

Introduction

The Irish pigmeat industry accounted for approximately 8% (€471m) of the output value of the agri-food sector in 2014 and is the third most important sector after dairy and beef. The pig industry has a significant place in the Irish agri-economy – supporting over 8,000 jobs in rural Ireland, and generating export earnings of €570m in 2014. There is an estimated 290 commercial sow herds in Ireland, producing c. 3.6million pigs in 2015.

Irish pig farmers are in a serious loss making situation and have been for some time now. Margin over feed in the pig sector for 2015 was **37c/kg**, and the average margin over feed for the **past 5years (2010-2014) averaged 44c/kg**. According to Teagasc, pig farmers need **50c/kg margin over feed to break even**. This ongoing downward trend cannot continue if Ireland intends to produce pigmeat into the future.

Under Food Wise 2025, the Government outlines a ten year strategy for the Irish agri-food sector. Growth in the pig sector is expected to come from improved technical efficiencies on farm. However if the sector is to build on its existing strong base and reach its optimum future potential growth, it will need the Government to address a number of key issues. Actions must be taken **to ensure primary food producers are receiving a fair, sustainable price for their produce.**

Two key areas that must be addressed by Government include:

1. Retailer dominance
2. Mislabelling of pigmeat products

Retailer Dominance

The dominance of supermarkets in Ireland is **forcing pig farmers to sell below the cost of production**, which is not sustainable and is resulting in farmers exiting the industry. The retailers continue to soak up a healthy margin, while further down the chain the primary producer's margin is continually being squeezed. This is simply not sustainable and must be addressed immediately.

The Government must ensure the new grocery regulations recently signed into law are effectively enforced. The Competition and Consumer Protection Commission has the authority to demand information from retailers as part of their investigations and have the powers to enforce penalties for non-compliance with legislation. Strong enforcement of this legislation is necessary to address the inequity in the food chain.

Irish pig producers simply cannot continue to operate under these negative margins that have been experienced over the past number of years. An **economically sustainable price for primary pigmeat producers must be realised** if the industry is to survive and prosper as set out in the Governments Food Wise strategy.

Mislabelling

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.

To remain viable it is crucial that Irish pigmeat retains the premium price that it currently holds over imported product on the home market. This premium is warranted considering the high standards of health and welfare that is observed under the Bord Bia Quality Assurance Scheme. To protect this high standard of pigmeat product, **legislation must be extended to both loose and processed pigmeat products to prevent imported product being sold as Irish**. The current situation whereby processors can package and label product in a deliberately misleading manner does not serve in the best interests of either consumers or producers. 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 and regulated.**