Boom for pig fattening farms while piglet producer suffer

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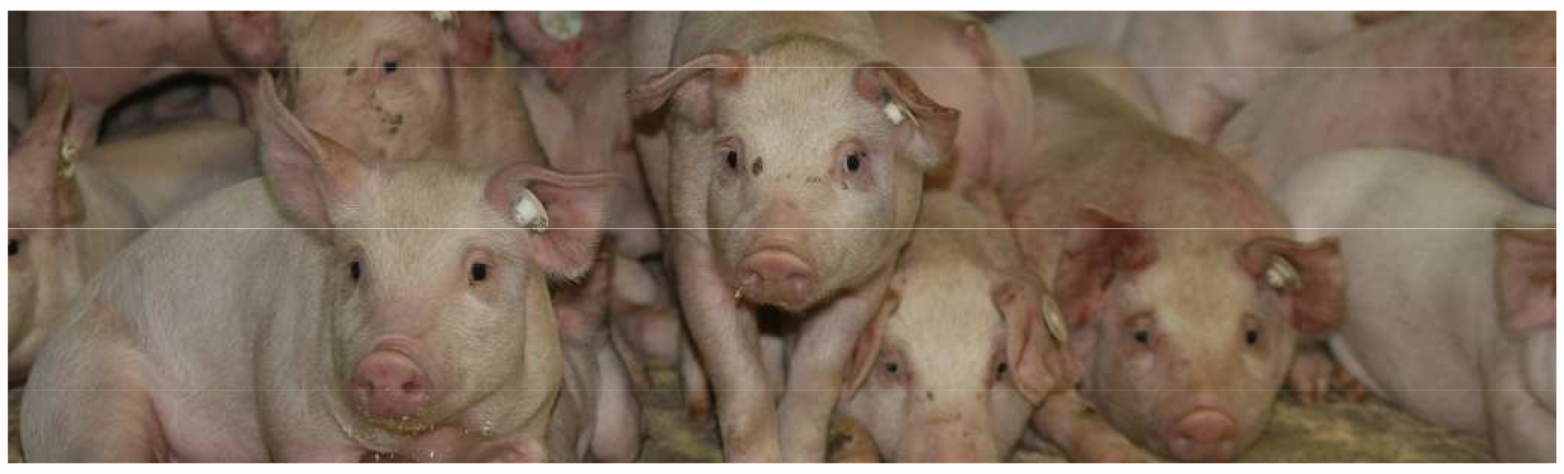
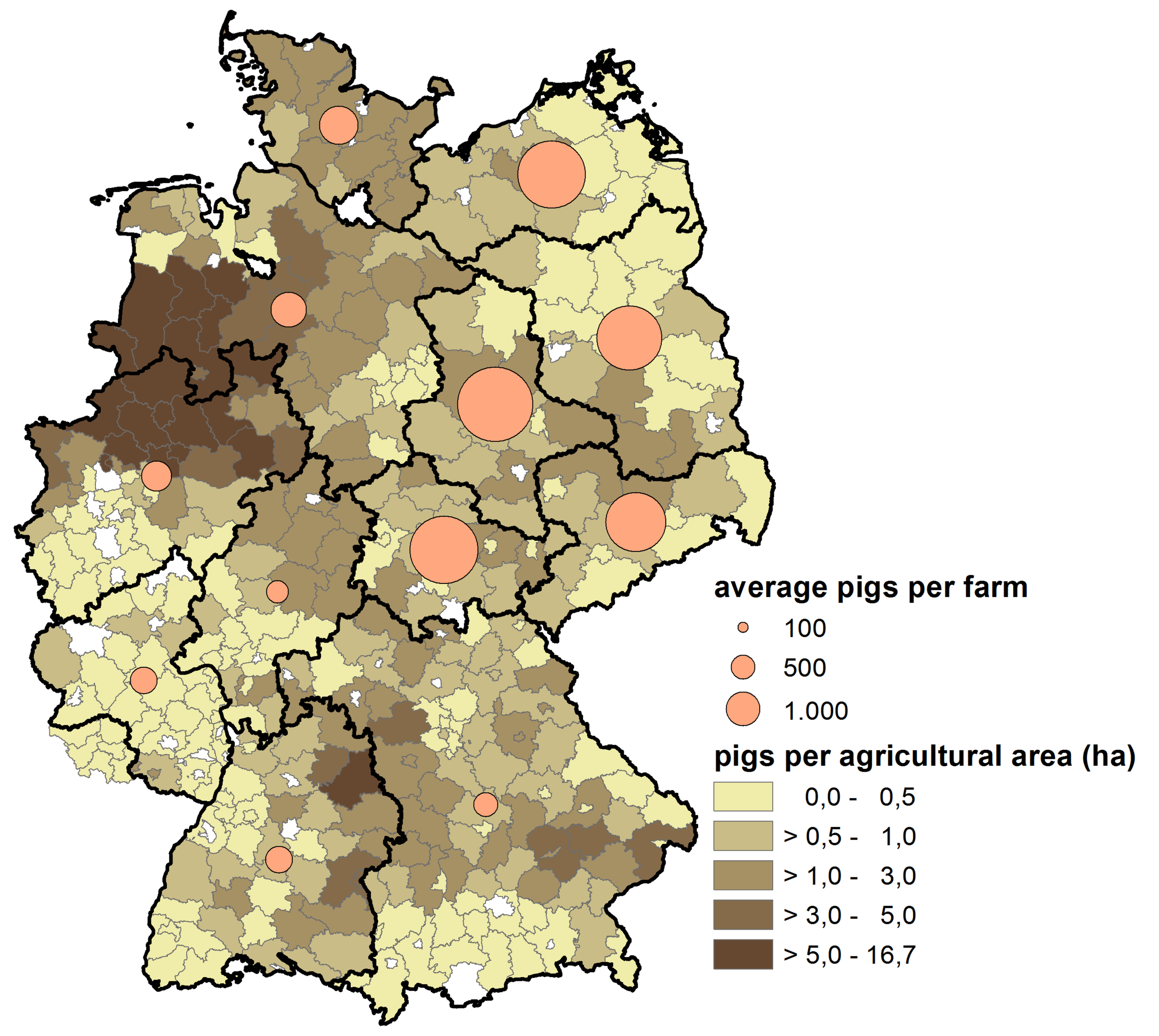
BACKGROUND

General data about Germany	Absolute figures		Ranking in the World	
	2005	2009/10	2005	2009/10
Population (Mill.)	82,5	81,7	13	15
GDP (billion US$	2 766	3 280	3	4
GDP/cap. (US$)	33 542	40 152	28	16
Arable land (Mill. ha)	11,9	11,9	25	25
Arable land / cap. (ha)	0,14	0,15	102	96

Farm structure in Germany	2005	2012
Number of farms (pigs total)	88 800	30 088
Pigs total	26 857 820	27 708 936
Average farm size (pigs/farm)	303	921
No. of farms with >1000 pigs total	7 300	9 300
No. of pigs (holdings >1000 pigs total)	13 572 000	19 898 000
% of farms with >1000 pigs total	8 %	31 %
% of pigs (holdings >1000 pigs total)	51 %	71 %





PRICES

Pig-prices	2011 & Okt 2012	Feed prices	2011 & Okt 2012
Weaning piglet (8kg-lw)	37,03 – 45,02	Wheat (feed)	291,24 – 318,58
Rearing piglet (25kg-lw)	63,06 – 72,65	Soybean meal-43%	451,6 – 608,2
slaughter pig (kg cw)	2,09 – 2,45	Corn	312,78 – 305,54

Pigs: Producer prices, Soybean: Purchase price, Wheat and corn: Producer prices

FEED AND SLAUGHTER INDUSTRY

Feed industry	2005	2011
Total No. of plants	377	320
No. Pl. (> 300 000 to/y)	8	14
% of market (> 300 000 to/y)	16	23
Capacity; Pig feed (Mill. to)	7,5	9,8
Top-10 (market share %)		56

Slaughter industry	2005	2011
Total No. of plants		4 475
No. Pl. (> 200 pigs/week)	181	140
No. Pl. (> 50 employees)	170	165
Top-10 comp. (market share %)	66	74
Top-3 comp. (market share %)	48	55

BALANCE SHEET, 1 000 T CWE

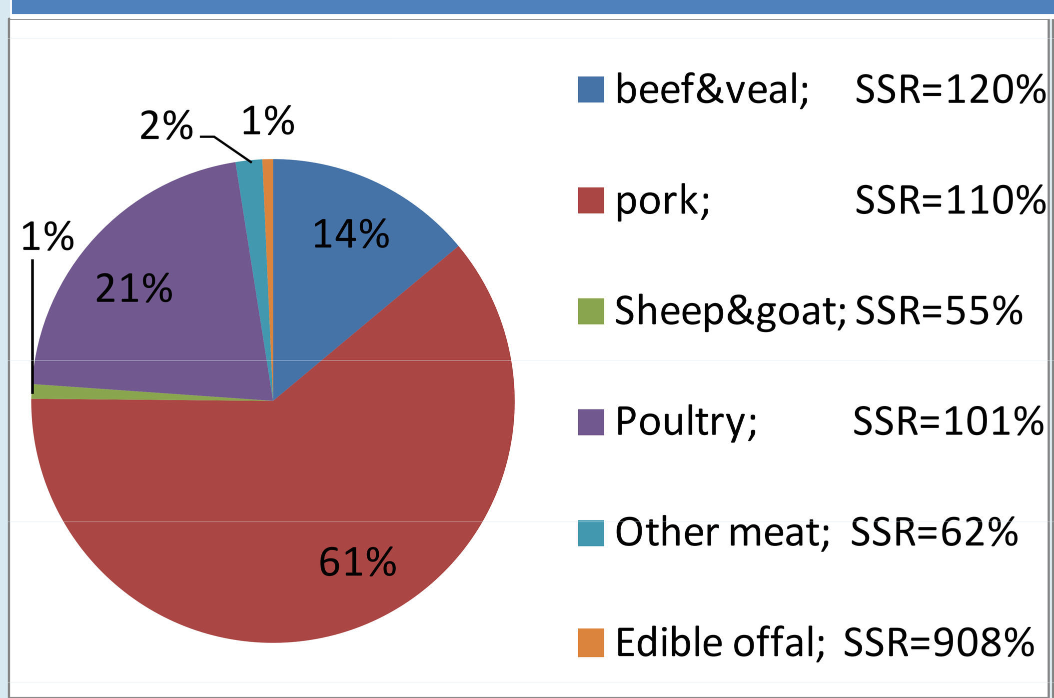
	2005	2011
GIP (gross indigenous production)	4213	5084
Import of live animals	372	655
Export of live animals	86	123
Slaughtering (NE = net production)	4500	5616
Import Meat	1111	1113
Export Meat	1152	2278
Use (disappearence)	4459	4451
Human consumption (in Germ. 72,1 % of use)	3215	3209
Self sufficiency (%) means Use/GIP	94	114

THE TYPICAL GERMAN FARM

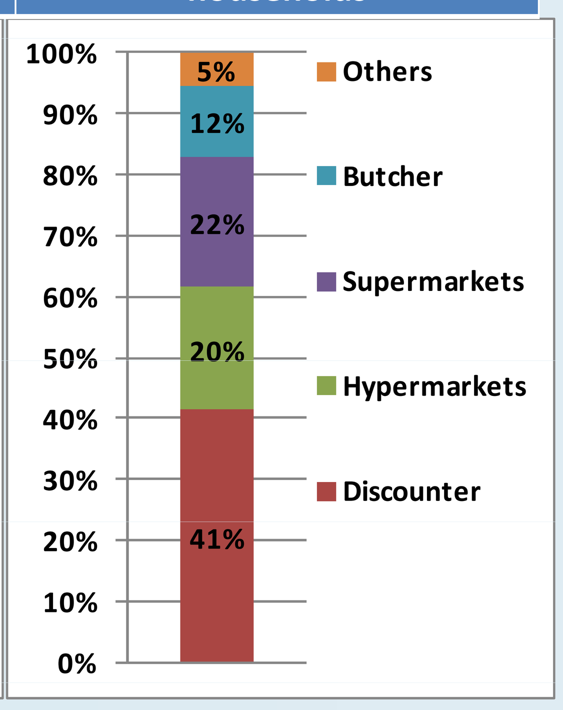
- … is situated in the Northwest of Germany and family-owned.
- Usually has 30ha own land and high level of rented land.
- On average a piglet producer has 315 sows with 25.5 reared piglets/sow.
- A fattening farm produces 4.300 pigs on 1.500 places.
- The feed conversion rate is 1:2,85 and daily gain is 815gr.
- Due to specific agricultural taxation rules German farms are divided in smaller units.

CONSUMPTION, DOMESTIC USAGE

Consumption of meat



Purchases of private households



SSR = Self Sufficiency Rate

SUMMARY STATEMENTS

- Strengths and chances derive from modern meat processing and marketing, high performance infrastructure and logistics. On agricultural level the strong and dense organizational structure is highly influential. The good capacity-building system provides high productivity.
- Increasing number of fattening units thus, increasing pork production.
- Strong competition between Dutch, Danish and German piglet producers. Increasing market share for Dutch and Danish piglets.
- Rising land prices due to competition between bioenergy and agricultural production.
- High population density coupled with dense animal population lead to conflicts between agriculture and society: Strict rules have been put in place which cause increasing costs of production.

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