



**March 2009 – Week 11**

# Export Bulletin

*Start of the warmer season expected to finally bring an increase in prices*



**DENMARK**

On the European market prices of fresh legs and other cuts remain unchanged compared to the latest weeks.

The situation on the British bacon market remains unchanged as well.

Also the situation on third country markets remains unchanged compared to the latest weeks. So, sales to Japan and China are stable, whereas there are problems with the credit guarantees for the Russian market.

(Sources, Danish Crown, Tican, Danish Bacon and Meat Council)

## **General**

### **Fewer pig producers in Denmark**

From 2007 to 2008 the number of farms with pigs decreased by approximately 20 percent according to a statement over farms in 2008, which recently was published by the Danish Centre for Statistics.

7,213 farms had pigs in 2007 and by the summer countings the following year the number decreased to 5,819.

Hereby the percentage of farms with pigs decreased from 16 to 13. For comparison 41 percent of all farms had pigs in 1988.

In the same period the pig farms grew bigger. In 2008 the pig farms as an average had 2,200 pigs against 1,900 in 2007. (Source, Landbrugsavisen)

### **Financial support from EU wanted**

The Danish slaughterhouse industry wants temporary financial support for exports from the EU in order to remedy the crisis in the pig meat sector.

The point of view is that banking packages have been introduced to help the Danish society through an abnormal situation and that a corresponding porcine package should be introduced.

In the EU context are already tools that can ensure that the slaughterhouse industry can get a platform to improve the situation says Danish Crown CEO, Kjeld Johannesen.

He finds that very quickly EU will be able to introduce financial support for exports of pork out of the EU. He says that several EU countries are pressurizing the EU Commission in order to achieve such scheme to be established.

Kjeld Johannesen does not want a general but just a quite temporary support. (Source, Borsen)

### **New salmonella plan**

Danish Bacon and Meat Council will change the priorities in its new plan of action against salmonella called SH IV, representing the fourth plan in a row.

The new plan is supposed to improve the struggle against salmonella without great additional cost for the industry. Among other things we are going to remove the not dangerous salmonella type DT104 from the plan of action explains chief consultant Jan Dahl.

He wants to transfer the resources previously used for controlling meat for DT104 to the general salmonella action plan. In this way the industry will get more for its money. The consumers' food safety will be improved and the costs are the same.

Instead Danish Bacon and Meat Council will spend more resources on transparency between the various segments in the pig production chain. The aim is that it should be easier for the slaughterhouses to verify whether there were salmonella with the farm that bred the slaughter pigs.

Also the farmer must be able to look further back into the chain to see if there were salmonella with the producer of weaners. In this way the producers will be able to know if it is pigs that they can handle in order to ensure that the meat in the cold counters is free of salmonella.

The Food Minister must approve the plan of action before it can be implemented.

(Source, Landbrugsavisen)

### **Demonstration against exports of live pigs**

The Food Union NNF is so dissatisfied with the development in the Danish slaughterhouse industry that it takes unusual steps to call the attention of Danish politicians and people. E.g. NNF invited to a mass meeting. At the same time there will be a demonstration against a local pig producer who transports all his weaners to Germany.

NNF wants pigs that are produced in Denmark to be slaughtered in Denmark as well because exports of Danish pigs impact that the Danish slaughterhouses close down production plants. (Source, Landbrugsavisen)

### **Increasing exports of weaners from Holland**

Dutch exports of weaners increased quite much during the first months of 2009.

Over the first six weeks Holland exported 581,000 weaners. According to the German farming statistics ZMP it is nine percent more than during the same period the year before.

ZMP estimates that the total Dutch export of weaners will reach more than five million this year – 50 percent are exported to Germany.

The reason for such increase is that now Holland is free of the Aujeszky disease and hereby got a new EU status impacting that exports can go on without having to take blood tests and without quarantine in other countries that have the same high EU status.

Previously just some selected farms in Holland were allowed to export to these countries.

(Source, Landbrugsavisen)

### **Merger of Danish agricultural organisations**

The Agricultural Council, Danish Farming, and Danish Meat Association will be united in a new common organisation that will represent Danish farming and food industry from soil to table.

Hereby a strong common organisation is created that will have as main task to ensure the best conditions for Danish food production in the future.

The merger of the organisations will strengthen efficiency and lead to lower costs for the members.

The previous ceo of Danish Farming Carl Aage Dahl will be the ceo of the new organisation. The rest of the management will consist of the previous ceo of Danish Meat Association, Christina Hvid and Claus Soegaard-richter who at present is member of the management of the Agricultural Council. (Source, Landbrugsraadet)

### More salmonella in Danish pig meat

There is salmonella in 12.9 percent of all lots of Danish pork compared to just 9.8 percent in meat from abroad according to an internal report from the Danish Food Administration.

On several occasions the Danish administration has expressed that there is more salmonella in foreign meat.

In total 3,700 Danes fell ill from salmonella during 2008. The Danish Food Minister Eva Kjer Hansen says that she has a quite new plan of action for the Danish slaughterhouses in the pipeline. (Source, BT)

### Danish Slaughterhouses - payments for 2009 Week 11

Slaughterhouse	Danish Crown	Tican
Slaughter pigs (67.0 –81.9 kg Danish Crown and (67.0 - 80.9 kg Tican)	Euro 1.093*	Euro 1.053
Difference to last week	Unchanged	Unchanged
Sows (Above 129.9 kg)	Euro 0.880*	Euro 0.813
Difference to last week	Unchanged	Unchanged
Boars (Above 109.9 kg)	Euro 0.747*	Euro 0.680
Difference to last week	Unchanged	Unchanged

\*A change in payments according to meat percentage and payments for transport to the Danish Crown slaughterhouses have had the impact that the quotes increased by Euro 0.040 for slaughter pigs and by Euro 0.067 for sows and boars. Accordingly the Danish Crown quotes are higher than the ones from Tican.



**FRANCE**

### Special Sauerkraut

After the festive meals around Xmas and New year January and February are traditionally the pork months and large special offers appear in all supermarkets in France. In February when the weather is cold and wet, French households enjoy gathering around a good traditional meal but not too rich and overall not too expensive, the Alsatian or German sauerkraut is the favourite. Therefore last month, French supermarkets organise their special sauerkraut promotions. For example Intermarché offered a whole ready Sauerkraut

prepared by a real specialist: Ets Tempé in Alsace at the attractive price of 6 €/kg. But many housewives like to prepare their own therefore they choose the ingredient they like amongst the following: Smoked belly (Tempé) at 10.65 €/kg, smoked shoulder bone in (Tempé) at 7.75 €/kg, "Montbéliard" smoked sausage at 10.40 €/kg, standard smoked sausages at 5.55 €/kg, Garlic sausage (smoked or not) at 2.60 €/kg, cooked pork rack (Tempé) at 16.90 €/kg, cooked smoked pork rack (Tempé) at 15.80 €/kg, traditional Kassler (de-boned amalgamated cooked and smoked cuts by Tempé) at 16.50 €/kg, streaky smoked cooked belly (Tempé) at 12.15 €/kg, Bockwurst (slightly smoked sausage prepared by Schröder in Saarbrücken) at 14.45 €/kg, Alsatian knacks (white sausages by Tempé) at 10 €/kg and the inevitable Frankfurters & Strasbourg sausages also at 10 €/kg.

### **The Pig's friends club**

The club managed by the French Pig Producers Federation gathered a number of Members of the French Parliament for a photograph in front of the Parliament in Paris. Simultaneously a group of 30 pig producers (accompanied by three little pigs...) was demonstrating in a nearby supermarket to protest against the unjustified gap between the price paid to producers and the price paid by shoppers. Still the same message: a French producers gets 1.40 €/kg when the production cost is 1.54 €/kg which for a herd of 200 sows represents a loss of €130 000. Producers would like to see the increased production costs passed equally on to the processors and the retailers otherwise production will suffer, a few large production units are already under threat in Brittany.

**For more information, please contact AHDB France on 00 33 1 60 71 04 49**



**GERMANY**

### **Market**

For the ninth week in succession, German quotations remain unchanged at 1.31 EUR/ kg. Quotations in the neighbouring countries also remain stable. Only Polish and Czech quotations are finally turning upwards.

Tendency: Europe is waiting for a positive signal from Germany. The warmer season will hopefully show an increased demand and result in the expected price rise.

## **Export**

### **Certification only a matter of detail**

Vietnam is expected to soon re-open its market for German pig meat. Even though no certification has been signed yet, negotiations between Vietnamese and German CVOs were considered very positive. Germany's CVO Prof. Dr. Werner Zwingmann expects Vietnam to sign the agreement within the next month. Until 2007 German exporters could directly sell into Vietnam which was then stopped by the Vietnamese government in reaction to the European import ban on Vietnamese prawns. Since then, German pork had to be brought into Vietnam via Hong Kong. (Source, afz)



**SPAIN**

## **Exports**

The list of Spanish establishments authorised to export pig meat and fishery products for human consumption to Argentina has been extended recently. This new list is available in the CEXGAN Web page. (Source, agrodigital)

A new model of Croatian exportation certificate has been sent from Croatia Authorities to the Spanish Ministry of Environment, Rural Development and Fisheries (MARM) of Spain. This new certificate (ASE-82) for exporting meat products, stomachs and treated intestines is substituting the previous ASE-281, and it is not taking into account the animal species they are coming from. (Source, eurocarne)

## **Industry**

The Regional Cooperative 'CRAPE' producing cereals, milk products and Iberian cured hams in Salamanca, has declared temporary receivership, asking for creditors because of the deep crisis suffered by the Iberian Pig sector. Its activity as pig meat industry started in 2005, including 45,000 Iberian pigs and more than 5,500 square metres for producing cured hams. The debt of 'CRAPE' arises to 10 million euros, and there are around 100,000 cured hams immobilized by the province court. (Source, salamanca24horas)

## General

The Spanish Ministry of Environment, Rural Development and Fisheries (MARM) states a slight recovery of pig prices in the last weeks. There has been an increase of 20% of Spanish pig meat exportations in 2008 (1 million of tonnes), compare to the previous year. The pig livestock reduction of 2.5% is one of the factors influencing this prices recovery, Spanish General Deputy Director of Stockbreeding Products said. (Source, agroinformacion)

The quality brand 'Jamón de Teruel' attended to Qualimen 2009, the International Food Market Fair inaugurated last 10<sup>th</sup> of March in Zaragoza. This quality brand counts 52 cured hams mills producing 743,000 hams. Nowadays, 6% of total production is exported to European and South America countries, and it is expected to reach Japan in 14 months. (Source, infocarne)

## Prices

<b>Slaughterhouse</b>	<b>Lleida 05.03.09</b>	<b>Zamora 10.03.09</b>
Piglet 20 kg	41 €/Unit (+0.00)	49.0 €/Unit (+0.00)
Live fattened pig	1.115 €/kg (+0.030)	-



## PORTUGAL

## Prices

<b>Slaughterhouse</b>	<b>Lisbon 02.03.09</b>
Fattened pig – Carcass E 57%	1.470 €/kg (+0.030)



## **RUSSIA**

### **Pig herd is up and running- totaling to 16.3 Million**

Russia's agricultural production went up by 10.8 % in 2008 to 2,602.7 billion roubles (USD 1 = RUB 33.21). As of the end of December, 2008, the cattle population at all farms of Russia's agricultural producers made up 21.1 million, thus reducing by 2.6 percent versus 2007, Russia's cow population decreased by 1.3 percent to 9.2 million, the country's pig population grew by 1.2 percent to 16.3 million, and the population of sheep and goats went up by 2.7 percent to 21.6 million.

**For reference:** 47.5 % of the total cattle population, 38.8 percent of pigs and 52.1 percent of all sheep and goats were accounted for individual farms, Prime Tass said. Newly constructed, expanded, refurbished or modernized capacity for accommodating a total of 767,900 pigs was put into service in Russia in 2008, compared with capacity for 810,900 head in 2007.

### **Russia to become EU key pork importer**

EU exports of pork - including by-products and live export in 2008 have reached a new record with 2.6 million tones, which is up 34% compared to 2007. The major export items were frozen pork, bacon and other by-products.

**For reference:** The quantitatively most important foreign customers were Russia (764,000 tones), Hong Kong (454,000 tones), followed by Japan (236,000 tones) and China (146,000 tones). The sale however was dampened since November last year due to the financial crisis. Before that period export subsidies and a rising international demand provided for well-filled order books. The largest third country markets in the EU are by far Denmark and Germany. Germany was able to increase its third country exports with 58% to more than 500,000 tones and step on the tail of leading exporter Denmark.

### **Moscow mayor's office buys meat to mitigate price jumps**

Interestingly that this year Moscow's meat stocks equal 106,000 t which is 20,000 t up from last year's indicator this time. The highest deficiency is in beef which is a concern of the mayor's office and additional 10,000 t of beef are going to be purchased soon to serve the needs of the year 2009.

For reference: 147 farms all across Russia serve the needs of the capital which means 67,000 heads of cattle, 521,000 pigs, 14 million chicken. Around 70% of meat sold in

Moscow is imported. Prices for meat during February 24-March 4 grew by about 1% where pork and beef grew by 0.4%, poultry meat – by 0.1%, boiled sausage by 0.6%.

### **Firsts price: Sausages**

A local TV station in the city of Iwanowo has significantly increased its viewer ratings by raffling sausages instead of material prizes. (Source, schweine.net)





**UKRAINE**

### **State reserve to sell meat**

The State Reserve announced a meat auction for March 25, 2009 where it is planned to sell 38,500 t of frozen pork of 2nd category in semi carcasses (starting price is US \$ 105/t, 965,200 t of frozen poultry meat (halves and quarters) and 195,800 t of poultry meat (carcasses). The deadline for submitting an application is March 23, 2009.

## PRICES

 <b>Pork Prices ex-Hamburg Fleischgroßmarkt (Cuts from 75–85 kg pigs)</b> <b>Week commencing 09 March 2009</b> *Unchanged from previous week			
	Cut Name	Closest Export Manual Code No.	Price Range (Euro / kg)
1.	Round cut leg	51121	1.95/2.15*
2.	Leg (boneless, rindless max fat level 3mm)	51121	2.80/3.10*
3.	Boneless Shoulder	56200	2.05/2.20*
4.	Picnic Shoulder	56120	1.65/1.85*
5.	Collar	56130	2.10/2.25*
6.	Belly (bone in, ex-breast)	55100	1.75/2.05*
7.	Sheet Boned Belly (rindless)	55210	1.50/1.70*
8.	Jowl	50230	1.30/1.50*
9.	Sow Carcases	60100	Ø 1.63*
10.	Half Pig Carcases	U Classification	Ø 1.84*

 <b>Barcelona Market Information - Week commencing 9 March 2009</b>		
Carcases (secondary grade)	Euros / kg	1.467/ 1.473
Gerona Loin Chops	Euros / kg	2.25/2.28*
Loin Eye Muscle	Euros / kg	3.23/3.26*
Spare Ribs	Euros / kg	1.98/2.01
Fillets	Euros / kg	5.33/5.36*
Collar	Euros / kg	2.43/2.46*
Round Cut Legs	Euros / kg	2.21/2.24*
Cooked Ham	Euros / kg	1.83/1.86*
Rindless Picnic Shoulder	Euros / kg	1.39/1.42*
Belly	Euros / kg	1.89/1.92*
Smoked Belly with Spare Rib Section Cut Off	Euros / kg	2.32/2.35*
Shoulder Chap or Head Jowls	Euros / kg	1.28/1.31*
Back Fat, Rindless	Euros / kg	0.83/0.86*