# 2019 pig cost of production in selected countries

# Contents



# Introduction

Welcome to the latest in a series of annual reports examining the relative costs of pig meat production up to farmgate level in selected countries. All these figures relate to 2019.

EU pig prices escalated in spring 2019 as demand from China started to intensify. African Swine Fever spread throughout the Chinese pig herd, causing a significant drop in production and sparking a global pork shortage. Increasing volumes of pork were directed from Europe to China, tightening supplies on the EU market. Production was also falling in Europe at the time, with poor profitability in 2018 having encouraged herd contraction. Altogether, the tight pork supplies led to increasing producer margins as the year progressed.

EU pig prices (excluding the UK) started 2019 at an average of €1.34/kg, about 4 euro cents lower than a year earlier. The strong upswing took place in April, taking prices to €1.70/kg by the end of the month. Prices generally moved up for the rest of the year, with particularly strong growth in December, ultimately reaching a peak of €1.97/kg. Reflecting the importance of the Chinese market in underpinning this increase, nearly 70% more pork and offal was shipped than in 2018, worth €4.6 billion, about 160% more than the year before.

The British pork industry also benefited from increased demand for pork exports to China. However, being a net importer as opposed to a large exporting nation meant that price rises were not quite as extreme as on the continent. GB pig prices generally climbed from spring onwards, reaching 164p/kg at the end of the year. In contrast to the EU, UK pork production also increased during the year.

To assist levy payers in comparing their physical performance with that of other British pig businesses, we have a **Costings and Herd Performance** section on the AHDB website, which is updated quarterly. The Key Performance Indicators (KPIs) section is based on Agrosoft data. The section provides average, top third and top 10% performance for indoor and outdoor breeding herds, rearing and finishing herds.

# Methodology

This report examines the relative costs of production in selected countries. This is a joint project, involving the following organisations in 17 countries, known collectively as InterPIG:

- Great Britain – Agriculture and Horticulture Development Board (AHDB)
- Austria – VLV Upper Austria and Chamber of Agriculture Lower Austria
- Flemish Government and Boerenbond Belgie
- Brazil – Embrapa Swine and Poultry
  Brazil submits data for two regions: Mato Grosso (MT) and Santa Catarina (SC)
- Canada – Canadian Pork Council
- Czech Republic – Institute of Agricultural Economics and Information (UZEI)
- Denmark – SEGES
- Finland – Atria
- France – Institute of Pork (IFIP)
- Germany – Thuenen Institute of Farm Economics and Interessengemeinschaft der Schweinehalter (ISN)
- Hungary – AKI Research Institute of Agricultural Economics
- Ireland – Teagasc
- Italy – Research Centre for Animal Production (CRPA)
- Netherlands – Wageningen Economic Research
- Spain – SIP Consultors
- Sweden – Svenska Pig
- USA – Iowa State University

Czech Republic is not included due to deadlines. InterPIG continues to work with other countries and organisations wishing to participate in international comparison. Where EU averages are in tables, they are the averages of the EU participating countries.

Cost and performance data relate to average performance data from national recording systems operating in the participating countries. Definitions have been standardised across countries. For example, the definition of a sow is from first insemination to slaughter, and the results are based on average present sows (average daily number of sows in the year).

The methodology is based on compound feed for sows, rearing and finishing, to ensure consistency of approach. However, this is in the knowledge that there are farmers in the different countries who grow their own crops and home-mix their pig feed. The proportion of farmers in each country who home-mix varies, depending on infrastructure, tradition, ingredient availability and prices.

There will inevitably still be some national differences in definition but, where this has occurred, the data is adjusted in the most appropriate way. The results are believed to provide an indication of the relative average costs of production within each country and to deliver an accurate comparison. In an attempt to continue to improve the accuracy of the data provided, the glossary of terms and formulae used in calculations is monitored and updated. In some instances, due to changes in data or participating countries, previous years' analyses may be updated. As a result, there may be some discrepancies between previous publications as definitions and formulae are realigned.

NOTE: In Great Britain, there is a difference between the methodology used for producing the national quarterly cost of production and the methodology used by InterPIG. In Great Britain, abattoir costs (transport to slaughter, meat hygiene, carcase classification and statutory levy) are included in the quarterly published cost of production figures. In InterPIG, these costs are excluded from the cost of production and are deducted from the price received at sale.

In this 2019 report, EU averages are the averages for the EU countries that record with InterPIG, and include GB, except for the EU reference price, which is quoted excluding the UK.

## *Key points*

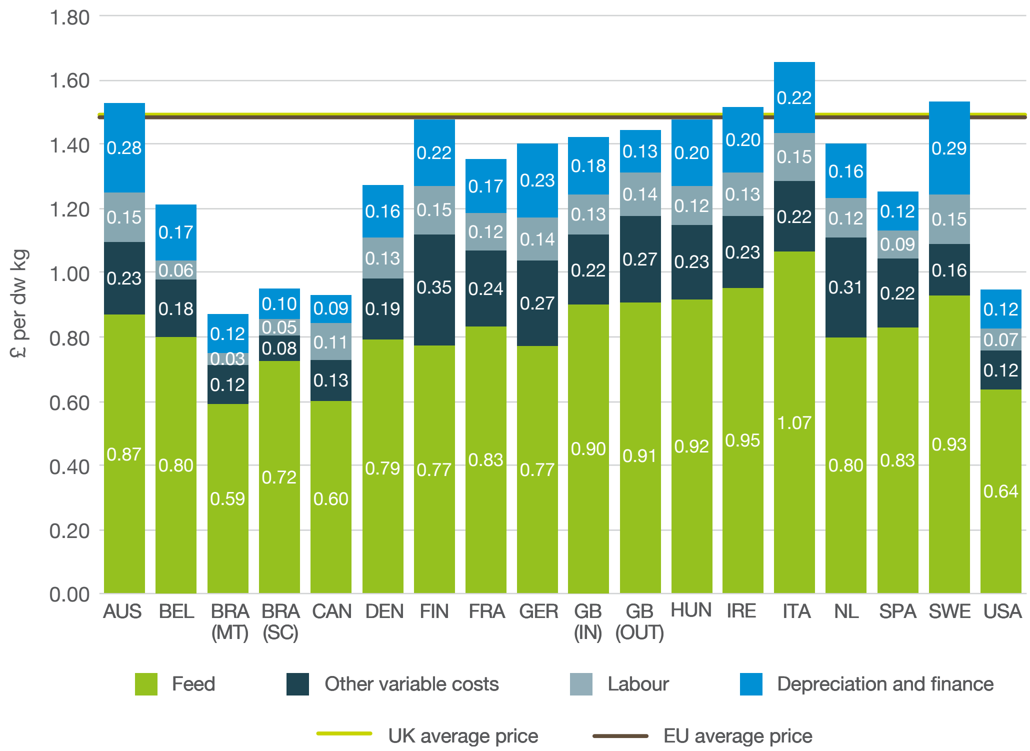
- The cost of pig meat production for indoor pigs in Great Britain decreased by 3% in 2019, to £1.42 per kg. The average cost of production in the EU was also £1.42 per kg deadweight – a 1% decrease in sterling terms compared with 2018
- Sampled EU countries experienced differing changes in their costs of production (in sterling terms) compared with 2018, with some seeing an increase and others a decrease
- EU average reference price of £1.48 per kg was higher in 2019 than 2018, an increase of 18%, and above the cost of production of most EU countries
- Average feed prices were lower in 2019 than in 2018, decreasing across the participating EU countries by an average of 2%
- In 2019 as a whole, EU feed costs per kg in sterling terms decreased by less than 1% compared with a year earlier
- The majority of InterPIG member countries experienced a decrease in feed costs compared with 2018, with some notable exceptions including the USA, Denmark, Netherlands and France
- The overall average number of pigs weaned per sow per year in the EU InterPIG countries showed a 1% increase in 2019, up from 28.1 in 2018 to 28.4. Denmark again achieved over 33
- Pigs weaned per sow per year in Great Britain's indoor herds remained the same in 2019 at 27.4 – still below the EU InterPIG average. Great Britain's outdoor herds bounced back from the weather effect of 2018, achieving 24.1 in 2019, an increase of 4%
- Excluding Great Britain's outdoor herds, there is a difference of 8.7 pigs weaned per sow per year between the highest- and lowest-performing EU countries
- The average number of pigs finished per sow in Great Britain's indoor herds was maintained in 2019 at 25.4 – still lower than the EU average of 26.7
- Great Britain's indoor herds continued to produce over 2 tonnes of carcase meat per sow in 2019 – 1% higher than in 2018 – mainly due to the increase in liveweight at slaughter

# Cost of production

## Aggregate results for 2019

The production costs of pig meat in 2019 for all of the countries covered in this report are shown below in Figure 1. This data includes all variable and overhead costs, other than transport of pigs to abattoirs and abattoir-related deductions, such as carcase classification and statutory levies paid at slaughter. Overhead costs include depreciation and interest costs for capital items such as buildings and equipment. Costs for regular and casual labour are included but directors' salaries or partners' drawings are not.

Figure 1. Cost of production in selected countries, 2019




The average cost of production in the EU in 2019 for the countries above was £1.42 per kg deadweight – a 1% decrease on the previous year. Costs of production in Great Britain for pork from indoor sows were the same as the EU average at £1.42, although this was a 3% decrease on the previous year. In 2019, Italy continued to have the highest costs, at £1.66 per kg deadweight. The country with the lowest production costs in the EU was Belgium (£1.22).

The average UK reference price was 2% higher in 2019 compared with 2018, averaging £1.49 per kg, and less than 1% above the EU average (excluding UK) of £1.48 per kg. The EU reference price increased by 18% compared with £1.26 in 2018. On average, margins as a whole were positive for the UK in 2019 but with mixed results during the year (see Net Margin section).

Across the EU countries sampled, there was a technical margin of 7p on every kg of pig meat produced, with all countries except Austria, Ireland, Italy and Sweden having production costs lower than the EU average reference price.

### Reference prices

The UK reference price is gross, before abattoir deductions such as carcase classification. It includes premium pigs (e.g. outdoor bred) and point-of-sale price adjustments, such as those based on probe measurements.

The EU reference price (excluding UK) is usually after deductions of any abattoir-paid costs, which, in many countries, include transport to abattoir, carcase classification and insurance.

Neither price includes any bonus or price adjustment paid later than the point-of-sale transaction such as end-of-year cooperative bonuses.

## Comparisons with previous years (sterling)

Costs of production in sterling terms in 2019, compared with results for the five previous years, are shown in Table 1. The average cost of production in sterling terms in the EU countries was 1% less than 2018 levels for the same countries and stood at £1.42 per kg.

However, it was a mixed experience for individual EU countries, some with a decrease and others an increase in production costs when compared with the previous year.

Table 1. Average costs of production, 2014–2019 (£/kg cold deadweight)

| Country | Average costs of production (£/kg deadweight) | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2018/19 % change |
| Austria | 1.38 | 1.22 | 1.37 | 1.41 | 1.54 | 1.53 | -1 |
| Belgium | 1.27 | 1.09 | 1.17 | 1.25 | 1.30 | 1.21 | -7 |
| Brazil (MT) | 0.84 | 0.70 | 0.91 | 0.85 | 0.85 | 0.87 | 3 |
| Brazil (SC) | 1.04 | 0.87 | 1.16 | 1.12 | 0.99 | 0.95 | -4 |
| Canada | 0.98 | 0.92 | 1.01 | 0.98 | 1.03 | 0.93 | -10 |
| Denmark | 1.26 | 1.10 | 1.17 | 1.20 | 1.25 | 1.27 | 2 |
| Finland | 1.45 | 1.26 | 1.41 | 1.50 | 1.53 | 1.49 | -2 |
| France | 1.31 | 1.11 | 1.21 | 1.30 | 1.33 | 1.35 | 2 |
| Germany | 1.33 | 1.15 | 1.25 | 1.36 | 1.44 | 1.40 | -3 |
| GB (IN) | 1.38 | 1.29 | 1.23 | 1.34 | 1.45 | 1.42 | -2 |
| GB (OUT) | 1.43 | 1.34 | 1.28 | 1.37 | 1.51 | 1.44 | -4 |
| Hungary | 1.51 | 1.35 | 1.36 | 1.37 | 1.44 | 1.47 | 2 |
| Ireland | 1.43 | 1.28 | 1.34 | 1.47 | 1.51 | 1.52 | 0 |
| Italy | 1.59 | 1.34 | 1.51 | 1.66 | 1.70 | 1.66 | -3 |
| Netherlands | 1.32 | 1.18 | 1.30 | 1.37 | 1.38 | 1.40 | 1 |
| Spain | 1.20 | 1.06 | 1.13 | 1.20 | 1.25 | 1.25 | -0 |
| Sweden | 1.52 | 1.31 | 1.44 | 1.50 | 1.54 | 1.53 | -0 |
| USA | 0.83 | 0.80 | 0.86 | 0.86 | 0.89 | 0.95 | 7 |
| **EU** | **1.38** | **1.22** | **1.30** | **1.38** | **1.44** | **1.42** | **-1** |

## Comparisons with previous years (euro)

Costs of production in euro terms in 2019 are shown in Table 2. This reflects a similar picture to the comparisons in sterling terms, with some countries experiencing an increase and some a decrease in production costs when compared with 2018. Overall, in the EU countries, 2019 production costs in euro terms were very similar to those of 2018.

Table 2. Average costs of production, 2014–2019 (€/kg cold deadweight)

| Country | Average costs of production (€/kg deadweight) | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2018/19 % change |
| Austria | 1.71 | 1.68 | 1.67 | 1.61 | 1.74 | 1.74 | 0 |
| Belgium | 1.57 | 1.50 | 1.43 | 1.43 | 1.47 | 1.38 | -6 |
| Brazil (MT) | 1.05 | 0.96 | 1.11 | 0.97 | 0.96 | 0.99 | 3 |
| Brazil (SC) | 1.29 | 1.19 | 1.42 | 1.28 | 1.12 | 1.08 | -3 |
| Canada | 1.22 | 1.27 | 1.24 | 1.11 | 1.16 | 1.06 | -9 |
| Denmark | 1.56 | 1.52 | 1.43 | 1.37 | 1.41 | 1.45 | 3 |
| Finland | 1.80 | 1.74 | 1.72 | 1.71 | 1.73 | 1.70 | -2 |
| France | 1.62 | 1.53 | 1.48 | 1.48 | 1.51 | 1.54 | 2 |
| Germany | 1.65 | 1.58 | 1.53 | 1.56 | 1.63 | 1.60 | -2 |
| GB (IN) | 1.71 | 1.78 | 1.50 | 1.53 | 1.64 | 1.62 | -1 |
| GB (OUT) | 1.77 | 1.85 | 1.56 | 1.56 | 1.70 | 1.65 | -3 |
| Hungary | 1.87 | 1.86 | 1.66 | 1.56 | 1.63 | 1.68 | 3 |
| Ireland | 1.78 | 1.76 | 1.64 | 1.68 | 1.71 | 1.73 | 1 |
| Italy | 1.97 | 1.85 | 1.84 | 1.89 | 1.93 | 1.89 | -2 |
| Netherlands | 1.64 | 1.62 | 1.58 | 1.57 | 1.56 | 1.59 | 2 |
| Spain | 1.49 | 1.46 | 1.38 | 1.37 | 1.41 | 1.42 | 1 |
| Sweden | 1.88 | 1.80 | 1.76 | 1.71 | 1.74 | 1.75 | 1 |
| USA | 1.02 | 1.10 | 1.05 | 0.98 | 1.01 | 1.08 | 8 |
| **EU** | **1.72** | **1.68** | **1.58** | **1.57** | **1.63** | **1.62** | **-0** |

# *Financial performance summary*

Table 3 contains financial performance data for 2019, while Table 6 presents comparisons with 2017 and 2018. All comparisons are on a compound-feed basis, but there will be a proportion of farmers in most countries opting to grow some feed ingredients and home-mix.

Among the EU countries, there was a range of 45p per kg between the highest-cost and the lowest-cost producer, the same range as observed in 2018. The recorded differences are due to a combination of physical performance and input costs (e.g. feed, depreciation).

Table 3. Summary of financial performance, 2019 (£/kg cold deadweight)

| | Financial performance (£/kg deadweight) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | AUS | BEL | BRA (MT) | BRA (SC) | CAN | DEN | FIN | FRA | GER | GB (IN) |
| Feed | 0.87 | 0.80 | 0.59 | 0.72 | 0.60 | 0.79 | 0.77 | 0.83 | 0.77 | 0.90 |
| Other variable costs | 0.23 | 0.18 | 0.12 | 0.08 | 0.13 | 0.19 | 0.35 | 0.24 | 0.27 | 0.22 |
| Total variable costs | 1.09 | 0.98 | 0.71 | 0.80 | 0.73 | 0.98 | 1.12 | 1.07 | 1.04 | 1.12 |
| Labour | 0.15 | 0.06 | 0.03 | 0.05 | 0.11 | 0.13 | 0.15 | 0.12 | 0.14 | 0.13 |
| Depreciation and finance | 0.28 | 0.17 | 0.12 | 0.10 | 0.09 | 0.16 | 0.22 | 0.17 | 0.23 | 0.18 |
| Total fixed costs | 0.43 | 0.23 | 0.16 | 0.15 | 0.20 | 0.29 | 0.37 | 0.28 | 0.36 | 0.30 |
| **Total** | **1.53** | **1.21** | **0.87** | **0.95** | **0.93** | **1.27** | **1.49** | **1.35** | **1.40** | **1.42** |
| | GB (OUT) | HUN | IRE | ITA | NL | SPA | SWE | USA | EU AVERAGE | |
| Feed | 0.91 | 0.92 | 0.95 | 1.07 | 0.80 | 0.83 | 0.93 | 0.64 | 0.87 | |
| Other variable costs | 0.27 | 0.23 | 0.23 | 0.22 | 0.31 | 0.22 | 0.16 | 0.12 | 0.24 | |
| Total variable costs | 1.18 | 1.15 | 1.18 | 1.29 | 1.11 | 1.04 | 1.09 | 0.76 | 1.10 | |
| Labour | 0.14 | 0.12 | 0.13 | 0.15 | 0.12 | 0.09 | 0.15 | 0.07 | 0.13 | |
| Depreciation and finance | 0.13 | 0.20 | 0.20 | 0.22 | 0.16 | 0.12 | 0.29 | 0.12 | 0.20 | |
| Total fixed costs | 0.27 | 0.32 | 0.34 | 0.37 | 0.29 | 0.20 | 0.44 | 0.19 | 0.32 | |
| **Total** | **1.44** | **1.47** | **1.52** | **1.66** | **1.40** | **1.25** | **1.53** | **0.95** | **1.42** | |

Note: Totals may not add up due to rounding.

# Feed prices and costs

## Market developments in 2019/20

2019 saw a year of two halves regarding feed wheat markets and price. In the UK, a large 16 million tonne harvest and excellent weather conditions through spring saw prices reduce into harvest reaching a low of £129.75 per tonne at the end of August 2019. The UK crop was large enough to push a big volume of exports out of the country and increased the use of feed wheat in animal feed rations at the expense of barley and maize.

However, from the end of September 2019 onwards, the feed wheat prices started to rise as rainfall severely disrupted the winter crop plantings for harvest 2020. The rain continued through the winter, leading to feed wheat prices for 2020 reaching a high of £162 per tonne at the end of 2019. This helped the 2019 harvest prices rise even though grain was plentiful.

As we moved through 2020, the small wheat crop for the UK was confirmed as being the smallest crop in 40 years. Again, prices continued to move higher and increased from circa £160 per tonne pre-harvest to over £190 per tonne after harvest.

Feed barley, however, has seen a varying trend into 2020. Despite harmed wheat plantings, spring barley plantings increased to compensate for the lost area. As such, barley prices have traded at historically large discounts to feed wheat of over £40 per tonne. In 2019, the relationship was more 'normal' with a £15-£20 discount. As we moved from 2019 and into 2020, the volume of barley in feed rations increased sharply due to the more competitive prices.

For protein meal, soya markets steadily dropped through 2019 as demand was subdued from China, and both South America and the US had favourable harvests. Soya meal prices reduced by 9% over the course of 2019 as a result of the large supply. However, as 2020 progressed, both lower US supply and a huge increase in Chinese demand from a replenishment of their pig herd has increased soya prices. Soya meal prices increased by 34% from August to December in 2020 in response to this demand and do not look likely to reduce amid continued strong Chinese demand.

Table 4. Compound-feed prices per tonne (sterling), 2019

| | Compound-feed prices (£/tonne) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | AUS | BEL | BRA (MT) | BRA (SC) | CAN | DEN | FIN | FRA | GER | GB (IN) |
| Sow | 232.41 | 235.22 | 160.08 | 178.38 | 156.77 | 208.13 | 217.59 | 229.99 | 206.19 | 225.77 |
| Rearer | 317.49 | 338.85 | 276.90 | 385.23 | 261.09 | 297.84 | 292.05 | 321.45 | 301.96 | 288.54 |
| Finisher | 213.12 | 219.57 | 150.54 | 201.76 | 140.24 | 207.66 | 182.86 | 207.25 | 196.98 | 237.23 |
| **Average farm feed price** | **230.14** | **231.83** | **166.48** | **212.55** | **155.07** | **219.73** | **202.03** | **224.21** | **210.53** | **244.54** |
| | GB (OUT) | HUN | IRE | ITA | NL | SPA | SWE | USA | EU AVERAGE | |
| Sow | 223.34 | 220.07 | 249.08 | 236.35 | 235.92 | 209.91 | 236.97 | 156.94 | 226.21 | |
| Rearer | 268.57 | 310.75 | 349.28 | 322.13 | 329.41 | 359.38 | 325.03 | 378.09 | 315.91 | |
| Finisher | 237.23 | 212.72 | 238.55 | 225.40 | 221.39 | 223.71 | 212.94 | 141.31 | 216.90 | |
| **Average farm feed price** | **239.93** | **221.22** | **261.07** | **233.70** | **233.11** | **231.33** | **229.77** | **162.01** | **229.51** | |

Table 5. Compound-feed prices per tonne (euro), 2019

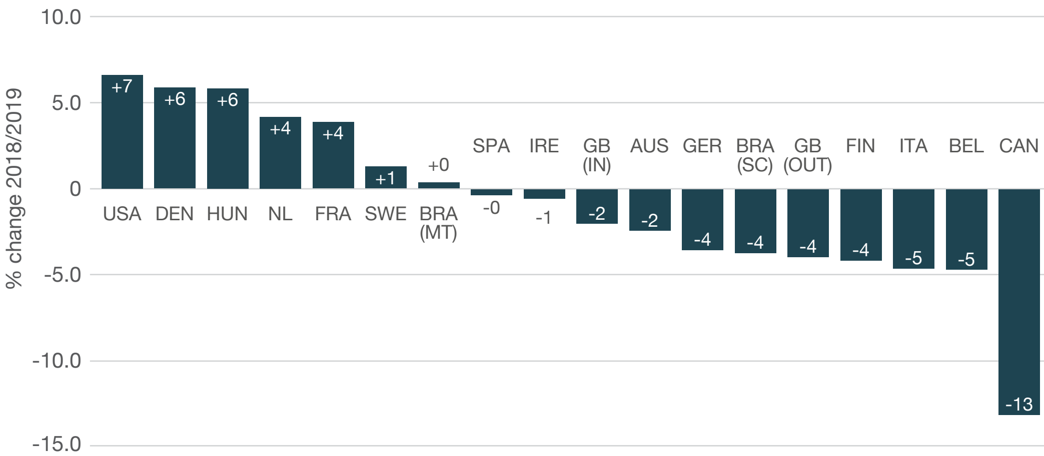
| | Compound-feed prices (€/tonne) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | AUS | BEL | BRA (MT) | BRA (SC) | CAN | DEN | FIN | FRA | GER | GB (IN) |
| Sow | 265.00 | 268.20 | 182.52 | 203.39 | 178.75 | 237.32 | 248.10 | 262.24 | 235.10 | 257.43 |
| Rearer | 362.00 | 386.36 | 315.72 | 439.24 | 297.70 | 339.60 | 333.00 | 366.52 | 344.30 | 329.00 |
| Finisher | 243.00 | 250.36 | 171.65 | 230.05 | 159.90 | 236.78 | 208.50 | 236.31 | 224.60 | 270.49 |
| **Average farm feed price** | **262.40** | **264.33** | **189.82** | **242.35** | **176.81** | **250.54** | **230.36** | **255.65** | **240.04** | **278.76** |
| | GB (OUT) | HUN | IRE | ITA | NL | SPA | SWE | USA | EU AVERAGE | |
| Sow | 254.65 | 250.93 | 284.00 | 269.49 | 269.00 | 239.34 | 270.20 | 178.94 | 257.93 | |
| Rearer | 306.22 | 354.32 | 398.25 | 367.30 | 375.60 | 409.77 | 370.60 | 431.10 | 360.20 | |
| Finisher | 270.49 | 242.55 | 272.00 | 257.00 | 252.43 | 255.08 | 242.80 | 161.12 | 247.31 | |
| **Average farm feed price** | **273.57** | **252.23** | **297.67** | **266.47** | **265.79** | **263.77** | **261.98** | **184.73** | **261.68** | |

## Summary of financial performance

### The impact on pig producers' feed costs in 2019

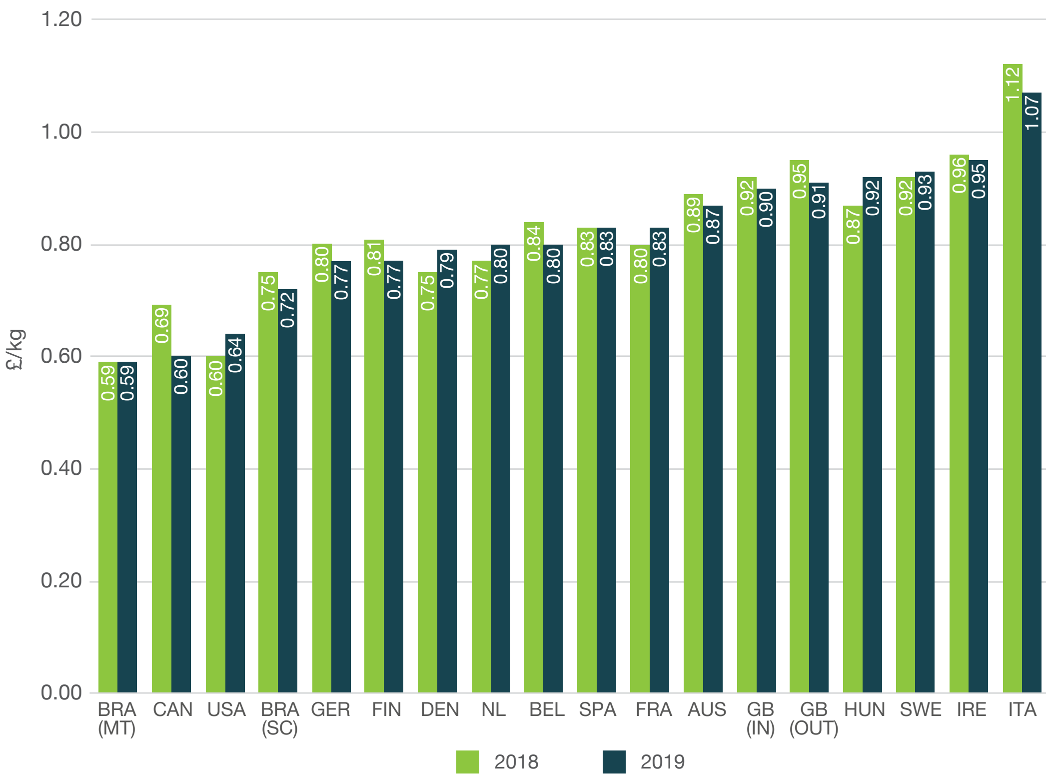
With fluctuating feed prices in 2019, the overall average farm feed price for EU members of InterPIG decreased (in sterling terms) by an average of 2% compared with the previous year. There was a range of feed prices across the EU countries, with a difference of £59 per tonne between the highest and lowest average farm feed price in 2019.

Figure 2. Changes in feed costs, 2019




The impact of feed prices on the feed cost per kg is also affected by physical performance. As shown in Figure 2, the mixture of physical performance and feed prices resulted in varying impacts on feed costs in the InterPIG countries. The USA had an overall 7% increase in feed costs per kg, while Canada saw a 13% decrease. Within the EU countries, overall 2019 feed costs decreased on average by less than 1% compared with 2018.

Figure 3. Feed costs, 2019



As shown in Figure 3, feed costs averaged 90p per kg of carcase produced for indoor herds in Great Britain, compared with the 92p recorded in 2018; a decrease of 2%. For outdoor herds in Great Britain, feed costs averaged 91p, compared with 95p in 2018; a decrease of 4%. Across all the participating EU countries, the average feed cost was 86p per kg; an average decrease of 0.3%.

Table 6 summarises the cost of production by country for each of the past three years. Costs are expressed in sterling and, therefore, the actual costs in each country are affected by exchange rates.

Table 7 summarises the physical performance by country for each of the past three years.

Great Britain indoor and outdoor performance are shown separately in both tables.

Table 6. Summary of financial performance, 2017–2019 (£/kg cold deadweight)

| | Financial performance (£/kg deadweight) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | AUS | | | BEL | | | BRA (MT) | | |
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| Feed | 0.78 | 0.89 | 0.87 | 0.80 | 0.84 | 0.80 | 0.54 | 0.59 | 0.59 |
| Other variable costs | 0.22 | 0.22 | 0.23 | 0.19 | 0.18 | 0.18 | 0.14 | 0.11 | 0.12 |
| Total variable costs | 0.99 | 1.11 | 1.09 | 0.98 | 1.02 | 0.98 | 0.68 | 0.70 | 0.71 |
| Labour | 0.15 | 0.15 | 0.15 | 0.10 | 0.10 | 0.06 | 0.06 | 0.04 | 0.03 |
| Depreciation and finance | 0.27 | 0.27 | 0.28 | 0.17 | 0.17 | 0.17 | 0.11 | 0.11 | 0.12 |
| Total fixed costs | 0.41 | 0.43 | 0.43 | 0.27 | 0.28 | 0.23 | 0.17 | 0.15 | 0.16 |
| **Total** | **1.41** | **1.54** | **1.53** | **1.25** | **1.30** | **1.21** | **0.85** | **0.85** | **0.87** |
| | BRA (SC) | | | CAN | | | DEN | | |
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| Feed | 0.82 | 0.75 | 0.72 | 0.66 | 0.69 | 0.60 | 0.71 | 0.75 | 0.79 |
| Other variable costs | 0.12 | 0.10 | 0.08 | 0.09 | 0.12 | 0.13 | 0.19 | 0.20 | 0.19 |
| Total variable costs | 0.94 | 0.85 | 0.80 | 0.76 | 0.81 | 0.73 | 0.90 | 0.95 | 0.98 |
| Labour | 0.07 | 0.05 | 0.05 | 0.13 | 0.13 | 0.11 | 0.12 | 0.13 | 0.13 |
| Depreciation and finance | 0.11 | 0.09 | 0.10 | 0.09 | 0.09 | 0.09 | 0.18 | 0.18 | 0.16 |
| Total fixed costs | 0.19 | 0.14 | 0.15 | 0.22 | 0.22 | 0.20 | 0.30 | 0.31 | 0.29 |
| **Total** | **1.12** | **0.99** | **0.95** | **0.98** | **1.03** | **0.93** | **1.20** | **1.25** | **1.27** |
| | FIN | | | FRA | | | GER | | |
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| Feed | 0.74 | 0.81 | 0.77 | 0.77 | 0.80 | 0.83 | 0.75 | 0.80 | 0.77 |
| Other variable costs | 0.33 | 0.32 | 0.35 | 0.23 | 0.23 | 0.24 | 0.27 | 0.29 | 0.27 |
| Total variable costs | 1.07 | 1.12 | 1.12 | 1.01 | 1.03 | 1.07 | 1.02 | 1.09 | 1.04 |
| Labour | 0.15 | 0.15 | 0.15 | 0.12 | 0.12 | 0.12 | 0.13 | 0.13 | 0.14 |
| Depreciation and finance | 0.28 | 0.26 | 0.22 | 0.18 | 0.18 | 0.17 | 0.21 | 0.22 | 0.23 |
| Total fixed costs | 0.43 | 0.41 | 0.37 | 0.29 | 0.30 | 0.28 | 0.34 | 0.35 | 0.36 |
| **Total** | **1.50** | **1.53** | **1.49** | **1.30** | **1.33** | **1.35** | **1.36** | **1.44** | **1.40** |

Note: Totals may not add up due to rounding

Table 6. Summary of financial performance, 2017–2019 (£/kg cold deadweight), Continued

| | Financial performance (£/kg deadweight) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | GB (IN) | | | GB (OUT) | | | HUN | | |
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| Feed | 0.86 | 0.92 | 0.90 | 0.88 | 0.95 | 0.91 | 0.84 | 0.87 | 0.92 |
| Other variable costs | 0.20 | 0.23 | 0.22 | 0.24 | 0.29 | 0.27 | 0.23 | 0.25 | 0.23 |
| Total variable costs | 1.06 | 1.15 | 1.12 | 1.12 | 1.24 | 1.18 | 1.07 | 1.12 | 1.15 |
| Labour | 0.12 | 0.12 | 0.13 | 0.13 | 0.14 | 0.14 | 0.12 | 0.12 | 0.12 |
| Depreciation and finance | 0.17 | 0.18 | 0.18 | 0.12 | 0.13 | 0.13 | 0.18 | 0.20 | 0.20 |
| Total fixed costs | 0.29 | 0.30 | 0.30 | 0.25 | 0.27 | 0.27 | 0.30 | 0.32 | 0.32 |
| **Total** | **1.34** | **1.45** | **1.42** | **1.37** | **1.51** | **1.44** | **1.37** | **1.44** | **1.47** |
| | IRE | | | ITA | | | NL | | |
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| Feed | 0.91 | 0.96 | 0.95 | 1.07 | 1.12 | 1.07 | 0.75 | 0.77 | 0.80 |
| Other variable costs | 0.23 | 0.22 | 0.23 | 0.22 | 0.21 | 0.22 | 0.31 | 0.32 | 0.31 |
| Total variable costs | 1.14 | 1.18 | 1.18 | 1.28 | 1.33 | 1.29 | 1.06 | 1.08 | 1.11 |
| Labour | 0.13 | 0.13 | 0.13 | 0.15 | 0.15 | 0.15 | 0.12 | 0.11 | 0.12 |
| Depreciation and finance | 0.20 | 0.20 | 0.20 | 0.22 | 0.22 | 0.22 | 0.19 | 0.18 | 0.16 |
| Total fixed costs | 0.33 | 0.33 | 0.34 | 0.37 | 0.37 | 0.37 | 0.31 | 0.29 | 0.29 |
| **Total** | **1.47** | **1.51** | **1.52** | **1.66** | **1.70** | **1.66** | **1.37** | **1.38** | **1.40** |
| | SPA | | | SWE | | | USA | | |
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| Feed | 0.80 | 0.83 | 0.83 | 0.84 | 0.92 | 0.93 | 0.57 | 0.60 | 0.64 |
| Other variable costs | 0.20 | 0.22 | 0.22 | 0.17 | 0.17 | 0.16 | 0.11 | 0.12 | 0.12 |
| Total variable costs | 1.01 | 1.05 | 1.04 | 1.02 | 1.09 | 1.09 | 0.68 | 0.71 | 0.76 |
| Labour | 0.09 | 0.09 | 0.09 | 0.16 | 0.14 | 0.15 | 0.06 | 0.06 | 0.07 |
| Depreciation and finance | 0.11 | 0.12 | 0.12 | 0.32 | 0.31 | 0.29 | 0.11 | 0.06 | 0.12 |
| Total fixed costs | 0.20 | 0.20 | 0.20 | 0.48 | 0.45 | 0.44 | 0.18 | 0.12 | 0.19 |
| **Total** | **1.20** | **1.25** | **1.25** | **1.50** | **1.54** | **1.53** | **0.86** | **0.83** | **0.95** |
| | EU average | | | | | | | | |
| | 2017 | 2018 | 2019 | | | | | | |
| Feed | 0.82 | 0.87 | 0.87 | | | | | | |
| Other variable costs | 0.23 | 0.24 | 0.24 | | | | | | |
| Total variable costs | 1.05 | 1.11 | 1.10 | | | | | | |
| Labour | 0.13 | 0.13 | 0.13 | | | | | | |
| Depreciation and finance | 0.20 | 0.20 | 0.20 | | | | | | |
| Total fixed costs | 0.33 | 0.33 | 0.32 | | | | | | |
| **Total** | **1.38** | **1.44** | **1.42** | | | | | | |

Note: Totals may not add up due to rounding

## Net margins in Great Britain

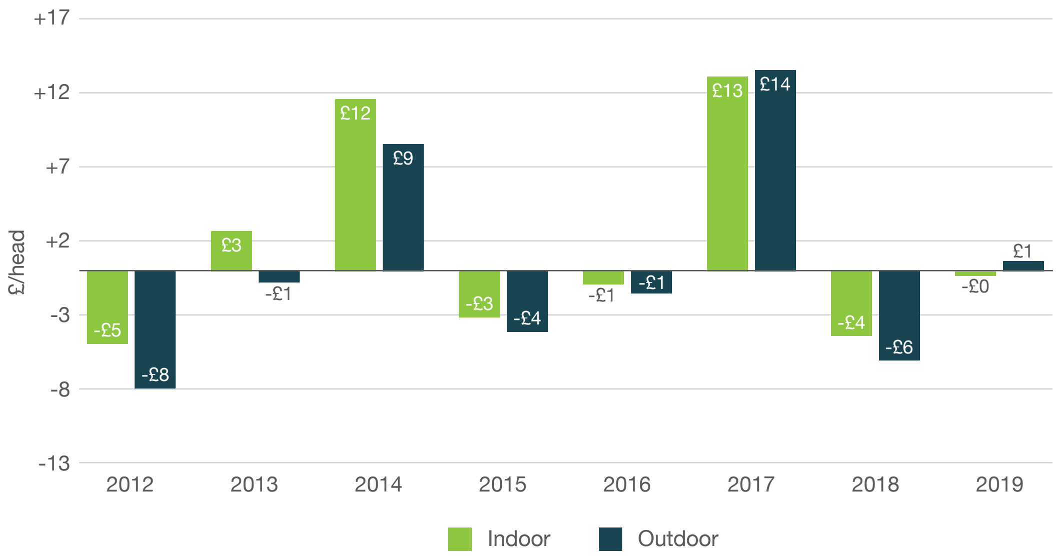
The net margins shown in Figure 4 are based on the difference between the monthly price and the estimated total cost of producing pig meat (including depreciation costs) for an average producer. The results shown in the chart should only be considered as indicative of general trends because:

- Physical and financial performance levels can vary greatly between producers
- The assumptions used for feed costs using spot compound prices will not apply to all producers, due to the range of feed procurement strategies in the industry
- There are various rearing and finishing production systems for weaned piglets, including fully slatted, semi-slatted, straw barns and outdoor options

The monthly price used to calculate net margins for indoor-bred pigs is the SPP (Standard Pig Price) and the monthly price used to calculate net margins for outdoor-bred pigs is the APP (All Pig Price). Therefore, these differ from the overall UK Reference Price and explain why indoor-bred and outdoor-bred pigs had a different experience in 2019 to what may be concluded from overall figures.

Details of these prices can be found on the AHDB website.

Figure 4. Estimated net margins in Great Britain, 2012–2019




The volatility of net margin returns for pig producers in Great Britain is clearly illustrated in the above chart. From 2012–2019 inclusive, indoor and outdoor pig producers achieved positive margins in only three out of the eight years.

During prolonged periods of negative margins, specialist pig producers with no other farm enterprises or farm diversification are particularly vulnerable and may leave the industry. Many producers make little or no investment during these periods and some depopulate for a period of time.

Annual averages can mask volatility within years.

In 2014, early higher pig prices were followed by declining prices, resulting in a negative margin in the last month of 2014 and a positive average margin overall.

With lower feed costs but continued declining prices, 2015 resulted in an average negative margin for both indoor and outdoor pig producers.

In 2016, low prices in the first seven months of the year resulted in negative margins estimated at up to £12 per pig for indoor and outdoor producers. During the rest of 2016, rising prices covered increasing feed costs, with the end of 2016 resulting in positive net margins estimated at around £14 per pig for indoor producers and £13 for outdoor producers. This resulted in an overall small negative margin for 2016.

In 2017, despite an increase in the cost of production, rising pig prices resulted in healthy margins throughout the year.

In 2018, the combination of increasing costs of production and lower pork prices resulted in significantly lower, but still positive, net margins for indoor producers in the first half of 2018. However, outdoor producers went into negative margins after the first quarter. The following negative margins estimated at up to £10 per pig for both indoor and outdoor producers resulted in negative margins on average for the year.

The start of 2019, with still relatively high feed prices and low pig prices, was challenging, resulting in estimated negative margins in the first quarter of up to £16 per pig for indoor and £13 per pig for outdoor pig producers. Falling feed prices, improved performance and rising pig prices turned this around, with the second half of 2019 returning positive margins of up to £12 per pig for both indoor and outdoor pig producers. For 2019 as a whole, estimates for indoor pig producers show them breaking even overall, just dipping into a small negative margin. Overall estimates for outdoor pig producers indicate they achieved a small positive margin of nearly £1 per pig.

At the start of 2020, both indoor and outdoor pig producers were achieving positive margins estimated at £13 per pig. Pig prices continued to increase until August and then prices declined month on month for the rest of 2020, hitting a low in December 2020. For indoor pig producers, standard pig prices fell by 8% from January to December 2020. For outdoor pig producers attracting a premium, prices fell by 6% over the same period.

Even though there was a continued improvement in physical performance within the industry during 2020, there were fluctuating feed prices and, together with the fall in pig prices, it is estimated that both indoor and outdoor pig producers started experiencing negative margins by the last quarter of 2020.

# Physical performance summary

Table 7. Summary of physical performance, 2017–2019

| | Physical performance | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | AUS | | | BEL | | | BRA (MT) | | |
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| Pigs weaned/sow/year | 24.90 | 24.79 | 25.27 | 29.83 | 29.63 | 28.97 | 27.40 | 28.71 | 28.34 |
| Pigs reared/sow/year | 24.15 | 24.19 | 24.51 | 28.64 | 28.30 | 27.72 | 26.86 | 27.85 | 27.49 |
| Pigs sold/sow/year | 23.71 | 23.72 | 24.04 | 27.75 | 27.31 | 26.83 | 26.27 | 27.15 | 26.80 |
| Litters/sow/year | 2.29 | 2.29 | 2.29 | 2.34 | 2.34 | 2.27 | 2.41 | 2.43 | 2.41 |
| Rearing mortality (%) | 3.00 | 2.40 | 3.00 | 4.00 | 4.50 | 4.30 | 2.00 | 3.00 | 3.00 |
| Finishing mortality (%) | 1.81 | 1.96 | 1.90 | 3.10 | 3.50 | 3.20 | 2.20 | 2.50 | 2.50 |
| Finishing daily liveweight gain (g/day) | 810 | 805 | 810 | 694 | 700 | 701 | 831 | 880 | 880 |
| Finishing feed conversion ratio | 2.86 | 2.87 | 2.88 | 2.76 | 2.78 | 2.74 | 2.60 | 2.50 | 2.50 |
| Average liveweight at slaughter (kg) | 121 | 121 | 122 | 116 | 116 | 116 | 120 | 110 | 110 |
| Average carcase weight – cold (kg) | 94.7 | 95.0 | 95.1 | 94.4 | 95.7 | 96.3 | 89.3 | 82.0 | 82.0 |
| Carcase meat production/sow/year (kg) | 2,245 | 2,252 | 2,286 | 2,620 | 2,615 | 2,585 | 2,346 | 2,226 | 2,197 |

| | BRA (SC) | | | CAN | | | DEN | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| Pigs weaned/sow/year | 27.72 | 27.87 | 28.09 | 25.68 | 25.34 | 25.34 | 33.29 | 33.57 | 33.60 |
| Pigs reared/sow/year | 27.17 | 27.27 | 27.48 | 25.17 | 24.83 | 24.83 | 32.26 | 32.49 | 32.39 |
| Pigs sold/sow/year | 26.35 | 26.66 | 26.87 | 24.29 | 23.96 | 23.96 | 31.26 | 31.42 | 31.29 |
| Litters/sow/year | 2.33 | 2.33 | 2.32 | 2.30 | 2.30 | 2.30 | 2.28 | 2.26 | 2.26 |
| Rearing mortality (%) | 2.00 | 2.16 | 2.16 | 2.00 | 2.00 | 2.00 | 3.10 | 3.20 | 3.60 |
| Finishing mortality (%) | 3.00 | 2.25 | 2.25 | 3.50 | 3.50 | 3.50 | 3.10 | 3.30 | 3.40 |
| Finishing daily liveweight gain (g/day) | 820 | 827 | 827 | 876 | 876 | 876 | 971 | 975 | 991 |
| Finishing feed conversion ratio | 2.60 | 2.44 | 2.44 | 3.00 | 3.00 | 3.00 | 2.66 | 2.63 | 2.63 |
| Average liveweight at slaughter (kg) | 122 | 121 | 120 | 127 | 128 | 130 | 114 | 113 | 115 |
| Average carcase weight – cold (kg) | 90.7 | 90.1 | 89.3 | 100.0 | 100.8 | 101.8 | 85.8 | 86.0 | 86.6 |
| Carcase meat production/sow/year (kg) | 2,390 | 2,401 | 2,400 | 2,428 | 2,415 | 2,438 | 2,683 | 2,704 | 2,711 |

Table 7. Summary of physical performance, 2017–2019, Continued

| | Physical performance | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | FIN | | | FRA | | | GER | | |
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| Pigs weaned/sow/year | 27.13 | 27.46 | 28.47 | 28.05 | 28.49 | 29.37 | 29.66 | 30.10 | 29.95 |
| Pigs reared/sow/year | 26.51 | 26.80 | 27.79 | 27.28 | 27.69 | 28.55 | 28.74 | 29.22 | 28.99 |
| Pigs sold/sow/year | 25.77 | 26.07 | 27.04 | 26.26 | 26.62 | 27.47 | 27.96 | 28.49 | 28.21 |
| Litters/sow/year | 2.23 | 2.23 | 2.25 | 2.34 | 2.34 | 2.35 | 2.33 | 2.32 | 2.30 |
| Rearing mortality (%) | 2.30 | 2.40 | 2.40 | 2.74 | 2.81 | 2.79 | 3.10 | 2.90 | 3.20 |
| Finishing mortality (%) | 2.80 | 2.70 | 2.70 | 3.74 | 3.89 | 3.80 | 2.70 | 2.50 | 2.70 |
| Finishing daily liveweight gain (g/day) | 970 | 980 | 972 | 803 | 803 | 812 | 832 | 842 | 849 |
| Finishing feed conversion ratio | 2.70 | 2.70 | 2.70 | 2.77 | 2.75 | 2.75 | 2.81 | 2.79 | 2.78 |
| Average liveweight at slaughter (kg) | 121 | 122 | 123 | 120 | 120 | 121 | 122 | 122 | 122 |
| Average carcase weight – cold (kg) | 90.3 | 90.7 | 91.5 | 91.9 | 92.0 | 92.4 | 94.2 | 94.6 | 94.5 |
| Carcase meat production/sow/year (kg) | 2,326 | 2,365 | 2,473 | 2,414 | 2,448 | 2,538 | 2,634 | 2,695 | 2,665 |
| | GB (IN) | | | GB (OUT) | | | HUN | | |
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| Pigs weaned/sow/year | 26.97 | 27.35 | 27.35 | 23.95 | 23.22 | 24.12 | 25.47 | 25.74 | 27.77 |
| Pigs reared/sow/year | 25.96 | 26.24 | 26.28 | 23.05 | 22.28 | 23.17 | 24.99 | 25.25 | 27.24 |
| Pigs sold/sow/year | 25.23 | 25.41 | 25.45 | 22.41 | 21.57 | 22.44 | 24.00 | 24.32 | 26.57 |
| Litters/sow/year | 2.30 | 2.28 | 2.28 | 2.28 | 2.20 | 2.25 | 2.25 | 2.31 | 2.36 |
| Rearing mortality (%) | 3.78 | 4.06 | 3.93 | 3.78 | 4.06 | 3.93 | 1.90 | 1.90 | 1.90 |
| Finishing mortality (%) | 2.79 | 3.19 | 3.16 | 2.79 | 3.19 | 3.16 | 3.96 | 3.68 | 2.47 |
| Finishing daily liveweight gain (g/day) | 833 | 866 | 860 | 833 | 866 | 860 | 710 | 696 | 700 |
| Finishing feed conversion ratio | 2.86 | 2.79 | 2.68 | 2.86 | 2.79 | 2.68 | 3.04 | 3.14 | 3.18 |
| Average liveweight at slaughter (kg) | 110 | 110 | 110 | 109 | 109 | 110 | 111 | 109 | 115 |
| Average carcase weight – cold (kg) | 83.6 | 83.6 | 84.3 | 83.0 | 83.1 | 84.1 | 87.6 | 86.1 | 91.0 |
| Carcase meat production/sow/year (kg) | 2,110 | 2,123 | 2,145 | 1,859 | 1,793 | 1,887 | 2,103 | 2,094 | 2,418 |

Table 7. Summary of physical performance, 2017–2019, Continued

| | Physical performance | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | IRE | | | ITA | | | NL | | |
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| Pigs weaned/sow/year | 28.45 | 28.48 | 28.56 | 24.77 | 25.08 | 24.85 | 30.25 | 30.55 | 30.10 |
| Pigs reared/sow/year | 27.62 | 27.65 | 27.73 | 23.75 | 23.93 | 23.80 | 29.49 | 29.76 | 29.38 |
| Pigs sold/sow/year | 27.01 | 26.98 | 26.99 | 23.15 | 23.33 | 23.20 | 28.78 | 29.01 | 28.68 |
| Litters/sow/year | 2.36 | 2.34 | 2.28 | 2.25 | 2.24 | 2.22 | 2.36 | 2.35 | 2.33 |
| Rearing mortality (%) | 2.91 | 2.90 | 2.89 | 4.13 | 4.60 | 4.25 | 2.50 | 2.60 | 2.40 |
| Finishing mortality (%) | 2.21 | 2.43 | 2.67 | 2.50 | 2.50 | 2.50 | 2.40 | 2.50 | 2.40 |
| Finishing daily liveweight gain (g/day) | 866 | 885 | 904 | 687 | 690 | 694 | 822 | 829 | 847 |
| Finishing feed conversion ratio | 2.66 | 2.72 | 2.68 | 3.75 | 3.74 | 3.71 | 2.58 | 2.56 | 2.56 |
| Average liveweight at slaughter (kg) | 111 | 113 | 114 | 168 | 170 | 170 | 121 | 121 | 122 |
| Average carcase weight – cold (kg) | 82.9 | 84.5 | 85.9 | 135.0 | 136.6 | 136.6 | 94.1 | 94.4 | 95.4 |
| Carcase meat production/sow/year (kg) | 2,240 | 2,279 | 2,320 | 3,126 | 3,187 | 3,169 | 2,708 | 2,738 | 2,737 |
| | SPA | | | SWE | | | USA | | |
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| Pigs weaned/sow/year | 26.98 | 27.45 | 27.58 | 26.62 | 26.83 | 27.16 | 26.43 | 26.80 | 27.91 |
| Pigs reared/sow/year | 25.99 | 26.18 | 26.15 | 26.09 | 26.29 | 26.62 | 25.32 | 25.70 | 26.79 |
| Pigs sold/sow/year | 25.06 | 25.19 | 25.06 | 25.67 | 25.82 | 26.17 | 24.15 | 24.54 | 25.53 |
| Litters/sow/year | 2.31 | 2.31 | 2.30 | 2.24 | 2.23 | 2.23 | 2.44 | 2.44 | 2.47 |
| Rearing mortality (%) | 3.69 | 4.63 | 5.20 | 2.00 | 2.00 | 2.00 | 4.20 | 4.10 | 4.00 |
| Finishing mortality (%) | 3.56 | 3.80 | 4.14 | 1.60 | 1.80 | 1.70 | 4.64 | 4.54 | 4.70 |
| Finishing daily liveweight gain (g/day) | 701 | 726 | 742 | 947 | 946 | 948 | 857 | 860 | 854 |
| Finishing feed conversion ratio | 2.46 | 2.48 | 2.48 | 2.87 | 2.85 | 2.86 | 2.71 | 2.68 | 2.73 |
| Average liveweight at slaughter (kg) | 110 | 112 | 115 | 122 | 124 | 123 | 127 | 127 | 128 |
| Average carcase weight – cold (kg) | 83.0 | 84.5 | 86.7 | 89.8 | 90.6 | 89.8 | 94.7 | 92.9 | 93.5 |
| Carcase meat production/sow/year (kg) | 2,081 | 2,129 | 2,174 | 2,304 | 2,338 | 2,349 | 2,287 | 2,280 | 2,387 |

Table 7. Summary of physical performance, 2017–2019, Continued

| | Physical performance | | |
|---|---|---|---|
| | EU average | | |
| | 2017 | 2018 | 2019 |
| Pigs weaned/sow/year | 27.60 | 27.77 | 28.08 |
| Pigs reared/sow/year | 26.75 | 26.88 | 27.17 |
| Pigs sold/sow/year | 26.00 | 26.09 | 26.39 |
| Litters/sow/year | 2.30 | 2.29 | 2.28 |
| Rearing mortality (%) | 3.07 | 3.21 | 3.27 |
| Finishing mortality (%) | 2.79 | 2.92 | 2.85 |
| Finishing daily liveweight Gain (g/day) | 820 | 829 | 835 |
| Finishing feed conversion ratio | 2.83 | 2.83 | 2.81 |
| Average liveweight at slaughter (kg) | 120 | 120 | 121 |
| Average carcase weight – cold (kg) | 92.2 | 92.7 | 93.6 |
| Carcase meat production/sow/year (kg) | 2,389 | 2,411 | 2,461 |

## Pigs weaned per sow per year

The overall average number of pigs weaned per sow per year in the EU InterPIG countries showed a 1% increase in 2019, up from 28.1 in 2018 to 28.4 in 2019. As shown in Figure 5, performance continued to improve in many EU countries, with Great Britain's outdoor herds showing an increase of 4% compared with 2018, making up for the decrease in 2017.

Denmark and the Netherlands had the best results for pigs weaned, with Denmark yet again achieving an average of over 33 pigs weaned per sow per year. The non-EU countries continued to perform below the EU average.

Excluding Great Britain's outdoor herds, there is a difference of 8.7 pigs weaned per sow per year between the worst-performing EU InterPIG country (Italy at 24.9) and the best-performing country (Denmark at 33.6).

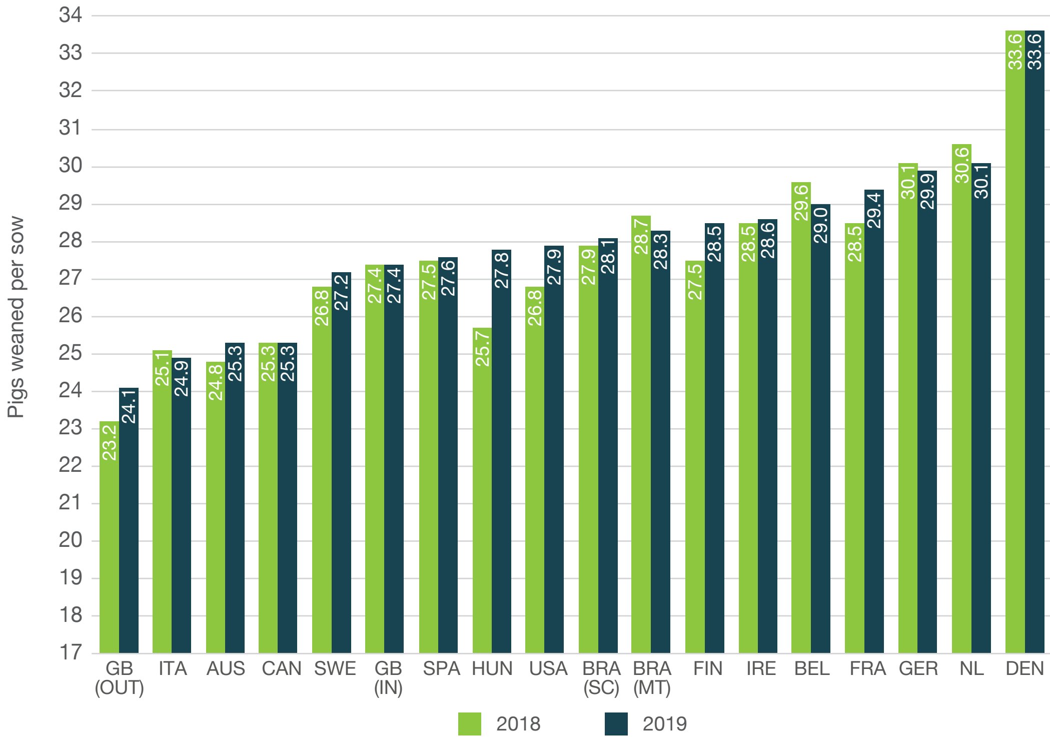
The number of pigs weaned per sow per year in Great Britain indoor herds was the same in 2018 and 2019 at 27.4. Great Britain's outdoor herds bounced back from the weather effect in 2018, with an increase of 4% to 24.1, compared with 23.2 in 2018.

While Great Britain has a significant proportion of sows kept outdoors, the lower number of pigs weaned per sow per year in all systems is still a major cause of the relatively high cost of production compared with many other EU countries, and needs to be addressed if Great Britain want to be competitive with the rest of Europe.

Pigs weaned per sow per year is a result of three different elements: pigs born alive per litter, litters per sow per year and pre-weaning mortality.

- Great Britain's indoor herds averaged 2.28 litters per sow per year, the same as 2018. Outdoor herds averaged 2.25, compared with 2.20 in 2018. The EU average is 2.28, with a variation between countries ranging from 2.22 (Italy) to the highest at 2.36 (Hungary
- Pre-weaning mortality (indoor sows 11.6%; outdoor sows 12.3%) was similar to 2018 and lower than the EU average of 13.2%
- A significant impact on pigs weaned per sow per year in Great Britain is the number of pigs born alive per litter. The 2019 average for indoor sows, at 13.6, was the same as the previous year. With 12.2, outdoor sows increased slightly from 12.1 in 2018. The 2018 average for participating EU countries was 14.4.

Figure 5. Pigs weaned per sow per year, 2018–2019

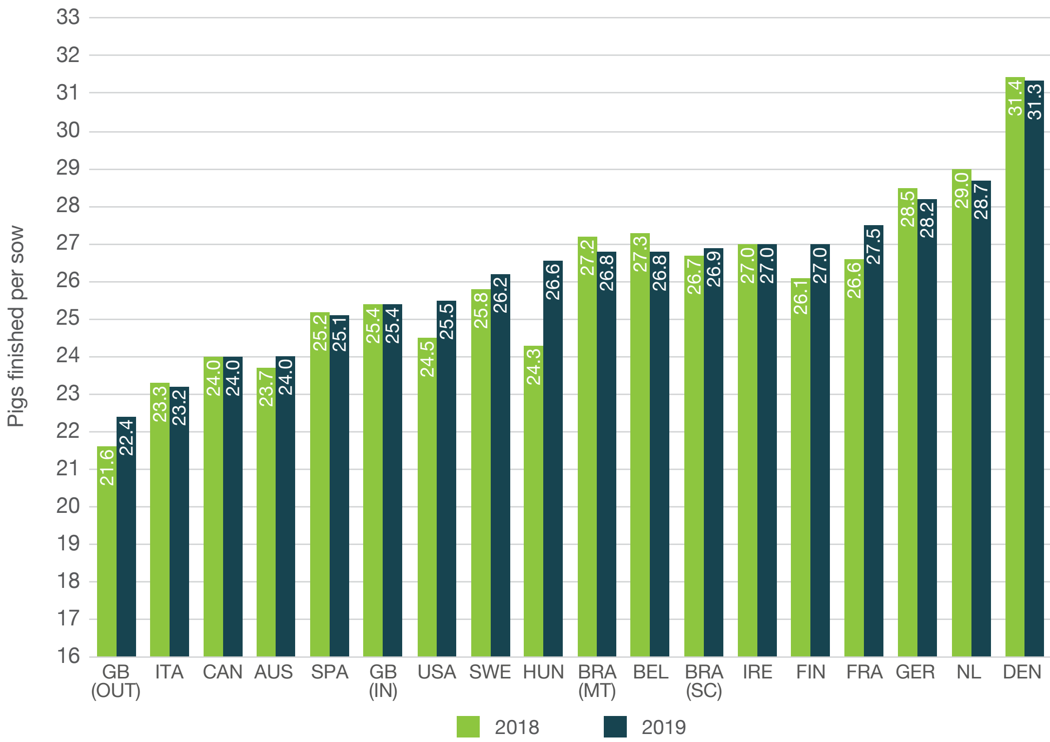



## Pigs finished per sow per year

As shown in Figure 6, the average number of pigs finished per sow in Great Britain was maintained at 25.4 in 2019. For outdoor sows, pigs finished per sow per year increased in 2019 by 4% to 22.4, compared with 21.6 in 2018.

In 2019, the EU average for pigs finished per sow per year was 26.7 – 1% higher than in 2018. Denmark still has the highest numbers, finishing more than 31 pigs per sow per year. Within the InterPIG group, Great Britain outdoor herds have the lowest number of pigs finished per sow per year in 2019.

Figure 6. Estimated net margins in Great Britain, 2012–2019



# Appendix 1

Table 8. InterPIG members' pig industry trends, 2019

| | Pig industry trends, 2019 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | AUS | BEL | BRA | CAN | CZE | DEN | FIN | FRA | GER |
| Breeding sow numbers (000 head) | 230 | 396 | 2,975 | 1,235 | 131 | 1,244 | 92 | 984 | 1,788 |
| Annual pig slaughterings (000 head) | 5,086 | 10,720 | 41,600 | 21,840 | 2,301 | 16,839 | 1,816 | 23,539 | 55,131 |
| Pig meat production (000 tonnes) | 502 | 1,039 | 3,975 | 2,000 | 210 | 1,499 | 169 | 2,200 | 5,227 |
| Pig meat imports (000 tonnes cwe)* | 186 | 201 | 2 | 242 | 349 | 147 | 38 | 480 | 1,102 |
| Pig meat exports (000 tonnes cwe)* | 241 | 794 | 861 | 1,284 | 72 | 1,249 | 34 | 560 | 2,374 |
| Pig meat consumption (000 tonnes cwe)* | 447 | 446 | 3,116 | 958 | 487 | 397 | 172 | 2,120 | 3,955 |
| Pig meat consumption (kg per head)* | 49.6 | 38.5 | 14.7 | 25.4 | 45.4 | 68.5 | 31.1 | 32.5 | 47.2 |
| | HUN | IRE | ITA | NL | POL | SP | SWE | UK | USA |
| Breeding sow numbers (000 head) | 231 | 144 | 556 | 1,047 | 757 | 2,577 | 124 | 490 | 6,326 |
| Annual pig slaughterings (000 head) | 4,620 | 3,457 | 11,481 | 16,583 | 21,340 | 52,982 | 2,573 | 11,133 | 129,913 |
| Pig meat production (000 tonnes) | 435 | 304 | 1,448 | 1,628 | 1,979 | 4,641 | 240 | 960 | 12,543 |
| Pig meat imports (000 tonnes cwe)* | 237 | 107 | 1,057 | 346 | 697 | 154 | 108 | 982 | 429 |
| Pig meat exports (000 tonnes cwe)* | 194 | 260 | 280 | 1,322 | 707 | 2,098 | 29 | 291 | 2,867 |
| Pig meat consumption (000 tonnes cwe)* | 478 | 151 | 2,226 | 652 | 1,968 | 2,697 | 320 | 1,651 | 10,105 |
| Pig meat consumption (kg per head)* | 49.5 | 31 | 36.8 | 38.0 | 52.0 | 57.7 | 31.6 | 24.3 | 30.5 |

*Estimated figures

cwe = carcase weight equivalent

Breeding sow numbers are for Dec 2019

Sources: AHDB, IHS Maritime & Trade – Global Trade Atlas®, USDA, Eurostat

## Additional tables and figures

Labels on bar charts are rounded and may indicate the same results when the bars do not appear equal.

Table 9. Ranking of EU production costs, 2014–2019

| | Ranking of EU production costs | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | % of EU average |
| Belgium | 3 | 2 | 2 | 3 | 3 | 1 | 85.0 |
| Spain | 1 | 1 | 1 | 2 | 1 | 2 | 87.5 |
| Denmark | 2 | 3 | 3 | 1 | 2 | 3 | 89.3 |
| France | 4 | 4 | 4 | 4 | 4 | 4 | 95.0 |
| Netherlands | 5 | 6 | 8 | 9 | 5 | 5 | 98.0 |
| Germany | 6 | 5 | 6 | 6 | 7 | 6 | 98.4 |
| GB (IN) | 7 | 10 | 5 | 5 | 8 | 7 | 99.6 |
| GB (OUT) | 9 | 13 | 7 | 7 | 9 | 8 | 101.3 |
| Hungary | 12 | 14 | 10 | 8 | 6 | 9 | 103.4 |
| Finland | 11 | 8 | 12 | 12 | 11 | 10 | 104.7 |
| Ireland | 10 | 9 | 9 | 11 | 10 | 11 | 106.4 |
| Austria | 8 | 7 | 11 | 10 | 13 | 12 | 107.3 |
| Sweden | 13 | 11 | 13 | 13 | 12 | 13 | 107.6 |
| Italy | 14 | 12 | 14 | 14 | 14 | 14 | 116.3 |

Note: Rankings – 1 = lowest cost; 14 = highest cost

Figure 7. Exchange rate movements, 2014–2020

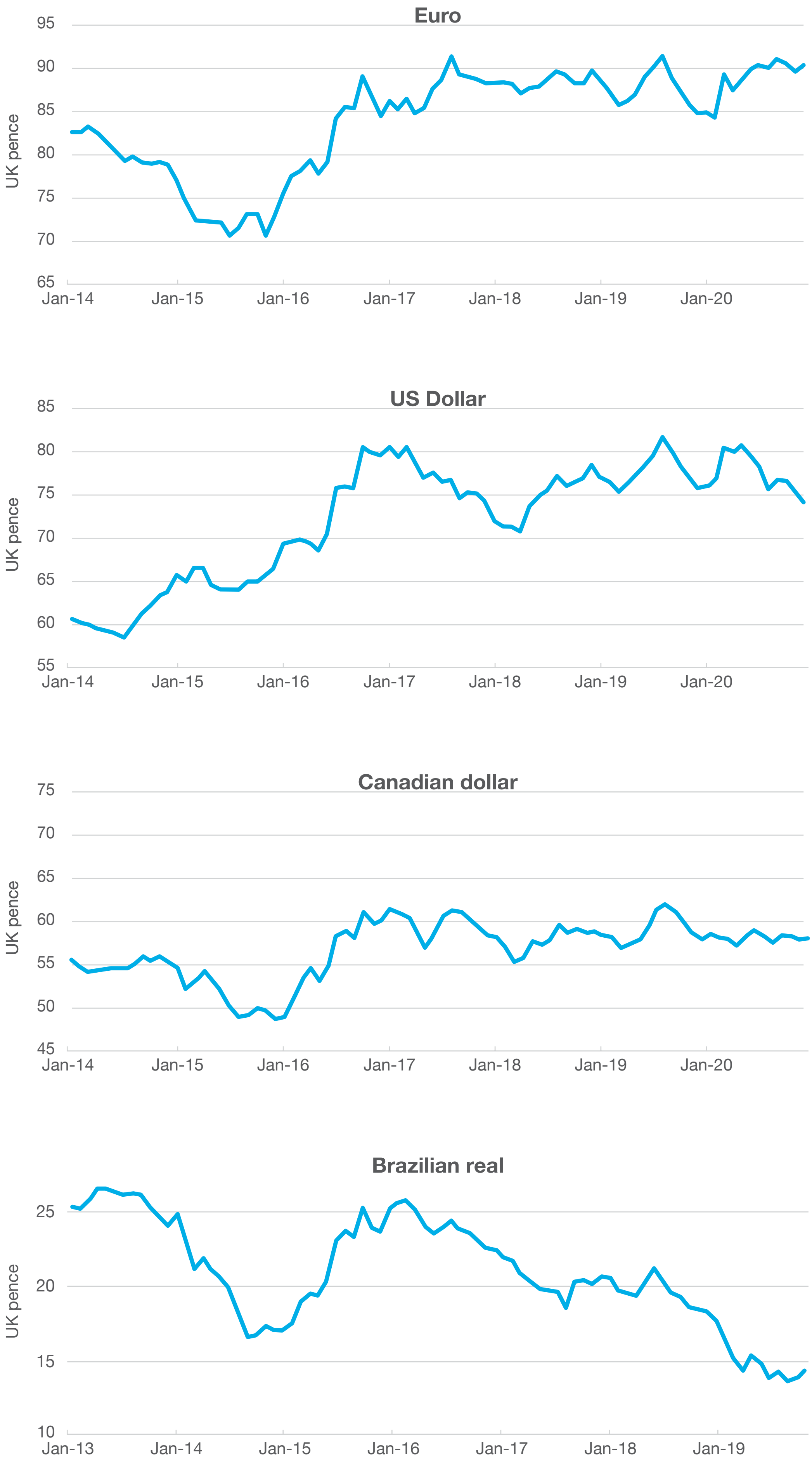


Table 10. Annual exchange rates

| Year | 1€ = | € to £ | $US to £ | $C to £ | Real to £ |
|---|---|---|---|---|---|
| 2014 | 80.6p | 1.24 | 1.65 | 1.82 | 3.87 |
| 2015 | 72.6p | 1.38 | 1.53 | 1.95 | 5.01 |
| 2016 | 81.9p | 1.22 | 1.35 | 1.79 | 4.66 |
| 2017 | 87.6p | 1.14 | 1.29 | 1.67 | 4.11 |
| 2018 | 88.5p | 1.13 | 1.33 | 1.73 | 4.86 |
| 2019 | 88.0p | 1.14 | 1.27 | 1.69 | 5.00 |

Figure 8. Depreciation and finance costs, 2018–2019

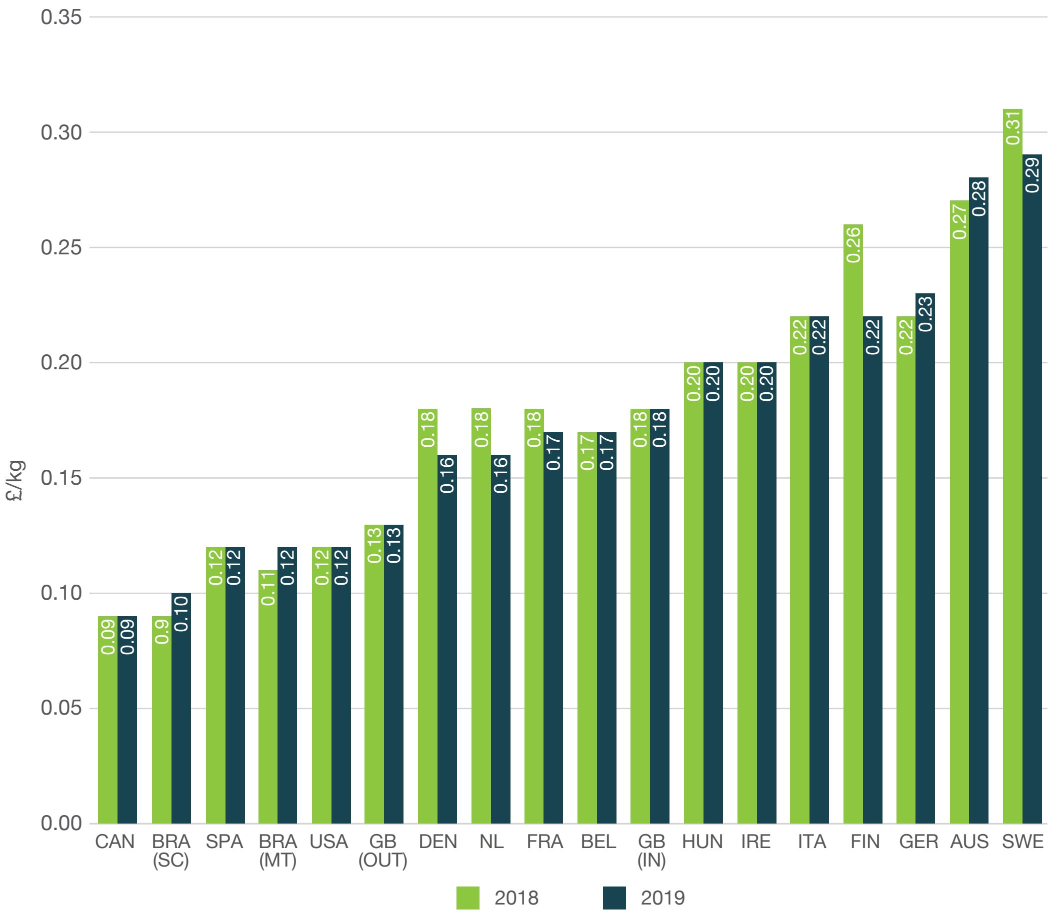
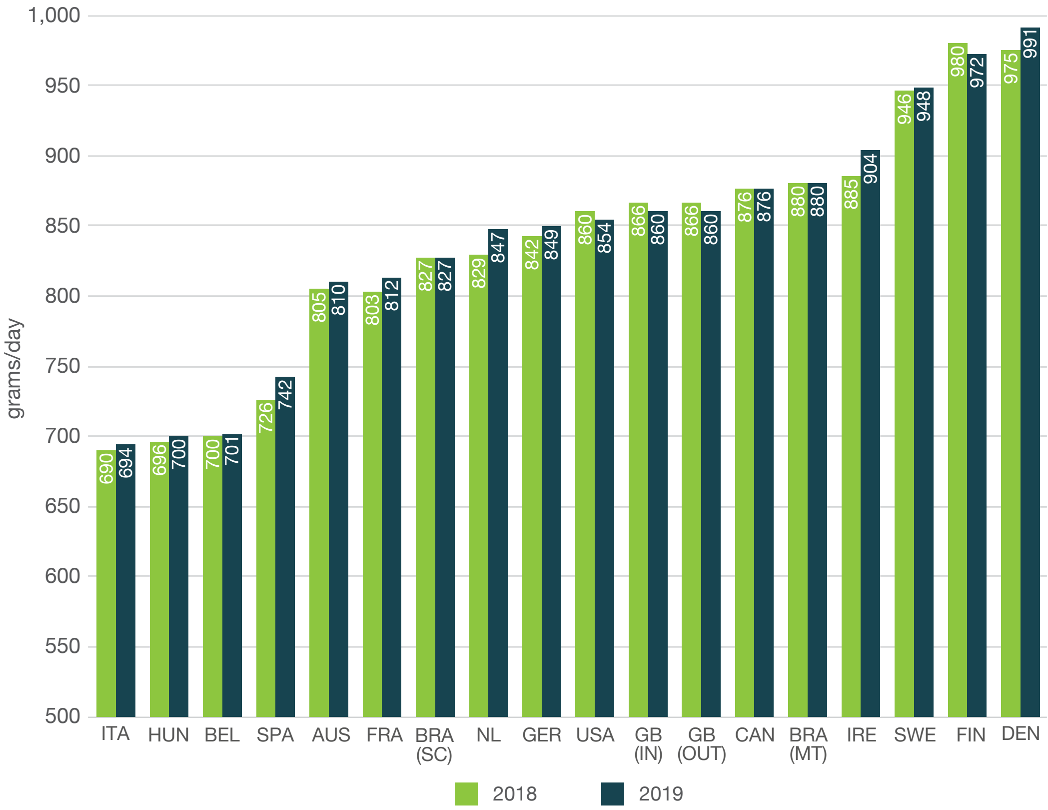



Figure 9. Daily liveweight gains (finishing herds), 2018–2019




The average Daily Liveweight Gain (DLG) and Feed Conversion Ratio (FCR) figures for indoor- and outdoor-bred piglets in Great Britain are the same because there is significant variation in the range of performance within various rearing and finishing systems (slatted, semi-slatted, straw barn, outdoor options). The available dataset has insufficient detail to split the data into multiple production systems and piglet backgrounds, so the average across the dataset has been used.

Figure 10. Feed conversion ratios (finishing herds), 2018–2019

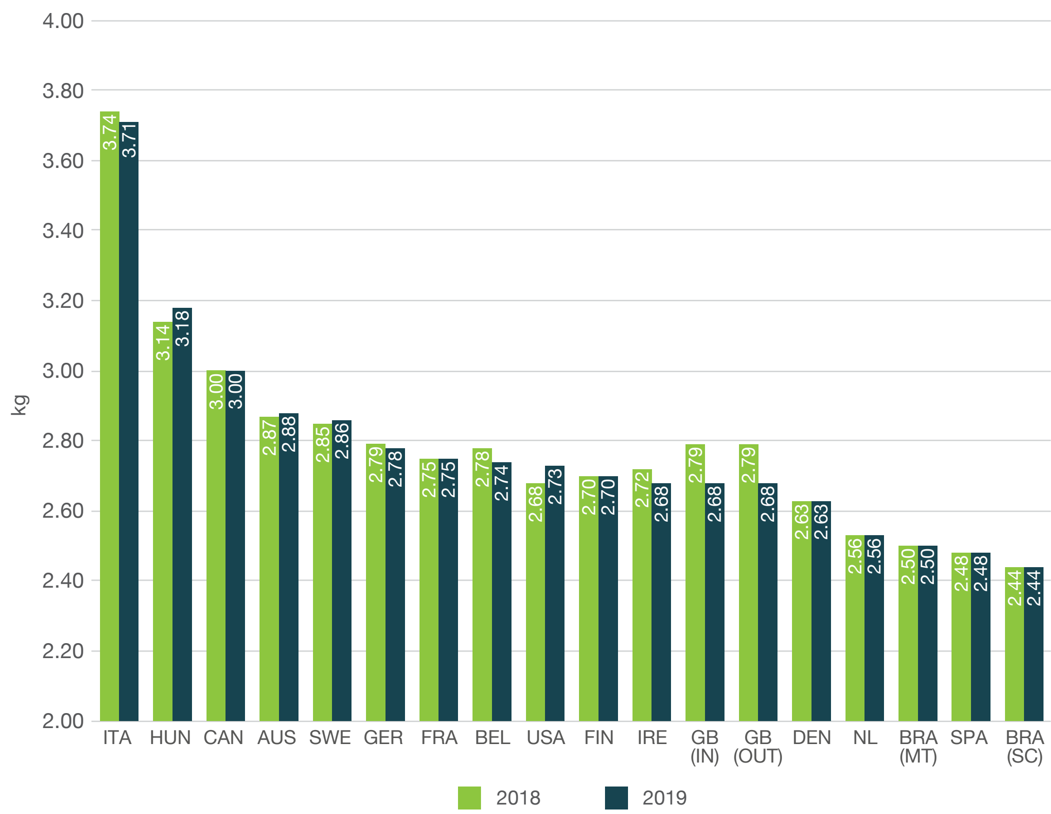
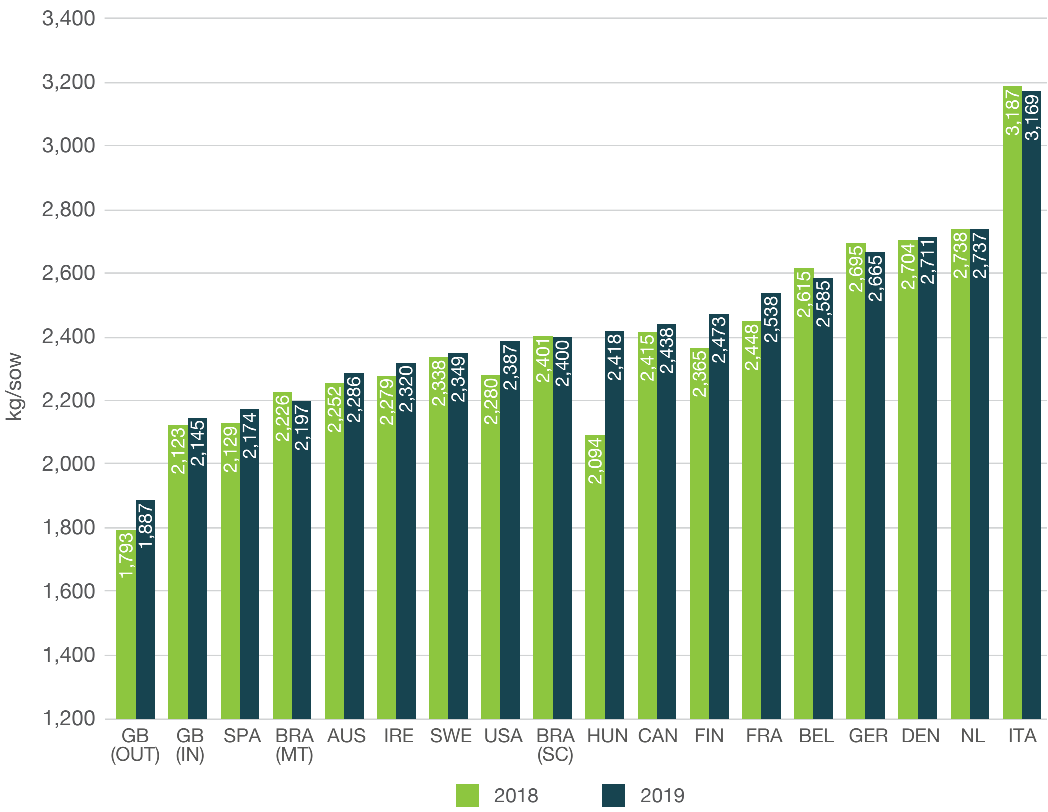


Figure 11. Carcase meat production per sow per year, 2018–2019




## Standardising the physical results

### Methodology

There is a wide variation in physical performance measures reported by InterPIG countries. Some of these variations could be due to differences between countries in the weight of animals produced. Other things being equal, an increase in slaughter weights and the length of time an animal is in the system will lead to a worsening in both the marginal daily liveweight gain (DLG) and the marginal feed conversion ratio (FCR).

Using methodology created by our French InterPIG partner ITP, the figures have been standardised on the basis of three weights:

- Transfer from breeding unit to rearing unit: 8 kg (GB (IN) = 7.1; GB (OUT) = 7.5 kg in 2019)
- Transfer from rearing unit to finishing unit: 30 kg (GB = 36.5 kg in 2019)
- Liveweight at slaughter: 120 kg (GB (IN) = 110.5; GB (OUT) = 110.3 kg in 2019)

This section examines the adjustments made to the finishing FCR and DLG figures in the European InterPIG countries, to exclude the differences caused by variations in national transfer and slaughter weights.

Figure 12. Standardised daily liveweight gains (finishing herds), 2019

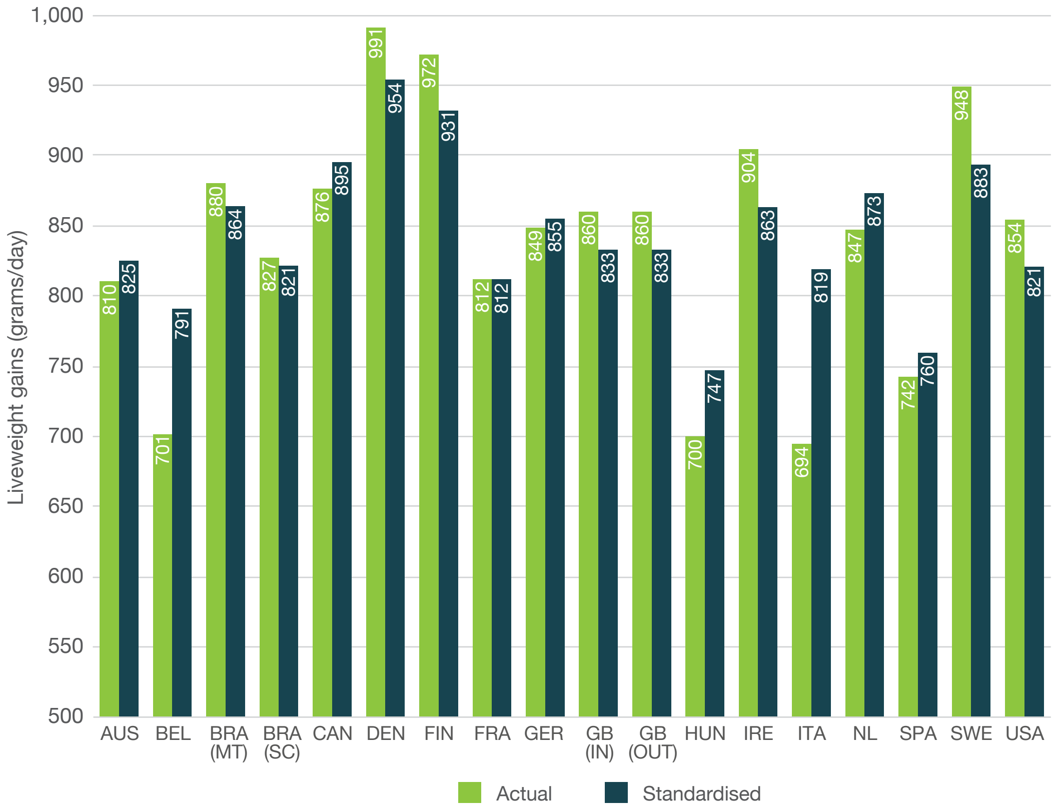



Figure 13. Standardised feed conversion ratios (finishing herds), 2019

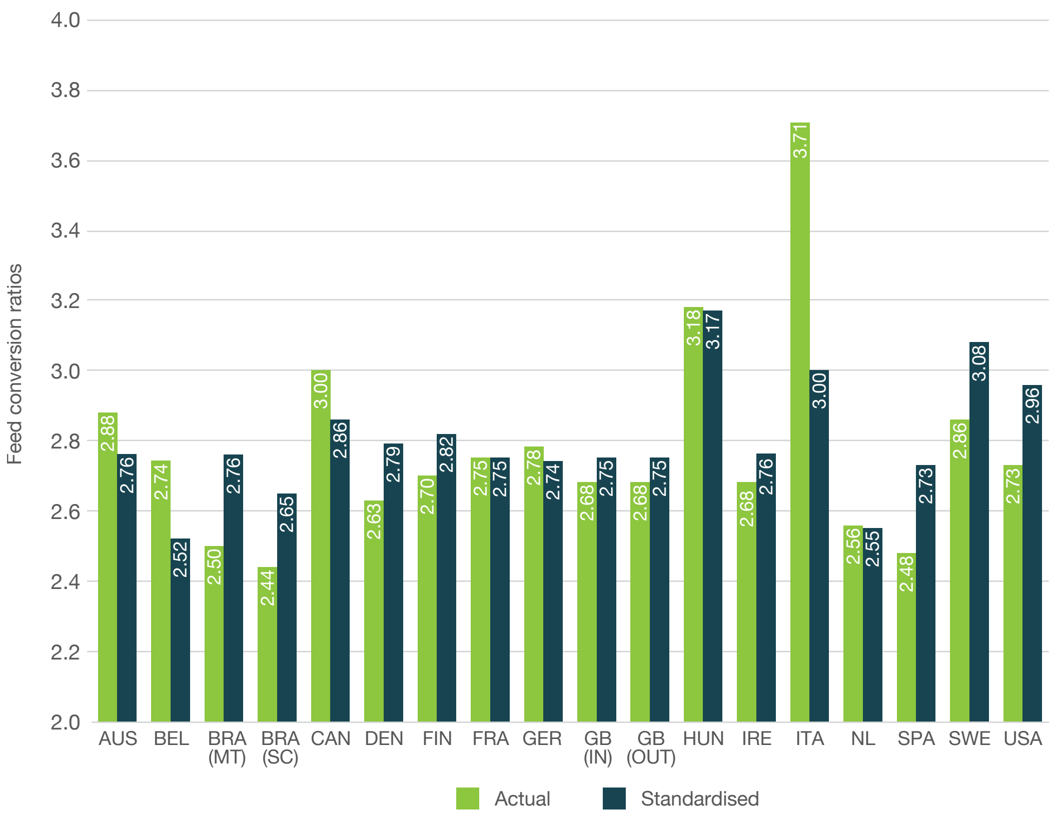


Table 11. GB and EU physical results, 2019

| | Physical results – GB and EU | | | | |
|---|---|---|---|---|---|
| | GB indoor | GB outdoor | GB Overall 60% indoor: 40% outdoor | EU average (inc GB) | GB overall difference with EU average % |
| Pigs weaned/sow/year | 27.4 | 24.1 | 26.1 | 28.1 | -7 |
| Pigs reared/sow/year | 26.3 | 23.2 | 25.0 | 27.2 | -8 |
| Pigs sold/sow/year | 25.4 | 22.4 | 24.2 | 26.4 | -8 |
| Pigs born alive/litter | 13.6 | 12.2 | 13.0 | 14.2 | -8 |
| Pigs weaned/litter | 12.0 | 10.7 | 11.5 | 12.3 | -6 |
| Litters/sow/year | 2.28 | 2.25 | 2.3 | 2.28 | -1 |
| Sow mortality (%) | 6.1% | 5.3% | 5.8% | 7.1% | -19 |
| Pre-weaning mortality (%) | 11.6% | 12.3% | 11.9% | 13.2% | -10 |
| Rearing mortality (%) | | | 3.9% | 3.3% | +20 |
| Finishing mortality (%) | | | 3.2% | 2.8% | +11 |
| Transfer weight from breeding to rearing unit (kg) | 7.1 | 7.5 | 7.3 | 7.2 | +1 |
| Lactation period (days) | 26.3 | 26.3 | 26.3 | 27.4 | -4 |
| Transfer weight from rearing to finishing unit (kg) | 36.5 | 36.5 | 36.5 | 29.6 | +23 |
| Rearing daily liveweight gain (g/day) | 484 | 484 | 484 | 421 | +15 |
| Rearing feed conversion ratio | 1.8 | 1.8 | 1.8 | 1.8 | +3 |
| Finishing daily liveweight gain (g/day) | 860 | 860 | 860 | 835 | +3 |
| Finishing feed conversion ratio | 2.7 | 2.7 | 2.7 | 2.8 | -5 |
| Average number of days in rearing unit | 61 | 60 | 60 | 53 | +15 |
| Average number of days in finishing unit | 86 | 86 | 86 | 112 | -23 |
| Empty finishing unit days per cycle | 7 | 7 | 7 | 9 | -24 |
| Pigs/pig place/year (finishing) | 3.9 | 3.9 | 3.9 | 3.2 | +24 |
| Average live weight at slaughter (kg) | 110.5 | 110.3 | 110.4 | 121.2 | -9 |
| Average carcase weight – cold (kg) | 84.3 | 84.1 | 84.2 | 93.6 | -10 |
| Killing-out percentage (cold weight) | | | 76.3% | 77.1% | -1 |
| Carcase meat production/ sow/year (kg) | 2,145 | 1,887 | 2,042 | 2,461 | -17 |
| Sow feed/sow/year (kg) | 1,370 | 1,420 | 1,390 | 1,343 | +3 |
| Weaner/rearer feed/reared pig (kg) | 54 | 54 | 54 | 41 | +33 |
| Finishing pigs feed consumption/slaughter (kg) | 200 | 200 | 200 | 263 | -24 |

GB Overall is an average of GB indoor- and outdoor-bred, with a weighting of 60% indoor and 40% outdoor for sow performance.

# Appendix 2

## List of tables and charts

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