

# Ireland misses out on World Cup pig prices

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IRISH FARMERS JOURNAL

EUROPEAN pig prices were buoyant for June. The World Cup carnival has been identified as a factor in those price increases. "Whole Hog" the specialist pig magazine reports that prices were buoyant during the World Cup period.

Danish prices increased June 2005 -v- June 2006 by 12.7%. While the Dutch were plus 10.8%, Belgium was up 10%. On this analysis Ireland did not do badly. They increased by 9.4%. This is not the full story however because Ireland is coming from a much lower base.

This can be demonstrated very easily. The June League which is a period covering the World Cup shows Ireland's weighted average at €1.39. This of course is a welcome

increase from the May figure which stood at €1.35.

However, the gap between the Irish price and the EU average price during the World Cup period is alarming. Using Bord Bia Monitor data the EU average price for June was €1.52. Our League Table for June returns a weighted average of €1.39. Basically we missed out on the World Cup gains. The difference between the EU average and the Irish price for June is 13c per kg. For a 70kg carcass that is a penalty of €9.30 per pig.

Let's project those over a 12 months period for a 350 sow unit. The amount is shattering - giving a total difference of €70,000. All of this is profit. That is the equivalent of an extra €1,346 per week.

The message is clear. The sooner the NS Pig Company starts exporting pig carcasses

## JUNE 2006 PIGMEAT PRICE LEAGUE TABLE

Factory	June 06 per kg DW	May 06 per kg DW	Jan.98 per kg DW	June 06 price as % of Jan.98	Est. share of national kill in each factory
<b>Division No. 1 - €1.40 and Over</b>					
Edenderry	1.40	1.36	1.13	124%	15%
<b>Division No. 2 - Under €1.40</b>					
Roscrea	1.39	1.35	1.13	123%	30%
McCarron	1.39	1.35	-	-	8%
Dawn	1.38	1.35	1.17	118%	16%
<b>Weighted Avg</b>	<b>1.39</b>	<b>1.35</b>			
<b>Northern Price</b>					
Cullybackey	1.39	1.35			
Cookstown	1.39	1.35			
Grants	1.39	1.35			
<b>Pork Price</b>					
Corbally	1.43	1.37			
Salter	1.42	1.37			
Coyle	1.42	1.37			
All prices quoted excl VAT refund					

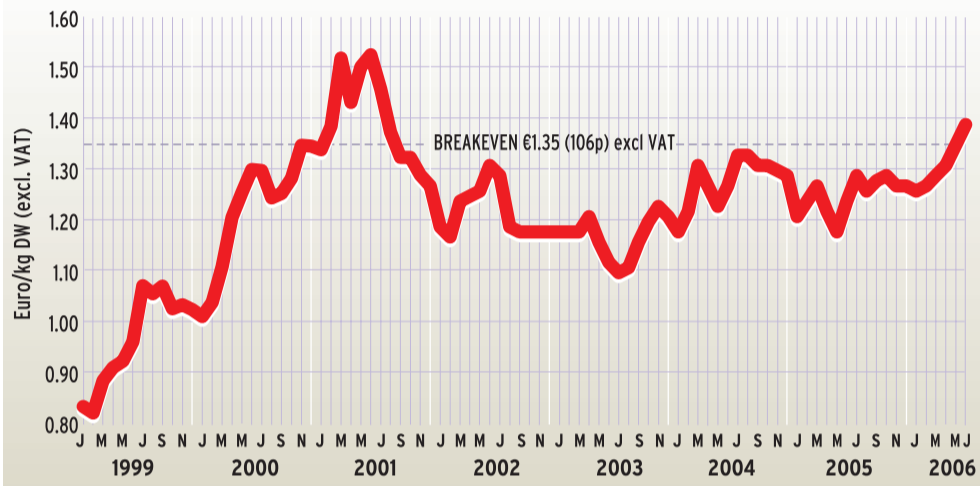
to Germany the better.

This week I know of a number of German producers received €1.63 per kg for their pigs. Note - this price does not include VAT. It is good that Irish prices are currently increasing. The best price I came across in Ireland last week was on the spot market at €1.47 excluding VAT. (Price including VAT €1.54)

This leaves a gap between the German price last week and the Irish price of a staggering 16c/kg or €11.20 per pig. This is even without the World Cup factor.

But then one wonders are Irish pigs getting caught in the offside trap and paying the penalty.

Average weighted Pig League price, January 1999 to June 2006

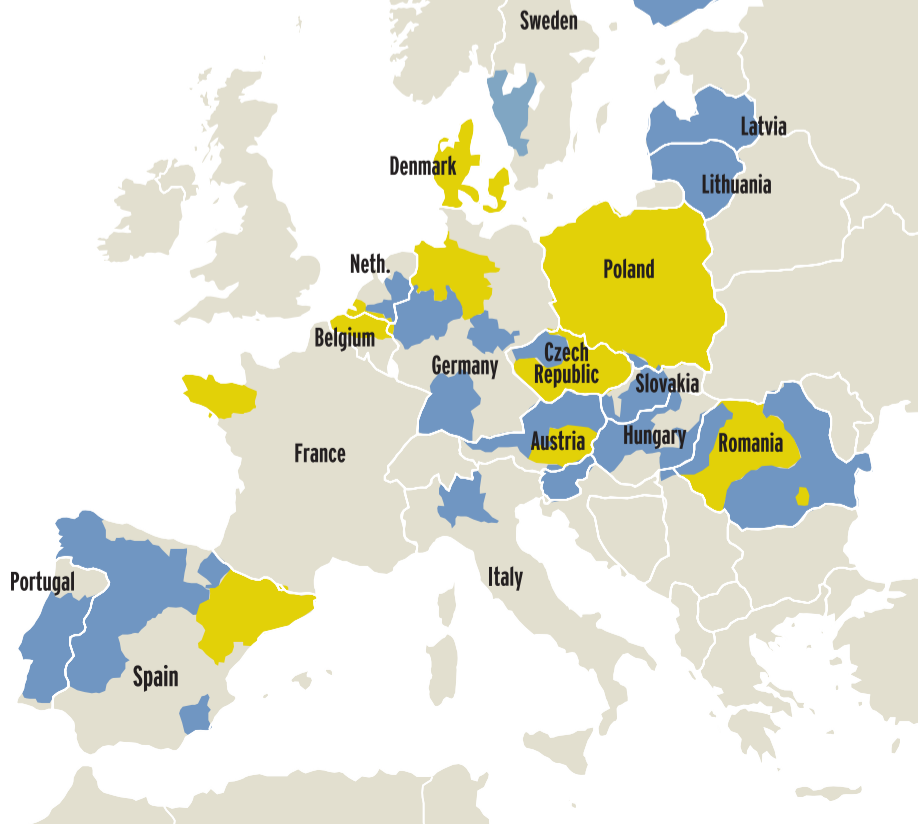


## RANKING OF REGIONS BY SHARE OF PIGS IN THEIR FARMS SGM

1. Wielkopolskie (Poland)
2. Kujawsko-Pomorskie (Poland)
3. Opolskie (Poland)
4. Pomorskie (Poland)
5. Cataluna (Spain)
6. Denmark
7. Lodzkie (Poland)
8. Jihovychod (Czech Rep.)
9. Zachodniopomorski (Poland)
10. Lubelzjie (Poland)

## SPECIALIST PIG REGIONS IN THE EU

Regions where the share of pigs in farm Standard Gross Margin (SGM) is at least once (blue) or twice (yellow) the EU average of 7.1%



## Where are EU pigs produced?

RECENT Euro stat figures show that pig production dominates Polish agriculture. The accompanying map (see left) pinpoints this situation. This Eurostat research looks at the contribution pig production makes to the gross margin on farms in each region in each EU country. Thirteen of the 20 regions most dependent on pig production were in Poland. By contrast, Spain and the Czech

Republic had two regions in the top 20 and Denmark, Hungary and France had one each. The top five regions accounted for 10% of all pigs produced in the EU, while the top 20 regions accounted for 40% of all pigs in the EU.

The EU average for pig production as a proportion of gross margin is 7.1% with pigs accounting for 27.3% of all livestock.