

MARKET NEWS for pig meat



Market analysis

5 December 2016

Week 49

MARKET SITUATION

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

UK: Trading remains stable.

Trading remains stable for Japan and China.

SLAUGHTERINGS DENMARK

	Week 45	Week 46	Week 47	Week 1-47 2016/15
Total	358,377	364,027	380,387	-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)	10.60	10.60
Sows (above 130 kg)	7.60	7.60

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	407.58	366.47
SPF+Myc	412.58	371.47
SPF	416.58	375.47
Organic	1065.93	1066.16
Market prices SPF region 1		
PRRS negative	425.00	366.00
PRRS positive	395.00	347.00
Market prices SPF region 2/3		
PRRS negative	425.00	366.00
PRRS positive	395.00	347.00


Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	11.72 kr/kg	7.30 kr/kg	6.97 kr/kg	5.96 kr/kg	5.98 kr/kg


FUTURES


	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	2/12	25/11	Change	2/12	25/11	Change
2016						
Dec	50.75	51.05	-0.30	1.57	1.57	0.00
2017						
Jan	-	-	-	1.41	1.41	0.00
Feb	54.03	56.75	-2.72	1.41	1.41	0.00
Mar	-	-	-	1.41	1.41	0.00
Apr	60.15	62.90	-2.75	1.41	1.41	0.00
May	67.63	69.80	-2.17	1.41	1.41	0.00
Jun	72.15	74.48	-2.33	-	-	-
Jul	73.13	74.95	-1.82	-	-	-
Aug	74.08	74.88	-0.80	-	-	-
Sep	-	-	-	-	-	-
Oct	62.65	63.50	-0.85	-	-	-
Nov	-	-	-	-	-	-
Dec	58.15	58.90	-0.75	-	-	-
2018						
Jan	-	-	-	-	-	-
Feb	61.60	62.60	-1.00	-	-	-
Mar	64.98	65.15	-0.17	-	-	-
Conversion factors: 1 lb = 0.4536 kg \$:€ = 6.9910				Conversion factor DKK/kg: € = DKK 7.4398		


AFRICAN SWINE FEVER


 **SOUTH AFRICA:** One case was reported at a small pig farm in the north of the country.

 **KENYA:** One case was reported in a herd comprising 320 pigs in the west of the country.

 **POLAND:** Seven new cases among wild boar were reported last week close to the border with Belarus.

 **LITHUANIA:** 32 cases were reported last week: 31 among wild boar and one at a small pig farm. The majority of cases were found in the North East of the country while one was close to the border with Belarus.

 **UKRAINE:** Two cases were reported last week, both at small pig farms; one in the middle of the country and the other in the south close to the border with Moldova.

 **RUSSIA:** Three cases were reported among wild boar in the West of the country.

RUSSIA: Foot and Mouth Disease

The Russian authorities have reported one case of Foot & Mouth Disease in the south eastern province of Zabaykalsky Krai, close to the border with China and Mongolia; 481 cattle and 260 sheep have been affected by the outbreak.

RUSSIA

Restrictions on the movement of live pigs in Krasnodar region

In an attempt to stop the spread of African Swine Fever, the southern Russian region of Krasnodar has imposed restrictions on the movement of live pigs, reports Reuters. Police checkpoints have been set up to check that there is no illegal movement of pigs in the region.

According to the Russian veterinary authorities, Rosselkhoznadzor, there were 10 outbreaks of African Swine Fever in the Krasnodar region last month, which is why Rosselkhoznadzor suggested last Thursday that restrictions should be introduced throughout the region.

Analysts had previously stated that transport restrictions in the region, which is a major grain exporter via the Black Sea ports, can limit the transport of grain and grain exports due to concerns that the disease is transmitted via animal feed.

So far, however, the local authorities have not put forward any measures that could affect the transport of grain in the region. In addition to the transport restrictions, the local authorities have announced that the sale of pig meat will be banned in markets and general veterinary controls in the region will be enhanced.

1.2 billion roubles in losses as a result of African Swine Fever

The Russian veterinary authorities, Rosselkhoznadzor, has stated that for the period January-November 2016, Russian pig producers suffered losses of 1.2 billion roubles (approx. £13 million) as a result of ASF. According to Rosselkhoznadzor, 248,000 pigs in Russia were culled over the period because of the disease.

Russia to extend import ban on western food products

According to Russian media, President Putin has announced that he will extend Russia's ban on the import of western food products as long as possible in order to help local producers. The ban is aimed at creating favourable conditions for both Russian producers and consumers

Russia to export pig meat to Singapore

Asian Agribusiness reports that the authorities in Russia and Singapore have discussed the possibility of Russia exporting pig meat, beef and poultry to Singapore. Following negotiations, veterinary inspectors are expected to visit Russia in February.

Rise in Russian pig production

According to the Russian Agricultural Ministry, Russian pig production (measured in live weight) for the period January to October 2016 increased by 13.5% compared to the same period last year. The production accounts for more than 2.8 million tonnes measured in live weight.

Source: Pig333

RUSSIA/ **EU**

WTO ruling will be delayed

The WTO's Appellate Body has announced that their decision regarding the Russian import ban on pig meat from the EU will be delayed, reports Agra Europe.

Russia has appealed against the first decision by the WTO, which ruled that Russia is acting in breach of WTO rules by retaining an import ban on all pig meat imports from the EU as a result of African Swine Fever in some EU countries.

The ruling by the WTO would normally be delivered 2-3 months following the Russian appeal, which was filed on September 22. The ruling is now expected in January or February 2017.

 **HOLLAND**
Possible buyer/investor for Vion

According to the Swedish agricultural press, the Dutch media have reported that the Dutch company, Van Drie Group, could be a possible buyer/investor in Vion.

The article states that the Van Drie Group is active in the Dutch veal industry. Last year, the company posted revenues of €2 billion and is owned by three brothers, who are worth a total of €700 million.

As previously reported in Market News, Vion and its owner co-operative, ZLTO, are in need of capital.

 **CHINA**
15,000 pigs smuggled daily to China from Vietnam

Using China Central Television (CCTV) as its source, Asian Agribusiness reports that more than 15,000 live pigs are smuggled to China from Vietnam on a daily basis.

The smuggling routes are around Aidian Town, a national port, and the smuggling is taking place with no intervention by the local Chinese authorities. The smuggled pigs escape inspection and quarantine and are sent to slaughterhouses in the southern provinces of China.

The smuggled Vietnamese pigs are reportedly \$0.58 cheaper per kg than local Chinese pigs.

Asian Agribusiness has previously reported on largescale smuggling of pigs from Vietnam to China. Apparently, the Chinese authorities in the southern Chinese region of Guangxi confiscated 262,600 live pigs from neighbouring Vietnam in the first eight months of the year.

Foot & Mouth disease

Last week, the authorities in China reported one case of Foot & Mouth disease with 22 head of cattle affected. The herd is located in the north western Chinese province of Xinjiang.

 **USA**
The Maschhoffs sell poultry business to Pilgrim's Pride

Major American pig producer, The Maschhoffs, has sold its poultry business, GNP Company, to USA's second largest poultry company, Pilgrim's Pride, for \$350 million, report the US media.

With 220,000 sows, the Maschhoffs are the U.S.'s fourth largest pig producer. The company is family-owned and is headquartered in Illinois. It acquired the GNP Company back in 2013.

NPPC does not want animal welfare regulations in organic pig production

National Pork Producers Council (NPPC) does not want animal welfare regulations to be included in the regulations for organic pig production.

In a letter to the US Department of Agriculture, the NPPC is calling on the USDA to withdraw the new animal welfare regulations which it is planning to introduce for organic pig producers. According to NPPC, the new welfare regulations would mean higher costs for organic pig producers and would be a serious obstacle to the recruitment of new organic pig producers.

Most important of all, however, the NPPC points out that animal welfare has nothing to do with organic production and that the introduction of new animal welfare regulations would not result in products being more organic.

Source: Weekly Tribune


USA / COSTA RICA
Trade barriers lifted on U.S. pig meat to Costa Rica

So far, technical restrictions have made it difficult to export American pig meat and beef to Costa Rica. However, the restrictions were recently removed, reports US Meat Export Federation (USMEF). U.S. exports to Costa Rica until September amounted to \$10.5 million for beef and \$9.2 million for pig meat. Although Costa Rica is a relatively small destination for U.S. beef and pig meat, the market is of interest to U.S. meat exporters because of the growing tourism in the country.


JAPAN
Imports of fresh/frozen pig meat

0203					
Fresh/frozen pig meat					
Tonnes	2016 October	2015 October	2016 Jan.-Oct	2015 Jan.-Oct	% change 2016:15
USA	21,025	23,165	218,913	218,274	0.3
Canada	15,719	15,979	146,405	137,394	6.6
Denmark	10,086	11,156	95,867	90,721	5.7
Spain	6,521	7,242	75,052	61,757	21.5
Mexico	6,552	6,867	61,570	57,314	7.4
Chile	2,039	2,366	23,089	18,299	26.2
Hungary	1,593	2,624	18,675	18,357	1.7
Holland	1,677	1,626	19,243	16,052	19.9
France	1,072	1,073	10,796	8,774	23.0
Italy	643	1,093	10,219	8,742	16.9
Austria	623	622	10,104	7,849	28.7
Germany	1,685	1,033	11,732	6,922	69.5
Ireland	386	646	5,514	2,194	151.3
Finland	-	172	911	1,279	-28.7
Belgium	5	-	392	264	48.5
Australia	-	51	349	439	-20.5
Others	219	168	2,307	2,582	-10.7
Total	69,845	75,886	711,138	657,213	8.2

 **JAPAN**
Development in pig meat storage

Tonnage	Own production		Imported volumes		Total storage
	Fresh	Frozen	Fresh	Frozen	
End January 15	485	16,338	3,408	164,417	184,648
End February 15	357	17,536	4,432	157,018	179,343
End March 15	294	16,373	9,726	152,201	178,594
End April 15	325	16,401	10,026	161,157	187,909
End May 15	300	16,430	7,556	169,538	193,824
End June 15	266	15,018	5,741	167,676	188,701
End July 15	343	16,666	8,036	158,202	183,247
End August 15	227	16,675	7,823	153,957	178,682
End September 15	328	14,949	9,368	145,103	169,748
End October 15	283	15,693	8,813	139,170	163,959
End November 15	295	15,568	9,178	134,262	159,303
End December 15	511	15,638	6,167	131,661	153,977
End January 16	294	16,559	6,530	144,724	168,107
End February 16	313	16,839	7,088	144,023	168,263
End March 16	351	15,601	9,206	144,222	169,380
End April 16	611	17,479	7,843	147,530	173,463
End May 16	510	18,368	8,524	150,870	178,272
End June 16	492	20,660	9,180	149,946	180,278
End July 16	521	18,184	7,350	146,181	172,236
End August 16	382	17,151	11,429	147,350	176,312
End September 16	425	17,153	10,342	141,460	169,380

Japan's imports of sausages products

0210 Sausage products		
Tonnage	2016 Jan-Oct	% change 2016:15
China	7,750	-37.7
Taiwan	180	-26.3
Thailand	6,010	-21.2
Denmark	1,509	-5.3
Canada	33	1.5
USA	8,146	-9.7
Brazil	3,096	7.5
Others	1,485	-17.1
Total	28,212	-21.0