

# MARKET NEWS for pig meat



Market analysis

28 November 2016

Week 48

## MARKET SITUATION

**Europe:** Trading in fresh legs is stable and at modestly increasing prices. Other cuts are being traded at unchanged prices.

**UK:** Trading remains stable.

Stable trading is reported for Japan and China.

## SLAUGHTERINGS DENMARK

	Week 44	Week 45	Week 46	Week 1-46 2016/15
Total	365,479	358,377	364,027	-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)	10.40	10.40
Sows (above 130 kg)	7.40	7.40

### Nominal prices for piglets (30 kg)


DKK/head	Current	52 wk av
Basic	399.22	364.99
SPF+Myc	404.22	369.99
SPF	408.22	373.99
Organic	1065.86	1065.92
<b>Market prices SPF region 1</b>		
PRRS negative	415.00	363.00
PRRS positive	385.00	344.00
<b>Market prices SPF region 2/3</b>		
PRRS negative	415.00	363.00
PRRS positive	385.00	344.00


Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	11.42 kr/kg	7.28 kr/kg	6.83 kr/kg	5.89 kr/kg	5.91 kr/kg


## FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	25/11	18/11	Change	25/11	18/11	Change
<b>2016</b>						
Nov	-	-	-	-	1.52	-
Dec	51.05	47.80	+3.25	1.57	1.57	0.00
<b>2017</b>						
Jan	-	-	-	1.41	1.41	0.00
Feb	56.75	54.18	+2.57	1.41	1.41	0.00
Mar	-	-	-	1.41	1.41	0.00
Apr	62.90	61.13	+1.77	1.41	1.41	0.00
May	69.80	68.63	+1.17	1.41	-	-
Jun	74.48	73.25	+1.23	-	-	-
Jul	74.95	73.98	+0.97	-	-	-
Aug	74.88	73.80	+1.08	-	-	-
Sep	-	-	-	-	-	-
Oct	63.50	62.55	+0.95	-	-	-
Nov	-	-	-	-	-	-
Dec	58.90	58.03	+0.87	-	-	-
<b>2018</b>						
Jan	-	-	-	-	-	-
Feb	62.60	62.03	+0.57	-	-	-
Mar	65.15	64.50	+0.65	-	-	-
Conversion factors: 1 lbs = 0.4536 kg \$:€ = 7,0223				Conversion factor DKK/kg: € = DKK 7. 4380		

## AFRICAN SWINE FEVER

 **POLAND:** Six new cases among wild boar were reported last week. Five cases were found on the border with Belarus while one was found some distance away.

 **UKRAINE:** Three new cases were reported last week: two at small pig farms and one among wild boar across the country.

 **RUSSIA:** Seven cases were reported last week: one among wild boar and six at pig farms (one farm comprising 5,165 pigs). All cases were found in the south and west of the country.

 **CHINA**

### Foot and mouth disease

One case was reported last week in a herd of 482 pigs located in the south eastern province of Jiangxi.



EU

### Pig meat exports

The charts below show EU pig meat exports according to categories, exporting and importing countries for the period January-September.

#### According to categories

Tonnes (product weight)	Jan-Sept 2016	Jan-Sept 2015	% change 16:15
Live pigs	8,625	19,264	-55.2
Fresh/frozen	1,606,721	1,121,188	43.3
Bacon	24,636	23,616	4.3
Processed	118,179	130,030	-9.1
By-products	1,234,535	1,016,998	21.4
<b>Total</b>	<b>2,992,695</b>	<b>2,311,096</b>	<b>29.5</b>

#### Exporters of pig meat from EU

Tonnes (product weight)	Jan-Sept 2016	Jan-Sept 2015	% change 16:15
Germany	773,748	578,594	33.7
Spain	562,445	343,385	63.8
Denmark	468,057	408,391	14.6
Holland	320,385	252,885	26.7
France	199,353	154,461	29.1
Poland	151,339	109,809	37.8
UK	100,257	70,818	41.6
Ireland	80,284	61,005	31.6
Belgium	76,696	68,713	11.6
Italy	73,186	63,246	15.7
Hungary	67,763	63,124	7.3
Austria	35,483	31,930	11.1
Others	83,699	104,735	-20.1
<b>EU-28</b>	<b>2,992,695</b>	<b>2,311,096</b>	<b>29.5</b>

#### Importers of pig meat from EU

Tonnes (product weight)	Jan-Sept 2016	Jan-Sept 2015	% change 16:15
China	1,428,685	779,682	83.2
Hong Kong	264,554	200,040	32.3
Japan	254,399	229,334	10.9
Philippines	155,996	130,197	19.8
South Korea	161,184	169,549	-4.9
USA	84,902	68,810	23.4
Australia	62,229	68,021	-8.5
Ukraine	54,743	67,348	-18.7
Angola	22,271	42,204	-47.2
Montenegro	15,725	15,131	3.9
Russia	4,920	9,938	-50.5
Belarus	127	387	-67.2
Others	482,960	530,455	-9.0
<b>EU-28</b>	<b>2,992,695</b>	<b>2,311,096</b>	<b>29.5</b>

**USA****Large scale slaughterings continue**

Preliminary slaughterings last week totalled 2,531 million pigs, 5.7% higher than the same period last year and the second highest weekly slaughtering figure after a record 2,532 million pigs in the first week of November.

Slaughter weight is, however, down on one year ago. In Iowa-Minnesota, slaughter weight was recorded at 280.9 lbs, which is 2.8 lbs lower than one year ago.

**Smithfield acquires pig company from Hormel Foods**

In the past week, Smithfield Foods announced their acquisition of the Southern Californian-based Clougherty Packing LLC from Hormel Foods Corporation for \$145 million.

The acquisition means that Smithfield will acquire the two Californian brands, 'Farmer John' and 'Saag's Speciality Meats', two pig slaughterhouses in California and three pig production businesses in Arizona, California and Wyoming.

According to a company statement, the acquisition will mean that Smithfield's labour force will increase by around 2,000 to a total of 52,000 employees.

One month ago, Smithfield's CEO Ken Sullivan announced that the company was interested in acquiring companies that dovetailed with its value chain. Since Smithfield was sold to the Chinese WH Group, no acquisitions or mergers had taken place, with the focus on bringing down debt.

**Tyson Foods' shares take a dive**

Tyson Foods' shares fell 14% on Monday last week due to worse-than-expected results for the October quarter and the downgrading of the 2017 forecast. Tyson Foods' CEO Donnie Smith has also announced his departure at the end of the year.

With Donnie Smith at the helm, Tyson Foods shares have performed strongly over the past seven years. Last month, however, Tyson experienced strong falls following allegations of price fixing against Tyson and other U.S. poultry producers.

**HOLLAND****Holland exports 4.73 million piglets between Jan-Sept 2016**

AHDB Pork reports – using the Dutch farming magazine, Boerderij, as its source – that Holland exported 4.73 million piglets in the first nine months of 2016 of which 3.23 million were exported to Germany.

Exports of piglets to Spain and Italy fell, while exports to Hungary increased significantly to 245,000.