

MARKET NEWS for pig meat



Market analysis

7 May 2018

Week 19

MARKET SITUATION

Europe: Trading in fresh legs is at falling prices. As regards other cuts, trading is largely at unchanged prices. Growing demand for BBQ products.

UK: Sales are stable.

Sales are reported as sluggish for China and stable for Japan.

Slaughterings in Denmark

	Week 15	Week 16	Week 17	Week 1-17 2018/2017
Total	363,829	371,945	291,607	+4.8 %

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

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	4/5	27/4	Change
2018			
May	67.08	66.10	0.98
Jun	73.53	72.63	0.90
Jul	75.58	76.23	-0.65
Aug	75.60	76.63	-1.03
Sep	-	-	-
Oct	63.05	64.48	-1.43
Nov	-	-	-
Dec	58.03	59.38	-1.35
2019			
Jan	-	-	-
Feb	62.98	63.65	-0.67
Apr	67.08	67.38	-0.30
May	72.08	72.50	-0.42
Jun	76.28	76.13	0.15
Jul	76.15	75.83	0.33
Aug	75.75	75.43	0.33
Conversion factors: 1 lb = 0.4536 kg \$ = € 6.2237			



African Swine Fever

According to the EU Commission's reporting system for the outbreak of disease, the following outbreaks of ASF were reported for the following countries and Ukraine up to and including 29 April.

Countries	Period 22 April – 29 April		Year to date 1 Jan – 29 April	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		2		154
Latvia		4		301
Lithuania		33		817
Poland		45	4	1136
Italy			2	24
Ukraine		1	23	27
Czech Republic				28
Romania			3	
Hungary				1

HUNGARY

New case of ASF in wild boar

Last week, the authorities in Hungary reported a further two cases of ASF in wild boar (not yet on the above list from the EU Commission).

The new cases are a few kilometres from the first one the previous week.

The authorities hope that the infection can be contained within the Heves area, where all three cases have been discovered so far. The area has a wild boar population of just over 3,000 while the population in Hungary overall is around 100,000.

As regards Hungarian pig meat exports out of the EU, U.S. Canada, New Zealand and Hong Kong have accepted a regionalisation of exports from Hungary.

MOLDOVA

African Swine Fever

Last week, the authorities in Moldova reported one outbreak of ASF 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	1,384,367	48,982	1,433,349
February	1,389,757	42,296	1,432,053
March	1,602,828	49,004	1,651,832
April			
May			
June			
July			
August			
September			
October			
November			
December			
Jan-Mar	4,376,952	140,282	4,517,234

Exports of live pigs

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 above 135 kg	Total
	0-15 kg	15-50 kg			
January	36,440	1,142,852	14,798	3,812	1,197,902
February	30,271	1,089,102	15,883	2,507	1,137,763
March	29,057	1,257,597	24,093	3,047	1,313,794
April					
May					
June					
July					
August					
September					
October					
November					
December					
Jan-Mar	95,768	3,489,551	54,774	9,366	3,649,459



USA

Pig meat storage 12 per cent higher compared to one year ago

U.S. storage of frozen pig meat was 12 per cent higher on 31 March this year compared to one year ago. Compared to the month before, however, there is only a marginal increase of 0.2 per cent.

1,000 lbs	31 Mar 2017	28 Feb 2017	31 Mar 2018
Picnics	8,783	8,645	11,314
Legs	90,193	122,745	96,296
Bellies	20,570	49,012	59,210
Loins	36,361	38,740	39,529
Ribs	140,639	131,601	143,964
Trimming	40,087	51,183	56,416
Butts	21,925	22,468	20,622
By-products	138,023	130,377	129,418
Other	48,882	55,009	54,279
Total pig meat	545,463	609,780	611,048
Beef	464,001	459,339	463,971
Poultry	1,198,750	1,330,197	1,337,836

Compared to one year ago, stocks of bellies and trimmings have seen particular increases. However, belly stocks have emerged from a record low in 2017.

Increasing storage levels combined with the expected increase in pig meat production confirm that 2018 is expected to see rising supplies of U.S. pig meat in the U.S. domestic market as well as in export markets.



USA

Increased exports of pig meat to South Korea in Q1 2018

Figures for U.S. pig meat exports for Q1 2018 show largely unchanged exports to Mexico and Japan while exports to South Korea have increased sharply compared to the previous year.

The USDA have stated that measured in volume, overall exports increased by 1 per cent, while in terms of value, exports rose by 8 per cent to USD 1.7 billion. Exports amounted to 26.6 per cent of the total U.S. production of pig meat.

The decline in pig meat exports (by-products) to China in Q1 2018 is expected to intensify with effect from 2 April when China's additional import tariffs on U.S. pig meat came into effect.

There were strong increases in exports to Colombia in Q1 2018.

Increased exports to Honduras and Guatemala resulted in total exports to Central America - at 18,600 tonnes - were 16 per cent higher compared to the same quarter last year. In terms of value, exports increased 22 per cent to USD 45 million.

Increasing exports to the Philippines and a sharp rise in exports to Vietnam and Singapore mean an overall rise in pig meat exports to the ASEAN region of 21 per cent to 10,600 tonnes. In terms of value, the increase amounted to 32 per cent to USD 29.5 million.

The tables below show U.S. exports of pig meat divided into fresh/frozen pig meat, processed pig meat and by-products for Q1 2018 compared to the corresponding quarters in 2017 and 2016.

Exports of pig meat

0203				
Fresh/frozen pig meat				
Tonnes	Jan-March 2016	Jan-March 2017	Jan-March 2018	% change 18:17
Mexico	119,939	160,834	159,920	-0.6
Japan	88,921	95,152	93,520	-1.7
South Korea	36,124	47,615	64,014	34.4
China	41,599	35,644	36,489	2.4
Canada	20,603	25,450	24,910	-2.1
Colombia	7,942	14,643	20,999	43.4
Australia	13,811	17,834	19,372	8.6
Hong Kong	12,457	8,515	6,464	-24.1
Others	64,103	64,749	88,435	36.6
Total	373,878	442,219	468,370	5.9

160249, 160241, 160242, 021012, 021019, 021011				
Processed pig meat				
Tonnes	Jan-March 2016	Jan-March 2017	Jan-March 2018	% change 18:17
Canada	37,872	32,754	33,013	0.8
Mexico	5,908	7,887	8,402	6.5
Japan	4,168	3,984	5,099	28.0
Philippines	2,061	2,604	2,461	-5.5
Australia	1,089	1,385	1,324	-4.4
South Korea	2,807	2,630	2,164	-17.7
Others	17,077	16,521	18,457	11.7
Total	70,982	67,765	70,920	4.7

020649				
By-products				
Tonnes	Jan-March 2016	Jan-March 2017	Jan-March 2018	% change 18:17
China	29,966	43,291	29,858	
Hong Kong	31,154	34,151	29,411	-13.9
Mexico	23,174	26,592	21,593	-18.8
Philippines	2,626	2,501	3,282	31.2
Canada	1,678	2,439	2,815	15.4
Japan	2,144	2,548	2,800	9.9
South Korea	1,443	1,622	2,573	58.6
Taiwan	892	645	1,434	122.3
Others	8,736	5,139	7,479	45.6
Total	95.272	118.265	97.007	-18.0

 **RUSSIA**
Sharp rise in pig production in Q1 2018

International news media report that Russia's total pig production – measured in live weight – amounted to 1.1 million tonnes in Q1 2018. This is a rise of 9.3% compared to Q1 2017. Of this, production from commercial pig production totals 960,000 tonnes – a rise of 12.1 per cent compared to the same quarter last year.

The most significant rise in production is in the following regions: Voronezh, Pskov, Kursk, Tomsk and Tver. By contrast, a decline in production was recorded for Chelyabinsk, Omsk, Krim, Udmurtia, Kabardino-Balkaria and Perm.

 **SWEDEN**
Stable slaughterings in Q1 2018

The latest overview of pig slaughtering numbers at Swedish slaughterhouses from the Swedish organisation, Kött och Charkförtagen, shows the number of slaughterings was stable for Q1 2018 compared to Q1 2017.

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

	Q1			Jan – Dec		
	2018	2017	% change 18:17	2017	2016	% change 17:16
Scan Kristianstad	180,557	180,373	0.1	725,811	715,282	1.5
- KLS Ugglarps Kalmar	110,554	118,754	-6.9	454,741	432,647	5.1
- KLS Ugglarps Ugglarp	65,345	62,913	3.9	258,410	234,956	10.0
KLS total	175,899	181,754	-3.2	713,151	667,603	6.8
Skövde Slakteri	71,586	71,831	-0.3	278,059	307,631	-9.6
Dalsjöfors Slakteri	93,863	88,552	6.0	330,056	325,489	1.4
AJ Dahlbergs Slakteri	48,503	38,946	24.5	166,636	143,396	16.2
Ginsten Slakteri	19,193	20,580	-6.7	79,615	87,541	-9.1
Gotlands Slakteri	22,142	17,604	25.8	72,402	74,783	-3.2
Siljans Chark	14,519	14,770	-1.7	57,078	54,540	4.7
Alviksgården	9,075	8,986	1.0	32,837	32,852	-0.0
Lovsta Kott	6,487	6,615	-1.9	25,862	26,518	-2.5
Knorrevången Slakt	5,748	5,650	1.7	23,659	19,643	20.4
Other	7,317	18,459	-60.4	68,292	71,383	-4.3
Total slaughterings	654,889	654,033	0.1	2,573,458	2,526,661	1.9

 **CHINA**
New Hope Liuhe warns of possible losses for first half year 2018

Reuters reports that the major Chinese agricultural company, New Hope Liuhe, has warned of possible losses for the first half year 2018.

The company has given no reason for the warning, but Reuters points to sharply declining pig prices as the probable cause.

In recent years, New Hope Liuhe has significantly expanded its pig slaughtering and pig production businesses and is one of China's largest pig producers. The majority of the company's income, however, continues to derive from feed production. In 2017, the feed company posted profits of 972 million yuan whereas pig production profits totalled 439 million yuan.


Pig meat imports

0203				
Fresh/frozen pig meat				
Tonnes	Jan-March 2016	Jan-March 2017	Jan-March 2018	% change 18:17
Germany	70,483	74,560	68,351	-8.3
Spain	49,558	70,185	64,071	-8.7
Canada	28,329	42,979	39,672	-7.7
USA	35,932	38,013	35,442	-6.8
Brazil	3,948	17,124	24,818	44.9
Denmark	31,548	25,520	23,402	-8.3
Holland	14,557	22,593	20,111	-11.0
France	17,623	12,935	12,187	-5.8
Chile	8,685	9,047	10,608	17.3
UK	9,980	11,668	10,381	-11.0
Ireland	8,077	8,810	8,496	-3.6
Hungary	4,759	9,279	4,193	-54.8
Belgium	2,365	2,002	1,332	-33.5
Mexico	-	59	552	835.6
Others	249	1,401	384	-72.6
Total	286,093	346,175	324,000	-6.4

020649				
By-products - pig				
Tonnes	Jan-March 2016	Jan-March 2017	Jan-March 2018	% change18:17
USA	71,450	92,231	81,078	-12.1
Germany	46,094	52,026	36,831	-29.2
Denmark	50,901	38,774	31,798	-18.0
Spain	24,182	34,239	28,269	-17.4
Canada	23,130	31,371	28,260	-9.9
Holland	18,639	23,982	25,053	4.5
France	12,890	14,193	14,427	1.6
Chile	6,024	6,460	7,153	10.7
Ireland	5,216	5,602	5,545	-1.0
UK	6,499	6,776	5,052	-25.4
Belgium	4,275	6,071	4,621	-23.9
Hungary	3,105	3,759	2,658	-29.3
Finland	-	-	412	-
Mexico	-	51	125	145.1
Other	232	1,977	1	-99.9
Total	272,637	317,512	271,283	-14.6

020641				
Pig's liver				
Tonnes	Jan-March 2016	Jan-March 2017	Jan-March 2018	% change 18:17
Chile	0	0	120	-
Spain	17	50	101	102.0
UK	-	22	-	-
Denmark	3	-	-	-
Canada	8	77	-	-100.0
Total	29	149	221	48.3


HONG KONG

Imports of pig meat

0203				
Fresh/frozen pig meat				
Tonnes	Jan-March 2016	Jan-March 2017	Jan-March 2018	% change18:17
Brazil	32,939	22,782	29,985	31.6
China	10,711	11,365	9,775	-14.0
USA	12,809	16,796	8,660	-48.4
Poland	3,032	6,749	5,427	-19.6
Germany	5,805	6,134	4,998	-18.5
Spain	3,188	3,935	3,479	-11.6
Holland	4,342	5,922	3,253	-45.1
Vietnam	2,550	4,182	2,586	-38.2
Italy	391	1,269	775	-38.9
UK	966	745	610	-18.1
Canada	1,304	776	416	-46.4
France	864	845	324	-61.7
Australia	126	139	261	87.8
Argentina	252	277	208	-24.9
Others	2,106	2,447	877	-64.2
Total	81,385	84,363	71,634	-15.1

020649				
By-products - pigs				
Tonnes	Jan-March 2016	Jan-March 2017	Jan-March 2018	% change 18:17
USA	29,131	26,528	31,660	19.3
Germany	15,642	15,741	17,697	12.4
Brazil	12,714	11,078	15,595	40.8
Poland	10,806	9,432	10,446	10.8
Holland	9,999	9,425	8,130	-13.7
Spain	10,103	10,432	7,771	-25.5
UK	4,141	3,407	4,493	31.9
Belgium	3,392	2,692	3,245	20.5
Italy	5,360	4,204	3,232	-23.1
France	1,271	2,221	1,552	-30.1
Denmark	454	537	1,327	147.1
Australia	821	726	1,063	46.4
Russia	272	822	1,008	22.6
Argentina	393	596	738	23.8
Canada	3,033	527	678	28.7
Portugal	401	329	462	40.4
Other	3,274	3,249	3,655	12.5
Total	111,207	101,946	112,752	10.6

 **SOUTH KOREA**
Imports of fresh/frozen pig meat

0203				
Fresh/frozen pig meat				
Tonnes	Jan-March 2016	Jan-March 2017	Jan-March 2018	% change 18:17
USA	43,012	37,386	50,449	34.9
Germany	19,676	28,073	29,104	3.7
Spain	16,463	16,550	19,035	15.0
Canada	8,710	9,303	9,791	5.2
Chile	8,612	7,160	7,365	2.9
Holland	3,934	6,098	6,683	9.6
Denmark	4,000	5,273	5,633	6.8
Austria	3,657	4,552	4,678	2.8
Belgium	3,128	2,634	3,585	36.1
Mexico	2,332	3,601	3,432	-4.7
France	1,730	2,003	2,324	16.0
Hungary	782	1,173	1,527	30.2
Ireland	1,207	1,636	925	-43.5
Finland	832	737	816	10.7
UK	593	705	774	9.8
Australia	87	259	515	98.8
Sweden	386	536	402	-25.0
Other	1	-	-	-
Total	119,142	127,679	147,037	15.2

 **JAPAN**
Development in storage of pig meat

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
End February 18	626	16,485	8,398	156,307	181,816
End March 18	963	19,511	7,334	153,166	180,974

 **THAILAND**
Still no decision on imports of U.S. pig meat

Thailand's Agriculture Minister has confirmed that no decision has yet been made on allowing imports of pig meat from the U.S. The Minister says that his ministry requires at least one year to thoroughly examine the consequences that importing U.S. pig meat would have on Thai consumers.

A number of agricultural organisations in Thailand have been protesting for some time against a possible deal on imports of U.S. pig meat. According to the agricultural organisations, there is strong pressure from the U.S. to open up the Thai market to U.S. pig meat.

Thailand has banned imports of U.S. pig meat for the past 12 years because of the use of ractopamine in U.S. pig production.

 **THAILAND**
Sow welfare criticised by Thai welfare organisation

Asian Agribusiness reports that the Thai Animal Protection organisation has criticised sow welfare in Thailand's pig production. The organisation believes that welfare is far below international standards.

"Sows/pigs are reared in a generally overcrowded environment and suffer throughout their lives. Both pig producers and the retail sector can play a part in changing the situation," says the head of the Thai Animal Protection organisation.

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

0203				
Fresh/frozen pig meat				
Tonnes	Jan-March 2016	Jan-March 2017	Jan-March 2018	% change 18:17
USA	13.684	18.061	20.113	11.4
Denmark	15.494	15.497	11.987	-22.6
Holland	2.581	7.621	6.403	-16.0
Canada	5.321	5.976	3.361	-43.8
Ireland	2.054	1.904	1.845	-3.1
Belgium	969	739	472	-36.1
UK	377	23	161	600.0
Other	1	88	37	-58.0
Total	40.481	49.909	44.379	-11.1

 **BRAZIL**
Exports of fresh/frozen pig meat

Tonnes	Jan-March 2016	Jan-March 2017	Jan-March 2018	% change 2018:17
China	10,948	15,569	39,175	151.6
Hong Kong	28,734	23,776	31,311	31.7
Argentina	4,896	10,162	9,629	-5.2
Singapore	9,976	8,278	8,691	5.0
Uruguay	5,709	6,345	8,436	33.0
Chile	3,929	5,448	7,081	30.0
Angola	6,074	5,271	5,368	1.8
Georgia	2,707	1,497	4,505	200.9
Other	66,740	77,099	15,108	-80.4
Total	139,713	153,445	129,304	-15.7

 **ISRAEL**
Foot and mouth disease

Last week, the authorities in Israel reported four cases of foot and mouth disease. Both cattle and mountain gazelles have been affected.