

Out of the dark!

The week has again many good news for the pig sector. Almost all piglet quotations have risen, even by several euros. The Spanish quotation in the regions north of Madrid exceeds the price of 40 € / piece for a 20 kg piglet! The Austrian quotation is stable, while the Italian one has fallen slightly, but is still almost the highest price in Europe. The price of the Belgian piglet also rose after the country announced two weeks ago that it had successfully resolved ASF infections, closing all foci. The price of the German piglet has risen, albeit by only € 1 / piece, but it gives an important signal to the market, as does the extra € 2 for the minimum price of the Danish piglet. If the two major producing countries under pressure raise the listing, the trend is obvious.

More news are coming from the German market about helping the pig industry, and private companies are again the ones doing the aid. The SCHWARZ group (the KAUFLAND and LIDL chains) has announced that it will increase the price of 10 pork products by € 1 / kg and transfer this increase in full to live pig suppliers. The REWE Group (PENNY) has also announced that it will voluntarily raise purchase prices for pigs through a German quality bonus scheme. With a similar solution, the medium-sized Schiller Fleisch slaughterhouse also guarantees suppliers a minimum price of € 1.35 / kg until at least February 2021. Suppliers to this slaughterhouse bring in an average of 1,500 pigs per farm per week from about 25-30 farms.

With regard to prices, it is worth noting that the price of Chinese live pork also rose 21 cents, reaching the level of 3.95 € / kg, although there are no holidays there now. In the region, Japan is also importing more and more, while classical swine fever is depleting the domestic pig population.

The grain market is also developing favourably for pig farmers. Incoming crop reports from Canada and Australia, as well as increases in Russian export quotas, immediately reduced high stock market prices and long-awaited rains hit the South American continent, significantly boosting grain harvest results expected there. The decline in grain quotations has also been affected by the halt in Chinese purchases, but it is too early to say that this is a final step or just trying to stop price rises with a temporary market maneuver.

Meanwhile, Britain, Canada, Bahrain, and Saudi Arabia have approved the use of the Pfizer-BioNtech coronavirus vaccine, while in the U.S., the FDA has issued an emergency use license.

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This is all good news and gives hope for the future. But there are still quite a few problems at the moment. The accumulated German and Danish pigs are more than 1 million, and taking into account the festive period, there is no chance of cutting that number by the end of this year, although Danish slaughterhouses are trying to work three shifts and the Germans are extending working hours, but another slaughterhouse is constantly shut down due to workers' coronavirus infection, now a Vion unit has been temporarily shut down in Germany. The number of ASF cases has also increased in Germany, with the Friedrich-Löffler-Institut confirming the presence of the virus in a further 15 cases in wild boar carcasses, bringing the number of cases reported so far to 293.

Russia, which borders China, has been trying to break into the hugely lucrative Asian pork market for years, but now a large 17,000 pig farms have reported ASF infection near the Kazakh border after a 36,000 farm had to be stamped out in October, so they won't get an export permit any time soon.

The price of pigs for fattening has stagnated or decreased slightly in the listed countries.

In the Eastern European region, the advantages and disadvantages of a net importer position can be seen. As domestic pig production in these countries is far from enough to meet the high numbers needed by the slaughterhouses before Christmas, prices are soaring upwards, now everyone has “forgotten” the German reference price used throughout the year. As a result, the farther away a slaughterhouse is from German farms currently facing sales problems, the more they are forced to pay for pigs. Nor is it incidental that it is difficult to find a free animal transport vehicle during this period. This is what the pig farmers of the region are trying to take advantage of and in this case an eastern migration can be observed, the Slovak farmer is trying to sell in the Hungarian slaughterhouses, the Hungarian farmer is trying to sell it in the Romanian slaughterhouses, hoping for higher price.

And let's not forget that working from home and schooling at home in recent weeks will be replaced within days by eating at home, Christmas has always been about family, time spent together. In the case of the Orthodox Christians, the fast is over, you can eat pork again. Although the slaughter of backyard pigs is still quite typical in the Balkans, more and more people are giving up traditional pig farming for various reasons:

- lack of time due to urban work
- no own grain crop
- piglets are difficult to find
- Younger generations do not want to work with animals
- regulations related to animal husbandry

All this is resulted in specific consumption behaviour in the region, people buy pork hams, trimmings, bacon in the store, but process it at home, based on family traditional recipes and procedures. This will hopefully increase the meat consumption.

Dear partners, readers, colleagues: it looks like the winter solstice will have an impact on our industry as well: we will come out of dark!

https://bit.ly/Falco_Out_Of_The_Dark

Market overview week 51.

Country		Fattening pigs [€/kg]		Piglets [€/pcs]	
GERMANY	CW	1,19	=	25 kg	23 ▲
THE NETHERLANDS	CW	1,13	▼	25 kg	20,5 ▲
BELGIUM	LW	0,71	=		9 ▲
DENMARK	CW	1,28	▲	25 kg	25 ▲
FRANCE	CW	1,2	=		
ITALY	LW	1,0-115 kg 1,27-160 kg PDO	▼	30 kg	59,5 ▼
SPAIN	LW	1,1	▼	20 kg	30,5 ▲
AUSTRIA	CW	1,22	=	25 kg	45 =
POLAND *	LW	0,98-0,92	▼	25 kg	45-55 =
SERBIA *	LW	1,15-1,20	=	25 kg	45-50 =
CZECH REPUBLIC *	CW	1,21-1,29	=	25 kg	40-45 =
SLOVAKIA *	LW	1,02-1,07	▲	25 kg	40-50 =
HUNGARY *	LW	1,02-10,7	▲	25 kg	40-50 =
ROMANIA *	LW	1,13-1,19	▲	25 kg	45-55 =

CW= hot carcas weight, delivered

LW= live weight

PDO = Protected Designation of Origin

* based on info received from partners; no official quotation

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