

MARKET NEWS for pig meat



Market analysis

7 October 2019

Week 41

MARKET SITUATION

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

UK: Sales are stable.

There is good demand from **China** and from **South Korea**. Steady sales are reported for **Japan** and **other Asian** markets.

Slaughterings in Denmark

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

	Week 37	Week 38	Week 39	Week 1-39 2019/2018
Total	295,801	289,367	296,160	-8.2 %

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	4/10	27/9	Change
2019			
Oct	62.40	65.28	-2.88
Nov	-	-	
Dec	67.25	69.85	-2.60
2020			
Jan	-	-	
Feb	74.48	75.80	-1.32
Mar	-	-	
Apr	81.50	81.35	0.15
May	87.58	87.30	0.28
June	92.13	90.93	1.20
July	91.78	90.10	1.68
Aug	89.96	88.25	1.71
Sept	-	-	
Oct	76.08	75.23	0.85
Nov	-	-	
Dec	70.98	70.58	0.40
2021			
Jan	-	-	
Feb	73.38	73.70	-0.32

Conversion factors:
1 lb = 0.4536 kg
\$ = DKK 6.8008



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 29 September.

Countries	Period 22 Sept- 29 Sept		Year to date 1 Jan - 29 Sept		2018	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		3		64		230
Latvia		9	1	249	10	685
Lithuania		9	17	369	51	1,443
Poland	1	38	46	1,742	109	2,438
Italy			1	26	10	64
Ukraine	1		37	10	105	41
Czech Republic						28
Romania	53	10	1,454	493	1,163	170
Hungary		89		1,075		138
Bulgaria		4	38	65	1	5
Slovakia		3	11	11		
Serbia			18			
Belgium				479		161
Total	55	165	1,623	4,583	1,449	5,403

MOLDOVA

African Swine Fever

Last week, Moldova reported one outbreak of African Swine Fever at a small pig farm comprising 40 pigs in the south of the country.

RUSSIA

African Swine Fever

Last week, Russia reported the following cases of African Swine Fever:

10 in the east of the country, close to the border with China, nine at small pig farms and one among wild boar.

Two in the west of the country, one at a small pig farm and one among wild boar.

SOUTH KOREA

African Swine Fever

Reports continue of new outbreaks of African Swine Fever at small pig farms in the north of the country, close to the border with North Korea

According to reports from Reuters, there are now 13 reported cases since the first was confirmed on 17th September. Last week, 115,000 pigs were culled in an effort to control the disease.

The authorities are continuing their efforts to find the source of the disease. So far, all cases have been confirmed in the north of the country, close to the border with North Korea.

 **PHILIPPINES**
African Swine Fever

Asian Agribusiness reports that at the end of September, 20,000 pigs were culled in the Philippines because of African Swine Fever. Around 6,600 were infected with African Swine Fever, while the rest were culled by the authorities to prevent further spread.

The majority of the culled pigs come from backyard farms in the province of Bulacan.

 **VIETNAM**
Farms resume production

Asian Agribusiness reports that a number of pig farms in the province of Tuyen Quang have resumed pig production after being shut down because of African Swine Fever.

The farms, which are medium-sized operations with 2,000 plus pigs, were not directly affected by African Swine Fever, but were forced to close because of outbreaks in their area. They have decided to resume production because of higher prices and improved biosecurity.

With more than 5 million pigs dead or culled because of African Swine Fever, Vietnam – after China – is the country in Asia that has been most severely affected by the disease.

 **USA/ EU**
WTO ruling means that the U.S. is to impose additional tariffs on a range of EU products

A WTO ruling on illegal European support for Airbus factories means that the U.S. can impose additional tariffs amounting to USD 7.5 billion on a range of European products for the U.S.

Unless a solution is found, the retaliatory action will come into effect on 18th October.

As regards pig meat, the U.S. has initially decided to hit products from Germany, Spain and the UK.

For Danish pig meat to the U.S., there is an additional tariff of 25 per cent on a number of processed products, which have a combined annual export value of USD 12 million.

 **USA**
JBS in the U.S. to remove ractopamine

On Friday last week, the Brazilian meat group, JBS, announced that ractopamine will be removed from the pigs it receives in the U.S.

In August 2018, JBS reported that it had removed ractopamine from its internally owned productions. Now the ban is being extended to include pigs supplied to the company in the U.S. from other owners.

"We are confident that this decision will create long-term benefits for our suppliers as well as for our entire industry by ensuring that U.S. pig products can compete on an equal basis in international markets," said JBS in a statement.

Smithfield USA, which is owned by the Chinese WH Group, has already removed ractopamine from its farms in the U.S. and has made similar demands on its contracted suppliers.

Tyson Foods has informed Reuters that, as demand increases, the company is also looking to increase its supplies of pig meat bred without the use of ractopamine,

 **AUSTRALIA****The authorities are stepping up controls at airports against illegally imported pig meat products**

As a result of the further spread of African Swine Fever in Asia, the Australian authorities have stepped up controls at airports against illegally imported pig meat products.

Sniffer dogs will now be used at Darwin airport for flights landing from East Timor. The authorities are also working with airlines so that passengers from Asian countries are informed about the Australian rules.

Earlier this year, rules were introduced that tourists who bring pig meat products into the country illegally may be sent back to the country from which they came.

Since the authorities last introduced enhanced checks, 100 kg illegally imported pig meat products per week have been found, the Australian authorities said.

 **IVORY COAST****African Swine Fever**

Last week, the authorities in the Ivory Coast reported three cases of African Swine Fever at pig farms.

A total of 11,900 pigs were culled at the three farms which comprised 7,000, 2,900 and 2,000 pigs respectively.

 **KENYA****African Swine Fever**

Last week, Kenya reported one case of African Swine Fever at a small pig farm comprising 32 pigs in the west of the country.