757	0	8,896	5,105	27,009	2.1
3rd countries, total	130,418	831	14,529	1,335	5	202,181	7,136	356,434	28.2
Exports, total	178,521	277,633	32,113	27,343	56,582	667,442	22,581	1,262,215	100.0

Jan - August 2016

	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	15,724	117,721	6,057	159	59,774	147,556	1,937	348,927	27.3
Poland	1,712	88,599	40	2	9	76,807	20	167,188	13.1
UK	4,058	160	8,101	33,759	0	86,812	6,482	139,373	10.9
Italy	1,173	13,818	312	37	0	66,019	165	81,524	6.4
Sweden	6,171	11	1,451	1,005	17	13,373	3,526	25,555	2.0
Holland	11,510	7,122	100	26	0	3,861	128	22,748	1.8
France	1,562	554	638	195	0	8,417	633	12,000	0.9
Spain	486	2,575	970	548	0	3,741	980	9,301	0.7
Other EU countries	7,565	6,692	1,951	348	0	24,470	2,103	43,131	3.4
Total EU	49,961	237,253	19,621	36,081	59,800	431,057	15,972	849,745	66.6
China	127,575	48	1	0	0	100,779	0	228,403	17.9
Japan	2,792	5	3,006	92	0	74,241	1,089	81,224	6.4
Australia	288	0	43	273	0	36,553	11	37,169	2.9
USA	1,776	0	2,710	94	0	17,602	575	22,756	1.8
Hong Kong	4,460	0	300	10	0	6,032	15	10,818	0.8
South Korea	438	11	2,492	0	0	7,420	217	10,578	0.8
Taiwan	382	0	10	0	0	6,188	0	6,580	0.5
Singapore	944	0	74	177	0	856	424	2,475	0.2
New Zealand	0	0	17	0	0	2,240	0	2,258	0.2
Other 3rd countries	5,904	998	5,624	541	0	6,462	5,092	24,621	1.9
3rd countries, total	144,560	1,062	14,277	1,187	17	258,372	7,423	426,898	33.4
Exports, total	194,521	238,315	33,898	37,268	59,816	689,429	23,396	1,276,644	100.0

 **FINLAND**
HK Scan Finland gains access to China

The Finnish meat group, HK Scan, has been approved for exports of pig meat to China from its plant in Forssa in southern Finland.

HK Scan expects to export 3,000 tonnes pig meat initially, but this is expected to treble by 2020. In addition to pig meat, the long-term aim is to start exporting beef and poultry.

At the beginning of the year, the other major Finnish meat group, Atria, succeeded in reaching a similar agreement with China.

 **GLOBAL**
World's largest pig producers

Genesis has compiled a list of Global Mega Producers, each with over 100,000 sows.

Global Mega Producers is a comprehensive picture of the worldwide pork industry. The list contains 27 pig producers with a total of 7,263,000 sows.

Ranking	Producer	Sows	Countries
1	Smithfield Foods/WH Group	1,135,000	US, China
2	Wens	1,000,000	China
3	CP Foods	600,000	China, Thailand, Vietnam
4	Triumph Foods	395,500	US
5	BRF	380,000	Brazil
6	Muyuan	360,000	China
7	Seaboard Foods	290,000	US
8	Cooperl	240,000	France
9	The Maschhoffs	218,000	US
10	Vall Co	209,000	Spain
11	COFCO	200,000	China
12	Pipestone System	200,000	US
13	Prestage Farms	182,000	US
14	Iowa Select Farms	180,000	US
15	JBS	175,000	US
16	Aurora Alimentos	173,000	Brazil
17	Agrosuper Group	150,000	Chile
18	Truein	150,000	China
19	Miratorg	130,000	Russia
20	Aveltis	120,000	France
21	Carthage System	120,000	US
22	Piensos Costa	117,000	Spain
23	AMVC Management Services	112,500	US
24	Zhengbang	110,000	China
25	Betagro	110,000	Thailand
26	Maxwell Farms	106,000	US
27	Kekén	100,000	Mexico
	Total	7,263,000	

 **SOUTH KOREA**
Imports of pig meat January – September

As is shown in the table below, there was an 8 per cent rise in South Korea's imports of fresh/frozen pig meat in the first nine months of the year compared to the same period last year.

Exports in the most recent quarter, however, were slightly down compared to last year. For the first half year, there was a rise of 12 per cent.

The strong rise in German exports to South Korea is probably linked to the fact that the two German slaughterhouses, Tönnies and Böseler, were excluded from the Chinese market from February-May 2017. It is assumed that the two German companies channelled exports destined for China to other markets during this period.

0203				
Fresh/frozen pig meat				
Tonnes	Jan-Sept 2015	Jan-Sept 2016	Jan-Sept 2017	% change 17:16
USA	110,405	106,652	115,941	8.7
Germany	63,169	62,983	85,915	36.4
Spain	47,636	53,591	47,965	-10.5
Canada	32,329	26,753	26,847	0.4
Chile	23,948	25,542	21,328	-16.5
Holland	11,563	12,756	17,477	37.0
Austria	15,214	12,963	12,869	-0.7
Mexico	7,650	9,862	11,710	18.7
Denmark	13,451	10,452	11,191	7.1
Belgium	8,717	10,255	7,118	-30.6
France	7,541	5,209	5,526	6.1
Hungary	3,727	2,638	3,304	25.2
Ireland	5,801	3,368	2,784	-17.3
Finland	2,430	2,499	2,563	2.6
UK	1,284	2,147	2,306	7.4
Sweden	742	1,097	1,178	7.4
Australia	556	306	581	89.8
Poland	22	-	-	-
Others	-	0	-	-
Total	356,187	349,076	376,604	7.9

 **PHILIPPINES**
Pig producers wish to retain ban on pig meat imports from Brazil

Asian Agribusiness reports that the Pork Producers Federation of the Philippines" (ProPork) wants to retain the ban on Brazilian pig meat imports, which was introduced after shipments of Brazilian beef failed to meet US requirements.

The President of ProPork, Edwin G Chen, says that imports of Brazilian pig meat may endanger the country's pig sector and its status as free from Foot and Mouth disease.

The Brazilians, however, have high hopes for future exports to the Philippines.

 **MEXICO****Rise in pig meat production**

According to figures from Mexico's Ministry of Agriculture, Mexico's pig production in 2017 is set to rise by 4.2 per cent to 1.4 million tonnes.

The six states with the largest pig productions are Jalisco (265,712 tonnes), Sonora (234,639 tonnes), Puebla (166,947 tonnes), Yucatan (135,442 tonnes), Veracruz (122,329 tonnes) and Guanajuato (110,489 tonnes).

 **MOZAMBIQUE****Foot and Mouth disease**

Last week, the authorities in Mozambique reported one outbreak of Foot and Mouth disease in the southern part of the country close to the border with South Africa. Some 3,000 cattle were affected.