Export Bulletin

March 2012 – Week 10

DLG the German Agriculture Association conducted last autumn a survey amongst 3,600 pig producers from Germany, France, Hungary, Poland, the Czech Republic and the United Kingdom. This survey reveals that British producers are the most upbeat with only 15% judging the market situation as "bad" (5%) or "very bad" (10%). In contrast, 41% of French producers consider the situation as "bad" or "very bad". Going forward, the French (47%) and the Hungarians (41%) are the most pessimistic. No pessimism was recorded amongst British respondents. Some 65% of British producers plan to invest in the next twelve months against 21% in France, 44% in Germany and a majority of Central European producers.

The British Pig Association was interviewed by China Daily regarding developments on the local pig genetics market. French reports indicate that the UK has regained market leadership and that the Chinese breeding pig market will increase by 20% in 2012.

DENMARK

Market

The European markets are in a quiet period. There is a steady demand compared to the number of slaughterings, impacting an unchanged market in Northern Europe and rising domestic prices in the south. This means that leg prices are stable, front parts remain unchanged as well, but at a fairly high level. The market for bellies is also stable at a satisfactory level while the market for loins is slightly weaker. The weak market for loins in Europe is still reflected in the pressure in an otherwise stable market for backs. On third country markets exports are stable. The Chinese market is well underway after the New Year with a satisfactory level for the season. The Russian market is stable. The same applies to the Japanese market. (Sources, Danish Crown, Tican, Danish Agriculture and Food Council)

New research project to reduce sows' stay in farrowing crate

The Science Center for Pigs in collaboration with Copenhagen University will develop a new sty system for farrowing and nursing sows. Virtually all sows in Denmark are placed in farrowing crates for 28 days while they give birth and give suckle. This is in order to reduce the risk that they lie on the piglets. However, in a new research project scientists will shorten the sows' stay in the farrowing crate to just three to five days, after which they can move freely in the farrowing pen. According to Vivi Aarestrup Moustsen, chief scientist at the science Centre, the aim of the project is to develop a competitive farrowing pen where the sow is loose, but without compromising on piglet survival. (Source, Videncenter for Svin)

Low consumption of antibiotics in Danish pig production in 2011

In spite of an increase in pig production the farming sector's consumption of antibiotics in pig stables is still decreasing. The total consumption in 2011 ended at 81.4 tonnes. It is significantly less than the 100.3 tonnes that the farmers gave to the pigs in 2010. It is also the lowest consumption since 2002 according to the medicine database VetStat. Further, the number of pigs in Denmark increased by more than 80.000 extra pigs from 2010 to a total of 29.4 tonnes, according to the business organization, Farming & Agriculture. The consumption of antibiotics in pig stables have been subject to inspection for a long time because the development of resistant bacteria may make the treatment of certain infections more difficult or impossible also with humans. (Source, Ritzau)

Expensive not to observe the 2013 demand on loose sows

While the final discussions continue for or against dispensation from the 2013 requirement for loose sows, it was on LRO's Pigs Congress determined that it can cost between € 14 and € 27 per pig should the sows not be untethered by 1 January 2013. The loss of between € 14 and € 27 may arise as a consequence of deductions according to the sector standards and to EU standards. In addition, there is the risk of being reported to the police and fined. (Source, Landbrugsavisen)

Danish Slaughterhouses - payments week commencing 05 March 2012

Slaughterhouse	Danish Crown	Tican
Slaughter pigs (70.0 – 86.9 kg)	Euro 1.374	Euro 1.374
Difference to last week	Unchanged	Unchanged

Sows (Above 129.9 kg) Difference to last week	Euro 1,041 Unchanged	Euro 1.041 Unchanged
Boars (Above 109.9 kg) Difference to last week	Euro 0.908 Unchanged	Euro 0.902 Unchanged

FRANCE

Fleury-Michon

At a time when the Marketing Director of the catering department of Fleury-Michon has not been replaced yet, three Genaral Managers have been appointed for the retail department of the charcuterie group. Gérard Chambet becomes General Manager of the catering section, Alexis Joannis becomes General Manager of the charcuterie department and Jean-Sébastien Tamisien has been appointed General Manager of the fish products department.

Charcuterie household purchases in 2011

Bottom five

	Volume change 2011/10	Retail price €/kg	Retail price 201
Andouillette (pre-packed) *Raw porcine tripe sausage*	-13.60%	7.14	+7.1%
Andouille (pre-packed) *Cooked porcine tripe sausage*	-10.00%	10.75	-0.5%
Fine coarse pork sausage (Fresh charcuterie counter)	-7.90%	9.66	+2.6%
Cooked saucissons (Fresh charcuterie counter)	-5.90%	10.24	+0.6%
Thick coarse sausages (Fresh charcuterie counter)	-5.50%	11.12	+0.4%

Top five

	Volume change 2011/10	Retail price €/kg	Retail price 201
Pâtés (Fresh charcuterie counter)	+11.2%	11.12	+0.4%

Bacon (pre-packed) *French bacon!*	+11.5%	13.22	-2.3%
Poultry sausage (pre-packed)	+16.7%	5.98	-0.6%
Black pudding (pre-packed)	+9.2%	6.49	-2.0%
Thick coarse sausages (excluding chipolatas/merguez)	+6.1%	8.21	+1.7%

Pork

A new slowing down for prices is not impossible on Thursday in Plérin. The prices are slowing down due to the lack of dynamism for French market and due to the exports which are not good.

Cuts

If the beginning of the month is good for the market of cuts, the wholesalers are not optimistic because our exports are not good and we have more supplies for internal market. Prices hesitate between stability and slowing down. In this context only the price of the loin is firm.

Pork prices RUNGIS week commencing 05 March 2012	
Cut name	**Price range (Euro/Kg)**
Back fat, rind-on	0,80
Trimmings	1,51
Leg	2,17
Loin including chump	3,11
Loin excluding chump	2,58
Belly extra without trimmings	2,73

GERMANY

Market

On the markets for pig meat there is still a lack of strong demand. In some regions, spring holidays have led to carefully placed orders. Hams, chops and loins were not sold without difficulties while shoulders, bellies, collars as well as meat for processing were marketed easier. Overall, trade is reported to have been balanced. Sow meat was marketed well. (Source, AMI)

Pork Prices Hamburg Market Week commencing 05 March 2012	
Cut Name	**Price Range (€ / kg)**
Round cut leg	2.10/2.25
Leg (boneless, rindless max fat level 3mm)	2.95/3.20
Boneless Shoulder	2.48/2.55
Picnic Shoulder	2.00/2.20
Collar	2.35/2.55
Belly (bone in, ex-breast)	2.28/2.40
Sheet Boned Belly (rindless)	1.95/2.25
Jowl	1.40/1.55
Half Pig Carcasses U class.	2.02/2.12

NETHERLANDS

Blue-sky thinking

The Dutch government has awarded € 45,000 to ten innovative, high animal welfare and sustainable pig and poultry housing projects. These include proposals by ZLTO (*Pig Plaza* in semi-outdoor rings), Annechien Ten Have from LTO (lupin-based system) and Pape Creavorm VOF (*Varkenshof* in a leafy indoor environment). (Source, Boerderij Vandaag)

SPAIN

Campofrio reorganises its sales

The integration of Navidul and Jamones Burgaleses is progressing. Campofrio plans to sell loss-making major Northern French processor Jean Caby. It has ambitious plans for Spain with € 82 m. expenditure planned over the next two years in innovation, customer service, new distribution channels and wider distribution.

Incarlopsa still growing

The company is investing € 12 m. to expand its giant *secadero* in Toledo. Capacity will increase by 600,000 pieces to 4.3 m. Incarlopsa processed 122,700 tonnes of pork in 2011 (+7.6%). (Source, Alimarket)

Subirats invest

The Barcelona pork processor intends to triple its sliced meats production and is investing € 6 m. in a new plant. (Source, Alimarket)

Cárnicas Serrano is positive

The major pork processor from Valencia increased its production in 2011 to 12,227 tonnes (+7%). It intends to expand sales in France and Germany. (Source, Alimarket)

Pork prices Barcelona Market Week commencing 05 March 2012	
Cut Name	**Price Range (€ /kg)**
Carcases (secondary grade)	1,703/1,709
Gerona Loin Chops	2,48/2,51
Loin Eye Muscle	3,41/3,44
Spare Ribs	2,88/2,91
Fillets	5,38/5,41
Round Cut Legs	2,42/2,45
Cooked Ham	2,05/2,08
Rindless Picnic Shoulder	1,63/1,66
Belly	2,01/2,04
Smoked Belly with Spare Rib Section Cut off	2,44/2,47
Shoulder chap or Head Jowls	1,13/1,16
Back Fat, Rindless	1,08/1,11

RUSSIA

Import ban?

Due to the spreading of the Schmallenberg and Bluetongue viruses in various EU countries, Russia considers banning the import of pigs and cattle from the EU as of 20 March 2012.
(Source, topagrar)

Large investment

ROS-Bacon Ltd., based in Ulyanovsk, will build a pig-breeding complex in the Terengulskiy region of Ulyanovsk oblast by 2013. The approximate cost of the project is RUB 700 m. (USD 23.5 m.). Governors of the oblast and region and the director of ROS-Bacon Ltd. signed the corresponding agreement on March 2. Due to the use of modern equipment and technologies (including energy-saving technology), the company is planning to breed 30,000 pigs per year. (Source, Meatinfo.ru)

Decreased pig population

According to V. Yevlanov, the Mayor of Krasnodarskiy Krai, the population of pigs in pig-breeding facilities of the region decreased dramatically due to ASF outbreaks and sanitary measures that followed them. (Source, Interfax Russia)

Imported Pork Moscow Market (March 6):

Shoulder (no bone): USD 6 /kg

Loin (with bone): USD 7/kg

Liver: USD 2.1/kg (Source, Meatinfo.ru)

Imported Pork St.Petersburg Market (March 6):

Leg (with bone): USD 4.5 /kg

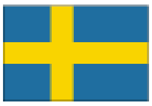
Leg (no bone): USD 5.8/kg

Liver: USD 2/kg (Source, Meatinfo.ru)

UKRAINE

ASF related ban

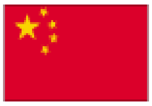
On Feb 16, 2012, all pigs from private households were confiscated and slaughtered in the village of Neznanovo in Grodnenska oblast in Republic of Belarus. According to information provided by the Ministry of Agriculture of Belarus and the Department of Veterinary and Food Control of the Republic, these actions were part of the drills to train in fighting ASF and not the real measures to prevent the spread of the disease. Considering the fact that Republic of Belarus is a member of the Customs Union, and there's no veterinary and sanitary control on Belarussian-Russian border, and taking into account the fact that a considerable number of ASF outbreaks within the territory of Russia during the last year were registered in the Central federal region (bordering Belarus), there is a possibility that the slaughter of pigs in Neznanovo may have been caused by ASF virus brought from the Russian Federation. As ASF is viewed as a serious biological hazard to the Ukrainian economy, the Chief State Veterinary Inspector of Ukraine by his order No: 15-2-23/1654, dated Feb 29, temporarily banned the import of ASF-prone animals and products produced from these animals from Belarus to Ukraine. (Source, State Veterinary and Phytosanitary Service of Ukraine)



SWEDEN

Scan starts imports of piglets

In Sweden, it has attracted great attention in the pig industry that the largest Swedish slaughterhouse SCAN - which is part of HP Scan Group in Finland - has started import of piglets from Finland for fattening in Sweden. Indeed there was an agreement among all Swedish slaughterhouses that they would only slaughter Swedish certified pigs. Scan explains the imports saying that they a due to a desire to maintain production volumes, so that also on the long term there will be a Swedish production. Furthermore, according to Scan, the imported piglets will be fattened with special selected suppliers as well as at special farms in primary production. SCAN will continue to use only 100% Swedish ingredients under the brand SCAN, while the meat from the Finish piglets will be used in other brands under the Scan Group.
The other Swedish slaughterhouses have issued a joint press release stating that they maintain that they will slaughter nothing but Swedish pigs from certified farms. (Source, Markedsnyt for Svinekoed)



CHINA

Restructuration on target

In 2001, 74% of pigs were held in farms with less than 50 heads, with 5% of pigs in farms of more than 3,000 heads. Rabobank forecasts that in 2013, the smaller farms will account for 30%

of pigs and the largest farms 15% of pigs. The share of medium size farms will rise from 21 to 55%. (Source, Rabobank)

For primary processing too…

In 2010, mechanised pig abattoirs accounted for 20% of pork production. This is due to rise to 70% in 2020. (Source, Rabobank)

French offensive

French technical institute IFIP has created a commercial structure to promote exports called IFIP Service SAS. Some 13 companies are involved to offer integrated solutions (genetics, equipment, AI, energy, IT, consultancy) for the Chinese pig sector. (Source, Porc Magazine)

Exports to China from Poland

The state consultant in Warsaw has reported that the Polish authorities are expecting that within the next few weeks approximately 12 Polish companies will be approved for exports of pork to China. (Source, Markedsnyt for Svinekoed)

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