



Danish Farmers
ABROAD
- på hjemmebane overalt ...

No. 110

News Extract no. 110



Content from these countries

Europe	Europe/Asia	Australia	Africa	South/north America
Latvia	Ukraine	Australia	Sahara	Argentina
Romania	China			Brazil
Bulgaria	Vietnam			Mexico
Moldova				US

WORLD**Rabobank: More uncertainties ahead for pork worldwide**

Source: Pig Progress, 28 July 2020

Global agribusiness bank Rabobank has adjusted its pork production projection for 2020 in major producing countries, due to ongoing disruptions in the supply chain. The bank expects volatile global trading conditions in the short term.

In its quarterly update, the bank wrote that it expects the impact of the Covid-19 pandemic on global pork supply chains to be long-lasting. Challenges in production, processing, trading, and consumption could jointly reshape the industry, the bank wrote. The global pork supply for 2020 was expected to decline by 5%, compared to 2019, at the beginning of this year, now Rabobank anticipates a decline of 8%. The majority of that will come from China (-17%), as well as the Philippines and Vietnam. In the US the bank expects an increase of 1.3% “despite the disruptions”.

In the 27 countries of EU and the UK, pork production is expected to decline 0.5% in 2020. Various countries still showed growth, whereas others, like Italy (-21%) and Poland (-10%), suffered strongly from Covid-19, the latter also from ASF.

[Read more:](#)

**World Bank's IFC pumped \$1.8b into factory farming operations since 2010**

Source: farmlandgrab.com, 7 July 2020

The World Bank's private investment arm has channeled more than \$1.8 billion into major livestock and factory farming operations across the world over the past decade, despite calls for the global reduction of meat and dairy consumption due to its environmental and health impacts.

International Finance Corporation (IFC) data reviewed by Mongabay and the Bureau of Investigative Journalism show that since 2010 the corporation has financed the expansion of major multinational meat and dairy firms across Asia, Africa, Eastern Europe, Latin America and the Middle East.

While the World Bank primarily lends directly to governments, the IFC provides funds for private companies in the form of loans, direct equity investments and other financial vehicles. The IFC says by providing capital to the livestock industry, it is stimulating job growth and reducing poverty while meeting greater demand for meat and dairy products in countries where incomes are rising.

Among the projects approved by the IFC is an \$85 million loan and equity investment for Brazilian cattle giant Minerva, which has been dogged for years by alleged links to deforestation and associated greenhouse gas emissions in the Amazon and Cerrado.

[Read more:](#)



Billions in climate aid to Sudan, Mauritius and several other developing countries

Source: Global News, 24 August 2020

The Green Climate Fund has just approved support for climate initiatives in developing countries for more than DKK 5 billion. There are, among other things, grants for solar energy in Senegal, nature conservation on islands in the Indian Ocean as well as controversial forest support to Indonesia.

Billions are on the way for climate projects in developing countries. The Green Climate Fund, which has been set up to support the green efforts of poor countries, has just approved projects worth more than DKK 5 billion.

Funds were distributed for a total of 15 projects in countries from Afghanistan to Senegal, Colombia and the island state of Antigua and Barbuda. It happened at a board meeting of the fund last week, which took place via a video call during these corona times. The pandemic is not an excuse to turn down climate ambitions, it sounds. The Green Climate Fund was established in 2010 as part of the UN Convention on Climate Change to raise funds for developing countries' climate efforts. Since its inception, it has distributed \$ 6.2 billion - equivalent to almost \$ 40 billion - to reduce harmful emissions and adapt to climate change.

[Read more:](#)



Pandemic to Spark Biggest Retreat for Meat Eating in Decades

Source: Bloomberg News, 7 July 2020

Per-capita meat consumption to fall by almost 3%, UN data show. Climate advocates have been calling for a shift away from meat. The pandemic is poised to usher in the biggest retreat for global meat eating in decades.

Per-capita consumption this year is set to fall to the lowest in nine years and the 3% drop from last year represents the biggest decline since at least 2000, according to data from the United Nations. Meanwhile, analysts across the globe are predicting declines not just per-capita, but also for overall demand in their regions.

That's a dramatic turnaround for an industry that's come to rely on steady growth. Notably, the shift is happening in every major market, including in the U.S., where it's predicted that per-capita meat consumption won't return to pre-pandemic levels until at least after 2025.

Meat and dairy alone are responsible for as much as 18% of global greenhouse gas emissions caused by humans.

[Read more:](#)



Global Pork Meat Prices

Source: Genesis, 20 August 2020

The First Power In Genetics
GENESUS
Global Market Report

Price as of August 20th , 2020

	Domestic price (own currency)	US dollars (Liveweight/lb.)
USA (Iowa-Minnesota) [Weighted Avg.]	40.49 USD/100 lb. carcass	29.96 ¢
Canada (Ontario) [Base Price]	127.36 CAD/100 kg carcass	35.06 ¢
Mexico	27.73 MXN/kg liveweight	56.73 ¢
Brazil (South Region)	6.95 BRL/kg liveweight	56.32 ¢
Russia	122.60 RUB/kg liveweight	75.21 ¢
China	37.16 CNY/kg liveweight	\$ 2.44
Spain	1.300 EUR/kg liveweight	69.92 ¢
France	1.305 EUR/kg carcass	60.26 ¢
United Kingdom	163.84 GBP/100 kg carcass	78.45 ¢
Vietnam (national average)	84,000 VND/kg liveweight	\$ 1.63
South Korea (national average)	4,717 KRW/kg carcass	\$ 1.39

EUROPE



Latvia. Investment volume of the land fund in land property has Reached 50 mio. Euros in 5 years

Source: ActusQ NL, July Newsletter 2020

Over the five years of its existence, the Land Fund which is managed by State-owned development finance institution ALTUM has invested 50 million Euros in preservation of the agricultural land. Since the establishment of the Fund 824 properties with the total area of 17 thousand hectares have been acquired.

The Land Fund of Latvia acquires agricultural land with a purpose to promote preservation of agricultural land and its use for agricultural purposes. Properties are acquired from owners which cannot or do not wish to manage the agricultural land themselves. Over the five years of activity, the Land Fund has invested 32 million Euros in slightly more than 500 land properties with the area of 10 thousand hectares.



Romania: Wheat exports expected to fall 23% YoY

Source: Black Sea Grain, week 33, 2020

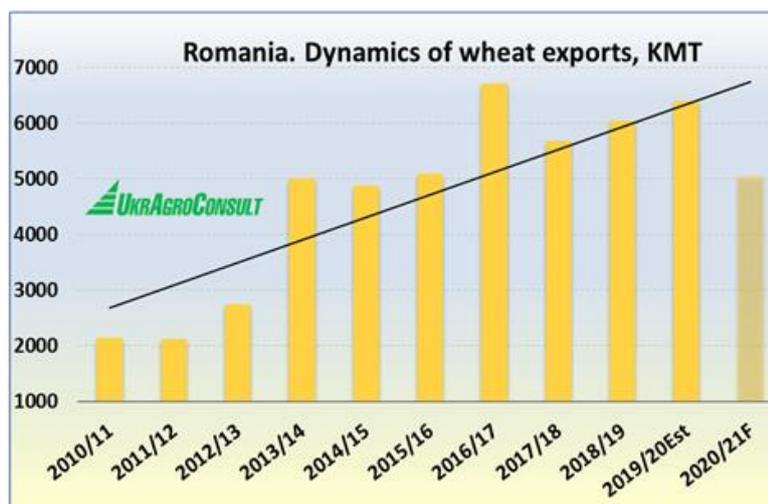
After positive dynamics in 2018/19 and 2019/20, wheat exports expected to fall 23% YoY or 18% (to around 4.9MMT) from the 5-year average of 5.98 MMT with Egypt remaining the major export destination. Exports are estimated at minimum since 2014/15 MY.

Moreover, higher demand is expected from the EU countries due to decline in French and German wheat crops, as these two countries are major suppliers on the domestic market of EU.

Currently, Romania is the most active exporter in the EU line up thanks to the earlier start of harvesting compared to France and Germany.

Last season higher demand from such Asian countries as Philippines, Thailand together with Sudan helped Romania to reach record in wheat exports by sea. In July-June 2019/20 MY sea shipments reached 5425 KMT (5025.7 KMT in 2018/19MY or +8% y/y; 4800 KMT 3-year average).

However, total wheat exports in 2019/20 (6.4 MMT by sea and inland; +6% y/y) are estimated as second record for Romania.



New Conditions for The Purchase of Extra-Muros Agricultural Land

Source: Business Review Romania, 18 August 2020

The sale procedure will become significantly harder. The re-sale of land sooner than 8 years will be possible only by paying a considerable tax. Find out what changes will be brought by Law no. 175/2020.

Three years ago, a proposal to amend Law no. 17/2014 regarding certain measures regulating the sale and purchase of extra-muros agricultural land and amending Law no. 268/2001 on the privatization of companies managing the State's publicly- and privately-owned agricultural lands and for the setting-up of the Agency for the State's Domain ("Law 17/2014") was submitted with the Senate. The stated aim of the proposal is to allow young people's access to the Romanian land market and to consolidate such market. The proposal was amended by the Romanian Parliament and was definitively adopted on 3 June 2020.

Now, after a month from the dismissal of the objection of unconstitutionality that was raised in relation to this proposal, it was promulgated by the Romanian President and published with the Official Gazette no. 741 dated 14 August 2020, becoming Law no. 175/2020 for amending and completing Law no. 17/2014 regarding certain measures regulating the sale and purchase of extra-muros agricultural land and amending Law no. 268/2001 on the privatization of companies managing the State's publicly- and privately-owned agricultural lands and for the setting-up of the Agency for the State's Domain ("Law 175/2020").

[Read more:](#)

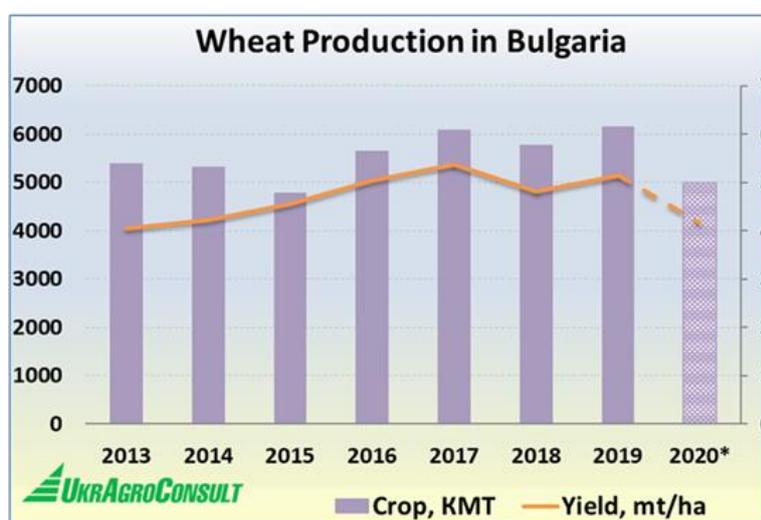


Bulgaria wheat crop to drop dramatically in 2020

Source: Black Sea Grain, week 33, 2020

This year has turned out to be difficult for winter grains in Bulgaria: spring drought gave place to heavy downpours in late May and early June. That precipitation came too late and even had an adverse local impact on crops – blackening of wheat ears occurred in some wet fields that will certainly affect the grain quality.

A hot, dry July was favorable for rapid harvesting of winter crops but detrimental for spring crops – leaf drying in corn is observed all over the northeast of the country. The harvest of winter grains is at its final stage: as of July 30, farmers had harvested wheat from 1149 Th ha (97.6% complete) and barley from 137 Th ha (99.4%). Wheat and barley yields are down 24% and 14% year-on-year, respectively.



Wheat crop in Moldova will be the lowest in eight years

Source: Black Sea Grain, week 33, 2020

Moldova faced a severe drought this season. In the south, the drought affected 80% of farmlands, and the crop there will be much smaller than last year.

A total 415 Th ha of grains were planted this year, including 322 Th ha of wheat. Wheat yield is low at 0.3 to 1.2 MT/ha.

The 2020 wheat crop in Moldova will amount to 600-650 KMT vs. 1MMT in 2019. Taking into account that some 350 KMT of wheat is needed for domestic consumption, roughly 300 KMT of the new crop could be exported.



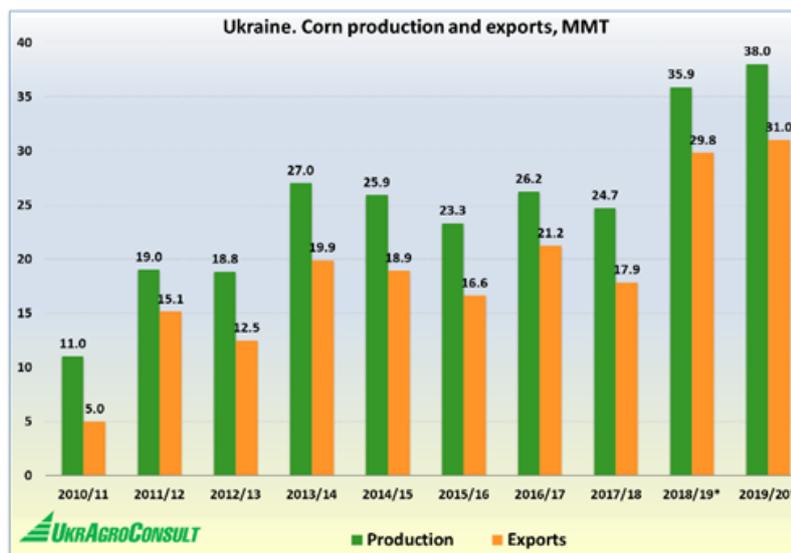
Ukraine will harvest 38MMT of corn in 2020

Source: Black Sea Grain, week 33, 2020

The corn crop will be record large mostly because the planted area expanded to an unprecedented 5.4 MI ha (vs. 5 MI ha in 2019).

In July, Ukraine corn was in the vegetative stage critically important for productivity while weather was almost ideal for pollination. UkrAgroConsult has revised its corn harvest estimate up to 38 MMT (35.9 MMT in 2019) due to better yields.

Provided the crop is as large as forecast, exportable supplies will reach 31MMT vs. 29.8 MMT in MY 2019/20.



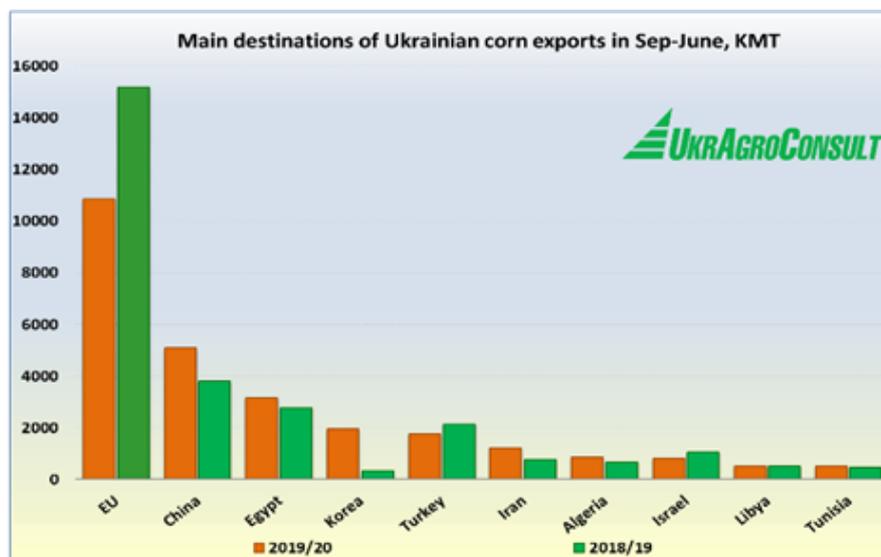
Ukraine exported 5.1 MMT of corn to China in MY 2019/20

Source: Black Sea Grain, week 33, 2020

In MY 2019/20 corn exports from Ukraine are expected to total 29.8 MMT that is below the previous record but close thereto. Exports in MY 2018/19 totaled 30.4 MMT.

The EU – the key buyer of Ukrainian corn – reduced its needs for imported corn in 2019 because Europe harvested a good crop of grains, including feed wheat or corn. At the same time, demand from Asian and African countries increased. Ukraine stepped up shipments to China, Egypt, and South Korea.

According to preliminary data, Ukraine exported 5.1 MMT of corn to China in MY 2019/20, or 35% more than in the previous season. For Ukraine, this was the all-time highest volume of corn exports to the Chinese market.



ASIA



The new Chinese Law for Solid Waste Environmental Pollution Prevention and Control will take effect from September

Source: Danish Embassy Beijing, Newsletter July 2020

The revised Chinese Law for Solid Waste Environmental Pollution Prevention and Control will be put into force from September 2020. Before the law for solid waste, the law for air pollution control and water pollution control were revised in recent years. Accordingly, air pollution control and water pollution control were the key areas for environmental protection during the past years. Therefore, the revision of Law for Solid Waste Environmental Pollution Prevention and Control is considered as a sign that shows the solid waste pollution control is going to be one of the key areas in the coming years.

Comparing with the previous version, the revised version has the following ten highlights,

1. Defines more stringent requirement on the management and supervision of medical waste treatment and disposal.
2. Requires gradually realize zero import of solid waste.
3. Requires cities to implement municipal solid waste sorting gradually.
4. Defines limitations on using of disposable single use plastics, especially in the package from online shopping and take away food. Encourage the use of reusable, recyclable, or degradable materials.
5. Defines new requirement on the management and supervision of construction waste disposal.
6. Defines new requirement on the management and supervision of hazardous waste treatment and disposal.
7. Cancel the acceptance license from the public authorities for solid waste treatment and disposal facilities. Instead, the acceptance would be done by the constructor, with an acceptance report to the public.
8. Defines the Extended Producer Responsibility for the producers of electronics, lead acid battery, electric vehicle battery. These producers would be responsible to collect, recycle, and disposal their products when after the products' lifetime.

9. Defines all aspect supporting measures for solid waste pollution control, including mandatory insurance, policy incentives, financial support, tax reduction, green public procurement.

10. Define more stringent legal liability, including higher upper limits for penalty.



State of the cold chain network in China Food Industry

Source: Danish Embassy Beijing, Newsletter July 2020

The highly contagious novel coronavirus, following the SARS virus in 2003, has reignited concerns on wildlife protection and fresh food safety in China. Consequential measures taken to contain the virus spread, such as city lockdowns, transport restrictions, and delays in resuming businesses, have also begun to upend the country's fresh food industry and supply chain

China's cold chain logistics market is big. It was worth RMB 295.6 billion (US\$41.9 billion) in 2018, showing a growth of 18.8 percent from the previous year – around half of the value of the North American cold chain logistics market (US\$81.2 billion in 2018),. However, the construction of cold storage facilities in China is still somewhat backward. Limited by the low-level development of cold chain networks, the annual loss of fruit and vegetables alone amounts to hundreds of billions of RMB. Consequently, Chinese governments have been rolling out policies to boost the construction of the country's cold chain network in recent years.

Comparison of Cold Chain Networks in China and Europe



Source: Expert interviews; Bain global experience

Graphic© Asia Briefing Ltd.



China. Great increase in the population of pigs in July

Source: Agriculture and Food, week 35 2020

Figures from the Chinese Ministry of Agriculture show that China's pig population in July was 13.1 percent higher than a year ago. This is the first time since April 2018 that the stock is higher than the year before.

The population of sows shows an increase of as much as 20.3 percent, according to the ministry's statement. According to the ministry, more than 9,000 new large herds have been added since the beginning of the year. Of which 3,000 alone during July.

The ministry maintains its goal of restoring pig production to something similar to "normal" by the end of the year. And expects to be back on normal production during 2021.



Vietnam. Imports of pork more than doubled this year

Source: Agriculture & Food, week 34 2020

According to Asian Agribusiness, which quotes figures from the country's authorities, Vietnam's imports of pork meat have more than doubled for the first seven months of 2020 compared to the same period last year.

The largest exporter countries are Canada, Poland and Brazil. According to authorities, the reconstruction of Vietnam's pig production is happening at a slow pace.

AUSTRALIA



The Australian pig sector becomes more technical, and its production increases

Source: Rotechna News, 6 July 2020

Changes in the Australian pig industry have led, over the past few years, to a dramatic change in production figures. If there were around 50,000 pig producers in the 1960s, nowadays there remain only about 600 commercial pig farmers. Actually, Australia are having a higher production than it had five decades ago.

During 2018, the Australian pig sector registered 690 million euros profit. Most of the farms and meat companies are found in the states of Victoria, Queensland and New South Wales, although growth in the sector has been most substantial in the past five years in Western Australia and South Australia.

Pork is the third best-selling meat in Australia, behind chicken and beef. With more than 25 million inhabitants, the Australian market is small. Meat consumption has increased over the last five years in Australia, and pork is the class that has grown the most, with an increase in sales of 8% between 2017 and 2018. According to figures from 2019, Australian eats an average of 26.5 kilograms of pork per year. Forecasts show that this amount will increase over the next five years.

The Australian industry produces 360,000 tonnes of pork per year, but Australian consumers consume around 550,000 tonnes. Therefore, the country is forced to import from Europe (mainly from Denmark and the Netherlands), the United States and Canada. In 2017, pork imports reached a value of more than € 390 million and accounted for 0.21% of total Australian imports.

[Read more:](#)

AFRICA



20 million hectares of land restored to the Great Green Wall of Africa

Source: Global News, 29 June 2020

About 15 percent of The Great Green Wall has been planted, but more momentum is needed if the wall of trees is scheduled to reach across Africa through the Sahel by 2030, according to the FAO.

Along the southern border of the Sahara, new trees are sprouting in several places. It is part of the big project of building Africa's Great Green Wall.

So far, 20 million hectares of land have already been restored, writes the FAO, but there is still some way to go. To achieve the project's target for 2030, 8.2 million hectares more must be restored annually by the end of the decade.

The Great Green Wall, as it is called, is to consist of a wall of trees across Africa from Dakar in Senegal to the small East African country of Djibouti - a total of almost 8,000 kilometers. The aim is to stop desertification, to create more fertile land and better opportunities for local people, as well as to reduce extremism and conflict in the unstable Sahel belt. Ethiopia has already made 15 million hectares of land fertile again.

In addition, it is expected that the wall can create 10 million "green" jobs and store 250 million tonnes of carbon, so that it does not escape into the atmosphere and contribute to global warming.

More than 20 African countries have joined the project, which officially received support from the African Union in 2007. The project has been running for a number of years already, and at present about 15 percent of the natural wall has been completed, but there are challenges.

[Read more:](#)

SOUTH AMERICA



China invests in huge Argentinean pork project

Source: Pig Progress, 17 August 2020

China is about to embark on a multi-billion-dollar project to almost double Argentina's pork production over the next 4 years.

The Latin American country is about to receive almost US\$ 3.8 billion of investments. The agreement, which is set to be closed shortly, aims to add 300,000 sows to Argentina's herd, which will mean an almost doubling of the commercial meat production. It would generate exports for US\$ 2,500 annually. In the 1st year, 60,000 sows will be added and in the 3 following years, another 80,000 will follow.

There is a strong Chinese interest to invest in Argentina's pork sector, as the country is looking for ways to rebuild its meat stocks after the drastic cut of their supply due to African Swine Fever (ASF).

The proposal includes the development of 25 integrated units of 12,000 sows each, which will require an investment of US\$ 151 million for each. The units are expected to produce 882,000 tonnes of pork that will be destined to Chinese market. Argentina may be the world's 8th-largest country – but in terms of pig production it has been a relatively small player. Argentina's pork production is currently close to 700,000 tonnes, up 250% higher from the volume produced in 2009. In total, there are 3,855 commercial farms with 350,000 sows in total, as well more than 600,000 sows in backyard or non-commercial productions.

[Read more:](#)



Record breaking year for Brazil soya exports drives deforestation and land insecurity in the Cerrado Biome

Source: farmlandgrab.com, 11 August 2020

Brazilian soya exports have risen steeply amid the COVID-19 pandemic as a result of attractive exchange rates, agribusiness expansion, US-China tensions, and efforts to mitigate the risk of supply chain uncertainties. As demand for Brazilian soya soars, agribusinesses and farmland developers are seizing the opportunity to expand in the biodiverse Cerrado biome in western Bahia, Brazil.

Since Brazil mandated social isolation on March 20th, the state of Bahia approved permits for 34,307.7 hectares of development on forested lands. Of all the permits analyzed in a survey carried out by the Association of Rural Workers' Lawyers (AATR) in Bahia, 76.7 percent authorized deforestation for agribusiness purposes and 66.55 percent applied to land within the high conservation value Matopiba region of the Cerrado biome. Despite its important role in supporting biodiversity and storing greenhouse gases, only a fifth of the original vegetation remains intact in the expansive 2 million-kilometer squared Cerrado biome.

[Read more:](#)



Global Pork market report - Mexico

Source: [Genesis](https://genesis.com), 17 August 2020

Mexico's pork imports have not been as strong as in years past, due to Mexico's economic slowdown and an unfavorable currency exchange rate.

A slight rebound in pork imports is expected for 2021 due to a greater reopening of the country's hotel and restaurant industry, which has remained working in mid-gear, if not fully closed, during the current year.

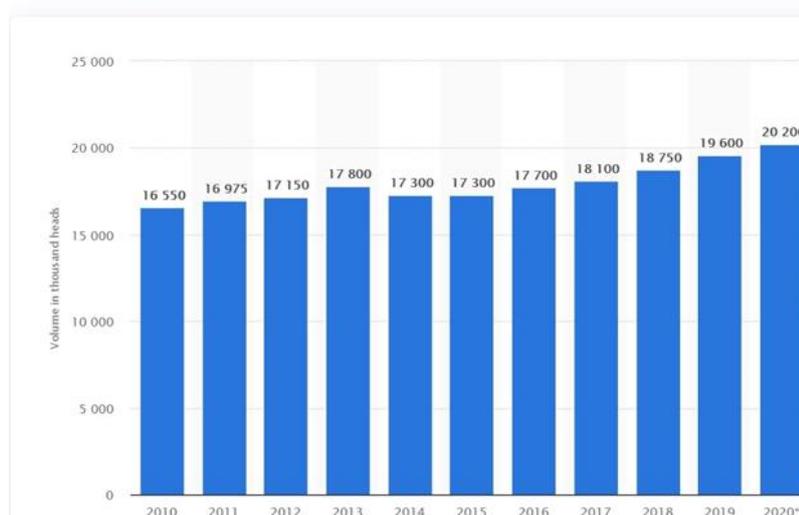
Despite all the negative impact of the market, Mexico's pork imports increased 9.9 percent in the first quarter of 2020 compared to the same period in 2019, with a 14.7 percent increase from pork imports from the United States.

Pork exports from Mexico to the United States, the third most important export destination, have suffered from much instability so far this year. The volatility of this trade is expected to land on flatter terrain sometime between the third and fourth quarters of 2020.

China has become Mexico's second most important market with 27,280 MT.

Production of swine in Mexico from 2010 to 2020

(in 1,000 heads)



[Read more:](#)

NORTH AMERICA



Maxwell Foods stops pig production – with 54,000 sows.

Source: Agriculture & Food, week 34 2020

The large independent pig producer Maxwell Foods from North Carolina is stopping pig production. Maxwell Foods continues as the major shareholder in Butterball Turkey. A year ago, Maxwell Foods had 100,000 sows. On 19 August last year, 46,000 sows from contract and own productions were sold to "Country View Farms", which is part of "Clemons Food Group".

Now, towards the middle of 2021, Maxwell will phase out the remaining 54,000 sows. However, Maxwell expresses optimism that other alternatives may be found for the company's 150 contract productions.

A statement from Maxwell Foods stated: "The continuing low prices paid for our product, together with the effects of the COVID-19 pandemic, make the current and projected financial losses unsustainable for the company to continue operating". The more than 1.2 million slaughter pigs annually from the 54,000 sows have so far primarily gone to Smithfield Foods.