

MARKET NEWS for pig meat



Market analysis

6 August 2018

Week 32

MARKET SITUATION

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

UK: Prices are reported as stable.

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

Slaughterings in Danmark

	Week 28	Week 29	Week 30	Week 1-30 2018/2017
Total	325,072	324,018	318,614	+3.7 %

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

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	3/8	27/7	Change
Aug	58.50	63.65	-5.15
Sep	-	-	-
Oct	50.78	50.88	-0.10
Nov	-	-	-
Dec	46.18	46.45	-0.28
2019			
Jan	-	-	-
Feb	53.60	53.58	0.02
Apr	60.25	59.50	0.75
May	67.50	66.18	1.33
Jun	72.30	71.00	1.30
Jul	72.55	71.45	1.10
Aug	72.50	70.83	1.68
Oct	60.88	60.20	0.67
Dec	57.00	56.25	0.75

Conversion factors:
1 lb = 0.4536 kg
\$ = DKK 6.4313



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 July.

Countries	Period 22 July - 29 July		Year to date 1 Jan – 29 July	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		3		187
Latvia	1	18	7	475
Lithuania	2	27	38	1106
Poland	10	35	75	1697
Italy			3	24
Ukraine	8	5	58	36
Czech Republic				28
Romania	91	2	518	17
Hungary		3		27

RUSSIA

African Swine Fever

Last week, Russia reported five cases of African Swine Fever. Two were found among wild boar and one at a small farm in the Kaliningrad region. The other two cases were found at small farms not far from Moscow.

CHINA

First outbreak of African Swine Fever

Last Friday, the Chinese authorities reported the first outbreak of African Swine Fever in the country.

Reuters reports that the infection was discovered at a small farm with a herd of 383 pigs in Shenyang in Liaoning province in north eastern China, approximately 200 km from the North Korean border. Some 47 pigs have died from the disease and approximately 1,000 pigs were culled in the area to prevent further infection. The culling of a further 8,069 pigs has also been reported.

Farmers have been banned from transporting pigs from the affected areas and from feeding the animals with untreated food waste.

This is the first outbreak of African Swine Fever in Asia. The disease has so far been confirmed in Russia, Europe and Africa.

On Monday, Japan reacted to the outbreak by imposing a temporary ban on imports of heat treated pig meat products from China. Japan already bans raw pig meat imports from China due to an outbreak of foot and mouth disease.

CHINA

Foot and mouth disease

Last week, the authorities in China reported one outbreak of foot and mouth disease. Some 149 head of cattle have been affected by the disease, which was discovered in Tongliao in Inner Mongolia in north east China.



EU

No plans to increase slaughter rates at EU slaughterhouses

Agra Europe reports that the EU has no plans to follow the United States, which is introducing new legislation that permits an increase in slaughtering rates at U.S. slaughterhouses.

In a written reply to a question raised in the European Parliament, EU Commissioner Marianne Thyssen says that the regulations on slaughter rates at slaughterhouses are not regulated at EU level and the Commission has no plans to change this. "In the EU, slaughter rates are governed by strict animal welfare and hygiene regulations which also have a positive indirect effect on the safety of employees," said the Commissioner.

The new regulations in the U.S. (c.f. Market News Week 9) mean that slaughterhouse employees are responsible for the duties previously carried out by inspectors employed by the public sector. U.S. consumer groups have been critical of the new regulations as they are concerned that more pathogens like salmonella will slip through the controls and impact consumers.



HOLLAND

Increasing exports of piglets to Spain

The German AMI reports that Holland exported 3.6 million piglets in the first half year. This is a rise of 8.5 per cent compared to the same period last year when exports amounted to 3.3 million. There was a significant rise in Dutch exports of piglets to Spain while imports to Germany are almost unchanged.

	Jan-June 2018	Jan-June 2017	% change 18:17
Germany	2.215.730	2.249.016	-1,5
Spain	578.682	158.114	266,0
Belgium/Luxembourg	487.555	445.933	9,3
Poland	61.619	59.114	4,2
Romania	54.498	79.441	-31,4
Hungary	4.217	112.989	-96,3
Others	156.276	175.003	-10,7
Total	3.558.577	3.279.610	8,5



USA

Smithfield loses lawsuit in North Carolina and is ordered to pay compensation

Reuters reports that a federal jury in North Carolina has ordered Smithfield's subsidiary, Murphy-Brown LLC, to pay compensatory damages to six residents living close to one of Murphy Brown's pig farms in North Carolina.

This is the third lawsuit in a row that the company has lost over noise and odour caused by pig farming, namely open slurry tanks.

In a previous interview, Smithfield CEO Ken Sullivan stated that the many lawsuits in the state posed an "existential threat" to Smithfield's business there. Ken Sullivan believes that discontinuing the practice of open slurry tanks instead of directly spreading the slurry on the land, as proposed by the residents, will undermine Smithfield's business.

Smithfield owns directly or by contract by far the majority of the 8.9 million pigs produced per year in North Carolina. Only Iowa produces more pigs.



USA

USA pig meat exports

0203				
Fresh/frozen pig meat				
Tonnes	Jan-June 2016	Jan-June 2017	Jan-June 2018	% change 18:17
Mexico	247,074	307,987	331,577	7.7
Japan	179,692	186,036	183,788	-1.2
South Korea	65,694	87,751	123,269	40.5
China	109,586	78,593	67,132	-14.6
Canada	45,539	50,526	50,774	0.5
Colombia	15,265	27,048	43,661	61.4
Australia	29,974	31,183	35,094	12.5
Hong Kong	27,528	21,897	10,953	-50.0
Others	64,103	64,749	88,435	36.6
Total	785,101	879,302	942,547	7.2

160249, 160241, 160242, 021012, 021019, 021011				
Processed pig meat				
Tonnes	Jan-June 2016	Jan-June 2017	Jan-June 2018	% change. 18:17
Canada	44,680	39,723	36,535	-8.0
Mexico	19,940	20,026	15,801	-21.1
Japan	7,814	9,231	9,084	-1.6
Philippines	3,643	4,226	3,537	-16.3
Australia	2,830	4,872	3,196	-34.4
South Korea	2,359	2,553	3,489	36.7
Others	12,488	13,190	13,887	5.3
Total	93,754	93,821	85,529	-8.8

020649				
By-products				
Tonnes	Jan-June 2016	Jan-June 2017	Jan-June 2018	% change 18:17
Hong Kong	62,247	69,375	59,209	-14.7
China	66,055	85,972	58,261	-32.2
Mexico	46,071	48,622	41,360	-14.9
Philippines	4,393	5,014	8,349	66.5
Japan	5,021	4,890	6,185	26.5
South Korea	3,340	3,023	5,351	77.0
Canada	3,112	4,090	4,861	18.9
Taiwan	1,414	1,562	2,908	86.2
Others	8,736	5,139	7,479	45.6
Total	195,501	230,935	194,589	-15.7

 **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
End February 18	626	16,485	8,398	156,307	181,816
End March 18	963	19,511	7,334	153,166	180,974
End April 18	670	18,083	6,542	152,671	177,966
End May 18	655	18,366	7,555	153,710	180,286
End June 18	644	16,790	5,591	155,496	178,521

 **AUSTRALIA**
Australia's imports of fresh/frozen pig meat

0203 Fresh/frozen pig meat				
Tonnes	Jan-June 2016	Jan-June 2017	Jan-June 2018	% change 18:17
USA	29,113	31,775	38,303	20.5
Denmark	29,180	25,422	22,851	-10.1
Holland	8,268	14,103	13,505	-4.2
Canada	9,555	9,986	7,141	-28.5
Ireland	3,875	3,398	3,244	-4.5
Belgium	1,901	2,017	995	-50.7
UK	982	164	466	184.1
Others	-	141	68	-51.8
Total	82,874	87,006	86,573	-0.5