



News Extract no. 105



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WORLD

Record Cereal Production expected for 2019 - FAO

Source: Black Sea Grain, 5 December 2019

FAO released a new worldwide cereal production forecast for 2019, anticipating an all-time high harvest of 2 714 million tonnes, which would be 2.1 percent higher than in 2018.

The latest upward revision, contained in the new Cereal Supply and Demand Brief also released today, reflects higher-than-previously predicted coarse grain yields in China, the Russian Federation and Ukraine.

World output of coarse grains including maize is now forecast at 1 433 million tonnes, marginally short of the record level registered in 2017. After an upward revision for the European Union, global wheat production in 2019 is now forecast to rise by 4.8 percent from 2018 to reach 766.4 million tonnes. World rice production is likely to reach 515 million tonnes, a mere 0.5 percent drop from the record set in 2018, with Egypt, Madagascar and Nigeria all poised to spearhead a rebound for African rice production this season.

FAO's world cereal utilization forecast for 2019/20 stands at 2 709 million tonnes, up around 21 million tonnes from the previous season. World cereal stocks at the close of seasons in 2020 are now expected to reach 863 million tonnes. At this level, the global cereal stock-to-use ratio would approach a relatively high level of 31 percent, underscoring a comfortable global supply situation.

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ASF vaccine possible within reasonable timeframe

Source: Pig Progress, 11 December 2019

A vaccine against African Swine Fever could be possible 'within a reasonable timeframe', according to the lead researcher of the Agricultural Research Service, part of the US Department of Agriculture (USDA).

Earlier this month, news broke that a potentially new vaccine for African Swine Fever (ASF) had been created by researchers from the USDA's Agricultural Research Service. An article appeared on the website Biorxiv, mentioning that the researchers had found a previously uncharacterised virus gene, called I177L, which when deleted completely attenuates an isolate of the ASF virus obtained from the country Georgia.

Dr Douglas Gladue, senior scientist at Plum Island Animal Disease Center, part of the ARS: "Our results with our new experimental vaccine ASFv-G-ΔI177L have been very promising, and has characteristics that experimentally outperform our previously discovered vaccine candidates."

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Global Pork prices

Source: Genesis, 4 December 2019

<i>The First Power In Genetics</i> GENESUS Global Market Report			
Price as of Dec 4th , 2019			
	Domestic price (own currency)		US dollars (Liveweight/lb.)
USA (Iowa-Minnesota) [Weighted Avg.]	43.29	USD/100 lb. carcass	32.03 ¢
Canada (Ontario) [Base Price]	139.73	CAD/100 kg carcass	38.33 ¢
Mexico City	34.37	MXN/kg liveweight	80.04 ¢
Brazil (South Region)	5.42	BRL/kg liveweight	58.66 ¢
Russia	87.40	RUB/kg liveweight	62.05 ¢
China	32.30	CNY/kg liveweight	\$ 2.08
Spain	1.488	EUR/kg liveweight	74.91 ¢
France	1.701	EUR/kg carcass	71.76 ¢
United Kingdom	158.61	GBP/100 kg carcass	75.43 ¢
Vietnam (national average)	72,000	VND/kg liveweight	\$ 1.41
South Korea (national average)	4,032	KRW/kg carcass	\$ 1.18

EUROPE



UK's University of Leeds opens National Pig Centre

Source: Pig Progress, 6 December 2019

The University of Leeds in the United Kingdom recently opened the National Pig Centre, which comes with specialty features like precision nutrition and 24-hour monitoring. The new centre is supported by more than £11 million (€ 13 million) of investment. A news article on the website of the University of Leeds, explained that the centre will be “a leading research facility for pig nutrition, behavior, health and production system research – all themes identified by the livestock industry as central to improving quality, productivity and future competitiveness.”

The investment includes a 3-fold increase in the previous capacity of the farm, from 200 to 660 sows, ensuring research carried out at the centre better represents commercial pig farming. Of these, 220 will live outdoors.

The combination of an outdoor sow unit with an indoor system is uncommon in Europe, enabling direct comparison of the different rearing systems. Scientists will work to identify the key factors contributing to pig farming’s environmental footprint, and attempt to find alternatives that could drive down the sector’s greenhouse gas emissions.

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Spain is the No. 1 EU exporter and the world's largest supplier of pork for China

Source: Genesis, 4 december 2019

Spain is the No. 1 EU exporter and the world's largest supplier of pork for China. Production is going up in Spain while Germany and Denmark are going down. With all these premises Spanish producers are at their best, the exporting industry also. The only ones that are having it more complicated are businesses in the processing industry. Its raw material is at record high price and it is still not clear how will this impact end-product prices.

More and more Spanish processing plants are authorized to export to China, and new opportunities are at rise for products such as: bone ham, sausages, pepperoni and loin. Until last October, only boneless hams from Spain could enter China. Although the authorization protocol was signed a year ago, during the visit of the Chinese president, Xi Jinping, to Spain. It has not been until early October this year when all the procedures necessary for export have been completed.

This opens new opportunities for Spanish pork products in a high-quality niche market. Since Spain has the pork, the knowledge and ability to make end-products with high added value; changing from that current "commodity" to a niche market will encourage them to offer and strengthen high quality products.



Baltic processors faced with soaring pork prices

Source: Pig Progress 21 November 2019

Pork meat prices are rising throughout Europe as a consequence of the ongoing global epidemic of African Swine Fever (ASF) and subsequent expanding European pork exports to China. Take the Baltic states, for instance, where the developments have led to changing market conditions.

Anna Mere, chairman of the board of the Estonian meat processor HKScan Estonia, told local publication ERR: "We are speaking about the increase of the purchasing price for pork by 40% [in Estonia] since the beginning of the year. When it comes to raw materials for sausage production the prices jumped by 50% compared to what we had in early 2019."

The soaring pork prices have already pushed the demand for poultry and beef in the Baltic region up in 2019 as compared to the previous year. After the ASF epidemic in 2016, Estonia ended up having a pork self-sufficiency of 60% to 70%. Before the epidemic that figure used to be close to 100%. For that reason, pork prices are rising in Estonia, even though the country is not directly exporting pork to China.

The purchasing price of Pork meat, as paid to farmers in Estonia, was € 1.70/kg as of September of 2019, only 13.4% up compared to September of 2018, according to the Estonian Statistical Department.

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World Bank welcomes "successful first reading" of bill on farmland sale in Ukraine

Source: farmlandgrab.com, 15 November

The World Bank has welcomed the "successful first reading" of a bill on farmland sale in Ukraine.

"The World Bank Group congratulates the Ukrainian Leadership on the successful first reading of the law to lift the moratorium on agricultural land sales," it said in a statement on Facebook on November 13.

"This was an important first step towards the opening of the agricultural land market and unleashing Ukraine's agricultural potential to the benefit of all Ukrainians."

"We look forward to the positive adoption of the law, and passage of the accompanying laws that prevent concentration of land ownership and ensure transparency," the World Bank added.

As UNIAN reported earlier, a bill designed to launch the farmland market in Ukraine from October 1, 2020, passed its first reading on November 13.

According to World Bank forecasts, the opening of the agricultural land market may annually inject an additional US\$700 million to US\$1.5 billion into the Ukrainian economy.

RUSSIA



Pork meat Market report – Russia

Source: Genesis, 18 November 2019

The pig price in Russia has fallen to 92 Roubles (\$1.43) per live kg. Half carcasses are selling for 140 Roubles (\$2.19) meaning a margin of 1,436 Roubles (\$22.4) for slaughter plants.

For the large integrated producer's margins are still good, although lower than over the past few years. December, January and February are the months where in Russia the price is lowest. For the higher cost producers, the winter is not looking good!

New farms continue to be built and stocked and consumer spending pretty static. Increasing supply and no change in demand means generally lower prices. That is unless anything major, like Russian pork being allowed into China, happens.

There is a lot of Government activity in Russia trying to make this happen. The issue still remains that Russia is a country positive for African Swine Fever. Logic says that Russia being 4 times the land mass of Europe, it should not be difficult to regionalize with regards to ASF free regions.

The Russian government is determined to become a net exporter of pig meat. Those that regularly read the Global Market Report's will know that the lowest pig prices are always in the net exporting countries. USA, Canada, Brazil and some European Countries. Over the past years, as a Net Importer, Russia has been able to maintain high pig prices. This will no longer be the case. Maintaining a profitable business with low price is going to require quite a large mind shift!

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Miratorg – Global Mega pork producer

Source: Genesis, 11 November 2019

Russia's leading meat-producer and supplier. Miratorg is Russia's largest pig producer with a breeding base of 138,000 heads and a total of 400 thousand tons of pork marketed per year. Live pig production started in 2005 in the Belgorod Region of Russia and are currently in the process of doubling their pig production which is expected to be a 4-year project.

The company is fully integrated from field, live pig production including feed manufacture, slaughter and processing, including production of readymade meals and finally a chain of own brand supermarkets. Miratorg is one of the Russia's largest employers in the agricultural sector of the economy, with more than 26,000 staff.

As well as pork production, Miratorg are also the largest beef producers in Russia with a production output of over 80 thousand tons. They produce also Chicken and frozen vegetables all in fully integrated models.

ASIA



Clandestine Pig Vaccines Create 'Chaos' in China, Caixin Reports

Source: Bloomberg News 12 November 2019

Unauthorized experimental vaccines against African swine fever are being used on pig farms in China, creating "chaos" because of their varying levels of efficacy. No vaccine has been proven safe and effective against the deadly hog virus, yet at least three illegally procured products have been used to immunize millions of hogs, according to veterinary expert and other unidentified people involved in the pork industry in Jiangsu province.

The effects of the vaccines were highly variable. Some immunized pigs later developed a condition causing their skin tissue to die; some pregnant females aborted; others suffered no side effects, but died en masse from the disease, according to the report.

The use of illegal vaccines by some farms has amplified the challenge of eradicating African swine fever in China, according to a professor of veterinary medicine from South China Agricultural University. Different types of vaccines have been simultaneously used in some areas, making it difficult to discern their safety and efficacy, and distinguish between vaccinated and unvaccinated pigs, the professor said.

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Is China Exporting African Swine Fever to Russia?

Source: Bloomberg News, 1 November 2019

Russian Far East has reported 59 outbreaks near China border. Wild pigs may frustrate both nations' virus-control efforts.

More than a year after African swine fever began ravaging hogs in China, the virus may be escaping along the same route it's believed to have entered - via Russia.

While the swine contagion has been present in Russia for 12 years, it's only been

spreading actively in the country's Far East for the past few months. Authorities have reported almost 60 outbreaks in wild and domestic pigs, most within a few miles of the border with China.

Russia has reported dozens of outbreaks near the border with China. Infected wild boar may be playing a role in cross-border spread.

While the Far East accounts for less than 2% of Russia's swine herd, the virus's persistence in wayward, wild animals may frustrate attempts to control the disease on both sides of the border.

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China. Ministry of Agriculture announces plan for pig production recovery

Source: Agriculture and Food, week 50, 2019

According to Reuters bureau, the Chinese Ministry of Agriculture last week made public a three-year plan to quickly restore the country's pig production.

The plan reiterates an earlier target that the stock of pigs should stop falling here by the end of 2019 and the production of pigs should be back to normal levels by the end of 2020. This must be done through a number of initiatives already taken, such as financial support for investments in new productions and the allocation of land for new productions, etc.

The plan also includes a regional breakdown of the country, where provinces such as Hunan, Hubei and Guangxi will continue to be large pig regions to supply other parts of the country with pork.

Southeastern provinces such as Jiangsu, Zhejiang, Guangdong and Fujian as well as cities such as Tianjin, Beijing and Shanghai are expected to achieve self-sufficiency of around 70 per cent for pig meat. While southwestern and northwestern regions - including Sichuan Province - are expected to have a self-sufficiency rate for pork close to 100 per cent.

NEW ZEALAND



'Not in national interest': Ministers block foreigners from buying 4500ha of farmland

Source: farmlandgrab.com, 2 December 2019

In a rare rejection of an Overseas Investment Office application, Canadians have been barred from buying more than 4500ha of South Island farmland.

Mercury Agriculture LP, 92 percent controlled by Canadian interests, cannot buy more than 2000ha of South Canterbury and Otago land because it is not in New Zealand's interests, according to the office decision.

Mercury wanted to buy 2000ha at Rangitata, 1494ha near Ashburton, 816ha near Cromwell and 212ha near Temuka. Vendors were the owners of Rangitata Dairies Limited Partnership and Rangitata GP Limited New Zealand and the price offered was withheld.

Mercury Agriculture is an investment vehicle for Fiera Comox Partners, which established a fund to buy agricultural land and rural producing assets here, in Australia, Canada and the United States, the office said.

Rangitata Dairies owns eight farms, a dairy support farm in Otago and leases farmland in Canterbury.

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AFRICA



Chinese company to build UGX.1.6 trillion fish breeding centre in Uganda

Source: farmlandgrab.com, 1 December 2019

Hainan Qinfu Foods Company Limited from China is looking for 5,000 acres of land to invest a total of \$450m (about UGX1.6 trillion) in a specialized aquaculture industrial park.

The company is the leading fishing enterprise that specializes in tilapia aquaculture in China. In China, the company encompasses commercial fish fry production, production of fish feed, fish processing and marketing among others.

The company's Chairman Qinfu Zhou told officials of the Uganda Investment Authority (UIA) last week that with support from the Uganda Embassy in China and the Chinese Ministry of Agriculture and Rural Affairs, the company is investing \$450m in establishing the park in Uganda.

The project aims to introduce Chinese management experience by establishing a high tech-industrial park through the development of production and providing broodstock.

BRAZIL



13 Brazilian plants are approved for export to China

Source: [Agriculture & Food](#), week 47 2019

In week 46, China has approved 13 Brazilian meat plants exports to China. The 13 plants consist of 5 with pork, 5 with beef and 3 with poultry, according to the Brazilian Ministry of Agriculture.

The approvals follow after Brazil was approved week 46 for another 7 plants in the Brazilian state of Santa Catarina for export of pig by-products.

According to "Thepigsite", 16 Brazilian pig meat plants are now approved for export to China. 46 Brazilian plants have been approved for poultry meat.

According to the President of the Brazilian Animal Protein Association (ABPA) Francisco Turra, the new Chinese approvals will further increase Brazilian meat exports to China.

"In addition to already being the leading supplier of poultry meat to China, Brasilia will now also be able to increase its market share of Chinese pork meat imports," Turra said. From January to October this year, Brazil has increased its pork exports to China by 40 per cent. to 183,100 tons, figures from ABPA show. In all, China has taken 31 per cent in the period. of Brazilian pork meat exports and 13 per cent. of the export of poultry meat.