

News Letter no. 120



In this issue:

Briefly about upcoming DFA activities

Briefly about completed DFA activities

Overview DFA activities in 2022

Global Pork Meat Prices

Short News from Abroad

Advertisements

Company Profile

Overview Company-members

Newsletter 120 – overview of content

Webinar 4 February

“Business Intelligence webinar” about prospects for raw material & pork market

[Read more](#)

Two new members in DFA Board

Short about Tom Axelgaard and Hans Henrik Kofoed

[Read more](#)

DFA activity plan 2022

[Read more](#)

Advertisements

Land for sale in Latvia

[Read more](#)

DFA-courses for midlevel managers in stable and fields – new timeline

MSP Course postponed to start spring 2022. CMP Crop - start postponed to June

[Read more](#)

The new-elected DFA board

Short overview of the seven members

[Read more](#)

Global Pork Meat Price

Overview by Genesis

[Read more](#)

Company Profile

Aller Aqua – use of gras protein in fish feed

[Read more](#)

DFA General Meeting 11 January

Summary of meeting

[Read more](#)

DFA Winter Conference 11 January

Summary of the presentations

[Read more](#)

Short News from Abroad

[Read more](#)

DFA Company members

An overview

[Read more](#)

Briefly about upcoming DFA activities

Webinar: “Business Intelligence webinar” about the prospects for the raw material & pork market

DFA invites members and others to a webinar on **February 4th 2022 at 14.00 to 15.30 CEST** on “Teams”. It is provided in collaboration with DSM.

The program includes the following:

- Brief introduction to the webinar by Johannes V. Hansen, DFA and **Richard Markus, DSM, Austria**
- The outlook for the raw material & pork market - as DSM sees it by **Adolfo Fontes, DSM, Holland**
- Q&A

Registration for the DFA secretariat via email or phone as soon as possible and no later than at Wednesday 2 February.



DFA courses for middle managers in crop and pig production – new timelines

Covid-19 is seemingly disruptive to the start-up of new courses for farm middle managers.

We have postponed the start of next **DFA MSP course** for pig manager to May or June 2022 for 1st seminar and the following 3 seminars in 2022 and in 2023. An updated course folder with a new timeline can be found at the beginning of February on the DFA website here.

DFA CMP course for Crop managers with originally planned start at the end of February 2022 has been postponed to start on 15 June with the 1st seminar in Romania (15 - 17 June) and the following two seminars will be held in November 2022 and February 2023. An updated course folder can be found on the DFA website here in early February.

Further information about the two courses can be found [here](#).

Contact course manager **Povl Nørgaard** on + 45 31720145 or mail: povl@povlnorgaard.dk or the DFA secretariat for further information about the course.

Briefly on completed DFA activities

Summary of DFA General meeting on 11 January

There was physical 55 participants in the "Theater Hall" at Pejsegården, and approx. 30 on an on-line connection via zoom. We think that participation was quite nice in a time of "Corona hassle".

With Andreas Arent Jespersen, DLA Piper as conductor, the assembly was governed through the agenda. DFA's chairman **Jytte Rosenmaj** presented the board's report.

The chairman told that for the first time ever the number of members had a declining trend, as the number of agricultural members had fallen from 75 to 70. However, the small decrease is primarily due to the fact that a few companies have been sold and a few others have been merged.

On the other hand, the members' agricultural production continues to increase, which is especially seen for pig production, which has now exceeded a total of 8 million fattening pigs, corresponding to approx. 45% of the total finisher production in Denmark.

The association's activity in 2021 has been greatly affected by the Corona restrictions, which have made physical meetings difficult. However, the association has conducted no less than 6 virtual conferences on various topics. These 6 webinars have attracted no less than 900 participants – from more than 24 countries.

For the election of persons to DFA's board, **Kristin Brokop Jakobsen and Hans Poulsen** had announced in advance that they would not receive re-election. They will be replaced by Tom Axelgaard, Goodvalley and Hans Henrik Kofoed, Ingleby Farms. Furthermore, Jytte Rosenmaj and Kristina Skeldal were re-elected to the Board. Søren Villumsen and Bent Højmark Lund were elected as deputies.



After the election, the chairman thanked Kristian and Hans for their efforts in the board during 6 years and she also welcomed Tom and Hans Henrik.

The entire chairman's report can be seen [here](#).

Welcome to Tom Axelgaard and Hans Henrik Kofoed on DFA's board

As mentioned above there were new elections for two new members of the association's board. Although they are new to the board, they are a couple of experienced members. Both of them have previously had the opportunity to speak at DFA conferences.



About Hans Henrik Kofoed

Hans Henrik has during 16 years been CEO of Ingleby Farms, which owns and operates 102,000 hectares in 9 countries on 4 continents – located mostly south of the Equator. The company also has a larger population of beef and dairy cattle, as well as sheep farms.

Hans Henrik is today chairman of Ingleby Farm's board.



About Tom Axelgaard

Tom was originally a dairy farmer in the Varde region. In 1994 he was the initiator in the establishment of Poldanor in Poland with pig production and arable farming.

Today, the company, now called Goodvalley, has pig production and arable farming in Poland, Ukraine and Russia. In total, the company produces more than DKK 1.3 million pigs and farming 48,000 ha of arable land. The company operates its own slaughterhouse in Poland and has its own biogas plant in both Poland and Ukraine.

Tom was CEO of the company for 27 years and today he is member of the company's board. In addition, he has a number of commercial activities connected to his residence in Henne.

Members in the new DFA board



Jytte Rosenmaj, chairman

Idavang A/S, co-owner. Lithuania and Russia



Kristina Skeldal, vice-chairman

Director and co-owner of Black Soil Farming, Romania



Jens Møller Knudsen

Director and co-owner of Jesna-Pol Spolka z.o.o, Poland



Jesper Brunhøj Jensen

Director of agricultural investments at IWC and Blueberry farmer in Portugal



Christina Jansby

Chairman of the Board and co-owner of AgroSkandia, Kaliningrad



Tom Axelgaard

Goodvalley board member



Hans Henrik Kofoed

Ingleby Farms – chairman of board

Summary of DFA Winter Conference

55 had found their way to the DFA Winter Conference in Brædstrup – and 40 were participating on a virtual line. Of those, 10 foreigners received simultaneous translation.

Clive Balye, TWBS Farms near Birmingham introduced no till farming 15 years ago. Clive runs arable farming on 1800 ha. medium soil - and a crop rotation including approx. 50% bread wheat and in the remaining part he has up to 13 different crops, which are selected based on market price and synergies with the crop rotation scheme. He has kept the same level of yield as before he stopped plowing, but his invested capital in machinery has been reduced by 60% and the need for labor has been reduced by 50-

75%. In particular, tillage has been significantly reduced - from previously using approx. 32 l diesel to now 3-4 l per ha.

He has the following cultivation principles:

1. Minimal mechanical disturbance of soil structure
2. Permanent soil cover with crops
3. Maximizing various crops, to promote soil health
4. Avoid "Bag and Bottle farming" - fertilizers and pesticides
5. Focus on the soil's / N ratio - and adjust with different types of livestock manure and other things.

It was planned to have Clive Balye physically present in Brædstrup, but due to Corona's outburst in the family, he had to give his exciting presentation virtually.



Rasmus Ejernæs, biologist at Aarhus University, spoke about the need to take out land for rewilding in a country where 60% of the land is currently used for growing food. It is about creating optimal habitats for animals, insects and plants in selected areas, so that the biodiversity here can unfold without the limitations given by the cultivated land. Those areas must have groundwater lakes, be nutrient-poor and have old trees, as well as grazing cattle and horses. He believed, that one could handle two levels of animal welfare regulations, in order to avoid having health assessments on the animals in rewilded areas.

Karl Christian Møller presented an insight into **Danish Crown's** new strategy, which focuses on investments in the production and processing of 10-13 million fattening pigs, which are actually produced annually in Denmark. Investments in that value chain must lead to better product quality and enable better branding, so that earnings can be increased. With a focus on the use of new technology and better access to customers in a globalized market, a profit can be achieved and used to strengthen the products' climate sustainability. The Climate Path must be designed including a certification of the farmer's production system, as well as the use of Science Based Targets - in the control of greenhouse gas emissions. It will be necessary to compensate by purchasing CO2 credits in order to reach the target of zero greenhouse gas emissions by 2050.

Frederik van Deurs, Gren Innovation Group, talked about the company's concepts of advising large companies to reduce greenhouse gas emissions. Their task from a customer is typically: How do we as a

company get the most CO2 reduction with an investment of 25 billion DKK. Using their future analyzes concepts, they create an investment framework that put light on what is needed in the company to make improvements to current manufacturing processes, including implementation of new technologies that can be expected to make a breakthrough.

He believes that the challenge in existing agriculture is that the cultivation of land is part of the solution to collect CO2, while livestock farming does the opposite. Therefore, there is no way around a reduction in meat production.



Asger Christensen, MEP joined the meeting virtually from Brussels. He presented an actual status in a number of current EU areas of legislation:

- The EU-Agricultural reform (CAP) is about to be implemented with greater scope for the individual Member States to design support schemes within the 6 objectives of Eco-schemes
- The Climate Act was passed in September 2021 and includes a strategy for methane emissions. The farmer must be involved in the storage of CO2 in various ways
- The Biodiversity Act includes that the farmer must make a strategy for improvements
- Food waste: There are plans to halve the current waste amounting 25% of food produced
- Nuclear power: Several countries have plans to build nuclear plants using modern technology - is now accepted by EU Commission as a means of increasing sustainable energy production
- Land to table Strategy: With i.a. improved plant breeding means, the EU agriculture is expected to be able to reduce the consumption of pesticides and fertilizers by 50% by 2030.

It is difficult to assess how quickly a CO2 tax will be implemented, but some countries will take the lead, including Denmark, so we will have to live with challenges in trade between the countries. The question is how quickly the WTO can design a system of CO2 customs clearance of goods.

Claus Møller, Carnegie Investment Bank, talked about Direct Lending as an alternative to corporate bond loans. His analysis of opportunities for direct lending was elucidated on the basis of a recent course in Goodvalley, which has replaced a bond loan with money from an investor syndicate with two investors. The price for such a process is approx. 5 mio. DKK for a loan of DKK 500 million. DKK. Using Direct Lending is only relevant for really large borrowing needs.

Flemming Splidsboel, DIIS briefed on the current political situation in Russia. President Putin wants to avoid the country being "surrounded" by NATO-countries; Therefore, he has the current war rhetoric against Ukraine. But war rhetoric is an integral part of Putin's communication with a population of approx. 147 million people, of which maybe 30 million are extremely poor and a majority having experienced declining living standards of 10% since the year 2000. Russia has the world's 6th largest economy. Revenue from exports comes 55% from oil. And 45% of the state's revenue comes from oil tax. So it is a very oil price dependent country, that Putin has not managed to make significant progress in during his reign.



Oversigt DFA netværksaktiviteter

Month	Days	Activity	Location	Coordinator
2022				
February	Friday 4	Webinar: "Outlook on raw material & swine market"	Teams	DFA secretariat and DSM
February	Monday 21 – Tuesday 22	DFA Board Conference	Fredericia, Denmark	DFA secretariat and Lars Hajslund
April	Monday 4 – Wednesday 6	DFA ERFA Group 4	Hungary	Henrik Nielsen
April	Tuesday 19- Thursday 21	DFA Benchmarking Group 1	Belgium	Johannes V. Hansen
May	Tuesday 3 – Thursday 5	DFA ERFA Group 20	Spain	Morten Balle Rasmussen
May	Sunday 22 – Sunday 29	DFA ERFA Group 2 meeting	USA	Johannes V. Hansen
June	Tuesday 14	DFA Summer Conference	Hotel Pejsegaarden, Brædstrup, Denmark	DFA secretariat
June	Wednesday 15 – Friday 17.	CMP course for crop managers	Romania	Povl Nørgaard
November 2022	Tuesday 1 – Friday 4	MSP course for pig managers	Denmark	Povl Nørgaard
November	Tuesday 15- Friday 18.	CMP course for crop managers	Slovakia	Povl Nørgaard
2023				
January	Tuesday 10	DFA annual meeting and Winter Conference	Hotel Pejsegaarden, Brædstrup, Denmark	DFA secretariat

Global Pork meat prices

Source: Genesis, 19 January 2022



Price as of Jan 19th, 2022

	Domestic price (own currency)	US dollars (liveweight lb.)
USA (CME constructed price)	77.11 USD/100 lb. carcass DW	57.06 ¢
Canada (Ontario base price)	173.41 CAD/100 kg carcass DW	50.40 ¢
Mexico (national average)	37.51 MXN/kg liveweight	83.12 ¢
Brazil (South Region)	5.08 BRL/kg liveweight	42.22 ¢
United Kingdom	140.10 GBP/100 kg carcass	69.29 ¢
Spain	1.021 EUR/kg liveweight	52.60 ¢
France	1.249 EUR/kg carcass	55.49 ¢
Russia	109.80 RUB/kg liveweight	65.39 ¢
Vietnam (national average)	52,000 VND/kg liveweight	\$ 1.04
South Korea (national average)	5,003 KRW/kg carcass	\$ 1.47
Philippines (national average)	180 PHP/kg liveweight	\$ 1.59
China	16.59 CNY/kg liveweight	\$ 1.19

Advertisement

Latvian Agricultural Land for Sale

We have about 253 hectares land for sale, of which 220 hectares are arable land in operation. About 33 hectares are forest, grass, bush etc., which partly can be turned into arable land.

The area include 9 different pieces (cadastre) as follows: 51,2 – 46,1 – 7,3 – 20,2 – 35,2 – 17,2 – 20,7 – 24,6 and 31,3 hectares at different locations. All the land are located in Aizkraukle Region, south Latvia and close to Lithuanian border.

The land is actually rented by 3 farmers, 116,6 ha, 102,0 ha. and 35,2 ha. = 253,8 hectares. Termination of lease contracts, one year.

The land is only totally for sale.

Further info: Arvis Feldman, mail: arvis@feldmans.lv - mobile phone: +371 - 28648000

Short News from Abroad

Russia pork market braces for oversupply in 2022

Source: Pig Progress, 14 January 2022

Russia's liveweight pork production is expected to grow by 600,000 tonnes in 2022, pushing the country into oversupply. That prediction was shared by Yuri Kovalev, general director of the Russian National Union of Pork Producers (RUPP), outlined at an industry conference in the capital Moscow.

To some extent, a situation of oversupply on the Russian market has been delayed by African Swine Fever (ASF), which prompted veterinary officials to cull nearly 1 million head of pigs in 2021.

In December of 2021, the average price of pork in Russia dropped below the last year's level against the background of rising production and a seasonal decrease in demand, a RUPP analysis showed. The average price of live pigs went down to 96.8 roubles (US\$1.26) per kg, while the price of half-carcasses stood at 146.46 (\$1.90) roubles per kg.

RUPP forecasted the Russian pork production to grow by 1% in 2021 compared to the previous year to 4.9 million tonnes. The prices for pork in Russia are likely to be even lower in 2022. The Russian pork consumption slightly increased, reaching 27.9 kg per capita last year.

[Read more](#)

Swiss commodity-traders control 2.7 million hectares of land worldwide

Source: farmlandgrab.com, 2 December 2022

Research by investigative non-profit Public Eye has revealed that trading companies with a Swiss presence – or their subsidiaries – own over 550 plantations covering over 2.7 million hectares. These companies buy and sell commodities like sugar, soy and palm oil from trading offices in Geneva or Zug and include big players like Cargill, LDC and ADM. The agricultural land they own is equivalent to six times the arable land available in Switzerland.

More than half of the land controlled by Swiss traders is used for sugarcane production and a quarter for palm oil cultivation. Other important crops grown on these landholdings include citrus fruits, rubber, coffee, bananas and rice. Public Eye was not able to find any significant Swiss stake cocoa or cotton.

The trading companies mentioned exercise control over agricultural land in a variety of ways. These include user rights, long-term leases or beneficial ownership depending on what the law of the land allows, and which form of ownership is more profitable.

[Read more](#)

India opens the country for American pork meat

Source: Agriculture & Food, week 2, 2022

According to the US Department of Agriculture USDA, negotiations between India and the United States have now resulted in India agreeing to open its market for American pork in the future.

The National Pork Producers Council (NPPC) expresses enthusiasm for the agreement, which it hopes will soon result in an agreement between the two countries on a joint export certificate and thus the export of American pork products to India.

India's population lives mainly on vegetarian diet, but hotels and restaurants in the country are largely dependent on imported meat. The local production of pork in India takes place primarily in so-called "backyard productions" in the northeastern states of the country. Production here, however, has recently been plagued by African swine fever.

Company Profile

Aller Aqua and BioRefine test green protein made of grass

In the search for new fish feed ingredients, Aller Aqua will test green protein from BioRefine (Janderup, Denmark). The material is an organic protein concentrate made of grass harvested from 3.000 ha land in Denmark. Out of this, BioRefine, produces 7.000 t of green protein concentrate applicable for animal nutrition per year.

The green and organic protein concentrate has a similar nutrient profile to soybean meal and could therefore be a great replacement in Aller Aqua fish feed. For comparison, Denmark imports around 50.000 tonnes of organic soy annually.

The company [BioRefine](#) has been launched by three agricultural companies DLG, Danish Agro and DLF with a strong intention to create a climate- and environment-efficient alternative protein source for animal feed. "BioRefine has the ambition to continuously establish more biorefineries, and thereby increase the proportion of feed protein ingredients produced in Denmark. We are very happy about the cooperation with Aller Aqua and will closely follow the results conducted by Aller Aqua Research", says Vagn Hundebøll, CEO at BioRefine.

The functionality of BioRefine's green protein in fish feed will be evaluated in feeding trials conducted at Aller Aqua Research, Aller Aqua's trial station located in Büsum, Germany. In nutrient digestibility and growth trials the green protein will be tested in feed for rainbow trout, the main fish species in Danish aquaculture. Due to its regionality, grass protein could be a valuable raw material for reducing the carbon-footprint of fish feed.

"New raw materials are seldom. And here we have an entirely new and locally produced raw material. It is a perfect match for us because this is the kind of raw material we are searching for. We are looking very much forward to be the first company testing and possibly later on including this raw material in our feed", says Dr Hanno Slawski, Group Research & Development Director for Aller Aqua.

Recently, Aller Aqua became the first fish feed company to label their feeds with their respective CO₂ equivalent. This was greatly appreciated by the market and client feedback has shown that knowledge about fish feeds carbon footprint is of great interest for all stakeholders along the value chain. Read more about our wish to create transparency and our work with declaring CO₂ equivalents on our web site: [We can now declare CO2 equivalents on our feeds](#) (aller-aqua.com).

FACTS ABOUT ALLER AQUA GROUP

- Danish family-owned group with headquarters in Christiansfeld, Denmark
- Produces fish feed for more than 70+ countries worldwide from factories in Denmark, Poland, Germany, Egypt, China, Zambia and Serbia
- The company employs a total of 500+ people
- Production capacity of 300.000+ tonnes
- Total yearly turnover in the region of 185 mill. EUR

Contact: Dr Hanno Slawski, Group R&D Director, E. hs@aller-aqua.dk, T. +45 30 52 47 59



Company Members







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