

MARKET NEWS for pig meat



Market analysis

14 May 2018

Week 20

MARKET SITUATION

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

UK: Sales are stable.

Sales are reported as sluggish for China and stable for Japan.

Slaughterings in Denmark

	Week 16	Week 17	Week 18	Week 1-18 2018/2017
Total	371,945	291,607	317,876	+4.7 %

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

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	11/5	4/5	Change
2018			
May	65.30	67,08	-1,78
Jun	75.10	73,53	1,57
Jul	76.98	75,58	1,40
Aug	76.95	75,60	1,35
Sep	-	-	-
Oct	63.35	63,05	0,30
Nov	-	-	-
Dec	58.60	58,03	0,58
2019			
Jan	-	-	-
Feb	63.40	62,98	0,42
Apr	67.53	67,08	0,45
May	72.10	72,08	0,02
Jun	76.05	76,28	-0,23
Jul	76.00	76,15	-0,15
Aug	75.68	75,75	-0,08
Conversion factors: 1 lb = 0.4536 kg \$ = € 6.2367			



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 countries and Ukraine up to and including 6 May

Countries	Period 29 April – 6 May		Year to date 1 Jan – 6 May	
	Pigs	Wild boar	Pigs	Wild boar
Estonia				154
Latvia		5		306
Lithuania		14		831
Poland		22	4	1158
Italy			2	24
Ukraine	1	1	24	27
Czech Republic				28
Romania			3	
Hungary		3		4

MOLDOVA

African Swine Fever

Last week, the authorities in Moldova reported one outbreak of African Swine Fever at a small pig farm.

RUSSIA

African Swine Fever

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

RUSSIA

Continuing prospect of increasing Russian pig meat production in the years ahead

According to Russia's news media, which quotes Yuri Kovalev, the Chairman of the Russian Union of Pork Producers (RUPP), there is a continuing prospect of increasing Russian pig production in the years ahead.

Current pig projects in Russia are estimated to amount to 200 billion rubles (approx. USD 3.3 billion) and production capacity is put at around 1 million tonnes pig meat in live weight.

In 2017, Russia produced 4.57 million tonnes pig meat measured in live weight – an increase of 5 per cent on the year. The degree of self-sufficiency in terms of pig meat was calculated at 95 per cent in 2017.

The Russian Ministry of Agriculture estimates that if the planned projects are implemented, Russia's level of self-sufficiency in terms of pig meat will total 115 per cent by 2022, with a production surplus of 700,000 tonnes.

One year ago, the pig price in Russia was slightly above 80 rubles per kg live weight, with Russian pig producers losing money. Now that all imports of meat from Brazil have been halted, the pig price stands at 105 rubles (USD 1.66) per kg live weight and Russian pig producers are making good profits, reports Genesis.

 **GERMANY**
Pig meat storage on a par with last year

With some 131,000 tonnes pig meat in storage at the end of March, Germany's pig meat storage is on a par with that for the corresponding period last year, reports AMI in Germany.

 **HOLLAND/**
 **GERMANY**
Vion slaughters more uncastrated entire males

Weekly Tribune, citing figures from Vion, reports that the company slaughtered more uncastrated entire male pigs in 2017.

In 2017 in Germany, Vion slaughtered 564,000 uncastrated entire males, an increase of 100,000 compared to the previous year. Nevertheless, the percentage of uncastrated entire males totals only 13 per cent of Vion's total number of slaughtered entire males in the country.

In Holland, Vion slaughtered 2.85 million uncastrated entire males in 2017. The number of uncastrated entire males in 2017 increased to 36 per cent compared to 33 per cent and 26 per cent for the previous two years respectively.

For Holland and Germany as a whole, Vion slaughtered almost 15.7 million pigs in 2017. Of these, some 2.32 million were slaughtered under a quality assurance scheme label (Better Leven, Tiervohl or Organic). 1.52 million were slaughtered in Holland and around 800,000 in Germany.

Organic pigs slaughtered in Holland under the Better Leven brand increased from 77,500 in 2016 to 94,300 in 2017 (1.3 per cent market share). In Germany, the number of slaughtered organic pigs amounted to just 9,300 (0.1 per cent market share).

 **ITALY**
300,000 hams confiscated in 2017

Agra Europe reports that the Italian authorities confiscated 300,000 hams in 2017 and the authorities investigated 140 farms following reports that hams from Danish Duroc have been sold as Parma and San Daniele hams.

In addition, two certification bodies responsible for checking the origin of the hams, have recently been put under the control of the authorities, reports Agra Europe.

The practice has been taking place since 2014 with details only coming to light now.

According to Agra Europe, the confiscated hams correspond to 10 per cent of Italy's ham production and have a retail value of EUR 90 million.

By using Danish genetics, the pigs reached their slaughter weight of 160 kg in 8-8.5 months instead of the 9-10 months that are normal for the production of Parma and San Daniele hams.

 **UKRAINE**
Danish Goodvalley to establish meat company in Ukraine

Agra Europe reports that the Danish Goodvalley (formerly Axzon) is increasing its activities in Ukraine by constructing a new meat company in the Ivano-Frankivsk region in western Ukraine.

An agreement on the land to be used has already been reached with the local authorities.

Goodvalley also recently acquired the Ukrainian agricultural company, Galytski Agrarni, which farms 6,500 hectares of leased land in the same region.

 **CHINA/ USA****Inspections of U.S. pig meat stepped up**

Reuters reports that China has ramped up inspections of pig meat shipped from the U.S. The move means that U.S. pig meat could now be held back at Chinese ports for up to two weeks instead of a few days.

Increased checks on U.S. products are “not terribly surprising,” commented Even Rogers Pay, an agriculture analyst at China Policy, a Beijing-based consultancy.

“In a situation where trade tensions are high, China will enforce every possible regulation on its books. It makes strategic sense to do so at this point,” she said.

 **VIETNAM****Continuing rising pig meat prices**

Pig prices are continuing to rise in Vietnam. Asian Agribusiness reports that the pig price in Dong Nai province has now reached USD 1.93 per kg. Three weeks ago, the price was USD 1.75 per kg.

The current price is the highest since December 2016, and at this level, makes pig production profitable.

According to the Dong Nai Animal Husbandry Association, the reason for the rising pig price is due to a significant decline in pig supplies, which is the result of an extended period of low pig prices.

 **KENYA****Foot and mouth disease**

Last week, the authorities in Kenya reported four cases of foot and mouth disease. Some 342 head of cattle have been affected.