

# MARKET NEWS for pig meat



Market analysis

18 February 2019

Week 8

## MARKET SITUATION

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

UK: Sales are reported as quiet

Demand continues to be stable for Japan and quiet for China. There are, however, indications of more interest from the Chinese market.

## Slaughterings in Denmark

	Week 4	Week 5	Week 6	Weeks 1-6 2019/2018
Total	359,876	346,793	344,954	-4.7 %

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)		
	15/2	8/2	Change.
<b>2019</b>			
Apr	59.23	58.43	0.81
May	68.45	66.40	2.05
Jun	76.73	74.38	2.36
Jul	80.03	76.48	3.56
Aug	80.45	77.30	3.15
Sep	-	-	-
Oct	69.45	68.10	1.35
Nov	-	-	-
Dec	63.83	63.85	-0.02
<b>2020</b>			
Jan	-	-	-
Feb	67.20	67.33	-0.13
Mar	-	-	-
Apr	70.53	70.58	-0.05
May	75.25	75.25	0.00
Jun	79.50	79.40	0.10
Jul	82.50		
Conversion factors: 1 lb = 0.4536 kg \$ = DKK 6.6263			



### 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 – 10 February.

Countries	Period 28 Jan. - 10 Feb		Year to date 1 Jan - 10 Feb	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		7		31
Latvia		32		102
Lithuania		23		90
Poland	1	111	1	334
Italy		2		12
Ukraine	5		6	2
Czech Republic				
Romania	22	31	44	75
Hungary		30		125
Bulgaria				
Belgium		38		105
<b>Total</b>	<b>28</b>	<b>274</b>	<b>51</b>	<b>876</b>

### BULGARIA

#### African Swine Fever

Reuters reports that a case of African Swine Fever has been discovered in wild boar in north-east Bulgaria.

In August last year, Bulgaria reported its first case of African Swine Fever in so-called backyard farms in the north eastern town of Tutrakantsi close to the border with Romania. Some five cases of African Swine Fever were subsequently identified in wild boar in 2018.



#### EU-28 pig meat exports

Carcase weight, tonnes	Jan - Dec	Jan - Dec	% change
	2018	2017	
China	1,351,416	1,415,689	-4.5
Japan	455,024	447,340	1.7
South Korea	344,832	283,890	21.5
Philippines	288,139	255,497	12.8
Hong Kong	231,369	385,260	-39.9
USA	169,305	158,719	6.7
Other	1,087,225	969,666	12.1
<b>Total</b>	<b>3,927,310</b>	<b>3,916,061</b>	<b>0.3</b>



## December pig census

Eurostat has now published the results of December's pig census for all 28 EU countries and for Serbia.

As always, the census results should be interpreted with caution as they are based on random checks in the countries in question. Moreover, technical changes in individual countries' pig censuses can make year-on-year comparisons difficult in some cases.

The overall results for the 28 EU countries show that the total EU pig population is 1.0 per cent lower compared to one year ago. As regards the breeding herd in the form of breeding sows and pregnant sows, there was a decline of 3.0 per cent and 2.6 per cent respectively. The decline has occurred despite a significant increase in the Spanish pig population.

The results of December's census indicate that the EU's overall pig production will be 1-2 per cent lower in 2019 compared to last year.

	Total population			Breeding sows			Pregnant sows		
	2018	2017	% change	2018	2017	% change	2018	2017	% change
Spain	31,154	29,971	3.9	2,502	2,454	1.9	1,675	1,623	3.2
Germany	26,441	27,578	-4.1	1,883	1,905	-3.8	1,313	1,369	-4.1
France	13,713	13,353	2.7	1,018	998	2.0	718	702	2.3
Denmark	12,642	12,832	-1.5	1,243	1,260	-1.3	775	786	-1.4
Holland	11,934	12,296	-2.9	970	1,066	-9.0	642	690	-7.0
Poland	11,028	11,908	-7.4	745	908	-18.0	502	617	-18.7
Italy	8,492	8,571	-0.9	557	562	-0.9	464	465	-0.2
Belgium	6,209	6,108	1.7	403	413	-2.4	331	340	-2.6
UK	4,746	4,713	0.7	484	490	.1.2	341	346	-1.4
Romania	4,024	4,406	-8.7	320	350	-8.5	200	220	-8.9
Hungary	2,872	2,870	0.1	258	250	3.2	166	163	1.8
Austria	2,777	2,820	-1.5	229	239	-4.3	161	170	-5.6
Portugal	2,205	2,165	1.8	236	236	0.2	163	161	1.3
Ireland	1,572	1,616	-2.7	142	149	-4.7	97	105	-7.8
Czech Rep	1,508	1,532	-1.5	133	136	-2.2	84	85	-1.7
Sweden	1,417	1,382	2.5	123	132	-6.5	81	90	-10.4
Croatia	1,047	1,121	-6.6	121	125	-3.2	39	39	0.0
Finland	1,041	1,108	-6.1	95	99	-4.1	72	70	2.7
Greece	758	744	1.9	107	100	7.0	56	53	5.7
Slovakia	628	614	2.2	53	57	-7.2	33	29	12.0
Lithuania	572	612	-6.5	45	49	-8.4	36	39	-6.5
Bulgaria	651	593	9.8	70	62	12.6	44	39	13.6
Cyprus	362	350	3.4	34	32	6.3	28	29	-3.4
Latvia	305	321	-4.9	33	35	-7.0	15	15	-2.1
Estonia	290	289	0.3	24	26	-7.7	19	20	-4.0
Slovenia	259	257	0.7	19	20	-7.2	11	12	-9.6
Luxembourg	83	91	-8.7	5	7	-23.9	4	4	-8.9
Malta	36	34	6.7	4	3	5.2	3	3	2.3
<b>EU (28)</b>	<b>148,767</b>	<b>150,256</b>	<b>-1.0</b>	<b>11,805</b>	<b>12,164</b>	<b>-3.0</b>	<b>8,073</b>	<b>8,286</b>	<b>-2.6</b>
Serbia	2,792	2,911	-4.1	432	427	1.2		178	



## Atria considers selling Russian business

Agra Europe reports that the Finnish meat company, Atria, is planning to sell its business in Russia.

The plans follow in the wake of the publication of the company's accounts for Q4 2018, which show that the company's earnings remain under pressure.

 **GERMANY**
**Decline in pig imports in 2018**

Figures from AMI show that German pig imports in 2018 totalled 14.4 million – a decline of 1.2 million corresponding to 7.6 per cent compared to 2017.

The primary reason for the decline is the fall in imports of finished pigs from Holland.

Imports of finished pigs and piglets from Holland amounted to 7,068 million in 2018 against 8,205 million in 2017.

Imports from Denmark, which largely comprise piglets, totalled 6,421 million against 6,496 million in 2017.

Year	Total number of slaughterings	German finished pigs	Imported finished pigs	Percentage of imported
2012	58,349,687	53,846,106	4,503,581	7.7
2013	58,761,125	53,950,291	4,810,834	8.2
2014	58,852,376	54,474,527	4,377,849	7.4
2015	59,435,349	55,161,102	4,274,247	7.2
2016	59,480,468	54,826,352	4,654,116	7.8
2017	58,408,370	54,471,535	3,936,835	6.7
2018	56,674,010	53,442,698	3,231,312	5.7

 **GERMANY**
**German pig slaughterings declined by 3.0 per cent in 2018**

AMI has published its figures for German slaughterings in 2018. Totalling 56.7 million, this is a decline of 1.7 million, corresponding to 3.0 per cent, compared to 2017.

Following a number of years of increasing slaughterings, German pig slaughterings fell by 1.1 million in 2017, a decline which was reinforced in 2018.

As can be seen from the following table, the decline is due to both fewer imported finished pigs as well as a fall in Germany's own pig production. Imports in 2018 declined by 0.7 million while Germany's own production fell by 1.0 million.

Year	Total number of slaughterings	German finished pigs	Imported finished pigs	Proportion imported in %
2012	58,349,687	53,846,106	4,503,581	7.7
2013	58,761,125	53,950,291	4,810,834	8.2
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 **GERMANY**
**Overall meat production declined by 1.5 per cent in 2018**

Figures from the German authorities show that total meat production in Germany fell by 1.5 per cent in 2018.

With regards to pig meat and beef, production measured in tonnes fell by 2.9 per cent and 2.4 per cent.

This fall was, however, somewhat offset by increased production of poultry which rose by 3.7 per cent in 2018. Mutton and lamb increased by 12 per cent.

## DENMARK

### Number of slaughterings per slaughterhouse in 2018

The organisation, Danish Pig Producers, has published the following figures for pig slaughterings per slaughterhouse in Denmark for 2018 and 2017.

Number of slaughterings	2018	2017	% change
<b>Antal slagtninger</b>	<b>2018</b>	<b>2017</b>	<b>%ændring 18:17</b>
DC Blans	2.869.462	2.861.416	0,3
DC Herning	1.295.883	1.247.937	3,8
DC Horsens	4.608.298	4.432.449	4,0
DC Ringsted	1.794.553	1.736.180	3,4
DC Rønne	524.387	512.805	2,3
DC Skærbæk	250.387	256.937	-2,5
DC Sæby	2.136.151	1.972.337	8,3
<b>DC Total</b>	<b>13.479.121</b>	<b>13.020.061</b>	<b>3,5</b>
<b>Tican</b>	<b>3.480.341</b>	<b>3.470.122</b>	<b>0,3</b>
<b>Slagtegården st. Lihme A/S</b>	<b>381.849</b>	<b>346.785</b>	<b>10,1</b>
<b>Moesgaard Meat</b>	<b>122.822</b>	<b>109.421</b>	<b>12,2</b>
<b>Glumsø Slagtehus</b>	<b>97.400</b>	<b>101.780</b>	<b>-4,3</b>
<b>Sevel Slagteri A/S</b>	<b>119.114</b>	<b>119.997</b>	<b>-0,7</b>
<b>Hvidebæk slagteri</b>	<b>91.060</b>	<b>92.898</b>	<b>-2,0</b>
<b>Total</b>	<b>17.771.707</b>	<b>17.261.064</b>	<b>3,0</b>

## HOLLAND

### Strongly increasing exports of piglets to Spain

Figures from Germany's AMI show that in 2018, Holland increased its exports of piglets to Spain. By contrast, there was a strong decline in exports to Poland, Hungary and Romania.

Overall, there was a modest rise of 3 per cent in Dutch exports of piglets for all countries.

	Jan-Dec 2018	Jan-Dec 2017	% change 18:17
Germany	4,364,537	4,480,250	-2.6
Spain	946,387	316,855	198.7
Belgium/Luxembourg	934,241	912,865	2.3
Poland	133,543	197,486	-32.4
Romania	95,304	180,478	-47.2
Hungary	5,309	195,358	-97.3
Others	347,210	539,595	-35.7
<b>Total</b>	<b>6,821,222</b>	<b>6,627,529</b>	<b>2.9</b>

## USA

### JBS USA to expand processing capacity

JBS USA has announced plans to invest USD 20 million in expanding capacity at the company's Plumrose USA processing plant in Ottumwa, Iowa.

The expansion will include increased processing and bacon slicing and the upgrading of existing equipment for bacon production. The expansion will result in 25 new jobs.

 **CHINA**
**Meat products recalled after discovery of African Swine Fever**

Reuters reports that the major Chinese food producer, Sanquan Food Co, has recalled meat products following tests that revealed traces of African Swine Fever in some of the company's dumplings.

Sanquan Food said in a statement to the Shenzhen Stock Exchange that it has recalled all products suspected of contamination. The company said it is co-operating with local authorities on an investigation into the reports.

Media reports show that African Swine Fever has been found in meat products from other Chinese food producers in several Chinese provinces. The authorities in Beijing are therefore under pressure to introduce more stringent regulations for slaughterhouses in order to prevent infected meat from entering the food supply chain.

The Chinese authorities have already tried to reassure consumers that African Swine Fever poses no risk to humans. Nevertheless, demand for meat in China has been negatively affected by the many news reports about African Swine Fever. Falling pig meat prices were reported in China in the weeks leading up to the Chinese New Year.

 **CHINA**
**Increasing beef imports**

During 2018, there was a sharp increase in Chinese beef imports. Monthly imports have increased from approximately 50,000 tonnes at the start of 2018 to 105,000 tonnes in December. By contrast, Chinese imports of pig meat were at a relatively stable level in 2018 compared to 2017. This means that since August, Chinese beef imports were higher than pig meat imports (excluding by-products) on a monthly basis, reports AMI in Germany.

In 2016 and 2017 and the first half of 2018, monthly Chinese imports of pig meat were considerably higher than imports of beef.

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

Last week, the authorities in Japan reported 18 new cases of Classical Swine Fever. Some 16 cases were among wild boar while two were at pig farms comprising 1,180 and 13,420 pigs respectively.

 **MONGOLIA**
**African Swine Fever**

Last week, the authorities in Mongolia reported one outbreak of African Swine Fever at a farm comprising 584 pigs.

 **ZIMBABWE**
**African Swine Fever**

Last week, the authorities in Zimbabwe reported one outbreak of African Swine Fever at a farm comprising 678 pigs.

 **ISRAEL**
**Foot and mouth disease**

Last week, the authorities in Israel reported one outbreak of foot and mouth disease in a herd of cattle.