

MARKET NEWS for pig meat



Market analysis

16 April 2018

Week 16

MARKET SITUATION

Europe: Trading in fresh legs is at unchanged prices. As regards other cuts, there is increasing interest in BBQ products.

UK: Sales are stable.

Sales are reported as sluggish for China and stable for Japan.

Slaughterings in Denmark

	Week 12	Week 13	Week 14	Week 1-14 2018/2017
Total	365,200	218,444	303,033	+0.5 %

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

PRICES DENMARK FOR WEEK 16

Finished pigs and sows

DKK/kg	Danish Crown	Tican
Finished pigs (basic weight class and basic meat percentage)	8.90	8.90
Sows (above 130 kg.)	6.30	7.60

Prices cannot be directly compared between the two companies because there are differences in supplementary payments and in additions/deductions.

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av
Basic	341.69	387.73
SPF+Myc	346.69	392.73
SPF	350.69	396.73
Organic	932.03	969.37
Market prices SPF region 1		
PRRS negative	440.00	445.00
PRRS positive	410.00	425.00
Market prices SPF region 2/3		
PRRS negative	440.00	445.00
PRRS positive	410.00	425.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	8.94 kr./kg	8.26 kr./kg	6.26 kr./kg	5.20 kr./kg	5.22 kr./kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	13/4	6/4	Change
2018			
Apr	53.83	52.13	1.70
May	69.70	64.48	5.23
Jun	77.65	73.28	4.38
Jul	79.58	75.45	4.13
Aug	79.43	76.15	3.27
Sep	-	-	-
Oct	68.35	64.55	3.80
Nov	-	-	-
Dec	62.13	59.20	2.93
2019			
Jan	-	-	-
Feb	65.90	63.13	2.78
Apr	69.53	66.90	2.63
May	74.25	72.48	1.78
Jun	77.55	75.35	2.20
Jul	77.15	75.25	1.90
Aug	76.75	-	-
Conversion factors: 1 lb = 0.4536 kg \$ = €6.0459			



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 8 April.

Countries	Period 1 April – 8 April		Year to date 1 Jan – 8 April	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		5		149
Latvia		14		278
Lithuania		23		647
Poland		36	4	967
Italy			2	24
Ukraine		1	21	25
Czech Republic				18
Romania			3	



RUSSIA

African Swine Fever

Last week, Russia reported one outbreak of African Swine Fever at a small pig farm in the west of the country, close to the border with Kazakhstan.


Denmark's exports of pig meat, tonnes
Jan 2018

	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	1,759	16,716	518	12	7,600	23,525	255	50,385	30,0
Poland	59	15,163	10	0	0	11,424	0	26,656	15,8
UK	659	35	1,059	3,346	0	10,159	888	16,146	9,6
Italy	188	1,211	54	2	0	10,807	24	12,287	7,3
Sweden	758	8	150	106	0	1,369	425	2,816	1,7
Holland	925	963	16	0	0	801	16	2,723	1,6
France	174	97	69	26	0	1,322	91	1,779	1,1
Romania	32	137	5	0	0	1,061	0	1,236	0,7
Other EU countries	1,162	1,183	312	29	0	4,251	446	7,383	4,4
Total EU	5,718	35,514	2,193	3,522	7,600	64,718	2,145	121,410	72,2
China	12,872	0	0	0	0	7,306	0	20,179	12,0
Japan	193	0	388	0	0	7,938	192	8,711	5,2
Australia	25	0	0	0	0	4,871	0	4,896	2,9
USA	217	0	525	0	0	2,704	103	3,549	2,1
South Korea	24	0	168	0	0	1,978	20	2,189	1,3
Taiwan	139	6	1	0	0	1,741	0	1,888	1,1
Philippines	483	0	18	0	0	244	0	745	0,4
Ukraine	627	0	0	0	0	60	0	687	0,4
Canada	0	88	94	0	0	451	0	633	0,4
Other Third Countries	921	134	764	0	0	945	451	3,215	1,9
3rd countries, total	15,501	228	1,958	89	1	28,239	766	46,781	27,8
Exports, total	21,218	35,743	4,151	3,611	7,600	92,957	2,911	168,191	100

Jan 2017

	By-products	Live pigs	Processed Canned	Bacon	Whole and half pigs/sows	Cuts	Sausages	Total	Per cent
Germany	1,828	15,727	674	5	7,311	22,804	234	48,582	30,0
Poland	407	13,051	10	0	0	8,487	0	21,956	13,6
UK	804	105	836	3,463	0	11,552	783	17,544	10,8
Italy	129	1,439	41	4	0	8,008	16	9,637	6,0
Sweden	796	22	144	107	0	1,381	364	2,815	1,7
Holland	809	756	15	2	0	513	23	2,118	1,3
Spain	60	592	88	31	0	674	160	1,604	1,0
France	119	198	88	24	0	997	77	1,503	0,9
Other EU countries	1,598	1,024	248	6	0	3,571	267	6,713	4,1
Total EU	6,551	32,913	2,145	3,642	7,311	57,987	1,924	112,473	69,5
China	15,987	0	0	0	0	8,885	0	24,872	15,4
Japan	457	4	353	0	0	7,395	149	8,358	5,2
Australia	0	0	24	25	0	4,878	0	4,927	3,0
USA	188	0	602	24	0	1,371	63	2,247	1,4
South Korea	211	0	134	0	0	1,547	20	1,911	1,2
Taiwan	175	0	0	0	0	1,251	0	1,426	0,9
Philippines	1,149	0	17	0	0	189	0	1,355	0,8
Hong Kong	292	0	33	0	0	399	18	741	0,5
Thailand	335	25	0	0	0	0	0	360	0,2
Other Third Countries	895	77	681	77	0	995	446	3,171	2,0
3rd countries, total	19,688	106	1,843	126	0	26,910	696	49,368	30,5
Exports, total	26,239	33,019	3,987	3,768	7,312	84,897	2,620	161,842	100

Top 10 importers of Danish pig meat measured in terms of value

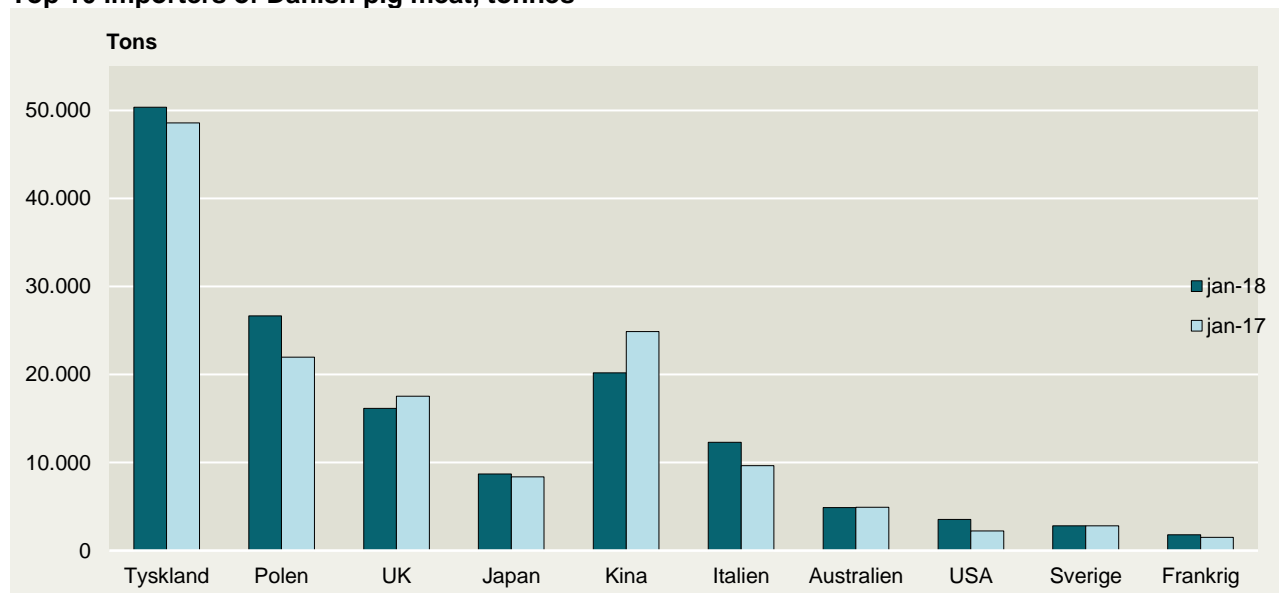
The chart below shows the top 10 countries for Danish pig meat exports ranked according to value for January 2018 compared to January 2017. All pig meat (including live pigs) is included.

Country	Jan 2018		Jan 2017	
	Value in DKK million	Tonnes	Value in DKK million	Tonnes
Germany	590	50,385	641	48,582
Poland	340	26,656	342	21,956
UK	250	16,146	281	17,544
Japan	247	8,711	268	8,358
China	216	20,179	308	24,872
Italy	148	12,287	134	9,637
Australia	103	4,896	102	4,927
USA	91	3,549	68	2,247
Sweden	57	2,816	58	2,815
France	40	1,779	35	1,503
Top 10 total	2,083	147,404	2,238	142,442
Other countries	344	20.787	330	19.400
Total	2,427	168,191	2,567	161.842

Top 10 importers of Danish pig meat, DKK million



Top 10 importers of Danish pig meat, tonnes



Forecast for production, consumption and trade in pig meat in 2018

The United States Department of Agriculture, USDA, has updated its forecast for production, consumption and trade in pig meat in 2018 for a number of countries. Trade only comprises fresh/frozen pig meat, which means that the substantial Chinese imports of by-products are not included in the import/export figures.

Production of pig meat

USDA continues to expect a rise in the production of pig meat in 2018 for almost all countries listed below. However, a modest decline is expected for Brazil while Japan's production is expected to remain unchanged.

For the selected countries in general, USDA expects a 2 per cent rise in pig meat production for 2018. In October, the USDA's forecast was for a 1 per cent rise.

For China, which is the world's largest producer and importer of pig meat, USDA continues to expect a rise in production of 2 per cent.

A 2 per cent rise is also expected for the EU whereas back in October, the USDA expected a slight decline.

For the U.S., a 5 per cent increase in pig meat production is expected. This is an increase from the expected +4 per cent back in October. With regard to Canada, a more modest 2 per cent rise in production continues to be expected.

With regard to Russia, where production of pig meat has increased significantly over a number of years, the production forecast for 2018 has been amended from +1 per cent to +3 per cent

Production in 1,000 tonnes	2014	2015	2016	2017	Forecast 2018	% change 2018:2017
China	56,710	54,870	52,990	53,400	54,650	2
EU	22,540	23,249	23,866	23,675	24,050	2
USA	10,368	11,121	11,320	11,610	12,166	5
Brazil	3,400	3,519	3,700	3,725	3,675	-1
Russia	2,510	2,615	2,870	2,960	3,050	3
Vietnam	2,431	2,548	2,701	2,741	2,800	2
Canada	1,805	1,899	1,914	1,970	2,015	2
Philippines	1,402	1,463	1,540	1,563	1,600	2
Mexico	1,135	1,164	1,211	1,267	1,305	3
South Korea	1,200	1,217	1,266	1,280	1,321	3
Japan	1,264	1,254	1,279	1,282	1,280	0
Total – selected countries	104,765	104,919	104,657	105,473	107,912	2

Consumption in 1,000 tonnes	2014	2015	2016	2017	Forecast 2018	% change 2018:2017
China	57,194	55,668	54,980	54,812	55,950	2
EU	20,390	20,873	20,753	20,832	21,165	2
USA	8,544	9,341	9,475	9,540	9,947	4
Russia	3,021	3,016	3,192	3,298	3,230	-2
Brazil	2,846	2,893	2,870	2,941	3,052	4
Vietnam	2,414	2,526	2,647	2,703	2,777	3
Japan	2,543	2,568	2,626	2,741	2,777	1
Mexico	1,836	2,017	2,091	2,180	2,325	7
South Korea	1,660	1,813	1,894	1,926	1,959	2
Philippines	1,600	1,637	1,734	1,803	1,884	4
Taiwan	875	937	902	929	943	2
Total – selected countries	102,923	103,289	103,164	103,705	106,009	2

Trade in pig meat

USDA expects relatively stable global trade in pig meat for the selected countries.

Among the importing countries, however, a substantial decline is expected for Russian imports of pig meat in 2018 compared to 2017. This is, of course, related to the fact that Russian production is continuing to rise, and that Russia has imposed an import ban on Brazilian meat.

A modest decline in imports is expected for China and the US.

South Korea's import figures are expected to remain unchanged.

For Japan, Australia and Canada modest increases in imports are expected for 2018 while more significant rises in imports are expected for Mexico, Hong Kong, Philippines and Taiwan.

On the export side, the USDA expects a significant decline in Brazilian exports of pig meat in 2018.

Less substantial increases are expected for the other major exporting countries.

Imports in 1,000 tonnes	2014	2015	2016	2017	Forecast 2018	% change 2018:2017
China	761	1,029	2,181	1,620	1,525	-6
Japan	1,332	1,270	1,361	1,475	1,500	2
Mexico	818	981	1,021	1,083	1,200	11
South Korea	480	599	615	645	645	0
USA	459	506	495	506	483	-5
Hong Kong	347	397	429	463	500	8
Russia	516	408	347	375	200	-47
Australia	191	220	210	215	225	5
Canada	214	216	215	222	230	4
Philippines	199	175	195	241	285	18
Taiwan	63	107	77	111	130	17
Total – selected countries	5,380	5,908	7,146	6,956	6,923	-0

Exports in 1,000 tonnes	2014	2015	2016	2017	Forecast 2018	% change 2018:2017
EU	2,164	2,388	3,125	2,857	2,900	2
USA	2,310	2,272	2,377	2,555	2,676	5
Canada	1,220	1,239	1,320	1,324	1,355	2
Brazil	556	627	832	786	625	-20
China	277	231	191	208	225	8
Chile	163	178	173	171	185	8
Mexico	117	128	141	170	180	6
Australia	37	36	38	43	45	5
Vietnam	21	30	65	50	35	-30
Belarus	25	5	11	13	25	92
Serbia	25	19	11	16	20	25
Total – selected countries	6,915	7,153	8,284	8,193	8,271	1

 **UNITED STATES**
United States reconsidering its withdrawal from the Trans-Pacific Partnership (TPP)

International media report that the United States is considering rejoining the TPP free trade agreement. President Trump has asked his trade negotiators to examine whether the U.S. can resume negotiations with TPP countries.

Shortly after becoming President, President Trump withdrew the United States from the 12-nation agreement. The other 11 countries decided to proceed – without the U.S.

The President's new attitude towards the TPP is seen as a means of accommodating U.S. agriculture, which was a major supporter of the TPP.

According to the US Meat Export Federation (USMEF) the U.S. meat sector stood to make substantial gains from trade with Japan and Vietnam as a result of the TPP agreement. "We regard access to the Asian Pacific region as extremely important for both the American beef and pig meat sectors," said a USMEF spokesman last year.

 **ARGENTINA**  **USA**
U.S. pig meat to Argentina

The U.S. and Argentina have now finalised the technical details in relation to food safety, paving the way for exports of U.S. pig meat to Argentina.

Brazil is currently the largest supplier of pig meat to Argentina with exports of 32,000 tonnes in 2017.

 **BRAZIL**
Brazil increases border controls following outbreak of foot & mouth disease among northern neighbours

According to Agra Europe, Brazil has increased controls at its northern border after foot & mouth disease was confirmed in cattle smuggled from Venezuela to Columbia.

Last week, Brazil's Ministry of Agriculture alerted the authorities in the northern states to increased inspections and monitoring of all border regions.

Brazil's action follows the seizure of 15 smuggled cattle by the Colombian authorities. The cattle came from Venezuela and tested positive for foot and mouth disease.

Brazil hopes that the World Organisation for Animal Health will declare Brazil as free from foot and mouth disease with vaccination at its next meeting in May 2018.

Today most of Brazil is free from foot & mouth disease with vaccination. The exceptions are the northern states of Roraima and Amapa, located on the Amazon, which are not regarded as being free from foot and mouth disease and the southern state of Santa Catarina, which is the only state in Brazil free from foot and mouth disease without vaccination.

According to Brazil's Minister for Agriculture, the government is embarking on a project which should result in Brazil being free from foot and mouth disease without vaccination by 2022-2023.

 **HOLLAND**
New CEO for Vion

Ronald Lotgerink has been appointed the new CEO of Vion with effect from 1 September.

Mr Lotgerink will replace Francis Kint, who is stepping down on 1 June to become CEO of a Belgian company listed on the Belgian stock exchange. He has held the position for three years.

Mr Lotgerink was previously CEO of Zvanenberg Food Group. He has been a member of the board of Vion since 2014 but will retire from the board following his appointment as CEO.



Russia imposes ban on imports of all pig meat from Belarus

Agra Europe reports that last week the Russian veterinary authorities imposed an immediate ban on imports of all pig meat and live pigs from Belarus.

According to Rosselkhoznadzor, the Russian veterinary authorities, the ban is the result of the discovery of traces of the African Swine Fever virus in eight shipments of meat products imported from Belarus. Moreover, listeria has been confirmed in meat products imported from a slaughterhouse in Belarus.

Rosselkhoznadzor is accusing the authorities in Belarus of concealing a number of cases of African Swine Fever in the country. They claim that enquiries to the authorities in Belarus have been met with a denial of any cases of African Swine Fever in the country.

The ban will remain in force until Rosselkhoznadzor has clarified the situation.

In 2017, Russia imported 5,900 tonnes fresh/frozen pig meat and 500 tonnes by-products from Belarus. Thus, Belarus was the third largest exporter of pig meat to Russia followed by Brazil and Chile.

Together with Russia and Kazakhstan, Belarus is a member of the Russian Eurasian Economic Union.



Imports of fresh/frozen pig meat

0203					
Fresh/frozen pig meat					
Tonnes	2018	2017	2018	2017	%
	February	February	Jan-Feb	Jan-Feb	change
					2018:17
USA	21,584	20,903	42,045	43,604	-3.6
Canada	14,120	15,210	31,932	30,730	3.9
Spain	7,949	7,772	16,915	16,121	4.9
Denmark	7,598	8,172	16,337	19,261	-15.2
Mexico	6,569	6,743	13,590	13,235	2.7
Chile	2,043	1,850	3,751	3,410	10.0
Holland	1,850	1,581	3,850	3,766	2.2
Germany	1,391	1,139	3,085	2,852	8.2
France	1,328	1,350	2,478	2,662	-6.9
Hungary	1,110	2,112	2,712	4,297	-36.9
Italy	973	667	2,535	1,794	41.3
Ireland	673	383	1,465	1,294	13.2
Austria	552	428	1,056	691	52.8
Portugal	71	72	162	-	-
Finland	50	123	75	175	-57.2
Brazil	48	40	91	-	-
Belgium	25	24	49	51	-3.8
Others	15	27	15	27	-45.1
Total	67,949	68,583	142,255	144,347	-1.4

Japan's imports of sausage products

0210 Sausage products		
Tonnes	2018 Jan-Feb	% change 2018:17
USA	1,385	0.1
China	1,123	-1.7
Thailand	779	-7.8
Denmark	246	11.8
Italy	115	-9.4
Germany	129	17.3
Hungary	43	-23.2
Others	468	-40.2
Total	4,288	-8.1

 **CHINA**
Foot and mouth disease

Last week, the authorities in China reported one outbreak of foot and mouth disease in the Gansu province in north-west China. Some 35 head of cattle have been affected.

 **SOUTH KOREA**
Foot and mouth disease

Last week, the authorities in South Korea reported one outbreak of foot and mouth disease. Some 3,000 pigs have been affected.

 **ZAMBIA**
Foot and mouth disease

Last week, the authorities in Zambia reported two cases of foot and mouth disease. Some 11,000 head of cattle have been affected.

 **ISRAEL**
Foot and mouth disease

Last week, the authorities in Israel reported one case of foot and mouth disease. Some 218 head of cattle have been affected.

Please note that there will be no Market News next week. The next edition will be published on Tuesday 1 May.