

CHAIRMANS COMMENTS

The past number of months has been a particularly difficult period for pig farmers, with prices during 2015 well below breakeven. IFAs National Pigs Committee has been putting pressure on Minister Coveney and Commissioner Hogan to introduce measures in order to re-establish the sustainability of the Irish pig sector. IFA has also been working hard to protect the home market through our DNA programme as well as meetings with retailers, secondary processors and butchers



Pat O'Flaherty,
Chairman,
IFA National Pigs Committee

Protest highlighting the income crisis in the pig sector

Addressing farmers from every part of the country at a protest outside the EU Commission offices in Dublin on Monday 31st August, IFA Pigs Chairman Pat O'Flaherty said pig farmers across Ireland and the EU are in a serious loss-making situation and it is critical that the EU Commission look to re-open markets, including Russia, for pork products. "We also need to see the introduction of APS and export refunds to assist in the re-balancing of European markets."

The protest highlighted the need for immediate action by the EU Commission to resolve the income crisis facing farming, and especially the grain, dairy and pigs sectors. The EU Commissioner Phil Hogan has to move now to implement EU measures to underpin the viability of farm families.



Chairman Pat O'Flaherty pictured at the IFA protest outside the EU Commission offices

Butchers protest

IFAs National Pigs Committee carried out a protest at a butcher shop in Portlaoise. The butcher chain has 6 shops located in Kildare, Laois, Wexford and Cork. They were selling imported pigmeat, yet had signage stating they were 'fully supporting Irish suppliers'. They also had abbreviated the country of origin on their labels e.g. IT, ES, but by law they must fully state the country of origin. Following the protest, all 6 shops are now sourcing pigmeat from an Irish supplier. They have also rectified the labelling issues. This is a very positive result and IFA will continue to target any food outlet who misleads consumers as to the origin of the pigmeat they are buying.

IFA DNA Certified Programme

IFA is continuing to carry out DNA tests of pig meat products in retailers, secondary processors, butchers and other food service providers on a monthly basis. Over 250 pigmeat products were tested from a range of outlets over the past 3 months. Companies with poor results in the initial findings are asked to revise their purchasing policies, commit to the use of Irish pigmeat in their offerings to consumers and clearly label country of origin of non-Irish product.

Meetings have recently been held with Kerry Foods, Oakpark Foods and Aldi to discuss the most recent testing carried out on their products. Aldi are committed to using 100% Bord Bia Quality Assured Pigmeat in their Christmas pig meat products. Meetings have been confirmed with the other major retailers and we will be requesting that these retailers also demonstrate their support for Irish pig meat.

IFA met the EU Commission in July to discuss the DNA programme and the science behind this scheme. The Commission thanked IFA for the comprehensive outline of the National DNA Certified Programme and confirmed they had not in any way questioned the Irish DNA Certification programme.



Pat O'Flaherty pictured at a meeting with the EU Commission to discuss IFAs DNA Scheme. L to R: Liam McHale (IFA Director of European Affairs), Mr. Kai Uwe Sprenger (DG Agri), Pat O'Flaherty (IFA National Pigs Committee Chairman), Eddie Downey (IFA President), Tom Tynan (Cabinet of Commissioner Hogan)

Meeting with Minister Coveney - Requesting Government Intervention for the Pig Sector



IFA National Pigs Committee Chairman met with Minister Coveney to outline the current difficulties in the sector. With farmers operating well below breakeven point, government intervention is needed for pig producers to survive. The main items of discussion included export refunds, additional resources to promote Irish pigmeat on export markets, market access, and increased promotion on the home market.

L to R: Pat Smith (General Secretary IFA), Martin Gilvarry (Vice Chairman IFA Dairy Committee), Simon Coveney (Minister for Agriculture), Eddie Downey (President IFA), Pat O'Flaherty (Chairman IFA National Pigs Committee)

Country of Origin Labelling

Over the last number of years, IFAs National Pigs Committee has been campaigning for increased transparency and a more stringently policed labelling system to be enforced for pigmeat. IFA welcome the introduction of mandatory country of origin labelling rules on pre-packed fresh product that was introduced in April, however, it fails to fully address labelling issues by excluding processed products and loose meat.

IFAs National Pigs Committee made a submission to the FSAI on Country of Origin labelling requesting that the legislation is extended to loose product as well as processed pig meat. This would help promote Irish pig meat through legislation giving a considerable strength to the survival and sustainability of Irelands pig industry. In the submission IFA outlined that the Government must give primary food producers a fair opportunity to differentiate their products to the consumer through sufficient labelling legislation that is effectively enforced.

TAMSII

The new TAMSII scheme for pigs and poultry was opened last month. A total of €395m has been made available for TAMS II schemes over the course of the RDP period, with some €17m earmarked for the pig and poultry sector.

The areas of investment available include: medicine dispenser units, water meters, solar panels, heat recovery units/heat pumps, energy efficient boilers, feed system upgrades (for medication reduction and energy efficiency), energy efficient upgrade for farrowing, weaner, and fattener housing.

The scheme is open to all farmers who meet the eligibility criteria, offering a standard rate of 40% on investment up to a ceiling of €80,000. The first tranche of applications will run for three months, closing towards the end of October.

All applications must be made online, either by the farmer or an adviser authorised to act on his or her behalf. Applications can be made under agfood.ie by registered users of the Department's website. Scheme details for TAMS II and specifications for buildings are available on the Department's website:

<http://www.agriculture.gov.ie/farmerschemespayments/farmbuildings/pigandpoultryinvestmentscheme/>

At the recent meeting with Minister Coveney, the Chairman outlined that producers welcome the grant scheme, however, the **€80,000 ceiling is too low** and should be increased to €300,000, in line with the previous grant scheme for loose housing.

Pig Health

DAFM Pig Industry Stakeholder Group

IFA made a submission to the DAFM Pig Industry Stakeholder Group. This group was set up to compile a set of recommendations for Minister Coveney, focusing on pig health issues. IFA outlined its 'Pig Health Plan' and requested that the stakeholder group support this proposal in its recommendations. Over the coming months IFA will submit a proposal seeking funding for the health plan under the EIP element of the Rural Development Programme. This funding would be used to employ an individual to oversee and implement the plan.

National Pig Health Council

At the most recent NPHC meeting, a decision was taken by the committee to rescind the voluntary ban on Spray Dried Plasma Protein in feed. Following a presentation to the committee by members of the European Animal Protein Association (EAPA), it was decided to rescind the ban in favour of the Danish position which is that any product to be used in Irish feed would be stored for 6 weeks to allow for any potential carryover to be negated in time. Numerous studies have been carried out to show that if correct procedures are followed there is no/minimal risk of transmission through feed.

Pig Prices

Current pig prices are ranging from €1.46-1.48/kg. It is predicted that the market may pick up in the coming weeks with expected rise in Chinese imports towards the end of quarter 3.

Country	Ave Wk 1-36	Wk 36 2015	Wk 36 2014
Netherlands	1.26	1.27	1.49
Belgium	1.30	1.30	1.54
Denmark	1.36	1.33	1.56
France	1.45	1.59	1.60
Spain	1.58	1.66	1.82
Germany	1.35	1.34	1.60
GB	1.70	1.78	1.83
Ireland	1.36	1.35	1.55
Pig Prices corrected for VAT, kill Out Lean Meat Percentage (ISN) €/kg			

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

Eurex Futures	
Contract	€/kg
Sept 15	1.46
Oct 15	1.40
Nov 15	1.41
Dec 15	1.36
Jan 16	1.41
Feb 16	1.41

Feed prices

Depending on what part of the country you are in 20% to 50% of the cereal harvest is complete. On the malting front it is estimated that 30% to 35% of the crop has been harvested at this stage. Proteins in some of the key producing areas of the midlands are tending on the low side. In the Southeast proteins are closer to the norm.

On the price front spot dried barley prices are ranging from €156/t - €158/t with €158/t to €162/t on offer for November collection. Dried wheat for spot collection is trading from €170/t to €172/t with €173/t to €175/t on offer for November collection. Deals on green barley (@ 20% moisture excl. vat) are ranging from €134/t to €142/t. Green wheat is trading €8/t to €12/t over barley. Stronger maize prices should help lift native grain prices post-harvest. Imported maize spot is trading at €180/t with new crop for November at €177/t.

Slaughterings

Live pigs exported to the North for slaughter to date are back 3.4% year on year. Total slaughtering's in the South are up 7.1% up to week ending 28th August 2015.

Pig Throughput – Ireland meat export premises (head)			
	To date 2014	To date 2015	% Change
Finished Pigs	1,832,672	1,959,995	6.9
Total Sows/Boars	63,593	70,558	11
Total Pigs	1,896,265	2,030,553	7.1

Exports to Northern Plants (head)	
NI Exports 2015 (up to week end 22/08/15)	335,698
NI Exports 2014 (up to week end 23/08/14)	347,138
% Difference YOY	-3.4%

Bord Bia Retail Audit

Year	Category	Total Facings	QA Facings	% QA Facings
Q1 2015	Bacon	2207	1649	75%
Q2		2383	1871	79%
Q1 2015	Cooked Ham	3250	1830	56%
Q2		4131	2220	54%
Q1 2015	Pork	805	793	99%
Q2		1216	1077	89%
Q1 2015	Rashers	2919	2274	78%
Q2		3095	2315	75%
Q1 2015	Sausages	2458	440	18%
Q2		3101	536	17%

Bord Bia Retail Audit Q1 & Q2 2015

Imports

Pigmeat imports are back 11% year on year for the period January – June. Imports have dropped significantly from the following countries: UK (-14.6%), Denmark (-42.6%) and France (-19.6%).

Exports

Pigmeat exports have increased 12.5% year on year from the period January – June. Exports to the following countries have increased significantly during the first 6 months of 2015: UK (+13.5%), China (+27%), Germany (+56%) and the US (+37%)

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