

MARKET NEWS for pig meat



Market analysis

9 September 2019

Week 37

MARKET SITUATION

Europe: Legs are being traded at unchanged prices while other cuts are at unchanged or slightly increasing prices.

UK: Sales are stable.

Steady sales are reported for **Japan** and there is good demand from **China**.

Slaughterings in Denmark

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

	Week 33	Week 34	Week 35	Week 1-35 2019/2018
Total	286,044	298,775	297,760	-7.5 %

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	6/9	30/8	Change
2019			
Oct	63.50	63.53	-0.03
Nov	-	-	
Dec	62.48	63.38	-0.90
2020			
Jan	-	-	
Feb	70.85	71.43	-0.58
Mar	-	-	
Apr	76.40	77.08	-0.68
May	82.40	83.20	-0.80
Jun	86.38	87.78	-1.40
Jul	86.35	87.35	-1.00
Aug	85.00	86.10	-1.10
Sep	-	-	
Oct	72.50	73.90	-1.40
Nov	-	-	
Dec	68.45	69.83	-1.38
2021			
Jan	-	-	
Feb	71.70	72.85	-1.15
Conversion factors: 1 lb = 0.4536 kg \$ = 6.7665			



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 1 September.

Countries	Period 27 Aug - 1 Sep		Year to date 1 Jan - 1 Sep		2018	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		1		60		230
Latvia		4	1	229	10	685
Lithuania		16	15	349	51	1,443
Poland	1	30	45	1,632	109	2,438
Italy			1	26	10	64
Ukraine			33	10	105	41
Czech Republic						28
Romania	110	28	1,223	433	1,163	170
Hungary		19		866		138
Bulgaria	2	5	35	54	1	5
Slovakia		1	11	4		
Serbia	13		17			
Belgium				479		161
Total	126	104	1,381	4,142	1,449	5,403

BULGARIA

No cases of African Swine Fever at pig farms in the past three weeks

On Friday, during question time in the Bulgarian Parliament, Bulgaria's Agriculture Minister said that there had not been any new cases of African Swine Fever in the country's pig farms in the past three weeks.

The Pig Site reports that the Minister said that the tough and unpopular measures that the authorities implemented in July and August were the reason. According to the Minister, there have been 35 cases in the country of which seven at largescale pig farms.

Some 132,000 pigs have been culled in an effort to control the virus. Some 2.2 million leva (approx. GBP 1 million) has been paid to producers affected by the disease. Moreover, new legislation has been introduced for the culling of wild boar to ensure that the population is kept at a manageable level.

MOLDOVA

African Swine Fever

Last week, Moldova reported one case of African Swine Fever at a small pig farm in the south of the country.

RUSSIA

African Swine Fever

Last week, Russia reported 12 cases of African Swine Fever at small pig farms in the east of the country, close to the border with China. Moreover, one case has been reported at a small pig farm and one among wild boar in the west of the country.

In addition, Agra Europe reported one case at one of the largest pig farms in Kaliningrad, which is owned by Baltic Meat Company. 43,000 pigs have been culled.

 **PHILIPPINES**
African Swine Fever confirmed following tests

The authorities in the Philippines have confirmed that African Swine Fever has been found in the country.

The announcement comes after reports of increased mortality at a number of small pig farms in the country. The results of the blood tests sent to a laboratory in the UK have confirmed the presence of African Swine Fever.

International news media report that 7,400 pigs in the village of Rizal in the province of Bulacan have been culled.

 **VIETNAM**
4.7 million pigs dead as a result of African Swine Fever

Reuters reports that 4.7 million pigs in Vietnam have now died or been culled because of African Swine Fever in the country.

The disease was initially confirmed in the country in February and has now spread to 63 provinces. That there is currently no vaccine against African Swine Fever makes it difficult to control the disease, said a spokesperson from the Vietnamese veterinary authorities.

At the end of July, Vietnam's pig population stood at 22.2 million, a decline of 18.5 per cent compared to December 2018.

A report previously estimated that Vietnam should expect a shortage of 500,000 tonnes pig meat – corresponding to 20 per cent of consumption – from July 2019 to the start of 2020.

 **VIETNAM**
Substantial fall in maize imports from U.S.

Asian Agribusiness has reported a substantial decline in Vietnam's maize imports from the U.S. so far this year.

The decline has been caused by a fall in Vietnam's feed consumption caused by African Swine Fever and the fact that imports from the U.S. are up against strong competition from South America.

According to Asian Agribusiness, in the first six months of 2019, Vietnam only imported 65,000 tonnes of maize from the U.S. against 1.5 million tonnes during the same period last year.

 **VIETNAM**
Strongly increasing imports of chicken

Asian Agribusiness reports strongly increasing chicken imports in Vietnam. For the first six months of the year, imports totalled 142,190 tonnes against 128,000 tonnes for the whole of 2018.

Vietnam's chicken imports primarily come from the U.S., South Korea and Brazil. In 2018, U.S. was the largest exporter to Vietnam at 62,400 tonnes.

According to Nguyen Thanh Son, Chairman of Vietnam's Association of Poultry Production, imported chicken is half the price of locally produced chicken.

 **CHINA**
Rabobank: 50 per cent decline in pig population – recovery expected in 2020

Asian Agribusiness reports that Chenjun Pan, an analyst at Rabobank, said at an Outlook seminar in Kuala Lumpur last week that she expects China's pig population to have declined by 50 per cent by the end of the year. She expects it to recover in 2020. "The only solution to the current problems with African Swine Fever is improved biosecurity and farm management," she said.

 **CHINA**
Authorities introduce subsidies for largescale pig farms

The central Chinese authorities in Beijing have introduced a new subsidy scheme for largescale pig farms.

Under the new scheme, up to 5 million yuan (USD 700,000) will be provided to support the construction of new largescale pig farms. The subsidies, which will be at least 500,000 yuan but no more than 30 per cent of the total project investment, must be issued by the end of 2020.

The subsidies can also be issued to farms seeking to expand, with the funds aimed at helping producers cover the cost of equipment for disease prevention, slurry treatment, environmental controls and automated feed management, report Reuters.

“The top 40 to 50 producers will take advantage of this for sure,” said Ron Lane, Sales Director at Big Dutchman in China.

The authorities in Beijing have also announced that they want up to 58 per cent of China’s pig production to come from largescale pig farms by 2022. This is to ensure more stable supplies of pig meat going forward.

The authorities, however, have not disclosed how largescale pig farms are defined or what percentage of production these farms account for today.

 **CHINA**
Rumours concerning the use of illegal vaccine against African Swine Fever

Citing China’s Agriculture Ministry’s website, Reuters reports that the Chinese authorities are investigating reports that some producers are making use of illegal vaccines against African Swine Fever.

Reports that pilot vaccines, as well as home-made and smuggled products, are being used against African Swine Fever are getting a lot of attention from pig producers, reports the ministry’s website.

The Agriculture Ministry has therefore asked the local authorities to step up checks on possible traces of illegal vaccines.

 **CHINA**
Support for discounts on expensive pig meat

Reuters reports that the city of Nanning in southern China is selling a limited quantity of pig meat at discounted prices to help consumers with soaring prices.

From 1 September, the inhabitants of Nanning will be able to buy up to 1 kg pig meat per day at a discount of more than 10 per cent, reports Reuters.

 **BRAZIL**  **CHINA**
China approves 25 Brazilian plants for export

Brazil’s Agriculture Ministry has announced that 25 Brazilian plants have been approved for export to China.

Some 17 of the 25 plants have been approved for beef exports, six for poultry, one for pork meat (BRF) and one for donkey meat.

According to a spokesperson from the ministry, Brazil will continue its efforts to ensure that more Brazilian plants are given the go-ahead to export to China. They are working with China to introduce a system of pre-approved meat establishments.

 **HONG KONG**
African Swine Fever

Last week, Hong Kong reported that African Swine Fever had been found in three dead pigs at a slaughterhouse.

 **CANADA**
Canada Meat Council calls for a solution to Chinese import ban

Canada Meat Council (CMC) has lost patience with the Chinese import ban on Canadian meat and is now calling upon the Canadian government to find a solution to the trade dispute as quickly as possible.

"We have been patient and shown respect for the government. But we are now into the third month of being excluded from exporting to China. The fact that Chinese importers are finding new suppliers will make it more difficult for Canada to retain its market share when the import ban has been lifted. Our investments and commercial relations in China are being diluted on a daily basis and our global brand is being adversely affected," said CMC in a statement.

CMC wants a discussion with the government about compensation for Canadian producers and exporters who are caught in the trade conflict. According to CMC, the exclusion of Canadian pork and beef from the Chinese market since 25th July has cost around C\$ 100 million.

The Canadian Pork Council is hopeful of a solution to the trade conflict because Canada has now nominated a new ambassador to China.

 **CANADA**
Slight increase in pig meat exports for first half year 2019

The Whole Hog and Statistics Canada have published Canada's pig meat exports for the first half year 2019 compared to the first half year 2018.

As can be seen, Canada saw a slight increase in overall pig meat exports of 1.4 per cent for the first half year 2019. There was a significant increase in exports to China, but all other export markets saw a decline.

The Chinese market has been closed to Canadian pig meat since 25th June.

Tonnes	1st half year 2019	1st half year 2018	% change 19:18
China	217,193	145,085	49.7
USA	150,551	177,341	-15.1
Japan	129,045	131,939	-2.2
Mexico	64,833	69,100	-6.2
South Korea	22,287	25,161	-11.4
Philippines	15,460	26,811	-42.3
Taiwan	15,156	21,902	-30.8
New Zealand	5,504	5,465	0.7
Australia	5,417	6,747	-19.7
Cuba	3,186	2,972	7.2
Hong Kong	3,103	3,542	-12.4
Chile	2,907	3,872	-24.9
Others	15,281	21,325	-28.3
Total	649,923	641,262	1.4


Pig meat imports

The table below shows Japan's total imports of pig meat including fresh/frozen pig meat.

Total pig meat					
Tonnes	2019 July	2018 July	2019 Jan - July	2018 Jan - July	% change 2019:18
USA	34,066	32,016	218,791	234,489	
Canada	21,849	19,978	140,117	134,182	4.4
Denmark	9,094	11,479	69,428	68,812	0.9
Spain	12,706	10,408	71,783	69,267	3.6
Mexico	10,368	7,519	63,742	54,151	17.7
Holland	4,354	3,251	25,533	20,903	22.1
Chile	2,179	2,261	18,683	16,049	16.4
Germany	3,262	3,348	23,614	19,190	23.1
France	1,373	1,119	9,695	8,578	13.0
Ireland	408	1,064	8,641	7,683	12.5
Austria	911	626	6,457	4,180	54.5
Italy	1,218	1,398	9,101	9,462	-3.8
Brazil	878	356	5,247	3,037	72.8
Portugal	70	137	616	802	-23.2
UK	48	24	409	168	143.5
Others	3,434	3,469	21,915	29,414	-25.5
Total	106,218	98,453	693,772	680,367	2.0

0203 Fresh/frozen pig meat					
Tonnes	2019 July	2018 July	2019 Jan - July	2018 Jan - July	% change 2019:18
USA	22,838	21,039	148,169	150,167	-1.3
Canada	20,161	18,535	130,471	124,423	4.9
Denmark	8,445	10,974	66,468	65,242	1.9
Spain	12,573	10,245	70,285	68,225	3.0
Mexico	9,457	6,854	57,537	49,571	16.1
Holland	3,668	2,603	20,675	15,820	30.7
Chile	2,035	2,021	16,149	13,814	16.9
Germany	2,153	2,165	14,234	12,270	16.0
France	1,368	1,113	9,615	8,506	13.0
Ireland	408	508	6,427	4,598	39.8
Austria	890	624	6,350	4,143	53.3
Italy	875	1,139	5,958	8,297	-28.2
Brazil	342	90	1,793	829	116.3
Portugal	70	137	616	802	-23.2
UK	48	24	409	168	143.5
Others	57	86	1,441	8,700	-83.4
Total	85,388	78,157	556,597	535,575	3.9

 **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
End May 19	807	20,836	7,778	177,185	206,606
End June 19	666	22,666	7,399	176,553	207,284
End July 20	633	21,195	9,805	183,359	214,992

 **SOUTH AFRICA**
African Swine Fever

Last week, the authorities in South Africa reported three outbreaks of African Swine Fever at three farms in the north-east of the country.

 **NAMIBIA**
Foot and mouth disease

Last week, the authorities in Namibia reported one outbreak of foot and mouth disease at a farm of 272 head of cattle.