

MARKET NEWS for pig meat



Market analysis

12 September 2017

Week 37

MARKET SITUATION

Europe: Trading in fresh legs is at unchanged prices. This same situation applies to other cuts.

UK: Trading is slow but stable.

Trade is reported as stable for Japan and China.

SLAUGHTERINGS DENMARK

	Week 33	Week 34	Week 35	Week 1-35 2017/2016
Total	315,163	317,991	315,491	-6.0 %

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)	10.80	10.80
Sows (above 130 kg.)	7.10	7.10

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	415.96	408.18
SPF+Myc	420.96	413.18
SPF	424.96	417.18
Organic	964.96	1044.15
Market prices SPF region 1		
PRRS negative	485.00	479.00
PRRS positive	465.00	462.00
Market prices SPF region 2/3		
PRRS negative	485.00	479.00
PRRS positive	465.00	462.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	11.43 kr/kg	9.01 kr/kg	7.12 kr/kg	5.74 kr/kg	5.92 kr/kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	8/9	1/9	Change	8/9	1/9	Change
2017						
Sep	-	-	-	1.70	1.70	0.00
Oct	61.50	61.45	+0.50	1.75	1.75	0.00
Nov	-	-	-	1.70	1.70	0.00
Dec	58.90	58.05	+0.85	1.65	1.65	0.00
2018						
Jan	-	-	-	1.65	1.65	0.00
Feb	63.75	62.73	+1.02	1.65	1.65	0.00
Mar	-	-	-	-	-	-
Apr	68.70	67.00	+1.70	-	-	-
May	74.18	72.48	+1.70	-	-	-
Jun	77.83	76.50	+1.33	-	-	-
Jul	78.13	76.65	+1.48	-	-	-
Aug	77.58	76.13	+1.45	-	-	-
Sep	-	-	-	-	-	-
Oct	65.76	64.50	+1.26	-	-	-
Nov	-	-	-	-	-	-
Dec	60.60	59.83	+0.77	-	-	-
2019						
Jan	62.88	62.63	+0.25	-	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = €6.1693				Conversion factor DKK/kg: € = 7.4402		



EU

African Swine Fever

The EU Commission's reporting system for the outbreak of disease has published the following figures:

Countries	Period 28 August – 3 September		Year to date 1 January – 3 September	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		10	2	481
Latvia'		11	4	612
Lithuania	1	20	25	530
Poland		9	71	303
Italy			16	28
Ukraine	4	3	87	15
Czech Republic		25	0	97
Romania			2	



RUSSIA

African Swine Fever

Last week, Russia reported nine cases of African Swine Fever: 7 at small pig farms, 1 at a large pig farm of 17,147 pigs and 1 among wild boar.

 **POLAND**
Polish Minister of Agriculture calls for fence on the border with Ukraine and Belarus

AHDB Pork has reported that the Polish Minister of Agriculture has presented plans to build a fence on the border with Ukraine and Belarus to prevent the migration of wild boars.

According to estimations, the length of the fence will be 700 km at a cost of €30 million. The Ministry, however, is ready to finance the project.

 **EU**
Pig census

With the publication of Hungary's pig census last week, Eurostat has now published preliminary results from its May/June pig census for six EU countries: Germany, Denmark (census 1 July), Holland, Italy, Austria and Hungary. Eurostat has also published the result from the May/June census for Serbia.

Some 14 EU countries are expected to publish their figures showing the pig population trend for May/June 2017 compared to the previous year. Figures for the remaining 8 EU countries are expected to be published this month.

Pig census EU May-June 2016

'000 head	Total population			Breeding sows			Pregnant sows		
	2017	2016	%-change	2017	2016	%-change	2017	2017	%-change
Germany	27,100	27,146	-0.2	1,894	1,917	-1.2	1,383	1,407	-1.7
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	12,397	12,416	-0.2	1,065	1,053	1.1	708	707	0.1
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	2,807	3,026	-7.2	253	269	-5.9	171	173	-1.2
Austria	2,669	2,667	0.1	236	232	1.7	164	162	1.2
Ireland		1,594			149			103	
Sweden		1,387			148			103	
EU (6)	66,214	66,276	-0.1	5,255	5,259	-0.1	3,675	3,681	-0.2
EU (14)		136,339			11,026			7,653	
Serbia	2,883	3,016	-4.4	427	444	-3.8	213	201	6.0

 **GERMANY**
Decline in German slaughterings for first half year 2017

The total number of German pig slaughterings for the first half year 2017 declined by 707,000 compared to the first half year 2016. The decline is due to the lower number of imported and German finished pigs, i.e. a fall of 337,000 and 370,000 respectively.

The chart below, sourced from AMI, shows the monthly development in slaughterings divided into German and imported finished pigs.

In 2016, German slaughterhouses maintained a largely unchanged level of slaughterings through increased imports of finished pigs from primarily Holland and Belgium. According to AMI, however, tighter competition for finished pigs in the two countries has resulted in fewer imported finished pigs in the German market. The percentage of slaughterings of imported pigs has therefore declined from around 8 per cent in 2016 to around 7 per cent in 2017.

Around two-thirds of all finished pigs are slaughtered in the two German states of North Rhine Westphalia and Lower Saxony.

2015	Total slaughterings	German finished pigs	Imported finished pigs	% imported
January	5,178,015	4,788,506	389,509	7.5
February	4,555,593	4,182,035	373,558	8.2
March	5,299,272	4,933,647	365,625	6.9
April	4,757,801	4,416,662	341,139	7.2
May	4,720,565	4,384,053	336,512	7.1
June	4,900,884	4,560,072	340,812	7.0
July	4,880,610	4,538,951	341,659	7.0
August	4,768,890	4,453,125	315,765	6.6
September	5,118,729	4,764,252	354,477	6.9
October	5,262,528	4,886,779	375,749	7.1
November	5,107,793	4,742,154	365,639	7.2
December	4,884,669	4,510,866	373,803	7.7
Total	59,435,349	55,161,102	4,274,247	7.2

2016	Total slaughterings	German finished pigs	Imported finished pigs	% imported
January	4,974,116	4,595,271	378,845	7.6
February	4,852,948	4,456,526	396,422	8.2
March	4,926,949	4,523,837	403,112	8.2
April	5,047,178	4,642,030	405,148	8.0
May	4,767,711	4,371,674	396,037	8.3
June	4,827,116	4,443,764	383,352	7.9
July	4,666,234	4,296,440	369,794	7.9
August	5,010,618	4,624,772	385,846	7.7
September	4,968,097	4,579,008	389,089	7.8
October	5,077,127	4,712,068	365,059	7.2
November	5,241,510	4,840,020	401,490	7.7
December	5,120,864	4,740,942	379,922	7.4
Total	59,480,468	54,826,352	4,654,116	7.8

2017	Total slaughterings	German finished pigs	Imported finished pigs	% imported
January	4,854,130	4,511,067	343,063	7.1
February	4,541,173	4,220,217	320,956	7.1
March	5,095,811	4,736,954	358,857	7.0
April	4,514,694	4,200,158	314,536	7.0
May	4,931,011	4,580,045	350,966	7.1
June	4,751,811	4,414,535	337,276	7.1
July				
August				
September				
October				
November				
December				
Jan-June 17	28,688,630	26,662,976	2,025,654	
Jan-June 16	29,396,018	27,033,102	2,362,916	

Source: AMI



DENMARK

Denmark's pig meat exports, tonnes

Jan - June 2017

	By products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	%
Germany	10,872	91,542	4,025	85	42,296	122,045	1,199	272,064	29.5
Poland	1,435	75,987	148	0	0	61,216	0	138,786	15.0
UK	4,692	167	4,676	17,974	0	66,885	4,722	99,116	10.7
Italy	996	11,382	225	39	0	47,157	142	59,941	6.5
Sweden	4,394	2	1,008	634	0	8,554	2,455	17,048	1.8
Holland	4,561	5,727	123	17	0	3,635	132	14,195	1.5
France	716	574	489	213	0	6,783	461	9,235	1.0
Spain	352	2,160	655	251	0	3,571	746	7,735	0.8
Other EU countries	7,036	6,595	1,471	61	0	24,911	1,814	41,888	4.5
Total EU	35,053	194,136	12,820	19,273	42,296	344,757	11,672	660,008	71.5
China	84,544	21	0	0	0	38,048	0	122,613	13.3
Japan	1,902	10	2,149	91	0	52,614	843	57,610	6.2
Australia	115	0	88	212	0	21,229	22	21,666	2.3
USA	1,351	0	2,729	48	0	13,028	440	17,596	1.9
South Korea	387	24	1,403	0	0	6,160	179	8,153	0.9
Taiwan	780	3	10	0	0	6,824	0	7,617	0.8
Philippines	2,931	4	261	0	0	804	1	4,002	0.4
Hong Kong	712	0	330	15	0	1,694	85	2,836	0.3
Singapore	397	0	95	210	0	766	305	1,773	0.2
Other Third Countries	5,029	520	4,246	380	0	5,805	3,705	19,686	2.1
Third Countries, total	98,149	584	11,310	956	4	146,973	5,582	263,557	28.5
Exports, total	133,202	194,720	24,131	20,229	42,300	491,730	17,254	923,565	100.0

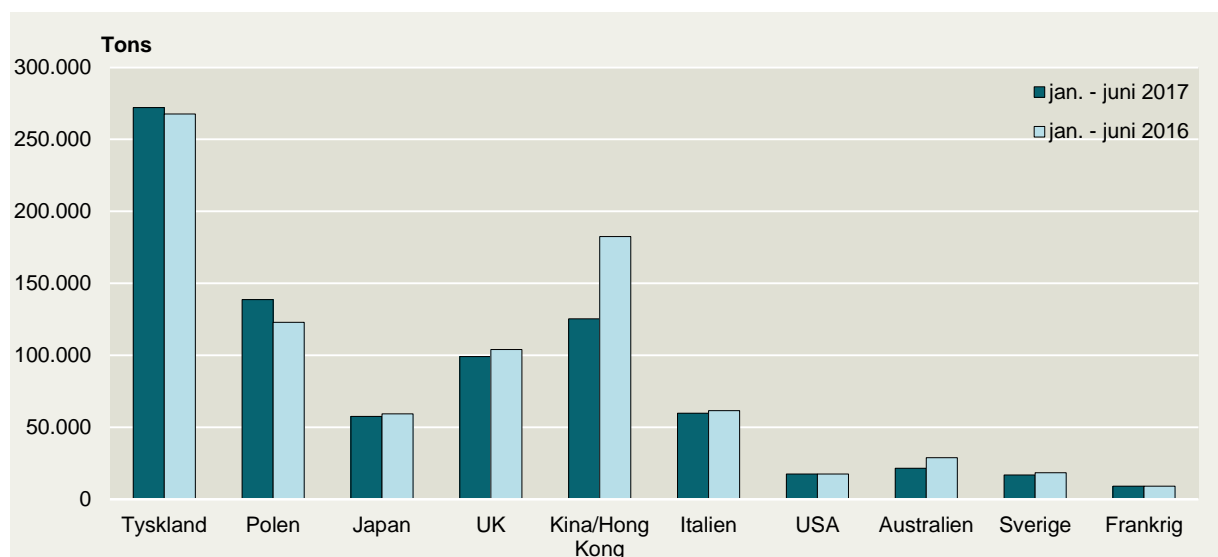
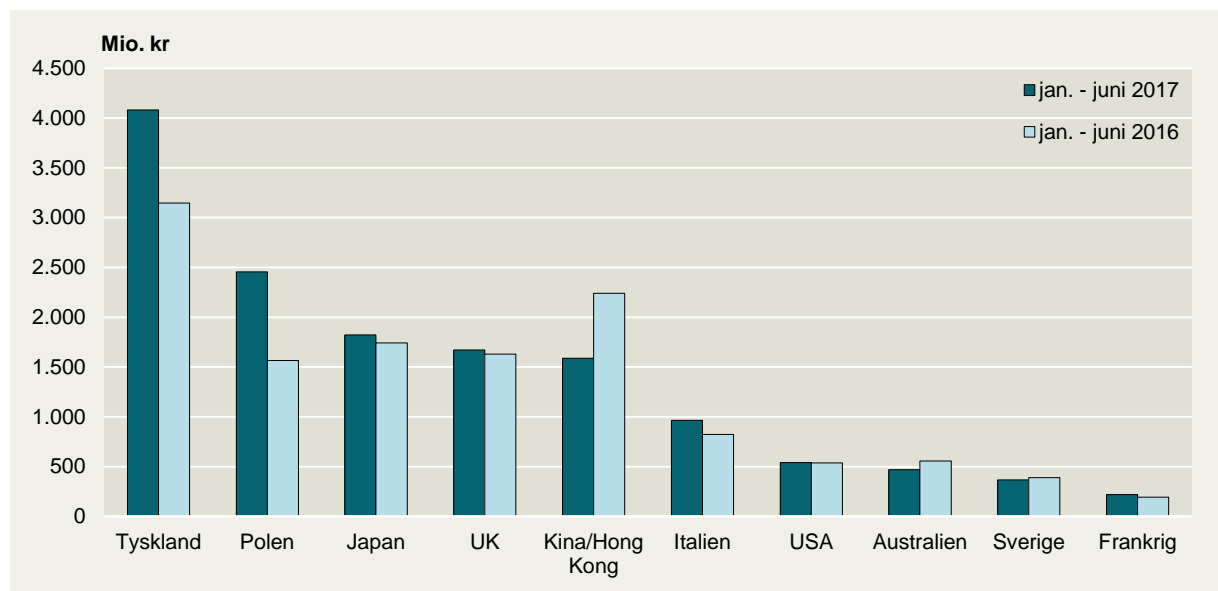
Jan - June 2016

	By products	Live pigs	Processed Canned	Bacon	Whole and half pigs	Cuts	Sausages	Total	%
Germany	12,263	89,987	4,554	121	45,664	113,702	1,387	267,679	27.7
Poland	1,013	65,516	4	1	9	56,440	18	123,001	12.7
UK	3,025	149	6,327	25,671	0	64,286	4,738	104,197	10.8
Italy	885	10,919	212	32	0	49,451	139	61,638	6.4
Sweden	4,024	8	1,086	730	17	10,002	2,746	18,613	1.9
Holland	9,333	5,303	78	19	0	2,740	85	17,557	1.8
France	1,226	326	483	155	0	6,567	471	9,228	1.0
Spain	331	2,033	698	472	0	2,912	743	7,188	0.7
Other EU countries	5,873	5,038	1,385	277	0	18,181	1,647	32,402	3.4
Total EU	37,972	179,280	14,825	27,479	45,690	324,281	11,975	641,503	66.4
China	97,845	48	0	0	0	75,445	0	173,338	17.9
Japan	1,755	5	2,414	56	0	54,358	845	59,433	6.1
Australia	263	0	37	212	0	28,485	10	29,007	3.0
USA	1,346	0	2,195	94	0	13,513	390	17,538	1.8
Hong Kong	3,917	0	242	10	0	4,963	14	9,147	0.9
South Korea	438	11	1,890	0	0	6,070	168	8,577	0.9
Taiwan	255	0	10	0	0	5,313	0	5,578	0.6
Singapore	652	0	62	133	0	644	303	1,795	0.2
Canada	137	0	66	0	0	1,574	0	1,776	0.2
Other Third Countries	4,320	702	4,416	399	0	5,004	4,106	18,948	2.0
Third Countries, total	110,930	765	11,332	904	4	195,368	5,836	325,140	33.6
Exports, total	148,902	180,046	26,157	28,383	45,695	519,649	17,811	966,643	100.0

Top 10 importers of Danish pig meat measured in value

The tables below provide a breakdown of the top ten countries for Danish pig meat exports ranked according to value for Jan-June 2017. All pig meat (including live pigs) is included.

Country	Jan-June 2017		Jan-June 2016	
	Value in DKK million	Tonnes	Value in DKK million	Tonnes
Germany	4,082	272,064	3,146	267,679
Poland	2,456	138,786	1,566	123,001
Japan	1,823	57,610	1,744	59,433
UK	1,673	99,116	1,629	104,197
China/Hong Kong	1,586	125,449	2,240	182,485
Italy	964	59,941	824	61,638
USA	542	17,596	536	17,538
Australia	469	21,666	557	29,007
Sweden	367	17,048	391	18,613
France	220	9,235	193	9,228
Top 10 total	14,183	818,511	12,826	872,818
Other countries	2,018	105,054	1,639	93,825
Total	16,201	923,565	14,465	966,643



Germany Poland Japan UK China/Hong Kong Italy USA Australia Sweden France

 **SWEDEN**
Stable development in pig slaughterings

The latest figures from the Swedish organisation, Kött och Charkförtagen (Swedish Meat Industry Association) for the development in pig slaughterings at Swedish slaughterhouses show that slaughterings in the first half of 2017 were 0.8 per cent higher compared to the first half year 2016.

The chart below shows the number of slaughterings according to companies for the years 2014-2016 and for the first half of 2017 compared to the first half of 2016.

The figures should, however, be treated with some caution because Swedish slaughterhouses, to some extent, slaughter for each other.

Stk.	Jan. - dec.			Jan.-juni		
	2014	2015	2016	2016	2017	%ænd. 17:16
Scan Kristianstad	721.025	730.605	715.280	364.980	359.771	-1,4
- KLS Ugglarps Kalmar	380.528	441.415	432.647	213.553	226.057	5,9
- KLS Ugglarps Ugglarp	251.682	255.126	234.956	121.096	124.637	2,9
KLS total	632.210	696.541	667.603	334.649	350.694	4,8
Skövde Slakteri	280.490	318.409	302.660	163.724	138.370	-15,5
Dalsjöfors Slakteri	303.389	317.417	325.489	154.820	167.483	8,2
AJ Dahlbergs Slakteri	116.234	127.125	143.396	69.671	79.008	13,4
Ginsten Slakteri	96.272	95.411	86.875	43.352	40.173	-7,3
Gotlands Slakteri	78.176	73.589	74.783	38.089	35.440	-7,0
Siljans Chark	36.920	58.437	54.540	26.810	28.804	7,4
Lindells Gårdsslakteri	18.052	31.580	39.249	18.726	21.986	17,4
Alviksgården	32.667	32.546	32.852	17.021	17.050	0,2
Lövsta Kött	27.344	26.406	26.518	12.996	12.837	-1,2
Knorrevången Slakt	20.752	20.158	19.643	9.663	11.506	19,1
Øvrige	204.380	26.661	32.106	14.102	15.830	12,3
Total slagtninger	2.567.911	2.554.885	2.520.994	1.268.603	1.278.952	0,8

Total slagtninger – Total slaughterings

%ænd - % change

 **UKRAINE**
Record high pig prices

AHDB Pork has reported record high pig prices in Ukraine due to tight pig supplies.

Owing to the high prices, many meat processors stopped buying pork temporarily and reported lower demand. A fall in prices is expected in the near future, however, because of increased imports.

 **ROMANIA**
Mexican Sigma assumes full control of Caroli Foods

The large Mexican meat company, Sigma, has assumed full control of the Romanian meat processor, Caroli, by acquiring the remaining 51 per cent of the shares.

Sigma already held a minority shareholding of 49 per cent as a result of Sigma's acquisition of Campofrio in 2015.

Caroli Foods was founded in 1994 and employs 1,200 people at its headquarters in Pitesti. Turnover amounted to €88 million in 2016.

 **CHINA**
Fall in sow numbers

According to Jim Long, CEO of Genesus Genetics, after a stabilisation of the sow herd in the spring, there is now an indication of a decrease in China's sow population.

Figures from China's Agriculture Ministry show that as at 1 July 2017, the sow herd numbered 35.57 million head, i.e. a fall of 5.2 per cent compared with July 2016 when the total herd amounted to 37.52 million.

With no signs of expansion in the number of sows, Jim Long concludes that high pig prices are in prospect for China next year.

 **MEXICO**
USDA declares Mexico free of Classical Swine Fever

In July, the USDA submitted proposals to recognise Mexico as being free of Classical Swine Fever. Mexico is expected, therefore, to begin exporting pig meat to the United States from the end of this month.

Mexico's pig meat exports have risen in recent years, reaching 432,000 tonnes against 395,000 tonnes in 2016. The main export market for Mexican exports is Japan, which took 80 per cent of exports in 2016, followed by South Korea and China.

 **MEXICO**
Negotiations on increased exports to China

Following a visit by a Mexican delegation to Beijing last week, Mexico is expected to step up its exports of by-products to China.

At the same time as a continued rise in Mexican exports of pig meat is being recorded, imports of pig meat to Mexico from the U.S. have set a new record. At 892,798 tonnes, the U.S. accounted for 82 per cent of Mexican pig meat imports in 2016. After the U.S. comes Canada, Chile and Spain. In 2016, Spain exported 1,947 tonnes pig meat to Mexico.

Source: Pig333

 **SOUTH AFRICA**
Foot & Mouth disease

Last week, the authorities in South Africa reported two cases of Foot and Mouth disease: 1,310 head of cattle were affected.

 **MALAWI**
Foot & Mouth disease

Last week, the authorities in Malawi reported one case of Foot and Mouth disease: 30,000 head of cattle were affected.

 **NAMIBIA**
Foot & Mouth disease

Last week, the authorities in Namibia reported three cases of Foot and Mouth disease: 2,601 head of cattle were affected.