

MARKET NEWS for pig meat



Market analysis

5 October 2016

Week 40

MARKET SITUATION

Europe: Trading in fresh legs and other cuts has seen prices weaken this week.

UK: Trading remains stable.

Good trading is reported for Japan and stable trading for China.

SLAUGHTERINGS

	Week 37	Week 38	Week 39	Week 1-39 2016/15
Total	335,916	342,188	338,515	-2.7 %

Source: Danish Classification Control Service – representing around 98% of all finished pigs and sows slaughtered, excluding culled pigs.

PIG PRICES

Finished pigs and sows

DKK/kg	DC	Tican
Finished pigs (basic weight class and basic meat percentage)	10.60	10.60
Sows (above 130 kg.)	7.70	7.70

Nominal prices for piglets (30 kg)


DKK/head	Current	52 wk av
Basic	407.44	358.44
SPF+Myc	412.44	363.44
SPF	416.44	367.44
Organic	1078.99	1061.38
Market prices SPF region 1		
PRRS negative	430.00	344.00
PRRS positive	410.00	325.00
Market prices SPF region 2/3		
PRRS negative	430.00	344.00
PRRS positive	410.00	325.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	11.73 kr/kg	7.29 kr/kg	6.97 kr/kg	5.96 kr/kg	5.98 kr/kg


FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	30/9	23/9	Change	30/9	23/9	Change
2016						
Oct	49.03	54.00	-4.97	1.41	1.41	0.00
Nov	-	-	-	1.56	1.56	0.00
Dec	43.98	48.90	-4.92	1.57	1.57	0.00
2017						
Jan	-	-	-	1.41	1.41	0.00
Feb	48.90	53.35	-4.45	1.41	1.41	0.00
Mar	-	-	-	1.41	1.41	0.00
Apr	55.73	59.73	-4.00	-	-	-
May	63.00	66.75	-3.75	-	-	-
Jun	67.08	70.75	-3.67	-	-	-
Jul	67.00	70.25	-3.25	-	-	-
Aug	66.73	69.65	-2.92	-	-	-
Sep	-	-	-	-	-	-
Oct	57.50	60.33	-2.83	-	-	-
Nov	-	-	-	-	-	-
Dec	54.85	57.50	-2.65	-	-	-
2018						
Jan	-	-	-	-	-	-
Feb	59.95	59.70	+0.25	-	-	-
Conversion factors: lbs. = 0.4536 kg \$:€ = 6.6762				Conversion factor: € = 7.4513		

AFRICAN SWINE FEVER

 **POLAND:** Last week, the authorities reported 3 new cases, all at small pig farms in the east of the country close to the border with Belarus.


 **LITHUANIA:** Last week, the authorities reported 2 new cases among wild boar in the north-east of the country.


 **RUSSIA:** Last week, the authorities reported 38 new cases at small farms in the west of the country. Moreover, the disease has been registered in Vologda Oblast for the first time with two cases being found in the Cherepovets region.

 **MOLDOVA:** In the past week, the authorities in Moldova reported two cases of ASF – both at small farms in the north of the country. According to Agra Europe, these are the first cases in the country and it is feared that the disease may now spread to neighbouring Rumania.

The Deputy Chairman of Moldova's food safety authority, ANSA, Vsevolod Stamati, says that it seems that ASF entered the country via an individual who brought in pig meat from Ukraine. All animals in the affected area will now be culled and the farmers will be compensated. Moldova's Minister of Agriculture Eduard Grama has announced a series of measures designed to prevent any further cases, including an information campaign to increase people's awareness and additional controls at the border.

The authorities have announced that imports of pig meat from Ukraine will be suspended. Rumania is already in a state of high alert and the authorities in the country have reacted quickly to the news about the outbreak of ASF in Moldova, less than 70 km from their common border crossing. The Rumanian Agriculture Minister, Achim Irimescu, warned that the disease could cause enormous harm to the country's pig production. He mentioned that restrictions would limit the import of animals from Ukraine and Moldova and noted that measures have already been implemented to control wild boar at the border areas.

 **UKRAINE:** Volodymyr Lapa, the Director of the Ukrainian State Food Safety and Consumer Protection Service, has said that in order to successfully fight ASF, the Ukrainian government needs to improve compensation for infected pigs. Currently delays in payment of compensation is resulting in people hiding incidents of the disease. Oksana Yurchenko, Vice-President of the Pig Breeders Association said that the ASF situation in Ukraine is uncontrolled and blamed wild boars for spreading the disease.

 **SOUTH AFRICA:** Last week the authorities reported 5 cases of ASF – 3 small farms and 1 larger farm of 500 pigs have been affected. All cases were found in the central regions of the country.

 **RUSSIA**

Investment in new pig production

According to a press release from the local administration, construction of one of the largest pig breeding complexes in Russia recently began in the Nizhny Novgorod oblast. Norwegian investors, RBPI Group, are going to build the complex with a capacity of 180,000 pigs, which will start operating in 2017.

Source: AHDB Pork

 **USA**

Pig census 1 September 2016

The results of the U.S. pig census from 1 September were published last week. This shows a 2.4% rise in the total pig population with a more modest rise in the breeding herd of 0.5%.

Expected farrowings for the current and coming quarters remain unchanged year-on-year.

As regards piglets, finishers and the breeding herd, the census results are somewhat higher than previously forecast by U.S. analysts. They had expected a rise in the total population in the order of 1% and a modest fall in the breeding herd.

U.S. futures responded with further falls (see page 2).

'000 head	2016 1 Sept	2015 1 Sept	% change
Breeding herd	6,016	5,986	0.5
Piglets and finishers	64,835	63,200	2.6
Total	70,851	69,186	2.4
	2016/17	2015/16	
Expected farrowings:			
Sept-Nov	2,928	2,929	0.0
Dec-Feb	2,925	2,927	-0.1



May/June pig census

Last week, Eurostat published its results of the May/June pig census for Belgium and Hungary. This completes the results for all 14 EU countries that were expected to publish their figures.

Pig census EU May-June 2016

'000 head	Total population			Breeding sows			Pregnant sows		
	2016	2015	%-change	2016	2015	%-change	2016	2015	%-change
Germany	27,146	28,099	-3.4	1,927	2,024	-4.8	1,407	1,477	-4.7
Spain	27,541	26,983	2.1	2,374	2,408	-1.4	1,577	1,657	-4.8
France	13,672	13,643	0.2	1,031	1,060	-2.7	727	756	-3.8
Denmark	12,313	12,645	-2.6	1,216	1,248	-2.6	760	784	-3.1
Holland	12,388	12,603	-1.7	1,050	1,103	-4.8	705	734	-4.0
Poland	10,239	11,640	-12.0	797	947	-15.8	548	640	-14.4
Italy	8,708	8,682	0.3	572	584	-2.1	472	487	-3.1
Belgium	6,193	6,256	-1.0	432	437	-1.1	354	350	1.1
UK	4,862	4,739	2.6	497	492	1.0	350	341	2.6
Rumania	4,575	4,659	-1.8	339	349	-2.9	210	215	-2.3
Hungary	3,025	3,124	-3.2	271	292	-7.2	175	193	-9.3
Austria	2,667	2,761	-3.4	232	240	-3.3	162	167	-3.0
Ireland	1,594	1,537	3.7	149	148	0.7	103	105	-1.9
Sweden	1,387	1,419	-2.3	148	146	1.4	103	102	1.0
EU (14)	136,310	138,790	-1.8	11,035	11,478	-3.9	7,653	8,008	-4.4
Serbia	3,016	3,313	-9.0	444	465	-4.5	201	233	-13.7

The results show a pig population that is down 1.8% on the year. The breeding herd (breeding and pregnant sows) has fallen by 3.9% and 4.5% respectively.

As always, the results are based on sample surveys and should be treated with some caution. They confirm that the coming quarters are expected to show a decline in EU pig slaughterings compared to the previous year.

DENMARK

Slaughterings

2014	Pigs/sows	Sows etc.	Total
	50-110 kg	above 110 kg	
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	Sows etc,	Total
	50-110 kg	above 110 kg	
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	Sows etc.	Total
	50-110 kg	above 110 kg	
January	1,542,852	49,976	1,592,828
February	1,442,088	44,695	1,486,783
March	1,595,234	47,847	1,643,081
April	1,372,690	45,301	1,417,991
May	1,270,399	42,165	1,312,564
June	1,682,958	50,499	1,733,457
July	1,330,213	41,819	1,372,032
August*	1,326,630	41,758	1,368,388
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Jan-Aug	11,563,064	364,060	11,927,124

* = Preliminary figures

DENMARK

Exports of live pigs

2014	Piglets		Pigs/sows	Pigs/sows	Total
	0-15 kg	15-50 kg	50-135 kg	above 135 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 above 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 above 135 kg	Total
	0-15 kg	15-50 kg			
January	43,054	1,158,651	16,967	4,426	1,223,098
February	35,503	891,644	21,095	6,806	955,048
March	45,142	1,104,984	17,922	5,353	1,173,401
April	43,235	1,073,102	22,482	4,442	1,143,261
May	41,933	1,069,525	16,384	4,051	1,131,893
June	36,059	1,050,627	36,263	4,255	1,127,204
July	35,510	1,019,201	19,854	2,879	1,077,444
August*	35,973	1,097,536	18,203	1,396	1,153,108
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-Aug	316,409	8,465,270	169,170	33,608	8,984,457

* = Preliminary figures

ITALY/ CHINA

China lifts import ban on Italian pig meat

China has recognised that large parts of Italy are free of SVD (Swine Vesicular Disease) and is therefore lifting a general import ban on Italian pig meat, reports Agra Europe. A number of northern regions in Italy that together account for 80% of the country's pig production, will therefore be able to export pig meat to China.

According to the Italian trade association, ASSICA, certain approval procedures need to fall into place before the first shipments of Italian pig meat can be shipped to China.

CHINA

Guangxi Yangxiang plans massive investment in new pig production

The large Chinese pig and feed business, Guangxi Yangxiang, is planning massive investments in new pig production, reports the international news media. Reportedly, Yangxiang is to invest in an additional 80,000 sows and increase its contract production by a further 2 million finishers in the provinces of Guangxi and Liaoning. Yangxiang is already the largest pig producer in the province of Guangxi.

The project is expected to increase the number of producers under contract with Yangxiang from 1,000 to 4,000. It is also reported that The International Finance Corporation, a member of the World Bank Group, is considering injecting \$50 million into the project, which will amount to \$293 million in total.



JAPAN

Imports of fresh/frozen pig meat

0203					
Fresh/frozen pig meat					
Tonnes	2016 August	2015 August	2016 Jan-Aug	2015 Jan-Aug	%-change 2016:15
USA	24,353	19,312	173,530	173,969	-0.3
Canada	14,227	13,030	114,329	107,841	6.0
Denmark	11,170	9,924	76,012	70,464	7.9
Spain	7,372	6,244	62,144	48,544	28.0
Mexico	6,167	5,013	48,921	45,035	8.6
Chile	2,269	1,885	18,595	14,296	30.1
Hungary	1,274	2,055	15,552	14,086	10.4
Holland	1,796	1,792	15,868	13,132	20.8
France	1,297	1,449	8,845	6,631	33.4
Italy	1,066	1,096	8,840	6,490	36.2
Austria	1,019	1,102	8,714	6,614	31.8
Germany	1,274	805	9,125	4,976	83.4
Ireland	313	600	5,008	1,273	293.5
Finland	25	123	887	1,008	-12.0
Belgium	-	-	360	216	66.9
Australia	44	43	312	351	-11.2
Others	268	72	268	72	272.7
Total	73,935	64,543	568,941	517,194	10.0

Pig meat storage

Tonnes	Own production		Imported volumes		Total storage
	Fresh	Frozen	Fresh	Frozen	
2015					
January	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
2016					
January	294	16,559	6,530	144,724	168,107
February	313	16,839	7,088	144,023	168,263
March	351	15,601	9,206	144,222	169,380
April	611	17,479	7,843	147,530	173,463
May	510	18,368	8,524	150,870	178,272
June	492	20,660	9,180	149,946	180,278
July	521	18,184	7,350	146,181	172,236

Japan's imports of salami type products

0210 Salami type products		
Tonnes	2016 Jan-Aug	% change 2016:15
China	6,334	-35.8
Taiwan	147	-20.8
Thailand	4,738	-22.6
Denmark	1,231	-5.9
Canada	19	-34.5
USA	6,390	-13.1
Brazil	2,430	9.9
Others	1,146	-20.1
Total	22,436	-21.3