

MARKET NEWS for pig meat



Market analysis

4 April 2018

Week 14

MARKET SITUATION

Europe: Trading in fresh legs is at slightly falling prices while trading in other cuts is largely at unchanged prices.

UK: Trading is stable. New contracts are being agreed at slightly increasing price levels.

Trade is reported as stable for Japan and sluggish for China

Slaughterings in Denmark

	Week 10	Week 11	Week 12	Week 1-12 2018/2017
Total	343,691	351,578	365,200	+3.5 %

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

PRICES DENMARK FOR WEEK 14

Finished pigs and sows

DKK/kg	DC	52 wk av
Finished pigs (basic weight class and basic meat percentage)	8.90	10.16
Sows (above 130 kg)	6.10	6.84

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	343.89	390.69
SPF+Myc	348.89	395.69
SPF	352.89	499.69
Organic	932.38	973.47
Market prices SPF region 1		
PRRS negative	440.00	448.00
PRRS positive	410.00	429.00
Market prices SPF region 2/3		
PRRS negative	440.00	448.00
PRRS positive	410.00	429.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	8.96 kr/kg	8.35 kr/kg	6.32 kr/kg	5.21 kr/kg	5.18 kr/kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	2/4	23/3	Change
2018			
Apr	54.28	58.43	-4.15
May	64.83	65.23	-0.40
Jun	73.55	74.15	-0.60
Jul	74.70	75.35	-0.65
Aug	74.90	75.45	-0.55
Sep	-	-	-
Oct	63.88	65.25	-0.37
Nov	-	-	-
Dec	58.75	60.43	-1.68
2019			
Jan	-	-	-
Feb	62.90	64.73	-1.83
Apr	66.88	68.25	-1.37
May	72.33	74.00	-1.67
Jun	76.58	77.65	-1.07
Jul	76.73	77.78	-1.05
Conversion factors: 1 lb = 0.4536 kg \$ = 6.0101			

**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 as follows:

Countries	Period		Year to date	
	19 March – 26 March		1 Jan- 18 March	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		4		134
Latvia		6		258
Lithuania		30		543
Poland		74	4	862
Italy			2	24
Ukraine	2		21	24
Czech Republic				18
Romania			3	

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

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

 **POLAND**
Erection of fence expected to begin in September

Last week, Poland's Minister of Agriculture, Krzysztof Jurgiel, announced that work is expected to begin in September on erecting a fence to prevent wild boar from Ukraine and Belarus entering Poland.

The announcement from the Minister follows a meeting in Warsaw between the EU's Agriculture Ministers, the EU Commissioner Vytenis Andriukaitis and the Agricultural Ministers of Ukraine, Belarus and Russia.

Following the meeting, Andriukaitis stated that EU countries must fight against the spread of African Swine Fever by stepping up border controls, hunting practices and boar population control.

 **CHINA/ USA**
China imposes higher tariffs on US pig meat

As a countermeasure to President Trump's import restrictions on Chinese steel and aluminium, China has imposed higher tariffs on a number of US products, including pig meat.

Pig meat is now subject to additional tariffs of 25% over and above the existing tariffs of 12% for cuts and 20% for by-products.

 **USA**
Pig census 1 March 2018

The results of the US pig census from 1 March 2018 have been published. They show a rise of 3.1% in the total pig population with a rise in the breeding herd of 1.7%.

Expected farrowings for the current quarter are 2.1% higher compared to one year ago, while for the coming quarter, there is a rise of 1.4% compared to the same quarter last year.

'000 head	2018 1 March	2017 1 March	% change
Breeding herd	6,200	6,098	1.7
Piglets and finished pigs	66,708	64,603	3.3
Total	72,908	70,701	3.1
	2018	2017	
Expected farrowings:			
March-May	3,078	3,014	2.1
June-Aug	3,165	3,121	1.4

The results of the pig census are on a par with previous forecasts and confirm that 2018 will see a rise in US pig slaughterings of between 3-4 per cent compared to the previous year.

The rise in US pig production is taking place against a backdrop of periods in 2016 and 2017 of relatively low feed prices and profitable pig production combined with the construction of new US pig abattoirs.

US sources have previously estimated that the opening of a number of new abattoirs in the US means that US slaughtering capacity is at least 7% higher in 2018 compared to 2017.

 **CANADA**
Negotiations begin on a free trade agreement with Mercosur

Last week, Canada began negotiations with Mercosur (Brazil, Argentina, Uruguay and Paraguay) on a future free-trade agreement.

The negotiations are taking place at the same time as Canada – following a request from the United States – has begun NAFTA renegotiations and at the same time as Mercosur is finalising a free-trade agreement with the EU.

 **AUSTRALIA**
Australia's Trade Minister anticipates free trade agreement with UK

According to the Australian media, Australia's Trade Minister, following a meeting in London with the UK's Secretary of State for International Trade, Liam Fox, has expressed the urgency of starting negotiations on a free trade agreement with the UK.

Following the meeting, Australia's Trade Minister Steve Ciobo announced that he hopes a free trade agreement between Australia and the UK can be implemented on 1 January 2021 when the UK leaves the EU. At any rate, the agreement should be negotiated during the transition period which begins on 30 March next year.

Ciobo also expects the EU to take steps to negotiate a free trade agreement between the EU and Australia in the middle of next year.

 **SOUTH KOREA**
Foot and mouth disease at a pig farm

Last week, the authorities in South Korea reported one case of foot and mouth disease at a pig farm comprising 1059 pigs in the city of Gimpo, 30 km north-west of Seoul. All pigs have been culled.

No further outbreaks are expected because South Korea inoculates its pigs and cattle against the virus.

This time, the infection was caused by the type A virus. Last year, a number of cattle were infected by the type O virus. Between 2010 and 2016, there were a number of cases of foot and mouth disease in the country caused by the type A virus.

 **VIETNAM**
Fall in pig prices

Asian Agribusiness reports strongly falling pig prices in Vietnam, which means that many of the country's pig producers are leaving the industry.

According to figures from Vietnam's Ministry of Agriculture, prices for live pigs in March fell by \$0.04-\$0.13 per kg live weight to \$1.30 per kg live weight. As production costs amount to \$1.23 per kg live weight, this means that producers are once again losing money.

The fall comes despite the decline in pig production in the initial months of 2018. By contrast, increasing prices and growing optimism were reported among Vietnamese pig producers for the first two months of the year. The recent fall in production is a consequence of an economically tough year in 2017.

 **MONGOLIA**
15 outbreaks of foot and mouth disease

The Mongolian authorities have reported 15 cases of foot and mouth disease in the first months of 2018. The cases are spread across the country and have affected cattle, goats and sheep.

 DENMARK
Slaughterings

2016	Pigs/sows 50-110 kg	Sows etc above 110 kg	Total
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 50-110 kg	Sows, etc. above 110 kg	Total
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 50-110 kg	Sows, etc. above 110 kg	Total
January	1,384,299	48,982	1,433,281
February*	1,389,381	42,296	1,431,677
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
Jan-Feb.*	2,773,680	91,278	2,864,958

* = Preliminary figures


Exports of live pigs

The 2017 export figures are preliminary and adjustments for individual months should 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 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	981,920	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 Over 135 kg	Total
	0-15 kg	15-50 kg			
January	36,440	1,142,629	15,430	3,952	1,198,451
February*	30,271	1,089,102	15,883	2,507	1,137,763
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Jan-Feb.*	66,711	2,231,731	31,313	6,459	2,336,214

* = Preliminary figures

