Pig & Poultry Dashboard – June 2018

Key Market Indicators

The purpose of this quarterly dashboard is to provide
an update on key market drivers and indicators for the Pig & Poultry Sector

- A range of **pig related data** is available within the following section of the **AHDB Pork website:** Prices & Stats
- In addition **AHDB Pork** produces a number of **industry related** publications which are available via these website links:
  Pig Market Weekly
  Pig Pocketbook   Poultry Pocketbook
- Or follow us on twitter:
  @AHDB_Pork @NFUeconomics
- The **NFU** also produces a number **of industry related** publications which are available via this website link: NFU Online

- A range of **other dashboards** are available for the following sectors via these links:
  Beef & Lamb   Dairy
  Arable
- AHDB's Horizon reports examining the **key issues relating to Brexit** are available at this link: Horizon Reports
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- **Next issue** of this report will be available:
  3 September 2018

Pig & Poultry Dashboard

Key Market Indicators

AHDB PORK | NFU | NFU CYMRU

Trends in UK Prices

	Current Price *	% change 3 months	% change 6 months	% change 12 months
GB SPP *p per kg* *(Source: AHDB Pork)*	150.07	+3.3%	-0.6%	-7.3%
UK 7kg weaner £ *(Source: AHDB Pork)*	38.12	+2.4%	-6.2%	-13.3%
GB APP *p per kg* ** *(Source: AHDB Pork)*	152.43	+2.4%	-1.7%	-7.7%

*GB SPP is the Standard Pig Price (EU spec) launched in April 2014. GB APP is the All Pig Price (EU Spec) launched in April 2014. *w/e 16 Jun 18 **w/e 9 Jun 18*

International Pig & Poultry Prices

p per kg dw	Current Price	% change 3 months	% change 6 months	% change 12 months
EU28 grade E pig* *(Source: EU Commission)*	123.86	-0.5%	-4.2%	-16.8%
German sow price* *(Source: AMI)*	89.48	-6.3%	-9.2%	-29.8%
US barrow/gilt (liveweight)** *(Source: USDA)*	62.00	-22.4%	-14.5%	-18.7%
Global pork export price †** *(Source: AHDB Pork/IHS Maritime & Trade – Global Trade Atlas®)*	188.00	-4.2%	-7.3%	-10.2%
EU broiler price* *(Source: EU Commission)*	163.9	+1.2%	+0.9%	+5.2%

*†Global pork export price is based on the average export price from the four major pork exporting regions of the world. * May 18 **Apr 18*

Trade Data YTD

000 tonnes	Imports		Exports	
	2018*	2017*	2018*	2017*
UK Pork (Fresh/frozen)	138	156	73	71
UK Bacon	66	75	6	6
UK Processed pork (Sausages, hams/ shoulders)	96	93	6	5
UK Poultry (Fresh/frozen)	152 (p)	154	116	110
UK Processed poultry	126	121	17	15

(Source: IHS Maritime & Trade – Global Trade Atlas®/HMRC)
(P) Provisional **Jan – Apr*

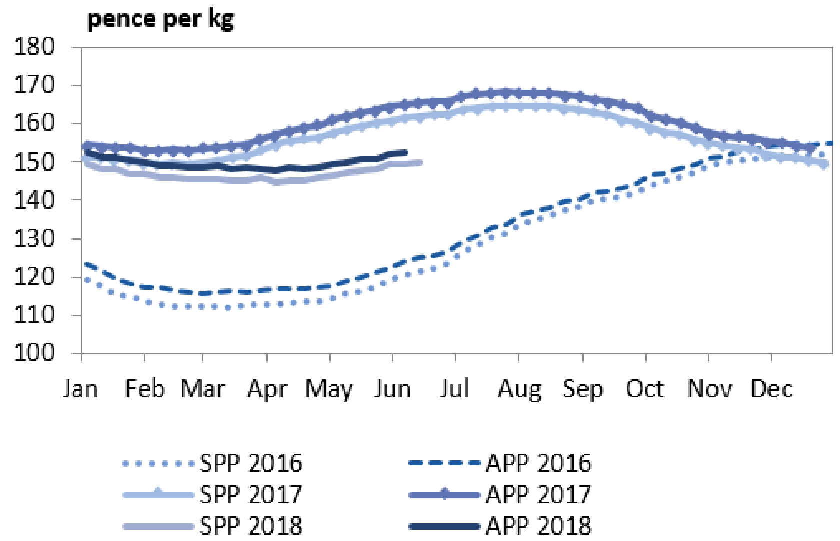
Pig & Poultry Meat Supply and Production

000 tonnes	2018	2017	% change	2013-2017 average
UK Pig Meat * *(Source: Defra)*	384.9	364.8	+5.5%	365.6
UK Poultry Meat * *(Source: Defra)*	768.5	747.3	+2.8%	713.9

*With effect from February 2016, data in this table is based on calendar months rather than statistical months. Please take this into consideration when comparing datasets. *Jan – May*

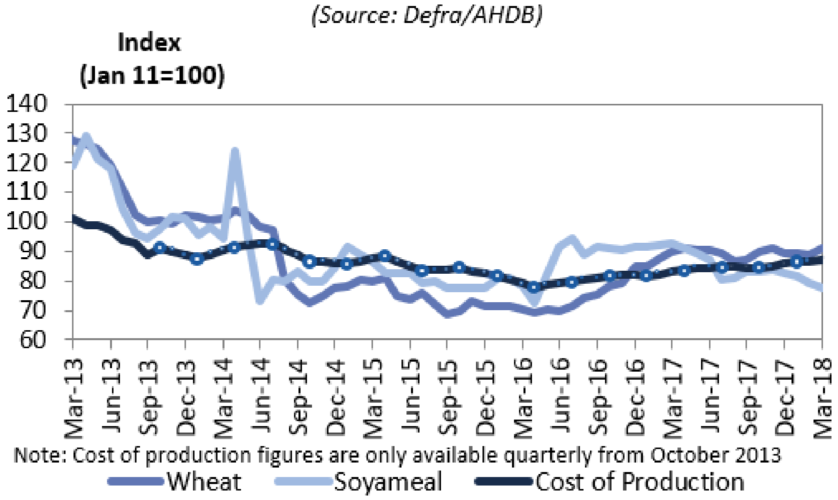
GB Deadweight Pig Price

(Source: AHDB Pork)



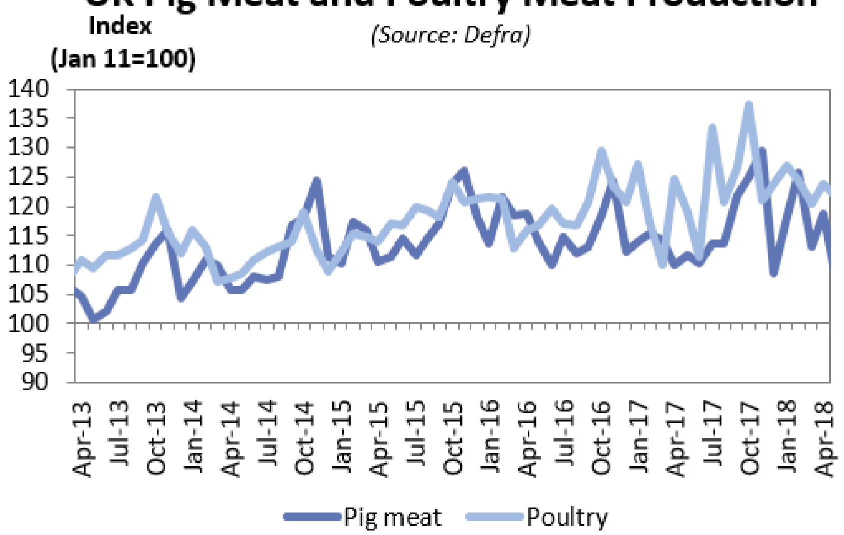
UK Wheat, Soyameal and Cost of Production

(Source: Defra/AHDB)



UK Pig Meat and Poultry Meat Production

(Source: Defra)



Demand Trends

- According to Kantar Worldpanel, expenditure on pork was up both annually and in the latest quarter due to higher retail prices. In the 12 weeks to 20 May 2018, a 5.1% increase in average prices more than offset a 3.7% fall in the amount bought leading to expenditure growth of just over 1%. The amount bought was down due to consumers buying less per shopping trip. The amount sold on promotion has fallen. Roasting joints and belly have contributed the biggest declines.
- Poultry continues to perform well with expenditure up 3.3% in the 12-week period as an increase in volume sales of almost 5% more than offset a small drop in retail prices. Fresh chicken continues its good growth, with volume sales up over 6% as unlike red meat, fresh chicken prices are down year-on-year. Shoppers switching in to the category continues to boost performance. The health and versatility credentials of chicken will also be a contributing factor.

Sector Composition

	December 2017	Previous year	% Change
UK pig herd ('000 head)	4,713	4,538	+3.9%
UK female breeding pig herd ('000 head)	407	409	-0.4%
UK total poultry (million head)*	182	173	+5.3%
UK broilers (million head)*	118	111	+6.3%

**Figures for poultry are as at June each year as not collected at December. (Source: Defra)*

Industry Outlook

- The USDA Foreign Agricultural Service has released its latest update on Livestock and Poultry: World Markets and Trade. In 2018, for the first time since 2012, global trade in pork and broiler meat are expected to rise. The rise in pork is expected to be modest, just 1%. Global production is forecast up over 2% in 2018 to 113.5mt. US exports are forecast to rise by almost 5% during the year, however the recent tariffs imposed on US pork by China may marginally lower total growth.
- For poultry, global exports in 2018 are forecast to be 2% higher to a record 11.3mt, supported by stronger demand from Japan, Cuba, Hong Kong, Angola, Iraq, and Ghana. Similarly, global production is forecast to grow 2% in 2018 to 92.5mt, driven by the US, Brazil, India, and the EU. US exports will rise 3% to nearly 3.2mt. The US will face fierce competition in several key markets as competitor Brazil seeks to offset a loss in shipments to Saudi Arabia due to the ban on stunning.

Horizon Scan

- Latest figures show that the use of antibiotics fell by 28% in 2017, meaning total usage in UK pigs halved in the last two years. This demonstrates the continued hard work and commitment of pig farmers and vets to use antibiotics more responsibly and the figures were welcomed by the Chief Medical Officer Dame Sally Davies during a recent roundtable event. However, the work does not stop here; more needs to be done to tackle endemic disease in UK pigs in order to meet the target of 99mg/kg usage by 2020.
- Avian Influenza situation in England continues to improve. At the end of May Defra announced that the Avian Influenza Prevention Zone imposed on 16 January would be lifted. There was however concern when a Greylag goose was confirmed with the disease in Northern Ireland in early June confirming that the risk of AI is ongoing.