

MARKET NEWS for pig meat



Market analysis

12 November 2018

Week 46

MARKET SITUATION

Europe: Trading in fresh legs is at slightly increasing prices this week. Trading in other cuts is at unchanged prices.

UK: Prices are reported as stable.

Sales are stable to China and Japan.

Slaughterings in Denmark

| | Week 42 | Week 43 | Week 44 | Week 1-44 2018/2017 |
|-------|---------|---------|---------|------------------------|
| Total | 360,885 | 364,912 | 364,067 | +3.9 % |

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) | | |
|--|--|-------|--------|
| | 9/11 | 2/11 | Change |
| 2018 | | | |
| Dec | 55.80 | 58.13 | -2.33 |
| 2019 | | | |
| Jan | - | - | - |
| Feb | 59.50 | 64.65 | -5.15 |
| Mar | - | - | - |
| Apr | 65.70 | 70.60 | -4.90 |
| May | 72.80 | 76.30 | -3.50 |
| Jun | 81.25 | 82.88 | -1.63 |
| Jul | 83.15 | 83.63 | -0.47 |
| Aug | 82.18 | 82.05 | 0.13 |
| Sep | - | - | - |
| Oct | 67.40 | 67.35 | 0.05 |
| Nov | - | - | - |
| Dec | 61.48 | 61.50 | -0.02 |
| 2020 | | | |
| Jan | - | - | - |
| Feb | 66.00 | 65.80 | 0.20 |
| Mar | - | - | - |
| Apr | 69.63 | 69.10 | 0.53 |
| Conversion factors: 1 lb = 0.4536 kg \$ = DKK 6.5745 | | | |



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 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 |

ROMANIA

African Swine Fever

Outbreaks of African Swine Fever have spread to two new regions, which were previously unaffected by the virus.

The two new regions lie west of the previously affected regions in south-east Romania. The disease has also been confirmed in north-west Romania.

RUSSIA

African Swine Fever

Last week, Russia reported one outbreak of African Swine Fever among wild boar in the west of the country.

CHINA

African Swine Fever

New outbreaks of African Swine Fever continue to be reported in China, including in the south east provinces of Hubei, Jiangxi and Fujian. To date, more than 60 outbreaks have been confirmed in 17 provinces or autonomous cities/regions, mostly on small farms.

The major pig producing province of Sichuan has not yet reported any outbreaks and the province has now imposed a ban on the import of pigs and pig meat products from other regions, reports Reuters.

The first contamination of feed supplies has also been reported. The major Chinese feed producer, Tangrenshen Group, reported on Sunday that feed produced by one of its units had been contaminated by the ASF virus.

In a statement to the Shenzhen Stock Exchange, the company said the disease was found in feed samples taken following the discovery of the disease at a pig farm in the eastern Anhui province. It is not yet clear how the feed was contaminated. There is no information about how the feed is produced and what raw materials are used in its manufacture.

Pig census 1 October 2018

Last week, Statistics Denmark published the results of its pig census from 1 October 2018 as shown in the table below.

The results show a slowdown in the breeding population. The pregnant sow population is down on the previous censuses this year, but 0.9 per cent higher compared to one year ago. As regards pregnant gilts, the population is unchanged compared to one year ago. However, the gilt population has been reduced by 6.7 per cent.

The total pig population is 2.3 per cent higher compared to one year ago. This is a slightly smaller increase compared to previous censuses this year when the increases have been between 3-5 per cent.

| 1,000 head | October census | | | July census | | |
|---------------------------------------|-------------------|-------------------|-------------------|----------------|----------------|-------------------|
| | 1 October 2018 | 1 October 2017 | % change 18:17 | 1 July 2018 | 1 July 2017 | % change 18:17 |
| Breeding boars | 11 | 11 | - | 11 | 11 | - |
| Pregnant gilts | 185 | 185 | - | 193 | 187 | +3.2 |
| Other pregnant sows | 597 | 590 | +1.2 | 600 | 584 | +2.7 |
| Total pregnant sows | 782 | 775 | +0.9 | 793 | 771 | +2.9 |
| Nursing sows | 217 | 212 | +2.4 | 213 | 208 | +2.4 |
| Dry sows | 38 | 36 | +5.6 | 37 | 34 | +8.8 |
| Sows and boars for Slaughter | 7 | 6 | +16.7 | 7 | 6 | +16.7 |
| Gilts >50 kg for breeding | 210 | 225 | -6.7 | 226 | 215 | +5.1 |
| Piglets with sows | 2,684 | 2,599 | +3.3 | 2,632 | 2,543 | +3.5 |
| Weaned pigs <50 kg | 6,088 | 5,941 | +2.5 | 5,976 | 5,832 | +2.5 |
| Finished pigs >50 kg | 2,951 | 2,890 | +2.1 | 2,983 | 2,847 | +4.8 |
| Total pigs | 12,988 | 12,695 | +2.3 | 12,878 | 12,467 | +3.3 |
| Total pigs excl. finished pigs | 10,037 | 9,805 | +2.4 | 9,895 | 9,620 | +2.9 |

Denmark's pig meat exports, tonnes
January - August 2018

| | By-products | Live pigs | Processed Canned | Bacon | Whole and half pigs/sows | Cuts | Sausages | Total | Per cent |
|-----------------------------|----------------|----------------|------------------|---------------|--------------------------|----------------|---------------|------------------|-------------|
| Germany | 19,136 | 139,034 | 5,709 | 139 | 56,669 | 180,844 | 2,189 | 403,720 | 30.7 |
| Poland | 904 | 126,211 | 60 | 1 | 0 | 90,414 | 0 | 217,591 | 16.5 |
| UK | 4,877 | 302 | 7,143 | 31,223 | 0 | 82,368 | 7,199 | 133,114 | 10.1 |
| Italy | 1,220 | 15,455 | 331 | 51 | 0 | 71,002 | 239 | 88,299 | 6.7 |
| Sweden | 5,623 | 153 | 1,562 | 742 | 0 | 12,605 | 3,473 | 24,158 | 1.8 |
| Holland | 7,288 | 8,273 | 160 | 15 | 0 | 5,895 | 211 | 21,842 | 1.7 |
| France | 1,378 | 1,031 | 716 | 294 | 0 | 8,409 | 673 | 12,501 | 0.9 |
| Spain | 291 | 3,055 | 796 | 305 | 0 | 3,597 | 905 | 8,950 | 0.7 |
| Other EU countries | 7,776 | 8,752 | 2,232 | 93 | 11 | 36,570 | 2,485 | 57,918 | 4.4 |
| Total EU | 48,493 | 302,267 | 18,710 | 32,864 | 56,680 | 491,705 | 17,373 | 968,091 | 73.5 |
| China | 104,899 | 0 | 135 | 0 | 0 | 42,553 | 0 | 147,587 | 11.2 |
| Japan | 1,817 | 3 | 2,603 | 36 | 0 | 72,403 | 1,173 | 78,036 | 5.9 |
| USA | 1,753 | 0 | 3,150 | 80 | 0 | 21,868 | 819 | 27,671 | 2.1 |
| Australia | 220 | 0 | 131 | 265 | 0 | 26,526 | 46 | 27,188 | 2.1 |
| South Korea | 227 | 20 | 1,136 | 0 | 0 | 9,829 | 179 | 11,392 | 0.9 |
| Taiwan | 707 | 6 | 25 | 0 | 0 | 8,695 | 7 | 9,440 | 0.7 |
| Ukraine | 2,444 | 537 | 0 | 0 | 0 | 3,375 | 0 | 6,356 | 0.5 |
| Philippines | 3,932 | 0 | 389 | 0 | 0 | 1,273 | 1 | 5,594 | 0.4 |
| Belarus | 809 | 214 | 0 | 0 | 0 | 3,189 | 0 | 4,212 | 0.3 |
| Other 3rd countries | 8,732 | 562 | 6,146 | 936 | 0 | 10,239 | 4,448 | 31,062 | 2.4 |
| 3rd countries, total | 125,541 | 1,342 | 13,714 | 1,316 | 26 | 199,951 | 6,674 | 348,565 | 26.5 |
| Exports, total | 174,034 | 303,609 | 32,425 | 34,180 | 56,706 | 691,656 | 24,047 | 1,316,656 | 100 |

January - August 2017

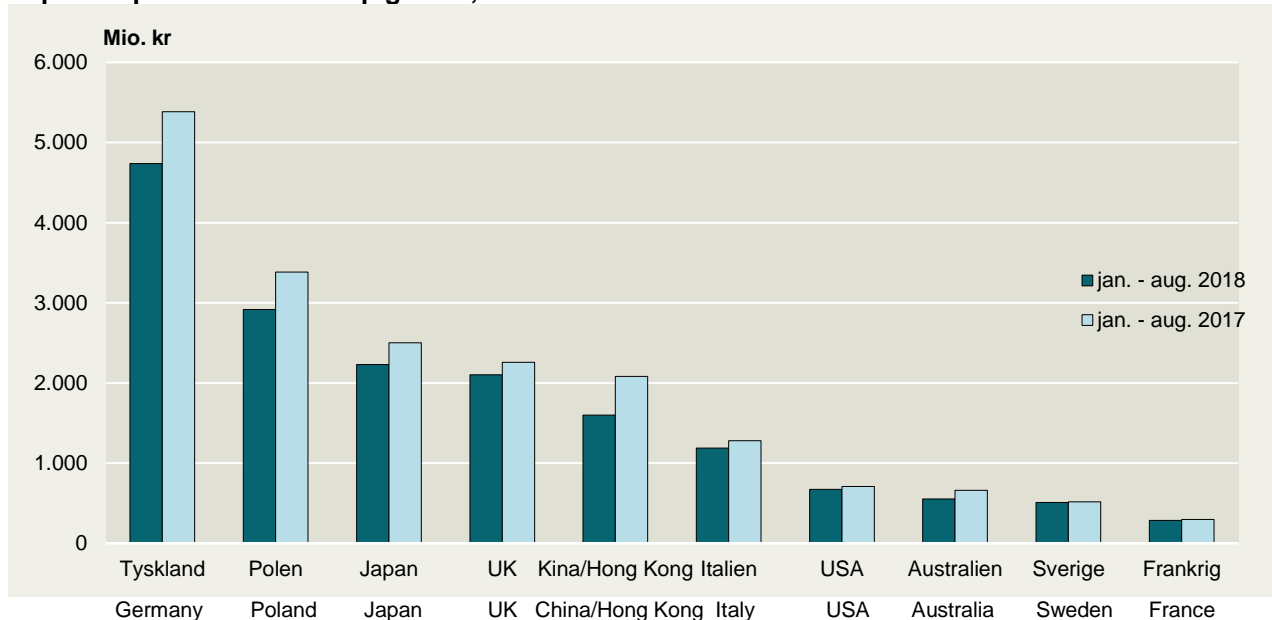
| | By products | Live pigs | Processed Canned | Bacon | Whole and half pigs/sows | Cuts | Sausages | Total | Per cent |
|-----------------------------|----------------|----------------|------------------|---------------|--------------------------|----------------|---------------|------------------|-------------|
| Germany | 14,638 | 134,441 | 5,587 | 117 | 56,797 | 159,341 | 1,619 | 372,539 | 29.4 |
| Poland | 2,757 | 110,050 | 177 | 0 | 0 | 84,961 | 0 | 197,944 | 15.6 |
| UK | 5,659 | 480 | 6,358 | 24,339 | 0 | 89,590 | 6,288 | 132,714 | 10.5 |
| Italy | 1,242 | 14,772 | 362 | 48 | 0 | 64,205 | 183 | 80,812 | 6.4 |
| Sweden | 6,352 | 90 | 1,340 | 806 | 0 | 12,235 | 3,247 | 24,069 | 1.9 |
| Holland | 6,729 | 8,088 | 150 | 26 | 0 | 4,791 | 159 | 19,944 | 1.6 |
| France | 928 | 965 | 671 | 272 | 0 | 8,791 | 598 | 12,224 | 1.0 |
| Spain | 385 | 2,781 | 876 | 276 | 0 | 4,848 | 957 | 10,122 | 0.8 |
| Other EU countries | 9,349 | 10,522 | 2,048 | 76 | 0 | 36,280 | 2,207 | 60,483 | 4.8 |
| Total EU | 48,038 | 282,188 | 17,569 | 25,959 | 56,797 | 465,041 | 15,259 | 910,852 | 71.9 |
| China | 111,801 | 21 | 0 | 0 | 0 | 52,156 | 0 | 163,979 | 12.9 |
| Japan | 2,049 | 10 | 2,637 | 181 | 0 | 73,354 | 1,043 | 79,275 | 6.3 |
| Australia | 163 | 0 | 114 | 303 | 0 | 29,203 | 32 | 29,815 | 2.4 |
| USA | 1,887 | 0 | 3,375 | 72 | 0 | 17,252 | 637 | 23,223 | 1.8 |
| South Korea | 429 | 30 | 1,725 | 0 | 0 | 7,748 | 219 | 10,152 | 0.8 |
| Taiwan | 1,141 | 3 | 10 | 0 | 0 | 8,817 | 0 | 9,971 | 0.8 |
| Hong Kong | 996 | 0 | 416 | 22 | 0 | 3,672 | 100 | 5,205 | 0.4 |
| Philippines | 3,695 | 4 | 301 | 0 | 0 | 829 | 1 | 4,831 | 0.4 |
| Ukraine | 2,567 | 150 | 0 | 0 | 0 | 278 | 0 | 2,995 | 0.2 |
| Other 3rd countries | 5,689 | 612 | 5,951 | 757 | 0 | 8,896 | 5,105 | 27,009 | 2.1 |
| 3rd countries, total | 130,418 | 831 | 14,529 | 1,335 | 5 | 202,206 | 7,136 | 356,459 | 28.1 |
| Exports, total | 178,456 | 283,019 | 32,098 | 27,294 | 56,802 | 667,247 | 22,395 | 1,267,311 | 100 |

Top 10 importers of Danish pig meat according to value

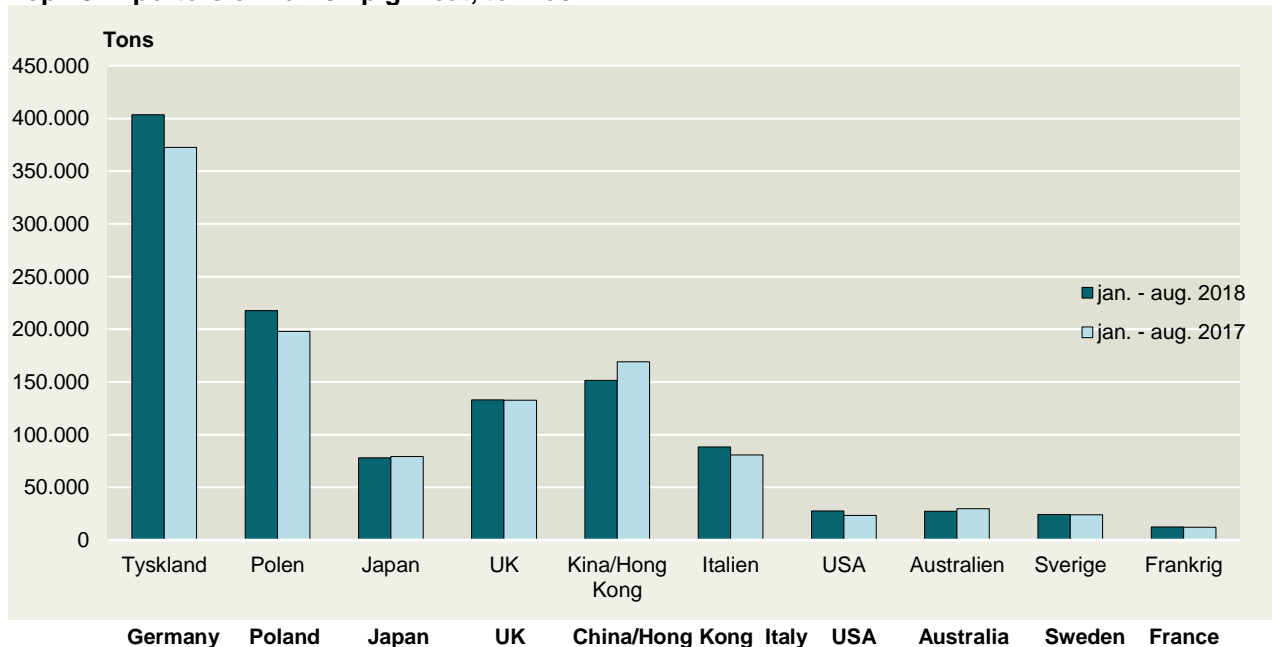
The following chart shows the top 10 countries for Danish pig meat exports ranked according to value for January-August 2018. All pig meat (including live pigs) is included.

| Countries | Jan-Aug 2018 | | Jan-Aug 2017 | |
|---------------------|----------------------|------------------|----------------------|------------------|
| | Value in DKK million | Tonnes | Value in DKK million | Tonnes |
| Germany | 4,738 | 403,720 | 5,383 | 372,539 |
| Poland | 2,918 | 217,591 | 3,384 | 197,944 |
| Japan | 2,230 | 78,036 | 2,502 | 79,275 |
| UK | 2,104 | 133,114 | 2,256 | 132,714 |
| China/Hong Kong | 1,598 | 151,445 | 2,084 | 169,184 |
| Italy | 1,189 | 88,299 | 1,282 | 80,812 |
| USA | 671 | 27,671 | 711 | 23,223 |
| Australia | 551 | 27,188 | 660 | 29,815 |
| Sweden | 510 | 24,158 | 515 | 24,069 |
| France | 285 | 12,501 | 299 | 12,224 |
| Top 10 total | 16,794 | 1,163,720 | 19,076 | 1,121,800 |
| Other countries | 2,616 | 152,936 | 2,729 | 145,511 |
| Total | 19,409 | 1,316,656 | 21,806 | 1,267,311 |

Top 10 importers of Danish pig meat, DKK million



Top 10 importers of Danish pig meat, tonnes



 **RUSSIA**
Pig population as at 30 September

The Russian authorities have calculated the country's pig population at 24.8 million as at 30 September. This is a rise of 3.0 per cent compared to one year ago.

The poultry population stands at 575 million, 1.6 per cent below last year. The cattle, sheep and goat populations have declined by 0.6 and 1.5 per cent respectively.

 **BRAZIL**
Classical Swine Fever

Brazil has now reported seven outbreaks of Classical Swine Fever.

All the outbreaks are in the north eastern state of Ceara and comprise small pig farms.

The affected farms are situated 2-3,000 km away from the major pig producing areas in southern Brazil. If the infection does not spread to the south of the country, Brazil's pig meat industry does not expect the outbreaks to impact Brazil's pig meat exports.

 **BRAZIL**
New Agriculture Minister

The newly elected Brazilian President, Jair Bolsonaro, has appointed a new Minister for Agriculture, Tereza Cristina, who will replace Blairo Maggi as minister.

According to Reuters, the new minister will continue with Bolsonaro's promises from the election campaign to reduce the number of fines issued for breaching environmental regulations.

 **BRAZIL**
BRF receives bids for assets

Reuters reports that the Brazilian meat company, BRF, has received 14 non-binding offers for its Argentine assets and eight for assets based in Thailand and Europe. According to a statement from BRF's management, the plan is to raise cash and reduce leverage.

BRF executives said they expect to receive binding offers for the assets by 15 December 2018. Proceeds from the sale are expected to reach 3 billion reais (USD 806 million).

 **BRAZIL/**  **CHINA**
JBS signs contract with Alibaba

Asian Agribusiness reports that the Brazilian meat company, JBS, has signed an agreement with China's Alibaba to supply meat worth around USD 1.5 billion over a three-year period.

The agreement covers the supply of beef, pork and poultry under JBS' Friboi brand to Alibaba's subsidiary, Win Chain, which sells fresh products.

The first products are set to be despatched within 30 days. The Win Chain platform will be responsible for the sales channel, the distribution of fresh products, support for big data and other services that will ensure a fully integrated process.

 **AUSTRALIA**
Pig prices are increasing but are under pressure due to production costs

Australian pig prices have increased in recent weeks, but production costs are continuing to rise.

Costs are reported to be between AUD 2.70-3.00 per kg while producers are currently paid AUD 2.50 per kg.

The figures are expected to result in a decline in Australian pig production.

The Australian media have recently reported that the Danish-owned GD Pork has filed for bankruptcy. GD Pork is Western Australia's third largest piglet producer with 2,500 sows and accounts for around 5 per cent of the state's pig production.

 **JAPAN**
Imports of fresh/frozen pig meat

| 0203 Fresh/frozen pig meat | | | | | |
|-------------------------------|-------------------|-------------------|--------------------|--------------------|---------------------|
| Tonnes | 2018 September | 2017 September | 2018 Jan - Sept | 2017 Jan - Sept | % change 2018:17 |
| USA | 19,282 | 20,143 | 193,479 | 196,386 | -1.5 |
| Canada | 16,769 | 16,959 | 160,426 | 156,199 | 2.7 |
| Spain | 8,508 | 8,291 | 86,631 | 80,478 | 7.6 |
| Denmark | 8,213 | 9,715 | 81,667 | 85,905 | -4.9 |
| Mexico | 6,522 | 6,206 | 63,625 | 63,759 | -0.2 |
| Holland | 2,768 | 2,382 | 20,552 | 19,013 | 8.1 |
| Chile | 1,951 | 2,348 | 18,148 | 18,827 | -3.6 |
| Germany | 1,918 | 1,723 | 17,106 | 13,546 | 26.3 |
| France | 1,069 | 1,317 | 10,693 | 10,801 | -1.0 |
| Italy | 754 | 1,060 | 9,925 | 9,829 | 1.0 |
| Ireland | 458 | 385 | 5,583 | 5,852 | -4.6 |
| Austria | 373 | 740 | 5,233 | 6,087 | -14.0 |
| Portugal | 147 | 44 | 1,040 | 743 | 40.0 |
| Brazil | 87 | 187 | 956 | 1,107 | -13.6 |
| Belgium | 73 | 48 | 415 | 431 | -3.7 |
| Others | 131 | 1,503 | 8,832 | 16,127 | -45.2 |
| Total | 69,023 | 73,051 | 684,311 | 685,090 | -0.1 |

Japan's imports of salami products

| 0210 Salami products | | |
|-------------------------|--------------------|---------------------|
| Tonnes | 2018 Jan - Sept | % change 2018:17 |
| USA | 7,124 | 3.5 |
| China | 5,944 | -5.0 |
| Thailand | 4,051 | -13.9 |
| Brazil | 2,949 | -8.9 |
| Denmark | 1,228 | 7.8 |
| Germany | 724 | 18.1 |
| Italy | 573 | -4.8 |
| Others | 729 | 2.5 |
| Total | 23,322 | -3.4 |

Development in pig meat storage

| Tonnage | Own production | | Imported volumes | | Total storage |
|------------------|----------------|--------|------------------|---------|---------------|
| | Fresh | Frozen | Fresh | Frozen | |
| End January 17 | 442 | 16,843 | 7,780 | 150,579 | 175,644 |
| End February 17 | 1,454 | 16,149 | 7,443 | 146,058 | 171,104 |
| End March 17 | 417 | 15,433 | 9,556 | 152,113 | 177,519 |
| End April 17 | 505 | 16,360 | 8,921 | 148,234 | 174,020 |
| End May 17 | 456 | 17,341 | 8,794 | 155,611 | 182,202 |
| End June 17 | 407 | 15,974 | 7,435 | 157,400 | 181,216 |
| End July 17 | 691 | 13,767 | 6,408 | 155,203 | 176,069 |
| End August 17 | 585 | 15,058 | 9,288 | 152,135 | 177,066 |
| End September 17 | 984 | 14,244 | 6,267 | 149,558 | 171,053 |
| End October 17 | 573 | 14,305 | 6,642 | 145,497 | 167,017 |
| End November 17 | 725 | 14,897 | 11,574 | 142,430 | 169,626 |
| End December 17 | 817 | 16,129 | 11,516 | 142,364 | 170,826 |
| End January 18 | 744 | 15,805 | 9,278 | 150,931 | 176,758 |
| End February 18 | 626 | 16,485 | 8,398 | 156,307 | 181,816 |
| End March 18 | 963 | 19,511 | 7,334 | 153,166 | 180,974 |
| End April 18 | 670 | 18,083 | 6,542 | 152,671 | 177,966 |
| End May 18 | 655 | 18,366 | 7,555 | 153,710 | 180,286 |
| End June 18 | 644 | 16,790 | 5,591 | 155,496 | 178,521 |
| End July 18 | 560 | 16,772 | 6,228 | 152,477 | 176,037 |
| End August 18 | 687 | 17,495 | 5,984 | 151,864 | 176,030 |
| End September 18 | 657 | 17,391 | 4,427 | 145,084 | 167,559 |

 **COLOMBIA**
Foot and mouth disease

Last week, Colombia reported one outbreak of foot and mouth disease at a small farm comprising cattle, sheep and pigs in the north of the country.