Demand for UK Pigs Continues to Reflect Hot Weather

Demand for UK pigs continues to reflect the weather (hot) and, although the SPP only moved up by 0.15p to stand at 162.43p, spot prices have continued to reach for the sky with bids generally between 172p/kg and 175p/kg according to spec, with no shortage of takers, writes Peter Crichton in his latest "Traffic Light" commentary.

Most, but not all, weekly contribution prices have stayed at similar levels, although the odd penny increase was available here and there, and the overall range is between 160p/kg and 170p/kg.

Unfortunately German pigmeat prices took a knock following on from sows last week, with their producer price for baconers losing 5 Euro Cents and, as a result, sow prices also slipped back by another 2p/kg after last week's 5p/kg drop, with most export quotes in the 98p/kg region, although the odd copper or two was available for large loads.

Weaner prices appear to have paused for breathe with the latest AHDB 30kg ex-farm average quoted at £59.95 /head and the 7kg weaner average at £43.91/head, but numbers are still tight and opportunities for spot sellers to haggle at £2 - £4/head higher than these average figures are available.

The Euro ended the week on a slightly firmer note worth 88.45p on Friday afternoon, compared with 87.97p a week earlier and the weak post Brexit Pound is continuing to provide support to the pig industry in terms of import and export values for pigmeat.

With harvest now upon us and the combines starting to roll in certain parts of the country, grain prices have hardened to some extent with the latest UK ex farm feed wheat average of £145.80/t up from £142.20/t a week ago and this modestly bullish trend was also reflected in the futures market where LIFFE prices for feed wheat were quoted at £146.35/t for this month, November was firmer at £150.75/t and the same price was also being paid for May 2018.

UK protein prices have also moved in producers’ favour to a small extent, with 48 per cent soya meal ex-Liverpool traded at £278/t, and 34 per cent rape meal slipped £2/t to £175/t for the end of June.

And finally, on a global basis, China still remains a vitally important market as far as the whole pig industry is concerned and new documentation which can into effect on the 1 July 2017 requires a declaration that supplying pig herds are currently free from any official disease restrictions due to notifiable diseases of pigs.

Bearing in mind the recent ASF outbreak in Czechoslovakia, it is absolutely vital that the UK remains a "clean" supplying country as far as the vast Chinese market is concerned, and I am sure we would like this to include sweet rather than sour pork.