IFA Pigs & Pig Meat Committee Newsletter

Issue 2 September 2010

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IFA Nitrates Activities

- April 15th—IFA meeting with Teagasc
- 6th July—Nitrates lobby day of Oireachtas Members in Mansion House & meeting with Minister Brendan Smith
- 23rd July—IFA Nitrates Review Submission sent to Department of Agriculture
- 28th July—IFA addresses Oireachtas Environment Committee.
- 29th July—IFA President meets Minister Brendan Smith.
- 29th July/5th August—IFA Technical meetings with Department of Agriculture
- 4th August—IFA Technical meeting with Teagasc
- 9th -12th August—IFA officer meetings in Piltown, Cork Marts, Athenry & Cavan in advance of Teagasc meetings.
- 17th August & Sept 1st—IFA lobby of Teagasc Board members.
- 18th Sept—Meeting of IFA executive Board & Commodity Committees
- 21st August—Advert in the farmers journal
- 1st Sept IFA National Environment Committee meeting attended by Pigs Comm Chairman.
- IFA Cavan/Monaghan Pig & Poultry farmers meet Minister Smith
- 3rd Sept—IFA President meets Cavan and Monaghan Pig and Poultry farmers.
- July—Sept—Lobby of T.D.'s in constituency offices.

Pig meat Markets

PIG PRICES

Irish pig producers prices were unchanged in July (average €1.41 VAT exclusive). The average price paid in August was €1.40/kg (VAT exclusive), the drop incurred by some (-4c/kg) widened the gap between Ireland the EU average of €1.51/kg in August. The major EU players had been holding stronger prices but Germany dropped their prices (7c/kg) to €1.43 in the last week in August. As the biggest EU market, German price stability is vital. German futures would indicate a certain level of recovery in September with an average price projected at €1.44.

COST OF PRODUCTION

Due to a two week delay in publishing this months pig league (July figures), the cost of production in the graph did not reflect latest feed price increases. The Teagasc cost of production for August was recorded at 91c/kg bringing the breakeven price of a farm with low repayments to over €1.40/kg.

Fig 1	Ave (Jy-Au)	Week 36
Germany	1.43	1.38
France	1.41	1.42
Denmark	1.42	1.38
Spain	1.65	1.52
Belgium	1.39	1.36
Netherlands	1.40	1.33
UK	1.63	1.59
Ireland	1.38	1.31

Pig Prices corrected for VAT, kill Out Lean Meat Percentage (ISN) €/kg)

In September, compound feed prices have risen by over €30/tonne which equates to 12c/kg at a minimum, thus bringing the cost of production to over €1.50/kg.

Nitrates Review -

IFA Pigs Committee Chairman, Tim Cullinan has met Teagasc and the Department of Agriculture to discuss the pig related technical elements of the IFA submission to the Nitrates expert group. Although these meetings have been positive, there is concern that certain elements of the requested amendments will not be taken on board by the expert group.

The most important elements of the IFA submission relate to (1) references to the animal by-products regulations:

The expert working group must accept that manure of farmed animals is an animal by-product under European and Irish legislation, in particular EC Regulation No. 1774/2002, and is excluded from the scope of the directive on waste.

(2) finding a workable solution for pig farmers in relation to the proposed ending of the phosphorous provisions at the end of this year

IFA President John Bryan last Friday travelled to Cavan to meet with pig, poultry and dairy farmers that will be directly affected by the review of the Nitrates Regulations.

The IFA President encouraged producers at a meeting on Friday evening to contact their local TD's to stress the importance of the sector in terms of revenue and employment in the area.

Retail Prices

National Average Price (Euro) (CSO)	
Roast loin of pork per kg.	7.968
Pork loin chops per kg.	8.799
Pork steak per kg.	9.956
Best back rashers per kg.	11.415
Ham fillet per kg.	6.713
Collar bacon per kg.	5.675
Cooked ham per kg.	16.941
Pork sausages per kg.	5.415

German Futures

Contract	€/kg
Sept 10	1.385
Oct 10	1.320
Nov 10	1.330
Dec 10	1.303
Jan 11	1.300
Feb 11	1.335
Mar 11	1.370
Apr 11	1.425
May 11	1.475
Jun 11	1.455
Jul 11	1.470
Aug 11	1.490
Sept 11	1.440

Wholesale Prices

Wholesale Price	July 27th 2010	
Smithfield (P/kg)		
Pork	max	Min
Pork Legs	140	160
Legs Short Loin	166	196
Short Loins	195	240
Neck ends rind on	150	180
Bellies Long	200	220

North and South Slaughtering

ROI slaughtering to the end of August 2010 were up 8.3% (1,651,986 pigs in comparison to 1,524,812) compared to the same period in 2009. Demand from factories has been very positive with competition between factories active.

The Northern Irish kill import of ROI pigs is up 17,194 head in the period May to August and 53,816 head more than in the same period in 2009. The increased numbers of pigs being slaughtered in the North is unsurprising considering that the average price paid in Northern Ireland from January to July 2010 was £129/100kg or €155/100kg. The equivalent average Irish price paid for January to July was €128/100kg (plus VAT at 5.2%) and the EU average was €138/100kg.

According to EU commission data, from January to May, the average increase in slaughtering was 3%. Large increases were recorded in Italy , Poland, Hungary and the united Kingdom (8% to May easing to 5.4% by July.

Cereals and Pig Feed

Grain prices continue to edge upwards with feed barley and wheat prices rising on the back of higher maize prices.

A number of millers have bought barley forward at low prices. This is currently being used at maximum inclusion rates and the better buyer should be able to take advantage of this. Soya forward prices are also being affected by rising maize prices.

All eyes will be focused on Friday's USDA crop report and in particular US corn yields which have downgraded in recent days by a number of private analysts.

Live Exports NI

	2010	2009
May	52,792	35,570
June	41,752	37,390
July	54,485	50,916
August	42,033	40,731
Total M-A	181,801	164,607
Ave M-A	45,450	41,151
Ja-Au Total	363,491	309,675

Slaughtering ROI

Month	Pork/Bacon	Sows/ Boars
May	191,280	6,371
June (5 wks)	236,046	5,852
July	196,341	5,978
August	192,373	6,446
Total M-A	816,040	24,647
Average	204,010	6161
Total J-A	1,651,986	52,920

Pigmeat Export Stats	Volume in tonnes PWE	
Country	Jan-Mar 09	Jan-Mar 10
GB	16,516	14,064
Northern Ireland	2,063	2,088
Total UK	18,579	16,152
Total Continental EU	8,867	11,238
Total International	1,591	3,582
Grand Total	29,037	30,973