



Export Bulletin

March 2010 – Week 9

- *Negative trend on German market*
- *Lack of animal welfare in some regions of Spain*



DENMARK

Right now there are different trends on the pig meat markets. On the European market fresh legs as well as other cuts are traded at unchanged prices. However, there are negative trends on the German market. To the UK the market situation is under pressure both with respect to loins and bacon. Otherwise, there is a fine demand in Eastern Europe and Russia. The Far East markets are stable. (Sources, Danish Crown, Tican, Danish Agriculture and Food Council)

Hauliers support slaughterhouses

Hauliers that deliver pigs to Danish Crown, decided to pay themselves the wage increase resulting from the upcoming collective bargaining and not pass the cost to the slaughterhouse. Hereby the 20 haulage contractors with 350 drivers contribute to Danish Crown's survival plan, DC Future. The plan includes as a very controversial point a reduction of the salary for slaughterhouse workers. Manager of Pigs Transport Fyn, Erik Rasmussen, indicates that it is important to send a signal that haulage contractors stand together with their customers who are the pig producers. Hauliers and Danish Crown under an agreement undertook to regulate the price for picking up hogs and sows when there are wage increases during the contract period. But after a meeting at the headquarter in Randers, the point has been cancelled in the existing agreement (Source, Ritzau)

Danish Slaughterhouses - payments Week 09

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* unchanged	Euro 0.801 unchanged
Boars (Above 109.9 kg) Difference to last week	Euro 0.734* unchanged	Euro 0.671 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****VPF**

Reacting to the increasing pressure exerted by neighbouring countries such as Spain and Germany, the French pig meat industry is trying to get together to resurrect the VPF (*Viande Porcine Française* for French Pig Meat) logo through a punctual campaign presented in our last weekly report. Although 98% of French producers adhere to the scheme and although 90 to 95% of fresh pig meat and 85% of retailers' own brand cooked ham wear the VPF logo, there is some resistance from the processors federation (FICT). The problem is that 70% of French pig meat is processed, therefore only a quarter of the 2 million tonnes of pig meat produced in France will be associated to the scheme at point of sale. The campaign is funded with surplus of under spent communication budgets and its impact could be very short term.

Dangerous "Jambonneau"

The French speciality was served at a reception organised before the rugby match Montpellier-Bayonne on 20th February and 50 guests got intoxicated. We need to make sure there is no "Jambonneau" on the menu of the English team at Stade de France at the end of the month...

Piglets

There is nothing to report on the French market for piglets. Availabilities are still lower than the demand. Prices for 25kg as for 8kg will increase in this context.

Cuts

The meat market, although more regular, remained disappointing at the beginning of the week. The weekend and the beginning of week 11 will see the return of demand. Offers are still low; prices will remain stable or even be rising a little. Better margins are awaited.

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

**GERMANY****Market**

The beginning of March showed a surprisingly strong decline in prices for pigs leading to concerns about future development. The market for pigs for slaughter is well supplied, sometimes even oversupplied because some slaughter companies are reluctant to buying pigs due to the lack of sales. The marketing of live pigs is increasingly difficult and the pressure on the producers resulted in a significant downward correction of prices. The domestic pig meat market is described to lack any stimulus. (Source, afz)

Meat, meat - and more meat

The Germans do love their Schnitzel. Despite any financial crisis the German's appetite for hearty meat dishes remains steady. According to the German association of the meat industry (BVDF), the annual average consumption of meat is about 60 kg per capita , some 50% of it being cooked sausages and ham products, the other half being fresh meat. Favourite dishes on a German dinner table are Schnitzel, roulades, smoked pork chops and Spaghetti Bolognese. (Source, ISN)

**NETHERLANDS****Smaller abattoirs pay better**

A study by the NVV (Dutch Pig Association) shows that prices paid for pigs in smaller plants that make 12% of output can be as 15% higher, worth € 6.08 per pig say Wyno Zwanenburg, Chief Executive.

**SPAIN****Exports**

The list of Spanish establishments authorized to export meat products to Russia (certificate ASE-655) has been recently approved (01st March). This list is available in the CEXGAN web page of the Ministry of Environment, Rural Development and Fisheries. (Source, Agrodigital)

Industry

The Spanish Livestock sector is disappointed with the evaluation system developed in the public project 'Welfare Quality' (co-financed by the EU) used to obtain a common system to test and improve the animal welfare in the livestock farms. The Spanish sector considers this system subjective and not feasible in the Spanish field. Spanish farmers are very disappointed because of they are obliged to invest continually in several improvements but no return is received, as final consumer prefer to buy cheaper products and those are coming from abroad, where all these measurements are not applied. (Source, Agrodigital)

EU warning for Extremadura and Castilla y Leon

'Extremadura' and 'Castilla y León' are two provinces of Spain receiving an EU warning for lack of animal welfare, especially during transport and in the slaughterhouses. Brussels highlights lacks in authorisations and transport monitoring, minimum squared meters available for animals during transport, slaughterhouse inspections and consequent penalties control. The EU has recommended the Spanish Authorities to implement training courses and utility of controls in

order to improve animal welfare. Spain has requested UE, giving details about different vet programmes taking place in 2010 for guarantying the animal welfare control. (Source, Eurocarne)

New AI centre

In July, there will be a new AI centre for pigs in Tenerife. This centre will allow pig producers to obtain more homogeneous and more quality carcasses, as well as reduce production costs. Tenerife's government will invest € 71,000, in order to boost pig production. There are 129 pig farms in Tenerife, counting 4,925 sows. The pork industry accounts for 25% of the total meat production on the island. (Source, Eurocarne)

Research Projects

A group of Scientists from the University of Granada is developing a research project to prove that cured hams can be eaten by pregnant women, because the 'toxoplasmosis' parasite disappear during the drying process. This research will be developed for the next 2 years with a total budget of € 400,000. (Source, Eurocarne)

Prices

Slaughterhouse	Lleida 25.02.10	Zamora 02.03.10
Piglet 20 kg	44.0 €/Unit (+1.00)	52.0 €/Unit (+0.00)
Live fattened pig	1.145 €/kg (+0.045)	-



PORTUGAL

Prices

Slaughterhouse	Lisbon 22.02.10
Fattened pig – Carcass E 57%	1.510 €/kg (+0.040)



RUSSIA

African swine fever approaches Ukraine

A new case of African swine fever has been reported in the South Russian Rostov region, in one 50 km from the Russian-Ukrainian border. Rosselkhoznadzor took measures following the detection of the disease outbreak. In addition to other preventive, surveillance, and control measures, road control posts have been operated by the police since 27 February, 2010. Following previous disease outbreaks in the Rostov region, preventive steps have been undertaken in eastern and south eastern Ukraine as well. Nevertheless, the threat remains from the side of wild boars that are not separated from their Russian counterparts in Rostov

A new mega farm

Focusing on the plan of providing the country with its own food products, including meat, the construction of a new mega farm for pig breeding is planned in Primorsky Krai. The farm is planned to house 12,000 pigs. Specialists suggest the total necessary investments at the level of U.S. \$11.4 million. The farm should be constructed in accordance with all latest technologies. Pedigree pigs will be imported. The production capacity of the farm is planned to reach more than 1,000 tonnes per year. Currently, Primorsky Krai produces 5,400 tonnes of pork per year. **For reference:** The Zelenodolskoe Ltd. has recently constructed a mega farm for pig breeding in Primorsky Krai. The complex for 12,000 pigs, including 9 buildings, has already accepted its first 1,275 dwellers, delivered from Canada.



UKRAINE

Decline in animal industry

The government of Ukraine approved the Conception of the State Target Economic Programme on animal industry development for the period up to 2015. The main problem in the animal industry is determined as decrease of animal production volumes and number of agricultural animals. Three possible solutions of the problem are suggested in the conception as well: the

prevalence of animal products from private small economies, the support of imports and the creation of big-size animal production.

**CROATIA**

EU accession talks progressing well

With objections from Slovenia and the Netherlands lifted, talks and in schedule for Croatia to become the 28th EU state in 2012. Talks started in 2005. Health certification for pork is available but EU access would simplify greatly export procedures.

**SLOVAKIA**

Pig numbers stabilise

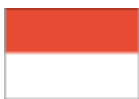
The number of sows in Slovakia has fallen from 135,000 in 2003 to 45,000 and pork self-sufficiency to 40-45% to 85,000 t. However, the herd seems now to have stabilised. There is cautious hope for some herd rebuilding says Andrej Imrich of the Slovak Pig Farmers' Union. There are 100 pig farmers with more than 100 sows, with the largest *PD Sokolnice* holding 15,000 pigs. There are 4 Danish-owned farms and foreign-owned farms produce 40% of Slovakian pork. The difficulty is prices which remained as low as € 1.08 in January. Slovakian pig producers benefited from € 8.6 m. subsidies in 2009.

**CHINA**

FMD

Due to the break an out of FMD in the Southern Chinese city of Guangzhou 8500 pigs had to be culled. The authorities are now concerned about prices to shoot up as pig meat is one of

China's staple foods. (Source, schweine.net)

**INDONESIA****H1N1 ban lifted**

"The disease cannot be transmitted to humans" said the Trade Ministry. Admittedly, the belated lifting of a ban on pork and pork products has a lot to do with local politics...

**VIETNAM****Livestock sector growing fast**

The livestock sector targets growth of 8 % this year, with total output of livestock meat reaching 4.1 million tonnes, according to the Department of Livestock Production under the Ministry of Agriculture and Rural Development. The sector will focus on setting up breeding areas with industrial production, feed mills and waste treatment facilities.

**CANADA**

According to Canada's minister of agriculture, Gerry Ritz, Canada has signed an agreement with China to re-open the Chinese market for Canadian pork. At the beginning of 2009, China had banned pork imports from those countries having been affected by the H1N1 virus. Negotiations about exports of live pigs to China continue. (Source, schweine.net)

 Pork Prices Hamburg Market Week commencing 01 March 2010		
Cut Name	Closest Export Manual Code No.	Price Range (Euros / kg)
Round cut leg	51121	2.10/2.30
Leg (boneless, rindless max fat level 3mm)	51121	2.95/3.25
Boneless Shoulder	56200	2.25/2.40
Picnic Shoulder	56120	1.60/1.85
Collar	56130	2.10/2.25
Belly (bone in, ex-breast)	55100	1.50/1.70
Sheet Boned Belly (rindless)	55210	1.40/1.70
Jowl	50230	0.70/1.00
Half Pig Carcasses	U Classification	1.72/1.92
 Pork prices Barcelona Market Week commencing 01 March 2010		
Cut Name	Price Range (Euros/kg)	
Carcasses (secondary grade)	1.507/ 1.513	
Gerona Loin Chops	2.15/2.18	
Loin Eye Muscle	3.18/3.21	
Spare Ribs	2.43/2.46	
Fillets	5.33/5.36	
Round Cut Legs		
Cooked Ham	2.01/2.04	
Rindless Picnic Shoulder	1.49/1.52	
Belly	1.86/1.89	
Smoked Belly with Spare Rib Section Cut Off	2.29/2.32	
Shoulder Chap or Head Jowls	0.98/1.01	
Back Fat, Rindless	0.63/0.66	