

MARKET NEWS for pig meat



Market analysis

5 March 2018

Week 10

MARKET SITUATION

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

UK: Sales are stable with trading at increasing prices.

Sales are reported as stable for Japan and China

Slaughterings in Denmark

	Week 6	Week 7	Week 8	Week 1-8 2018/2017
Total	352,145	339,607	336,613	2.6 %

Source: Danish Classification Control Service – representing around 98% of all finished pigs and sows slaughtered, excluding culled pigs.

PRICES DENMARK FOR WEEK 10

Finished pigs and sows

DKK/kg	DC	Tican
Finished pigs (basic weight class and basic meat percentage)	9.20	9.20
Sows (above 130 kg.)	6.10	6.10

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	355.59	394.08
SPF+Myc	360.59	399.08
SPF	364.59	403.08
Organic	932.40	981.34
Market prices SPF region 1		
PRRS negative	410.00	453.00
PRRS positive	390.00	436.00
Market prices SPF region 2/3		
PRRS negative	410.00	453.00
PRRS positive	390.00	436.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	9.26 kr/kg	7.07 kr/kg	6.54 kr/kg	5.28 kr/kg	5.26 kr/kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	2/3	23/2	Change
2018			
Apr	67.58	71.38	-3.80
May	74.65	77.60	-2.95
Jun	79.75	83.03	-3.28
Jul	80.50	84.00	-3.50
Aug	80.55	83.68	-3.13
Sep	-	-	-
Oct	68.73	71.05	-2.33
Nov	-	-	-
Dec	62.85	64.93	-2.08
2019			
Jan	-	-	-
Feb	66.53	68.30	-1.77
Apr	70.00	71.38	-1.38
May	75.70	77.00	-1.30
Jun	78.78	79.03	-0.25
Jul	79.00	79.95	-0.95
Conversion factors: 1 lb = 0.4536 kg \$ = € 6,0493			

**EU****African Swine Fever**

The EU Commission's reporting system for the outbreak of African Swine Fever in EU countries and Ukraine has been updated up to and including 25 February.

Countries	Period		Year to date	
	18 February - 25 February		1 Jan - 25 February	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		15		111
Latvia		10		212
Lithuania		62		414
Poland	1	72	4	571
Italy	1		2	24
Ukraine	2	2	16	23
Czech Republic				17
Romania			2	

**RUSSIA****African Swine Fever**

Last week, Russia reported one outbreak of African Swine Fever among wild boar in the west of the country.

**MOLDOVA****African Swine Fever**

Last week, the authorities in Moldova reported one outbreak of African Swine Fever at a small pig farm.

Slaughterings

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	1,165,283	48,312	1,213,595
June	1,691,408	54,077	1,745,485
July	1,267,063	40,667	1,307,730
August	1,273,261	44,802	1,318,063
September	1,635,135	49,357	1,684,492
October	1,390,734	44,285	1,435,019
November	1,356,756	35,121	1,391,877
December	1,679,724	56,588	1,736,312
Jan-Dec*	16,913,883	551,700	17,465,583

2018	Pigs/sows	Sows etc,	Total
	50-110 kg	above 110 kg	
January*	1,384,289	48,982	1,433,271
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
Jan-Dec*			

* = Preliminary figures

Exports of live pigs

The export figures for 2017 are preliminary and adjustments for individual months can be expected.

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 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	981,920	16,415	1,142	1,026,807
March	37,601	1,189,831	17,812	592	1,245,836
April	36,047	960,048	13,885	2,311	1,012,291
May	46,023	1,288,148	28,501	4,574	1,367,246
June	38,015	1,240,376	50,120	2,253	1,330,764
July	36,172	1,077,260	17,014	1,852	1,132,298
August	32,578	1,267,070	16,778	2,381	1,318,807
September	33,351	1,086,883	17,675	2,289	1,140,198
October	44,274	1,187,401	17,679	1,571	1,250,925
November	41,015	1,171,916	22,467	1,954	1,237,352
December	32,889	1,147,621	16,462	1,363	1,198,335
Jan-Dec*	443,051	13,730,874	252,833	23,552	14,450,310

2018	Piglets		Pigs/sows 50-135 kg	Pigs/sows above 135 kg	Total
	0-15 kg	15-50 kg			
January*	36,440	1,142,629	15,430	3,952	1,198,451
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Jan-Dec*					

* = Preliminary figures



December pig census

Eurostat has now published the results of the December pig census for Bulgaria. The results for all 28 EU countries are now available.

'000 head	Total population			Breeding sows			Pregnant sows		
	2017	2016	% change	2017	2016	% change	2017	2016	% change
Spain	30,138	29,232	3.1	2,479	2,415	2.6	1,635	1,667	-2.0
Germany	27,553	27,376	0.6	1,904	1,908	-0.2	1,366	1,383	-1.3
France	13,097	12,791	2.4	985	986	-0.1	691	698	-1.0
Denmark	12,832	12,281	4.5	1,260	1,236	1.9	786	765	2.7
Holland	12,296	11,881	3.5	1,066	1,022	4.3	690	664	3.9
Poland	11,898	11,107	7.1	909	859	5.8	618	582	6.2
Italy	8,571	8,478	1.1	562	558	0.6	465	464	0.3
Belgium	6,108	6,177	-1.1	413	420	-1.5	340	346	-1.6
Rumania	4,441	4,708	-5.7	342	361	-5.3	211	223	-5.3
UK	4,630	4,538	2.0	494	490	0.8	348	346	0.6
Hungary	2,870	2,907	-1.3	250	255	-2.0	163	169	-3.6
Austria	2,820	2,793	1.0	239	236	1.2	170	168	1.5
Portugal	2,165	2,151	0.7	236	233	1.0	161	162	-0.6
Ireland	1,616	1,528	5.8	149	145	2.4	105	98	7.7
Czech Republic	1,532	1,479	3.5	136	134	1.8	85	83	2.8
Sweden	1,382	1,436	-3.8	132	140	-5.9	90	98	-7.9
Finland	1,108	1,197	-7.4	99	108	-8.3	70	78	-9.5
Croatia	1,113	1,163	-4.3	118	120	-1.7	35	39	-10.3
Greece	759	743	2.2	118	106	11.3	62	58	6.9
Lithuania	612	664	-7.8	50	49	3.1	40	41	-2.5
Bulgaria	593	616	-3.8	62	65	-3.8	40	40	-0.3
Slovakia	614	586	4.9	57	51	12.7	29	20	48.8
Cyprus	350	353	-0.8	33	33	1.6	28	28	2.0
Latvia	321	336	-4.7	35	38	-6.0	15	17	-9.6
Estonia	285	266	7.0	27	25	4.7	20	20	3.6
Slovenia	257	266	-3.2	20	19	6.4	12	11	9.9
Luxembourg	91	95	-4.8	7	7	-1.2	4	5	-9.3
Malta	34	41	-16.2	3	4	-5.5	3	3	-7.0
EU (28)	150,086	147,188	2.0	12,185	12,022	1.4	8,285	8,274	0.1
Serbia	2,911	3,021	-3.6	427	433	-1.4	178	166	7.2

FINLAND/ CHINA

HK Scan in joint venture partnership for sales of pig meat in China

The Finnish meat group, HK Scan, has entered into a joint venture with China's Zhejiang Qinglian Food Co. for the sale of Finnish pig meat to Chinese consumers.

The Finnish pork to be sold in the Chinese market is the premium product, Rypsiporsas, which is rich in Omega 3.

In the first year, exports are expected to total 3,000 tonnes. By 2020, the aim is for exports to have tripled. If successful, it will mean that by 2020, 5% of Finland's total pig meat production will be exported to China.

Finland's other major meat company, Atria, was approved for export of pig meat to China in 2017.

HK Scan has already stated that their long-term aim is to export beef and poultry to China.



EU to remove seven Brazilian plants from its list of approved facilities

Agra Europe reports that later this week, the EU will announce that seven Brazilian plants will be removed from the list of those approved to export meat to the EU. Inspectors have stated that the plants do not meet EU requirements.

Three of the plants are owned by JBS and Aurora.



Shortage of slaughterhouse inspectors

Agra Europe reports that Brazil's Minister of Agriculture Blairo Maggi has come under pressure from the Brazilian meat industry for not doing enough to address the issue of a shortage of veterinary inspectors at Brazilian slaughterhouses.

At a meeting between the minister and the meat industry, a spokesman expressed his concern about the prospect of a decline in poultry exports to the EU and the fact that there is little progress in terms of the Russian market opening up to Brazilian beef and pig meat.

In response, Maggi said that although there is a current staff shortage, 300 new veterinarians are ready to start work in March.



Shareholders call for BRF board to be replaced

Poor financial results over a period of time led to the two largest shareholders in the Brazilian meat company, Brazil Foods (BRF), calling an extraordinary meeting on 5 March with the aim of replacing the entire BRF board, reports Reuters.

The meeting was called at the request of the two Brazilian pension companies, Previ and Petros, which together hold 20 per cent of the shares in BRF. The shareholders are dissatisfied with the ongoing disappointing results.

Last week, BRF announced their results for 2017, which shows a loss of 1.1 billion reais (USD 340 million). For Q4 alone, losses amounted to 784 million reais (USD 241 million), which is attributable to the write-down of unsold stocks, along with problematic exports to Europe and Asia.

BRF has already carried out substantial changes to its leadership team. At the beginning of the year, Pedro de Andrade Feira, after less than one year as CEO, was replaced by José Aurélio Drummond. Back in the spring of 2017 – as a consequence of the Brazilian meat scandal - a number of employees, including senior executives, were accused of participating in the bribery of public servants in order to evade inspections of the company's facilities.



Low pig prices and a decline in exports so far in 2018

Agra Europe reports low pig prices and a decline in Brazilian pig meat exports so far in 2018.

Pig meat exports for February are reported to be down 9 per cent compared to January and 24 per cent down compared to one year ago.

As a result of export problems and limited domestic demand, many slaughterhouses have reduced their slaughtering in 2018.

The Brazilian meat industry, however, expects to see a 2.5 per cent rise in both Brazilian pig meat and beef production in 2018.

 **JAPAN**
Imports of fresh/frozen pig meat

0203					
Fresh/frozen pig meat					
Tonnes	2018	2017	2018	2017	%
	January	January	Jan-Jan	Jan-Jan	change
					2018:17
USA	20,461	22,701	20,461	22,701	-9.9
Canada	17,812	15,520	17,812	15,520	14.8
Spain	8,966	8,350	8,966	8,350	7.4
Denmark	8,739	11,089	8,739	11,089	-21.2
Mexico	7,021	6,492	7,021	6,492	8.1
Holland	2,000	2,185	2,000	2,185	-8.5
Chile	1,708	1,560	1,708	1,560	9.5
Germany	1,694	1,714	1,694	1,714	-1.2
Hungary	1,603	2,185	1,603	2,185	-26.6
Italy	1,562	1,127	1,562	1,127	38.6
France	1,150	1,312	1,150	1,312	-12.3
Ireland	792	911	792	911	-13.1
Austria	504	263	504	263	91.3
Portugal	91	106	91	106	-14.2
Australia	88	51	88	51	73.1
Brazil	43	119	43	119	-63.9
Finland	25	52	25	52	-51.9
Others	47	27	47	27	72.0
Total	74,306	75,763	74,306	75,763	-1.9

Japan's imports of sausage products

0210		
Sausage products		
Tonnes	2018	% change
	January	2018:17
USA	664	0.0
China	476	-28.5
Thailand	372	-8.8
Denmark	151	42.5
Italy	71	31.5
Germany	44	-50.0
Hungary	43	-2.3
Others	68	-82.6
Total	1,889	-22.0