

MARKET NEWS for pig meat



Market analysis

9 May 2016

Week 19

MARKET SITUATION

Europe: Trade in pork legs and shoulders took place at slightly increasing prices. Collars and loins were also traded at increasing prices due to the good weather.

UK: Trade in the UK bacon market remains stable.

Third countries: Good trade is reported with China and Japan but quieter business in other markets.

PIG SLAUGHTERINGS

	Week 15	Week 16	Week 17	Week 1-17 2016/15
Total	372,017	253,752	380,456	-3.0

Source: Danish Classification Control Service

- representing around 98 per cent of all finished pigs and sows slaughtered, excluding culled pigs.

PIG PRICES FOR WEEK 19

Finished pigs and sows

DKK/head	DC	Tican
Finished pigs (basic weight class and basic meat percentage)	9.00	9.00
Sows (above 130 kg)	5.60	5.60

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Nominal prices		
Basic	345.71	338.52
SPF+Myc	350.71	343.52
SPF	354.71	347.52
Organic	1044.22	1024.43
Market prices (SPF region 1)		
(PRRS negative)	355.00	315.00
(PRRS positive)	335.00	294.00
Market prices SPF region 2/3		
(PRRS negative)	355.00	315.00
(PRRS positive)	335.00	294.00

Weight adjustment:	0-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
DKK/head	10.84	8.41	5.55	5.48	5.34

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)			Eurex (€/kg slaughter weight)		
	6/5	29/4	Change	6/5	28/4	Change
2016						
May	76.80	77.90	-1.10	1.41	1.41	0.00
Jun	81.28	81.70	-0.42	1.41	1.41	0.00
Jul	82.25	81.78	+0.47	1.41	1.41	0.00
Aug	81.63	80.88	+0.75	1.41	1.41	0.00
Sep	-	-	-	1.41	1.41	0.00
Oct	70.30	69.73	+0.57	1.41	1.41	0.00
Nov	-	-	-	-	-	-
Dec	65.10	64.45	+0.65	-	-	-
2017						
Jan	-	-	-	-	-	-
Feb	67.95	67.18	+0.77	-	-	-
Mar	-	-	-	-	-	-
Apr	70.73	70.10	+0.63	-	-	-
May	74.95	74.90	+0.05	-	-	-
Jun	78.25	78.00	+0.25	-	-	-
Jul	77.93	77.15	+0.78	-	-	-
Aug	77.40	76.63	+0.77	-	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = DKK 6.4671 N.B: Exchange rates at 4/5				Conversion factor: € = DKK 7.4440		

 **LITHUANIA**
African Swine Fever

In the past week, the authorities reported three new cases of ASF in wild boar in the eastern and southern parts of the country.

 **POLAND**
African Swine Fever

In the past week, the authorities reported a single new case of ASF in wild boar in the eastern part of the country on the border with Belarus.



Export of live pigs

Piglets < 50 kg

	January 2016	February 2016	Jan-Feb 2016	Jan-Feb 2015
Germany	507,442	491,135	998,577	1,094,761
Poland	356,016	346,826	702,842	709,304
Italy	55,642	72,490	128,132	93,293
Holland	25,087	29,921	55,008	34,311
Czech Republic	8,019	7,332	15,351	17,581
Lithuania	4,712	5,969	10,681	10
Hungary	4,739	4,748	9,487	8,830
Other	9,448	9,427	18,875	15,482
Total	971,105	967,848	1,938,953	1,973,572

Pigs/sows 50-160 kg

	January 2016	February 2016	Jan-Feb 2016	Jan-Feb 2015
Germany	5,927	8,882	14,809	40,312
Belgium	1,892	1,755	3,647	4,809
Spain	960	1,002	1,962	4,185
Italy	720	526	1,246	1,670
France	612	101	713	1,598
Other	1,020	1,324	2,344	2,723
Total	11,131	13,590	24,721	55,297

Sows > 160 kg.

	January 2016	February 2016	Jan-Feb 2016	Jan-Feb 2015
Germany	4,103	2,349	6,452	4,865
Other	-	-	-	-
Total	4,103	2,349	6,452	4,865

Breeding pigs

	January 2016	February 2016	Jan-Feb 2016	Jan-Feb 2015
Germany	13,221	12,297	25,518	16,190
Belgium	1,032	1,108	2,140	573
Spain	761	901	1,662	1,055
Slovakia	208	908	1,116	647
Poland	173	321	494	948
France	328	73	401	518
Netherlands	2	96	98	342
Other	1,639	2,314	3,953	4,381
Total	17,364	18,018	35,382	24,654

Source: Statistics Denmark

 **CHINA**
Release of pig meat stocks

In the past week, the authorities announced that they will continue to release pig meat from strategic reserves in order to curb rising domestic pig prices.

The authorities expect pork prices to remain high this year, but that price increases can be controlled by releasing quantities from official stocks. They also anticipate that higher pig prices will eventually lead to a rise in pig meat supplies from the domestic industry.

The authorities have released around 150,000 tonnes of pig meat from strategic reserves since December 2015.

However, Rabobank suggest that this action will only have a limited effect on the pig price as reserves are limited compared to the total supply of pig meat. They forecast that high domestic pig meat prices for the rest of 2016 and for Q1 2017 will require a 50 per cent increase in pig meat imports to more than DKK 2 million tonnes this year.

 **TAIWAN**
Ban on ractopamine to be lifted

The agricultural organisations representing pig producers are threatening to stage protests if the authorities lift their ban on imports of pig meat containing ractopamine.

This follows a recent statement from the Taiwanese Minister of Agriculture that "in a global marketplace, Taiwan cannot go on excluding US pig meat because of the presence of ractopamine." He drew attention to the fact that both Japan and South Korea have begun importing pig meat containing ractopamine.

Taiwan's new President Tsai Ing-wen has also recently indicated that she wants Taiwan to join the Trans-Pacific Partnership (TPP), which will require a solution to the current ban.

 **FINLAND**
HK Scan investment

The Finnish meat company, HK Scan, recently announced plans to invest €12 million in its bacon factory in Swinoujscie in Poland.

The investment, to be completed in 2017, will increase capacity and transform the factory into one of the most technologically advanced in the country.

The company also announced that its Q1 results show a decline in revenue from €466 million in 2015 to €439.1 million in 2016. Losses have increased from €3.1 million in 2015 to €7.3 million for Q1 2016, described by the company as "unsatisfactory".

 **EU**
New pig meat product acquires Traditional Speciality Guaranteed

A new pig meat product has been awarded Traditional Speciality Guaranteed (TSG) status under the EU's Protected Geographical Indication (PGI).

The product is Lietuviškas Skilandis from Lithuania. TSG status means that the product is judged to be of a traditional nature, either in composition or in terms of its production.

Source: Agra Europe

 **BRAZIL****Puerto Rico imports Brazilian pig meat**

Puerto Rico is opening its market to pig meat from Brazil. The first six containers have already been despatched. The veterinary and health regulations are the same as those that apply to imports from the US.

Canada and Mexico are the biggest exporters of pig meat to Puerto Rico, but Brazil will be competitive in the market, according to Ricardo Santin from the Brazilian ABPA.

 **SOUTH AFRICA****Foot and Mouth disease**

In the past week, a single case of Foot & Mouth disease was reported. 646 head of cattle have been affected.