

- *Good demand for pork in Europe*
- *Irish campaign against misleading food labelling*
- *China approves Danish slaughterhouses*
- *Organic pork on the upswing*



EU

Forecasts for 2009

European Commission's forecasts for 2009 a recovery of prices and producers' margins to good levels. Weaners prices are already suggesting an increase of slaughter prices over the summer and the autumn. Production is due to fall by 2.6% this year to 22 m. tonnes. EU exports were up in January against January 2008 but down on the exceptional autumn figures. For copy of the presentation, please e-mail to: jean-pierre.garnier@ahdbms.org.uk

Market news

The price of frozen pork cutting fat and backfat remains high at 80 €/kg. Frozen rind-on jowls and 80/20 trimmings also firm at respectively € 1.06 - 1.10 /kg and € 1.85 – 1.90 /kg. The same cannot be said of loins with prices of € 2.76 for boneless chain-on product quoted for frozen French product.



DENMARK

Market

On the European market fresh legs and other types of cuts are sold at unchanged prices. Thanks to the improved weather situation the trade with fresh collars has got started well. The situation on the British bacon market remains unchanged compared to the latest weeks.

After the Easter holidays it is estimated that prices are going to increase in the period towards summer. An increasing trend in the British currency will also be of benefit for earnings of the Danish slaughterhouses.

The Russian market shows signs of increasing activity. In two weeks the Russian Easter will be over and the customers are starting to look forward. The same applies for the likewise important Polish market.

The situation remains stable with respect to sales to Japan and China. In Japan the contracts for the next 2 to 5 months have been agreed on, and they will contribute positively to the earnings of Danish slaughterhouses.

It is estimated that on the Chinese market the price level is going to be stable and high through summer.

Sales to the US are a little below the expected and are affected by the current crisis that as we all know is very pronounced in the US. (Sources, Danish Crown, Tican, Danish Bacon and Meat Council)

General

Progress for organic pork

There are good reasons for optimism for Friland with respect to organic pork.

At present they experience an increase in sales of organic pork on the European market. While sales dropped during the last quarter of 2008 the demand is apparently rising again.

Sales to the German market increased by approximately 150 % since autumn, and in France, Friland is presently selling a still increasing number of legs.

The progress on the European market within the latest month made it possible to increase the supplementary payment for the organic pig twice by 3.3 Eurocent/kg. (Source, Landbrugsavisen)

China open for more Danish slaughterhouses

Now China approves three Danish slaughterhouses that are allowed to export meat to the country. The new opening follows the signing in December of a protocol for processed meat by the Danish Food Department and the Chinese Department AQSIQ. The protocol is historical as no other EU countries have a broad access for processed pork to the Chinese market.

The pig meat sector puts great importance to expanding export opportunities to China. Obviously more businesses are aiming at getting export licenses to China. It is Jutland

Meat A/S, Struer, Slagteriet Brorup A/S, Brorup (owned by Tönnies) and Slagtergarden St. Lihme, Randboel that got the new licenses.

More food producers have filed applications for export licenses, which are being considered in China, and it is expected that more licenses will be issued. (Source, Fødevareministeriet, Landbrugsavisen)

Lower sales of live pigs

Dan-Pig was ready to send 10,000 pigs by plane to Russia, but the buyers withdrew.

It was the financial crisis that made buyers in Russia and the Ukraine withdraw informs Kent Skaaning of Dan-Pig.

However, Kent Skaaning is prepared to send the Danish pigs flying as soon as the foreign buyers show they are interested. The company still holds all facilities. (Source, DR)

Tican dismisses employees

In June the working staff at the Tican slaughterhouse will be reduced according to what the slaughterhouse calls a capacity adjustment.

Some products have been stopped and there has been increased traffic with piglets to Germany where prices have been fine informs managing director of Tican, Ove Theils.

By phoning the producers the slaughterhouse found out that apparently the number of slaughter pigs would increase again as of autumn and ahead. It was not yet decided how many people will lose their job. Tican has 500 employees. (Source, DR)

Danish Slaughterhouses - payments for 2009 Week 17

Slaughterhouse	Danish Crown	Tican
Slaughter pigs (67.0 –81.9 kg Danish Crown and (67.0 - 80.9 kg Tican)	Euro 1.201*	Euro 1.161
Difference to last week	Unchanged	Unchanged
Sows (Above 129.9 kg)	Euro 0.974*	Euro 0.9077
Difference to last week	Unchanged	Unchanged
Boars (Above 109.9 kg)	Euro 0.841*	Euro 0.774
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

From Loire to Brittany

The Jean Caby production site of the Aoste group is closing its doors at the end of the month. The cooked ham and lardoons processing activity will be transferred from St Priest in the Loire department (42) to Lampaul – Guimiliau in the Finistère department in Brittany. The Britton production site will increase its production by 40% creating 120 jobs in Lampaul –Guilmiliau and 25 in the Quimper site which production will reach 17 000 tonnes for 220 staff.

The organic three little pigs

The Alsatian group Pierre Schmidt is launching a new range of organic products through its subsidiary “Les Charcutiers d’Alsace”. The range called “The three little pigs in organicland” is already listed with several retailers: Auchan, Cora, Leclerc, Intermarché and Super U.

Salaisons Pyrénéennes increases its capacity in Pyrénées.

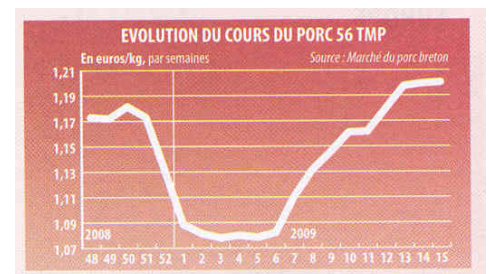
Finally the N°2 of Bayonne ham has decided to enlarge its factory recently purchased from Chevallier in Ibos (Haute Pyrénées). The new site will be able to store over 6000 hams. The group produces 312 000 hams per year.

Market data for week 17:

Pigs

The upstream of the porcine sector manages at present the delays of removals connected to Easter Monday.

However, the offers are not very important, and the demand of slaughterhouses is considered rather correct for this period, the second part of the month, and especially during the school holidays for 2/3 of France. A context that will not change these next days. Only the return of a sunny weather could compensate partially for the decline of sales towards communities. Slaughtering for cuts is



looking for openings for export trade. A commercial atmosphere which would be convenient to the preservation of the prices of the pork butcher's business, due to the seasonal decline of the production.

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



GERMANY

Market

Thanks to the barbecue season there is good demand for pork in Germany and abroad and the market for pig meat is positively characterised by the retailers restocking the shelves. Exports to Eastern Europe and Russia are increasing constantly. The Polish currency Zloty is recovering against the Euro which, together with an increase in pig meat prices in Poland, is driving imports into Poland of both pig meat as well as pigs for slaughter.

Karstadt hit by crisis

Karstadt the famous and often impressive upmarket chain of department stores is hit by the consumer crisis. It has sold 11 units and rumours abound that the company has only three months of cash left. This would be major blow not only for the 53,000 employees but for Germany as a whole.

ALDI continues price reduction

ALDI is again reducing prices. Last week, prices for 20 products have been cut. Since the beginning of this year ALDI has not only reduced prices but has as well invested 103 Mio Euros in advertisement (Jan-March 09). Nevertheless profits went down in comparison to 2008. (Source, LZ)

Research

A team of scientists at the Agricultural College in Bonn is trying to breed boars with imperceptible taint. In case of success, castration would become needless. The ministry of Food, Agriculture and Consumer Protection (BMELV) funds this project with 1.2 Mio. (Source, Veredlungsproduktion.de)

Cross-border investment

Westfleisch is increasing the capacity at its Coesfled plant in Germany from 36 to 55,000 pigs per week. The plant is located 30 km from the Dutch border and an influx of Dutch pigs is expected. Meanwhile, Vion is claiming that the price difference between Dutch and German pig prices is narrowing.



SPAIN

Exports

The list of Spanish establishments authorized to export pig meat to the Russian Federation has been recently extended (17th April 2009). In response to Russian Authorities request, different Spanish companies have been inspected, and they have been excluded from the previous list because of several reasons: some companies do not ask for keeping on and some other do not fulfil all the rules demanded by Russian Veterinarian Authorities. This new list is available in the CEXGAN Web page of the Ministry of Environment, Rural Development and Fisheries. (Source, Agrodigital)

The list of Spanish establishments authorized to export pig products (cured hams) to USA and Canada has been recently extended. Particularly, the Spanish company 'Embutidos Fermín' has been authorised by the Food Safety and Inspection Service (FSIS) of the US Department of Agriculture (USDA). On the other hand, several Spanish companies have been authorised to export pork to the Republic of South Africa. This new list is available in the CEXGAN Web page of the Ministry of Environment, Rural Development and Fisheries. (Source, Eurocarne)

The Food Standards Agency of the UK (FSA) has withdrawn from sale certain batches of chorizo made by the Spanish Company 'Espuña', because of possible contamination with Salmonella. The product was sold in a number of shops and butchers. Local authorities have been informed and are working with shops to make sure affected packs are removed (Source, Agrodigital)

The Spanish company 'Jamón de Salamanca' selling cured hams in all Europe, apart from Russia and Japan, is participating these days in 'Alimentaria Lisboa 2009', the International

fair taking place in Portugal. This company has been recently authorised to export cured hams to China, besides Mexico. (Source, Eurocarne)

General

The Spanish company 'El Pozo Alimentación' producing all type of pig products had a turnover of 614 million of euros in 2008, increasing by 11% compared to 2007. This company invested 75 million of euros for increasing technological efficiency of production chain in 2008. In the future, it is planned to invest annually 50 million of euros for stepping up exports to the 50 countries buying its products nowadays (Source, Eurocarne)

Prices

Slaughterhouse	Lleida 16.04.09	Zamora 21.04.09
Piglet 20 kg	38 €/Unit (+0.00)	46.0 €/Unit (+0.00)
Live fattened pig	1.127 (+0.000) €/kg	-



PORTUGAL

The Dutch-Portuguese Chamber of Commerce has arranged a business visit of different Dutch farming-agricultural operators to Portugal on 7-10th June 2009. The aim of the visit is increasing bilateral trade between both countries companies. The idea has been promoted by the Dutch Farming Ministry, in collaboration with Dutch Royal Embassy, EUNITE (international consultancy), Federatie Agrotechniek (Dutch Federation of Farm Technology), De Kenisclub (Dutch Farmers Net in Portugal) and the Portuguese Confederation of Farmers. (Source, Agroportal)

Prices

Slaughterhouse	Lisbon 13.04.09
Fattened pig – Carcass E 57%	1.500 €/kg (+0.000)



THE NETHERLANDS

Forecasts of higher prices

Paul Bens of DLV has joined other European organisations in predicting higher prices. A rise of 10 € c. is predicted over the summer.

Criminal behaviour targeted

The Dutch interior minister is targeting illegal activities of animal rights groups. Guusje ter Horst is presenting new measure at the next Cabinet meeting. Recently, an activist claimed to have tampered packs of meats.

Stronger controls

The Dutch quality scheme IKB has stepped up its controls for residues by blood testing. Although the word is not used, dioxin leads probably the list of targeted substances. Meanwhile the LEI research organisation wants farmers to lower the load of prophylactic antibiotics in Dutch pigs.

Hypor – Hendrix in Chinese collaboration

The company has agreed a joint development with Chinese Ag Feed Industries for the population of a nucleus farm of 1,200 sows in Jiangxi Lushan with Large White, Lancrace and Duroc pigs. Raf Beeren, Hypor representative in Asia, and Songyan Li of the Chinese signed the agreement.



BELGIUM

Higher meat consumption

Meat consumption rose by 300 g/person/year in 2008 to 32.6 kg (end product weight). Pork consumption was a major beneficiary with a rise of 200 g. The consumption of burgers, small sausages and minced meat also rose strongly.

Chinese protocol signed

Sabine Laruelle, the Walloon Minister has signed the agreement with Chinese authorities.



IRELAND

Campaign against misleading food labelling

The Irish Farmers' Association Pig Committee has started a new campaign to ensure the correct labelling of origin on retail packs of 'Irish' pork, bacon and ham. A product sold by Tesco that uses UK pork has been targeted.



RUSSIA

Pig herd to grow in 2009

Russian pork production is expected to increase by 4 % in 2009. The pig herd is expected to increase by 4.3 % and will equal 43.6 million pigs.



UKRAINE

Pork is becoming a meat of choice

As a result of WTO accession, Ukraine recently had to reduce import tariffs for bovine and poultry meat down to 12-15%, for pork to 12%, for sheep and goat meat to 10%. Bovine, swine and poultry meat constitute the by far largest share of total Ukrainian meat production. In 2007 poultry meat accounted for the largest share of 36%, followed by swine with 33% and bovine for 29%. Other sources of meat (like mutton and goat, rabbit, horse) have never exceeded 2% of total meat production in Ukraine. Agricultural production of meat demonstrated stable annual growth of 11-12% in the period 2006-2008. Slaughter weight meat production increased by 24% for this period. However, production of the meat processing industry fluctuated somewhat after a growth of 26% during 2006-2007 and a decline of 21% afterwards until November 2008.

Animal industry updates

Livestock and poultry indicators, April 1, 2009 (thousand heads)

	All farms			Large farms			Small individual households		
	As of 1.04. 2009	Vs. 1.04.2008		ha 1.04. 2009	Vs. 1.04.2008		As of 1.04. 2009	Vs. 1.04.2008	
		+, -	%		+, -	%		+, -	%
Cattle	5609,7	-343,2	94,2	1778,7	-160,9	91,7	3831,0	-182,3	95,5
Of which cows	2874,4	-215,1	93,0	623,4	-46,2	93,1	2251,0	-168,9	93,0
Pigs	6860,4	152,4	102,3	2882,6	228,2	108,6	3977,8	-75,8	98,1
Sheep and goats	2086,3	79,6	104,0	380,5	14,5	104,0	1705,8	65,1	104,0
Poultry	165860	8320	105,3	87953	7125	108,8	77907	1195	101,6

For reference: small individual farms accounted for 68% of all cattle (as of April 1, 2008- 67%) of which cows 78% (78%), pigs – 58% (60%), goats and sheep 82% (82%), poultry – 47% (49%). The percentage of animals purchased from small individual farmers dropped from 33% down to 10% and percentage of milk purchased directly from small farmers dropped from 61% down to 49%.

Meat imports under surveillance

The President authorized the PGO to make a thorough check up on meat imports in Ukraine.

For reference: during January-March 2008 Ukraine imported 98,000 t of meat which is 5.7 times up from January-March 2007. During the whole year 2008 Ukraine imported 512,000 t of meat of which 416,100 t of pork (2007 only 95,600 t). During 2008 Ukrainian meat production totaled 1.9 million tons with annual consumption 2.4 million tons. In order to ensure standard meat consumption for the population (52 kg) Ukraine needs to increase domestic meat production by 25-26%. As of March 1, 2009 Ukrainian pig herd totaled 6.7 million heads which is 0.2% down from 2008. In June 2009 EU inspectors are going to visit Ukrainian meat producers in order to certify those for exports to EU.



FINLAND

HKScan finds the going tough

Results for the Finish-Swedish company are down to 1.7% of a turnover of € 1.29 bn. The high final costs of the industrial restructuring in Finland, poor export conditions and substantial expenses arising from frozen meat destocking seen in the second quarter along

with the writedowns taken by the pork primary production unit in Poland dragged performance.



USA

The hot dog business is recession-proof.

This according to a story in Thursday's Wall Street Journal that tells of folks across the porky plains either hanging 'em up to become hot dog vendors or using it as a back-up plan after getting laid off, Madoffed, or otherwise financially screwed by the economy. The story states says the frankfurter peddling racket is huge and shows a 25% increase nationwide: "Between Memorial Day and Labor Day, Americans typically consume seven billion hot dogs, according to the American Meat Institute's National Hot Dog & Sausage Council".



CANADA

Not so COOL labelling

Canada's Trade and Agriculture Ministers are "threatening" again to raise complaints with WTO about disruptions to cattle-hog trade into US, being caused by Country of Origin Labelling (COOL) rules.



CHINA

Aggressive subsidies plan

In 2008, China imported over 1.9 m. tonnes of pork and pork products, a single-year record for any country in history. While China is still home to approximately 100 million small hog raising units, the Ministry of Agriculture (MOA) estimate that in 2008, approximately half of the total live market hog output originated from 2.2 m. larger farms marketing more than 50 animals per year. In recent weeks, MOA has trumpeted the results of its hog support programs. Under its sow subsidy program, RMB 1.957 billion has been allocated to support the production of more than 52 million sows, or more than 80% of the country's total sow

herd. Another RMB 2.1 billion in production support subsidies has been allocated to targeted hog production counties, and RMB 2.8 billion was spent on the development of large-scale production units. China's MOA has announced an eight-year plan to establish 437 targeted hog production counties (China has approximately 2,000 counties) where large-scale production of hogs will be supported. According to MOA's plan, 400 million market hogs will be produced by these counties by 2015, with 65% of hog production within each county coming from larger 'scale' enterprises.

DSM opens new plant

The Dutch company will open its fourth feed premix plant in Changchun, Northwest China in May.




BRAZIL

Government loan confirmed

A credit line of nearly US\$ 4.6 bn. has been approved by the National Monetary Council to support the beleaguered abattoir sector.

PRICES

 Pork Prices ex-Hamburg Fleischgroßmarkt (Cuts from 75–85 kg pigs) Week commencing 20 April 2009 *Unchanged from previous week			
	Cut Name	ClosestExport Manual Code No.	Price Range (Euro / kg)
1.	Round cut leg	51121	2.08/2.28
2.	Leg (boneless, rindless max fat level 3mm)	51121	3.05/3.30
3.	Boneless Shoulder	56200	2.30/2.45
4.	Picnic Shoulder	56120	1.78/1.93
5.	Collar	56130	2.50/2.70
6.	Belly (bone in, ex-breast)	55100	2.05/2.25
7.	Sheet Boned Belly (rindless)	55210	1.80/2.10
8.	Jowl	50230	1.40/1.50*
9.	Sow Carcasses	60100	Ø 1.70
10.	Half Pig Carcasses	U Classification	Ø 1.94

**Barcelona Market Information - Week commencing 20 April 2009**

Carcases (secondary grade)	Euros / kg	1.483/ 1.489*
Gerona Loin Chops	Euros / kg	2.30/2.33*
Loin Eye Muscle	Euros / kg	3.33/3.36*
Spare Ribs	Euros / kg	2.08/2.11*
Fillets	Euros / kg	5.33/5.36*
Collar	Euros / kg	2.53/2.56*
Round Cut Legs	Euros / kg	2.24/2.27
Cooked Ham	Euros / kg	1.89/1.92
Rindless Picnic Shoulder	Euros / kg	1.46/1.49
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*