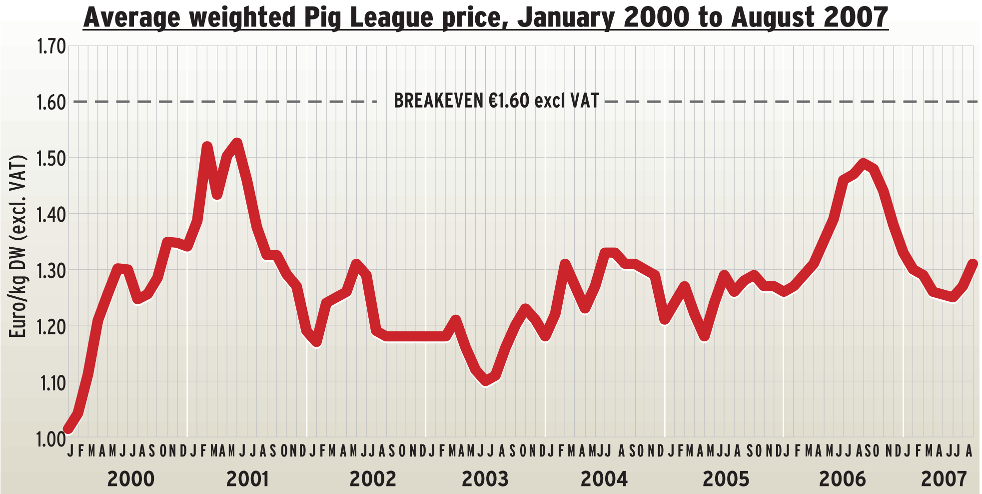
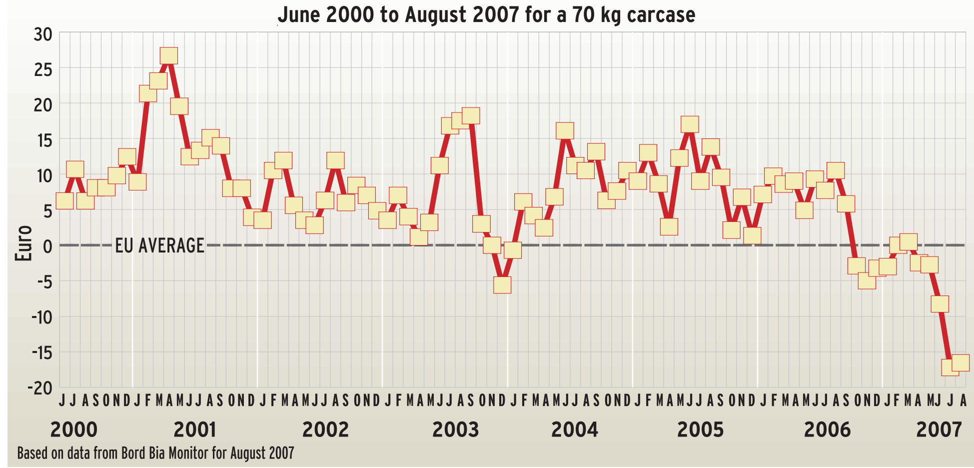
Average weighted Pig League price, January 2000 to August 2007



Irish pig price gap compared to EU average

June 2000 to August 2007 for a 70 kg carcase



Based on data from Bord Bia Monitor for August 2007

Glanbia climbs to the top of the Pig league

AUGUST 2007 PIGMEAT PRICE LEAGUE TABLE

Factory	August 07 per kg DW	July 07 per kg DW	August 2006	Aug 07 price as % of Aug 06	Est. share of national kill in each factory %
Division No. 1 €1.33 and over					
Roscrea	1.35	1.27	1.47	92%	37%
Stauntons	1.34	1.27	1.48		9%
McCarron	1.33	1.29	1.45	91%	10%
Division No. 2 - under €1.33					
Edenderry	1.32	1.27	1.48		10%
Dawn	1.31	1.27	1.46	90%	20%
(Edenderry price/kill reflects first two weeks of July)					
Weighted Average	1.31	1.27			
Green Pastures	1.34	1.29			
Ballon	1.35	1.31			
Garbally	1.33	1.29			
Northern Prices					
Cookstown	1.35	1.30	1.50	90%	
Grants	1.33	1.29	1,50	87%	
Cullybackey	1.37	1.33	1.51	91%	

AMII CAHILL*

THE country's slaughter capacity took a severe knock in July with the fire in the Glanbia Edenderry plant.

However, pig throughput did not cause any serious upsets with all slaughterings transferred to the Roscrea plant.

There is an urgent need to rebuild the facility and now that the site has been cleared, plans to resume killing both pigs and sows are afoot, according to Glanbia personnel. Glanbia Roscrea, now with approximately 45% of the Irish pig kill, tops the league for the first time since February this year.

The weighted average for the August pig league is €1.31; this is a minor upturn in prices but nowhere near enough to compensate farmers for the rapid rise in grain prices.

This is the first month that pig prices have cracked the €1.30 mark since prices started to fall in March.

The EU average price week ending 26 August was €1.47, where as the Irish average for the same week stood at €1.32. EU prices are currently ahead of what was forecast earlier in the year.

These forecasts indicated that for the third quarter of 2007 the German average price would be €1.39c/kg, where the actual price is closer to €1.50c/kg, the Dutch price forecast to be €1.30c/kg, stands at €1.33c/kg and the British price, forecast to drop to €1.52c/kg, remains at €1.57c/kg.

Even if pig prices had risen to the highest levels of 2006, pig farmers this year would still not be returning a profit.

Last year's quarter three prices had Ireland on €1.47c/kg, Germany €1.69c/kg, Belgium €1.55c/kg and Holland at €1.52c/kg.

With pig farmers coping with a 20% increase in the cost of production, it is vital that the processors secure a price increase to ensure the livelihoods of both themselves and their producer

Non-approvals of GM grain will hit pig farmers hardest

NEW GMOs varieties are being developed and planted in the major feed material exporting countries at a faster pace than ever before. The approval of GMOs, within the EU, ranges from 2.5 to 10 years, as compared to the US average of 15 months. This has previously not caused any serious commercial problems.

However, according to an EU report, in the worst case scenario, a ban on US, Argentinean and Brazilian soybean/meal imports, without any compensation from other exporting countries, would be introduced. Pork production would fall 29% and 35% below the baseline level in 2009 and 2010 respectively.

A sharp increase in the EU price would attract higher imports and reduce exports, causing the EU to become a net importer of pigmeat. Scarce supplies and high prices would lead to a drop in EU consumption to 24% below the baseline level in 2009, with a slight recovery in 2010 due to higher imports.

The Irish government and the EU must be pushed to ensure greater flexibility in facilitating imports from different countries, by limiting the effects of asynchronous approvals of GMOs.

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