

MARKET NEWS for pig meat



Market analysis

8 October 2018

Week 41

MARKET SITUATION

Europe: Generally speaking, trading in fresh legs and other cuts is at unchanged prices.

UK: Prices are reported as being under pressure.

Sales are stable for China and Japan. Increased interest is reported from other Asian markets.

Slaughterings in Denmark

	Week 37	Week 38	Week 39	Week 1-39 2018/2017
Total	338,962	349,571	352,234	+3.7 %

Danish Classification Control Service – representing around 98% of all finished pigs and sows slaughtered, excluding culled pigs.

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	5/10	28/9	Change
2018			
Oct	68.20	62.18	6.03
Nov	-	-	-
Dec	57.55	57.93	-0.38
2019			
Jan	-	-	-
Feb	66.65	65.85	0.80
Mar	-	-	-
Apr	71.15	70.03	1.13
May	76.05	75.13	0.92
Jun	81.95	80.18	1.78
Jul	82.43	80.40	2.03
Aug	80.80	79.03	1.77
Sep	-	-	-
Oct	66.48	65.43	1.06
Nov	-	-	-
Dec	61.38	61.00	0.38
2020			
Jan	-	-	-
Feb	66.15	65.50	0.65

Conversion factors:
1 lb = 0.4536 kg
\$ = DKK 6.4826



African Swine Fever

According to the EU Commission's reporting system for the outbreak of disease, the following outbreaks of ASF were reported for the following countries and Ukraine up to and including 30th September.

Countries	Period 24 Sept - 30 Sept		Year to date 1 Jan - 30 Sept	
	Pigs	Wild boar	Pigs	Wild boar
Estonia				198
Latvia		7	10	556
Lithuania		14	49	1.247
Poland	1	14	109	1.955
Italy		1	10	41
Ukraine	3		88	36
Czech Republic				28
Romania	25	4	974	53
Hungary				34
Bulgaria			1	
Belgium				5
Total	29	40	1.241	4.153

BELGIUM

African Swine Fever in wild boar

More than 40 wild boars have been found dead from African Swine Fever in Belgium.

All of them were found in the same wooded area in the Luxembourg province in south eastern Belgium. The 63,000-hectare area has been sealed off to the public, which means that only authorised personnel can enter. All hunting in the area has been banned.

There is not much pig production in the Luxembourg province, but the authorities have decided to cull all pigs in the area, i.e. around 4,000 pigs at 58 farms.

MOLDOVA

African Swine Fever

Last week, Moldova reported three outbreaks of African Swine Fever among wild boar.

CHINA

African Swine Fever

Last week, the Chinese authorities reported three outbreaks of African Swine Fever at small farms in the north eastern province of Liaoning.

CHINA

Foot and mouth disease

Last week, the Chinese authorities reported two outbreaks of foot and mouth disease at small pig farms in the two southern provinces of Guangdong and Yunnan.

 **RUSSIA**
African Swine Fever continues to impede Russian pig production

The continued presence of African Swine Fever is continuing to impede the further development of Russian pig production, report Russian experts to Reuters news agency.

Russia currently exports around 70,000 tonnes pig meat per annum with the largest export markets being the former Soviet republics. There are also modest exports to Africa and south-east Asia, but exports on a large scale to China, for instance, are currently impossible because of African Swine Fever in the country.

Since the first outbreak of the ASF virus in 2007, Russia has experienced more than 1,300 cases of the disease. It has spread from the Caucasus to the north west of the country and to Siberia in the east. There have been 105 outbreaks of ASF in Russia so far in 2018 – 55 at pig farms.

"We've reached a stage where the further development of the sector with no exports will be difficult," says Yuri Kovalev, Chairman of the Russian Union of Pork Producers (RUPP).

The three major producers and exporters of pig meat - Miratorg, Cherkizovo and Rusagro – have reported lower pig meat prices in 2018 and are keen to increase their pig meat exports.

Miratorg, which has seen growth in pig production, fell to 1.5 per cent in 2017 from 6.0 per cent in 2016. "African Swine Fever is quite clearly the biggest impediment to increased exports and the opening of new export markets."

 **EU**
May-June pig census

Eurostat has now published the results of its May/June census for France, which means that the results are in for all 14 EU countries that were expected to publish their May/June figures.

The preliminary figures show a total EU pig population which is 1.4 per cent higher compared to last year. With regard to the breeding herd in the form of breeding sows and pregnant sows, there is a decline of 0.9 and 2.0 per cent. It may also be assumed that there has been a further decline in the breeding herd since May/June.

Looking at the most recent EU pig census from December 2017, there has been a rise in the total population of 1.9 per cent and a rise in the sow population of 1.1 per cent. Pregnant sows remain unchanged.

As these figures are produced from random checks, they should be treated with some caution.

However, the results of the May/June 2018 pig census indicate that the increased number of EU slaughterings that we saw in 2018 will be replaced by a lower number of slaughterings in the spring of 2019.

Pig census EU May-June 2018

' 000 head	Total population			Breeding sows			Pregnant sows		
	2018	2017	% change	2018	2017	% change	2018	2017	% change
Germany	26,888	27,175	-1.1	1,858	1,906	-2.5	1,362	1,396	-2.4
Spain	30,145	28,667	5.2	2,511	2,516	-0.2	1,673	1,728	-3.2
France	13,050	13,315	-2.0	985	1,001	-1.6	701	713	-1.7
Denmark	12,878	12,467	3.3	1,269	1,228	3.3	793	771	2.9
Holland	12,509	12,401	0.9	1,059	1,064	-0.5	700	707	-1.0
Poland	11,828	11,353	4.2	871	885	-1.6	584	603	-3.2
Italy	8,766	8,774	-0.1	588	579	1.6	482	478	0.8
Belgium	6,107	6,015	1.5	408	417	-2.2	336	344	-2.3
UK	5,028	4,969	1.2	491	498	-1.4	347	352	-1.4
Romania	4,129	4,487	-8.0	280	326	-14.1	176	208	-15.4
Hungary	2,859	2,807	1.9	260	253	2.8	174	171	1.8
Austria	2,679	2,669	0.4	228	236	-3.4	159	164	-3.0
Ireland	1,622	1,557	4.2	147	143	2.8	103	98	5.1
Sweden	1,399	1,362	2.7	131	140	-6.4	90	100	-10.0
EU (14)	139,887	138,018	1.4	11,086	11,192	-0.9	7,680	7,833	-2.0

 **CANADA**
Maple Leaf acquires processing company

Canadiske Maple Leaf has acquired the Canadian meat processing company, VIAU Foods, for USD 215 million. The company produces Italian inspired meat products, reports Agra Europe.

 **USA**
New free trade agreement between U.S. Canada and Mexico

The United States, Canada and Mexico have agreed on a new free trade agreement known as the US-Mexico-Canada Agreement, which will replace the former NAFTA agreement.

The new free trade agreement has been welcomed by the U.S. agricultural organisations. "The prospects for a new North American free trade agreement – together with the new free trade agreement between the United States and South Korea concluded last week – create a welcome momentum in what has otherwise been a very challenging year," said Jim Heimerl, President of the National Pork Producers Council in a statement.

The United States' largest meat producer, Tyson Foods, has also called for rapid approval of the new free trade agreement. According to Tyson, companies such as Tyson, and U.S. farmers will be able to continue to expand in these important markets.

 **USA /**  **VIETNAM**
U.S. delegation from pig meat industry visits Vietnam

Asian Agribusiness reports that a delegation of the US National Pork Board visited Vietnam at the end of September to seek ways to increase pig meat exports to the country.

"Consumers in Vietnam and Singapore have started to increase their pork consumption, which could give us an increased market share if we succeed in having the right strategy," says Craig Morris, Vice-President, Global Marketing Committee of the American Pig Breeding Association.

In 2017, the U.S. exported more than USD 11 million fresh/frozen pig meat to Vietnam.

 **VIETNAM**
CP invests in new meat processing factory

The Thai company, Charoen Pokhand Group (CP Group), is to invest in a new meat processing company in central Vietnam, reports Asian Agribusiness.

The new company will be the third meat processing company owned by CP Group in the country.

 **PHILIPPINES**
Authorities considering price ceilings for rice, pig meat and poultry

Asian Agribusiness reports that the authorities in the Philippines are considering price ceilings for rice, pig meat and poultry as a result of the damage caused by typhoon Mangkut, which damaged large parts of the country's harvest.

According to the country's Trade Minister, the government is waiting to see whether retail prices will be reduced alongside farm-gate prices, which are already falling. If price reductions do not happen and profiteering is detected, the minister will recommend that President Duterte imposes price limits on food items.

 **JAPAN**
Classical Swine Fever

Last week, Japan reported four outbreaks of Classical Swine Fever among wild boar – in the same area as before.

The disease, also known as hog cholera, was first confirmed by the Japanese Ministry of Agriculture at the beginning of September – the first time in 26 years. The outbreak was found at a farm in the prefecture of Gifu in central Japan.

 **INDIA / BRAZIL**
India opens its market to pig meat from Brazil

International news media report that following several years of negotiations, India has opened its doors to pig meat from Brazil.

"It is now up to the Brazilian private sector to work to make exports happen and the product to be well received by Indian consumers," said Brazil's Minister of Agriculture, Livestock and Supply.

The import duty rate for pork in India is 30%, with the exception of sausages which have an import duty rate of 100%. In addition, apart from the import tax, the importer also pays a Goods & Services Tax of 12%.

According to the President of the Brazilian Animal Protein Association (ABPA), Francisco Turra, Brazilian exporters will look for opportunities within the food service sector, i.e. hotels and restaurants.

Until now, Belgium has been the largest supplier of pig meat to India.

India is ranked as the country (amongst 177 countries) with the lowest meat consumption by the Food & Agriculture Organisation of the UN. However, the Dutch bank, ABM Amro, has previously pointed out that India has the potential to become a significant export market for EU pig meat exports. The bank has pointed out that just 100 grams of pig meat more per capita corresponds to an additional 1.4 million pigs.

 **COLOMBIA**
Foot and mouth disease

Last week, Columbia reported an outbreak of foot and mouth disease in a herd of cattle comprising 18 cows..

An outbreak of foot and mouth disease was confirmed in Columbia last year for the first time in eight years.