

A roller coaster year with more uncertainty to come?

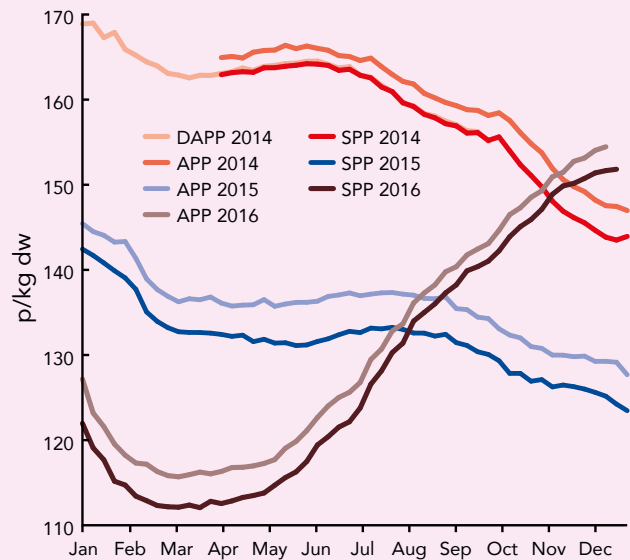
2016 was a year of two halves for the UK pig meat industry. High supplies and falling prices characterised the situation in the first half of the year, with prices in March falling to their lowest level since 2008 as production levels exceeded market demand. However, the second half saw supplies tighten. This, coupled to the UK's improved trade position as a result of high Chinese demand and a weakening currency, led to a record 37-week period of week-on-week price rises.

Moving forward, with the breeding herd thought to be in decline, supplies are expected to remain tight in the UK during the first half of 2017. In addition, the weak pound, driven by

the uncertainty surrounding future UK-EU trade relations, should continue to make UK exports more competitive and imported product less competitive on the domestic market. Altogether, this could provide some upward pressure in the market. However, increasing production in the US, Brazil, China and Russia, could dampen potential export prospects.

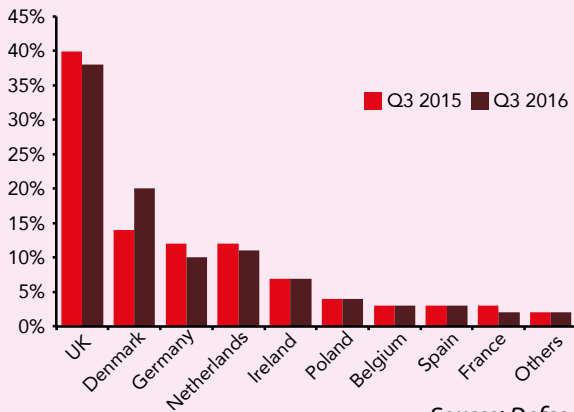
On top of this, the weak pound will also provide challenges, driving up the cost of inputs such as feed and fuel. Overall, given the degree of uncertainty surrounding 2017, this will be a time when producers will need to ensure they have close control over their costs. >

UK pig prices



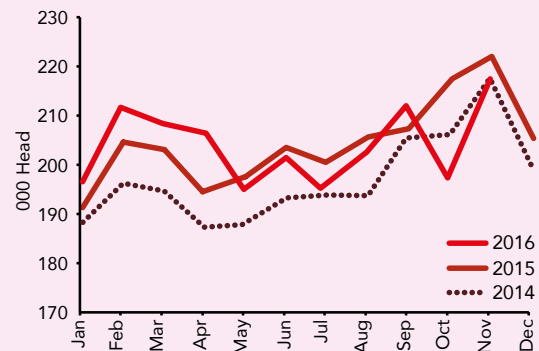
Source: AHDB Market Intelligence

Sources of pig meat consumed in the UK



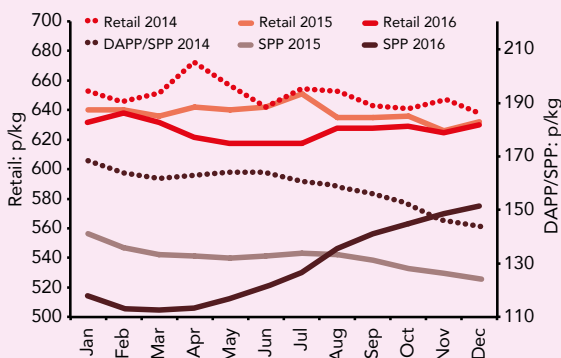
Source: Defra, HMRC

UK weekly clean pig slaughtering



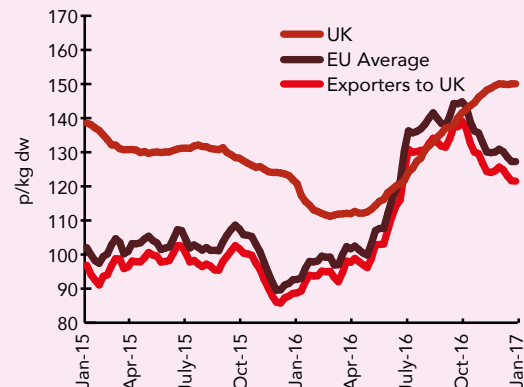
Source: Defra

GB average retail pork saleable carcase price and DAPP



Source: AHDB Market Intelligence

Comparison of UK and EU pig reference prices



Source: AHDB Market Intelligence, EU Commission

Making it Count

We have an exciting series of events coming up in March, helping you to get the most out of your gilts. We'll be giving pig producers and stock people practical messages that can be implemented on farm straight away to maximise gilt potential.

Good management and selection of gilts is fundamental for maintaining a productive herd. At any time, 20–25% of production should be from gilts, with a typical 50%+ replacement rate meaning that nearly half the herd will have been replaced during the year. Performance from, and management of this parity

therefore has a large impact on overall productivity and profitability, and is the reason we are addressing the subject in our upcoming meetings.

We have a range of expert speakers booked, including Ian Gillies, Philip van den Brink and Andrew Zarkos-Smith, as well as having some real-life case studies presented by pig producers.

 You can book your place at the events and get full details from our website: pork.ahdb.org.uk/events/ or by calling 024 7647 8793.

Being clear about water



On 9 February we are holding an evening webinar aimed at vets and anyone else who provides guidance to farmers. The focus will be water quality and availability on farm, with the outcomes from AHDB Pork's project on water hygiene, conducted in conjunction with RAFT Solutions Ltd, being presented by veterinary surgeon and partner at Bishopton Veterinary Group, Nigel Woolfenden.

We will be discussing the results of our water sampling across a range of farms in England and providing guidelines for drinking water quality for pigs in the UK. We will also outline how this ties into better health on farms.

 Register online at: pork.ahdb.org.uk/events/

Event calendar

- **1 March**
Darrington Golf Club
- **7 March** Exeter
- **8 March** Sparsholt
- **14 March**
East Midlands pig club
- **21 March**
All Saints Hotel,
Bury St Edmunds
- **22 March**
Shropshire pig club

Grab your popcorn, it's time to watch "This is British Pig Farming"

AHDB Pork has created a programme intended for those who know very little about our great industry. It explains the different farming systems and how pigs are reared and cared for. We are particularly pleased to feature Professor Sandra Edwards and vet Duncan Berkshire, who help to contextualise the work we do.

Mick Sloyan, Strategy Director Pork said, "The industry has a strong story to tell and I believe this video helps showcase the efforts made by farmers and others to ensure that the high standards we are so proud of, are maintained."



 To view visit <http://pork.ahdb.org.uk/>

Great export progress in 2016



SIAL China show, Shanghai

2016 has been a busy year for the UK's pork exporters. Latest HMRC data is only available for the first three-quarters of the year, however, it shows total pork exports in the first nine months of the year 14% up on the year and, interestingly, shipments to third-country markets outside of the EU increasing by 43%. For pig meat offal exports, shipments also rose by 43% in volume.

The AHDB export team has been active in a number of International markets during the year, helping to continue to develop them for English pork and pig meat products. AHDB has hosted exporters at four leading food shows in China this year, giving them a platform to meet new importers and enhance the all-important relationships with existing clients. The largest meat show in China, SIAL China, was held in Shanghai. All major exporters attended the show in May and were all kept extremely busy throughout, due to brisk demand. AHDB Pork hosted the inaugural British Pork event to coincide with show, to showcase high quality British Pork to leading Chinese importers. A second tasting event was held in November showcasing products to key decision makers and buyers in the foodservice sector. The aim of both events was to help develop and enhance the value of higher quality pork to key market participants. This theme will be carried forward into 2017, where AHDB

will continue to focus on lifting the value of pork destined for China.

Hong Kong is a very different market, where branding, differentiation and quality are paramount. We participated to the Restaurant & Bar show and promoted British pork in two retail chains.

Japan remains an important market, being one of the largest importers of pig meat in the world. In 2016, AHDB Pork returned to Tokyo to showcase high quality pork and processed pork products to this high value market. We will once again be in Tokyo on the spring with exporters showcasing our great pork products.

Earlier in the year, an AHDB-led mission, visited Delhi, Chennai and Mumbai to explore the longer-term opportunity this fascinating market holds for the sector. Although India remains a challenging market in the short term,

a growing population that is predicted to surpass China by 2022, and the market has considerable long term potential that AHDB will continue to closely monitor.

The first British pork stand at a show in the US took place earlier in 2016. With growing demand from discerning US consumers, particularly for high-welfare and antibiotics-free pork, this market will continue to see us work with all leading exporters to develop the market further and add value to sector here in the UK.

Finally, a group of adventurous exporters led by AHDB Pork visited key importers in Liberia, Sierra Leone, Guinea and Senegal.

Altogether, 2016 was a year of great progress and we aim to build on this success in 2017. >

