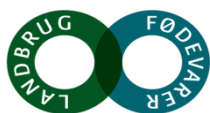


MARKET NEWS for pig meat



Market analysis

14 November 2016

Week 46

MARKET SITUATION

Europe: Trading in fresh legs is at unchanged prices. Other cuts are also being traded at largely unchanged prices.

UK: Trading remains stable.

Stable trading is reported for Japan and good demand from China albeit at a lower level compared to the summer.

SLAUGHTERINGS

	Week 42	Week 43	Week 44	Week 1-44 2016/15
Total	347,449	345,552	365,479	-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)	10.00	10.00
Sows (above 130 kg)	6.90	6.90

Nominal prices for piglets (30 kg)


DKK/head	Current	52 wk av
Basic	382.64	362.98
SPF+Myc	387.64	367.98
SPF	391.64	371.98
Organic	1058.15	1065.85
Market prices SPF region 1		
PRRS negative	395.00	357.00
PRRS positive	375.00	339.00
Market prices SPF region 2/3		
PRRS negative	395.00	357.00
PRRS positive	375.00	339.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	10.81 kr/kg	7.26 kr/kg	6.56 kr/kg	5.76 kr/kg	5.77 kr/kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	11/11	4/11	Change	11/11	4/11	Change
2016						
Nov	-	-	-	1.52	1.52	0.00
Dec	47.13	46.15	+0.98	1.57	1.57	0.00
2017						
Jan	-	-	-	1.41	1.41	0.00
Feb	54.35	52.98	+1.37	1.41	1.41	0.00
Mar	-	-	-	1.41	1.41	0.00
Apr	61.75	60.40	+1.35	1.41	1.41	0.00
May	69.13	68.35	+0.78	-	-	-
Jun	73.73	72.70	+1.03	-	-	-
Jul	74.85	73.63	+1.22	-	-	-
Aug	75.30	73.73	+1.57	-	-	-
Sep	-	-	-	-	-	-
Oct	63.85	62.83	+1.02	-	-	-
Nov	-	-	-	-	-	-
Dec	59.70	59.13	+0.57	-	-	-
2018						
Jan	-	-	-	-	-	-
Feb	62.85	62.03	+0.82	-	-	-
Mar	65.18	64.60	+0.58	-	-	-
Conversion factors: 1 lbs = 0.4536 kg \$:€ = 6.8253				Conversion factor: € = 7.4423		

AFRICAN SWINE FEVER

 **POLAND:** Four new cases among wild boar were reported last week in the east of the country, close to the border with Belarus.

 **RUSSIA:** One case was reported at a pig farm of 16,000 pigs in the Pavlovskiy region.

The Russian veterinary authorities, Rosselkhoz nadzor, report that traces of the ASF virus were found in sausages produced at a factory in the Moscow region. The infected products were recalled from stores.



Denmark's pig meat export, tonnes

Jan-Aug 2016

	By-products	Live Pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	%
Germany	15,856	121,216	6,069	159	59,428	147,656	1,900	352,285	27.5
Poland	1,718	89,018	40	1	9	76,007	24	166,817	13.0
UK	4,554	168	8,128	33,849	0	87,234	6,484	140,416	11.0
Italy	1,165	13,888	312	38	0	66,305	180	81,888	6.4
Sweden	6,187	24	1,456	972	17	13,367	3,312	25,336	2.0
Netherlands	11,510	7,341	100	27	0	3,854	147	22,980	1.8
France	1,574	570	638	195	0	8,417	634	12,028	0.9
Spain	136	2,520	978	612	0	3,754	984	8,986	0.7
Other EU	7,569	7,744	1,973	392	0	24,614	2,137	44,428	3.5
Total EU	50,270	242,489	19,695	36,245	59,454	431,209	15,802	855,163	66.7
China	127,575	48	1	0	0	100,699	0	228,323	17.8
Japan	2,792	5	3,006	92	0	74,241	1,089	81,224	6.3
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
South Korea	438	11	2,492	0	0	7,420	217	10,578	0.8
Hong Kong	4,460	0	300	10	0	6,032	15	10,818	0.8
Taiwan	382	0	10	0	0	6,188	0	6,580	0.5
New Zealand	0	0	17	0	0	2,240	0	2,258	0.2
Singapore	944	0	74	177	0	856	424	2,475	0.2
Other 3 rd countries	5,904	998	5,624	541	0	6,462	5,092	24,621	1.9
Total 3rd Countries	144,560	1,062	14,277	1,187	17	258,292	7,423	426,818	33.3
Total Exports	194,830	243,551	33,972	37,432	59,470	689,501	23,225	1,281,981	100

Jan-Aug 2015

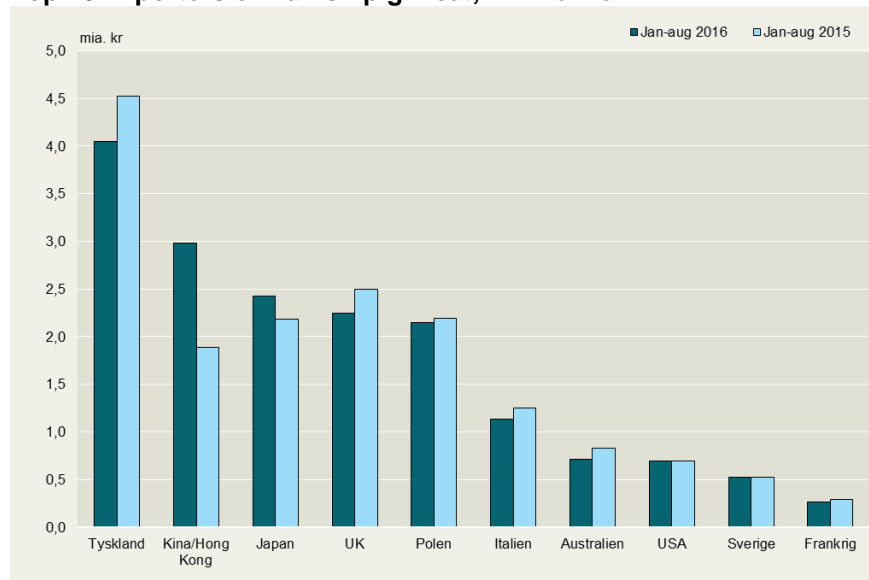
	By-products	Live Pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	%
Germany	28,973	149,608	7,140	206	46,794	181,867	1,806	416,393	31.4
Poland	1,155	86,889	23	16	0	90,164	1	178,248	13.5
UK	7,331	106	9,468	42,176	0	78,469	5,398	142,949	10.8
Italy	1,269	12,416	203	50	0	79,329	159	93,426	7.1
Sweden	6,469	11	1,924	969	0	13,502	2,833	25,707	1.9
Netherlands	10,722	4,317	114	15	0	5,363	102	20,631	1.6
France	2,865	549	586	169	0	10,121	722	15,012	1.1
Spain	167	1,854	794	507	301	4,722	880	9,226	0.7
Other EU	7,829	7,028	1,534	155	0	36,475	1,955	54,975	4.2
Total EU	66,781	262,778	21,785	44,260	47,096	500,011	13,856	956,567	72.2
China	117,414	0	0	0	25	35,456	0	152,895	11.5
Japan	1,341	2	2,550	160	0	74,444	1,167	79,663	6.0
Australia	381	0	130	208	0	39,022	37	39,777	3.0
USA	2,557	0	2,509	24	0	17,440	589	23,118	1.7
S. Korea	778	8	2,127	0	0	10,624	184	13,721	1.0
Taiwan	1,055	0	10	0	0	11,851	4	12,919	1.0
Philippines	3,131	0	317	0	0	1,138	1	4,587	0.3
Hong Kong	2,481	0	320	9	0	1,915	29	4,754	0.4
Singapore	1,263	0	383	51	0	1,251	753	3,701	0.3
Other 3 rd countries	8,588	866	5,117	699	3	11,584	5,802	32,658	2.5
Total 3rd Countries	138,988	875	13,463	1,151	27	204,723	8,566	367,793	27.8
Total Exports	205,769	263,653	35,248	45,411	47,123	704,734	22,422	1,324,361	100

Top 10 importers of Danish pig meat for Jan-Aug 2016 measured in value

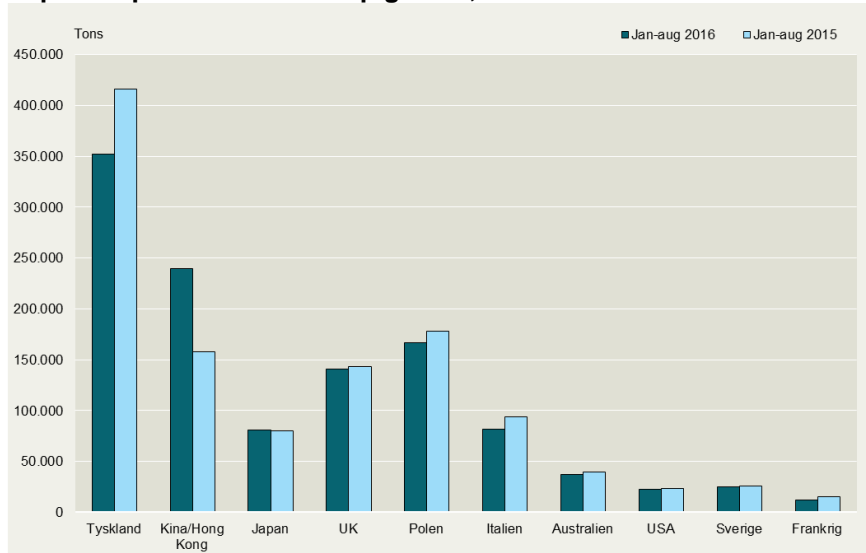
The tables below provide a breakdown of the top ten countries for Danish pig meat exports ranked according to value for Jan-August 2016. All pig meat (including live pigs) is included.

Country	Jan-Aug 2016		Jan-Aug 2015	
	Value in DKK billion	Tonnes	Value in DKK billion	Tonnes
Germany	4.1	352,285	4.5	416,393
China/Hong Kong	3.0	239,141	1.9	157,649
Japan	2.4	81,224	2.2	79,663
UK	2.2	140,416	2.5	142,949
Poland	2.1	166,817	2.2	178,248
Italy	1.1	81,888	1.2	93,426
Australia	0.7	37,169	0.8	39,777
USA	0.7	22,756	0.7	23,118
Sweden	0.5	25,336	0.5	25,707
France	0.3	12,028	0.3	15,012
Top 10 total	17.2	1,159,061	16.9	1,171,943
Other countries	2.2	122,920	2.5	152,418
Total	19.4	1,281,981	19.3	1.324.361

Top 10 importers of Danish pig meat, DKK billion



Top 10 importers of Danish pig meat, tonnes



Germany, China/Hong Kong, Japan, UK, Poland, Italy, Australia, US, Sweden, France

CHINA

Increased meat imports forecast

At last week's World Meat Congress in Uruguay, the Chinese contingent put forward some startling forecasts regarding China's meat imports up to 2020.

According to the President of China Meat Association, Chinese meat imports could increase from 4-5 million tonnes in 2016 to 10 million tonnes in 2020. At the same time, Chinese meat production is expected to rise modestly from 86.25 million tonnes in 2015 to 90 million tonnes by 2020. The expected rise in imports applies to pig meat, beef and lamb and, to a lesser extent, poultry.

If these forecasts hold good, it seems that there are good times ahead for meat exporters to the Chinese market.

The Chinese forecasts were also well received by the representatives of the various exporting countries that attended the conference. They were expecting a flat development in Chinese pig meat exports in 2017.

Charoen Pokphand to invest in pig slaughterhouse in northern China

Global Meat News reports that the Thai conglomerate Charoen Pokphand's Chinese arm is to invest USD 531 million in a pig slaughterhouse that will slaughter 1 million pigs per annum in northern China.

The pigs will be supplied from six large production facilities located in Inner Mongolia.

VIETNAM/ EU

Vietnam and EU prepare for free trade agreement

Agra Europe reports that Vietnam – in connection with EU Agriculture Commissioner Phil Hogan's visit to the country – has agreed to send a number of experts to the EU to eliminate possible sanitary barriers that might prevent a trading agreement being ratified between the two countries and the deal coming into force at the beginning of 2018.

While the EU and Vietnam are speeding up their Free Trade Agreement negotiations, new difficulties have arisen in efforts to gain full access for U.S. pig products to Vietnam.

Ratification of the Trans-Pacific Partnership (TPP) agreement by the Vietnamese parliament looks set for April 2017. Vietnam recently notified the WTO that the country expects to draw up a list of veterinary medicines – including ractopamine – that have zero tolerance.

 **BRAZIL**
BRF acquires 1.99% shareholding in COFCO

In a press release, the Brazilian meat group, Brasil Foods (BRF), has announced their purchase of a 1.99% shareholding in the Chinese COFCO Meat Holdings Limited. The acquisition is part of an agreement on strategic co-operation between the two companies.

 **USA**
Pig meat exports Jan-Sept

0203				
Fresh/frozen pig meat				
Tonnes	Jan-Sept 2014	Jan-Sept 2015	Jan-Sept 2016	% change 16:15
Mexico	354,340	387,249	387,456	0.1
Japan	339,630	297,115	269,561	-9.3
China	94,909	74,017	146,944	98.5
South Korea	83,995	118,192	85,290	-27.8
Canada	78,505	76,330	71,250	-6.7
Australia	37,606	38,837	42,824	10.3
Hong Kong	27,597	22,209	37,380	68.3
Colombia	32,149	27,489	23,062	-16.1
Others	133,235	97,651	98,215	0.6
Total	1,181,967	1,139,089	1,161,981	2.0

160249, 160241, 160242, 021012, 021019, 021011				
Processed pig meat				
Tonnes	Jan-Sept 2014	Jan-Sept 2015	Jan-Sept 2016	% change 16:15
Canada	67,940	63,494	69,071	8.8
Mexico	29,915	34,913	30,365	-13.0
Japan	12,009	11,323	12,259	8.3
Philippines	5,864	5,230	5,595	7.0
Australia	2,896	5,769	4,609	-20.1
South Korea	2,933	2,991	3,495	16.8
Others	18,220	20,417	19,443	-4.8
Total	139,776	144,138	144,838	0.5

020649				
By-products				
Tonnes	Jan-Sept 2014	Jan-Sept 2015	Jan-Sept 2016	% change 16:15
China	73,668	55,496	104,410	88.1
Hong Kong	43,930	67,802	90,114	32.9
Mexico	75,906	63,102	71,143	12.7
Japan	7,354	6,687	7,507	12.3
Philippines	5,233	8,432	6,210	-26.4
South Korea	6,716	7,122	4,998	-29.8
Canada	5,712	6,069	5,052	-16.8
Taiwan	3,626	4,537	1,755	-61.3
Others	20,796	7,278	6,473	-11.1
Total	242,940	226,526	297,663	31.4

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

0203 Fresh/frozen pig meat				
Tonnes	Jan–Sept 2014	Jan–Sept 2015	Jan–Sept 2016	% change 16:15
Denmark	34,797	44,988	42,628	-5.2
USA	39,663	38,485	44,338	15.2
Canada	16,291	22,837	12,894	-43.5
Holland	9,045	13,606	12,017	-11.7
Ireland	1,180	3,906	4,848	24.1
Belgium	890	2,243	2,774	23.7
Others	790	165	1,372	1,509.4
Total	102,656	126,230	120,869	-4.2

Fire at Australia's biggest pig slaughterhouse

The Australian media have reported a fire at Australia's biggest pig slaughterhouse, The Swickers, in Queensland last weekend.

The fire damaged the distribution, chilling and cutting departments and repair work is expected to take months. A number of these functions have been transferred to other facilities in the area. Slaughtering has now resumed.

 **EU**
Commission increases budget for promoting agricultural products from EU

Agra Europe reports that the EU Commission is increasing the budget for promoting EU agricultural products both within and outside the EU, from €111 million in 2016 to €133 million in 2017, with €12.6 million specifically earmarked for milk and pig meat products. The budget is expected to increase gradually and reach €200 million by 2019 and 2020.

According to the strategy for 2017, the money will be used to co-finance various campaigns in countries and regions outside the EU, including China, Middle East, North America, Southeast Asia and Japan. The prioritisation supports the Commission's earlier initiatives this year to find new markets abroad for EU products.

 **BULGARIA**
Bulgaria can once again export live pigs to other EU countries

The Bulgarian authorities report that following a 10-year ban, Bulgaria will be able to export pigs to other EU countries. The EU Commission has changed Bulgaria's status as regards Classical Swine Fever because the country has not had one case of the disease since 2009.