

MARKET NEWS for pig meat



Market analysis

5 November 2018

Week 45

MARKET SITUATION

Europe: Trading in legs is at slightly increasing prices. With regard to other cuts, trading is at unchanged or slightly increasing price levels.

UK: Prices are reported as stable.

Sales remain 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)		
	2/11	26/10	Change.
2018			
Dec	58.13	57.93	0.20
2019			
Jan	-	-	-
Feb	64.65	66.38	-1.72
Mar	-	-	-
Apr	70.60	71.50	-0.90
May	76.30	76.75	-0.45
Jun	82.88	82.83	0.05
Jul	83.63	83.03	0.60
Aug	82.05	81.50	0.55
Sep	-	-	-
Oct	67.35	66.70	0.65
Nov	-	-	-
Dec	61.50	60.65	0.85
2020			
Jan	-	-	-
Feb	65.80	65.08	0.72
Mar	-	-	-
Apr	69.10	68.38	0.72
Conversion factors:			
1 lb. = 0.4536 kg			
\$ = DKK 6.5344			



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 (28 October-4 November).

Countries	Period 28 Oct - 4 Nov		Year to date 1 Jan - 4 Nov	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		4		206
Latvia		2	10	593
Lithuania	1	5	51	1.305
Poland		10	109	2.067
Italy			10	41
Ukraine			95	36
Czech Republic				28
Romania	15	6	1.079	89
Hungary		3		48
Bulgaria		1	1	3
Belgium				76
Total	16	31	1,355	4,492

BELGIUM

Fewer new cases of African Swine Fever in wild boar

The number of new cases of wild boar dying from African Swine Fever has seen a significant decline.

According to international news media, more than 100 wild boars have died so far as a result of the African Swine Fever virus. Recently, however, there have been days when no new cases have been reported. All cases have been found in the same forested area in Luxembourg province in south east Belgium. The area is barred to the public.

The authorities previously announced that when the infection has subsided, the area will be fenced off and a largescale cull of wild boar will be carried out.

CHINA

African Swine Fever

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

In the past week, outbreaks have been reported in the southern provinces of Yunnan and Hunan and in the north eastern province of Shanxi. All three outbreaks are at small farms.

In an effort to control the disease, the Chinese authorities have introduced new and stricter requirements for pig transporters.

All transport of pigs must take place in vehicles that are registered and approved by the authorities. Moreover, all vehicles must be washed and disinfected prior to loading and all transport must be fully documented. Lorries that transport pigs in high risk areas must be equipped with location-tracking systems.

Reuters reports that China's Ministry of Agriculture has announced that over the next three months, investigations will be carried out into illegal slaughtering plants, illegal transport and the slaughtering of sick animals.

 **CHINA**
Foot and mouth disease

Last week, the Chinese authorities reported one case of foot and mouth disease in cattle in the north west region of Xinjiang.

 **RUSSIA/**
 **BRAZIL**
Russia resumes meat imports from nine Brazilian plants

Last week, the Russian veterinary service, Rosselkhoznadzor, announced that exports of pig meat and beef from nine Brazilian export plants would be resumed with effect from 1 November. This means that 32 Brazilian plants are still unable to export to Russia.

The nine plants that have regained access to Russia belong to the Minerva and Aurora companies. According to Reuters, the plants previously accounted for 50 per cent of pig meat exports. All nine plants must guarantee to the Russian authorities that none of the animals for slaughter has received ractopamine.

ABPA, the Brazilian meat exporters organisation, expects Russia's initiative to mean that Brazil's pig meat exports in 2018 will increase from 620,000 tonnes to 640,000 tonnes.

The Brazilians have welcomed the Russian move and hope that more plants will be able to resume exports soon.

Reuters reports that shares in Minerva increased by 8 per cent after the news was announced. Shares in Brazil's largest pig processor, BRF, increased by 3.5 per cent even though the company is still unable to export to Russia.

 **AUSTRALIA**
Crisis among Australian pig producers

Australian pig producers are under pressure from pig prices and feed costs. Pig prices are at their lowest level in a long time while feed prices have increased significantly.

Otherwise - according to the Australian news media - Australian pig producers have had three relatively good years. Increasing production, however, has caused prices to fall dramatically.

The majority of Australian pig meat production goes to the home market and just 10 per cent is exported.

According to Australia Pork Limited (APL), some producers have stopped production, but it's still too early to say how many will leave the industry. "We believe that over the past six months, we've lost around 10,000 out of 285,000 sows," says the CEO of APL.

However, there is also good news for the Australian pig meat industry in that consumption of pig meat in Australia is growing. Average consumption per inhabitant increased from 8 kg to 12 kg over the past seven years and there are signs that the trend will continue.

 **USA**
Decline in exports to China

Preliminary figures for USA's pig meat exports for the first nine months of 2018 show a fall in exports to China.

As is evident from the table below, U.S. exports of fresh/frozen pig meat to China declined 15 per cent while exports of by-products declined by more than 40 per cent. China's increased import tariffs for U.S. pig meat are the main reason for the decline.

The decline in exports to China, however, is offset by increased U.S. exports to other Asian markets such as South Korea and the Philippines.

As for the USA's largest export market, Mexico, there was a modest rise in exports of fresh/frozen pig meat, which, however, is offset by a decline in exports of processed pig meat and by-products to the same market.



USA

Exports of pig meat

0203				
Fresh/frozen pig meat				
Tonnes	Jan-Sept 2016	Jan-Sept 2017	Jan-Sept 2018	% change 18:17
Mexico	389,625	455,032	473,402	4.0
Japan	269,460	269,148	272,441	1.2
South Korea	85,228	110,536	155,854	41.0
China	146,304	97,909	83,226	-15.0
Canada	70,862	77,000	77,384	0.5
Colombia	23,062	41,568	62,062	49.3
Australia	42,873	43,789	50,693	15.8
Dom. Rep.	17,117	22,185	29,426	32.6
Others	64,103	64,749	88,435	36.6
Total	1,163,054	1,251,764	1,336,281	6.8

160249, 160241, 160242, 021012, 021019, 021011				
Processed pig meat				
Tonnes	Jan-Sept 2016	Jan-Sept 2017	Jan-Sept 2018	% change 18:17
Canada	69,076	63,331	59,597	-5.9
Mexico	30,658	30,207	22,137	-26.7
Japan	12,259	13,007	12,855	-1.2
Philippines	5,596	7,021	7,285	3.8
Australia	4,598	5,878	4,769	-18.9
South Korea	3,476	3,878	5,097	31.4
Others	19,435	19,624	20,781	5.9
Total	145,098	142,946	132,521	-7.3

020649				
By-products				
Tonnes	Jan-Sept 2016	Jan-Sept 2017	Jan-Sept 2018	% change 18:17
Hong Kong	90,114	99,653	80,861	-18.9
Kina	104,114	118,287	70,108	-40.7
Mexico	71,613	67,426	56,998	-15.5
Philippines	6,210	7,398	13,583	83.6
Japan	7,507	7,797	10,057	29.0
South Korea	4,998	4,381	7,800	78.0
Canada	5,089	7,300	7,492	2.6

Vietnam	181	-	5,695	-
Others	8,736	5,139	7,479	45.6
Total	297,863	326,218	267,319	-18.1

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

0203				
Fresh/frozen pig meat				
Tonnes	Jan-Sept 2016	Jan-Sept 2017	Jan-Sept 2018	% change 2018:17
China	69,535	35,717	118,206	231.0
Hong Kong	84,378	69,816	86,178	23.4
Singapore	24,359	24,971	32,242	29.1
Argentina	15,364	22,857	26,347	15.3
Uruguay	19,371	21,645	26,304	21.5
Chile	17,199	16,971	22,825	34.5
Angola	14,387	16,588	18,312	10.4
Georgia	6,982	7,727	12,482	61.5
Others	222,457	237,637	54,398	-77.1
Total	474.032	453.929	397.294	-12,5

 **SOUTH KOREA**
Imports of pig meat

0203				
Fresh/frozen pig meat				
Tonnes	Jan-Sept 2016	Jan-Sept 2017	Jan-Sept 2018	% change. 18:17
USA	106,652	115,941	149,352	28.8
Germany	62,983	85,915	86,636	0.8
Spain	53,591	47,919	55,036	14.9
Canada	26,753	26,847	30,837	14.9
Chile	25,542	21,328	24,050	12.8
Holland	12,756	17,477	20,769	18.8
Denmark	10,452	11,191	12,513	11.8
Austria	12,963	12,869	12,351	-4.0
Mexico	9,862	11,710	10,791	-7.8
Belgium	10,255	7,118	9,268	30.2
France	5,209	5,526	5,891	6.6
Ireland	3,368	2,784	3,719	33.6
Hungary	2,638	3,304	3,027	-8.4
Finland	2,499	2,563	2,641	3.0
UK	2,147	2,306	1,439	-37.6
Australia	306	581	1,202	106.9
Sweden	1,097	1,178	1,143	-3.0
Others	3	1	39	3800.0
Total	349,076	376,558	430,704	14.4