Outlook 2010
Pigs

Michael A Martin

Pig Development Unit
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Presentation Content

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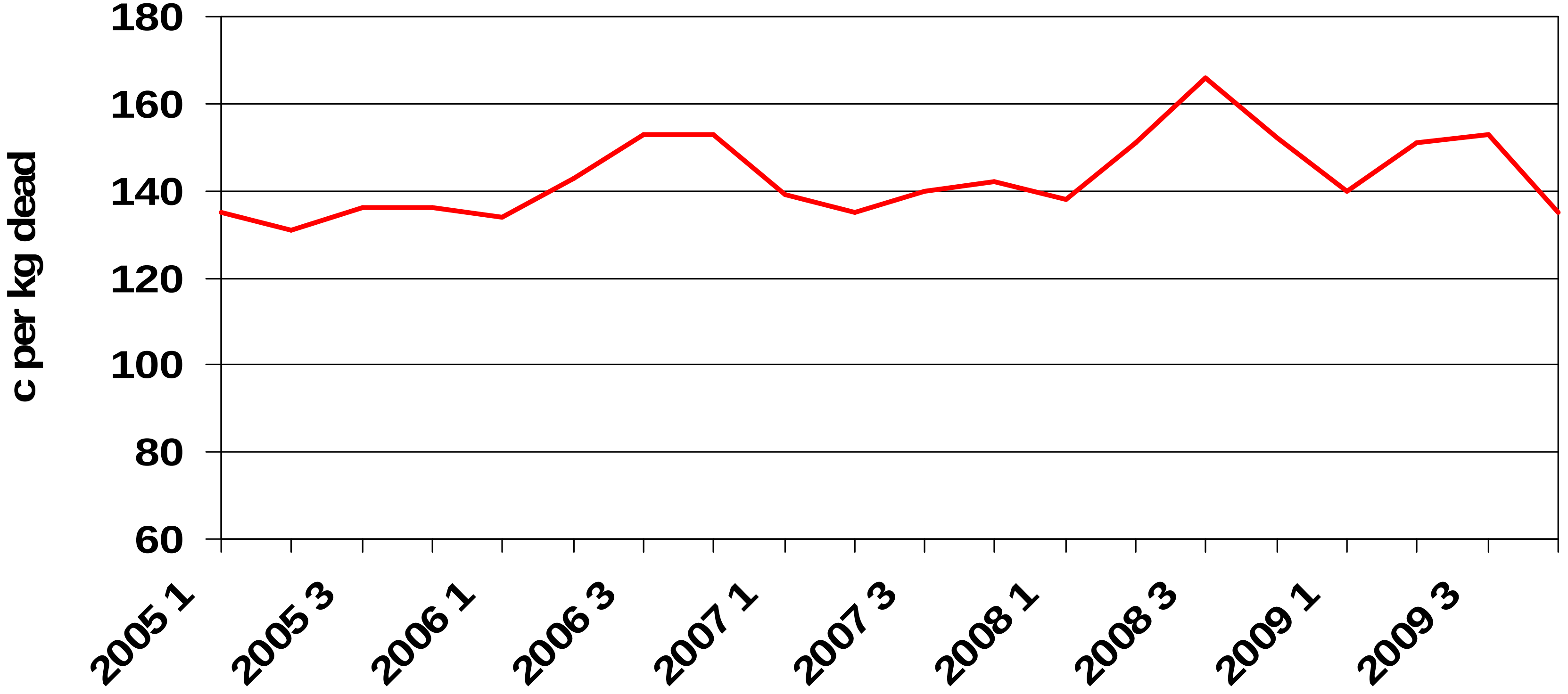
Meat Consumption per Person (2007)

Meat	Kg per capita per annum
Pig Meat	35.5
Poultry Meat	27.0
Beef	20.4
Sheep Meat	3.8

CSO

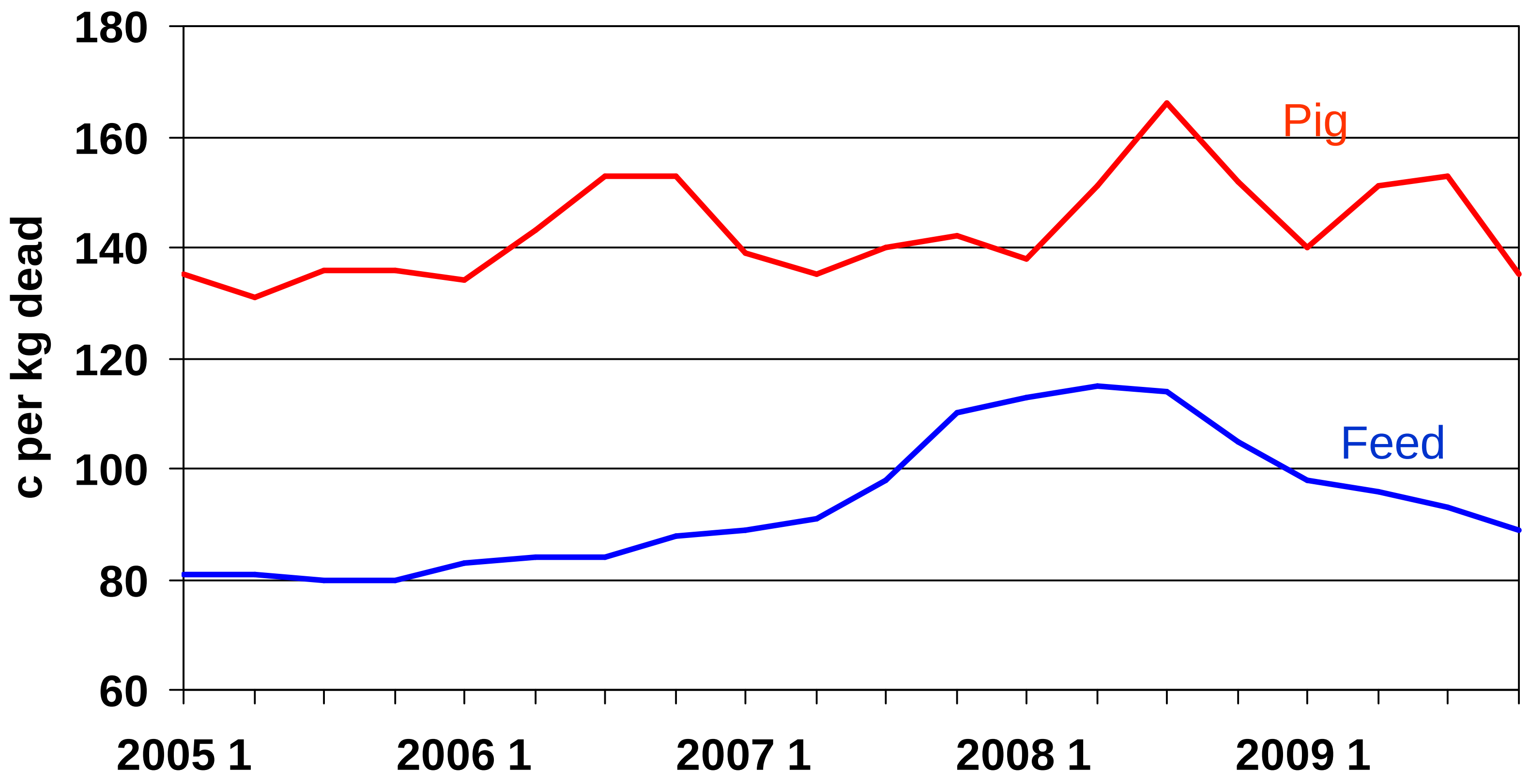
Margin over Feed

Pig Prices: c per kg dead delivered 2005-2009



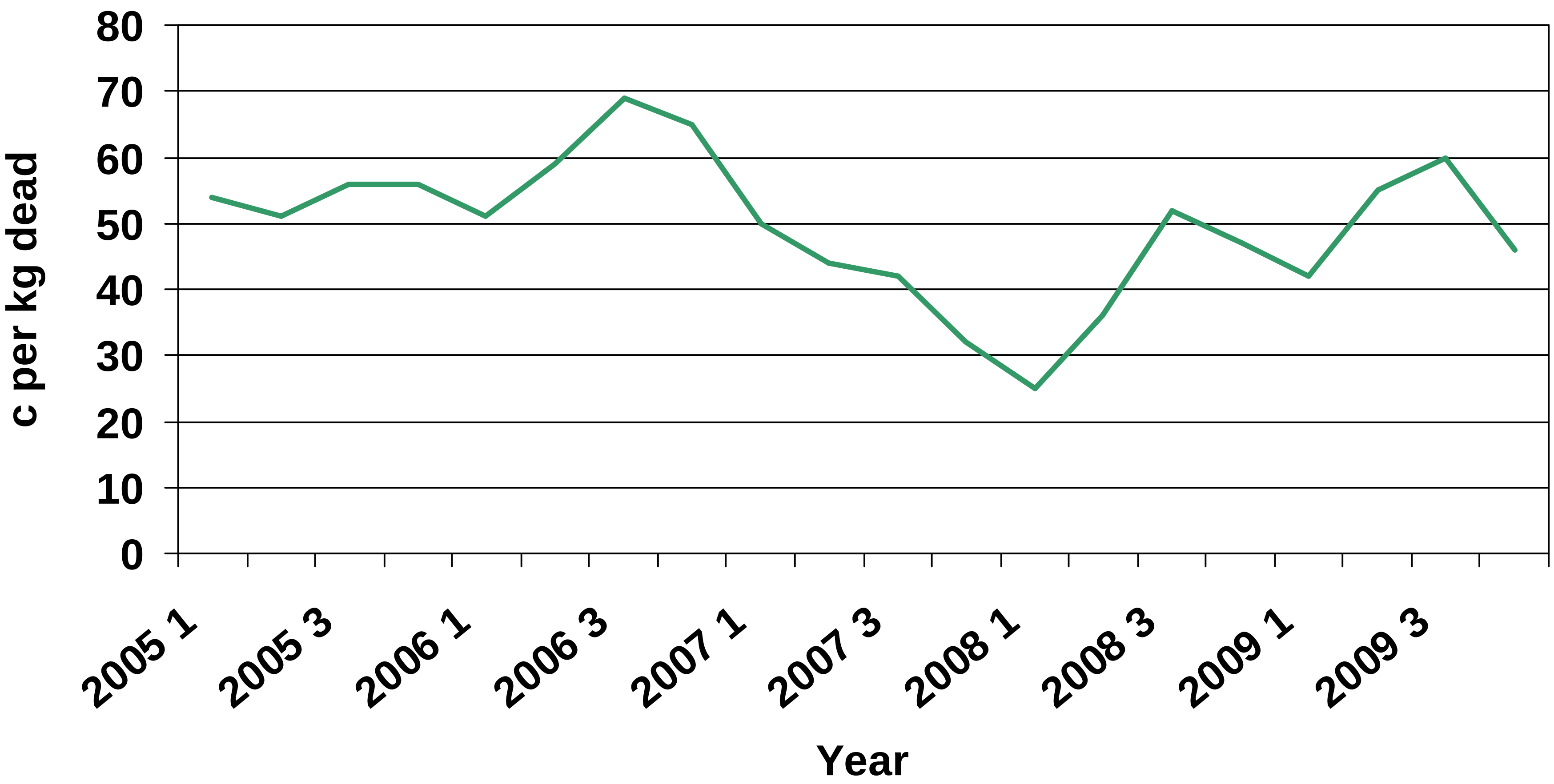
Teagasc Monitor Pig and Feed Prices

Pig Prices and Purchased Feed Costs 2005-2009 (c per kg)



Teagasc Monitor Pig and Feed Prices

Margin Over Feed Costs 2005-2009



Teagasc Monitor Pig and Feed Prices

Pig Prices and Feed Costs 2005-2009 (c per kg dead)

Period	2005-2009	2009
Pig Price	141.6	145.2
Feed Cost	94.6	94.8
Margin over Feed	47.0	50.4

Non-Feed Costs

c per kg dead weight delivered

PigSys Recorded herds 2008	48.2
Of Which 1. Common Costs	38.9
2. Herd Specific	9.3
Of Which - Interest	4.6
- Building Depreciation	4.7

Margin Over Feed

- *Needs to be well over 50c per kg*

1. Cover existing non-feed costs
2. Produce minimum return on investment
3. Finance upgrading of unit
4. Meet increased costs of welfare and environmental compliance

Pig Supplies

Sow Numbers in Commercial Herds

Year	No Production Sites	No. Sows
2003	505	157,409
2005	464	154,282
2007	441	153,070
2009	429	148,700

Source: Teagasc Pig Development Unit

Pig Supplies per week

Year	Total*	ROI	To N. Irl
2005	60,351	50,353	9,998
2006	59,540	50,356	9,184
2007	59,151	49,414	9,837
2008	57,070	48,280	8,790
2009	54,738	45,469	9,269

* Estimated 3000 other pigs per week not included

Source: DAFF and DARDNI

Price Outlook

Price Prospects: Global Factors

1. Reduced global supplies 2010
2. US/Canada: 0.5 million less sows since mid 2007 (- 6.6%)
3. Brazil reduced sow herd: by 19.5% 2008/2002
4. Decline in EU production
5. Impact of recession on consumer demand
6. Restoration in trade in pig meat: H1N1
7. Increased demand from China

Trends in EU-27 Sow Numbers

Year	Breeding Herd m head
2005	15.45
2006	15.57
2007	14.88
2008	13.95

Price Prospects: Ireland

1. Sterling: Euro rate
2. Access to Russian and Chinese markets
3. Increased pig supplies 2010
4. Competition from imports from EU
5. Recession impact on consumer demand
6. Decline in EU production
7. Effect of home market promotion

Outlook for Costs

Feed Cost Prospects

1. Cereal prices reduced but home grown grain supply in decline
2. Soya prices remain high
3. GM approval issue could seriously affect prices

Regulatory Challenges

1. Good Agricultural Practice (Protection of Waters) Regulations

Transitional arrangements in relation to Phosphorus end in 2010

2. Welfare of Farmed Animals Regulations

Sows must be loose housed from 28 days after service until 7 days before expected farrowing date from 2013

Current Situation: January 2010 (c per kg dead weight)

Feed Cost	88
Non- Feed Costs	48
Cost of Production	136
Average Pig Price	129

Summary

- 2009: Despite Dioxin problem, producers able to cover costs
- 2010: Starting out - significant losses
- Pig Prices: prospects favourable but uncertain
- Feed Prices: significant reductions unlikely
- Other costs: will increase after 2010

Thank You

Michael A Martin

Specialist Pig Development Officer

michael.martin@teagasc.ie