

MARKET NEWS for pig meat



Market analysis

22 October 2018

Week 43

MARKET SITUATION

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

UK: Prices are reported as stable.

Sales are stable for China and Japan.

Slaughterings in Denmark

	Week 39	Week 40	Week 41	Week 1-41 2018/2017
Total	352,234	356,258	361,609	+3.8 %

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

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	19/10	12/10	Change
2018			
Dec	51.60	55.00	-3.40
2019			
Jan	-	-	-
Feb	59.03	62.23	-3.20
Mar	-	-	-
Apr	65.73	67.93	-2.20
May	71.68	73.08	-1.40
Jun	77.95	79.35	-1.40
Jul	78.73	79.85	-1.13
Aug	77.95	78.75	-0.80
Sep	-	-	-
Oct	64.80	64.88	-0.08
Nov	-	-	-
Dec	60.03	60.03	0.00
2020			
Jan	-	-	-
Feb	64.50	64.80	-0.30
Mar	-	-	-
Apr	67.20	64.80	2.40

Conversion factors:
1 lb = 0.4536 kg
\$ = 6.5044



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 two weeks (7 October-21 October).

Countries	Period 7 Oct - 21 October		Year to date 1 Jan - 21 Oct	
	Pigs	Wild boar	Pigs	Wild boar
Estonia				198
Latvia		20	10	581
Lithuania		15	50	1.275
Poland		45	109	2.015
Italy			10	41
Ukraine	1		92	36
Czech Republic				28
Romania	36	15	1.036	76
Hungary		4		39
Bulgaria			1	
Belgium		27		54
Total	37	126	1.308	4.343

MOLDOVA

African Swine Fever

Last week, Moldova reported two outbreaks of African Swine Fever among wild boar. The other outbreak was found at a small farm.

BELGIUM

African Swine Fever in wild boar

International news media report that on Wednesday last week, the Belgian authorities reported that 96 wild boar had died from African Swine Fever. All were found in the same 63,000 hectare forested area in the Luxembourg province in south eastern Belgium.

Initial laboratory analysis of the type of virus confirms that it is the same as that found in eastern Europe.

CZECH REPUBLIC

Outbreak of African Swine Fever comes to an end

The outbreak of African Swine Fever in the Czech Republic which started on 21 June 2017 is now deemed to have ended. There have been no new outbreaks since 19 April.

The Czech authorities have published a report which lists outbreaks of disease and the measures that have been introduced to prevent disease breaking out among wild boar populations.

African Swine Fever was confirmed among 230 wild boar. All were found in Zone II or in the high-risk zone. No cases were found in the rest of the monitored area (Zone I) or in the rest of the Czech Republic.

An intensive hunt in the high-risk area, which is fenced off, reduced the wild boar population from 150-200 in July 2017 to around 12-20 in August 2018.

A number of measures in the area are continuing, i.e. examinations of dead pigs and wild boar, restricted movement of livestock, intensive hunting of, and searches for, wild boar.



POLAND/ USA

USA stops imports of pig meat from Poland

On Thursday last week, USA announced that all imports of pig meat from Poland would be halted.

The Americans have identified issues in the handling of African Swine Fever from at least one of the Polish companies that export to the U.S.

Polish export statistics show exports of pig meat to the U.S. in the first half of 2018 to have amounted to 35,500 tonnes fresh/chilled/frozen pig meat and 5,500 tonnes processed products.



CHINA

African Swine Fever

A case of African Swine Fever has now been reported in one of the southern Chinese provinces for the first time. Until now, all cases have been in the northern or eastern provinces. Southern China is the region in China that consumes the most pork.

Two outbreaks of African Swine Fever were reported at small farms in Yunnan province in southern China on Sunday.

In total, China has now reported more than 40 outbreaks in 11 provinces or autonomous cities/regions. More than 200,000 pigs have been culled in an effort to control the disease.

Last week, the Chinese Ministry of Agriculture again warned of the possibility of rising pig prices up to the Chinese New Year, when pork consumption typically reaches a peak. A spokesperson at the Ministry also said he expects supplies of pig meat to be sufficient overall.

However, the ban on the transport of pigs is limiting the supply of pig meat in certain regions. In the eastern province of Zhejiang, pig prices are reported at 18.32 yuan/kg (2.3 EUR/kg) against a national average of around 14 yuan / kg (1.76 EUR/kg).

"Regional price differentials have been around for a while, so there are still regional problems with the supply of pig meat," concludes Pan Chenjun from Rabobank.

After African Swine Fever was found at a large farm of 20,000 pigs in the north eastern province of Liaoning last week, the Chinese Deputy Minister of Agriculture has urged local authorities to keep track on all large farms as part of the effort to control African Swine Fever.



CHINA

Foot and mouth disease

Last week, the Chinese authorities reported one outbreak of foot and mouth disease among cattle in the autonomous region of Inner Mongolia.



CHINA

Pig census September 2018

Reuters has published figures from the Chinese Agriculture Ministry that show the total pig population in China as being 1.8 per cent lower compared to one year ago. The sow population has seen a fall of 4.8 per cent compared to one year ago.

 **BRAZIL**
Classical Swine Fever

Last week, Brazil reported three outbreaks of Classical Swine Fever in Seara in north eastern Brazil. The three affected farms are all small enterprises with 77, 44 and 14 pigs respectively. The farms are around 2-3,000 km away from the large pig production areas in southern Brazil. If the virus does not spread further, Brazil's pig meat industry does not expect the outbreaks to impact Brazil's pig meat exports.

 **USA**
Trump calls for free trade agreement with Japan, EU and UK

U.S. Trade Representative Robert Lighthizer has announced to the U.S. Congress that President Trump intends to negotiate three new Free Trade Agreements with Japan, the EU and the UK.

The U.S. meat industry has welcomed the announcement. The President of the U.S. Meat Export Federation, Dan Halstrom, comments:

"This is a critical step towards reducing tariffs and other trade barriers – especially in Japan, which is our leading value market for red meat exports. The importance and urgency of the U.S.-Japan trade negotiations cannot be overstated. Among our primary competitors in Japan's red meat arena, Australia, Mexico and Chile are already benefiting from economic partnership agreements (EPAs) and others will soon capitalise on the Japan-EU EPA and the Comprehensive and Progressive Trans-Pacific Partnership, which will be implemented in the coming months. This makes it even more essential that the United States secures similar terms for U.S. red meat products."

 **ALGERIA**
Foot and mouth disease

Last week, the authorities in Algeria reported 11 cases of foot and mouth disease. Some 97 cattle were affected.

 **ISRAEL**
Foot and mouth disease

Last week, the authorities in Israel reported one case of foot and mouth disease. A small cattle farm was affected.

 **SOUTH AFRICA**
Foot and mouth disease

Last week, the authorities in South Africa reported one case of foot and mouth disease in cattle.