

Dawn drop down the list but NI factories well ahead of the rest

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DAWN'S average price dropped below their Republic of Ireland competitors in May, falling below the weighted average price, calculated at €1.44/kg.

Despite the two price increases passed back to the majority of pig producers at the start of the month, the Northern factories continued to pay a higher price week after week.

Currency changes are also playing a part, with Sterling strengthening by 8.6% between the end of March and the middle of June.

It is unsurprising that the Northern factories can pay more when demand in Britain has seen prices rise to over €1.70/kg.

The most recent official data would suggest that the British breeding herd, as well as total pig numbers, has dropped in comparison to the previous year.

SOW FALLS

It has been well reported that the sow numbers have dropped on a European level (-6.1%), with the biggest falls in the Eastern European countries.

This is also the case in terms of pig numbers.

MAY 2009 PIGMEAT PRICE LEAGUE TABLE

Factory	May 09	May 08	Apr 2008	May 09 price as % of May 08	Est. share of national kill in each factory %
All prices quoted excl. VAT refund					
Division No. 1 €1.44 and over					
Edenderry	1.44	1.42	1.35	101%	27%
Roscrea	1.44	1.42	1.35	101%	27%
McCarren	1.44	1.44	1.34	100%	9%
Stauntons	1.44	1.45	1.34	99%	11%
Division No. 2 under €1.44					
Dawn	1.43	1.47	1.35	97%	16%
Weighted Average					
	1.44	1.44	1.35		
Green Pastures					
Ballon	1.44	1.45	1.36	99%	2%
Garbally	1.44	1.44	1.35	100%	-
Northern Prices					
Cookstown	1.48	1.49	1.39	99%	
Grants	1.48	1.47	1.38	101%	
Cullybackey	1.46	1.48	1.37	99%	

Place of farming legislation must be supported

IN the same month that the Oireachtas Committee on Agricultural published their findings on the dioxin contamination crisis, there has been an upsurge in unrest both here and in Canada in relation to country of origin.

Disappointingly, the Oireachtas report opened with the words "current traceability system for Irish pork not adequate"; this may be true, but in concentrating on this fact, the report failed to address the real issue of the lack of county of origin labelling in Ireland.

While Ireland was unable to secure this vital piece of legislation, the USA last year mandated that US food manufacturers use labels that identify where food ingredients, such as pig meat, originated. Canada, who rely heavily on the American market, have now complained to the World Trade Organisation against the US Country Of Origin Labelling (COOL) rule, which they claim unfairly restricts trade and violated WTO provisions.

This is not a surprising development, considering

the fact that Canadian pig producers have seen export sales to the US fall by 40% since the introduction of the legislation. Customers for pigmeat in the USA have simply opted to purchase domestic produce. This same loyalty would most certainly be seen here in Ireland.

The EU Commission have released a working document on agricultural product quality policy. A positive outcome to this could present a possible extension of existing compulsory indication of place-of-farming (EU/non EU or coun-

try) to cover agricultural product. The document clearly makes reference to how the "ad hoc approach to place-of-farming labelling has left a fragmented picture [in Europe] where the place [of farming] must be labelled on beef but not on pork".

The new option must not only be supported but also vigorously pushed by our representatives in Europe, most notably, Brendan Smith, as it seems it would be introduced via the Common Market Organisation framework.

Are Tesco winning the race to the bottom?

IT appears that Tesco have discontinued their bacon trading relationship with Rosderra Irish Meats.

Who the beneficiary of this contract will be may have serious consequences for Irish pigmeat producers. If this contract was secured through a non-sustainable price drop, then the new contractor has been the instigator of a great disservice to Irish pigmeat producers. Although Tesco continues to stock relatively

high levels of Irish pork and bacon on shelf (73% and 80% respectively), this is just a recovery position from the complete lack of support that was demonstrated at the end of 2008 and early into 2009.

Tesco's own-brand rashers were flagged in the most recent Bord Bia audit as dropping the volume carrying the Bord Bia Quality Assurance Logo in comparison with the big name brands Galtee and Denny.

Teagasc Pig Herd Survey 2009

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THE biennial survey of commercial pig production units in the Republic of Ireland, conducted by the Teagasc Pig Development Unit, provides up-to-date information on trends in the sector and likely output of pigs for the slaughtering and processing

sectors. The latest survey was conducted at the beginning of 2009.

At the beginning of 2009, there were 148,700 sows, including served gilts, in commercial pig herds in the Republic of Ireland. This includes sow herds that were subsequently de-stocked as a result of the feed contamination problem discovered in December 2008.

The reduction in numbers since the previous survey in 2007 is 4,300 sows, or just 2.8%. Given the extreme financial pressures on pig producers from July 2007 to June 2008, due to very high feed prices, the reduction in herd size has been modest and reveals a strong resilience in the pig sector in the face of severe financial pressures.

There are 440 commercial pig production sites in the country. However, some sow herds use two or more production sites. There are 300 commercial sow herds and a further 25 specialised finishing herds purchasing weaners for finishing. This is a total of 325 commercial pig herds.

HERD SIZE

Commercial sow herds for the purposes of the survey are defined as 30 sows and over. The average size of sow herd is now 496 sows, including served gilts. Currently, 71% of the sows are in herds of 500 sows and over. Herds of less than 300 sows accommodate 15% of total sow numbers (Table 2).

Of the 300 sow herds, 279 are defined as integrated herds, where pigs are finished to slaughter weight on one or more commercial sites. Only 21 herds are classified as specialised breeding herds — herds producing weaners for sale to the 25 herds classified as specialised finishing herds.

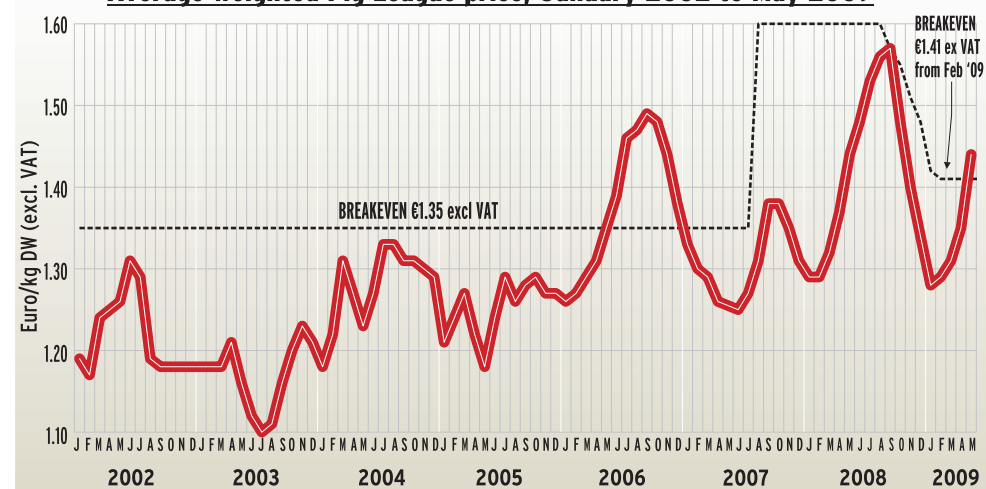
Table 2: Sow Herd Size Analysis 2009

Herd Size	% of sows
<100	2
100-199	4
200-299	9
300-499	15
500-999	30
>1000	41

Table 1: Teagasc Survey of Commercial Pig Production 2009

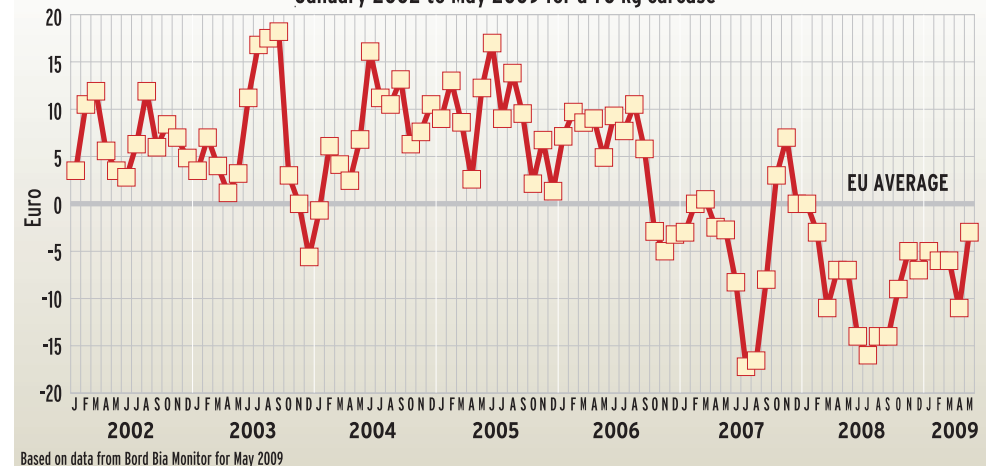
Number of Commercial Herds	325
Number of Production Sites	440
Number Sow Herds	300
Number of Sows	148,700
Average Sow Herd Size	496

Average weighted Pig League price, January 2002 to May 2009



Irish pig price gap compared to EU average

January 2002 to May 2009 for a 70 kg carcass



Based on data from Bord Bia Monitor for May 2009