

MARKET NEWS for pig meat



Market analysis

14 January 2019

Week 3

MARKET SITUATION

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

UK: Sales are reported as sluggish.

Demand continues to be stable for Japan and quiet for China.

Slaughterings in Denmark

	Week 51	Week 52	Week 1	Week 1-1 2019/2018
Total	302,451	151,352	217,081	-24.6 %

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

FUTURES, USA

	Chicago (\$ per 100 lbs slaughter weight)		
	11/1	4/1	Change
2019			
Feb	62.65	61.95	0.70
Mar	-	-	-
Apr	67.35	66.75	0.60
May	72.88	73.45	-0.58
Jun	79.90	81.53	-1.63
Jul	81.08	82.43	-1.35
Aug	80.83	82.33	-1.50
Sep	-	-	-
Oct	68.75	68.50	0.25
Nov	-	-	-
Dec	63.35	62.38	0.98
2020			
Jan	-	-	-
Feb	67.20	66.80	0.40
Mar	-	-	-
Apr	70.90	70.43	0.48
May	76.83	76.35	0.48
Jun	80.83	80.35	0.48

Conversion factors:
1 lb = 0.4536 kg
\$ = DKK 6.4721



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 – 6 January.

Countries	Period 1 Jan - 6 Jan		Year to date 1 Jan - 6 Jan	
	Pigs	Wild boar	Pigs	Wild boar
Estonia				
Latvia		25		25
Lithuania				
Poland				
Italy				
Ukraine				
Czech Republic				
Romania	1		1	
Hungary		3		3
Bulgaria				
Belgium				
Total	1	28	1	28

The EU Commission has published figures for cases of African Swine Fever in EU countries and the Ukraine for 2018 and 2017.

Countries	2018		2017	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		230	3	637
Latvia	10	685	8	947
Lithuania	51	1,443	30	1,328
Poland	109	2,438	81	741
Italy	10	64	17	93
Ukraine	105	41	124	37
Czech Republic		28		202
Romania	1,163	170	2	
Hungary		138		
Bulgaria	1	5		
Belgium		161		
Total	1,449	5,403	265	3,985

BELGIUM

Extension of buffer zone after new outbreak of African Swine Fever close to the French border

In Belgium, the authorities have extended the buffer zone around the affected area, reports Agra Europe. This is because the infection has been discovered in two wild boar shot just outside the existing buffer zone.

The two infected wild boar were part of a group of eight. Hunters said that the other six managed to escape and were seen running towards the French border a few kilometres away.

The Wallonian Minister of Agriculture has met with his French counterpart to discuss the situation.

 **POLAND**
Huge culling of wild boar gets underway

According to Agra Europe, the Polish authorities have given permission for a huge culling operation of wild boar to take place until the end of February. The Polish Minister of Agriculture has said that this is necessary in order to control the spread of African Swine Fever.

The decision comes following criticism from agricultural organisations that are demanding more drastic action to control African Swine Fever.

Polish media have estimated that there are currently 229,000 wild boar in Poland. From April to November last year, 168,000 wild boar were shot.

 **RUSSIA**
African Swine Fever

Last week, the authorities in Russia reported one case of African Swine Fever at a small farm in Primorskiy Krai in the east of the country close to the border with China.

 **RUSSIA**
Foot and mouth disease at Rusagro farm in eastern Russia

Last week, the Rusagro Group reported a case of foot and mouth disease at a farm in eastern Russia.

The farm is located in the Primorsky Krai region, which borders North Korea and the Chinese province of Heilongjiang. The affected farm was only partly in use which is why only 481 animals were culled.

 **CHINA**
African Swine Fever

Over the weekend, the Chinese authorities reported cases of African Swine Fever in the eastern Jiangsu province and in Gansu province in central China.

Two farms in Jiangsu comprising 69,000 pigs were infected. The province was declared free of the infection after the most recent outbreak last August. In Gansu, the virus was confirmed at a small farm of 109 pigs – the first time for a case to be reported in the province.

According to PigProgress, there are now 106 official cases of African Swine Fever in 26 provinces or autonomous regions. More than 850,000 pigs will be culled in an attempt to control the spread of the disease.

 **JAPAN**
Classical swine fever

The authorities in Japan continue to report new cases of classical swine fever among wild boar in the Gifu region.

From the beginning of September, when the first case was reported, until 8 January, 88 wild boar in the Gifu region and four wild boar in the Aichi region have tested positive for classical swine fever.

Some six cases have been reported on pig farms – all in the Gifu region. One was at a large pig farm with 7,547 pigs.



DENMARK

Denmark's exports of pig meat, tonnes

January - October 2018

	By-products	Live pigs	Processed canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	24,088	172,487	7,141	175	72,605	225,912	2,662	505,070	30.4
Poland	1,434	156,327	70	2	61	112,807	0	270,702	16.3
UK	6,044	529	8,911	39,923	0	106,329	9,263	170,999	10.3
Italy	1,477	19,197	434	63	0	90,304	313	111,788	6.7
Sweden	6,917	201	1,865	880	0	14,842	4,181	28,886	1.7
Holland	8,645	10,368	177	20	0	7,493	244	26,948	1.6
France	1,603	1,288	839	378	0	10,612	826	15,545	0.9
Spain	315	3,868	1,086	340	0	4,568	1,081	11,257	0.7
Other EU countries	9,708	11,355	2,886	212	14	45,501	3,150	72,826	4.4
Total EU	60,231	375,622	23,409	41,993	72,681	618,366	21,720	1,214,022	73.1
China	136,251	0	166	19	0	54,549	9	190,993	11.5
Japan	2,063	5	3,201	36	0	92,078	1,460	98,842	6.0
Australia	295	0	172	409	0	33,956	46	34,878	2.1
USA	2,183	0	3,979	104	0	24,980	1,083	32,329	1.9
South Korea	251	40	1,519	0	0	12,378	221	14,408	0.9
Taiwan	802	6	41	0	0	9,808	8	10,665	0.6
Belarus	1,866	242	0	0	0	6,322	0	8,430	0.5
Ukraine	2,852	713	0	0	0	4,568	0	8,134	0.5
Hong Kong	1,839	0	503	19	0	2,866	78	5,305	0.3
Other 3rd countries	14,164	763	7,719	224	28	12,633	5,424	41,955	2.5
3rd countries total	162,566	1,769	17,299	810	28	254,138	8,329	445,939	26.9
Exports total	222,797	377,391	40,708	43,803	72,708	872,504	30,049	1,659,960	100.0

January - October 2017

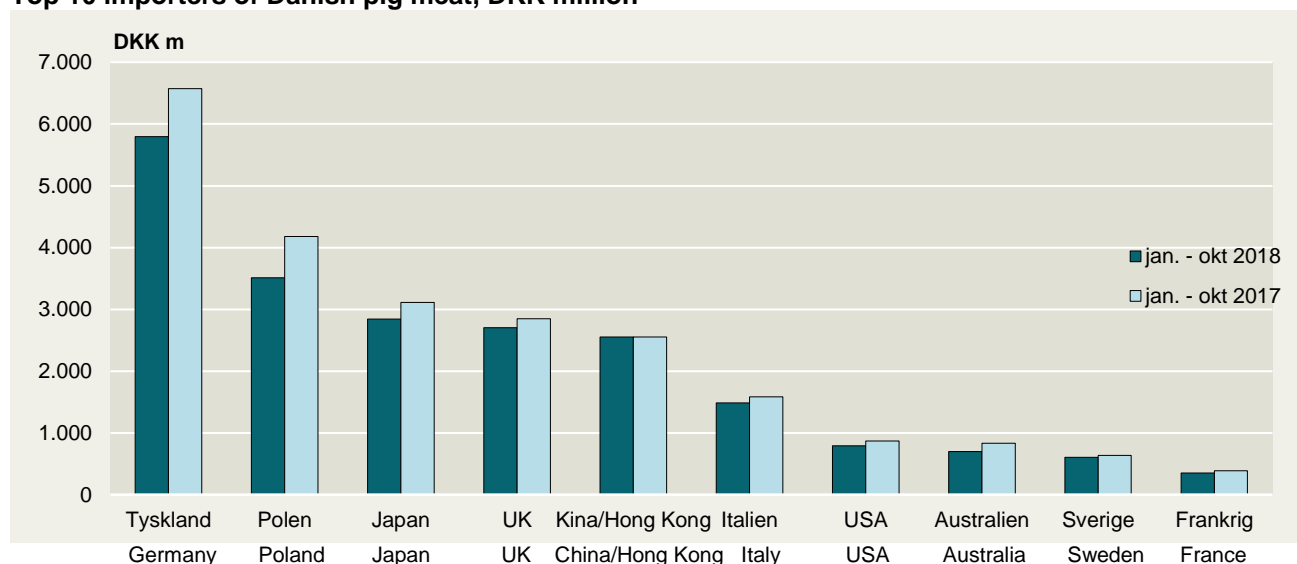
	By-products	Live pigs	Processed canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	19,651	165,892	7,078	153	71,126	195,980	2,024	461,904	29.0
Poland	3,371	139,683	198	0	0	106,452	0	249,704	15.7
UK	6,565	544	7,928	31,158	0	113,843	7,960	167,997	10.6
Italy	1,573	18,044	424	57	0	81,150	237	101,485	6.4
Sweden	7,771	121	1,635	1,016	0	15,141	4,046	29,730	1.9
Holland	9,083	10,673	169	32	0	6,092	227	26,277	1.7
France	1,303	1,427	809	345	0	11,322	784	15,991	1.0
Spain	385	3,454	1,048	316	0	6,384	1,161	12,749	0.8
Other EU countries	11,972	13,243	2,547	220	0	47,032	2,749	77,763	4.9
Total EU	61,673	353,082	21,836	33,297	71,126	583,397	19,188	1,143,600	71.9
China	138,056	21	0	0	0	65,147	0	203,224	12.8
Japan	2,171	12	3,187	196	0	92,299	1,381	99,246	6.2
Australia	472	0	140	373	0	36,325	32	37,342	2.3
USA	2,719	0	4,748	96	0	20,401	828	28,793	1.8
Taiwan	1,273	3	14	0	0	12,706	0	13,996	0.9
South Korea	829	35	1,971	0	0	10,285	321	13,440	0.8
Hong Kong	1,231	0	461	26	0	5,061	124	6,904	0.4
Philippines	4,487	11	347	0	0	829	1	5,675	0.4
Other 3rd countries	11,307	1,054	7,592	1,003	6	11,642	6,547	39,152	2.5
3rd countries total	162,546	1,136	18,459	1,695	6	254,696	9,234	447,771	28.1
Exports total	224,219	354,218	40,295	34,992	71,133	838,093	28,422	1,591,371	100.0

Top 10 importers of Danish pig meat measured in value

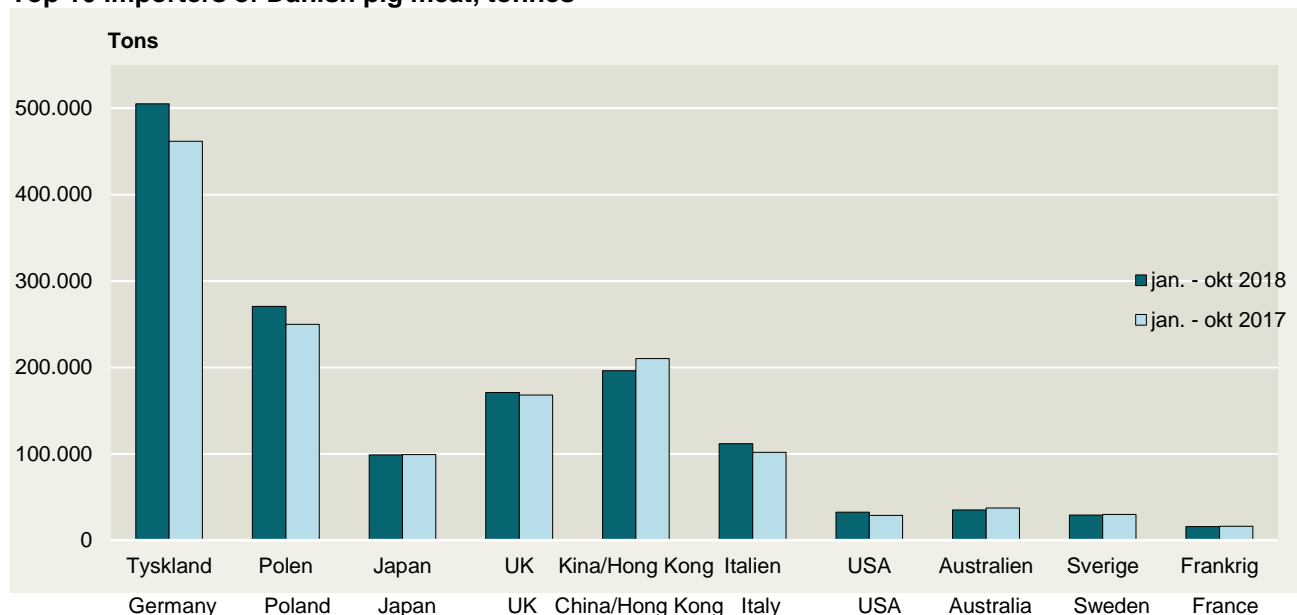
The following lists the top ten countries for Danish exports of pig meat in terms of value for January – October 2018. All pig meat (including live pigs) is included.

Country	Jan-Oct 2018		Jan-Oct 2017	
	Value in DKK million	Tonnes	Value in DKK million	Tonnes
Germany	5,795	505,070	6,572	461,904
Poland	3,512	270,702	4,177	249,704
Japan	2,842	98,842	3,113	99,246
UK	2,701	170,999	2,850	167,997
China/Hong Kong	2,553	196,298	2,552	210,128
Italy	1,487	111,788	1,584	101,485
USA	789	32,329	871	28,793
Australia	697	34,878	831	37,342
Sweden	603	28,886	637	29,730
France	352	15,545	386	15,991
Top 10 total	21,331	1,465,337	23,572	1,402,319
Other countries	2,825	194,623	3,503	189,052
Total	24,157	1,659,960	27,075	1,591,371

Top 10 importers of Danish pig meat, DKK million



Top 10 importers of Danish pig meat, tonnes



 **SPAIN**
Incarlopsa acquires majority shareholding in US manufacturer

Agra Europe reports that the Spanish meat company, Incarlopsa, has acquired a majority shareholding in the American company, Acornseekers, which produces Iberian style ham. Incarlopsa has acquired a 67 per cent share of the Texas-based company, which began to produce pork products from Iberian pigs in 2014.

The Spanish firm currently supplies Jamon Iberico to major Spanish retailers such as Mercadona. The acquisition of the American company will provide Incarlopsa with a foothold in a market where the product is growing in popularity.

Since Acornseekers imported the first 200 pigs from Spain five years ago, production has seen a tenfold increase.

The U.S. maintained a ban on Iberico ham from pigs bred in Spain until 2005. Since 2007, when imports resumed, the product has gained in popularity despite the relatively high price.

 **BRAZIL**
BRF completes sale of pig meat companies in Argentina

The Brazilian meat company, BRF, has signed a deal which means that the company is selling all its pig meat activities in Argentina. The deal will bring in USD 145.5 million.

BRF previously announced that the sale in Argentina together with the sale of BRF's activities in Europe and Thailand will release more liquidity and reduce the company's loans.

 **SOUTH AFRICA**
Foot and mouth disease

Last week, the authorities in South Africa reported two outbreaks of foot and mouth disease. Some 4,400 head of cattle were affected.

Reuters reports that Botswana and the Kingdom of eSwatini, formerly Swaziland, have suspended all imports of meat from South Africa until further notice.

 **MOROCCO**
Foot and mouth disease

Last week, the authorities in Morocco reported one outbreak of foot and mouth disease. Some 81 head of cattle and 55 sheep were affected.

 **TUNISIA**
Foot and mouth disease

Last week, the authorities in Tunisia reported three outbreaks of foot and mouth disease. Some 15 head of cattle and 81 sheep were affected.