

MARKET NEWS for pig meat



Market analysis

5 September 2016

Week 36

MARKET SITUATION

Europe: Fresh legs and other cuts are being traded at unchanged prices.

UK and Third Countries: Trading remains stable.

SLAUGHTERINGS

	Week 32	Week 33	Week 34	Week 1-34 2016/15
Total	328,402	325,905	330,131	-2.8 %

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

PIG PRICES

Finished pigs and sows

DKK/kg	DC	Tican
Finished pigs (basic weight class and basic meat percentage)	10.60	10.60
Sows (above 130 kg)	7.00	7.00

Nominal prices for piglets (30 kg)


DKK/head	Current	52 wk av.
Basic	407.89	353.35
SPF+Myc	412.89	358.35
SPF	416.89	362.35
Organic	1087.53	1055.19
Market prices SPF region 1		
PRRS negative	430.00	333.00
PRRS positive	410.00	313.00
Market prices SPF region 2/3		
PRRS negative	430.00	333.00
PRRS positive	410.00	313.00


Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	11.60 kr/kg	7.97 kr/kg	6.88 kr/kg	5.93 kr/kg	6.01 kr/kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	2/9	26/8	Change	2/9	26/8	Change
2016						
Sep	-	-	-	1.56	1.56	0.00
Oct	60.75	61.33	-0.58	1.41	1.41	0.00
Nov	-	-	-	1.56	1.56	0.00
Dec	55.38	56.63	-1.25	1.57	1.57	0.00
2017						
Jan	-	-	-	1.41	1.41	0.00
Feb	60.10	60.95	-0.85	1.41	1.41	0.00
Mar	-	-	-	-	-	-
Apr	65.55	65.98	-0.43	-	-	-
May	71.85	71.83	+0.02	-	-	-
Jun	75.53	75.80	-0.27	-	-	-
Jul	74.55	75.00	-0.45	-	-	-
Aug	74.10	74.00	+0.10	-	-	-
Sep	-	-	-	-	-	-
Oct	63.28	63.75	-0.47	-	-	-
Nov	-	-	-	-	-	-
Dec	60.08	61.00	-0.92	-	-	-
2018						
Jan	-	-	-	-	-	-
Feb	62.00	60.93	+1.07	-	-	-
Conversion factors: lbs:kg = 0.4536 \$:€ = 6.6473				Conversion factor: €:kg = 7.4403		

AFRICAN SWINE FEVER

 **POLAND:** last week, one new case was reported at a small pig farm and one case among wild boar. Both cases were in the east of the country, close to the border with Belarus.

 **RUSSIA:** last week 8 new cases were reported: a large herd of 29,667 pigs and a herd of 1,425 pigs have been affected. In addition, 6 cases were found at small pig farms. All were in the west of the country.

 **UKRAINE:** last week, 7 new cases were reported: 1 at a farm comprising 800 pigs and the other six at smaller farms around the country.

Slaughterings

2014	Pigs/sows	Sows etc.	Total
	50-110 kg	above 110 kg	
January	1,382,719	44,353	1,427,072
February	1,476,272	42,026	1,518,298
March	1,827,662	51,306	1,878,968
April	1,298,434	41,042	1,339,476
May	1,443,621	45,913	1,489,534
June	1,678,131	45,663	1,723,794
July	1,394,238	43,850	1,438,088
August	1,322,967	42,008	1,364,975
September	1,755,585	51,193	1,806,778
October	1,838,476	52,818	1,891,294
November	1,506,682	43,730	1,550,412
December	1,351,277	42,477	1,393,754
Jan-Dec	18,276,064	546,379	18,822,443

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	1,542,843	49,976	1,592,819
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	1,270,116	42,165	1,312,281
June	1,679,819	51,563	1,731,382
July*	1,329,237	40,749	1,369,986
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Jan-July	10,232,027	322,296	10,554,323

* = Preliminary figures

Exports of live pigs

2014	Piglets		Pigs/sows 50-135 kg	Pigs/sows above 135 kg	Total
	0-15 kg	15-50 kg			
January	34,787	844,485	36,979	3,391	919,642
February	28,009	811,082	26,388	3,319	868,798
March	19,340	839,977	29,219	4,128	892,664
April	28,305	821,341	33,167	2,147	884,960
May	31,606	1,011,376	36,299	3,478	1,082,759
June	27,684	834,756	32,817	248	895,505
July	25,759	861,097	31,776	3,073	921,705
August	35,594	900,042	26,636	2,231	964,503
September	25,475	907,224	25,099	2,033	959,831
October	33,942	976,381	32,637	4,850	1,047,810
November	33,767	770,157	31,594	3,691	839,209
December	37,759	939,387	20,623	3,975	1,001,744
Jan-Dec	362,027	10,517,305	363,234	36,564	11,279,130

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	1,104,984	17,922	5,353	1,173,401
April	43,235	1,057,863	22,302	4,442	1,127,842
May	41,933	1,086,826	16,564	4,051	1,149,374
June	36,059	1,050,627	36,263	4,319	1,127,268
July*	34,326	1,019,766	19,854	2,879	1,076,825
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-July	279,252	7,370,361	150,967	32,276	7,832,856

* = Preliminary figures

 **RUSSIA**
Increasing pig population

The Russian authorities have assessed the country's pig population at 23.4 million as at 31 July, which is a rise of 6.4 per cent compared to one year ago.

Russia likely to challenge WTO decision

Pig Progress reports that Russia will probably challenge the World Trade Organisation's decision that the country acted in contravention of WTO's rules by banning imports of live pigs, fresh pork and other pig products because of African Swine Fever in certain EU countries.

At a press conference, the Russian Minister for Economic Development, Alexey Ulyukaev, stated that the Russian authorities are studying the WTO's decision and will probably challenge it. Due to the holiday period, however, a decision will not be made until mid-September, he said.

The WTO decision has also been criticised by Russia's Chief Veterinarian Sergei Dankvert who describes the decision as political. According to Dankvert, the problems of African Swine Fever in Poland and the Baltic countries could eventually spread to the whole of Europe. He believes that the EU would be better off negotiating with Russia directly. He also points out that Russia has already offered to lift import restrictions on a number of EU countries that are free of African Swine Fever.

 **CANADA**
Pig census

The Canadian pig census from 1 July 2016 shows a rise of 1.9% while the breeding herd increased by 0.7 per cent.

The census is in line with the American census from 1 June, which showed a rise of 1.8 % for the total herd and 0.9% for the breeding herd.

'000 head	1 July 2016	1 July 2015	% change 2016:2015
Breeding herd	1,243.5	1,235.0	0.7
Piglets and finished pigs	12,206.5	11,965.0	2.0
Total	13,450.0	13,200.0	1.9

According to Statistics Canada, there were 7,035 pig farms in Canada on 1 July, which represents a modest rise of 0.1% year-on-year.

In the first half of 2016, pig slaughterings in Canada rose by 1.3% to 10.6 million.

Exports of live pigs from Canada to the US totalled 2.9 million for the first half year 2016, which is largely unchanged on the first half year 2015.

 **BRAZIL**
Fall in feed costs

After three months of increases, Brazilian pig producers' feed costs finally fell in July, reports Pig International.

Data gathered by the Central Intelligence Poultry and Swine (CIAS) shows that while production costs fell by 2.3% in July, they are still 33% higher than one year ago.

The record high feed prices resulted in financial problems for Brazilian pork and poultry producers in the first half year 2016. It had been expected that the new harvest in the summer would solve the problem.

It is understood that the year's second maize harvest has also been poor.

As a result, Brazilian pork and poultry producers are worried that the country will again be forced to import maize from abroad next year.

 **EU**
May/June pig census

Eurostat has now published the preliminary results of the May/June pig census for Germany, Denmark, Austria and Serbia.

The figures for the remaining 11 countries are expected to be published in September.

Pig census EU May-June 2016

'000 head	Total population			Breeding sows			Pregnant sows		
	2016	2015	% change	2016	2015	% change	2016	2015	% change
Germany	27,146	28,099	-3.4	1,927	2,024	-4.8	1,407	1,477	-4.7
Spain		26,983			2,408			1,657	
France		13,679			1,061			756	
Denmark	12,313	12,645	-2.6	1,216	1,248	-2.6	760	784	-3.1
Holland		12,583			1,099			732	
Poland		11,640			947			640	
Italy		8,682			584			487	
Belgium		6,256			437			350	
UK		4,739			492			341	
Rumania		4,659			349			215	
Hungary		3,124			292			193	
Austria	2,667	2,761	-3.4	232	240	-3.3	162	167	-3.0
Ireland		1,537			148			105	
Sweden		1,419			146			102	
EU (3)	42,126	43,505	-3.2	3,375	3,512	-3.9	2,329	2,428	-4.1
EU (14)		138,806			11,475			8,006	
Serbia	3,016	3,313	-9.0	444	465	-4.5	201	233	-13.7

 **SPAIN**
New companies approved for export to China

Spain has received approval for a further five companies to export pig meat to China. According to the Ministry of Agriculture, the five companies are: Olot Meat, Carniques Celrà, Norfisa-Porqui, Batallê and Avinyo.

A total of 26 Spanish companies are now permitted to export fresh/frozen pig meat and by-products to China with more Spanish companies expected to gain access to the Chinese market in the near future.

As reported in last week's Market News, Spanish exports of fresh/frozen pig meat to China almost trebled in the first half year 2016 compared to the corresponding period last year. Spanish exports of by-products to China increased more modestly by just over 20% in the half year, reports Agra Europe.

In the first half year 2016, China overtook France's position as the largest export market for Spanish pig meat.

First pig meat container to Mexico

AHDB Pork reports that Spain has shipped the first container of frozen pig meat to Mexico.

Following the signing of a veterinary agreement between the two countries, a number of Spanish companies have now been approved for export.

 **JAPAN**
Imports of fresh/frozen pig meat

0203					
Fresh/frozen pig meat					
Tonnes	2016 July	2015 July	2016 Jan-July	2015 Jan-July	% change 2016:15
USA	20,341	25,646	149,177	154,657	-3.5
Canada	13,666	14,255	100,102	94,811	5.6
Denmark	7,853	10,594	64,842	60,540	7.1
Spain	7,685	7,188	54,772	42,301	29.5
Mexico	5,864	5,945	42,754	40,022	6.8
Chile	2,034	1,612	16,326	12,411	31.5
Hungary	1,494	1,692	14,278	12,030	18.7
Holland	2,084	1,915	14,072	11,339	24.1
France	697	741	7,548	5,182	45.6
Italy	995	1,051	7,774	5,394	44.1
Austria	1,075	768	7,694	5,512	39.6
Germany	1,374	527	7,852	4,171	88.2
Ireland	627	71	4,695	673	597.3
Finland	98	196	862	884	-2.6
Belgium	-	48	312	216	44.7
Australia	51	73	268	308	-13.1
Others	275	138	275	138	99.4
Total	66,213	72,460	495,007	452,651	9,4

Pig meat storage

Tonnage	Own production		Imports		Overall storage
	Fresh	Frozen	Fresh	Frozen	
2015:					
January	485	16,388	3,408	164,417	184,648
February	357	17,536	4,432	157,018	179,343
March	294	16,373	9,726	152,201	178,594
April	325	16,401	10,026	161,157	187,909
May	300	16,430	7,556	169,538	193,824
June	266	15,018	5,741	167,676	188,701
July	343	16,666	8,036	158,202	183,274
August	227	16,675	7,823	153,957	178,682
September	328	14,949	9,368	145,103	169,748
October	283	15,693	8,813	139,170	163,959
November	295	15,568	9,178	134,262	159,303
December	511	15,638	6,167	131,661	153,977
2016:					
January	294	16,559	6,530	144,724	168,107
February	313	16,839	7,088	144,023	168,263
March	351	15,601	9,206	144,222	169,380
April	611	17,479	7,843	147,530	173,463
May	510	18,368	8,524	150,870	178,272
June	492	20,660	9,180	149,946	180,278

Japan's imports of salami type products

0210 Salami type products		
Tonnage	2016 Jan-July	%-change 2016:15
China	5,330	-36.9
Taiwan	134	-14.4
Thailand	4,105	-24.0
Denmark	1,075	3.3
Canada	19	-32.1
USA	5,458	-16.5
Brazil	2,046	2.3
Others	945	-23.0
Total	19,113	-23.1

 **GHANA**
Increased pig meat consumption

The Pig Site has reported a strong rise in demand, consumption and production of pig meat in Ghana.

Until the 1980s, consumption of pig meat in Ghana was limited and largely consisted of imported pig trotters. However, local pig production has been growing ever since and pork is now served at many of the country's restaurants and food outlets.

The Ghana Pig Farmers Association has a current membership of 400 pig producers, the majority of whom have a maximum of 40 sows, which limits production and earnings. However, there is a strong and rising demand for pig meat.

As with Ghana's poultry production, feed costs account for around 70% of the costs of pig production. Locally produced maize is the main ingredient while imported soya bean meal and fish meal are the main protein ingredients.

 **SOUTH AFRICA**
Increased meat consumption

Meat consumption has increased significantly in South Africa in recent decades, a result of rising household incomes, continued urbanisation, higher living standards and greater variation in the diet.

Despite being a small scale industry, the pig sector in South Africa has intensive production systems. Between 2013 and 2015, pig meat represented less than 8 per cent of total meat consumption.

In terms of price, fresh pig meat is an alternative to beef and lamb, but a significant proportion of consumption is in processed form, which is enjoyed by consumers with higher incomes.

A steady increase in pig meat consumption is forecast rising to 300,000 tonnes by 2025. Production has also expanded in recent years, but not enough to prevent South Africa from being a net importer of pig meat (mostly ribs for BBQ).

Despite the fact that pig meat prices increased 8% in 2016, pig production earnings have come under pressure as a result of increasing feed prices.