



Market Report

2017 Week 43

Numbers are still out weighing demand causing pigs to drop 1 – 1.5p across the board with processors struggling with sales. In the week ended 14 October, the EU-spec SPP declined for the eighth consecutive week, recording a drop of 1.03p to 157.89p/kg. The current quote is now only 12.81p above year earlier levels, the EU-spec APP also decreased by 1.97p on the week to 162.02p/kg; the largest weekly decline since January 2016. Nonetheless, the APP remains 15.53p above year earlier levels. The larger drop in the APP has led the gap between the APP and the SPP to narrow to 3.10p/kg. Spot traded pigs were 150p tops with other quotes much less than this.

Sows prices are up 1p due to exchange rates but prices remain around early to mid 70p due to a large volume of German sows currently been slaughtered and flooding their market with manufacturing meat

Estimated slaughtering's increased by 19% on the week and almost 6% on the year in the week ended 14 October, at 183,800 head. Although this increase on the week appears dramatic, it follows a considerable drop in throughputs in the previous week (-17%) due to factory maintenance and various breakdowns.

Average carcase weights increased by 830g week on week to 85.26kg; the heaviest recorded since the series began in April 2014 and the largest weekly gain since the beginning of January this year.

Weaner prices moved in opposing directions in the week ended 14 October. The 7kg weaner price declined £1.15 on the week to £42.18/head, but remains £5.81 higher than year earlier levels. Meanwhile, 30kg weaner prices increased by £2.30 week on week to stand at £58.23/head; £8.46 up on the year.

Spot traded weaners and stores bear no resemblance to the contract prices listed above with spot bids struggling over £30 / head base price.

At the other end of the scale The Chinese government has forced the closure of thousands of smaller farms across China in a drive to impose tough new pollution standards by December this year. This is once again boosting finisher prices and giving the country's remaining pork producers an unexpected boost. China's three-year campaign to clean up its farm sector requires each province to ban livestock production near water sources or major population areas. The Chinese pig herd shrank by 6.1% in August, the biggest percentage drop registered since January 2016. In July, the total pig herd fell by 4.8% and the sow herd by 4.2%. This is a lot of pigs on 40+ million sows!!

	This week	Change on week	This wk 2016	Change on Year
GB(SPP)EU	1.5789	-0.0103	1.4508	0.1281
GB(SPP)UK	1.5508	-0.0099	1.4247	0.1261
Tribune	GB Spot Bacon		GB Spot Cutter	
16/10/17	1.5683	-0.0080	1.6380	-0.0053
09/10/17	1.5763		1.6433	
Pork Cutter	1.6275	-0.0125	1.5400	0.0875
	1.6385	-0.0127	1.5528	0.0857



	This wk	Last wk	Chg
GB(SPP) Sample			
Number	87,901	73,797	14,104
Ave Weight kg	85.26	84.43	0.83
Ave Probe mm	11.4	11.3	0.1



	Change			
	22/10/17	on week	15/10/17	Diff UK
Denmark	127.23	-10.84	138.07	-30.89
Germany	138.07	0.00	138.07	-20.05
France	123.59	0.00	123.59	-34.53
Holland	122.89	0.00	122.89	-35.23
Spain	136.48	0.00	136.48	-21.64
EU28	136.58	0.00	136.58	-21.54
UK	158.12	0.00	158.12	0.00

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