

# MARKET NEWS for pig meat



Market analysis

12 March 2018

Week 11

## 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 7	Week 8	Week 9	Week 1-9 2018/2017
Total	339.607	336.613	331.154	+2,3 %

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

## PRICES DENMARK FOR WEEK 11

### Finished pigs and sows

DKK/kg	Danish Crown	52 wk av
Finished pigs (basic weight class and basic meat percentage)	9.20	10.24
Sows (above 130 kg)	6.10	6.93

### Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	355.59	393.49
SPF+Myc	360.59	398.49
SPF	364.59	402.49
Organic	932.40	979.45
<b>Market prices SPF region 1</b>		
PRRS negative	420.00	452.00
PRRS positive	400.00	434.00
<b>Market prices SPF region 2/3</b>		
PRRS negative	420.00	452.00
PRRS positive	400.00	434.00

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)		
	9/3	2/3	Change
<b>2018</b>			
Apr	67.85	67,58	0,27
May	72.00	74,65	-2,65
Jun	77.68	79,75	-2,08
Jul	78.55	80,50	-1,95
Aug	78.78	80,55	-1,77
Sep	-	-	-
Oct	67.20	68,73	-1,52
Nov	-	-	-
Dec	62.23	62,85	-0,63
<b>2019</b>			
Jan	-	-	-
Feb	66.25	66,53	-0,28
Apr	69.78	70,00	-0,22
May	75.78	75,70	0,08
Jun	79.18	78,78	0,40
Jul	79.33	79,00	0,33
Conversion factors: 1 lb = 0.4536 kg \$ = € 6.0609			



EU

**African Swine Fever**

According to the EU Commission's reporting system for the outbreak of African Swine Fever, the following outbreaks were reported for the following EU countries and Ukraine up to and including 4 March.

Countries	Period 25 February - 4 March		Year to date 1 Jan – 4 March	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		6		117
Latvia		7		219
Lithuania		33		447
Poland		68	4	639
Italy			2	24
Ukraine		1	16	24
Czech Republic				17
Romania			2	



## Denmark's exports of pig meat, tonnes

Jan - Dec 2017

	By-products	Live pigs	Processed canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	%
Germany	24,827	198,442	8,520	185	85,458	236,088	2,458	555,976	29.1
Poland	3,616	170,730	217	0	0	127,173	0	301,736	15.8
UK	9,248	617	9,479	38,083	0	137,583	9,712	204,722	10.7
Italy	1,870	20,657	491	70	0	95,297	300	118,685	6.2
Sweden	9,591	125	1,900	1,255	0	17,653	4,775	35,299	1.8
Holland	11,026	12,395	197	38	0	7,605	279	31,541	1.6
France	1,735	1,779	976	445	18	14,004	967	19,925	1.0
Spain	476	3,821	1,325	371	0	7,615	1,438	15,046	0.8
Other EU countries	13,769	15,352	2,980	254	0	55,199	3,371	90,925	4.8
<b>Total EU</b>	<b>76,157</b>	<b>423,918</b>	<b>26,085</b>	<b>40,702</b>	<b>85,476</b>	<b>698,217</b>	<b>23,301</b>	<b>1,373,854</b>	<b>71.9</b>
China	162,531	21	0	0	0	81,526	0	244,078	12.8
Japan	2,488	15	3,982	251	0	110,819	1,624	119,179	6.2
Australia	521	0	183	420	0	43,296	115	44,535	2.3
USA	3,163	0	6,494	112	0	23,827	1,029	34,625	1.8
South Korea	846	42	2,467	0	0	13,867	361	17,583	0.9
Taiwan	1,520	3	14	0	0	14,995	0	16,532	0.9
Hong Kong	1,418	0	589	29	0	6,380	138	8,555	0.4
Philippines	5,639	14	445	0	0	858	1	6,956	0.4
Ukraine	3,654	584	0	0	0	790	0	5,028	0.3
Other 3rd countries	9,500	1,075	8,823	1,224	0	12,513	7,587	40,722	2.1
<b>3rd countries, total</b>	<b>191,281</b>	<b>1,754</b>	<b>22,996</b>	<b>2,036</b>	<b>7</b>	<b>308,871</b>	<b>10,856</b>	<b>537,800</b>	<b>28.1</b>
<b>Exports, total</b>	<b>267,437</b>	<b>425,672</b>	<b>49,080</b>	<b>42,738</b>	<b>85,483</b>	<b>1,007,088</b>	<b>34,156</b>	<b>1,911,655</b>	<b>100.0</b>

Jan - Dec 2016

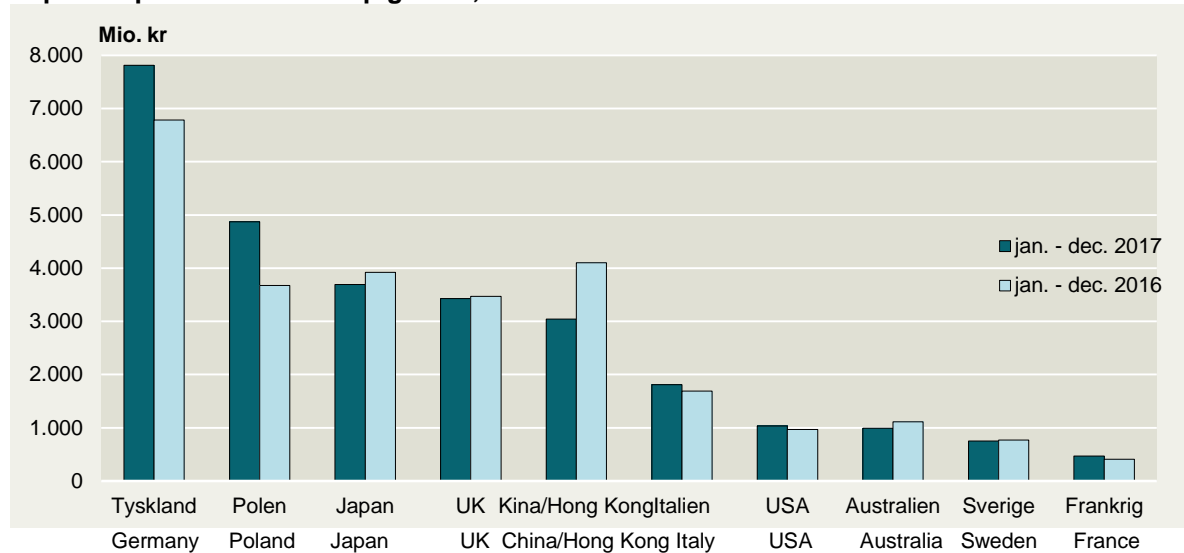
	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	%
Germany	23,832	202,940	9,266	269	87,883	234,378	2,928	561,495	28.6
Poland	3,464	142,948	60	2	9	127,893	19	274,396	14.0
UK	7,393	211	11,731	48,578	0	135,762	9,823	213,498	10.9
Italy	2,011	20,089	473	52	16	96,323	255	119,218	6.1
Sweden	9,841	58	2,080	1,475	17	19,328	5,364	38,164	1.9
Holland	15,303	10,094	142	51	0	6,167	191	31,948	1.6
France	2,203	996	935	316	0	12,500	1,128	18,077	0.9
Spain	756	3,460	1,441	714	0	6,690	1,414	14,475	0.7
Other EU countries	12,100	11,862	3,111	632	0	39,714	3,328	70,747	3.6
<b>Total EU</b>	<b>76,902</b>	<b>392,658</b>	<b>29,239</b>	<b>52,090</b>	<b>87,925</b>	<b>678,754</b>	<b>24,450</b>	<b>1,342,019</b>	<b>68.4</b>
China	190,488	48	1	0	54	121,689	0	312,279	15.9
Japan	4,534	12	4,517	164	0	116,700	1,561	127,488	6.5
Australia	460	0	92	365	0	55,865	45	56,827	2.9
USA	2,784	0	4,079	165	0	23,821	881	31,730	1.6
South Korea	1,010	15	4,368	0	0	14,460	367	20,221	1.0
Hong Kong	6,894	0	510	20	0	7,084	34	14,542	0.7
Taiwan	778	0	10	0	0	7,966	0	8,753	0.4
Philippines	4,479	0	305	0	0	764	2	5,549	0.3
Singapore	1,484	0	152	297	0	1,272	685	3,890	0.2
Other 3rd countries	8,352	1,475	8,418	875	25	12,532	7,685	39,362	2.0
<b>3rd countries, total</b>	<b>221,262</b>	<b>1,550</b>	<b>22,452</b>	<b>1,885</b>	<b>79</b>	<b>362,151</b>	<b>11,260</b>	<b>620,640</b>	<b>31.6</b>
<b>Exports, total</b>	<b>298,164</b>	<b>394,209</b>	<b>51,691</b>	<b>53,975</b>	<b>88,004</b>	<b>1,040,905</b>	<b>35,710</b>	<b>1,962,659</b>	<b>100.0</b>

### Top 10 importers of Danish pig meat measured in value

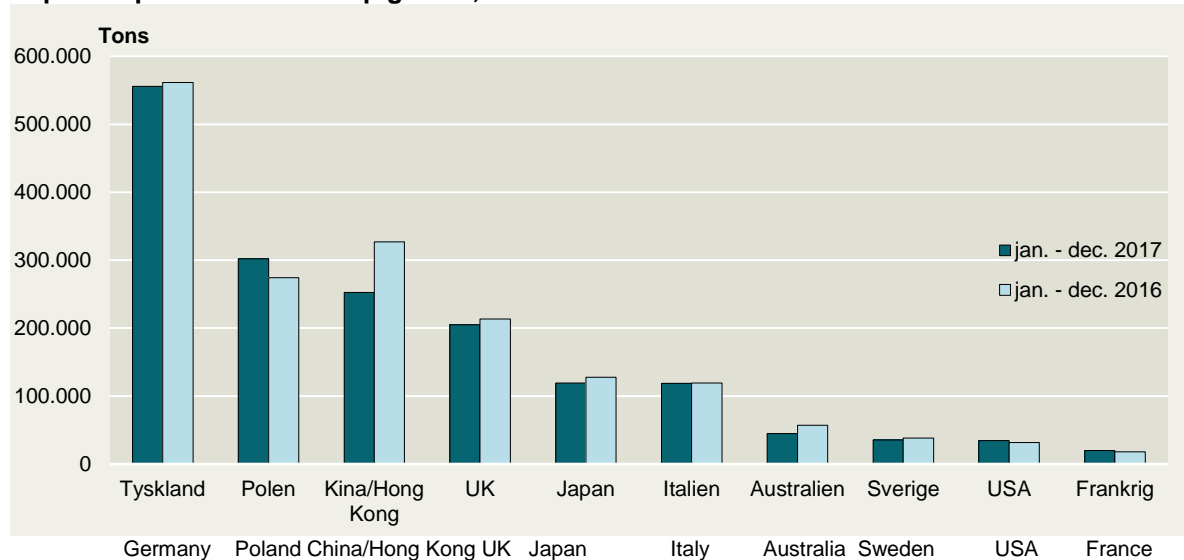
The chart below shows the top 10 countries for Danish pig meat exports ranked according to value for January-December 2017. All pig meat (including live pigs) is included.

Countries	Jan-Dec 2017		Jan-Dec 2016	
	Value in DKK million	Tonnes	Value in DKK million	Tonnes
Germany	7,814	555,976	6,787	561,495
Poland	4,871	301,736	3,672	274,396
Japan	3,695	119,179	3,921	127,488
UK	3,431	204,722	3,469	213,498
China/Hong Kong	3,042	252,633	4,099	326,821
Italy	1,812	118,685	1,689	119,218
USA	1,031	34,625	967	31,730
Australia	993	44,535	1,111	56,827
Sweden	752	35,299	770	38,164
France	466	19,925	409	18,077
<b>Top 10 total</b>	<b>27,908</b>	<b>1,687,314</b>	<b>26,893</b>	<b>1,767,714</b>
Other countries	4,146	224,341	3,480	194,945
<b>Total</b>	<b>32,054</b>	<b>1,911,655</b>	<b>30,373</b>	<b>1,962,659</b>

### Top 10 importers of Danish pig meat, DKK million



### Top 10 importers of Danish pig meat, tonnes





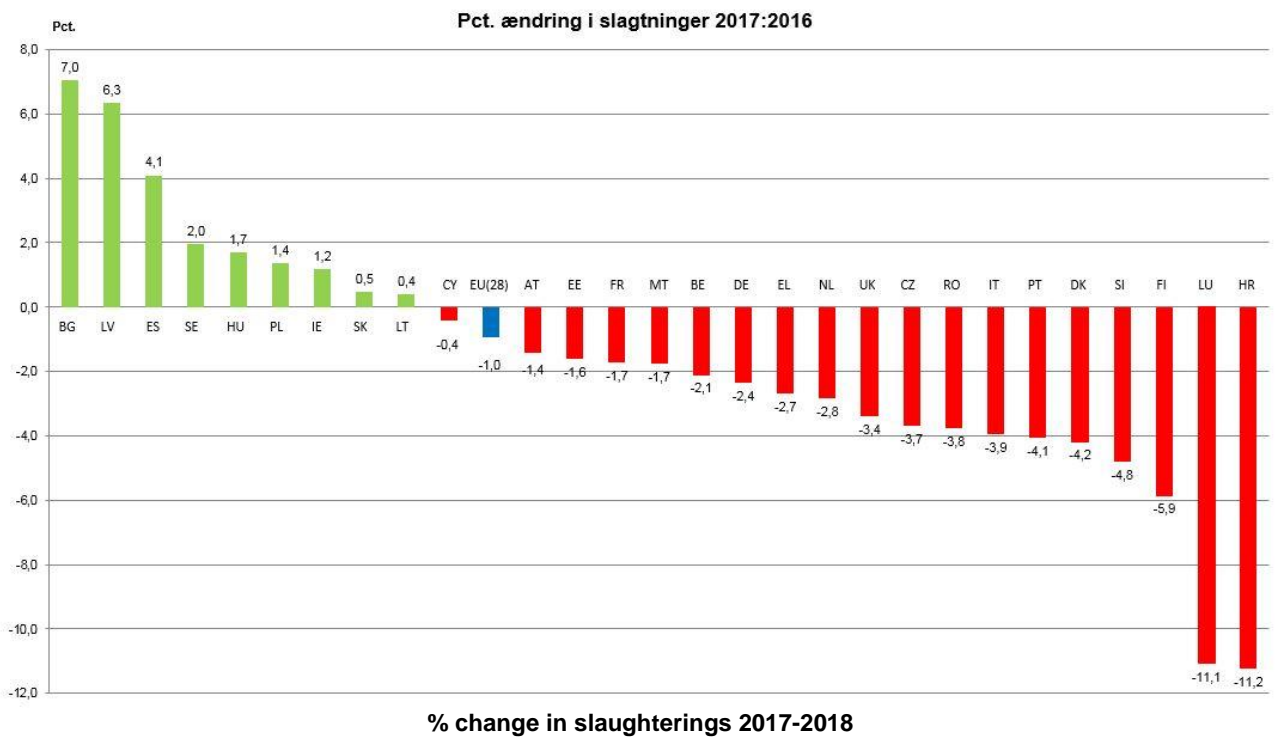
### Pig slaughterings declined 1% in 2017

Based on reports from individual EU countries, Eurostat has now published figures for pig slaughterings in 2017. The figures show that total slaughterings – 254.7 million head - in the EU were 1.0% down compared to 2016. The chart below shows the percentage changes in slaughterings for individual EU countries.

Among the major producing countries, there was an increase in slaughterings for Spain and Poland of 4.1% and 1.4%. The increase for Spain is due to a growth in Spain's own pig production, while the increase for Poland is a result of increased imports of piglets from Denmark, etc.

Germany, France, Denmark and Belgium recorded a decline in slaughterings in 2017: the largest decline was Denmark at -4.2%.

The figures also show a fall for Holland. However, this does not tally with other sources which have reported an increase for 2017.



### BELGIUM

#### Authorities close small slaughterhouse following data labelling fraud

Agra Europe reports that the Belgian authorities have closed a small Belgian slaughterhouse after an inspection revealed fraud on meat labels, i.e. some labels were removed and replaced by others with more recent dates.

The slaughterhouse concerned is the Veviba slaughterhouse in Bastogne, belonging to the Verbist group.

Supermarket chains, Delhaize Group and Colruyt, have announced that they will stop all co-operation with Veviba while the scandal is being investigated. A spokesperson from Delhaize has also stated that all meat from the Verbist Group will be withdrawn from supermarkets.

 **CANADA**
**Pig census 1 January**

The Canadian pig census from 1 January 2018 was published last week.

The results show a rise in the total population of 2.7% while there was a 1.3% increase in the breeding herd.

'000	1 Jan 2018	1 Jan 2017	% change 2018:2017
Breeding herd	1,272.9	1,256.9	1.3
Piglets and finished pigs	13,052.1	12,688.1	2.9
<b>Total</b>	<b>14,325.0</b>	<b>13,945.0</b>	<b>2.7</b>

According to Statistics Canada, there were 8,270 pig farms in Canada on 1 January, which is a rise of 0.1% compared to one year ago.

In 2017, pig slaughterings in Canada rose by 1.6% to 21.8 million.

Exports of live pigs to the US totalled 5.6 million head in 2017, a decline of 1.0% compared to 2016 and 44% lower than in 2007 when exports of live pigs to the US were at their peak.

 **USA**  **PARAGUAY**
**Paraguay opens its market to US pig meat**

The authorities in Paraguay and USA have entered into a veterinary agreement, which opens up the Paraguayan market to US pig meat.

The National Pork Producers Council welcomes the agreement. A spokesman commented: "Paraguay will not be a major market for US pig meat but in the current trading climate the US pig meat industry needs new markets."

 **BRAZIL**
**Former BRF executives arrested**

On Monday last week, Brazilian police arrested a number of former and current senior executives of Brazil Foods (BRF) on charges that they knew the company engaged in fraud to evade food safety inspections. Among those arrested were BRF's former CEO Pedro Faria and the former vice-president of global operations, Helio dos Santos.

The arrests – coupled with poor financial results – caused shares in BRF to plunge 19% on the Sao Paulo stock exchange on Monday last week.

Pedro Faria and Helio dos Santos were released on Friday but cannot return to their posts at the company while investigations continue.


**VIETNAM/ USA**
**Dispute between Vietnam and USA about ractopamine**

Agra Europe reports that a dispute about ractopamine has arisen between Vietnam and USA.

The US has raised concerns at the WTO about Vietnamese proposals for new import regulations for the country. The new regulations will mean zero tolerance and remove previous maximum limits for a number of feed additives, including beta agonist ractopamine.

The US concerns were shared by Canada and New Zealand at the WTO meeting. Vietnam responded that so far this is only a proposal, and opinions were still being sought. However, Vietnam emphasised that the proposal for new import regulations is based on international standards and that they had no wish to discriminate against any WTO member countries.


**CHINA**
**Lowest pig prices in four years**

Reuters news agency reports that Chinese pig prices hit their lowest in nearly four years this week.

The decline is a result of rapidly expanded production on the part of major pig producers, which has outpaced slowing growth in demand.

Live pig prices are now hovering around 11 yuan per kg. This means that even major producers are losing money at current prices.


**CHINA**
**Foot and mouth disease**

Last week, the authorities in China reported one outbreak of foot and mouth disease in Henan province. Some 1,200 sheep have been affected.


**JAPAN**
Development in pig meat storage

Tonnage	Own production		Imported volumes		Total storage
	Fresh	Frozen	Fresh	Frozen	
End January 17	442	16,843	7,780	150,579	175,644
End February 17	1,454	16,149	7,443	146,058	171,104
End March 17	417	15,433	9,556	152,113	177,519
End April 17	505	16,360	8,921	148,234	174,020
End May 17	456	17,341	8,794	155,611	182,202
End June 17	407	15,974	7,435	157,400	181,216
End July 17	691	13,767	6,408	155,203	176,069
End August 17	585	15,058	9,288	152,135	177,066
End September 17	984	14,244	6,267	149,558	171,053
End October 17	573	14,305	6,642	145,497	167,017
End November 17	725	14,897	11,574	142,430	169,626
End December 17	817	16,129	11,516	142,364	170,826
End January 18	744	15,805	9,278	150,931	176,758

 **PHILIPPINES**
Imports of pig meat

<b>0203</b>				
<b>Fresh/frozen pig meat</b>				
<b>Tonnes</b>	<b>Jan-Dec 2015</b>	<b>Jan-Dec 2016</b>	<b>Jan-Dec 2017</b>	<b>% change 17:16</b>
Canada	12,553	20,143	28,093	39.5
Germany	16,197	22,844	21,251	-7.0
USA	7,281	9,163	15,073	64.5
France	12,088	11,366	12,030	5.8
Spain	3,552	6,307	7,214	14.4
Holland	1,082	1,385	2,756	99.0
UK	386	1,461	2,021	38.3
Ireland	1,064	1,329	1,313	-1.2
Belgium	1,316	948	1,285	35.5
Brazil	924	1,189	1,211	1.9
Denmark	1,695	1,574	1,100	-30.1
Australia	190	281	954	239.5
Others	276	127	220	-
<b>Total</b>	<b>58,604</b>	<b>78,117</b>	<b>94,521</b>	<b>21.0</b>

<b>020649</b>				
<b>By-products - pigs</b>				
<b>Tonnes</b>	<b>Jan-Dec 2015</b>	<b>Jan-Dec 2016</b>	<b>Jan-Dec 2017</b>	<b>% change 17:16</b>
Germany	23,897	32,748	42,403	29.5
Spain	18,263	30,093	38,232	27.0
USA	17,220	18,434	17,917	-2.8
France	12,006	15,402	13,555	-12.0
Holland	12,149	8,739	13,064	49.5
Belgium	8,912	10,109	10,218	1.1
UK	4,356	5,246	7,939	51.3
Canada	9,637	8,716	7,562	-13.2
Denmark	3,718	4,507	4,900	8.7
Ireland	1,810	2,295	2,079	-9.4
Australia	1,936	2,117	1,828	-13.7
Others	1,020	1,263	1,963	55.4
<b>Total</b>	<b>114,924</b>	<b>139,669</b>	<b>161,660</b>	<b>15.7</b>

<b>020641</b>				
<b>Pigs' liver</b>				
<b>Tonnes</b>	<b>Jan-Dec 2015</b>	<b>Jan-Dec 2016</b>	<b>Jan-Dec 2017</b>	<b>% change 17:16</b>
Spain	2,940	5,640	4,673	-17.1
Germany	2,286	3,170	3,331	5.1
Holland	3,279	2,583	3,266	26.4
Canada	1,565	1,684	2,856	69.6
UK	80	929	2,469	165.8
Ireland	1,709	1,122	2,060	83.6
Australia	1,345	2,190	2,059	-6.0
Belgium	587	1,037	844	-18.6
USA	104	189	382	102.1
Others	485	1,084	442	-59.2
<b>Total</b>	<b>14,380</b>	<b>19,628</b>	<b>22,382</b>	<b>14.0</b>



