



NYHEDSKLIP 55

EU:

Lithuania

Russia suspends Lithuanian dairy imports

Tuesday October 08 2013

Russia suddenly suspended imports of dairy products from Lithuania on Monday, October 7, the latest trade dispute between the EU and Russia, prompting the European Commission to consider a WTO challenge.

Russia's consumer protection agency Rospotrebnadzor claimed that inspections of Lithuanian dairy imports had revealed "numerous violations" of sanitary and quality standards in dairy products, though the exact nature of the violations was not revealed.

The move is widely seen as the latest attempt by Moscow to apply pressure on the EU - which is seeking to forge political, economic and trade links with former Soviet-controlled countries located between the two sides.

The dairy blockade appears to be strategic, as Lithuania is the current holder of the rotating EU Council Presidency and will hold an 'Eastern Partnership' summit in late November where agreements are set to be signed with six ex-Soviet states - notably Ukraine.

The EU and Ukraine are likely to sign an 'Association Agreement' which includes a free trade deal, with the European Parliament having recently backed the step. Deals may also be signed with Moldova and Georgia.

However, Russia opposes the EU-Ukraine pacts, wanting the former Soviet country to join its own Customs Union with Belarus and Kazakhstan, a move the EU says would be incompatible with its own agreement.

Source: [Agar Europe](#)

Romania

Auchan looks to "double" Romania sales

19.10.2013

French retail giant Auchan is understood to be anticipating a doubling of sales in Romania between 2012 and 2015 following the opening of its first rebranded Real store.

Auchan struck a deal to buy the eastern European Real chain from German retail giant Metro Group in November last year for EUR1.1bn (US\$1.4bn). The sale included 91 Real hypermarkets in Poland, Russia, Romania and Ukraine.

Auchan opened its first rebranded store in Romania, on the 16th of October, one of the 20 it bought from Metro as part of the acquisition. The retailer said in September it will rebrand all of the Romania stores within less than a year.

The CEO of Auchan Romania, Patrick Espasa, told journalists at the opening of the first store in Pallady, that the group estimates sales will reach EUR2bn by 2015, according to local press.

He added that the converted store was a "great opportunity to put in place the whole process of remodeling, and form teams to integrate and combine the strengths of both companies in achieving our ambition to make the Auchan favourite shop to all".

Espasa said the store was "modern, welcoming and comfortable", and is stocked with 50,000 "permanent cheap products and lower prices".

Following last year's takeover, Auchan Romania now operates a network of around 31 stores. According to Balkans.com, the combined turnover of the two networks amounts to around EUR1bn.

Source: Black Sea Grain

Ukraine:

Weather Watch: Drier weather should help with Black Sea planting

Monday October 14 2013

After a month of heavy rains, weather conditions are finally showing signs of improvement in Ukraine and western Russia, potentially easing wetness concerns and allowing for better establishment of wheat.

Dryness continues to stress crops in parts of Australia and Argentina however, with little improvement likely over the coming days.

MDA Earthsat Weather (Cropcast) has raised its forecast for global wheat production in 2013/14 to 689.2 million tonnes - up 0.8mt from last week due to increased production in Canada.

Estimates for world oilseeds production has been raised 1.19mt to 472.57mt due to increased soyabean production in the US and increased rapeseed production in Canada

In the former Soviet Union, showers favoured eastern **Ukraine** and North Caucasus early last week, maintaining some slow planting and wetness concerns. Drier weather elsewhere favoured planting, however. Cold temperatures for most of last week also slowed wheat germination and early growth. Fairly dry and warmer weather this week should favour planting, ease wetness, and allow for better germination and establishment of the wheat crop.

Source: [Agar Europe](#)

Ukraine starts poultry exports to the EU

19.10.2013

MHP, Ukraine's largest poultry producer, may begin selling chicken to countries in the European Union in November. This marks the first time the EU has allowed any meat exports from Ukraine.

This is an important milestone for Ukrainian agricultural companies, opening a potentially large new market for their products. It also provides an alternative market to the Customs Union led by Russia, which opposes Ukraine's association with the EU and has restricted some Ukrainian exports.

European Commission formally allowed imports of Ukrainian poultry, eggs and other products to the European Union, opening the market for Ukraine's top agricultural holdings, such as London-listed MHP and Avangard, and the unlisted Agromars. Over the last years the largest poultry producers of the country has been struggling to initiate the first shipments.

Thanks to the opening of the EU market, Avangard and Ovostar could more than double their egg processing capacities, while MHP is considering buying a meat processing plant in the EU in the short to medium term, according to Ukraine analysts.

Previously Ukraine Ministry of Agriculture and Food forecast that in 2013 Ukraine poultry producers would be able to supply the EU market with 20,000 tonnes of poultry. It is now clear that this figure will not be achieved, however if the Association Agreement with the EU is signed, Ukraine will be able to sell 40,000 tonnes of poultry per year to the EU, starting 2014, according to the Ministry.

Source: [Black Sea Grain](#)

Russia:

Russia's number of ASF outbreaks increased in October

The Russian veterinary authorities have reported another 13 outbreaks of African Swine Fever (ASF) once again across various regions, affecting wild boars and domestic pigs, according to a Rosselkhoznadzor report for the World Organization for Animal Health.



The report says that a total of 392 pigs were found susceptible, out of which 92 cases were reported. Out of the 92 affected pigs, 81 animals were found dead. A total of 83 pigs were slaughtered.

In the case of wild boars, 54 animals were found susceptible and out of these, ten cases were found. Out of the ten affected boars, eight were reportedly found dead. Two wild boars were slaughtered.

The largest number of outbreaks is still registering in the European part of Russia. Recent outbreaks have been reported in Moscow and Vladimir Regions. Veterinary specialists are also struggling to stop the spread of ASF in the Black Earth Region (Belgorod, Voronezh, Kursk, Tambov, Lipetsk Regions) where the largest pig farms in the country are concentrated. According to the recent report by Rosselkhoznadzor, 2013 was the record in terms of the spread of ASF in Russia.

Source: [Pig Progress October 19-2013](#).

Miratorg increases pork production

Miratorg, currently the largest pork producer in Russia, has reported growth of key operational indicators for the period of January-September 2013 in comparison with the similar period of last year.



The company increased pork by output 34.5% to 265,500 tonnes in live weight against 197,400 tonnes produced the year before, and strengthened leadership in the this segment of the Russian livestock market. According to the report, the increase in production volume has been achieved following the commissioning of the new pig breeding complexes, as well as the improvement of operational performances of adjacent divisions within the vertically integrated structure of the holding.

The company is continueing the realisation of the long-term strategy aimed at the increase of key indicators of efficiency in the pork production segment and further growth of capacities with the commissioning of four new pig farms during 2014.

Also according to the report, the production of meat-processing enterprise of JSC SK Korochoa (Belgorod region) of Miratorg in during the last nine months in 2013 has amounted to 190.300 tonnes – which is an increase of 55% in comparison to 122,600 thousand tonnes for the similar period of 2012.

Source: Pig Progress October 19-2013.

Asia:

China:

China dairy demand growth set to continue

Tuesday October 15 2013

China's milk producers are still a long way from meeting domestic demand, meaning that dairy imports will continue to grow for at least another two years, according to a new market assessment by Rabobank.

The report notes that the surge in Chinese buying has squeezed out - and could continue to squeeze out - many other buyers, keeping prices high.

For EU and other exporters, the window for trade opportunity will remain wide open. However, the Dutch bank believes that demand growth will prompt Chinese buyers to seek out diverse import options, rather than relying on one or two key product origins such as New Zealand, *Agra Europe's* sister publication *Dairy Markets* reports.

While just over 80% of the Chinese dairy market is still supplied by domestic milk production, this supply remains under-developed with about 60% originating from small-scale dairy farmers operating with less than 100 cows per farm.

Rabobank suggests that China's producers face multiple challenges. "Milk production in China is struggling to grow as a result of small-scale farmers exiting the industry and large-scale farms still being under development," said analyst Hayley Moynihan.

Source: Agra Europe

Australia:

Analysis: Australia set to clash on foreign farm investment

Thursday September 26 2013

The newly-elected Australian government led by Tony Abbott looks set to adopt a more protectionist stance on foreign farm investment and trade pacts, even though neighbouring Asian markets provide major opportunities over coming decades.

Alan Bullion writes: Abbott last year proposed tougher guidelines on overseas ownership of Australian farmland, including a register of holdings.

Currently around 11% of Australian farming land is either partially or fully foreign owned. Recent Chinese investments have attracted populist opprobrium from some politicians in their bid for the rural vote.

Abbott explained that Australia welcomes foreign investment but it has to be "in our national interest. One thing we can't do is build walls against the world. If we build walls against the world, the world may very well build walls against us and we don't want that to happen."

Australian governments have typically taken an optimistic approach to the long-term economic opportunities in Asia, as shown in a series of strategy papers released during the election campaign, despite the recent emerging markets turbulence and plunging values of some leading Asian currencies.

One document forecasts that China will become the world's largest economy by 2025 and its consumer market is set to become the world's second-largest by 2015. But it says while resources will continue to make up the bulk of Australia's exports to China, prices will moderate and agriculture and high-technology products will become increasingly important exports.

"Australia and China will increase agriculture investment and trade links. Agribusinesses in both countries will benefit from agricultural cooperation projects, the commercialisation of technologies, and improved food production and processing," the paper says.

Source: [Agar Europe](#)

Australia hit by high-path bird flu outbreak

Thursday October 17 2013

Australia has reported an outbreak of highly pathogenic avian flu (HPAI) on a free range egg farm in New South Wales, prompting a ban on poultry sales to one of the country's largest export markets.

The Australian authorities this week informed the World Organisation of Animal Health that the H7 avian flu strain had been detected on a layer farm in the state - potentially affecting around 400 000 birds at property.

Hong Kong's food safety authority immediately announced a ban on poultry and egg imports from New South Wales - just hours after slapping similar restrictions on Vietnam and parts of Italy.

Hong Kong is one of Australia's most important poultry export markets, bringing in around 4 600 tonnes of chicken and half a million eggs from the country last year.

Source: [Agar Europe](#)

South America:

President vetoes Paraguay soya export tax

Thursday October 17 2013

Paraguay's president has vetoed a bill that would have imposed a 10% tax on exports of cereals and oilseeds, arguing it would be "highly distortive and regressive".

The duty **was approved** last week by the Latin American country's Congress, after earlier approval by the Senate, but Horacio Cartes has stepped in to nix the bill, which will now return to the legislative.

He explained that as the cereals and oilseeds market in Paraguay, in particular for top export product soyabeans, is largely controlled by large companies who buy directly from medium and small sized farmers, the additional taxation costs will mainly have to be absorbed by the growers.

"For this motive the levy would be a highly distortive and regressive instrument," the veto decree states, adding that even if the tax raises funds for the state in the near term, the long term impact will be damaging for the farm sector.

It also said the levy "would mean the creation of a barrier to the free circulation of goods among countries which could trigger demands in the framework of the World Trade Organization, Mercosur and other international accords of which Paraguay is signatory".

Paraguay is a leading exporter of soyabeans, the fourth biggest in the world, with Russia and EU member states among its leading overseas destinations.

Source: [Agar Europe](#)

