

MARKET NEWS for pig meat



Market analysis

24th September 2018

Week 39

MARKET SITUATION

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

UK: Prices are reported as stable.

Sales activity for China has improved and is stable for Japan. Significant interest is being reported from other Asian markets.

Slaughterings in Denmark

| | Week 35 | Week 36 | Week 37 | Week 1-37 2018/2017 |
|-------|---------|---------|---------|------------------------|
| Total | 336,158 | 328,251 | 338,962 | +3.7 % |

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) | | |
|-------------|--|-------|--------|
| | 21/9 | 14/9 | Change |
| 2018 | | | |
| Oct | 60.30 | 56.23 | 4.08 |
| Nov | - | - | - |
| Dec | 57.40 | 56.65 | 0.75 |
| 2019 | | | |
| Jan | - | - | - |
| Feb | 64.93 | 65.68 | -0.75 |
| Mar | - | - | - |
| Apr | 69.93 | 70.28 | -0.35 |
| May | 75.23 | 75.50 | -0.28 |
| Jun | 79.98 | 80.40 | -0.43 |
| Jul | 80.13 | 80.68 | -0.55 |
| Aug | 78.83 | 79.63 | -0.80 |
| Sep | - | - | - |
| Oct | 65.08 | 66.55 | -1.47 |
| Nov | - | - | - |
| Dec | 60.38 | 61.70 | -1.33 |
| 2020 | | | |
| Jan | - | - | - |
| Feb | 65.23 | 66.85 | -1.63 |

Conversion factors:
1 lb = 0.4536 kg
\$ = DKK 6.3438



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 16 September.

| Countries | Period 9 Sept - 16 Sept | | Year to date 1 Jan - 16 Sept | |
|----------------|----------------------------|-----------|---------------------------------|-----------|
| | Pigs | Wild boar | Pigs | Wild boar |
| Estonia | | 4 | | 196 |
| Latvia | | 12 | 10 | 542 |
| Lithuania | | 18 | 49 | 1.220 |
| Poland | 1 | 19 | 108 | 1.928 |
| Italy | 1 | 16 | 10 | 40 |
| Ukraine | 4 | | 85 | 36 |
| Czech Republic | | | | 28 |
| Romania | 41 | 9 | 929 | 43 |
| Hungary | | | | 33 |
| Bulgaria | | | 1 | |
| Belgium | | 2 | | 2 |

ROMANIA

African Swine Fever

As is shown in the above chart, there continue to be many new outbreaks of African Swine Fever on a weekly basis in Romania. They are mainly concentrated in the south-east of the country, but the north-west has also been affected.

Last week, the virus was discovered at a small backyard farm in Lucieni in the county of Dimbovita, which is in central Romania.

MOLDOVA

African Swine Fever

Last week, the authorities in Moldova reported five outbreaks of African Swine Fever to the authorities – four at small farms and one among wild boar.

BELGIUM

African Swine Fever in wild boar

Belgium has now reported four outbreaks of African Swine Fever with eight infected wild boar. All outbreaks are in the same wooded area in Luxembourg province. The authorities expect to find further cases in the area.

Some 13 countries outside the EU have imposed a ban on the import of pig meat from Belgium, including China, Japan, South Korea, Philippines and Australia.

Following a consultation with the EU Commission, the authorities in Belgium have imposed similar restrictions to the Czech authorities who have been successful at controlling the disease.

A 240 square mile infection zone has been set up around the infected area, which is banned to the general public. In addition, all hunting is banned.

 **CHINA**
African Swine Fever in Jinlin province

The Chinese authorities have reported two further outbreaks of African Swine Fever.

One of the outbreaks is in a herd of 484 pigs in the north eastern province of Jilin, the first in the province. The second outbreak is in a herd of 138 pigs in the autonomous region of Inner Mongolia. At the time of writing, a third outbreak has also been reported in the city of Hohhot, where four pigs at a slaughterhouse were found to be infected with the virus. .

China has reported more than 20 outbreaks in eight provinces since the first outbreak was confirmed at the beginning of August.

 **CHINA**
Rabobank expects increased Chinese imports of pig meat from March

Rabobank expects increased Chinese imports of pig meat from the spring 2019. However, Rabobank does not expect the current outbreak of African Swine Fever to increase imports of pig meat significantly in the near future. According to Chenjun Pan from Rabobank, there are currently issues with regional supplies, but at a national level, supplies are satisfactory.

However, six months from now – from March next year - Chenjun Pan expects there to be a significant rise in Chinese imports because the pig population is not being re-established. This may also mean increasing international prices for pig meat, said Chenjun Pan to Asian Agribusiness.

 **CHINA**
Pig census August 2018

Reuters reports that the Chinese Ministry of Agriculture has published its figures for China's pig population for August.

The figures show that China's total pig population is 2.4 per cent lower compared to one year ago. The sow population saw a 4.8 per cent decline compared to one year ago.

 **JAPAN**
Classical Swine Fever found in wild boar

Japan has reported a case of Classical Swine Fever in a wild boar within a radius of 10 km from a farm in Gifu, where the disease was confirmed the previous week.

 **USA**
New CEO for Tyson Foods

Tyson Foods has announced that the current CEO, Tom Hayes, is to step down at the end of the month for personal reasons. His successor is Noel White who has been with Tyson for a number of years.

 **HOLLAND**
Vion announces management changes

Vion has announced that John Morssink is to succeed Joost Sliepenbeek as CFO. Theo Koekkoek is to replace Sipko Schat as Chairman with effect from 1st October.

Last spring, Vion announced that Ronald Lotgerink had been appointed the new CEO with effect from 1st September. He replaced Francis Kint who became CEO of a major Belgian company.



Pig meat exports

The EU Commission has published the following figures for EU exports of pig meat according to categories, exporters and importers for the period January-July.

According to categories

| Tonnes | Jan-July 2018 | Jan-July 2017 | % change 18:17 |
|--------------|------------------|------------------|----------------|
| Live pigs | 11,034 | 5,079 | 117.2 |
| Fresh/frozen | 1,165,863 | 1,125,108 | 3.6 |
| Bacon | 22,396 | 20,502 | 9.2 |
| Processed | 96,227 | 92,969 | 3.5 |
| By-products | 832,909 | 862,842 | -3.5 |
| Total | 2,128,429 | 2,106,500 | 1.0 |

Exporters of pig meat from EU

| Tonnes | Jan-July 2018 | Jan-July 2017 | % change 18:17 |
|--------------|------------------|------------------|----------------|
| Germany | 482,881 | 458,432 | 5.3 |
| Spain | 473,592 | 435,915 | 8.6 |
| Denmark | 298,233 | 303,512 | -1.7 |
| France | 131,503 | 136,440 | -3.6 |
| Holland | 252,468 | 254,664 | -0.9 |
| Poland | 134,300 | 130,471 | 2.9 |
| UK | 78,795 | 79,441 | -0.8 |
| Ireland | 57,285 | 56,885 | 0.7 |
| Belgium | 50,415 | 54,910 | -8.2 |
| Italy | 56,108 | 57,869 | -3.0 |
| Hungary | 27,799 | 50,597 | -45.1 |
| Austria | 23,331 | 24,939 | -6.4 |
| Others | 61,719 | 62,425 | -1.1 |
| EU-28 | 2,128,429 | 2,106,500 | 1.0 |

Importers of pig meat from EU

| Tonnes | Jan-July 2018 | Jan-July 2017 | % change 18:17 |
|--------------|------------------|------------------|----------------|
| China | 775,403 | 780,034 | -0.6 |
| Hong Kong | 130,599 | 203,290 | -35.8 |
| Japan | 228,625 | 219,129 | 4.3 |
| Philippines | 160,188 | 145,030 | 10.5 |
| South Korea | 182,981 | 157,622 | 16.1 |
| USA | 94,453 | 84,705 | 11.5 |
| Ukraine | 54,434 | 41,323 | 31.7 |
| Australia | 45,458 | 49,223 | -7.6 |
| Montenegro | 12,875 | 10,640 | 21.0 |
| Angola | 19,772 | 17,652 | 12.0 |
| Russia | 1,473 | 2,965 | -50.3 |
| Belarus | 1,357 | 43 | 3055.8 |
| Others | 420,811 | 394,844 | 6.6 |
| EU-28 | 2,128,429 | 2,106,500 | 1.0 |

 **CANADA**
Slight decline in pig meat exports for 1st half year 2018

In the first half year 2018, Canada experienced a slight decline of 2.4 per cent in pig meat exports. This is due to the fact that exports to the two largest markets for Canadian pig meat, USA and China, were down.

The following chart was sourced from Whole Hog and Statistics Canada.

| Tonnes | 1st half year 2018 | 1st half year 2017 | % change 18:17 |
|--------------|-----------------------|-----------------------|-------------------|
| USA | 176,713 | 189,229 | -6.6 |
| China | 143,739 | 175,431 | -18.1 |
| Japan | 131,694 | 121,210 | 8.6 |
| Mexico | 68,970 | 57,951 | 19.0 |
| Philippines | 26,811 | 21,153 | 26.7 |
| South Korea | 25,183 | 19,379 | 29.9 |
| Taiwan | 21,879 | 19,404 | 12.8 |
| Australia | 6,746 | 10,456 | -35.5 |
| New Zealand | 5,465 | 4,728 | 15.6 |
| Chile | 3,872 | 8,160 | -52.5 |
| Hong Kong | 3,542 | 3,037 | 16.6 |
| Cuba | 2,972 | 2,447 | 21.5 |
| Others | 21,331 | 22,235 | -4.1 |
| Total | 638,917 | 654,820 | -2.4 |

 **MALAWI**
Foot and mouth disease

Last week the authorities in Malawi reported one case of foot and mouth disease. Some 3,000 head of cattle have been affected.

 **ZIMBABWE**
Foot and mouth disease

Last week the authorities in Zimbabwe reported 31 cases of food and mouth disease. A total of 44,583 head of cattle have been affected.

 **GUINEA-BISSAU**
Food and mouth disease

Last week, the authorities in Guinea-Bissau reported four cases of foot and mouth disease. Some 1,473 head of cattle have been affected.

N.B.

Due to holidays, Market News will be published in a somewhat shorter version next week.