

By Peter Crichton

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“No Exit?” - Blondie

Although the Brexit shambles continues to “hog” the headlines, pig trading continued carried on which turned out to be a relatively quiet day with the SPP dropping another .41p to stand at 143.2p which is its lowest level since October 2016.

German pig prices have however stood on for the 5th week running which is some comfort during these testing times and remain at 1.36 EUR equivalent to 120p/kg in our money.

Most weekly contribution prices have stayed at similar levels within the 131-136p/kg range but are still around 10p/kg adrift of the SPP.

Spot bacon demand remains quiet with reports of non-farm assured pigs changing hands in the 132-135p region and one off spot loads of Red Tractor baconers worth in 138-140p range.

One of the few benefits of the current Brexit situation is that the value of the Euro has risen against a falling pound and traded on Friday at noon worth 88.4p compared to 87.29p 7 days earlier.

As a result, although German cull sow prices have remained at generally similar levels, UK cull sow exporters put an extra penny into their price reflecting the currency change and most bids were in the 60p-64p/kg range according to spec.

Weaner prices remain under pressure although the latest AHDB 7kg average has risen by £1.38 to £32.06, 30kg weaner values remain in the doldrums and are quoted at an average of £49.23 but these include a mixture of Red Tractor and Freedom Foods with the market for Red Tractor weaners under increasing pressure with very few takers and prices reported to be as low as £35 in some cases which is less than the value of a 7kg piglet!

However, until a clear pattern emerges concerning finished pig values early next year, buyers are remaining extremely cautious despite some relatively modest falls in the cost of feed ingredients.

UK spot wheat prices have continued to reflect easier trends trading at or around £160/t ex farm and London futures feed wheat prices were a shade firmer on Friday morning with January 2019 quoted at £170.90/t and May 2019 at £174.50/t.

However, UK cereal markets remain volatile due to the Brexit situation and uncertainty and a fall in the value of the pound can trigger upward movements in domestic prices but if the pound rises against the Euro domestic feed commodities may well face downward pressure to the relief of hard pressed pig producers.

UK protein prices have also reflected slightly easier trends with 48% soya falling from £319 to £311/t and 34% rape seed a shade easier and down from £206/t to £205/t.

And finally, the lack of any recent news in connection with ASF does not mean this risk has gone away. It was good to hear that the Chief Veterinary Officer is contacting hauliers warning them of the risks of bringing ASF into the UK and the need to step up biosecurity measures including washing and disinfecting vehicles to prevent the spread of this killer disease especially at a time when there is the distraction of Brexit to deal with. Recent reports from China have indicated that the ASF virus has now been detected in pig feed leading to further fears about its potential spread across the country where more than 50% of the world's pigs are raised.

