



Export Bulletin

February 2010 – Week 5

- *Pork exports fall*
- *EU share of Chinese pork imports growing*



EU

Pork exports fall

Total EU exports of pork and offal fell by 10% in 2010. The worst affected destinations were the Philippines (-43% to 23,000 t.), Japan (-23% to 172,000 t.), South Korea (-19% to 88,000 tonnes) and Hong Kong (-15% to 364,000 t.). However, total exports remain above 2 m. tonnes at 2.154 m. tonnes a good performance in difficult conditions. Pork exports to China are up 17% to 160,000 t.

European Commission probes feed cartel

Competition authorities are probing feed additives companies such as Kemira (Finland) and Tessenderlo (Belgium) and query price of phosphate additives in feeds which saw major spikes in 2007-8.



DENMARK

The European markets go on being stable and quantities remain unchanged as well. The cold weather in Europe continues and thus the increase in slaughterings has not occurred still, impacting that the German quote and the prices in Germany are maintained at a higher level than expected. On the European market sales of fresh legs and other cuts are stable and prices remain

unchanged. Sales to the bacon market in the UK are stable and calm, and the price level remains unchanged. The Russian market is very strong with a fine demand at good prices. The markets in the Far East remain unchanged. (Sources, Danish Crown, Tican, Danish Agriculture and Food Council)

British animal protection organisations make film records of Danish stables

According to the Danish Animal protection organization the British animal protection organization, Compassion in World Farming paid an unannounced visit to 14 Danish pig stables and filmed the conditions. The pictures should show pregnant sows in narrow pig sties, sows with piglets tied in farrowing sites, and at all 14 farms the animal protection organization should have found tail docked pigs. Besides in Denmark, farmers in Hungary, Germany, Holland, Spain and the UK got a visit from the organization which tries to put a focus on conditions for farming animals all over the world. Compassion in World Farming was founded in 1967 by a British farmer that got scared of the development within farming. (Source, Landbrugsavisen)

Private slaughterhouse expands

The privately owned Slagtergaarden St. Lihme increases its production of pig meat. The company expands with 700 new m² and new equipment for complete packaging of meat. CEO Leo Grønvall expects to hire up to 20 new employees this year. The production will be doubled with approximately 45 tonnes of carcasses per day. Slagtergaarden St. Lihme is an independent, family-owned pig slaughterhouse with 50 employees. The pig slaughtering started in 1989 and the enterprise was approved by the EU in 1996, and in year 2001 the slaughterhouse was approved as an exporter to the US and Japan. (Source, Landbrugsavisen)

Danish Slaughterhouses - payments Week 05

Slaughterhouse	Danish Crown	Tican
Slaughter pigs (70.0 - 86.9 kg)	Euro 1.093*	Euro 1.053
Difference to last week	+0.027	+0.027
Sows (Above 129.9 kg)	Euro 0,747*	Euro 0.680
Difference to last week	+0.027	+0.027
Boars (Above 109.9 kg)	Euro 0.613*	Euro 0.547
Difference to last week	+0.027	+0.027

*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

Pork

The French market has been very close to equilibrium over the last two weeks maintaining a stable sales price. A return to instability is foreseen over the next few weeks. Offers have slightly reduced whilst at the same time demand has been supported particularly on the French market. Activity in neighbouring European countries could increase business in France. Spain shows signs of improving their markets and Germany is showing signs of firmness increasing their quotation by 4 cents last Friday.

Frozen processed products

With a frozen meat market increasing with French multiples (+8.7%), Jean Floc'h is launching 3 new products on this market segment:

- 1) Two marinated pork steaks (2 x 125g) presented with two recipes: with old French mustard or seasoned with rosemary and thyme.
- 2) Pork burgers or steaks hachés with 75% pig meat (10 x 100g)
- 3) "French smoked lardons" or diced belly which main selling point is price as the lardons will be one €/kg cheaper than fresh.

These three products will complement an already large range of products including pork chops, pork cubes, sausages, black pudding, ribs, marinated sliced belly etc.

2009, a good year for charcuterie sales

Last year, cooked ham consumption increased by 2.5% in volume, and dry ham consumption increased by 4.2%, lardons consumption increased by 2.8%. Clearly the recession pushed the sales of charcuterie in France but the best score is for poultry based charcuterie products with a 9.5% increase in volume compared with 2008. Interestingly retail prices of all charcuterie products also increased except for lardons (-1.5%) and fine coarse sausages (-0.7%).

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

**GERMANY****Market**

Last week's slaughtering did just slightly stay below last year's level: 982 000 pigs were slaughtered, 7000 less than in 2009. Supply of pigs for slaughter was limited -not unusual for this time of the year - demand wasn't always met. This development is expected to persist over the next weeks.

Westfleisch's carbon footprint

Germany's third biggest meat marketer Westfleisch have calculated a „Corporate Carbon Footprint“ and, deduced from these data, a „Product Carbon Footprint“ for the entire process chain of pig meat production. The customer will now be able to see how much CO2 emission originates from the production process until they put their Schnitzel or Bratwurst in the shopping basket. The result of the research that involved the traceable collection and analysis of all greenhouse gases from piglet production, fattening to meat sales of five major sites showed the annual emission of 1,83 Mio. t CO2 equivalent. The carbon footprint for each kg of pork amounts to 3.2 kg CO2 equivalent. The production of 1 kg pork therefore has an environmental impact as does the consumption of 40 cups of coffee, watching TV for 35 hours or driving a middle class car for 20 km. (Source, Lebensmittel Praxis)

Danish Crown rejects accusations

Danish Crown categorically rejects all accusations of illegal labour and social fraud at the group's slaughterhouse in Oldenburg. Referring to a study, which the group's German lawyer just completed, Danish Crown's communication manager, Anne Villemoes, states that the conditions at Oldenburg are alright. The lawyer has checked and got verification that the contractual partner pays the wages and further comply with the agreements made, as the partner is obliged to under German law, Anne Villemoes informs. The announcement comes as the German media can inform that the prosecutor in Oldenburg just started the investigations against the Cypriot recruitment company that hired the Romanian workers to do the cutting jobs at Danish Crown's slaughterhouse in the North German city. (Source, Landbrugsavisen)

**NETHERLANDS****'Middle segment' discussions**

After the significant decision by Vion and Albert Heijn (AH) to embrace the 'middle segment' animal welfare and environment friendly production, discussions are under way in the area of meat eating quality. The scheme similar to Jumbo's *Comfort Class* is backed by government research organisation LTO. Unsurprisingly, farmers are concerned regarding the price premium, AH is willing to pay. Vion and AH could well loose many pig suppliers.

Standard pork better than organic

The impact of organic pork on the environment is higher than standard pork according to research from Wageningen University using international standard methods for carbon footprint. The main difference is the lower feed efficiency and higher methane production of organic pigs.

Rabobank optimistic

The Dutch bank is forecasting deadweight prices in the area of € 1.35 to 1.40 in 2010. Demand should increase in Central and Eastern Europe, whilst supplies should remain tight in the EU.

**SPAIN****Exports-Imports**

The list of Spanish establishments authorized to export pig meat and meat products in South Korea has been expanded after recognition of 16 new stores by the Korean veterinary authorities. This list is available in the CEXGAN web page of the Ministry of Environment, Rural Development and Fisheries. (Source, Agrodigital)

Spain ranks sixth in the ranking of largest exporters of pork from the EU to third countries, behind Germany, Denmark, Holland, Poland and France. In the first eight months of 2009, Spain

exported only 3,000 tons less meat than France. In a few years, Spanish exports have gone from representing 4% of the total, to 7.8%. (Source, Agrodigital)

The Spanish Ministry of Environment, Rural Development and Fisheries (MARM) has published that in 2009, pigs and pig products exports have increased by 2% (more than 1.2 million tons) compared to 2008. The increasing tendency is due to exports to the EU partners (numbers near 9% with respect to 2008), while exports to third countries has decreased by 20%, following the European tendency. Exports have decreased in Russia, Japan, South Korea and Hong Kong, while new markets acquire increasing importance (China, Brazil, Singapore, Vietnam, Serbia, Liberia and Macedonia). Between the new destinations, the MARM has emphasized China that, in the first year of authorization (2009), has received more than 12,500 tons of pig meat and products. (Source, 3tres3)

The Spanish pig industry has been traditionally a great importer of piglets. However, in 2009, these figures have fallen drastically; especially imports from The Netherlands were affected. From January to August 2009, 100,000 animals were imported, far away from the 600,000 imported in 2008. Between 1998-2007, imports have fluctuated in the range between 800,000 and 1,200,000 piglets, according to latest figures provided by the Spanish Ministry. Regarding animals for slaughtering, Spain exports more than it imports. From 1996 to 2007, the number of pigs exported grew to reach beyond 1.2 million in 2007. Since then, exports have registered a steady decline, and around 600,000 animals were exported in the first 8 months of 2009. (Source, Agrodigital)

The General Manager of the Spanish Association of Meat Industry (ASOCARNE), Fernando Pascual, has highlighted the inefficiency of the Spanish Ministry for opening new markets all around the world. In China, the consumption of cured hams has been promoted but no other pig products were promoted, said Fernando Pascual. According to recent data from the Ministry of Industry, Tourism and Trade, between January and November 2009 the export value in the meat sector reached 2868.8 million Euro, representing 4.9% less than the same period of 2008. (Source, Eurocarne)

Animal welfare

Last fall, the European Commission presented a report with options for labelling on animal welfare, including the establishment of standard for voluntary use of indications of animal welfare and the development of guidelines for labelling systems and quality animal welfare. The Spanish Presidency has coincided with the change of the Commission, so these days we will know when the Commission will submit a legislative proposal in this regard. (Source, Agrodigital)

Cured hams with healthy properties

The quality brand of cured hams 'Dehesa de Extremadura' has recently signed an agreement with the Spanish Heart Foundation (FEC) for the promotion of healthy products. This product will incorporate a new stamp like a Collaboration Entity with FEC, and the cured hams will be included in the PASFEC Programme, the Food and Health Programme of the FEC, like a product that fulfils all healthy requirements (for preventing heart and vascular disease) established by the Scientific Committee. (Source, Elgranjamon)

Prices

Slaughterhouse	Lleida 28.01.10	Zamora 02.02.10
Piglet 20 kg	39.0 €/Unit (+0.00)	47.0 €/Unit (+0.00)
Live fattened pig	1.032 €/kg (+0.017)	-

**PORTUGAL****Prices**

Slaughterhouse	Lisbon 25.01.10
Fattened pig – Carcass E 57%	1.390 €/kg (+0.010)



RUSSIA

Mega-farm is ready to welcome foreigners

A huge stock-raising farm, built by the Zelenodolskoe Ltd. in Primorsky Krai, is preparing to accept pedigree pigs from Canada. The enterprise has got preferential financing for purchase of 1,275 pigs. These pigs have already been selected and should be delivered to Primorsky Krai on February 20. **For reference:** The Zelenodolskoe Ltd. is constructing a mega-farm for breeding pigs. The complex for 12,000 pigs includes 9 buildings. The farm is equipped in accordance with modern technologies for pig breeding.



UKRAINE

Chinese pork came to Ukraine

400 tonnes of frozen pork from China were delivered to the territory of Ukraine in December 2009. The sale operation was provided by the Hungarian company-supplier. An average price of frozen pork imported in December was EUR 1.11/kg. **For reference:** Meanwhile, market analysts state that pork imports decreased by more than 20% to the territory of the country as the result of increase of pig number in Ukraine in 2009.

Lack of the national product

In 2009 Ukraine purchased 40% more pig lard abroad than a year before. A total of 47,300 tonnes of this product, considered as the national dish, were imported from other countries. The lard deficit is explained with reorientation of local pig breeding economies to breeding of meat pig breeds as meat production is by 30-50% more profitable than pig breeding for lard. Meanwhile, half of pig lard production in Ukraine is currently concentrated in private economies and is sold by private entrepreneurs at the open markets.

Lard festival

In Eastern Ukraine, a festival to celebrate the above mentioned national dish was attended by more than 10,000 people.

**HUNGARY****Production still falling**

According to Antal Sákán of the Federation of Pig Producers, production should fall by a further 10% this year. In the early 1980s, Hungary was a major pork producer with 10 m. pigs. This is likely to fall below 2.7 m. heads in 2010. Despite favourable exchange rate against €, the situation looks bleak with no turnaround before 2012 at least. Hungary's 400 meat processors rely increasingly on imports and the grey market is growing. The curtailment of exports of live pigs to Russia will not help either.

**POLAND****Pork production on the rebound**

The November census showed a rebound of production with the number of sows up 6.4% on 2008 to 1.361 m. This rebound was expected as production reached a record low in 2008 and as Zloty fell sharply against the Euro.

**CHINA****EU share of Chinese pork imports growing**

The EU now accounts for 60% of Chinese pork imports, following a sharp fall of US imports and an overall decline in 2009. Recent analysis points out to increases of imports for 2010.

Hunan pork cooking preserved

Official guidelines from the Hunan province have been issued to restaurants across China instructing them how to cook Mao Tse-tung's favorite meal, an unctuous dish of pork *hong shao rou* (red braised pork), which should be made exclusively using the meat from a rare breed of pigs from Ningxiang county. Three more dishes have been codified including stir-fried peppers with pork and steamed pork with cabbages.

**AUSTRALIA****New promotion campaign**


Australian Pork Limited has launched a new ad to try and promote the meat. It follows an Australia Day campaign from Meat and Livestock Australia, promoting lamb. The latest ad from Australian Pork, uses a mix of racy language and puns to bring back what the industry says is the successful "pork on your fork" campaign. Marketing expert Tim Burrows says it's funny and cheeky. Meanwhile, pork and ham sales for the Christmas period were definitely up.

Better situation for pork sector

Following a difficult 2008, the Australian pig sector experienced more stability in 2009. Production and exports are down respectively 9.9% and 16.9%. Singapore still represents more than half of pork shipments with 12,300 tonnes out of a total of 22,800 tonnes. Exports to New Zealand are down 31% to 5,200 tonnes.

**SINGAPORE****Strong demand ahead of Chinese New Year**

Sales of the popular *bak-kwa* (barbecue pork) are booming ahead of the Lunar New Year. Last year, prices peaked at S\$ 56.00 /kg (£ 25.00 /kg).

 Pork Prices Hamburg Market Week commencing 01 February 2010		
Cut Name	Closest Export Manual Code No.	Price Range (Euros / kg)
Round cut leg	51121	2.10/2.25
Leg (boneless, rindless max fat level 3mm)	51121	2.90/3.25
Boneless Shoulder	56200	2.20/2.35
Picnic Shoulder	56120	1.60/1.80
Collar	56130	2.00/2.20
Belly (bone in, ex-breast)	55100	1.55/1.80
Sheet Boned Belly (rindless)	55210	1.50/1.80
Jowl	50230	0.75/1.05
Half Pig Carcasses	U Classification	1.74/1.94

 Pork prices Barcelona Market Week commencing 01 February 2010	
Cut Name	Price Range (Euros/kg)
Carcasses (secondary grade)	1.358/ 1.364
Gerona Loin Chops	2.05/2.08
Loin Eye Muscle	2.98/3.01
Spare Ribs	2.23/2.26
Fillets	5.33/5.36
Round Cut Legs	
Cooked Ham	1.93/1.96
Rindless Picnic Shoulder	1.47/1.50
Belly	1.83/1.86
Smoked Belly with Spare Rib Section Cut Off	2.26/2.29
Shoulder Chap or Head Jowls	1.18/1.21
Back Fat, Rindless	0.73/0.76