

# MARKET NEWS for pig meat



Market analysis

30 May 2016

Week 22

## MARKET SITUATION

**Europe:** Trade in pork legs took place at increased prices this week. Shoulders and by-products were also sold at increased prices, driven largely by good exports to China. Other cuts were at largely unchanged prices.

**UK:** Trade in the UK bacon market remains stable.

**Third countries:** A good trade continues to be reported with China and Japan, but quieter business in other markets.

## SLAUGHTERINGS DENMARK

	Week 18	Week 19	Week 20	Weeks 1-20 2016/15
Total	235,445	373,955	296,852	-2.8 %

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

## PIG PRICES FOR WEEK 22

### Finished pigs and sows

DKK/head	DC	Tican
Finished pigs (basic weight class and basic meat percentage)	9.70	9.70
Sows (above 130 kg.)	6.00	6.00

### Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
<b>Nominal prices</b>		
Basic	375.48	339.05
SPF+Myc	380.48	344.05
SPF	384.48	348.05
Organic	1070.12	1028.66
<b>Market prices SPF region 1</b>		
(PRRS negative)	360.00	314.00
(PRRS positive)	345.00	294.00
<b>Market prices SPF region 2/3</b>		
(PRRS negative)	360.00	314.00
(PRRS positive)	345.00	294.00

Weight adjustment:	0-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
DKK/head	12.16	8.27	6.01	5.70	5.56

**FUTURES**

	<b>Chicago</b> (\$ per 100 lbs slaughter weight)			<b>Eurex</b> (€/kg slaughter weight)		
	27/5	20/5	Change	27/5	20/5	Change
<b>2016</b>						
Jun	80.53	79.85	+0.68	1.41	1.41	0.00
Jul	81.08	80.25	+0.83	1.41	1.41	0.00
Aug	80.73	79.75	+0.98	1.41	1.41	0.00
Sep	-	-	-	1.41	1.41	0.00
Oct	68.53	68.43	+0.10	1.41	1.41	0.00
Nov	-	-	-	1.41	-	-
Dec	63.65	63.83	-0.18	-	-	-
<b>2017</b>						
Jan	-	-	-	-	-	-
Feb	66.78	66.98	-0.20	-	-	-
Mar	-	-	-	-	-	-
Apr	69.88	69.90	-0.02	-	-	-
May	74.48	74.13	+0.35	-	-	-
Jun	77.88	78.00	-0.12	-	-	-
Jul	78.03	77.65	+0.38	-	-	-
Aug	77.15	76.78	+0.37	-	-	-
Sep	-	-	-	-	-	-
Oct	71.00	74.00	-3.00	-	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = DKK 6.6589				Conversion factor: € = DKK 7.4367		

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

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

 **UKRAINE****African Swine Fever**

In the past week, the authorities reported a single new case of ASF at a small farm in the north eastern part of the country on the border with Russia.

 **RUSSIA****African Swine Fever**

In the past week, the authorities reported three new cases of ASF at a small farm in the south western part of the country on the border with Ukraine.

 **RUSSIA**
**Import ban extended**

Russia is to extend its import ban for a large number of food and agricultural products from western Europe until the end of 2017, the Russian Prime Minister, Dmitrij Medvedev, announced last Friday.

The news came after the G7 countries announced their intention to continue their sanctions against Russia.

The Russian ban does not cover trim and by-products. These products are excluded because of the disagreement between the EU and Russian authorities on the control of African Swine Fever.

A meeting took place between the Russian Agriculture Minister, Alexander Tkachev, and the EU Health Commissioner, Vytenis Andriukaitis, during which the disagreement over the control of ASF was discussed for the first time for a considerable period.

**Source: Agra Europe**

 **FRANCE**
**Country labelling for processed products**

Minister of Agriculture, Stephane Le Foll, have been pressing the EU Commission to introduce some form of country labelling for processed products. The Commission has so far rejected the request because it would increase costs for the industry and it is doubtful whether consumers would be prepared to pay for these additional costs.

However, the EU Commission is expected to look favourably on France's request that, for a trial period from 31 December 2018, country labelling for milk and meat used in processed products will be introduced.

**Source: AHDB**

 **BRAZIL**
**Higher production costs**

Feed costs are continuing to rise for Brazilian pig producers. According to data from the Central Intelligence Agency for Poultry and Swine, the overall costs of pig production this year had risen by nearly 10% up to the end of April and were nearly 25% higher than a year ago.

Due to the falling exchange rate, exports of maize have increased, leading to a lack of local supplies and higher feed costs. The decline in domestic stocks of maize has meant higher imports from neighbours Argentina and Paraguay.

The situation is expected to ease in the middle of the year with the second of the two annual harvests.

**Source: The PigSite**

 **USA**
**Seaboard Foods and Triumph Foods join forces in the establishment of a new pig slaughterhouse**

Last week, Seaboard Foods and Triumph Foods announced that they are investing in a joint venture to establish a new pig slaughterhouse in Sioux City, Iowa. The plan is for the new slaughterhouse to kill around 3 million pigs per year and to become operational in 2017. It will operate on a shift basis and employ around 1,100 workers, approximately 900 of whom will be hourly paid.

Triumph Foods is owned by pig producers, while Seaboard Foods is a subsidiary of Seaboard Corporation. Both companies already operate a joint pig production, slaughtering and sales operation. If merged, the combined group would be the second largest US pig producer, as well as a major pig slaughtering organisation and exporter.


**Imports of fresh/frozen pig meat**

0203					
Fresh/frozen pig meat					
Tonnes	2016 April	2015 April	2016 Jan-April	2015 Jan-April	% change 2016:15
USA	22,908	25,310	85,784	81,745	4.9
Canada	15,093	15,139	57,530	53,611	7.3
Denmark	10,489	9,740	39,322	32,489	21.0
Spain	8,331	7,068	31,450	22,423	40.3
Mexico	6,111	5,087	24,181	21,986	10.0
Hungary	2,549	2,027	10,032	7,052	42.3
Chile	2,362	2,725	9,359	7,041	32.9
Holland	2,079	1,820	7,791	7,238	7.6
Italy	1,710	837	4,317	2,862	50.8
France	1,285	763	4,284	2,388	79.4
Austria	1,045	1,294	3,563	2,587	37.8
Germany	1,140	910	3,471	2,493	39.2
Ireland	719	24	2,537	386	557.6
Finland	123	196	493	394	25.1
Belgium	48	-	216	95	126.0
Australia	15	36	117	195	-40.2
Other	169	175	169	175	-3.6
<b>Total</b>	<b>76,175</b>	<b>73,154</b>	<b>285,281</b>	<b>246,552</b>	<b>15.7</b>

**Pig meat stocks**

Tonnes (at month end)	Own production		Imported volumes		Total stocks
	Fresh	Frozen	Fresh	Frozen	
<b>January 2015</b>	<b>485</b>	<b>16,338</b>	<b>3,408</b>	<b>164,417</b>	<b>184,648</b>
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 15	511	15,638	6,167	131,661	153,977
<b>January 2016</b>	<b>294</b>	<b>16,559</b>	<b>6,530</b>	<b>144,724</b>	<b>168,107</b>
February	313	16,839	7,088	144,023	168,263
March	351	15,601	9,206	144,222	169,380

### Imports of sausage products

0210		
Sausage products		
Tonnes	2016 Jan-April	% change 2016:15
China	2,714	-42.3
Taiwan	63	-23.7
Thailand	2,354	-18.7
Denmark	712	18.0
Canada	11	-15.4
USA	2,801	-23.5
Brazil	1,237	4.2
Other	551	-14.8
<b>Total</b>	<b>10,443</b>	<b>-24.3</b>