

MARKET NEWS for pig meat



Market analysis

31 October 2018

Week 44

MARKET SITUATION

Europe: Trading in legs is at unchanged or increasing prices. As regards other cuts, trading is largely at unchanged levels.

UK: Prices are reported as stable.

Sales are stable for China and Japan.

Slaughterings in Denmark

	Week 41	Week 42	Week 43	Week 1-43 2018/2017
Total	361,609	360,885	364,912	+4.0 %

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

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	26/10	19/10	Change
2018			
Dec	57.93	51.60	6.33
2019			
Jan	-	-	-
Feb	66.38	59.03	7.35
Mar	-	-	-
Apr	71.50	65.73	5.78
May	76.75	71.68	5.08
Jun	82.83	77.95	4.88
Jul	83.03	78.73	4.30
Aug	81.50	77.95	3.55
Sep	-	-	-
Oct	66.70	64.80	1.90
Nov	-	-	-
Dec	60.65	60.03	0.63
2020			
Jan	-	-	-
Feb	65.08	64.50	0.58
Mar	-	-	-
Apr	68.38	67.20	1.18
Conversion factors: 1 lb = 0.4536 kg \$ = DKK 6.5762			



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 over the past week (21 October-28 October).

Countries	Period 21 Oct - 28 Oct		Year to date 1 Jan - 28 Oct	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		4		202
Latvia		10	10	591
Lithuania		25	50	1,300
Poland		42	109	2,057
Italy			10	41
Ukraine	3		95	36
Czech Republic				28
Romania	28	7	1,064	83
Hungary		6		45
Bulgaria		2	1	2
Belgium		22		76
Total	31	118	1,339	4,461

ROMANIA

African Swine Fever

As is evident from the above table, cases of African Swine Fever continue to be found in Romania on a weekly basis.

However, there are not as many cases as there were in the summer. On the other hand, the disease has spread to new areas of the country. Recently, there have been cases in the south and north. Otherwise, the disease has mainly been concentrated in the south east and, to a lesser extent, in the north west.

BULGARIA

African Swine Fever

Reuters reports that on 23 October 2018, Bulgaria discovered a case of African Swine Fever in a dead wild boar close to the border with Romania. The discovery was made near the fence along the border with Romania, which had been erected by Bulgaria to prevent the entry of wild boar from Romania.

In August, the first case of African Swine Fever in Bulgaria was confirmed in so-called backyard farms in the north eastern village of Tutrakantsi – also close to the border with Romania.

MOLDOVA

African Swine Fever

Last week, Moldova reported nine outbreaks of African Swine Fever: seven among wild boar and two at small farms. All were found in the south east of the country, close to the border with Ukraine.

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	1,384,564	48,982	1,433,546
February	1,390,157	42,296	1,432,453
March	1,602,989	49,004	1,651,993
April	1,330,496	46,252	1,376,748
May	1,590,176	59,004	1,649,180
June	1,328,304	44,369	1,372,673
July	1,300,265	41,644	1,341,909
August	1,634,198	50,063	1,684,261
September	1,366,588	44,925	1,411,513
October			
November			
December			
Jan-Sep 2018	12,927,737	426,539	13,354,276
Jan-Sep 2017	12,486,669	415,706	12,902,375
Change per head	441,068	10,833	451,901
Change %	3.5	2.6	3.5

* = Preliminary figures


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 Over 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	1,158,207	23,134	4,235	1,212,580
July	30,738	1,142,607	18,882	3,966	1,196,193
August	27,087	1,204,026	21,533	4,732	1,257,378
September	27,496	1,019,587	23,569	3,895	1,074,547
October					
November					
December					
Jan-Sep 2018	275,713	10,487,582	182,728	33,839	10,979,862
Jan-Sep 2017	324,873	10,195,040	196,225	18,664	10,734,802
Change per head	-49,160	292,542	-13,497	15,175	245,060
Change %	-15.1	2.9	-6.9	81.3	2.3

* = Preliminary figures



Pig meat exports

The tables below show the EU Commission's figures for EU pig meat exports according to categories, exporters and importers for the period January-August.

Exports are calculated in product weight.

According to categories

Tonnes	Jan - Aug 2018	Jan - Aug 2017	% change 18:17
Live pigs	12,716	6,643	91,4
Fresh/frozen	1,328,005	1,282,495	3,5
Bacon	26,164	23,936	9,3
Processed	110,661	106,831	3,6
By-products	955,853	987,443	-3,2
Total	2,433,398	2,407,348	1,1

Exporters of pig meat from EU

Tonnes	Jan - Aug 2018	Jan - Aug 2017	% change 18:17
Germany	550,576	529,727	3.9
Spain	538,191	488,575	10.2
Denmark	341,761	350,071	-2.4
France	148,728	153,386	-3.0
Holland	291,185	293,756	-0.9
Poland	154,860	149,273	3.7
UK	91,470	90,488	1.1
Ireland	64,201	64,310	-0.2
Belgium	58,248	61,884	-5.9
Italy	65,256	66,023	-1.2
Hungary	29,750	58,145	-48.8
Austria	26,829	28,310	-5.2
Others	72,334	73,400	-1.5
EU-28	2,433,389	2,407,348	1.1

Importers of pig meat from EU

Tonnes	Jan - Aug 2018	Jan - Aug 2017	% change 18:17
China	879,877	891,446	-1.3
Hong Kong	152,716	233,987	-34.7
Japan	261,263	253,333	3.1
Philippines	184,052	165,741	11.0
South Korea	200,709	172,344	16.5
USA	105,307	96,899	8.7
Ukraine	65,252	48,635	34.2
Australia	51,151	55,883	-8.5
Montenegro	15,052	12,432	21.1
Angola	23,535	20,355	15.6
Russia	1,722	3,361	-48.8
Belarus	4,281	43	9855.8
Others	488,483	452,890	7.9
EU-28	2,433,398	2,407,348	1.1

 **CHINA**
African Swine Fever

The Chinese authorities continue to report new and scattered outbreaks of African Swine Fever at pig farms.

In the past week, outbreaks were reported in the southern provinces of Guizhou and Hunan. In total, there have been more than 50 outbreaks in 13 provinces or autonomous cities/regions.

The Chinese authorities have imposed a ban on feeding pigs with kitchen waste after the authorities ascribed this as one of the major causes of the spread of ASF. Furthermore, a number of restrictions on the transport of pigs have been introduced in an attempt to control the disease.

 **CHINA**
Pollution issues for China's north eastern farm province of Heilongjiang

Reuters reports that China's Environment Ministry has revealed serious shortcomings in efforts to control pollution from livestock farms in the north eastern farm province of Heilongjiang.

According to the ministry's report, just 47 per cent of the province's farms have installed proper waste treatment facilities and many of those are not running correctly.

Pollution from livestock farms has emerged as one of China's biggest threats and new regulations have forced thousands of facilities close to towns and cities to relocate or shut down.

The report blames the Zhengbang Group, one of China's biggest agribusinesses, for turning off sewage treatment facilities at one of its pig farms in the province and dumping untreated waste water in nearby grasslands. The company told the stock exchange in July that it had been fined 2 million yuan (USD 288,000). This amounted to just 0.4 per cent of the company's net profit in 2017.

According to an environmental proposal put before China's parliament in March, the livestock industry produces nearly 4 billion tonnes slurry per year, but only half is treated safely.

 **PORTUGAL/**  **CHINA**
China close to approving imports of pig meat from Portugal

Agra Europe reports that Portugal is close to securing access for pig meat to the Chinese market. Portugal was recently approved for export to South Korea and Cambodia.

 **RUSSIA/**  **EU**
Russia blocks EU request for WTO panel

Agra Europe reports that Russia has blocked the EU's request to establish a WTO compliance panel aimed at solving the long-standing conflict on Russian restrictions on imports of pigs and pig meat from the EU.

 **POLAND/**  **USA**
USA lifts restrictions on pig meat imports from Poland

Last week, USA announced that restrictions on pig meat imports from Polish companies located in areas free from African Swine Fever had been lifted.

However, certain restrictions will be maintained for two companies. These will only be lifted following further investigations.

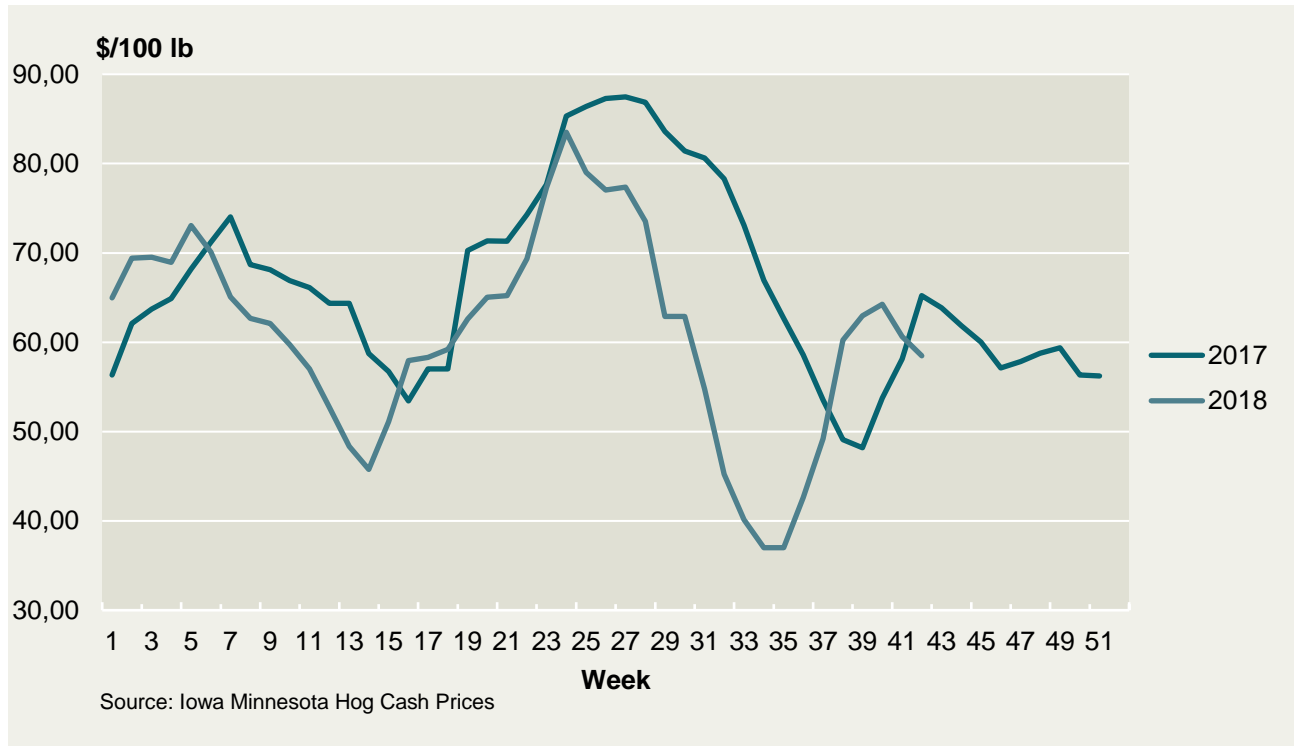


USA

Record pigs slaughtering

Record pig slaughtering have been reported in the U.S. in recent weeks. This has contributed to a decline in U.S. pig prices following a sharp rise in September.

As is evidenced in the following chart showing American pig prices in 2017 and 2018, prices in September and at the beginning of October this year were higher than last year. Strong demand in the U.S. domestic market is reported as the reason why prices for much of the year have followed last year's prices despite increased slaughtering and the trade war with China.



USA

Pig meat storage at 30 September

The figures for U.S. storage of frozen pig meat as at 30 September were published last week.

The figures show a modest rise of 1 per cent in the total storage of pig meat from the end of August to the end of September. Compared to one year ago, there is a decline in total pig meat storage of 5 per cent.

1,000 lbs	30 September 2017	31 August 2018	30 September 2018
Picnics	8,745	8,874	8,369
Legs	232,034	204,769	214,628
Bellies	20,897	34,805	30,301
Loins	34,291	30,571	33,759
Ribs	88,032	77,800	83,213
Trimming	34,643	42,253	38,466
Butts	17,247	11,498	13,286
By-products	136,326	121,211	118,481
Other	46,348	49,730	48,414
Total pig meat	618,563	581,511	588,917
Beef	496,015	501,324	508,560
Poultry	1,391,735	1,536,538	1,529,601

 **USA**
Smithfield planning to expand biogas production

Agra Europe reports that over the next 10 years, Smithfield is planning to produce biogas from 90 per cent of their pig farms in North Carolina and Utah and from almost all their farms in Missouri.

 **JAPAN**
African Swine Fever discovered in sausages brought in from China

The authorities in Japan announced last week that African Swine Fever had been discovered in a packet of sausages that a tourist had brought in from China.

The passenger arrived at Hokkaido Airport from Beijing on 1 October.

 **MONGOLIA**
Foot and mouth disease

Last week, the authorities in Mongolia reported three outbreaks of foot and mouth disease across the country, which have affected cattle and camels.

 **COLOMBIA**
Foot and mouth disease

Last week, Columbia reported four outbreaks of foot and mouth disease at small cattle and pig farms in the north of the country.

Moreover, international news media reported this week that another outbreak has been found in the same area just 10 km from the border with Venezuela.

 **GUINEA**
Foot and mouth disease

Last week, the authorities in Guinea reported eight outbreaks of foot and mouth disease. Some 2,397 head of cattle have been affected.

 **SOUTH AFRICA**
Foot and mouth disease

Last week, the authorities in South Africa reported one outbreak of foot and mouth disease among buffalo.