

# MARKET NEWS for pig meat



Market analysis

13 June 2016

Week 24

## MARKET SITUATION

**Europe:** Trade in pork legs and in other cuts took place at unchanged prices this week.

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

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

## SLAUGHTERINGS

	Week 20	Week 21	Week 22	Weeks 1-22 2016/15
Total	296,852	368,802	293,366	-2.8 %

**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/head	DC	Tican
Finished pigs (basic weight class and basic meat percentage)	10.00	10.00
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	385.17	340.21
SPF+Myc	390.17	345.21
SPF	394.17	349.21
Organic	1093.29	1031.69
<b>Market prices SPF region 1</b>		
(PRRS negative)	360.00	315.00
(PRRS positive)	345.00	294.00
<b>Market prices SPF region 2/3</b>		
(PRRS negative)	360.00	315.00
(PRRS positive)	345.00	294.00

Weight adjustments:	0-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
DKK/head	12.57	7.46	6.17	5.76	5.69

**FUTURES PRICES**

	<b>Chicago</b> (\$ per 100 lbs slaughter weight)			<b>Eurex</b> (€/kg slaughter weight)		
	10/6	3/6	Change	10/6	3/6	Change
<b>2016</b>						
Jun	82.28	82.30	-0.02	1.48	1.43	+0.05
Jul	85.70	85.98	-0.28	1.41	1.41	0.00
Aug	86.63	85.88	-0.25	1.41	1.41	0.00
Sep	-	-	-	1.41	1.41	0.00
Oct	72.80	70.58	+2.22	1.41	1.41	0.00
Nov	-	-	-	1.41	1.41	0.00
Dec	66.95	65.05	+1.90	-	-	-
<b>2017</b>						
Jan	-	-	-	-	-	-
Feb	69.90	68.13	+1.77	-	-	-
Mar	-	-	-	-	-	-
Apr	72.45	71.00	+1.45	-	-	-
May	76.50	75.83	+0.67	-	-	-
Jun	80.00	78.60	+1.40	-	-	-
Jul	79.20	78.50	+0.70	-	-	-
Aug	78.00	77.38	+0.62	-	-	-
Sep	-	-	-	-	-	-
Oct	67.80	71.00	-2.20	-	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = DKK 6.5778				Conversion factor: € = DKK 7.4356		

 **POLAND**
**African Swine Fever**

In the past week, the authorities reported a single new case of ASF in wild boar, close to the border with Belarus.

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

In the past week, the authorities reported four new cases of ASF in wild boar across the country

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

In the past week, the authorities reported a single new case of ASF in a medium-sized farm of 700 pigs. The farm is situated in the south western part of the country not far from the border with Rumania.

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

Last week, the authorities reported 13 new cases of ASF in the western part of the country not far from the border with Ukraine and Belarus. Eight of the cases are at small farms and five are among wild boar.

**Higher production**

Figures from Russia's Ministry of Agriculture show that pig slaughterings rose by 14.6 per cent in tonnage during the first four months of 2016 compared to the same period last year. Production amounted to 1.1 million tonnes, which is a rise of 139,300 tonnes.

 **BRAZIL****Maize shortage**

Because of the difficulty in sourcing maize locally across a large area of the country, pig and poultry producers are beginning to feed their livestock wheat instead of maize for the first time in ten years.

Three co-operatives in the southern states report sales of wheat to livestock producers not because wheat is cheaper, but simply because there is simply no maize to be found.

The situation is expected to ease somewhat following the second of the two annual harvests.

**Source: Reuters**

 **US****Increasing feed costs**

The US reports increasing exports of maize and rising price levels, stimulated by a shortage of cheap South American maize in the global market.

The increased prices mean higher feed costs for livestock producers and the USDA has slightly downgraded its forecast for US pig production in 2016 and 2017.

 **CANADA****New PEDv outbreak**

In the past couple of weeks, Canada has experienced some cases of PEDv following an absence of the disease for some time.

Three cases have been recorded in Manitoba in the past three weeks and a single case was recorded at a farm in Ontario last week.

Canadian agricultural organisations suspect that the outbreak has been caused by inadequate truck washing by US hauliers - the problem in some cases being that recycled water is used to wash trucks and in others, insufficient hot water is used to kill the virus.

However, there is no specific evidence to support the claim.

 **GERMANY****Tierwohl Welfare Scheme**

It is reported that 2,400 farms are on the waiting list to take part in Tierwohl initiative. 2,900 pig and poultry farms are currently participating in the scheme and receive an additional payment for complying with a number of welfare requirements.

 **SPAIN**
**Valls Companys to increase slaughterings**

Valls Company, is planning to double its slaughtering capacity at its Cinco Villas plant from 30,000 to 60,000 per week supported by funding from the authorities in Aragón .

**Source: Eurocarne**

 **IRELAND**
**Higher slaughterings**

Bord Bia report that finished pig slaughterings are 7 per cent up on last year, but sow and boar slaughterings show a 5 per cent fall.

**Source: Weekly Tribune**

 **EU**
**Trade agreement with southern African states**

Last week, the EU signed a trade agreement with six countries in southern Africa, reports Agra Europe – South Africa, Botswana, Lesotho, Mozambique, Namibia and Swaziland.

The agreement was originally signed in July 2014 after lengthy negotiations. Following the signing last week, the agreement will now need to be ratified in the individual EU countries and the six African states.

The agreement paves the way for a gradual reduction in a number of import duties.

The African countries will gain greater access to the EU market for a number of agricultural products, while the EU will have greater access to South Africa for products such as wheat, rye, cheese and pig meat.

**Source: Agra Europe**

 **SOUTH AFRICA**
**African Swine Fever**

In the past week, the authorities reported two cases of ASF at small farms holding around 300 pigs each.

This is the first time since 2012 that South Africa has recorded an outbreak of ASF.