Price recovery yes; but just not enough

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The June 2008 pig league weighted average was €1.48 per kg (87% of the republic of Ireland kill) in comparison to the month previous months figure of €1.44 per kg. The June 2008 price is 19c per kg stronger than the price paid in June 2007.

However in June 2007, the feed cost per kg deadweight was 91c/kg, whereas today 25c per kg can easily be added to this figure to get an idea of where the feed price lies.

A price increase of 6c/kg was achieved in the last week in May which meant that a number of producers began to break even at this time. The bulk of producer prices however, failed to reach this mark causing frustration and frayed loyalties.

Early in June, EU pig prices were rising strongly week after week. The EU situation did deteriorate somewhat towards the end of the month but a strong recovery has been seen in early July.

Any price increase that has been achieved by producers since this 6c/kg was passed back has come through refusal of supply at the price offered. Demand from the northern plants has remained strong throughout this period with Northern Irish factories quoting prices up €1.64/kg to entice ROI pigs into their plants.

Quoted prices in the south began to vary considerable as factories offered spot prices to producers to secure supplies in the early part of this month.

EU PRODUCTION FALLS

Latest breeding herd figures from Europe would indicate that there has been a drop of approximately 950,000 sows across the EU27.

The sharpest fall (-6%) has been seen in the Polish herd, which makes up 11% of the total EU herd behind Germany (18%) and Spain at 16%.

The Danish herd has also seen a significant decline in pig numbers (-3%) and a 4% drop in breeding sows.

A reduction in pig supply on the continental market with a drop in grain prices may ease the pressure on pig producers.

This however should not be an excuse for processors to stagnate pig prices. US crop concerns, rising speculator interest and record soya prices could mean further hardship for producers in the next couple of months.

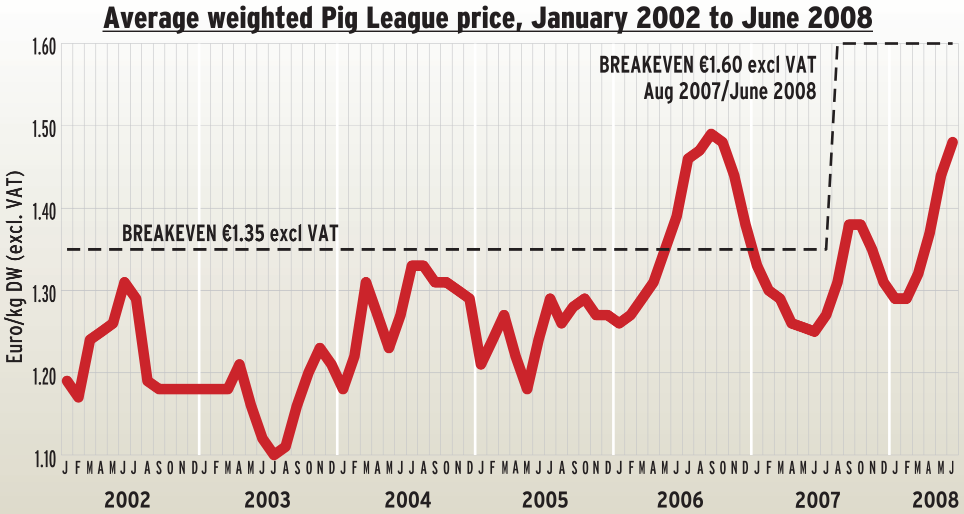
STAFF TRAINING

A draft training programme for pig production staff has been devised by the Teagasc and the IFA. For further information, contact your Teagasc adviser.

JUNE 2008 PIGMEAT PRICE LEAGUE TABLE

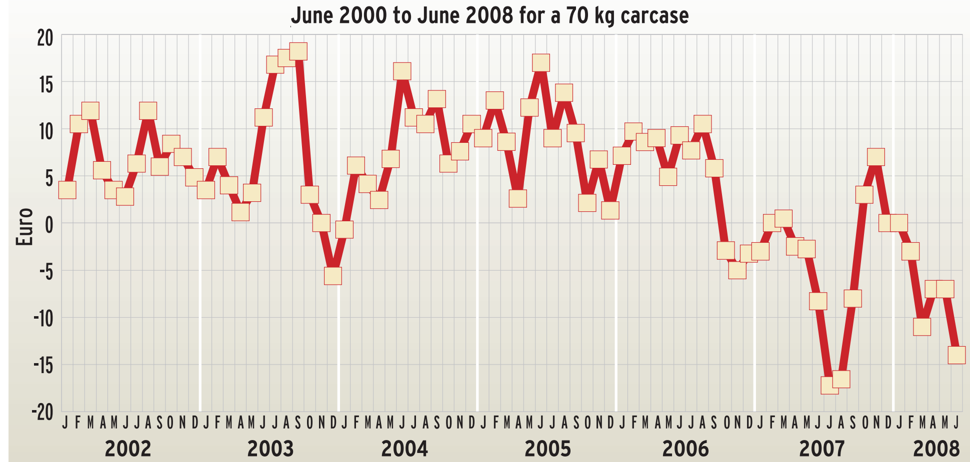
Factory	June 08 per kg DW	June 08 per kg DW	May 2007	June 08 price as % of June 07	Est. share of national kill in each factory %
All prices quoted excl. VAT refund					
Division No. 1 €1.48 and over					
Dawn	1.50	1.27	1.47	102%	21%
Staunton	1.48	1.29	1.45	101%	9%
McCarren	1.48	1.30	1.44	103%	10%
Divison No. 2 under €1.47					
Edenderry	1.47	1.30	1.42	104%	14%
Roscrea	1.47	1.30	1.42	104%	33%
Weighted average	1.48	1.29	1.44	103%	
Green Pastures	1.50	1.29	1.45	103%	5%
Ballon	1.50	1.31	1.45	103%	2%
Garbally	1.49	1.29	1.44	103%	4%
Northern Prices					
Cookstown	1.54	1.30	1.49	103%	
Grants	1.54	1.29	1.47	104%	
Cullybackey	1.54	1.33	1.48	104%	

Average weighted Pig League price, January 2002 to June 2008



Irish pig price gap compared to EU average

June 2000 to June 2008 for a 70 kg carcase



Based on data from Bord Bia Monitor for June 2008