

MARKET NEWS for pig meat



Market analysis

7 March 2016

Week 10

MARKET SITUATION

Europe: pork legs were traded at slightly higher prices this week. Prices for other cuts were unchanged.

UK: the bacon market is stable with trade at unchanged price levels.

Third Country: trade with Japan is reported as good while trade to China has regained momentum..

PIG SLAUGHTERINGS

	Week 6	Week 7	Week 8	Weeks 1- 8 2016/15
Total	365,467	361,117	351,555	+ 1.1 %

These figures are based on weekly returns from the Classification Control Service, representing around 98 per cent of total throughput in Denmark. They include finished pigs and sows, but exclude culled pigs.

PIG PRICES (WEEK 9)

Finished pigs and sows

DKK/kg	DC	Tican
Finished pigs (basic weight class and basic meat percentage)	8.40	8.40
Sows (above 130 kg)	4.50	4.50

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av.
Nominal prices		
Basic	319.35	340.37
SPF+Myc	324.35	345.37
SPF	328.35	349.37
Organic	1022.99	1000.12
Market prices (SPF Region 1)		
(PRRS negative)	355.00	320.00
(PRRS positive)	335.00	301.00
Market prices (SPF region 2/3)		
(PRRS negative)	355.00	320.00
(PRRS positive)	335.00	301.00

Weight adjustment:	0-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
DKK/head	9.60	8.54	5.12	5.30	5.17

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	4/3	26/2	Change	4/3	26/2	Change
2016						
Mar	-	-	-	1.27	1.33	-0.06
Apr	70.80	70.85	-0.05	1.41	1.41	0.00
May	77.33	76.93	+0.40	1.41	1.41	0.00
Jun	81.23	80.85	+0.38	1.41	1.41	0.00
Jul	80.88	80.48	+0.40	1.41	1.41	0.00
Aug	80.15	79.78	+0.37	1.41	1.41	-
Sep	-	-	-	-	-	-
Oct	68.48	68.28	+0.20	-	-	-
Nov	-	-	-	-	-	-
Dec	63.68	63.43	+0.25	-	-	-
2017						
Jan	-	-	-	-	-	-
Feb	65.98	65.88	+0.10	-	-	-
Mar	-	-	-	-	-	-
Apr	68.18	68.08	+0.10	-	-	-
May	72.08	71.83	+0.25	-	-	-
Jun	76.00	76.00	0.00	-	-	-
Jul	77.18	77.38	-0.20	-	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = DKK 6.8012				Conversion factor: € = DKK 7.4609		

LATVIA

African Swine Fever

In the past week, the authorities reported 25 new cases of ASF in wild boar, in the eastern part of the country.

POLAND

African Swine Fever

In the past week, the authorities reported a single new case of ASF in wild boar in the eastern part of the country on the border with Belarus.

LITHUANIA

African Swine Fever

In the past week, the authorities reported three new cases of ASF in wild boar.

RUSSIA

African Swine Fever

In the past week, the authorities reported a single new case of ASF in wild boar in the western part of the country.

 DENMARK

Slaughterings

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	1,427,072

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	1,533,406	43,372	1,576,778
December	1,557,981	41,110	1,599,091
Jan-Dec	18,438,230	551,505	18,989,735

2016	Pigs/sows 50-110 kg	Pigs/Sows > 110 kg	Total
January*	1,535,339	47,526	1,582,865
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Jan-Jan.	1,535,339	47,526	1,582,865

* = Preliminary

Export of live pigs

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

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	929,703	15,621	3,370	978,712
December	46,115	1,105,335	20,859	7,148	1,179,457
Jan-Dec	411,632	11,563,417	290,180	48,592	12,313,821

2016	Piglets		Pigs/sows 50-135 kg	Pigs/sows >135 kg	Total
	0-15 kg	15-50 kg			
January*	40,990	1,113,316	17,978	4,195	1,176,479
February	0	0	0	0	0
March	0	0	0	0	0
April	0	0	0	0	0
May	0	0	0	0	0
June	0	0	0	0	0
July	0	0	0	0	0
August	0	0	0	0	0
September	0	0	0	0	0
October	0	0	0	0	0
November	0	0	0	0	0
December	0	0	0	0	0
Jan-Jan	40,990	1,113,316	17,978	4,195	1,176,479

* = Preliminary



December pig census

The preliminary figures for the December pig census have now been published for all 28 EU countries.

Overall pig numbers are 0.4 per cent higher than the previous year. Numbers of breeding and pregnant sows fell by 1.8 per cent and 2.1 per cent respectively – a decline that is likely to be largely offset by rising productivity.

Compared to the May/June 2015 data, there is an increase in overall pig numbers of 1.8 per cent and a slight decline for breeding and pregnant sows of 0.6 per cent and 0.7 per cent respectively. The weak economy of pig production is, therefore, reflected in the trend, albeit the decline in numbers has been gradual.

'000 head	Total population			Breeding sows			Pregnant sows		
	2015	2014	% change	2015	2014	% change	2015	2014	% change
Germany	27,535	28,339	-2.8	1,970	2,052	-4,0	1,421	1,485	-4.3
Spain	28,367	26,568	6.8	2,466	2,358	4,6	1,669	1,626	2.6
France	13,307	13,300	0.1	1,011	1,035	-2,3	717	738	-2.8
Denmark	12,702	12,709	-0.1	1,237	1,245	-0,6	777	802	-3.1
Holland	12,453	12,065	3.2	1,053	1,106	-4,8	703	694	1.3
Poland	10,590	11,266	-6.0	814	956	-14,9	537	643	-16.5
Italy	8,683	8,676	0.1	591	586	0,9	481	488	-1.4
Belgium	6,353	6,350	0.0	438	460	-4,8	358	368	-2.7
Romania	5,089	5,042	0.9	383	378	1,3	237	234	1.3
UK	4,439	4,510	-1.6	479	473	1,3	318	316	0.6
Hungary	3,124	3,136	-0.4	285	285	0,0	182	184	-1.1
Austria	2,845	2,868	-0.8	245	242	1,2	171	172	-0.6
Portugal	2,225	2,127	4.6	238	234	1,7	165	163	1.2
Czech Republic	1,555	1,607	-3.2	138	143	-3,5	88	90	-2.2
Ireland	1,475	1,506	-2.1	139	146	-4,8	98	102	-3.9
Sweden	1,435	1,458	-1.6	141	144	-2,1	99	101	-2.1
Finland	1,239	1,223	1.3	116	118	-1,7	86	85	1.2
Croatia	1,186	1,156	2.6	134	116	15,5	46	36	27.8
Greece	1,013	1,046	-3.2	152	149	2,0	82	78	5.1
Lithuania	688	714	-3.6	53	56	-5,4	44	47	-6.4
Slovakia	633	642	-1.4	53	66	-19,7	35	33	6.1
Bulgaria	600	553	8.5	58	55	5,5	33	33	-1.3
Cyprus	358	342	4.7	32	34	-5,9	22	23	-4.3
Latvia	334	349	-4.3	38	39	-2,6	13	16	-18.8
Estonia	307	358	-14.2	26	34	-23,5	20	26	-23.1
Slovenia	271	281	-3.6	20	21	-4,8	12	12	0.0
Luxembourg	89	93	-4.3	5	6	-16,7	4	4	0.0
Malta	44	47	-6.4	4	4	0,0	4	4	0.0
EU (28)	148,939	148,331	0.4	12,319	12,541	-1,8	8,421	8,603	-2.1
Serbia	3,284	3,236	1.5	446	464	-3,9	174	205	-15.1



EU

PGI status

Two new EU products have been awarded PGI status - Jambon d' Auvergne (France) and a sausage, Alheira de Mirandela (Portugal)

1,320 food products in the EU have now been awarded PGI status.

Source: Agra Europe



EU

EU support proposals

A number of EU countries have followed the EU Commission's invitation and submitted proposals on how to support the EU's dairy and pig farmers.

A number of countries (including Poland, Czech Republic, Hungary, Romania, Croatia, Slovakia, Finland, Estonia, Latvia, Lithuania and Malta) want to provide direct support for those pig producers who are under severe financial pressure. However, the EU Commission previously pointed out that there are only limited funds available. In order for the submitted proposals to materialise, therefore, they need to comply with legislation and be within budget.

A number of other countries (including Poland, Ireland, Czech Republic, Romania, Bulgaria, Slovenia and Croatia) have proposed the reintroduction of support for pig meat storage. A clear majority of EU Member States, however, supported the termination of the current storage scheme in late January.

Poland has also expressed the wish that the EU reintroduces export subsidies for pig meat.

A French proposal for the introduction of export credits would appear to be more realistic. Spain, Czech Republic, Greece, Slovenia and Latvia have also backed this proposal.

Source: Agra Europe

Joint venture approval

The EU Commission has approved a joint venture between the French and German companies, Avril and Tönnies. Their enquiry concluded that a joint venture between these two companies will have no impact on competition in the market due to the combined market share being relatively small.

In October 2015, Avril and Tönnies announced that the joint venture would include the establishment of a joint slaughtering/cutting operation, covering sales of all French pig meat products to domestic supermarket chains.



FRANCE

Cooperl hit by strike

Last week, the French meat company, Cooperl, was hit by a strike at its Lamballe facility, in protest against the implementation of a number of cost saving measures, including a pay freeze in the current year.

Cooperl is the largest pig slaughtering operation in France with an annual throughput of around 5 million head.



UK

Reduced production at sausage factory

Danish Crown and Tulip have announced that production will be cut by 50 per cent at Tulip's sausage factory in Bromborough, with a reduction of 120 employees. The decision follows the loss of a major order, accounting for half the factory's production.



SWEDEN

Rise in slaughterings

Pig slaughterings in the October quarter 2015 were 2.7 per cent higher than the previous year. For the year as a whole, they fell by 0.2 per cent.

Across the major companies, the picture remains as it was in the previous quarters. Scan is losing market share, through its closure of the Skara plant, whereas Danish Crown's company, KLS Ugglarps, is gaining market share. Scan's loss of market share is, however, less than in previous quarters.

The picture may change in 2016 as the pig supply group, Skaraborgsgrisen has decided to switch its supply of 80,000 finished pigs per year from KLS/Ugglarps to Scan. KLS /Ugglarps also owns the majority of shares in DalsjöforsSlakteri.

The share figures shown for each company should be treated with a degree of caution as they often slaughter for one another under contract.

	October quarter			Jan - Dec		
	2015	2014	% change	2015	2014	% change
Scan Kristianstad	194,836	202,662	-3.9	730,597	719,491	1.5
Scan Skara	-	-	-	-	182,768	-
Scan total	194,836	202,662	-3.9	730,597	902,259	-19.0
KLS Ugglarps Kalmar	117,147	108,784	7.7	441,414	382,443	15.4
KLS UgglarpsUgglarp	67,963	66,214	2.6	225,125	253,352	-11.1
KLS total	185,110	174,998	5.8	666,539	635,795	4.8
Skövde Slakteri	80,627	80,254	0.5	318,311	279,697	13.8
DalsjöforsSlakteri	83,273	81,648	2.0	320,186	303,059	5.7
AJ Dahlbergs Slakteri	31,112	30,100	3.4	127,125	116,048	9.5
Ginsten Slakteri	24,007	25,224	-4.8	94,580	96,252	-1.7
Gotlands Slakteri	18,384	19,296	-4.7	73,589	78,026	-5.7
SiljansChark	14,794	14,547	1.7	58,437	36,845	58.6
Alviksgården	8,012	8,172	-2.0	32,546	32,636	-0.3
Other	32,896	18,583	77.0	132,919	78,877	68.5
	673,051	655,484	2.7	2,554,829	2,559,494	-0.2



USA

Tyson launches 'antibiotic-free' product

Tyson has launched a new label called Open Prairie Natural Pork – produced from pigs raised with no antibiotics or hormones and sows kept in loose housing.



BRAZIL

JBS shares fall

JBS shares fell by 16 per cent on the Brazilian stock exchange on Friday last week. This followed media reports accusing JBS of corruption in terms of dubious loans and pricing in respect of acquisitions. Charges were brought against the JBS Chairman back in January.

 **RUSSIA**
Pig meat imports

There was an error in last week's table showing Russian pig meat imports. Below is an amended version.

Tonnes	Fresh/frozen pork		By-products		Trimmed products		Total			% change
	2015	2014	2015	2014	2015	2014	2015	2014	2013	
Brazil	235,098	185,657	3,633	798	3,389	374	242,120	186,829	128,982	29.6
Ukraine	26,161	4,106	-	-	8,847	-	35,008	4,106	4,194	752.6
Chile	23,696	24,485	3,008	764	6,147	2,931	32,851	28,180	22,205	16.6
Serbia	11,070	14,065	-	183	-	443	11,070	14,691	128	-24.6
China	4,635	3,573	-	-	-	225	4,635	3,798	-	22.0
USA	-	19,950	857	2,077	2,569	2,728	3,426	24,755	6,449	-86.2
Switzerland	-	366	623	338	2,318	1,772	2,941	2,476	20	18.8
Paraguay	1,576	1,895	535	252	742	196	2,853	2,343	2,570	21.8
Argentina	564	-	389	-	826	-	1,779	-	-	-
Kazakhstan	759	194	29	-	-	-	788	194	7	306.2
Belarus	541	9,909	24	133	20	702	585	10,744	17,971	-94.6
Thailand	401	-	-	-	-	-	401	-	-	-
Canada	-	88,625	-	1,550	26	11,337	26	101,512	86,739	-100.0
Germany	-	3,749	-	571	-	2,886	-	7,206	169,994	-100.0
Denmark	-	5,561	-	964	-	3,223	-	9,748	146,169	-100.0
France	-	1,998	-	447	-	3,082	-	5,527	68,747	-100.0
Holland	-	1,213	-	1,701	-	3,048	-	5,962	63,809	-100.0
Spain	-	-	-	-	-	43	-	43	59,486	-100.0
Poland	-	1,020	-	142	-	1,479	-	2,641	39,375	-100.0
Belgium	-	1,216	-	619	-	1,451	-	3,286	37,268	-100.0
Italy	-	129	-	865	-	2,414	-	3,407	32,173	-100.0
Hungary	-	1,075	-	319	-	998	-	2,391	24,877	-100.0
Austria	-	413	-	619	-	792	-	1,824	24,812	-100.0
Ireland	-	2,245	-	227	-	274	-	2,746	22,393	-100.0
Sweden	-	252	-	103	-	136	-	491	5,771	-100.0
Other	-	558	23	352	-	207	23	1,119	16,091	-97.9
Total	304,501	372,254	9,121	13,024	24,884	40,741	338,506	426,019	980,230	-20.5

 **ARMENIA**
Foot and mouth

In the past week, a single case of Foot & Mouth disease has been reported. 1,219 head of cattle and 362 pigs have been affected.

 **BURUNDI**
African Swine Fever

In the past week, the authorities reported two new cases of African Swine Fever at two medium-sized farms.