

MARKET SITUATION

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

UK: Trading remains under pressure. New contracts have been agreed at falling price levels.

Trade is reported as stable for Japan and China, but with fluctuating prices for middles.

SLAUGHTERINGS DENMARK

	Week 44	Week 45	Week 46	Week 1-46 2017/2016
Total	351,609	357,562	355,765	-5.1 %

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)	6.10	6.10

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	367.04	404.68
SPF+Myc	372.04	409.68
SPF	376.04	413.68
Organic	916.97	1013.55
Market prices SPF region 1		
PRRS negative	365.00	479.00
PRRS positive	345.00	461.00
Market prices SPF region 2/3		
PRRS negative	365.00	479.00
PRRS positive	345.00	461.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	9.54 kr/kg	9.08 kr/kg	6.34 kr/kg	5.34 kr/kg	5.47 kr/kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	24/11	17/11	Change
2017			
dec	63.25	60,65	+2,60
2018			
Jan	-	-	-
Feb	69.40	67,08	+2,32
Mar	-	-	-
Apr	73.58	71,15	+2,43
May	79.00	76,65	+2,35
Jun	82.70	80,68	+2,02
Jul	82.53	80,90	+1,63
Aug	81.63	80,05	-1,58
Sep	-	-	-
Oct	68.60	67,48	+1,12
Nov	-	-	-
Dec	62.95	61,90	+1,05
2019			
Jan	-	-	-
Feb	66.00	62,23	+3,77
Mar	69.55	68,83	+0,72
Conversion factors: 1 lb = 0.4536 kg \$ = €6.2660			

POLAND

African Swine Fever advances 140 km west in Poland

Last week, it was confirmed that wild boar had been infected with African Swine Fever in Mazowieckie province, which is 30 km north of Warsaw.

Thus the disease has now advanced 140 km further west and the three provinces Lodzkie, Kujawsko and Wielkopolski are now part of the high risk areas.

EU

African Swine Fever

In addition to the 22 new cases of African Swine Fever in Poland in one week, Germany's AMI reports a number of new cases of the disease among wild boar in Lithuania and Latvia.

Unfortunately, the EU Commission's reporting system for outbreaks of ASF in EU countries and Ukraine has only been updated up to and including 12 November.

Countries	Period 30 Oct - 12 Nov		Year to date 1 Jan - 12 Nov	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		23	3	565
Latvia		44	8	793
Lithuania		93	30	887
Poland		31	80	429
Italy		7	17	35
Ukraine	3	1	113	18
Czech Republic		26		141

Romania				2	
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 **RUSSIA**
African Swine Fever

Last week, the authorities in Russia reported one outbreak of African Swine Fever among wild boar.

 **RUSSIA** /  **BRAZIL**
Russia imposes temporary import ban on all pig meat and beef from Brazil

The Russian veterinary authorities have imposed an import ban on all pork and beef from Brazil with effect from 1 December. This is because of the discovery ractopamine in imported Brazilian meat.

As was reported in last week's Market News, the Brazilians initially believed that only a few Brazilian companies would be affected by the import restrictions.

However, a Russian import ban on all pork and beef from Brazil may – depending on the length of the ban - impact global trade since Brazil will now be forced to find new markets for the volumes normally exported to Russia.

According to Brazilian export statistics, Brazil exported 204,000 tonnes of pig meat to Russia in the first nine months of 2017.

 **RUSSIA**
Russia's pig meat imports, January-September

Tonnes	0203 fresh/frozen pig meat		020649-020641 By-products, pigs		020910 Offal		Total		% change 17:16
	Jan-Sept 2017	Jan-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	
	Brazil	189,075	171,474	4,149	3,730	1,756	2,476	194,980	
Chile	9,626	5,432	3,167	1,787	6,027	4,622	18,819	11,841	58.9
Belarus	5,552	3,295	399	157	1	8	5,952	3,460	72.0
Serbia	2,992	1,338	115	52	459	126	3,566	1,517	135.2
Paraguay	1,161	1,457	271	361	1,005	756	2,437	2,574	-5.3
Argentina	833	563	637	452	3,766	1,862	5,236	2,877	82.0
Kazakhstan	206	609	79	2	449	-	734	611	20.1
Switzerland	109	-	-	1	346	99	455	100	356.3
Uruguay	25	-	-	-	-	-	25	-	--
Ukraine	-	-	-	-	-	2	-	2	-100.0
Other	0	-	318	-	2,696	3,793	3,014	3,793	-20.5
Total	209,578	184,168	9,135	6,542	16,505	13,743	235,219	204,453	15.0



EU

Pig meat exports

The tables below show the EU's exports of pig meat divided into categories, exporters and importers for the period January-September.

Exports are according to product weight.

According to categories

Tonnes	Jan-Sept 2017	Jan-Sept 2016	% change 17:16
Live pigs	8,622	8,606	0.2
Fresh/frozen	1,417,479	1,624,010	-12.7
Bacon	27,594	24,528	12.5
Processed	120,492	118,075	2.0
By-products	1,130,254	1,236,134	-8.6
Total	2,704,441	3,011,352	-10.2

Exporters of pig meat

Tonnes	Jan-Sept 2017	Jan-Sept 2016	% change 17:16
Germany	611,252	771,920	-20.8
Spain	544,021	562,232	-3.2
Denmark	395,424	468,121	-15.5
Holland	311,705	339,046	-8.1
France	174,733	199,354	-12.4
Poland	172,472	151,336	14.0
UK	101,088	100,257	0.8
Italy	75,108	73,216	2.6
Ireland	71,096	82,311	-13.6
Belgium	66,831	76,679	-12.8
Hungary	64,628	67,730	-4.6
Austria	31,682	35,483	-10.7
Others	84,393	83,662	0.9
EU-28	2,704,433	3,011,347	-10.2

Importers of pig meat

Tonnes	Jan-Sept 2017	Jan-Sept 2016	% change 17:16
China	1,003,896	1,435,011	-30,0
Japan	285,248	261,901	8,9
Hong Kong	267,944	264,784	1,2
South Korea	187,918	162,577	15,6
Philippines	181,006	156,461	15,7
USA	109,654	85,890	27,7
Australia	61,960	64,338	-3,7
Ukraine	59,765	54,720	9,2
Angola	22,569	22,257	1,4
Montenegro	14,030	15,646	-10,3
Russia	3,822	4,918	-22,3
Belarus	48	127	-62,2
Others	506,583	482,721	4,9
EU-28	2,704,443	3,011,347	-10,2

 **CHINA**
WH Group dampens expectations for sales of Smithfield products in China

Reuters reports that WH Group has curbed its expectations for sales of processed Smithfield products in the Chinese market.

WH Group's plant in Henan province, which produces Smithfield products for Chinese consumers, is only operating at a third of capacity, which is due to weak demand from Chinese consumers.

The Zhengzhou plant, which opened last year following an investment of USD 121 million, produces all Smithfield branded products for Chinese consumers.

Pan Guanghui, General Manager at the Zhengzhou plant, says that Smithfield products are perhaps too salty for Chinese consumers who often eat the products on their own and not with bread or salad as American consumers do.

The recent sales problems mean that WH Group has postponed the planned construction of a second plant in Shenyang in north eastern China and will wait until demand picks up.

"We thought we would be able to rapidly increase sales to more cities," said Luis Chein from WH Group. "But after a few months, we've realised that we need to put more effort into educating and communicating with our Chinese consumers."

WH Group's difficulties in selling American products to Chinese consumers highlight the complexities of the Chinese market. Many Chinese consumers still cannot afford to buy an expensive Smithfield ham product and such products also run counter to a deeply ingrained preference for fresh cuts. .

To increase sales, WH Group is considering making changes to the Smithfield products and perhaps even moving into bread-based products like Pizza, reports Reuters.

 **CHINA**
WH Group expects falls in Chinese pig prices next year

Reuters reports that WH Group expects Chinese pig prices to fall further next year forcing US-based Smithfield to boost exports to other markets in 2018.

China's pig meat imports surged last year when Chinese pig prices reached a record level of 21 yuan (USD 3.18 per kg). Prices have fallen to an average of 15.2 yuan per kg, which have pushed imports in the first ten months of the year down 28 per cent.

WH Group expects imports to fall again in 2018 to about 13-14 yuan per kg. This is because the rapid rise in production by large farms in China is expected to more than offset the closure of small operations.

Production of finished pigs by the 20 largest producers in China is set to increase about 34 per cent this year and a further 37 per cent next year, said Ma Xiangjie, Vice-President at WH's Chinese subsidiary Shuanghui. He expects that large pig farms that produce more than 10,000 pigs per year will account for more than a third of the market next year.

In a statement to Reuters, WH Group's Chairman Wan Long said that China will continue to import pork in the long-term, with its huge demand and relatively high production costs helping to maintain the gap between Chinese prices and the rest of the world.

 **CHINA****Import tariffs reduced**

China's Ministry of Finance announced last week that import tariffs on a range of consumer goods are to be reduced from 1 December.

For meat the tariff reduction probably only includes two sausage products which are imported on a modest scale from France and South Korea.

 **FRANCE/**  **CHINA****Cooperl to construct a processing plant in China**

AHDB Pork reports that Cooperl is planning to construct a processing plant in China in collaboration with a Chinese partner. China is the largest export market for Cooperl.

Cooperl Arc Atlantique, which is headquartered in Brittany and is France's largest pig meat processing company, acquired the French food group Financière Turenne Lafayette meat processing business earlier this year.

 **SPAIN/**  **ITALY****Construction of Pini's new pig slaughterhouse in the Aragon region commences**

AHDB Pork reports that the Italian Pini Group has begun the construction of its new pig slaughterhouse in the Aragon region.

Pini has already announced that the new slaughterhouse with primal cutting facilities will require a EUR 70 million investment and is expected to be operational by the end of 2018 or at the beginning of 2019. According to Pini, China and Japan are expected to be the two major markets for products from the new venture.