



Export Bulletin

July 2010 – Week 28

With UK exports to Europe representing 65% of total exports of goods and services and with these markets declining in importance in relation to the world's economy, exports to the four 'BRIC' countries (Brazil, Russia, India and China) that make nearly 50% of the world population and more than half of world's growth are becoming increasingly important. However, UK exports to the four countries have only risen over the last four years to 5% of total exports. Hence, UK Trade & Investment (UKTI) has a clear focus to grow exports to mainland China and India. This seems an arduous task, particularly in the meat sector due to major trade access issues despite growing demand.

Meanwhile, a joint visit to China by BPEX and DEFRA has registered further progress with the final version of the pork export certificate.



DENMARK

Market

On the European market there is still a high degree of uncertainty as to the development of pig prices during the next period. On the European markets prices of fresh meat are under pressure. In particular prices of legs and backs are under pressure. The British bacon market remains unchanged. The same applies to exports to third countries. (Sources, Danish Crown, Tican, Danish Agriculture and Food Council)

Increasing exports to Australia

Danish pig producers are doing well in Australia, and prospects are that things even are going to improve, according to Danish Business, which in an analysis predicts that this year Danish exports to Australia are going to increase by 20 %. Right now the main part of exports of food products consists of meat, mainly chilled pork, but the increasing demand means that in the future exports

will also include organic products and high quality food products, says Danish Business. Exports of pork are expected to increase by 20 % over the next year. (Source, Borsen)

Tican invests in new machinery

Tican Foods doubled its production of legs over the past three years and the demand is still increasing. So now the slaughterhouse invests in new machinery worth between € 1 and 1.5 million. The investment will take place over the next two to three months so that the factory will have its capacity increased quickly. (Source, JyskeVestkysten)

Increasing prices on waste water cleaning

The Danish duties on waste water increased by 80 % over the past 10 years and now they are among the highest in the world. In particular it affects the slaughterhouses. For Danish slaughterhouses the price of water as an average is € 5.5 per cubic meter, when calculating both duties on water and on waste water, whereas in Sweden they pay just half the price, according to a survey from OECD. The Danish duties on waste water are by far the highest within the OECD countries, and the figures do not account for the fact that enterprises with particularly polluted waste water must pay an extra duty to have it cleaned. The Danish Agriculture and Food Council finds that now the duties have reached a level which means that jobs are moved out of Denmark. The government has taken an initiative to go through the regulations for paying for waste water in order to clarify any possibilities to ease the payment for large consumers of water, including slaughterhouses. (Source, Borsen)

Less salmonella in out door pigs

In a survey from the Food Institute of Danish Technical University (DTU) there were salmonella in almost 11 % of ordinary slaughter pigs, in seven percent of the organic and no more than five percent in the out door pigs. The results are interesting because the alternative production systems are more open for infections from other animals, says senior researcher Anne Wingstrand of DTU, Food Institute. Further it can be more difficult to clean the pig sties and outdoor sties in order to avoid infections from one stock of pigs to the next. She hopes that the surprising results can be used to fight salmonella infections. When anyway we find less salmonella in the organic pigs stocks and with the out door pigs it must be due to the fact that here there are other conditions that make up for the infection pressure, and which might be used more widely to fight salmonella, evaluates Anne Wingstrand. The survey also points to the fact

that it is important for the farmer to buy pigs that are not infected by salmonella. It also confirms that factors such as feed type and feeding methods may diminish the occurrence of salmonella. It is old knowledge that salmonella can be diminished in pigs stocks by feeding with wet feed and home made meal feed or by replacing a portion of the feed with roughly ground not heat-treated grain. It affects the animals' guts bacteria and gives a higher content of organic acids, which reduces salmonella in pigs' stomachs and intestines (Source, Ritzau)

Danish Slaughterhouses - payments Week 28

Slaughterhouse	Danish Crown	Tican
Slaughter pigs (70.0 - 86.9 kg)	Euro 1.335	Euro 1.335
Difference to last week	-0.027	-0.027
Sows (Above 129.9 kg)	Euro 0,873	Euro 0.873
Difference to last week	Unchanged	Unchanged
Boars (Above 109.9 kg)	Euro 0.734	Euro 0.734
Difference to last week	Unchanged	Unchanged



FRANCE

Tradival

The cooperatives Sicavyl (Orléans Viande) and Sicarev (Forez Porc) who had adopted a common brand for pig meat (Tradival) last year, have now joined their forces in the pig meat sector under one single company: Tradival. From now on the new group represents 850 producers, with 1.1 million pigs (compared with 6 millions for Cooperl). The production of 90 000 tonnes of fresh pig meat and 10 000 tonnes of charcuterie products could be increased by attracting other small groups of producers in France. This joint venture could be the initial move towards the setting up of a large multi specie player on the French market following Bigard and Elivia.

BBQ

At a time when feeding costs are increasing, young pig producers from Brittany organized a BBQ on June 25th near the "Marché du Porc Breton". They want a base price between € 1.35 and €1.40 /kg.

Piglets

The market is fluid in spite of a bank holiday in the middle of the week which could cause some delays in deliveries. As for the coming weeks, prices should remain stable.

Cuts

The heat did not help but altogether the demand remained stable, bellies doing better than other cuts. For BBQs, households look for the cheap option. Ham is still in demand. Prices for cuts should remain stable or slightly up.

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

**GERMANY****Market**

Due to both the very hot weather and the beginning of school holidays throughout the country there isn't much activity on the meat wholesale markets. Prices however remained almost unchanged. While collars, bellies and shoulders are sold easy enough there is lack of demand for hams and loins. In the week until 11 July 949.000 pigs were slaughtered – 22.500 pigs or 2.3 % less than during the previous week.

Alternative to surgical castration

Following the Europe-wide approval of the vaccination of male piglets in order to avoid boar taint, DLG (The German Agricultural Society) on behalf of Pfizer Animal Health has now undertaken an independent research on the quality of fresh meat. DLG came to the conclusion that there is no difference in taste between the meat from vaccinated boars and the meat from female or castrated animals. (Source, afz)

Slaughter numbers exceed expectations

ISN expects the total number of pig slaughtering in 2010 to sum up to more than 59 mio. During the first half of the year slaughter numbers exceeded expectations. Initially, ISN had forecast an

increase in pigs slaughtered by 1.4 mio compared with 2009. However, during the first 26 weeks of the year a total of 25.4 mio pigs and therewith 1.2 mio pigs more than during the same time last year were processed. The one million mark was passed already eight times this year. Imports of pigs for slaughter from The Netherlands or Denmark have decreased slightly as the weak Euro results in better prices on the domestic markets. German pork exports to third countries have increased by 12 % (Jan-April) compared to last year's figures. (Source, fleischwirtschaft)

Increasing capacity

German slaughter companies are continuing the expansion of their slaughter capacities. Toennies, the third largest pig slaughter company in Europe, is pursuing an ambitious target for 2010 having announced a further increase in production. However, not only the main players are planning to increase production but mid sized slaughter companies are investing too in order to keep up with the pace. (Source, afz)



NETHERLANDS

Weaner exports still booming

For the first 25 weeks of this year, exports of weaners are up a further 10% to 3 m. Exports to Germany are up 6.5% to 1.523 m., to Poland 33% to 425,000, to Belgium 7.5% to 372,000, to Italy 28% to 207,000. They are down 30% to Romania to 135,000. Exports to Croatia and Hungary are rising too.

Pork production remains strong

The healthy situation of Dutch pig production is further reflected by a rise of pork production. Some 4.7 m. pigs were slaughtered in the period January to April (+5%).

**BELGIUM****Colruyt under the spot light**

Farming organisations have reacted strongly to Colruyt supermarkets decision to use entire pigs for its pork from next year. Colruyt is the third largest retailer in Belgium and admittedly the most successful in terms of profitability (Agrarisch Dagblad).

**SPAIN****COVAP has the green light to export to USA**

The Ambassador of the USA in Spain, Mr Alan D. Solomont, has given COVAP, in behalf of the American Agriculture Department, the authorization to export Iberian products to the USA.

**RUSSIA****Maksimovskiy pig complex to be launched this autumn**

The complex, which is to be launched in October in Bashkorostan, will include 9 buildings designed for 17.000 pigs. Slaughtering, processing and genetic units are scheduled to be built within the next year. In general Maksimovskiy plans to increase the number of pigs up to 500.000 pigs.


Boehringer Ingelheim PCV2 Vaccine

The Russian authorities recently authorized Ingelvac CircoFLEX for use against diseases associated with Porcine Circovirus type 2 (PCV2). The vaccine is now being launched within the country. Ingelvac CircoFLEX is very important to Russia now as the country plans to expand its pig industry. It has been encouraged by support from the Russian Government that aims at reducing or even eliminating pork imports. Currently Russia produces more than two million tons

of pork per year. Only one shot of PCV2 vaccine can be conveniently administered to pigs around weaning, providing them with an efficient protection against clinical signs and the producers against economic damages due to porcine Circovirus diseases. Essentially, almost 100 % of pig herds are infected with the PCV2 virus.

Russia frightens Belarus with a “meat war”

Relations between the two countries recently deteriorated to an unprecedented degree and are accompanied by fierce confrontation. Signals of the Federal Service for Veterinary and Phytosanitary Surveillance to Minsk may indicate an upcoming trade war and the aim of the Russian authorities to minimize all forms of economic support for Lukashenko. According to the Federal Customs Service, the import of meat to Russia in January-May 2010 rose from 399.2 tons to 429.2 thousand tons, or by 7.5%, compared with last year. The supply of meat to Russia by Belarusian producers has significantly increased in recent months. According to the National Statistics Committee of Belarus, during January-April of this year, exports of meat and meat products increased by 23.9% up to 66.8 thousand tons, of which 66.6 tons were exported to Russia (99.7% of total export volumes). However, the Belarusian meat products possess a very modest place on the Russian market. For this reason, a ban on the import of meat and meat products from Belarus that would be caused by another trade conflict between allied countries, like the recent "milk war", may not affect Russian consumers. The Federal Service for Veterinary and Phytosanitary Surveillance warned Belarusian (as well as Ukrainian and Kazakh) producers of meat and meat products to tighten radiation monitoring of imported goods. The Belarusian Ministry of Agriculture reports that the processing plants of the republic are controlled by a triple radiation monitoring: at the beginning, during processing of raw materials, and once the products are finished. In addition, all the exported products are also exposed to radiation monitoring for compliance with the requirements of importing countries.

 Pork Prices Hamburg Market Week commencing 13 July 2010		
Cut Name	Closest Export Manual Code No.	Price Range (€ / kg)
Round cut leg	51121	2.20/2.40
Leg (boneless, rindless max fat level 3mm)	51121	3.10/3.35
Boneless Shoulder	56200	2.35/2.50
Picnic Shoulder	56120	1.70/1.90
Collar	56130	2.55/2.80
Belly (bone in, ex-breast)	55100	1.75/1.95
Sheet Boned Belly (rindless)	55210	1.70/1.85
Jowl	50230	1.05/1.15
Half Pig Carcases	U Classification	1.85/2.05

 Pork prices Barcelona Market Week Commencing 13 July 2010	
Cut Name	Price Range (Euro/Kg)
Carcases (secondary grade)	1.659/1.665
Gerona Loin Chops	2.43/2.46
Loin Eye Muscle	3.53/3.56
Fillets	5.83/5.86
Round Cut Legs	2.83/2.86
Cooked Ham	2.23/2.26
Rindless Picnic Shoulder	1.53/1.56
Belly	1.84/1.87
Smoked Belly with Spare Rib Section Cut off	2.27/2.30
Shoulder chap or Head Jowls	0.88/0.91
Back Fat, rindless	0.58/0.61