

By Peter Crichton

17th November 2017

“Carry That Weight” by The Beatles

The SPP continues on its downward track losing another 1.12p to stand at 154.04p and weekly contribution prices have either stood on or eased back a touch and are now in the 145/6p region.

Spot trade is reported to be quiet with prices around 140p but not helped by consumer demand for pig meat which remains selective with loins particularly hard to clear.

With only 5 weeks to go between now and Christmas we need to see an improvement in demand to keep on top of rising live weights and to try and get some space in the system before the seasonal break to avoid too many heavy pigs being stuck in the system.

Fortunately German producer prices have stood on for the third week running at 1.45 EUR which in our money works out at 129.6p but the gap between UK and EU prices still remains too wide and open to cheaper imports undercutting the domestic market.

Fortunately the Euro has gained slightly during the week, trading on Friday worth 89.4p compared with 88.4p seven days earlier.

This was not enough of a variation however to encourage cull sow prices to rise and they still seem to be stuck in a rut at little more than 70p/kg.

The latest AHDB 30kg ex farm weaner average is up by .86p to £57.05 but 7kg piglets have remained virtually unchanged at £41.99/head and until finished pig prices settle down weaner buyers are being cautious and these prices could continue to come under pressure.

Cereal and protein prices ended another quiet week with global wheat markets remaining virtually unchanged but a recent USDA report confirming increases in the Northern Hemisphere grain supplies may help to keep prices at a manageable level as far as pig producers are concerned.

The latest UK feed wheat spot ex farm price average of £135.80/t has remained static and on the futures market UK feed wheat is quoted at £137.25 for this month, and £141.60 for March and £144 for November 2018. UK protein prices have also seen little movement with 48% Brazilian soya trading at £303/t ex Liverpool and 34% rape meal ex Kent at £159/t.

And finally, recent news that not only is the US pig herd continuing to rise but their COP is reported to be in the 85-90p/kg region compared with the UK equivalent of 138p.

Yet another reason for the industry to sing the praises of our high welfare pig production system but if the industry is to be judged on a cost basis alone we will find it very difficult to compete.

