

MARKET NEWS for pig meat



Market analysis

23 May 2016

Week 21

MARKET SITUATION

Europe: Trade in pork legs took place at unchanged prices this week. Prices for collars and loins fell back because of the poor weather. Other cuts were traded at largely unchanged prices.

UK: Trade in the UK bacon market remains stable.

Third countries: Good trade is reported with China and Japan, but quieter business in other markets.

SLAUGHTERINGS DENMARK

	Week 17	Week 18	Week 19	Week 1-19 2016/15
Total	380,456	235,445	373,955	-3.6 %

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

PIG PRICES FOR WEEK 21

Finished pigs and sows

DKK/head	DC	Tican
Finished pigs (basic weight class and basic meat percentage)	9.40	9.40
Sows (above 130 kg)	6.00	6.00

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Nominal prices		
Basic	362.48	338.66
SPF+Myc	367.48	343.66
SPF	371.48	347.66
Organic	1058.67	1027.58
Market prices (SPF region 1)		
(PRRS negative)	360.00	314.00
(PRRS positive)	345.00	294.00
Market prices (SPF region 2/3)		
(PRRS negative)	360.00	314.00
(PRRS positive)	345.00	294.00

Weight adjustment:	0-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
DKK/head	11.61	8.32	5.82	5.60	5.47

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	20/5	13/5	Change	20/5	13/5	Change
2016						
May	-	76.85	-	1.39	1.33	+0.06
June	79.85	81.95	-2.10	1.41	1.41	0.00
July	80.25	82.55	-2.30	1.41	1.41	0.00
Aug	79.75	82.13	-2.38	1.41	1.41	0.00
Sep	-	-	-	1.41	1.41	0.00
Oct	68.43	70.73	-2.30	1.41	1.41	0.00
Nov	-	-	-	-	-	-
Dec	63.83	65.23	-1.40	-	-	-
2017						
Jan	-	-	-	-	-	-
Feb	66.98	68.20	-1.22	-	-	-
Mar	-	-	-	-	-	-
Apr	69.90	70.93	-1.03	-	-	-
May	74.13	75.10	-0.97	-	-	-
Jun	78.00	78.43	-0.43	-	-	-
Jul	77.65	78.30	-0.65	-	-	-
Aug	76.78	77.78	-1.00	-	-	-
Sep	-	-	-	-	-	-
Oct	74.00	77.25	-3.25	-	-	-
Conversion factors: : 1 lb = 0.4536 kg \$= DKK 6.6289				Conversion factor: € = DKK 7.4370		

 **LITHUANIA**
African Swine Fever

In the past week, the authorities reported six new cases of ASF in wild boar across the country.

 **POLAND**
African Swine Fever

In the past week, the authorities reported a single new case of ASF in wild boar in the eastern part of the country, on the border with Belarus.

Pig census 1 March

The Polish authorities have published the results of their pig census from 1 March 2016, which continue the downward trend in the breeding herd and overall pig numbers.

'000 head	1 March 2016	% change 2016/15
Piglets 0 - 20 kg	2,593	-12.9
Pigs 20 - 50 kg	2,766	-11.6
Finished pigs > 50 kg	4,006	-9.4
Breeding herd	823	-16.3
of which pregnant sows	541	-16.6
Total	10,187	-11.5



Pig meat exports

The EU Commission has published figures showing EU pig meat exports for the period January-March 2016. The increase in total pig meat exports was largely due to increasing exports to China. Exports to China and Hong Kong now account for 52 per cent all pig meat exports from the EU..

By Product

Tonnes	Jan-March 2016	Jan-March 2015	% change 16:15
Live pigs	2,579	3,727	-30.8
Fresh/frozen	457,154	339,046	34.8
Bacon	7,406	6,595	12.3
Processed	36,960	40,524	-8.8
By-products	391,544	318,451	23.0
Total	895,643	708,343	26.4

By exporting country

Tonnes	Jan-March 2016	Jan-March 2015	% change 16:15
Germany	229,313	174,745	31.2
Spain	165,583	111,878	48.0
Denmark	146,641	137,447	6.7
Holland	74,133	60,738	22.1
France	64,783	48,712	33.0
Poland	46,550	32,767	42.1
UK	34,199	22,380	52.8
Ireland	25,732	18,096	42.2
Belgium	25,151	21,450	17.3
Italy	23,333	19,631	18.9
Hungary	21,538	17,324	24.3
Austria	11,642	11,097	4.9
Other	27,045	32,078	-15.7
EU-28	895,643	708,343	26.4

By importing country

Tonnes	Jan-March 2016	Jan-March 2015	% change 16:15
China	383,750	218,464	75.7
Hong Kong	85,011	66,609	27.6
Japan	76,551	63,876	19.8
Philippines	58,168	43,341	34.2
South Korea	47,063	71,087	-33.8
USA	27,865	24,325	14.6
Ukraine	20,105	15,346	31.0
Australia	19,231	19,587	-1.8
Angola	6,296	12,482	-49.6
Montenegro	5,718	5,722	-0.1
Russia	1,757	4,121	-57.4
Belarus	54	78	-30.8
Other	164,074	163,303	0.5
EU-28	895,643	708,343	26.4

 **DENMARK**
Structural development

Statistics Denmark has published data from the Agricultural Census completed during the summer of 2015

Surprisingly, the 2015 census shows a slight increase in the number of pig farms. It should, however, be borne in mind that the census is carried out on a random basis and may consequently be subject to some statistical variation.

	2015	2014	2013	2012	2011	2010	2009	2008
Number of pig farms	3,769	3,626	3,855	4,181	4,642	5,068	5,041	5,819
Of which:								
With finished pigs and sows	1,300	1,359	1,454	1,617	1,808	2,089	2,054	2,388
With finished pigs only	1,688	1,569	1,746	1,790	2,046	2,239	2,185	2,549
With sows only	573	510	434	445	549	493	547	577
Neither finished pigs nor sows" 1)	208	188	221	329	239	247	255	305

1) Statistics Denmark's definition of a finished pig is 50 kg or over.

Farms exclusively with pigs under 50 kg and with no sows are therefore registered as "neither finished pigs nor sows".

 **SPAIN**
Increased slaughtering

Pig slaughtering increased at all the major Spanish slaughterhouses during 2015, with tonnage of pig meat produced rising by 7.6 per cent. The ten largest slaughterhouses accounted for 9.2 per cent.

The concentration of slaughtering in the ten largest slaughterhouses continues to increase but at a lower rate than previously. The 53.1 per cent share compared to 52 per cent in 2013 and 36 per cent in 2010.

Slaughtering	1000 tonnes	% change 2016:15	Percentage of total
Vall Companys	423	12.0	10.9
Batallé-Juiá	352	4.7	9.0
Jorge SA (Samper)	288	17.4	7.4
Frig. Costa Brava	278	11.2	7.1
EIPozo Alimentación	220	9.5	5.6
InCarLoPSA	119	6.3	3.1
FACCSA	108	5.9	2.8
Top 10	2,070	9.2	53.1
Total	3,896	7.6	

Source: IFIP (France)

 **HOLLAND**
Meat inspection costs

According to press reports, the 12% rise in meat control costs in Dutch abattoirs gave rise to a heated debate in the Dutch parliament.

 **USA**
Permission for new slaughterhouse refused

Prestage Foods has been refused permission to build a new pig slaughterhouse in Mason City in Iowa by the authorities.

The plan was for the new slaughterhouse to be operational in 2018 to slaughter around 10,000 pigs per day, equivalent to production of 600 million lbs of pig meat per year and it is still unclear whether Prestage Foods will attempt to find another site for a new slaughterhouse.

Prestage Farms is today USA's seventh largest pig producer with 170,000 sows. According to CEO, Ron Prestage, the new slaughterhouse should have been seen as a vital step towards more vertical integration in the company's business.

 **TAIWAN**
Continuing ban on ractopamine

The Committee on Environmental Hygiene of Taiwan has recommended to the government that they retain the ban on imported pig meat from the US containing ractopamine.

The US has been putting considerable pressure on Taiwan to lift the ban and all signs are that the Taiwanese government is of the same view.

Source: Mercolieda (Spain)

 **VIETNAM**
Increased exports of live pigs to China

rising demand from China means that Vietnam is now exporting 2-3,000 live pigs per day to China. The pigs weigh around 120-140 kg and have a high fat content.

Clamp-down on illegal production

The authorities have introduced stricter penalties for livestock producers who use illegal means in their production.

According to the authorities, there are particular problems with the use of salbutamol, which promotes higher meat percentage in pigs. The tougher regime, including up to 20 years imprisonment, has meant that the number of positive tests for lbutamol has fallen from 9.8 per cent in January to 0.5 per cent in March.

Organic pig meat gains ground

Organic pork is gaining ground in Vietnam. A retailer selling organic pig meat in Ho Chi Minh has reported that consumers are prepared to pay up to three times as much for the organic product.

Source: Asian Pork

 **CHINA**
Production to stabilise by 2020

The agricultural authorities expect pig meat production to amount to 57.6 million tonnes in 2020, compared to 56.71 million tonnes in 2014 and 50.71 million tonnes in 2010. The percentage of pig farms with more than 500 pigs is expected to rise from 42 per cent in 2014 to 52 per cent in 2020.

Seven provinces - Hebei, Shandong, Henan, Chongqing, Guangxi, Sichuan and Hainan – are identified as the main centres of pig production. The north eastern provinces of Liaoning, Jilin, Heilongjiang and Inner Mongolia as well as the south western provinces of Yunnan and Guizhou are singled out as areas with the main potential for increased production.

Source: Asian Pork


HONG KONG
Pig meat imports

The figures for Hong Kong's pig meat imports are now available for Q1 2016. Imports to Hong Kong are closely linked to imports to China, and should be viewed in conjunction with the Chinese import data.

0203				
Fresh/frozen pig meat				
Tonnes	Jan-March 2014	Jan-March 2015	Jan-March 2016	% change 16:15
Brazil	18,596	15,633	32,939	110.7
USA	3,241	3,517	12,809	264.2
China	15,138	17,704	10,711	-39.5
Germany	10,245	4,555	5,805	27.4
Holland	4,572	4,257	4,342	2.0
Spain	1,113	1,991	3,188	60.1
Poland	469	2,872	2,032	-29.2
Vietnam	1,975	2,055	2,550	24.1
Canada	1,604	1,825	1,304	-28.5
UK	479	296	966	226.4
France	478	803	864	7.6
Belgium	622	327	786	140.4
Italy	-	99	391	294.9
Argentina	37	91	252	176.9
Other	1,693	1,008	2,446	142.7
Total	60,262	57,033	81,385	42.7

020649				
By-products - pigs				
Tonnes	Jan-March 2014	Jan-March 2015	Jan-March 2016	% change 16:15
USA	15,470	26,916	29,131	8.2
Germany	33,754	19,423	15,642	-19.5
Brazil	10,605	10,245	12,714	24.1
Poland	1,984	11,221	10,806	-3.7
Spain	3,987	5,844	10,103	72.9
Holland	12,761	8,573	9,999	16.6
Italy	2,521	2,505	5,360	114.0
UK	3,920	4,151	4,141	-0.2
Belgium	2,936	2,738	3,392	23.9
Canada	2,011	6,867	3,033	-55.8
France	901	1,363	1,271	-6.7
Australia	755	517	821	58.8
Austria	389	96	554	477.1
Sweden	570	352	531	50.9
Hungary	174	-	454	-
Denmark	1,735	1,190	454	-61.8
Other	3,881	2,322	2,801	20.6
Total	98,354	104,323	111,207	6.6

 **CHINA**
Pig meat imports

0203				
Fresh/frozen pig meat				
Tonnes	Jan-March 2014	Jan-March 2015	Jan-March 2016	% change 16:15
Germany	16,945	39,021	70,483	80.6
Spain	22,845	26,548	49,558	86.7
USA	33,174	26,153	35,932	37.4
Denmark	15,090	15,610	31,548	102.1
Canada	14,075	8,878	28,329	219.1
France	7,521	6,651	17,623	165.0
Holland	2,191	3,251	14,557	347.8
UK	6,712	6,619	9,980	50.8
Chile	6,404	6,627	8,685	31.1
Ireland	4,259	5,729	8,077	41.0
Hungary	-	4,039	4,759	17.8
Brazil	288	102	3,948	3770.6
Belgium	357	1,083	2,365	118.4
Poland	12,154	-	-	-
Other	-	-	249	-
Total	142,015	150,310	286,093	90,3

020649				
By-products				
Tonnes	Jan-March 2014	Jan-March 2015	Jan-March 2016	% change1 16:15
USA	53,290	50,085	71,450	42.7
Denmark	36,087	33,168	50,901	53.5
Germany	10,689	35,426	46,094	30.1
Spain	15,916	18,188	24,182	33.0
Canada	16,581	9,174	23,130	152.1
Holland	3,449	14,338	18,639	30.0
France	13,559	10,349	12,890	24.6
UK	3,650	4,449	6,499	46.1
Chile	5,104	4,717	6,024	27.7
Ireland	3,034	4,383	5,216	19.0
Belgium	1,399	1,891	4,275	126.1
Hungary	-	4,518	3,105	-31.3
Poland	9,127	-	-	-
Other	-	29	232	700.0
Total	171.885	190.715	272.637	43.0

020641				
Pigs' liver				
Tonnes	Jan-March 2014	Jan-March 2015	Jan-March 2016	% change 16:15
Spain	792	5	17	240.0
Canada	537	2	8	300.0
Denmark	1,891	1	3	200.0
Ireland	149	-	-	-
Chile	24	48	-	-
Total	3,393	56	28	-50.0

 **BRAZIL****Classical Swine Fever status**

The Brazilian Ministry of Agriculture expects that the OIE's General Meeting will this week declare a further 13 Brazilian states and the Federal District (which includes Brazilia) free from Classical Swine Fever.

So far only Rio Grande do Sul and Santa Catarina have been declared free from the disease.

The Minister expects that the new status will help increase Brazilian pig meat exports.