

By Peter Crichton

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Glass Half Empty

All the signs were there earlier in the week that prices would be facing something of a correction today, and they did.

The SPP has dropped by .82p and now stands at 162.92, worse than that the influential German bacon pig producer price shed 8 Euro cents falling from 1.70 Eur to 1.62 Eur.

Spot base quotes have also eased significantly and although regular spot sellers were able to trade in the 1.55p region one off loads of surplus bacon pigs were trading in and around the 150p mark.

Weekly contribution prices have also continued to ease a touch, losing a copper or two and the signs are that we could see more of the same next week.

Why? A lethal combination of sharply falling German prices, the Euro being worth 3.7% less than it was a week ago and demand remaining under pressure at a time when a few more pigs are coming forward, have all contrived to push prices in the wrong direction, but looking on the bright side, this time last year the SPP was trading at 138.24p, sows were worth 89p/kg and feed wheat could be purchased for a mere £113/t change.

Cull sow prices took a heavy knock, losing between 7-8p/kg in value and, as a result, most culls were traded in or around 88-91p/kg with warnings of more of price falls next week.....we shall see.

Although weaner prices have lost their sparkle, buyers were still out looking, but the latest AHDB 30kg ex farm average has eased by almost £1 per head to £59.34/head, with 7kg averaging £43.83/head.

As the SPP continues to decline, this will have the effect of winding back contract weaner prices to some extent.

Cereal prices saw UK feed wheat futures rise marginally on the week with November feed wheat traded on the LIFFE market at £139.50/t and March at £144.45/t. The Chicago and Paris cereal markets also showed a slight decline, although trade across the board was generally described as "quiet".

UK protein prices have stayed at generally similar levels with 48% Brazilian soya meal ex Liverpool traded at £297/t and 34% rape meal ex Kent at £160.62/t.

Finally it is good to see that AHDB are running two separate initiatives to promote British farming with the launch of Red Tractor Pork Day and Back British Farming Day.

This should help to put British pig meat in the spotlight at a time when increasing competition will be faced from abroad especially if prices continue on the downward path, but we will need to "back British farming" when we say farewell to the EU as a trading partner in our brave new post Brexit world.

