

## MARKET SITUATION

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

**UK:** Sales are increasing.

Strong demand is reported from **South Korea** and **China**. Sluggish sales are reported for other Asian markets, including **Japan**.

## Slaughterings in Denmark

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

	Week 39	Week 40	Week 41	Weeks 1-41 2019/2018
Total	297,225	301,453	312,911	-8.5 %

## FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	18/10	11/10	Change
<b>2019</b>			
Dec	67.95	69.60	-1.65
<b>2020</b>			
Jan	-	-	
Feb	77.48	77.05	0.43
Mar	-	-	
Apr	83.45	82.98	0.47
May	88.80	88.50	0.30
Jun	92.85	92.60	0.25
Jul	92.68	92.23	0.45
Aug	90.88	90.23	0.65
Sep	-	-	
Oct	76.63	76.45	0.18
Nov	-	-	
Dec	71.70	71.53	0.17
<b>2021</b>			
Jan	-	-	
Feb	74.05	74.48	-0.43
Mar	-	-	
Apr	76.55		
Conversion factors: 1 lb = 0.4536 kg \$ = DKK 6.7033			



### 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 13 October.

Countries	Period 6 Oct - 13 Oct		Year to date 1 Jan - 13 Oct		2018	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia		3		70		230
Latvia		4	1	255	10	685
Lithuania	2	8	19	381	51	1,443
Poland	2	32	48	1,793	109	2,438
Italy			1	26	10	64
Ukraine			37	10	105	41
Czech Republic						28
Romania	31	15	1,502	514	1,163	170
Hungary		59		1,168		138
Bulgaria	1	2	39	68	1	5
Slovakia		1	11	13		
Serbia			18			
Belgium				479		161
<b>Total</b>	<b>36</b>	<b>124</b>	<b>1,676</b>	<b>4,777</b>	<b>1,449</b>	<b>5,403</b>



### May-June pig census

Eurostat has now updated its figures for the results of its May/June pig census 2019. The results of all 14 countries have now been made available. The figures for the UK and Spain are preliminary.

1,000 head	Total population			Breeding sows			Pregnant sows		
	2019	2018	% change	2019	2018	% change	2019	2018	% change
Germany	25,959	26,898	-3.5	1,805	1,859	-2.9	1,300	1,362	-4.6
Spain*	30,461	30,142	1.1	2,538	2,498	1.6	1,725	1,669	3.4
France	13,240	13,044	1.5	955	979	-2.5	680	696	-2.3
Denmark	12,551	12,878	-2.5	1,227	1,269	-3.3	768	793	-3.2
Holland	12,214	12,391	-1.4	1,011	1,051	-3.8	673	695	-3.2
Poland	10,781	11,828	-8.9	755	871	-13.3	531	584	-9.1
Italy	8,642	8,766	-1.4	579	588	-1.5	474	482	-1.7
Belgium	6,093	6,107	-0.2	395	408	-3.2	325	336	-3.3
UK*	4,977	5,012	-0.7	492	491	-0.2	348	347	0.3
Romania	3,726	4,129	-9.8	251	280	-10.4	159	176	-9.7
Hungary	2,840	2,859	-0.7	252	260	-3.1	161	174	-7.5
Austria	2,652	2,679	-1.0	223	228	-2.2	155	159	-2.5
Ireland	1,616	1,622	-0.4	142	147	-3.4	97	103	-5.8
Sweden	1,456	1,393	4.5	128	130	-1.5	91	90	1.1
<b>EU (14)</b>	<b>137,208</b>	<b>139,748</b>	<b>-1.8</b>	<b>10,753</b>	<b>11,059</b>	<b>-2.8</b>	<b>7,487</b>	<b>7,666</b>	<b>-2.3</b>
Serbia	2,677	2,680	-0.1	410	413	-0.7	194	177	9.6

\*Preliminary figures



### Exports of pig meat

The tables below show the EU Commission's figures for EU exports of pig meat according to categories, exporters and importers for the period January-August.

#### According to categories

Tonnes	Jan-Aug 2019	Jan-Aug 2018	% change 19:18
Live pigs	8,021	12,710	-36.9
Fresh/frozen	1,561,486	1,329,932	17.4
Bacon	27,170	26,165	3.8
Processed	117,290	110,614	6.0
By-products	1,088,192	955,418	13.9
<b>Total</b>	<b>2,802,158</b>	<b>2,434,840</b>	<b>15.1</b>

#### Importers of pig meat from EU

Tonnes	Jan-Aug 2019	Jan-Aug 2018	% change 19:18
China	1,284,420	880,659	45.8
Japan	278,959	261,305	6.8
South Korea	175,661	200,715	-12.5
Philippines	170,965	184,300	-7.2
Hong Kong	131,397	152,694	-13.9
USA	88,183	105,259	-16.2
Australia	62,175	51,320	21.2
Ukraine	60,530	65,180	-7.1
Vietnam	65,133	49,336	32.0
Serbia	31,010	44,049	-29.6
Belarus	5,095	4,281	19.0
Russia	1,160	1,722	-32.6
Others	447,470	434,020	3.1
<b>EU-28</b>	<b>2,802,158</b>	<b>2,434,840</b>	<b>15.1</b>

#### Exporters of pig meat from EU

Tonnes	Jan-Aug 2019	Jan-Aug 2018	% change 19:18
Germany	638,340	550,051	16.1
Spain	675,485	538,218	25.5
Denmark	389,427	341,937	13.9
France	172,320	148,743	15.9
Holland	356,932	293,225	21.7
Poland	164,314	154,788	6.2
UK	105,235	91,470	15.0
Ireland	78,973	65,243	21.0
Belgium	30,625	58,111	-47.3
Italy	68,945	65,256	5.7
Hungary	11,488	29,686	-61.3
Austria	34,229	26,829	27.6
Others	75,845	71,283	6.4
<b>EU-28</b>	<b>2,802,158</b>	<b>2,434,840</b>	<b>15.1</b>

 **CHINA**
**Pig slaughterings declined by 17 per cent in the first nine months of the year**

Reuters reports that figures from China's National Bureau of Statistics show that China's pig slaughterings declined by 17.3 per cent for the first nine months of the year compared to the same period last year.

The authorities estimate pig slaughterings for the period, January-September, at 409.8 million while production measured in tonnes is calculated at 31.8 million tonnes: a decline in tonnage of 17.2 per cent compared to the previous year.

Total meat production (pig meat, beef, poultry, mutton and lamb) is calculated at 55.1 million tonnes for the first nine months of the year. This is a decline of 8.3 per cent compared to the same period last year.

 **CHINA**
**Authorities expect pig output to bottom out before the end of the year**

Reuters reports that at a press briefing last week, a spokesperson from China's Agriculture Ministry stated that pig output is expected to bottom out before the end of the year. Moreover, that 2020 will see a return to more normal levels.

According to Yang Zhenhai, Director of the Husbandry and Veterinary Bureau of China's Ministry of Agriculture, pig numbers at largescale farms have already started to rebound.

For farms that produce more than 5,000 pigs per year, numbers have increased by 0.6 per cent to 44.5 million in September compared to August. Sow herds rose 3.7 per cent to 6.1 million in September.

According to Yang, "Various supporting policies and market factors have helped boost confidence in pig farming significantly". He went on to say that "production and sales of pig feed have rebounded strongly, with input of feed up 10 per cent in September compared to August."

The latest figures from China's Agriculture Ministry show that the total Chinese pig population in September was 41.1 per cent down compared to one year ago. This was 3.0 per cent lower than the previous month. However, this is a less drastic decline than in August when the population declined by 9.8 per cent in one month.

As regards the sow population, there was a decline of 38.9 per cent compared to one year ago and a decline of 2.8 per cent compared to the previous month. In August, the sow population declined by 9.1 per cent in one month.

Several analysts believe that the Chinese authorities are too optimistic when they forecast a return to more normal slaughtering levels by 2020.

Pan Chenjun from Rabobank points out that it takes around 18 months to produce from a newly established herd. She expects China's pig population to continue to decline in the first half year 2020. "Some of the companies that have started to resume production will see the disease return. And many small farms have neither the capital nor the will to increase their production," says Pan Chenjun.

According to an analyst from a Chinese consultancy company, but who wishes to remain anonymous, pig production in the north is rising, but is continuing to decline in the southern and south-western regions. "If the disease stabilises and does not return, the population could possibly begin to recover. But the population will not return to normal levels until the second half of 2020 at the earliest."

 **VIETNAM**
**Considers increased imports to tame rising pig prices**

Asian Agribusiness reports that Vietnam's Deputy Agriculture Minister has said: "We have to consider importing to meet market demand."

Vietnam's Agriculture Ministry reported strongly increasing pig prices in Vietnam in October. This is primarily due to declining supplies of pigs due to African Swine Fever. According to local sources, prices are also being driven by increased demand from China.

In addition to increased exports, the Vietnamese authorities are also considering pig meat storage and encouraging production of alternative animal protein in an effort to tame the rising prices.

 **VIETNAM**
**Authorities encourage pig producers to increase pig production**

The authorities in Vietnam are encouraging the country's pig producers to increase pig production. The call comes as the spread of the disease shows signs of slowing.

Reuters cites the head of the department of livestock production as saying: "Farmers' efforts to enhance hygienic conditions on farms have helped to put a brake on the spread of African Swine Fever. Better weather conditions have also helped. We encourage large-sized farms that meet hygienic requirements to expand their pig production."

Vietnam's Agriculture Minister Nguyen Xuan Cuong echoes the call: "It's important to restore pig production to meet demand, which is forecast to be particularly high closer to the Vietnamese New Year in late January. The outbreak of African Swine Fever has "initially been contained and shown signs of slowing down," added the Minister.

In May, the Minister urged producers to refrain from developing pig production and instead shift focus to expanding production of cattle, poultry and fish.

 **SOUTH KOREA**
**African Swine Fever**

Last week, the authorities in South Korea reported eight cases of African Swine Fever in wild boar. The cases were found in the north of the country close to the border with North Korea.

Since the first case of African Swine Fever was confirmed at a small pig farm in mid-September, the South Korean authorities have culled around 115,000 pigs and introduced a number of transport restrictions.

It is still unknown how the disease entered the country. But so far, the cases are concentrated in the north of the country, close to the border with North Korea.

 **PHILIPPINES**
**Two further provinces affected by African Swine Fever**

International news media report that a further two provinces in the Philippines have been hit by African Swine Fever. The new outbreaks have occurred in Cavite, south of the capital Manila and in Nueva Ecija.

So far, the outbreaks of African Swine Fever have been limited to the northern main island of Luzon. A number of provinces in central and southern Philippines have introduced a ban on pig meat and pig meat products from the affected provinces on Luzon.

In their efforts to control the disease, the authorities have culled more than 30,000 pigs so far. Compensation for the affected farms has now been raised from 3,000 pesos to 5,000 pesos per pig (approx. GBP 70).

 **PHILLIPINES**
**Warnings against using African Swine Fever vaccine**

Asian Agribusiness reports that the Philippine College of Swine Practitioners has issued a warning against using any vaccine against African Swine Fever. The group has pointed out that there are still no effective vaccines on the market.

The warning comes after unconfirmed reports that vaccines against African Swine Fever have arrived in the Philippines from Vietnam.

 **KAZAKHSTAN**
**Kazakhstan begins exports of pig meat to China**

Pig Progress reports that Kazakhstan and China signed an agreement in September, which means that pig meat from Kazakhstan can be exported to China.

The first shipment of pig meat to China is expected to be sent before the end of the year. The Kazakh Union of Pig Producers hopes that in time, larger exports of pig meat to China can be built up.

Kazakhstan is officially free of African Swine Fever. However, outbreaks have been registered in Russia, not far from the Kazakhstan border. The country, which has a predominantly Muslim population, produced 87,000 tonnes pig meat in 2018 – a significant change from production in the Soviet Union era.

 **USA**
**Substantial weekly exports of pig meat continue**

The USDA continues to report record breaking weekly orders for American pig meat exports.

According to figures from USDA, American companies received orders totalling 292,200 tonnes pig meat for the week ending 10 October; 132,400 tonnes to Mexico, 94,000 tons to China and 46,400 tonnes to Japan.

For the week before (to 3 October) the USD reported record export orders to China of 142,172 tonnes – a new record for weekly exports to China.

 **USA**
**Tyson Foods to remove ractopamine**

Last week, Tyson Foods announced that from February they will stop buying pigs produced with the use of ractopamine.

Tyson is therefore following in the footsteps of previous decisions by Smithfield and JBS, which have both decided to eliminate the use of the beta-agonist ractopamine from pigs the companies receive in the United States.

The decision to ban ractopamine should be seen in the light of the new opportunities to supply large quantities of pig meat to China. However, China does not allow ractopamine to be used in pig production.

"We believe that the decision to ban the use of ractopamine will put Tyson Fresh Meats and the producers who supply us in a better position to compete more effectively for export opportunities in even more countries," said the President of Tyson Fresh Meats, Steve Stouffer, in a statement.



### U.S. receives WTO go-ahead for tariffs on EU goods

Last week, the World Trade Organisation (WTO) gave the go-ahead for the United States to start levying tariffs on a range of products from the EU in retaliation for the European plane maker, Airbus, receiving illegal European subsidies.

The American retaliation list covers tariffs on USD 7.5 billion worth of European Union goods. As regards pig meat from the EU, the U.S. is to initially impose tariffs on products from Germany, Spain and the UK.

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

### JAPAN

#### Authorities ready to vaccinate pigs against Classical Swine Fever

Asian Agribusiness reports that Japan's Agriculture Minister will begin to vaccinate pigs in 10 prefectures that have been severely affected by Classical Swine Fever.

When the vaccinations begin, the areas in question will be banned from supplying live pigs to the rest of Japan.

So far, Japan has slaughtered more than 140,000 pigs as part of its effort to control Classical Swine Fever.

### 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 19	633	21,195	9,172	183,359	214,359
End August 19	540	20,075	9,192	190,936	220,743