



# Market Report

## 2015 Week 2

The first market report in 2016 I wish there was some good news. As we enter 2016 and the first full kill week after Christmas we have seen prices fall back yet again, the question is how long will it go on. The processing groups are sending a clear message out they want to see prices getting much closer to our European counterparts and with European producers averaging 90p/kg that is a massive price differential. The processors and retailers have managed to keep positive margins and with pork chops last week at £7/kg it is pig producers who are taking all the pain in reduced prices and it is not a case of supply and demand.

Our prices have continued to fall since the political situation in the EU with Russian exports came to a head. That situation has not and probably will not be resolved, however here this week prices on average have all come down with the major processors. High production levels here and abroad are promoting very fast pig growth and more pigs coming to the forefront than is usual at this time of year. Most of the processors have taken contractual numbers this week, it still hasn't helped with the amount of pigs that are on the shelf.

On the fresh meat front, demand as you can expect at this time of year is very sluggish but was at a stand on price. The weaner market however, 30kg weaner prices have come back again, the 7kg front, contractual pigs were all moving but with some surplus 30kg stores looking for a home. If the prices continue in this downward trend as usual we will see and are seeing sow herds being culled. There is a large fall reported in the German pig market with lowest numbers since 2011. The breeding herd looks to have fallen by -4% sows, -6% in in-pig gilts which concludes that their breeding herd is continuing to look at the impact of falling pig prices throughout the year.

The light at the end of the tunnel is that AHDB's second half of the pulled pork campaign starts shortly. We need to sell more pork in the UK and the Aid to Private Storage Scheme will provide a short term support to the European Market Place.

	This week	Change on week	This wk 2014	Change on Year
<b>GB(SPP)EU</b>	1.2197	-0.0226	1.4393	-0.2196
<b>GB(SPP)UK</b>	1.1977	-0.0146	1.4133	-0.2156
<b>Tribune</b>	GB Spot Bacon		GB Spot Cutter	
04/01/16	1.2150	-0.0113	1.3333	-0.0300
28/12/15	1.2263		1.3633	
Pork	1.3225	-0.0100	1.5350	-0.2125
Cutter	1.3206	-0.0113	1.5079	-0.1873
		<b>Change</b>		
Spot Bacon	1.00	-0.10		



GB(SPP) Sample	This wk	Last wk	Chg
Number	52,514	86,982	-34,468
Ave Weight kg	83.02	80.88	2.14
Ave Probe mm	11.6	11.4	0.2



	03/01/16	Change on week	10/01/16	Diff UK
<b>Denmark</b>	89.88	0.00	89.88	-33.76
<b>Germany</b>	93.08	0.00	93.08	-30.56
<b>France</b>	84.55	0.00	84.55	-39.09
<b>Holland</b>	77.82	-0.62	77.20	-45.82
<b>Spain</b>	85.57	0.00	85.57	-38.07
<b>EU28</b>	91.06	0.00	91.06	-32.58
<b>UK</b>	123.64	-0.04	123.60	0.00

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