

MARKET NEWS for pig meat



Market analysis

21 November 2016

Week 47

MARKET SITUATION

Europe: Trading in fresh legs is at modestly increasing prices. Other cuts are also being traded at unchanged or slightly increasing prices.

UK: Trading remains stable.

Stable trading is reported for Japan and good demand from China albeit at a lower level compared to the summer.

SLAUGHTERINGS

	Week 43	Week 44	Week 45	Week 1-45 2016/15
Total	345,552	365,479	358,377	-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)	10.20	10.20
Sows (above 130 kg.)	7.10	7.10

Nominal prices for piglets (30 kg)


DKK/head	Current	52 wk av
Basic	391.00	363.91
SPF+Myc	396.00	368.91
SPF	400.00	372.91
Organic	1065.96	1065.89
Market prices SPF region 1		
PRRS negative	405.00	360.00
PRRS positive	385.00	341.00
Market prices SPF region 2/3		
PRRS negative	405.00	360.00
PRRS positive	385.00	341.00


Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	11.11 kr/kg	7.27 kr/kg	6.70 kr/kg	5.83 kr/kg	5.84 kr/kg


FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	18/11	11/11	Change	18/11	11/11	Change
2016						
Nov	-	-	-	1.52	1.52	0.00
Dec	47.80	47.13	+0.67	1.57	1.57	0.00
2017						
Jan	-	-	-	1.41	1.41	0.00
Feb	54.18	54.35	-0.17	1.41	1.41	0.00
Mar	-	-	-	1.41	1.41	0.00
Apr	61.13	61.75	-0.62	1.41	1.41	0.00
May	68.63	69.13	-0.50	-	-	-
Jun	73.25	73.73	-0.48	-	-	-
Jul	73.98	74.85	-0.87	-	-	-
Aug	73.80	75.30	-1.50	-	-	-
Sep	-	-	-	-	-	-
Oct	62.55	63.85	-1.30	-	-	-
Nov	-	-	-	-	-	-
Dec	58.03	59.70	-1.67	-	-	-
2018						
Jan	-	-	-	-	-	-
Feb	62.03	62.85	-0.82	-	-	-
Mar	64.50	65.18	-0.68	-	-	-
Conversion factors: 1 lbs = 0.4536 kg \$:€ = 6.9996				Conversion factor: € = 7.4399		

AFRICAN SWINE FEVER

 **POLAND:** Seven new cases among wild boar were reported last week in the east of the country, close to the border with Belarus.

 **UKRAINE:** Four new cases were reported across the country last week: two at small pig farms and two at large farms comprising 7,748 and 5,755 pigs respectively.

 **RUSSIA:** Nine cases were reported last week: four among wild boar and five at pig farms, including one large farm consisting of 16,248 pigs. The cases have been found in the east of the country.

RUSSIA

Foot and Mouth outbreak curbs Russian export ambitions

Russia's meat export ambitions have suffered a setback following an outbreak of Foot and Mouth disease in the Vladimir region last October, reports Agra Europe.

The international animal health organisation, OIE, has reacted to the outbreak by suspending Russia's recently hard won status as an FMD free zone where vaccination is not practised. When, earlier in the year, Russia was granted the status by OIE, the authorities stated that they expected the new status to boost the country's ambitions as a meat exporter.

Increasing pig population

The Russian authorities have calculated the country's pig population at 23.3 million, which is a rise of 4.5% compared to last year.

There were population increases in all regions apart from Siberia, where the pig population fell by 6.2%

 **RUSSIA**
Pig meat imports, January-September

Tonnes	0203 fresh/frozen pig meat		020649+020641 By-products, pigs		020910 Fat		Total			% change 16:15
	2016	2015	2016	2015	2016	2015	2016	2015	2014	
	Canada	-	-	-	-	-	26	-	26	98,028
Brazil	171,474	158,586	3,730	2,231	2,476	1,285	177,680	162,101	115,372	9.6
Denmark	-	-	-	-	-	-	-	-	9,749	-
Germany	-	-	-	-	-	-	-	-	7,205	-
Holland	-	-	-	-	-	-	-	-	5,963	-
Italy	-	-	-	-	-	-	-	-	3,407	-
France	-	-	-	-	-	-	-	-	5,526	-
Belgium	-	-	-	-	-	-	-	-	3,286	-
Chile	5,384	15,596	1,787	2,038	4,670	4,633	11,841	22,267	14,568	-46.8
Ireland	-	-	-	-	-	-	-	-	2,746	-
Poland	-	-	-	-	-	-	-	-	2,642	-
Hungary	-	-	-	-	-	-	-	-	2,391	-
Austria	-	-	-	-	-	-	-	-	1,824	-
Ukraine	-	20,585	-	-	2	5,289	2	25,874	508	-100.0
Sweden	-	-	-	-	-	-	-	-	491	-
Finland	-	-	-	-	-	-	-	-	392	-
Serbia	1,338	10,351	-	-	126	-	1,465	10,351	8,331	-85.8
Portugal	-	-	-	-	-	-	-	-	298	-
Paraguay	1,457	943	361	318	756	409	2,574	1,669	1,338	54.2
Estonia	-	-	-	-	-	-	-	-	71	-
USA	-	-	-	-	3,793	690	3,793	690	23,401	449.9
Spain	-	-	-	-	-	-	-	-	43	-
Others	4,449	6,192	659	1,441	1,968	2,647	7,076	10,280	9,567	-31.2
Total	184,101	212,251	6,538	6,027	13,791	14,978	204,430	233,257	317,149	-12.4

Imports of live pigs, January-September

	010392 Pigs > 50 kg.			010391 Piglets < 50 kg.			010310 Breeding herd		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
Belarus	-	-	-	-	-	-	3,509	-	-
Canada	-	-	-	-	-	-	1,562	325	3,508
Denmark	-	-	743	-	-	-	-	-	71
France	-	-	40	-	-	-	-	-	99
Ireland	-	-	46	-	-	-	-	-	688
Spain	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	91	565	2,126
Total	-	-	829	-	-	-	5,162	890	6,492



EU

Pig meat exports

The EU Commission has published preliminary figures for EU pig meat exports (measured in slaughter weight) for the period January-September 2016 compared to January-September 2015.

EU-28 pig meat exports

Slaughter weight, tonnes	Jan–Sept	Jan-Sept	% change
	2016	2015	
China	1,457,737	787,777	85.0
Japan	289,763	261,696	10.7
Hong Kong	266,343	200,981	32.5
Philippines	160,866	134,067	20.0
South Korea	172,724	182,792	-5.5
USA	90,722	74,016	22.6
Other	665,725	754,951	-11.8
Total	3,103,880	2,396,280	29.5



FINLAND

HK Scan initiates internal investigation into Baltic business

The Finnish meat group, HK Scan, announced last week that they are initiating an internal investigation into its Baltic business.

According to HK Scan's CEO, Jari Latvanen, it is important that HK Scan always follows the principles of good governance and its Code of Conduct. The investigation will clarify whether this has been the case in its Baltic business. The investigation is expected to take some weeks and while it is underway, some of the Baltics management team members have been relieved of their duties for the duration of the investigation.

The Group's turnover in the Baltic region totalled €173.6 million out of a total turnover of €1.9 billion in 2015.



UK

Cranswick acquires Northern Ireland based slaughterhouse

Dunbia Ballymena has been acquired by Cranswick. The operation slaughters around 7,800 pigs per week and posted a turnover of £1.1 billion last year.

According to Agra Europe, Danish Crown was also in the running as a possible purchaser.

ICELAND /  EU

EU agriculture ministers back trade agreement with Iceland

At a meeting last week, EU agriculture ministers supported a trade agreement with Iceland, which will increase duty-free access to EU basic agricultural products.

According to Agra Europe, the agreement will mean that the EU will acquire duty-free access for live cattle, sheep and pigs. The EU will also benefit from increased quotas for cheese, beef, pork and poultry. Iceland, for its part, will benefit from increased duty-free quotas for sheep and lamb.

 **THAILAND**
Charoen Pokphand invests in USA

The Thai conglomerate, Charoen Pokphand, is to purchase the U.S. producer of frozen products, Bellisio Parent LLC, for \$1.075 billion reports Asian Agribusiness. Providing the agreement is approved by the competition authorities, the purchase is expected to be completed in three months.

 **VIETNAM**
Fall in pig prices

Asian Agribusiness reports continuing falls in Vietnamese pig prices as a result of poor Chinese demand.

Prices in Ho Chi Minh City and Dong Nai province are reported to have fallen to \$1.61 per kg live weight, which is \$0.20 less than in October and 23% lower than in April/May when Chinese demand peaked.

Producers should use official channels when exporting to China

The authorities in Vietnam are demanding that local pig producers stop all unofficial exports of live pigs and instead use official sales channels for exporting pigs to China.

By using official sales channels, producers are able to enter into contracts and thus draw up long-term production plans, says an official spokesman. He also says that the authorities in Vietnam and China should enter into veterinary agreements.

INDONESIA
Rise in pig production

According to figures from the Indonesian Ministry of Agriculture, the country's pig population increased by 3.9% to 9.2 million head in 2016.

Pig meat production is expected to increase to 342,000 tonnes in 2016, an increase of 3.7% compared to last year. Pig meat accounts for 10% of the country's meat production.

Source: Asian Agribusiness

 **GLOBAL**
Top 40 lists: the world's leading pig processors and producers

Pig International has drawn up the two lists, which are based on the number of slaughterings per head in 2015 and on the number of sows under ownership or contract in 2015.

In order that the lists cover the world and are not dominated by the world's two largest pig producing countries, only the 10 leading pig processors in China and the six biggest pig producers in the US are listed.

Top 40: list of the world's leading pig processors

Ranking	Company	Slaughterings (million) 2015	Countries
1	WH Group	48.3	China, USA, Mexico, Poland, Rumania
2	JBS	28.0	Brazil, USA
3	Danish Crown	22.0	Denmark, UK, Sweden, Poland
4	Tönnies	17.5	Germany, Denmark
5	Yurun Group	16.5	China
6	Vion Food Group	15.7	Holland, Germany
7	Hormel	13.0	USA
8	Coren	10.0	Spain
9	BRF	9.6	Brazil, Argentina
10	Zhongpin	9.3	China
11	Jinluo Group	8.8	China
12	New Hope Group	8.0	China
13	Westfleisch	7.7	Germany
14	La Coop Fédérée (Olymel)	6.0	Canada
15	Wen's Food Group	5.8	China
16	Truein Group Animal Husbandry	5.5	China
17	Aurora Aliementos	4.9	Brazil
18	Cooperl Arc Atlantique	4.8	France
19	Groupe Bigard	4.7	France
20	Belgian Pork Group	4.2	Belgium
21	Pini Group	4.1	Italy, Hungary, Poland, Rumanian, Slovakia
22	Vall Companys Grupo	4.0	Spain
23	Tianjin Baodi Agriculture & Technology	3.0	China
24	Miratorg	2.8	Russia
25	Tangrensch Group (TRS)	2.6	China
26	Agrosuper Group	2.6	Chile
27	Cranswick	2.3	UK
28	Karro Food Group	2.3	UK
29	Vogler Meat Products	2.3	Germany
30	Longda Meats Foodstuffs	2.2	China
31	RusAgro	1.9	Russia
32	Müller Gruppe	1.9	Germany
33	Nortura	1.8	Norway
34	Böseler Goldschmaus	1.7	Germany
35	Tummel	1.5	Germany
36	BMR Schlachthof	1.4	Germany
37	HyLife	1.4	Canada
38	Incarlopsa	1.3	Spain
39	SuKarne	1.3	Mexico
40	Conestoga Meat Packers	1.2	Canada

Top 40: list of the world's leading pig producers

Ranking	Producer	Sows 2015	Countries
1	WH Group	1,140,000	USA, Mexico, Poland, Rumania
2	Wen's Food Group	800,000	China
3	CP Group, Thailand	544,000	Thailand, Vietnam, etc.
4	Thai Foods Group	540,000	Thailand, Vietnam, etc.
5	Triumph Foods	385,000	USA
6	BRF	380,000	Brazil, Argentina
7	Seaboard Corp.	290,000	USA
8	Ningbo Tech-Bank	280,000	China
9	NongHyup Agribusiness	280,000	South Korea
10	Cooperl Arc Atlantique	250,000	France
11	The Maschhoffs	220,000	USA
12	Vall Companys Grupo	195,000	Spain
13	Pipestone System	185,000	USA, China
14	JBS Foods International	18,000	Brazil
15	Aurora Alimentos	173,000	Brazil
16	Prestage Farms	170,000	USA
17	Tieqilisi Group	150,000	China
18	Miratorg	115,000	Russia
19	RusAgro	96,000	Russia
20	Agrosuper Group	82,000	Chile
21	HyLife	72,000	Canada
22	Maple Leaf Agri-Farms	65,000	Canada
23	Kekén	60,000	Mexico
24	Proteína Animal (PROAN)	60,000	Mexico
25	Betagro Group	60,000	Thailand
26	Gruppo Veronesi	50,000	Italy
27	Jeju Island Pork Association	50,000	South Korea
28	BQP	50,000	UK
29	San Miguel Pure Foods	45,000	Philippines
30	Axzon A/S	44,000	Denmark, Poland, Ukraine, Russia
31	Kopitaniya	34,000	Russia
32	Nipponham Group (NH Foods)	33,000	Japan
33	Coren	27,000	Spain
34	Coexca	25,000	Chile
35	Universal Robina Corp.	25,000	Philippines
36	Global Pig Farms	24,000	Japan
37	Japfa Comfeed Vietnam	24,000	Vietnam
38	Agrico group	17,500	Russia
39	Danis Group	16,000	Belgium
40	Raporal	13,000	Portugal


SAUDI ARABIA
Foot and Mouth disease

One case of Foot and Mouth disease was reported last week. 60,817 cattle and 250 sheep have been affected.