

MARKET NEWS for pig meat



Market analysis

20 May 2019

Week 21

MARKET SITUATION

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

UK: Sales are stable and at unchanged prices

Demand is quiet from China and stable from Japan.

Slaughterings in Denmark

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

	Week 17	Week 18	Week 19	Week 1-19 2019/2018
Total	295.046	287.427	319.918	-3,3 %

FUTURES

	Chicago (\$ per 100 lbs carcass weight)		
	17/5	10/5	Change
2019			
May	-	83.75	-
Jun	92.38	89.68	2.70
Jul	93.00	90.75	2.25
Aug	93.95	92.65	1.30
Sep	-	-	-
Oct	85.48	84.95	0.52
Nov	-	-	-
Dec	81.93	81.73	0.20
2020			
Jan	-	-	-
Feb	84.53	84.98	-0.45
Mar	-	-	-
Apr	85.48	85.98	-0.50
May	88.00	88.20	-0.20
Jun	91.33	91.23	0.10
Jul	90.50	90.58	-0.08
Aug	89.65	89.73	-0.07
Sep	-	-	-
Oct	81.70	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = 6.6671			



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 5 May.

Countries	Period 28 April - 5 May		Year to date 1 Jan - 5 May		2018	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		1		46		230
Latvia		2		128	10	685
Lithuania		10		198	51	1,443
Poland		50	1	1,016	109	2,438
Italy			1	17	10	64
Ukraine	1	1	12	7	105	41
Czech Republic						28
Romania	1	5	82	222	1,163	170
Hungary		30		634		138
Bulgaria				11	1	5
Belgium		21		438		161
Total	2	120	96	2,717	1,449	5,403



RUSSIA

African Swine Fever

Last week, the authorities in Russia reported one outbreak of African Swine Fever among wild boar in the Kaliningrad region.



VIETNAM

African Swine Fever out of control

African Swine Fever is apparently out of control in Vietnam and the authorities expect the virus to spread, reports Asian Agribusiness.

Data reported from the Vietnamese authorities to the World Organisation for Animal Health (OIE) last week shows that African Swine Fever has spread rapidly throughout the country. More than 2,100 cases have now been confirmed in 29 provinces. Although the majority of cases have been confirmed in the northern provinces, the disease has also been confirmed in southern Vietnam. More than 1.2 million pigs have been culled or have died as a result of the disease.

The authorities say that the situation is unmanageable and expect the disease to spread further to new areas. So far, it has been largely confined to small farms, but the authorities expect that some of the larger farms at the centre of the country will also be affected.

Rabobank expects pig production in Vietnam to fall by at least 10 per cent in 2019. The bank also expects that the fall in production will mean a 7 per cent fall in pig meat consumption. Lower production, however, is expected to mean a rise in Vietnam's imports of pig meat. Moreover, Rabobank has noted that Vietnam's imports of poultry have increased 123 per cent so far this year with substantial imports expected to continue for the rest of the year.



CHINA

New outbreak of African Swine Fever

The Chinese authorities continue to report new outbreaks of African Swine Fever.

Last week, the disease was confirmed among 75 pigs at a slaughterhouse in Guiyang, the capital of Guizhou province in south-west China. Preliminary investigations indicate that the pigs were transported to the slaughterhouse illegally.

Last week, the disease was confirmed at Hong Kong's largest slaughterhouse. All pigs at the slaughterhouse were culled and all slaughtering was temporarily suspended until the slaughterhouse was disinfected.

CHINA

Pig population in April

According to figures from China's Ministry of Agriculture, the total Chinese pig population in April was 20.8 per cent lower compared to one year ago. The sow population fell by 22.3 per cent.

Compared to the previous month, there was a 2.9 per cent fall in the total pig population while the sow herd was 2.5 per cent lower compared to March.

CHINA

Stable pig prices

Chinese pig prices have remained relatively stable over the past seven weeks. This is somewhat surprising bearing in mind that both the pig population and pig production are declining.

According to market participants, a number of factors are contributing to the stable prices.

First and foremost, demand for pig meat has been affected at the same time as large quantities of frozen stocks of pig meat are being sold.

Reuters Bureau cites Luo Xufang, President of Wens' pig industry division: "News about African Swine Fever is having a psychological effect, leading consumers to reduce pork consumption over the short-term." Luo did not provide details of the consumption decline but referred to the stable prices despite a decline in pig production.

The increasing amounts of frozen pig meat currently arriving in the Chinese market originate from slaughterhouses that, via sales from warehouses, are attempting to compensate for the fact that they have been forced to reduce daily slaughterings in order to comply with new rules to test for African Swine Fever.

CHINA

Vice-Premier calls for increased pig production

China's Vice-Premier Hu Chunhua is calling on China's pig producers to increase pig production.

Reuters reports that during a national teleconference, Hu said that pig meat plays an irreplaceable and vital role in maintaining economic and political stability in China's provinces. He is therefore calling on the authorities in the provinces to take action and seek to stabilise pig production.

Production of poultry and other products also need to increase to remedy the shortage of pig meat caused by African Swine Fever, said Hu.

CHINA

African Swine Fever may increase chicken production

A decline in China's pig production may mean an increase in China's chicken production, says Rabobank.

The bank expects China's chicken production to increase 10 per cent this year. Prices for chicken in China have already increased and are now 76 per cent higher compared to one year ago. However, according to Rabobank, the entire poultry industry is challenged by the risk of new disease and restrictions on breeding material.



EU

EU-28 pig meat exports

Carcase weight, tonnes	Jan - March	Jan - March	% change
	2019	2018	
China	454,216	360,715	25.9
Japan	120,184	115,753	3.8
South Korea	82,509	97,973	-15.8
Philippines	76,601	71,698	6.8
Hong Kong	60,122	71,123	-15.5
USA	44,306	48,932	-9.5
Other	272,561	250,654	8.7
Total	1,110,499	1,016,848	9.2



BRAZIL

More Brazilian companies set to gain approval to export to China

Brazil's Agriculture Minister remains optimistic about the chances of an increased number of plants in Brazil being given the go-head to export meat to China, reports Agra Europe.

However, the Brazilian minister did not succeed in gaining immediate approval for a number of companies during his visit to Beijing last week. Nevertheless, some 78 slaughterhouses are on the waiting list for China's approval.

The Brazilian Agriculture Minister will submit the final details on the slaughterhouses to China in the coming week. Brazil is also seeking to establish a more streamlined approval procedure going forward. This will work both ways as China is also seeking permission for Chinese exporters of fish and pears to be approved for export to Brazil.

Brazil has proposed that the two countries automatically approve each other's list of companies that follow the same regulations. The current procedure, which involves individual approval, is more difficult and time consuming. According to Brazilian officials, Brazil's proposal has been positively received by China.



RUSSIA/ VENEZUELA

Russia to export meat to Venezuela

According to Agra Europe, Russia is looking to step up meat exports to Venezuela: a strategic step that Russia hopes will open doors to other markets in South and Central America.

Officials from the two countries met in Moscow last week to discuss the next step towards opening up the Venezuelan market to Russian products. According to Rosselkhoznadzor, the Russian veterinary authorities, a number of inspectors from Venezuela will visit potential Russian exporters in the Bryansk, Belgorod and Tambov regions next week.



USA/ PHILIPPINES

Johnsonville acquires majority stake in Philippines company

The American company, Johnsonville International LLC, has acquired a 51 per cent stake in the Philippines company Frabelle Corporation.

Johnsonville, based in Winconsin, produces and distributes fresh, chilled and frozen meat products. The company currently sells to the Philippines under the Johnsonville brand.



USA

Exports of pig meat

0203				
Fresh/frozen pig meat				
Tonnes	Jan-March 2017	Jan-March 2018	Jan-March 2019	% change 19:18
Mexico	160,849	159,920	137,469	-14.0
Japan	95,152	93,520	87,117	-6.8
South Korea	47,631	64,014	52,939	-17.3
China	35,638	36,489	32,017	-12.3
Canada	25,555	24,910	29,163	17.1
Colombia	14,642	20,999	25,704	22.4
Australia	17,862	19,372	25,366	30.9
Dom. Rep.	7,094	8,871	9,393	5.9
Others	64,103	64,749	88,435	36.6
Total	442,378	468,370	445,365	-4.9

160249, 160241, 160242, 021012, 021019, 021011				
Processed pig meat				
Tonnes	Jan-March 2017	Jan-March 2018	Jan-March 2018	% change 19:18
Canada	19,508	19,257	19,749	2.6
Mexico	10,287	8,892	5,526	-37.9
Philippines	1,734	1,343	3,032	125.8
Japan	3,899	5,100	2,589	-49.2
South Korea	1,265	1,844	2,073	12.4
Australia	2,485	1,710	1,941	13.5
Others	6,321	6,293	8,592	36.5
Total	45,499	44,439	43,502	-2.1

020649				
By-Products				
Tonnes	Jan-March 2017	Jan-March 2018	Jan-March 2018	% change 19:18
China	43,291	29,858	28,049	-6.1
Mexico	26,573	21,593	19,142	-11.4
Hong Kong	34,151	29,411	17,477	-40.6
Japan	2,548	2,800	2,835	1.3
South Korea	1,622	2,573	2,371	-7.9
Philippines	2,501	3,282	2,362	-28.0
Canada	2,439	2,815	2,321	-17.5
Chile	1,156	920	1,710	85.9
Others	8,736	5,139	7,479	45.6
Total	118,247	97,007	81,854	-15.6

 **DENMARK**
Structural development

Last week, Statistics Denmark published the result of the annual farm census (summer census) for 2018. The following tables show the structural development for the period 2018-1988.

Moreover, the pig population for 2018, 2017 and 2016 is shown in percentages by region.

As this is based on a random sample, the figures for individual years are subject to some uncertainty.

	2018	2017	2016	2008	1998	1988
Number of farms	34,114	34,731	35,374	43,415	59,761	84,093
Number of pig farms	3,125	3,226	3,294	5,819	17,688	34,322
Number of pigs (million)	12.8	12.3	12.4	12.7	12.1	9.2

	2018	2017	2016	2008	1998	1988
Number of pig farms	3,125	3,226	3,294	5,819	17,688	34,322
Of which:						
With finishers and sows	1,173	1,200	1,215	2,388	8,141	15,674
With finishers only	1,320	1,299	1,335	2,549	6,208	8,694
With sows only	440	478	497	577	2,531	8,124
Neither "finishers nor sows " 1)	192	249	247	305	808	1,830

1) This group is because Statistics Denmark's definition of a finisher is a pig of 50 kg and above.

Herds with pigs under 50 kg only and no sows are therefore registered as "neither finishers nor sows".

	2018	2017	2016
East of the Great Belt	13.2	12.7	12.7
Funen	9.4	9.3	10.3
South Jutland	20.6	20.1	20.8
East Jutland	14.0	16.8	14.6
West Jutland	20.1	19.7	19.9
North Jutland	22.7	21.3	21.8
Nationwide	100	100	100

 **HOLLAND**
Activists break into pig farm

Around 100 activists from Meat the Victims broke into a pig farm in Holland last week. Some activists got into the housing unit while others demonstrated outside. The Minister of Agriculture, Carola Schouten, and agricultural organisations have condemned the action.

Meat the Victims have previously protested in Australia, Canada, Spain and UK.

 **SPAIN**
Rise in imports of piglets

According to figures from the Spanish Ministry of Agriculture, Spain imported 7.3 per cent more piglets in the first three months of 2019 compared to the same period in 2018. 2018 also saw increased imports compared to the previous year.

 **SPAIN**
Aragon has the largest pig population in Spain

Spain's Ministry of Agriculture has published figures showing that Aragon, with 8,073,140 pigs, now has the largest pig population in Spain ahead of Catalonia with 7,778,902 pigs.

Aragon and Catalonia account for more than half of Spain's pig population which, in November, totalled 27,517,008 pigs (excluding Iberian pigs).

After Aragon and Catalonia come Castile and Leon with 3,190,081 pigs, Murcia with 1,962,651 pigs, Andalusia with 1,654,100 pigs and Castile-La Mancha with 1,581,410 pigs.

With regard to sows, Catalonia's population is larger than Aragon's with 597,351 sows compared to 543,231 sows.

Source: Pig333

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

0203					
Fresh/frozen pig meat					
Tonnes	2019 March	2018 March	2019 Jan- March	2018 Jan- March	% change 2019:18
USA	22,565	23,146	61,413	65,191	-5.8
Canada	16,764	17,329	51,440	49,261	4.4
Spain	8,031	9,986	24,645	26,901	-8.4
Mexico	6,052	7,372	21,457	20,962	2.4
Denmark	5,384	9,030	21,761	25,367	-14.2
Chile	2,844	2,279	7,215	6,030	19.7
Holland	1,608	2,385	7,003	6,235	12.3
Germany	1,415	1,450	4,390	4,535	-3.2
Ireland	1,035	601	2,795	2,066	35.3
Austria	983	504	2,706	1,560	73.5
France	766	943	3,210	3,421	-6.2
Brazil	188	111	586	202	190.1
Portugal	69	115	274	277	-1.1
Australia	37	88	126	191	-34.0
UK	24	24	168	48	250.0
Others	887	2,505	2,933	7,876	-62.8
Total	68,652	77,868	212,122	220,123	-3.6

Japan's imports of salami products

0210			
Salami products			
Tonnes	2019 Jan- March	2018 Jan- March	% change 2019:18
China	2,007	1,573	27.6
USA	1,937	2,079	-6.8
Brazil	1,491	932,00	-
Thailand	1,479	1,234	19.9
Denmark	261	410	-36.3
Germany	260	207	25.8
Italy	165	177	-6.9
Others	164	231	-28.9
Total	7,765	6,843	13.5

Development in pig meat storage

Tonnage	Own production		Imported volumes		Total storage
	Fresh	Frozen	Fresh	Frozen	
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
End February 19	893	18,925	6,221	140,876	166,915
End March 19	733	20,488	6,668	138,600	166,489

**AUSTRALIA****Pig meat imports**

0203 Fresh/frozen pig meat				
Tonnes	Jan-March 2017	Jan-March 2018	Jan-March 2019	% change 19:18
USA	18,061	20,161	27,407	35.9
Denmark	15,497	11,987	15,321	27.8
Holland	7,621	6,403	6,427	0.4
Canada	5,976	3,314	2,422	-26.9
Ireland	1,904	1,845	2,135	15.7
UK	23	161	470	191.9
Niger	0	0	51	-
Others	827	508	51	-90.0
Total	49,909	44,379	54,284	22.3

**SOUTH AFRICA****African Swine Fever**

Last week, the authorities in South African reported one case of African Swine Fever at a small farm comprising 350 pigs in the north-east of the country outside the control zone.