

- *Restrictions for UK pork and breeding pigs*
- *EU-markets uneven*



UN

Important semantic

The World Health Organisation (WHO) has at last dropped the word “swine” from the description of the flu pandemic, as have all US authorities. The WHO (also the EU and the OIE) have restated that pork is safe to eat.

Widening trade issues

According to WHO some 20 countries have imposed restrictions on pork imports including Russia, China, Switzerland, Croatia, Indonesia, Thailand, Ecuador, Thailand, Jordan, the Philippines, Ukraine, Lebanon, Azerbaijan, Bahrain, Kazakhstan, Macedonia, Montenegro, Surinam, the United Arab Emirates and Belarus. The UAE appears to have lifted its ban last Wednesday.



EU

Sombre economic forecasts

The recent forecasts of economic activity in the EU make sombre reading. The region GDP is expected to fall by 4% this year with a bracket of -1.8 to -6% in 2009, following by a stabilisation in 2010, employment to increase to 11% of the workforce and government debt to rise to 79.4% of GDP by the end of 2010. The worst hit economies are likely to be

Germany -5.4% GDP in 2009, Estonia -10.3%, Ireland -9%, Latvia -12.1%, Lithuania -11%, Hungary -6.3%, Finland – 4.7%,. Unemployment will exceed 15% in the Baltics and 20% in Spain. Finally, public finance deficit will exceed 108% of GDP in Greece and Italy with 116% by 2010.

See: http://ec.europa.eu/economy_finance/publications/publication15048_en.pdf



DENMARK

Market

On the European market fresh legs and other types of cuts are sold at unchanged prices.

Sales to the bacon market in the UK are stable and prices remain unchanged.

The situation on third country markets remains unchanged.

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

General

Besides Denmark, the Australian authorities also approved Canada and the US for imports of pig meat, but the two countries are primarily selling legs, shoulders and trimmings. The veterinary standards are very high and it is difficult to obtain license to export pig meat to Australia. Other countries are trying to enter the market, which is quite understandable because at present prices are better than on competing markets, in spite of the low Australian dollar says Jens Bech, export manager for the far East of Danish Crown.

Within the latest year Danish Crown increased its exports to the Australian market, where the own production of the country decreased by as much as one third due to extreme dryness impacting higher prices of feed.

It made many Australian farmers stop producing pig meat, which left a large market for foreign slaughterhouses, continues Jens Bech.

The Danish slaughterhouses increased their market share of primarily chilled middle parts. The products represent 95 percent of the Danish exports which also consist of lard and streaked bacon. The middle parts will be processed to bacon and distributed all over the country. At present it is a market that the Danish slaughterhouses more or less have for themselves, informs Jens Bech.

It is estimated that during the next 12 months Danish exports to the country will be above the level of last year. (Sources, Landbrugsavisen, Danish Crown)

Friland is making profits again

Friland, a subsidiary of Danish Crown, had a hard start of the financial year but now in the second quarter of the financial year it is experiencing positive figures. There is an upward trend now the company reports.

During the first six months of 2008/2009 the turnover is higher than expected and higher than last year. When excluding the subsidiary J. Hansen GmbH, Friland had a turnover of € 30 mill. However, during the period earnings were affected by the fact that prices were under pressure on almost all products, the company informs.

Whereas the first quarter was rather sluggish and earnings were decreasing there was an improvement towards the end of the second quarter. The company caught up with some of the lost earnings and particularly the figures of the last month are positive, says general manager of Friland Karsten Deibjerg Kristensen.

Among other things the company succeeded in creating a growth in the turnover of the organic pig. Within the latest month the supplementary price for the organic pig was raised twice by 3.5 Eurocent/kg. (Source, Landbrugsavisen)

Prices of pig feed will fall just slightly

It is expected that during 2009 prices of feed for slaughter pigs and for sows will be € 0.1826 and € 0.1853 respectively per feed unit. It is estimated that there will be a slight fall in prices next year so that one slaughter feed unit will cost € 0.1786 and one sow feed unit € 0.1800 says Nicolaj Noergaard, general manager of Danish Pig Production.

Hereby the prospects are that 2010 will be a fine year for the pig producers. It is expected that the quote will increase considerably above production costs next year according to Nicolaj Noergaard. Apparently feed is cheaper both in Germany and in Holland compared to the Danish prices. It is a fact that does not please Nicolaj Noergaard and he urges the Danish feed sector to look into this. (Source, Landbrugsavisen)

Tican manager expects higher settling prices

Danish pig producers are dissatisfied with the fact that the slaughterhouses in Germany can offer a higher price for their pigs than the Danish slaughterhouses are able to.

However, the slaughterhouses are making a great effort to become more competitive and will be able to pay the farmers a higher price informs ceo of Tican, Mr. Ove Thejls.

He notices that Danish slaughterhouses have not been able to get higher prices for Danish quality meat on export markets.

However, he finds that there is a light ahead. The quote increased by € 0.13 per kg over the latest month and he expects that it is going to increase even further partly due to lower supplies but also because it is spring season where prices usually go up. During the next months there will be further price increases and accordingly Ove Thejls is expecting that the financial situation with the pig producers will improve during the year. (Source, DR)

Association for the protection of the environment threatens Denmark with a complaint to the EU

The Danish government just presented a green plan of growth. The plan is in for criticism both from the opposition and from the Danish association for the protection of the environment that finds that the farming sector will be allowed completely free hands for producing all the pigs it wants to in Denmark. The president of the association, Ella Maria Bisschop-Larsen says that the initiative will allow the farming sector to establish giant farms without any land and hereby will make the pig production by far more industrialized than today. The Danish association is prepared to file a complaint with the EU Commission should it turn out that the Danish government is not prepared to make an effort to protect flora and fauna in Denmark. (Source, Landbrugsavisen)

Danish Slaughterhouses - payments for 2009 Week 19

Slaughterhouse	Danish Crown	Tican
Slaughter pigs (67.0 –81.9 kg Danish Crown and (67.0 - 80.9 kg Tican) Difference to last week	Euro 1.228* Unchanged	Euro 1.188 Unchanged
Sows (Above 129.9 kg) Difference to last week	Euro 1.014* Unchanged	Euro 0.947 Unchanged
Boars (Above 109.9 kg) Difference to last week	Euro 0.881* Unchanged	Euro 0.814 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

Fallen stock collection and rendering costs

Until 18th July 2009, the above costs represent € 26.6 million or € 1.05 per pig slaughtered in France. The costs are presently split as follows:

- Slaughtering tax (abattoirs and processing plants): € 8.75 per tonne or € 18 million per year
- Producers' contribution of € 0.1076 per pig or € 2.7 million per year
- French state subsidies: € 6 million per year

With an increase of costs expected this year, a new system suggested by Inaporc will be in place on 18th July but beforehand, this system needs to be approved by Brussels. In this new system managed by Inaporc, the contract with renderers would be reduced from 3 years to 1 year renewable twice. Also, as Inaporc noticed that the French state was recuperating part of the subsidies through VAT, with the new system, the total cost per pig would be 0.88€ VAT excluded instead of 1.05 € VAT included. The contribution of abattoirs and processors would be 0.79€ VAT excluded instead of 0.70€ VAT included and producers' contribution would be 0.09€ VAT excluded instead of 0.11€ VAT included. The state subsidies representing 0.24€ per pig until now, would have to decrease to zero.

Carrefour in business with Brittany Agriculture Chamber (CRAB)

A new agreement has been signed between Carrefour and CRAB by which all agro food companies rewarded at SIA General Food Awards will have an exclusive listing with Carrefour under the retailer's own brand. This new deal reflects the trend with French consumers of favouring locally produced food.

Cheap, so what?

In France, meat consumption figures in 2008 compared with 2007 show a 2.5% decline of purchase of all meats. According to TNS figures recently published, consumption of pig meat over the first two months of 2009 show a decline of 3% compared with same period last year.

Porcine Mexican AH1N1 flu...

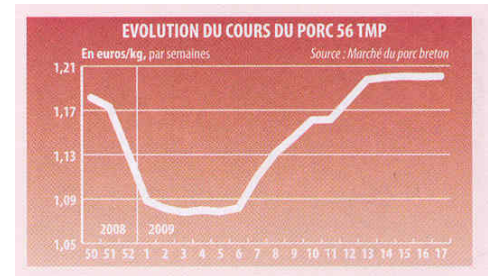
Terminology is vital with humane and animal diseases. It took 4 days for Health authorities to decide how they should name the flu that scared the world last week. In the end the disease will be named AH1N1 which for obvious reasons does not suit the French media who still use either Mexican or Porcine adjectives in their reports. The good news is that according to one retail chain contacted on 30th April, pig meat sales had not suffered too

much and hopefully the long week-end of 1st May, together with nice weather did boost sales of pork chops, chipolatas and other sausages for BBQ.

Market data for week 19:

Pigs

So far, stability dominated the exchanges for the pork butcher's business. The next few weeks should not break this rule, especially with the bank holidays in May. Fluidity could quickly make its return for the sales. The seasonal decline in production is going to continue. At the same time, the demand in pork meat should be steady, with the traditional increase in prices before summer which would be good news for the livestock market, which is still in difficulties with working capital.



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



GERMANY

Market

Pressure on German producers results in EU-markets being uneven

The European market for pigs for slaughter has been nonuniform this week. While France, Denmark and Spain report stable quotations, H1N1's previous misleading name "swine flu" did have negative impact on prices in some of the member states.

A drop of 4 cents was reported from Germany, NL and Belgium and Austria.

Particularly German slaughterhouses have taken advantage of the insecure situation and are putting increased pressure on the producers.

Tendency: Quotations of live pigs will remain stable. If the weather stays nice people will come back to buying more pork cuts for the barbecue.

Trends

Following the downward trend until the fourth quarter of 2008 German slaughterhouses and processors can report a positive trend since last autumn.

Also expectations for the export business are optimistic. The positive tendency however is slightly affected by the cessation of CMA and ZMP and the following unclear situation about the future of agricultural marketing services. (Source, fleischwirtschaft)

Pig fattening enterprises under pressure

According to AgraEurope, business for German pig fattening enterprises has been difficult during the first three months of 2009.

Only in March costs for feed and piglets were evened. Profitability of pig fattening is lower this year than compared to the same period in 2008.



SPAIN

Swine flu or 'New flu'

The Spanish Public Health Ministry has confirmed a total of 81 H1N1 cases in Spain. There are another 48 people under examination. There are 8 Spaniards detained in a hotel of Hong Kong, because of the appearance of a Mexican infected. (Source, Telecinco)

The Russian Federation has forbidden the pig imports (alive pigs, pork and pig by-products not treated thermally) coming from Spain (since 02nd May) for considering Spain as a risk zone 2. Russia is the main importer of Spain after the EU, so that, Carlos Escribano, the General Manager of Agriculture and Livestock Sources of Spain, flew yesterday to Russia in order to release the normal trade between both countries. The Iberian pig sector is not influenced by this new situation, since all pigs exported to Russia are white line pigs (Source, Agrocope)

Exports

In 2008, Spain exported 28,130 tones of cured hams (deboned), representing an income of 190 million of euros (+3.2% compared to 2007). This increase was due to Canada, Australia, Mexico, Czech Republic, Hungary and Greece imports growth. Nevertheless, the main countries importing cured hams are Germany (26%), France (24%) and Portugal (12%). Other countries importing 1-4% of total Spanish exports are Swiss, Sweden, Russia, United Kingdom, The Netherlands, Norway, Japan, Italy, United States, Denmark, Belgium or Austria.

Josep Puxeu, the Secretary of State of the Agricultural Ministry of Spain, is holding several meetings with the United States Department of Agriculture and Marketing responsables in order to review the current trade situation between both countries. The Secretary of State also held a meeting with the Animal and Plant Health Inspection Service (APHIS) responsible and they agreed to develop in Spain a specific course about African Swine Fever, and another one in the US about exotic diseases. (Source, Agrotterra)

Meetings

'1st International Meeting about Animal Welfare' will take place in Talavera (Toledo) from 11th-13th May. The Health and Consumer Protection Directorate General (DG SANCO) declare that 'higher levels of animal welfare represent slight higher production costs, compensated later thanks to the lower disease incidence'. The National Association of Spanish Pig Producers state that the new European Regulation for Animal Transport (Regulation 1/2005) will affect to 900,000 pigs destined to France, Italy and Portugal, causing losses of more than 103 million of euros. This meeting has been arranged in different working groups to share different points of view, depending on the production chain operator. (Source, Infocarne)

Prices

Slaughterhouse	Lleida 30.04.09	Zamora 05.05.09
Piglet 20 kg	37.0 €/Unit (-2.00)	40.0 €/Unit (-6.00)
Live fattened pig	1.127 €/kg (+0.000)	-



PORTUGAL

Flu

The Health Ministry of Portugal has confirmed the first case of H1N1 in the country. It was a 31 year old woman who has recently travelled to Mexico. However, this woman discharged from the hospital several days ago. (Source, Europapress)

Prices

Slaughterhouse	Lisbon 27.04.09
Fattened pig – Carcass E 57%	1.500 €/kg (+0.000)



THE NETHERLANDS

Supermarket move

All meat supplied to Dutch supermarkets will need to fulfil GLOBALGAP standards from 1 January 2010.

KI Nederlands results

The AI co-operative sold 3.4 m. doses in 2008 unchanged on 2007. Profits were tiny at € 44,000. For the first 16 weeks of 2009 the Tempo boars (Pi x Du) make 39% of total sales.



RUSSIA

Russian authorities announce ban on British pork

The Russian veterinary authorities have announced an import ban on British pork and pigs due to the H1N1 situation. This ban is, in fact, academic as Russia has still to lift the FMD related restrictions imposed in 2007. Nevertheless it is disappointing that action has been taken which is not in line with WHO and OIE guidance and, moreover in circumstances where there is no evidence of this novel H1 N1 virus circulating in pigs either in Britain or in the EU in general. In fact classical H1N1 has been eradicated in European pigs. The CVO has written to his Russian counterpart to give details of UK's surveillance at their request and it is hoped that the clarification given will not only result in the lifting of this temporary restriction but also accelerate the process for lifting the FMD related ban.

British offensive to Russia

The H1N1 flu epidemic and the Georgian crisis happen at a difficult time as the UK industry and government were trying to lift the 2007 FMD ban. We are still planning a strong presence of British pig breeders at the two spring exhibitions, Agrofarm and VIV with a seminar planned on 20 May, a reception planned on 26 May and a veterinary mission on 19-21 May.



UKRAINE

Ukrainian capital disallows sales of imported pork

The Kyiv city mayor's office passed the decision to ban sales of imported pork in the city. Among other measures which are planned to be implemented are strict anti-epidemic measures in public places, schools, kindergartens, and factories. The doctors are instructed to watch for patients with symptoms of H1N1 and find it out at early stages.



BELARUS

Imports of animal products banned

Belarus announced a temporary ban for imports of animal products, feed for pigs, poultry from countries where cases of swine flu has been confirmed including Mexico, USA, Canada, New Zealand, France, Spain, Israel and UK.

The Ministry of Agriculture is taking necessary measures to prevent the swine flu in country. The check points at animal farms, airports, and railroad are on alert.



USA

Obama's warning

The president himself has defended the pork sector and warned against export bans regarding US pork. The Mexican president has joined suit. Meanwhile, steps are being taken to protect public health and strengthen the pork industry in the U.S. and Canada, according to statements from Canada's Agriculture Minister Gerry Ritz and United States Agriculture Secretary Tom Vilsack on May 5 in Ottawa. Producers have asked for financial support.

Fall of hog prices

US farmers claim they are losing US\$ 20 per pigs, as prices have fallen to around £ 1.10 /kg.



CHINA

Imports falling

As expected, Chinese pork imports for the period January to March fell from 82,500 t. to 32,300 t., whilst pig offal imports fell from 116,200 t. to 89,700 t. Pork production rose by 8% in 2008 and a further increase of 4% in 2009 is forecast.

Unease about the H1N1 epidemic

China is one of the few countries, which have imposed a ban on pork imports. There is a fear that the epidemic will slow down progress towards the health certification of British pork.



NEW ZEALAND

Relaxation of PRRS rules

The NZ authorities have issued provisional standards for pig meat from the EU and North America that relax the strong PRRS restrictions. NZ Pork is up in arms, as the organisation claims this threatens NZ freedom from PRRS.



THAILAND

Thailand has temporarily suspended the import of "pigs and pig carcasses" from the UK as a result of confirmed cases of H1N1 strain of influenza.

For further information please visit the Defra website <http://www.defra.gov.uk/animalh/int-trde/cins/index.htm>



JAPAN

Retail sales still falling

Sales in Japanese supermarkets fell by 1.7% in 2008, the 12th consecutive annual fall. Food sales, particularly frozen food with a growth of 0.5%, fared better than clothing down 9%.



EGYPT

The pig cull

The Egyptian government is using swine flu as an excuse to get rid of tens of thousands of pigs raised by garbage collectors who live amid the refuse in Cairo slums. But the move has prompted accusations Monday that Muslims are attacking minority Christians, who breed the animals. The government last week ordered the slaughter of all the country's 300,000 pigs as a precaution against swine flu, even though no cases have been reported in the country. But after the World Health Organization criticized the measure as entirely unnecessary, the government expanded the rationale for the slaughter to confront a long-standing hygienic problem posed by pigs and garbage dumps in the midst of densely populated areas of the capital. An estimated quarter of a million people in Cairo, primarily poor Christians, called *zabaleen*, make their living from garbage collecting and raising pigs in city slums. The city's garbage collectors say destroying pigs is an attack on their livelihood that will only further impoverish them and they clashed violently with police on Sunday as government workers came to haul the animals away for slaughter. But Adel Hammouda, the chief editor of the weekly *al-Fagr* and a Muslim, picked up on the religious undertones in his column this week entitled "Sectarian flu in Egypt." According to Isaac Mikhail, the head of Garbage Collectors' Association, pig farmers want to move out of the slums to cleaner pastures, but have been prevented by the local municipality. Other critics of the government decision have pointed out that removing the pigs does not address another major part of the health hazard - the massive piles of rotting garbage in the slums. Egyptian officials say they have killed about 700 pigs so far and they insist they are pressing ahead with slaughter of all swine in the country despite the mounting criticism. Girgis Youssef Boulis, the head of pork producer Ramsis Meats, said pork accounts for about 30 percent of the country's total meat production. "There is a 100 percent impact on sales. They've ground to a halt," said Boulis,

whose company - one of the largest pork producers in Egypt - employs about 100 people and runs state of the art farms in the countryside. The move is already having an impact on the market for other meats, he said. Domestic fish prices have surged about 100 percent as people turn to other lean, protein-rich meats in place of pork. "If beef prices haven't gone up now, they will in a week," Boulis predicted (Source, Associated Press).



AFGHANISTAN


Pigs under threat

The few pigs in the country have been placed in special quarantine. Another example of the irrational thinking.

PRICES



We regret to be currently unable to forward German pork prices

 Barcelona Market Information - Week commencing 04 May 2009		
Carcases (secondary grade)	Euros / kg	1.483/ 1.489*
Gerona Loin Chops	Euros / kg	2.35/2.38*
Loin Eye Muscle	Euros / kg	3.43/3.46*
Spare Ribs	Euros / kg	2.18/2.21*
Fillets	Euros / kg	5.33/5.36*
Collar	Euros / kg	2.63/2.66*
Round Cut Legs	Euros / kg	2.27/2.30
Cooked Ham	Euros / kg	1.94/1.97
Rindless Picnic Shoulder	Euros / kg	1.49/1.52
Belly	Euros / kg	1.92/1.95
Smoked Belly with Spare Rib Section Cut Off	Euros / kg	2.35/2.38
Shoulder Chap or Head Jowls	Euros / kg	1.28/1.31
Back Fat, Rindless	Euros / kg	0.83/0.86