

MARKET NEWS for pig meat



Market analysis

15 August 2017

Week 33

MARKET SITUATION

Europe: Trading in fresh legs and other cuts is reported as stable and at unchanged prices

UK: Trading is subdued.

Sluggish demand for cuts is reported for China, but exports of by-products are reported as good but at low prices. Stable trading is reported for Japan.

SLAUGHTERINGS DENMARK

	Week 29	Week 30	Week 31	Week 1-31 2017/2016
Total	319,253	310,190	315,798	-6.2 %

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)	11.00	11.00
Sows (above 130 kg)	6.90	6.90

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	424.68	407.23
SPF+Myc	429.68	412.23
SPF	433.68	416.23
Organic	992.98	1052.87
Market prices SPF region 1		
PRRS negative	485.00	474.00
PRRS positive	465.00	458.00
Market prices SPF region 2/3		
PRRS negative	485.00	474.00
PRRS positive	465.00	458.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	11.59 kr/kg	8.13 kr/kg	7.40 kr/kg	5.95 kr/kg	5.99 kr/kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	11/8	4/8	Change	11/8	4/8	Change
2017						
Aug	84.65	83.23	+1.42	1.70	1.75	-0.05
Sep	-	-	-	1.75	1.75	0.00
Oct	68.63	66.78	+1.85	1.75	1.75	0.00
Nov	-	-	-	1.70	1.70	0.00
Dec	63.25	61.45	+1.80	1.65	1.65	0.00
2018						
Jan	-	-	-	1.65	1.65	0.00
Feb	67.45	65.90	+1.55	-	-	-
Mar	-	-	-	-	-	-
Apr	71.05	70.40	+0.65	-	-	-
May	75.50	75.45	+0.05	-	-	-
Jun	79.00	79.08	-0.08	-	-	-
Jul	78.35	78.78	-0.43	-	-	-
Aug	76.90	77.70	-0.80	-	-	-
Sep	-	-	-	-	-	-
Oct	65.40	65.95	-0.55	-	-	-
Nov	-	-	-	-	-	-
Dec	60.93	61.23	-0.30	-	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = €6.3213				Conversion factor DKK/kg: € = 7.4370		



EU

African Swine Fever

The EU Commission's reporting system for the outbreak of disease was not updated last week. The only figures available are for 24-30 July as follows:

Countries	Period 24 July - 30 July		Year to date 1 January – 30 July	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		22	2	439
Latvia		51	4	501
Lithuania		56	10	399
Poland	6	11	42	267
Italy	1		16	28
Ukraine		2	76	11
Czech Republic		11	0	72



CZECH REPUBLIC

African Swine Fever

Last week, the Czech Republic reported 17 cases of ASF among wild boar.



POLAND

African Swine Fever

Last week, Poland reported 12 new cases of ASF – five at small pig farms and seven among wild boar.

 **LATVIA**
African Swine Fever

Last week, Latvia reported one case of ASF among wild boar.

 **RUSSIA**
African Swine Fever

Last week, Russia reported nine outbreaks of ASF – eight at small pig farms and one among wild boar.

 **UKRAINE**
African Swine Fever

Last week, Ukraine reported one case of ASF at a small pig farm in the south west of the country, not far from the border with Romania and Moldova.

 **POLAND**
WH Group acquires Pini activities in Poland

WH Group informed the Hong Kong Stock Exchange on 14 August that the company, via the Smithfield/WH Group-owned Animex in Poland, has acquired Pini's meat processing activities in Poland comprising Pini Polska and Hamburger Pini.

Animex is also acquiring the Pini-owned Royal Chicken.

On 28 July, Animex acquired 33.5% of the shares in the Pini Polonia meat company, with a pre-emptive right to acquire the remaining 66.5% providing the deal is approved by the relevant competition authorities.

Pini Polonia operates a pig processing company in Kutno with the capacity to slaughter 4 million pigs per year.

Pini Polska has a meat processing company in Kutno, which produces around 100,000 tonnes processed products per year.

Hamburger Pini in Kutno produces around 40,000 tonnes finished products per year.

Royal Chicken is the largest poultry slaughterhouse in Poland with the capacity to slaughter 100 million chickens per year.

 **UK**
Exports of pig trotters to China

As a result of an export deal with China, three British companies can now export pig trotters to China – the first companies to do so in the UK.

A total of seven UK companies have now secured access to export pork and according to Food Minister George Eustice, the deal will bring a £200 million boost to the UK food industry and support 1,500 jobs.

Pig census 1 July 2017

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

The results show that the overall population is 1.3% up on one year ago. The most recent census from 1 April showed a year-on-year decline of 1.5%.

There is an increase in the sow and piglet populations and weaned pigs under 50 kg whereas the number of finished pigs is 1.9% down on one year ago. However, this fall is less than the previous censuses in 2017 when the number of finished pigs was 7.7% and 8.1% lower than one year ago. The number of finished pigs as at 1 July is 3.0% up on the 1 April census.

As regards the breeding population, i.e. pregnant sows, there is a 1.4% increase compared to one year ago. The census from 1 April showed an increase in pregnant sows of 1.6%.

1,000 head	July census			April census		
	1 July 2017	1 July 2016	% change 17:16	1 April 2017	1 April 2016	% change 17:16
Breeding boars	11	10	+10,0	11	11	-
Pregnant gilts	187	186	+0,5	190	186	+2,2
Other pregnant sows	584	574	+1,7	581	573	+1,4
Total pregnant sows	771	760	+1,4	771	759	+1,6
Nursing sows	208	204	+2,0	207	206	+0,5
Dry sows	34	34	-	36	35	+2,9
Sows and boars for slaughter	6	6	-	6	7	-14,3
Gilts >50 kg for breeding	215	218	-1.4	216	217	-0.5
Piglets with sows	2,543	2,460	+3.4	2,520	2,474	+1.9
Weaned pigs <50 kg	5,832	5,718	+2.0	5,697	5,700	-0.1
Finished pigs >50 kg	2,847	2,903	-1.9	2,764	3,009	-8.1
Total pigs	12,467	12,313	+1.3	12,228	12,418	-1.5
Total pigs excl. finished pigs	9,620	9,410	+2.2	9,464	9,409	+0.6


Denmark's pig meat exports, tonnes
Jan - May 2017

	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	%
Germany	8,850	74,925	3,371	67	34,562	101,173	981	223,928	29.4
Poland	734	65,321	129	0	0	47,370	0	113,554	14.9
UK	3,497	133	3,607	14,643	0	55,401	3,945	81,226	10.7
Italy	789	10,208	178	28	0	37,362	121	48,687	6.4
Sweden	3,707	2	790	545	0	6,479	1,974	13,497	1.8
Holland	3,311	4,535	74	14	0	2,664	112	10,710	1.4
France	555	499	402	173	0	5,369	364	7,362	1.0
Spain	356	1,884	480	190	0	3,064	583	6,557	0.9
Other EU countries	5,727	5,668	1,173	43	0	18,944	1,462	33,017	4.3
Total EU	27,525	163,175	10,204	15,703	34,562	277,825	9,543	538,538	70.6
China	72,032	21	0	0	0	33,503	0	105,556	13.8
Japan	1,902	10	1,744	91	0	43,528	681	47,956	6.3
Australia	113	0	73	165	0	18,247	12	18,610	2.4
USA	1,051	0	2,322	33	0	10,775	357	14,538	1.9
Taiwan	363	14	1,066	0	0	5,254	139	6,837	0.9
South Korea	537	3	10	0	0	6,248	0	6,798	0.9
Philippines	2,698	4	213	0	0	615	0	3,531	0.5
Hong Kong	634	0	269	13	0	1,468	62	2,446	0.3
Thailand	1,527	45	25	0	0	26	2	1,624	0.2
Other 3rd countries	2,924	341	3,501	494	0	5,344	3,316	15,920	2.1
3rd countries, total	83,782	439	9,222	795	3	125,009	4,570	223,820	29.4
Total exports	111,307	163,614	19,426	16,499	34,565	402,834	14,113	762,358	100

Jan-May 2016

	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	%
Germany	10,069	73,850	3,877	102	37,286	96,080	1,147	222,412	28.0
Poland	647	53,942	2	1	9	47,711	18	102,330	12.9
UK	2,702	129	5,416	21,362	0	51,421	3,958	84,988	10.7
Italy	728	9,729	139	23	0	41,207	113	51,939	6.5
Holland	3,382	7	890	584	17	8,038	2,242	15,160	1.9
Sweden	7,957	4,564	64	14	0	2,339	71	15,010	1.9
France	959	271	376	126	0	5,787	405	7,924	1.0
Spain	230	1,530	610	428	0	2,550	614	5,962	0.8
Other EU countries	5,083	4,412	1,069	149	0	15,485	1,321	27,519	3.5
Total EU	31,756	148,435	12,443	22,788	37,312	270,619	9,891	533,244	67.2
China	78,664	48	0	0	0	59,302	0	138,014	17.4
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	3.0
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
Canada	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 3rd countries	3,909	603	3,553	324	0	3,880	3,413	15,682	2.0
3rd countries, total	89,297	667	8,492	716	4	156,327	4,710	260,212	32.8
Total exports	121,053	149,102	20,935	23,504	37,316	426,946	14,600	793,456	100



May/June pig census

Eurostat has published the preliminary results of its May/June pig census for three EU countries – Germany, Denmark (1 July census) and Italy. Eurostat has also published the results of its May/June pig census for Serbia.

The preliminary figures are given in the chart below.

Some 14 EU countries are expected to publish their figures for May/June 2017 compared to May/June 2016. The figures for the other 11 EU countries are expected to be published during August/September.

Pig census EU May-June 2017

1,000 head	Total population			Breeding sows			Pregnant sows		
	2017	2016	%-change	2017	2016	%-change	2017	2016	%-change
Germany	27,100	27,146	-0.2	1,894	1,927	-1.7	1,381	1,407	-1.8
Spain		27,541			2,374			1,577	
France		13,672			1,031			727	
Denmark	12,467	12,313	1.3	1,228	1,216	1.0	771	760	1.4
Holland		12,388			1,050			705	
Poland		10,239			797			548	
Italy	8,774	8,708	0.8	579	572	1.3	478	472	1.3
Belgium		6,193			432			354	
UK		4,862			497			350	
Romania		4,575			339			210	
Hungary		3,025			271			175	
Austria		2,667			232			162	
Ireland		1,594			149			103	
Sweden		1,387			148			103	
EU (3)	48,341	48,167	0.4	3,701	3,715	-0.4	2,630	2,639	-0.3
EU (14)		136,310			11,035			7,653	
Serbia	2,883	3,016	-4.4	427	444	-3.8	213	201	6.0

GERMANY

Decline in meat production

Germany's meat production fell by 2.1% in the first half year 2017 to 4 million tonnes, reports Agra Europe.

There was a 2.2% decline for pig meat to just over 2.7 million tonnes. Beef also saw a similar decline to 543,000 tonnes. The decline for poultry was slightly less at 1.5% to 746,000 tonnes.

GERMANY

Sales of GM-free pork

Weekly Tribune reports that Netto in Germany and Lidl in Bavaria are selling pork produced from non-GM fed pigs.

 **CANADA**
New outbreak of PEDv in Manitoba

A new outbreak of PEDv was reported in the Canadian province of Manitoba last week, the first in four weeks.

 **USA**
Pig meat exports increased 13% in the first half year 2017

Preliminary estimates from the US Meat Exporters Federation (USMEF) show that US exports of pig meat in the first half year 2017 increased 13% in volume compared to the same period last year.

A total of 1.25 million tonnes of pig meat was exported in the first half year, i.e. 27.8% of US production.

 **USA** /  **CANADA** /  **MEXICO**
NAFTA negotiations underway

The first round of negotiations for a new and modernised NAFTA agreement will begin this week in Washington.

The National Pork Producers Council has stated that the top priority for the US pig meat industry is for duty-free access between the three markets – US, Canada and Mexico – to be maintained.

 **CAMBODIA**
Strongly increasing pig prices

Asian Agribusiness reports that the price of live pigs in Cambodia has risen strongly following a dip in February caused by increased pig imports from Vietnam.

According to the Pig Raiser Association of Cambodia, pig prices in August increased from USD 1.35/kg to USD 2/kg live weight.

The rise is due to increased production costs in neighbouring countries, which make imports more expensive. The Cambodian government is planning to restrict the free flow of pigs from neighbouring countries while there is a lack of pigs to supply the market so it pushes the price higher than before.

 **ZAMBIA**
African Swine Fever

An outbreak of ASF has been reported, which has affected two farms, one with 2,100 pigs and the other with 1,900.