Ireland beats EU average

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IRISH pig prices for October are ahead of the EU average price. The EU average amounts to 143.84c/kg which is the four week average for October as per the Bord Bia Monitor.

Our pig league returns a price of 148c/kg for October. This puts the Irish price 4.16c/kg ahead of the EU average. The equivalent of €2.91 per 70kg carcase.

Here is a very fine achievement. It is critical that it continues. A look at the Irish pig price gap graph on the right shows what progress has been made.

In 2001, this gap reached an all time high. Irish prices were €25 per pig behind the EU average. By 2003, the gap was €17. While as recently as 2005 there was a difference of €15 in favour of the EU.

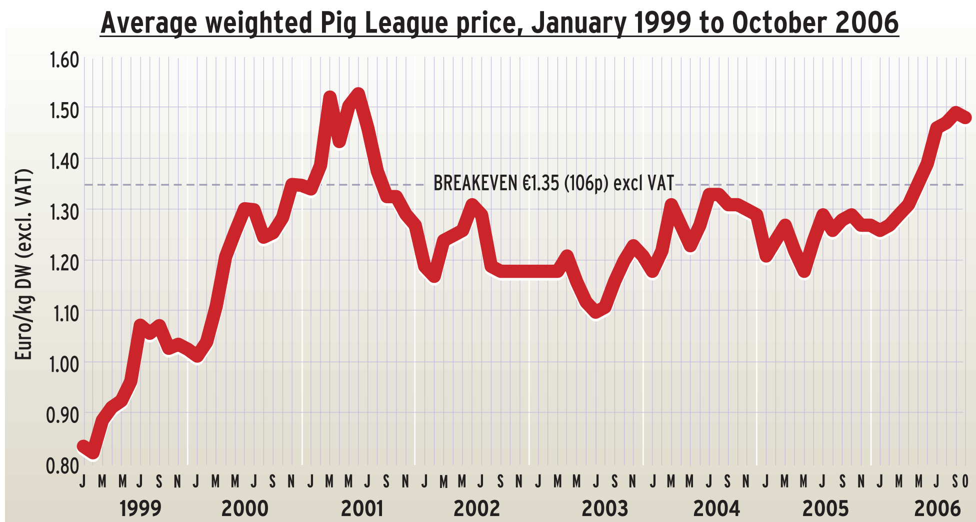
Over recent months, the gap has closed to a situation where Irish prices are now ahead of the EU level.

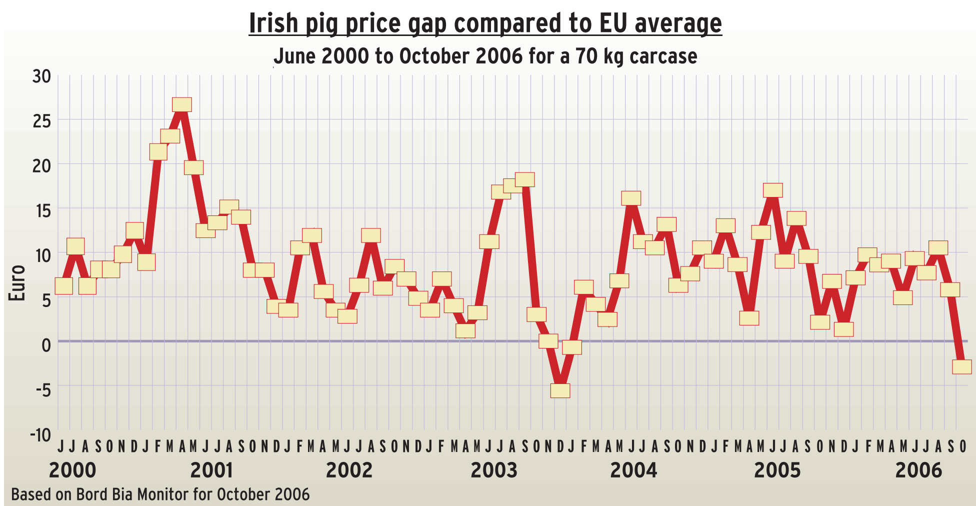
This trend in Irish prices is also apparent when the annual percentage change in EU pig producer prices October 2006 versus October 2005, as set out in the specialist pig magazine, 'Whole Hog'. On this basis, Ireland is now the clear leader. Ireland showed an increase of 12.1%, which is more than double the EU average increase of 5.6%. The Danes also performed impressively with an increase of 9.6%.

It would appear that the Danes are responding positively to their price trend. Denmark's July pig census showed their breeding herd up 5%. There has been a reduction of 1.5% in the October count. This is regarded as a seasonal factor.

The future strength of Denmark's breeding herd is demonstrated by the fact that their maiden gilts have increased to 215,000 up 8% compared to one year ago. The contrast with Ireland is striking.

The CSO December 2004 figure showed we had 23,000 gilts served. However, the most recent figure for December 2005 shows that the number of gilts in pig was down to 17,000.





Nitrates pig penalties

DO minority farming sectors get a worse deal than major enterprises? Sugar beet is a prime example. When it came to structural compensation for sugar beet, the Minister for Agriculture's proposals fell well short of the requirement. Yet, the protest was minimal. Are we about to see something similar in relation to the pig sector on the Nitrates issues? Pigs must not become the equivalent of sugar beet in the next decade.

At present the position of Nitrates in the pig sector are about as clear as the dirty water issue. Is dirty water slurry or in fact dirty water? Is it going to cost dairy farmers lots of extra cash if dirty water turns out to be slurry?

There is even more confusion in the pig sector — confusion that could seriously disrupt pig farming if not resolved.

THE FOLLOWING ISSUES ARISE:

- Is the 250 Nitrates Derogation available to pig farmers on their own land?
- It has been suggested that this derogation is only available to pig farmers if they export all the pig slurry off their own farm.
- If a dairy farmer imports pig slurry on to the dairy farm — does he lose the 250 units nitrogen derogation which has already been granted?
- Pig slurry on tillage land — how will it impact on P and N and will the phosphorus index change? Will it result in pig slurry application on tillage farms having to be restricted to every second year.
- As a tillage farmer, is it simpler for me not to become involved with pig slurry? Why complicate my farming programme and have droves of inspectors visiting?
- How do pig farmers cope in the northern half of the country where tillage land is not readily available?

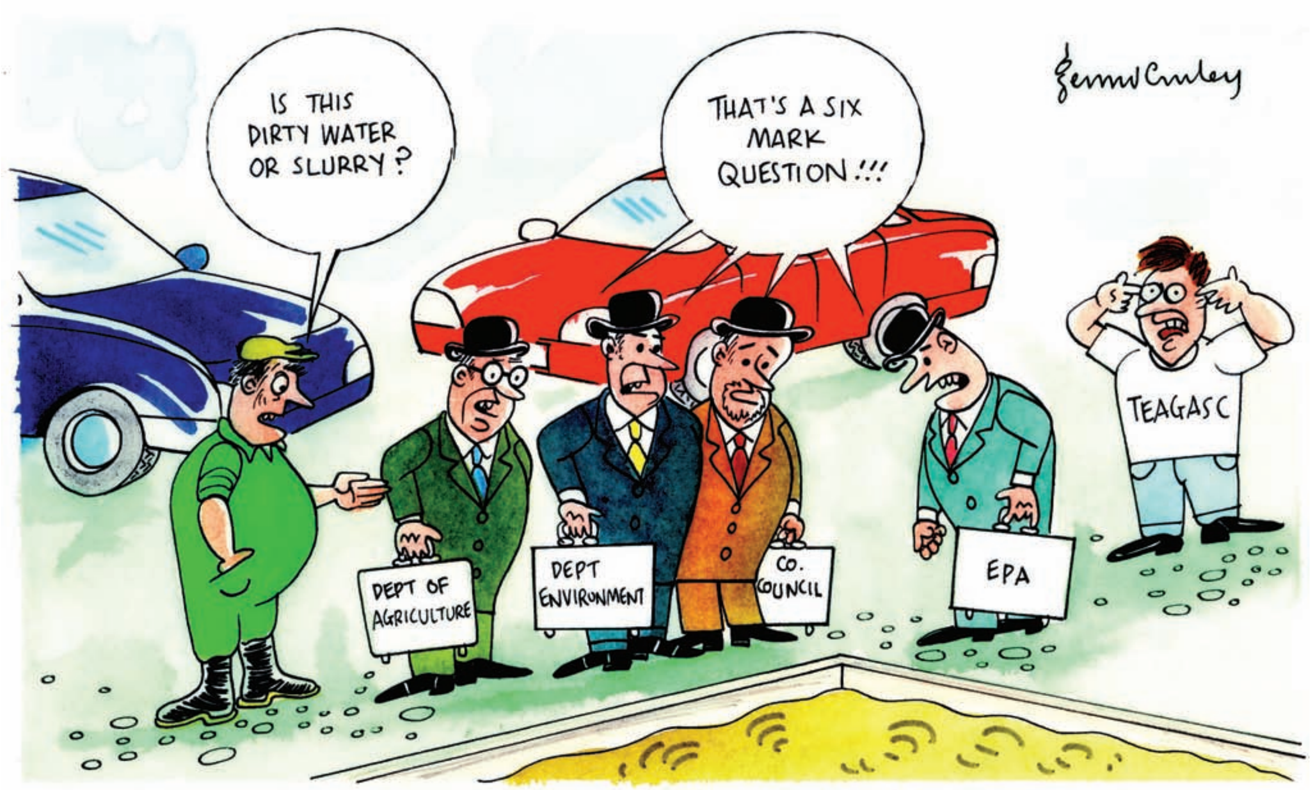
NITRATES MEETINGS

A number of these issues were raised at recent Nitrates information meetings. In cases the response from the top table was "that's a six mark question". Not a very informative outcome for those affected.

Pig farmers have got it in the neck long enough. How long until the spinal chord of the industry snaps?

This must not happen to a major efficient Irish enterprise — an enterprise which generates action throughout the economy, especially in food production and tillage farming.

Here is a real challenge for Minister Coughlan. Smiles or "plamas" will not overcome this challenge. Why not treat the pig sector like other livestock enterprises? Must it be always on the hind tit?



October League

McCarron is top of the October league paying €1.50. This puts them in line with northern plants. A very fine achievement.

With the exception of McCarron, all southern plants show a small reduction for October compared to September. This is reflected in the weighted average for October standing at €1.48. This compares to €1.49 for September. Despite this decrease, Irish prices have held up better than their EU counterparts. Hence the fact that we beat the EU average price for October.

OCTOBER 2006 PIG MEAT LEAGUE TABLE

Factory per kg DW	Oct. 06 kg DW	Sept 06 kg DW	Jan 98 per kg DW	Oct 06 price as %	Est share of National kill of Jan 98 in each factory
Division No. 1 = €1.49 and over					
McCarron	1.50	1.48	-	-	8%
Division No. 2 = under €1.49					
Edenderry	1.48	1.50	1.13	131%	15%
Roscrea	1.47	1.49	1.13	130%	30%
Dawn	1.47	1.49	1.17	126%	16%
Weighted Avg	1.48	1.49			
Northern Prices					
Cullybackey	1.51	1.52			
Grants		1.50	1.51		
Cookstown		1.50	1.52		
Pork Prices					
Coyle		1.51	1.52		
Salter		1.51	1.52		
Corbally		1.50	1.51		