

MARKET NEWS for pig meat



Market analysis

4 December 2017

Week 49

MARKET SITUATION

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

UK: Trading remains under pressure. New contracts have been agreed at falling price levels.

Trade is reported as stable for Japan and China, but with fluctuating prices for middles.

SLAUGHTERINGS DENMARK

	Week 45	Week 46	Week 47	Week 1-47 2017/2016
Total	357,562	355,765	287,900*	-5.6 %*

*Preliminary figures due to strike

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

PRICES

Finished pigs and sows

DKK/kg	DC	Tican
Finished pigs (basic weight class and basic meat percentage)	9.60	9.60
Sows (above 130 kg)	6.10	6.10

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	367.04	403.90
SPF+Myc	372.04	408.90
SPF	376.04	412.90
Organic	916.97	1010.68
Market prices SPF region 1		
PRRS negative	365.00	478.00
PRRS positive	345.00	460.00
Market prices SPF region 2/3		
PRRS negative	365.00	478.00
PRRS positive	345.00	460.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	9.54 kr/kg	9.08 kr/kg	6.34 kr/kg	5.34 kr/kg	5.47 kr/kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	01/12	24/11	Change
2017			
Dec	65.28	63.25	+2.03
2018			
Jan	-	-	-
Feb	70.73	69.40	+1.33
Mar	-	-	-
Apr	74.45	73.58	+0.87
May	79.53	79.00	+0.53
Jun	83.38	82.70	+0.68
Jul	83.25	82.53	+0.72
Aug	82.53	81.63	+0.90
Sep	-	-	-
Oct	69.33	68.60	+0.73
Nov	-	-	-
Dec	63.50	62.95	+0.55
2019			
Jan	-	-	-
Feb	66.50	66.00	+0.50
Mar	70.05	69.55	+0.50
Conversion factors: 1 lb = 0.4536 kg \$ = €6.2617			



EU

African Swine Fever

The EU Commission's reporting system for the outbreak of African Swine Fever in EU countries and Ukraine has been updated up to 26 November.

Countries	Period 13 Nov - 26 Nov		Year to date 1 Jan - 26 Nov	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		12	3	577
Latvia		25	8	818
Lithuania		169	30	1056
Poland	1	53	81	482
Italy		20	17	55
Ukraine	2	2	115	20
Czech Republic		33		174
Romania			2	



RUSSIA

African Swine Fever

Last week, the authorities in Russia reported nine outbreaks of ASF: four at pig farms (one at a farm of 17,627 pigs) and five among wild boar.

 **POLAND**
Agricultural organisation proposes extensive culling of wild boar

Poland's agricultural organisation, the National Council of Agricultural Chambers (KRIR), has proposed that an extensive culling operation of wild boar be carried out across Poland.

The proposal comes after wild boar infected with African Swine Fever were discovered last week north of Warsaw in the Mazowieckie province. This means that the disease has moved 140 km further west.

KRIR has proposed that the army assists in the culling of the wild boar population throughout Poland meaning that there will only be 0.1 boars per km². According to KRIR, the latest outbreak of ASF means that the disease is now threatening an area that contains a number of major Polish pig productions.

Agra Europe reports that 90 soldiers from the Polish army, hunters and veterinarians, took part in a major culling operation in forests close to Warsaw a few days ago.

 **GLOBAL**
Rabobank: increased production of animal protein in 2018

In its latest report entitled Global Animal Protein Outlook 2018, Rabobank expects animal protein production to increase in all regions next year.

The expected production increase will primarily be driven by increased production in Brazil, China and the US.

Rabobank's outlook for the following countries/regions is as follows:

China: Rabobank expects 2018 to bring increased imports and generally greater supply of pig meat in the market. Overall poultry supply will be flat while beef supply will grow steadily with imports being the driving force.

US: rising production across the species is expected in 2018, which will mean greater dependence on exports.

Brazil: Rabobank expects beef production to increase by 5 per cent. Pig meat and poultry production is also expected to increase.

EU: Rabobank expects that the slight decline in pig meat production in 2017 will be replaced by a small rise in production in 2018. Access to export markets will therefore be increasingly important for European processors.

 **FRANCE/**  **CHINA**
Increased access to China for French pig meat

By the end of the year, China will be importing pig meat from a number of French meat companies, Bruno Le Maire, France's Minister for Agriculture announced last week during a visit to China.

According to Le Maire, the Chinese authorities will soon publish the results from a series of inspections of French companies carried out two years ago. The go-ahead for pig meat exports to China is expected to follow by the end of the year.

The discussions between the two companies also mean that China will abolish a BSE-related ban on the import of French beef, says Le Maire. He expects this to lead to exports of French beef to China within a relatively short period of time.

An agreement is also expected to be reached between the two countries on the protection and implementation of systems for the geographical protection of products in the two countries, reports Agra Europe.

 **CANADA**
Access to Argentina for Canadian pig meat

Canada's Minister for Agriculture, Lawrence MacAulay, announced last week that Canada has been granted permission to export pig meat to Argentina.

 **BRAZIL/**
 **PHILIPPINES**
Philippines resumes imports of Brazilian meat

Agra Europe reports that the Philippines has reopened its market to meat from Brazil.

The Philippines closed its market in the summer after shipments of Brazilian beef failed to meet American requirements.

The Pork Producers Federation of the Philippines (ProPork) wanted the authorities to maintain the import ban on Brazilian meat.

 **BRAZIL**
Stable pig prices despite ban on exports to Russia

Agra Europe reports stable pig prices in Brazil after Russia introduced a temporary import ban on all pig meat and beef from Brazil with effect from 1 December.

The Director of the Brazilian Association of Hog Breeders (ABCS), Nilo de Sá, has stated that he is very concerned about the Russian ban, but that the Brazilian pig meat sector is currently benefitting from significant sales to the Brazilian home market, which accounts for between 80-85 per cent of the country's pig meat production.

According to de Sá, the consequences of the Russian import ban will depend on how long it lasts. Normally, Russia accounts for around 40 per cent of Brazil's pig meat exports.

In the first nine months of 2017, Brazil exported 204,000 tonnes pig meat to Russia.

 **BRAZIL**
BRF appoints new CEO

The Brazilian meat company, BRF, has appointed José Aurélio Drummond as its new CEO. He previously held senior positions at Whirlpool, Alcoa and Eneva.

He succeeds Pedro de Andrade Faira, who steps down at the end of the year after less than one year in the job.

The company has reported losses for the previous three quarters.

 **ESTONIA**
Estonian police arrest former senior executives of HK Scan

Estonian police have arrested two former senior executives of HK Scan Baltikum, for fraud and money laundering.

The two men are alleged to have bought goods and services from companies to which they were closely linked. They are also charged with false accounting.

In November last year, the two accused, together with two other managers of HK Scan Baltikum, were fired following an internal HK Scan investigation.

