

MARKET NEWS for pig meat



Market analysis

8 January 2018

Week 2

MARKET SITUATION

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

UK: Trading remains under pressure.

Trade is reported as stable for Japan and China.

Slaughterings in Denmark

	Week 50	Week 51	Week 52	Week 1-52 2017/2016
Total	387,398	338,331	200,738	-4.7 %

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

PRICES DENMARK FOR WEEK 2

Finished pigs and sows

DKK/kg	DC	Tican
Finished pigs (basic weight class and basic meat percentage)	9.00	9.00
Sows (above 130 kg)	6.10	6.10

Nominal prices for piglets (30 kg)

DKK/head.	Current	52 wk av
Basic	345.97	400.35
SPF+Myc	350.97	405.35
SPF	354.97	409.35
Organic	923.59	998.20
Market prices SPF region 1		
PRRS negative	365.00	470.00
PRRS positive	345.00	454.00
Market prices SPF region 2/3		
PRRS negative	365.00	470.00
PRRS positive	345.00	454.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	8.87 kr./kg	8.27 kr./kg	6.17 kr./kg	5.22 kr./kg	5.34 kr./kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	5/1	29/12	Change
2018			
Feb	71.43	71.78	0.35
Mar	-	-	-
Apr	76.08	75.65	-0.42
May	80.23	80.00	-
Jun	84.98	83.93	-1.05
Jul	84.63	83.83	-0.80
Aug	83.95	83.33	-0.63
Sep	-	-	-
Oct	70.18	69.60	-0.58
Nov	-	-	-
Dec	64.03	63.95	-0.08
Jan	-	-	-
Feb	67.00	67.00	0.00
Apr	70.58	70.80	0.22
May	77.83	78.05	0.22
Jun	79.28	79.50	0.22
Conversion factors: 1 lb = 0.4536 kg \$ = €6.1817			

**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 and including 31 December.

Countries	Period 26 Nov - 31 Dec		Year to date 1 Jan - 31 Dec.	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		60	3	637
Latvia		129	8	947
Lithuania		272	30	1328
Poland		259	81	741
Italy		38	17	93
Ukraine	9	17	124	37
Czech Republic		28		202
Romania			2	

**RUSSIA****African Swine Fever**

In the past three weeks, Russia has reported three outbreaks of African Swine Fever at a small pig farm and among wild boar.

 **POLAND**
New initiatives for controlling African Swine Fever

Poland's government has implemented a range of new initiatives to control African Swine Fever, reports the German AMI (Agricultural Market Information Company).

The Polish government will make it easier to shoot wild boar in specially protected areas and give hunters up to six days of paid holiday a year if they spend this time hunting wild boar. Moreover, the package includes additional funds for the authorities to control and sanction companies. Finally, legislation has been amended to create a legal basis for erecting facilities at the border to prevent the migration of infected animals.

The new initiatives come after reports of many new cases of African Swine Fever in wild boar in Poland. (See above table). A number of new cases have been confirmed north and east of earlier outbreaks.

 **GERMANY**
Pig census November 2017

The German authorities have published preliminary figures for the German pig population as at 3 November 2017.

The figures show that the decrease in Germany's pig population shown in the previous census has now been replaced by a modest increase.

Compared to the same census one year ago, the total pig population has seen an increase of 0.6%, which is primarily due to a rise in the pig population under 50 kg.

The total breeding herd and pregnant sows is 0.3% and 1.3% lower compared to one year ago while the gilt population saw a 4.4% increase.

The census also indicates that Germany's pig production will be around 1% higher for the first half year 2018 compared to one year ago.

1000 head	November census		
	2017	2016	% change
Piglets	8,040.6	7,998.2	0.5
Pigs under 50 kg	5,363.6	5,189.4	3.4
Finished pigs above 50 kg	12,220.3	12,255.1	-0.3
Breeding herd	1,928.3	1,933.3	-0.3
- Pregnant sows	1,365.6	1,383.4	-1.3
- - Pregnant gilts	221.0	225.0	-1.8
- - Other pregnant sows	1,144.5	1,158.4	-1.2
- Non-pregnant sows	538.3	524.9	2.6
- - Gilts	226.3	216.8	4.4
- - Other sows	312.0	308.1	1.3
Total	27,552.8	27,376.1	0.6

According to the preliminary figures, the structural developments towards fewer pig farms continue although the trend in 2017 was significantly slower compared to previous years.

The census shows a reduction in the number of pig farms in Germany of 3.7% in one year while the number of sow farms declined by 4.5% in one year.


Slaughterings

2015	Pigs/sows	Sows etc	Total
	50-110 kg	above 110 kg	
January	1,801,534	65,316	1,866,850
February	1,518,612	45,563	1,564,175
March	1,498,617	37,317	1,535,934
April	1,579,842	49,161	1,629,003
May	1,301,793	44,381	1,346,174
June	1,403,521	45,657	1,449,178
July	1,693,617	50,667	1,744,284
August	1,381,699	43,093	1,424,792
September	1,392,141	43,777	1,435,918
October	1,775,467	42,091	1,817,558
November	1,533,406	43,372	1,576,778
December	1,557,981	41,110	1,599,091
Jan-Dec	18,438,230	551,505	18,989,735

2016	Pigs/sows	Sows etc	Total
	50-110 kg	over 110 kg	
January	1,542,852	49,976	1,592,828
February	1,442,088	44,695	1,486,783
March	1,595,234	47,847	1,643,081
April	1,372,690	45,301	1,417,991
May	1,270,399	42,165	1,312,564
June	1,683,766	51,569	1,735,335
July	1,330,632	40,749	1,371,381
August	1,327,556	44,362	1,371,918
September	1,698,226	48,624	1,746,850
October	1,382,249	43,324	1,425,573
November	1,475,498	45,403	1,520,901
December	1,623,095	46,922	1,670,017
Jan-Dec	17,744,285	550,937	18,295,222

2017	Pigs/sows	Sows etc	Total
	50-110 kg	over 110 kg	
January	1,388,979	45,071	1,434,050
February	1,325,895	41,159	1,367,054
March	1,659,600	51,456	1,711,056
April	1,080,045	40,805	1,120,850
May	1,165,754	48,312	1,214,066
June	1,691,247	54,077	1,745,324
July	1,267,007	40,667	1,307,674
August	1,273,261	44,802	1,318,063
September	1,635,487	48,650	1,684,137
October	1,390,574	44,285	1,434,859
November	1,356,650	31,334	1,387,984
December	0	0	0
Jan-Nov	15,234,499	490,618	15,725,117


Exports of live pigs

2015	Piglets		Pigs/sows 50-135 kg	Pigs/sows over 135 kg	Total
	0-15 kg	15-50 kg			
January	42,630	919,542	29,148	3,104	994,424
February	32,552	944,306	33,330	3,666	1,013,854
March	30,147	966,766	31,340	3,580	1,031,833
April	36,128	1,053,984	25,245	4,709	1,120,066
May	31,159	916,293	18,966	3,436	969,854
June	36,096	918,366	27,421	4,054	985,937
July	31,212	988,119	20,122	4,087	1,043,540
August	33,360	922,436	22,920	3,563	982,279
September	31,500	1,023,964	23,760	4,551	1,083,775
October	30,715	874,603	21,448	3,324	930,090
November	30,018	929,703	15,621	3,370	978,712
December	46,115	1,105,335	20,859	7,148	1,179,457
Jan-Dec	411,632	11,563,417	290,180	48,592	12,313,821

2016	Piglets		Pigs/sows 50-135 kg	Pigs/sows over 135 kg	Total
	0-15 kg	15-50 kg			
January	43,054	1,158,651	16,967	4,426	1,223,098
February	35,503	891,644	21,095	6,806	955,048
March	45,142	1,102,519	17,526	2,196	1,167,383
April	43,235	1,073,102	22,482	4,442	1,143,261
May	41,933	1,069,525	16,384	4,051	1,131,893
June	36,059	1,052,983	36,263	4,255	1,129,560
July	35,510	1,019,201	19,854	2,879	1,077,444
August	35,973	1,098,135	18,203	1,396	1,153,707
September	40,429	1,023,887	17,196	1,600	1,083,112
October	33,161	1,057,389	16,592	1,372	1,108,514
November	36,939	1,117,457	15,546	1,868	1,171,810
December	37,014	1,106,230	22,057	885	1,166,186
Jan-Dec	463,952	12,770,723	240,165	36,176	13,511,016

2017	Piglets		Pigs/sows 50-135 kg	Pigs/sows over 135 kg	Total
	0-15 kg	15-50 kg			
January	37,756	1,132,400	18,025	1,270	1,189,451
February	27,330	981,169	16,415	1,142	1,026,056
March	37,601	1,185,581	17,812	592	1,241,586
April	36,047	959,023	13,885	2,311	1,011,266
May	46,023	1,286,394	30,255	4,574	1,367,246
June	38,015	1,188,057	50,120	2,253	1,278,445
July	36,172	1,008,798	17,014	1,852	1,063,836
August	32,578	1,183,172	16,778	2,381	1,234,909
September	33,351	1,005,966	17,675	2,289	1,059,281
October	44,274	1,108,996	17,679	1,571	1,172,520
November	41,015	1,079,074	22,467	1,954	1,144,510
December	0	0	0	0	0
Jan-Nov	410,162	12,118,630	238,125	22,189	12,789,106



Pig meat exports

The tables below show the EU's pig meat exports according to categories, exporters and importers for the period January-October.

Exports are calculated in product weight.

Tonnes	Jan-Oct 2017	Jan-Oct 2016	% change 17:16
Live pigs	10,587	9,166	15.5
Fresh/frozen	1,584,895	1,790,789	-11.5
Bacon	31,484	27,794	13.3
Processed	135,743	132,263	2.6
By-products	1,267,549	1,379,183	-8.1
Total	2,704,441	3,011,352	-10.2

Exporters of pig meat from EU

Tonnes	Jan-Oct 2017	Jan-Oct 2016	% change 17:16
Germany	694,069	854,229	-18.7
Spain	608,678	621,610	-2.1
Denmark	439,412	511,784	-14.1
Holland	346,431	375,187	-7.7
France	195,462	223,251	-12.4
Poland	195,926	170,748	14.7
UK	111,411	110,550	0.8
Italy	84,091	82,646	1.7
Ireland	78,539	89,303	-12.1
Belgium	74,715	84,937	-12.0
Hungary	71,295	77,133	-7.6
Austria	34,626	39,285	-11.9
Others	95,603	98,532	-3.0
EU-28	3,030,258	3,339,195	-9.3

Importers of pig meat from EU

Tonnes	Jan-Oct 2017	Jan-Oct 2016	% change 17:16
China	1,121,504	1,560,141	-28.1
Japan	318,441	291,826	9.1
Hong Kong	305,236	301,496	1.2
South Korea	206,771	188,826	9.5
Philippines	203,594	177,147	14.9
USA	121,025	93,406	29.6
Australia	70,434	71,026	-0.8
Ukraine	70,140	61,865	13.4
Angola	25,802	25,968	-0.6
Montenegro	15,937	17,076	-6.7
Russia	4,124	5,526	-25.4
Belarus	91	117	-22.2
Others	569,523	547,105	4.1
EU-28	3,032,622	3,341,525	-9.2



Free trade agreement between EU and Mexico close to a settlement

Agra Europe reports that a free trade agreement between EU and Mexico is close.

At a joint press meeting with the EU's Commissioner for Trade, Cecilia Malmström, and Mexico's Finance Minister, Ildefonso Guajardo, shortly before Christmas both parties confirmed that they expect a new agreement to be signed at the beginning of the new year. Only minor issues remain outstanding.



Pig census 1 December 2017

The results of the US pig census from 1st December 2017 have been published. It shows a rise of 2.4% in the total pig population and a rise in the breeding herd of 1.1%.

Expected farrowings for the current quarter are 2.8% higher compared to one year ago and for the coming quarter, there is a rise of 2.3% compared to the same quarter last year.

1,000 head	2017 1 Dec	2016 1 Dec	% change
Breeding herd	6,179	6,110	1.1
Piglets and finished pigs	67,051	65,435	2.5
Total	73,230	71,545	2.4
	2017/18	2016/17	
Expected farrowings:			
Dec-Feb	3,070	2,986	2.8
March-May	3,083	3,014	2.3

The results of the census are not far off the previous forecasts of US analysts

The results confirm that over the coming quarters, a year-on-year rise in US pig slaughterings in the region of 3-4 per cent can be expected. According to Genesus Genetics, the opening of a number of new processing plants in the US will also mean that US slaughtering capacity will be at least 7% higher in 2018 compared to 2017.

The increase in the US pig herd has occurred on the basis of relatively low feed prices and the robust economics of US pig production over an extended period coupled with investment in new slaughterhouses.



Pig meat storage

The chart below shows the latest figures for US pig meat storage as at 30 November 2017 compared with the previous month and one year ago.

Pig meat storage

1,000 lbs	30 Nov 2016	31 Oct 2017	30 Nov 2017
Picnics	8,980	8,055	6,852
Legs	106,101	195,327	98,170
Bellies	18,526	32,268	36,002
Loins	40,813	36,927	36,731
Ribs	109,413	94,859	99,574
Trim	35,678	33,185	37,373
Butts	21,654	21,249	25,351
By-products	130,441	129,953	124,956
Other	47,207	46,551	39,966
Total pig meat	518,813	598,374	504,975
Beef	530,953	507,047	486,954
Poultry	1,033,464	1,338,715	1,189,586

 **USA**
Wendy continues development towards meat from antibiotic-free production

Agra Europe reports that the American fast food chain, Wendy's, has now removed all important antibiotics from the chicken produced for the chain and that the chain is now following up with similar initiatives for the beef and pig meat supplied to its restaurants.

According to a press release from Wendys, all chicken meat served at Wendy's restaurants is now approved and controlled by the US Department of Agriculture, USDA.

As regards pork, Wendy's states that they use pigs that are part of the Pork Quality Assurance Plus programme and similar programmes to reduce antibiotic usage. A statement from the chain reads as follows: "In future, our plan is to co-operate with pig producers in quantifying and reducing the use of antibiotics and we wish to report on this development on a regular basis."

Wendy's, which is the world's third largest burger chain, says that around 15% of the beef they use comes from producers who have committed to reduce their use of antibiotics by 20 per cent.

 **BRAZIL**
Brazil expects to be declared free from foot and mouth disease with vaccinations

Brazil expects the World Organisation for Animal Health to declare Brazil free from foot and mouth disease with vaccinations at their next meeting in May 2018. This is reported by Reuters following a statement by the Brazilian government last week.

The OIE already considers most of Brazil to be free of foot and mouth with vaccinations, but the declaration would extend to the northern states of Roraima, Amapa and Amazonas and the southern state of Santa Catarina, which is the only state in Brazil to be free from foot and mouth disease without vaccinations.

According to the Brazilian Agriculture Minister, the government is to begin a project that will result in the whole of Brazil being free from foot and mouth disease without vaccinations by 2022-2023.

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

0203					
Fresh/frozen pig meat					
Tonnes	2017	2016	2017	2016	%
	November	November	Jan-Nov	Jan-Nov	change
					2017:16
USA	26,395	23,222	243,786	242,135	0.7
Canada	21,304	14,922	195,583	161,327	21.2
Denmark	9,306	12,542	105,565	108,409	-2.6
Spain	8,356	7,085	97,889	82,137	19.2
Mexico	7,480	7,188	79,061	68,758	15.0
Germany	2,381	1,802	18,351	13,534	35.6
Chile	2,270	1,909	23,167	24,998	-7.3
Holland	2,050	2,376	23,360	21,619	8.1
Hungary	1,855	1,659	18,484	20,334	-9.1
Italy	1,192	1,495	12,153	11,714	3.8
France	992	943	13,206	11,739	12.5
Austria	886	479	7,789	10,583	-26.4
Ireland	433	455	6,573	5,969	10.1
Australia	77	29	525	378	38.7
Belgium	71	90	526	481	9.3
Finland	24	25	593	936	-36.7
Others	206	153	2,239	2,460	-9.0
Total	85,278	76,373	848,850	787,511	7.8

Japan's imports of sausage products

0210			
Sausage products			
Tonnes	2017	2016	% change
	Jan-Nov	Jan-Nov	2017:16
China	7,882	8,491	-7.2
Taiwan	168	189	-11.1
Thailand	5,584	6,546	-14.7
Denmark	1,461	1,636	-10.7
Canada	68	33	108.8
USA	8,499	8,964	-5.2
Brazil	3,959	3,496	13.2
Others	2,234	1,730	29.1
Total	29,855	31,084	-4.0

Development in pig meat storage

Tonnage	Own production		Imported volumes		Total storage
	Fresh	Frozen	Fresh	Frozen	
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
End October 16	644	16,916	8,636	137,490	163,686
End November 16	467	15,700	10,026	138,043	164,236
End December 16	604	16,196	7,781	137,656	162,237
End January 17	442	16,843	7,780	150,579	175,644
End February 17	1,454	16,149	7,443	146,058	171,104
End March 17	417	15,433	9,556	152,113	177,519
End April 17	505	16,360	8,921	148,234	174,020
End May 17	456	17,341	8,794	155,611	182,202
End June 17	407	15,974	7,435	157,400	181,216
End July 17	691	13,767	6,408	155,203	176,069
End August 17	585	15,058	9,288	152,135	177,066
End September 17	984	14,244	6,267	149,558	171,053
End October 17	573	14,305	6,642	145,497	167,017

 **PALESTINE**
Foot and Mouth disease

Last week, the authorities in the State of Palestine reported two cases of Foot & Mouth disease. Some 1,400 cattle and 12 sheep and goats have been affected.