

End of the dry spell: situation of the pig sector looks brighter

Agricultural economists present and discuss trends of pig production in international conference

After a few years of downturn in many countries, the year 2016 showed positive signs for the profitability of pig production in many countries. At the same time, the global trade of pork and side-products is expanding further. These were key results of the annual Pig Conference which was run jointly by the two networks *agri benchmark* Pig und InterPIG in Wageningen. Both networks agreed a long-term cooperation.

Upturn for producers

In 2016, piglet and pig producers experienced an improvement of their economic situation after the low prices in 2015. „Increases in piglet and slaughter pig prices in combination with constant or lower feed costs resulted in higher profitability of the farms in the EU and other regions of the world”, said Dr. Claus Deblitz of the Thünen Institute of Farm Economics in Braunschweig, the coordinator of the *agri benchmark* Pig Network. Farms in Brazil have the lowest cost of production, followed by Russia, Canada, Europe and Asia.

Trade: the focus is on China

The global trade of pork is further focusing in on China. In the year 2014, six out of the top 10 export quantities were traded within the EU; only one of the top 10 trade flows went from Germany to China. In the year 2016 only two of the top 10 export quantities were traded within the EU but five of the top 10 went to China. In this period, Germany almost doubled its exports to China and also Spain, Denmark as well as the US and Canada benefitted from the expanding import demand of China. The main reasons for the high imports of China were the increasing demand and the lack of domestic production. However, a conversion towards more modern, bigger and more environmental-friendly production units can be observed in China. If and to which extent this will affect international trade, remains to be seen.

Cooperation between *agri benchmark* Pig and InterPIG

The network *agri benchmark* Pig analysis annually typical production systems, costs and profitability in global comparison, amended by various market and structural data. The results of InterPIG are not based on typical farms but represent one average data point for sow and one for finishing in each country. Both approaches are complementary. A comparison between *agri benchmark*-results of typical farms with the average data from InterPIG showed as expected similar levels and the *agri benchmark* results oscillating around the InterPIG results.

Both networks agreed to strengthen the institutional and personal overlaps in the future. The joint 2018 conference will take place in Reggio Emilia, Italy.

agri benchmark Pig is a global non-profit network of agricultural economists, coordinated by the German Thünen Institute and the non-profit company global networks. Its aim is to generate and disseminate reliable and usable analysis of major trends in global pig production for decision makers. For more information please visit www.agribenchmark.org