

MARKET NEWS for pig meat



Market analysis

15 August 2016

Week 33

MARKET SITUATION

Europe: The holiday season continues to impact Southern Europe's processing industry. Fresh legs and other cuts are being traded at unchanged prices.

UK: Increased supplies, but trading is at unchanged price levels.

Third Countries: Unchanged sales with subdued trading for both China and Japan.

SLAUGHTERINGS

	Week 29	Week 30	Week 31	Week 1-31 2016/15
Total	335,694	333,626	338,528	-2.6 %

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)	10.40	10.40
Sows (above 130 kg)	6.60	6.60





Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	399.75	349.21
SPF+Myc	404.75	354.21
SPF	408.75	358.21
Organic	1098.37	1050.35
Market prices SPF region 1		
PRRS negative	400.00	325.00
PRRS positive	385.00	305.00
Market prices SPF region 2/3		
PRRS negative	400.00	325.00
PRRS positive	385.00	305.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	11.25 kr/kg	7.99 kr/kg	6.76 kr/kg	5.88 kr/kg	5.93 kr/kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	12/8	5/8	Change	12/8	5/8	Change
2016						
Aug	67.15	67.45	-0.30	1.65	1.65	0.00
Sep	-	-	-	1.41	1.41	0.00
Oct	60.00	58.30	+1.70	1.41	1.41	0.00
Nov	-	-	-	1.41	1.41	0.00
Dec	54.95	54.08	+0.87	1.41	1.41	0.00
2017						
Jan	-	-	-	1.41	1.41	-
Feb	59.00	59.05	-0.05	-	-	-
Mar	-	-	-	-	-	-
Apr	64.28	65.03	-0.75	-	-	-
May	70.00	70.73	-0.73	-	-	-
Jun	75.18	75.33	-0.15	-	-	-
Jul	73.93	74.68	-0.75	-	-	-
Aug	73.05	73.65	-0.60	-	-	-
Sep	-	-	-	-	-	-
Oct	63.18	63.00	+0.18	-	-	-
Nov	-	-	-	-	-	-
Dec	60.55	60.65	-0.10	-	-	-
2018						
Jan	-	-	-	-	-	-
Feb	58.40	-	-	-	-	-
Conversion factors: lbs:kg = 0.4536 kg \$:€= 6.6677				Conversion factor: €/kg = 7.4398		

African Swine Fever		
	RUSSIA	Last week, 16 new cases of ASF reported on small pig farms in the west of the country
	POLAND	Last week, 6 cases of ASF reported on small pig farms in the east of the country, close to the border with Belarus
	UKRAINE	Last week, 8 new cases of ASF reported on small pig farms across the country
	LITHUANIA	Last week, 3 new cases of ASF reported on small pig farms, and 3 cases of ASF in wild boar.



Danish pig meat exports, tonnes

Jan-May 2016

	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	9,998	76,958	3,889	103	34,395	94,500	1,305	221,150	27.8
Poland	643	54,584	2	3	9	49,250	10	104,501	13.1
UK	2,961	130	5,412	21,410	0	51,389	3,940	85,242	10.7
Italy	728	9,718	139	23	0	41,288	113	52,009	6.5
Sweden	3,664	6	887	581	17	7,994	2,017	15,166	1.9
Holland	7,956	4,666	64	14	0	2,338	71	15,109	1.9
France	974	284	376	125	0	5,790	405	7,955	1.0
Spain	28	1,510	614	434	0	2,538	616	5,740	0.7
Other EU countries	5,096	5,228	1,066	151	0	15,607	1,273	28,420	3.6
Total EU	32,049	153,084	12,448	22,845	34,421	270,694	9,750	535,292	67.3
China	78,664	48	0	0	0	59,302	0	138,014	17.3
Japan	1,249	5	1,893	56	0	44,118	665	47,985	6.0
Australia	238	0	20	188	0	22,977	0	23,424	2.9
USA	1,113	0	1,755	70	0	11,234	265	14,437	1.8
South Korea	438	11	1,057	0	0	5,311	101	6,918	0.9
Hong Kong	2,890	0	162	10	0	3,260	13	6,335	0.8
Taiwan	255	0	10	0	0	4,210	0	4,476	0.6
New Zealand	0	0	1	0	0	1,478	0	1,479	0.2
Singapore	540	0	41	68	0	556	253	1,459	0.2
Other Third Countries	3,909	603	3,553	324	0	3,880	3,413	15,682	2.0
Third Countries total	89,297	667	8,492	716	4	156,327	4,710	260,212	32.7
Total exports	121,346	153,751	20,940	23,560	34,425	427,021	14,460	795,504	100

Jan-May 2015

	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	22,643	91,740	4,115	119	29,262	117,124	1,215	266,217	32.2
Poland	675	54,917	17	7	0	56,253	0	111,868	13.5
UK	4,866	55	5,657	26,828	0	47,189	3,172	87,768	10.6
Italy	815	7,899	121	29	0	50,583	93	59,541	7.2
Sweden	4,012	5	1,022	585	0	7,894	1,656	15,173	1.8
Holland	6,858	2,760	77	6	0	3,541	56	13,297	1.6
France	1,644	426	340	96	0	6,876	429	9,811	1.2
Spain	23	1,228	485	373	67	3,015	513	5,703	0.7
Other EU countries	5,330	4,864	979	70	0	19,946	1,207	32,397	3.9
Total EU	46,865	163,894	12,812	28,112	29,329	312,421	8,342	601,775	72.8
China	75,143	0	0	0	25	18,914	0	94,082	11.4
Japan	826	1	1,620	73	0	43,585	653	46,758	5.7
Australia	357	0	89	89	0	23,457	25	24,016	2.9
USA	1,692	0	1,781	24	0	11,788	364	15,648	1.9
South Korea	492	0	1,316	0	0	7,110	119	9,036	1.1
Taiwan	903	0	10	0	0	5,868	4	6,784	0.8
Philippines	1,999	0	194	0	0	964	1	3,158	0.4
Hong Kong	1,442	0	175	9	0	1,085	16	2,727	0.3
Singapore	968	0	238	26	0	856	516	2,603	0.3
Other Third Countries	5,705	411	2,960	331	1	7,038	3,734	20,181	2.4
Third Countries total	89,526	412	8,382	552	26	120,663	5,432	224,993	27.2
Total exports	136,391	164,306	21,194	28,664	29,354	433,084	13,774	826,768	100

 **RUSSIA**
Imports of pig meat, January-June

Tonnes	0203 Fresh/frozen pig meat		020649+020641 By-products, pigs		020910 Fat		Total			% change 16:15
	2016	2015	2016	2015	2016	2015	2016	2015	2014	
	Canada	-	-	-	-	-	26	-	26	76,382
Brazil	111,455	70,245	2,374	818	1,989	247	115,818	71,310	66,048	62.4
Denmark	-	-	-	-	-	-	-	-	9,749	-
Germany	-	-	-	-	-	-	-	-	7,205	-
USA	-	-	-	-	3,549	200	3,549	200	7,084	1674.5
Chile	4,832	7,005	1,353	943	3,955	2,846	10,140	10,794	6,398	-6.1
Holland	-	-	-	-	-	-	-	-	5,963	-
France	-	-	-	-	-	-	-	-	5,502	-
Serbia	969	4,639	-	-	88	-	1,057	4,639	3,822	-77.2
Belarus	2,201	8	47	-	7	-	2,255	8	3,411	2.8087.5
Italy	-	-	-	-	-	-	-	-	3,407	-
Belgium	-	-	-	-	-	-	-	-	3,286	-
Ireland	-	-	-	-	-	-	-	-	2,746	-
Poland	-	-	-	-	-	-	-	-	2,642	-
Hungary	-	-	-	-	-	-	-	-	2,391	-
Austria	-	-	-	-	-	-	-	-	1,824	-
Paraguay	650	466	172	188	529	176	1,351	830	610	62.8
Ukraine	-	3,610	-	-	-	2,818	-	6,428	508	-100.0
Sweden	-	-	-	-	-	-	-	-	491	-
Finland	-	-	-	-	-	-	-	-	392	-
Portugal	-	-	-	-	-	-	-	-	298	-
Estonia	-	-	-	-	-	-	-	-	71	-
Spain	-	-	-	-	-	-	-	-	43	-
Argentina	196	-	272	26	813	-	1,281	26	-	-
Others	599	12,168	54	640	97	2,324	750	15,132	405	-95.0

Total	120,902	98,141	4,272	2,615	11,027	8,637	136,201	109,393	210,678	24.5
-------	---------	--------	-------	-------	--------	-------	---------	---------	---------	------

Imports of live pigs, January-June

	010392 Pigs > 50 kg.			010391 Piglets < 50 kg.			010310 Breeding stock		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
Belarus	-	-	-				2,482	-	-
Canada	-	-	-				718	-	3,215
Denmark	-	-	743				-	-	71
France	-	-	40				-	-	99
Ireland	-	-	46				-	-	688
Spain	-	-	-				-	-	-
Others	-	-	-				91	436	1,946
Total	-	-	829				3,291	436	6,019

Norges Bank increases share-holding in Cherkizovo Group

According to the international news media, the central bank of Norway, Norges Bank, has increased its shareholding in the large Russian feed and meat producer, Cherkizovo Group, from 4.6% to 5.7%

CHINA

New Hope Liuhe confirms plans for huge investment in new pig production

In an interview with Feedinfo, the large Chinese agricultural company, New Hope Liuhe (NHL), has confirmed plans to invest in a new pig production business. New Hope, known to date as a leading feed producer, appears to have ambitions to establish itself as a meat producer.

As previously reported in Market News Week 29, NHL plans to produce 10 million pigs over the next 3-5 years using licensed production. As far as possible, these pigs will be slaughtered in-house. The interview also revealed that NHL has plans to establish a piglet production operation and to finish 2.5 million slaughter pigs. The remaining 7.5 million slaughter pigs per year will be finished under production contracts with NHL supplying the feed, the piglets and expertise.

NHL already has some experience of pig production - during the first six months of 2016, the company produced 500,000 finished pigs and expects this figure to increase in the second half of the year. The current facilities slaughter 10 million pigs per annum.

VIETNAM

Expects to make headway in pig production

The Vietnamese authorities report that they expect to increase pig meat production over the next two years. It is reported that companies like Vietnam's largest steel producer, Hoa Phat Group, and Vietnam's largest producer of pangasius fish, Hung Vuong Group, are both setting up pig productions.

Source: Asian Agribusiness

BRAZIL

Poor harvest

The year's second maize harvest in Brazil has been disappointing, reports the international news media.

There are fears among Brazilian pig and poultry producers that as in 2016, they will be faced with the prospect of importing maize in 2017.

Record high feed prices resulted in financial difficulties for pig and poultry producers in the first half of 2016 and they were hoping that the second harvest would solve their problems.

 **MEXICO****Mexican restaurant chain commits to higher welfare**

The Pig Site reports that the Mexican restaurant chain, Grupo Toks, has announced that they will only be using eggs from cage-free production and pigs from loose-housed pregnant sows.

Grupo Toks is working with its suppliers and Humane Society International, which means that from 2022, the new animal welfare requirements will be fully implemented.

The Mexican restaurant chain has 226 restaurants grouped under the Toks, Panda Express, Cup Stop, Restaurantes California and Beer Factory names.