

April 2015

CHAIRMANS COMMENTS

The 4c/kg increase in pig prices during April was widely welcomed by producers. However, prices remain well below levels where producers can make a margin. Pig prices for the month of April were 11% behind the same period in 2014. IFA held two regional meetings in April for producers. Topics discussed included pig & feed prices, imports, exports, IFAs DNA Programme, pig health, among others, and all topics are covered in detail throughout the newsletter.



*Pat O'Flaherty,
Chairman,
IFA National Pigs Committee*

Private Storage Aid for Pig meat

The private storage aid for pig meat was opened on 9th March 2015 to all EU Member States. In the past 7 weeks, some 65,000tonnes of pig meat have been temporarily taken off the market (for 3-5 months) in 18 different Member States. The greatest take-up came in Denmark, Spain and Germany – with smaller volumes also having been stored in Poland, Italy, Netherlands, France and Belgium. The majority of the cuts covered were boneless cuts (63%).

There was decision taken on April 29th to close the scheme. Since the measure was introduced, EU pig meat market prices have stabilised and the weekly uptake by operators has dropped to modest volumes. In these circumstances the Commission believed that it was no longer justified to maintain this market intervention, and a proposal to close the scheme was voted on by Member State experts in the CMO Committee on April 29th. Ireland joined with France, Malta, and Croatia in voting against on the basis that there is still considerable market uncertainty and the recent market uplift appears very tentative. UK, Portugal, Spain and CZ abstained.

IFA DNA Certified Programme

IFAs DNA Certified Programme was discussed at the most recent National Council meeting on 21st April, following a letter sent to council members from McConnon Meats. Following discussion on the DNA Programme, IFAs National council gave the go ahead to continue testing and fully endorsed the scheme. IFA are carrying out a more extensive round of DNA testing over the coming months to ensure that consumer are fully informed on the origin of pig meat products and are not being misled by inadequate labelling. Secondary processors, wholesalers, retailers, butchers, hotels and food service providers will all be testing under IFAs DNA Certified Programme.

Pig Prices

Pig prices for the month of April increased 4c/kg. Current pig prices are ranging from €1.51-1.53/kg. Reports of farmers receiving up to €1.60 for spot loads. Pork butchers also willing to pay an additional few cents, however, they are usually looking for a lighter carcass.

Pig Prices corrected for VAT, kill Out Lean Meat Percentage (ISN) €/kg			
Country	Ave Wk	Wk 18	Wk 18
	1-18	2015	2014
Netherlands	1.24	1.24	1.50
Belgium	1.29	1.30	1.51
Denmark	1.34	1.41	1.56
France	1.38	1.44	1.73
Spain	1.47	1.57	1.80
Germany	1.33	1.35	1.55
GB	1.63	1.70	1.98
Ireland	1.32	1.37	1.57

Eurex Futures	
Contract	€/kg
May 15	1.50
Jun 15	1.46
July 15	1.53
Aug 15	1.57
Sept 15	1.57
Oct 15	1.56
Nov 15	1.56
Dec 15	1.53
Jan 16	1.55
Feb 16	1.55
Mar 16	1.57
Apr 16	1.59
Jun 16	1.62
Sept 16	1.59

Prices are compiled by the German analysts ISN. The official Quotations of the different countries are corrected, so that each quotation has the same base (conditions). Base: 56 % lean-meat %; farmgate-price; 79 % kO%, without VAT

Slaughterings

Live pigs exported to the North for slaughter to date are back 1.5% year on year. Total slaughtering's in the South are up 7.8% up to week ending 25th April 2015.

Pig Throughput – Ireland meat export premises (head)			
	To date 2014	To date 2015	% Change
Finished Pigs	912,370	982,691	7.7
Total Sows/Boars	30,517	34,119	11.8
Total Pigs	942,887	1,016,810	7.8

Exports to Northern Plants	
NI Exports 2015 (up to week end 25/04/15)	169,814
NI Exports 2014 (up to week end 26/04/14)	172,476
% Difference YOY	-1.5%

Bord Bia Retail Audit

Year	Category	TotalFacings	QA Facings	% QA Facings
2015	Bacon	2207	1649	75%
2015	Cooked Ham	3250	1830	56%
2015	Pork	805	793	99%
2015	Rashers	2919	2274	78%

Bord Bia Retail Audit Q1 2015

Pigmeat import & export figures 2015

Exports

Pig meat exports are 5% higher YTD 2015 (Jan & Feb)

- UK remains the principal export market
- South Korea 370% higher (1,600tonnes), 4th largest market YTD, mostly shoulder meat
- Australia 240% higher (880tonnes), 9th largest market

Imports

Pig meat imports are 19% lower for the first two months of 2015

- Imports back 19% (4,100tonnes) to 16,200tonnes
- Decrease mainly attributed to Denmark – back bacon from Denmark 70% (3,700tonnes) lower

FA/Teagasc Joint Programme

Teagasc are holding two research dissemination days in May for pig producers. These events will demonstrate the most up to date research results, an overview of ongoing research and an opportunity for producers to meet researchers and post graduate students working in the Teagasc Pig Development Unit. All producers are encouraged to attend and events are free of charge. Details of these events are as follows:

- **Tuesday 12th May 2015** – Teagasc, Moorepark, Fermoy, 2pm
- **Friday 15th May 2015** – Cavan Crystal Hotel, Cavan, 2pm

2025 Agri-Food Strategy

The Department of Agriculture, Food and the Marine is currently preparing a national strategy for the Agri-Food Sector up to 2025 which will outline the key actions required to ensure that the agri-food maximises its contribution to overall economic growth, job creation and environmental sustainability over the coming decade and builds upon the progress achieved under Food Harvest 2020.

The Chairman and Executive met with Michael Dowling (Chair of meat sub-group of 2025 strategy) this month to discuss the pig sector in relation to its targets towards 2025 and to address what has not been achieved under Food Harvest 2020. Some of the main issues discussed were:

- IFA believe that Bord Bia should have a number of personnel dedicated to working on pig meat sales in the Asian markets
- Slaughtering capacity must be addressed as on farm efficiencies continue to increase
- Carcass inspection programme must be prioritised by DAFM
- It is vital that the primary production of pig meat remains within the control of farmers
- Issues around slaughtering capacity must be addressed
- Funding must be granted under the new RDP
 - TAMS
 - Knowledge transfer

Pig Health

IFA met with NI counterparts this month to progress the Island Health Plan and to ensure that standard biosecurity protocols are in place on the island in a bid to prevent any further diseases entering the country. IFA met with the Department of Agriculture to discuss the possibility of funding for this plan under the EIP element of the RDP. IFA will submit a proposal in an attempt to receive this funding, which would be used to employ a pig vet to oversee the scheme. IFA are also continuing to work on carcass inspection information with DAFM. IFA are dissatisfied with the level of information that is given back to farmers currently, which costs €1.30 on every pig that is slaughtered to the producer. IFA are also negotiating with DAFM to use AOs in place of VIs at the factory for this inspection as it would greatly reduce the costs involved.

African Swine Fever (ASF) and Porcine Epidemic Diarrhea (PED) continue to be the most threatening diseases across the EU. Because PED is not a notifiable disease in many EU countries it is very hard to accurately evaluate the prevalence of this disease. Please see link below which tracks the level of ASF across Europe from Jan 2014 to date.

<http://www.pigprogress.net/Health-Diseases/Outbreaks/African-Swine-Fever-ASF1/African-Swine-Fever-in-the-EU/>

We must continue to employ strict biosecurity measure on our own units to prevent any new diseases entering the island. The NPHC is also continuing to monitor any imports of animals or A.I. into the country, while also ensuring correct protocols are followed if anyone does wish to import pigs or A.I.

Irish Pig Health Society Symposium

The Irish Pig Health Society (IPHS) Annual Conference was held on Tuesday 14th of April in Mullingar and provided very informative talks on a range of topics. The PED virus, neonatal survival and the importance of biosecurity were all discussed in detail. It was interesting to hear both BPEX and Bord Bia speak on the Quality Assurance Schemes in the UK and Ireland. BPEX gave particular mention to IFAs DNA scheme and the importance of this scheme to combat misleading labelling and provide clear information for consumers on the origin of pig meat products.

IFAs Deirdre O'Shea was provided the opportunity by the IPHS to carry out a research project and present the results at this year's conference. The project was titled 'Variations in kill-out percentages'. The study highlighted the main factors influencing variation in kill-out percentage including slaughter weights and length of feed withdrawal before slaughter. Data was collected on 435,468 slaughter pigs over a 12month period. The gap between the highest and lowest kill-out recorded was 4.01%. Taking an average sow unit, this variation equated to almost €93,000 based on the average pig price for the given year. Results showed that increased slaughter weights led to improved kill-out %, and a feed withdrawal period of 18-24hours prior to slaughter achieved an improved kill-out in addition to a saving of €0.59 per pig in feed costs. Another interesting finding is that Irish producers are paid on the cold carcass weight whereas our EU counterparts are paid on a hot weight. The conversion from hot to cold weight is a deduction of 2%. A 2% increase in kill-out is worth €2.64 per pig to the producer. Producers should become more aware of kill-out percentage as it is a critical factor in the return farmers receive for their pigs.

Rural Development Programme

Representatives from IFAs National Pigs Committee met DAFM on a number of occasions in relation to funding for the pig sector under TAMSII of the Rural Development Programme. The proposal from IFAs Pigs Committee included funding for measures under energy efficiency and medication of feed. Examples of what was included in the proposal are; upgraded lighting, doors, insulation, ventilation, heat pads, feed lines, drinking lines, feeders, computerised feed systems. The committee is also lobbying the Department for the inclusion of the pig sector under Knowledge Transfer, which includes funding for discussion groups. IFA are putting pressure on DAFM to make an announcement on these scheme over the coming weeks.

Credit Insurance

The chairman and Executive attended a meeting earlier this month in relation to credit insurance for pig farmers. The risk a pig farmer takes when selling to a factory is the same as any other commercial credit risk. The larger pig farmers in the UK have been insuring this risk for many years through a credit insurance policy and some of the larger pig farmers in Ireland are now following suit. Given that the vast majority of farmers sell to one factory in Ireland, the credit risk is very loaded (i.e. not spread over several factories) and if the factory goes bust then the farmer is very exposed. However, the farmer can lay off that risk by taking out a credit insurance policy and the cost is very practical. If you would like more details on credit insurance please contact the Committee Executive, Deirdre O'Shea.

Energy Costs

Energy costs can contribute to a significant proportion of a pig farmers production costs on a unit. IFA were recently contacted by a company who work independently to get farmers the best energy deal possible with whichever company offers the best price. Some farmers have used this service and made considerable savings on their energy bills. If anyone would like additional details please contact Deirdre O'Shea.

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