



# News Extract no. 102



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Latvia	Russia	New Zealand	Egypt	U.S.
Poland	China			
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## WORLD



### EU to compensate Irish beef farmers for Brexit price hit

Source: The Daily Mail, 16 May 2019

The European Union will provide Irish beef farmers with 50 million euros of exceptional aid to compensate for the fall in beef prices suffered as a result of the Brexit process, the European Commission's agriculture chief Phil Hogan said.

Ireland's economy is considered the most vulnerable among the remaining 27 EU members to the impact of its neighbor's decision to leave the bloc, particularly for sectors with close trading links to Britain such as agriculture.

The Irish beef sector exports over 50 percent of the total EU requirement of beef to the United Kingdom, so Ireland and Irish beef farmers are more exposed than any other sector in the European Union.

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The European Agricultural Fund  
for Rural Development:  
**Europe investing in rural areas**

### The Western Balkans and Turkey commit to key socio-economic reforms

Source: EU Commission, 17 May 2019

EU ministers of finance met in Brussels 17 May with their counterparts from the Western Balkans and Turkey as part of the region's annual economic and financial dialogue with the EU. The ministers agreed Joint Conclusions outlining the key economic challenges for the Western Balkans and Turkey, as well as targeted policy guidance addressing the most acute socio-economic reform needs the region has.

The dialogue is based on Economic Reform Programmes, prepared by each partner government and assessed by the European Commission and the European Central Bank. The exercise supports the strengthening of economic governance in the countries concerned - key to macroeconomic stability and the capacity to implement structural reforms.

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The European Agricultural Fund  
for Rural Development:  
**Europe investing in rural areas**

### €1 billion for Europe's next generation of farmers

Source: EU Commission, 10 May 2019

The European Commission and the European Investment Bank (EIB) have launched a €1 billion loans package for agriculture and the bioeconomy with specific targets to support younger farmers, alongside new financial advisory products. The sum will be matched by the implementing financial institutions, thereby mobilizing close to €2 billion of long-term financing for small and medium-sized enterprises in the sector.

This new loan programme is part of a joint 'Young Farmers initiative' that aims to bring together existing European Agricultural Fund for Rural Development (EAFRD) support and the financial means and expertise of the EIB.

Loans for agricultural small and medium enterprises will be managed by local banks and

leasing companies active across the EU and will include a minimum 10% window for farmers under 40. The programme will address many of the current shortcomings that farmers face providing, among others, better terms for the loans to the farmers.

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## Global mega pork producers

Source: Genesis 24 June 2019

The global swine industry could significantly transform over the next year, and all eyes will be on these leading pork production companies to see how they weather any potential storms in the market. The 31 mega producers together own more than 9 million sows.

Wens is now neck and neck with Smithfield Foods for the top spot on the list. The China-based company has 1.2 million sows and produced 22.3 million hogs in 2018. Smithfield, a subsidiary of WH Group, has 1.24 million sows in addition to WH Group's other company sow production numbers.

The mega producers are now spread across nine countries, with Canada debuting a company on the 2019 GMP list. The United States has the most global mega producers, with 11 companies owning more than 100,000 sows. China is right behind, with 10 companies making on the 2019 list.

Find list over 31 world mega producers [here](#)



## Big Data and Machine Learning in Animal Breeding

Source: Genesis, 15 June 2019

Machine learning (ML) has been a buzz word for the past few years. ML is a subfield of artificial intelligence (AI) dedicated to the study of algorithms to predict outcomes. Knowingly or unknowingly we are heavily dependent on ML in our day-to-day life. ML plays a very important role in our day to day life, application of this technology in animal breeding/production is still in infancy. The recent developments in modern technologies like automated feeding and weighing systems, digital imaging, large scale genotyping, etc. have enabled farmers, breeders, and related industries to continuously monitor and collect a large amount of data (big data) at the animal level at a reasonable cost.

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## Global Pork Prices

Source: Genesis, 27 June 2019

*The First Power In Genetics*  
**GENESUS**  
**Global Market Report**

**Price as of June 26th , 2019**

	Domestic price (own currency)	US dollars (Liveweight/lb.)
USA (Iowa-Minnesota) [Weighted Avg.]	72.39 USD/100 lb. carcass	53.57 ¢
Canada (Ontario) [Base Price]	190.89 CAD/100 kg carcass	52.83 ¢
Mexico City	34.13 MXN/kg liveweight	80.89 ¢
Brazil (South Region)	5.09 BRL/kg liveweight	60.00 ¢
Russia	100.50 RUB/kg liveweight	72.42 ¢
China	15.39 CNY/kg liveweight	101.49 ¢
Spain	1.451 EUR/kg liveweight	74.90 ¢
France	1.523 EUR/kg carcass	66.49 ¢
United Kingdom	149.75 GBP/100 kg carcass	69.02 ¢
Vietnam	37,000 VND/kg liveweight	72.12 ¢
South Korea (national average)	4,503 KRW/kg carcass	\$ 1.36

## EUROPE



### Latvia. Danish and Irish companies grow legumes

Source: ActusQ Newsletter Latvia, June 2019

The areas, sown with legumes, in Latvia have slightly reduced again – last year field beans were gathered from 40.9 hectares, while peas – from 11.7 thousand hectares. Owners of the second largest field bean-growing farm – SIA Tand Ukri – are registered in Cyprus and Ireland. Last year this farm had sown grain and legumes in 1 thousand hectares large area. The company manages 4.3 thousand hectares of land and last year received the fifth biggest aid payment in Latvia – 689 thousand euros.

Danish-owned grain company SIA Ingleby Dobeles Agro, which mostly grows barley and wheat also grows rape and produces seeds of red clover, meadow fescue and rye grass. This company manages 7.5 thousand hectares of agricultural land and last year received the biggest aid payments in the country – 1.1 million euros.



### Poland's grain production bouncing back

Source: World Grain.com, 20 June 2019

After a year in which grain production declined due to a drought in key growing areas, Poland is forecasting a 16% increase in output in 2019-20.

Poland's Institute of Agricultural and Food Economics (IAFE) forecasts grains production at 31 million tonnes, up from 26.6 million tonnes the previous year. IAFE's area planted estimate remains almost in line with last year, although yields are estimated to increase significantly due to better weather conditions.

Corn production is forecast to increase by 18% to 4.5 million tonnes in 2019-20, up from 3.8 million tonnes.

Corn production has a short history in Poland, although it has been steadily increasing since 2007, as planted area has more than doubled since then.

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## How ASF was eradicated in the Czech Republic

Source: PigProgress, 7 June 2019

Of all the European countries that detected outbreaks of African Swine Fever in recent years, the Czech Republic has been the only one to actually eradicate the virus again. Strict control measures, strict biosecurity and a coordinated approach played a part in the successful eradication of the virus.

The Czech Republic detected its first occurrence of African Swine Fever virus (ASFv) after passive surveillance that started in 2014. ASFv was detected in two wild boars, which were found dead in June 2017.

The last ASF positive cases in wild boars were detected on 8 February 2018 in hunted wild boar and on 15 April 2018 in wild boar found dead.

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## Hungary can't curb farm sales to EU foreigners, EU top court says

Source: Farmlandgrab.org, 21 May 2029

Hungarian restrictions on farmland investors from other European Union nations violate basic rights enshrined in EU law, the bloc's top court said.

The European Commission in 2017 sued Hungary, arguing that the nation had adopted rules that unlawfully restricted the rights of foreign investors in agricultural land, and deprived them of the value of their investment. The case goes back to 2014, when the commission sent Hungary a letter of formal notice, followed a year later by a reasoned opinion asking Hungary to bring its rules into line with EU law.

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## Irrigation: How Romania managed to destroy its main agricultural weapon against drought

Source: Business Rewiev, 29 June 2019

A decade after the Revolution of December 1989, Romania had managed to destroy almost all of its irrigation system, but in the last 10 years the country has tried to rebuild it with the help of funds from the European Union.

The problem is that the damage is already done, and in order to repair it, millions of euros are needed just to restore the irrigation system, and tens of millions to maintain it. However, the European funds for this year have been used up – of the EUR 200 million allocated, only less than EUR 5 million remain.

The National Irrigation Program will rehabilitate a total area of 2 million hectares of 88 viable care facilities.

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## EU support development of ASF vaccine in Spain

Source: [Genesis](#), 27 June 2019

This is a pathology of which, here in the Iberian Peninsula, we have great experience. In the 60s an aircraft from Angola landed in Portugal and left food waste with pork. We started to know it in Spain in the 70s and it took more than 40 years to eradicate it. This gave us the opportunity to learn to live with it, to create control systems, to detect a possible infection and delimit its dissemination, as well as to investigate the search for a vaccine.

And that is why the news came out at the end of May, that the European Commission grants funding for the VACDIVA project "A safe DIVA vaccine for the control and eradication of African swine fever", coordinated by José Manuel Sánchez-Vizcaíno with 10 million euros.



## Russia. Cherkizovo opens new pig production in the Penza region

Source: [Food & Agriculture](#), week 26 2019

The Russian meat company Cherkizovo has opened its 5th pig production unit in the Penza region. Thus, Cherkizovo increases its production in the region from 30,000 tons to 40,000 tons. Investment of approx. 580 million rubles (about DKK 60 million) in each of the 5 pig production units.

According to the founder of Cherkizovo Igor Babayev, within five to seven years, the company aims to increase production in the Penza region by another 40 plants, so production can reach 300,000 tonnes.

Cherkizovo is Russia's second largest producer of pork after Miratorg.

## ASIA



## Rabobank predicts meat shortages due to ASF in China

Source: [PigProgress](#), 17 June, 2019

Large amounts of meat available worldwide will soon be shipped to China. That's one of the conclusions by agribusiness bank Rabobank.

African Swine Fever occurring in that part of the world will lead to an unknown transformation of international trade, with potential shortages of animal protein in other places around the globe, the bank wrote. Worldwide, this will mean that the prices for animal protein will rise and on the short term, prices will fluctuate strongly from time to time, according to the bank.

Predominantly exporting areas like the European Union, the United States, Canada and Brazil will profit the most of the increased demand for meat in China and South East Asia. China will also compensate the pig meat shortage by increasing the consumption of poultry and beef as well as fish. This consumption change will also influence consumption patterns elsewhere in the world.

African Swine Fever, which has struck China since August last year, has spread through-

out the country and the expectation is it could possibly affect 150 to 200 million pigs. A production reduction of 30% in China would be comparable to one year's production of the whole of Europe.



### China finds ractopamine in Canadian pork

Source: Food & Agriculture week 26 2019

The Chinese authorities have announced medio June that ractopamine has been found in a consignment of pig meat from the Canadian company Frigo Royal Inc.

Found that, so far, China will stop importing from Frigo Royal Inc. China has already blocked imports from two other Canadian exporters Olymel LP and Drummond Export due to problems with proper certificates.

The Chinese authorities have also announced that in future, control of all imports of pork from Canada will be reinforced, and in some cases implement 100 per cent. control of containers with Canadian pork.



### Vietnam. More than 2,5 mio. pigs are dead as a result of ASF

Source: Food & Agriculture week 26, 2019

The Vietnamese authorities have announced in mid-June that more than 2.5 million pigs are dead or killed as a result of ASF.

The disease has been identified in 58 of Vietnam's 63 provinces and, according to the country's veterinary authorities, it is only a matter of time before the disease is detected in all 63 provinces.

Back in March, FAO suggested that the authorities in Vietnam declare the situation of African swine fever in the country for a national emergency. However, this has not happened since the disease cannot infect humans and as a result does not pose a security threat to the country.

## NEW ZEALAND



### New Zealand: Record volume of beef exported to China

Source: RNZ, 28 June 2019

New Zealand exported a record volume of beef to China in a single month in May., More than 21,500 tonnes of beef worth \$155.7 million was dispatched to the country last month.

The total value of exports of red meat and red meat by-products to global markets last month was \$912 million. China accounted for \$329.4 million of that, making it the largest export market followed by the US and Japan.

New Zealand's red meat sector employees some 25 thousand people.

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## AFRICA



## How Egypt's water feeds the Gulf

Source: [farmlandgrab.org](http://farmlandgrab.org), 15 May 2019

Vast expanses of green extend across the horizon, tended by the advanced machinery that has replaced hundreds of agricultural workers. The land is watered using center-pivot irrigation systems, connected to one another in a series of canals through which water is driven by one of the biggest water pump stations in the world. A number of engineers oversee the expansion works to cultivate new fields of alfalfa on land run by one of several Gulf investments companies in the Toshka project.

This is Egypt's Western Desert, an area where rapid changes are in full swing to make green what was mostly sandy desert two decades ago.

The desert's greening is part of an agricultural development and investment initiative framed as aid to the Egyptian people. But in fact, Gulf corporations acquired most of the land as part of the oil-rich countries' plan to ensure their food security by cultivating land outside their borders.

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## N. AMERICA



## Midwest flooding means more wheat than corn this year

Source: [Bloomberg News](#), 28 June 2019

The world's wheat stockpiles are set to trump corn for the first time in nine years, a signal of how the relentless rains hitting the U.S. Midwest are reshaping global grain supplies.

Corn inventories will shrink 15% to a six-year low in the 2019-20 season, according to the International Grains Council. The outlook for U.S. production has worsened after floods roiled plantings and hampered the crop's early development. Meanwhile, wheat stockpiles are forecast at an all-time high as growers in Europe and the Black Sea region prepare for bumper harvests.

As corn gets more expensive, livestock are likely to chomp on more wheat as it becomes a more attractive feed ingredient. That will "help cushion the supply shock" and keep corn futures from rising above \$5 a bushel in Chicago, Rabobank said in a report Wednesday.

Corn futures have jumped 21% this year to \$4.55 a bushel, about double the advance seen in wheat.

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## U.S. Hog Market Disappoints

Source: [Genesis](#), 17 June 2019

There's no doubt the current U.S. cash hog situation is a disappointment. The Lean hog price of 79¢ lb. for 53-54% hogs is the same as a year ago. We expected much stronger prices at this time.

Since the dropping of Mexico's tariffs on U.S. pork all we have seen is a continued decline in U.S. cash hog prices. Far different than the prediction that NPPC and their ag-economist calculated of a \$12 per head benefit to eliminating Mexican Pork Tariff.



To have higher hog prices in our opinion we will need U.S.D.A. pork cut-outs to go higher. They have been in the low 80's for several weeks. Packers Gross Margins have been far from good recently. This despite daily hog marketing's close to packer capacity.

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### U.S. Wins More Access to EU Beef Market as Other Exporters Yield

Source: Bloomberg News, 14 June 2019

The U.S. secured more access to the European Union's beef market after the bloc persuaded Australia, Argentina and Uruguay to cede chunks of an import quota. American farmers will be entitled to almost 80% - or 35,000 metric tons -- of the annual EU quota on hormone-free beef over seven years, with an initial allocation of around 40%, European officials told reporters in Brussels on Friday. The overall import limit amounts to 45,000 tons - most of which is currently supplied by Australia, Argentina and Uruguay.

The deal marks a bit of good news for the U.S. agriculture industry, which has suffered from President Donald Trump's trade fights.

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### Efforts to restrict foreign ownership of US farmland grow

Source: Farmlandgrab.org, 9 June 2019

Foreign investors acquired at least 1.6 million acres of U.S. agricultural land in 2016, the largest increase in more than a decade.

The data from the U.S. Department of Agriculture show that foreign investors control — either through direct ownership or long-term leases — at least 28.3 million acres, valued at \$52.2 billion. That area is about the size of the state of Ohio.

A 1978 federal law, known as the Agricultural Foreign Investment Disclosure Act, requires foreign entities to report transactions of farmland to the USDA's Farm Service Agency. The data covers years 1900 through 2016.

The state with the most foreign ownership and investment is Maine, which has 3.1 million acres that are foreign-controlled, followed closely by Texas at 3 million acres. Alabama, at 1.6 million acres, Washington, at 1.5 million acres, and Michigan, at 1.3 million acres, round out the top five, according to the Midwest Center's analysis.

Estimates of foreign ownership of agriculture land may be underreported as data can be inconsistent and the latest release is more than two years old. Still, it gives a strong indication of amount of foreign ownership and lease information.

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