

MARKET NEWS for pig meat



Market analysis

28 January 2019

Week 5

MARKET SITUATION

Europe: Trading in legs and other cuts is at unchanged prices this week.

UK: Sales are reported as slow.

Demand continues to be stable for Japan and quiet for China. However, growing interest from China is currently being reported.

Slaughterings in Denmark

	Week 1	Week 2	Week 3	Weeks 1-3 2019/2018
Total	21,075	367,355	369,764	-6.8 %

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

FUTURES, USA

	Chicago (\$ per 100 lbs slaughter weight)		
	25/1	18/1	Change
2019			
Feb	58.38	61.23	-2.85
Mar	-	-	-
Apr	62.13	66.28	-4.15
May	68.90	72.03	-3.13
Jun	77.15	79.38	-2.22
Jul	79.23	80.70	-1.48
Aug	79.35	80.68	-1.33
Sep	-	-	-
Oct	67.53	68.75	-1.22
Nov	-	-	-
Dec	62.43	63.35	-0.93
2020			
Jan	-	-	-
Feb	66.38	67.20	-0.83
Mar	-	-	-
Apr	70.00	71.05	-1.05
May	75.10	76.63	-1.53
Jun	79.75	80.60	-0.85
Conversion factors: 1 lb = 0.4536 kg \$ = 6.5806			



EU

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 from 1 January – 13 January.

Countries	Period 6 Jan - 13 Jan		Year to date 1 Jan – 13 Jan	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		6		6
Latvia		18		43
Lithuania		32		32
Poland		98		98
Italy		2		2
Ukraine				
Czech Republic				
Romania	11	13	12	13
Hungary		28		31
Bulgaria				
Belgium		23		23
Total	11	220	12	248



THAILAND

Discovery of African Swine Fever in pig meat products from China

Similar to other countries, Thailand has reported the discovery of African Swine Fever in pig meat products brought in from China.

The latest discovery was made at the airport in Phuket where sausages and salami were confiscated from a tourist who flew from Chengdu province in China.

Asia Agribusiness reports that the Thai authorities have found traces of African Swine Fever in meat products in nine cases since the outbreak of African Swine Fever began in China.



CHINA

New official figures show surprising fall in pig meat production in 2018

Reuters reports that new figures from China's National Statistics Bureau show that China's overall production of pig meat in 2018 fell by 0.9 per cent to 54.04 million tonnes.

The decline has taken Chinese market analysts by surprise. The first three quarters of 2018 showed an overall rise in production of 0.3 per cent. Chinese market analysts had expected a rise in production for the fourth quarter too as farmers slaughtered their herds before being hit by African Swine Fever and before prices fell further.

"I think they will adjust the data again", said Yao Guling, an analyst with the China-America Commodity Data Analytics Inc, noting that the preliminary figures for 2017 were subsequently revised upwards.

Figures from the National Statistics Bureau also show that beef output grew by 1.5 per cent to 6.44 million tonnes in 2018 while poultry saw a rise of 0.6 per cent to 19.94 million tonnes and lamb rose 0.8 per cent to 4.75 million tonnes.

 **CHINA**
Pig meat imports

0203				
Fresh/frozen pig meat				
Tonnes	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2018	% change 18:17
Germany	344,302	211,775	228,371	7.8
Spain	260,029	237,514	219,626	-7.5
Canada	179,044	166,755	160,260	-3.9
Brazil	80,604	48,716	150,091	208.1
USA	215,503	165,741	85,650	-48.3
Holland	120,184	86,419	84,709	-2.0
Denmark	158,906	88,733	72,261	-18.6
UK	43,172	45,626	49,582	8.7
France	86,504	51,164	49,060	-4.1
Chile	46,459	40,330	43,759	8.5
Ireland	43,314	35,591	32,894	-7.6
Hungary	26,181	24,472	7,003	-71.4
Belgium	11,129	6,806	4,209	-38.2
Finland	-	1024	2137	108.7
Others	5,008	6,142	3,216	-47.6
Total	1,620,339	1,216,808	1,192,828	-2.0

020649				
By-products - pigs				
Tonnes	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2018	% change 18:17
USA	424,152	416,322	177,059	-57.5
Denmark	189,120	144,250	140,803	-2.4
Germany	215,197	147,107	132,300	-10.1
Canada	119,020	125,604	119,142	-5.1
Spain	108,855	125,158	108,862	-13.0
Holland	93,657	100,603	107,474	6.8
France	58,686	59,932	56,840	-5.2
Chile	26,477	25,266	29,633	17.3
UK	27,810	27,027	27,267	0.9
Ireland	22,409	22,482	22,766	1.3
Belgium	20,078	21,340	16,240	-23.9
Hungary	13,004	13,286	4,901	-63.1
Finland	-	1,446	2,353	62.7
Mexico	44	498	642	28.9
Others	2,843	5,621	1	-100.0
Total	1,321,352	1,235,942	946,283	-23.4

020641				
Pigs' liver				
Tonnes	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2018	% change 18:17
Chile	936	-	288	-
Spain	2,442	301	177	-41.2
UK	852	22	-	-100.0
Belgium	25	-	-	-
Canada	2,425	103	-	-100.0
Total	13,003	536	465	-13.2

 **TAIWAN**
False information about African Swine Fever

According to an announcement from Taiwan's Agriculture Minister, Chen Chi-chung, the Taiwanese population should feel confident about buying Taiwanese pig meat.

Demand for pig meat normally increases in the run-up to Chinese New Year. According to Chen, however, inaccurate information about African Swine Fever in Taiwan has had a negative impact on sales this year.

A 'netizen' named Gina Lin wrote on Facebook that African Swine Fever had been found in Taoyuan and warned people against buying pig meat, reports the Agriculture Ministry. False information can create panic and the ministry has reported the false information to the police in Taipei.

ThePigSite also reports that Taiwan's Agriculture Ministry has stated that there is no African Swine Fever in the country and that all pig meat is safe to eat since the products are subject to rigorous checks before they enter the market.

 **GLOBAL**
Rabobank: Uncertainty in 2019

In their latest quarterly report for the pig meat market, Q1 2019, Rabobank indicates that they see 2019 as being another uncertain year with complex challenges in the form of pig diseases and trade issues.

With regard to pig disease, Rabobank refers to the fact that African Swine Fever is spreading in both China and Eastern Europe. Moreover, classical swine fever and foot and mouth disease have been discovered in other regions. On the trade front, there is uncertainty about the outcome of the trade dispute between the US and China and around Brexit.

For China, Rabobank expects a fall in pig meat production of between 10 and 20 per cent in 2019. This will lead to increasing imports of pig meat after Q1, but how much imports will rise is highly uncertain. Rabobank will only say that they expect imports "to increase substantially in 2019".

For the EU, Rabobank sees opportunities for increased exports of pig meat to China. But there is also a high degree of probability that African Swine Fever will spread further in the EU. Moreover, EU trade will be affected by Brexit.

In USA, pig meat production continues to rise and for 2019, a 4 per cent increase is expected. As a result, exports are expected to increase although there is great uncertainty about trade to China.

In Brazil, pig producers are expecting a promising 2019 after a rather challenging 2018. An increase in exports of pig meat to China is expected. At the same time, exports to Russia appear to be more positive after a limited number of Brazilian plants have now been approved for export.

 **BRAZIL**
Pig meat exports

0203				
Fresh/frozen pig meat				
Tonnes	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2018	% change 2018:17
China	87,560	48,914	155,914	218.8
Hong Kong	108,986	96,108	108,809	13.2
Singapore	32,622	31,910	43,867	37.5
Argentina	24,402	31,576	37,974	20.3
Uruguay	27,505	29,806	34,557	15.9
Chile	23,079	23,376	34,529	47.7
Angola	21,041	21,523	25,512	18.5
Georgia	8,468	10,544	17,951	70.2
Others	294,992	298,857	91,289	-69.5
Total	628,655	592,614	550,402	-7.1



Pig meat exports

The table below shows the EU Commission's figures for EU pig meat exports divided into categories, exporters and importers for the period January-November.

According to categories

Tonnes	Jan-Nov 2018	Jan-Nov 2017	% change 18:17
Live pigs	17.487	12.477	40,2
Fresh/frozen	1.892.889	1.803.186	5,0
Bacon	38.309	35.526	7,8
Processed	156.191	152.835	2,2
By-products	1.355.499	1.408.613	-3,8
Total	3.460.376	3.412.637	1,4

Pig meat exporters from EU

Tonnes	Jan-Nov 2018	Jan-Nov 2017	% change 18:17
Germany	797,084	784,291	1.6
Spain	756,446	681,092	11.1
Denmark	484,422	483,338	0.2
France	211,942	216,192	-2.0
Holland	423,393	411,487	2.9
Poland	222,555	220,483	0.9
UK	134,217	124,339	7.9
Ireland	91,790	87,611	4.8
Belgium	70,635	85,017	-16.9
Italy	93,334	93,479	-0.2
Hungary	33,996	78,645	-56.8
Austria	39,959	38,666	3.3
Others	100,591	107,987	-6.8
EU-28	3,460,364	3,412,627	1.4

Pig meat importers from EU

Tonnes	Jan-Nov 2018	Jan-Nov 2017	% change 18:17
China	1,241,470	1,273,532	-2.5
Hong Kong	221,977	354,456	-37.4
Japan	354,962	350,199	1.4
Philippines	254,905	224,288	13.7
South Korea	291,870	233,680	24.9
USA	139,875	132,546	5.5
Ukraine	97,097	78,412	23.8
Australia	76,188	77,427	-1.6
Montenegro	22,143	18,892	17.2
Angola	29,725	30,179	-1.5
Russia	2,470	4,402	-43.9
Belarus	12,064	202	5872.3
Others	715,632	634,423	12.8
EU-28	3,460,376	3,412,637	1.4

 **RUSSIA**
Foot and mouth disease

Last week, the authorities in Russia reported one case of foot and mouth disease at a large farm of 51,000 pigs in eastern Russia.

The farm is located in the Primorsky Krai region, which borders North Korea and the Chinese province of Heilongjiang.

 **RUSSIA**
Miratorg increases production by 1.9 per cent

Russia's largest pig producer, Miratorg, has announced that their pig meat production increased by 1.9 per cent to 423,000 tonnes in 2018.

Miratorg has 90 production units in the Belgorod and Kursk regions in Russia. Their strategic objective is to increase production to 1 million tonnes live weight.

 **SWEDEN**
Increase in pig slaughterings in 2018

Swedish pig slaughterings increased by 2.6 per cent in 2018 compared to 2017 as is evident from recent figures published by the Swedish organisation Kött och Charkförtägen.

The table below shows the development in slaughterings distributed across companies for the years 2015-2018.

	Jan - Dec				% change 18:17
	2015	2016	2017	2018	
Scan Kristianstad	730,605	715,282	725,811	743,706	2.5
- KLS Ugglarps Kalmar	441,415	432,647	454,741	444,054	-2.4
- KLS Ugglarps Ugglarp	255,126	234,956	258,410	255,863	-1.0
- Dalsjöfors Slakteri	317,417	325,489	330,056	383,849	16.3
KLS Ugglarps total	1,013,958	993,092	1,043,207	1,083,766	3.9
Skövde Slakteri	318,409	307,631	278,059	288,407	3.7
AJ Dahlbergs Slakteri	127,125	143,396	166,636	190,265	14.2
Ginsten Slakteri	95,411	87,541	79,615	78,742	-1.1
Gotlands Slakteri	73,589	74,783	72,402	77,990	7.7
Siljans Chark	58,437	54,540	57,078	58,553	2.6
Lindells Gårdsslakteri	31,580	39,249	33,622	938	-97.2
Alviksgården	32,546	32,852	32,837	35,832	9.1
Lövsta Kött	26,406	26,518	25,862	26,391	2.0
Knorrevången Slakt	20,158	19,643	23,659	23,580	-0.3
Others	26,661	32,134	34,673	32,564	-6.1
Total slaughterings	2,554,885	2,526,661	2,573,461	2,640,734	2.6

The figures for the individual companies should, however, be taken with certain reservations because Swedish slaughterhouses outsource slaughtering operations to each other.

 **IRELAND****Losses for pig producers**

According to the Chairman of the Irish Farmers Association – Pigs, Tom Hogan, Irish pig producers are currently losing around €20c/kg corresponding to a loss of over €16 on every pig produced. Current prices range from €1.38c/kg-€1.42c/kg with the cost of production around €1.60c/kg, reports ThePigSite.

“The situation has worsened as pig prices remain stagnant and feed has increased along with other input costs such as labour, energy, insurance and veterinary treatment,” said Hogan.

Tom Hogan has sought an urgent meeting with the Minister for Agriculture Michael Creed to find a way of alleviating the financial difficulties currently faced by pig farmers. However, according to Hogan the Minister has not yet responded to the request. Hogan has also asked processors and retailers to support Irish producers by purchasing Irish meat.

 **JAPAN****Classical swine fever**

The authorities in Japan continue to report new cases of classical swine fever among wild boar in the Gifu and Aichi region.

Last week, the authorities reported eight cases among wild boar.

 **TUNISIA****Foot and mouth disease**

Last week, the authorities in Tunisia reported five cases of foot and mouth disease. Some 64 head of cattle, 1,032 sheep and 42 goats were affected.