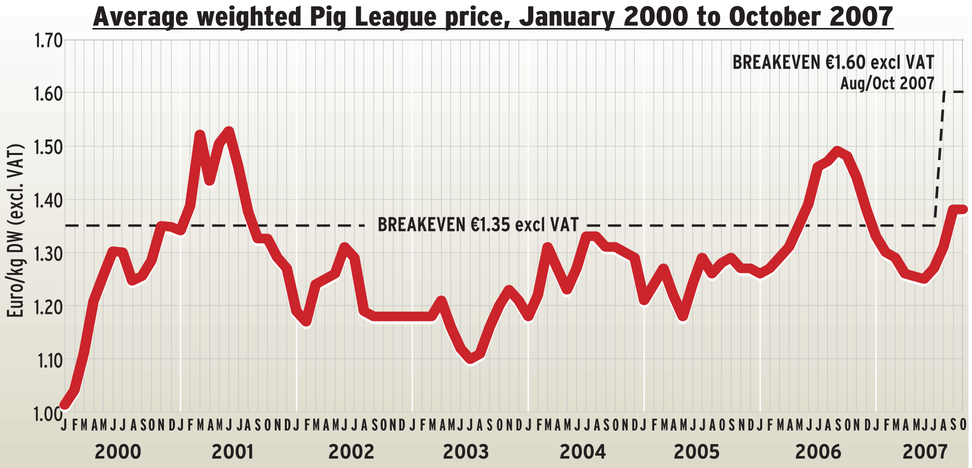
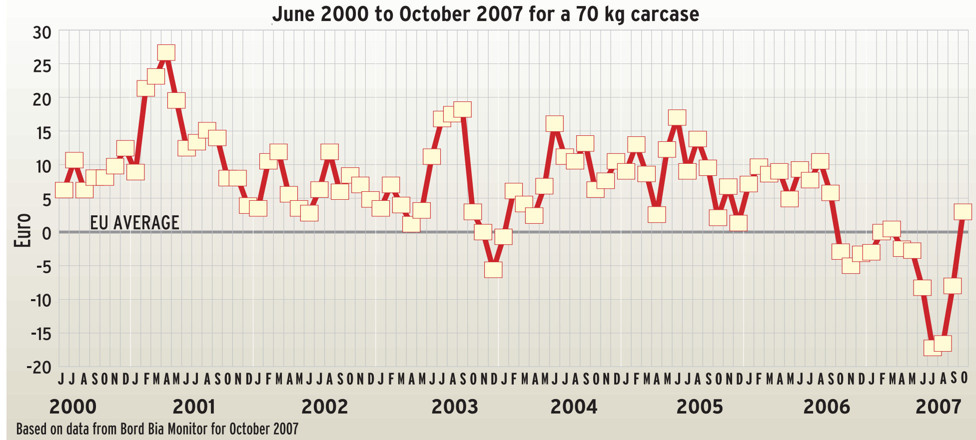
Average weighted Pig League price, January 2000 to October 2007



Irish pig price gap compared to EU average

June 2000 to October 2007 for a 70 kg carcase



APS scheme helps stabilise European pig prices

AMII CAHILL*

THE weighted average representing over 80% of the Republic of Ireland kill for the October pig league was €1.38/kg, which is unchanged from the previous month.

The main slaughterers, Glanbia and Dawn, maintained static prices throughout October whereas drops were seen in McCarrons, some of the pork slaughterers and in the North of the country. The differential between the Irish and EU price dropped again in October with the Irish price going over 100% of the EU average during the second week.

The APS scheme will be helpful in the short term but it is a double-edged sword. When the product is released from storage, it must be exported outside the EU to have any impact.

During the last APS scheme, which operated between December 2003 and February 2004, a total of 94,325 tonnes was contracted for storage, of which almost 40,000 tonnes was stored in Denmark. Just 414 tonnes was stored in Ireland, which was over double what was stored in Britain (170 tonnes). The majority of this product was stored for between four and five months.

Glanbia have informed the IFA Pigs Committee that the plant in Edenderry will reopen to slaughter bacon pigs and sows, week commencing 18 November.

* Amii Cahill is Executive Secretary of the IFA National Pigs and Pigmeat Committee

OCTOBER 2007 PIGMEAT PRICE LEAGUE TABLE

Factory	Oct 07 per kg DW	Oct 06 per kg DW	September 2007	Sept 07 price as % of Sept 06	Est. share of national kill in each factory %
Division No. 1 €1.40 and over					
Dawn	1.40	1.47	1.39	95%	22%
Stauntons	1.40		1.39		9%
Division No. 2 under €1.38					
Edenderry (information only)		1.50			0%
Roscrea	1.37	1.49	1.37	92%	41%
Mc Carron	1.37	1.48	1.39	93%	11%
Weighted Average	1.38		1.38		
Green Pastures	1.37		1.38		6%
Ballon	1.42		1.40		
Garbally	1.39		1.37		6%
Northern Prices					
Cookstown	1.37	1.52	1.39	90%	
Grants	1.33	1.51	1.33	88%	
Cullybackey	1.39	1.52	1.40		91%

Farm-gate versus retail – Spot the real winners

MICHAEL REILLY

AT last there is movement on the importation of American maize by the commission. The pig farmers lobby has finally been heard. However, when the new regulations are examined, it will in fact not mean cheaper feed in the short or medium term. The exporters will mix the non-approved new crop (2007) varieties with the now acceptable 2006 Herculex maize and it will thereafter be impossible to segregate them. Ironically, pigmeat produced with the GM maize in other countries can of course be imported into the EU, a situation both cruel and illogical.

The farm gate versus retail price ratio is now 22.9%. This is a slight improvement on last month but due in no small part to the supermarkets playing games with their retail prices. Many of the cuts on offer are at a 40% discount. Although this may induce the consumer, the question must be asked, what is the normal supermarket margin? Other cuts are being offered at two for the price of one. Streaky rashers in the same outlet vary in price from €5.65 to €17/kg. The consumer is being confused and the pig farmer treated like dirt.

Pig farmers should be aware of the retail price of their products and make a case to the factories based on them. This month the farm-gate price is €1.44/kg on average; thus the farmer receives €108 for a 75 kg carcase. The supermarket charges €472.25 for the same carcase, a difference of €364.25. While everybody who handles the pig is entitled to make a profit, I would like to see the breakdown of €364.25 so that the profit is equitably distributed rather than going into the coffers of the supermarkets alone.

PIG PRODUCTION: facts and figures

MICHAEL A MARTIN
TEAGASC

THE latest in the biennial survey of commercial pig production units in Ireland was carried out at the beginning of 2007. The survey is conducted by the Teagasc Pig Production Development Unit. This is the 15th in the series that commenced in 1979. In earlier years, commercial units were defined as 20 sows or over and 150 pig finishing places or over. There are very few units now operating at these levels. However, there are still quite a few very small herds well below these thresholds but these are not included in these surveys.

1. Number of Units: There are now 441 commercial pig production units in the Republic of Ireland. These consist of 288 integrated herds with both breeding and finishing pigs, 51 breeding only units producing weaners and 102 finishing units.

The number of commercial pig units has declined by 5% from 464 to 441 since 2005. The number of units with sows has declined from 364 in 2005 to 339 in 2007 — a reduction of 7%. This reflects the number of smaller units (100 sows or less) that have ceased production or switched to finishing pigs, usually on a contract-finishing basis.

2. Sow Numbers: Total sow numbers have declined only slightly from 154,000 in 2005 to 153,000 in 2007. The total number of pig finishing places is 788,000.

In the 20 year period since 1987 sow numbers peaked in the mid 1990's. There has been a gradual decline in sow numbers since 1995. The number of commercial units has declined steadily in that period.

3. Herd Size: The average number of sows per sow unit has increased from 424 to 452. At present 68% of the sows in commercial units in the country are in herds of 500 sows and over. There are 390 units involved in finishing pigs. The average number of finisher places on these units is 2021.

4. Employment: The number employed in pig production on units is 1050 persons full-time. Each person employed looks after, on average, 136 sows and 672 finishing pig places. At least 35% of units employ workers from abroad and these workers constitute at least 26% of the total workforce. The average size of herd employing workers from abroad is well above average of all sow herds at 575 sows.

5. Feed Production: There are 70 units (16% of total) which manufacture their own feed (home compounders).

These units represent 24% of both the total sow numbers and 24% of the total number of pig finishing places.

6. Location: The restrictions imposed on the application of pig manure to grassland by the Good Agricultural Practice (Protection of Waters Regulations) 2006 present serious problems for units, especially those located in grassland areas. About 32% of pig units are located on sites adjacent to at least some tillage land.

Adjacent is defined as within the range, where pig manure can be transported and spread by tractor and manure tanker. These units accommodate 54,000 sows and 292,000 finishing or 35 and 27 of the respective totals. The remaining 68% of herds are located in areas with no adjacent tillage land.

7. Main counties: The main pig producing counties are Cork, Cavan and Tipperary. The 76,420 sows in these counties represent 49% of the number of sows in commercial herds in the country.

8. The Future: The national pig breeding herd peaked at 175,000 sows in 1999. While it has declined since then, the rate of decline in recent years has been low. The future looks less promising. The Teagasc Pig Development Unit has, in consultation with the various stakeholders, produced a strategy for the sector. The implementation of this strategy is critical for the future of the sector.