

MARKET NEWS for pig meat



Market analysis

10 December 2018

Week 50

MARKET SITUATION

Europe: Trading in legs is at slightly falling prices. As regards other cuts trade is at unchanged prices.

UK: Prices are reported as stable.

Demand is reported as stable for both China and Japan.

Slaughterings in Denmark

	Week 46	Week 47	Week 48	Week 1-48 2018/2017
Total	378,509	386,643	376,153	+4.4 %

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)		
	7/12	30/11	Change
2018			
Dec	54.25	57.88	-3.63
2019			
Jan	-	-	-
Feb	67.88	67.55	0.33
Mar	-	-	-
Apr	72.33	71.98	0.35
May	76.88	77.33	-0.45
Jun	84.00	83.78	0.22
Jul	84.50	84.28	0.22
Aug	84.38	83.58	0.80
Sep	-	-	-
Oct	68.80	68.80	0.00
Nov	-	-	-
Dec	62.78	63.25	-0.48
2020			
Jan	-	-	-
Feb	66.95	67.15	-0.20
Mar	-	-	-
Apr	70.65	71.00	-0.35

Conversion factors:
1 lb = 0.4536 kg
\$ = 6.5642



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 2 December.

Countries	Period 25 Nov - 2 Dec		Year to date 1 Jan - 2 Dec	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		1		215
Latvia		15	10	631
Lithuania		25	51	1,361
Poland		40	109	2,224
Italy		4	10	49
Ukraine	3	1	101	38
Czech Republic				28
Romania	16	13	1,141	134
Hungary		14		76
Bulgaria			1	4
Belgium		7		108
Total	19	120	1,423	4,868



CHINA

African Swine Fever

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

Last week, outbreaks were reported at small farms around Beijing and in the provinces of Sichuan, Guizhou and Shaanxi. This is the first occurrence in Shaanxi province. 22 provinces have now officially reported a total of 80 outbreaks.

According to a spokesperson from China's Ministry of Agriculture, the African Swine Fever situation is under control and the restrictions imposed to control new outbreaks have proved so effective that restrictions have been lifted in 35 areas in eight provinces.



CHINA

Ban on pig production in areas populated with wild boar

Reuters reports that China's Ministry of Agriculture has announced that, in efforts to control African Swine Fever, pig production in areas populated by wild boar will be banned.

Last month, African Swine Fever was reported among wild boar in the north-east province of Jilin. According to the authorities, the strain of the virus found in wild boar was different from the strain of virus found in pigs and the authorities have now warned against the risk of the new strain infecting pig production.



RUSSIA

Classical Swine Fever in wild boar

Last week, Russia reported three outbreaks of Classical Swine Fever in wild boar in the region of Primorskiy Kray in eastern Russia close to the Sea of Japan.


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

	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	21,859	154,521	6,494	152	64,445	201,501	2,362	451,333	30.5
Poland	1,167	140,887	70	2	0	101,110	0	243,237	16.4
UK	5,381	445	7,979	34,959	0	93,130	8,035	149,930	10.1
Italy	1,338	17,264	388	56	0	80,179	272	99,497	6.7
Sweden	6,140	166	1,708	796	0	13,680	3,852	26,342	1.8
Holland	7,822	9,329	168	18	0	6,616	232	24,186	1.6
France	1,512	1,184	753	338	0	9,431	729	13,948	0.9
Spain	291	3,410	934	325	0	3,947	1,011	9,918	0.7
Other EU countries	8,722	9,953	2,674	154	11	40,900	2,821	65,235	4.4
Total EU	54,231	337,158	21,168	36,802	64,456	550,495	19,315	1,083,625	73.2
China	120,430	0	166	19	0	48,498	7	169,120	11.4
Japan	1,966	3	2,904	36	0	81,983	1,316	88,208	6.0
USA	1,968	0	3,774	80	0	23,700	1,016	30,539	2.1
Australia	270	0	141	337	0	29,609	46	30,403	2.1
South Korea	227	32	1,271	0	0	10,940	201	12,672	0.9
Taiwan	707	6	25	0	0	9,437	7	10,182	0.7
Ukraine	2,608	652	0	0	0	3,951	0	7,211	0.5
Philippines	4,634	0	435	0	0	1,377	1	6,448	0.4
Belarus	1,149	217	0	0	0	4,707	0	6,073	0.4
Other third countries	9,798	702	6,919	1,036	0	12,450	4,966	35,871	2.4
Third countries, total	143,758	1,612	15,636	1,507	27	226,653	7,560	396,752	26.8
Exports, total	197,989	338,770	36,804	38,309	64,482	777,148	26,875	1,480,377	100

January-September 2017

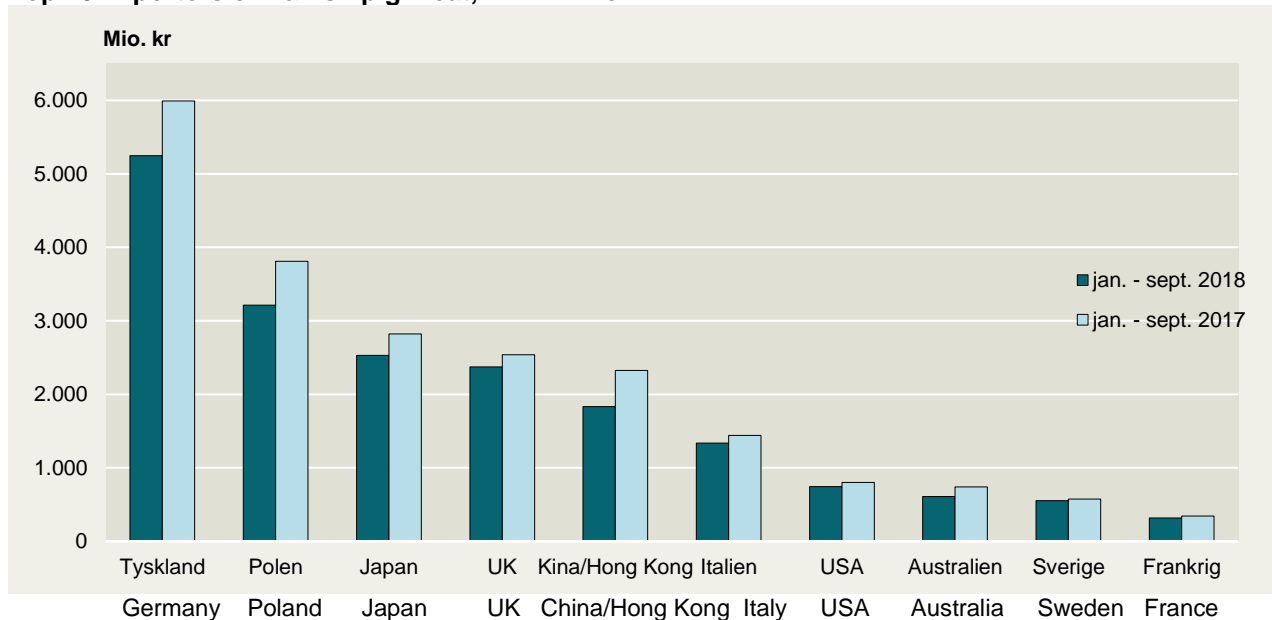
	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	17,191	149,951	6,446	135	63,830	177,616	1,841	417,011	29.2
Poland	3,140	125,233	188	0	0	95,604	0	224,165	15.7
UK	5,770	520	7,237	27,544	0	100,802	7,087	148,959	10.4
Italy	1,386	16,365	404	53	0	72,830	210	91,248	6.4
Sweden	7,034	112	1,476	909	0	13,727	3,645	26,902	1.9
Holland	8,026	9,233	156	31	0	5,365	202	23,013	1.6
France	1,143	1,279	715	304	0	9,898	662	14,002	1.0
Spain	385	3,113	999	307	0	5,532	1,074	11,410	0.8
Other EU countries	10,965	11,959	2,322	146	0	42,075	2,515	69,982	4.9
Total EU	55,040	317,765	19,943	29,429	63,830	523,448	17,237	1,026,693	71.8
China	125,073	21	0	0	0	59,343	0	184,438	12.9
Japan	2,074	12	3,027	196	0	83,120	1,200	89,629	6.3
Australia	258	0	129	327	0	32,630	32	33,375	2.3
USA	2,351	0	3,963	72	0	19,182	732	26,300	1.8
South Korea	703	30	1,909	0	0	8,769	279	11,690	0.8
Taiwan	1,184	3	10	0	0	10,100	0	11,297	0.8
Hong Kong	1,021	0	444	24	0	4,349	111	5,948	0.4
Philippines	3,997	4	330	0	0	829	1	5,161	0.4
Ukraine	3,103	201	0	0	0	453	0	3,757	0.3
Other third countries	6,521	647	6,832	868	0	10,149	5,682	30,699	2.1
Third countries, total	146,284	919	16,643	1,487	6	228,924	8,037	402,300	28.2
Exports, total	201,324	318,684	36,585	30,916	63,837	752,373	25,274	1,428,993	100

Top 10 importers of Danish pig meat according to value

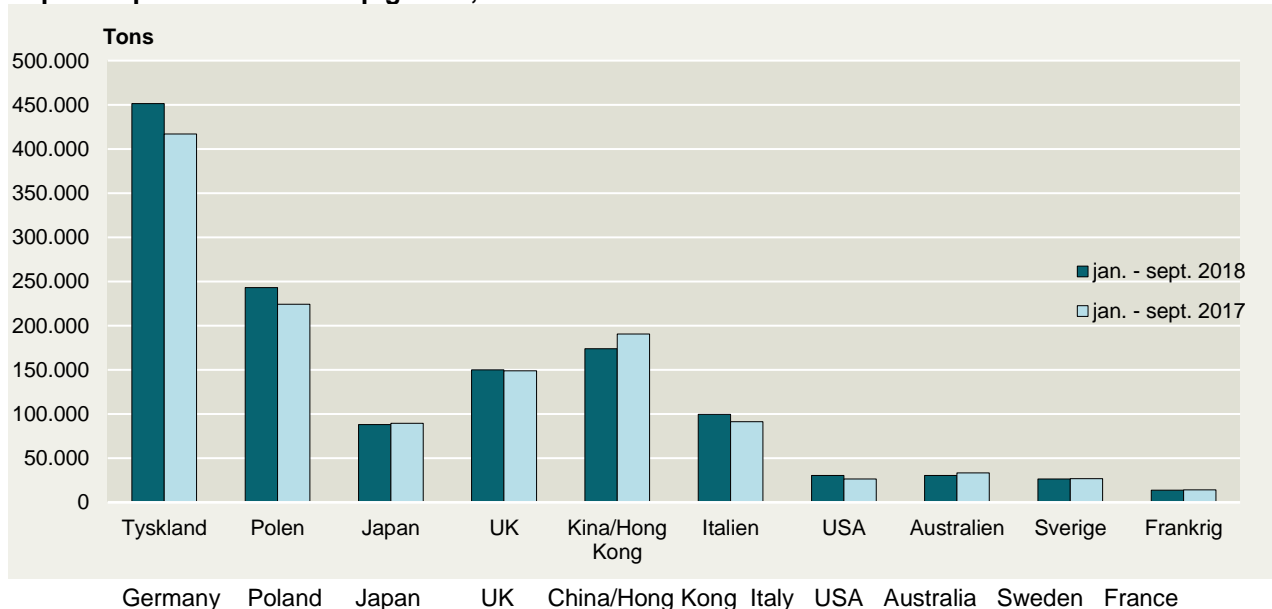
The following table lists the top ten countries for Danish pig meat exports ranked according to value for January-September 2018. All pig meat (including live pigs) is included.

Country	Jan-Sept 2018		Jan-Sept 2017	
	Value in DKK million	Tonnes	Value in DKK million	Tonnes
Germany	5,246	451,333	5,993	417,011
Poland	3,213	243,237	3,809	224,165
Japan	2,530	88,208	2,821	89,629
UK	2,374	149,930	2,540	148,959
China/Hong Kong	1,832	173,880	2,324	190,385
Italy	1,335	99,497	1,441	91,248
USA	745	30,539	799	26,300
Australia	609	30,403	741	33,375
Sweden	554	26,342	577	26,902
France	318	13,948	342	14,002
Top 10 total	18,755	1,307,317	21,388	1,261,977
Other countries	2,964	173,061	3,111	167,016
Total	21,719	1,480,377	24,499	1,428,993

Top 10 importers of Danish pig meat, DKK million



Top 10 importers of Danish pig meat, tonnes




Exports of live pigs Jan-Sept 2018

The table below shows Statistics Denmark's figures for the export of live pigs for Jan-Sept 2018 compared to the same period last year.

Piglets < 50 kg.

Product code 0103 9110

	Jan-March 2018	April - June 2018	July- Sept 2018	Jan-Sept 2018	Jan-Sept 2017
Poland	1,610,463	1,677,392	1,732,462	5,020,317	4,586,855
Germany	1,613,409	1,689,734	1,639,157	4,942,300	5,083,729
Italy	197,321	227,155	156,082	580,558	555,058
Holland	118,420	116,753	99,431	334,604	347,062
Croatia	24,826	23,862	20,591	69,279	69,951
Czech Republic	19,276	19,372	24,901	63,549	74,884
Hungary	22,139	6,551	10,333	39,023	67,690
Slovakia	16,805	9,855	3,297	29,957	28,707
Other	54,508	32,829	23,918	111,255	119,667
Total	3,660,362	3,793,648	3,706,875	11,160,885	10,904,896

Pigs and sows 50-160 kg.

Product code 0103 9219

Stk.	Jan-March 2018	April-June 2018	July-Sept 2018	Jan-Sept 2018	Jan-Sept 2017
Germany	21,229	25,659	25,424	72,312	87,780
Spain	9,342	13,738	13,799	36,879	23,302
Belgium	8,183	7,321	6,384	21,888	10,604
Italy	3,282	4,447	5,470	13,199	9,268
France	2,062	2,307	2,384	6,753	9,179
Poland	1,979	1,512	3,056	6,547	7,343
Other	6,146	5,612	5,817	17,575	12,370
Total	52,223	60,596	62,334	175,153	159,846

Sows > 160 kg.

Product code 0103 9211

	Jan-March 2018	April-June 2018	July-Sept 2018	Jan-Sept 2018	Jan-Sept 2017
Germany	6,196	8,419	8,632	23,247	10,717
Italy	-	-	-	-	51
Total	6,196	8,419	8,632	23,247	10,768

Pigs, breeding stock

Product code 0103 1000

	Jan-March 2018	April-June 2018	July-Sept 2018	Jan-Sept 2018	Jan-Sept 2017
Germany	47,950	39,519	41,378	128,847	135,668
Spain	936	3,549	6,572	11,057	16,950
Slovakia	2,365	1,771	2,328	6,464	7,775
Poland	559	1,057	742	2,358	3,363
France	423	297	771	1,491	1,842
Belgium	116	212	40	368	12,623
Holland	40	117	58	215	613
Other	6,022	8,398	8,823	23,243	29,931
Total	58,411	54,920	60,712	174,043	208,765



USA

10 largest pig producers

The following table lists the 10 largest pig producers (measured in terms of the number of sows) in the U.S. (source: Successful Farming magazine).

10 largest pig producers in the U.S

Sows	Producer	2018	2017	Per cent change 2018:17
1	Smithfield Foods/WH Group	950,000	910,000	4.4
2	Seaboard Foods	340,000	325,000	4.6
3	Pipestone System	251,000	240,000	4.6
4	Iowa Selected Farms	235,000	207,000	13.5
5	The Maschhoffs	204,000	218,000	-6.4
6	Prestage Farms	182,300	175,000	4.2
7	Carthage System	180,000	175,000	2.9
8	JBS	167,500	166,570	0.6
9	Christensen Farms	142,500	142,500	0.0
10	AMVC Management Services	135,500	117,500	15.3
Total		2,787,800	2,676,570	4.2

In addition to the 950,000 sows in the U.S., Smithfield has 148,000 sows in Mexico, 95,000 sows in Poland and 52,000 sows in Romania. In global terms, therefore, Smithfield's sow population totals 1,245,000.

Increasing pig production in the U.S. is being driven primarily by expansion in slaughtering capacity. As meat processors have posted good results over the past few years, new investments have been made in slaughtering machinery and expansions of existing systems.

With a total of 2,787,800 sows, the 10 largest U.S. pig producers account for 44 per cent of the U.S.'s total sow population.



CANADA

Five largest pig producers in 2018

The following table lists the five largest pig farms (measured in the number of sows) in Canada.

5 largest pig producers in Canada

Sows	Producer	2018	2017	Per cent change 2018:17
1	Olymel	106,000	84,000	26.2
2	HyLife	84,000	78,000	7.7
3	Maple Leaf Agri-Farms	74,000	74,000	0.0
4	The Progressive Group	38,500	38,500	0.0
5	Provista Agriculture	35,000	34,000	2.9
Total		337,500	308,500	9.4

 **CHINA**
Cockroaches used for crunching kitchen waste

Reuters reports that China has begun to use cockroaches to break down kitchen waste.

Chinese cities are generating more food waste than they can accommodate in landfills. The newly introduced ban on using kitchen waste as pig feed is spurring the growth of alternative methods of handling kitchen waste.

On the outskirts of Jinan, capital of eastern Shandong province, a billion cockroaches are being fed with 50 tonnes of kitchen waste a day. Shandong Qiaobin Agricultural Technology Co. is responsible for operating the plant and plans to set up three more plants next year, aiming to process a third of the kitchen waste produced by Jinan, home to about seven million people.

 **JAPAN**
Classical Swine Fever

The authorities in Japan continue to report new outbreaks of Classical Swine Fever among wild boar in the Gifu region.

 **JAPAN**
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
End October 18	760	17,418	5,435	142,294	165,907

 **ISRAEL**
Foot and mouth disease

Last week, the authorities in Israel reported two outbreaks of foot and mouth disease among wild boar and in a herd of cattle.