

PORK Outlook

New Zealand
PORK

MAY 2010

CEO Comment

New promotion launched

NZPork's advertising campaign has taken a different tack for the next six months. Our recent review of advertising effectiveness research showed that while the messages of value, the variety of cuts available and the ease of cooking pork were being picked up, a major issue raised by consumers remained – the ease of cooking pork was not translating into confidence in the kitchen.

This has also been raised as we talked to around 6000 people (essentially 'foodies') at The Food Show in both Wellington and Christchurch. People do have major issues with getting a consistent result from pork, that is, how they handle the various cuts and level of "doneness" to ensure that it is adequately cooked but not overdone.

We've questioned whether we have been consistent with the product we supply them in the past, but our comprehensive tenderness testing programme has shown that we are serving up a consistently tender product to the supermarket shelf. So the key issue is the lack of understanding of how to best cook pork.

After analysing the issues and the messages that need to be delivered we've decided against a TV based approach, favouring instead a magazine based advertising campaign with the theme 'How to Cook Perfect Pork'.

The campaign will see over 400,000 pocket-sized 'cooking guides' go to readers of popular magazines – Woman's Day, Taste, and Australian Women's Weekly. The cooking guide will feature in a series of 6 magazine advertisements which focus on cooking methodology around 6 key cuts that deliver contemporary 'easy to prepare' meals – pork balls, steak, roast, chops, fillet and stir fry.



The campaign runs from May to September with Neopolitan pork balls being the Perfect Pork #1 recipe www.pork.co.nz. So keep your eye out for the 'Perfect Pork' booklet or phone NZPork get your free copy. You Can't Beat 100% New Zealand Pork!

Sam McIvor ■

Pig farm an award winner

TRC's annual Environmental Awards

The Taranaki Regional Council Environmental Awards recognise initiatives that enhance the region's environment and encourage sustainable development. Covering a wide range of environmental projects and activities, the awards provide an opportunity to recognise the efforts and innovation as well as celebrate the enthusiasm and inspiration that have gone into each project (<http://www.trc.govt.nz/environmental-awards/>).

This year's Environment Awards were held on 18 May and we are pleased to announce one of our own, Steve Lepper (Lepper Trust/ Lepperton) was among the 12 recipients. Steve was presented with an award for 'environmentally beneficial resource recovery' in recognition of his sustainable manure management systems – composting solids for "Grunt" and generating electricity with biogas produced from his new covered pond.

On behalf of the industry, NZPork extends congratulations to Steve and the team!



Region 3 Election Results

The results in the 2010 election for a Producer Director on the New Zealand Pork Industry Board in Region 3 are as follows:

Ian Carter – 164 votes
Paul Davey – 116 votes
Sue Morton – 39 votes

Therefore **Ian Carter** has been elected Producer Director for Region 3. This position is with effect 01 August 2010. On behalf of the industry, NZPork extends congratulations to Ian on his election win.

Environewz NZPork a finalist

New Zealand Pork has been selected as a finalist in the 2010 Green Ribbon Awards. The Green Ribbon Awards, administered by the Ministry for the Environment, recognise outstanding contributions by individuals,

organisations and businesses to protect and enhance New Zealand's



environment. The judges were looking for organisations and projects which went “the extra mile”; and were impressed with the collaboration, innovation and investment applied across the pork industry in recent years to support the assessment and uptake of farm biogas systems.

NZPork is a finalist in two categories – *Reducing Our Carbon Emissions* and *Improving Our Air Quality*; the finalists will be announced at a gala function in Wellington on 03 June. For further information contact Liz ph 06 350 5082 or e.mcgruddy@massey.ac.nz

Project Update

“Real life values” on NZ piggery greenhouse gas emissions

Jaye Hill and Ian Barugh at IFNHH (Massey University) are currently half way through a MAF funded project which aims to gather New Zealand specific data on greenhouse gas emissions from the NZ pork Industry.

Currently Jaye is undertaking farm surveys to gather data on industry practices. Each survey generally takes about 15 minutes and can be conducted over the phone. During these phone calls she will be particularly interested in the pigs’ diets, manure handling systems and any tree plantings that could be used as greenhouse gas “offsets”. All data will be kept confidential with only industry averages published. To date, Jaye and Ian have surveyed farms in both the North and South Island and currently have covered over 50% of NZ pork producers.

If they have been in contact with you, thank you for your time! They are keen to survey as many farms as possible. If they have not yet contacted you and you are keen to take part or just want some more detailed information on the project please contact Jaye ph 06 356 9099 extn7760 or j.v.hill@massey.ac.nz

Your help and assistance in this exercise is greatly appreciated.

NZPork Industry Conference/AGM

The 12th Industry Conference/AGM will be held on **Monday 19 and Tuesday 20 July 2010**. Registration forms will be sent out at the end of June.

Feed Grains Update

BARLEY: At a glance – barley prices up again as dairy demand increases

In the North Island *porkoutlook* contacts once again report demand for grain from dairy dragging up the cost of all grains. Dairy farmers are concerned that there will not be enough winter feed. Supply is described as “tightening up” and a lack of barley coming into the market from South Island growers has pushed prices up. Similarly in the South Island, contacts report barley supply as “harder to source”, “firming up” and “short”. A big uptake of grain is reported as going to dairy farmers, attributable to the dry conditions, with interest for grain from pig and poultry farmers who want a little extra.

MAIZE: At a glance – harvest presses on

In the Upper North Island, harvest is reported as 45-50% complete. In Northland, *Maizeaction* reports early yields as variable due to “dry weather in the West and rainfall in the East”. Waikato yields are “above average in the less dry central and South Waikato and below average in the drier North Waikato”. Meanwhile, harvest in the Manawatu and Rangitikei regions has just got underway with no waiting for crops to dry down. The ground is reported as rock hard and harvesters are able to do their own thing without issue. *porkoutlook* contacts report an urgency to complete the harvest so other crops can be planted. Yields are expected to be down after the initial late, wet start and lack of heat units. Old crop is reported as being sold “a bit cheaper” to get rid of it. In the Hawke’s Bay, *Maizeaction* reports crops as “drying down slowly”. Consequently, harvesting is not being rushed and good grain quality is reported.

WHEAT: At a glance – as barley supply fades, demand for wheat grows

In the South Island, *porkoutlook* contacts report “more wheat around than barley”. There is continuing demand for wheat from dairy farmers with some casual sales to the poultry sector. Contacts report some growers as hanging out for higher prices in response to the dry conditions. In the North Island, demand for wheat is firming, as dairy farmers purchase grain and very little South Island barley comes onto the market. The demand for barley is dragging up the wheat price.

CEREALS: FREE MARKET PRICES AND TRENDS

Crop	Auckland/Waikato		Manawatu		Canterbury	
	\$/t	Trend *	\$/t	Trend *	\$/t	Trend *
Barley	385-390	+40	330-365	+15	285-315	+20
Maize	355-360	+10	330-365	+5	na	
Wheat	375-380	+30	330-365	+5	270-315	+20

Note: These prices are typical examples for delivery in bulk. GST is not included. They do not represent true averages of the prevailing market. *Change from previous *porkoutlook*. na = not available. nc = no change. nq = not quoted.

Proteins Update

At a glance – fishmeal remains strong in demand

Again this month, *porkoutlook* contacts report a strong demand for fishmeal from Japan and China – described as hard to get. The meat and bone meal price drops back this month, as the exchange rate moved in our favour. The reduction in the Skim Milk Blend price and the increase in the Soyabean Oil price reflect an updating of our *porkoutlook* pricing as opposed to any market trend.

PROTEINS: PRICES AND TRENDS

Protein Type	North Island		South Island	
	\$/tonne	Trend *	\$/tonne	Trend *
Meat & Bone	670 -720	-35	755 - 900	-10
Blood Meal	1275 -1300	nc	1300 -1350	nc
Fish Meal	2800 -3100	nc	2800 -3100	nc
S/Milk Blend	1300 -1350	-187.5	1300 -1350	-187.5
Ext. Soya Meal	770	-55	770	-55
Full Fat Soya	na		na	
Soya Oil (full refined)	1350 -1400	+575	1350 -1400	+575
Tallow	840 -1000	+45	850 -1020	nc
Lysine \$/kg	3.00	nc	3.15	nc
Methionine \$/kg	7.00-8.00	nc	7.00-8.00	nc

Note: na = not available, nc = no change *Change from previous *porkoutlook*. These prices are typical examples for delivery ex. store in bag, in tonne lots. GST and pallet hire is not included. They do not represent true averages of the prevailing market for all ingredients. Crude protein content may vary.

Market Summary

NUMBERS AND WEIGHT OF PIGS BY CLASS

Weight range	April 2009			April 2010			% Change	
	Total No.	Total Wt (t)	Av. Wt/ pig (kg)	Total No.	Total Wt (t)	Av. Wt/ pig (kg)	No.	Total Wt (t)
Under 50kg	4,367	175	40.1	3,893	165	42.4	-10.85	-5.69
50-65kg	19,698	1,163	59.0	18,437	1,084	58.8	-6.40	-6.79
65-75kg	22,300	1,485	66.6	23,240	1,624	69.9	4.22	9.36
Over 75kg	10,639	863	81.1	10,177	828	81.4	-4.34	-4.08
Choppers	1,361	186	136.7	1,323	192	145.1	-2.79	2.84
Total	58,365	3,872	66.3	57,070	3,892	68.2	-2.22	0.52

12 MONTH CUMULATIVE KILL

WEEKLY KILL

	April 2009	April 2010	Difference	w/e 04 April	12,330
Number	714,954	682,374	-32,580 (-4.6%)	11 April	13,126
Tonnes	48,113	46,285	-1,828 (-3.8%)	18 April	13,671
Ave. Wt. (kg)	67.30	67.83	0.53 (0.8%)	25 April	13,279
				02 May	13,921

IMPORTS BY COUNTRY, FEBRUARY 2010 (KG)

12 MONTH CUMULATIVE IMPORTS (t)

Australia	Canada	USA	Finland	Others	March 09	March 10	Difference
606,457	492,801	499,729	396,883	416,886	37,580	39,907	2,327 (6.2%)
25%	20%	21%	16%	17%			

IMPORT TYPE (t)

Proportion of total annual supply

Month	Chilled	Frozen	Processed	Cured	Total	CIF (\$/kg)	
March 10	0	2,383	26	4	2,413	4.69	46.3
March 09	43	2,487	34	33	2,597	5.36	43.5

Global Gossip

Pork prices pushed down by too many pigs – There's an oversupply of pigs in Australia, and prices are plummeting as pork imports reach saturation point. Pork prices are more than 50c/kg cheaper than last year, and more than 2600 tonnes of pork are imported each week to Australia from countries like Denmark and Canada.

<http://www.thepigsite.com/swinenews/23816/pork-prices-pushed-down-by-too-many-pigs>

Continued fall in Canadian pig numbers but slaughter pigs steady – On 01 April, producers reported 2% fewer total pigs on farm than a year previously, and 5.7% fewer sows. Slaughter numbers have remained steady for the last three quarters.

<http://www.thepigsite.com/swinenews/23729/continued-fall-in-pig-numbers-but-slaughter-pigs-steady>

EU pig populations April 2010 – The April report from the UK DEFRA showed that the pig population in Germany, Spain, and France fell while populations rose in Poland, Denmark, the Netherlands and the UK.

<http://www.thepigsite.com/articles/7/markets-and-economics/3108/eu-pig-populations-april-2010>

The **2009 Agricultural Census** reports that as of June 2009 there were 39,472 sows and mated gilts and 322,788 pigs in New Zealand. http://www.stats.govt.nz/browse_for_stats/industry_sectors/agriculture/AgriculturalProduction_HOTJun09final.aspx

Rodents test positive for PCV2 – On farms with a problem with Post-Weaning Multisystemic Wasting Syndrome (PMWS) and porcine circovirus 2 (PCV2), researchers have found a high proportion of the rats and mice positive for PCV2, indicating that that may spread the infection among the pigs. <http://www.thepigsite.com/swinenews/23761/rodents-test-positive-for-pcv2>

NADIS Health Bulletins are produced every month and are intended to improve animal welfare and farm profitability through better disease control and prevention. http://www.nadis.org.uk/NADIS_BPEX.html

The future of staffing for the pig industry – Staff are the single most important asset to a pig business. Richard Adams, manager of the Harper Adams University College pig unit, discusses how to attract and retain staff. <http://www.thepigsite.com/articles/6/production-management/3102/the-future-of-staffing-for-the-pig-industry>

Farrowing crate alternatives – <http://www.piginternational-digital.com/piginternational/20100506/?folio=26>

Animal Bytes – your guide to the latest developments in Animal Science <http://www.animalbytes.org/index.php/category/livestock/pigs/>
www.lowstresspighandling.com

Pork prices have been KILLED when measured in gold

<http://www.businessinsider.com/pork-prices-have-been-killed-when-measured-in-gold-2010-5#ixzz0o8gelQnV>

INTERNATIONAL PRICE TRENDS

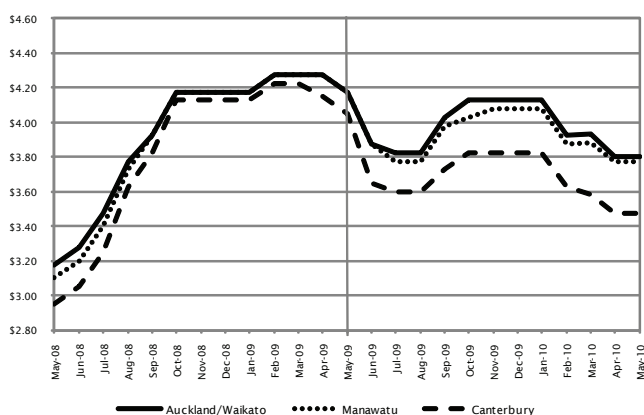
	NZ equivalent	
	end Apr	end Mar
Pork	\$/kg	\$/kg
Iowa/Sth Minnesota	2.46	2.26
Australian baconer	3.49	3.72
Feedstuffs	\$/tonne	\$/tonne
Corn no 2 Chicago	185	179
Soya meal 48%	454	427
M&B meal, Chicago	431	486
Barley, \$US/cwt	243	250
Feed wheat, Kansas	255	238
Hog: Corn ratio	23.5	21.9

SCHEDULE PRICES AND TRENDS

Sale Weight	Auckland/Waikato		Manawatu		Canterbury	
	\$/kg	Trend *	\$/kg	Trend *	\$/kg	Trend *
Pork (D1)	3.90-4.20	nc	3.80-3.90	nc	3.60-3.65	nc
Bacon (H2)	3.80	nc	3.75-3.80	nc	3.45	nc
Choppers #	1.55-1.75	nc	1.85	nc	1.85-1.90	-5

Note: These prices reflect the returns from a number of buyers and are obtained from the same source(s) each month so that trend movements can be observed. Prices are quoted for the D1 schedule (45.1 to 50.0kg carcass weight range, 6 to 9 mm back fat) and the H2 schedule (65.1 to 70.0kg carcass weight range, 10-12mm back fat). The prices do not account for volume or quality premiums that are available from many buyers. *Change from previous *porkoutlook*. #The chopper price variations reflect differences in trading policy, inclusive or exclusive of heads, feet and skins.

AUCKLAND/WAIKATO/CANTERBURY REGION BACON PRICES



Schedule comment

At a glance – schedule stable this month

This month *porkoutlook* contacts report the market as “subdued”, “flat” and “slow”. Contacts report that there is plenty of fresh pork around and that supply exceeds demand. On the imports front, *porkoutlook* contacts say there is strong competition coming from Scandinavian product due to the low value of the Euro. This pork is competitively priced and of good quality and the New Zealand pork producer is finding the marketplace harder.

Frenetic Food Show Wellington!

New Zealand Pork experienced hugely successful three days at The Food Show Wellington (14-16 May) which attracts @ 20,000 attendees. Visitors to our stand was overwhelming with Recipe Club sign-ups, discussion around pork and cooking it, as well as people seeking information about pig farming in NZ itself. NZPork staff were supported by Region 2 farmers (and family members), without whom this event would not be successful in its execution and getting industry messages out to the public arena. NZPork would like to take this opportunity to extend our utmost thanks to the following people who volunteered entire days to promote the pork industry of NZ – Steve Kidby, Ted Gane, Leon White, John Riordan, Steve Shivas, Elyse Shivas, Katrina Fraser, Ross Skilton, Alana Skilton Michelle Fox, Veronica Smith and Phillipa Bowron.



We're next at

The Food Show Auckland – 29 July-01 August 2010

Contact Sharon if you're able to help us to help the industry – 04 917 4750 or sharon.bowling@pork.co.nz

Event Diary

Pan Pacific Pork Expo 16-17 June 2010

The PPPE is being held in the Gold Coast Convention Centre in Queensland on 16-17 June 2010, for more details go to <http://www.australianpork.com.au/pages/page106.asp>

A field trip to follow the Pan Pacific Pork Expo will take place on Friday 18 June 2010. For further information contact Ian Barugh ph 06 350 5308 or i.w.barugh@massey.ac.nz

Annual District Meetings June 2010

Full details will be mailed out in early June. The dates are:

- **Region 2 Taranaki**
Wednesday 23 June (Hawera)
- **Region 2 Manawatu/Hawkes Bay/Wairarapa**
Wednesday 23 June (Palmerston North)
- **Region 1 Waikato/Pukekohe**
Monday 28 June (Hamilton)
- **Region 3 Sthn South Island**
Tuesday 29 June (Timaru)
- **Region 3 Canterbury + Nelson Marlborough**
Wednesday 30 June (Christchurch)

We trust that you can attend and look forward to your input. Please contact your local Chairperson, Director or NZPork if you have any questions.

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