

MARKET NEWS for pig meat



Market analysis

3 September 2018

Week 36

MARKET SITUATION

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

UK: Sales are reported as stable with trading at increasing prices.

Sales activity is sluggish for China but stable for Japan.

Slaughterings in Denmark

	Week 32	Week 33	Week 34	Week 1-34 2018/2017
Total	329,917	329,555	318,566	+3.6 %

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

FUTURES, USA

	Chicago (\$ per 100 lbs slaughter weight)		
	31/8	24/8	Change
2018			
Oct	50.43	51.78	-1.35
Nov	-	-	-
Dec	53.40	51.23	2.18
2019			
Jan	-	-	-
Feb	62.88	61.80	1.08
Mar	-	-	-
Apr	68.48	67.93	0.55
May	74.18	74.38	-0.20
Jun	78.75	78.73	0.03
Jul	78.60	78.30	0.30
Aug	77.38	77.10	0.28
Sep	-	-	-
Oct	64.70	63.70	1.00
Nov	-	-	-
Dec	61.00	59.65	1.35
2020			
Jan	-	-	-
fFeb	65.00	64.33	0.67
Conversion factors: 1 lb = 0.4536 kg \$ = DKK 6.3993			



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 26 August.

Countries	Period 19 August - 26 August		Year to date 1 Jan – 26 August	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		1		192
Latvia		10	10	506
Lithuania	2	8	47	1.177
Poland	4	33	103	1.833
Italy			3	24
Ukraine	7		71	36
Czech Republic				28
Romania	51	4	783	26
Hungary				32



BULGARIA

Bulgaria reports its first case of African Swine Fever

On Friday last week, the authorities in Bulgaria reported the first outbreak of African Swine Fever in the country.

The outbreak was discovered at a backyard holding close to the Romanian border. Seven pigs have been infected and a further 23 in the village have been culled. A 3 km zone around the affected area has been established.

In an effort to control African Swine Fever, the Bulgarian authorities announced last month that they would begin constructing a fence close to the Romanian border. This is to prevent wild boar from Romania entering Bulgaria.



ROMANIA

African Swine Fever

Romania continues to report many outbreaks of African Swine Fever. These are mainly concentrated in the south east of the country, but there have also been cases in the north west. 10 out of the country's 41 regions have been affected.

Small pig farms have been particularly susceptible, but a number of larger businesses have also been affected recently. As was reported in last week's Market News, Romania's largest pig producers has also been hit.

So far, the EU has rejected calls for financial aid. The EU's Commissioner for Agriculture, Phil Hogan, has made it clear that individual countries can extend financial aid, but EU support can only be extended in extreme cases. Hogan has also stated that he understands the difficult situation in Romania, but it is important that the country's authorities use the means available within EU legislation to control the disease themselves.



RUSSIA

African Swine Fever

Last week, the authorities in Russia reported two outbreaks of African Swine Fever at small farms in the Kaliningrad region.

 **CHINA**
Six outbreaks of African Swine Fever

The authorities in China have now reported six outbreaks of African Swine Fever.

The sixth case was confirmed at the weekend in the town of Xuancheng in the eastern Anhui province where 134 pigs died from the virus.

The fifth case was confirmed last week in the town of Wuhu, which is also situated in Anhui province. This is 70 km from outbreak number six. With outbreak number 5, 80 out of 459 pigs in the herd were infected.

The Chinese authorities have now introduced a ban on the transport of pigs and pig meat products from provinces hit by African Swine Fever. Moreover, all markets trading in livestock in the affected regions have been closed by the authorities. A ban has also been imposed on pigs from non-affected areas being transported through provinces hit by the disease, reports Reuters.

All these contingency measures can be expected to have major consequences for producers, meat companies and processing companies, primarily in the affected regions and provinces. Significant regional differences in pig prices are expected to occur according to which regions have a surplus or deficit of pigs and pig meat.

By 1st September, the authorities had culled more than 38,000 pigs in an attempt to prevent the disease from spreading.

 **CHINA**
FAO warns of the risk of African Swine Fever spreading across Asia

FAO has warned of the risk of African Swine Fever spreading further across Asia and is calling for greater co-operation between the countries in the region in an effort to control the virus.

According to the FAO, the virus is extremely tough and can survive for a long time in both cold and hot weather. The virus can even survive in dried and processed pork products. Currently there is no effective vaccine to protect pigs from becoming infected.

The strain of the virus found in China is the same as that which hit eastern Russia in 2017. However, the Chinese authorities have yet to discover how the infection reached China.

The FAO's Chief Veterinarian, Juan Lunroth, says that it is probable that the spread of the infection in China was caused by infected pork products.

 **CHINA**
Foot and mouth disease

Last week, the authorities in China reported one outbreak of foot and mouth disease. Some 112 head of cattle were affected by the outbreak which occurred in Ulanqab in Inner Mongolia.

 **SOUTH KOREA**
South Korea tightens up quarantine regulations to control African Swine Fever

Asian Agribusiness reports that the South Korean authorities have tightened up quarantine regulations at airports. The move follows the discovery of the virus in Chinese food products which were brought into the country by a South Korean passenger.

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	1.384.530	48.982	1.433.512
February	1.390.098	42.296	1.432.394
March	1.602.943	49.004	1.651.947
April	1.330.463	46.251	1.376.714
May	1.590.077	59.002	1.649.079
June	1.328.019	44.367	1.372.386
July	1.292.352	41.644	1.333.996
August			
September			
October			
November			
December			
Jan--July	9.918.482	331.546	10.250.028

 DENMARK
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	1,238,442	50,120	2,253	1,328,830
July	36,172	1,064,250	17,014	1,852	1,119,288
August	32,578	1,260,946	16,778	2,381	1,312,683
September	33,351	1,079,055	17,675	2,289	1,132,370
October	44,274	1,178,831	17,679	1,571	1,242,355
November	41,015	1,157,185	22,467	1,954	1,222,621
December	32,889	1,147,621	16,462	1,363	1,198,335
Jan-Dec	443,051	13,678,677	252,833	23,552	14,398,113

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	1,089,062	15,883	2,507	1,137,723
March	29,057	1,264,848	17,783	3,047	1,314,735
April	30,268	1,161,152	20,695	3,501	1,215,616
May	37,352	1,305,241	26,451	4,144	1,373,188
June	27,004	1,078,301	23,134	4,235	1,132,674
July	30,738	1,143,565	19,244	3,966	1,197,513
August					
September					
October					
November					
December					
Jan-July	221,130	8,185,021	137,988	25,212	8,569,351

 **CANADA**
Pig census 1 July

Canada's pig census from 1 July 2018 was published last week.

The results show a largely unchanged situation compared to one year ago. The total herd declined by 0.4 per cent while there was a rise in the breeding population of 0.3 per cent.

'000 head.	1 July 2018	1 July 2017	% change 2018:2017
Breeding herd	1.263,6	1.260,3	0,3
Piglets and finished pigs	12.921,4	12.979,7	-0,4
Total	14.185,0	14.240,0	-0,4

 **USA**
New trading deal with Mexico

President Trump announced last week that the USA and Mexico have agreed a framework for a new trade agreement to replace the NAFTA agreement.

 **USA**
Pig meat storage as at 31 July

U.S. figures for the storage of frozen pig meat as at 31 July were published last week.

The figures show a 2.5 per cent decline in the overall storage of pig meat from the end of June to the end of July. Compared to the month before, storage of legs and picnics have increased while storage of other products has declined. Compared to one year ago, there is a slight fall in overall storage of 1.2 per cent.

The chart below shows the storage figures for the end of July compared to the previous month and one year ago.

1,000 lbs	31 July 2017	30 June 2018	31 July 2018
Picnics	6,648	7,268	8,160
Legs	194,968	148,657	166,426
Bellies	17,602	53,279	38,542
Loins	33,878	31,949	27,774
Ribs	77,182	88,871	83,689
Trimnings	29,858	45,132	39,683
Butts	14,502	15,734	13,223
By-products	132,604	119,487	119,383
Other	47,612	51,502	51,173
Total pig meat	554,854	561,879	548,053
Beef	431,836	448,585	485,007
Poultry	1,397,646	1,453,467	1,471,191

 **USA**
Indiana Packers Corporation acquires meat processing business

Indiana Packers Corporation (IPC) has acquired 100 per cent of the shares in the meat processing company Specialty Foods Group (SFG).

IPC, a subsidiary of Japan's Mitsubishi Corporation, is a fully integrated pork processing business, which has one of the largest pig slaughterhouses in the U.S. As a result of the acquisition of SFG, IPC will significantly increase its processing activities.

SGF produces and sells meat products, such as ham and sausages, across a large section of the U.S. The products are sold under a number of labels.

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

Tonnes	Jan - June 2016	Jan - June 2017	Jan - June 2018	% change 2018:17
China	41,128	25,869	71,525	176.5
Hong Kong	58,533	43,712	55,234	26.4
Argentina	9,211	16,613	18,378	10.6
Uruguay	12,382	13,717	17,508	27.6
Singapore	17,085	15,867	16,933	6.7
Chile	10,010	10,343	14,497	40.2
Angola	11,149	9,820	10,092	2.8
Georgia	4,600	3,616	6,203	71.5
Others	137,078	154,180	27,573	-82.1
Total	301,176	293,737	237,943	-19.0

 **SOUTH AFRICA**
Foot and mouth disease

Last week, the authorities in South Africa reported two outbreaks of foot and mouth disease. Some 1,506 head of cattle have been affected by the outbreaks.