

By Peter Crichton

20th April 2018

“The Sun Has Got His Hat On – (Bonzo Dog Doo Dah Band)

Now “The Beast from the East” has left our shores to be replaced by the sun, alfresco eating should mean that barbecues will be fired up soon and the UK pig industry should start to make some positive progress after a long and hard winter.

However, mixed messages are still being received from Europe, where the influential German pig producer price actually fell by 3 Euro cents to 1.420 EUR which works out at 124p in our money and is still much lower than UK pig meat values.

The SPP on the other hand put on .28p and now stands at 145.16p and weekly contribution prices stayed at similar levels with most now in the 140p-144p range.

Spot buyers however commented on relatively quiet demand and a slightly difficult trade although as we move towards May, there are signs of a shortage of pigs in the system and better prices might follow.....we shall see.

In the meantime let the sun keep shining which normally works wonders for the pig trade following the invention of the fridge and barbecues.

Cull sow prices have unfortunately followed the downward track of the German pig quote with UK export abattoirs bids cut back by around 2p/kg which means that most culls were traded in the 65p-68p range compared with 87p/kg in Germany but it is difficult to get much more than this which is a worry especially bearing in mind that culls were worth 105p this time a year ago despite a firmer Euro which traded today worth 87.55p compared with 86.73p 7 days ago.

Weaner prices continue to reflect the lack of finishing space and with much higher straw costs, some finisher buyers have also remained very cautious on the buying front with the latest AHDB 30kg ex farm average quoted at £51.83/head and the 7kg average at £37.19/head, but the normal gap of around £15 between 7kg and 30kg weaners has been maintained.

Grain prices keep creeping upwards with the latest UK spot feed wheat average price now quoted at £147.50/t compared with £136.40/t at the start of the year. UK protein prices also continue to nudge ahead with 48% soya meal ex Liverpool traded at £362/t as against £304/t in January.

Dry weather conditions in Argentina have led to a considerable drop in the country’s soya bean production this year and on the futures market, UK feed wheat was traded at £147.55/t for July and May 2019 is looking firmer at £152.20/t

The decision by the Viverno bioethanol plant to re-open will also help to keep UK wheat supplies and demand tight and with straw costs going through the roof, now might be the time for shrewd pig producers to make some more forward buying decisions.

And finally on the Brexit front, according to the NPA there may be many sleepless nights ahead as farmers will need to absorb a whole series of health, welfare, environmental rules, inspections and CAP payment policy to try and work out whether this will be a case of win, lose or draw as far as the UK pig industry is concerned.

As the song title goes “There **May** Be Troubles Ahead”.

