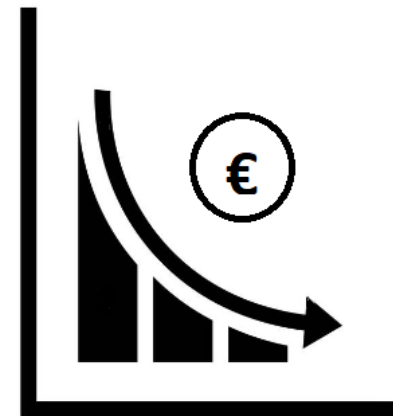


An Extreme 14 Months – Learnings so far!

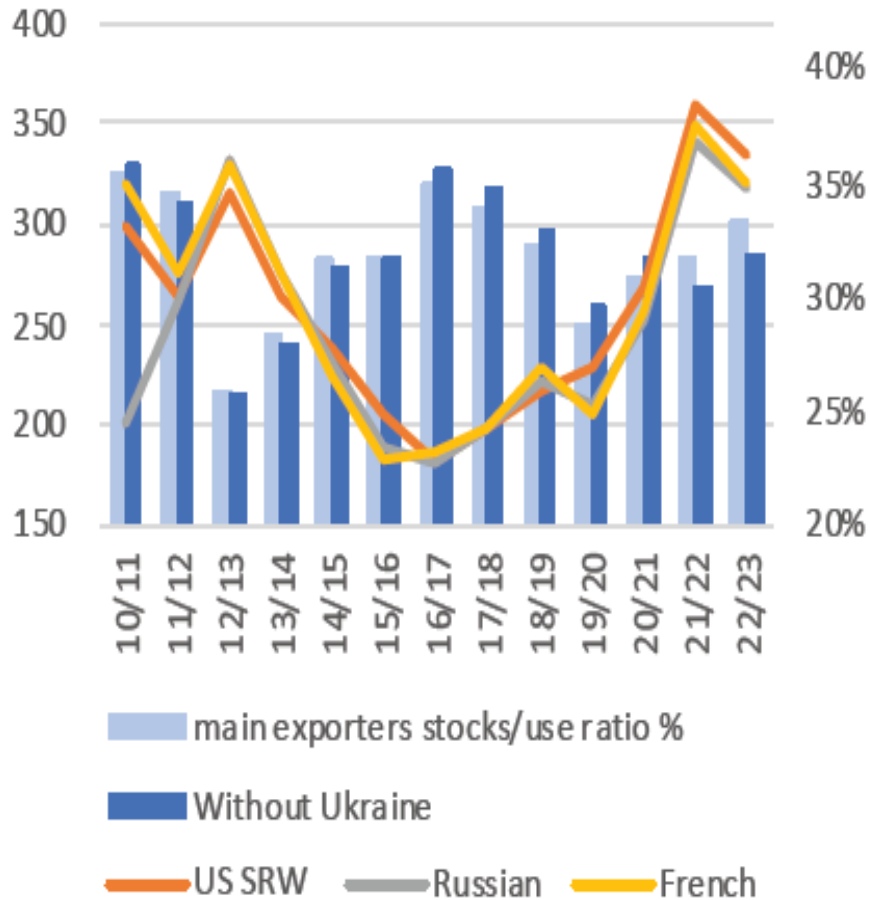


Michael McKeon



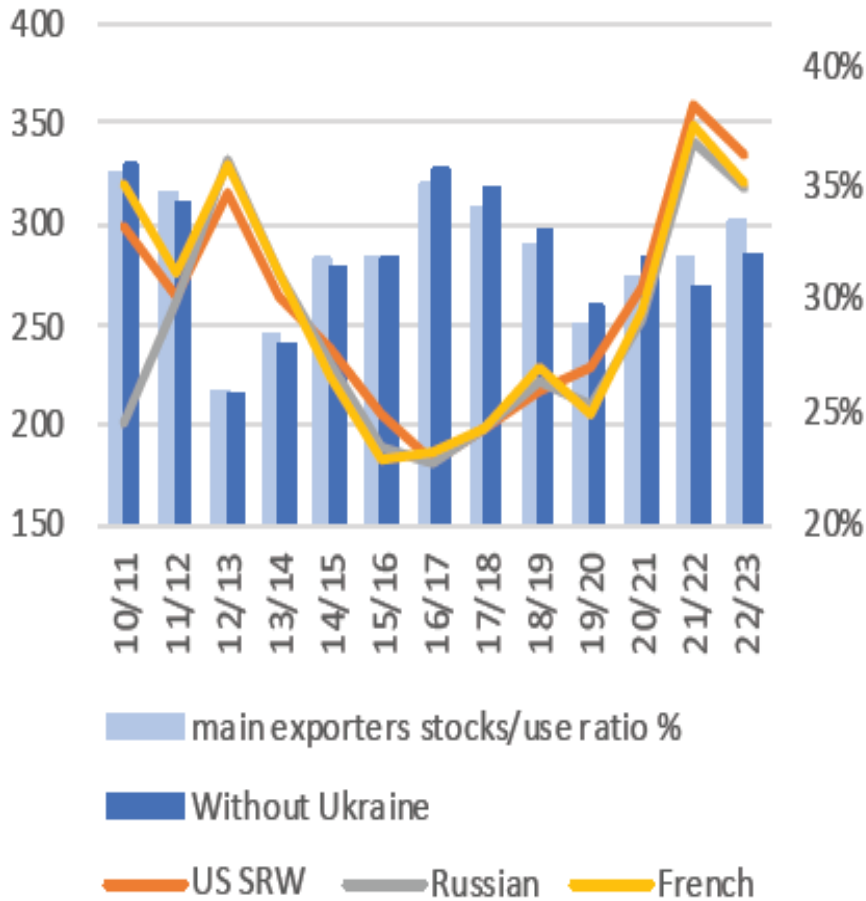
Background

STOCK-TO-USE RATIO (TOTAL WHEAT)

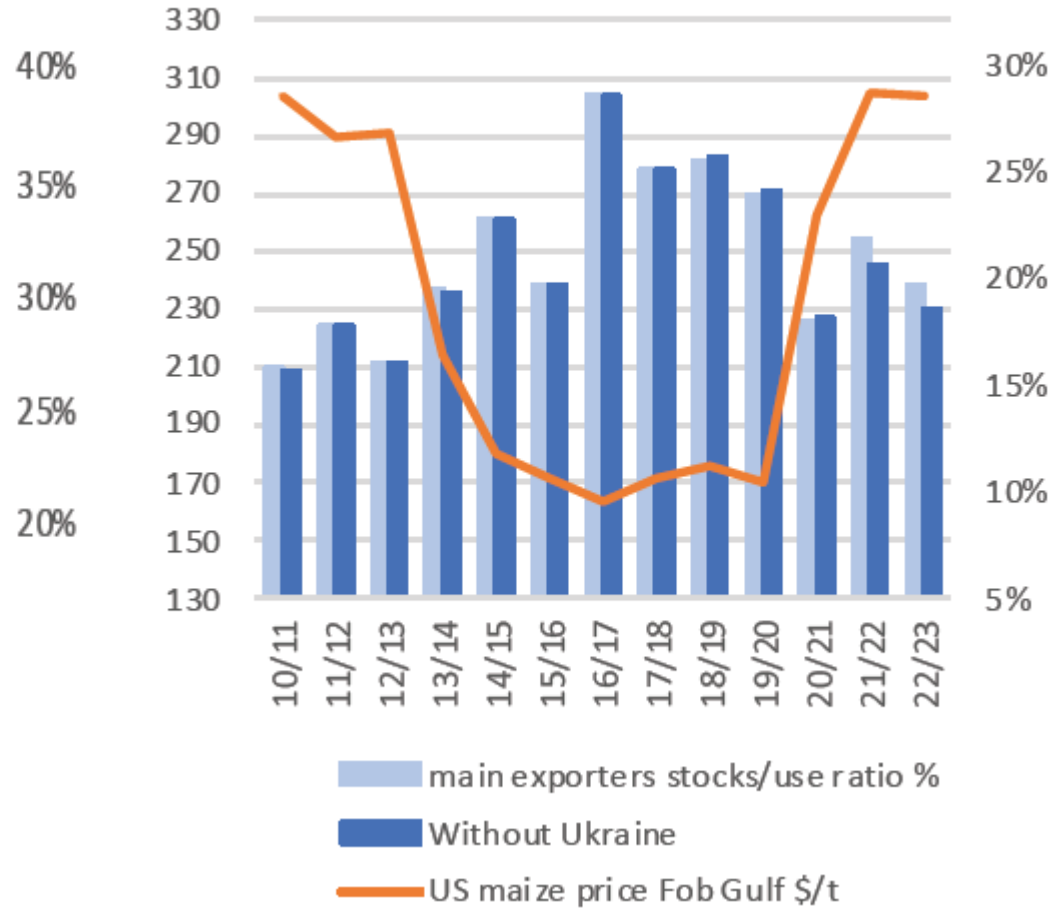


Background

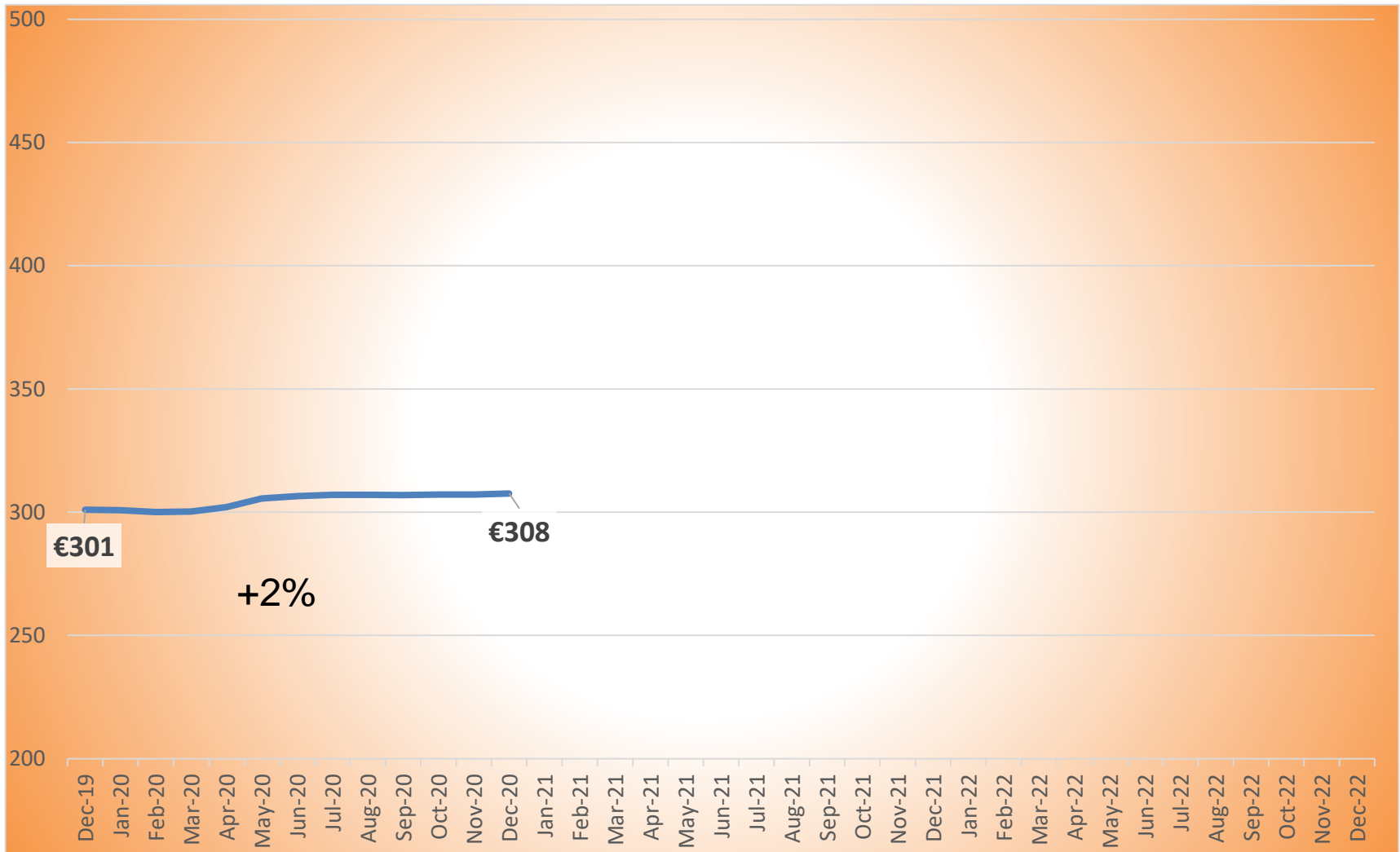
STOCK-TO-USE RATIO (TOTAL WHEAT)



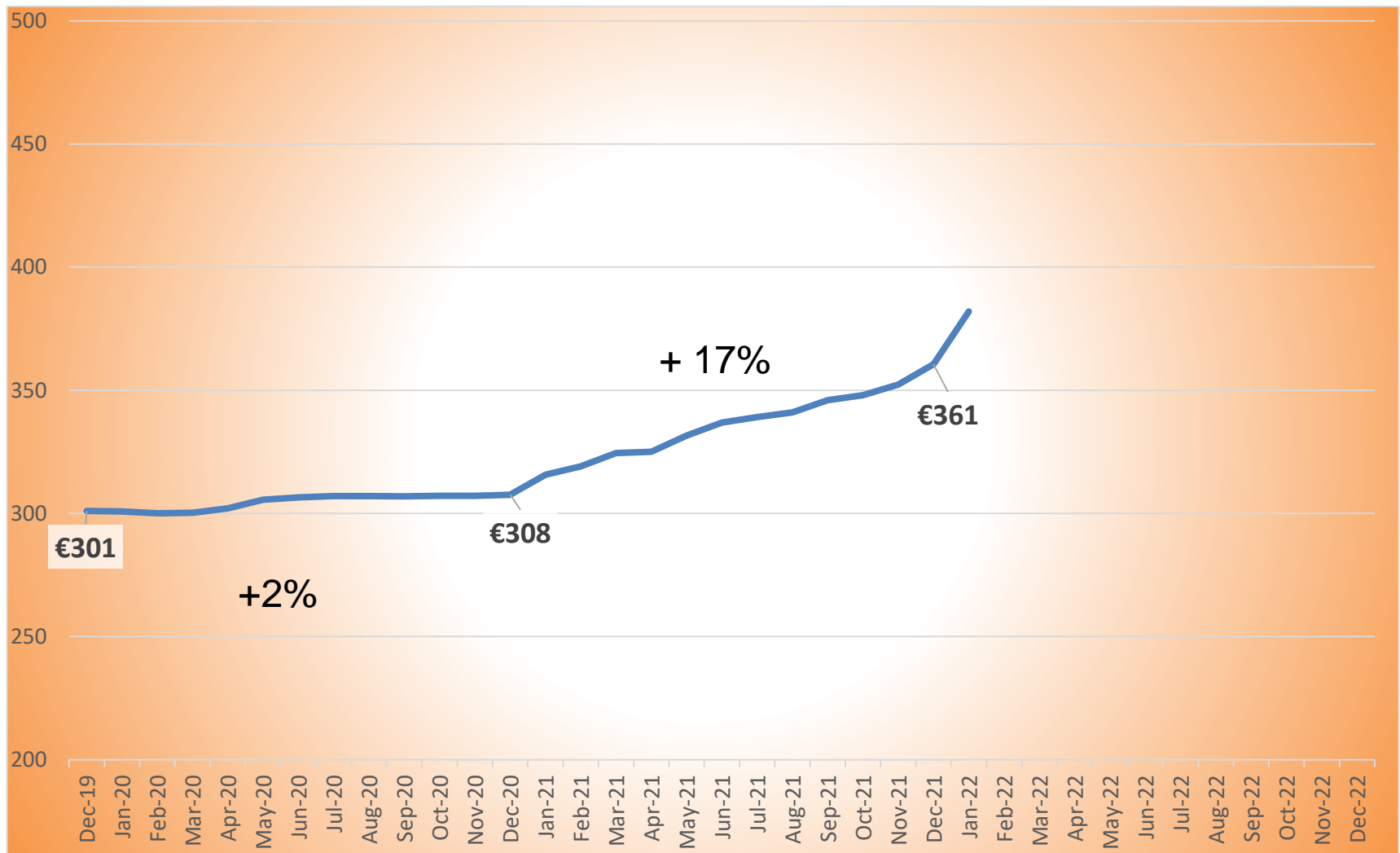
STOCK-TO-USE RATIO (MAIZE)



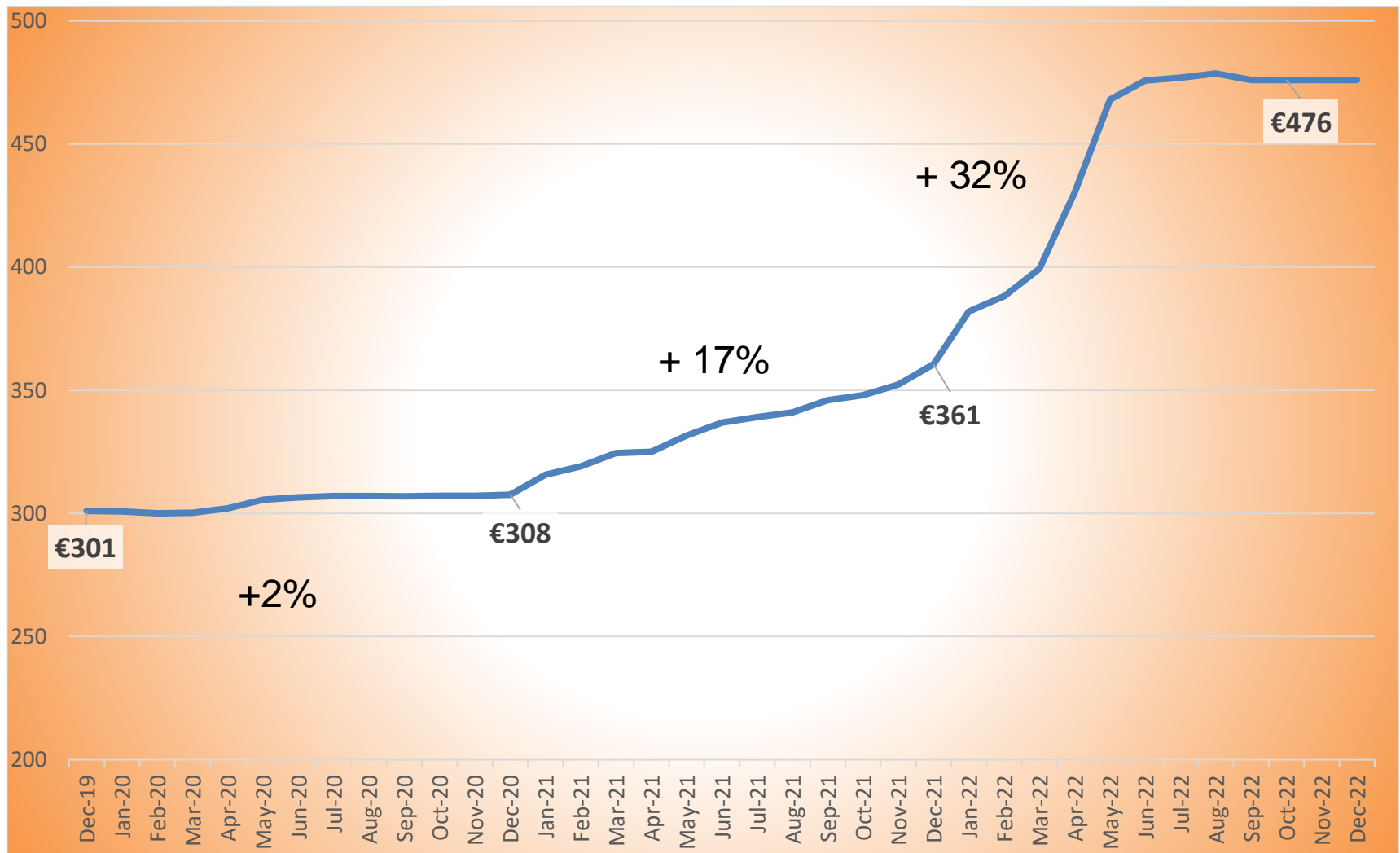
Feed costs €/t



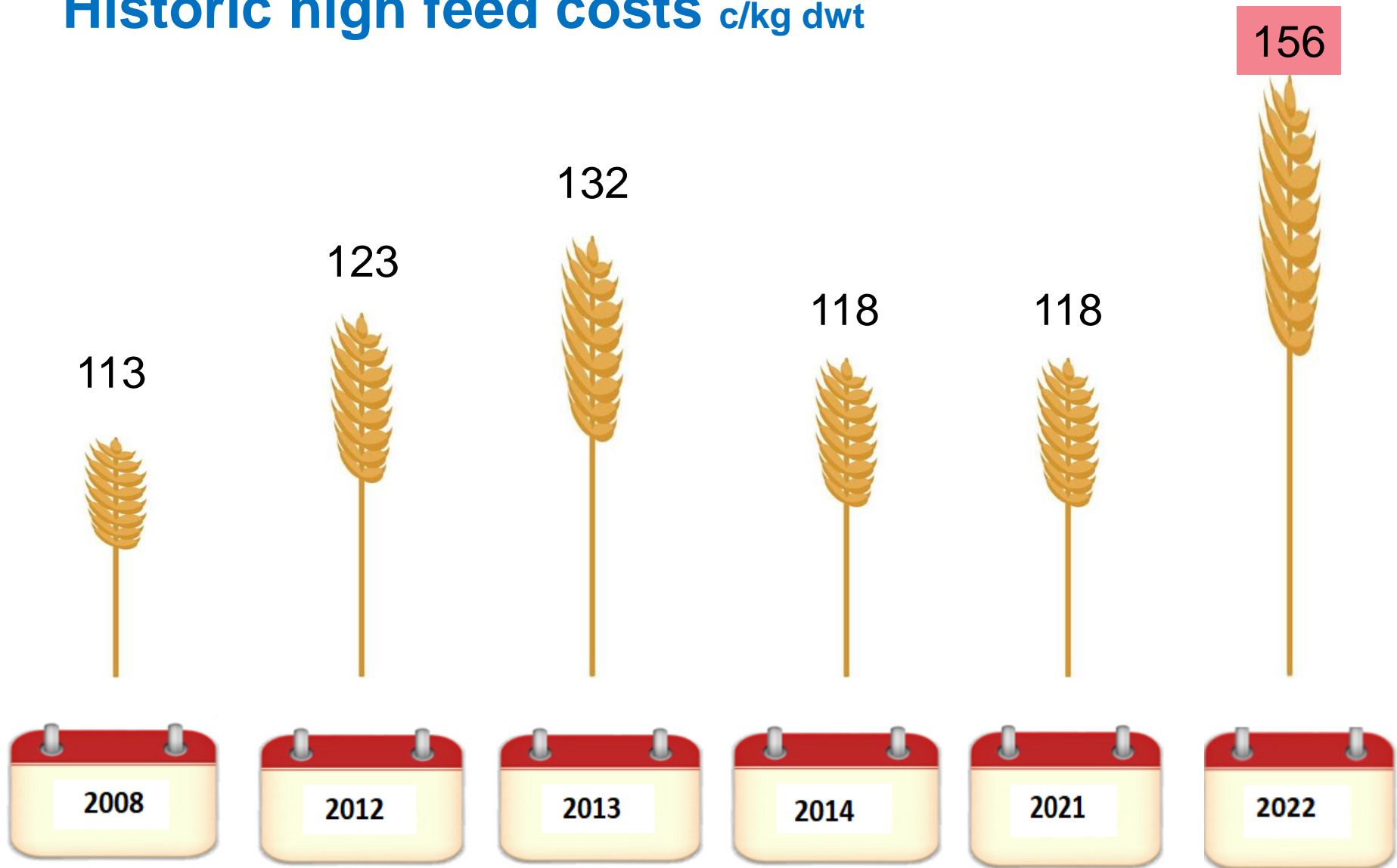
Feed costs €/t



Feed costs €/t

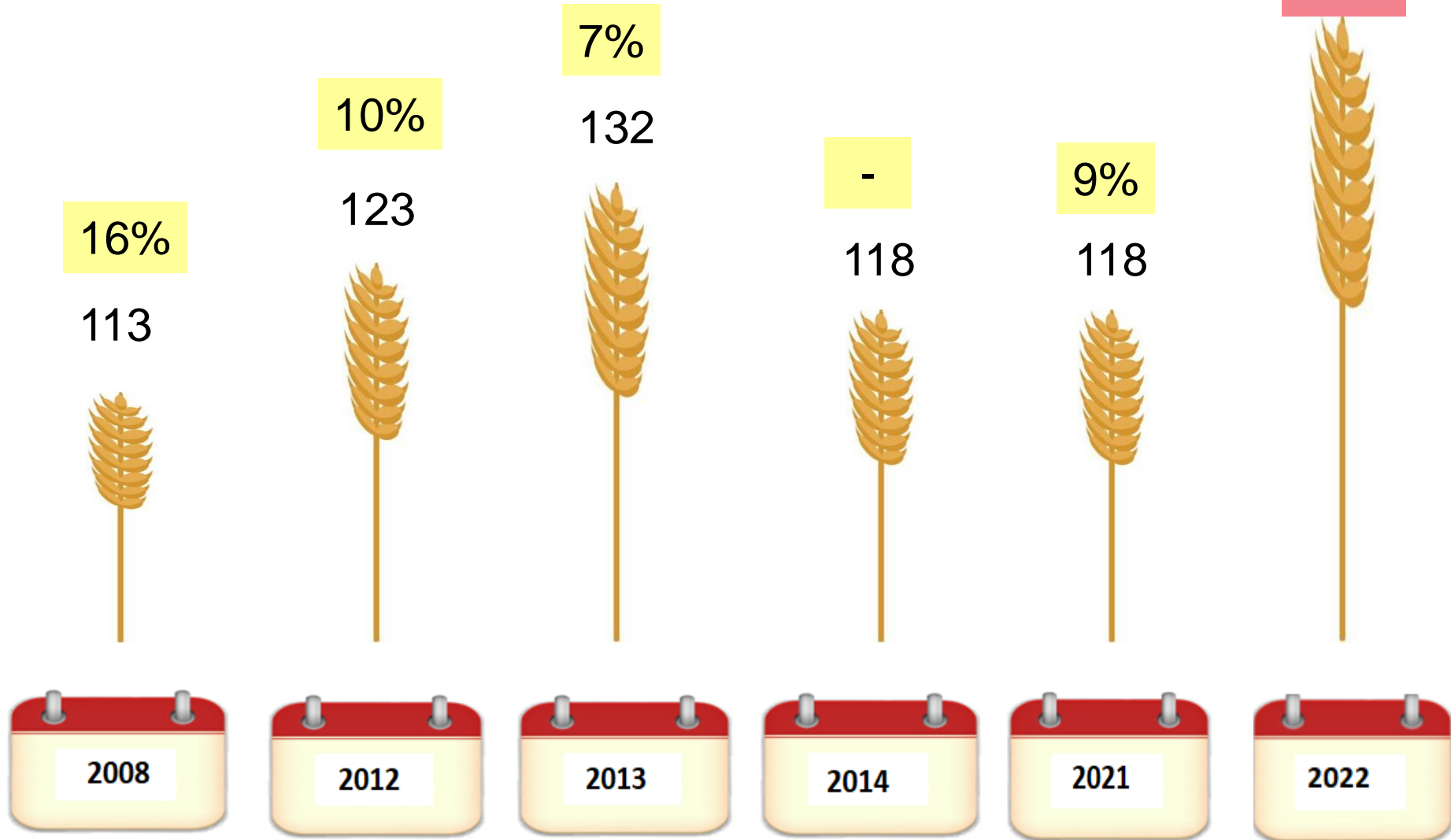


Historic high feed costs c/kg dwt

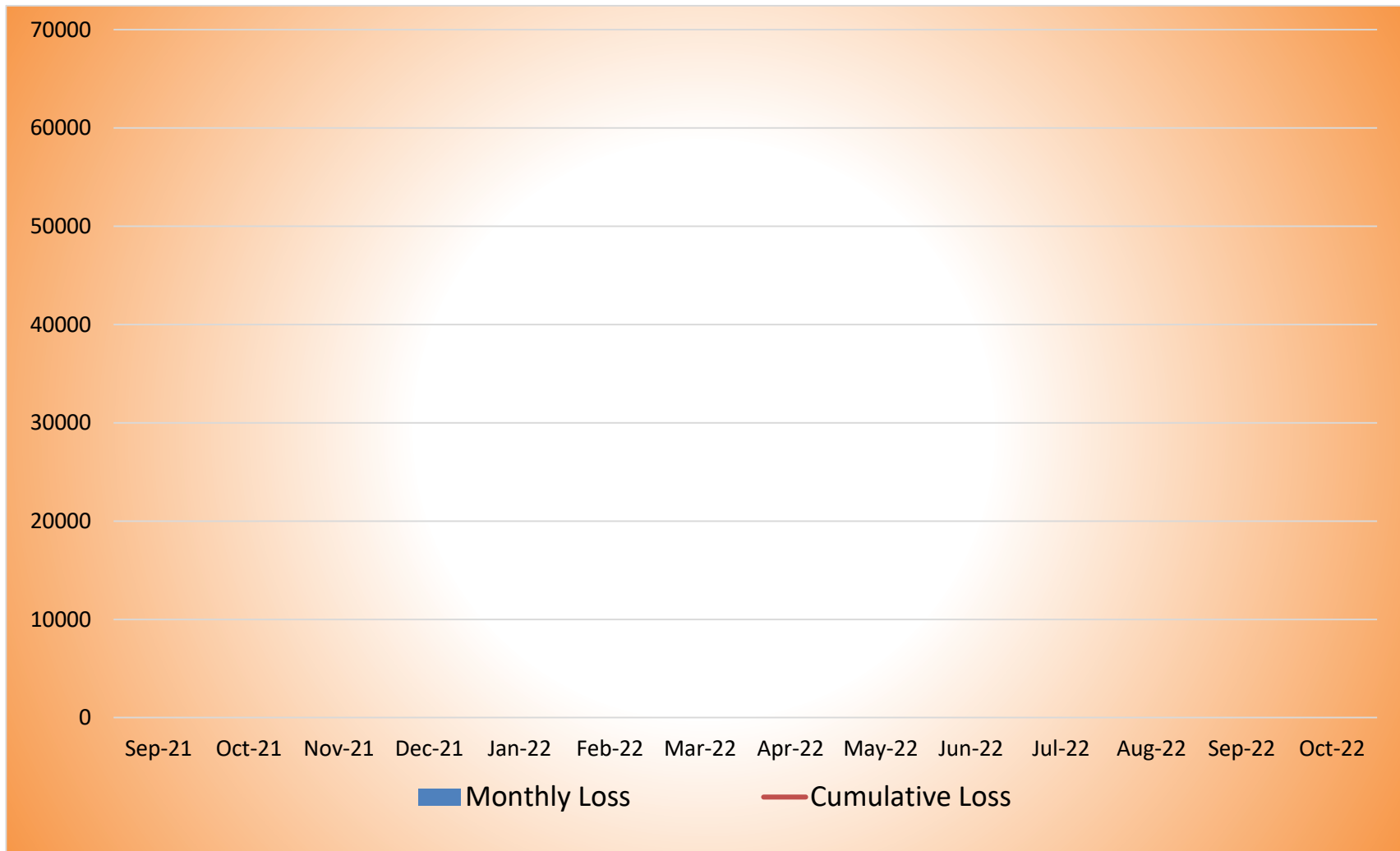


Historic feed cost rise vs previous year

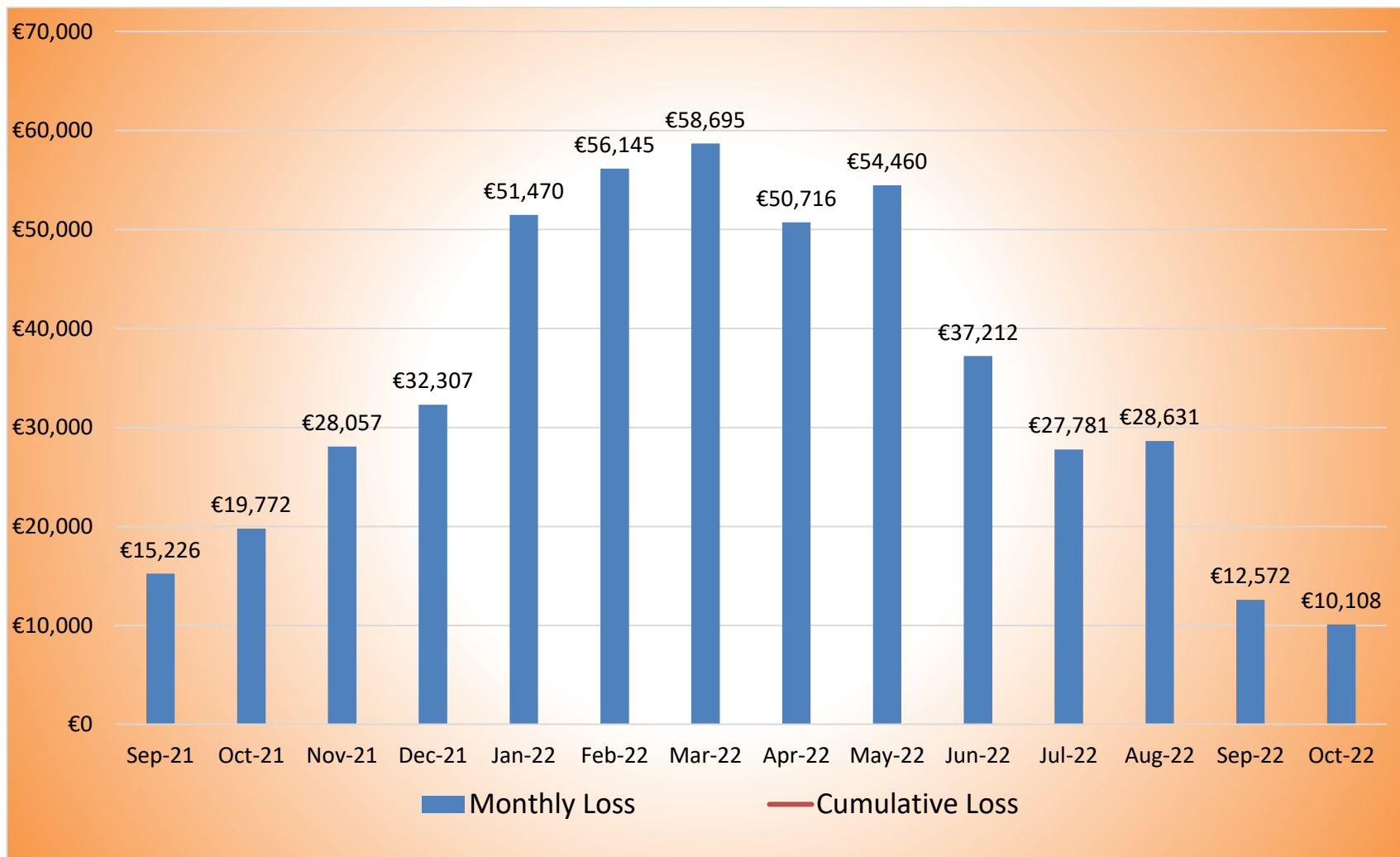
32%
156



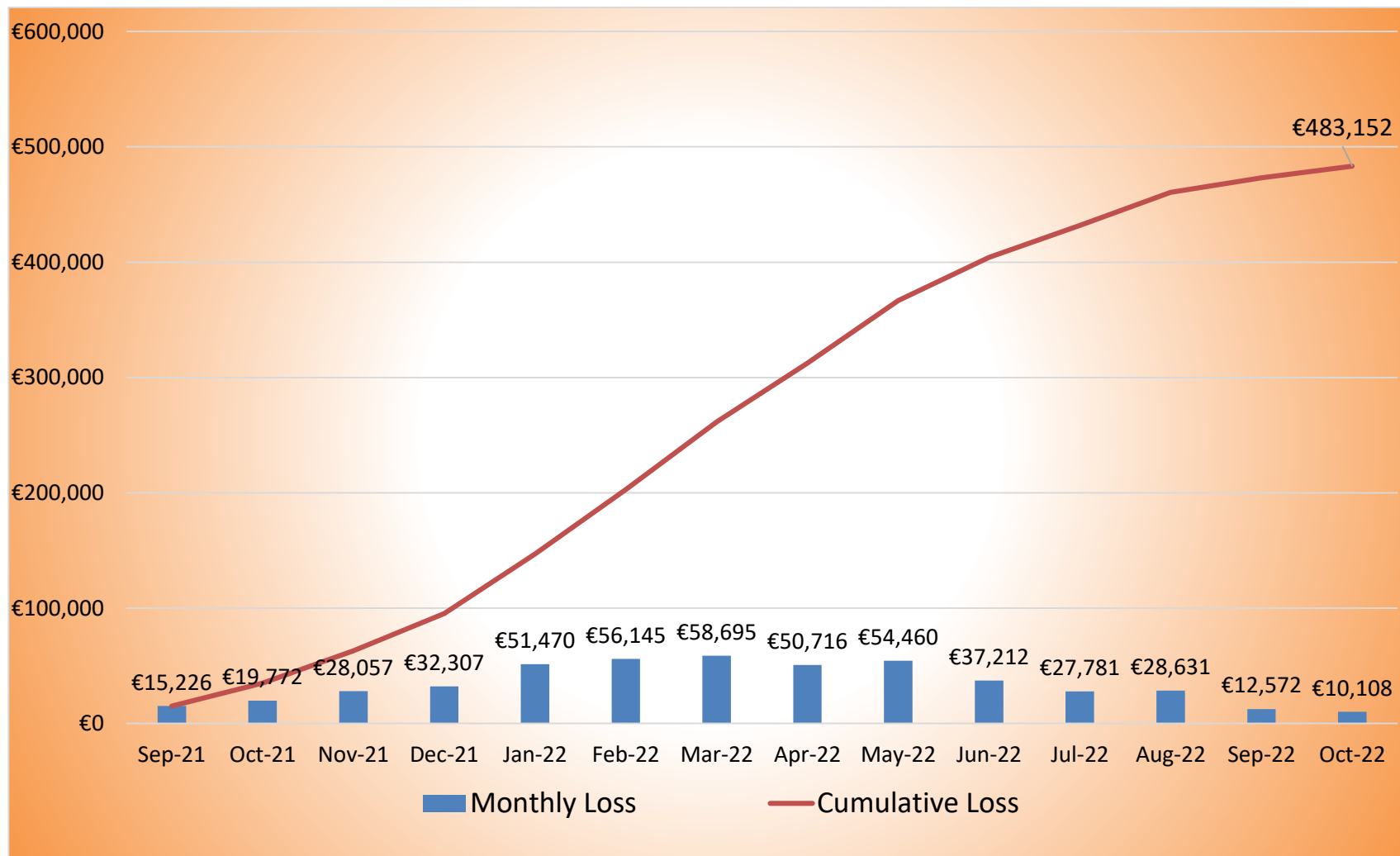
Financial Monthly Loss - ave 600 sow unit



Financial Monthly Loss - ave 600 sow unit



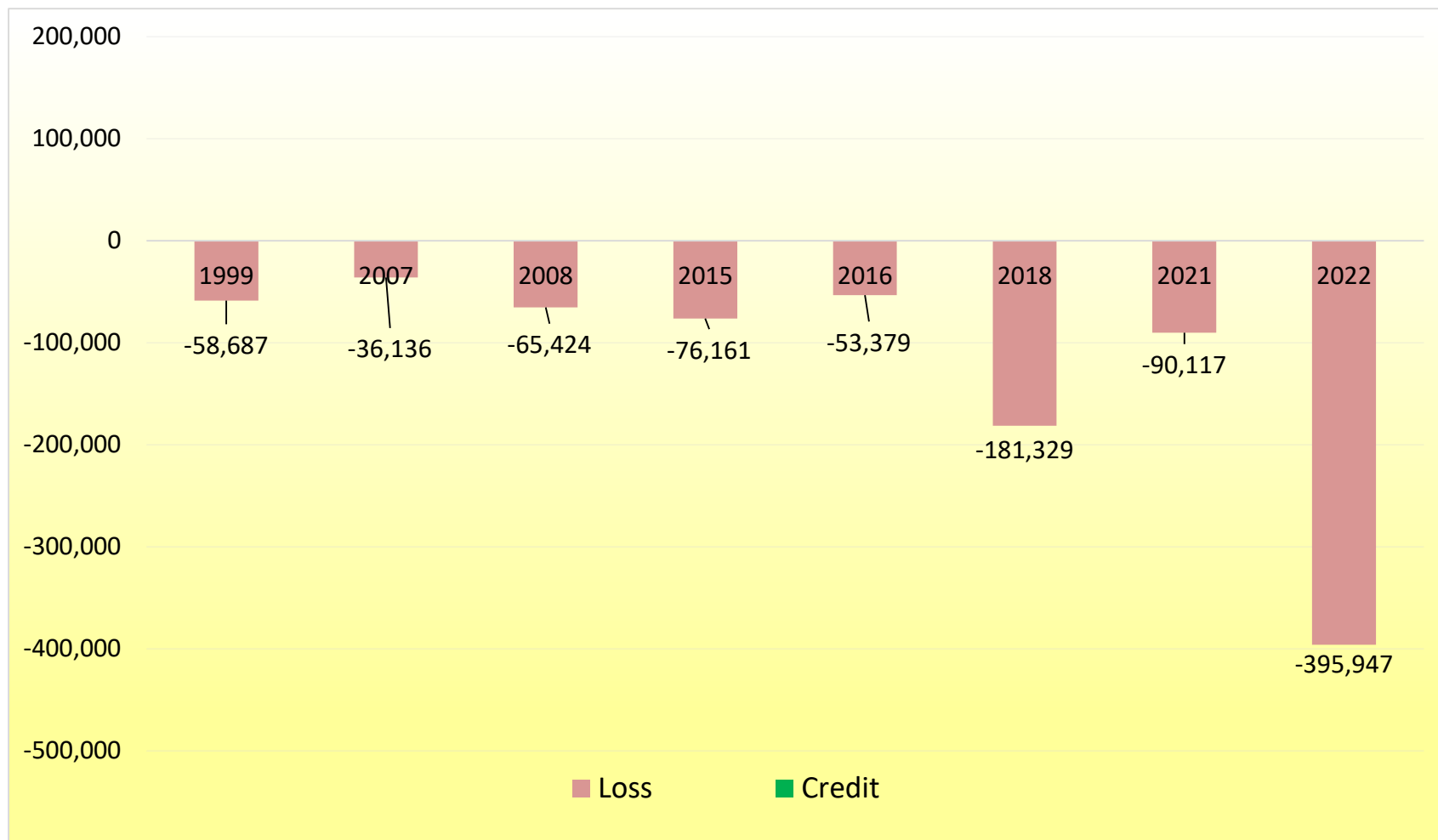
Financial Monthly Loss – ave 600 sow unit



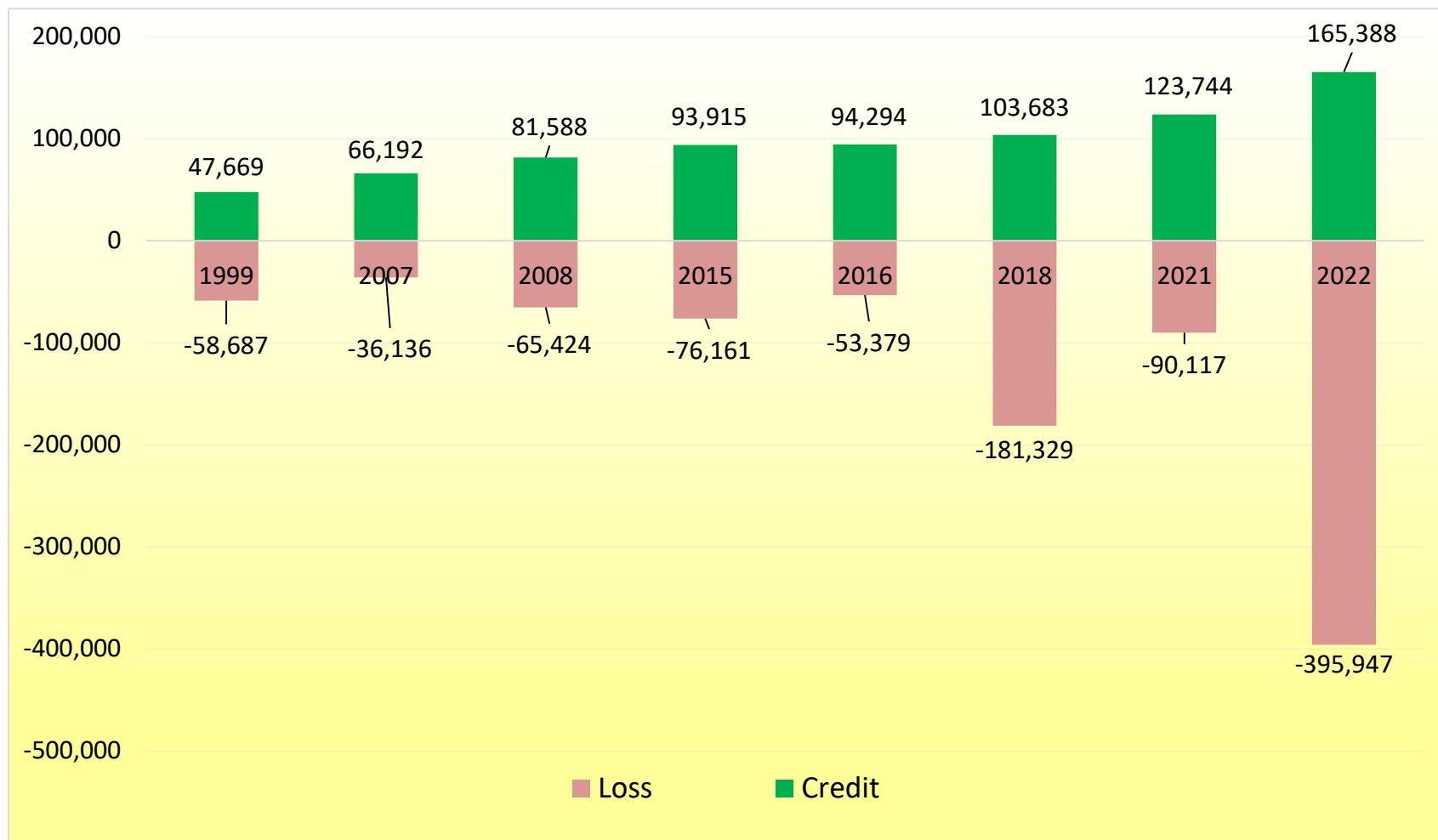
Volatility – 1 month feed credit fund



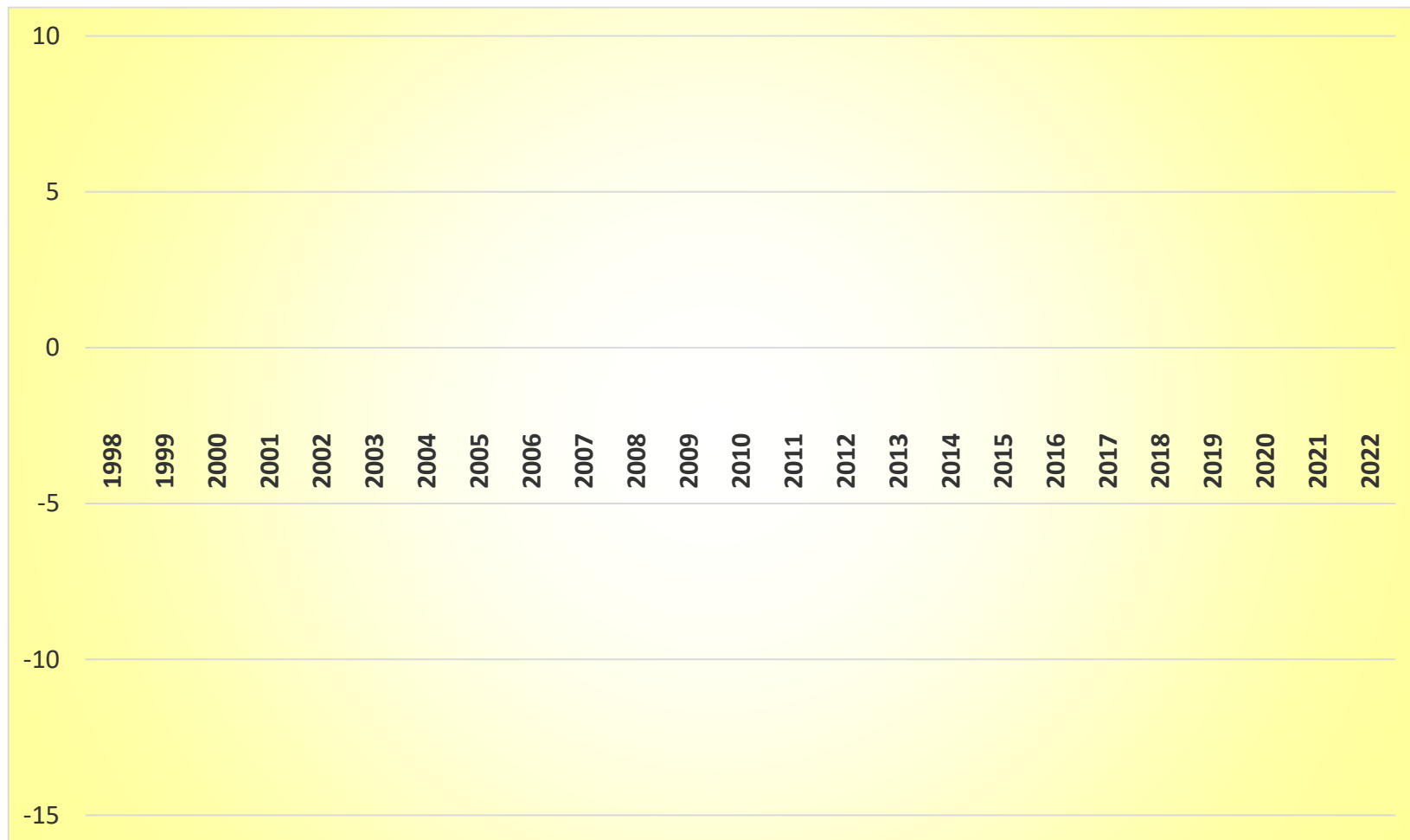
Volatility – 1 month feed credit fund



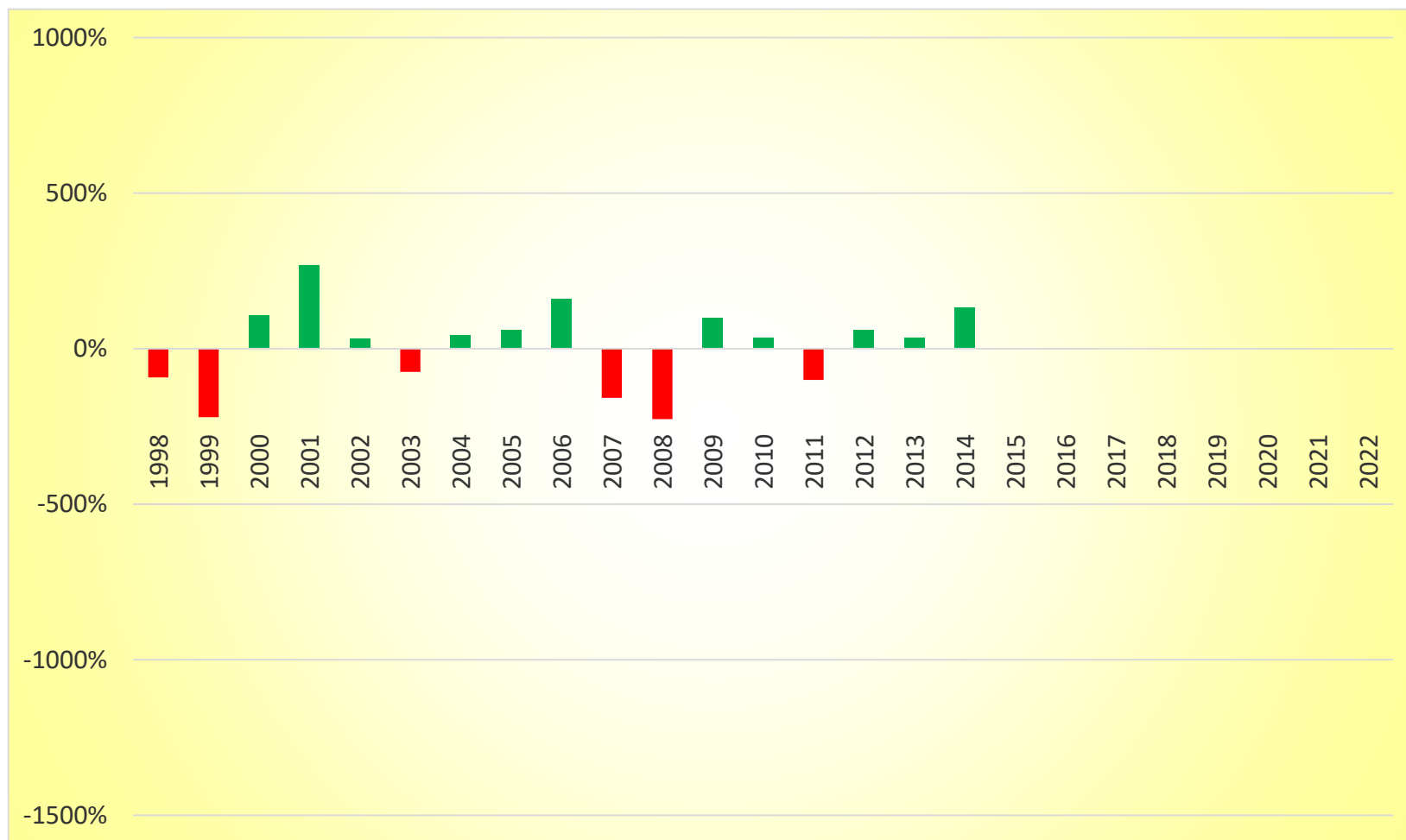
Volatility – 1 month feed credit fund



Volatility – % Variance from rolling 10 Year ave



Volatility – % variance from 10 Year ave



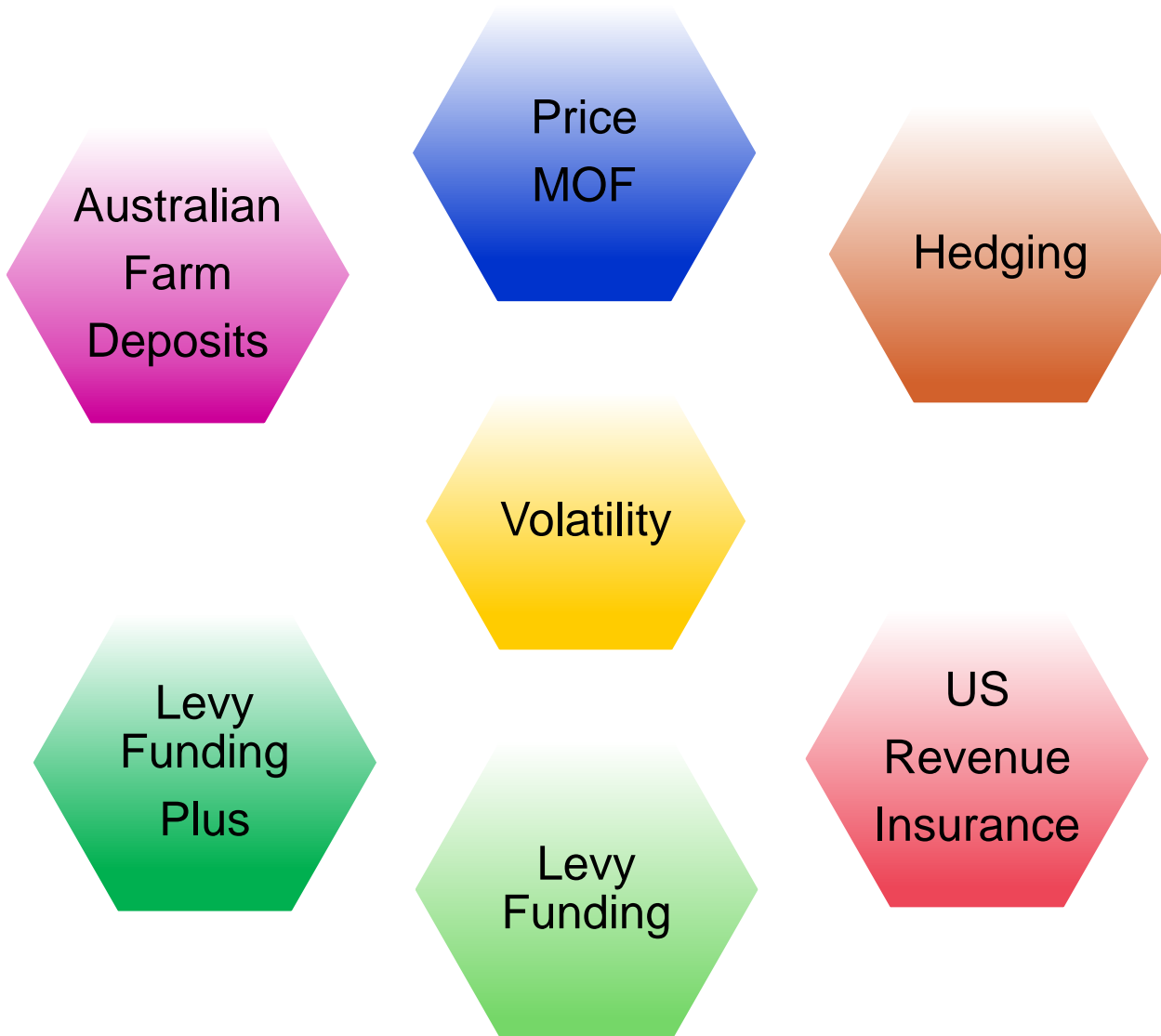
Volatility – % variance from 10 Year ave



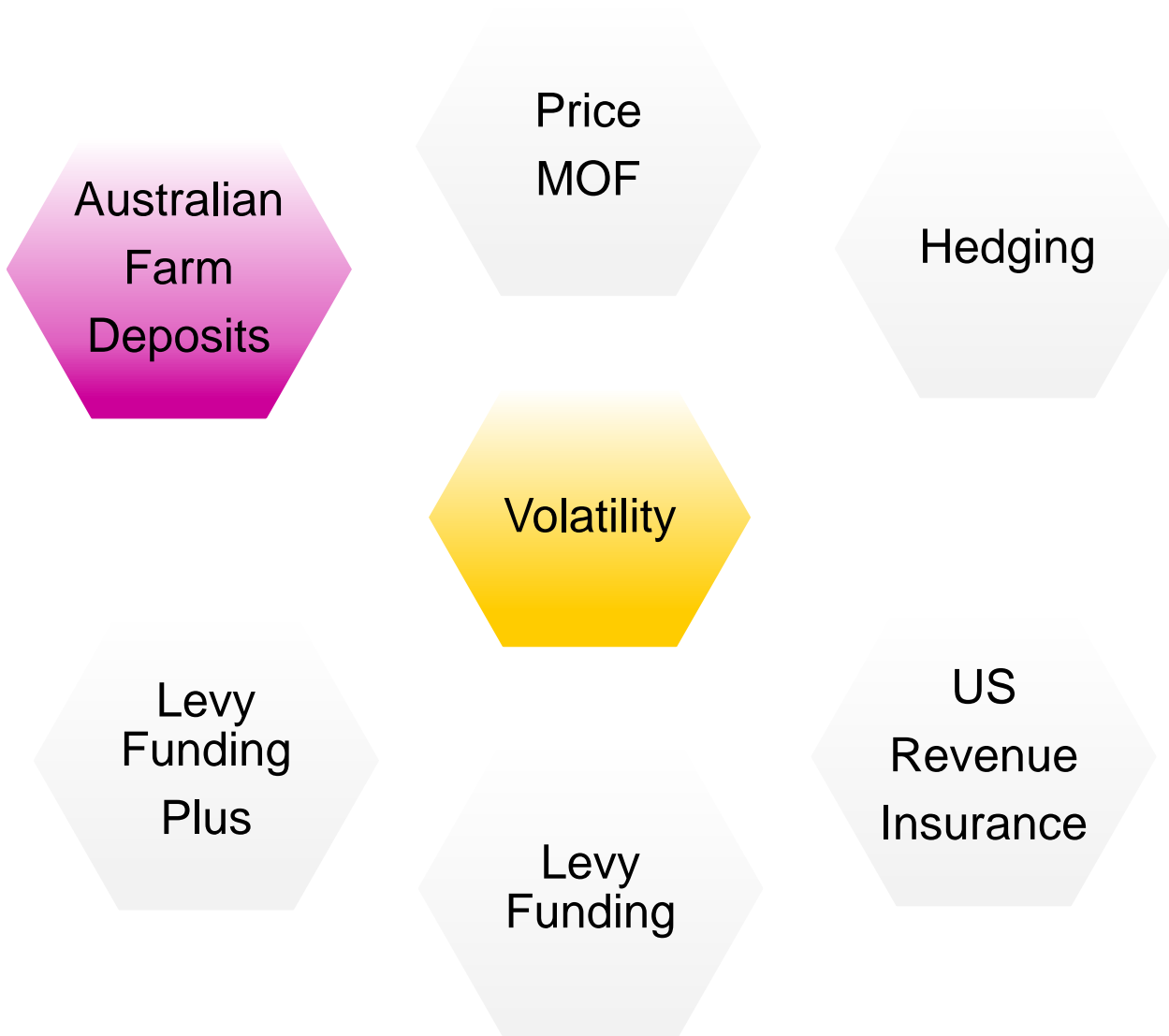
Volatility – tools to reduce



Volatility – tools to reduce



Volatility – tools to reduce



Volatility tools – Australian Farm Deposit Program

Aim

- Help farmers to deal with cashflow fluctuations

About

- In operation for over 20 years
- +\$6 billion in deposits
- Used by all farming sectors

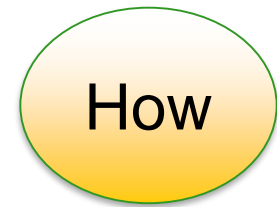
- Fund capped at \$800,000 / farmer
- Can't lodge more than taxable income for year
- Operated by all major banks
- Simply set up a specific account

Volatility tools – Australian Farm Deposit Program

How

- Set aside PRE-TAX income in good years
- Draw it down in lean years
- Money is taxed in year of withdrawal

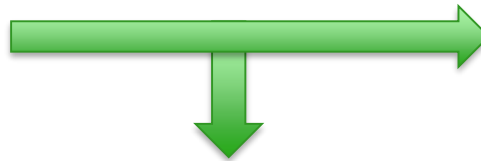
Volatility tools – Australian Farm Deposit Program



Lodge



€220,000

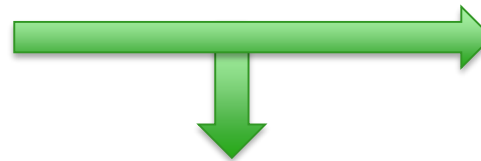


€100,000

Taxable income €120,000



€370,000

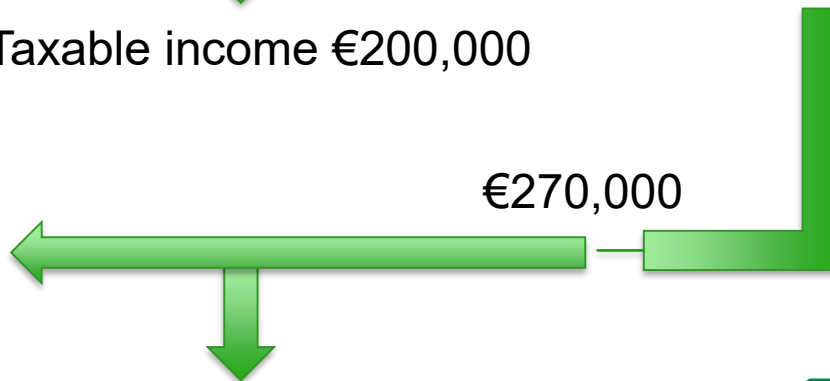


€170,000

Taxable income €200,000



- €200,000



€270,000

Taxable income €70,000

Volatility tools – Australian Farm Deposit Program



Effect

- It would even-out the annual fluctuations by building up a personal fund
- The tax efficiency aspect makes it attractive
- Easy to set-up and administer
- As it concerns Irish tax regulations it may not require formal EU approval

Conclusion



- If the pig sector is to grow & be financially sustainable in the years ahead,
- Irish pig sector stakeholders need to sit around a table and discuss how to reduce volatility for the benefit of all