

MARKET NEWS for pig meat



Market analysis

15 March 2016 Week 11

MARKET SITUATION

Europe: pork legs were traded at unchanged or slightly rising prices this week. Shoulders and meat for processing were also traded at slightly rising prices. Other cuts were at unchanged price levels.

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 is now gaining more momentum.

PIG SLAUGHTERINGS

	Week 7	Week 8	Week 9	Week 1-9 2016/15
Total	361,117	351,555	354,974	+ 0.3 %

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 11)

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.)	4.80	4.80

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk. av
Nominal prices		
Basic	319.35	340.02
SPF+Myc	324.35	345.02
SPF	328.35	349.02
Organic	1022.99	1003.12
Market prices (SPF region 1)		
(PRRS negative)	355.00	320.00
(PRRS positive)	335.00	300.00
Market prices (SPF region 2/3)		
(PRRS negative)	355.00	320.00
(PRRS positive)	335.00	300.00

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)		
	11/3	4/3	Change	11/3	4/3	Change
2016						
Mar	-	-	-	1.24	1.27	-0.03
Apr	71.83	70.80	+1.03	1.41	1.41	0.00
May	79.25	77.33	+1.92	1.41	1.41	0.00
Jun	83.08	81.23	+1.85	1.41	1.41	0.00
Jul	82.20	80.88	+1.32	1.41	1.41	0.00
Aug	81.23	80.15	+1.08	1.41	1.41	0.00
Sep	-	-	-	-	-	-
Oct	69.45	68.48	+0.97	-	-	-
Nov	-	-	-	-	-	-
Dec	64.50	63.68	+0.82	-	-	-
2017						
Jan	-	-	-	-	-	-
Feb	67.00	65.98	+1.02	-	-	-
Mar	-	-	-	-	-	-
Apr	69.00	68.18	+0.82	-	-	-
May	72.95	72.08	+0.87	-	-	-
Jun	76.00	76.00	0.00	-	-	-
Jul	76.93	77.18	-0.25	-	-	-
Conversion factors: 1 lb = 0,4536 kg \$ = DKK 6,7266				Conversion factor: € = DKK 7.4598		

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

In the past week, the authorities reported 56 cases of African Swine Fever in wild boar across the country.

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

In the past week, the authorities reported 26 new cases of African Swine Fever in wild boar in the eastern part of the country.

 **LITHUANIA****African Swine Fever**

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



Live pig exports

Piglets < 50 kg.

Product code 0103 9110

	December 2015	December 2014	Jan-Dec 2015	Jan-Dec 2014
Germany	530,260	565,193	6,444,559	6,619,638
Poland	431,885	321,574	4,545,337	3,722,105
Italy	56,815	29,608	626,947	439,015
Netherlands	14,119	24,277	217,952	247,066
Czech Republic	7,245	14,271	104,771	139,360
Other	16,268	8,969	151,224	139,889
	1,056,592	963,892	12,090,790	11,307,073

Pigs and sows 50-160 kg,

Product code 0103 9219

	December 2015	December 2014	Jan-Dec 2015	Jan-Dec 2014
Germany	14,362	19,451	206,531	225,515
Spain	3,709	1,104	26,021	21,707
Belgium	1,162	1,977	23,383	26,353
Poland	278	369	6,292	19,551
Ukraine	405	-	2,368	6,516
Other	1,561	2,229	28,688	35,692
	21,477	25,130	293,283	335,334

Sows > 160 kg,

Product code 0103 9211

	December 2015	December 2014	Jan-Dec 2015	Jan-Dec 2014
Germany	4,136	1,810	28,875	25,978
Other	-	-	7	-
	4,136	1,122	28,882	25,978

Breeding pigs

Product code 0103 1000

	December 2015	December 2014	Jan-Dec 2015	Jan-Dec 2014
Germany	11,677	6,908	123,905	105,974
Belgium	1,833	119	8,217	5,090
Spain	1,044	605	6,521	6,541
Poland	160	-	5,597	6,739
Slovakia	342	84	3,213	3,295
France	239	1	2,893	3,466
Netherlands	141	9	2,427	3,944
Belarus	839	41	3,359	4,333
Other	3,167	3,218	29,175	21,193
	19,442	10,985	185,307	160,575

Source: Statistics Denmark

Pig and pig meat exports

Jan-Dec 2015

	By products	Live pigs	Processed canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	36,985	215,961	11,211	257	68,707	261,526	2,885	597,532	30.3
Poland	1,722	133,058	101	17	0	132,734	1	267,634	13.6
UK	9,442	156	14,519	62,810	161	124,113	8,552	219,754	11.1
Italy	2,099	18,764	294	53	0	113,697	225	135,131	6.9
Sweden	9,152	7	2,399	1,408	0	19,222	4,407	36,595	1.9
Netherlands	15,461	6,572	170	16	0	7,520	165	29,903	1.5
France	4,117	744	935	265	0	13,966	1,151	21,178	1.1
Spain	332	2,464	1,142	506	301	6,907	1,311	12,964	0.7
Other	13,589	10,991	2,125	609	0	54,070	2,805	84,188	4.3
Total EU	92,899	388,717	32,896	65,940	69,169	733,755	21,501	1,404,878	71.3
China	177,148	62	0	0	51	66,816	0	244,077	12.4
Japan	1,752	5	4,461	250	0	113,846	1,920	122,233	6.2
Australia	617	0	183	302	0	57,982	59	59,143	3.0
USA	3,949	0	4,122	82	0	25,747	989	34,889	1.8
South Korea	1,238	8	3,240	0	0	15,165	303	19,954	1.0
Taiwan	1,284	0	10	0	0	16,078	4	17,375	0.9
Hong Kong	4,841	0	434	17	0	3,823	52	9,169	0.5
Philippines	4,175	3	516	0	0	1,213	1	5,909	0.3
Singapore	1,776	0	587	71	0	2,002	1,211	5,647	0.3
Other	11,482	1,634	8,248	1,032	4	17,209	8,779	48,388	2.5
Total 3rd Country	208,261	1,711	21,801	1,754	55	319,883	13,318	566,784	28.7
Total exports	301,161	390,428	54,698	67,694	69,225	1,053,638	34,819	1,971,662	100

Jan-Dec 2014

	By products	Live pigs	Processed canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	24,570	227,138	11,933	467	69,049	278,428	2,793	614,377	31.7
Poland	1,632	111,803	55	17	0	121,308	73	234,888	12.1
UK	7,588	205	15,448	75,281	0	113,847	7,910	220,279	11.4
Italy	2,036	13,475	424	44	0	103,009	178	119,168	6.2
Sweden	13,834	24	3,367	1,219	0	22,992	4,190	45,626	2.4
Netherlands	14,151	7,806	148	24	0	5,825	116	28,071	1.4
France	2,939	1,337	895	76	0	20,328	1,136	26,711	1.4
Czech Republic	2,407	4,506	49	6	0	7,022	77	14,067	0.7
Other	11,404	9,841	3,534	807	0	43,603	3,936	73,124	3.8
Total EU	80,562	376,135	35,852	77,942	69,049	716,361	20,410	1,376,312	71.1
China	161,537	106	1	0	208	41,199	0	203,052	10.5
Japan	3,073	8	3,642	326	0	129,500	1,575	138,124	7.1
Australia	906	0	68	385	0	53,455	52	54,865	2.8
USA	4,245	0	4,020	6	0	28,878	700	37,848	2.0
Taiwan	4,328	0	0	0	0	13,863	0	18,191	0.9
South Korea	1,728	2	2,259	0	0	12,387	411	16,788	0.9
Hong Kong	12,036	0	395	14	0	3,159	46	15,651	0.8
Ukraine	6,806	815	6	0	0	1,161	0	8,788	0.5
Russia	3,638	0	99	0	0	3,733	227	7,696	0.4
Other Third Countries	17,085	920	9,087	1,360	3	20,814	10,219	59,488	3.1
Total 3rd Country	215,382	1,853	19,576	2,091	211	308,149	13,229	560,491	28.9
Total exports	295,944	377,988	55,428	80,033	69,260	1,024,510	33,639	1,936,803	100

 **DENMARK**
Major importers of Danish pig meat

Country	2015		2014	
	Value in DKK bill.	Tonnes	Value in DKK bill.	Tonnes
Germany	6.4	597,532	7.8	614,377
UK	3.8	219,754	4.1	220,279
Japan	3.4	122,233	3.8	138,124
Poland	3.2	267,634	3.3	234,888
China/Hong Kong	3.1	253,246	2.2	218,703
Italy	1.8	135,131	1.8	119,168
Australia	1.2	59,143	1.2	54,865
USA	1.0	34,889	1.0	37,848
Sweden	0.7	36,595	1.0	45,626
France	0.4	21,178	0.5	26,711
Top 10	25.0	1,747,335	26.6	1,710,589
Others	3.7	224,327	4.0	226,214
Total	28.7	1,971,662	30.6	1,936,803

 **EU**
EU support initiatives

At Monday's meeting of the Agriculture Council, EU Agriculture Commissioner Phil Hogan announced a range of possible support initiatives for the EU's crisis-hit farmers and the Commission now seems close to accepting that individual member states can provide limited, direct support to farmers.

For the pig meat sector, the Commission is considering opening a new scheme to support pig meat storage and is planning to monitor the pig meat market through a Meat Market Observatory group.

The Commission will also examine the possibilities of an export credit scheme and will step up discussions with the European Investment Bank (EIB) on the development of financial instruments that will help both farmers and companies in the agricultural sector. Work will also continue on opening new markets and providing support for promotional campaigns.

Source: Agra Europe

 **PORTUGAL**
Pig producers' protest

Last week, pig producers held a demonstration in Lisbon in protest to draw attention to the economic plight of pig producers and the lack of support available from the Portuguese government.

In an open letter to the Minister for Agriculture, Luis Capoulas, the Federation of Portuguese Pig Farmers (FPAS) highlighted that pig producers are in a desperate situation and that the sector could be facing a total meltdown.

The FPAS said their government has shown a lack of response to their situation. Where other EU Member States have created EU based economic aid packages for their domestic pig producers, their government allocated all available funds to supporting the country's dairy farmers.

 **NETHERLANDS**
Vion acquires Hilckmann pigs

The Vion plant at Boxtel is expected to take over half of the weekly supply of 20,000 pigs previously delivered to the recently closed Hilckmann slaughterhouse. The remaining 10,000 pigs are expected to be split between Westfort, Van Rooi and German slaughterhouses.

 **HUNGARY**
New slaughterhouse

The Hungarian slaughterhouse, MCS VagohidZrt, is to invest €44.5 million in a new slaughterhouse.

The investment will provide capacity for slaughter of a million pigs per year and will enable MCS VagohidZrt to increase sales of pig meat products both at home and on export markets. Vagohid is part of the Bonafarm group which has a 30 per cent share of the domestic market for processed products.

The Hungarian government is providing €4.2 million for the project.

Source: The PigSite

 **CANADA**
Pig census

Data from the latest census shows a modest rise in the breeding herd and overall pig numbers.

'000 head	Jan 2016	Jan 2015	% change 2016:2015
Breeding herd	1,238.0	1,218.1	1.6
Piglets and finished pigs	12,022.0	11,946.9	0.6
Total	13,260.0	13,165.0	0.7

In January this year, there were 6,965 pig farms in Canada, a modest decline of 0.4 per cent compared to the previous year.

In 2015, pig slaughterings in Canada increased by 4.2 per cent to 21.3 million over the year as a whole.

Live pig exports totalled 5.8 million in 2015, a rise of 16.4 per cent compared to 2014 but 42.4 per cent below the 2007 level, when exports were at their peak.

Exports of live pigs to the US are expected to increase following the abolition of the proposed US regulations concerning 'country of origin' labelling of pig meat.

 **CHINA**
Foot and Mouth disease

In the past week, a single outbreak of Foot and Mouth disease has been reported at a slaughterhouse in central China, in the Sichuan province. 91 pigs have been affected.