

MARKET NEWS for pig meat



Market analysis

8 May 2017

Week19

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 15	Week 16	Week 17	Week 1-17 2017/2016
Total	196,363	229,863	361,591	-8.2 %

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)	11.40	11.40
Sows (above 130 kg)	8.60	8.60

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	436.85	394.46
SPF+Myc	441.85	399.46
SPF	445.85	403.46
Organic	1053.03	1067.95
Market prices SPF region 1		
PRRS negative	540.00	432.00
PRRS positive	535.00	415.00
Market prices SPF region 2/3		
PRRS negative	540.00	432.00
PRRS positive	535.00	415.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	12.60 kr/kg	7.47 kr/kg	7.47 kr/kg	6.22 kr/kg	6.27 kr/kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	5/5	28/4	Change	5/5	28/4	Change.
2017						
May	69.40	66.98	+2.42	1.74	1.72	+0.02
Jun	76.33	74.00	+2.33	1.74	1.74	0.00
Jul	76.83	75.23	+1.60	1.75	1.75	0.00
Aug	76,85	75.43	+1.42	1.75	1.75	0.00
Sep	-	-	-	1.75	1.75	0.00
Oct	67.48	66.65	+0.83	1.75	1.75	0.00
Nov	-	-	-	-	-	-
Dec	62.28	61.70	+0.58	-	-	-
2018						
Jan	-	-	-	-	-	-
Feb	66.65	66.00	+0.65	-	-	-
Mar	69.73	69.50	+0.23	-	-	-
Apr	73.65	73.35	+0.30	-	-	-
May	77.75	77.60	+0.15	-	-	-
Jun	76.75	76.60	+0.15	-	-	-
Jul	75.75	75.75	0.00	-	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = €6.7849				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		Year to date	
	23 April – 30 April		1 January – 30 April	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		12	0	288
Latvia		15	2	254
Lithuania		3	1	162
Poland		2	0	114
Italy			10	28
Ukraine			60	5



RUSSIA

African Swine Fever

Last week, the authorities in Russia reported one new case of ASF, which was found among wild boar in the west of the country.


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	above 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	above 110 kg	
January	1,388,910	45,071	1,433,981
February	1,324,698	41,159	1,365,857
March*	1,658,768	51,456	1,710,224
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Jan-Dec	4,372,376	137,686	4,510,062

* = Preliminary figures

 DENMARK
Exports of live pigs

2015	Piglets		Pigs/sows 50-135 kg	Pigs/sows above 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 above 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	1,023,837	17,196	1,600	1,083,062
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	12,770,673	240,165	36,176	13,510,966

2017	Piglets		Pigs/sows 50-135 kg	Pigs/sows above 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	1,098,732	27,347	1,289	1,164,969
April	0	0	0	0	0
May	0	0	0	0	0
June	0	0	0	0	0
July	0	0	0	0	0
August	0	0	0	0	0
September	0	0	0	0	0
October	0	0	0	0	0
November	0	0	0	0	0
December	0	0	0	0	0
Jan-Dec	102,687	3,212,301	61,787	3,701	3,380,476

* = Preliminary figures



Pig census 1 April 2017

Statistics Denmark has published the results of its pig census from 1 April 2017, which is based on random checks of 2,500 farms.

The results show that the overall population is 0.4% down on one year ago. The most recent census from 1 January showed a year-on-year decline of 3.3%.

The slight fall in the total pig population is solely due to a strong fall of 8.1% in the "Finished pigs > 50 kg" group. Excluding this group, there is a rise in the total population of 2.1% against a fall of 1.9% in the January census.

As regards the breeding population, i.e. pregnant sows, there is a 1.6% increase compared to one year ago. The census from 1 January showed a decline in pregnant sows of 1.5%.

STATISTICS DENMARK:

PIG CENSUS FROM 1 APRIL 2017

1,000 head	April census			January census		
	1 April 2017	1 April 2016	% change 17:16	1 January 2017	1 January 2016	% change 17:16
Breeding boars	11	11	-	11	11	-
Pregnant gilts	190	186	+2.2	187	191	-2.1
Other pregnant sows	581	573	+1.4	578	586	-1.4
Total pregnant sows	771	759	+1.6	765	777	-1.5
Nursing sows	207	206	+0.5	202	205	-1.5
Dry sows	36	35	+2.9	35	34	+2.9
Sows and boars for slaughter	6	7	-14.3	6	7	-14.3
Gilts >50 kg for breeding	216	217	-0.5	234	221	+5.9
Piglets with sows	2,520	2,474	+1.9	2,445	2,474	-1.2
Weaned pigs <50 kg	5,697	5,700	-0.1	5,677	5,826	-2.6
Finished pigs >50 kg	2,764	3,009	-8.1	2,906	3,147	-7.7
Total pigs	12,369	12,418	-0.4	12,281	12,702	-3.3
Total pigs excl. finished pigs	9,605	9,409	+2.1	9,375	9,555	-1.9

 **FRANCE**
Cooperl acquires Financière Turenne Lafayette's meat processing business

Cooperl Arc Atlantique, France's largest pig processor, has acquired Financière Turenne Lafayette's meat processing activities, which comprise 1,400 employees and brands such as William Saurin, Garbit, Madrange and Le Foué de Paul Prédault.

France's second largest pig processor, Bigard-Socopa, had made a bid for the beleaguered Lafayette's meat processing activities, but this was rejected because not all Lafayette's processing activities were included.

Cooperl and Bigard slaughtered 5.0 and 4.7 million pigs respectively in 2015.

 **RUSSIA**
Rise in pig production

The Russian media report that during a meeting of the Pig Producers National Association with the Deputy Minister of Agriculture, Dzhambulat Khatuov, the Minister announced that Russian pig production rose by 9.4% in 2016 to 4.35 million tonnes. A further rise of 5% is expected for 2017, i.e. 4.57 million tonnes. The pig population rose by 2.5% during 2016 and reached 22.03 million head.

Since 2008, pig meat production in Russia has increased by 61%, corresponding to an increase of 1.65 million tonnes. The entire increase is attributable to professional pig production. The 20 biggest pig producers in Russia now account for more than 60% of professional pig production and 48% of the total pig production in Russia.

The Russian government has stated that by 2020, they expect the pig population to total 24.46 million head and pig production to reach 4.95 million tonnes. Of this, production from the 20 biggest producers will account for 86%.

The Pig Producers National Association also discussed state subsidies for pig production and African Swine Fever. As regards the former, it is expected that this will continue in 2017 in the form of cheap loans and support for investments in pig production.

As regards African Swine Fever, it was reported that there were more than 200 cases of the disease among the domestic pig population in 2016. 26 regions were affected and 233,000 pigs were culled.

 **RUSSIA**
Fall in earnings for Russian pig producers

According to Pig Progress, all major pig producers in Russia saw a fall in earnings in 2016.

Figures from the National Union of Pork Producers (NUUP) show that pig prices in 2016 fell by 15%. The NUUP expects that pig prices will continue to fall in 2017 or, in the best case, remain unchanged.

However, the NUUP does not believe that the fall in prices and earnings will deter the major Russian companies from further investments in pig production.

 **CANADA**
New case of PEDv

The veterinary director of the province of Manitoba has confirmed that a sow herd in the south west of the province has tested positive for PEDv. This is the first case of PEDv since September last year.

Control measures have been put in place and producers within a 5 km radius of the affected area have been alerted and their herds have been tested.

 **USA**
Trump agrees not to terminate NAFTA agreement

Last week, President Trump met the Mexican President and the Canadian Prime Minister where he agreed not to terminate the existing NAFTA agreement.

After the meeting, Trump said that he hopes to renegotiate the agreement so that all three countries benefit.

Last week, Trump drafted an order that instructed the US Department of Commerce and the United States Trade Representative to review all 20 trade agreements that the U.S. has entered into to check for any violations or abuse.

In a warning to US trading partners, the Executive Order also stated that the United States would renegotiate or terminate all trade and investment agreements that do not benefit the United States.

 **USA**
Tyson maintains pledge on antibiotic-free poultry products

International news media report that Tyson Foods has announced that all their own poultry products will be from chickens that have been raised without the use of antibiotics. The announcement reinforces a previous statement from Tyson.

About one year ago, Tyson's CEO, Donnie Smith, estimated that the antibiotic-free segment of the poultry market would grow by around 15% per year. Tyson Foods claims that this would make them the world's leading supplier of antibiotic-free farmed chickens. According to figures from Tyson, 86.2% of their chickens in 2015 were raised without the use of antibiotics.

 **BRAZIL**
Ten countries undecided about resuming meat imports from Brazil

Reuters reports that the Brazilian Agriculture Minister, Blairo Maggi, has stated that 10 countries have yet to decide whether to reopen their markets to Brazilian meat following the meat scandal in March.

At a conference in Cuiabá, Maggi said that the 10 countries account for a very small volume of Brazil's total meat export markets and that all Brazil's biggest customers have resumed imports after the government satisfactorily answered questions on product safety. "They accepted our considerations and our answers," Maggi said, adding that the government level discussions with other nations on the matter are now concluded.

 **VIETNAM**
Increasing pig meat imports

Asian Agribusiness reports that by mid-March, Vietnam had imported 7,800 tonnes of pig meat worth USD 9.4 million. This is a 16% rise in quantity and 21% in value compared to the same period last year.

The average price for imported pig meat is now USD 1.20 per kg (5,400 tonnes by-products at an average price of USD 0.88 per kg).

Local pig prices for Vietnamese pig producers have dropped this year to a 30 year low to USD 1.10 per kg. As a result, the Vietnamese agricultural authorities have put forward a number of proposals to help the country's pig producers.

The Ministry of Agriculture plans to reduce the sow population from the current 4.2 million to 3.0 million by 2019.

 **CHINA**
Cofco plans to produce 5 million pigs per year by 2020

Reuters news agency reports that Cofco Corp is planning to increase its pig production by two-thirds to 5 million pigs per year by 2020.

According to statements from Vice President Ma Jianping, Cofco will also increase pig meat imports to address demand in the Chinese market.

 **AUSTRALIA**
Australia's imports of fresh/frozen pig meat

0203				
Fresh/frozen				
Tonnes	Jan-March 2015	Jan-March 2016	Jan-March 2017	% change 17:16
Denmark	14,667	15,494	15,497	0.0
USA	9,604	13,684	18,061	32.0
Canada	8,766	5,321	5,999	12.7
Holland	5,287	2,581	7,621	195.3
Ireland	850	2,054	1,881	-8.4
Belgium	472	969	739	-23.7
Others	47	377	111	-70.5
Total	39.693	40.481	49.909	23.3