

MARKET NEWS for pig meat



Market analysis

11 April 2016

Week 15

MARKET SITUATION

Europe: Pork legs were traded at slightly falling prices this week. Trade in other cuts was at unchanged or also at slightly falling prices.

UK: the UK bacon market is stable.

Third Countries: a good trade is reported with China and a stable trade with the Japanese market. Trade with other markets is subdued.

PIG SLAUGHTERINGS

	Week 11	Week 12	Week 13	Week 1-13 2016/15
Total	379,319	194,070	325,218	-5.3 %

The 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	333.41	339.67
SPF+Myc	338.41	344.67
SPF	342.41	348.67
Organic	1033.81	1015.09
Market prices (SPF Region 1)		
PRRS negative	355.00	317.00
PRRS positive	335.00	297.00
Market prices (SPF Region 2/3)		
PRRS negative	355.00	317.00
PRRS positive	335.00	297.00

Weight adjustment:	0-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
DKK/head	10.24	8.48	5.34	5.38	5.24

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	8/4	1/4	Change	8/4	1/4	Change
2016						
Apr	66.83	67.80	-0.97	1.30	1.41	-0.11
May	76.73	75.50	+1.23	1.41	1.41	0.00
Jun	80.88	79.38	+1.50	1.41	1.41	0.00
Jul	80.95	79.28	+1.67	1.41	1.41	0.00
Aug	80.15	78.85	+1.30	1.41	1.41	0.00
Sep	-	-	-	1.41	1.41	0.00
Oct	69.63	67.60	+2.03	-	-	-
Nov	-	-	-	-	-	-
Dec	64.35	62.28	+2.07	-	-	-
2017						
Jan	-	-	-	-	-	-
Feb	66.98	65.30	+1.68	-	-	-
Mar	-	-	-	-	-	-
Apr	69.45	67.35	+2.10	-	-	-
May	73.38	71.15	+2.23	-	-	-
Jun	76.50	75.30	+1.20	-	-	-
Jul	76.30	75.30	+1.00	-	-	-
Aug	-	-	-	-	-	-
Sep	-	-	-	-	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = DKK 6.5492				Conversion factor: € = DKK 7.4419		

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

In the past week, the authorities reported 12 new cases of ASF in wild boar.

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

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

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

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

Slaughterings

2014	Pigs/sows 50-110 kg	Pigs/sows >110kg	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

2015	Pigs/sows 50-110 kg	Pigs/sows >110kg	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 >110kg	Total
January	1,542,173	47,537	1,589,710
February*	1,435,870	35,395	1,471,265
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-Feb	2,978,043	82,932	3,060,975

* = Preliminary figures


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	43,054	1,158,001	16,967	4,426	1,222,448
February*	35,503	889,551	21,070	3,674	949,798
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.-feb.	78,557	2,047,552	38,037	8,100	2,172,246

* = Preliminary figures

Pig meat exports – tonnes

January 2016

	By-products	Live pigs	Processed canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Share (%)
Germany	2,026	16,090	914	19	6,856	20,932	211	47,048	29.6
Poland	68	10,170	1	3	0	9,923	0	20,164	12.7
UK	696	27	1,024	4,360	0	10,462	675	17,244	10.9
Italy	146	1,691	7	2	0	9,293	21	11,160	7.0
Sweden	782	1	141	128	0	1,492	399	2,943	1.9
Netherlands	1,497	727	16	3	0	434	12	2,690	1.7
France	291	99	90	16	0	1,399	62	1,956	1.2
Spain	0	134	179	248	0	514	179	1,255	0.8
Other	1,069	974	138	22	0	3,101	235	5,539	3.5
Total EU	6,574	29,913	2,510	4,802	6,856	57,550	1,794	110,000	69.3
China	16,347	0	0	0	0	8,578	0	24,925	15.7
Japan	266	1	327	0	0	8,897	133	9,624	6.1
Australia	24	0	0	0	0	4,901	0	4,924	3.1
USA	442	0	396	24	0	2,265	20	3,147	2.0
South Korea	175	0	175	0	0	921	0	1,271	0.8
Hong Kong	543	0	22	0	0	132	4	701	0.4
Taiwan	0	0	0	0	0	601	0	601	0.4
Singapore	151	0	6	12	0	231	60	459	0.3
Panama	0	0	300	0	0	0	0	300	0.2
Other	989	102	346	48	0	872	412	2,768	1.7
Total 3rd countries	18,937	104	1,571	84	2	27,396	630	48,724	30.7
Total	25,510	30,017	4,081	4,885	6,859	84,946	2,424	158,723	100

January 2015

	By-products	Live pigs	Processed canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Share (%)
Germany	4,409	19,109	688	21	5,989	26,089	197	56,502	32.8
Poland	97	10,852	11	0	0	11,075	0	22,036	12.8
UK	1,011	22	986	5,742	0	10,983	537	19,281	11.2
Italy	189	1,144	8	6	0	11,269	23	12,638	7.3
Sweden	1,114	1	164	90	0	1,524	329	3,223	1.9
Netherlands	1,681	385	28	1	0	591	12	2,698	1.6
France	347	113	79	19	0	1,589	86	2,233	1.3
Spain	7	166	68	42	0	691	141	1,114	0.6
Other	1,234	1,015	226	4	0	4,367	250	7,097	4.1
Total EU	10,090	32,808	2,257	5,926	5,989	68,178	1,574	126,822	73.6
China	15,720	0	0	0	0	3,209	0	18,928	11.0
Japan	174	0	370	0	0	8,711	85	9,340	5.4
Australia	47	0	0	21	0	4,948	13	5,029	2.9
USA	344	0	533	0	0	2,498	24	3,398	2.0
South Korea	44	0	194	0	0	1,579	0	1,816	1.1
Hong Kong	508	0	18	0	0	286	3	814	0.5
New Zealand	0	0	0	0	0	780	0	780	0.5
Taiwan	101	0	0	0	0	599	0	700	0.4
Philippines	177	0	15	0	0	480	0	672	0.4
Other	1,390	0	658	64	0	1,067	724	3,904	2.3
Total 3rd countries	18,505	100	1,787	85	0	24,156	849	45,482	26.4
Total	28,595	32,907	4,044	6,011	5,989	92,334	2,423	172,304	100

 **DENMARK**
Exports of live pigs

The following figures from Statistics Denmark show a breakdown by country of destination.

Piglets < 50 kg Product code 0103 9110

	January 2016	January 2015
Germany	491,700	572,807
Poland	346,221	359,940
Italy	55,655	40,039
Netherlands	25,086	13,913
Czech Republic	8,019	10,788
Other	19,271	14,244
Total	945,952	1,011,731

Pigs and sows 50-160 kg. Product code 0103 9219

	January 2016	January 2015
Germany	5,604	18,106
Belgium	1,602	2,350
Spain	960	1,242
Italy	729	540
France	611	938
Other	1,013	1,278
Total	10,519	24,454

Sows > 160 kg. Product code 0103 9211

	January 2016	January 2015
Germany	4,103	2,266
Other	1	1
Total	4,104	2,267

Breeding pigs Product code 0103 1000

	January 2016	January 2015
Germany	13,037	6,589
Belgium	1,028	458
Spain	761	920
France	328	190
Poland	96	732
Slovakia	45	396
Netherlands	2	224
Other	1,636	1,391
Total	16,933	10,900

Source: Statistics Denmark



Trade dispute unresolved

Talks between the EU and Russia have failed to bring the parties closer together on a solution to export certificates.

Russia is refusing to give access to pig meat products from all EU countries, as outbreaks of African Swine Fever have occurred in some Member States, pointing out that some countries, such as China and South Korea, do not operate under common EU export certificates, but individual EU countries have their own certification procedures.

The EU Commission position remains that for exports to Russia, it has the right to negotiate on behalf of all EU Member States and that individual countries cannot enter into their own bilateral agreements.

Source: Agra Europe

Rules for payment of national subsidies

The EU Commission has drawn up rules concerning the financial support individual Member States can extend to their crisis-hit farmers.

Individual member states may provide assistance for their dairy, pork, vegetable and fruit producers. A maximum of €15,000 per farm is available and may be used to aid the closure of production or to provide support for farms experiencing cash flow problems.

Source: Agra Europe



GERMANY

Loss for Westfleisch

Press reports have drawn attention to the latest Westfleisch's annual accounts, which show a loss for the first time.

Total losses for 2015 amounted to €4.1 million. The company's processing and beef businesses delivered a profit, whereas their pig business posted a significant loss.

Westfleisch is expecting losses for 2016, as a decline in overall pig slaughterings in Germany is expected. The company has launched an action plan aimed at reducing costs and improving productivity.



NETHERLANDS

10,000 pigs killed in fire

More than 10,000 pigs were killed in a fire last week at a large pig farm near Eindhoven. The farm was declared bankrupt last month.



CHINA

Fall in pig prices expected

The press have reported that the Chinese Ministry of Agriculture have signalled that high pig prices are not expected to last much longer. Their view is that the pig meat market is currently overheated and prices will fall and stabilise as pig meat supplies increase.

Chinese pig prices increased significantly during last year to a level almost 50 per cent higher than in 2014. The ratio between pig prices and feed costs recently increased to 9.13, whereas a ratio of 6.00 has normally represented a break-even level for pig producers.

Eksport/import af Sør > 160 kg (01039211)

Stk.	Modtager Heraf:				
Afsender	Total	Tyskland	Belgien	Ungarn	Holland Tjekkiet
Frankrig	92.751	82.162	10.588		
Holland	98.817	84.166	13.854		
Danmark	28.932	28.923			
Belgien	11.750	11.153			597
Polen	11.032			1.568	7.997

Eksport/import af avlsdyr (010310)

Stk.	Modtager Heraf:										
Afsender	Total	Tyskland	Polen	Ukraine	Holland	Belgien	Italien	Ungarn	Rumænien	Spanien	Øvrige EU lande
Holland	331.481	268.329	14			1.647	360	57.392	21	296	3.422
Danmark	185.915	124.114	5.600	1.953	2.439	8.219	4.728	7.159	4.187	6.830	20.686
Frankrig	25.140	1.575	401	812	944	260	401	380	80	14.569	5.718
Belgien	22.652	13.207				8.610					835
Ungarn	11.392					110			10.923		359
Portugal	11.117									11.117	-
Tyskland	11.105		352		2.938	72	425	2.648	7	2.908	1.755

 **SOUTH KOREA**
Foot and mouth disease

A total of 16 outbreaks of Foot & Mouth disease have been reported and 15,229 pigs have been culled.

Source: The PigSite

 **CHINA**
Foot and mouth disease

An outbreak of Foot & Mouth disease has been reported in Sichuan province in central China. The slaughterhouse in the province has reported 8 infected pigs and a further 19 suspected of having the disease have been culled.

Source: The PigSite