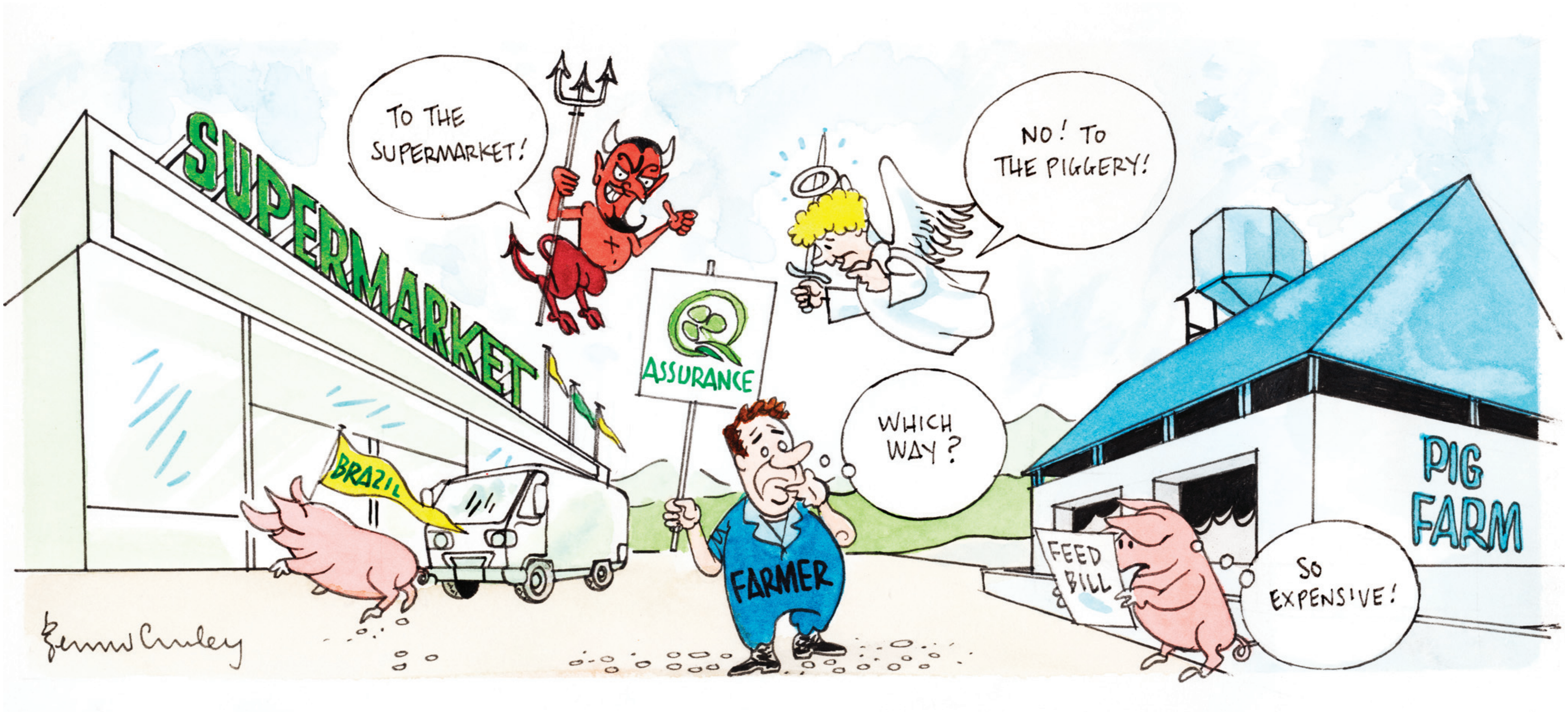


Irish pig producers facing a bleak Christmas

AMII CAHILL
IFA

Traditionally pigmeat producer prices began to rise in September, were at a high towards the end of October before levelling out in the run up to Christmas. This year, the price lagged behind the EU average by between one and 16c/kg, reached a high at the end of August and has been falling ever since.

The cost of production for pig farmers this year was recovered for just 12 weeks following losses being made weekly since October 2007. Feed prices dropped by less than €20/tonne that equates to only 8c/kg of pigmeat and although farmers are expecting further drops in November, millers are holding tough. Farmers are once again in a dangerous situation, pig numbers are falling but consumption has also taken a hit, which is impacting, heavily on the market.

IFA and other European farming agencies are calling on the EU Commission to reintroduce APS and export refunds to aid the sector; these measures were invaluable in supporting prices over the last year.

RETAILER WATCH

In last month's Pig League, I made the observation that Tesco had moved all of their 'Own Brand' bacon and pork over to the Quality Assurance, Origin Ireland logo.

I queried whether Tesco would continue to Quality Assure all pigmeat products if EU prices fell below the Irish price. Unfortunately, with low continental prices now a reality, producers surveying stores have reported, that at best, less than 50% of pigmeat in Tesco stores in now carrying the logo.

GM POSITION

A recently published report revealed that the current problems with US maize imports due to zero tolerance will cost the EU livestock sector an extra €1,575bn in the '07/'08 season. The extra cost of soybeans in the '08/'09 season are expected to be even higher. The politicians of Ireland, a country that imports over 400.000 tonnes of protein from soya sources, are putting meat producing farmers at risk by not being more proactive in relation to the synchronisation process for these novel crops.

The 'zero tolerance policy' is impossible to implement and the situation is likely to worsen further as a growing number of countries are planting these novel crops regardless of the EU stance. North and South America are becoming less reliant on the EU market as other countries are willing to use their biotech varieties that are currently banned in the EU.

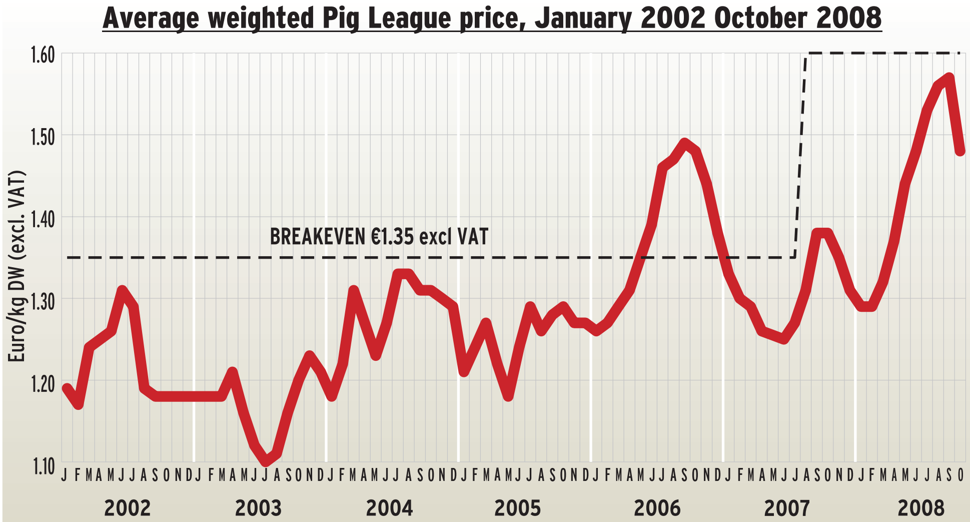
In the United States last year, almost 93% of the US soybean acreage was planted to biotech varieties, 99.5% of Argentina's soy is biotech and Brazil over the last 10 years has changed from 0% biotech to over 65% biotech varieties. EU meat production could well be decimated by political nonchalance on this matter. The market will thereafter be filled with imports of meat from animals fed with not yet-authorised GMO feed and raised to lower production standards.

Measures must be taken to synchronize the approvals process.

OCTOBER 2008 PIGMEAT PRICE LEAGUE TABLE

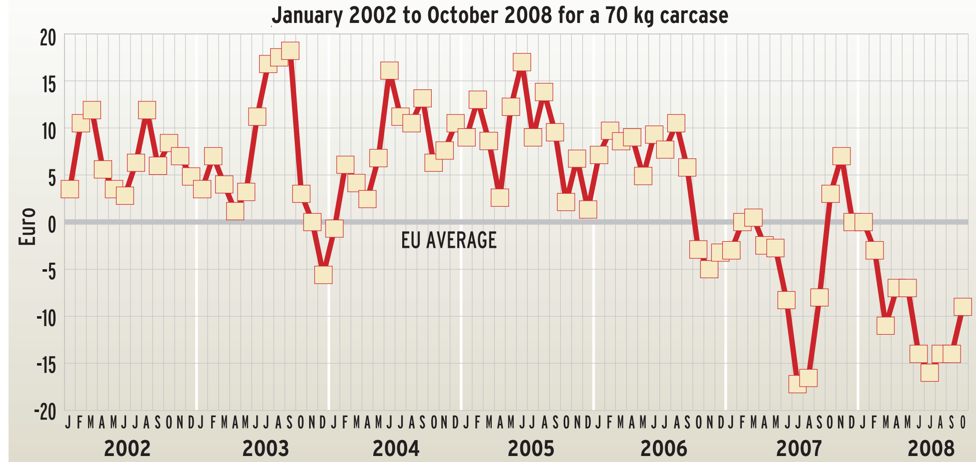
Factory	Oct 08 per kg DW	Oct 07 per kg DW	Sept 2008	Oct 08 price as % of Oct 07	Est. share of national kill in each factory %
All prices quoted excl. VAT refund					
Division No. 1 €1.57 and over					
Dawn	1.51	1.40	1.59	108%	20%
Stauntons	1.49	1.40	1.58	106%	9%
McCarren	1.50	1.37	1.58	109%	9%
Division No. 2 under €1.56					
Edenderry	1.48	1.37	1.56	108%	16%
Roscrea	1.48	-	1.56		35%
Weighted Average	1.48	1.38	1.57		
Green Pastures	1.51	1.37	1.58	110%	5%
Ballon	1.53	1.42	1.60	108%	2%
Garbally	1.51	1.39	1.59	109%	1%
Northern Prices					
Cookstown	1.51	1.37	1.58	110%	
Grants	1.49	1.33	1.57	112%	
Cullybackey	1.50	1.39	1.56	108%	

Average weighted Pig League price, January 2002 October 2008



Irish pig price gap compared to EU average

January 2002 to October 2008 for a 70 kg carcase



Based on data from Bord Bia Monitor for October 2008