

MARKET NEWS for pig meat



Market analysis

24 April 2017

Week 17

MARKET SITUATION

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

UK: Trading is stable.

Good demand is reported for markets outside Europe. However, higher European prices mean quiet and stable trade to China, Japan and South Korea.

SLAUGHTERINGS DENMARK

	Week 13	Week 14	Week 15	Week 1-15 2017/2016
Total	347,167	293,121	196,363	-8.4 %

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)	11.00	11.00
Sows (above 130 kg.)	8.40	8.40

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	419.88	390.88
SPF+Myc	424.88	395.88
SPF	428.88	399.88
Organic	1038.79	1067.53
Market prices SPF region 1		
PRRS negative	530.00	425.00
PRRS positive	525.00	408.00
Market prices SPF region 2/3		
PRRS negative	530.00	425.00
PRRS positive	525.00	408.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	12.03 kr/kg	7.43 kr/kg	7.20 kr/kg	6.09 kr/kg	6.14 kr/kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	21/4	13/4	Change	21/4	13/4	Change
2017						
Apr	-	62.45	-	1.73	1.69	+0.04
May	63.03	68.30	-5.27	1.72	1.69	+0.03
Jun	68.33	72.50	-4.17	1.74	1.71	+0.03
Jul	69.53	73.63	-4.10	1.75	1.75	0.00
Aug	70.23	74.18	-3.95	1.75	1.75	0.00
Sep	-	-	-	1.75	1.75	0.00
Oct	63.33	65.18	-1.85	-	-	-
Nov	-	-	-	-	-	-
Dec	59.48	61.45	-1.97	-	-	-
2018						
Jan	-	-	-	-	-	-
Feb	63.65	64.90	-1.25	-	-	-
Mar	67.38	68.30	-0.92	-	-	-
Apr	71.35	72.90	-1.55	-	-	-
May	75.50	76.45	-0.95	-	-	-
Jun	75.00	75.55	-0.55	-	-	-
Jul	74.10	-	-	-	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = €6.9517				Conversion factor DKK/kg: € = 7.4369		



EU

African Swine Fever

According to the EU Commission's reporting system for the outbreak of disease, the following outbreaks of ASF were reported for the following EU countries and the Ukraine:

Countries	Period 9 April – 16 April		Year to date 1 January – 16 April	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		8	0	272
Latvia		4	2	219
Lithuania		8	1	151
Poland		11	0	106
Italy	1		10	28
Ukraine	1	1	59	5



Pig meat exports

The tables below show EU exports of pig meat divided into categories, exporters and importers for the period January-February.

According to categories

Tonnes	Jan-Feb 2017	Jan-Feb 2016	% change 17:16
Live pigs	874	1,753	-50.1
Fresh/frozen	339,386	282,092	20.3
Bacon	5,225	4,644	12.5
Processed	24,564	22,794	7.8
By-products	258,776	251,314	3.0
Total	628,824	562,596	11.8

Exporters of pig meat from EU

Tonnes	Jan-Feb 2017	Jan-Feb 2016	% change 17:16
Germany	142,974	146,513	-2.4
Spain	136,530	102,528	33.2
Denmark	93,651	93,927	-0.3
France	40,159	41,579	-3.4
Holland	67,989	43,663	55.7
Poland	35,832	31,036	15.5
UK	22,612	20,781	8.8
Ireland	17,281	16,610	4.0
Belgium	16,005	15,620	2.5
Italy	15,814	15,040	5.1
Hungary	16,843	12,504	34.7
Austria	6,716	6,451	4.1
Other	16,418	16,344	0.5
EU-28	628,824	562,596	11.8

Importers of pig meat from EU

Tonnes	Jan-Feb 2017	Jan-Feb 2016	% change 17:16
China	265,380	236,799	12.1
Hong Kong	57,266	52,381	9.3
Japan	58,386	51,543	13.3
Philippines	34,927	36,690	-4.8
South Korea	45,397	30,208	50.3
USA	21,226	20,075	5.7
Ukraine	10,279	13,365	-23.1
Australia	17,622	12,561	40.3
Montenegro	3,396	3,979	-14.7
Angola	4,410	3,353	31.5
Russia	970	1,160	-16.4
Belarus	31	39	-20.5
Other	109,534	100,444	9.0
EU-28	628,824	562,596	11.8



Still no date for market opening in Russia

Russia has yet to set a date for when it will open up its market to pig meat from the EU.

Agra Europe reports that, at a meeting at the WTO Appeals Court last week, Russia declared that it is ready to comply with the decision of the WTO Appeals Court, which found in favour of the EU that Russia is acting in violation of WTO rules in maintaining an import ban on pig meat from the EU, which was initiated as a consequence of African Swine Fever in certain EU countries. The Russians have stated, however, that they need adequate time for implementation, but they are ready to discuss the matter with the EU at the right time. .

For its part, the EU has said that it is ready to discuss an appropriate deadline for implementing legislative changes with Russia. However, the EU is not willing to accept an unnecessarily long time delay.

The dispute dates back to January 2014 when Russia introduced an import ban on all pig meat from the EU following outbreaks of African Swine Fever in certain EU countries.



EU seeks agreement with China on geographical indications

Agra Europe reports that the EU Agriculture Commissioner Phil Hogan wants to reach agreement with China on geographical indications by the end of 2017.

In 2012, the EU and China signed a 10 plus 10 agreement where 10 EU food products (including Parma ham) were granted protection in China while 10 Chinese products were registered in the EU as Geographical Indication products.



Stable sow population

According to the Chinese Ministry of Agriculture, recently published figures for China's sow population show that in March, it rose 0.04% from a month earlier, but is still 1.6% lower than a year earlier. The pig population as a whole was 1.0% up month-on-month, but 1.2% down year-on-year.

This is the first time in eight months that sow numbers have not shown a decline. According to the Ministry, this is largely due to a growing optimism among producers about future pig prices and to the seasonal restocking in spring.

Figures from the National Bureau of Statistics show that China produced 191.49 million pigs in the first quarter of 2017, a rise of 0.2% from a year earlier.

Source: Asian Agribusiness



Wens plans to enter the pig slaughtering business

China's largest livestock producer, Guangdong Wens Foodstuff Group is preparing to enter the pig slaughtering business, reports Asian Agribusiness. According to a spokesman from Wens, the company will set up plants in their major pig production areas.

In 2016, Wens produced 17.13 million slaughter pigs and 819 million poultry.

As well as pig and poultry production, Wens is also involved in dairy, veterinary medicine and farming machinery businesses. By 2019, the company plans to produce and sell 27.50 million pigs per year.

 **BRAZIL**
JBS resumes slaughterings after meat scandal

The Brazilian company, JBS, has announced that they are resuming slaughterings this week at six out of ten beef slaughterhouses that were temporarily closed in the wake of the meat scandal in March.

The final four slaughterhouses are expected to resume operations on 2 May.

 **BRAZIL**
BRF senior executives charged in meat scandal

Reuters news agency reports that two top executives at BRF are among the 60 charged as a result of the Brazilian meat scandal.

BRF director, Andre Luiz Baldissera and government relations executive Roney Nogueira are accused of having taken part in a scheme to bribe officials in return for less rigorous plant inspections.

Others charged include public officials, health inspectors and other BRF employees.

 **BRAZIL**
Pig meat exports

0203 Fresh/frozen pig meat				
Tonnes	Jan-March 2015	Jan-March 2016	Jan-March 2017	% change 17:16
Russia	33,746	58,310	66,192	13.5
Hong Kong	17,614	28,734	23,786	-17.2
China	78	10,948	15,569	42.2
Singapore	5,380	9,976	8,278	-17.0
Angola	3,560	6,074	5,271	-13.2
Uruguay	4,252	5,709	6,345	11.1
Other	11,764	19,962	28,012	40.3
Total	76,394	139,713	153,455	9.8

Source: Global Trade Atlas

 **POLAND**
Charoen Pokphand invests in Polish poultry business

The Thai company, Charoen Pokphand Foods (CPF), has completed negotiations for the €49.5 million purchase of a 33% shareholding in the Polish poultry company, SuperDrob.

CPF says the acquisition will serve as a base for expansion in Poland. Moreover, Poland has a favourable position as an exporter to the rest of the EU.

 **SOUTH KOREA**
Imports of pig meat

0203				
Fresh/frozen pig meat				
Tonnes	Jan-March 2015	Jan-March 2016	Jan-March 2017	% change 17:16
USA	32,745	43,012	37,386	-13.1
Germany	20,362	19,676	28,073	42.7
Spain	17,698	16,463	16,573	0.7
Canada	10,710	8,710	9,303	6.8
Chile	6,248	8,612	7,160	-16.9
Holland	4,055	3,934	6,075	54.4
Denmark	3,843	4,000	5,273	31.8
Austria	4,591	3,657	4,552	24.5
Mexico	2,008	2,332	3,601	54.4
Belgium	2,891	3,128	2,613	-16.5
France	2,514	1,730	2,003	15.8
Ireland	2,512	1,207	1,636	35.5
Hungary	1,307	782	1,173	49.9
Finland	828	832	759	-8.7
UK	412	593	705	18.8
Sweden	317	386	536	38.6
Australia	292	87	259	197.8
Poland	22	-	-	-
Other	-	-	-	-
Total	113,352	119,142	127,679	7.2

Source: Global Trade Atlas