2013 PIG COST OF PRODUCTION IN SELECTED COUNTRIES

£160

AHDB Market Intelligence

BPEX

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INTRODUCTION

Welcome to the latest in a series of annual reports examining the relative costs of pig meat production up to farmgate level in selected countries. All these figures relate to 2013.

EU pig prices were generally strong during 2013 as supplies were constrained following the introduction of new welfare regulations, including the partial ban on sow stalls, at the start of the year. However, unlike the previous year, feed prices were on a downward trend, meaning that producer margins generally improved as the year progressed. The impact of a sharp fall in pig prices during the autumn was, therefore, softened by the fact that feed prices were also falling during the same period.

EU pig prices started 2013 at an average of around €1.70/kg, around 20 cents higher than a year earlier. There was little sign of the normal dip in prices during January but, equally, there was no real seasonal uplift during the spring. In part, this was due to relatively poor weather conditions which subdued consumer demand, particularly in Northern Europe. Indeed, prices actually dipped slightly in the late spring, taking them close to year earlier levels. From the start of June, prices started to rise rapidly as supplies tightened further, partly due to hot weather slowing growth rates. Prices followed a similar trend to the one seen in 2012, with the peak occurring around the end of August, when the average price was at a near record €1.95/kg. From that point supplies began to increase slightly and, with demand still subdued, prices fell steadily, apart from a brief uplift just before Christmas. Prices ended the year at a similar level to where they started it.

While EU production was lower for the second year running, British pig slaughterings increased marginally despite a fall in the breeding herd during the second half of 2012. This is indicative of further improvements in productivity. For most of the year, GB pig prices were on an upward trend, reaching unprecedented levels and peaking in the autumn at over 170p/kg. The strong prices were mainly attributable to an increased retailer commitment to shorter supply chains in the wake of the discovery of horse meat in some beef products at the start of the year. This increased demand for British pork came at a time when supplies were relatively tight.

To assist producers in comparing their physical performance with other pig businesses in England, BPEX has a Key Performance Indicators (KPIs) section on its website which is updated quarterly based on Agrosoft data. The section provides average, top third and top 10 per cent performance for indoor and outdoor breeding herds, rearing and finishing herds. For more information visit www.bpex.org.uk and go to the ‘Prices, Facts and Figures’ section (Costings and Herd Performance).

METHODOLOGY

This report examines the relative costs of production in selected countries. This is a joint project currently involving the following organisations in 15 countries, which are known collectively as InterPIG.

- Great Britain – AHDB Market Intelligence, BPEX
- Austria – VLV Upper Austria
- Belgium – Flemish Government and Boerenbond Belgie
- Brazil – Embrapa Swine and Poultry
- Canada – Canadian Pork Council
- Czech Republic – Institute of Agricultural Economics and Information (UZEI)
- Denmark – Landbrug & Fødevarer, Videncenter for Svineproduktion
- France – IFIP
- Germany – Institut für Betriebswirtschaft (FAL) and Interessengemeinschaft der Schweinehalter (ISN)
- Ireland – Teagasc Rural Economy Research
- Italy – Centro Ricerche Produzioni Animali
- Netherlands – Agricultural Economics Research Institute (LEI Wageningen UR) and Product Boards for Livestock, Meat and Eggs (PVE)
- Spain – SIP Consultors
- Sweden – Svenska Pig
- USA – Iowa State University

We continue to work with other countries and organisations who wish to provide standardised results for international comparison.

The cost and performance data relates to average performance from the national recording systems operating in the participating countries. Definitions have been standardised across countries. For example, the definition of a sow is from first insemination to slaughter and the results are based on average present sows (average daily number of sows in the year).

There will inevitably still be some national differences in definition but where this has occurred the data has been adjusted in the most appropriate way. The results are believed to provide a clear indication of the relative average costs of production within each country and to provide an accurate comparison within 1-2p/kg deadweight. In an attempt to continue to improve the accuracy of the data provided, the glossary of terms and formulae used in calculations is monitored and updated. In some instances previous years' data may be updated. As a result, there may be some discrepancies between previous publications as definitions and formulae are re-aligned.

KEY POINTS

- The cost of pig meat production in Great Britain increased by four per cent in 2013, to £1.59/kg. The average cost of production in the EU was £1.56/kg deadweight, a six per cent increase in sterling terms compared to 2012

- All EU countries experienced an increase in the costs of production (in sterling terms) compared to 2012

- Average producer prices were higher in 2013 than in 2012, with five EU countries having production costs below the EU average reference price

- Average feed prices were higher in 2013 than in 2012, increasing by 6.8 per cent on average across the EU countries

- In 2013 as a whole, EU feed costs per kg increased by six per cent compared with a year earlier, in sterling terms. The cost increase in Great Britain was five per cent, amongst the lowest in the EU. In the EU, only Czech Rep experienced a reduction in feed costs compared to 2012, due to significant improvements in physical performance

- The overall average number of pigs weaned per sow per year in the European InterPIG countries showed a three per cent increase in 2013, up from 25.34 in 2012 to 26.06, with Denmark achieving 30.0 for the first time. There was a four per cent increase in pigs weaned per sow in Great Britain to 23.63, this was the lowest amongst the InterPIG members

- The main reason Great Britain has a below average number of pigs weaned per sow lies in the number of pigs born alive per litter. The 2013 average, at 11.87, was lower than all other European InterPIG members, although it was an increase compared to 11.54 in 2012. The EU average was 13.0, with six EU countries achieving more than 13 pigs born alive per litter

- The average number of pigs finished per sow in Great Britain increased in 2013. At 22.23 pigs per sow, average performance was 0.54 pigs higher than in 2012

- Great Britain produced 1.77 tonnes of carcase meat per sow in 2013, four per cent higher than in 2012 due to a combination of a small increase in the number of pigs finished per sow and an increase in finishing weight

- A BPEX survey of pig businesses that have achieved the 2TS target identified two common factors affecting high performing success:

    - A weekly analysis and review of herd performance data and discussing with staff actual herd performance relative to targets

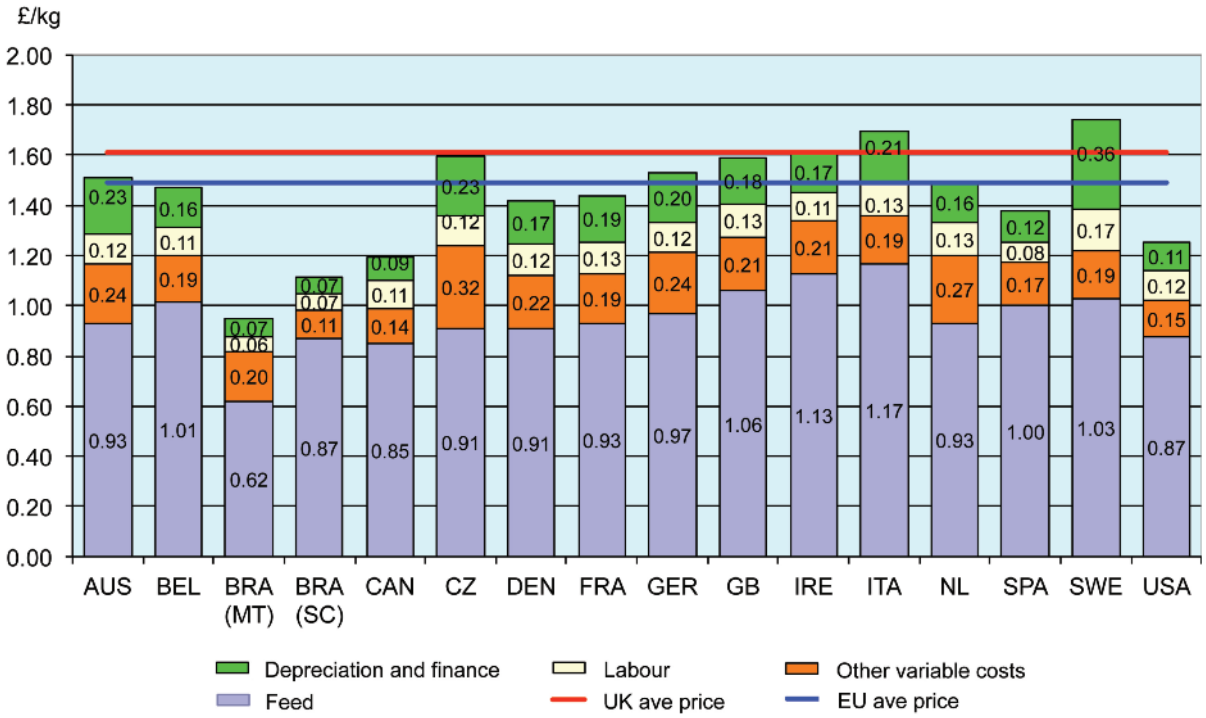
    - Engaging staff and delivering a structured approach to staff training and skills development.

The survey also examined other factors such as production systems, building design and age, herd health status, nutrition and genetics but there were no other factors common to the cohort of high performing businesses.

Aggregate results for 2013

The production costs of pig meat in 2013 for all the countries covered in this report are shown below in Figure 1. This data includes all variable costs (other than transport of pigs to abattoirs) and fixed costs. Fixed costs include depreciation and interest costs for capital items such as buildings and equipment. Costs for regular and casual labour are included but no allowances are made for directors' salaries or partners' drawings.

Figure 1 Cost of production in selected countries, 2013



The average cost of production in the EU in 2013 was £1.56/kg deadweight, a six per cent increase on the previous year, mainly due to feed cost increases. Costs of production in Great Britain were higher at £1.59, a four per cent increase on the previous year, due to an annual increase in feed cost and a small increase in variable costs. As in 2012, Sweden had the highest costs at £1.74, with Italy the second highest at £1.70. The three countries with the lowest production costs in the EU were; Spain (£1.38), Denmark (£1.42) and France (£1.44).

The average UK reference price was 10 per cent higher during 2013 than in 2012, averaging £1.61/kg, eight per cent above the EU average of £1.49/kg. With rising pig prices there was a seven per cent difference between the beginning and end of 2013. As a result the average UK costs of production were estimated to be above the average price received for only five of the 12 months. Across the EU countries which were sampled, there was a technical loss of five pence on every kg of pig meat produced, with five EU countries (Belgium, Denmark, France, Spain and the Netherlands) having production costs below the EU average reference price.

Comparisons with previous years (in sterling terms)

Costs of production in 2013, compared with results for the five previous years, are shown in Table 1. The average cost of production in the EU countries was six per cent higher than 2012 levels for the same countries and stood at £1.54/kg. All EU countries experienced an increase in the costs of production.

Table 1 Average costs of production, 2008–2013 (£/kg deadweight)

Year	2008	2009	2010	2011	2012	2013	2013/12 % change
Austria	1.34	1.28	1.36	1.45	1.43	1.51	5
Belgium	1.29	1.24	1.25	1.39	1.40	1.47	5
Brazil (MT)	na	na	0.86	1.02	0.93	0.95	2
Brazil (SC)	0.88	0.88	0.93	1.17	1.17	1.12	-4
Canada	0.85	0.91	0.94	1.12	1.17	1.19	2
Czech. Rep.	1.56	1.47	1.52	1.57	1.54	1.59	4
Denmark	1.25	1.25	1.19	1.37	1.35	1.42	5
France	1.23	1.21	1.16	1.38	1.34	1.44	8
Germany	1.35	1.35	1.29	1.51	1.45	1.53	6
Great Britain	1.29	1.29	1.39	1.49	1.53	1.59	4
Ireland	1.34	1.31	1.28	1.48	1.44	1.62	13
Italy	1.49	1.54	1.52	1.68	1.59	1.70	7
Netherlands	1.27	1.29	1.21	1.40	1.35	1.49	11
Spain	1.29	1.27	1.20	1.38	1.32	1.38	5
Sweden	1.41	1.29	1.44	1.67	1.66	1.74	5
USA	0.87	0.97	0.96	1.09	1.12	1.25	12
EU	**1.34**	**1.31**	**1.32**	**1.48**	**1.46**	**1.54**	**6**

Comparisons with previous years (in euro terms)

During 2013, the pound strengthened against the euro. Consequently, the increase in average costs was lower in euro terms, as shown in Table 2, than in sterling terms. Historic exchange rates are given in Appendix 3, Table 9.

Table 2 Average costs of production, 2008–2013 (€/kg deadweight)

Year	2008	2009	2010	2011	2012	2013	2013/12 % change
Austria	1.75	1.45	1.60	1.67	1.78	1.79	1
Belgium	1.68	1.41	1.48	1.61	1.73	1.74	0
Brazil (MT)	na	na	1.02	1.18	1.17	1.13	-3
Brazil (SC)	1.14	0.99	1.10	1.35	1.46	1.33	-9
Canada	1.10	1.03	1.11	1.29	1.45	1.41	-3
Czech. Rep.	1.98	1.65	1.76	1.79	1.86	1.87	0
Denmark	1.64	1.42	1.41	1.59	1.68	1.68	0
France	1.61	1.37	1.37	1.60	1.66	1.71	3
Germany	1.78	1.54	1.53	1.76	1.82	1.82	-0
Great Britain	1.69	1.46	1.64	1.74	1.91	1.89	-1
Ireland	1.74	1.48	1.52	1.72	1.80	1.93	7
Italy	1.93	1.74	1.79	1.95	1.98	2.01	2
Netherlands	1.67	1.46	1.43	1.62	1.68	1.77	5
Spain	1.67	1.44	1.42	1.60	1.64	1.64	-0
Sweden	1.86	1.47	1.72	1.96	2.08	2.08	-0
USA	1.12	1.10	1.12	1.27	1.40	1.49	6
EU	**1.75**	**1.49**	**1.56**	**1.72**	**1.80**	**1.83**	**1**

FINANCIAL PERFORMANCE SUMMARY

Table 3 contains financial performance data for 2013, while Table 4 presents comparisons with 2011 and 2012. Among the EU countries there was a range of 36p/kg between the highest-cost and the lowest-cost producer, a three pence reduction in the range observed in 2012. The recorded differences are due to a combination of physical performance and input costs (eg feed, depreciation).

Table 3 Summary of financial performance, 2013 (£/kg deadweight)

	AUS	BEL	BRA (MT)	BRA (SC)	CAN	CZ	DEN	FRA	GER
Feed	0.93	1.01	0.62	0.87	0.85	0.91	0.91	0.93	0.97
Other variable costs	0.24	0.19	0.20	0.11	0.14	0.32	0.22	0.19	0.24
Total variable costs	1.17	1.20	0.82	0.98	0.99	1.24	1.12	1.13	1.21
Labour	0.12	0.11	0.06	0.07	0.11	0.12	0.12	0.13	0.12
Depreciation and finance	0.23	0.16	0.07	0.07	0.09	0.23	0.17	0.19	0.20
Total fixed costs	0.35	0.27	0.13	0.13	0.20	0.36	0.30	0.31	0.32
Total	**1.51**	**1.47**	**0.95**	**1.12**	**1.19**	**1.59**	**1.42**	**1.44**	**1.53**

	GB	IRE	ITA	NL	SPA	SWE	USA	AVE EU
Feed	1.06	1.13	1.17	0.93	1.00	1.03	0.87	1.00
Other variable costs	0.21	0.21	0.19	0.27	0.17	0.19	0.15	0.22
Total variable costs	1.27	1.34	1.36	1.20	1.17	1.22	1.02	1.22
Labour	0.13	0.11	0.13	0.13	0.08	0.17	0.12	0.12
Depreciation and finance	0.18	0.17	0.21	0.16	0.12	0.36	0.11	0.20
Total fixed costs	0.32	0.28	0.34	0.29	0.20	0.52	0.23	0.32
Total	**1.59**	**1.62**	**1.70**	**1.49**	**1.38**	**1.74**	**1.25**	**1.54**

**totals may not add up due to rounding*

Feed costs

Market developments in 2013

Following the poor global harvest in 2012, cereals prices began 2013 at very high levels. UK feed wheat prices were above £200 per tonne during the first two months of the year. However, with prospects for the 2013 harvest looking increasingly favourable, prices eased back steadily throughout the first half of the year. With no major weather events affecting the major producing regions during the year, the global grains harvest reached a record level. This allowed stocks to be replenished and prices to fall. By the summer, UK feed wheat prices had fallen to between £150 and £160 per tonne and remained around this level for the remainder of the year. Although this was a considerable fall compared with the prices recorded through much of 2012, it was still a relatively high price by historic standards.

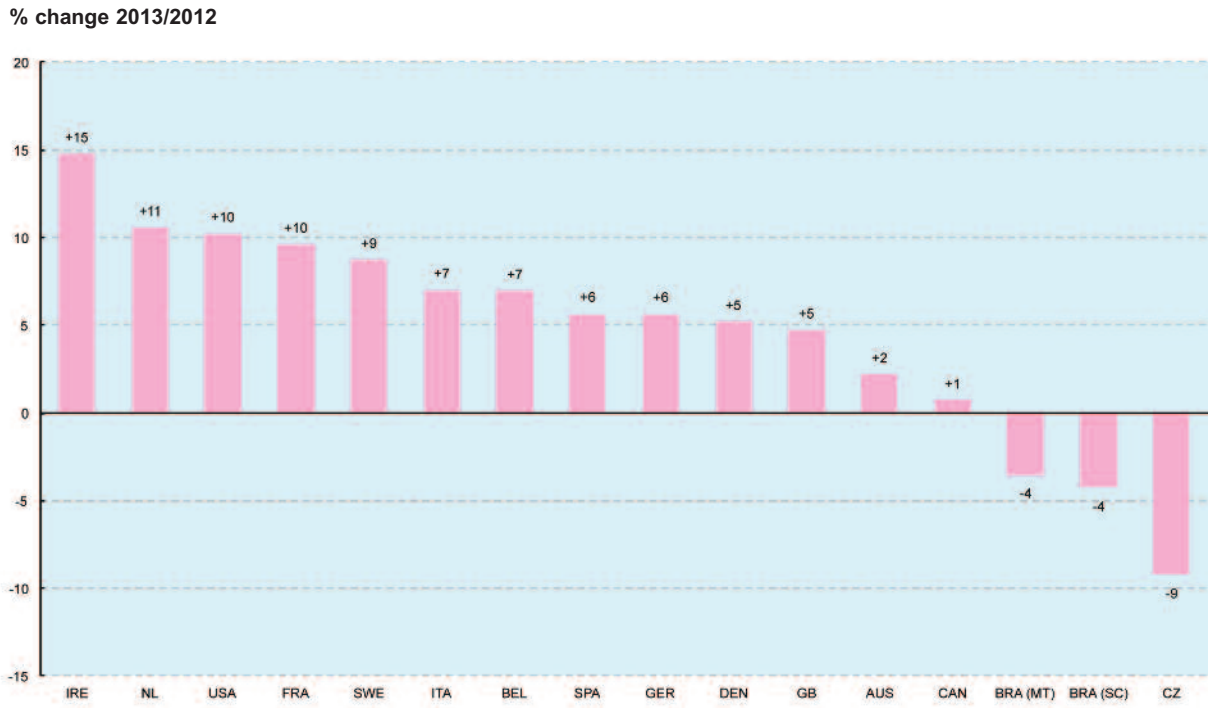
Weather conditions were generally favourable for oilseed production too, particularly in South America, with another record crop during the season. However, with demand rising at a similar rate to supply, meal prices remained relatively strong. China, in particular, was purchasing more soyameal as it focused its crop production on grains at the expense of oilseeds. Firm prices were also partly a result of logistical issues, most notably in Brazil, which slowed the pace at which the record crops were able to reach international markets. Chicago soyameal futures spent most of the year between $400 and $450 per tonne, with no clear trend. However, Paris rapeseed futures did fall from around €470 per tonne in the early part of the year to €370 per tonne at its end.

Compound pig feed prices broadly followed the trends in ingredient prices. They started the year relatively expensive and only eased gradually during the first half of the year. However, following harvest, prices fell more rapidly and the EU average price ended 2013 almost 20% lower than at the start of the year.

The impact on pig producers' feed costs in 2013

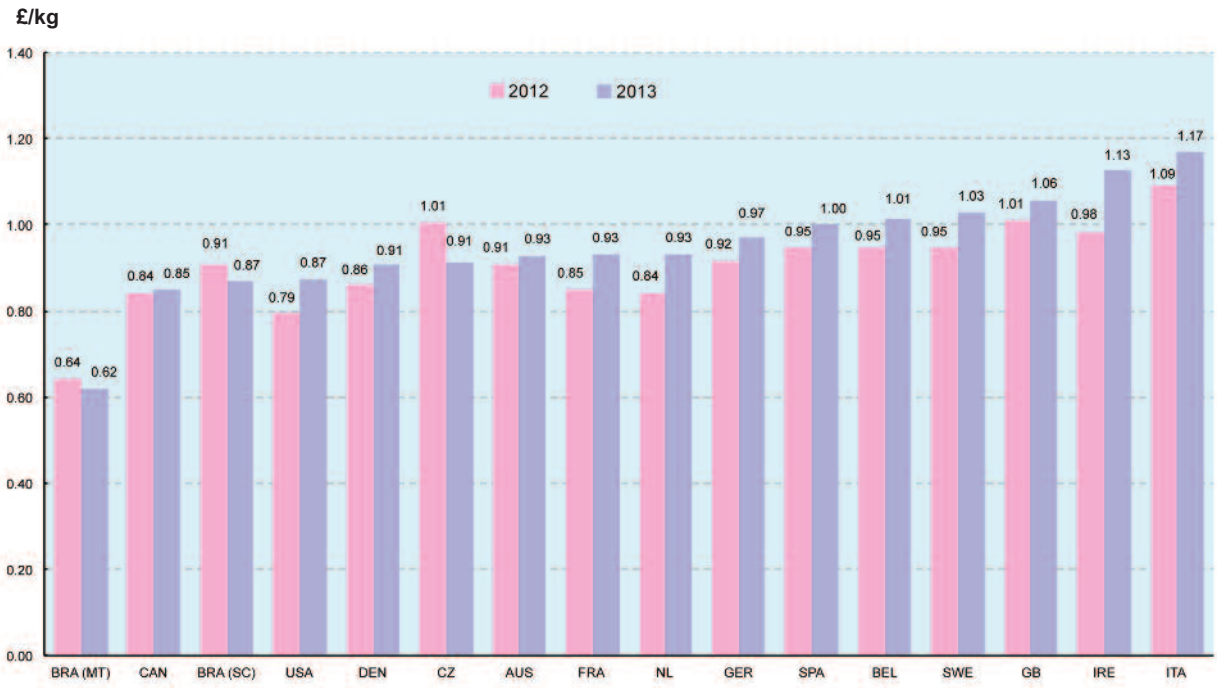
With continued high prices for raw materials, on average pig feed costs were higher in 2013 than in 2012. Across the EU members of InterPIG, prices rose (in sterling terms) by an average of 6.8 per cent compared to the previous year, with rearer feed rising most rapidly. There was a much larger range of feed prices across the EU countries this year, with a difference of over £79 per tonne between the highest and lowest average feed price.

Figure 2 Changes in feed costs, 2013



The impact of feed prices on the feed cost per kg is also affected by physical performance. There was a greater variation in feed costs per kg in 2013 compared to 2012. The variation was from a nine per cent reduction in Czech Rep to a 15 per cent increase in Ireland.

Figure 3 Feed costs, 2013



Feed costs averaged £1.06/kg in Great Britain, compared with the £1.01 recorded in 2012, an increase of five per cent. The increase in feed costs in Great Britain during 2013 was amongst the lowest in the InterPIG group, compared to the average EU increase of six per cent. Feed costs in Great Britain were six per cent above the EU average of 99.8p/kg, lower than the 10 per cent difference in 2012.

Table 4 Summary of financial performance, 2011–2013 (£/kg deadweight)

	AUS			BEL			BRA (SC)		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Feed	0.87	0.91	0.93	0.91	0.95	1.01	0.84	0.91	0.87
Other variable costs	0.25	0.21	0.24	0.18	0.17	0.19	0.14	0.12	0.11
Total variable costs	1.12	1.12	1.17	1.08	1.12	1.20	0.98	1.03	0.98
Labour	0.13	0.12	0.12	0.12	0.11	0.11	0.10	0.07	0.07
Depreciation and finance	0.20	0.19	0.23	0.18	0.17	0.16	0.08	0.07	0.07
Total fixed costs	0.33	0.31	0.35	0.30	0.28	0.27	0.18	0.14	0.13
Total	**1.45**	**1.43**	**1.51**	**1.39**	**1.40**	**1.47**	**1.17**	**1.17**	**1.12**

	CAN			CZ			DEN		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Feed	0.77	0.84	0.85	1.01	1.01	0.91	0.84	0.86	0.91
Other variable costs	0.14	0.13	0.14	0.30	0.26	0.32	0.21	0.20	0.22
Total variable costs	0.91	0.97	0.99	1.30	1.26	1.24	1.05	1.06	1.12
Labour	0.12	0.11	0.11	0.15	0.16	0.12	0.13	0.12	0.12
Depreciation and finance	0.09	0.09	0.09	0.12	0.11	0.23	0.19	0.16	0.17
Total fixed costs	0.21	0.20	0.20	0.26	0.27	0.36	0.32	0.29	0.30
Total	**1.12**	**1.17**	**1.19**	**1.57**	**1.54**	**1.59**	**1.37**	**1.35**	**1.42**

	FRA			GER			GB		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Feed	0.86	0.85	0.93	0.91	0.92	0.97	0.96	1.01	1.06
Other variable costs	0.19	0.19	0.19	0.25	0.22	0.24	0.22	0.20	0.21
Total variable costs	1.05	1.04	1.13	1.16	1.14	1.21	1.18	1.21	1.27
Labour	0.14	0.13	0.13	0.13	0.12	0.12	0.13	0.13	0.13
Depreciation and finance	0.20	0.17	0.19	0.22	0.19	0.20	0.18	0.18	0.18
Total fixed costs	0.33	0.30	0.31	0.34	0.31	0.32	0.32	0.31	0.32
Total	**1.38**	**1.34**	**1.44**	**1.51**	**1.45**	**1.53**	**1.49**	**1.53**	**1.59**

	IRE			ITA			NL		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Feed	0.97	0.98	1.13	1.14	1.09	1.17	0.84	0.84	0.93
Other variable costs	0.21	0.18	0.21	0.19	0.18	0.19	0.25	0.24	0.27
Total variable costs	1.18	1.17	1.34	1.33	1.27	1.36	1.09	1.08	1.20
Labour	0.12	0.11	0.11	0.13	0.13	0.13	0.12	0.12	0.13
Depreciation and finance	0.18	0.16	0.17	0.22	0.19	0.21	0.19	0.15	0.16
Total fixed costs	0.30	0.27	0.28	0.35	0.32	0.34	0.31	0.27	0.29
Total	**1.48**	**1.44**	**1.62**	**1.68**	**1.59**	**1.70**	**1.40**	**1.35**	**1.49**

	SPA			SWE			USA			EU AVE		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Feed	0.97	0.95	1.00	0.89	0.95	1.03	0.75	0.79	0.87	0.93	0.94	1.00
Other variable costs	0.18	0.17	0.17	0.23	0.20	0.19	0.12	0.12	0.15	0.22	0.20	0.22
Total variable costs	1.15	1.12	1.17	1.11	1.15	1.22	0.87	0.91	1.02	1.15	1.15	1.22
Labour	0.09	0.08	0.08	0.16	0.16	0.17	0.12	0.11	0.12	0.13	0.12	0.12
Depreciation and finance	0.14	0.12	0.12	0.40	0.36	0.36	0.10	0.11	0.11	0.20	0.18	0.20
Total fixed costs	0.23	0.20	0.20	0.56	0.51	0.52	0.22	0.22	0.23	0.33	0.30	0.32
Total	**1.38**	**1.32**	**1.38**	**1.67**	**1.66**	**1.74**	**1.09**	**1.13**	**1.25**	**1.48**	**1.45**	**1.54**

**totals may not add up due to rounding*

Table 5 Summary of physical performance, 2011-2013 (Part 1)

	AUS			BEL			BRA (MT)		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Pigs weaned/sow/year	23.66	23.85	23.84	25.15	25.43	27.44	25.57	25.13	25.33
Pigs reared/sow/year	23.02	23.28	23.27	24.37	24.81	26.62	25.05	24.63	24.82
Pigs sold/sow/year	22.62	22.90	22.88	23.54	24.06	25.74	24.50	23.89	22.28
Litters/sow/year	2.30	2.29	2.29	2.32	2.31	2.33	2.39	2.41	2.41
Rearing mortality (%)	2.70%	2.40%	2.40%	3.10%	2.43%	2.97%	2.00%	2.00%	2.00%
Finishing mortality (%)	1.75%	1.63%	1.65%	3.42%	3.05%	3.32%	2.20%	3.00%	2.20%
Finishing Daily Liveweight Gain (g/day)	782	790	792	651	659	656	831	831	831
Finishing Feed Conversion Ratio	2.87	2.85	2.85	2.91	2.93	2.89	2.60	2.60	2.60
Average liveweight at slaughter (kg)	119	120	120	112	113	113	115	113	119
Average carcase weight – Cold (kg)	93.4	93.7	93.7	90.0	89.8	90.2	85.7	84.0	88.9
Carcase meat production/sow/year (kg)	2113	2145	2143	2119	2160	2323	2099	2007	2159
Average lean meat percentage	60.4%	60.5%	60.5%	61.7%	63.4%	63.4%	57.7%	57.7%	57.7%
Lean meat production/sow/year (kg)	1276	1297	1297	1307	1370	1473	1211	1158	1245

	BRA (SC)			CAN			CZ		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Pigs weaned/sow/year	24.72	24.61	25.51	22.13	23.59	22.95	22.13	23.19	25.14
Pigs reared/sow/year	24.22	24.12	25.00	21.68	23.12	22.49	21.19	22.21	24.32
Pigs sold/sow/year	23.69	23.59	24.45	21.03	22.43	21.70	20.58	21.57	23.75
Litters/sow/year	2.33	2.31	2.31	2.32	2.32	2.27	2.23	2.23	2.23
Rearing mortality (%)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	4.25%	4.21%	3.25%
Finishing mortality (%)	2.20%	2.20%	2.20%	3.00%	3.00%	3.50%	2.87%	2.87%	2.35%
Finishing Daily Liveweight Gain (g/day)	820	820	820	880	875	878	752	745	822
Finishing Feed Conversion Ratio	2.60	2.60	2.60	3.00	3.00	3.02	3.43	3.47	3.00
Average liveweight at slaughter (kg)	118	118	119	119	122	123	111	111	114
Average carcase weight – Cold (kg)	87.9	88.0	88.8	94.0	96.3	96.8	86.4	86.7	88.3
Carcase meat production/sow/year (kg)	2083	2076	2170	1977	2160	2101	1778	1869	2098
Average lean meat percentage	57.7%	57.7%	57.7%	60.0%	60.0%	60.0%	56.8%	57.1%	57.9%
Lean meat production/sow/year (kg)	1202	1198	1252	1186	1296	1260	1010	1068	1214

	DEN			FRA			GER		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Pigs weaned/sow/year	28.80	29.62	30.00	26.65	26.62	27.16	25.67	26.58	27.07
Pigs reared/sow/year	27.96	28.76	29.13	26.05	26.01	26.53	24.90	25.78	26.37
Pigs sold/sow/year	26.93	27.78	28.11	25.19	25.11	25.61	24.25	25.11	25.68
Litters/sow/year	2.26	2.27	2.25	2.34	2.34	2.35	2.33	2.34	2.33
Rearing mortality (%)	2.90%	2.90%	2.90%	2.23%	2.26%	2.32%	3.00%	3.00%	2.60%
Finishing mortality (%)	3.70%	3.40%	3.50%	3.33%	3.48%	3.46%	2.60%	2.60%	2.60%
Finishing Daily Liveweight Gain (g/day)	898	905	916	792	789	797	763	780	794
Finishing Feed Conversion Ratio	2.72	2.70	2.68	2.81	2.81	2.78	2.87	2.85	2.84
Average liveweight at slaughter (kg)	107	107	108	116	117	117	121	121	121
Average carcase weight – Cold (kg)	80.7	80.9	81.8	88.9	89.2	89.5	93.7	93.7	93.7
Carcase meat production/sow/year (kg)	2173	2247	2299	2239	2240	2294	2272	2353	2406
Average lean meat percentage	60.4%	60.4%	60.2%	60.5%	60.6%	60.7%	56.9%	57.3%	57.6%
Lean meat production/sow/year (kg)	1313	1357	1384	1356	1357	1393	1293	1348	1386

Table 5 Summary of physical performance, 2011-2013 (Part 2)

	GB			IRE			ITA		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Pigs weaned/sow/year	22.56	22.80	23.63	25.43	25.68	26.49	23.27	23.40	23.60
Pigs reared/sow/year	21.96	22.23	22.86	24.79	25.01	25.82	22.78	22.76	23.10
Pigs sold/sow/year	21.33	21.69	22.23	24.11	24.44	25.19	22.62	22.61	22.99
Litters/sow/year	2.26	2.26	2.29	2.31	2.30	2.36	2.25	2.25	2.25
Rearing mortality (%)	2.64%	2.47%	3.27%	2.53%	2.62%	2.54%	2.10%	2.75%	2.10%
Finishing mortality (%)	2.89%	2.46%	2.75%	2.73%	2.30%	2.44%	0.70%	0.65%	0.50%
Finishing Daily Liveweight Gain (g/day)	784	822	816	804	838	817	640	650	650
Finishing Feed Conversion Ratio	2.82	2.72	2.78	2.87	2.82	2.78	3.68	3.64	3.68
Average liveweight at slaughter (kg)	103	103	104	103	105	106	165	166	166
Average carcase weight – Cold (kg)	79.1	78.7	79.6	78.4	79.5	80.6	126.9	125.7	126.2
Carcase meat production/sow/year (kg)	1687	1707	1769	1891	1943	2030	2871	2842	2900
Average lean meat percentage	61.4%	61.5%	61.4%	58.4%	58.2%	58.2%	47.0%	47.0%	47.0%
Lean meat production/sow/year (kg)	1036	1050	1086	1104	1131	1182	1349	1336	1363

	NL			SPA			SWE		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Pigs weaned/sow/year	28.22	28.33	28.97	24.62	24.77	25.29	23.65	23.81	24.02
Pigs reared/sow/year	27.63	27.71	28.31	23.87	23.93	24.50	23.16	23.34	23.54
Pigs sold/sow/year	26.97	27.05	27.68	22.96	22.95	23.63	22.74	22.94	23.17
Litters/sow/year	2.38	2.36	2.37	2.35	2.35	2.33	2.21	2.20	2.21
Rearing mortality (%)	2.10%	2.20%	2.30%	3.04%	3.40%	3.12%	2.10%	2.00%	2.00%
Finishing mortality (%)	2.40%	2.40%	2.20%	3.82%	4.10%	3.55%	1.80%	1.70%	1.60%
Finishing Daily Liveweight Gain (g/day)	799	795	795	682	689	676	903	913	912
Finishing Feed Conversion Ratio	2.64	2.60	2.60	2.68	2.61	2.60	2.81	2.82	2.77
Average liveweight at slaughter (kg)	116	116	118	108	108	108	119	119	121
Average carcase weight – Cold (kg)	91.0	91.1	91.7	80.9	81.2	80.9	88.9	89.1	90.4
Carcase meat production/sow/year (kg)	2455	2464	2539	1857	1864	1912	2022	2044	2094
Average lean meat percentage	57.0%	58.1%	58.7%	58.0%	58.5%	59.0%	58.2%	58.2%	58.3%
Lean meat production/sow/year (kg)	1399	1432	1490	1077	1090	1128	1177	1190	1221

	USA			EU AVE		
	2011	2012	2013	2011	2012	2013
Pigs weaned/sow/year	24.43	24.94	24.83	24.99	25.34	26.06
Pigs reared/sow/year	23.75	23.99	23.87	24.31	24.65	25.36
Pigs sold/sow/year	22.92	22.79	22.67	23.65	24.02	24.72
Litters/sow/year	2.37	2.37	2.37	2.29	2.29	2.30
Rearing mortality (%)	2.75%	3.80%	3.87%	2.72%	2.72%	2.65%
Finishing mortality (%)	3.50%	5.03%	5.04%	2.67%	2.55%	2.49%
Finishing Daily Liveweight Gain (g/day)	800	780	795	771	781	787
Finishing Feed Conversion Ratio	2.83	2.80	2.76	2.93	2.90	2.85
Average liveweight at slaughter (kg)	123	124	124	117	117	118
Average carcase weight – Cold (kg)	91.0	91.6	92.0	89.9	89.9	90.6
Carcase meat production/sow/year (kg)	2086	2088	2086	2123	2157	2234
Average lean meat percentage	55.5%	56.0%	55.5%	58.1%	58.4%	58.6%
Lean meat production/sow/year (kg)	1158	1169	1158	1225	1252	1301

Pigs weaned per sow per year

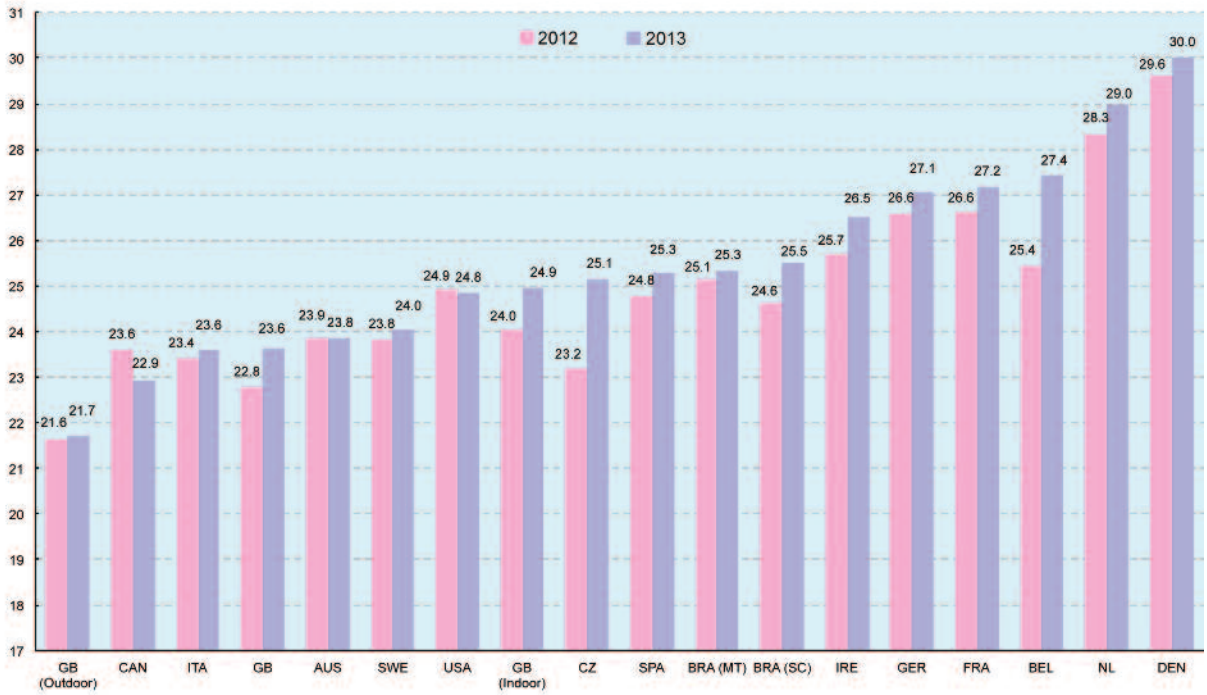
The overall average number of pigs weaned per sow per year in the European InterPIG countries showed a nearly three per cent increase in 2013, up from 25.34 in 2012 to 26.06 in 2013. Performance was better in all the EU countries, except Austria, with Czech Rep showing the greatest improvement, up eight per cent compared with 2012. Denmark and the Netherlands again had the best results for pigs weaned, with Denmark showing an increase of one per cent compared with 2012, achieving an average of 30 pigs weaned per sow per year for the first time. The non-EU countries all continued to perform below the EU average, with Canada the lowest at 22.95.

The number of pigs weaned per sow per year in Great Britain increased by four per cent to 23.63. While Great Britain has a significant proportion of sows kept outdoors, the low number of pigs weaned per sow per year in all systems is still a major cause of the relatively high cost of production and needs to be addressed if costs are to be competitive with the rest of Europe.

Pigs weaned per sow per year is a result of three different elements: pigs born alive per litter, litters per sow per year and pre-weaning mortality.

- The Great Britain result for litters per sow per year was 2.29 (indoor sows 2.30, outdoor sows 2.27), an improvement compared to 2012. Indoor sow performance was equal to the EU average of 2.30. The best performance in the EU was 2.37 (Netherlands)
- Pre-weaning mortality, at 13.0 per cent (indoor sows 12.3, outdoor sows 14.0), was higher than 2012 for the outdoor sows but slightly lower for the indoor sows. Indoor sows were lower than the EU average of 12.9 per cent
- As in previous years, the main reason that Great Britain has a below average number of pigs weaned per sow per year lies in the number of pigs born alive per litter. The 2013 average at 11.87 (indoor sows 12.4, outdoor sows 11.1) was an increase compared to 11.54 in 2012 but less than the other EU countries. The EU average was 13.0, with six EU countries achieving more than 13 pigs born alive per litter, the highest being 15.4 (Denmark).

Figure 4 Pigs weaned per sow per year, 2012–2013



Through its 'Breed +3' initiative to help pig producers wean more pigs, BPEX continues to aim for the Two-Tonne Sow (2TS) target. To achieve these targets requires businesses to adopt the two most common factors affecting high performing success:

- A weekly analysis and review of herd performance data and discussing with staff actual herd performance relative to targets
- Engaging staff and delivering a structured approach to staff training and skills development.

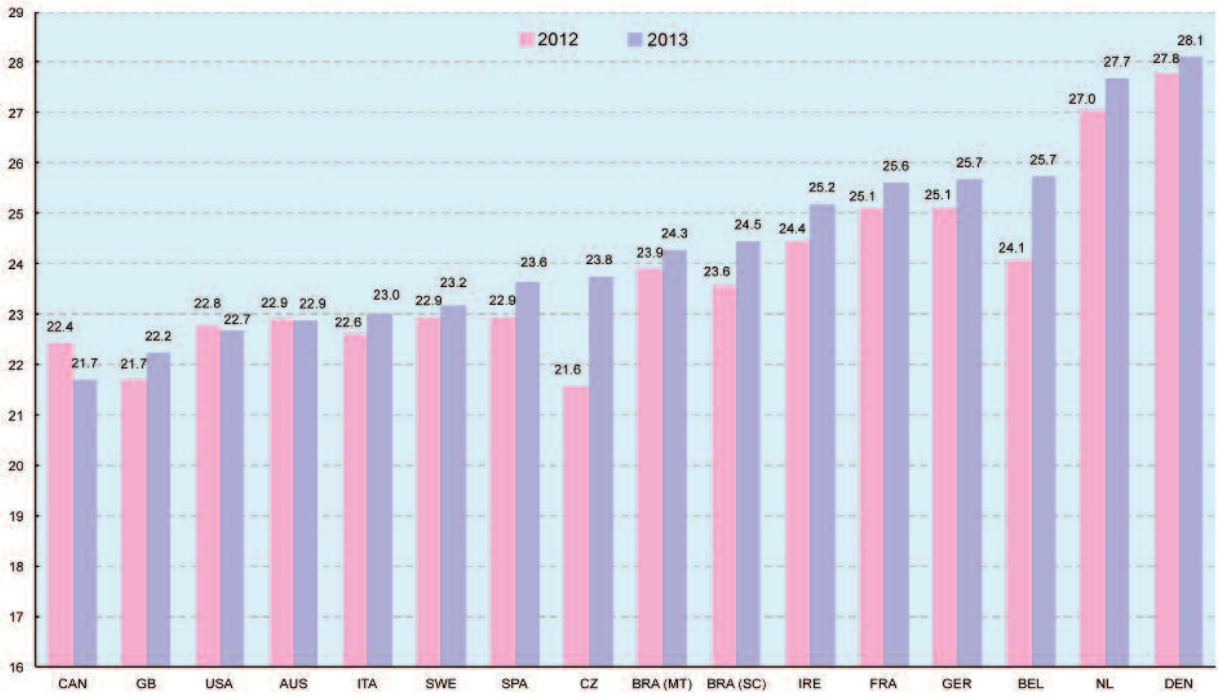
A BPEX survey also examined other factors such as production systems, building design and age, herd health status, nutrition and genetics but there were no other factors common to the cohort of high performing businesses.

Pigs finished per sow per year

The average number of pigs finished per sow in Great Britain increased in 2013. At 22.23 (indoor sows 23.5, outdoor sows 20.4) performance was 0.54 pigs (3%) higher than in 2012.

In 2013, there was an average 24.72 pigs finished per sow in the EU, three per cent higher than in 2012. Denmark has the highest numbers, finishing over 28 pigs per sow per year for the first time. Within the EU, Great Britain has the lowest number of pigs finished per sow per year, with only Canada achieving a lower performance in the InterPIG group.

Figure 5 Pigs finished per sow per year, 2012–2013



The relative costs analysed in this report relate to the 2013 calendar year. The annual average cost of feed increased between 2012 and 2013. With the favourable 2013 harvest, grain prices fell resulting in lower compound feed prices. In sterling terms, both GB and the EU average show a 13 per cent reduction comparing July 2014 feed prices with 2013.

This chapter examines how the changes in monthly average feed prices have affected relative costs of production in 2013. In these calculations, feed prices are the only factors that have been changed; all other variables have been left unchanged. For this reason and also because the current feed costs will not have applied throughout 2014, these figures should not be considered as provisional 2014 results.

Feed cost movements

Table 6 Changes in feed costs, 2011–2014

	2011	2012	2013	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Jul 14 compared with 2013
Weighted average feed prices (€/tonne)											
Austria	272.7	304.4	293.2	na	na	na	na	na	na	na	na
Belgium	273.3	304.9	315.9	283.6	279.5	279.4	285.4	285.4	277.2	275.4	-13
Brazil (SC)	264.6	304.7	280.1	na	na	na	na	na	na	na	na
Canada	226.5	268.5	255.1	194.5	191.6	190.3	199.2	205.4	na	na	na
Czech Rep.	262.7	277.8	275.2	na	na	na	na	na	na	na	na
Denmark	259.8	288.2	292.5	258.8	258.8	257.1	259.8	260.6	260.6	258.3	-12
France	270.4	284.3	298.6	271.8	270.6	269.4	271.1	272.5	269.5	267.6	-10
Germany	278.5	302.0	304.5	273.8	272.9	276.6	278.1	279.3	274.2	269.5	-11
GB	292.6	332.5	316.7	300.3	292.3	301.7	311.7	306.4	298.2	294.2	-7
Ireland	291.3	324.4	358.3	324.0	324.2	323.3	324.1	325.8	328.0	327.2	-9
Italy	279.3	290.3	290.9	na	na	na	na	na	na	na	na
Netherlands	278.6	301.7	317.4	270.5	269.5	269.5	272.7	274.6	274.2	273.3	-14
Spain	290.7	306.4	314.0	286.4	285.3	285.7	287.3	286.9	286.7	284.2	-9
Sweden	269.0	303.3	319.7	276.0	272.2	275.0	269.7	270.9	272.1	267.8	-16
USA	211.2	239.7	253.6	na	na	na	na	na	na	na	na
Average	**268.1**	**295.5**	**299.1**	**274.0**	**271.7**	**272.8**	**275.9**	**276.8**	**282.3**	**279.7**	**-6**
Weighted average feed prices (£/tonne)											
Austria	236.5	246.8	249.0	na	na	na	na	na	na	na	na
Belgium	237.1	247.2	268.3	234.5	230.6	232.4	235.4	232.7	222.9	218.3	-19
Brazil (SC)	229.6	247.1	237.9	na	na	na	na	na	na	na	na
Canada	196.4	217.7	216.6	160.8	158.1	158.3	164.3	167.5	na	na	na
Czech Rep.	227.8	225.3	233.7	na	na	na	na	na	na	na	na
Denmark	225.4	233.7	248.4	213.9	213.6	213.8	214.3	212.5	209.5	204.8	-18
France	234.6	230.5	253.6	224.7	223.3	224.1	223.6	222.2	216.7	212.1	-16
Germany	241.6	244.9	258.6	226.4	225.2	230.1	229.4	227.8	220.5	213.7	-17
GB	253.8	269.6	269.0	248.3	241.2	251.0	257.1	249.9	239.8	233.2	-13
Ireland	252.7	263.1	304.3	267.9	267.5	268.9	267.3	265.7	263.7	259.4	-15
Italy	242.3	235.4	247.0	na	na	na	na	na	na	na	na
Netherlands	241.7	244.6	269.5	223.7	222.4	224.2	224.9	224.0	220.5	216.6	-20
Spain	252.1	248.5	266.6	236.8	235.5	237.6	236.9	233.9	230.5	225.3	-16
Sweden	233.3	245.9	271.5	228.2	224.6	228.8	222.4	220.9	218.8	212.3	-22
USA	183.2	194.4	215.4	na	na	na	na	na	na	na	na
Average	**232.5**	**239.6**	**254.0**	**226.5**	**224.2**	**226.9**	**227.5**	**225.7**	**227.0**	**221.7**	**-13**

The ability for producers to control their costs, such as feed, is paramount in obtaining a positive margin.

Total production costs

The estimates of total production costs in Table 7 are based on the changes in feed costs only, with all other factors being held constant. In reality, of course, there will be other changes affecting production costs. However, the dominance of feed in the cost of producing pig meat means that these other factors are likely to be dwarfed by the effects of feed price changes.

Table 7 Changes in total production costs, 2011–2014

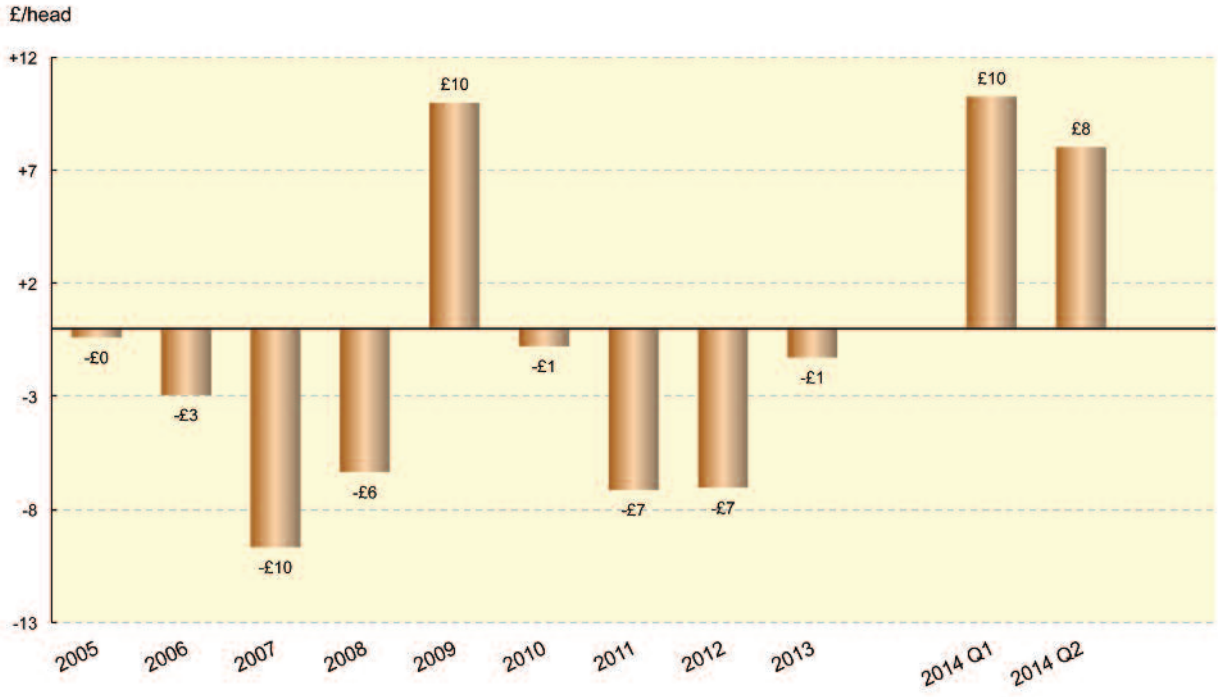
	2011	2012	2013	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Jul 14 compared with 2013
Pigmeat production costs (€/kg)											
Austria	1.68	1.78	1.79	na	na	na	na	na	na	na	na
Belgium	1.61	1.73	1.74	1.65	1.64	1.63	1.66	1.66	1.63	1.62	-7
Brazil (SC)	1.35	1.46	1.33	na	na	na	na	na	na	na	na
Canada	1.29	1.45	1.41	1.17	1.16	1.15	1.19	1.21	na	na	na
Czech Rep.	1.78	1.86	1.84	na	na	na	na	na	na	na	na
Denmark	1.59	1.68	1.68	1.57	1.57	1.56	1.57	1.58	1.58	1.57	-7
France	1.65	1.66	1.71	1.62	1.61	1.61	1.61	1.62	1.61	1.60	-6
Germany	1.76	1.82	1.82	1.71	1.71	1.72	1.73	1.73	1.72	1.70	-7
GB	1.78	1.91	1.89	1.79	1.76	1.79	1.84	1.82	1.80	1.80	-4
Ireland	1.72	1.84	1.93	1.84	1.84	1.83	1.84	1.84	1.85	1.85	-4
Italy	1.95	1.98	2.01	na	na	na	na	na	na	na	na
Netherlands	1.62	1.68	1.77	1.57	1.57	1.57	1.58	1.59	1.59	1.58	-11
Spain	1.60	1.64	1.64	1.57	1.56	1.56	1.57	1.57	1.57	1.56	-5
Sweden	1.97	2.14	2.08	2.02	2.00	2.01	1.97	1.98	1.98	1.95	-6
USA	1.27	1.40	1.49	na	na	na	na	na	na	na	na
Average	**1.64**	**1.74**	**1.74**	**1.65**	**1.64**	**1.65**	**1.66**	**1.66**	**1.70**	**1.69**	**-3**
Pigmeat production costs (p/kg)											
Austria	1.46	1.44	1.52	na	na	na	na	na	na	na	na
Belgium	1.39	1.40	1.47	1.36	1.35	1.36	1.37	1.35	1.31	1.28	-13
Brazil (SC)	1.17	1.18	1.13	na	na	na	na	na	na	na	na
Canada	1.12	1.18	1.20	0.97	0.95	0.96	0.98	0.99	na	na	na
Czech Rep.	1.54	1.51	1.56	na	na	na	na	na	na	na	na
Denmark	1.38	1.36	1.42	1.30	1.29	1.30	1.30	1.28	1.27	1.24	-13
France	1.43	1.35	1.45	1.34	1.33	1.34	1.33	1.32	1.29	1.27	-13
Germany	1.52	1.48	1.55	1.42	1.41	1.43	1.43	1.41	1.38	1.35	-13
GB	1.54	1.55	1.60	1.48	1.45	1.49	1.51	1.49	1.45	1.43	-11
Ireland	1.49	1.49	1.64	1.52	1.52	1.53	1.52	1.50	1.49	1.47	-11
Italy	1.69	1.61	1.71	na	na	na	na	na	na	na	na
Netherlands	1.40	1.36	1.50	1.30	1.30	1.31	1.30	1.29	1.28	1.25	-17
Spain	1.39	1.33	1.39	1.30	1.29	1.30	1.30	1.28	1.26	1.24	-11
Sweden	1.71	1.73	1.76	1.67	1.65	1.67	1.63	1.61	1.59	1.54	-12
USA	1.10	1.14	1.26	na	na	na	na	na	na	na	na
Average	**1.42**	**1.41**	**1.48**	**1.36**	**1.35**	**1.37**	**1.37**	**1.35**	**1.37**	**1.34**	**-9**

Net margins in Great Britain

The net margins shown in Figure 6 are based on the difference between the monthly DAPP and the total cost of producing pig meat (including depreciation costs) for an average producer. The results shown in the chart should, however, only be considered as indicative of general trends because:

- Physical and financial performance levels can vary greatly between producers
- The assumptions used for feed costs of spot compound prices will not apply to all producers, due to the range of feed procurement strategies in the industry.

Figure 6 Estimated net margins in Great Britain, 2005–2014



During 2009 producers in Great Britain obtained a good positive margin per pig produced. This was following several years of negative returns and considerable losses in the industry. Higher costs in 2010, 2011 and 2012 also resulted in negative margins for each of these years. During prolonged periods of negative margins specialist pig producers are particularly vulnerable and may leave the industry. Many other producers make little or no investment during these periods and some depopulate for a period of time. Many only survive due to income from other enterprises such as cash crops.

In 2013 rising pig prices and reducing feed prices returned negative margins in the first part of the year and positive margins in the second half of the year resulting in a slightly negative margin overall. With lower feed prices and improved physical performance, 2014 is estimated to result in a return to positive margins.

European pig industry trends, 2013

	AUS	BEL	BRA	CAN	CZ	DEN	FRA	GER	IRE	ITA	NL	POL	SP	SWE	UK	USA
Breeding sow numbers (000 head)	257	485	2,900	1,191	151	1,228	1,084	2,055	147	589	1,076	1,020	2,235	148	507	5,882
Annual pig slaughterings (000 head))	5,417	11,915	36,430	20,759	2,652	19,108	23,747	58,628	2,904	13,099	13,750	19,120	41,439	2,551	10,299	112,077
Pig meat production (000 head))	528	1,131	3,280	1,978	234	1,589	1,939	5,474	239	1,625	1,282	1,684	3,439	234	833	10,517
Pig meat imports (000 tonnes cwe)*	186	151	2	236	277	146	560	1,115	107	1,049	271	656	143	150	936	475
Pig meat exports (000 tonnes cwe)*	240	850	650	1,173	83	1,388	586	2,268	188	235	927	636	1,236	27	227	2,169
Pig meat consumption (000 tonnes cwe)*	474	432	2,632	1,041	428	347	1,913	4,321	158	2,439	626	1,704	2,346	357	1,542	8,823
Pig meat consumption (kg/head)*	56.1	38.6	13.8	29.6	41.7	62.3	32.2	52.8	34.6	40.9	37.3	47.3	50.2	37.5	24.1	27.6

* Estimated figures.

Breeding sow numbers are for mid-2013 except for Brazil, Czech Republic (Dec13)

Source: AHDB, Eurostat, USDA, Statistics Canada, GTIS

APPENDIX II

National carcase dressing specifications

Country	Presentation of the carcase	Payment
Austria	Without reproductive organs, tongue, spinal cord, lard, kidneys, diaphragm, brain and the organs of thoracic cavity and abdominal cavity, with the head and feet (without nails)	hot
Belgium	Without head and feet, without flare fat, kidneys and trimmings	hot -2%
Czech Republic	With the head, flare fat, skin, without brain, kidneys and organs in breast, abdomen and pelvic cavity	hot
Denmark	With head and feet, without flare fat, kidneys and trimmings	hot
France	With head (including eyes, ears and tongue), with hooves and tail, without kidneys, diaphragm and flare fat	cold
Germany	Without reproductive organs, tongue, spinal cord, lard, kidneys, diaphragm, brain and the organs of thoracic cavity and abdominal cavity	hot
Ireland	REMOVED: Oesophagus, stomach, intestines, spleen, bladder, heart, liver, lungs, testicles, hair, neck glands, fatty tissue, blood, flare fat, kidneys and diaphragm	cold
Netherlands	With the head and feet (without nails), without flare fat, kidneys and trimmings	hot
Sweden	With the head, feet and tail. No intestines of any kind. No flare fat	cold
UK	With head, feet and tail but without flare fat, kidneys and diaphragm	cold

APPENDIX III

Additional tables and figures

Table 8 Ranking of EU production costs, 2008–2013

	2008	2009	2010	2011	2012	2013	% of EU ave
Spain	4	4	3	3	1	1	89.6
Denmark	2	3	2	1	3	2	91.9
France	1	1	1	2	2	3	93.5
Belgium	5	2	5	4	5	4	95.1
Netherlands	3	6	4	5	4	5	97.0
Austria	8	5	8	6	6	6	97.9
Germany	9	10	7	9	8	7	99.6
Czech Republic	12	11	11	10	9	8	102.5
Great Britain	6	7	9	8	10	9	103.3
Ireland	7	9	6	7	7	10	105.8
Italy	11	12	12	11	11	11	110.3
Sweden	10	8	10	12	12	12	113.6

Notes: Rankings – 1 = lowest cost, 12 = highest cost

Figure 7 Exchange rate movements, 2008–2014

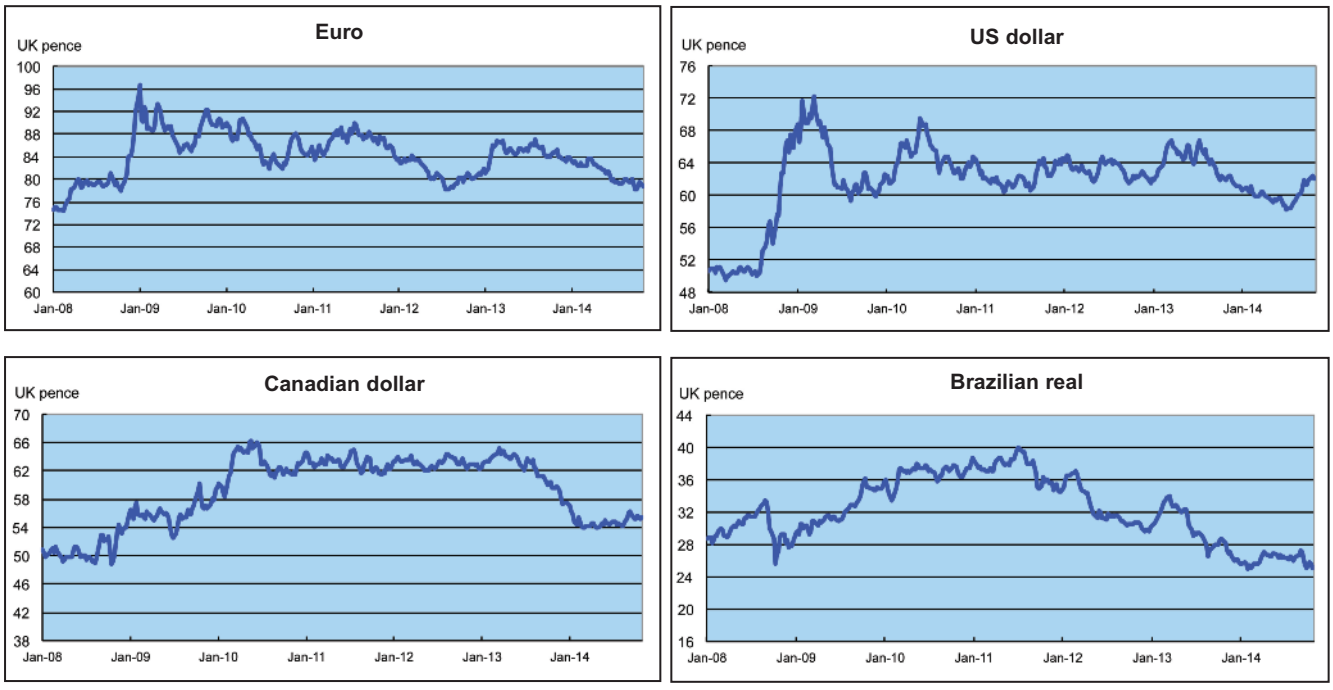


Table 9 Annual exchange rates

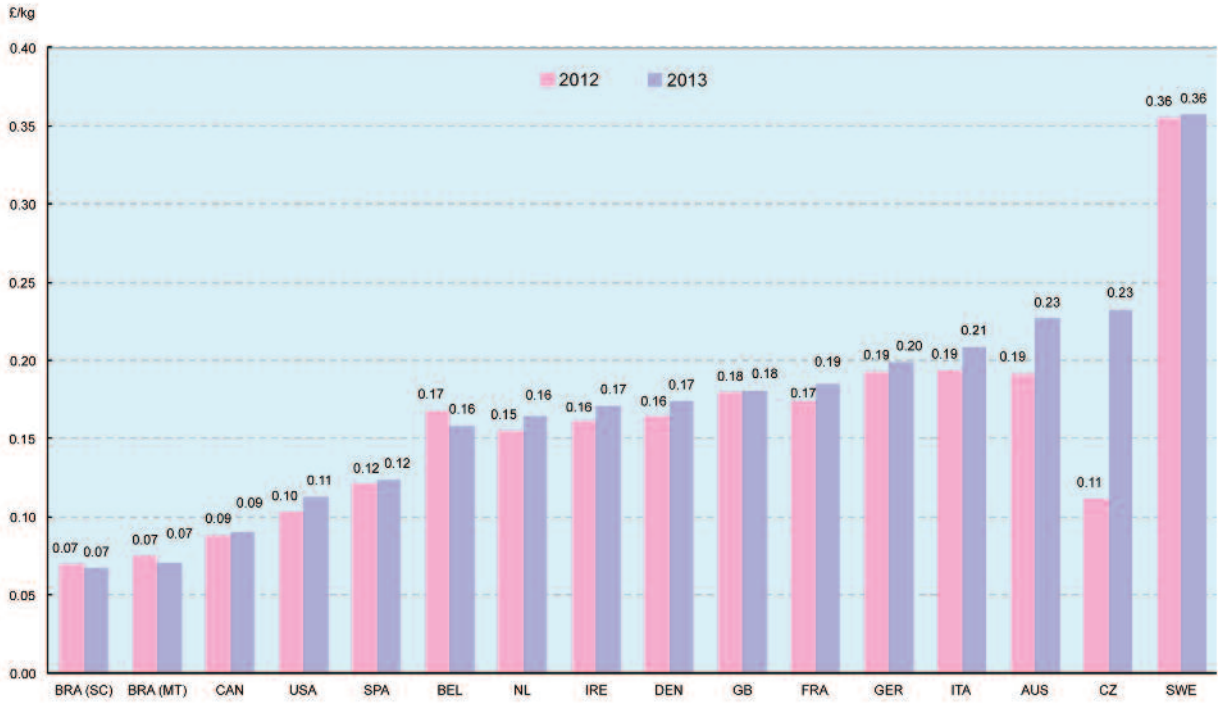
Year	1€=	€£	$US:£	$C:£	Real:£
2006	68.2p	1.467	1.84	2.09	4.01
2007	68.4p	1.461	2.00	2.15	3.89
2008	79.5p	1.258	1.85	1.96	3.35
2009	89.0p	1.123	1.57	1.78	3.11
2010	85.8p	1.166	1.55	1.59	2.72
2011	86.7p	1.153	1.60	1.59	2.68
2012	81.1p	1.233	1.59	1.58	3.10
2013	84.9p	1.178	1.56	1.61	3.38

Table 10 Feed prices and energy content, 2013

	AUS	BEL	BRZ (MT)	BRZ (SC)	CAN	CZ	DEN	FRA	GER
£/tonne									
Sow	237.82	262.75	145.33	196.74	214.26	209.73	231.04	252.06	254.12
Rearer	318.51	373.30	354.92	398.75	300.60	332.95	325.61	343.53	358.31
Finisher	238.67	257.15	156.08	229.89	204.81	217.41	236.87	238.40	243.85
Average	242.38	268.34	169.59	237.93	216.68	224.77	243.32	247.63	258.64
Energy content (MJ ME/kg)									
Sow	12.20	12.80	na	na	12.95	na	13.07	12.80	13.00
Rearer	13.00	14.20	na	na	13.65	na	13.94	13.30	13.40
Finisher	13.00	13.57	na	na	12.05	na	13.20	12.80	13.00
Average	12.73	13.52	na	na	12.88	na	13.40	12.97	13.13
Cost of feed (p/kg MJ ME)									
Sow	1.95	2.05	na	na	1.65	na	1.77	1.97	1.95
Rearer	2.45	2.63	na	na	2.20	na	2.34	2.58	2.67
Finisher	1.84	1.89	na	na	1.70	na	1.79	1.86	1.88
Average	1.90	1.98	na	na	1.68	na	1.82	1.91	1.97

	GB	IRE	ITA	NL	SPA	SWE	USA	AVE EU
£/tonne								
Sow	237.74	281.48	242.92	261.46	236.13	265.17	213.47	247.70
Rearer	315.30	395.32	331.26	367.87	394.96	375.34	257.94	352.69
Finisher	267.72	283.69	237.82	259.39	260.84	255.41	212.98	249.77
Average	269.01	304.32	245.61	269.58	266.67	258.72	215.40	258.25
Energy content (MJ ME/kg)								
Sow	13.40	13.30	13.00	12.90	na	12.60	13.66	12.91
Rearer	14.60	14.00	14.00	13.60	na	12.70	13.80	13.67
Finisher	13.40	13.40	12.75	13.80	na	12.40	13.90	13.13
Average	13.80	13.57	13.25	13.43	na	12.57	13.79	13.24
Cost of feed (p/kg MJ ME)								
Sow	1.77	2.12	1.87	2.03	na	2.10	1.56	1.92
Rearer	2.16	2.82	2.37	2.70	na	2.96	1.87	2.58
Finisher	2.00	2.12	1.87	1.88	na	2.06	1.53	1.90
Average	1.95	2.24	1.85	2.01	na	2.06	1.56	1.95

Figure 8 Depreciation and finance costs, 2012–2013



The large increase seen in Czech Rep is due to a change in their methodology to ensure depreciation is now calculated on the basis of new buildings and equipment in line with InterPIG practice.

Figure 9 Daily Liveweight Gains, (finishing herds), 2012–2013

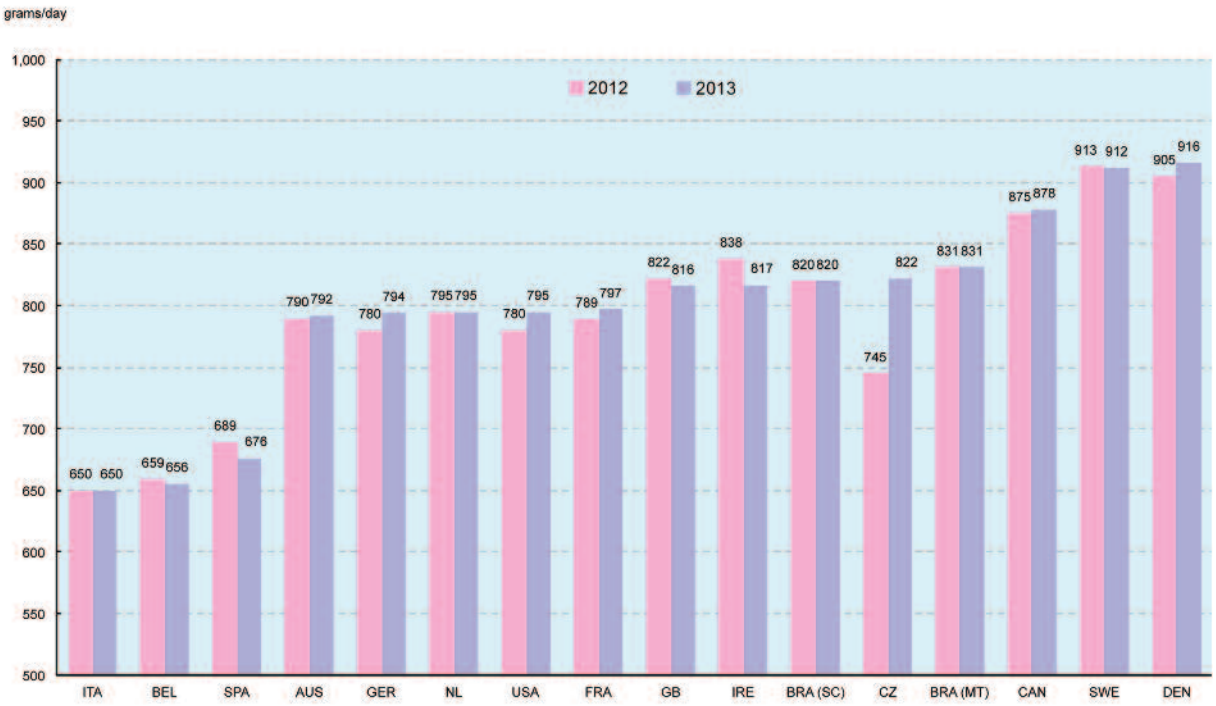


Figure 10 Feed Conversion Ratios (finishing herds), 2012–2013

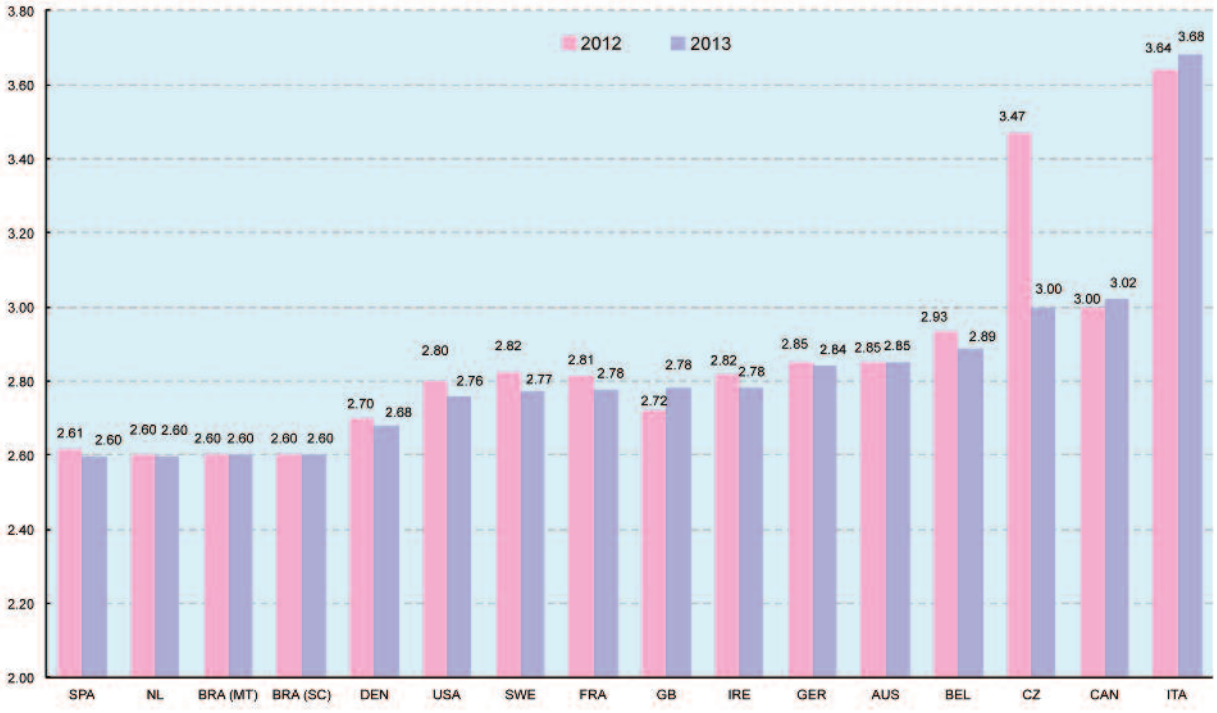
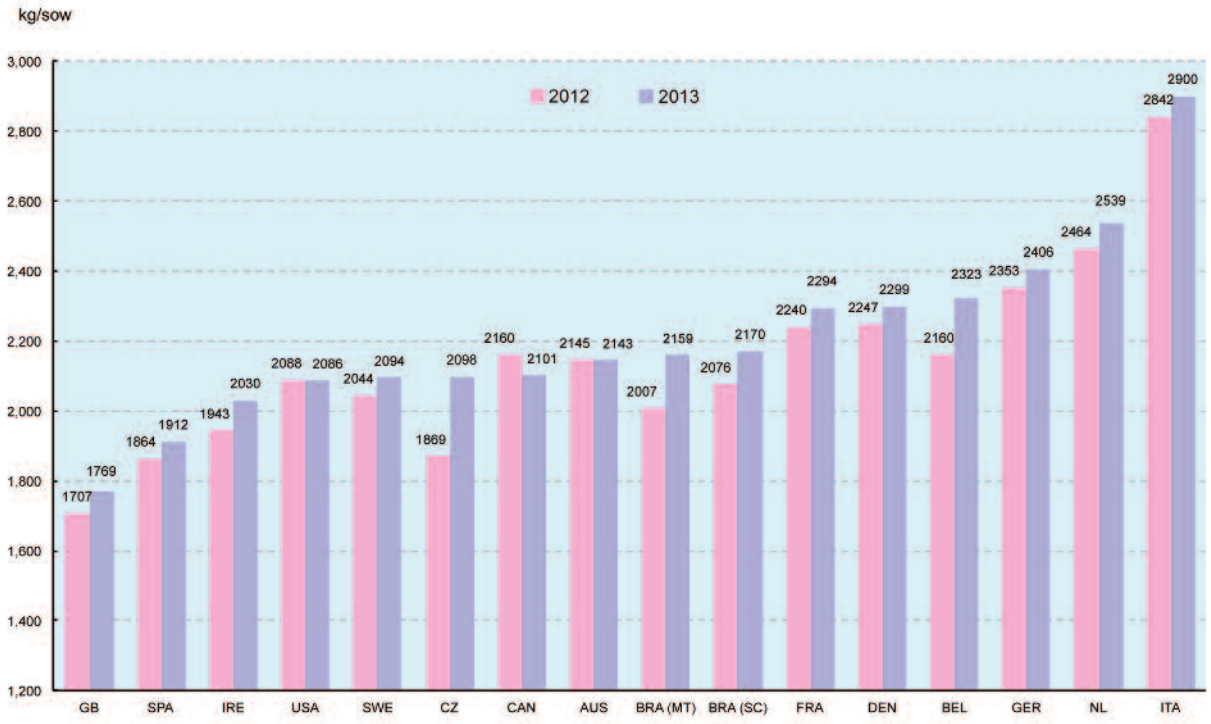


Figure 11 Carcase meat production per sow per year, 2012–2013



Standardising the Physical Results

Methodology

There is a wide variation in physical performance measures reported by InterPIG countries. Some of these variations could be due to differences between countries in the weight of animals produced. Other things being equal, an increase in slaughter weights and the length of time an animal is in the system will lead to a worsening in both the marginal daily liveweight gain (DLG) and the marginal feed conversion ratio (FCR).

Using methodology created by our French InterPIG partner, ITP, the figures have been standardised on the basis of three weights:

- Transfer from breeding unit to rearing unit: 8kg (GB = 7.2kg in 2013)
- Transfer from rearing unit to finishing unit: 30kg (GB = 35.6kg)
- Liveweight at slaughter: 120kg (GB = 104.3kg).

This section examines the adjustments that have been made to the finishing FCR and DLG figures in the European InterPIG countries to exclude the differences caused by variations in national transfer and slaughter weights.

Figure 12 Standardised Daily Liveweight Gains (finishing herds), 2013

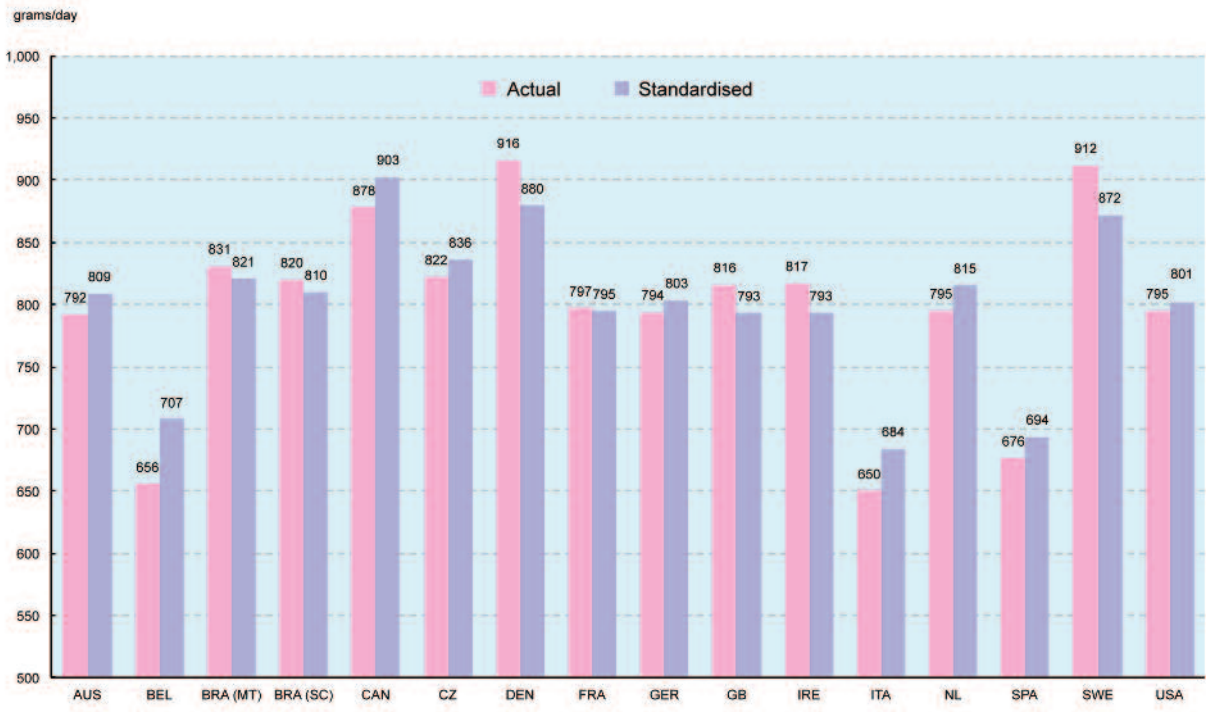


Figure 13 Standardised Feed Conversion Ratios (finishing herds), 2013

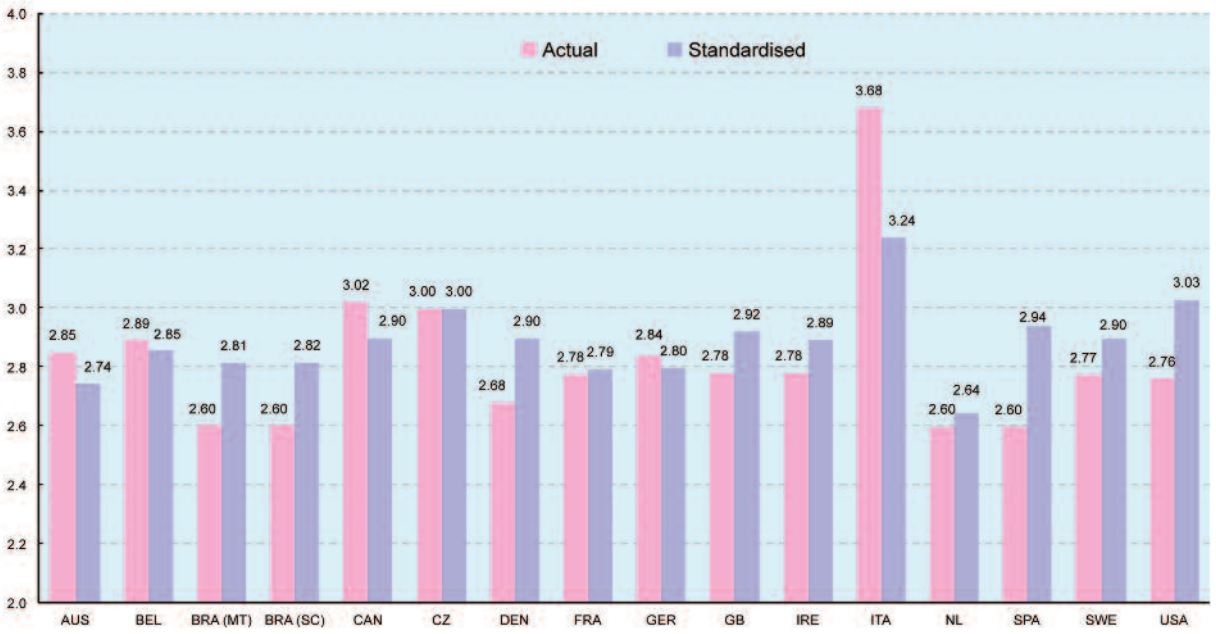


Table 11 GB and EU physical results, 2013

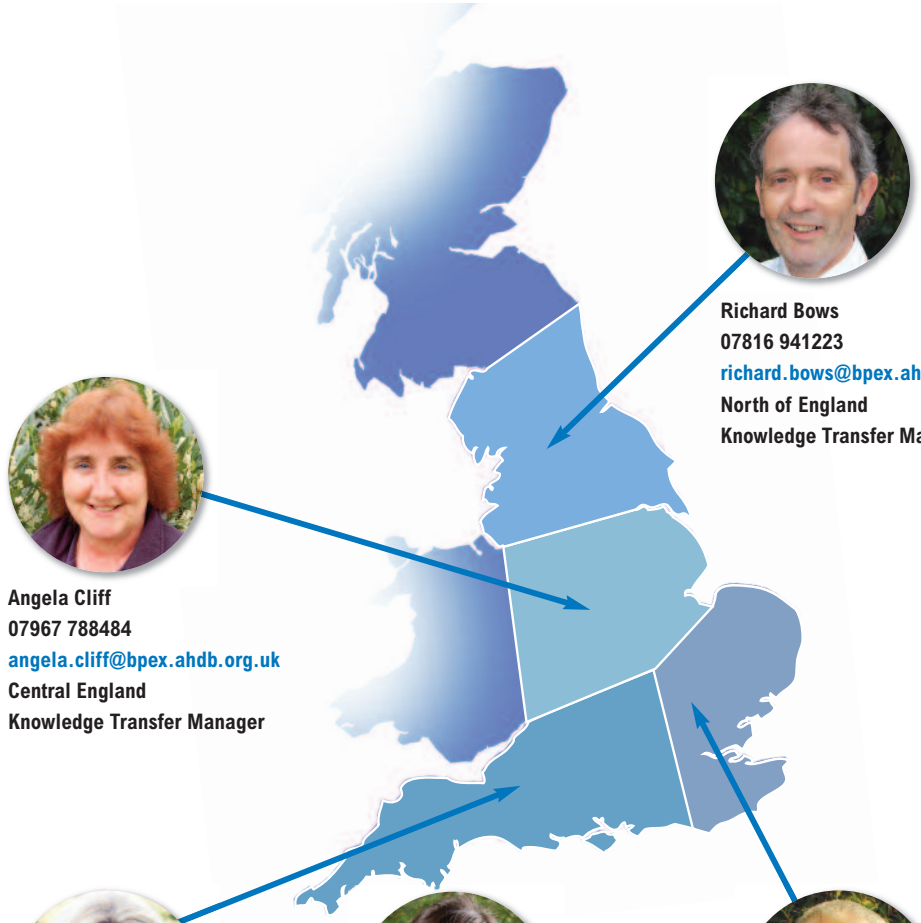
	GB overall	GB indoor*	GB outdoor*	EU average	GB overall difference with EU average 2013%
Pigs weaned/sow/year	23.6	24.9	21.7	26.1	-9
Pigs reared/sow/year	22.9	24.1	21.0	25.4	-10
Pigs sold/sow/year	22.2	23.5	20.4	24.7	-10
Pigs born alive/litter	11.9	12.4	11.1	13.0	-9
Pigs weaned/litter	10.3	10.8	9.5	11.3	-9
Litters/sow/year	2.29	2.30	2.27	2.30	-0
Sow mortality (%)	4.5%	5.2%	3.4%	5.8%	-23
Pre-weaning mortality	13.0%	12.3%	14.0%	12.9%	+1
Rearing mortality (%)	3.3%			2.6%	+24
Finishing mortality (%)	2.8%			2.5%	+10
Transfer weight from breeding to rearing unit (kg)	7.2	7.3	7.0	7.4	-3
Lactation period (days)	26.4	26.9	25.8	26.7	-1
Transfer weight from rearing to finishing unit (kg)	35.6			29.9	+19
Rearing Daily Liveweight Gain (g/day)	495			417	+19
Rearing Feed Conversion Ratio	1.8			1.8	-5
Finishing Daily Liveweight Gain (g/day)	816			787	+4
Finishing Feed Conversion Ratio	2.8			2.9	-3
Average number of days in rearing unit	57			53	+8
Average number of days in finishing unit	84			114	-26
Empty finishing unit days per cycle	7			8	-14
Pigs/pig place/year (finishing)	4.0			3.1	+27
Average live weight at slaughter (kg)	104.3			117.9	-12
Average carcase weight - Cold (kg)	79.6			90.6	-12
Killing-out percentage (cold weight)	76.3%	76.3%	76.3%	76.8%	-1
Carcase meat production/sow/year (kg)	1769	1867	1626	2234	-21
Average lean meat percentage	61.4%	61.4%	61.4%	58.6%	+5
Lean meat production/sow/year (kg)	1086	1146	998	1301	-17
Sow feed/sow/year (kg)	1526	1476	1601	1317	+16
Weaner/rearer feed/reared pig (kg)	50			42	+20
Finishing pigs feed consumption/slaughter (kg)	193			256	-25

* All pigs from indoor and outdoor sows are assumed to be reared in the same type of straw-based system after weaning.

APPENDIX IV

Tables and charts

BPEX KT MANAGERS



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BPEX has developed a new strategy called Going for Growth and a major part of this is closing the gap in production costs between ourselves and our major competitors.

The English pig industry is a relatively high cost producer relying on a price premium to remain competitive. We have poorer physical performance than many competitors resulting in higher costs, though primary processing is thought to be reasonably competitive.

The key elements of the strategy are:

- Close the Gap
- Protect the Environment
- Enhance Pig Welfare
- Encourage Safe and Traceable Pork
- Help to Sell More Pork.

BPEX is embarking on a major new marketing campaign to rejuvenate the image of fresh pork with under 50s shoppers. We believe that the dish than can kick-start this rejuvenation is pulled pork.

Pulled pork has never been more popular or fashionable and our research has shown consumers are keen to know more about pulled pork and how to cook it at home.

The pulled pork campaign, due to launch in early 2015 will aim to:

- **Change perceptions of pork**
- **Sell more pork shoulder via a strong call to action to try pulled pork at home**
- **Pave the way for increased use of other pork cuts.**

Activity will include:

- **Heavyweight above the line advertising**
- **A creative PR campaign, led by high profile lovers of pulled pork**
- **Digital/social media activity.**

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