

# MARKET NEWS for pig meat



Market analysis

26 August 2019

Week 35

## MARKET SITUATION

**Europe:** Legs and other cuts are being traded at increasing prices.

**UK:** Sales are stable.

Stable sales are reported as stable for **Japan and other Asian markets**. Demand is good from **China**.

## Slaughterings in Denmark

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

	Week 31	Week 32	Week 33	Week 1-33 2019/2018
Total	297,507	289,400	285,846	-7.5 %

## FUTURES, USA

	Chicago (\$ per 100 lbs carcass weight)		
	23/8	16/8	Change
<b>2019</b>			
Oct	59.30	66.98	-7.68
Nov	-	-	
Dec	58.78	64.68	-5.90
<b>2020</b>			
Jan	-	-	
Feb	66.35	71.33	-4.98
Mar	-	-	
Apr	72.20	76.43	-4.23
May	78.50	81.53	-3.03
Jun	82.70	85.55	-2.85
Jul	83.33	85.83	-2.50
Aug	82.73	85.58	-2.85
Sep	-	-	
Oct	71.10	74.68	-3.58
Nov	-	-	
Dec	68.00	70.58	-2.58
<b>2021</b>			
Jan	-	-	
Feb	70.93		

Conversion factors:  
 1 lb = 0.4536 kg  
 \$ = 6.7383



### 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 19 August.

Countries	Period 12 – 19 August		Year to date 1 Jan – 19 August		2018	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		4		59		230
Latvia		6	1	216	10	685
Lithuania		1	15	333	51	1,443
Poland	2	39	41	1,565	109	2,438
Italy			1	26	10	64
Ukraine	3		32	10	105	41
Czech Republic						28
Romania	71	6	974	387	1,163	170
Hungary		20		847		138
Bulgaria	3	12	33	43	1	5
Slovakia	6	1	10	2		
Serbia	4		4			
Belgium				479		161
<b>Total</b>	<b>89</b>	<b>89</b>	<b>1,111</b>	<b>3,967</b>	<b>1,449</b>	<b>5,403</b>

### UKRAINE

#### African Swine Fever at a large Danish-owned pig farm

The large Ukrainian pig farm, Halychyna Zahid, which is 83 per cent owned by Danish farmers, has been hit by African Swine Fever. All 95,000 pigs have been culled.

The farm is situated in West Ukraine, bordered by Romania, Hungary, Slovakia and Poland. According to Reuters, Ukraine has reported 351 cases of the disease since 2017. In 2015, a farm of 60,000 pigs in the Kiev region was affected by the virus and all the animals culled.

### RUSSIA

#### African Swine Fever

Last week, Russia reported five cases of African Swine Fever at pig farms – three in the west of the country, one at a large farm of 39,500 pigs and two at small farms.

In addition, one outbreak was reported at a large farm comprising 24,700 pigs in Kaliningrad and one outbreak in the east of the country, close to the border with China at a smallholding of seven pigs.

### MOLDOVA

#### African Swine Fever

Last week, Moldova reported nine cases of African Swine Fever – six at small pig farms and three among wild boar.

### CHINA

#### New outbreak of African Swine Fever

The Chinese authorities continue to report individual cases of African Swine Fever.

Given that the pig population has declined by 30 per cent according to official figures, new cases are now few and far between.

On Monday, the Chinese agricultural authorities reported one outbreak of African Swine Fever in a herd of 120 pigs in the southern province of Yunnan.

In an attempt to encourage the reporting of more cases, and thereby ensure more effective control of the disease, the authorities announced last week that they would accelerate compensation payments when reports of the disease are received.

The regulations state that \$170 will be paid for each pig culled in the effort to control African Swine Fever. Some pig producers claim, however, that they have received no compensation and that new cases cannot be reported.

## CHINA

### **Increased imports of pig meat in July**

Reuters reports that new Chinese trade figures for July show that, at 182,227 tonnes, pig meat imports (excluding by-products) have more than doubled compared to July 2018. Imports in July are on a par with those for May when imports totalled 187,500 tonnes and were slightly higher than June's figures at 160,467 tonnes.

For the first seven months of 2019, pig meat imports were close to 1 million tonnes, which is 36 per cent higher compared to the same period last year.

Chinese imports of beef and poultry are also on the rise. July's beef imports totalled 152,213 tonnes while poultry amounted to 68,221 tonnes – a rise of 83 per cent and 58 per cent respectively compared with July 2018.

Pig meat imports are expected to increase over the coming months in the wake of a decline in Chinese production owing to African Swine Fever.

## CHINA/ VIETNAM

### **New Hope completes the first of three pig farms in Vietnam**

Reuters reports that China's major feed producer, New Hope Group, completed the construction of the first of three planned pig farms in Vietnam.

The pig farm in Binh Phuoc province will have an annual production of 300,000 pigs. The two other farms are in the provinces of Thanh Hoa and Binh Dinh. Together, the three farms will produce more than 900,000 pigs per year.

New Hope's investments in Vietnam come as the country is plagued by African Swine Fever. A spokesman from New Hope said: "For pig farming, every disease is both a challenge and an opportunity. Similar to what is happening in China, African Swine Fever will accelerate the consolidation of the pig farming sector."

New Hope's new investments in Vietnam were previously valued at USD 163.5 million. The investment in pig production will supplement New Hope's feed production in Vietnam. Last year, the company sold more than 700,000 tonnes feed from its eight companies. A new feed company is also planned in Binh Phuoc province.

New Hope has significantly expanded its abattoirs and pig production in recent years and is one of China's largest pig producers. Most of the company's earnings, however, derive from feed production.

## PHILIPPINES

### **Authorities uncertain whether African Swine Fever is in the country**

According to a statement from the Ministry of Agriculture in the Philippines, further tests are necessary and the results from laboratories in Europe are awaited.

However, the authorities have already initiated a number of measures after reports that mortality at a number of small pig farms in the country has increased.

 **MYANMAR**
**African Swine Fever**

Last week, Myanmar reported two cases of African Swine Fever at two farms comprising 3 and 60 pigs respectively, close to the border with China and Laos.

 **THAILAND/**
 **JAPAN**
**Japan given go-ahead to export pig meat to Thailand**

Asian Agribusiness reports that Japan has been given the go-ahead to export pig meat to Thailand – the first country to do so.

The two countries reached an agreement which means that Japanese pig meat producers could be present in the Thai market later this year. However, only products from companies certified by the Japanese Ministry of Health have been granted access, reports Asian Agribusiness.

The US has long been pushing for Thailand to open up its market to American pig meat. But so far, its wishes have been denied because of the use of ractopamine in American pig production.

 **EU**
**EU exports of pig meat, Jan – June 2019**

Carcase weight, tonnes	Jan-June	Jan-June	% change
	2019	2018	
China	965,768	680,686	41.9
Japan	241,688	231,710	4.3
South Korea	160,833	176,655	-9.0
Philippines	138,290	143,083	-3.3
Hong Kong	107,989	114,875	-6.0
USA	76,673	93,164	-17.7
Other	528,962	494,751	6.9
<b>Total</b>	<b>2,220,203</b>	<b>1,934,924</b>	<b>14.7</b>



### Slight decline in pig slaughterings in 1st half year

According to the Swedish Board of Agriculture, Sweden's pig slaughterings saw a year-on-year decline of 1.9 per cent for the April quarter. For the first half year 2019, slaughterings were 1.2 per cent down on last year.

#### Slaughterhouse

Stk.	April Qtr. % change 19:18			Jan-June % change 19:18		
	april kvrt.			jan. - juni		
	2019	2018	%ændr. 19:18	2019	2018	%ændr. 19:18
Scan Kristianstad	180.994	180.392	0,3	353.524	360.949	-2,1
- KLS Ugglarps Kalmar	105.462	107.985	-2,3	211.208	218.539	-3,4
- KLS Ugglarps Ugglarp	57.870	62.831	-7,9	120.765	128.176	-5,8
- Dalsjöfors Slakteri	94.902	93.017	2,0	192.263	186.880	2,9
<b>KLS total</b>	<b>258.234</b>	<b>263.833</b>	<b>-2,1</b>	<b>524.236</b>	<b>533.595</b>	<b>-1,8</b>
Skövde Slakteri	65.389	71.202	-8,2	140.137	142.788	-1,9
AJ Dahlbergs Slakteri	51.423	46.247	11,2	105.843	94.750	11,7
Ginsten Slakteri	18.847	19.799	-4,8	38.950	38.992	-0,1
Gotlands Slakteri	16.378	22.303	-26,6	35.265	44.445	-20,7
Siljans Chark	13.547	14.531	-6,8	29.034	29.050	-0,1
Alviksgården	10.864	8.495	27,9	22.092	17.570	25,7
Lövsta Kött	6.307	6.690	-5,7	13.116	13.177	-0,5
Knorrevången Slakt	5.885	6.041	-2,6	11.486	11.789	-2,6
Øvrige	7.932	8.352	-5,0	15.629	8.260	89,2
<b>Total slagtninger</b>	<b>635.800</b>	<b>647.885</b>	<b>-1,9</b>	<b>1.287.622</b>	<b>1.302.842</b>	<b>-1,2</b>

#### Total slaughterings

Figures for the individual companies should be read with caution because, to a certain extent, Swedish slaughterhouses slaughter on licence for each other.