News Letter no. 124

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Newsletter 124 – overview of content

Briefly about upcoming DFA activities

Webinar:

“Business Intelligence webinar” on the prospects for raw materials & pork market

DFA invites members and others to a webinar on Friday, August 26 2022 at 15.00 to 16.30 CEST on “Teams”. It is offered 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. v / Adolfo Fontes, DSM, Holland
- Q&A

Registration to the DFA secretariat via mail or phone - ASP.

Adolfo Fontes, DSM

Great interest for the DFA study trip to California

The DFA board has decided that this year's autumn study tour will go to California. That choice was made, when we once again had to postpone the intended study trip to Japan due to the Corona restrictions being tightened again and thus making planning impossible.

We have therefore started planning a program for the trip to California. This is done with the good help from employees at Ingleby Farms, US.

The trip departs on Saturday 29 October and returns home on Monday morning 7 November. There are flights to and from San Francisco.

The program will of course include a visit to Ingleby Farms in California and their very large production of pistachios. There will also be visits to two dairy cattle producers, crop farmers with traditional crop production and some with other types of high-value crops.

You can read the provisional program here.

At the time of writing, we do not know the final price for the trip, as the collection of prices for accommodation and transport is still in process. Despite this, many have already signed up for the trip.

Further information and registration at the DFA's secretariat.

DFA – Ø-Vet Course for Veterinarians held in Slovakia

On 14 - 16 September, DFA will again provide a course in collaboration with Ø-Vet - a course for veterinarians, employed by DFA members with pig production.

The course will be held in Slovakia and, in addition to the training in current topics in pig health, it will also include a visit to First Farm's pig production unit near Bratislava. Here, the course participants will, among other things get training in diagnose of pig diseases via autopsies.

The instructor for this course is **Inger Mothorst Møller**, veterinarian at Ø-Vet

DFA ERFA Group 4 go to France

For the first time, a DFA ERFA group will visit France. It will take place in the days 19 – 21 September, when ERFA Group 4 with Henrik Nielsen as coordinator will visit the country.

IMV Technologies is the program's first visit. They are specialized in insemination technology and sperm treatment. Furthermore, Copany Cooperl in Britain is visited.

And then of course the participants will benchmark their production data and exchange experiences.

DFA Development Group to Brussels

For the second time in 2022, a DFA ERFA group will go to Brussels and visit the EU Parliament. This time it is the DFA Development Group, which consists of board members and directors from a handful of companies with pig production.

The visit will also this time include visit in the Parliament, as well as a meeting with Asger Christensen, MEP. Furthermore, meetings with 3 other EU parliamentarians, as well as a meeting in the L&F office in Brussels. Finally, the group will also meet representatives from the European agricultural organization COPA Cogeca.

The meeting in Brussels will take place from 7 – 9 September.

DFA courses for Middle Managers in crop - and pig production

DFA MSP Course for pig managers starts in week 38 (September 20 - 23) with the first seminar. The following three will be held during 2023. We have managed to assemble a team of 11 pig managers - and registrations are still open.

An updated course brochure with the timeline can be found on the DFA website here.

The DFA CMP course for Crop managers is scheduled to start in week 8, 2023 (February 21 – 24) with the first seminar in Denmark. The second of three will be held in Romania (7-9 June) and the final seminar in Slovakia in November 2023.

More information about the CMP course can be found here.

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

News from members

Harvest news from companies

Halychyna Zahid, Ukraine - Jesper Krogh, 19 August

We have finished harvesting barley, wheat and rape. Now we need to harvest soy, corn and pick up sugar beets. There are good expectations for the yield in the crops that are still in the field.

Our harvest yields and prices are as follows for the crops that have been harvested.

- Barley: 6.0 t/ha, price: 5200 UAH/t (incl. VAT and delivery)
- Wheat: 7.2 t/ha, price: 5700 UAH/t (incl. VAT and delivery)
- Rapeseed: 3.8 t/ha, Price: 15000 UAH/t (incl. VAT and delivery)

Agro Cocora, Romania, Hans Poulsen, 23 August

The growing season in Romania has been dry and hot in 2022, as well as in much of Europe. However, it is not as catastrophic as our drought year in 2020, as the starting point this year has been much more water in the soil depots, which the crops have utilized throughout the season.

The lack of rainfall and the warm weather have, however, affected our crops negatively, but it ends up with acceptable yields - taking the weather conditions into account.

Winter wheat was fully harvested in mid-July with an average yield of 5.3t/ha, corresponding to -20% compared to our 5-year average. We only had very few hectares of winter rapeseed, and here the yield ended up at 3.3t/ha, which is satisfactory since the rapeseed was thin and late developed from autumn.

Now awaits the harvest of corn, sunflowers and soy, which make up almost 75% of our total area this year. The spring seed and especially corn and soya are most affected by the lack of rainfall during the growing season. Sunflowers have done better in these dry conditions, which is also one of the reasons why sunflowers are part of our crop rotation.

NoTill has made a huge difference this year when rainfall has been limited. Compared to the few fields that have been plowed - some new land we have taken over - there is a marked difference from these plowed fields to NoTill. I rate plowed fields as minimum -60% yield compared to the NoTill fields.

We have been lucky to get quite a bit of rainfall in the past 4 weeks. Fields in NoTill manage to make better use of this rainfall, as the plants have had more moisture available during the summer and have thus been able to stay green until the rain came. In the plowed fields, it had become too dry and thus too late for the plants to take advantage of the late rainfall.

The expectations for the yields in the spring seed are: Corn: -25% in relation to the 5-year average, Sunflowers at level, while soy will probably end up with a yield of -50% in relation to the average yield.

Prices are very volatile in our area this year, but remain at a high level. We have sold continuously throughout the spring at reasonable average prices, but are currently waiting to sell the remaining stock. There is harvest pressure in Romania, where the corn and sunflower harvests have started.

Daily prices picked up farm: per tons: Wheat: EUR 305; Maize: 270 EUR; Sunflower: 600 USD.

Dan-Slovakia, Slovakia – Henrik Laursen, 19 August

We finished harvesting wheat, winter barley and rapeseed around 18 July. It was an easy harvest as everything is very dry here. The yield level also reflected this. In wheat we are a good 10% below average yield, winter barley 10% below average yield. In rapeseed, we are 25% below average yield, but this crop was also attacked by insects.

Maize is the next crop to be harvested and here we also expect a yield level below average.

The prices of the crops are high - at the same level as in the rest of Europe.

Jasna-Pol Spolka z.o.o, Poland - Jens Møller Knudsen, 22 August

Here, 80 km south of Gdansk, I finished harvesting seed grass, rapeseed and grain on August 11.

Seed grass - red fescue (Marlene) was harvested 12 – 14 July and gave 1,500 kg gross yield per ha. - expects 1,350 kg of pure product at a price of 1.7 - 1.8 euros per kg.

Rapeseed once again disappointed this year due to attack by crown mold - a growing problem in this region. Yield of 4.066 kg/ha. Have previously harvested 10-15% higher yields in rapeseed. Price per 20 August: 670 Euro per tons Ab Farm.

Spring barley (Plannet): Very fine quality and can be sold for Malt (protein 10-11% and high sorting 88-95%) Yield: 7.85 tons/ha.: Price per 20 August: 340 Euro per tons.

Winter Wheat: I have harvested a record yield of 10.6 tonnes/ha - average of 1-2-3-4 years wheat fields, some 1-year fields have yielded close to 12 tonnes/ha.

The quality will not be 100% bread grain this year – expect 1/3 fodder and 2/3 bread wheat due to the high yields and less allocated nitrogen again due to the very rising nitrogen price.

Prices of wheat per 20 August: Bread wheat 308-312 Euro per tons and fodder wheat 288-292 Euro/ton ex Farm.

Back in the fields are sugar beet and corn. Here on the weekend of August 21, we just got 25 mm of much-needed rain. There are high expectations for good yields on the remaining crops.

Latvia, Sia Gaizena, Alex Rasmussen, 24 August

We finished harvesting on August 19 without being bothered by rain, and with average water percentage of 12-14%. For both of our farms, we have achieved the following average net yields (stock items):

- Triticale 256 ha. 6.7 t per Ha
- Wheat 486 ha 6.3 t per Ha
- Winter barley 243 ha 7.1 t per Ha

- Spring barley 205 ha 6.0 t per Ha
- Oak 69 ha 5.5 t per Ha
- Peas 88 ha 4.0 t per Ha

We also have approx. 230 ha. Horsebeans, which are expected to be ready for harvest primo September.

The price of fodder grains is currently of approx. 280-300 Euro per tons

Wanås Gods AB, Sverige, Johannes Andersson, 15. august

This year the very south of Sweden, particularly Skåne and parts of the west coast have had a good agricultural year and we are at the moment harvesting good yields. Middle of April until middle of May was dry and the plants went deep to find water, but after that the weather have been on the south farmers´ side. In the inlands and middle of Sweden, they have had lower yields and some of them started harvest a 1,5 months ago due to early maturing of the plants as a result of lacking rain. Especially the east coast, the inland in the regions Kronoberg, south of Östergötland and the two islands Öland and Gotland have had a really dry season and is getting reminded of the dry year in 2018. Quality wise there is low protein content in the barley due to higher yields than expected and the spring grains has, generally speaking, developed better than the winter crops because of the challenging conditions when seeding last autumn.

The Ministry of Foreign Affairs: Denmark should focus on the food and agricultural sector in Central and Eastern Europe

Politically, food and agriculture are in great focus among the countries in Central and Eastern Europe, because the sector is a significant source of employment in the countries' outer regions. And with Russia's sad war in Ukraine, the focus on the region's food policy seems still extremely relevant.

Seen in the light of the EU's recovery plans, the sector therefore represents great opportunities to increase exports to the region within Danish positions of strength.

Although Danish manufacturers and companies already have a significant presence, we do not look enough at the CEE region's opportunities. We probably tend to look more at our established export markets in the EU. But there is a huge untapped potential for bringing Danish technological solutions and gained experience and knowledge of producing more with less to the CEE region's agricultural sector".

See more here about the Ministry of Foreign Affairs' efforts in the CEE region described by Jeppe Juul Petersen, regional team leader and sector expert for the CEE region within the agricultural and food sector at the Danish Embassy in Warsaw.

Global Pork Meat Prices

Source: Genesus, 24 August 2022

The First Power In Genetics
GENESUS
Global Market Report

Price as of August 24th, 2022

	Domestic price (own currency)		US dollars (liveweight lb.)
USA (CME constructed price)	130.63	USD/100 lb. carcass DW	96.67 ¢
Canada (Ontario base price)	282.73	CAD/100 kg carcass DW	79.02 ¢
Mexico (national average)	43.05	MXN/kg liveweight	97.66 ¢
Brazil (South Region)	6.94	BRL/kg liveweight	62.98 ¢
United Kingdom	196.46	GBP/100 kg carcass	84.15 ¢
Spain	1.707	EUR/kg liveweight	77.45 ¢
France	2.001	EUR/kg carcass	75.15 ¢
Russia	129.99	RUB/kg liveweight	$ 1.00
Vietnam (national average)	68,000	VND/kg liveweight	$ 1.33
South Korea (national average except Jeju)	6,005	KRW/kg carcass	$ 2.07
Philippines (national average)	175	PHP/kg liveweight	$ 1.43
China	21.52	CNY/kg liveweight	$ 1.46

We see the highest quotation in South Korea with a price corresponding to DKK 33.10 per kg live weight (DKK 42.17 / kg slaughter weight), while Brazil is the lowest with a quotation of DKK 9.97 per kg live weight (DKK 12.70/kg slaughter weight).

DFA networking Activities – overview

Month	Days	Activity	Location	Coordinator
August	Friday 26	Webinar: Development of raw materials	Teams	Adolfo Fontes, DSM
September	Wednesday 7-Friday 9	DFA Development Group meeting	Brussels	Johannes V. Hansen
September	Wednesday 14 – Friday 16	DFA – Ø-Vet course	Bratislava	Inger Morthorst Møller
September	Monday 19 – Wednesday 21	DFA – ERFA 4 meeting	France	Henrik Nielsen
September	Tuesday 20 – Friday 23	MSP Course pig managers	Denmark	Povl Nørgaard
September	Friday 23	DFA Board meeting	Fredericia	DFA Secretariat
September	Monday 26 – Wednesday 28	DFA HR-Group meeting	Poland	Sofie Hammerskov
October - November	Saturday 29 – Monday 7	DFA Study trip	California US	DFA Secretariat
2023				
January	Tuesday 10	DFA annual meeting and Winter Conference	Hotel Pejsegaarden, Brædstrup, Denmark	DFA secretariat
January	Tuesday 17 – Friday 20	MSP Course Pig Managers	Hungary	Povl Nørgaard
February	Tuesday 21 – Friday 24	CMP Course Crop Managers	Denmark	Povl Nørgaard

Advertises

Invitation to Fair in Havana

Camara de Comercio de la República de Cuba invites to the 28 Edition of Havana International Fair – the most multi sectorial trade fair in Cuba – 14 – 18 November 2022.

See the invitation here

Further info: Embajada de Cuba en Dinamarca, Telf. (45) 39 40 15 10 - mail: embacuba@dk.embacuba.cu

Investment invitation from Uganda

Invest in a fruit orchard at the shores of Lake Victoria in Uganda.

See the prospect here.

For more information please contact: **Søren Jegindø**, mail: sje@jegindoe.com Phone: +45 50125420

Short News from Abroad

Baltic poultry businesses may not survive next winter

Source: Black Sea Grain, 19 August 2022

Skyrocketing gas and electricity tariffs promise to hurt Baltic countries this winter and possibly drive some poultry farms to bankruptcy. In a bid to cut energy costs, both poultry farms embarked on a project of switching heating systems to liquefied natural gas (LNG). This is a risky step, requiring big investments.

Another alternative heating solution is associated with building a biopower plant, though the economic feasibility of such a venture looks questionable.

Lithuanian poultry farmers hoped that the authorities would come up with a bailout package to bolster their operations and ensure that poultry farms could make it through the cold season.

Read more:

The pig industry in Poland is at a crossroads

Source: Pig Progress, 8 July 2022

Low farm-gate prices coupled with the rising production costs, and export issues, hamper Polish pork production in 2022, said Bartosz Czarniak, spokesperson for the Polish Pig Breeders and Producers Association Polsus.

On the other hand, since mid-June the price of finisher pigs in Poland increased by 0.15 to 0.2 zloty ($0.034 to 0.045) to 8.75 zlotych ($1.97) per kg, stemming from a shortage of fattening pigs in the European market.

To some extent, the current crisis is associated with a lack of supplies to the foreign markets. In 2022, the EU pork exports lag behind last year's level by 20%. This means that additional production quantities land on the internal market.

Read more:

Ukraine ramps up pork imports from the EU

Source: Pig Progress, 29 July 2022

In June of 2022, Ukraine imported 9,000 tonnes of pork, 4 times higher compared to June of 2021, as the country continues battling against the disruptions of domestic production.

As estimated by the Ukrainian Club of Agricultural Business (UCAB), Ukrainian pork imports jumped by 46% compared to May of 2022. The country imports pork from the European Union, primarily from Poland, Denmark and the Netherlands.

In the previous years, Ukraine had a duty-free import quota of 20,000 tonnes of pork per year. To stabilise the domestic market, the VAT and import duty on pork was abolished this year, so in January-May, Ukraine imported 22,300 tonnes of pork.

Read more:

Installation of grain silos started at the railway terminal in Lviv region

Source: Black Sea Grain, 22 August 2022

Grain trader from Poltava – UGTC Trade Company has started mounting the silos for grain storage within the construction of railway terminal for grain cargo transshipment in the village of Mostiska 2 (Lviv region) with the productivity of 100 thousand tons per month.

The company's website notes that since 2019, UGTC Trade LLC has been involved in the wholesale trade of grains, oilseeds and pulses. UGTC Trade owns five transshipment terminals in Ukraine, with three of them built in the last six months.

Read more:

UkrAgroConsult: Ukrainian grain export, 2022/23, forecast

Source: Black Sea Grain, 19 August 2022

The Economy Ministry expects that the three Ukrainian ports will be able to handle up to 80 ships per month, and the Infrastructure Ministry has announced a plan for monthly grain exports at 5 M mt.

Monthly export data from 2018 to 2021 indicate the seasonality of the grain export. Theoretically, Ukrainian grain exports can be divided into 3 stages (waves):

- Wheat-barley wave (July-August)
- The first corn wave (September-October)
- The second corn wave (February-March, when South American corn supply disappears from the global market)

MY 2022/23 will also be extraordinary with regard to monthly grain exports due to pressure of huge carryover stocks of 2021-crop grain and the 2022 crop supply. The export is unlikely to follow the above-mentioned stages, supposedly the market will see a gradual increase in shipments as the ports return to normal operation. The monthly volume could reach 5 M mt, but we expect a more realistic 3.5-4.5 M mt per month.

Shipping from the Odesa ports is still in the "trial period" now, market participants are still assessing prospects.

Read more:

Iran to use one million hectares of land in Venezuela to grow food

Source: farmlandgrab.org, 10 July 2022

An Iranian official says that Venezuela has agreed to provide one million hectares of agricultural land for Iran's overseas cultivation projects to secure food.

Announcing the agreement last week, Ali Rezvanizadeh said Venezuela can provide a better opportunity than Brazil and Russia for Iran's overseas agricultural projects, including growing crops of soy beans and corn.

Tehran and Caracas last month announced a 20-year cooperation plan in the fields of oil, refining, petrochemicals, defense, tourism and culture, and agriculture during President Nikolas Maduro's visit to Iran. Details of the agricultural agreement have not been announced and it is not clear whether Caracas has agreed to the investment of the Iranian government or its private sector.

Experts say the biggest advantage of overseas cultivation for Iran is preserving its precious water resources. Iran's agriculture uses around 85 percent of all available water resources. It would also potentially contribute to the country's food security, a great concern of Supreme Leader Ali Khamenei who has been an ardent promoter of agricultural self-sufficiency over the past three decades.

Read more:

Chinese pork prices have risen to the highest level since May 2021

Source: Agriculture & Food, week 31, 2022

Data from the Chinese Ministry of Commerce shows an average wholesale price of CNY 29.34 per kg in the third week of July. This is an increase of more than 60 per cent. since March and an increase of 31 per cent. compared to a year ago.

According to data from the Chinese Ministry of Agriculture, the price of live slaughter pigs averaged CNY 22.51 per hog. kg. in the third week of July. This is an increase of 41 per cent. compared to a year ago. The rising pig price since March means that Chinese pig producers now have a positive profit of around 500 CNY per head. slaughter pig.

At the end of June, the Chinese pig population was calculated at 430.57 million. PCS. This is 1.9 per cent. lower than a year ago, but on the other hand 1.9 per cent. higher than last quarter at the census at the end of March.

The number of sows at the end of June was calculated at 42.77 million. PCS. This is an increase of 2 per cent compared to the previous month, but a decrease of 6 per cent. compared to a year ago. The month of May was the first time in a year that the population of sows increased compared to the previous month.

Kenya offers vast farmland to Bangladesh for agriculture

Source: farmlandgrab.org, 24 July 2022

Kenya has offered Bangladesh to take advantage of the African nation's vast farmland for food pro-duction as Bangladesh has developed good expertise and demonstrated immense success in the field. It also showed interest in boosting trade and investment and exchanges of knowledge and training in agricul-ture, IT, women empowerment, and UN peacekeeping areas.

A 10-member delegation led by Kenya's Additional Secretary of the Ministry of Foreign Affairs MoiLemoshira joined consultations with the Ministry of Foreign Affairs in Dhaka. Bangladesh Foreign Ministry Secretary (East) MashfeeBinte Shams led the Bangladesh side.

Both sides agreed to develop cooperation in areas like agriculture including contract farming, technical exchanges in IT, education, youth cooperation, air connectivity, blue economy, cooperation between investment authorities and food security.

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