

MARKET NEWS for pig meat



Market analysis

3 December 2018

Week 49

MARKET SITUATION

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

UK: Prices are reported as stable.

Demand is reported as good for China and stable for Japan.

Slaughterings in Denmark

	Week 45	Week 46	Week 47	Week 1-47 2018/2017
Total	368,260	378,509	386,643	+4.5 %

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

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	30/11	23/11	Change
2018			
Dec	57.88	59.08	-1.20
2019			
Jan	-	-	-
Feb	67.55	67.83	-0.28
Mar	-	-	-
Apr	71.98	72.40	-0.43
May	77.33	77.80	-0.47
Jun	83.78	85.40	-1.63
Jul	84.28	85.88	-1.60
Aug	83.58	84.50	-0.92
Sep	-	-	-
Oct	68.80	68.98	-0.17
Nov	-	-	-
Dec	63.25	62.93	0.33
2020			
Jan	-	-	-
Feb	67.15	67.00	0.15
Mar	-	-	-
Apr	71.00	70.50	0.50

Conversion factors:
1 lb = 0.4536 kg
\$ = 6.5694



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 25 November.

Country	Period 18 Nov - 25 Nov		Year to date 1 Jan - 25 Nov	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		3		214
Latvia		5	10	616
Lithuania		11	51	1,336
Poland		46	109	2,184
Italy			10	45
Ukraine		1	98	37
Czech Republic				28
Romania	16	7	1,125	121
Hungary		8		62
Bulgaria			1	4
Belgium		8		101
Total	16	89	1,404	4,748



CHINA

African Swine Fever

New outbreaks of African Swine Fever continue to be reported in China.

The authorities have reported an outbreak at a large farm comprising 9,835 pigs near Beijing. Outbreaks have also been reported in the north-east province of Heilongjiang, the central province of Shaanxi and the south-east province of Jiangxi. All three outbreaks are at small farms.

Last week, an outbreak was reported at a farm of 361 pigs in the northern province of Tianjin.



CHINA

Foot and mouth disease

Last week, the Chinese authorities reported two outbreaks of foot and mouth disease in the southern Chinese province of Guangdong. Two small pig farms were affected, and 450 pigs were culled.



SPAIN/ CHINA

Spain gains greater access to the Chinese market

Agra Europe reports that Spain and China have signed a protocol for the export of Spanish pig meat to China, which will ensure access for more Spanish products to the Chinese market.



90-day ceasefire in trade war

In connection with the G-20 summit, China's President Xi Jinping and US President Trump agreed a 90-day ceasefire in the current trade war between the two nations.

The agreement means that President Trump will suspend planned import tariffs from 1st January and that China will significantly increase imports from the United States, including agricultural products.

Since this is a declaration of intent where neither amounts nor agricultural products have been specified, it is still too early to say whether this means that China will significantly increase imports of US pig meat.



Authorities plan to stockpile pig meat

Reuters reports that the Chinese authorities are planning to buy pig meat for its state reserves.

The stockpiling is an attempt to support pig producers who are struggling with low pig prices and sales opportunities as a result of African Swine Fever.

The live pig price in northeast Liaoning province is currently 10 yuan (\$1.44) per kg compared with 16 yuan per kg in southern Guangdong province. The significant difference is due to the lack of pig supplies from the northern to the southern provinces.

According to a spokesperson from China's Agriculture Ministry, it has not yet been determined when and how much pig meat will be purchased. The purpose is to stabilise the supply of pigs and ensure sufficient quantities of pig meat in future.

The authorities will also urge the major pig producers to diversify into slaughtering and increase processing capacity closer to their farms, reducing the need for transporting live animals.

According to a ministry spokesman, there are many overweight pigs. Buying for the reserves will release the pressure and help with prices.



African Swine Fever found in sausages from China

Thailand, like a number of other Asian countries, has announced the discovery of the African Swine Fever virus in meat products from China.

The discovery was made in sausages which were confiscated from a traveller from Chegdu province in China.



Increased demand from China

The US Department of Agriculture, USDA, has reported increased Chinese demand for US pig meat.

Reuters reports figures from the USDA that show in week 47 (week beginning 18th November) China placed its largest order for American pig meat since the trade war began - 3,348 tonnes for shipment this year and 9,384 tonnes for shipment next year.

The announcement from USDA has resulted in a significant 4 per cent boost to US futures prices.



USA

Pig meat storage on 31 October

The table below provides the latest figures for US storage of pig meat as at the end of October compared with the previous month and one year ago.

The figures show a fall in pig meat storage of 3 per cent compared to the previous month and a fall of 5 per cent compared to one year ago. The fall is related to increasing consumption of pig meat in the American domestic market.

By contrast, beef and poultry storage is higher compared to one year ago. For beef, there is a modest rise of 2 per cent while storage of poultry is 4 per cent higher compared to one year ago. Storage of poultry is, however, significantly down on the previous month when it was 10 per cent higher compared to one year ago.

1.000 lbs	31 October 2017	30 September 2018	31 October 2018
Picnics	8,055	8,375	7,881
Legs	195,327	214,628	176,107
Bellies	32,268	30,353	26,682
Loins	36,927	33,763	34,062
Ribs	94,859	83,403	101,728
Trimmings	33,185	38,499	42,470
Butts	21,249	13,282	17,043
By-products	129,953	118,622	114,710
Other	46,551	48,477	49,871
Total pig meat	598,374	589,402	570,554
Beef	507,041	507,166	515,369
Poultry	1,338,715	1,526,319	1,391,156

Slaughterings

2016	Pigs/sows 50-110 kg	Sows, etc above 110 kg	Total
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 50-110 kg	Sows, etc above 110 kg	Total
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 50-110 kg	Sows, etc above 110 kg	Total
January	1,384,564	48,982	1,433,546
February	1,390,214	42,296	1,432,510
March	1,602,989	49,004	1,651,993
April	1,330,704	46,252	1,376,956
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	1,634,399	50,063	1,684,462
September	1,366,922	44,925	1,411,847
October	1,442,041	50,702	1,492,743
November			
December			
Jan-Oct 2018	14,370,578	477,241	14,847,819
Jan-Oct 2017	13,877,403	459,991	14,337,394
Change per head	493,175	17,250	510,425
Change in %	3.6	3.8	3.6

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	1,158,207	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	34,713	1,350,273	20,972	8,547	1,414,505
November					
December					
Jan-Oct 2018	310,426	11,837,855	203,700	42,386	12,394,367
Jan-Oct 2017	369,147	11,373,871	213,904	20,235	11,977,157
Change per head	-58,721	463,984	-10,204	22,151	417,210
Change in per cent	-15.9	4.1	-4.8	109.5	3.5

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

0203 Fresh/frozen pig meat					
Tonnes	2018 October	2017 October	2018 Jan - Oct	2017 Jan - Oct	% change 2018:17
USA	21,952	21,006	215,430	217,392	-0.9
Canada	20,625	18,081	181,051	174,280	3.9
Denmark	10,199	10,354	91,866	96,259	-4.6
Spain	9,556	9,055	96,187	89,533	7.4
Mexico	9,401	-	73,026	71,581	2.0
Holland	3,064	2,298	23,616	21,310	10.8
Chile	2,746	2,069	20,894	20,897	0.0
Germany	1,883	2,424	18,988	15,970	18.9
Italy	1,453	1,133	11,378	10,962	3.8
France	1,349	1,413	12,043	12,238	-1.6
Austria	983	816	6,216	6,903	-10.0
Ireland	481	288	6,064	6,140	-1.2
UK	72	-	287	33	769.7
Finland	49	24	345	568	-39.3
Belgium	25	24	439	431	1.9
Others	223	9,499	10,542	19,076	-44.7
Total	84,061	78,484	768,372	763,573	0.6

Japan's imports of salami products

0210 Salami products		
Tonnes	2018 Jan - Oct	% change 2018:17
USA	8,207	7.5
China	6,700	-4.0
Thailand	4,513	-11.5
Brazil	3,416	-5.1
Denmark	1,377	7.3
Germany	800	12.7
Italy	675	-0.5
Others	783	2.6
Total	26,472	-1.0

 **MALAWI**
Foot and mouth disease

Last week, the authorities in Malawi reported one outbreak of foot and mouth disease. Some 1,300 head of cattle were affected.