

Improve your marketing return

Improving returns from finished pigs is vital to the success of any pig unit. Understanding and meeting the contract specification, and increasing the uniformity of finished pigs (see *Action for Productivity 11*) will help improve financial returns. This factsheet will help you review your contract, taking into account your location, pig production system and current grading.



85% finished pigs in the 'optimum box'

Probe (deadweight) +/- 0.1–0.15 mm/kg change

To weigh pigs regularly

To sell the maximum kilograms of meat within contract boundaries as possible

Management guidelines

- Review your contract at least quarterly and after changes in farm policy eg genetics, nutrition or accommodation
- Be aware of any seasonal variations that are normal for your unit eg probes are typically lowest in March and April and highest in the autumn
- If not selling through a marketing company, talk to your abattoir buyer regularly to discuss market opportunities

Minimising weight variation

- It is important to both producer and processor that the pigs are uniform and consistent
- The outlet has already allocated the pigs to a customer before they arrive, so if a batch is different to normal, or highly variable, it will be more difficult for the processor to sell these pigs
- Minimising weight variation can help to maximise returns

Example

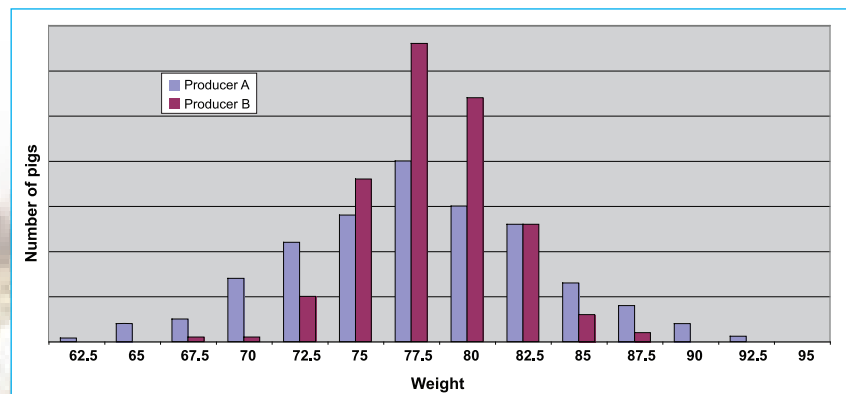
- The average deadweight is similar for two batches of pigs 78.15 versus 78.52
- But, the weight variation, often seen as standard deviation on the slaughter returns (STD kg), is higher among the pigs from Producer A at 6 kg, than for Producer B at 3 kg. Producer B weighs pigs to ensure a tighter distribution (Figure 1). Weighing takes time, is it worthwhile?
- On a standard contract this variation in slaughter weight would lead to a difference in returns of 0.96 p/pig (Table 1)
- It pays to get pigs within specification!

- Set up an efficient weighing routine, weigh a few representative pigs each week and use them in the passageway, you might have them loose in the large straw yard or penned beside the raceway for accurate selection to contract

Processor options

- Each region offers a selection of outlets, including smaller multi-species and larger pig specific abattoirs
- It is common for an abattoir to have supply contracts that reflect the size of the line and the abattoir's customer contracts
- The size of the line affects the weight band of the contract and abattoirs may also have specific customer contracts, such as "rind on" which favour non-coloured pigs; when choosing a contract evaluate whether you can meet the requirements
- Using your local abattoir should reduce the cost of transport and may give more flexibility

Figure 1 Weight distribution for two batches of pigs sent for slaughter



Penalties

- Ensure you understand what will happen to pigs which fall outside the contract specifications; eg the size of, which can reduce the overall margin per pig
- Some variation is inevitable and achieving 100% in the box can be inefficient. There is an economic balance that needs to be calculated between growth rates and grading. Work with your nutritionist to understand the optimum for your herd.
- Selling pigs with slightly higher P2 but faster growth rate might be more economic
- An unorganised finishing system can lead to overweight pigs being sent to the abattoir by simply not identifying the pigs early enough; this is costly in terms of revenue (see Table 1) and also COP
- Weigh all pigs, or certainly a few, to 'get your eye in' each week, and always check forward several weeks of production

Table 1 The cost effect of two different grading profiles

	Producer A	Producer B
Average carcass weight (kg)	78.52	78.15
Average P2 (mm)	10.12	11.6
% in top grade	91.26	73.7
Weight cost effect	- 0.01p/kg - £0.01/pig	- 0.92 p/kg - £0.72/pig
Probe cost effect	- 0.29 p/kg - £0.23/pig	- 1.82 p/kg - £1.42/pig
Overall cost effect	- 0.30 p/kg - £0.70/pig	- 2.12 p/kg - £1.66/pig

Pigs for sale

- The number of pigs for sale is important; many smaller units have moved to batch production in order to haul larger loads of pigs at any one time, reducing transport costs
- Haulage costs will be less per pig if the lorry is full, but if the load is made up of underweight pigs, penalties will be incurred; only send pigs that are of the correct weight and not just to fill the lorry
- Example: an articulated lorry with three decks can carry 200-220 pigs whether they are 66 kg deadweight or 83 kg deadweight. It is better to send 160 pigs where 85% are in the optimum box than 180 which may drag the average pigs in the optimum box down to 80%

- However there will be a point at which the saving from sending a full load will be greater than the cost benefit of sending a less variable load with fewer pigs
- It is a matter of balancing the factors mentioned in this sheet to provide the unit with the highest cost benefit.
- Start by weighing the pigs and understanding the parameters of the contract, haulage charge and space on farm

Dispatching the pigs

- The pigs that remain in the pen after the first draw need careful management as they may respond with an improved growth rate and become over weight rapidly
- Try to avoid mixing the remaining pigs to create space as this may lead to slower growth, fighting and skin damage that may incur penalties at the abattoir

Transport

- When considering an outlet factor in distance, especially as fuel becomes more expensive
- Different hauliers will calculate cost differently eg number of pigs, distance or day rate
- Regularly check haulage costs in the region to see if you can make savings
- If hauling your own pigs, the costs of the lorry, driver time and fuel used, should all be factored into the equation and compared with a quote from a local haulier

Liveweight considerations

- Set your targets to realise your maximum return and do not sell pigs outside the contract weight range
- Consider the range of sale weights you want in each load to allow you to manage the unit cost effectively, eg accepted number of pigs in the lighter bands to accommodate pen end clearance and slower growing pigs, and importantly, the target number of pigs in the heavier end of the contract spec
- Never accept an overweight pig as 'OK'. Investigate why these are occurring to prevent future penalties

Other considerations

- Read the slaughter return in detail; check the BPHS report if the load was assessed and use the information with your nutritionist, vet and marketing group to make management changes
- Illegible slap marks may result in you not getting paid for your pigs, for more information see the BPEX work instruction on slap marking
- Are you a member of BPHS? For more details visit the BPEX website or call 01463 233184