



Market Report

2020 Week 31

"Sticky" is the comment one processor described the market outlook today as more than plenty of pigs to meet demand, added to breakdowns at most plants during the week caused most kill plans to be reduced leaving a number pigs on farm this week.

Fresh meat demand was also quiet with wholesalers also taking less numbers. A few weekends of warm sunshine to encourage BBQ's would certainly be of help. Also a few small wholesalers were killing less pigs to focus on the Muslim Eid festival celebrating the end of Ramadan at the end of July resulting in a high demand for lamb/goat meat.

Processor prices in general were down 1p. Surprisingly, week ending July 18, the EU-spec SPP recorded an increase of 0.25p to average 165.61p/kg. This increase more than negates the decline recorded in the previous week and keeps prices 13.41p above the same week last year. The EU-spec APP increased by 0.56p to average 168.70p/kg. With the SPP moving in the opposite direction in the same week, the gap between the two measures widened to 3.34p. This is the largest gap between the two measures since May last year. Spot trade was well below 160p if you could get any takers for surplus pigs.

Sow prices remained stand on and numbers are now starting to move.

Estimated slaughter recorded a 2% (3,300 head) increase on the week, to total 157,200 head. Industry reports suggest there were several challenges with factory lines, which may mean pigs have been rolled into the subsequent week. Throughputs were 8% (-14,500 head) below the same week in the previous year. Carcase weights were marginally heavier (30g) on the week, averaging 85.03kg. This is nearly 1.5kg above last year.

Unfortunately, no 7kg and 30kg weaner price this week, as the samples were not statistically robust.

On a positive note China's live slaughter pig and wholesale pork prices are once again on the rise after a steady decline following a drop off after Spring Festival. The downward trend in prices occurred during a time when domestic production is still recovering and a slow rebound of consumption after the Covid-19 epidemic. Live pig prices have now risen for 8 consecutive weeks.

Due to the lasting impact brought about by ASF, there is a substantial gap in the domestic pork supply in China. To prevent soaring prices, a large amount of imported pork entered the Chinese market. The import volume of pork reached 3.5 million tons in 2019, which was 1.4 million tons more than the previous year.

Among exporting countries around the world, Brazil and Europe are the biggest beneficiaries of the explosive increase in the demand for pork in China. In 2019 the amount of pork purchased from EU increased by 76%. According to the recent data released by GACC, China has imported 2.123 million tons of pork from January to June 2020 with a year-on-year increase of 140%.

	This week	Change on week	This wk 2019	Change on Year
GB(SPP)EU	1.6561	0.0025	1.5220	0.1341
GB(SPP)UK	1.6268	0.0025	1.4948	0.1320
Tribune				
20/07/20	1.6766	-0.0053	1.7563	0.0000
13/07/20	1.6819		1.7563	
Pork	1.7600	0.0000	1.6000	0.1600
Cutter	1.7728	-0.0010	1.6189	0.1539

REMINDER

	Quarter Period	April-June
	Quarter End	30/06/2020
	Deadline Entry/Upload date	31/07/2020

GB(SPP) Sample	This wk	Last wk	Chg
Number	77,607	75,959	1,648
Ave Weight kg	85.03	85	0.03
Ave Probe mm	11.1	11.1	0.0

EU Pig Prices

P/KG	26/07/20	Change on week	19/07/20	Diff UK
Denmark	144.72	0.00	144.72	-20.92
Germany	143.24	0.00	143.24	-22.40
France	133.09	0.00	133.09	-32.55
Holland	116.46	0.00	116.46	-49.18
Spain	145.27	0.00	145.27	-20.37
EU28	138.38	-15.50	153.88	-27.26
UK	165.64	-0.01	165.65	0.00

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Richard Butterworth

Directors:
Ian Paragreen (CEO)
A Myers, J Wyllie,

Registered Office:
Rural Centre, West Mains,
Ingliston, Midlothian, EH28 8NZ

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Reg No 2039R(S) Vat No: GB 345250964

