



## Export Bulletin

February 2010 – Week 7

- *Falling pig production in Spain*



EU

In Germany, the Netherlands, Belgium and Austria, prices remained unchanged. Spanish, Danish and French prices went up again by 3 to 5 cents. The prices in Great Britain and Sweden remained unchanged; the corrected prices there, however, went up as a result of exchange rate changes. **Trend:** Quantities of pigs for slaughter on offer are expected to remain constant. At the same time, the demand for pork, which hasn't been quite satisfactory of late, is anticipated to get stimulated again after the carnival season. Thus, the producer prices are expected to remain steady at least this week. (Sources, ISN, thepigsite)



DENMARK

### Market

There is generally a good balance between supply and demand on the European market for pig meat. Fresh legs are traded to slightly increasing prices on the European market. Shoulders and production meet are also traded to slightly increasing prices. Loins and necks are traded at unchanged or slightly declining prices. The UK bacon market is under pressure, but the trade takes place at an unchanged price level. The market situation remains unchanged for countries outside the EU. (Sources, Danish Crown, Tican, Danish Agriculture and Food Council)

**Danish Crown to close down slaughterhouses?**

The management of Danish Crown awaits the outcome of the Danish collective bargaining before the company may implement a plan B, which could result in large scale closures of pig slaughterhouses. Until the result is official, the slaughterhouse giant works on a rescue plan DC Future, which will reduce costs by 200 million Euro. So far, the plan is largely rejected by the employees, but the slaughterhouse believes to be half the way to the goal. Last Tuesday at the meeting of the Board of Representatives in Vejle, CEO Kjeld Johannesen said that he still hopes and believes that the staff will support the plan so that labour costs can be reduced by 20 % per produced unit. Three weeks ago, the management of the slaughterhouse specifically proposed that the 5,600 slaughterhouse workers must accept a reduction of 1,5 Euro in payment per hour, while new employees must be paid 3 Euro less per hour. The slaughterhouse workers rejected the proposal, just as the central collective bargaining between the Union NNF and the employers' organisation DI was initiated. Without a reduction of wages, the slaughterhouse closures are imminent, according to the management. It finds that the level of wages with an average of 25 Euro per hour for a slaughterhouse worker leaves the industry with uneven competition conditions in Denmark. (Source, Ritzau)

**Use of meat glue unpopular**

The EU has made it legal to sell meat with the enzyme thrombin, which the media and politicians call meat glue. The Danish government was opposed to the EU legalizing the use of thrombin and there is great resistance to the product among consumer organizations. Danish Crown does not deny that it may use meat glue in some products. Tican does not expect to use meat glue. The situation is such that the management of Tican does not see any opportunities for using or needing it, says CEO Ove Thejls. (Source, DR, Landbrugsavisen)

**Danish Slaughterhouses - payments Week 07**

Slaughterhouse	Danish Crown	Tican
Slaughter pigs (70.0 - 86.9 kg) Difference to last week	Euro 1.147* +0.027	Euro 1.107 +0.027
Sows (Above 129.9 kg) Difference to last week	Euro 0,841* +0.054	Euro 0.774 +0.054
Boars (Above 109.9 kg) Difference to last week	Euro 0.707* +0.054	Euro 0.644 +0.054

\*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.



### **Alvetis new N°2**

Three cooperatives in Brittany joined together to become the second biggest pig producer in France. LT, PBO and Pigalys joined together on 5<sup>th</sup> February to form the new cooperative Alvetis. Alvetis represents 3 million pigs processed per year and is the second operator behind Cooperl Arc Atlantique (6 million pigs).

### **Demonstrations**

Pig producers in the centre of France demonstrated on 5<sup>th</sup> February in Lacaune and on 18<sup>th</sup> February in Puy de Dôme in order to get a better price from processors. At a time when prices are increasing everywhere in Europe producers in the centre of France suffer from some kind of isolation and are pressing producers in Brittany to join them and exert extra pressure at a national level, Michel Serres, President of FNP supports the initiative.

### **Consumption in 2009**

According to Agrimer (Panel TNS) household purchases of fresh pig meat decreased by 0.3% in volume in 2009 when the retail price also decreased by 3% to 6.38 € /kg. Good news is coming from processed products with a 4.3% increase in the volume of purchases of fresh sausages (with retail price also increasing by 1.4% to € 7.22 / kg.).

### **Pork**

Firm prices will continue this Thursday at the "Marché du Porc Breton", the seasonal decrease of offers for livestock being extended. School holidays for the majority of the French departments and the approach of the end of the month could encourage abattoirs to be more prudent in their demands.

**Piglets**

The tendency in the last few days has not changed; limited supply and firm demand. Prices are still firm for 25 kg and post-weaned.

**Cuts**

Demand is correct, nothing more, under the effect of school holidays and the approach of the end of the month.

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

**GERMANY****Tulip buys Nietfeld**

Tulip Food Company bought German Nietfeld Feinkost. By the acquisition Tulip's annual turnover in Germany passes 135 million €, and CEO of Tulip, Flemming N. Enevoldsen has no doubts that the acquisition of Nietfeld will strengthen Tulip significantly. The company fits perfectly into Tulip. Both companies have a good reputation as suppliers of quality products and their focus is on customer needs. "When we gather the range of products from Tulip and Nietfeld, you get a company that offers the customers far more options than they have today", says Flemming N. Enevoldsen. He further reveals that Tulip has been looking towards Germany to find the right candidate for an acquisition for a long time. He is convinced that the merger will create new opportunities in both retail, food service and export. Overall, the companies have a very wide range of products both within retail and food service, and with the support from Tulip's European sales organization, the management expects that it can increase the export from Nietfeld and thus ensure a further speeding up of the company's positive development, F states Flemming N. Enevoldsen. The acquisition took effect as of 1 January this year. Tulip has an annual turnover of approximately 670 million Euro and about 2,000 employees. After the acquisition of Nietfeld, Tulip has 10 factories – six in Denmark, three in Germany and one in Sweden. ( Source, Danish Crown, Tulip, Landbrugsavisen)

**Record production of pork in 2009**

According to the German national statistic agency Destatis more than 7.7 million tonnes of meat have been produced in 2009– a 2.5% rise in comparison to 2008 and a new record height. Pork takes the largest share with 67.9%, poultry meat ended second, with 16.6% and beef became third with 15.2%. The quantity of pork produced reached a new high of 5.3 million tonnes. This was 158,000 tonnes or 3.1% more than in 2008. The increase in slaughtering of animals from abroad slowed down though; 2009 saw a 0.8% growth in comparison to 11% in 2008. (Source, pigprogress)

**NETHERLANDS****Stop for selling meat from castrated pigs**

The Dutch supermarket chain C1000 will stop selling fresh meat from castrated pigs. It will take effect by the end of 2011. In response to the news, a Dutch animal protection organization announced that it will put an end to a trial concerning castration against the supermarket's parent company. In late 2008, the animal protection organization took legal action against C1000 and Albert Heijn in order to make them stop selling the meat from castrated pigs. The case against the latter has already been dropped after the chain removed pork from castrated pigs from the shelves. (Source, Landbrugsavisen)

**Topigs good results**

The Dutch breeder produced 360,000 gilts in 2009 (+2.2%).

**Benedik ex-owners sued**

Jo and Geert Benedik have been found personally responsible for the € 40 m. bankruptcy of 2005.

**Van der Zee looks to the 'middle segment'**

The wholesaler that distributes through Hanos cash and carry will source uncastrated pigs slaughtered by Tönnies and cut by Groothedde. Van der Zee already markets high specification Livar pork and some Iberian and Italian pork. This is the first food service wholesaler entering the 'middle segment' market, so called as it is positioned between organic and standard pork.

**BELGIUM****Farmers blockage Westvlees**

Farmers from Veva and ABS (the equivalent of NPA and NFU) blockaded the Westvlees abattoir to protest against low prices.

**SPAIN****Exports**

The Agrarian Cooperative 'COVAP' continues its international expansion policy, which has led him to put their best products in 27 countries on four continents. Now the immediate focus is Australia, where they will sell their 'de-boned' Iberian hams from March. (Source, Eurocarne)

**Pig production fell by more than 4% until November**

According to data from the monthly survey of the Spanish Ministry the number of pigs slaughtered in abattoirs between January and November 2009 reached 36.2 million heads, representing a decrease of 4.68% over the same period in 2008. Carcass weight fell in similar percentage (-4.06 %), reaching 3.04 million tonnes. With data of November only, the result remain negative, since the number of pigs slaughtered fell by 2.67% over the same month of 2008 with a total of 3.40 million heads. Similarly, the carcass weight decreased by 1.97 % with a total of 284,239 tonnes. (Source, Agrocope)

**New director of the Pig Unit of Pfizer Animal Health**

The new Pig Unit of Pfizer Animal Health will be directed by Pedro Martin, graduated in Veterinary Medicine in the Universidad Complutense de Madrid and, so far, manager of the Animal Production Unit of Fort Dodge until now. (Source, Infocarne)

**New director of Production of Hypor Spain**

Within the previously announced reorganization of Hypor, José Ángel Pedro Rey has become Director of Production of Hypor Spain. In recent years José Ángel coordinated Hypor Technical Service in the west of Spain and Portugal. (Source, Agrodigital)

**Hipra launches new combined vaccine**

Hipra has now launched Suiseng<sup>®</sup>, a new combined vaccine against neonatal piglet diarrhoea caused by *E. coli* and *Clostridium perfringens* type C and sudden death of sows caused by *Clostridium novyi*. The vaccine incorporates a new generation adjuvant based on ginseng saponins: Hipramune<sup>®</sup>-G. (Source, ThePigSite)

**Prices**

<b>Slaughterhouse</b>	<b>Lleida 11.02.10</b>	<b>Zamora 16.02.10</b>
Piglet 20 kg	42.0 €/Unit (+1.50)	50.0 €/Unit (+2.00)
Live fattened pig	1.100 €/kg (+0.040)	-

**PORTUGAL****Mação: "Ham Capital" bet on the certification of the production**

The district of Mação accounts for 70% of the national production of ham, which led the sector to enter into a process of homogenization and product certification in order to 'open up new markets'. Certification of ham produced in the area results from the union of processors on clear criteria and quality standards that, under the name 'Mação Mark', aims to promote the product. With about a dozen companies, 200 employees and five tons of ham produced per year, Mação enjoys a "micro-climate" for the industry and know-how of "ancient traditions". (Source, Agroportal)

**Prices**

<b>Slaughterhouse</b>	<b>Lisbon 08.02.10</b>
Fattened pig – Carcass E 57%	1.420 €/kg (+0.030)

**RUSSIA****Suspension of pork imports from Brazil**

Following the detection of Aujeszky's disease in Dourados, Mato Grosso do Sul, Brazil, Rosselkhoznadzor (the Federal Service for Veterinary and Phytosanitary Surveillance) banned import of live pigs, semen, pork and meat products from pork that were not heat treated.

**Abolishment of pig import bans**

Since February 5 of 2010 the Rosselkhoznadzor abolished temporary restrictions imposed with the decree of August 20, 2009, on supply of pedigree pigs from several German enterprises. **For reference:** Since February 1 Russia also cancelled the temporary ban on import of pork and crude meat products from pork from some enterprises of Australia.

**New African swine fever outbreak in Russia**

African swine fever was detected at a farm of Krylovsky district in Krasnodar Krai. According to the official information, 77 pigs died and 20 carcasses were burnt between February 3 to February 11. The territory of the district is put under quarantine.

**UKRAINE****Pork prices continue to grow**

In January 2010 the average wholesale prices for pork reached EUR 2,253/t which is by 21% more than a maximal European price. Thus, the difference between the price for Ukrainian pork and the minimal European price is about 100%. In January the average European price for pork


was EUR 1,306.60/t, the lowest price of EUR 1,088.40/t being observed in Denmark and the highest price of EUR 1,800/t in Malta.


**CYPRUS****BPEX promotes British sausages**

British sausages made with British pork were presented at the Gastronomía fair in Nicosia jointly with English beef and lamb with EBLEX. Unlike some countries like Spain or Portugal, Cyprus does not sell British sausages at retail and food service penetration is limited. We are now working with a well established importer to develop the market.

**USA****Newsham new website**

Newsham Choice Genetics is launching a new Web site showcasing its swine genomics expertise, and allowing for future development of an all-encompassing platform for producers to understand the value of genomics science. The site provides producers with science-based information and product data. Donnie Moran, Newsham Choice Genetics marketing manager says that the Web site features new graphics and easier navigation and includes detailed information about all products and other valuable resources.

 <b>Pork Prices Hamburg Market Week commencing 15 February 2010</b>		
<b>Cut Name</b>	<b>Closest Export Manual Code No.</b>	<b>Price Range (Euros / kg)</b>
Round cut leg	51121	2.15/2.35
Leg (boneless, rindless max fat level 3mm)	51121	3.00/3.30
Boneless Shoulder	56200	2.20/2.40
Picnic Shoulder	56120	1.63/1.83
Collar	56130	2.10/2.20
Belly (bone in, ex-breast)	55100	1.55/1.80
Sheet Boned Belly (rindless)	55210	1.50/1.75
Jowl	50230	0.75/1.05
Half Pig Carcasses	U Classification	1.78/1.98

 <b>Pork prices Barcelona Market Week commencing 15 February 2010</b>	
<b>Cut Name</b>	<b>Price Range ( Euros/kg)</b>
Carcasses (secondary grade)	1.447/ 1.453
Gerona Loin Chops	2.10/2.13
Loin Eye Muscle	3.08/3.11
Spare Ribs	2.38/2.41
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	1.03/1.06
Back Fat, Rindless	0.63/0.66