

MARKET NEWS for pig meat



Market analysis

4 January 2016

Week 1

MARKET SITUATION

In the European markets, trade in pork legs and other cuts was at unchanged prices this week, as were sales in the UK bacon market

As regards markets outside Europe, sales to China are quieter now that shoppers have completed their shopping for the New Year and sales to Japan were reported as stable.

SLAUGHTERINGS

	Week 50	Week 51	Week 52	Week 1-52 2015/14
Total	376,079	380,302	214,345	-0.1

The above figures for the numbers of pigs slaughtered are based on returns from the Classification Control Service, representing around 98 per cent of total throughput in Denmark.

The figures include live pigs and sows arriving at the slaughterhouse, but exclude culled animals.

PRICES

Finished pigs and sows

DKK/kg	DC	Tican
Finished pigs (basic weight class and meat percentage)	8.70	8.70
Sows (above 130 kg)	4.50	4.50

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Nominal price, (basic)	327.49	339.24
Nominal price (organic)	1035.02	960.54
Market price SPF region 2/3 (PRRS negative)	285.00	317.00
(PRRS positive)	265.00	297.00

FUTURES PRICES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	31/12	24/12	Change	30/12	23/12	Change.
2016						
Jan	-	-	-	1.25	1.25	0.00
Feb	59.80	58.30	+1.50	1.36	1.36	0.00
Mar	-	-	-	1.41	1.41	0.00
Apr	65.95	65.08	+0.87	1.41	1.41	0.00
May	73.65	73.50	+0.15	1.41	1.41	0.00
Jun	78.00	77.60	+0.40	1.41	1.41	0.00
Jul	77.85	77.60	+0.25	-	-	-
Aug	76.98	76.75	+0.23	-	-	-
Sep	-	-	-	-	-	-
Oct	65.60	65.55	+0.05	-	-	-
Nov	-	-	-	-	-	-
Dec	61.40	61.75	-0.35	-	-	-
2017						
Jan	-	-	-	-	-	-
Feb	63.98	64.20	-0.22	-	-	-
Mar	-	-	-	-	-	-
Apr	66.98	67.20	-0.22	-	-	-
May	70.63	70.85	-0.22	-	-	-
Jun	71.63	71.85	-0.22	-	-	-
Conversion factors: 1 lb = 0.4536 kg 1 \$ = DKK 6.8300 Exchange rate as at 30/12				Conversion factor: € = DKK 7.4625		

 **ESTONIA****African Swine Fever**

In the past week, the authorities have reported 15 new cases of African Swine Fever in wild boar across the country.

 **LATVIA****African Swine Fever**

In the past week, the authorities have reported 25 new cases of African Swine Fever in wild boar in the eastern part of the country.

 **UKRAINE****African Swine Fever**

In the past week, the authorities have reported three new cases of African Swine Fever in wild boar.

 DENMARK

Slaughterings

2013	Pigs/sows 50-110 kg	Pigs/sows > 110 kg	Total
January	1,463,736	45,711	1,509,447
February	1,463,722	38,763	1,502,485
March	1,770,338	44,050	1,814,388
April	1,464,476	39,980	1,504,456
May	1,353,483	37,372	1,390,855
June	1,802,766	43,864	1,846,630
July	1,373,962	36,323	1,410,285
August	1,400,004	39,166	1,439,170
September	1,750,778	48,810	1,799,588
October	1,501,132	39,538	1,540,670
November	1,514,817	41,047	1,555,864
December	1,715,142	45,325	1,760,467
Jan-Dec	18,574,356	499,949	19,074,305

2014	Pigs/sows 50-110 kg	Pigs/sows > 110 kg	Total
January	1,382,719	44,353	1,427,072
February	1,476,272	42,026	1,518,298
March	1,827,662	51,306	1,878,968
April	1,298,434	41,042	1,339,476
May	1,443,621	45,913	1,489,534
June	1,678,131	45,663	1,723,794
July	1,394,238	43,850	1,438,088
August	1,322,967	42,008	1,364,975
September	1,755,585	51,193	1,806,778
October	1,838,476	52,818	1,891,294
November	1,506,682	43,730	1,550,412
December	1,351,277	42,477	1,393,754
Jan-Dec	18,276,064	546,379	18,822,443
Jan-Nov	16,924,787	503,902	17,428,689

2015	Pigs/sows 50-110 kg	Pigs/sows > 110 kg	Total
January	1,801,534	65,316	1,866,850
February	1,518,612	45,563	1,564,175
March	1,498,617	37,317	1,535,934
April	1,579,842	49,161	1,629,003
May	1,301,793	44,381	1,346,174
June	1,403,521	45,657	1,449,178
July	1,693,617	50,667	1,744,284
August	1,381,699	43,093	1,424,792
September	1,392,141	43,777	1,435,918
October	1,775,467	42,091	1,817,558
November*	1,489,945	43,360	1,533,305
December	0	0	0
Jan-November	16,836,788	510,383	17,347,171

* = Preliminary figures

 DENMARK

Export of live pigs

2013	Piglets		Pigs/sows 50-135 kg	Pigs/sows > 135 kg	Total
	0-15 kg	15-50 kg			
January	34,333	804,993	24,970	9,471	873,767
February	31,761	710,979	25,061	9,526	777,327
March	26,642	713,071	24,709	6,880	771,302
April	33,910	792,871	35,870	7,500	870,151
May	38,619	893,965	31,225	10,040	973,849
June	27,547	707,534	25,928	8,145	769,154
July	32,461	777,531	28,951	6,183	845,126
August	31,713	809,007	25,658	3,524	869,902
September	22,823	753,071	40,199	2,471	818,564
October	46,394	775,516	28,295	2,473	852,678
November	30,434	754,511	32,169	3,120	820,234
December	31,439	825,408	27,732	3,907	888,486
Jan-Dec	388,076	9,318,457	350,767	73,240	10,130,540

2014	Piglets		Pigs/sows 50-135 kg	Pigs/sows >135 kg	Total
	0-15 kg	15-50 kg			
January	34,787	844,485	36,979	3,391	919,642
February	28,009	811,082	26,388	3,319	868,798
March	19,340	839,977	29,219	4,128	892,664
April	28,305	821,341	33,167	2,147	884,960
May	31,606	1,011,376	36,299	3,478	1,082,759
June	27,684	834,756	32,817	248	895,505
July	25,759	861,097	31,776	3,073	921,705
August	35,594	900,042	26,636	2,231	964,503
September	25,475	907,224	25,099	2,033	959,831
October	33,942	976,381	32,637	4,850	1,047,810
November	33,767	770,157	31,594	3,691	839,209
December	37,759	939,387	20,623	3,975	1,001,744
Jan-Dec	362,027	10,517,305	363,234	36,564	11,279,130
Jan-Nov	324,268	9,577,918	342,611	32,589	10,277,386

2015	Piglets		Pigs/sows 50-135 kg	Pigs/sows > 135 kg	Total
	0-15 kg	15-50 kg			
January	42,630	919,542	29,148	3,104	994,424
February	32,552	944,306	33,330	3,666	1,013,854
March	30,147	966,766	31,340	3,580	1,031,833
April	36,128	1,053,984	25,245	4,709	1,120,066
May	31,159	916,293	18,966	3,436	969,854
June	36,096	918,366	27,421	4,054	985,937
July	31,212	988,119	20,122	4,087	1,043,540
August	33,360	922,436	22,920	3,563	982,279
September	31,500	1,023,964	23,760	4,551	1,083,775
October	30,715	874,603	21,448	3,324	930,090
November*	30,018	928,443	15,621	3,370	977,452
December	0	0	0	0	0
Jan-November	365,517	10,456,822	269,321	41,444	11,133,104

* = Preliminary figures

 **ITALY**
Import of pig meat and live pigs

Import of fresh/frozen pig meat for the period January-September 2015 is on a par with the previous year, but significantly higher than 2013. An increase in imports from Denmark and Spain were offset by a decline in pig meat arriving from Germany, the Netherlands and France.

0203			
Fresh/frozen pig meat			
'000 tonnes	Jan-Sep 2013	Jan-Sep 2014	Jan-Sep 2015
Germany	241.6	270.4	261.7
Netherlands	104.6	113.8	108.8
Spain	89.6	94.2	104.4
Denmark	70.6	77.2	93.4
France	82.7	87.1	70.2
Other	110.4	118.5	118.7
	699.5	761.2	757.2

Import of live pigs increased in 2015, particularly from Denmark and Spain, and Croatia emerged as significant supplier to the Italian market.

Breeding stock

Product code 0103 1000

	Jan-Sep 2013	Jan-Sep 2014	Jan-Sep 2015
Spain	650	792	12,520
Denmark	2,718	17,298	11,083
Netherlands	5,058	5,798	5,120
Other	1,601	1,850	3,733
Total	10,027	25,738	32,456

Piglets < 50 kg

Product code 0103 9110

	Jan-Sep 2013	Jan-Sep 2014	Jan-Sep 2015
Denmark	136,363	241,530	368,162
Netherlands	166,679	148,019	128,576
Spain	2,719	2,838	15,677
Germany	27,091	14,423	13,759
Hungary	4,971	8,800	8,096
Other	108	26,537	3,632
Total	337,931	442,147	537,902

Pigs and sows 50-160 kg.

Product code 0103 9219

	Jan-Sep 2013	Jan-Sep 2014	Jan-Sep 2015
Netherlands	39,805	59,911	52,660
Spain	32,352	32,133	32,972
France	25,144	25,100	27,424
Germany	10,309	27,881	21,449
Croatia	-	-	15,579
Denmark	19,720	8,915	10,232
Hungary	9,394	7,589	7,821
Other	1,261	5,973	4,098
Total	137,985	167,502	172,235

**NETHERLANDS****Piglet producers in financial difficulties**

According to the Agricultural Economic Institute (LEI), Dutch piglet producers suffered losses averaging € 75,000 in 2015. In 2014, revenues amounted to € 90,000. LEI reports that 80 per cent of all farms are in financial difficulties as a result of very low prices for piglets. Earnings have declined from € 40 per sow in 2014 to a loss of € 164 per sow in 2015.

Finished pig producers have also been hit by low prices, but most are continuing to make a profit as a result of the low price of piglets and feed. Finished pig producers' earnings averaged € 10,000 in 2015. Integrated producers of both piglets and finished pigs have, of course, not benefitted from low piglet prices.

**USA****Increased production and lower prices**

Pig slaughterings during 2015 totalled 115.4 million, the highest annual figure since 2008.

However, prices in 2015 fell back sharply from the record levels recorded in 2014, when production was hit by PEDv. The average price for finished pigs in 2015 were reported as \$66 per cwt, a decline of \$35 from 2014 and the lowest since 2009.

Following a rise of 8 per cent in pig meat production in 2015, a modest production increase is expected for 2016 with US pig prices slightly below 2015.

USDA, expects that meat production in 2016 will be 2.7 per cent higher than 2015 overall, with increases across all the individual species: pig meat +1.6 per cent, beef +4.3 per cent, chicken +1.8 per cent and turkey +7,5 per cent.

**SAUDI ARABIA****Foot and Mouth disease**

In the past week, a single outbreak of Foot & Mouth disease has been reported and 502 cattle and 60 sheep have been affected. .

**IRAN****Foot and Mouth disease**

In the past week, a single outbreak of Foot & Mouth disease has been reported and 1,250 cattle have been affected.