



## Export Bulletin

January 2010 – Week 3

---

- *End of pig subsidies in Romania*
- *More salmonella in Danish pig stocks*
- *Japanese pork imports down*



EU

### Pigs

Stability reigned in all European countries last week. Basic price in Germany is still 1,30 €/kg, followed by Belgium, Denmark and the Netherlands. In Italy, as for the Spanish, prices were slightly readjusted with a small rise. Demand should be slowing down for the weeks to come, but according to offers.

### Piglets

Once again, prices remain very firm in Europe. Availabilities remain measured even insufficient when orders are concerned.



DENMARK

It is expected that as soon as the weather gets better, the slaughterings will increase impacting a pressure on prices. On the individual markets the situation is as follows,

Legs and other cuts are sold at a by and large unchanged price level. The trade on the bacon market in the UK is calm and the price level remains unchanged. The Russian market got started well after the turn of the year with high sales. The far-Eastern markets remain unchanged. (Sources, Danish Crown, Tican, Danish Agriculture and Food Council)

#### **Export markets do not react to outbreak of H1N1**

The reactions to the outbreak of the H1N1 in two Danish pig stocks about a week ago have been harmless, says Erik Bisgaard Madsen, who is head of Agriculture & Food's department for Food Safety and Veterinary matters. The export markets did not show any attention either to the first outbreaks of H1N1 in Danish pig stocks, but the disease has also been found in approximately twenty other countries. H1N1 can spread from humans to pigs and among pigs, but it is known that the H1N1 cannot infect from animals to humans. (Source, Landbrugsavisen)

#### **Unacceptable to beat animals on the way to the slaughterhouse**

The Danish Minister for Food will put a stop to the fact that pigs get beaten during transport to the slaughterhouses. Therefore the Food department will change the registration. So far marks from beating have been registered together with bite wounds, which is a procedure that will be changed from now on. The Danish veterinary inspection at the slaughterhouses will react consequently when finding pigs with beating marks, and the vets will report it to the police should they find cases indicating irresponsible treatment of animals. There are indications that the beating marks are related to the handling of animals when they are on their way to the slaughterhouses. With the new registration, the slaughterhouses are able to react more quickly towards the suppliers and to rectify the problems. (Source, Landbrugsavisen)

#### **CT-scanners make savings at slaughterhouses**

The slaughterhouse sector can save 7 mill Euro annually if the slaughterhouses utilize the CT-scanners, which scientists are developing. From the x-ray picture of a CT-scanner the slaughterhouse workers can see where to put the correct cut on each pig and get the best end product – because it is very important to know how and where to place the cut. The UK demands for instance bacon from lean pigs and in order to enable the slaughterhouse to produce the right type of bacon, the thickness of the fat on the back of the pig must be very precise with the right balance of fat and meat. By using the CT-scanners the slaughterhouse workers will be able to place the cut correctly and also avoid cutting too fat pigs into products that do not meet the

standards. So the too fat pigs can be used for something else, but it is necessary to have a picture of interior of the pig, and accordingly there is much money in it for the slaughterhouses says Eli Vibeke Olsen, who is Senior Consultant of the Danish Technological Institute. The calculations show that Danish Crown and Tican that account for 90 % of the pig slaughtering in Denmark together can save 7 million Euro annually by cutting the middle parts correctly.

(Source, Borsen)

### **More salmonella in Danish pig stocks**

Over just a few years salmonella has spread strongly among Danish pig stocks and it is far more frequent than in the EU as an average according to the Food Institute of the Danish Technical University. A study by the European Food Safety Authority (EFSA), which the Food Institute assisted in preparing showed that now the disease-causing bacteria can be found in 41 percent of the Danish pig stocks. In 1998 salmonella was found in 11 percent of the stocks following a long monitoring effort over several years. For comparison is not found salmonella in a single pig stock in Finland, while in just a few percent in Sweden. Also the Eastern European countries have less salmonella in pig stocks than the one out of three pig stocks, which is the average level within the EU. Now there is also more salmonella in slaughter pigs and in meat at the slaughterhouses, concludes the Food Institute referring to other studies. Although the methods of the various studies are not completely identical there is no doubt that the increase in salmonella is real and significant in several parts of the chain from breeding stocks and slaughter pigs to the infected people evaluates Tine Hald, research director of the Food Institute. (Source, Ritzau)

### **British people want Danish bacon**

One bright spot for Danish agriculture is the fact that bacon exports to the UK have remained unchanged despite a lower GBP, which makes Danish bacon expensive. Britons bought almost 69,000 tonnes of bacon during the first nine months of 2009, according to statistics from the Danish Agriculture and Food Council. It is the same amount as the previous year. Consultant of the Danish Agriculture and Food Council, Klaus Jorgensen says that Denmark, despite increased competition appears to succeed. The Danish slaughterhouses do not have the same decline as slaughterhouses in other countries due to the weak GBP. Sales of bacon to the UK are stable although there are not yet any figures for all 2009 it is expected that the trend will be the same for the whole year, informs Klaus Jorgensen. The low rate of the pound has intensified competition for exporters to the UK market. The weakening of the GBP makes such products from

e.g. Denmark and the EU more expensive in the UK market. It had the impact that British imports of pig meat in total fell by 12 percent during the first nine months of 2009 compared to same period last year. It can be seen except on the amount of Danish bacon, which the UK bought, but on all other parts of the Danish pig meat export to the market in the UK. In 2009 the total export decreased by approximately 12,000 tonnes of legs, canned meat and sausage products. (Source, Ritzau)

### Danish Slaughterhouses - payments Week 03

Slaughterhouse	Danish Crown	Tican
Slaughter pigs (70.0 - 86.9 kg)	Euro 1.066*	Euro 1.026
Difference to last week	-Unchanged	-Unchanged
Sows (Above 129.9 kg)	Euro 0,720*	Euro 0.653
Difference to last week	-Unchanged	-Unchanged
Boars (Above 109.9 kg)	Euro 0.586*	Euro 0.520
Difference to last week	-Unchanged	-Unchanged

\*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

### End of crisis?

Following a difficult year in 2009 the first weeks of January look a bit more promising for the French pig meat sector. Since 1<sup>st</sup> January 2010, all French retailers have organised active promotions for fresh pig meat, and for once these special offers did not bring retail prices too low (We did see pork chops selling below 2.00€ / K in some supermarkets). Also the difficulties linked to weather and transport kept the offers limited. Cold weather also favours meat consumption and the milder weather expected at the end of January will probably reduce household purchases. A recent consumers' survey (Credoc) shows that price has an increasing importance with shoppers and this trend should be confirmed in 2010. This will favour the sales of fresh pig meat which benefits from an average retail price of 6.40€ / kg, far below the average price of other red meats (between 11 and 15€ / kg).

### **More investments in the processing sector**

#### 1) Salaisons Celtiques

The subsidiary of Intermarché which produces charcuterie products under the retailer's brand "Onno" is planning to allocate € 6 million in a 3 000 sqm extension of its site in St Méen le Grand in Brittany (35). Most of this space will be used for packing and logistics.

#### 2) Salaisons Tallec

The charcuterie processor based in Bannalec in Brittany (35) will invest € 4 million into a 2000 sqm extension designed to develop centrally packed charcuterie and create 20 new jobs.

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



**GERMANY**

### **Market**

While half carcasses could still be sold at unchanged prices, wholesalers had to cope with crumbling of prices for chops, loins, legs and filets. Demand for cheaper cuts was high. Shoulders and bellies just remained on a stable price level. Prices for sow meat were increasingly under pressure. (Source, AMI)

### **Strategic partnership**

Germany and China have signed a declaration of intent to establish a joint animal breeding center in China. According to the German Ministry for Agriculture (BMELV), China is considered to be a significant partner for the strategic future development of the German Food and Agribusiness. Co-operation between the two countries is already in place on quality standards for milk as well as in terms of a farming demonstration enterprise in the Nei Mongol region. (Source, schweine.net)

### **Price-fixing?**

The German cartel office has searched the offices of several main players in the German retail industry including Metro, EDEKA and REWE. The companies are suspected of illegal price-fixing of products such as coffee, confectionary and pet food. (Source, stern.de)

**NETHERLANDS****More promotion of weaners in Germany**

More promotion of will take place in Germany in 2010 in view of the importance of this market and will highlight the quality of Dutch weaners by advertisements in the press. The number of Dutch weaners sold has increased recently by 480,000 to 2.8 m. but lags behind Denmark as the number of Danish weaners exported to Germany has risen from 4.8 m. to 7.1 m.

**Production stable**

Lower slaughter (-1.4% to 14.140 m. heads) in 2009 were compensated by higher live exports to 11.817 m. heads (+14.1%). Carcase weigh keeps rising and has now reached 92.3 kg (+1.6%).

**SPAIN****Exports**

The Sanitary Authority of Peru has announced to the Spanish Ministry of Environment, Rural Development and Fisheries (MARM) that the new Peruvian regulation No 1183 of 2008, only allows the imports of pigs and their products authorised by the SENASA (National Service of Agriculture and Health of Peru). Documents required by Peruvian Authorities are application form, data from the export establishment, products definition, hazard Analysis and Critical Control Points System and Good Hygiene Practices. (Source, Agrodigital)

**First Iberian Pig Table**

It has been inaugurated the first Pig Market specific for the Iberian Sector. The main goal will be to fix 'informative prices' (minimum, maximum and mean), as well as encourage negotiations between agents involved in the food chain. There will be 8 to 14 members: sellers as 'Embutidos Morato, S.L.', 'Resti Sánchez, S.A.', 'Torres de Briz, S.C.L.', 'Señorio de Montanera, S.L.', 'Hermanos Agustín Taberneros, S.L.' and 'Canpipork'. On behalf of buyers will be 'El Corte Inglés', 'Mercadona', 'El Árbol', 'E.Leclerc', 'Lider Aliment' and 'Carnes El Corte'. (Source, Eurocarne)

**More Spanish hams for US market**

LaTienda.com has announced that it will deliver the world-renowned ham 'Cinco Jotas Jamón Ibérico de Bellota' to customers in the United States in 2010. Cinco Jotas (5J) is the elite label of Spain's Sánchez Romero Carvajal, the world-recognised leader in Iberian ham. Imported by Jamones Fermín USA, La Tienda delivered the first hams to these customers in 2008. Demand has continuously grown with La Tienda sales of Fermín Bellota ham increasing more than 150 % since last year. (Source, ThePigSite)

**International Symposium on the Mediterranean Pig 2010**

International experts will meet in October in Cordoba at the Seventh International Congress on Mediterranean Pig to share experiences, projects and jobs, in order to meet the development needs of the extensive swine production systems to make them more efficient, while keeping the environment environmental and quality of their products. The organisers of the 7<sup>th</sup> International Symposium on the Mediterranean Pig have announced that the meeting will take place in Cordoba in southern Spain on 14 to 16 October 2010. (Source, Infocarne)

**Alltech opens office in Spain**

Animal health and nutrition company Alltech has opened its first office in Spain. The office, which is based in Barcelona, will provide sales and localised service support to the growing number of partners and customers in the country. The company also intends to build a production and research facility which will provide services, not just for the Iberian areas, but for the Mediterranean region as well. For over twenty years, the Spanish distributor of Alltech products, Probasa, has supported Alltech products and values in the Spanish market. (Source, Allaboutfeed)

**Lucta SA opens its virtual library**

Over the years, Lucta has devoted considerable time and resources to investigate the influence of palatability on animal feeding behaviour. In a virtual library visitors will now find an electronic database of palatability research papers, published since 1999 and derived mainly from major meetings and congresses. Lucta's Virtual Library is open to everyone wishing to review, learn, consult or apply the knowledge derived from years of research. Lucta is a special additive manufacturer, world leader in the segment of flavours for animal feed. It has headquarters in Spain and production centres in Spain, Mexico, Colombia and China. (Source, Allaboutfeed)

### Restructuring of the pork sector

Spanish production is changing fast. For instance, the importation of weaners which was exceeding a million heads in 2007 has now disappeared. Many small pig farms in Andalusia have ceased their activity, following the movement started in Castilla-León. Slaughtering is increasingly concentrated in the large export plants of Catalonia (42%), whilst the smaller abattoirs of Castilla saw their throughput fall by more than 20% in 2009. Consumption is down 14% since 2007. As discussed in earlier bulletins, the production of Iberian pigs is markedly down (-18%). Some 38% of Spanish pork production is now exported, 20% of which to third countries.

#### Prices

Slaughterhouse	Lleida 14.01.10	Zamora 19.01.10
Piglet 20 kg	37.0 €/Unit (+0.50)	47.0 €/Unit (+4.00)
Live fattened pig	1.006 €/kg (+0.001)	-



#### PORTUGAL

#### Prices

Slaughterhouse	Lisbon 11.01.10
Fattened pig – Carcass E 57%	1.380 €/kg (+0.000)



#### RUSSIA

### New African swine fever outbreak

African swine fever was recently detected in the North Ossetia-Alania region. Three pigs at the premises and 96 pigs in the area under threat were culled. The territory of the village was put under quarantine.


**UKRAINE**
**New rules for pig identification and registration**

The Ukrainian Ministry of Agriculture published a draft order concerning approval of a new version of Provision on Pig Identification and Registration. According to the document, all pigs are subject to identification and registration, except those that are bred for personal consumption and if the slaughter takes place in the district they are bred in. The aim of identification and registration is to control the pigs' movements inside the country and as well as export and import. Also, the control over the sanitary state of the industry and the provision of visual identification of each animal in the herd will be facilitated by these measures. National identification and registration of animals started in Ukraine from cattle identification in 2003.

**Renovation of the permit for pig import**

Ukraine cancelled the restrictions on import of live pigs, products and raw from Norway, the UK and Northern Ireland. This decision was taken on the basis of the official IOE announcement concerning absence of the risk to bring in the virus A/H1N1 with animal products. The bans for import of pigs and pig products from these countries were imposed on September 29 of 2009 and on November 23 of 2009.

**Ukraine: Livestock and poultry indicators, January 1, 2010 (thousand heads)**

	All farms			Large farms			Small individual households		
	As of 1.01. 2010	Vs. 1.01.2009		As of 1.01. 2010	Vs. 1.01.2009		As of 1.01. 2010	Vs. 1.01.2009	
		+, -	%		+, -	%		+, -	%
Cattle	4917,6	-161,4	96,8	1626,5	-93,6	94,6	3291,1	-67,8	98,0
Of which cows	2757,5	-98,8	96,5	604,4	-19,9	96,8	2153,1	-78,9	96,5
Pigs	7135,4	609,4	109,3	3300,5	569,6	120,9	3834,9	39,8	101,0
Sheep and goats	1797,1	70,2	104,1	312,2	12,1	104,0	1484,9	58,1	104,1
Poultry	190544	12988	107,3	99718	11744	113,4	90826	1244	101,4

Source: State Statistics Committee

**For reference:** small individual farms accounted for 66,9% of all cattle (as of January 1, 2009-66,1%) of which cows 78,1% (78,1%), pigs – 53,7% (58,2%), goats and sheep 82,6% (82,6%), poultry – 47,7% (50,5%).



**ROMANIA**

### **End of pig subsidies**


Gheorghe Caruz, the head of the Romanian Pig Farmers' Association is predicting a massive loss of production in five to six months time, as all remaining subsidies have been removed. Romanian pig production has always been financially supported by the State.



**JAPAN**

### **Pork imports down**

Imports to Japan, the largest pork importer in the world are down 14% for the period January to October. Denmark (-24% to 103,000 t.) and the US (-13% to 244,000 t.) are more affected, Canada (-1% to 141,000 t.) less so.

 <b>Pork Prices Hamburg Market Week commencing 18 January 2010</b>		
<b>Cut Name</b>	<b>Closest Export Manual Code No.</b>	<b>Price Range (Euros / kg)</b>
Round cut leg	51121	2.10/2.25
Leg (boneless, rindless max fat level 3mm)	51121	2.90/3.20
Boneless Shoulder	56200	2.25/2.40
Picnic Shoulder	56120	1.65/1.75
Collar	56130	1.90/2.10
Belly (bone in, ex-breast)	55100	1.60/1.85
Sheet Boned Belly (rindless)	55210	1.60/1.90
Jowl	50230	0.90/1.10
Half Pig Carcasses	U Classification	1.70/1.90

 <b>Pork prices Barcelona Market Week commencing 18 January 2010</b>	
<b>Cut Name</b>	<b>Price Range ( Euros/kg)</b>
Carcases (secondary grade)	1.324/ 1.330
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