

MARKET NEWS for pig meat



Market analysis

4 November 2019

Week 45

MARKET SITUATION

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

UK: Sales are stable. New contracts are being agreed at increasing price levels.

Strong demand is reported from **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 41 | Week 42 | Week 43 | Week 1-43 2019/2018 |
|-------|---------|---------|---------|------------------------|
| Total | 313,505 | 315,497 | 326,367 | -8.6 % |

FUTURES, USA

| | Chicago (\$ per 100 lbs slaughter weight) | | |
|--|--|-------|--------|
| | 1/11 | 25/10 | Change |
| 2019 | | | |
| Dec | 64.45 | 64.93 | -0.48 |
| 2020 | | | |
| Jan | - | - | |
| Feb | 72.58 | 73.35 | -0.77 |
| Mar | - | - | |
| Apr | 79.48 | 79.55 | -0.07 |
| May | 85.40 | 85.63 | -0.23 |
| Jun | 91.08 | 90.13 | 0.95 |
| Jul | 91.95 | 90.35 | 1.60 |
| Aug | 90.95 | 88.93 | 2.02 |
| Sep | - | - | |
| Oct | 77.25 | 75.63 | 1.62 |
| Nov | - | - | |
| Dec | 71.73 | 71.13 | 0.60 |
| 2021 | | | |
| Jan | - | - | |
| Feb | 74.40 | 73.93 | 0.47 |
| Mar | - | - | |
| Apr | 76.93 | 76.53 | 0.40 |
| Conversion factors: 1 lb = 0.4536 kg \$ = 6.7072 | | | |



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 20 October.

| Countries | Period 13 Oct- 20 Oct | | Year to date 1 Jan - 20 Oct | | 2018 | |
|----------------|--------------------------|-----------|--------------------------------|--------------|--------------|--------------|
| | Pigs | Wild boar | Pigs | Wild boar | Pigs | Wild boar |
| Estonia | | 1 | | 71 | | 230 |
| Latvia | | 11 | 1 | 266 | 10 | 685 |
| Lithuania | | 8 | 19 | 389 | 51 | 1,443 |
| Poland | | 25 | 48 | 1,818 | 109 | 2,438 |
| Italy | | | 1 | 26 | 10 | 64 |
| Ukraine | 1 | | 38 | 10 | 105 | 41 |
| Czech Republic | | | | | | 28 |
| Romania | 14 | 6 | 1,516 | 520 | 1,163 | 170 |
| Hungary | | 23 | | 1,191 | | 138 |
| Bulgaria | 1 | 9 | 40 | 77 | 1 | 5 |
| Slovakia | | 1 | 11 | 14 | | |
| Serbia | | | 18 | | | |
| Belgium | | | | 479 | | 161 |
| Total | 16 | 84 | 1,692 | 4,861 | 1,449 | 5,403 |

PHILIPPINES

African Swine Fever

Last week, the authorities in the Philippines reported nine cases where pig herds have been culled in the effort to control African Swine Fever.

The cases were confirmed in Pangasinan province and in the capital, Manila. So far, 5,131 pigs have died or been culled due to African Swine Fever.

PHILIPPINES

Pig prices fall in Luzon province

According to Asian Agribusiness, the pig price has fallen in Luzon province, which has been hit by African Swine Fever. In the third week of October, prices were USD 1.56-1.95 per kg compared to USD 2.24-2.50 per kg at the end of August.

PHILIPPINES

Processing companies urged not to use pig meat from the Philippines

The Philippine Association of Meat Processors Inc (Pambi) has urged its members not to use pig meat from the Philippines as raw materials in their products until further notice. This is to prevent the further spread of African Swine Fever.

A spokesperson from Pambi has indicated that as long as there are no guarantees that the meat is free from African Swine Fever, processing companies should not use local pig meat.

 **SOUTH KOREA**
African Swine Fever

Last week, the authorities in South Korea reported two cases of African Swine Fever in wild boar. As previously, all cases have been found in the north of the country, close to the border with North Korea.

 **VIETNAM**
Fall in pig prices

In the wake of rising pig prices in recent weeks, Asian Agribusiness reported a fall in the Vietnamese pig price last week. According to Asian Agribusiness, the price of live pigs fell by USD 0.43 per kg to USD 2.36 per kg.

The reason is that the authorities have succeeded in reducing exports of live pigs to China.

 **VIETNAM/**
 **RUSSIA**
Russia hopes to export pig meat to Vietnam

Last week, Vietnam and Russia held a series of meetings at which Russia expressed its hope of exporting pig meat to Vietnam, reports Agra Europe.

Vietnam also expressed an interest in importing more than 2 million tonnes Russian grain in 2020, states Russia's veterinary service, Rosselkhoznadzor.

 **CHINA**
Pig producers post record quarterly profits

Reuters reports record profits for a number of Chinese pig producers in Q3.

Although the companies have lost pigs/sows due to African Swine Fever, pig prices have been so high that Reuters reports record profits in Q3 for Wens, (China's largest pig producer), Muyuan (second largest producer) and New Hope Lieuhe (sixth largest producer).

With significantly higher pig prices for the current quarter, the prospect of record profits is likely when the results for Q4 become available.

 **BRAZIL/**
 **CHINA**
Seven plants approved for exports of by-products to China

Brazil's Agriculture Minister, Tereza Cristina Dias, has announced that China has approved an additional seven plants in the state of Santa Catarina for the export of pork-based by-products.

According to the Minister, the approval is the result of Brazil's President Jair Bolsonaro's recent visit to China. Exports from the seven plants can begin immediately.

 **BRAZIL**
Brazil launches plan to eradicate Classical Swine Fever

The authorities in Brazil have launched a plan to eradicate Classical Swine Fever in Brazil, reports Agra Europe.

Half of Brazil's territory is currently acknowledged as being free from Classical Swine Fever and accounts for 82 per cent of Brazil's pig population.

The plan focuses on 11 Brazilian states, three of which have had outbreaks of Classical Swine Fever in the last year. Since October 2018, 67 cases of the disease have been recorded: 49 in Ceará, 16 in Piauí and two in Alagoas. All three states are in north-east Brazil.

 **GLOBAL**
OIE: No country is immune to risk of African Swine Fever

The Director of the World Organisation for Animal Health, OIE, Monique Eloit, said in an interview with Reuters that no country is immune to the risk of African Swine Fever.

"We are really facing a threat that is global. The risk exists for all countries, whether they are geographically close or geographically distant because there is a multitude of potential sources of contamination. African Swine Fever can be transmitted by a tourist bringing back a ham or sausage sandwich from a contaminated country, throwing it away and then being reused by farmers to feed their pigs. There are additional risks from trading live animals and food products across borders and from small breeders using restaurant or train station waste to feed their stock."

She expects the disease to spread to more countries. "In the short term we are not going towards an improvement. We will continue to have more outbreaks in the infected countries. Neighbouring countries are at high risk and for some the question is when they will be infected," says Ms Eloit, who also emphasised that controls were difficult to implement.

 **AUSTRALIA**
Discovery of African Swine Fever DNA in confiscated pig meat products at airports

International news media report that DNA fragments of the African Swine Fever virus have been discovered in almost half the confiscated pig-meat products at Australian airports.

In two weeks in September, personnel at Australia's airports confiscated 418 pig meat products from international travellers. Some 202 of the products that were subsequently tested contained DNA fragments of the African Swine Fever virus.

In a similar test in January, six out of the 152 confiscated products were tested positive for traces of the African Swine Fever virus.

Since the discovery in January, the authorities in Australia have intensified their checks at airports.

 **RUSSIA**
Discovery of African Swine Fever in Russian sausages

Pig Progress, citing the Russian veterinary service, reports that DNA traces of African Swine Fever have been found in Russian sausages. The sausages in question are sold under the Buterbrodnaya brand and have been found in 136 stores in five Russian regions.

The Russian veterinary authorities are puzzled by the development since the sausage producer concerned only receives meat from herds that have not reported cases of African Swine Fever. They also wonder how the sausages have slipped through veterinary and sanitary checks.

 **BELGIUM****Singapore lifts ban on pig meat imports from Belgium**

According to Belgium's Agriculture Minister, Singapore has lifted its general ban on pig meat from Belgium. The ban was introduced in December 2018 when African Swine Fever was confirmed in wild boar in Belgium.

India and Vietnam have also recently lifted their ban on imports of pig meat from regions in Belgium not affected by African Swine Fever.

 **INDIA****Pig population at 9 million**

India's Ministry of Agriculture conducted a livestock census in 2019. The last one was held in 2012.

2019's pig population totalled 9.06 million – a decline of 12 per cent from 2012 when the population totalled 10.20 million.

The pig population accounts for just 1.7 per cent of the total livestock population of 535.8 million. The total livestock population comprises 192.5 million cattle, 109.9 million buffalo, 148.9 million goats, 74.3 million sheep and 9.1 million pigs.

 **GUINEA-BISSAU****Foot and mouth disease**

The authorities in the West African country, Guinea Bissau, have reported six cases of foot and mouth disease in cattle. Some 407 cows have been culled.