

MARKET NEWS for pig meat



Market analysis

6 May 2019

Week 19

MARKET SITUATION

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

UK: Sales are stable and at unchanged prices

Demand is quiet from China and stable from Japan.

Slaughterings in Denmark

	Week 15	Week 16	Week 17	Weeks 1-17 2019/2018
Total	356,598	192,065	295,046	-4.5 %

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

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	3/5	26/4	Change
2019			
May	83.35	87.00	-3.65
June	92.75	88.75	4.00
Jul	95.68	93.45	2.22
Aug	96.90	94.70	2.20
Sep	-	-	-
Oct	88.58	88.48	0.10
Nov	-	-	-
Dec	83.73	84.68	-0.95
2020			
Jan	-	-	-
Feb	85.98	85.88	0.10
Mar	-	-	-
Apr	87.03	87.20	-0.17
May	90.38	89.68	0.70
Jun	93.35	93.03	0.32
Jul	93.20	92.53	0.67
Aug	92.08	92.00	0.08
Conversion factors: 1 lb = 0.4536 kg \$ = 6.6927			



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 28 April.

Countries	Period 21 April – 28 April		Year to date 1 Jan - 28 April		2018	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia				45		230
Latvia		1		126	10	685
Lithuania		6		188	51	1,443
Poland		41	1	966	109	2,438
Italy			1	17	10	64
Ukraine	1		11	6	105	41
Czech Republic						28
Romania		16	81	217	1,163	170
Hungary		18		604		138
Bulgaria				11	1	5
Belgium		25		417		161

CHINA

Authorities require African Swine Fever-free certificates from pig meat processors and pig traders

Reuters reports that last week, the Chinese authorities asked the country's pig meat processors and pig traders to obtain certificates proving their products are free from African Swine Fever.

"Processors and traders should have all products examined for the swine fever virus," a government official is quoted as saying. It is unclear, however, who would conduct the examinations or issue certificates.

The order took effect from Wednesday last week with violators facing harsh punishment. More inspections of markets, traders and restaurants have also been ordered.

CHINA

Rabobank expects a slight decline in China's soybean consumption this year

Despite the forecast substantial fall in China's pig production this year caused by African Swine Fever, Rabobank expects only a slight decline in China's soybean consumption.

According to Rabobank, China's soybean consumption will decline in 2019 - albeit significantly less than the decline in pig meat production. The reasons are the following: a ban on the use of kitchen waste as pig feed, increased use of soybeans in feed as the price falls and increased production of other animal proteins such as poultry.

In the longer-term, Rabobank expects China to shift away from home produced feed to commercial feed. However, with a significant decline in the number of small and medium-sized feed companies, Rabobank expects the number of Chinese feed companies to have halved by 2020.

 **CHINA**
Imports of pig meat

0203				
Fresh/frozen pig meat				
Tonnes	Jan-March 2017	Jan-March 2018	Jan-March 2019	% change 19:18
Spain	70,185	64,071	68,418	6.8
Germany	74,560	68,351	61,152	-10.5
Canada	42,979	39,672	52,838	33.2
Brazil	17,124	24,818	31,814	28.2
Holland	22,593	20,111	24,960	24.1
USA	38,013	35,442	22,812	-35.6
Denmark	25,520	23,402	17,485	-25.3
France	12,935	12,187	14,728	20.9
UK	11,668	10,381	14,520	39.9
Chile	9,047	10,608	12,593	18.7
Ireland	8,810	8,496	9,416	10.8
Austria	0	-	1,673	-
Mexico	59	552	970	75.7
Finland	-	382	730	91.1
Others	12,682	5,527	150	-97.3
Total	346,175	324,000	334,259	3.2

020649				
By-products - pigs				
Tonnes	Jan-March 2017	Jan-March 2018	Jan-March 2019	% change 19:18
Germany	52,026	36,831	35,143	-4.6
Canada	31,371	28,260	33,829	19.7
Denmark	38,774	31,798	31,793	0.0
Holland	23,982	25,053	26,305	5.0
Spain	34,239	28,269	25,411	-10.1
USA	92,231	81,078	23,933	-70.5
France	14,193	14,427	13,862	-3.9
UK	6,776	5,052	8,955	77.3
Chile	6,460	7,153	8,582	20.0
Ireland	5,602	5,545	6,075	9.6
Finland	0	412	843	104.6
Mexico	51	125	262	109.6
Romania	1,978	-	-	-
Belgium	6,071	4,621	-	-100.0
Others	3,758	2,659	-	-100.0
Total	317,512	271,283	214,991	-20.8

020641				
Pigs' liver				
Tonnes	Jan-March 2017	Jan-March 2018	Jan-March 2019	% change 19:18
Spain	50	101	123	21.8
UK	22	0	-	-
Canada	77	0	-	-
Chile	0	120	-	-100.0
Total	149	221	123	-44.3

Pig meat imports

0203				
Fresh/frozen pig meat				
Tonnes	Jan-March 2017	Jan-March 2018	Jan-March 2019	% change 19:18
Brazil	22,782	29,985	21,456	-28.4
China	11,365	9,775	5,873	-39.9
USA	16,796	8,660	3,969	-54.2
Holland	5,922	3,253	3,889	19.6
Vietnam	4,182	2,586	3,147	21.7
Poland	6,749	5,427	1,441	-73.4
Germany	6,134	4,998	1,176	-76.5
Spain	3,935	3,479	1,048	-69.9
Belgium	816	181	448	147.5
Canada	776	416	295	-29.1
Thailand	121	203	251	23.6
Australia	139	261	250	-4.2
Denmark	179	12	194	1516.7
UK	745	610	164	-73.1
Others	3,722	1,788	647	-63.8
Total	84,363	71,634	44,248	-38.2

020649				
By-products - pigs				
Tonnes	Jan-March 2017	Jan-March 2018	Jan-March 2019	% change 19:18
USA	26,528	31,660	19,960	-37.0
Brazil	11,078	15,595	13,757	-11.8
Germany	15,741	17,697	7,367	-58.4
Spain	10,432	7,771	5,072	-34.7
Poland	9,432	10,446	4,692	-55.1
Holland	9,425	8,130	3,775	-53.6
Italy	4,204	3,232	2,104	-34.9
UK	3,407	4,493	1,697	-62.2
Belgium	2,692	3,245	1,651	-49.1
Canada	527	678	1,146	69.0
France	2,221	1,552	1,097	-29.3
Argentina	596	738	950	28.7
Russia	822	1,008	652	-35.3
Denmark	537	1,327	624	-53.0
Japan	419	368	414	12.5
Sweden	548	352	353	0.3
Others	3,337	4,460	2,149	-51.8
Total	101,946	112,752	67,460	-40.2

 **CANADA/ CHINA**
Two Canadian exports temporarily barred from China

As was reported in last week's Market News, some Canadian exporters of agricultural products have been temporarily barred from exporting to China due to paperwork issues.

According to Reuters, the two pig meat production companies are Olymel LP and Drummond Export.

 **ARGENTINA/ CHINA**
Argentina given green light to export pig meat to China

Last week, Argentina's President announced that Argentina had been given the go-ahead to export pig meat to China.

According to Reuters, the agreement between the two countries means that 25 Argentinian production plants can export to China starting with La Pompeya, Campo Austral and Paldini.

 **USA**
USA set for a quick free trade agreement with Japan

According to the U.S. Secretary of Agriculture Sonny Perdue, the U.S. wants a quick free trade agreement with Japan for agricultural products.

According to Perdue, the U.S. chief negotiator is working to achieve as fast a trade agreement with Japan as possible. "Perhaps not a comprehensive trade agreement but an agreement that can address the problems we have in terms of agricultural products. I believe we can get this resolved quickly," says Perdue.

Last week, President Trump held talks with the Japanese Prime Minister Shinzo Abe. The President subsequently announced that he believes it is possible to enter into a free trade agreement with Japan when he visits Japan in May.

U.S. agricultural organisations have previously expressed concern about the prospect of losing U.S. market shares in Japan now that competitors are benefitting from new trade agreements with Japan.

 **USA**
Pig meat storage as at 31 March

The table below shows U.S. storage of pig meat at the end of March compared to the previous month and to one year ago.

The figures show a decline in pig meat storage of 1 per cent compared to the previous month and an almost unchanged situation compared to one year ago.

Beef storage is 5 per cent down compared to the previous month and 3 per cent down compared to one year ago. Poultry storage declined by 1 per cent and 2 per cent compared to the previous month and to one year ago.

1,000 lbs	31 March 2018	28 Feb. 2019	31 March 2019
Picnics	11,314	6,742	8,283
Legs	96,339	127,740	103,470
Bellies	59,202	53,771	58,788
Loins	39,553	38,648	42,041
Ribs	143,957	142,606	140,859
Trimblings	56,318	51,317	55,835
Butts	20,629	25,290	27,262
By-product	129,423	118,473	118,153
Other	54,278	51,083	55,438
Total pig meat	611,013	615,670	610,129
Beef	463,957	473,978	450,657
Poultry	1,338,081	1,324,860	1,316,616

Slaughterings

2017	Pigs/sows 50-110 kg	Sows etc over 110 kg	Total
January	1,388,979	45,071	1,434,050
February	1,325,895	41,159	1,367,054
March*	1,659,600	51,456	1,711,056
April	1,080,045	40,805	1,120,850
May	1,165,283	48,312	1,213,595
June*	1,691,408	54,077	1,745,485
July	1,267,063	40,667	1,307,730
August	1,273,261	44,802	1,318,063
September*	1,635,135	49,357	1,684,492
October	1,390,734	44,285	1,435,019
November	1,356,756	35,121	1,391,877
December*	1,679,724	56,588	1,736,312
Jan-Dec	16,913,883	551,700	17,465,583

2018	Pigs/sows 50-110 kg	Sows etc over 110 kg	Total
January	1,384,564	48,982	1,433,546
February	1,390,214	42,296	1,432,510
March*	1,602,989	49,004	1,651,993
April	1,330,704	46,252	1,376,956
May*	1,590,176	59,004	1,649,180
June	1,328,304	44,369	1,372,673
July	1,300,265	41,644	1,341,909
August*	1,634,399	50,063	1,684,462
September	1,366,922	44,925	1,411,847
October	1,442,388	50,702	1,493,090
November*	1,837,422	49,753	1,887,175
December	1,262,176	35,510	1,297,686
Jan-Dec 2018	17,470,523	562,504	18,033,027

2019	Pigs/sows 50-110 kg	Sows etc over 110 kg	Total
January*	1,588,010	52,742	1,640,752
February	1,329,198	41,879	1,371,077
March	1,356,485	43,969	1,400,454
April			
May*			
June			
July			
August*			
September			
October*			
November			
December			
Jan-Mar 2019	4,273,693	138,590	4,412,283
Jan-Mar 2018	4,377,767	140,282	4,518,049
Change per head	-104,074	-1,692	-105,766
Change in %	-2.4	-1.2	-2.3

* = 5 weeks


Exports of live pigs

2017	Piglets		Pigs/sows	Pigs/sows	Total
	0-15 kg	15-50 kg	50-135 kg	over 135 kg	
January	37,756	1,132,400	18,025	1,270	1,189,451
February	27,330	981,920	16,415	1,142	1,026,807
March	37,601	1,189,831	17,812	592	1,245,836
April	36,047	960,048	13,885	2,311	1,012,291
May	46,023	1,288,148	28,501	4,574	1,367,246
June	38,015	1,238,442	50,120	2,253	1,328,830
July	36,172	1,064,250	17,014	1,852	1,119,288
August	32,578	1,260,946	16,778	2,381	1,312,683
September	33,351	1,079,055	17,675	2,289	1,132,370
October	44,274	1,178,831	17,679	1,571	1,242,355
November	41,015	1,157,185	22,467	1,954	1,222,621
December	32,889	1,147,621	16,462	1,363	1,198,335
Jan-Dec	443,051	13,678,677	252,833	23,552	14,398,113

2018	Piglets		Pigs/sows	Pigs/sows	Total
	0-15 kg	15-50 kg	50-135 kg	over 135 kg	
January	36,440	1,142,852	14,798	3,812	1,197,902
February	30,271	1,089,062	15,883	2,507	1,137,723
March	29,057	1,264,848	17,783	3,047	1,314,735
April	30,268	1,161,152	20,695	3,501	1,215,616
May	37,352	1,305,241	26,451	4,144	1,373,188
June	27,004	1,158,207	23,134	4,235	1,212,580
July	30,738	1,142,607	18,882	3,966	1,196,193
August	27,087	1,204,026	21,533	4,732	1,257,378
September	27,496	1,019,587	23,569	3,895	1,074,547
October	34,713	1,350,273	20,972	8,547	1,414,505
November	24,760	1,174,336	14,561	4,816	1,218,473
December	31,882	1,016,093	15,952	3,104	1,067,031
Jan-Dec 2018	367,068	14,028,284	234,213	50,306	14,679,871

2019	Piglets		Pigs/sows	Pigs/sows	Total
	0-15 kg	15-50 kg	50-135 kg	over 135 kg	
January	30,609	1,367,435	22,094	4,750	1,424,888
February*	30,000	1,100,000	25,000	3,000	1,158,000
March*	30,325	1,150,237	26,443	3,173	1,210,178
April					
May					
June					
July					
August					
September					
October					
November					
December					
Jan-Mar 2019	90,934	3,617,672	73,537	10,923	3,793,066
Jan-Mar 2018	95,768	3,496,762	48,464	9,366	3,650,360
Change per head	-4,834	120,910	25,073	1,557	142,706
Change in %	-5,0	3,5	51,7	16,6	3,9

*= Estimated figure. Based on the total figures for Feb-March.

 **LUXEMBOURG**
Wild boar fence and 'white area'

At the start of April, the authorities began the erection of an 8 km fence along the border between Belgium and Luxembourg, between Linger and Grass. The fence is expected to be completed at the end of May.

A so-called 'white area' is also being introduced along the border between Belgium and Luxembourg. Within this area, wild boar will be culled in order to prevent the spread of African Swine Fever.

So far, no cases of African Swine Fever have been reported among wild boar or pigs in Luxembourg. All tests conducted by the veterinary authorities on wild boar have proved to be negative.

Source: Pig333

 **SWEDEN**
Stable slaughterings in Q1

Swedish pig slaughterings in Q1 2019 were 0.5 per cent lower compared to Q1 2018. This is shown by figures published by the Swedish organisation, Kött och Charkförtagen.

The relatively stable number of slaughterings should, however, be viewed against the background of an increased number of slaughterings in 2018 and slightly fewer slaughter days in Q1 2019 compared to Q1 2018 (Easter).

Stk.	Q1			% change		
	1. kvartal			jan.-dec.		
	2019	2018	%ændr. 19:18	2018	2017	%ændr. 18:17
- KLS Ugglarps Kalmar	105.746	110.554	-4,3	444.054	454.741	-2,4
- KLS Ugglarps Ugglarp	62.895	65.345	-3,7	255.863	258.410	-1,0
- Dalsjöfors Slakteri	97.361	93.863	3,7	383.849	330.056	16,3
KLS Ugglarps total	266.002	269.762	-1,4	1.083.766	1.043.207	3,9
Scan Kristianstad	172.530	180.557	-4,4	743.706	725.811	2,5
Skövde Slakteri	74.748	71.586	4,4	288.407	278.059	3,7
AJ Dahlbergs Slakteri	54.420	48.503	12,2	190.265	166.636	14,2
Ginsten Slakteri	20.103	19.193	4,7	78.742	79.615	-1,1
Gotlands Slakteri	18.887	22.142	-14,7	77.990	72.402	7,7
Siljans Chark	15.487	14.519	6,7	58.553	57.078	2,6
Alviksgården	11.228	9.075	23,7	35.832	32.837	9,1
Lövsta Kött	6.809	6.487	5,0	26.391	25.862	2,0
Knorrevången Slakt	5.601	5.748	-2,6	23.580	23.659	-0,3
Øvrige	5.918	7.385	-19,9	33.610	68.295	-50,8
Total slagtninger	651.733	654.957	-0,5	2.640.842	2.573.461	2,6

Total slaughterings

Figures for the individual companies should be taken with caution as some Swedish slaughterhouses are contracted to slaughter for each other.

 **UK**
Tönnies buys family-owned abattoir

Tönnies has bought the family-owned C&K Meats for an undisclosed sum.

C&K Meats is based in East Anglia and employs more than 100 people. The company supplies customers both at home and abroad with beef, pig meat and lamb.

 **RUSSIA****Increase in pig production**

According to Pig333, production of pig meat in Russia totalled 2.5 million tonnes (live weight) for the first three months of 2019. This is 4.3 per cent or 47,500 tonnes more compared to the same period in 2018.

Production from commercial farms totalled 1.02 million tonnes – a rise of 6.0 per cent compared to last year.

 **BRAZIL****Classical Swine Fever**

Last week, Brazil reported 12 cases of Classical Swine Fever. All were in Ceara and Lagoa do Piauí in North-East Brazil. The cases occurred at small pig farms and 1,395 pigs were affected.

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

Last week, the authorities in South African reported another case of African Swine Fever outside the control zone. The outbreak was at a farm of 190 pigs in the Gauteng province in the north-eastern part of South Africa.

The cause is still unknown.