

# IFA Pig Committee Newsletter

November 2020



IFA Pig Chairman

Tom Hogan.

My four-year term as Chairman of the IFA Pigs Committee has come to an end. Like the pig price during my tenure, there have been many bumps in the road but thankfully the IFA Pig Committee has achieved a number of important policy improvements for pig farmers and possibly even more importantly, avoided many negative policy changes being enforced on our industry. While 2017 pig price was positive and margins were quite good, the **Nitrates Review** posed a serious threat to our sector. Through many lobbying interactions and meetings with Department officials, a number of key improvements in the nitrates rules for farmers importing pig slurry has helped to remove some of the fear and stress for these farmers. The Nitrates Review is looming again in 2021 and the importance of the nitrates derogation and maintaining key gains for exporting pig slurry, will require the work of the IFA once again. The Prof. Patrick Wall-Tim Cullinan 2016 report made a number of key recommendations to improve the robustness and effectiveness of the IFA DNA Scheme. These recommendations were implemented from 2017 and the DNA scheme continues to operate successfully. It has been instrumental in improving the usage of Irish Bord Bia Quality Assured pork on our retail shelves and in food service outlets. Our domestic market is today our most important and consistent marketplace for our pigmeat, and it is through the constant background work of the DNA traceback scheme that has seen compliance at an all-time high throughout our own domestic market.

**COOL (country of origin labelling)** was another major issue that the IFA Pig Committee has achieved a success on with much great compliance in the foodservice trade. Meeting with both the Food Safety Authority of Ireland (FSAI) and the Department of Agriculture have seen a greater number of inspections at butchers and meat counters.

2018 saw a crash in world pig prices and the Irish price dropped to €1.40/kg for the year with the margin over feed (MOF) reducing from 58c/kg in late 2017 to 27c/kg by December 2018, the lowest MOF in 20 years. Pig farmers are well used to volatility but the perfect storm of low pig price combined with steadily rising feed price left 2018 as a year to remember for all the wrong reasons. In 2018, the IFA Pig Committee had a sustained **campaign targeting retailers and secondary processors** who were blatantly using imported pork and not supporting locally produced Bord Bia QA pigmeat. Through the dedicated efforts of pig farmers at numerous demonstrations, agreement was gained with both the retail and secondary processor businesses to commit to 100% Bord Bia Irish pigmeat.



2019 saw events in China that influenced the world market for pigmeat, and continues to have a major influence. African Swine Fever (ASF) caused up to 50% of the Chinese breeding herd to be destroyed and a huge deficit in pigmeat. This demand caused world pig prices to rise and from April 2019 weekly price rises saw the pig price increase from a loss making €1.40/kg to €1.96/kg. China is the worlds largest pork producer



and consumer, and it has an influential role in the worldwide pigmeat market.

### EU-Mercosur Trade Deal



The Pigs Committee objected, along with IFA, to the EU trade deal with Mercosur. The inclusion of an additional 25,000 tonnes of pigmeat in the tariff free quote allocated to Mercosur countries in South America could undermine the high quality, high environmental and welfare standard of pork produced in Ireland and across the EU. This trade agreement is still not ratified and will be a priority to influence MEP's to vote against the deal in 2021.

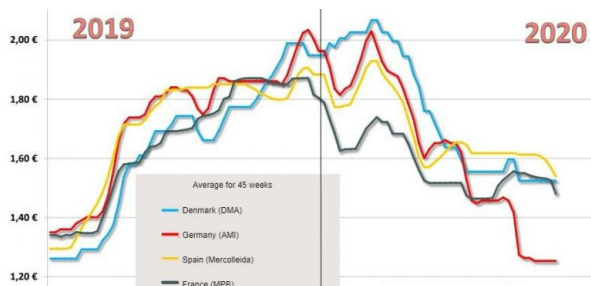


Tom Hogan lobbying EU Commissioners, both past and present, on behalf of Irish pig farmers.

As retiring Chairman, I'd like to offer the soon to be elected new Chair of The IFA Pig Committee my full support into the coming years. While there will always be issues affecting our sector that may seem detrimental and impossible to overcome, engagement and dialogue will ultimately see a workable solution found.

### Current Pig Market and Outlook

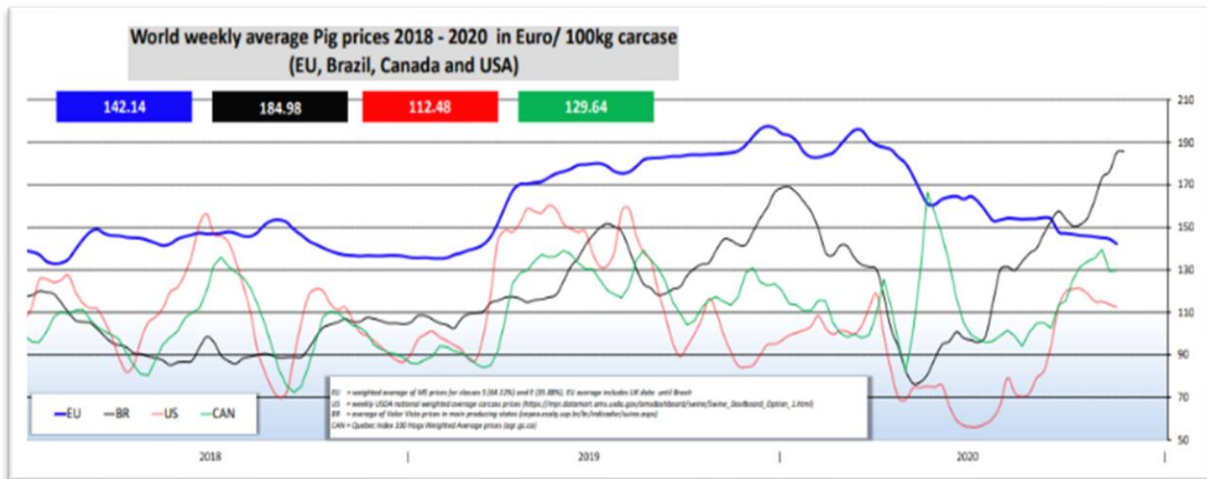
Today's European pig market is in turmoil, with Asian market access restricted due to ASF in Germany and continued delays in Germany and Denmark processing factory ready pigs. An estimated 750,000 pigs are backlogged and the prospects for German pork continues to be under pressure. China and other Asian countries have banned all pork imports from countries with ASF outbreaks in the wild boar population, and this has removed a major outlet for Europe's second largest pig producer. This German pigmeat product is now flooding the European market place. Denmark's pig sector is suffering similarly, with the usual trade of piglets into Germany coming to a near halt. The current Covid-19 restrictions and foodservice closures, coupled with a seasonal downturn in demand are all combining to drive prices down. While this is not a good situation, the Irish marketplace is better paced than many of our European neighbours. With full access to China and other important Asian markets, combined with our own domestic marketplace, we should be insulated from the catastrophe that is taking place in some European countries. Ireland has tackled Covid-19 to a better degree than others, with minimal



disruption to production in plants. With grain and protein feed commodities all having experienced strong increases over the past two months, the margin over feed (MOF) for Irish pig farmers is going to come under severe pressure in the coming months.

Price predictions are futile based on what has happened the world since March this year. Political international trade decisions and deals have influenced the commodity pork price in 2020 and not to the benefit of Europe. A huge deficit in China's pigmeat supply should have resulted in the price remaining strong in the EU, as the main pork exporter to China, but trade deals have seen the US become the largest pork exporter to China in 2020. Canada, Spain, Brazil, Denmark and increasing new pork exporters such as Argentina and Mexico are now

exporting greater volumes on the back of Germany's exclusion from the Chinese market. The great unknown is the extent of recovery in China's own pig herd. With reports that over 50% of the herd was decimated by ASF from 2018-2019, the recovery has been strongly supported by the Chinese communist regime to produce more of the nation's staple protein meat source, and become less reliant on imports. Parallels can be drawn to the Russian situation in 2014. Russia were important pork and food importers but took a political decision to ban EU imports in August 2014. The Russian regime supported the growth of their own indigenous pork and food industries, which in the space of 6 years is now at the stage of over 100% self-sufficiency for pork. China was predicted to take at least 5 years to recover pork production to a normal pre-ASF level of production and still remain an important importer of certain pigmeat cuts. Recent feed commodity price rises have indicated that it's the Chinese that are driving the price of soya and corn, so there must be planned increased numbers of both pigs and poultry in place



to consume this feed.

ASF is present in many Eastern European countries, and the announcement in September that ASF was present in wild boar in Germany was an unwelcome reminder of the threat of ASF to our pig industry and served as a wake-up call that every effort is needed to ensure Ireland remains free of ASF.

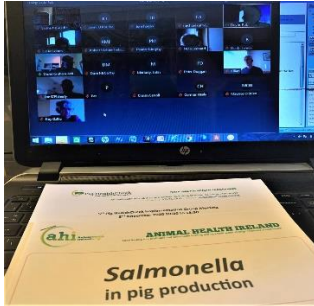
Even with the extensive measures taken by Germany to protect its pig sector from ASF, its land border with Poland has seen wild boar migrate in Germany and carry the disease. On the back of this discovery, many important Asian pork importers, such as China, have excluded all German pigmeat exports. The disturbance this has caused to the marketplace and livelihoods of every European pig farmer is being painfully felt today. In today's world of Corona Virus news, the IFA will continue to maintain regular contact with the Department of Agriculture and the National Disease Control Centre (NDCC) to ensure every precaution is in place against ASF.



Roy Gallie, Tom Hogan, Michael Caffery and Shane McAuliffe meeting June Fanning (SSVI) and DAFM regarding ASF prevention measures.

## Animal Health Ireland (AHI)

Pig farmers co-fund the Pig Health Check programme lead by AHI pig programme leader Carla Gomez. The Pig Health Check (PHC) Implementation Group was formed in 2020 and pig farmers are represented by the IFA Pig Chairman Tom Hogan, along with Roy Gallie, Maurice O'Brien, Michael Caffery, William Murphy and Shane McAuliffe. The PHC programme is dealing with five key areas;



1. Biosecurity
2. Pig Health
3. Pig Welfare
4. Antimicrobial Usage (AMU)
5. Public Health (Salmonella)



AHI are administrators of the assessments for both biosecurity and tail biting which are delivered free of charge by veterinary practitioners (PVP) and are funded through Targeted Advisory Service on Animal Health (TASAH) For more information on the Pig Health Check programme click here [AHI](#)

## Targeted Agricultural Modernisation Scheme TAMS for Pigs

After a number of years of lobbying to get the investment limit increased for this scheme, the decision to approve an increase lies with the Minister for Agriculture. Full approval has been received by DAFM from the EU Commission to increase in the Pigs & Poultry TAMS grant scheme from its current investment limit of €80,000 up to €200,000. No barrier remains, only to get the Minister for Agriculture to go-ahead and authorise this increase, another job for the IFA Pigs Committee

## IFA DNA Scheme



The IFA DNA scheme continues to monitor and test pigmeat products to ensure full compliance from the meat processing sector. All products labelled as Irish, can be tested at random and checked against the database of Irish Boars' DNA to ensure that the product originated from Irish pigs. Following results of DNA sampling, many interactions and meetings with retailers, secondary processors and foodservice providers has yielded results and increased the use of Irish Bord Bia pork and bacon offered to the Irish consumer.

## Bord Bia



The use of the Bord Bia Quality assurance mark on Irish pork and bacon is also monitored by Bord Bia in conjunction with onsite audits to ensure full traceability, so that when it says its Irish on the label, it is Irish.

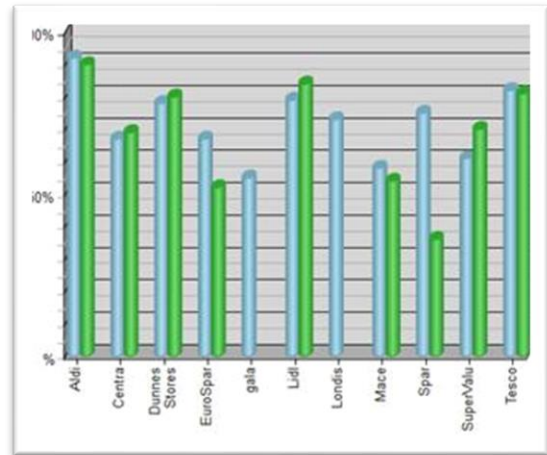


## 2020 Bord Bia Quality Mark % by retailer



The Bord Bia Quality assurance standard that pig farmers comply with is being updated to incorporate a sustainability

element. This is a requirement, by many retailers both at home and for our important export markets. IFA have engaged and will continue to do so as part of the Technical Advisory Committee (TAC) which will oversee the new Pig QA standard to ensure that the producer's interests are represented and the scheme is workable for farmers. A number of proposed additions to the new standard are currently being debated by stakeholders, and it is the role of IFA to ensure that when auditors carry out inspections, pig farmers can reasonably expect to achieve full compliance.



## IFA Grain and Feed Market Report



International wheat futures remain strong. Although world production is still estimated at a record high of approximately 770m tonnes, this is offset by high demand. The Matif Wheat Dec 2020 price went as high as €214/t earlier in the month but is now back to €209/t. Prices had been driven higher due to planting and

weather issues across the northern hemisphere, and anticipation of a lower Argentinean harvest. However, more recent drier planting conditions across the EU, rain in the Black sea areas and a large Australian harvest have tempered the market somewhat. Soft wheat area across the EU is now expected to increase by €2mha (9%) compared to last year.

Two other major issues which have driven markets are record Chinese buying and the renewed presence of financial funds in the commodity space. For example, China has bought the majority of French barley exports this season. As always, it is difficult to see where the market will go from here but it must be noted that while the Dec 2020 Matif wheat is at €209/t, the Dec 2021 is currently trading at only €192/t.

Chicago corn (maize) futures have climbed 25% in the past three months. Although US corn production will still be high, it is the large exports to China which have been the real game changer. The combination of a resurgence in the pig herd devastated by ASF, and reduction in domestic corn production, will ensure that China is the largest

Grain & feed price reported by IFA Nov 2020	Spot 16/11/20120 ↑↓ in 12 mths	New Crop 2020
Wheat	€212/t (32↑)	€215/t
Barley	€185/t (20↑)	€190/t
Oats	€175 (5↓)	€175
OSR		€390
Maize (Import)	€225 (40↑)	€225
Soya (Import)	€435 (110↑)	€425

world corn importer this year. Ukrainian corn output is down by 8m tonnes from initial estimates this season, which has added to the bullish sentiment in corn.

The US soybean futures market has risen by almost 40% since April, while soymeal has risen by 30% in the same period. The same market fundamentals which have driven corn

such as lower production figures and massive exports also exist for soya. Soybean stocks in the US are now at

seven-year lows while domestic demand has also jumped to an all-time high. Doubts over dry weather etc. in major producing countries such as Brazil have supported markets.

Stocks of palm oil in countries such as Malaysia have slumped to three-year lows, driven by tighter production and strong exports. Rapeseed futures have strengthened in combination with all commodities in the oil and protein complex. Paris rapeseed futures (May-21) closed at €406/t last week, the highest closing price yet for the May 2021

## Pig Health and AMU



The IFA Pig Committee recognises the many challenges facing the pig sector, with the issue of tackling Anti-Microbial Usage (AMU) and Resistance (AMR), an area that pig farmers, as food producers must be very engaged with. Tom Hogan and Shane McAuliffe along with Pat O’Keeffe from the IFA National Animal Health Committee have been part of an APHA working group, and they have contributed to **The Code of Good Practice Regarding the Responsible Use of Antimicrobials on Pig Farms**. Click [Here](#). The Biocheck assessment tool mentioned above, which is free to all pig farmers from their own herd vet, is a useful tool in assessing biosecurity practices and identifying measures that could

improve the biosecurity levels on pig farms. Ireland’s new national AMU database for pigs was launched in November 2019 by the Department of Agriculture. Under Bord Bia’s Farm Quality Assurance standards for pigs, all pig herd owners who slaughter more than 200 pigs per year will be required to submit their antibiotic usage information to DAFM on this database.



**Animal Health Awareness Week 2020**, November 23rd –28<sup>th</sup>

The Department of Agriculture will hold AHAW2020. The event will feature webinars, podcast appearances, and a social media campaign, as well as interviews and advertisements on local radio. Shane McAuliffe is a speaker on Wednesday 25<sup>th</sup> and the topic is **The Protection of Health in the Pigs & Poultry Sector**. Register [Here](#)

## Pig Welfare

EU member states compliance with the 2008 Pig welfare directive [Link here](#) continues to be under scrutiny by the EU Commission across the EU and by our own Department of Agriculture in Ireland. Irelands pig sector is similar to other European pig industries in that the vast majority of our pigs are produced in purpose built indoor piggeries, and tail docking of the piglet is carried out to prevent welfare issues arising due to tail biting when rearing pigs with long tails. Pig welfare is at the core of what all pig farmers do in caring for their stock on daily basis. IFA have engaged with The Department of Agriculture, on how we can continue to comply with the 2008 Pig Directive. Irish pig farmers will continue to place pig welfare on the highest footing and when a successful and achievable method of rearing pigs with intact tails under Irish conditions is proven to work, Irish farmers will work towards implementation. IFA would encourage all pig farms to have a *Tail Risk Assessment* carried out on their farm. Details [Here](#). This TASAH-funded risk assessment is free for all pig producers, please contact your own herd vet for more information. IFA will continue to engage with the Department of Agriculture, AHI, Teagasc and the EU Commission.

## Teagasc Pig Development Department.

The absence of in person conference open-days and discussion groups has seen the move to online channels of keeping pig farmers up to speed on the best technical advice and latest research findings from the Teagasc Pig Department.



The monthly Teagasc Pigs [newsletter](#), the Teagasc Virtual Pig Week, and the increasingly popular Pig Edge Podcasts are keeping pig farmers up to date and informed.



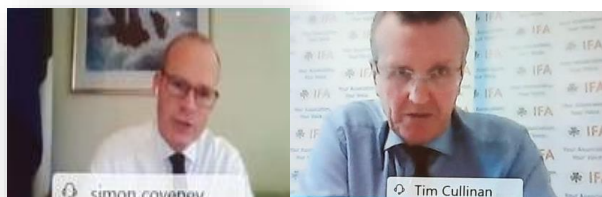
## Labour on Pig Farms

The Economic Migration Policy Unit of the Department of Enterprise, Trade and Employment has launched a public consultation to review of the occupational lists for non-EU employment permits. Currently, non-EU pig farm workers are excluded from being allowed work permits to travel and gain employment in Ireland or the EU. IFA will make a submission on behalf of pig farmers, detailing reasons why pig farm workers should to be allowed onto the eligible list, as there is a severe shortage of suitable and willing pig farm workers. All pig farmers who are experiencing difficulties sourcing suitable workers are asked and encouraged to send brief details of your pig farm labour requirement's, your attempts to fill vacancies and the lack of suitable candidates. Please email any such information, however brief, to [info@ifa.ie](mailto:info@ifa.ie) before December Thursday 10<sup>th</sup>. You can also make your own submission in conjunction with IFA, by emailing directly to [empu@enterprise.gov.ie](mailto:empu@enterprise.gov.ie) by the deadline of 5pm, Friday 11<sup>th</sup> December 2020



## Brexit

IFA President Tim Cullinan highlighting the concerns of all farmers regarding Brexit in a recent meeting with Minister Simon Coveney.



The IFA will be holding regional meetings in early December and each region will nominate and ratify representatives to serve as members on the IFA Pig Committee for 2021-2022. Further details to follow.