

MARKET NEWS for pig meat



Market analysis

23 April 2019

Week 17

MARKET SITUATION

Europe: Trading in legs and other cuts is at unchanged prices this week. However, increased demand for BBQ products has been noted.

UK: Sales are at unchanged prices

Demand is stable from China and from Japan.

Slaughterings in Denmark

	Week 13	Week 14	Week 15	Week 1-15 2019/2018
Total	332,764	340,529	356,482	-1.8 %

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

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	18/4	12/4	Change
2019			
Apr	-	79.30	-
May	90.20	89.60	0.60
Jun	96.75	98.50	-1.75
Jul	100.55	101.35	-0.80
Aug	101.78	101.38	0.40
Sep	-	-	-
Oct	94.35	93.18	1.18
Nov	-	-	-
Dec	89.73	86.03	3.70
2020			
Jan	-	-	-
Feb	89.80	85.18	4.63
Mar	-	-	-
Apr	90.00	84.90	5.10
May	92.08	90.10	1.98
Jun	94.78	89.23	5.55
Jul	93.48	89.10	4.38
Aug	92.25	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = DKK 6.6058			



EU

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 between 1 January and 21 April.

Countries	Period 7 April – 21 April		Year to date 1 Jan - 21 April		2018	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia				45		230
Latvia		3		125	10	685
Lithuania		8		182	51	1,443
Poland		135	1	925	109	2,438
Italy		1	1	17	10	64
Ukraine	3	1	10	6	105	41
Czech Republic						28
Romania	7	20	81	201	1,163	170
Hungary		108		586		138
Bulgaria		1		11	1	5
Belgium		17		392		161
Total	10	294	93	2,490	1,449	5,403



CHINA

African Swine Fever

Over the weekend, the Chinese authorities reported 10 cases of African Swine Fever at small farms in the southern island group and the province of Hainan.

African Swine Fever has now officially been confirmed in all provinces and autonomous regions in China.



CHINA

Production of pig meat fell 5.2 per cent in Q1 2019

According to the National Bureau of Statistics, China's production of pig meat fell by 5.2 per cent to 14.63 million tonnes in Q1 2019. The number of slaughterings totalled 375.25 million, 5.1 per cent lower than the same quarter last year.



CHINA

Expects strongly increasing pig meat prices in second half year

A spokesperson from China's Agriculture Ministry has told Reuters that in the second half year of 2019, China expects the price of pig meat to be 70 per cent higher compared to one year ago.

A 70 per cent rise in the retail price for pig meat means a price of more than 38 yuan (GBP 4.38) per kg. This is significantly higher than the record from June 2016 of 27 yuan (GBP 3.11) per kg.

 **CHINA**
Authorities call for large farms to be tested for African Swine Fever

The Chinese Ministry of Agriculture is calling for large pig farms and breeding herds to be tested for the possible presence of African Swine Fever.

Testing equipment as well as the financial means for carrying out the testing will be made available by the authorities. Before testing for African Swine Fever, the Agriculture Ministry also wants farms to isolate any infected animals and not to move them without permission from the authorities.

 **USA**
Record exports of pig meat to US

US media reports that China has purchased 101,200 tonnes of pig meat from the US in two weeks. Figures published by the USDA last week, and subsequently reported by Reuters, showed that China purchased a record amount of 77,732 tonnes of pig meat from the US in one week. This means that in the week following the record, 23,468 tonnes of pig meat were exported to China.

 **EU**
Exports of pig meat

EU Commission has published preliminary figures for EU exports of pig meat (measured in carcase weight) for the period January-February 2019 compared to the same period last year.

According to categories

Tonnes	Jan - Feb 2019	Jan - Feb 2018	% change 19:18
Live pigs	1,879	2,208	-14.9
Fresh/frozen	419,143	385,273	8.8
Bacon	7,831	7,462	4.9
Processed	24,516	23,464	4.5
By-products	256,280	252,087	1.7
Total	709,649	670,493	5.8

Importers of pig meat from EU

Tonnes	Jan - Feb 2019	Jan - Feb 2018	% change 19:18
China	275,254	244,203	12.7
Japan	82,348	75,947	8.4
South Korea	53,314	64,011	-16.7
Philippines	52,209	45,872	13.8
Hong Kong	33,938	46,514	-27.0
USA	31,619	30,358	4.2
Australia	19,738	19,933	-1.0
Ukraine	18,024	14,474	24.5
Vietnam	14,655	7,872	-22.5
Serbia	9,868	12,741	86.2
Belarus	1,107	100	1007.0
Russia	292	316	-7.6
Others	117,283	108,152	8.4
EU-28	709,649	670,493	5.8



EU

EU Commission expects EU pig meat production to remain unchanged in 2019

In its latest published 'Short-term outlook for EU agricultural markets' from April, the EU Commission expects pig meat production in the EU to remain unchanged in 2019. Production of pig meat in the EU increased by 2 per cent in 2018.

January's short-term outlook forecast a fall of 1.0 per cent in EU production of pig meat in 2019. For 2020, the EU Commission currently expects a slight rise of 0.5 per cent.

As a result of increased demand from China, the EU Commission expects a solid rise in pig meat exports from the EU in 2019. This will also mean increasing pig prices and falling pig meat consumption in the EU market in 2019.

The table below shows the EU Commission's latest forecast for the EU's pig meat balance in 2019 and 2020.

Carcase weight, 1,000 tonnes	2015	2016	2017	2018	2019 f)	2020 f)
Gross Indigenous Production (GIP)	23,456	23,876	23,673	24,139	24,138	24,254
Live imports	-	-	-	-	-	-
Live exports	21	10	13	16	20	22
Net production	23,436	23,866	23,660	24,123	24,119	24,232
Imports of pig meat	11	12	14	15	16	19
Exports of pig meat	2,218	2,813	2,574	2,678	2,919	3,065
Consumption	21,229	21,065	21,100	21,460	21,216	21,186
Consumption per inhabitant (kg)	32.5	32.2	32.1	32.6	32.2	32.0
Rate of self-sufficiency (%)	110	113	112	112	114	114

f) forecast



BRAZIL

Increasing numbers of Brazilian companies to be approved for export to China

China's Ambassador in Brazil expects an increased number of plants in Brazil to be approved for meat exports to China, reports Asian Agribusiness.

According to Reuters, however, the Ambassador does not wish to put a number on the plants that are expected to be approved. However, he said that the subject will be raised during the Brazilian Agriculture Minister's visit to China in May. New export permits for China can then be announced when Brazil's Vice-President Hamilton Mourao visits Beijing later the same month, says the Chinese Ambassador.

According to other unnamed sources, up to 78 Brazilian meat companies may be added to the list of China's approved companies.



CANADA

Outdated forms delay shipments to China

According to Reuters, which cites the Canadian Food Inspection Agency (CFIA), some shipments of pig meat from Canada to China have been delayed because certain Canadian exporters have been using outdated forms to certify that the cargoes meet Chinese requirements.

CFIA has requested exporters to use the most recent version of the form.

 **SPAIN****Animal welfare activists break into slaughterhouse**

Spanish media report that almost one hundred animal welfare activists broke into a slaughterhouse in Riudellots de la Selva near Girona. The activists are affiliated to a group by the name of 269 libération animale and they were protesting about the slaughter of animals in general.

 **CHINA****Foot and mouth disease**

Last week, the Chinese authorities reported one case of foot and mouth disease in the Xinjiang region in the north-west of the country. 66 head of cattle have been affected.

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

New outbreaks continue to be reported in Japan. Last week, the Japanese authorities reported 53 cases of Classical Swine Fever in the Gifu region. All except two were found among wild boar. The two cases were at farms of 9,729 and 67 pigs respectively.

 **SOUTH AFRICA****New cases of African Swine Fever outside control zone**

Last week, the authorities in South Africa reported another case of African Swine Fever outside the control zone. The outbreak was at a farm of 155 pigs in Mpumalanga province in the north-east of the country.

The cause of the two recent cases is still unknown.

 **GUINEA-BISSAU****Foot and mouth disease**

Last week, the authorities in Guinea-Bissau reported 46 cases of foot and mouth disease. Some 6,551 head of cattle were affected.