

MARKET NEWS for pig meat



Market analysis

28 May 2018

Week 22

MARKET SITUATION

Europe: Trading in fresh legs is stable and at unchanging or slightly increasing prices. Other cuts are largely unchanged.

UK: Sales are good and at increasing prices.

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

Slaughterings in Denmark

	Week 18	Week 19	Week 20	Week 1-20 2018/2017
Total	317,876	235,481	371,516	+3.7 %

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)		
	25/5	21/5	Change
2018			
Jun	74.20	74.00	0.20
Jul	77.55	76.85	0.70
Aug	76.08	76.05	0.03
Sep	-	-	-
Oct	62.83	62.30	0.53
Nov	-	-	-
Dec	58.48	57.95	0.52
2019			
Jan	-	-	-
Feb	63.30	62.63	0.67
Apr	67.38	66.50	0.88
May	72.00	71.93	0.08
Jun	75.85	75.30	0.55
Jul	76.00	75.20	0.80
Aug	75.90	74.90	1.00
Oct	66.00	66.00	0.00
Conversion factors: 1 lb. = 0.4536 kg \$ = € 6.3799			



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 20 May.

Countries	Period 13 May – 20 May		Year to date 1 Jan – 20 May	
	Pigs	Wild boars	Pigs	Wild boar
Estonia		1		156
Latvia		9		323
Lithuania		41		897
Poland	1	31	5	1262
Italy			2	24
Ukraine			26	27
Czech Republic				28
Romania			3	
Hungary		2		7

POLAND

Fencing plans to be reviewed

Plans to erect a fence to prevent wild boars from Ukraine and Belarus entering Poland will be reassessed by a working group consisting of several Polish ministers, reports the Polish media.

In recent months there has been some disagreement within the Polish government as to whether the construction of a fence remains relevant.

The Polish Minister for the Environment is reported as saying that the fence makes no sense in the current situation where African Swine Fever has spread to central Poland. He believes that plans for the fence at the eastern border were relevant some years ago. At that time, only a few areas in eastern Poland had been affected and it was possible to contain the disease.

According to the government's current plans, the fence, which is planned to be in place by the end of 2020, will be 1,200 km long and will cost EUR 54.7 million euros.

CHINA

Slowly increasing pig meat prices

After a long period of falling prices, there are signs that China's pig meat prices are beginning to rise.

CHINA

Foot and mouth disease

Last week, the authorities in China reported one outbreak of foot and mouth disease to the authorities. 79 head of cattle and 7 goats have been affected. The outbreak occurred in the Hubei region in the east of the country.


VIETNAM
Increasing pig prices and decline in pig population

Pig prices in Vietnam are continuing to rise. According to Asian Agribusiness, pig meat prices have now doubled compared to last year. The reason is the decline in the country's pig population. Official figures show that the pig population is 5.8 per cent lower compared to one year ago.


THAILAND
Pigs producers believe that the ban on imports of U.S. pork is justified

The Swine Raisers Association of Thailand has now responded once again to U.S. pressure to open up the market in Thailand to U.S. pig meat.

The producers' organisation believes that a continued ban on imports of non-heat-treated U.S. pork is justified given that the pork is, to a large extent, produced using ractopamine.

The producer organisation says that in Thai cuisine there is a tradition for using pig intestines, which may contain large concentrations of ractopamine if U.S. pig meat is used. Ractopamine is a beta agonist that is restricted or prohibited in more than 160 countries across the world, including the EU, China and Russia.


BRAZIL
Lorry drivers' strike shuts down slaughterhouses

A strike among Brazilian lorry drivers shut down a number of Brazilian slaughterhouses last week, reports Reuters.

The strike has affected all freight transport and has caused severe shortages of fuel, food, animal feed etc.

According to the Brazilian Animal Protein Association (ABPA) 152 poultry and pork processing plants have suspended production. If feed supplies are not resumed, there is a risk that livestock will die.

The strike is the result of dissatisfaction among drivers due to increasing fuel prices. Over the past year, fuel prices have increased by almost 50 per cent and although the government has offered to reduce fuel taxes, the strikers are so far remaining firm.

On Sunday evening the Brazilian President put forward a proposal aimed at meeting the strikers' demands. The costs of the proposal will amount to \$2.6 billion says the minister who points out that the strike is having a significant impact on economic activity in the country.

The lorry drivers' union has recommended its members to accept the President's new proposal and to resume work on Monday. The union expects that the number of strikers to have significantly reduced by then.


BRAZIL
Brazil declared free of foot and mouth disease with vaccination

The World Organisation for Animal Health (OIE) declared Brazil free of foot and mouth disease with vaccination at its meeting last week.

The declaration will extend certification to the states of Roraima and Amapa in the north. The southern state, Santa Catarina, remains the only state in the country that is free of foot and mouth disease without vaccination.

The new status will bolster Brazil's prospects to export meat to more markets.

Brazil's Minister of Agriculture previously stated that a project is underway to ensure that the whole of Brazil will be free of foot and mouth disease without vaccination by 2022-2023.

 **ARGENTINA**
Argentina declared as Classical Swine Fever-free

At last week's meeting of the World Organisation for Animal Health, Argentina was declared free of Classical Swine Fever.

The last outbreak of the disease was in 1999 and Argentina declared itself free of CSF in 2005. However, the country has been awaiting international recognition since then.

 **UKRAINE**
Pig producer to expand with support from World Bank

Agra Europe reports that the Ukrainian pig producer, Nyva Pereyaslavshchyny, is planning to expand backed by EUR 12.5 million worth of funding from the World Bank's investment arm IFC.

The investment plans comprise the construction of a slaughterhouse to comply with EU food safety and animal welfare standards. In addition, a new pig production business will be established with a slurry plant able to handle up to 50 tonnes slurry per day.

This is the second time for Nyva Pereyaslavshchyny (NP) to receive support from IFC. According to the Chairman of Nyva Pereyaslavshchyny, financing from IFC is crucial in a situation where Ukrainian banks are currently unwilling to extend financing on similar terms.

IFC has so far invested more than USD 1 billion in the Ukrainian agroindustry in projects to help producers enter new export markets.

 **ALGERIA**
Foot and mouth disease

Last week, the authorities in Algeria reported 105 new cases of foot and mouth disease to the authorities. 1,223 cattle, 200 goats and 2,061 sheep have been affected by the outbreaks which occurred in the north of the country.

 **MYANMAR**
Foot and mouth disease

Last week, the authorities in Myanmar reported five cases of foot and mouth disease. 1,500 head of cattle have been affected.