

MARKET SITUATION

Europe: Pork legs and other cuts were traded at largely unchanged prices this week.

UK: the bacon market is stable.

Third Country: trade with China and Japan is reported as good, while trade to other markets is subdued.

PIG SLAUGHTERINGS

	Week 10	Week 11	Week 12	Week 1-12 2016/15
Total	344,868	379,319	194,070	-4.3 %

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

Finished pigs and sows

DKK/kg	DC	Tican
Finished pigs (basic weight class and basic meat percentage)	8.70	8.70
Sows (above 130 kg)	5.10	5.10

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk. av.
Nominal prices		
Basic	331.93	339.74
SPF+Myc	336.93	344.74
SPF	340.93	348.74
Organic	1033.81	1012.17
Market prices (SPF region 1)		
(PRRS negative)	355.00	318.00
(PRRS positive)	335.00	298.00
Market prices (SPF region 2/3)		
(PRRS negative)	355.00	318.00
(PRRS positive)	335.00	298.00

Weight adjustment:	0-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
DKK/head	10.18	8.47	5.32	5.39	5.27

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	1/4	18/3	Change	1/4	18/3	Change
2016						
Apr	67.80	71.45	-3.65	1.41	1.41	0.00
May	75.50	79.78	-4.28	1.41	1.41	0.00
Jun	79.38	83.90	-4.52	1.41	1.41	0.00
Jul	79.28	82.88	-3.60	1.41	1.41	0.00
Aug	78.85	81.35	-2.50	1.41	1.41	0.00
Sep	-	-	-	1.41	-	-
Oct	67.60	69.95	-2.35	1.41	-	-
Nov	-	-	-	-	-	-
Dec	62.28	64.18	-1.90	-	-	-
2017						
Jan	-	-	-	-	-	-
Feb	65.30	66.75	-1.45	-	-	-
Mar	-	-	-	-	-	-
Apr	67.35	68.80	-1.45	-	-	-
May	71.15	72.90	-1.75	-	-	-
Jun	75.30	75.80	-0.50	-	-	-
Jul	75.30	76.58	-1.28	-	-	-
Aug	-	-	-	-	-	-
Sep	-	-	-	-	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = DKK 6.5171				Conversion factor: € = DKK 7.4503		

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

In the past three weeks, the authorities reported 38 new cases of ASF in wild boar across the country.

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

In the past three weeks, the authorities reported 43 new cases of ASF in the eastern part of the country.

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

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

 **POLAND****African Swine Fever**

In the past three weeks, the authorities reported three new cases of ASF in wild boar in the eastern part of the country, on the border with Belarus.

 **RUSSIA**
African Swine Fever

In the past three weeks, the authorities reported two new cases of ASF in wild boar in the western part of the country.

A single new case of Classical Swine Fever was also reported in wild boar.

 **UKRAINE**
African Swine Fever

In the past three weeks, the authorities reported two new cases of ASF at small farms in the central part of the country and the southern part on the border with Moldova.

 **EU**
Outbreaks of African Swine Fever 2016

Country	January	February	March	Total
Estonia	164	119	38	321
Latvia	95	75	66	236
Lithuania	18	11	13	42
Poland	2	1	2	5
Total EU	279	206	119	604
Belarus	0	0	0	0
Ukraine	0	3	2	5
Russia	4	5	1	10
Total	283	214	122	619

Source: World Organisation for Animal Health

 **USA**
Pig census

The results from the US pig census from 1 March show a modest 0.4 per cent rise in the total US pig population, while the breeding herd is unchanged compared to last year.

Expected farrowings for the March and June quarters are 0.5 per cent and 3.5 per cent lower than the equivalent quarters last year.

'000 head	2016 1 March	2015 1 March	% change
Pig numbers:			
Breeding herd	5,980	5,982	...
Piglets and finished pigs	61,664	61,418	0.4
Total	67,644	67,400	0.4
	2016	2015	
Expected farrowings:			
March - May	2,839	2,854	-0.5
June - August	2,912	3,017	-3.5

For pig numbers, the figures are in line with previous forecasts. However, expected farrowings for June-August are lower than expected. This will result in lower slaughterings in the latter months of 2016 and early 2017.

According to Agricultural Economist, Ron Plain from the University of Missouri, PEDv is less of an issue for the sector now, but has not disappeared entirely.

Smithfield Foods

Annual results for 2015 put overall earnings at \$452.3m, compared to the record breaking \$556.1m last year.

The group's four divisions posted the following results:

Fresh Pork: earnings increased by \$80.6m as the decline in sales prices was lower than that of pig prices (purchase costs)

Packaged Meats: earnings increased by \$213.5m to a record result of \$673.3m, due to lower raw material costs and higher sales volumes, but partly offset by lower sales prices.

Hog Production: earnings fell by \$324.5m due to lower pig prices following increased supplies in 2015. However, lower feed prices and better risk management had a beneficial impact.

International Operations: earnings fell by \$89.7m as a result of lower pig prices in Europe and Mexico and the high \$ rate.

The company plans to build five new pig slaughterhouses, three of which are already underway, which will further strengthen the US abattoir sector.

Source: Smithfield Foods Annual Report

CHINA

Decline in pig numbers

The Chinese Ministry of Agriculture reports a decline in the sow population for 30 months in succession. The latest figure of 37.6 million head at the end of 2015 represents a decline of 7.9 per cent over the year.

A total of 5 million small farms shut down during 2015. Closures caused by new environmental regulations mainly took place in the provinces of Hunan, Shandong, Hebei and Shaanxi. Previously, closures were mainly in the more prosperous coastal provinces of Fujian, Jiangsu, Zhejiang and Guangdong.

Analysts expect that it will take at least a year before the pig population is re-established. This should ensure a consistently high price level for pig meat during 2016 and record pig meat imports.

"Many pig producers are keen to re-establish their herds, but the supply of piglets is low as a result of the fall in sow numbers," says analyst Xiong Kuan from Beijing Orient Agri-business Consultant Co. "The outbreak of disease earlier this year also contributed to the decline."

According to Pan Chenjun from Rabobank in Hong Kong, the price for 30 kg piglets more than doubled during the year to 1,000 yuan per tonne (\$154.13)

"China's pig sector has changed dramatically," says agriculture and food expert JyChow from Mizuho Bank in Singapore. "Many small pig producers with fewer than 50 pigs have left the industry and are not ready to return. The response from the larger pig producers to the falling supply is muted. It is not easy for them to simply double capacity."

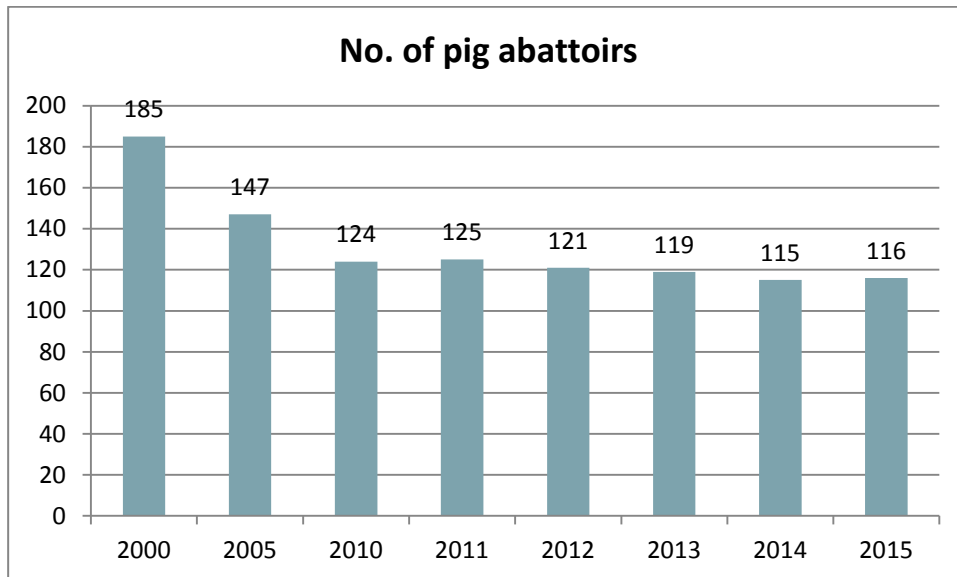
Source: Reuters Bureau

 **England**
Pig abattoirs

Figures from AHDB show that 116 operational pig slaughterhouses were operating in England during 2015.

Although the numbers have shown little change in recent years, increasing consolidation of the industry means that 13 of the largest plants accounted for over 90 per cent of total pig slaughterings and the eight largest plants accounted for three-quarters of production.

There were 14 specialist pig slaughterhouses accounting for over 70 per cent of slaughterings and six of the eight largest plants were specialist pig slaughterhouses.


 **JAPAN**
Imports of fresh/frozen pig meat

0203					
Fresh/frozen pig meat					
Tonnes	2016 February	2015 February	2016 Jan.-Feb.	2015 Jan.-Feb.	% change 2016:15
USA	19,211	19,574	40,271	34,995	15.1
Canada	12,890	9,452	27,212	20,331	33.8
Denmark	9,389	7,280	19,257	14,908	29.2
Spain	6,165	5,179	15,191	10,507	44.6
Mexico	5,494	5,258	11,884	10,292	15.5
Hungary	2,515	1,195	5,416	3,254	66.4
Chile	1,955	1,756	4,828	3,573	35.1
Netherlands	1,551	1,369	4,085	3,763	8.6
France	1,048	608	1,943	1,051	84.9
Austria	985	240	1,609	527	205.2
Italy	785	695	2,033	1,666	22.0
Germany	672	720	1,479	1,368	8.1
Ireland	617	96	1,148	313	267.0
Finland	99	25	222	173	28.3
Australia	29	65	59	102	-42.3
Belgium	0	48	0	72	-100.0
Poland	0	0	0	0	-
Other	216	430	216	430	-49.7
Total	63,622	53,991	137,065	107,972	26.9

Imports of sausage products

0210 Sausage products		
Tonnes	2016 Jan.-Feb.	% change 2016:15
China	1,278	-47.6
Taiwan	33	23.5
Thailand	1,147	-6.2
Denmark	411	38.8
Canada	10	-23.1
USA	1,304	-12.5
Brazil	666	14.2
Others	239	-30.7
Total	5,088	-20.6

Pig meat stocks

Month end tonnage	Domestic production		Imported		Total stocks
	Fresh	Frozen	Fresh	Frozen	
January 2015	485	16,338	3,408	164,417	184,648
February	357	17,536	4,432	157,018	179,343
March	294	16,373	9,726	152,201	178,594
April	325	16,401	10,026	161,157	187,909
May	300	16,430	7,556	169,538	193,824
June	266	15,018	5,741	167,676	188,701
July	343	16,666	8,036	158,202	183,247
August	227	16,675	7,823	153,957	178,682
September	328	14,949	9,368	145,103	169,748
October	283	15,693	8,813	139,170	163,959
November	295	15,568	9,178	134,262	159,303
December	511	15,638	6,167	131,661	153,977
January 2016	294	16,559	6,530	144,724	168,107

SOUTH KOREA

Foot and Mouth disease

In the past three weeks, 16 cases of Foot & Mouth disease have been reported, with 22,909 pigs affected.