

# MARKET NEWS for pig meat



Market analysis

11 March 2019

Week 11

## MARKET SITUATION

Europe: Trading in legs is at unchanged or slightly increasing prices this week. As regards other cuts, trading is at unchanged prices.

UK: Sales are reported as quiet

Demand continues to be stable for Japan. Strong demand is reported from China where trading is at increasing prices.

## Slaughterings in Denmark

	Week 7	Week 8	Week 9	Week 1-9 2019/2018
Total	325,222	322,618	321,585	-4.4 %

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

## FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	8/3	1/3	Change
<b>2019</b>			
Apr	60.55	56.40	4.15
May	68.93	65.93	2.99
Jun	78.18	75.53	2.65
Jul	80.05	77.98	2.07
Aug	80.68	78.30	2.38
Sep	-	-	-
Oct	69.80	68.85	0.95
Nov	-	-	-
Dec	64.18	64.53	-0.36
<b>2020</b>			
Jan	-	-	-
Feb	67.53	67.90	-0.38
Mar	-	-	-
Apr	70.78	71.13	-0.35
May	75.20	75.38	-0.18
Jun	79.95	79.70	0.25
Jul	80.00	80.15	-0.15
Conversion factors: 1 lb = 0.4536 kg \$ = 6.6477			



### 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 from 1 January – 3 March.

Countries	Period 24 Feb – 3 March		Year to date 1 Jan – 3 March		2018	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		4		44		230
Latvia				109	10	685
Lithuania		7		110	51	1,443
Poland		65	1	506	109	2,438
Italy			1	16	10	64
Ukraine			6	4	105	41
Czech Republic						28
Romania	5	15	61	124	1,163	170
Hungary		74		272		138
Bulgaria		2		3	1	5
Belgium				197		161
<b>Total</b>	<b>5</b>	<b>167</b>	<b>69</b>	<b>1,385</b>	<b>1,449</b>	<b>5,403</b>

### CHINA

#### African Swine Fever

Last week, the Chinese authorities reported one new case of African Swine Fever in a herd of 3,172 pigs in the southern autonomous region of Guangxi, which borders Vietnam.

Reuters reports that there are now 111 cases in 28 provinces or regions since the first case was confirmed in August 2018.

### CHINA

#### Increasing pig prices

Reuters reports strongly increasing pig prices in China and on 11th March prices were at their highest in 14 months. Prices across the country have surged almost 20 per cent since early March.

"The main reason is there are fewer pigs," says Yao Guiling, analyst with China-America Commodity Data Analytics. Some farmers are also reluctant to sell now anticipating further tightening of supplies and higher profits in coming weeks, she added.

According to figures from the Chinese Ministry of Agriculture, China's pig herd fell 13% in January compared with the same month a year earlier. The sow population fell by 15 per cent, reports Reuters.

Analysts and traders said producers that can keep out disease could see increased profits in coming months. "Our goal is to survive. If we survive, life afterwards will be good," said one of the major producers.

Shares in leading pig producing companies continued to rise on Monday, reports Reuters.


**Denmark's exports of pig meat, tonnes**
**January-December 2018**

	By-products	Live pigs	Processed canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	27,760	204,148	8,433	213	86,035	268,875	3,149	598,614	30.5
Poland	1,640	181,826	90	2	183	132,323	0	316,064	16.1
UK	7,010	874	10,740	47,421	0	129,024	11,106	206,176	10.5
Italy	1,822	21,709	514	73	0	102,833	357	127,308	6.5
Sweden	8,173	290	2,137	1,058	0	16,646	4,796	33,101	1.7
Holland	10,372	12,525	220	21	0	9,115	310	32,563	1.7
France	1,912	1,717	985	457	0	12,790	1,023	18,884	1.0
Spain	342	4,559	1,277	397	0	5,701	1,302	13,578	0.7
Other EU countries	11,450	15,597	3,278	233	23	51,369	3,827	85,777	4.4
<b>Total EU</b>	<b>70,480</b>	<b>443,245</b>	<b>27,674</b>	<b>49,875</b>	<b>86,241</b>	<b>728,678</b>	<b>25,871</b>	<b>1,432,064</b>	<b>73.0</b>
China	157,847	0	194	19	0	63,635	77	221,771	11.3
Japan	2,171	9	3,715	72	0	109,618	1,690	117,275	6.0
Australia	320	0	223	433	0	44,113	46	45,136	2.3
USA	2,532	0	4,558	128	0	29,444	1,242	37,904	1.9
South Korea	251	40	1,794	0	0	15,048	261	17,394	0.9
Belarus	2,607	267	0	0	0	10,383	0	13,257	0.7
Taiwan	917	9	41	0	0	11,640	10	12,618	0.6
Ukraine	2,955	834	0	0	0	5,162	0	8,951	0.5
Philippines	6,115	0	804	0	0	1,484	1	8,404	0.4
Other Third Countries	12,681	844	9,236	1,513	0	16,969	6,418	47,660	2.4
<b>Third countries, total</b>	<b>188,396</b>	<b>2,002</b>	<b>20,565</b>	<b>2,164</b>	<b>29</b>	<b>307,496</b>	<b>9,746</b>	<b>530,398</b>	<b>27.0</b>
<b>Exports, total</b>	<b>258,877</b>	<b>445,247</b>	<b>48,238</b>	<b>52,040</b>	<b>86,269</b>	<b>1,036,174</b>	<b>35,616</b>	<b>1,962,462</b>	<b>100.0</b>

**January-December 2017**

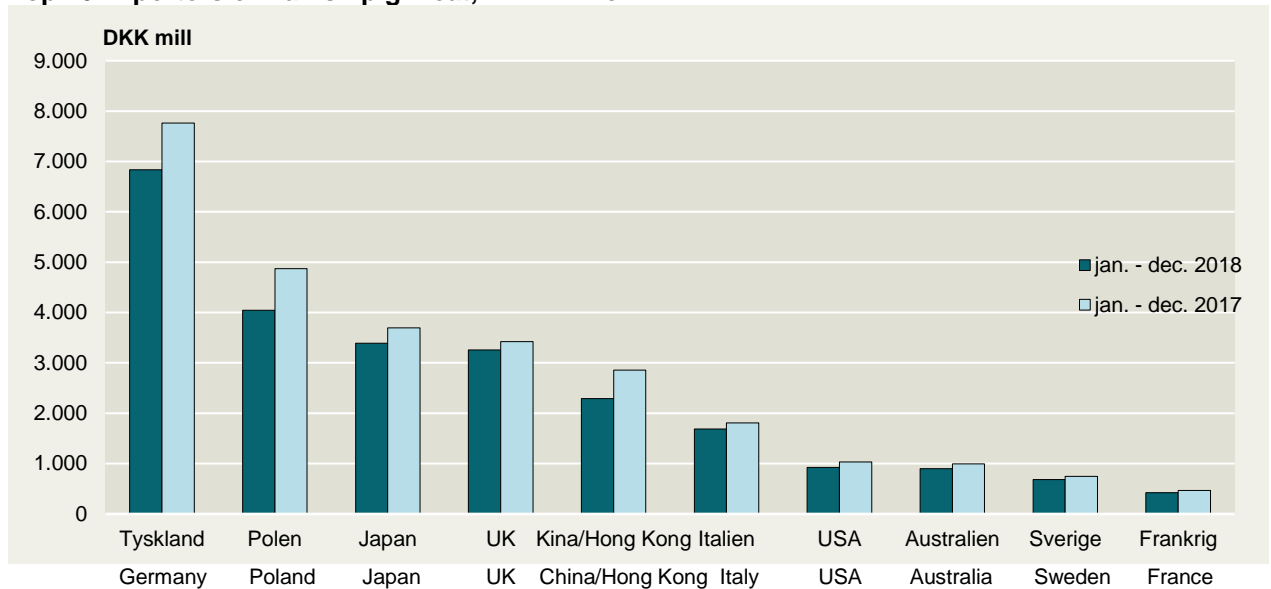
	By-products	Live pigs	Processed canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	24,827	198,106	8,522	185	86,019	236,093	2,447	556,198	29.1
Poland	3,616	170,847	218	0	0	127,190	0	301,871	15.8
UK	9,248	583	9,479	38,083	0	137,426	9,715	204,534	10.7
Italy	1,870	20,643	491	70	0	95,222	300	118,596	6.2
Sweden	9,591	147	1,886	1,200	0	17,682	4,719	35,226	1.8
Holland	11,026	12,589	197	38	0	7,599	279	31,729	1.7
France	1,735	1,781	976	445	18	14,003	967	19,925	1.0
Spain	455	3,848	1,325	372	0	7,608	1,438	15,046	0.8
Other EU countries	13,768	15,615	2,987	257	0	55,205	3,367	91,200	4.8
<b>Total EU</b>	<b>76,135</b>	<b>424,160</b>	<b>26,080</b>	<b>40,650</b>	<b>86,039</b>	<b>698,028</b>	<b>23,233</b>	<b>1,374,325</b>	<b>71.9</b>
China	162,531	21	0	0	0	81,526	0	244,078	12.8
Japan	2,488	15	3,982	251	0	110,819	1,624	119,179	6.2
Australia	521	0	183	420	0	43,296	115	44,535	2.3
USA	3,163	0	6,494	112	0	23,827	1,029	34,625	1.8
South Korea	846	42	2,467	0	0	13,867	361	17,583	0.9
Taiwan	1,520	3	14	0	0	14,995	0	16,532	0.9
Hong Kong	1,418	0	589	29	0	6,380	138	8,555	0.4
Philippines	5,589	14	445	0	0	883	1	6,932	0.4
Other Third Countries	9,250	1,075	8,823	1,224	0	12,513	7,587	40,472	2.1
<b>Third countries, total</b>	<b>190,981</b>	<b>1,754</b>	<b>22,996</b>	<b>2,036</b>	<b>7</b>	<b>308,896</b>	<b>10,855</b>	<b>537,525</b>	<b>28.1</b>
<b>Exports, total</b>	<b>267,116</b>	<b>425,914</b>	<b>49,075</b>	<b>42,686</b>	<b>86,046</b>	<b>1,006,924</b>	<b>34,089</b>	<b>1,911,850</b>	<b>100.0</b>

### Top 10 importers of Danish pig meat according to value

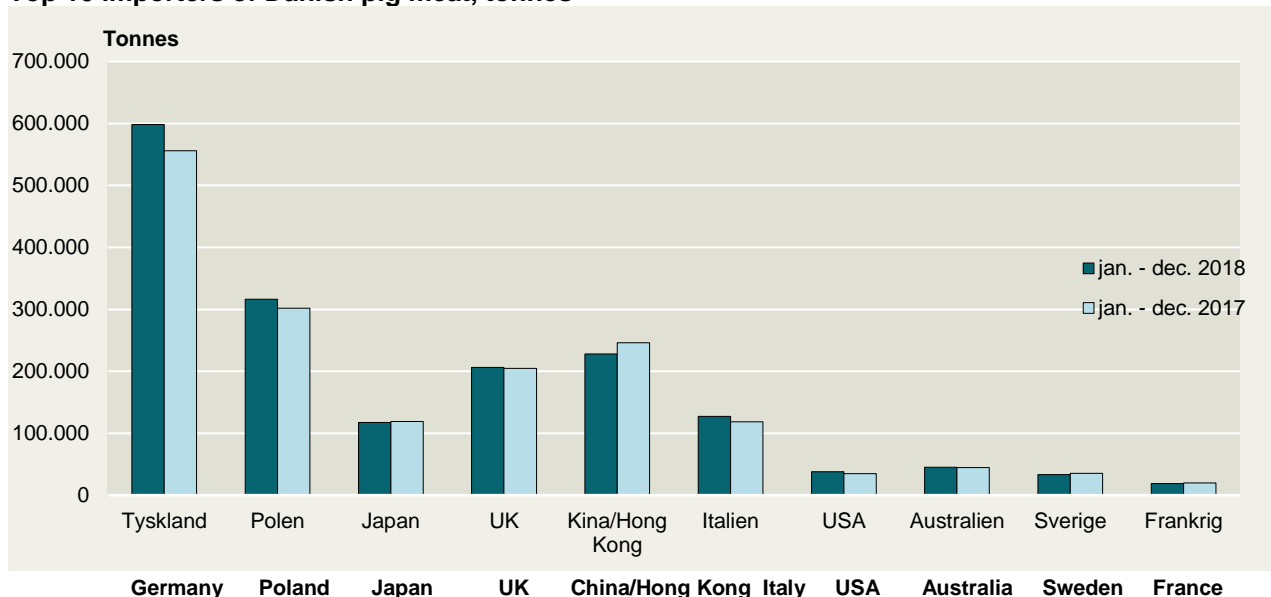
The following chart ranks the top 10 countries for Danish exports of pig meat according to value for January-December 2018. All pig meat (including live pigs) are included.

Country	Jan-Dec 2018		Jan-Dec 2017	
	Value in DKK million	Tonnes	Value in DKK million	Tonnes
Germany	6,837	598,614	7,761	556,198
Poland	4,045	316,064	4,869	301,871
Japan	3,390	117,275	3,695	119,179
UK	3,256	206,176	3,425	204,534
China/Hong Kong	2,289	228,069	2,856	246,095
Italy	1,689	127,308	1,810	118,596
USA	926	37,904	1,031	34,625
Australia	901	45,136	993	44,535
Sweden	686	33,101	749	35,226
France	423	18,884	466	19,925
<b>Top 10 total</b>	<b>24,443</b>	<b>1,728,531</b>	<b>27,656</b>	<b>1,680,784</b>
Other countries	4,117	233,931	4,330	231,066
<b>Total</b>	<b>28,560</b>	<b>1,962,462</b>	<b>31,986</b>	<b>1,911,850</b>

### Top 10 importers of Danish pig meat, DKK million



### Top 10 importers of Danish pig meat, tonnes




**Exports of live pigs Jan-Dec 2018**

The tables below show Statistics Denmark's figures for exports of live pigs (per head) for 2018 compared to 2017 and 2016.

Piglets < 50 kg. Product code 0103 9110

	<b>Jan-Dec 2016</b>	<b>Jan-Dec 2017</b>	<b>Jan-Dec 2018</b>
Germany	6,554,880	6,765,688	6,611,030
Poland	4,956,317	6,219,701	6,598,692
Italy	675,005	701,469	726,214
Holland	358,258	475,239	456,780
Croatia	46,584	93,073	97,042
Czech Republic	89,568	96,536	92,218
Hungary	63,424	90,401	62,208
Slovakia	14,754	45,650	31,770
Others	78,850	136,108	202,353
<b>Total</b>	<b>12,837,640</b>	<b>14,623,865</b>	<b>14,878,307</b>

Pigs and sows 50-160 kg. Product code 0103 9219

	<b>Jan-Dec 2016</b>	<b>Jan-Dec 2017</b>	<b>Jan-Dec 2018</b>
Germany	87,064	100,623	94,515
Spain	30,808	28,171	51,244
Belgium	16,360	12,267	29,702
Italy	8,198	10,408	18,369
Poland	5,368	7,954	12,759
France	6,359	10,496	12,020
Others	9,364	20,060	21,562
<b>Total</b>	<b>163,521</b>	<b>189,979</b>	<b>240,171</b>

Sows > 160 kg Product code 0103 9211

	<b>Jan-Dec 2016</b>	<b>Jan-Dec 2017</b>	<b>Jan-Dec 2018</b>
Germany	25,283	13,717	32,756
Holland			276
Italy		51	
<b>Total</b>	<b>25,483</b>	<b>13,768</b>	<b>33,032</b>

Pigs, breeding stock Product code 0103 1000

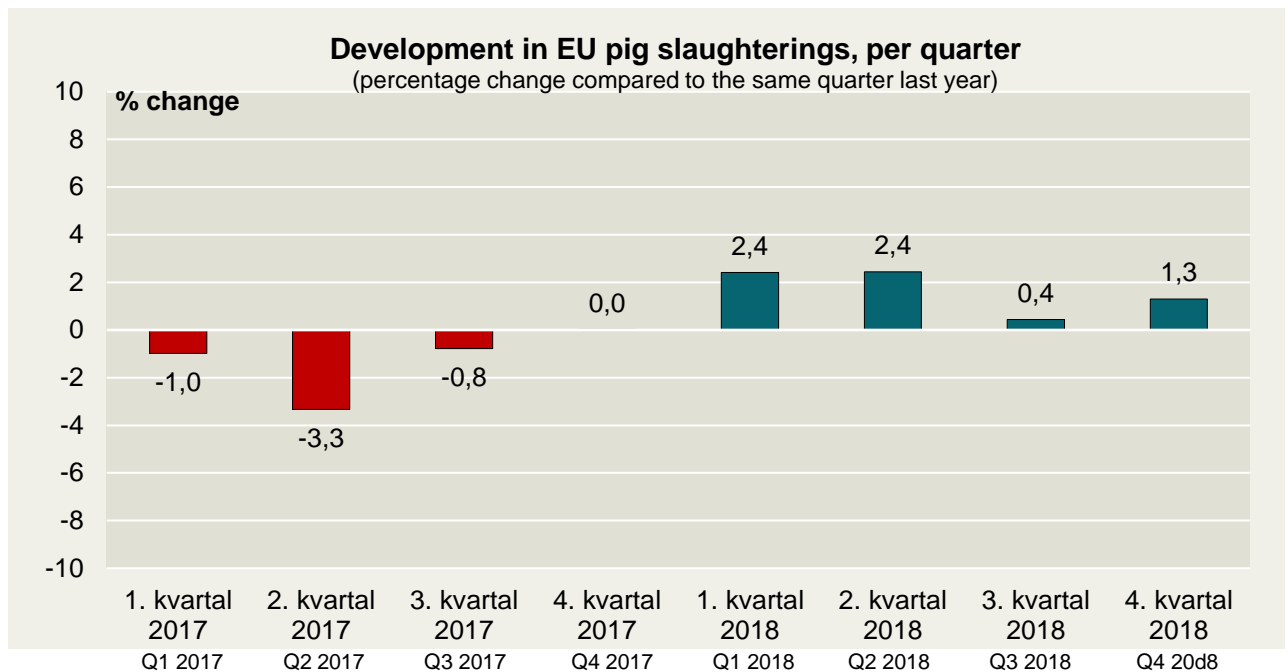
	<b>Jan-Dec 2016</b>	<b>Jan-Dec 2017</b>	<b>Jan-Dec 2018</b>
Germany	219,352	180,741	168,870
Spain	15,548	20,754	12,648
Italy	5,640	7,325	9,111
Slovakia	7,712	9,384	8,807
Poland	7,117	3,906	3,481
France	1,682	1,935	1,964
Belgium	12,671	14,948	358
Others	30,577	34,881	22,650
<b>Total</b>	<b>300,299</b>	<b>273,874</b>	<b>227,889</b>

### Pig slaughterings increased 2 per cent in 2018

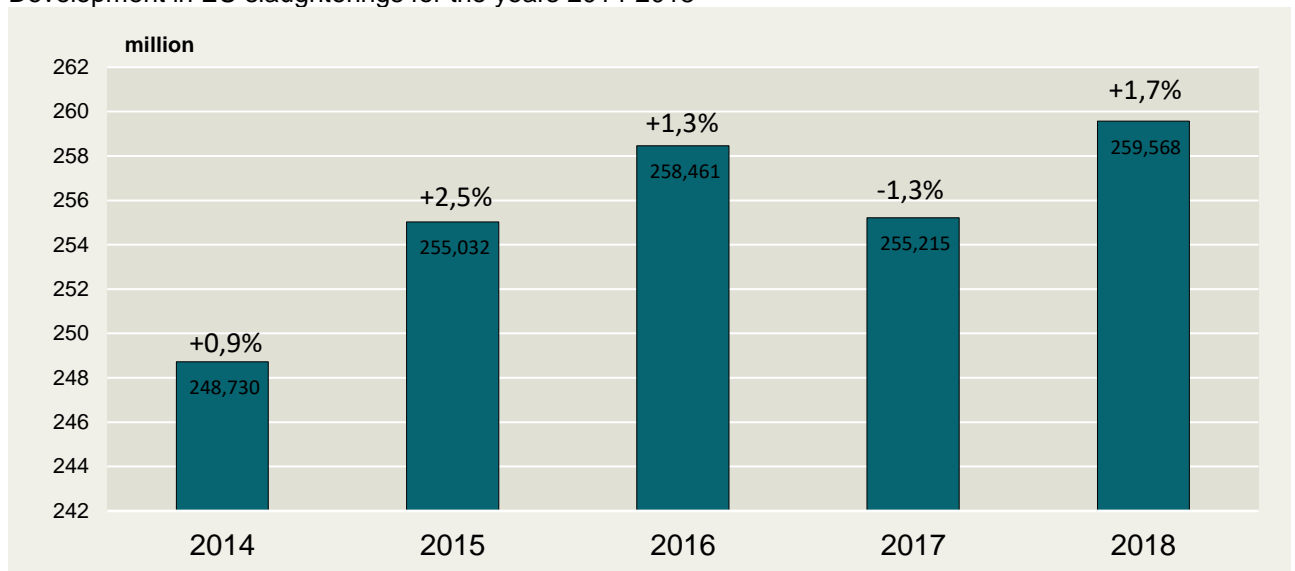
EU pig slaughterings increased by 1.7 per cent in 2018 according to the EU countries' reported figures to Eurostat. Apart from Italy, which has not yet reported its figures for December 2018, all countries have now reported their slaughtering figures for 2018.

Assuming that Italy's figure for December 2018 will be on a par with that for December 2017, EU slaughterings show a rise of 1.3 per cent in Q4 compared to Q4 last year. And, as mentioned above, a rise of 1.7 per cent for the whole of 2018 compared to 2017.

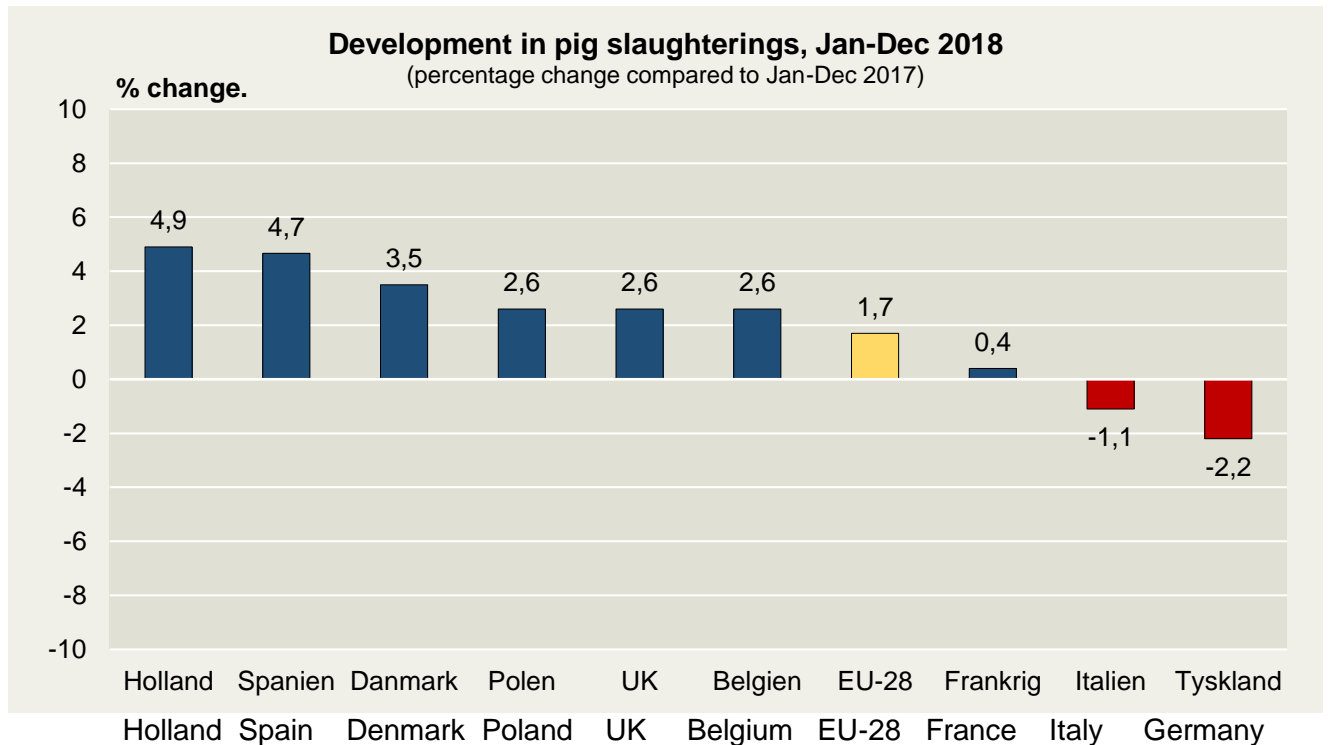
The following chart shows the development of EU slaughterings on a quarterly basis for 2017 and 2018. As can be seen, the increases in 2018 follow a fall in slaughterings in 2017.



### Development in EU slaughterings for the years 2014-2018



And finally, the chart below, which comprises the largest pig producing countries in the EU, shows the development in slaughterings in 2018 compared to the previous year. As can be seen, slaughterings increased in a number of the major pig producing countries. Only Germany and Italy saw slaughterings decline compared to the previous year.



## SWEDEN

### HK Scan invests in Kristianstad

Agra Europe reports that HK Scan has invested EUR 7 million in upgrading the company's slaughtering facilities in Kristianstad, which is Sweden's largest pig slaughterhouse, with annual slaughterings of more than 700,000 pigs.

The upgrading is also expected to deliver energy savings and reduce water consumption. It is also hoped that the plant will eventually be given the go-ahead to export to China.

## USA

### Fall in exports of pig meat to China in 2018

Preliminary figures for U.S. exports of pig meat in 2018 show, as expected, a significant fall in exports to China.

As is shown in the following tables, U.S. exports of fresh/frozen pig meat to China fell by 17.5 per cent in 2018 compared to 2017. Compared to 2016, the fall amounts to 40.8 per cent. The decline in exports, however, is more than offset by increased U.S. exports to other markets such as South Korea, Columbia, Australia and the Dominican Republic. In total, U.S. exports of fresh/frozen pig meat increased by 4.7 per cent in 2018.

For processed pig meat, 2018 saw a fall in U.S. exports of 6.5 per cent compared to 2017. This is primarily due to a fall in exports to Mexico.

With regards to by-products, 2018 saw a significant decline owing to a lower level of exports to China and Hong Kong. Increasing exports to other markets failed to offset this development.

## USA's exports of pig meat

**0203 Fresh/Frozen Pig Meat**

<b>Tonnes</b>	<b>Jan-Dec 2016</b>	<b>Jan-Dec 2017</b>	<b>Jan-Dec 2018</b>	<b>% change</b>
Mexico	564,565	630,308	625,800	-0.7
Japan	361,821	365,382	364,913	-0.1
South Korea	122,810	158,007	220,449	39.5
Canada	98,041	105,156	105,431	0.3
China	177,538	127,451	105,170	-17.5
Colombia	40,422	63,106	92,181	46.1
Australia	56,257	62,044	72,104	16.2
Dom. Rep	22,453	27,980	38,135	36.3
Other	64,103	64,749	88,435	36.6
<b>Total</b>	<b>1,613,385</b>	<b>1,731,081</b>	<b>1,811,729</b>	<b>4.7</b>

**160249, 160241, 160242, 021012, 021019, 021011  
processed pig meat**

<b>Tonnes</b>	<b>Jan-Dec 2016</b>	<b>Jan-Dec 2017</b>	<b>Jan-Dec 2018</b>	<b>% change 18:17</b>
Canada	93,321	84,199	81,941	-2.7
Mexico	40,293	39,050	28,632	-26.7
Japan	15,612	17,527	15,723	-10.3
Philippines	6,693	7,737	9,461	22.3
Australia	6,304	7,944	6,771	-14.8
South Korea	4,683	5,667	6,460	14.0
Others	28,612	27,998	28,773	2.8
<b>Total</b>	<b>195,518</b>	<b>190,122</b>	<b>177,761</b>	<b>-6.5</b>

**020649 By-products**

<b>Tonnes</b>	<b>Jan-Dec 2016</b>	<b>Jan-Dec 2017</b>	<b>Jan-Dec 2018</b>	<b>% change 18:17</b>
Hong Kong	130,555	139,391	108,634	-22.1
China	151,623	147,450	80,880	-45.1
Mexico	97,688	86,976	73,536	-15.5
Philippines	10,346	11,374	17,318	52.3
Japan	10,358	10,643	13,654	28.3
South Korea	6,461	6,861	11,197	63.2
Vietnam	328	-	10,078	-
Canada	6,517	9,648	9,933	3.0
Other	8,736	5,139	7,479	45.6
<b>Total</b>	<b>427,610</b>	<b>429,890</b>	<b>344,346</b>	<b>-19.9</b>

 **JAPAN**
**Classical Swine Fever**

Last week, the authorities in Japan reported 10 new cases of Classical Swine Fever. Eight of the cases were among wild boar in the Gifu region and one was in the Aichi region. Another case was confirmed at a farm comprising 1,296 pigs in the Gifu region.

Since the first outbreak of Classical Swine Fever was confirmed in September, the majority of the cases have been among wild boar. So far, the authorities have chosen not to vaccinate the country's pig population against the disease. However, vaccinations of the wild boar population have begun in affected areas using food.



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

The fall in Japanese imports from EU countries in January 2019 should be seen against the background of the new trade agreement between the EU and Japan, which came into effect on 1 February.

A significant proportion of Japanese imports from the EU were therefore moved to February.

**2023 Fresh/frozen pig meat**

<b>Tonnes</b>	<b>2019 January</b>	<b>2018 January</b>	<b>% change 2019:2018</b>
USA	20,304	20,461	-0.8
Canada	17,838	17,812	0.1
Mexico	7,613	7,021	8.4
Spain	5,184	8,966	-42.2
Denmark	3,581	8,739	-59.0
Chile	2,179	1,708	27.6
Holland	1,439	2,000	-28.1
France	857	1,150	-25.5
Ireland	795	792	0.4
Italy	566	1,562	-63.8
Austria	497	504	-1.4
Germany	468	1,694	-72.4
Brazil	314	43	630.2
Australia	73	88	-17.0
Portugal	69	91	-24.2
Other	0	1,676	-100.0
<b>Total</b>	<b>61,777</b>	<b>74,307</b>	<b>-16.9</b>

Japan's imports of sausage products

<b>0210</b>			
<b>Sausage products</b>			
<b>Tonnes</b>	<b>2019 January</b>	<b>2018 January</b>	<b>% change 2019:18</b>
China	750	476	57.6
USA	748	664	12.6
Brazil	494	-	-
Thailand	394	372	5.9
Germany	96	44	117.5
Italy	57	71	-19.9
Denmark	50	151	-66.9
Others	67	111	-39.8
<b>Total</b>	<b>2,656</b>	<b>1,890</b>	<b>40.5</b>

Development in pig meat storage

<b>Tonnage</b>	<b>Own production</b>		<b>Imported volumes</b>		<b>Total storage</b>
	<b>Fresh</b>	<b>Frozen</b>	<b>Fresh</b>	<b>Frozen</b>	
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
End November 18	842	17,593	7,681	137,301	163,417
End December 18	1,039	18,355	6,810	134,157	160,361
End January 19	668	18,975	6,854	137,392	163,889

 **MOROCCO**

**Foot and mouth disease**

Last week, the authorities in Morocco reported one case of foot and mouth disease.

 **ALGERIA**

**Foot and mouth disease**

Last week, the authorities in Algeria reported 59 cases of foot and mouth disease.

**Please note that the English version of Market News will be published next Wednesday.**