

MARKET NEWS for pigmeat



Market analysis

12 February 2018

Week 7

MARKET SITUATION

Europe: Trading in fresh legs is at increasing prices. With regard to other cuts, trading is at slightly increasing prices.

UK: Trading is stable.

Trade is reported as stable for Japan and China.

Slaughterings in Denmark

	Week 3	Week 4	Week 5	Week 1-5 2018/2017
Total	368,047	366,312	361,495	1.3 %

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

PRICES DENMARK FOR WEEK 7

Finished pigs and sows

DKK/kg	DC	Tican
Finished pigs (basic weight class and basic meat percentage)	8.70	8.70
Sows (above 130 kg.)	5.80	5.80

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av.
Basic	333.95	395.56
SPF+Myc	338.95	400.56
SPF	342.95	404.56
Organic	910.93	986.72
Market prices SPF region 1		
PRRS negative	360.00	459.00
PRRS positive	340.00	442.00
Market prices SPF region 2/3		
PRRS negative	360.00	459.00
PRRS positive	340.00	442.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	8.44 kr/kg	7.13 kr/kg	6.19 kr/kg	5.12 kr/kg	5.10 kr/kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	9/2	2/2	Change.
2018			
Feb	73.18	75.20	-2.03
Mar	-	-	-
Apr	68.85	73.55	-4.70
May	74.78	79.33	-4.55
Jun	79.00	83.65	-4.65
Jul	80.00	83.70	-3.70
Aug	79.98	83.25	-3.28
Sep	-	-	-
Oct	68.73	71.03	-2.30
Nov	-	-	-
Dec			
2019	62.88	64.75	-1.88
Jan	-	-	-
Feb	65.75	67.75	-2.00
Apr	69.75	71.08	-1.33
May	75.95	77.55	-1.60
Jun	78.40	80.00	-1.60
Conversion factors: 1 lb = 0.4536 kg \$ = 6.0651			

**EU****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 4 February.

Countries	Period		Year to date	
	28 Jan – 4 February		1 Jan - 4 February	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		13		56
Latvia		43		156
Lithuania		36		285
Poland		50	3	355
Italy		7	1	24
Ukraine	2	1	10	9
Czech Republic		1		15
Romania			2	

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

Last week, Russia reported one outbreak of African Swine Fever among wild boar in the west of the country.



Pig census 1 January 2018

Statistics Denmark has just published the results of its pig census from 1 January 2018, which is based on random samples of 2,500 farms.

The results show that the overall pig population is 4.5 per cent higher compared to one year ago. The most recent census from 1 October showed a 2.9 per cent rise in the total population compared to the equivalent census one year ago.

This time, there is an increase in the piglet and finished pig population. Piglets with sows and weaned pigs under 50 kg are 6.2 per cent and 4.9 per cent higher compared to one year ago. The population of finished pigs > 50 kg has increased by 3.3 per cent.

The 1 January 2017 census showed that the piglet and finished pig population was relatively low, and showed a decline compared to previous censuses. This is the first time since the October 2014 census that an increase has been recorded in the finished pig population.

With regard to the breeding herd, i.e. pregnant sows, a rise of 2.7 per cent has been recorded compared to one year ago. The 1 October census showed a rise in pregnant sows of 2.1 per cent.

'000 head	January census			October census		
	1 Jan 2018	1 Jan 2017	% change 18:17	1 Oct 2017	1 Oct 2016	% change 17:16
Breeding boars	11	11	-	11	11	-
Pregnant gilts	192	187	+2,7	185	181	+2.2
Other pregnant sows	594	578	+2,8	590	578	+2.1
Total pregnant sows	786	765	+2,7	775	759	+2.1
Nursing sows	211	202	+4,5	212	203	+4.4
Dry sows	37	35	+5,7	36	35	+2.9
Sows and boars for slaughter	7	6	+16,7	6	6	-
Gilts >50 kg for breeding	225	234	-3,8	225	219	+2.7
Piglets with sows	2,596	2,445	+6,2	2,598	2,454	+5.9
Weaned pigs <50 kg	5,957	5,677	+4,9	5,941	5,703	+4.2
Finished pigs >50 kg	3,002	2,906	+3,3	2,890	2,947	-1.9
Total pigs	12,832	12,281	+4,5	12,695	12,337	+2.9
Total pigs *	9,830	9,375	+4,9	9,805	9,390	+4.4

*) Not including finished pigs



As a number of adjustments have been received in respect of piglet exports in 2017, Market News has compiled an updated table as follows:

Exports of live pigs

2015	Piglets		Pigs/sows 50-135 kg	Pigs/sows over 135 kg	Total
	0-15 kg	15-50 kg			
January	42,630	919,542	29,148	3,104	994,424
February	32,552	944,306	33,330	3,666	1,013,854
March	30,147	966,766	31,340	3,580	1,031,833
April	36,128	1,053,984	25,245	4,709	1,120,066
May	31,159	916,293	18,966	3,436	969,854
June	36,096	918,366	27,421	4,054	985,937
July	31,212	988,119	20,122	4,087	1,043,540
August	33,360	922,436	22,920	3,563	982,279
September	31,500	1,023,964	23,760	4,551	1,083,775
October	30,715	874,603	21,448	3,324	930,090
November	30,018	929,703	15,621	3,370	978,712
December	46,115	1,105,335	20,859	7,148	1,179,457
Jan-Dec	411,632	11,563,417	290,180	48,592	12,313,821

2016	Piglets		Pigs/sows 50-135 kg	Pigs/sows over 135 kg	Total
	0-15 kg	15-50 kg			
January	43,054	1,158,651	16,967	4,426	1,223,098
February	35,503	891,644	21,095	6,806	955,048
March	45,142	1,102,519	17,526	2,196	1,167,383
April	43,235	1,073,102	22,482	4,442	1,143,261
May	41,933	1,069,525	16,384	4,051	1,131,893
June	36,059	1,052,983	36,263	4,255	1,129,560
July	35,510	1,019,201	19,854	2,879	1,077,444
August	35,973	1,098,135	18,203	1,396	1,153,707
September	40,429	1,023,887	17,196	1,600	1,083,112
October	33,161	1,057,389	16,592	1,372	1,108,514
November	36,939	1,117,457	15,546	1,868	1,171,810
December	37,014	1,106,230	22,057	885	1,166,186
Jan-Dec	463,952	12,770,723	240,165	36,176	13,511,016

2017	Piglets		Pigs/sows 50-135 kg	Pigs/sows over 135 kg	Total
	0-15 kg	15-50 kg			
January	37,756	1,132,400	18,025	1,270	1,189,451
February	27,330	981,920	16,415	1,142	1,026,807
March	37,601	1,189,831	17,812	592	1,245,836
April	36,047	960,048	13,885	2,311	1,012,291
May	46,023	1,288,148	28,501	4,574	1,367,246
June	38,015	1,240,376	50,120	2,253	1,330,764
July	36,172	1,077,260	17,014	1,852	1,132,298
August	32,578	1,267,070	16,778	2,381	1,318,807
September	33,351	1,086,883	17,675	2,289	1,140,198
October	44,274	1,187,401	17,679	1,571	1,250,925
November	41,015	1,171,916	22,467	1,954	1,237,352
December	32,889	1,147,621	16,462	1,363	1,198,335
Jan-Dec.*	443,051	13,730,874	252,833	23,552	14,450,310

* = Preliminary figures


Denmark's exports of pig meat, tonnes
Jan – November 2017

	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	%
Germany	22,273	182,332	7,750	168	78,608	216,548	2,237	509,915	29.0
Poland	3,503	155,271	207	0	0	117,939	0	276,920	15.8
UK	7,378	530	8,658	34,958	0	126,907	8,859	187,290	10.7
Italy	1,754	19,558	468	65	0	88,195	266	110,306	6.3
Sweden	8,520	132	1,775	1,162	0	16,555	4,482	32,626	1.9
Holland	10,039	11,595	183	36	0	6,862	247	28,963	1.6
France	1,517	1,582	904	410	18	12,724	873	18,029	1.0
Spain	422	3,750	1,219	344	0	7,200	1,304	14,238	0.8
Other EU countries	13,003	14,576	2,754	236	0	50,995	3,084	84,648	4.8
Total EU	68,410	389,327	23,919	37,378	78,627	643,924	21,352	1,262,936	71.9
China	150,863	21	0	0	0	73,865	0	224,750	12.8
Japan	2,437	15	3,600	214	0	100,780	1,514	108,560	6.2
Australia	472	0	140	420	0	39,833	61	40,926	2.3
USA	2,974	0	5,824	96	0	22,102	888	31,884	1.8
Taiwan	1,342	3	14	0	0	13,662	0	15,021	0.9
South Korea	846	41	2,167	0	0	11,555	341	14,951	0.9
Hong Kong	1,339	0	513	26	0	5,714	134	7,727	0.4
Philippines	4,912	14	379	0	0	804	1	6,111	0.3
Ukraine	3,593	502	0	0	0	751	0	4,846	0.3
Other 3rd countries	8,647	934	8,248	1,101	0	11,858	6,997	37,785	2.2
3rd countries, total	117,427	1,530	20,884	1,858	7	280,924	9,937	492,566	28.1
Total exports	245,837	390,856	44,803	39,236	78,634	924,848	31,289	1,755,503	100

Jan - Nov 2016

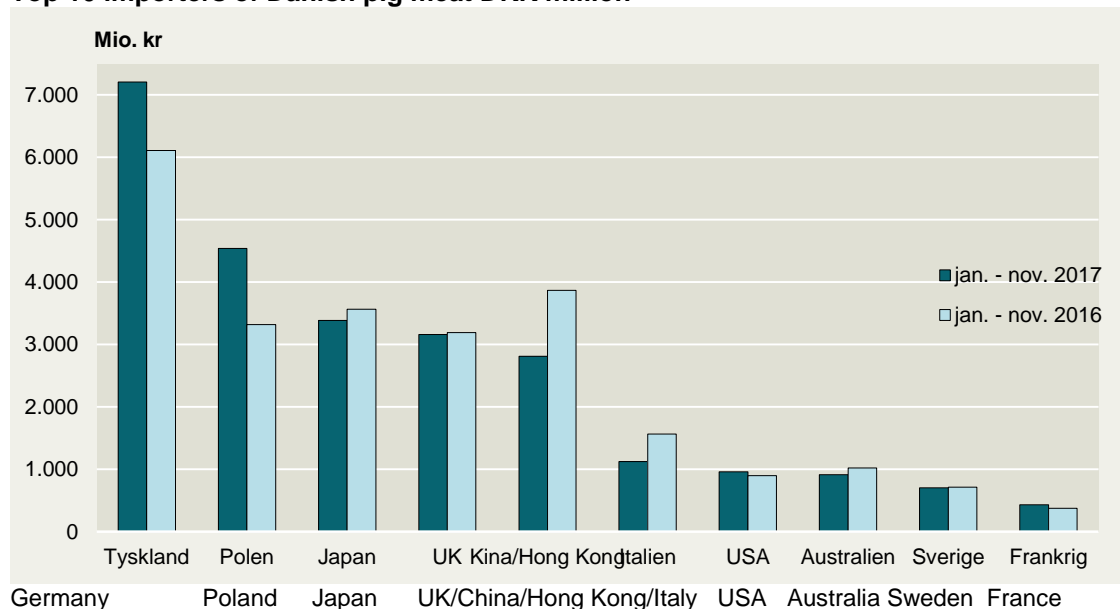
	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	21,831	184,868	8,462	244	80,983	211,976	2,701	511,065	28.3
Poland	3,131	130,087	60	2	9	116,413	19	249,722	13.8
UK	7,224	207	10,883	45,315	0	124,630	8,948	197,206	10.9
Italy	1,861	18,607	443	50	14	89,619	228	110,823	6.1
Sweden	8,826	43	1,948	1,361	17	18,009	4,913	35,116	1.9
Holland	14,791	9,614	133	43	0	5,627	178	30,386	1.7
France	1,992	794	856	291	0	11,583	1,026	16,541	0.9
Spain	731	3,303	1,317	682	0	5,844	1,331	13,209	0.7
Other EU	10,820	10,750	2,973	625	0	36,107	2,994	64,270	3.6
Total EU	71,209	358,274	27,075	48,612	81,023	619,808	22,339	1,228,339	68.0
China	176,622	48	1	0	0	117,642	0	294,313	16.3
Japan	4,068	12	4,200	146	0	106,594	1,438	116,459	6.5
Australia	460	0	75	344	0	51,390	43	52,311	2.9
USA	2,569	0	3,703	165	0	22,227	823	29,487	1.6
South Korea	797	15	4,068	0	0	12,595	326	17,801	1.0
Hong Kong	6,413	0	496	11	0	6,930	25	13,876	0.8
Taiwan	602	0	10	0	0	7,765	0	8,377	0.5
Philippines	3,800	0	292	0	0	605	2	4,699	0.3
Singapore	1,412	0	139	269	0	1,093	631	3,544	0.2
Other Third Countries	7,148	1,397	7,561	796	0	11,854	7,226	35,981	2.0
Third Countries, total	203,893	1,472	20,545	1,729	25	338,694	10,513	576,871	32.0
Exports, total	275,101	359,746	47,620	50,342	81,048	958,502	32,852	1,805,210	100.0

Top 10 importers of Danish pig meat measured in value

The chart below shows the top 10 countries for Danish pig meat exports ranked according to value for January-November 2017. All pig meat (including live pigs) is included.

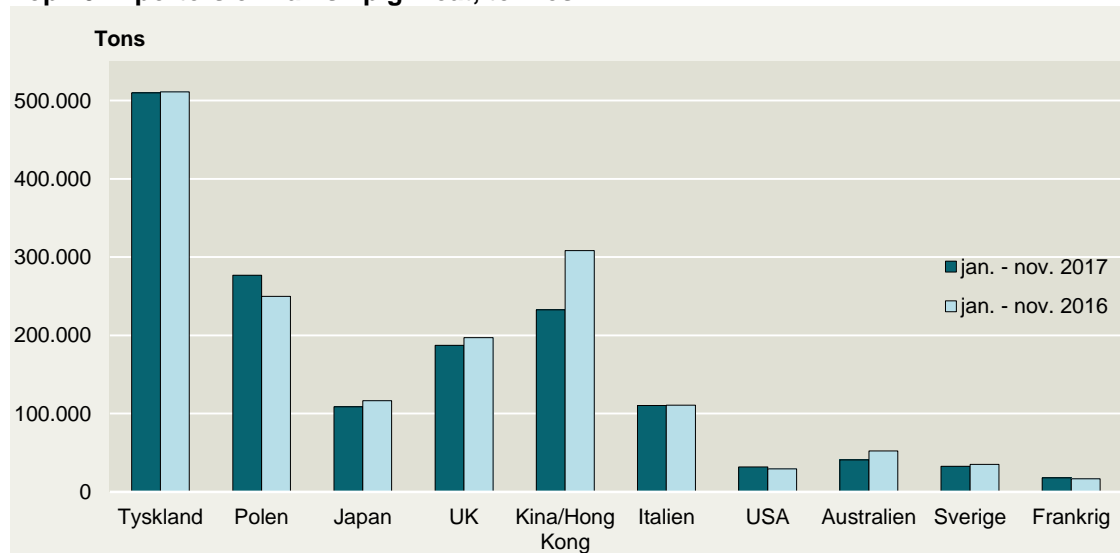
Country	Jan-Nov 2017		Jan-Nov 2016	
	Value in DKK million	Tonnes	Value in DKK million	Tonnes
Germany	7,206	509,915	6,107	511,065
Poland	4,538	276,920	3,318	249,722
Japan	3,384	108,560	3,562	116,459
UK	3,161	187,290	3,191	197,206
China/Hong Kong	2,813	232,477	3,869	308,189
Italy	1,124	110,306	1,565	110,823
USA	957	31,884	895	29,487
Australia	913	40,926	1,022	52,311
Sweden	702	32,626	712	35,116
France	428	18,029	373	16,541
Top 10 total	25,226	1,548,933	24,613	1,626,919
Other countries	4,412	206,569	3,192	178,291
Total	29,638	1,755,503	27,805	1,805,210

Top 10 importers of Danish pig meat DKK million



Germany Poland Japan UK/China/Hong Kong/Italy USA Australia Sweden France

Top 10 importers of Danish pig meat, tonnes



Germany Poland Japan UK China/Hong Kong Italy Australia Sweden France

 **GERMANY**
Decline in German slaughterings in 2017

The number of German pig slaughterings in 2017 totals 57,942 million according to AMI in Germany. This is a decline of 2.6 per cent compared to 2016. This follows slight increases in German slaughterings in recent years.

The decline in 2017 slaughterings is due to fewer German finished pigs and a decrease in imported finishers.

Supplies of German finishers fell by 700,000 to 54.1 million while imported finishers declined by more than 800,000 to 3.8 million. The percentage of imported finishers is therefore at its lowest level for many years.

Slaughterings in Germany 2012-2017

Year	Total slaughterings	German finished pigs	Imported finished pigs	Percentage imported
2012	58,349,687	53,846,106	4,503,581	7.7
2013	58,761,125	53,950,291	4,810,834	8.2
2014	58,852,376	54,474,527	4,377,849	7.4
2015	59,435,349	55,161,102	4,274,247	7.2
2016	59,480,468	54,826,352	4,654,116	7.8
2017	57,941,570	54,126,398	3,815,172	6.6

 **CHINA**
Fall in pig prices ahead of Chinese New Year

Reuters reports that pig prices in China are falling ahead of the Chinese New Year that starts on 16 February.

The average price paid by large slaughterhouses for pigs has fallen by 10 per cent in the last month to 13.67 yuan (\$2.18). This means that prices are now 24 per cent lower compared to one year ago when prices were 17.26 yuan.

Prices for pig meat are also falling: wholesale prices are 10 per cent down on the year.

The fall in pig and pig meat prices in recent weeks is surprising since prices normally rise ahead of Chinese New Year. The reason given is increased supplies of pigs.

 **CHINA**
Authorities approve plans for listing pig meat futures

China Securities Regulatory Commission has given preliminary approval to Dalian Commodity Exchange for listing pig meat futures on the Dalian Commodity Exchange. However, final approval is still needed from China's State Council before trading can commence, reports Reuters.

Plans for a Chinese future price for pig meat have been long underway. In 2016, the Dalian Commodity Exchange expected that in 2017 they would introduce pig meat to their futures stock exchange.

Dalian Commodity Exchange has hedging offerings for a number of raw materials and agricultural products. The exchange previously expressed the hope that pig meat could go on to become the largest agricultural product in the futures market.

However, sceptics believe that the significant differences in production size in the Chinese market will make it difficult to find a typical contract size for pig meat on the market. However, developments are strongly against ever larger productions. It is estimated that China has more than 200 companies with productions of more than 50,000 pigs per year.

 **BRAZIL**
Exports of fresh/frozen pig meat

Tonnes	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2017	% change 2017:16
Russia	236,527	236,892	252,430	6.6
Hong Kong	84568	108986	96108	-11.8
China	5,225	87,560	48,914	-44.1
Singapore	28,028	32,622	31,910	-2.2
Argentina	10,616	24,402	31,576	29.4
Uruguay	21,029	27,505	29,806	8.4
Chile	8,162	23,079	23,376	1.3
Angola	25,732	21,041	21,523	2.3
Others	52,823	66,568	56,971	-14.4
Total	472,710	628,655	592,614	-5,7

 **USA**
Tyson Foods reports increased freight and wage costs

Last week, Tyson Foods CEO Tom Hayes, announced that increased freight and wage costs will mean higher meat prices for US consumers.

Tyson estimates that the shortage of lorries and drivers alone will increase the company's costs by USD 200 million. On top of that are increased wage costs for slaughterhouse workers.

According to the US news media, Dow Jones Newswires, several market analysts are sceptical about whether it will be possible for Tyson to raise meat prices due to increased costs. Most of Tyson's meat sales are commodity products, where price is solely determined by supply and demand.

Last year, Tyson raised the basic wage for its slaughterhouse workers. This was taken as a sign of an intense battle for workers among slaughterhouses (Market News Week 18 2017).

 **USA**
Record exports of pig meat in 2017

US exports of pig meat set a new record in 2017 in terms of volume and value.

According to figures from US Meat Exporters Federation (USMEF) pig meat exports (excl. by-products) increased by 6 per cent in terms of volume and 9 per cent in value.

Apart from China and Hong Kong, exports of fresh/frozen pig meat increased to all other major markets.

According to USMEF pig meat exports accounted for 26.6 per cent of total production in 2017. The figure for 2016 was 25.8 per cent.

The chart below shows US exports of fresh/frozen pig meat, processed pig meat and by-products in 2017 compared to 2015 and 2016.

Exports of pig meat, tonnes

0203				
Fresh/frozen pig meat				
Tonnes	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2017	% change 17:16
Mexico	530,967	564,565	630,332	11.6
Japan	381,995	361,788	365,382	1.0
South Korea	153,349	122,778	157,972	28.7
China	97,136	177,538	127,490	-28.2
Canada	100,245	98,336	105,039	6.8
Colombia	35,865	40,422	63,101	56.1
Australia	49,851	56,232	62,016	10.3
Hong Kong	42,437	47,479	43,577	-8.2
Others	136,090	144,448	176,192	22.0
Total	1,527,935	1,613,586	1,731,101	7.3

160249, 160241, 160242, 021012, 021019, 021011				
Processed pig meat				
Tonnes	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2017	% change 17:16
Canada	88,689	93,250	84,194	-9.7
Mexico	46,101	40,293	39,050	-3.1
Japan	15,780	15,612	17,526	12.3
Philippines	7,108	6,693	7,737	15.6
Australia	7,144	6,294	7,917	25.8
South Korea	4,050	4,679	5,667	21.1
Others	27,227	28,577	28,047	-1.9
Total	196,099	195,398	190,138	-2.7
020649				
By-products				
Tonnes	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2017	% change 17:16
China	77,974	151,623	147,450	-2.8
Hong Kong	93,547	130,555	139,416	6.8
Mexico	86,352	97,688	86,976	-11.0
Philippines	11,204	10,346	11,347	9.7
Japan	9,036	10,358	10,643	2.8
Canada	8,034	6,517	9,648	48.0
South Korea	8,841	6,461	6,861	6.2
Colombia	2,002	2,270	3,712	63.5
Others	12,908	11,780	13,802	17.2
Total	309,898	427,598	429,855	0.5



Pig census

With the publication of the Danish pig census, December's pig census for three EU countries is now available – Germany, Denmark and Malta.

Eurostat is expected to publish its census for all EU countries in February.

'000 head	Total population			Breeding sows			Pregnant sows		
	2017	2016	% change	2017	2016	% change	2017	2016	% change
Spain		29,232			2,415			1,667	
Germany	27,553	27,376	0.6	1,904	1,908	-0.2	1,366	1,383	-1.3
France		12,793			1,000			698	
Denmark	12,832	12,281	4.5	1,259	1,236	1.9	786	765	2.7
Holland		11,881			1,022			664	
Poland		11,107			859			582	
Italy		8,478			558			464	
Belgium		6,177			420			346	
Romania		4,708			361			223	
UK		4,538			490			346	
Hungary		2,907			255			169	
Austria		2,793			236			168	
Portugal		2,151			233			162	
Ireland		1,528			145			98	
Czech Republic		1,479			134			83	
Sweden		1,471			149			105	
Finland		1,197			108			78	
Croatia		1,163			120			39	
Greece		743			106			58	
Lithuania		664			49			41	
Bulgaria		616			65			40	
Slovakia		586			51			20	
Cyprus		353			33			23	
Latvia		336			38			17	
Estonia		266			25			20	
Slovenia		266			19			11	
Luxembourg		95			7			5	
Malta	34	41	-16.2	3	4	-5.5	3	3	-7.0
EU (3)	40,419	39,698	1.8	3,166	3,148	0.6	2,155	2,152	0.1
EU (28)		147,225			12,046			8,276	
Serbia		3,021			433			166	

MONGOLIA

Foot and Mouth disease

Last week, the authorities in Mongolia reported seven outbreaks of Foot and Mouth diseases. Some 482 cattle, 403 goats and 463 sheep have been affected.