

# MARKET NEWS for pig meat



Market analysis

8 April 2019

Week 15

## MARKET SITUATION

Europe: Trading in legs and other cuts is at slightly increasing prices this week.

UK: Sales are at increasing prices

Demand is good from China and stable from Japan.

## Slaughterings, Denmark

	Week 11	Week 12	Week 13	Week 1-13 2019/2018
Total	319,738	320,260	332,764	-2.7 %

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

## FUTURES, USA

	Chicago (\$ per 100 lbs slaughter weight)		
	5/4	22/3	Change
<b>2019</b>			
Apr	79.03	78.33	0.70
May	91.00	87.03	3.97
Jun	98.98	95.68	3.30
Jul	101.58	98.58	3.00
Aug	101.38	99.50	1.88
Sep	-	-	-
Oct	91.15	88.70	2.45
Nov	-	-	-
dec	83.08	81.08	2.00
<b>2020</b>			
Jan	-	-	-
Feb	81.73	80.55	1.18
Mar	-	-	-
Apr	82.28	81.43	0.85
May	85.05	85.15	-0.10
Jun	87.63	86.43	1.20
Jul	86.78	85.18	1.60
Conversion factors: 1 lb = 0.4536 kg \$ = DKK 6.6452			



### 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 between 1 January and 31 March.

Countries	Period 17. March - 31 March		Year to date 1 Jan - 31 March		2018	
	Pigs	Wild boar	Pigs	Wild boar	Pigs	Wild boar
Estonia				45		230
Latvia		5		119	10	685
Lithuania		39		168	51	1,443
Poland		112	1	737	109	2,438
Italy			1	16	10	64
Ukraine		1	7	5	105	41
Czech Republic						28
Romania	7	19	73	170	1,163	170
Hungary		101		440		138
Bulgaria		4		10	1	5
Belgium		26		365		161
<b>Total</b>	<b>7</b>	<b>307</b>	<b>82</b>	<b>2,075</b>	<b>1,449</b>	<b>5,403</b>

### RUSSIA

#### African Swine Fever in wild boar

In the past two weeks, Russia reported one case of African Swine Fever among wild boar in the Krasnodar region.

### FRANCE

#### Wild boar fence at the border with Belgium almost complete

Some 99 of the planned 112 km fence along the border between Belgium and France has now been completed, reports international news media.

A ban on hunting, apart from wild boar, has been imposed in the areas bordering the fence. Forestry operations and recreational activities have also been restricted.

### CHINA

#### African Swine Fever

The Chinese authorities continue to report new cases of African Swine Fever.

The first official case of African Swine Fever was reported in Tibet at the weekend where 55 pigs at a small farm were culled.

Last week, the first official case was reported in the autonomous region of Xinjiang in North-West China where a herd of 200 pigs was infected. Cases have also been confirmed at 10 small farms (301 pigs) in the south-western province of Yunnan and in Hubei province where 225 pigs were culled as a result of the disease.

Apart from the southern island group and the province of Hainan, African Swine Fever has now officially been confirmed in all provinces and autonomous regions in China.

 **CHINA**
**Slaughterhouses to test for African Swine Fever**

China's Ministry of Agriculture last week announced that with effect from 1 May, all slaughterhouses will be required to test their pigs for the presence of the African Swine Fever virus.

According to the Ministry's announcement, all slaughterhouses will be inspected by the authorities and they must be able to produce certificates showing that all purchased pig meat, including imported meat, is free from the African Swine Fever virus.

The Ministry has also stated that it will be up to the authorities of individual provinces to carry out random checks whereby products will be examined for the presence of the virus.

 **CHINA**
**Cofco Meat posts loss for 2018**

China's major importer and producer of pig meat, Cofco Meat, posted a loss of 627.7 million yuan (USD 93.6 million) in 2018 against a profit of 451.6 million yuan in 2017, reports Reuters. Turnover totalled 7.17 billion yuan compared to 6.96 billion yuan in 2017.

Cofco Meat is a subsidiary of the state-owned conglomerate, COFCO.

The fall in earnings for Cofco Meat in 2018 is due to a fall in pig prices which has hit the company's pig production. The half-year accounts have already shown a sharp fall in earnings.

Cofco Meat, however, is planning to increase its pig production in 2019 and to upgrade biosecurity measures at the company's pig production operations in order to prevent African Swine Fever from affecting production.

Cofco Meat slaughtered 2.55 million pigs in 2018, which was a rise of 14.5 per cent compared to the previous year. The company expects to increase slaughtering capacity by establishing new slaughterhouses in northern China.

The company announced in a recent statement that "the pork imports division and the fresh pork department will coordinate and grab opportunities brought about by African Swine Fever".

 **CHINA**
**Foot and mouth disease**

In the past two weeks, the Chinese authorities reported one case of foot and mouth disease in Xinjiang in the north-west of the country. Some 31 head of cattle were affected.

 **VIETNAM**
**African Swine Fever**

New cases of African Swine Fever continue to be reported.

According to Asian Agribusiness, 21 provinces in the north and in the middle of the country have been hit by African Swine Fever and 65,000 pigs have been culled.

A total of 200 cases have been reported. Initially, the disease was reported at "backyard farms", but recently large pig farms have also been affected.

A decline in pig meat consumption has been reported. The number of pigs traded on a daily basis at Hoc Mon market in Ho Chi Minh City has declined by an average of 5,200 pigs to just 3,800. "Consumers are frightened to eat meat from pigs that have been affected by the disease. Restaurants are also noticing a decline in pig meat consumption," says the Vice-Director of Hoc Mon market.

 **CAMBODIA**
**First case of African Swine Fever**

According to Reuters, Cambodia has reported its first case of African Swine Fever in the country. The disease has been reported in some backyard farms in the east of the country, close to the border with Vietnam.

Asian Agribusiness has reported that Cambodia imports between 1-2,000 pigs per day from Vietnam.

 **BRAZIL**
**Record high slaughterings in 2018**

According to figures from the Brazilian authorities, Brazil slaughtered 44.2 million pigs in 2018. This is a rise of 2.4 per cent compared to 2017.

The Brazilian state of Santa Catarina accounted for 26.2 per cent of the country's slaughterings followed by the states of Paraná (21 per cent) and Rio Grande do Sul (18.6 per cent). Almost two-thirds of total slaughterings were thus concentrated in the southern states.

Brazil's pig sector has been growing steadily over the past decade. From 2007 to 2018, the number of slaughterings increased by 61 per cent and thus exceed poultry (+30 per cent) and beef (+4 per cent). The sector has benefitted from an upsurge in productivity: in the south: productivity is estimated at 26.6 pigs per year sow while productivity is estimated at 26 pigs per year sow in the central and western parts.

 **BRAZIL**
**Outlook for increased exports to China**

According to Reuters, citing the CEO of BRF, Pedro Parente, Brazil is in a favourable position to export more pig meat to China.

The increase would depend on plants in Brazilian states other than Santa Catarina receiving certification. According to Parente, BRF only has one unit in Brazil authorised to sell pig meat to China.

Figures from the Brazilian Animal Protein Association (ABPA) show that Brazilian exports of pig meat to China totalled 154,000 tonnes in 2018, a 216 per cent rise from 2017. Last year China imported 24 per cent of Brazil's total pig meat exports.

 **USA**
**Pig census 1 March 2019**

The results of the U.S. pig census from 1 March 2019 have been published and are in line with market analysts' forecasts. There was a 2.1 per cent rise in total pig population and a rise in the breeding herd of 2.2 per cent.

Expected farrowings for the current quarter are 0.6 per cent up on last year while expected farrowings for the coming quarter are 0.3 per cent down compared to one year ago.

'000 head	2019 1 March	2018 1 March	% change
Breeding herd	6,349	6,210	2.2
Piglets and finishers	67,948	66,538	2.1
Total	74,297	72,748	2.1
	<b>2019</b>	<b>2018</b>	
Expected farrowings:			
March-May.	3,119	3,100	0.6
June-Aug	3,191	3,200	-0.3

Slaughterings

2017	Pigs/sows 50-110 kg	Sows etc over 110 kg	Total
January	1,388,979	45,071	1,434,050
February	1,325,895	41,159	1,367,054
March*	1,659,600	51,456	1,711,056
April	1,080,045	40,805	1,120,850
May	1,165,283	48,312	1,213,595
June*	1,691,408	54,077	1,745,485
July	1,267,063	40,667	1,307,730
August	1,273,261	44,802	1,318,063
September*	1,635,135	49,357	1,684,492
October	1,390,734	44,285	1,435,019
November	1,356,756	35,121	1,391,877
December*	1,679,724	56,588	1,736,312
<b>Jan-Dec</b>	<b>16,913,883</b>	<b>551,700</b>	<b>17,465,583</b>

2018	Pigs/sows 50-110 kg	Sows etc over 110 kg	Total
January	1,384,564	48,982	1,433,546
February	1,390,214	42,296	1,432,510
March*	1,602,989	49,004	1,651,993
April	1,330,704	46,252	1,376,956
May*	1,590,176	59,004	1,649,180
June	1,328,304	44,369	1,372,673
July	1,300,265	41,644	1,341,909
August*	1,634,399	50,063	1,684,462
September	1,366,922	44,925	1,411,847
October	1,442,388	50,702	1,493,090
November*	1,837,422	49,753	1,887,175
December	1,262,176	35,510	1,297,686
<b>Jan-Dec 2018</b>	<b>17,470,523</b>	<b>562,504</b>	<b>18,033,027</b>

2019	Pigs/sows 50-110 kg	Sows etc over 110 kg	Total
January*	1,588,010	52,742	1,640,752
February	1,328,867	41,879	1,370,746
March			
April			
May*			
June			
July			
August*			
September			
October*			
November			
December			
<b>Jan-Feb 2019</b>	<b>2,916,877</b>	<b>94,621</b>	<b>3,011,498</b>
<b>Jan-Feb 2018</b>	<b>2,774,778</b>	<b>91,278</b>	<b>2,866,056</b>
<b>Change per head</b>	<b>142,099</b>	<b>3,343</b>	<b>145,442</b>
<b>Change in per cent</b>	<b>5.1</b>	<b>3.7</b>	<b>5.1</b>

\* = 5 weeks


**Exports of live pigs**

Unfortunately, it is not possible to provide figures for February. The preliminary figures for February also include exports pertaining to March.

When the March figures become available, estimated figures for February and March will be provided.

2017	Piglets		Pigs/sows	Pigs/sows	Total
	0-15 kg	15-50 kg	50-135 kg	over 135 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	1,238,442	50,120	2,253	1,328,830
July	36,172	1,064,250	17,014	1,852	1,119,288
August	32,578	1,260,946	16,778	2,381	1,312,683
September	33,351	1,079,055	17,675	2,289	1,132,370
October	44,274	1,178,831	17,679	1,571	1,242,355
November	41,015	1,157,185	22,467	1,954	1,222,621
December	32,889	1,147,621	16,462	1,363	1,198,335
<b>Jan-Dec</b>	<b>443,051</b>	<b>13,678,677</b>	<b>252,833</b>	<b>23,552</b>	<b>14,398,113</b>

2018	Piglets		Pigs/sows	Pigs/sows	Total
	0-15 kg	15-50 kg	50-135 kg	over 135 kg	
January	36,440	1,142,852	14,798	3,812	1,197,902
February	30,271	1,089,062	15,883	2,507	1,137,723
March	29,057	1,264,848	17,783	3,047	1,314,735
April	30,268	1,161,152	20,695	3,501	1,215,616
May	37,352	1,305,241	26,451	4,144	1,373,188
June	27,004	1,158,207	23,134	4,235	1,212,580
July	30,738	1,142,607	18,882	3,966	1,196,193
August	27,087	1,204,026	21,533	4,732	1,257,378
September	27,496	1,019,587	23,569	3,895	1,074,547
October	34,713	1,350,273	20,972	8,547	1,414,505
November	24,760	1,174,336	14,561	4,816	1,218,473
December	31,882	1,016,093	15,952	3,104	1,067,031
<b>Jan-Dec 2018</b>	<b>367,068</b>	<b>14,028,284</b>	<b>234,213</b>	<b>50,306</b>	<b>14,679,871</b>

2019	Piglets		Pigs/sows	Pigs/sows	Total
	0-15 kg	15-50 kg	50-135 kg	over 135 kg	
January	30,609	1,367,435	22,094	4,750	1,424,888
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
<b>Jan. 2019</b>	<b>30,609</b>	<b>1,367,435</b>	<b>22,094</b>	<b>4,750</b>	<b>1,424,888</b>
<b>Jan. 2018</b>	<b>36,440</b>	<b>1,142,852</b>	<b>14,798</b>	<b>3,812</b>	<b>1,197,902</b>

<b>Change per head</b>	<b>-5,831</b>	<b>224,583</b>	<b>7,296</b>	<b>938</b>	<b>226,986</b>
<b>Change in per cent</b>	<b>-16.0</b>	<b>19.7</b>	<b>49.3</b>	<b>24.6</b>	<b>18.9</b>

 **JAPAN**

### Classical Swine Fever

The authorities in Japan continue to report new cases of Classical Swine Fever. In the past two weeks, 30 new cases have been reported. Six were discovered at small farms while the remaining 24 were found among wild boar. All cases were in the Gifu and Aichi regions.

 **JAPAN**

### Imports of fresh/frozen pig meat

<b>0203</b>					
<b>Fresh/frozen pig meat</b>					
<b>Tonnes</b>	<b>2019 February</b>	<b>2018 February</b>	<b>2019 Jan-Feb</b>	<b>2018 Jan-Feb</b>	<b>% change 2019:18</b>
USA	18,543	21,584	38,848	42,045	-7.6
Canada	16,837	14,120	34,676	31,932	8.6
Spain	11,427	7,949	16,615	16,915	-1.8
Denmark	12,796	7,598	16,377	16,337	0.2
Mexico	7,793	6,569	15,406	13,590	13.4
Holland	3,955	1,850	5,395	3,850	40.1
Chile	2,192	2,043	4,371	3,751	16.5
Germany	2,507	1,391	2,975	3,085	-3.6
France	1,587	1,328	2,444	2,478	-1.4
Italy	1,480	973	2,047	2,535	-19.3
Ireland	964	673	1,759	1,465	20.1
Austria	1,226	552	1,723	1,056	63.2
Brazil	84	48	398	91	337.4
Portugal	137	71	205	162	26.5
UK	144	-	144	24	500.0
Others	15	1,200	88	2,939	-97.0
<b>Total</b>	<b>81,687</b>	<b>67,949</b>	<b>143,471</b>	<b>142,255</b>	<b>0.9</b>

### Japan's imports of salami products

<b>0210</b>			
<b>Salami products</b>			
<b>Tonnes</b>	<b>2019 Jan-Feb</b>	<b>2018 Jan-Feb</b>	<b>% change 2019:18</b>
China	1,342	1,123	19.5
USA	1,329	1,385	-4.0
Brazil	960	607,00	-
Thailand	867	779	11.3
Denmark	205	246	-16.9
Germany	139	129	7.9
Italy	106	115	-7.9
Others	130	144	-9.8
<b>Total</b>	<b>5,078</b>	<b>4,528</b>	<b>12.1</b>

Development in pig meat storage

Tonnage	Own production		Imports		Total storage
	Fresh	Frozen	Fresh	Frozen	
End January 18	744	15,805	9,278	150,931	176,758
End February 18	626	16,485	8,398	156,307	181,816
End March 18	963	19,511	7,334	153,166	180,974
End April 18	670	18,083	6,542	152,671	177,966
End May 18	655	18,366	7,555	153,710	180,286
End June 18	644	16,790	5,591	155,496	178,521
End July 18	560	16,772	6,228	152,477	176,037
End August 18	687	17,495	5,984	151,864	176,030
End September 18	657	17,391	4,427	145,084	167,559
End October 18	760	17,418	5,435	142,294	165,907
End November 18	842	17,593	7,681	137,301	163,417
End December 18	1,039	18,355	6,810	134,157	160,361
End January 19	668	18,975	6,854	137,392	163,889
End February 19	893	18,925	6,221	140,876	166,915

 **MOROCCO**

**Foot and mouth disease**

In the past two weeks, the authorities in Morocco reported one case of foot and mouth disease. Three head of cattle, 32 goats and 10 sheep were affected.

 **MOZAMBIQUE**

**Foot and mouth disease**

In the past two weeks, the authorities in Mozambique reported one case of foot and mouth disease. Some 2,200 head of cattle were affected.

 **ZAMBIA**

**Foot and mouth disease**

In the past two weeks, the authorities in Zambia reported one case of foot and mouth disease. Some 8,214 head of cattle were affected.

 **ZIMBABWE**

**Foot and mouth disease**

In the past two weeks, the authorities in Zimbabwe reported eight cases of foot and mouth disease. Some 2,652 head of cattle were affected.

 **PALESTINE**

**Foot and mouth disease**

In the past two weeks, the authorities in Palestine reported one case of foot and mouth disease. Some 433 sheep and goats were affected.