

MARKET NEWS for pig meat



Market analysis

13 August 2018

Week 33

MARKET SITUATION

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

UK: Prices are reported as stable.

Sales activity has picked up for China and remains stable for Japan.

Slaughterings in Denmark

| | Week 29 | Week 30 | Week 31 | Week 1-31 2018/2017 |
|-------|---------|---------|---------|------------------------|
| Total | 324,018 | 318,614 | 321,250 | +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) | | |
|--|--|-------|--------|
| | 27/7 | 3/8 | Change |
| 2018 | | | |
| Aug | 54.80 | 58.50 | -3.70 |
| Sep | - | - | - |
| Oct | 51.18 | 50.78 | 0.39 |
| Nov | - | - | - |
| Dec | 47.48 | 46.18 | 1.30 |
| 2019 | | | |
| Jan | - | - | - |
| Feb | 53.98 | 53.60 | 0.38 |
| Apr | 61.00 | 60.25 | 0.75 |
| May | 69.00 | 67.50 | 1.50 |
| Jun | 74.08 | 72.30 | 1.78 |
| Jul | 74.20 | 72.55 | 1.65 |
| Aug | 73.60 | 72.50 | 1.10 |
| Oct | 60.55 | 60.88 | -0.33 |
| Dec | 56.60 | 57.00 | -0.40 |
| Conversion factors: 1 lb = 0.4536 kg \$ = DKK 6.5070 | | | |



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 5 August.

| Countries | Period 30 July – 5 August | | Year to date 1 Jan – 5 August | |
|----------------|------------------------------|-----------|----------------------------------|-----------|
| | Pigs | Wild boar | Pigs | Wild boar |
| Estonia | | 3 | | 190 |
| Latvia | 1 | 7 | 8 | 482 |
| Lithuania | 2 | 27 | 40 | 1133 |
| Poland | 8 | 46 | 83 | 1743 |
| Italy | | | 3 | 24 |
| Ukraine | 2 | | 60 | 36 |
| Czech Republic | | | | 28 |
| Romania | 101 | 4 | 619 | 21 |
| Hungary | | 2 | | 29 |



UKRAINE

African Swine Fever

Last week, the authorities in Ukraine reported two cases of African Swine Fever. One occurred at a small pig farm with four pigs in the southern part of the country. The other occurred at a farm of 577 pigs in central Ukraine.



MOLDOVA

African Swine Fever

Last week, the authorities in Moldova reported one outbreak of African Swine Fever at a small farm in the southern part of the country, close to the border with Romania.



CHINA

No further outbreaks of African Swine Fever

No further outbreaks of African Swine Fever have been reported following China's announcement last week of the first outbreak of the disease in the country.

The outbreak occurred at a small farm of 383 pigs in the city of Shenyang, 200 km from the border with North Korea. To prevent the disease from spreading further, the authorities culled 8,116 pigs within a radius of 3 km from the outbreak.

China's Minister of Agriculture announced that the authorities are introducing a number of measures to ensure that the disease is eradicated.

Movement of pigs in the affected area has been banned and feeding pigs with non-heat-treated food waste is forbidden. In addition, the local authorities have stepped up emergency veterinary services and have ensured that advice is provided on how pig farms in the area can increase their bio-safety management.

 **CHINA**
Increasing pig prices

Since May, Chinese pig prices have increased approximately 30 per cent, reports AHDB Pork. Despite the increase, the pig price continues to be around 10 per cent lower compared to one year ago.

For week ended 25 July, Chinese pig prices stood at 12.52 CNY per kg live weight. This is around the breakeven point, although some individual producers will still be making large losses.

 **VIETNAM**
Highest pig price in two years

Vietnam is also reporting rising pig prices. Asian Agribusiness reports that the price has reached USD 2.48 per kg, which is the highest level in two years.

The increasing pig prices are a consequence of a strong fall in the country's pig population. According to the Chairman of the Dong Nai Animal Husbandry Association, Nguyen Tri Cong, the price is still not high enough for pig producers to make a profit. He expects prices to remain high for the rest of the year.

 **EU**
May-June pig census

Eurostat has published some preliminary results from the May/June pig census for four EU countries: Germany, Denmark (1 July census) Italy and Hungary. Eurostat has also published the results of the May/June census for Serbia.

14 EU countries are expected to publish their figures for their respective pig populations for May/June 2018 compared to May/June 2017. Figures for the other 10 EU countries are expected to be made available in August and September.

| 1,000 head | Total population | | | Breeding sows | | | Pregnant sows | | |
|---------------|------------------|---------------|------------|---------------|--------------|------------|---------------|--------------|-------------|
| | 2018 | 2017 | % change | 2018 | 2017 | % change | 2018 | 2017 | % change |
| Germany | 26,888 | 27,175 | -1.1 | 1,858 | 1,906 | -2.5 | 1,362 | 1,396 | -2.4 |
| Spain | | | | | | | | | |
| France | | | | | | | | | |
| Denmark | 12,878 | 12,467 | 3.3 | 1,269 | 1,228 | 3.3 | 793 | 771 | 2.9 |
| Holland | | | | | | | | | |
| Poland | | | | | | | | | |
| Italy | 8,766 | 8,774 | -0.1 | 588 | 579 | 1.6 | 482 | 478 | 0.8 |
| Belgium | | | | | | | | | |
| UK | | | | | | | | | |
| Romania | | | | | | | | | |
| Hungary | 2,859 | 2,807 | 1.9 | 260 | 253 | 2.8 | 174 | 171 | 1.8 |
| Austria | | | | | | | | | |
| Ireland | | | | | | | | | |
| Sweden | | | | | | | | | |
| EU (4) | 51,391 | 51,223 | 0.3 | 3,975 | 3,966 | 0.2 | 2,811 | 2,816 | -0.2 |
| Serbia | 2,680 | 2,883 | -7.0 | 413 | 427 | -3.3 | 177 | 213 | -16.9 |

 **DENMARK**
Pig census 1 July 2018

Statistics Denmark has published the results of its pig census from 1 July 2018 as shown in the table below.

The results from 1 July follow the pattern from the previous censuses of 1 April and 1 January this year.

The total pig population is 3.3 per cent higher compared to one year ago. Disregarding the group Finished pigs >50 kg, the increase is 2.9 per cent. A corresponding increase of around 3 per cent was also recorded for the 1 April census.

As regards the breeding population in the form of pregnant sows, a 2.9 per cent increase has been recorded compared to one year ago. With the two previous censuses, there was an increase for pregnant sows of 2.7 per cent.

| 1,000 head | July census | | | April census | | |
|----------------------------------|---------------|---------------|----------------|---------------|---------------|----------------|
| | 1 July 2018 | 1 July 2017 | % change 18:17 | 1 April 2018 | 1 April 2017 | % change 18:17 |
| Breeding boars | 11 | 11 | - | 10 | 11 | -9.1 |
| Pregnant gilts | 193 | 187 | +3.2 | 200 | 190 | +5.3 |
| Other pregnant sows | 600 | 584 | +2.7 | 592 | 581 | +1.9 |
| Total pregnant sows | 793 | 771 | +2.9 | 792 | 771 | +2.7 |
| Nursing sows | 213 | 208 | +2.4 | 216 | 207 | +4.3 |
| Dry sows | 37 | 34 | +8.8 | 38 | 36 | +5.6 |
| Sows and boars for slaughter | 7 | 6 | +16.7 | 6 | 6 | - |
| Gilts >50 kg for breeding | 226 | 215 | +5.1 | 226 | 216 | +4.6 |
| Piglets with sows | 2,632 | 2,543 | +3.5 | 2,660 | 2,520 | +5.6 |
| Weaned pigs <50 kg | 5,976 | 5,832 | +2.5 | 5,809 | 5,697 | +2.0 |
| Finished pigs >50 kg | 2,983 | 2,847 | +4.8 | 2,976 | 2,764 | +7.7 |
| Total pigs | 12,878 | 12,467 | +3.3 | 12,733 | 12,228 | +4.1 |
| Total pigs excl. finished pigs * | 9,895 | 9,620 | +2.9 | 9,757 | 9,464 | +3.1 |

 **TAIWAN**
Taiwan allows pig meat imports from UK

Agra Europe reports that Taiwan has opened up its market to pig meat from the UK. British exporters can begin exporting to the market as soon as lists of companies and export certificates are in place.

Last year, Taiwan imported more than 100,000 tonnes pig meat – primarily by-products – worth USD 250 million. Around 50 per cent of the imports came from the EU, in particular Spain and Denmark. 37 per cent came from Canada.

 **BRAZIL****Substantial exports in July**

Figures from the Brazilian Animal Protein Association (ABPA) show significant exports of pig meat from Brazil in July – 57,000 tonnes in total. This is a 17 per cent rise compared to July 2017 and is the highest figure for July since 2005.

The rise follows disappointing Brazilian export figures in the first half year when exports were negatively affected by the closed market in Russia and the lorry drivers' strike in Brazil in May.

In total for the January-July period, ABPA estimated exports of fresh/frozen pig meat at 293,700 tonnes, which is a decline of 14 per cent compared to the same period the year before when exports amounted to 342,000 tonnes. The value of exports amounted to USD 619 million – a fall of 28 per cent compared to the previous year.

Increasing exports to China have, to some extent, compensated for the lack of exports to Russia.

 **MYANMAR****Foot and mouth disease**

Last week, the authorities in Myanmar reported 28 cases of foot and mouth disease. Some 8,356 head of cattle were affected.

 **BOTSWANA****Foot and mouth disease**

Last week, the authorities in Botswana reported three outbreaks of foot and mouth disease. Some 7,397 head of cattle were affected.