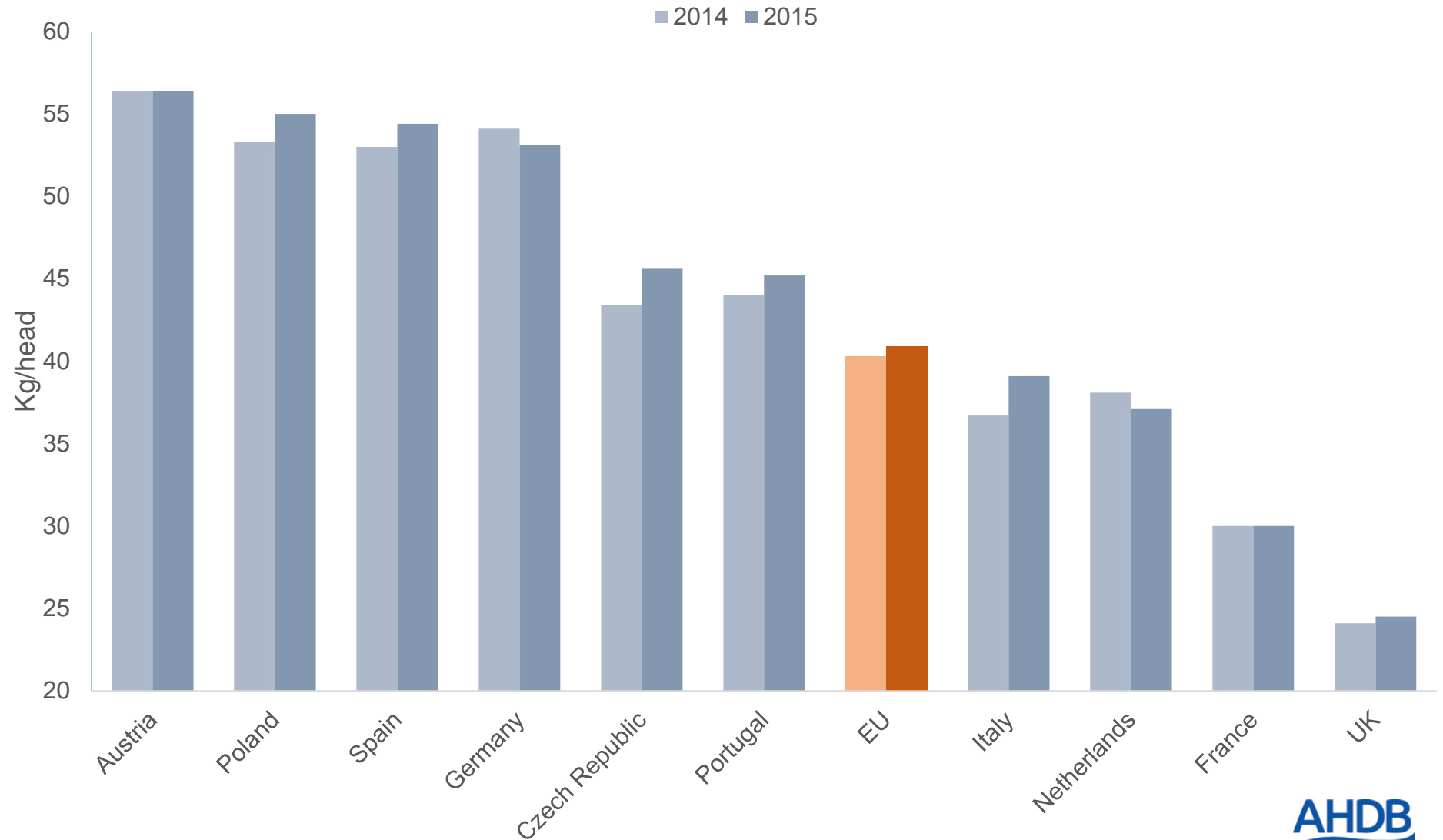




# Challenges and Opportunities in the Pork Market

Meryl Ward -Chair AHDB Pork

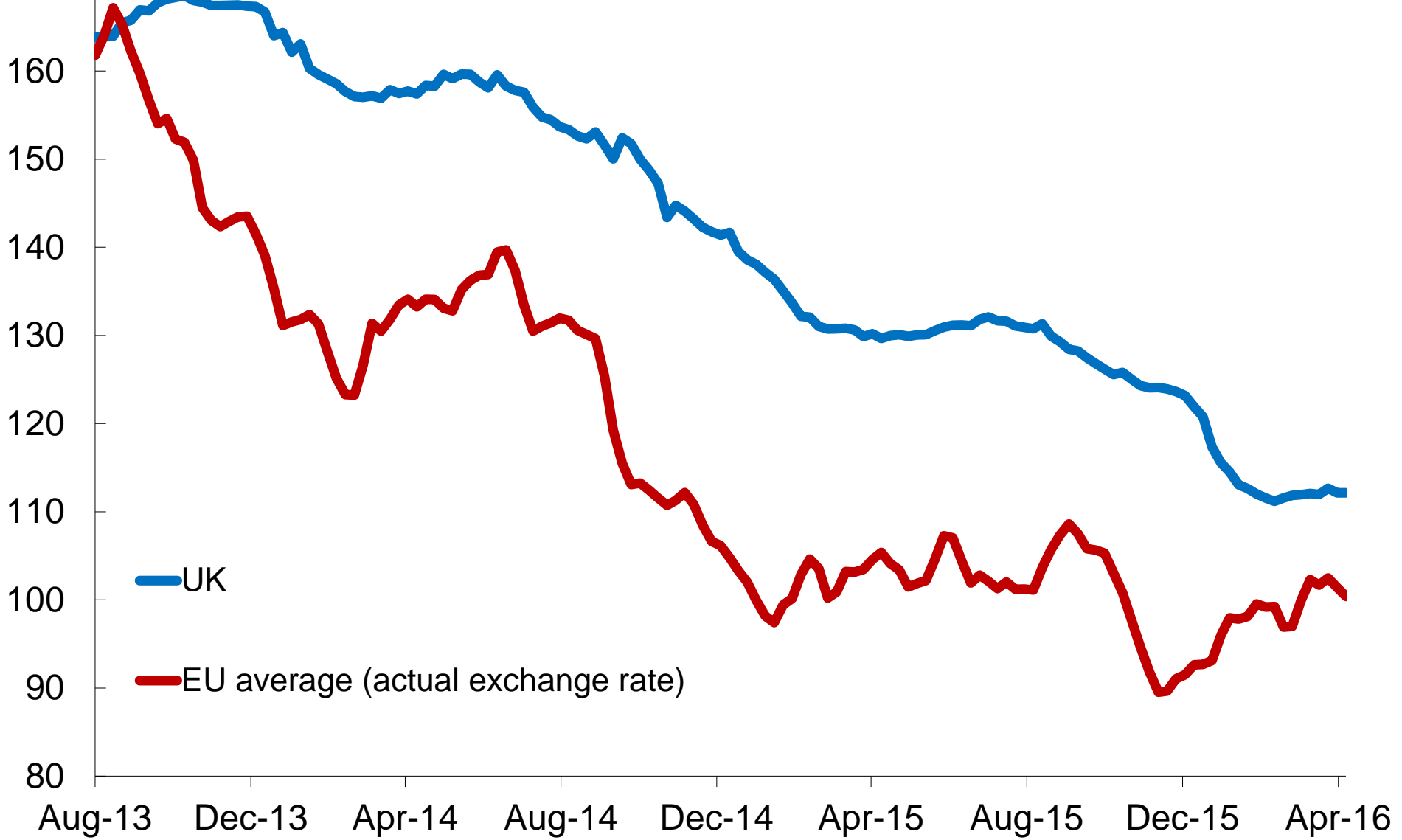
# Per capita pig meat consumption in selected EU member states





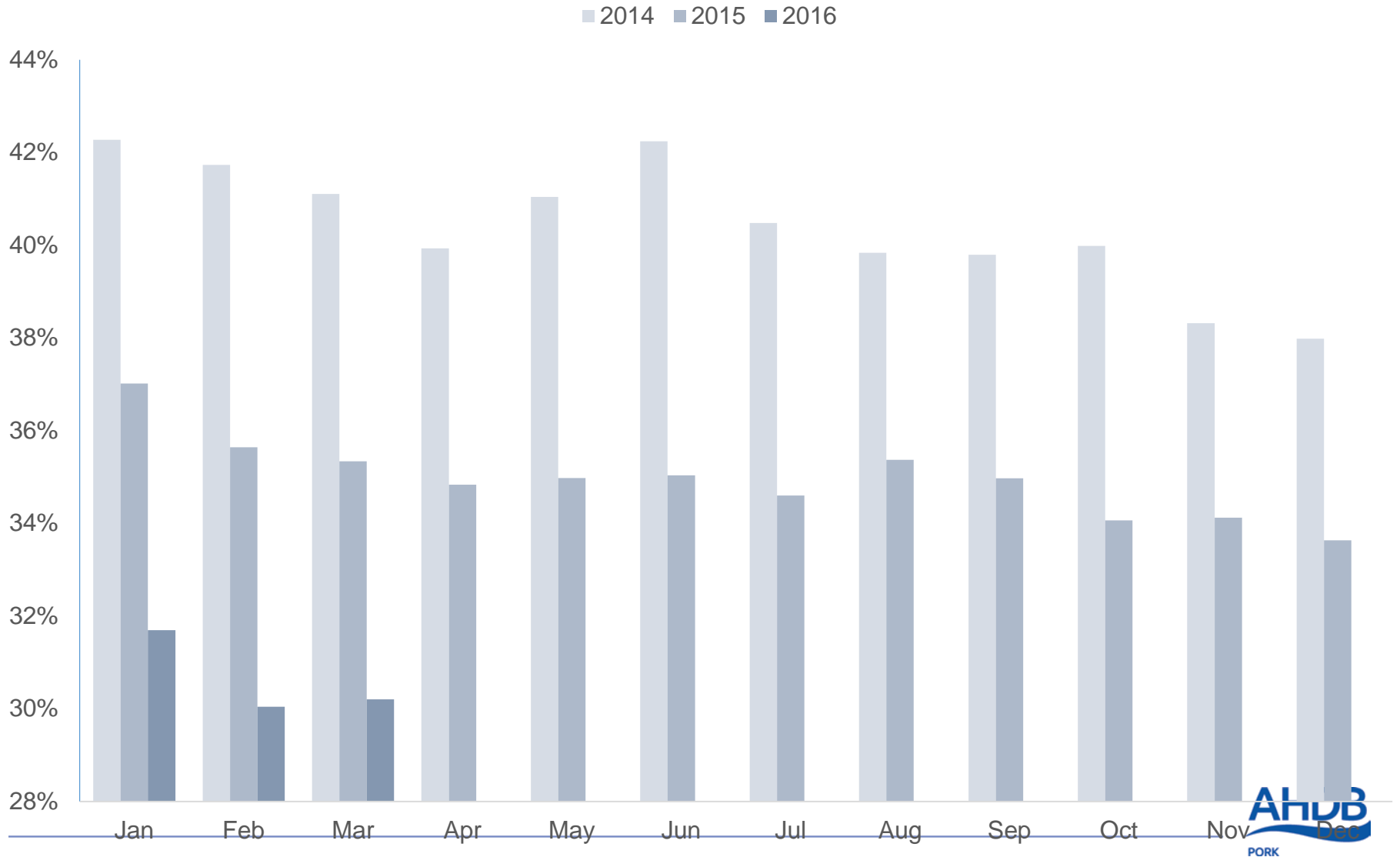
# UK and EU price comparison

170/kg dw



Source: AHDB Market Intelligence, EU Commission

# Percentage of pork retail price received by producers

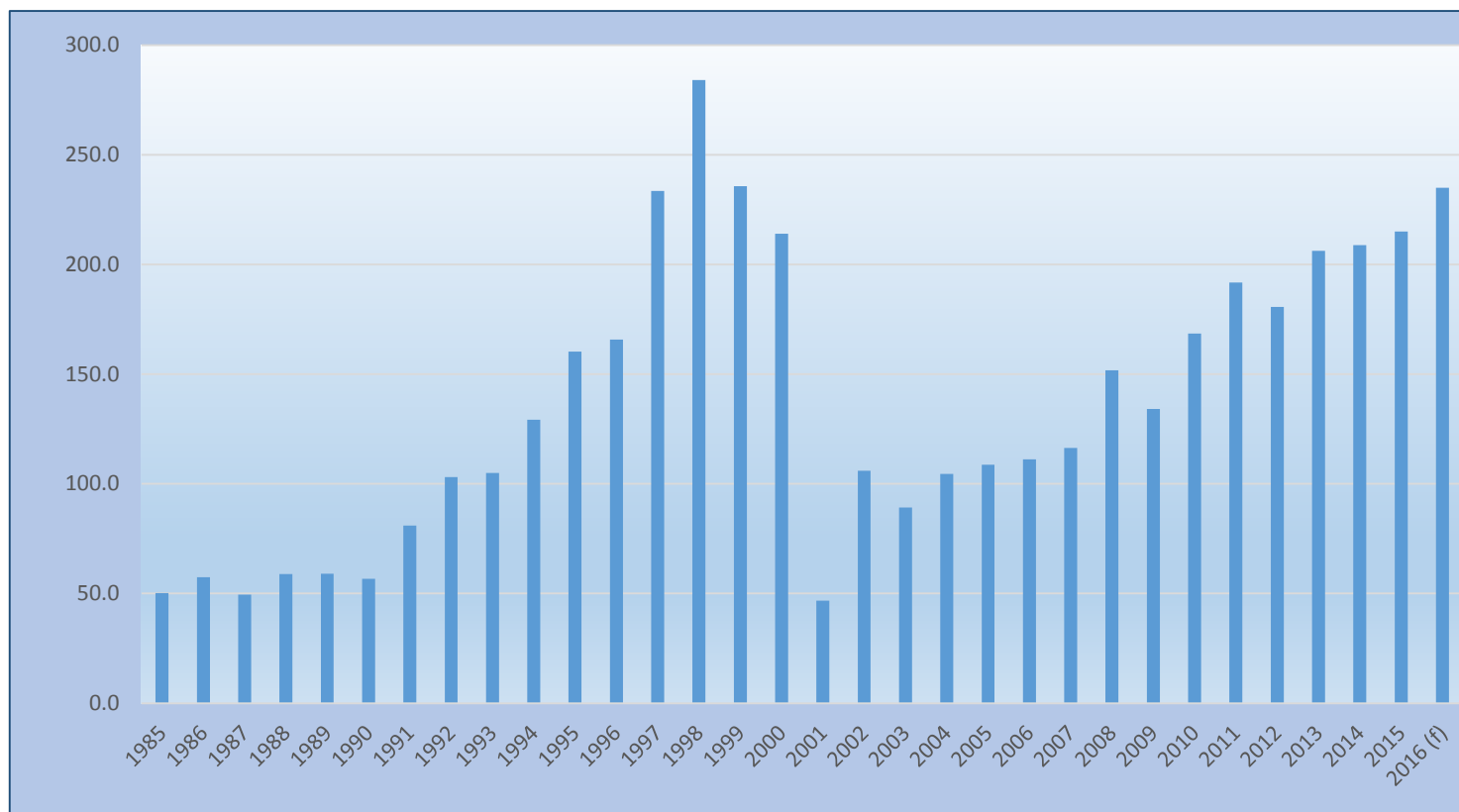


Source: AHDB Market Intelligence

# Pork exports are doing well

UK carcass meat exports 1985-2016(f) (000s tonnes)

In 2016, when including processed pork products and live equivalent, exports will account for a record **32%** of UK production, worth **£ 390 million**.



Adapted from Defra data

# Key Export Facts:

- ✓ We exported a record 58,000 tonnes of pig offal in 2015 and should break the record again in 2016.
- ✓ We export a wide variety of pork products from commodities to premium pork, sausages, pies, ham, bacon as well as breeding pigs.
- ✓ We exported pork products to more than 50 countries in 2015.
- ✓ We started to sell pork produced with high welfare standard in 2014 and it is now exported in Australia, Sweden, the Netherlands and the USA.
- ✓ AHDB Pork carries out a substantial trade development programme in China, Hong Kong, India, Japan, the USA, sub-Saharan African countries and in Europe.
- ✓ Current prospects are excellent as we benefit from the lower Pound and increased demand from China which is now short of pork.

New Products  
营养美味

森林  
美味

品名:去骨猪扒(煎)  
价格: 19.40 元

包装日期: 2016.05.05  
保存方法: 冷藏保存  
食用方法: 加工后食用  
规格: 1+1  
单位: KG  
单价: 69.80元/kg  
产地: 上海  
经销商: 上海森林肉食品有限公司

有效日期: 2016.05.07

物价员: 王美庆  
举报电话: 12358  
重量: 0.278

不是一般的鲜

上海森林肉食品有限公司  
地址: 上海市浦东新区川沙路777号  
电话: 021-20660790  
传真: 021-20660790  
邮编: 201315

品名:猪软骨  
价格: 23.60 元

包装日期: 2016.05.06  
保存方法: 冷藏保存  
食用方法: 加工后食用

有效日期: 2016.05.08

规格: 1  
单位: KG  
单价: 86.00元/kg  
产地: 上海  
经销商: 上海森林肉食品有限公司  
地址: 上海市浦东新区川沙路260号

物价员: 王美庆  
举报电话: 12358  
重量: 0.274

# The Chinese Snow Pig!





000 tonnes

# GB retail purchases of fresh/frozen pork

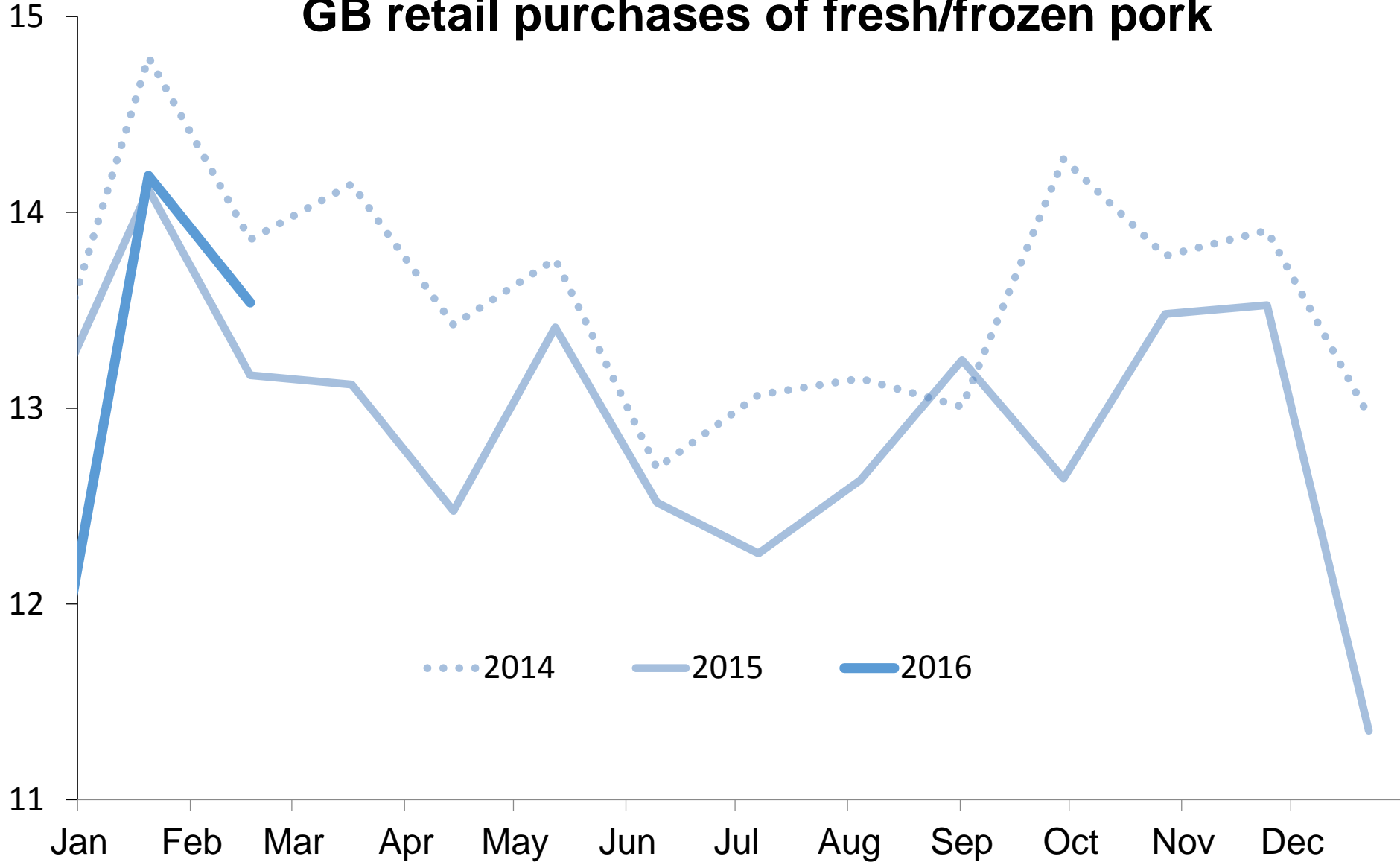


Chart: GB retail purchases of fresh/frozen pork  
Source: Kantar Worldpanel

# Retail pork sales and pork prices

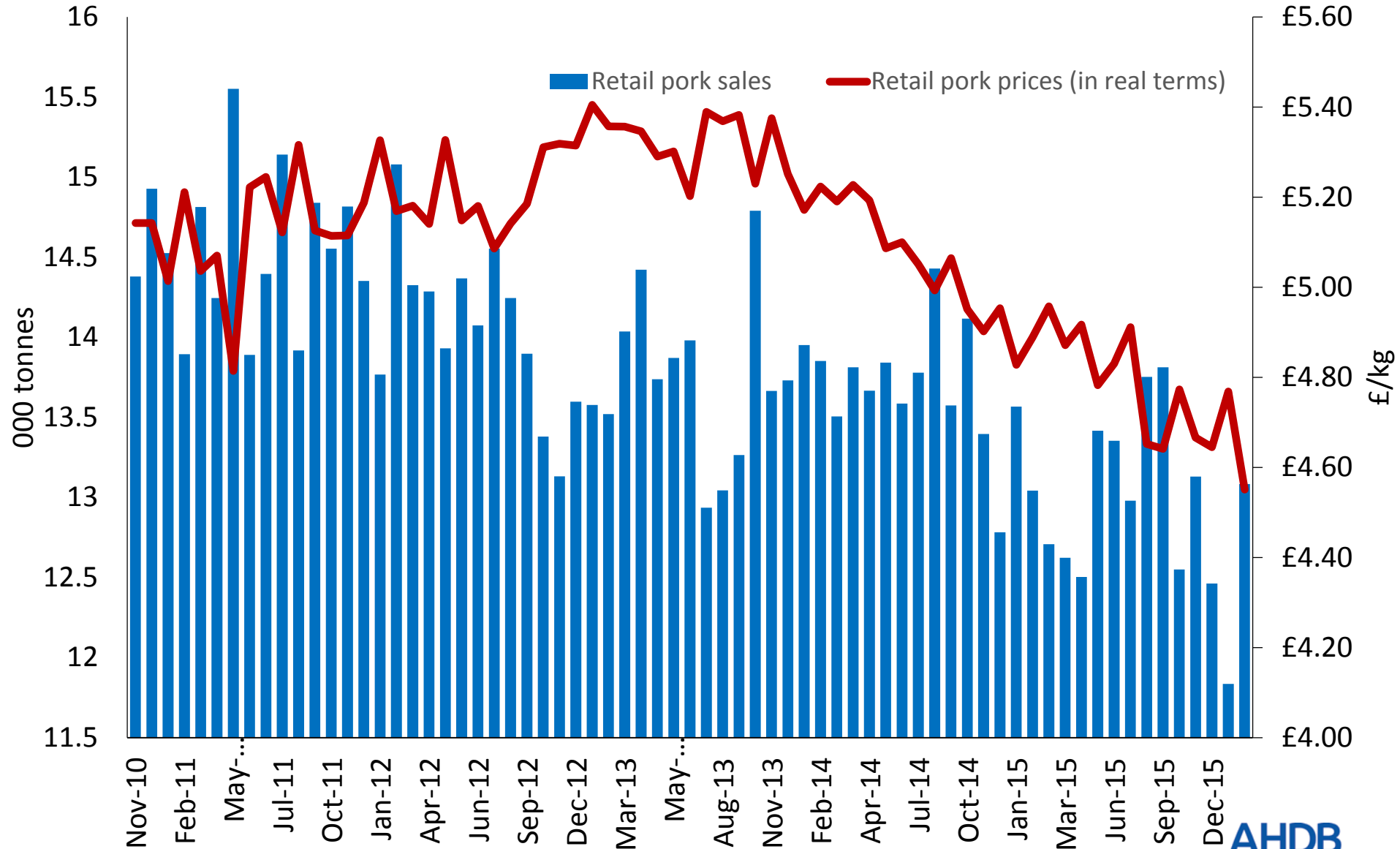


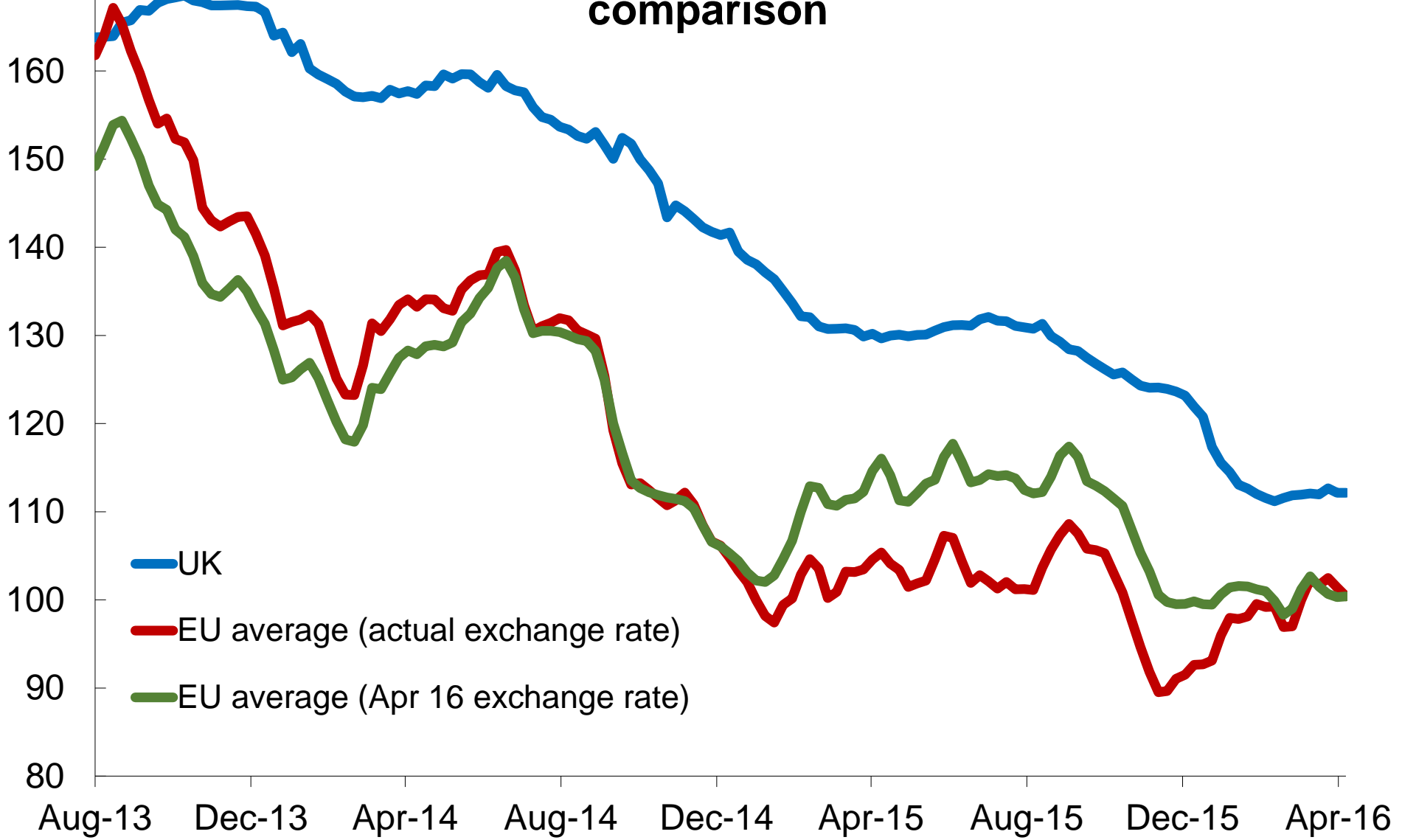
Chart: Retail purchases of pork and prices (adjusted for seasonality & inflation)

Source: Kantar Worldpanel



# Effect of exchange rate on UK and EU price comparison

170/kg dw



Source: AHDB Market Intelligence, EU Commission

# Interpig 2014 Full Economic Cost of Production in GB and immediate competitor countries (p/kg cold wt)

TOTAL COST SUMMARY (p/kg cold weight)	GB	IR	NL	DK	FR	D	ES
	GB	IR	NL	DK	FR	D	ES
<b>Variable costs,</b>	<b>1.09</b>	<b>1.15</b>	<b>1.02</b>	<b>0.93</b>	<b>0.95</b>	<b>1.09</b>	<b>0.99</b>
Feed,	0.87	0.94	0.76	0.73	0.76	0.85	0.83
Breeding cost	0.04	0.04	0.03	0.02	0.04	0.03	0.03
Vet and med	0.04	0.05	0.03	0.03	0.04	0.05	0.05
Energy	0.02	0.03	0.04	0.04	0.03	0.04	0.03
Maintenance	0.02	0.02	0.03	0.03	0.01	0.04	0.02
Miscellaneous	0.10	0.06	0.14	0.09	0.07	0.07	0.04
<b>Fixed costs</b>	<b>0.33</b>	<b>0.27</b>	<b>0.29</b>	<b>0.29</b>	<b>0.30</b>	<b>0.31</b>	<b>0.20</b>
Labour,	0.14	0.10	0.13	0.11	0.12	0.12	0.07
Depreciation	0.14	0.10	0.12	0.13	0.14	0.15	0.08
Average interest costs	0.04	0.04	0.03	0.03	0.03	0.04	0.03
Interest on working capital	0.01	0.02	0.01	0.02	0.01	0.01	0.01
<b>Total costs</b>	<b>1.42</b>	<b>1.42</b>	<b>1.31</b>	<b>1.22</b>	<b>1.25</b>	<b>1.40</b>	<b>1.19</b>

# Summary

- Exports – maintain freedom from exotic disease, maximise opportunities including demand for high welfare products
- Domestic demand – build trust with consumers, increase commitment to British standard (public procurement, fresh and processed products), encourage innovation in convenience, meat as part of a healthy diet
- Supply chain commitment – integrated supply chains with clear messages for producers, long term planning, a fair price for production
- Production base – investment to meet demand and reduce Costs of Production.



Thank You