

MARKET NEWS for pig meat



Market analysis

26 September 2016

Week 39

MARKET SITUATION

Europe: A good balance between supply and demand for fresh pork continues. Fresh legs and other cuts are being traded at unchanged prices this week.

UK: Trading remains stable.

Good trading is reported for Japan and stable trading for China.

SLAUGHTERINGS

	Week 35	Week 36	Week 37	Weeks 1-37 2016/15
Total	340,115	340,573	335,916	-2.7%

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)	10.80	10.80
Sows (above 130 kg)	7.70	7.70

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	416.07	357.29
SPF+Myc	421.07	362.29
SPF	425.07	366.29
Organic	1086.83	1059.99
Market prices SPF region 1		
PRRS negative	430.00	341.00
PRRS positive	410.00	322.00
Market prices SPF region 2/3		
PRRS negative	430.00	341.00
PRRS positive	410.00	322.00


Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	12-01 kr/kg	7-32 kr/kg	7-10 kr/kg	6-02 kr/kg	6-05 kr/kg

FUTURES


	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	23/9	16/9	Change	23/9	16/9	Change
2016						
Oct	54.00	55.48	-1.48	1.41	1.41	0.00
Nov	-	-	-	1.56	1.56	0.00
Dec	48.90	49.95	-1.05	1.57	1.57	0.00
2017						
Jan	-	-	-	1.41	1.41	0.00
Feb	53.35	54.38	-1.03	1.41	1.41	0.00
Mar	-	-	-	1.41	-	-
Apr	59.73	59.93	-0.20	-	-	-
May	66.75	66.25	+0.50	-	-	-
Jun	70.75	70.03	+0.72	-	-	-
Jul	70.25	69.50	+0.75	-	-	-
Aug	69.65	69.00	+0.65	-	-	-
Sep	-	-	-	-	-	-
Oct	60.33	59.45	+0.88	-	-	-
Nov	-	-	-	-	-	-
Dec	57.50	57.70	-0.20	-	-	-
2018						
Jan	-	-	-	-	-	-
Feb	59.70	59.90	-0.20	-	-	-
Conversion factors: lbs:kg = 0.4536 \$:€ = 6.6481				Conversion factor: € = 7.4552		

AFRICAN SWINE FEVER

 **LITHUANIA:** Last week, the authorities reported one new case of the disease in wild boar in the north-east of the country.

 **RUSSIA:** Last week, the authorities reported 10 new cases of the disease: 7 at small farms and 2 at larger farms with 1,240 and 14,862 pigs respectively. One case was discovered among wild boar. All 10 cases are in the west of the country.

As expected, Russia has decided to appeal against WTO's decision that Russia acted in contravention of WTO regulations by retaining an import ban on all pig meat from the EU as a consequence of ASF in certain EU countries. WTO's appeal body now has two to three months to decide whether or not to uphold Russia's complaint.

 **POLAND:** In the past week, the Polish parliament has approved a plan to strengthen its controls against ASF. According to previous information from the German producer organisation, ISN, the plan means that up to 600,000 pigs in ASF-affected areas will be purchased and culled in order to reduce livestock density in the area and thus reduce the risk of a new ASF outbreak.

UKRAINE

Fall in pig population as at 1 September

Using the Pig Breeders Association of Ukraine as its source, AHDB Pork reports that Ukraine's pig population totalled 7.51 million head as at 1 September. This is a 3.4% fall on the year.

 **USA**
Record pig slaughterings

According to the U.S. news media, last week is likely to set a record number of pig slaughterings at U.S. slaughterhouses: a total of 2.45 million, or at the very least, this is the highest weekly slaughtering figure since December 2007.

At the same time, the slaughtering weight is increasing and is almost 1.5 kg/pig higher than one year ago. Both factors have led to strong falls in U.S. pig prices in recent months.

 **BRAZIL**
Continuing falls in feed costs

Brazil's Agricultural Research Institute (Embrapa) reports that Brazilian pig producers saw a modest fall of 0.5% in feed costs in August. This follows a fall of 2.3% in July.

Feed costs peaked in June, but according to previous calculations from the Central Intelligence Poultry and Swine (CIAS) they continue to be around 30% higher than one year ago.

 **FRANCE**
Auvergne sausages gain Protected Geographical Indication (PGI) status

A type of salted sausage made in France's central Auvergne region has achieved PGI status, reports Agra Europe. The well-known Saucisson sec d'Auvergne, is usually produced from pork but sometimes from a mixture of pig meat and other meat.

To qualify for PGI status, a product must be produced or processed in a specific geographical area. More than 1,360 food products in the EU have now been designated as Protected Geographical Indication (PGI).

 **EU**
Exports of pig meat

The charts below show EU exports of pig meat (calculated in product weight) broken down into category, exporters and importers for the period Jan-July.

(Source: EU Commission).

Tonnes	Jan-July 2016	Jan-July 2015	% change 16:15
Live pigs	6,527	14,252	-54.2
Fresh/frozen	1,277,663	822,124	55.4
Bacon	18,411	17,661	4.2
Processed	91,333	99,249	-8.0
By-products	942,567	758,527	24.3
Total	2,336,501	1,711,813	36.5

Exporters of pig meat from EU

Tonnes	Jan-July 2016	Jan-July 2015	% change 16:15
Germany	597,665	463,112	29.1
Spain	445,200	258,246	72.4
Denmark	368,577	311,781	18.2
Holland	249,966	170,127	46.9
France	159,067	116,699	36.3
Poland	115,439	78,121	47.8
UK	79,671	51,409	55.0
Ireland	64,768	43,650	48.4
Belgium	61,161	50,891	20.2
Italy	55,416	46,696	18.7
Hungary	49,564	45,984	7.8
Austria	27,410	24,992	9.7
Others	62,597	50,105	24.9
EU-28	2,336,501	1,711,813	36.5

Importers of pig meat from
EU

Tonnes	Jan-July 2016	Jan-July 2015	% change 16:15
China	1,132,201	557,387	103.1
Hong Kong	197,607	137,068	44.2
Japan	193,286	170,598	13.3
Philippines	124,930	99,761	25.2
South Korea	121,708	142,453	-14.6
USA	69,280	52,184	32.8
Australia	48,546	51,653	-6.0
Ukraine	42,951	46,381	-7.4
Angola	16,010	32,164	-50.2
Montenegro	12,117	11,629	4.2
Russia	3,869	7,612	-49.2
Belarus	120	247	-51.4
Others	373,853	402,679	-7.2
EU-28	2,336,474	1,711,816	36.5


UGANDA
Foot and Mouth disease

An uncontrolled outbreak of Foot & Mouth disease has been reported: a large number of farms have been infected,

Please note:

The Danish version of Market News will be published on Wednesday or Thursday of next week instead of Monday. The English version will follow one day later.