



Export Bulletin

February 2010 – Week 8

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- *South Korea open for German pork*



EU

The market for pigs for slaughter is characterised by a steady to upward trend. The quotations in Germany, the Netherlands, Denmark, Belgium and Austria remained unchanged, while the prices in France, Spain and Great Britain went up. In Great Britain, the corrected version, however, fell as a result of exchange rate changes. Sweden is the only country that had to accept a price decrease. The quantities of pigs for slaughter on offer currently are meeting the domestic and foreign demands for the most part and the prices for pigs for slaughter are expected to continue to remain unchanged at least. (Source, schweine.net)



DENMARK

Market

On the European market the trade with fresh legs is stable and prices remain by and large unchanged. Sales of shoulders and production meat are fine, and the prices are slightly increasing. The trade with loins is stable and prices remain unchanged. To the market in the UK sales are under pressure both with regard to loins and bacon. The leg market is stable in the US.

There are different assessments of the Russian market. Danish Crown finds that there are just few shipments to Russia, whereas Tican finds that there is still a fine activity to Russia. The Chinese market lies almost quiet as a result of the Chinese new year, while the other Asian markets remain unchanged. (Sources, Danish Crown, Tican, Danish Agriculture and Food Council)

Negotiations to reopen the slaughterhouse in Vrå

A reopening of the slaughterhouse in the North Jutland village, Vrå, has moved closer. A new operating company has been established, which is going to replace the bankrupted Danish Meat Company, and CEO Carsten Soerensen confirms that the company is negotiating with investors.

The negotiations are well advanced, and should the slaughterhouse start operating again, it will have a capacity of up to between 14,000 and 15,000 pigs weekly. The company closed down in December 2008, but fairly soon afterwards the efforts to get the slaughterhouse back in operation were initiated. It is reported that the slaughterhouse unlike previously will not be engaged in processing but the slaughtered carcasses will be exported for further processing abroad. We have created set-up, which is different from previously, and it aims at meeting the challenges that the industry is facing right now, Carsten Soerensen informs. The old Danish Meat Company was active only for two years. It was established as a response to the closure of the slaughterhouse in Hjoerring, and many of the employees came from the Hjoerring slaughterhouse. (Source, Landbrugsavisen)

Positive mention of Danish pig production in the U.S.

Two features on the U.S television station/channel CBS highlights Danish pig production in the American debate on the potential of pig production without a systematic use of antibiotics. In January 2010, CBS visited a pig farm in Denmark and interviewed research professor Frank Aarestrup from the National Food Institute on the consequences on humans of a high antibiotic consumption in/of animals. Danish pork is highlighted in the program because healthy pigs without systematic/automatic use of antibiotics are produced in Denmark. The program/feature shows that there are alternatives to the American mode/way of production. The contents of antibiotic residues are extremely low in Danish pork. Each year, spot samples of approximately 20.000 pigs are examined, and the tests of recent years have only had between zero and four pigs above the fixed permitted value. The program focused on, among other subjects, what consequences a high consumption of antibiotics in animals have on humans. There has been a cut back on antibiotics that are also used to/on humans during recent years in the Danish agriculture. (Source, Food Culture)

More pigs

The latest figures from Denmark's Statistics show that the Danish pig stock has increased over the last year. The aggregate Danish stock is per 1 January 2010 12.873.000 pigs. This represents an

increase of 5.6 % compared to 2009. Meanwhile the number of breeding animals has increased by 6.6 %. Since/Comparing to 1998, the Danish pig stock has been at its highest number/was largest/biggest in the fourth quarter of 2007 – being 14.039.000 pigs in Denmark. Unlike Denmark, the German pig stock declined during the same period. Figures/Numbers from the end of November show that the total German pig stock has decreased by 0.4 % and the number of breeding pigs is equivalently decreased by 3.5 %. In the same period, the Polish pig stock of breeding pigs has increased by 6.4 % while the overall Polish pig stock is unchanged at 14,250,000 animals. (Source, Landbrugsavisen)

Breeders of Denmark grows

The positive development continues in the South Jutland pig exporter Breeders of Denmark. The company came out of 2008-2009 with a gross profit of 1,5 million Euro and it is 500 Euro more than the year before. Today, Breeders of Denmark employs 22 people, and it is an increase of eight compared to last year. (Source, Borsen)

Danish Slaughterhouses - payments Week 08

Slaughterhouse	Danish Crown	Tican
Slaughter pigs (70.0 - 86.9 kg) Difference to last week	Euro 1.147* unchanged	Euro 1.107 unchanged
Sows (Above 129.9 kg) Difference to last week	Euro 0,868* +0.027	Euro 0.801 +0.027
Boars (Above 109.9 kg) Difference to last week	Euro 0.734* +0.027	Euro 0.671 +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

Piglets at the Eiffel Tower

A dozen piglets have been abandoned under the Eiffel Tower. Following a pig farmers demonstration in Paris organised by the National Pig Federation (FNP) on 22nd December to

protest low prices, 12 piglets were left in the (very) cold in the middle of Champ de Mars. Several animal protection groups have reacted to this situation and the foundation of Brigitte Bardot (OABA) decided to complain to the Paris Court of Justice. The risk for the pig farmers is a €30 000 fine and even a 2 year jail sentence ... Animal welfare does not seem to be a top priority for French pig producers who are still trying to postpone the new legislation regarding the compulsory use of individual stalls for pregnant sows, which should be implemented in 2013.

Unfair competition

Michel Bloc'h, President of the group of producers UGPVB in Brittany is complaining about the increased competition coming from Germany. Mr Bloc'h is pointing out the unfair competition resulting from the employment of low cost labour coming from Eastern countries in German abattoirs which is estimated to € 5 cents cwe. An inquiry has been commissioned before the case is brought to Brussels. In the meantime pressure will be exerted on the French state in order to alleviate social charges for the industry.

VPF, the come back

A new campaign designed to revive the VPF (Viande Porcine Française) logo will be launched on 26th February in regional daily press. This campaign will last until 3rd of March coinciding exactly with the agriculture show in Paris. A new baseline "Proud of our producers" will support the logo.

Pork

Decreases in the market (third week of the month and school holidays). The basic price in Plérin lost 1.6 cents. Availabilities in livestock should remain measured; a renewal of activity is awaited at the beginning of the month, both in France and in our European neighbours.

Piglets

The tendency remains firm this week on the French market, just like in the remainder of the UE.

Cuts

Market remains satisfactory in the mountainous areas and is better than in big cities. Sales are regular, nothing more and prices remain stable.

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

**GERMANY****German pork to South Korea**

Since 11 February 2010, Germany can export pig meat to South Korea. Initially there are five German pig slaughterhouses that can send their products to South Korea. During the course of this year further plants are expected to be approved. Negotiations between Germany and South Korea started in June 2008 and in December 2009 a South Korean veterinarian delegation inspected five German abattoirs that were previously chosen by the South Koreans. (Source, VDF)

Tönnies increases turnover

Germany's largest pig slaughter company has turned over 4 bn Euros in 2009 compared to 3.09 bn Euros in 2008. Having slaughtered 13,2 mio pigs Tönnies accounts for 23.05 % of the total pig slaughterings in Germany. Additionally, Tönnies slaughters 300.000 cattle. Some 50 % of the meat produced is exported. (Source, topagrar)

**NETHERLANDS****Vion loses sales and market share**

In 2009, Vion slaughtered 7.6 m. pigs in the Netherlands instead of 8.2 m. in 2008. This means a reduced share of 54% of Dutch kill. Compaxo and Van Rooi (both at 1.41 m.) are growing. Gosschalk (707,000), Hickmann (1.27 m.), Westfort (990,000) are regressing but maintaining their market share with a reduced national kill.

Lobby groups' latest attacks on the pork sector

The campaign of lobby groups against pork production continues unabated. Following the decision of Albert Heijn [AH envisages a point system to judge animal welfare standards] and C1000 to sell uncastrated pigs in the medium term, they are now targeting Spar, Hoogvliet and

Volmar supermarkets. They have issued a tabled comparison (terribly subjective) promoting meat substitutes as the answer for animal welfare and the environment.

Wild boars in Holland

In theory, wild boars are only permitted in the Voluwe and Meinweg (Limburg) nature reserves. However, their true numbers in the Netherlands are unknown and their seemingly increasing population is putting Dutch pig health at risk.

PRRS working group

A technical working group has been set up with veterinarians, scientists and technicians to tackle the long standing issue of viral disease PRRS in the Dutch herd.



BELGIUM

Carrefour difficulties

Carrefour is disposing of 20 loss-making supermarkets. The chain is being squeezed between an aggressive Colruyt and the competition from hard discounters. The chain lacks focus, stable management and investment in its stores.



SPAIN

Exports

The Spanish company 'Sánchez Romero Carvajal' producing Jabugo hams has announced that they will export legs to USA and Canada in June, becoming commercialised in September. Five years ago, this company decided to internationalise itself and nowadays are selling its products in 27 countries all around the world, exporting around 10% of its production. These products will be sold in 'gourmet' shops, for people with high purchasing power. (Source, Eurocarne)

AI Diffusion

The Spanish company 'AIM Ibérica' and the French 'Genes Diffusion' are merging to become 'AI Diffusion', being the biggest company of Catalonia and Aragon working in the artificial insemination business, reaching sales of 600,000 dosages a year. (Source, Albeitar)

Marketing projects

The Meat Technological Centre of Andalusia (TEICA) has co-financed through the Technologies and Enterprise Areas Project, seven individual projects in order to improve the manufacturing and marketing of cured hams: fight against Acarus, optimization of salt use, sliced presentation and revalue of sub-products coming from the pork industry (i.e. using lard for energy co-generation). Other studies are focused on new additives, such as nitrites or anti-oxidants, or frozen and vacuum presentations to extend the shelf life of these products. (Source, Eurocarne)

Research Projects

A research group from the Chemical Enginry Department of the University of Oviedo has developed a small ripening room in order to cure hams by using techniques nowadays used for fish or cooked meat products, i.e. using smoke applied to raw meat. These innovative system allows to save 90% of wood burnt, obtaining a more healthy product due to reduction of benzo-pirens production. It is a question of cold smoke (incomplete combustion of beech wood), so that less benzo-pirens are produced, also due to a recirculation system that filters these particles and uses energy more efficiently. (Source, Eurocarne)

Prices

Slaughterhouse	Lleida 18.02.10	Zamora 23.02.10
Piglet 20 kg	43.0 €/Unit (+1.00)	52.0 €/Unit (+2.00)
Live fattened pig	1.130 €/kg (+0.030)	-



PORTUGAL

Prices

Slaughterhouse	Lisbon 15.02.10
Fattened pig – Carcass E 57%	1.470 €/kg (+0.050)

**RUSSIA****New lists of European enterprises for meat product exports**

Rosselkhoznadzor approved the lists of the enterprises from nine EU countries that can export ready-made meat products to the Russian Federation. The lists include enterprises from Austria, Belgium, Germany, Denmark, Ireland, Spain, Cyprus, Netherlands and France that will be able to start exporting those products on 1 March 2010.

**UKRAINE****Ban on pig import from Russia and Guatemala**

Ukraine banned import of pigs, raw materials and products from pigs from Volgograd oblast of the Russian Federation to the territory of Ukraine. This decision was caused with detection of African swine fever on this territory. Also, the imports of pigs, raw materials and products from Guatemala were banned due to the detection of classic swine fever in Guatemala.

**MOLDOVA****Increased custom duties on meat import**

Moldova has increased custom duties on imports of animal products from EUR 200/t to EUR 450/t. Local officials explains that this step is necessary in order to protect the domestic market and local producers from mass import.

**SERBIA****Crisis worsening**

With prices falling from € 1.52 to € 0.91 /kg (cost of production in Serbia are around € 1.22), the Chamber of Commerce had asked government to intervene on the market and buy 15,000 carcasses for freezing.

**SWEDEN****More pigs get slaughtered in Sweden**

Danish Crown is increasing the number of pig slaughterings in Sweden, irrespective of the fact that the market is shrinking. Danish Agriculture & Food Council informs that last year the Swedish pig slaughterings decreased to less than three million pieces. Scan continues to be the largest slaughterhouse in Sweden, but the company is losing market shares while Danish Crown and Dalsjöfors Slakteri have increased their slaughterings by 14.8 and 17.3 %, respectively.


Last year, Scan slaughtered 1,7 million pigs, whereas Danish Crown slaughtered 440,000 pigs. Skövde Slakteri is still the third largest in Sweden with 265,000 slaughterings. In 2009, Swedish pork production fell again by 4% to 2.9 m. heads. (Source, Landbrugsavisen)

**BRAZIL****Pork exports are recovering**

Brazil exported 39,000 tonnes of pork in January, 3.3% up year on year. However, the average price rose by 16.1% driven by a recovery of prices and volumes on the Russian market.

**ISRAEL****Pork on the menu**

A new Jewish cookery book by cardiologist Eli Landau has been published containing pork recipe, a first in this religious country.

 Pork Prices Hamburg Market Week commencing 28 February 2010		
Cut Name	Closest Export Manual Code No.	Price Range (Euros / kg)
Round cut leg	51121	2.15/2.35
Leg (boneless, rindless max fat level 3mm)	51121	3.00/3.30
Boneless Shoulder	56200	2.28/2.40
Picnic Shoulder	56120	1.65/1.85
Collar	56130	2.15/2.25
Belly (bone in, ex-breast)	55100	1.50/1.75
Sheet Boned Belly (rindless)	55210	1.45/1.70
Jowl	50230	0.75/1.05
Half Pig Carcases	U Classification	1.78/1.98