

By Peter Crichton

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### **“Mind the Gap” (Lethal Root)**

Although demand for GB pig meat continues to be well maintained, this is not the case in Europe and poor demand has hit prices hard. The latest German pig producer price has fallen by 3 Cents and now stands at 1.44 EUR equivalent to 125.75p and a recent fall in the value of the Euro has done nothing to help.

Twelve months ago the European average producer price was 151p compared with 122p today whereas the value of the Euro over the past 12 months is very similar trading at 87.7p today.

The main worry is that more much cheaper imports will continue to be sucked into the GB market and may well put a glass ceiling into domestic prices at a time when due to rising feed costs, values need to go up not down.

Most weekly contribution prices have been between stand on and 2p off and spot bacon is reported to be trading in and around 150p/kg.

The ongoing lack of demand for manufacturing grade pig meat across Europe has seen cull sow values remain at similar very low levels within the 63-66p range in the main, compared with 103p a year ago, which represents a 38p/kg price reduction and a £55/head drop in producer returns for culls sold.

Weaner prices continue to reflect uncertainty over future feed costs with the latest AHDB 30kg average quoted at £53.94/head and the 7kg average is £38.07/head.

However, demand for Red Tractor weaners is remaining selective due to a lack of space and demand is reported to be anywhere between quiet and almost non-existent in this sector of the market, although finishers have a little more appetite for Freedom Foods weaners. The cost of straw continues to hit demand and this trend is likely to continue with strong competition from the alternative energy market.

Feed prices are continuing to nudge ahead although they may have paused for breath in the last few days with the latest UK ex farm feed wheat spot price up again to stand at £159/t which is £23/t higher than the start of the year.

UK protein prices have however, eased to some extent over the past week with 48% soya meal traded ex Liverpool at £347/t which is down £16/t.

The US are due to publish details of those Chinese products which will be subject to tariffs and reports are circulating that China is set to introduce a series of retaliatory tariffs which could affect soya bean exports.

Grain futures saw London wheat traded for July 2018 at £151/t and November at £159.35/t.

And finally, good news over the progress that the UK pig industry has made in reducing antibiotic usage where treatment has reduced by more than half over the past two years and the use of Critically Important Antibiotics has virtually ceased.

However, the same cannot be said for pig production in many other parts of the world and let's hope we don't end up importing pig meat from any of these countries in the post-Brexit era ahead.

