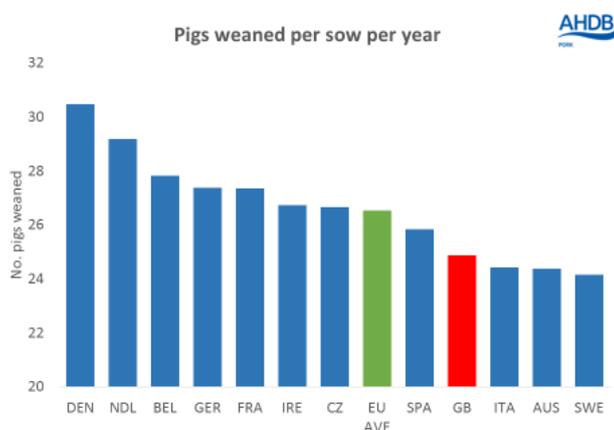


## GB breeding herd productivity continues to improve

The latest physical performance data, provided to AHDB Pork by Agrosoft, showed that the productivity of the GB breeding herd continued to improve throughout the second quarter of 2016. This increase in performance, coupled with growth in the female breeding herd, based on the latest figures from Defra, may lead to increased supplies available. However, there was a slight dip in the performance of the rearing and finishing herd, so this may peg back any increase in production volumes.

The average number of piglets born alive per litter increased by 0.2, to 12.5. At the same time, the number of litters per sow stood on from the previous quarter, therefore leading to a slight increase in the number of pigs weaned per sow. However, even though there was an improvement in performance, the GB herd still stands behind the EU average, in terms of productivity, when compared with the most recent InterPIG figures from 2014. It is also some way off the pace of the leading producing states, with Denmark posting a figure of 30.46 pigs weaned per sow (2014), versus the GB average for Q2 2016 at 24.86.

Pre-weaning mortality was up slightly on the previous quarter, but this did not hold back an increase in the number of pigs weaned per sow per year. This was hardly surprising, given the increase in the size of the litters.



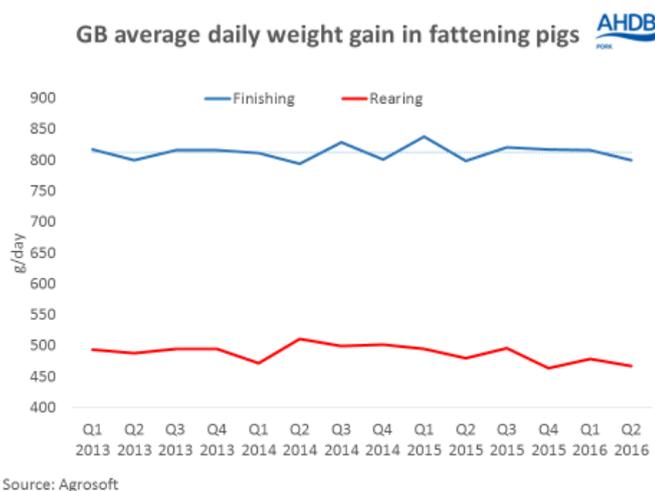
Source: InterPIG (2014). GB data Q2 2016

Overall productivity improvements were predominantly driven by improvements in the performance of outdoor production methods. Outdoor production saw the number of pigs weaned per litter increase 0.29 from the previous quarter, to 22.77. Conversely, indoor production saw a fall in this metric, by 0.06 to 26.30 piglets per litter. This reverses the trend that has been recorded over recent years, where indoor production improved more than outdoor production. It is still, however, the more efficient form of production. Outdoor production also recorded improvements across other breeding metrics, including the number of pigs sold per sow and the number of pigs born alive. However, although there has been an increase in the number of pigs born alive in indoor production figures, an increase in the pre-weaning mortality rates reduced the number of pigs weaned per sow per year and subsequently the number of pigs sold per sow

per year. Growing conditions have been largely favourable over the second quarter, with the Met Office reporting largely average spring weather. The beginning of the period started quite wet for some areas, although this pattern was reversed by the end of the period. Therefore, increases in outdoor production metrics may be attributed to continuing improvements in genetics and management.

When looking at specific indicators for weaning to finishing for Q2 2016, the finishing feed conversion ratio (FCR) worsened slightly, from 2.75 to 2.78. In addition, daily weight gain for finishers fell from 816 to 800 g/day over the same period. The FCR for finishers was just behind the EU average, stated in the latest InterPIG 2014 data, although the daily liveweight gain was ahead of the EU mean, by 7 g/day.

There was also a decrease in the daily liveweight gain for rearing pigs. However, the FCR recorded some improvement at the same time. Rearing mortality rates increased by 0.3 percentage points to 3.4%, while the mortality rate in finishers stood on from levels recorded in Q1.



Source: Agrosoft

In addition to the modest improvements recorded in sow productivity, there has also been improvements to financial measures relating to sows. The rise in the cull sow price through Q2 2016 has resulted in a drop in the net breeding cost.

Feed costs are the most significant cost of production for producers, accounting for 57% of the total costs. In Q2, there were increases in all feed costs; sow, weaner and finisher feed. At the same time, sow feed consumption increased modestly. The rising pig price, which ended the quarter at 124.35 p/kg (EU-spec APP) helped soften the blow of some of these feed price increases, but there was still a deficit in the net margin, equating to, on average, 12p/kg, or £10 per pig. With pig prices in Q3 comfortably above the Q2 cost of production figure, of 132.3p/kg, it may be hoped that pig producers could start to return to positive margins in Q3, although rising feed costs may dampen this somewhat. However, continued increases in the physical performance of the breeding and pig herd would help to capitalise on increasing margins and tighten cost of production levels.