

MARKET NEWS for pig meat



Market analysis

26 February 2018

Week 9

MARKET SITUATION

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

UK: Sales are stable with trading at increasing prices.

Sales are reported as stable for Japan and China

Slaughterings in Denmark

	Week 5	Week 6	Week 7	Week 1-7 2018/2017
Total	361,495	352,145	339,607	2.5 %

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

PRICES DENMARK FOR WEEK 9

Finished pigs and sows

DKK/kg	DC	Tican
Finished pigs (basic weight class and basic meat percentage)	9.20	9.20
Sows (above 130 kg.)	6.10	6.10

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av.
Basic	355.59	394.51
SPF+Myc	360.59	399.51
SPF	364.59	403.51
Organic	932.40	983.08
Market prices SPF region 1		
PRRS negative	395.00	455.00
PRRS positive	375.00	438.00
Market prices SPF region 2/3		
PRRS negative	395.00	455.00
PRRS positive	375.00	438.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	9.26 kr./kg	7.07 kr./kg	6.54 kr./kg	5.28 kr./kg	5.26 kr./kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	23/2	16/2	Change
2018			
Apr	71.38	68.15	3.22
May	77.60	74.93	2.68
Jun	83.03	79.73	3.30
Jul	84.00	80.73	3.28
Aug	83.68	80.83	2.85
Sep	-	-	-
Oct	71.05	68.85	2.20
Nov	-	-	-
Dec	64.93	62.80	2.13
2019			
Jan	-	-	-
Feb	68.30	66.23	2.08
Apr	71.38	69.45	1.93
May	77.00	75.53	1.47
Jun	79.03	77.68	1.35
Jul	79.95	79.60	0.35
Conversion factors: 1 lb = 0.4536 kg \$ = €6,0549			



EU

African Swine Fever

The EU Commission's reporting system for the outbreak of African Swine Fever in EU countries and Ukraine has been updated up to and including 11 February.

Countries	Period		Year to date	
	11 February – 18 February		1 Jan – 18 February	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		16		96
Latvia		19		202
Lithuania		67		352
Poland		57	3	499
Italy			1	24
Ukraine	4	3	14	21
Czech Republic				17
Romania			2	



RUSLAND

African Swine Fever

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

 **POLAND**
New proposed legislation to control African Swine Fever

Poland's Minister of Agriculture, Krzysztof Jurgiel, has proposed new legislation to prevent the spread of African Swine Fever, reports Agra Europe.

The proposal concerns erecting a fence at Poland's eastern border and is expected to be presented to parliament at the end of March.

The fence will probably cost in the region of PLN 150 million (EUR 36 million) and will put a stop to wild boar entering from Belarus and Ukraine.

 **GERMANY**
New legislation permits wild boar hunting all year round

According to new legislation adopted on 21 February, it is now permitted for hunters to shoot wild boar all year round. The legislation is part of the measures taken to control the spread of African Swine Fever in Germany.

Although ASF has not yet been discovered among wild boar in Germany, there are concerns about the spread of the disease in eastern Europe.

According to a spokesman from the German government, the decision has been taken to significantly reduce the number of wild boar, which are a risk to German pig farms.

 **HOLLAND**
Gradually increasing exports of piglets in 2017

According to Germany's AMI, there was a slight increase in Holland's piglet exports in 2017. The chart below shows Holland's piglet exports in 2017 and 2016 according to countries.

	Jan-Dec 2017	Jan-Dec 2016	% change 17:16
Germany	4,480,250	4,334,779	3.4
Belgium/Luxembourg	912,865	829,068	10.1
Spain	316,855	191,900	65.1
Hungary	195,358	323,856	-39.7
Romania	180,478	174,076	3.7
Poland	197,486	308,187	-35.9
Others	344,237	314,931	9.3
Total	6,627,529	6,476,797	2.3

 **BRAZIL/**
 **RUSSIA**
Still no solution to the closure of the Russian market to Brazilian meat

There is still no solution to the Russian import ban on Brazilian meat, reports Agra Europe.

The Russian veterinary service, Rosselkhoz nadzor, states that a solution and the lifting of the import ban on Brazilian meat will continue to depend on the material received from Brazil as well as on the inspections of the Brazilian companies that the Russians will carry out.

So far, the consequences for Brazilian exports have been limited by the fact that Russian ports are often closed during this time of year because of ice. However, if the ban continues, it could have serious consequences for Brazilian pig meat exports, which mostly go to Russia.

In 2017, pig meat accounted for 43 per cent of Brazilian exports (measured in value) to Russia, while the amount of beef was down 8 per cent.



Pig meat exports

The chart below shows EU pig meat exports according to category, exporters and importers for the period January-December.

By category

Tonnes	Jan- Dec 2017	Jan - Dec 2016	% change 17:16
Live pigs	14,830	10,524	40.9
Fresh/frozen	1,947,433	2,138,993	-9.0
Bacon	38,600	34,421	12.1
Processed	166,719	161,485	3.2
By-products	1,524,922	1,657,034	-8.0
Total	3,692,504	4,002,457	-7.7

Exporters of pig meat from EU

Tonnes	Jan - Dec 2017	Jan - Dec 2016	% change 17:16
Germany	853,573	1,052,595	-18.9
Spain	744,280	746,579	-0.3
Denmark	527,596	607,944	-13.2
Holland	420,350	446,196	-5.8
France	235,349	258,353	-8.9
Poland	243,592	206,187	18.1
UK	135,481	131,970	2.7
Italy	101,308	98,986	2.3
Ireland	96,035	105,849	-9.3
Belgium	90,867	100,728	-9.8
Hungary	84,928	95,312	-10.9
Austria	42,138	47,749	-11.8
Others	116,996	104,003	12.5
EU-28	3,692,493	4,002,451	-7.7

Importers of pig meat from EU

Tonnes	Jan - Dec 2017	Jan - Dec 2016	% change 17:16
China	1,371,343	1,831,065	-25.1
Japan	381,640	355,917	7.2
Hong Kong	376,657	360,299	4.5
South Korea	258,493	242,676	6.5
Philippines	241,497	208,879	15.6
USA	144,424	109,348	32.1
Australia	83,854	86,306	-2.8
Ukraine	87,630	75,157	16.6
Angola	33,027	31,943	3.4
Montenegro	21,738	22,462	-3.2
Russia	4,690	6,817	-31.2
Belarus	251	158	58.9
Others	687,260	671,432	2.4
EU-28	3,692,504	4,002,457	-7.7



December pig census

Eurostat has now published the results of the December pig census for 27 out of 28 EU countries. Only the figures for Bulgaria remain outstanding.

As always, the results of the respective pig censuses should be taken with caution. The figures are based on random samples in each country and sometimes errors can occur in the reporting to Eurostat or technical changes can occur in the census that make it difficult to compare with the previous year.

For example, the decline in the Swedish pig population according to Eurostat's figures is somewhat doubtful as all the indications from Sweden point towards a small increase in both the pig population and in slaughtering numbers. A decline in Spain's population of pregnant sows is also rather doubtful while a significant increase in Spain's population of breeding sows has been reported

The overall result for the 26 EU countries for December shows a total pig population that is 2.0 per cent higher than last year. With regard to the breeding population (breeding sows and pregnant sows) the increases are 1.4 per cent and 0.1 per cent respectively. The pregnant sow figure is, however, negatively affected by the doubtful decline for Spain.

The result of the December census indicates that overall pig production in the EU will be 2-3 per cent higher in 2018 compared to one year ago.

Pig census EU Dec 2017

'000 head	Total population			Breeding sows			Pregnant sows		
	2017	2016	% change	2017	2016	%-change	2017	2016	%-change
Spain	30,138	29,232	3.1	2,479	2,415	2.6	1,635	1,667	-2.0
Germany	27,553	27,376	0.6	1,904	1,908	-0.2	1,366	1,383	-1.3
France	13,097	12,791	2.4	985	986	-0.1	691	698	-1.0
Denmark	12,832	12,281	4.5	1,260	1,236	1.9	786	765	2.7
Holland	12,296	11,881	3.5	1,066	1,022	4.3	690	664	3.9
Poland	11,898	11,107	7.1	909	859	5.8	618	582	6.2
Italy	8,571	8,478	1.1	562	558	0.6	465	464	0.3
Belgium	6,108	6,177	-1.1	413	420	-1.5	340	346	-1.6
Romania	4,441	4,708	-5.7	342	361	-5.3	211	223	-5.3
UK	4,630	4,538	2.0	494	490	0.8	348	346	0.6
Hungary	2,870	2,907	-1.3	250	255	-2.0	163	169	-3.6
Austria	2,820	2,793	1.0	239	236	1.2	170	168	1.5
Portugal	2,165	2,151	0.7	236	233	1.0	161	162	-0.6
Ireland	1,616	1,528	5.8	149	145	2.4	105	98	7.7
Czech Republic	1,532	1,479	3.5	136	134	1.8	85	83	2.8
Sweden	1,382	1,436	-3.8	132	140	-5.9	90	98	-7.9
Finland	1,108	1,197	-7.4	99	108	-8.3	70	78	-9.5
Croatia	1,113	1,163	-4.3	118	120	-1.7	35	39	-10.3
Greece	759	743	2.2	118	106	11.3	62	58	6.9
Lithuania	612	664	-7.8	50	49	3.1	40	41	-2.5
Bulgaria		616			65			40	
Slovakia	614	586	4.9	57	51	12.7	29	20	48.8
Cyprus	350	353	-0.8	33	33	1.6	28	28	2.0
Latvia	321	336	-4.7	35	38	-6.0	15	17	-9.6
Estonia	285	266	7.0	27	25	4.7	20	20	3.6
Slovenia	257	266	-3.2	20	19	6.4	12	11	9.9
Luxembourg	91	95	-4.8	7	7	-1.2	4	5	-9.3
Malta	34	41	-16.2	3	4	-5.5	3	3	-7.0
EU (27)	149,493	146,571	2.0	12,123	11,958	1.4	8,245	8,234	0.1
EU (28)		147,188			12,022			8,274	
Serbia	2,911	3,021	-3.6	427	433	-1.4	178	166	7.2

 **USA**
Pig meat stocks increased

US stocks of frozen pig meat increased by 16% in January and are now 8% higher compared to one year ago. The chart below shows the latest figures from USDA for US stocks of pig meat as at 31 January 2018 compared to one month and one year ago.

1,000 lbs	31 Jan 2017	31 Dec 2017	31 Jan 2018
Picnics	8,993	5,982	6,414
Legs	95,365	81,082	109,856
Bellies	13,995	39,620	44,674
Loins	39,705	35,129	40,296
Ribs	128,029	104,264	111,105
Trim	34,281	43,080	49,245
Butts	23,243	23,883	24,211
By-products	137,438	114,845	135,257
Other	43,166	42,162	46,926
Total pig meat	524,215	490,047	567,984
Beef	538,215	488,057	499,554
Poultry	1,119,062	1,199,220	1,252,490

The trend towards increased stocks compared to the previous month applies to all product groups. Compared to one year ago, there is a significant increase in bellies – but this comes from record low levels in 2017.

The above increases combined with an expected increase in pig meat production confirms the prospect of increased supplies of US pig meat in both home and export markets.

 **USA**
New legislation may increase slaughter rates at slaughterhouses

According to US news media, new US legislation is under way which, due to more self-audits at slaughterhouses, may lead to increased slaughter rates at US slaughterhouses.

The new legislation will mean that slaughterhouse employees will be responsible for certain functions on the slaughter line, which have so far been carried out by public inspectors.

The proposed regulations are currently being tested at selected slaughterhouses and may be introduced later this year.

According to US meat companies and the USDA, the new regulations will mean more efficient use of public inspectors without compromising food safety. It has also been pointed out that more efficiently run companies will mean lower pork prices for US consumers.

However, US consumer groups are critical of the new regulations because they fear that more pathogens like salmonella can slip through and affect consumers

 **PHILIPPINES**
Meat processors builds new factory

Asian Agribusiness reports that the Philippines' largest meat processor, San Miguel Pure Foods Co Inc (SMPFC), is building new production facilities in Laguna province, south of Manila.

SMPFC has confirmed to the Philippine Stock Exchange that they plan to open the new facilities in the first quarter of 2019. Production will be focused on ready meals and supplying food products to the company's food service customers.

 **CAMBODIA****Authorities liberalise the meat industry**

The authorities in Cambodia have issued a new directive aimed at liberalising the country's meat industry, reports Asian Agribusiness.

The new directive makes it possible to operate several meat companies in municipalities and districts and opens up new investment potential. There will no longer be any production quotas or restrictions on which areas the companies can supply.

According to the authorities, the new directive will enhance competition, create new jobs and improve quality.

 **CAMBODIA****Authorities will not take action against live pig imports**

Asian Agribusiness reports that the authorities in Cambodia will not take action against imports of live pigs from Vietnam. Cambodia's Minister for Agriculture has announced that any intervention would be against the principles adopted by the WTO and Asean.

Instead, local pig producers are being urged to make their production model more efficient in order to compete against imports.

The association of livestock breeders in Cambodia has called on the government to take firm action against imports of live pigs from Vietnam.