

MARKET NEWS for pig meat



Market analysis

11 February 2019

Week 7

MARKET SITUATION

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

UK: Sales are reported as slow.

Demand continues to be stable for Japan and quiet for China.

Slaughterings in Denmark

	Week 3	Week 4	Week 5	Week 1-5 2019/2018
Total	369,764	359,584	346,402	-5.2 %

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)		
	8/2	1/2	Change
2019			
Feb	55.05	56.35	-1.30
Mar	-	-	-
Apr	58.43	60.13	-1.70
May	66.40	67.65	-1.25
Jun	74.38	76.05	-1.68
Jul	76.48	78.10	-1.63
Aug	77.30	78.88	-1.58
Sep	-	-	-
Oct	68.10	68.78	-0.68
Nov	-	-	-
Dec	63.85	63.93	-0.07
2020			
Jan	-	-	-
Feb	67.33	67.55	-0.22
Mar	-	-	-
Apr	70.58	71.03	-0.45
May	75.25	75.30	-0.05
Jun	79.40	79.78	-0.38
Conversion factors: 1 lb = 0.4536 kg \$ = DKK 6.5780			



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 – 27 January.

Countries	Period 13 Jan - 27 Jan.		Year to date 1 Jan – 27 Jan	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		18		24
Latvia		27		70
Lithuania		35		67
Poland		125		223
Italy		8		10
Ukraine	1		1	
Czech Republic				
Romania	10	31	22	44
Hungary		64		95
Bulgaria				
Belgium		44		67
Total	11	352	23	600



CHINA

African Swine Fever

At the weekend, the Chinese authorities reported one outbreak of African Swine Fever at a farm of 4,600 pigs in Hunan province in southern China. This is the first new outbreak in two weeks.

According to the Chinese media, more than 950,000 pigs have been culled in an attempt to limit the spread of the infection. This should, however, be compared with China's total pig population of 450 million.



CHINA

Kitchen waste the cause of African Swine Fever in many instances

Information gathered by the UN's Food and Agriculture Organisation concerning the first 21 cases of African Swine Fever in China shows that kitchen waste was the cause of 62 per cent of cases of African Swine Fever.

"Feed containing kitchen waste is one of the major risk factors in the spread of African Swine Fever," concludes the World Organisation for Animal Health's regional representation for Asia and the Pacific region.

Pig meat infected with African Swine Fever has also been found during checks of meat products brought in by tourists passing through airports on route to Australia, South Korea, Thailand, Japan and Taiwan.

The majority of countries in the region have introduced a ban or restrictions on the use of kitchen waste as feed.

 **USA**
Pig prices under pressure

American pig prices and futures remain under pressure because of record high pig slaughterings at the beginning of 2019.

American pig producers are reported as losing an average of USD 15-20 per pig.

 **DENMARK**
Pig population 1 January 2019

Statistics Denmark has published the results of its pig census as at 1 January 2019. The results are shown in the table below.

Whereas previous censuses have shown an increasing trend in the pig population, January's census shows a slight decline.

The total population is 1.5 per cent down on last year. If the group, Finished pigs > 50 kg is excluded, the decline is 0.9 per cent.

As regards the breeding herd in the form of pregnant sows, there is a decline of 1.4 per cent compared to one year ago – the decline, however, is likely to be more than offset by rising productivity.

'000 head	January census			October census		
	1 January 2019	1 January 2018	% change 19:18	1 October 2018	1 October 2017	% change 18:17
Breeding boars	11	11	-	11	11	-
Pregnant gilts	190	192	-1,0	185	185	-
Other pregnant sows	585	594	-1,5	597	590	+1,2
Total pregnant sows	775	786	-1,4	782	775	+0,9
Nursing sows	209	211	-0,9	217	212	+2,4
Dry sows	36	37	-2,7	38	36	+5,6
Sows and boars for slaughter	7	7	-	7	6	+16,7
Gilts >50 kg for breeding	223	225	-0.9	210	225	-6.7
Piglets with sows	2,575	2,596	-0.8	2,684	2,599	+3.3
Weaned pigs <50 kg	5,905	5,957	-0.9	6,088	5,941	+2.5
Finished pigs >50 kg	2,901	3,002	-3.4	2,951	2,890	+2.1
Total pigs	12,642	12,832	-1.5	12,988	12,695	+2.3
Total pigs excl. finished pigs *	9,741	9,830	-0.9	10,037	9,805	+2.4



Denmark's exports of pig meat, tonnes

January - November 2018

	By-products	Live pigs	Processed canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	26,192	189,907	7,828	192	80,400	250,243	2,906	557,668	30.5
Poland	1,542	171,061	80	2	0	123,566	0	296,252	16.2
UK	6,547	636	9,897	44,689	0	120,404	10,206	192,378	10.5
Italy	1,716	20,619	489	73	0	96,504	343	119,744	6.5
Sweden	7,580	219	2,022	987	0	15,899	4,542	31,248	1.7
Holland	9,633	11,552	210	21	0	8,521	264	30,202	1.7
France	1,750	1,612	918	429	0	11,903	959	17,569	1.0
Spain	339	4,259	1,180	386	0	5,352	1,217	12,733	0.7
Other EU countries	10,765	12,429	3,074	224	22	48,360	3,569	78,443	4.3
Total EU	66,064	412,293	25,699	47,003	80,423	680,751	24,005	1,336,236	73.1
China	148,892	0	166	19	0	60,148	31	209,255	11.4
Japan	2,141	9	3,395	54	0	100,544	1,587	107,730	5.9
Australia	295	0	194	409	0	39,750	46	40,694	2.2
USA	2,397	0	4,348	128	0	26,838	1,178	34,889	1.9
South Korea	251	40	1,711	0	0	13,770	261	16,033	0.9
Taiwan	871	6	41	0	0	11,222	8	12,148	0.7
Belarus	2,328	245	0	0	0	8,779	0	11,352	0.6
Ukraine	2,935	798	0	0	0	4,925	0	8,658	0.5
Philippines	5,334	0	750	0	0	1,458	1	7,543	0.4
Other 3rd countries	11,784	816	8,605	1,393	0	15,557	5,927	44,083	2.4
3rd countries, total	177,229	1,915	19,209	2,003	28	282,990	9,038	492,412	26.9
Exports, total	243,292	414,208	44,907	49,005	80,451	963,741	33,044	1,828,648	100.0

January - November 2017

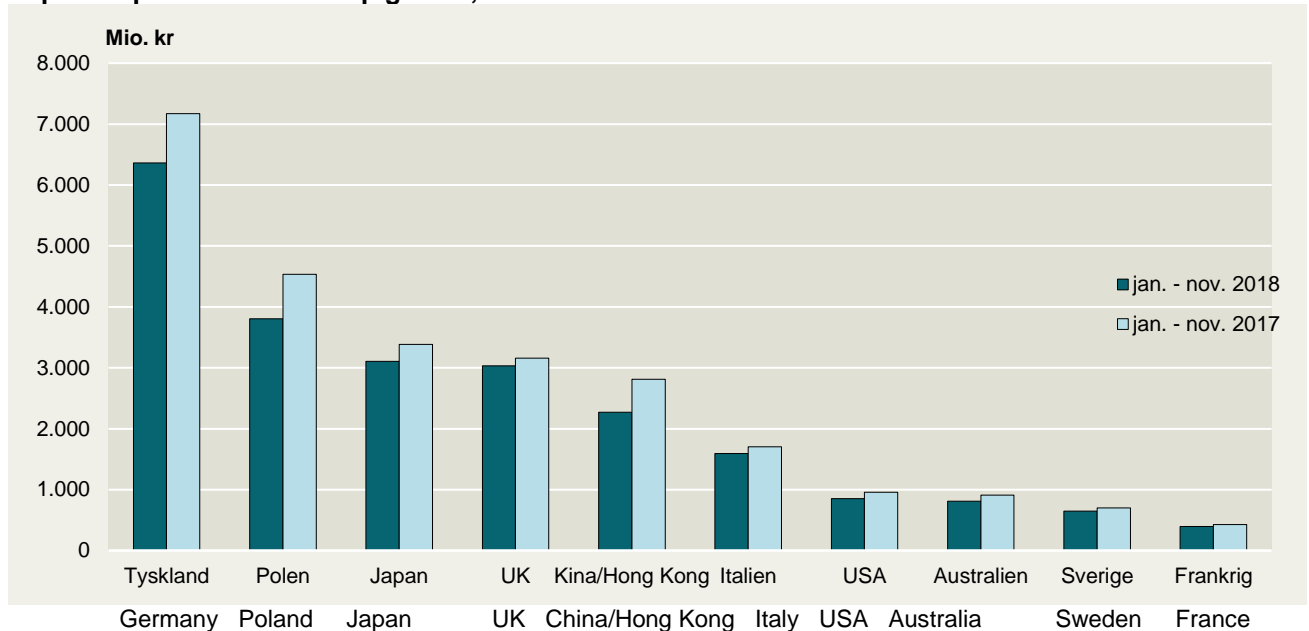
	By-products	Live pigs	Processed canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	22,273	181,956	7,752	168	79,056	216,549	2,224	509,978	29.0
Poland	3,503	155,328	208	0	0	117,954	0	276,993	15.8
UK	7,378	563	8,658	34,958	0	126,732	8,860	187,150	10.7
Italy	1,754	19,562	468	65	0	88,203	266	110,317	6.3
Sweden	8,520	131	1,762	1,115	0	16,650	4,442	32,619	1.9
Holland	10,039	11,694	183	36	0	6,853	247	29,052	1.7
France	1,517	1,591	904	410	18	12,702	873	18,017	1.0
Spain	421	3,818	1,219	345	0	7,200	1,304	14,306	0.8
Other EU countries	13,003	14,664	2,758	236	0	51,023	3,080	84,764	4.8
Total EU	68,409	389,306	23,913	37,333	79,074	643,867	21,297	1,263,198	72.0
China	150,863	21	0	0	0	73,865	0	224,750	12.8
Japan	2,437	15	3,600	214	0	100,780	1,514	108,560	6.2
Australia	472	0	140	420	0	39,833	61	40,926	2.3
USA	2,974	0	5,824	96	0	22,102	888	31,884	1.8
Taiwan	1,342	3	14	0	0	13,662	0	15,021	0.9
South Korea	846	41	2,167	0	0	11,555	341	14,951	0.9
Hong Kong	1,339	0	513	26	0	5,714	134	7,727	0.4
Philippines	4,888	14	379	0	0	829	1	6,111	0.3
Other 3rd countries	8,497	934	8,248	1,101	0	11,858	6,997	37,635	2.1
3rd countries, total	177,252	1,530	20,884	1,858	7	280,949	9,937	492,416	28.0
Exports, total	245,660	390,836	44,797	39,190	79,081	924,816	31,234	1,755,614	100.0

Top 10 importers of Danish pig meat according to value

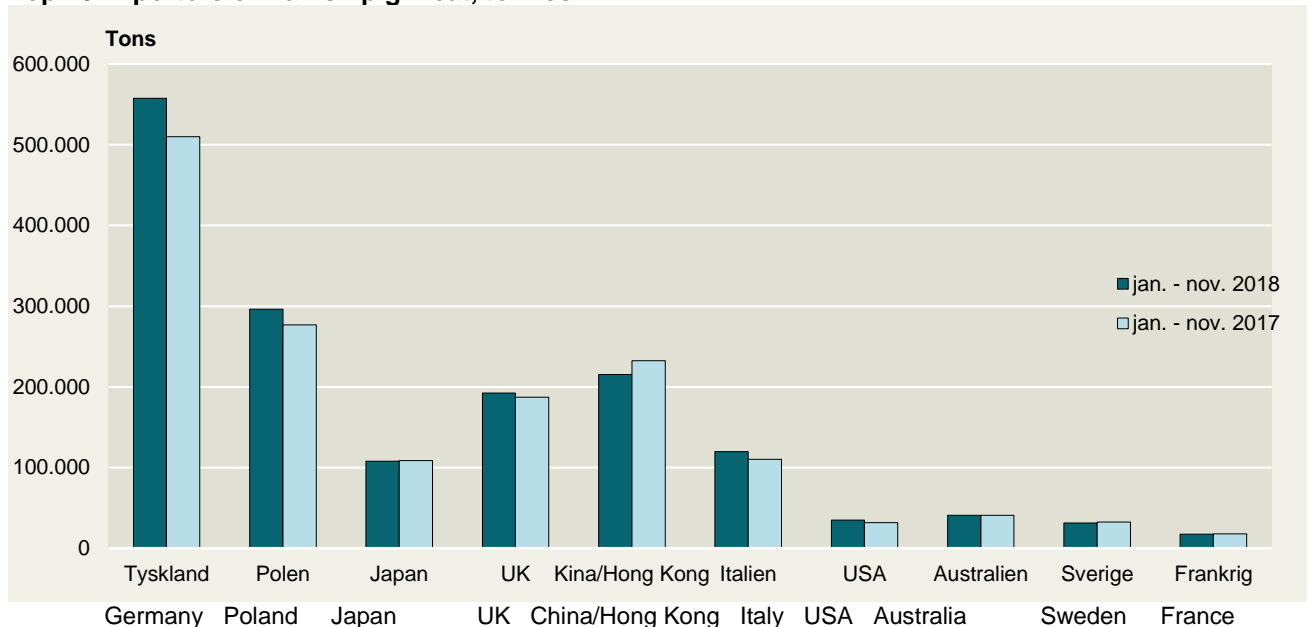
The following table ranks the top ten countries for Danish exports of pig meat according to value for January-November 2018. All pig meat (including live pigs) is included.

Country	Jan - Nov 2018		Jan - Nov 2017	
	Value in DKK million	Tonnes	Value in DKK million	Tonnes
Germany	6.362	557.668	7.174	509.978
Poland	3.807	296.252	4.537	276.993
Japan	3.107	107.730	3.384	108.560
UK	3.032	192.378	3.160	187.150
China/Hong Kong	2.273	215.215	2.813	232.477
Italy	1.592	119.744	1.705	110.317
USA	854	34.889	957	31.884
Australia	812	40.694	913	40.926
Sweden	649	31.248	701	32.619
France	396	17.569	428	18.017
Top 10 total	22.884	1.613.387	25.772	1.548.921
Other countries	3.675	215.262	3.829	206.693
Total	26.559	1.828.648	29.601	1.755.614

Top 10 importers of Danish pig meat, DKK million



Top 10 importers of Danish pig meat, tonnes





December pig census

The preliminary results of December's pig census for six EU countries have now been published:- Germany (*Tyskland*), Denmark, Poland, Italy, Belgium and Malta.

Figures for the other 22 countries and Serbia are expected to be published over the coming weeks.

'000 head 1.000 stk.	Total population % change			Breeding sows % change			Pregnant sows % change		
	Total bestand			Avlssøer			Drægtige søer		
	2018	2017	%ændr.	2018	2017	%ændr.	2018	2017	%ændr.
Spanien		29.971			2.454			1.623	
Tyskland	26.441	27.578	-4,1	1.833	1.905	-3,8	1.312	1.369	-4,1
Frankrig		13.097			985			691	
Danmark	12.642	12.832	-1,5	1.243	1.260	-1,3	775	786	-1,4
Holland		12.296			1.066			690	
Polen	11.028	11.908	-7,4	745	908	-18,0	502	617	-18,7
Italien	8.492	8.571	-0,9	557	562	-0,9	464	465	-0,2
Belgien	6.209	6.108	1,7	403	413	-2,4	331	340	-2,6
UK		4.713			490			346	
Rumænien		4.406			350			220	
Ungarn		2.870			250			163	
Østrig		2.820			239			170	
Portugal		2.165			236			161	
Irland		1.616			149			105	
Tjekkiet		1.532			136			85	
Sverige		1.382			132			90	
Kroatien		1.121			125			39	
Finland		1.108			99			70	
Grækenland		744			100			53	
Slovakiet		614			57			29	
Litauen		612			49			39	
Bulgarien		593			62			39	
Cypern		350			33			28	
Letland		321			35			15	
Estland		289			26			20	
Slovenien		257			20			12	
Luxembourg		91			7			4	
Malta	36	34	6,7	4	3	5,2	3	3	2,3
EU (6)	64.849	67.031	-3,3	4.784	5.052	-5,3	3.387	3.580	-5,4
EU (28)		150.000			12.153			8.275	
Serbien		2.911			427			178	

Key to list of countries: Spain, Germany, France, Denmark, Holland, Poland, Italy, Belgium, UK, Romania, Hungary, Austria, Portugal, Ireland, Czech Republic, Sweden, Croatia, Finland, Greece, Slovakia, Lithuania, Bulgaria, Cyprus, Latvia, Estonia, Slovenia, Luxembourg, Malta, EU (6), EU (28) and Serbia



Smithfield acquires local processing company

Smithfield in Romania has acquired the Romanian processing company, Maier Com, reports the international news media.

Maier Com is located in the Arad district. The company was established in 1994 and currently has 80 full-time employees.

 **RUSSIA**
Foot and mouth disease

Last week, the authorities in Russia reported three cases of foot and mouth disease to the authorities. The outbreaks were found at small farms in the Primorsky Krai region, which borders North Korea and the Chinese province of Heilongjiang and the Khabarovsk kraj region.

 **RUSSIA**
Net exporter of pig meat in 2018

Russia became a net exporter of pig meat in 2018, reports AHDB Pork. Based on import and export figures for the first 11 months of 2018, Russian pig meat exports totalled 106,000 tonnes compared to 96,000 tonnes of imports.

Exports of pig meat for the first 11 months of 2018 increased by 11 per cent compared to 2017. The rise was supported by an increase in exports to Vietnam, which increased twofold to 15,000 tonnes. In addition, exports increased to Belarus, Azerbaijan and the Ukraine all saw year-on-year increases. However, exports to Hong Kong, Russia's largest export market, declined by 23 per cent to 26,000 tonnes.

Imports of pig meat were down nearly 70 per cent at 96,000 tonnes for the first 11 months of 2018. The decline was due to the temporary ban on pig meat products from Brazil from December 2017 until October 2018. As a result, imports from Brazil fell from 238,000 tonnes for the first 11 months of 2017 to 12,000 tonnes in 2018. With Brazil now having returned to the Russian market, imports are expected to increase in 2019.

The Russian Union of Pork Producers (RUPP) forecasts that Russian imports of pig meat will increase over the coming years as shipments from Brazil resume and if Russia decides to move away from a quota-based system to a 25% import tariff on all pig meat imports. RUPP also expects that Russian exports of pig meat will increase by 2-300,000 tonnes over the next few years.

Over the past few years, Russia has sought to gain access to China. So far, however, the presence of African Swine Fever and foot and mouth disease in Russia have prevented Russian access to the Chinese market.

 **PHILIPPINES**
Increasing pig production in Q4 2018

According to Asian Agribusiness, pig production in the Philippines increased by 2.0 per cent to 663,000 tonnes in Q4 2018. The three regions with the highest level of pig production are Central Luzon, Calabarzon and Northern Mindanao.

The pig population of the Philippines as at 1 January 2019 totalled 12.71 million, which is a rise of 0.8 per cent compared with one year ago.

 **JAPAN**
Classical Swine Fever

The authorities in Japan continue to report new outbreaks of Classical Swine Fever. Last week, the authorities in Japan reported 18 new cases; 11 among wild boar and 7 at pig farms.

New cases are not only being reported in the Gifu region. Outbreaks have also been reported in the Aichi, Nagano, Osaka and Shiga regions.

 **JAPAN**
Development in pig meat storage

Tonnage	Own production		Imported amounts		Total storage
	Fresh	Frozen	Fresh	Frozen	
End January 17	442	16,843	7,780	150,579	175,644
End February 17	1,454	16,149	7,443	146,058	171,104
End March 17	417	15,433	9,556	152,113	177,519
End April 17	505	16,360	8,921	148,234	174,020
End May 17	456	17,341	8,794	155,611	182,202
End June 17	407	15,974	7,435	157,400	181,216
End July 17	691	13,767	6,408	155,203	176,069
End August 17	585	15,058	9,288	152,135	177,066
End September 17	984	14,244	6,267	149,558	171,053
End October 17	573	14,305	6,642	145,497	167,017
End November 17	725	14,897	11,574	142,430	169,626
End December 17	817	16,129	11,516	142,364	170,826
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

 **SOUTH AFRICA**
Foot and mouth disease

Last week, the authorities in South Africa reported one outbreak of foot and mouth disease. Some 8,000 head of cattle were affected.

 **ZIMBABWE**
Foot and mouth disease

Last week, the authorities in Zimbabwe reported two cases of foot and mouth disease. Some 1,403 head of cattle were affected.

 **ISRAEL**
Foot and mouth disease

Last week, the authorities in Israel reported two cases of foot and mouth disease. Some 365 head of cattle were affected.