

MARKET NEWS for pig meat



Market analysis

21 November 2017

Week 47

MARKET SITUATION

Europe: Trading in fresh legs and in other cuts is at unchanged or slightly increasing prices.

UK: Trading remains under pressure.

Trade is reported as stable for Japan and China, but with fluctuating prices for bellies.

SLAUGHTERINGS DENMARK

	Week 43	Week 44	Week 45	Week 1-45 2017/2016
Total	339,635	351,609	357,562	-5.2 %

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)	9.60	9.60
Sows (above 130 kg)	5.90	5.90

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	367.29	405.30
SPF+Myc	372.29	410.30
SPF	376.29	414.30
Organic	917.33	1016.41
Market prices SPF region 1		
PRRS negative	365.00	480.00
PRRS positive	345.00	462.00
Market prices SPF region 2/3		
PRRS negative	365.00	480.00
PRRS positive	345.00	462.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	9.53 kr/kg	9.09 kr/kg	6.34 kr/kg	5.34 kr/kg	5.47 kr/kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	17/11	10/11	Change
2017			
Dec	60.65	62.48	-1.83
2018			
Jan	-	-	-
Feb	67.08	70.25	-3.17
Mar	-	-	-
Apr	71.15	74.05	-2.90
May	76.65	79.78	-3.13
Jun	80.68	83.45	-2.77
Jul	80.90	83.50	-2.60
Aug	80.05	82.23	-2.18
Sep	-	-	-
Oct	67.48	69.78	-2.30
Nov	-	-	-
Dec	61.90	63.95	-2.05
2019			
Jan	-	-	-
Feb	62.23	66.70	-4.47
Mar	68.83	70.00	-1.17
Conversion factors: 1 lb = 0.4536 kg \$ = €6.3086			



EU

African Swine Fever

The EU Commission's reporting system for outbreaks of African Swine Fever in EU countries and Ukraine has been updated up to and including 12 November.

Countries	Period 30 Oct - 12 Nov		Year to date 1 Jan – 12 Nov	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		23	3	565
Latvia		44	8	793
Lithuania		93	30	887
Poland		31	80	429
Italy		7	17	35
Ukraine	3	1	113	18
Czech Republic		26		141
Romania			2	



RUSSIA

African Swine Fever

Last week, the authorities in Russia reported five outbreaks of African Swine Fever among wild boar.


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	1,388,979	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	1,278,849	44,802	1,323,651
September	1,635,369	48,650	1,684,019
October	0	0	0
November	0	0	0
December	0	0	0
Jan-Sep	12,492,745	414,999	12,907,744


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	1,023,887	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 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	1,185,581	17,812	592	1,241,586
April	36,047	959,023	13,885	2,311	1,011,266
May	46,023	1,286,358	30,255	4,574	1,367,210
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	31,778	1,183,619	17,641	2,381	1,235,419
September	33,351	1,004,886	19,355	2,289	1,059,881
October	0	0	0	0	0
November	0	0	0	0	0
December	0	0	0	0	0
Jan-Sep	324,073	9,929,891	200,522	18,664	10,473,150



Pig population as at 1 October 2017

Statistics Denmark has published its pig population figures from 1 October 2017, which are based on random checks of 2,500 farms.

The results show that the overall population is 2.9% up on one year ago. The most recent census from 1 July showed a year-on-year increase of 1.3%.

The good returns for most of 2016 and 2017 have resulted in an increase in the sow and piglet populations and weaned pigs under 50 kg. However, the number of finished pigs is 1.9 per cent down compared to one year ago.

As regards the breeding population, i.e. pregnant sows, there is a 2.1% increase compared to one year ago. The census from 1 July showed an increase in pregnant sows of 1.4%.

For piglets and weaned pigs under 50 kg, the rate of increase also accelerated compared to the 1 July census, i.e. a 5.9 per cent increase for piglets and a 4.2 per cent increase for weaned pigs under 50 kg.

STATISTICS DENMARK: DENMARK'S PIG POPULATION

AS AT 1 OCTOBER 2017

1000 head	October census			July census		
	1 Oct 2017	1 Oct 2016	% change 17:16	1 July 2017	1 July 2016	% change 17:16
Breeding boars	11	11	-	11	10	+10,0
Pregnant gilts	185	181	+2,2	187	186	+0,5
Other pregnant sows	590	578	+2,1	584	574	+1,7
Total pregnant sows	775	759	+2,1	771	760	+1,4
Nursing sows	212	203	+4,4	208	204	+2,0
Dry sows	36	35	+2,9	34	34	-
Sows and boars for slaughter	6	6	-	6	6	-
Gilts >50 kg for breeding	225	219	+2,7	215	218	-1,4
Piglets with sows	2,598	2,454	+5,9	2,543	2,460	+3,4
Weaned pigs <50 kg	5,941	5,703	+4,2	5,832	5,718	+2,0
Finished pigs >50 kg	2,890	2,947	-1,9	2,847	2,903	-1,9
Total pigs	12,695	12,337	+2,9	12,467	12,313	+1,3
Total pigs excl. finished pigs*	9,805	9,390	+4,4	9,620	9,410	+2,2

 **CHINA**
Decline in pig population

According to figures from the Chinese Agriculture Ministry, China's pig population in October was 6.6 per cent down compared to one year ago. The sow herd saw a decline of 5.3 per cent in October.

The decline in the total herd and in the sow population has intensified since July this year with falls of 4.8 per cent and 4.2 per cent respectively. In September, the overall pig population was 6.1 per cent down on the previous year.

According to Reuters, the rate of pig farm closures in China is accelerating because of a three-year environmental campaign launched by the authorities, which ends in December 2018.

Smallscale operations with fewer than 50 pigs account for 90 per cent of the country's pig production, but only one third of supply.

 **UKRAINE**
Significant decrease in pig population

AHDB Pork reports that the pig population in Ukraine remains at an unprecedented low level.

As at 1 November 2017, the total pig population amounted to 6.7 million, 8.9 per cent lower compared with one year ago.

 **RUSSIA**
Increase in Russia's pig meat production

At a meeting of the Pig Producers' National Union, Russia's Deputy Minister of Agriculture Dzhambulat Hautov reported that Russia's pig meat production for the first nine months of 2017 – measured in live weight – was 3.17 million tonnes. This is an increase of 4.5 per cent compared to the previous year.

Preliminary figures from Russia's Agriculture Ministry estimate that total pig meat production in 2017 is set to reach 4.57 million tonnes, which is a rise of 5.1 per cent compared to 2016.

According to Yuri Kovalev, CEO of the Pig Producers National Union, Russia exported 51,700 tonnes pig meat in the first nine months of 2017, which is a rise of 50 per cent compared to the same period last year. He expects exports to reach 75,000 tonnes in 2017.

 **RUSSIA/**
 **EU**
EU: Russia accepts WTO ruling but maintains political import ban

Citing the EU's Food Commissioner, Vytenis Andriukaitis, Agra Europe reports that Russia will soon announce that they accept the WTO ruling that Russia cannot maintain a ban on pig meat imports from the EU as a result of African Swine Fever in some countries.

According to Vytenis Andriukaitis, however, Russia can in practice maintain its EU import ban following last month's extension of the political import ban to include fat, offal and by-products from pigs and cattle etc. as well as live pigs (apart from breeding sows).

So far, Russia has announced that the import ban will be in force until 31 December 2018.

 **RUSSIA/**
 **BRAZIL**
Russia imposes restrictions on imports from Brazil

The Russian veterinary authorities are to impose temporary restrictions on imports of pork and beef products from Brazil from 1 December, reports Reuters.

Russia said last week it was considering restricting imports from Brazil after finding the feed additive ractopamine in some meat shipments.

The Russian veterinary authorities said in a statement: "Given the seriousness of the situation, Rosselkhoznadzor is forced to take urgent measures to protect Russian consumers."

Brazil's Agriculture Minister Blairo Maggi said that only a few companies were affected by the Russian restrictions with the rest operating as usual. "I do not consider this as a market closure, but something that happens regularly in inspections, which is what they are for."

According to Maggi, Brazil's Agriculture Ministry now has procedures in place to ensure the additive is not present in Brazilian shipments to Russia.

SWEDEN

Rise in pig slaughterings

The most recent overview from the Swedish organisation, Kött och Charkförtagen, giving pig slaughtering statistics at Swedish slaughterhouses, shows that slaughterings for the July quarter were 4.7 per cent higher compared to the same quarter in 2016. For the period January-September 2017, slaughterings were 1.2 per cent higher compared to the same period last year.

The chart below shows the development in slaughterings across companies for the years 2014-2016 and for Jan-Sept 2017 and 2016.

The figures for the individual companies, however, should be read with caution as to a certain extent, Swedish slaughterhouses slaughter for each other on a contract basis.

	Jan-Dec			Jan - Sep		% change 17:16
	2014	2015	2016	2016	2017	
Scan Kristianstad	721,025	730,605	715,280	536,565	542,324	1.1
- KLS Ugglarps Kalmar	380,528	441,415	432,647	325,140	339,549	4.4
- KLS Ugglarps Ugglarp	251,682	255,126	234,956	177,299	192,127	8.4
KLS total	632,210	696,541	667,603	502,439	531,676	5.8
Skövde Slakteri	280,490	318,409	302,660	236,581	209,889	-11.3
Dalsjöfors Slakteri	303,389	317,417	325,489	238,271	250,098	5.0
AJ Dahlbergs Slakteri	116,234	127,125	143,396	107,299	122,820	14.5
Ginsten Slakteri	96,272	95,411	86,875	65,681	61,035	-7.1
Gotlands Slakteri	78,176	73,589	74,783	56,932	54,750	-3.8
Siljans Chark	36,920	58,437	54,540	41,377	43,171	4.3
Lindells Gårdsslakteri	18,052	31,580	39,249	29,034	36,622	26.1
Alviksgården	32,667	32,546	32,852	25,313	25,011	-1.2
Lovsta Kott	27,344	26,406	26,518	19,749	19,220	-2.7
Knorrevången Slakt	20,752	20,158	19,643	14,612	17,799	21.8
Other	204,380	26,661	32,106	22,060	21,413	-2.9
Total slaughterings	2,567,911	2,554,885	2,520,994	1,895,913	1,935,828	2.1

GERMANY

Increased number of welfare pigs

According to pig333.com, an increased number of pigs under the German Tierwohl initiative (Animal Welfare Initiative) are expected in 2018.

Some 4,157 farms with a total of 26 million pigs have signed up to participate in the second stage of the Animal Welfare Initiative programme.

As the amount paid into the system from the retail sector has been increased from EUR 85 million to EUR 130 million, it is expected that all farms that have signed up will be allowed to participate.

This means that the number of participating farms will have increased by 70% in 2018 and that more than 23% of finished pigs in Germany will come from farms that are participating in the Animal Welfare Initiative.

