

# MARKET NEWS for pig meat



Market analysis

17 June 2019

Week 25

## MARKET SITUATION

Europe: Trading in legs and other cuts is at unchanged or slightly falling prices this week.

UK: Sales are stable and at unchanged prices

Demand is quiet from China and stable from Japan.

## Slaughterings in Denmark

	Week 21	Week 22	Week 23	Week 1-23 2019/2018
Total	330,707	204,818	252,776	-6.5 %

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

## FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	14/6	7/6	Change
<b>2019</b>			
Jun	79.38	78.65	0.73
Jul	81.35	83.35	-2.00
Aug	80.63	82.63	-2.00
Sep	-	-	-
Oct	75.10	77.43	-2.33
Nov	-	-	-
Dec	74.15	76.65	-2.50
<b>2020</b>			
Jan	-	-	-
Feb	78.03	79.93	-1.90
Mar	-	-	-
Apr	81.15	82.25	-1.10
May	85.18	85.88	-0.69
Jun	88.03	88.40	-0.37
Jul	87.98	88.05	-0.07
Aug	87.18	87.03	0.16
Sep	-	-	-
Oct	76.00	76.50	-0.50
Conversion factors: 1 lb = 0.4536 kg \$ = 7.4676			



### 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 9 June.

Countries	Period 2 June - 9 June		Year to date 1 Jan - 9 June		2018	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		1		47		230
Latvia		2		146	10	685
Lithuania	1	7	1	247	51	1,443
Poland	1	30	4	1,232	109	2,438
Italy			1	17	10	64
Ukraine	2		16	7	105	41
Czech Republic						28
Romania	11	8	113	261	1,163	170
Hungary		17		698		138
Bulgaria		1		12	1	5
Belgium		7		470		161
<b>Total</b>	<b>15</b>	<b>73</b>	<b>135</b>	<b>3,137</b>	<b>1,449</b>	<b>5,403</b>

### BELGIUM

#### Culling of wild boar begins

The Parliament of Wallonia has decided that all wild boar in the area affected by African Swine Fever in southern Belgium are to be culled over the coming months.

The Parliament also wants to reduce the wild boar population throughout Wallonia by 50 per cent before 1st March 2020. The population has already been reduced by 30 per cent as a result of intensive hunting.

### CHINA

#### New case of African Swine Fever

The Chinese authorities continue to report cases of African Swine Fever. Last week, one case was reported in the southern Guizhou province in a herd of 331 pigs.

### CHINA

#### Pig population for May

According to figures from China's Agriculture Ministry, China's pig population in May was 22.9 per cent down on one year ago. The sow population declined by 23.9 per cent.

### CHINA

#### Rabobank: 10-15 per cent decline in slaughterings in first four months of 2019

Based on figures from China's Agriculture Ministry, Rabobank estimates that pig slaughterings in China for the first four months of the year are 10-15 per cent lower compared to last year.

According to Chinese agriculture officials, slaughterings at China's major slaughterhouses for the first four months of the year were 8 per cent down on last year. Based on the expectation of an increasing market share for the major slaughterhouses, Rabobank estimates that this means a reduction in total slaughterings in China in the order of 10-15 per cent for the first four months of the year.


**VIETNAM**
**Strongly increasing pig prices**

Asian Agribusiness reports strongly increasing pig prices in Vietnam. Prices have risen from \$1.29 per kg to \$1.71 per kg due to the limited supplies caused by African Swine Fever.

In provinces affected by the disease, the authorities are attempting to tighten their control over re-stocking. Their requirements are: piglets may only be purchased from herds that have been certified as disease-free; increased biosecurity measures; limited contact with affected areas and no feeding with food waste.

Last week, the Vietnamese authorities announced that more than 2.2 million pigs have died or have been culled as a result of African Swine Fever. The disease has been confirmed in 53 of Vietnam's 63 provinces.


**CAMBODIA**
**Increased imports of live pigs from Thailand**

A ban on imports of live pigs from Vietnam mean that Cambodia is now importing an increasing number of pigs from Thailand, reports Asian Agribusiness.

According to Srun Poav, the director of Cambodia Livestock Raisers Association, annual imports of more than 500,000 pigs from Vietnam have now been replaced by daily imports of 1,000 pigs from Thailand. The market price for pigs is now \$2.75 per kg, almost double that of one year ago.

Cambodia reported its first case of African Swine Fever in April. So far, the disease has officially been confirmed in "backyard farms" in the eastern part of the country, close to the border with Vietnam.


**BRAZIL**
**Increased exports raise pig price**

Increased pig meat exports are the reason why Brazil's pig price has increased by 20 per cent in six weeks, reports Agra Europe.

In May alone, Brazil exported 67,200 tonnes pig meat, which is a rise of 41 per cent compared to May last year. For the first five months of 2019, exports of pig meat totalled 282,900 tonnes, which is 16 per cent more than the same period last year.

The rise in Brazil's exports is primarily due to increased demand from China. In May, exports to China totalled 21,100 tonnes, a rise of 51 per cent compared to May last year. Almost one-third of Brazil's total pig meat exports, therefore, went to China in May.

Vietnam is also importing more pig meat from Brazil. In May, exports to Vietnam totalled 1,820 tonnes compared to virtually nothing last year.


**BRAZIL**
**Brazil can resume beef exports to China**

Brazil can resume exports of beef to China, Brazil's Minister of Agriculture announced last week.

A case of so-called atypical BSE in a cow in the state of Mato Grosso put a temporary halt to Brazil's exports of beef to China.



EU

### Pig meat exports

The EU Commission has published preliminary figures for EU exports of pig meat (measured in carcase weight) for January-April 2019.

Carcase weight, tonnes	Jan-April	Jan-April	% change
	2019	2018	
China	634,901	464,911	36.6
Japan	159,752	154,184	3.6
South Korea	110,334	125,352	-12.0
Philippines	99,384	96,254	3.3
Hong Kong	77,095	90,146	-14.5
USA	55,380	63,841	-13.3
Other	359,234	326,589	10.0
<b>Total</b>	<b>1,496,080</b>	<b>1,321,277</b>	<b>13.2</b>



USA

### NPPC: trade dispute with China is harming U.S. pig prices

According to Nick Giordano from the National Pork Producers Council (NPPC), the continuing trade dispute with China is harming U.S. pig prices. He points out that increased demand from China has increased pig prices in a number of exporting countries while price increases in the U.S. have slackened.

"Spanish and German pig prices are now more than 10 per cent higher than U.S. prices," commented Mr Giordano, adding that the price difference will increase if China continues to grow its imports. He points out that U.S. exporters have to struggle with import tariffs on exports to China, which are more than 50 per cent higher than other countries' exporters. U.S. pig meat exporters are therefore at risk of losing out on an historic export opportunity.

In addition to the problems in China, the lack of a free trade agreement with Japan is also adversely impacting U.S. pig meat exports, says Mr Giordano, referring to the fact that the TPP agreement and the EU-Japan free trade agreement have given competitors a head start over U.S. exporters to the Japanese market.



JAPAN

### 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
End April 19	851	21,693	6,878	160,344	189,766

Imports of fresh/frozen pig meat

0203 Fresh/frozen pig meat					
Tonnes	2019 April	2018 April	2019 Jan - April	2018 Jan - April	% change 2019:18
USA	21,354	21,397	82,768	86,588	-4.4
Canada	21,359	19,646	72,799	68,907	5.6
Denmark	17,944	9,928	39,706	35,295	12.5
Spain	13,014	9,662	37,659	36,563	3.0
Mexico	9,028	7,235	30,485	28,197	8.1
Holland	4,301	2,362	11,304	8,597	31.5
Chile	2,198	1,732	9,412	7,762	21.3
Germany	2,999	1,768	7,389	6,303	17.2
France	2,411	1,606	5,622	5,027	11.8
Ireland	1,107	748	3,902	2,814	38.7
Austria	1,105	692	3,811	2,252	69.2
Italy	831	1,254	3,740	4,699	-20.4
Brazil	295	238	881	440	100.2
Portugal	92	138	366	415	-11.8
UK	144		312	48	550.0
Others	131	1,833	281	6,454	-95.6
<b>Total</b>	<b>98,313</b>	<b>80,239</b>	<b>310,437</b>	<b>300,361</b>	<b>3.4</b>

Japan's imports of salami products

0210 Salami products			
Tonnes	2019 Jan - April	2018 Jan - April	% change 2019:18
China	3,152	2,350	34.1
USA	2,786	2,793	-0.3
Thailand	1,949	1,687,00	15.5
Brazil	1,932	1,213	59.3
Denmark	535	600	-10.8
Germany	386	287	34.5
Italy	258	238	8.6
Others	187	321	-41.9
<b>Total</b>	<b>11,185</b>	<b>9,489</b>	<b>17.9</b>

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

The outbreak of Classical Swine Fever in Japan continues. From 16 May to 4 June, more than 100 wild boar were tested positive for African Swine Fever.

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

Last week, the authorities in South Africa reported three cases of African Swine Fever at small farms in the north of the country.