November pig prices unchanged

Pig prices in November were static; the changes indicated in the league table opposite are a reflection of the price decrease the previous month taking full effect.

At time of going to press, despite indications that the retail sector in general was finally accepting that the pig industry is at breaking point and increasing prices, no rise in price has reached farmer level.

2010 has turned out to be one of the most challenging years for pig producers in living memory and, although there were some positives, the current feed price crisis is ensuring that these positives are now a distant memory.

AVERAGE

Feed prices continue to rise and this has led to an ever-increasing problem on farms. Some European pig producing countries saw pig price rises in November and again at the start of December.

Although price increases at this time of year are unusual, in 2007, the EU average price increased in December in response to feed prices reaching unprecedented levels.

At that time, European composite feed prices were at €282/tonne.

FEED PRICE

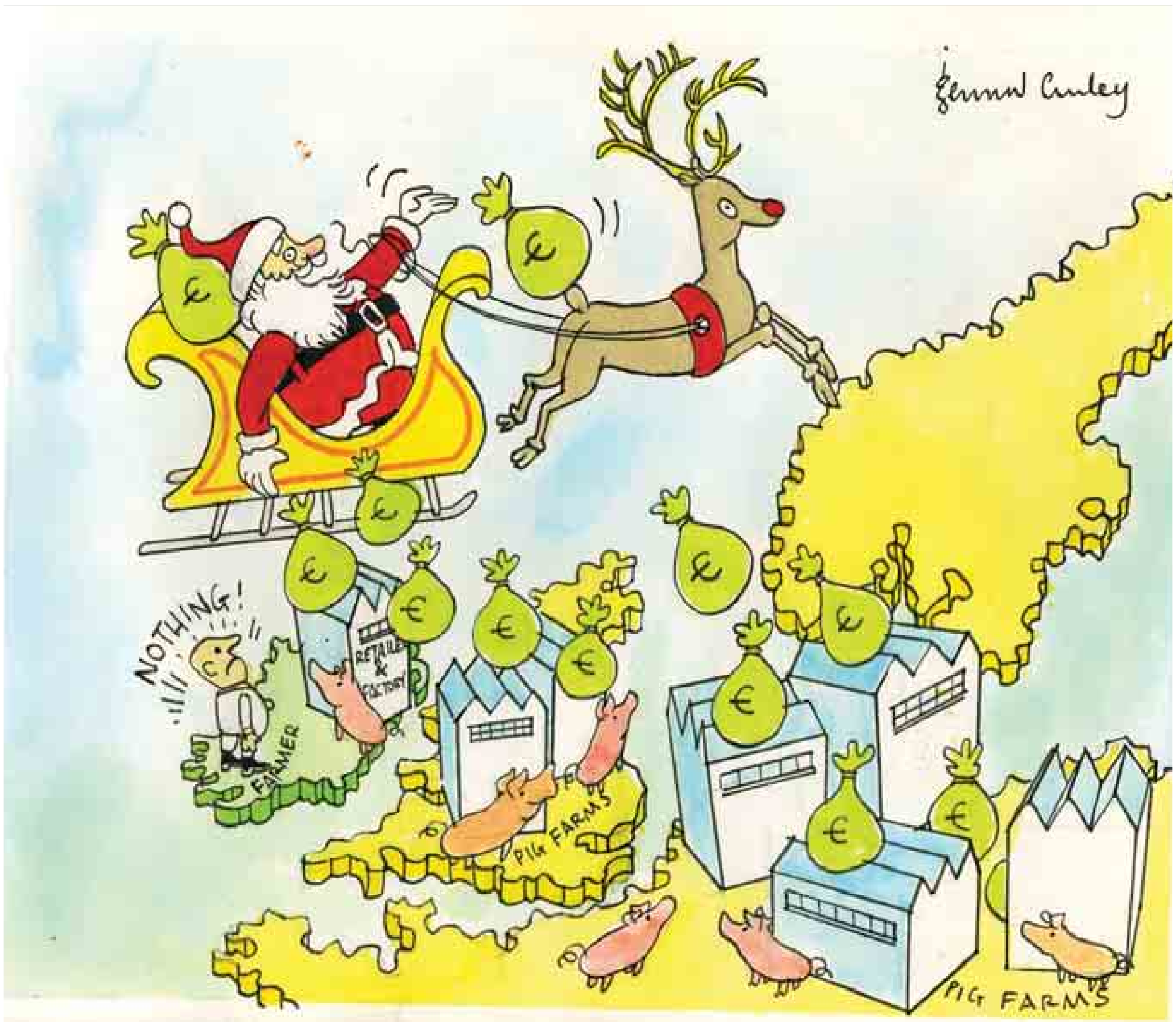
According to Teagasc analysis, the Irish composite feed price in December 2010 stands at €279/tonne.

All reasonable sources indicate that January will bring even more increases.

This crisis is far from over and immediate action needs to be taken by all those trading pig meat beyond the farm gate to alleviate the pain from the primary producer.

NOVEMBER 2010 PIGMEAT PRICE LEAGUE TABLE

Factory	Nov 10 per kg DW	Nov 09 per kg DW	Oct 10	Nov 10 price as % of Nov 09	Est. share of national kill in each factory %
All prices quoted excl. VAT refund					
Division No. 1 €1.31 and over					
McCarren	1.31	1.24	1.32	106%	8%
Stauntons	1.31	1.25	1.31	105%	10%
Division No. 2 under €1.30					
Edenderry	1.29	1.21	1.31	108%	28%
Roscrea	1.29	1.21	1.31	108%	27%
Dawn	1.29	1.24	1.31	106%	17%
Weighted Average	1.29	1.22	1.31	107%	
Green Pastures	1.32	1.25	1.35	108%	8%
Ballon	1.37	1.25	1.41	113%	1%
Garbally	1.31	1.25	1.34	107%	–
Northern Prices					
Cookstown	1.33	1.26	1.34	106%	
Grants	1.33	1.26	1.33	106%	
Cullybackey	1.37	1.25	1.36	109%	



Q4 Bord Bia Quality Assurance audit

THE Quarter 4 Bord Bia audit results have recently been published.

When all four pig meat products are taken into consideration, just fewer than 60% of products on retail shelves are Quality Assured.

Cooked hams continue to be an area that is dragging down the overall percentage.

A number of retailers and private label brands are carrying the logo but the majority of hams are not.

Taking cooked ham out of the sum sees the percentage of Quality Assured pig meat products on the shelf jump to 70.

CSO provisional farm income report shows 46% increase

THE CSO has published provisional figures showing a 46% increase in farm incomes.

This figure includes a €24m increase in pig's value when comparing 2009 and 2010.

This €24m is attributed to an 8% increase in volume and a slight price increase year on year.

The volume increase is a reflection of the feed contamination cull pigs being removed from the system and the subsequent recovery in the herd this year. However, this figure does not take into consideration the increase in feed prices in 2010 and cannot be considered an increase in net income.

Year on year price comparisons for the major EU producers would appear positive (not taking feed price fluctuations into consideration). French and Danish prices are up over 8% even before the latter's increased bonus payment is taken into consideration.

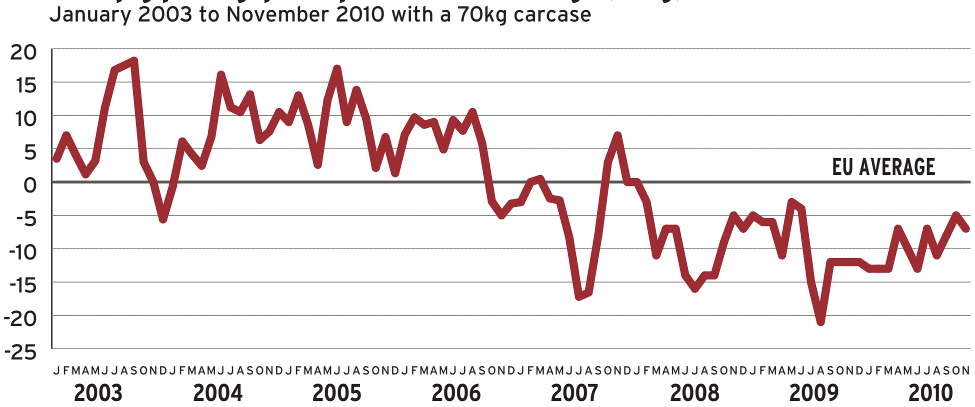
German, Dutch and Belgian prices are also up in comparison to the previous year. Irish prices from January to July were behind Irish prices in 2009.

From July prices have been ahead of last year with prices in November 7% ahead of the November 2009 price.

Danish Crowns bonus payment this year will be almost 13c/kg for pigs. The positive extra-EU trading gains made by Danish Crown can be attributed with the increase.

Exports out off Denmark but within the EU are down 1.6% while exports to third countries are up by 13.8% (overall total increase in exports of 3.3%).

Irish pig price gap compared to EU average (c/kg)
January 2003 to November 2010 with a 70kg carcase



Average weighted pig league price (c/kg)
January 2003 to November 2010