



Danish Farmers
ABROAD
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No. 113

News Extract no. 113



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WORLD



Expected production, consumption and trade in pork in 2020

Source: Agriculture & Food, week 3, 2021

The US Department of Agriculture USDA has updated its expectations for pork production, consumption and trade in the world for 2020 and 2021.

The figures cover a number of selected countries in the world and production, consumption and trade are calculated in tonnes carcass weight. The trade only includes fresh / frozen and processed pork. The large Chinese imports of by-products are thus not included in the import / export figures.

For China, the USDA has raised its expectations for production in 2021 by 5 percent. compared to the latest forecast from October. The USDA now expects a Chinese production of pork in 2021, which will be 14 percent. higher than the low point in 2020 and 2 percent. higher than in 2019. However, the expected Chinese production in 2021 is still far below the level from back in 2018 and 2017, before the country was hit by African swine fever.

For the EU and the US, the USDA expects only very modest increases in output for 2021 compared to 2020. For Canada, stable production is expected in 2021 after a marked increase in production in 2020.

For Brazil and Mexico, a continued significant increase in production of 3 per cent is expected. in 2021.

For both South Korea and the Philippines, the USDA expects a decline in production of 4 percent. in 2021. The expected decline for the Philippines follows a sharp decline in production in 2020 due to African swine fever.

In total for the selected countries in the world, the USDA now expects a fall in production of 4 per cent. in 2020 will be replaced by an increase of 6 per cent. in 2021. Back in October, the USDA expected only a 4 percent increase. for 2021. The revaluation is due to the revaluation of expected Chinese production.



Global Pork Meat Prices

Source: Genesis, 14 January 2021

		Price as of January 14th, 2021	
		Domestic price (own currency)	US dollars (Liveweight/lb.)
USA (Iowa-Minnesota)	55.49	USD/100 lb. carcass	41.06 c
[Weighted Avg.]			
Canada (Ontario) [Base Price]	149.72	CAD/100 kg carcass	42.98 c
Mexico	29.75	MXN/kg liveweight	68.38 c
Brazil (South Region)	8.08	BRL/kg liveweight	70.09 c
Russia	99.75	RUB/kg liveweight	61.78 c
China	35.95	CNY/kg liveweight	\$ 2.52
Spain	1.096	EUR/kg liveweight	60.43 c
France	1.201	EUR/kg carcass	57.36 c
United Kingdom	146.73	GBP/100 kg carcass	72.88 c
Vietnam (national average)	81,000	VND/kg liveweight	\$ 1.59
South Korea (national average)	4,273	KRW/kg carcass	\$ 1.36

EUROPE



Ireland set to receive 1 bln euros from EU Brexit fund -minister

Source: Daily Mail Online, 12 January 2021

Ireland is set to receive 1.05 billion euros (\$1.28 billion) this year from a European Union fund for those countries worst affected by Britain's exit from the European Union, Irish Foreign Minister Simon Coveney said on Tuesday.

The first 4.2 billion of the 5.4 billion Euro fund is due to be distributed this year and Ireland will receive 25%, subject to approval by EU heads of state and the European Parliament. Ireland's initial proposed share in 2021 is 1.05bn euros, 25% of the fund.

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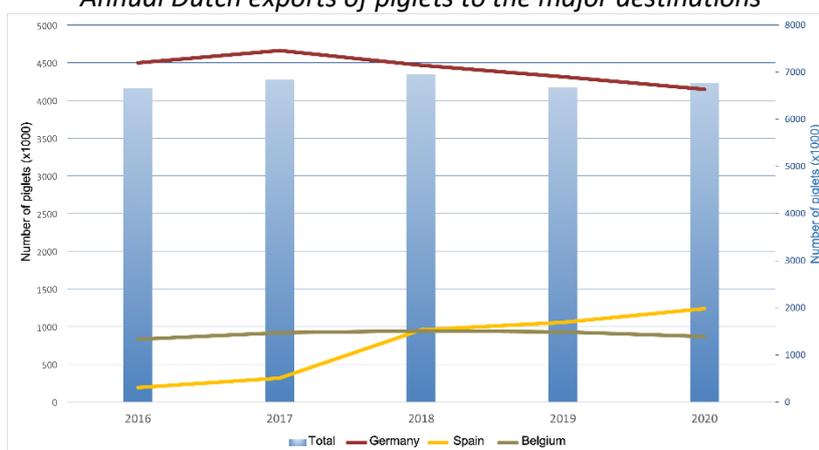
The Netherlands exports fewer piglets to Germany and more to Spain

Source: pig333.com, 14 January 2021

Spanish imports of Dutch piglets have increased considerably (+17%) while imports of German piglets have decreased. Last year, Dutch piglet exports reached 6.8 million head, a 1.8% increase over the previous year (6.68 million), although this figure is below the 6.95 million head that was reached in 2018.

Germany continued to be the leading destination by far, accounting for 61% of the total (4.15 million) but suffered a -3.8% decrease over the previous year, following the trend of previous years. It was followed by Spain, after unseating Belgium in 2018. In 2020 Spain represented 18.3% of total Dutch piglet exports (1.238 million), followed by Belgium, which was the third destination (869,213 head).

Annual Dutch exports of piglets to the major destinations



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Dutch consortium builds training center in China

Source: Pig333.com, 15 January 2021

A consortium of twelve Dutch companies has started work on the development of an innovative and environmentally responsible growth model for the pig farming sector in China that also promotes animal welfare.

The first achievement is the construction of a Research Test & Training Centre (RTTC) in Anping, China. This demonstration and production farm with integrated facilities for giving training courses, conducting trials and giving demonstrations will be opened in 2021.

The consortium is managed by Royal Agrifirm Group and works closely together with the Ministry of Agriculture, Nature and Food Quality (LNV), the Agricultural Council of the Dutch Embassy in Beijing and NLWorks, in coordination with the (local) Chinese government.

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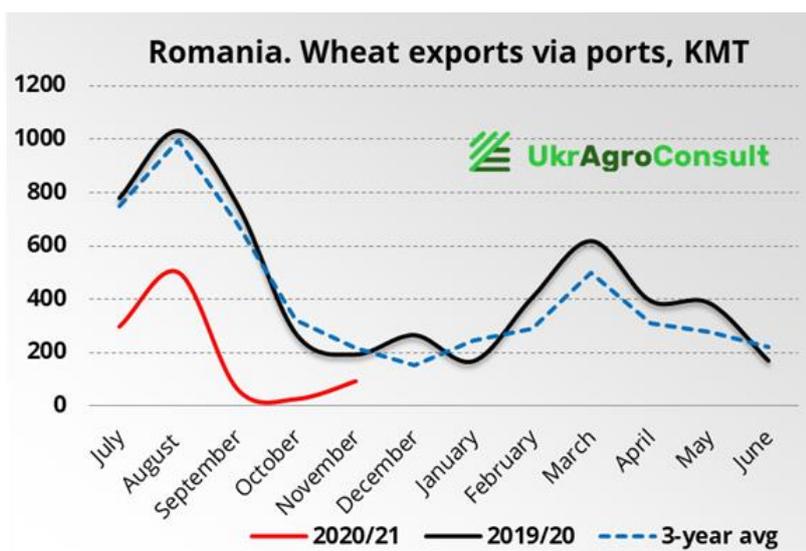
Wheat exports run 67% below the 3-year average

Source: Black Sea Grain, week 2, 2021

According to the port data, in November 2020 Romanian wheat exports increased to 92.1 KMT compared to just 25 KMT in the previous month. Key buyers were Jordan (57 KMT) and Israel (13.8 KMT).

However, the volume was sharply lower than the 3-year average for this month – 219 KMT.

In July-November 2020/21 Romania exported 981.5 KMT of wheat via ports, which is 68% lower than over the same period in 2019/20 (3023.6 KMT) and 67% lower than the 3-year average for the country (2970 KMT).

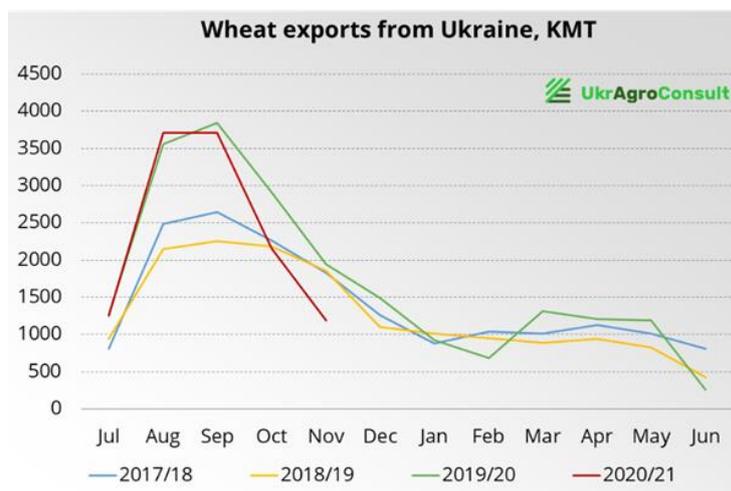




November wheat exports from Ukraine hit the lowest since 2014

Source: Black Sea Grain, week 2, 2021

1.19 MMT was shipped abroad in November (-45% from October and -39% from November 2019/20) – last time the export volume was that low in November 2014/15; Total exports this season had reached 12 MMT (-11% y-o-y). Indonesia had purchased 2.2 MMT this season (-4% y-o-y) and remains the biggest buyer of Ukrainian wheat, accounting for an export share of 18%.



RUSSIA



Grain production in Russia rose to 133 MMT

Source: Black Sea Grain, week 2, 2021

The Russian Statistics Service published its final 2020 harvest data, saying that grain production in Russia rose to 133 MMT (+10% y-o-y, the second highest since MY 2017/18), including:

- wheat: 85.9 MMT (+15%)
- barley: 20.9 MMT (+2%)
- corn: 13.5 MMT (-6%).



Tariff quota to limit wheat exports from Russia

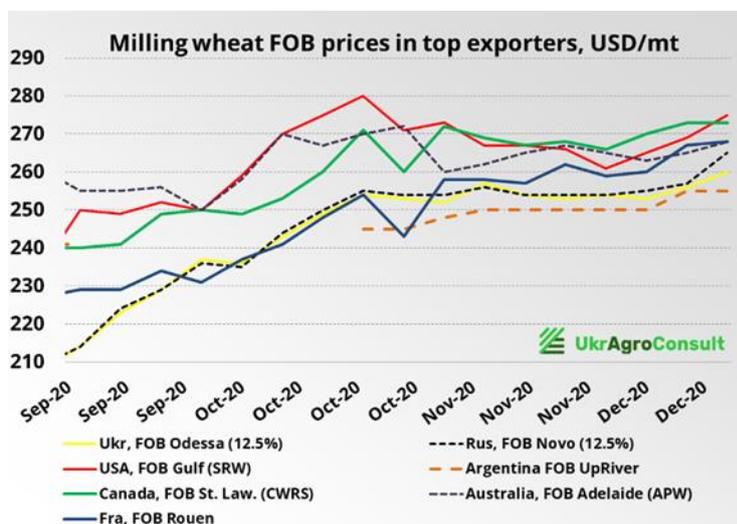
Source: Black Sea Grain, week 2, 2021

UkrAgroConsult reduces the forecast for Russian wheat exports by 1.5 MMT to 38 MMT. The main reason for this change was the imposition of a tariff on wheat exports outside the EAEU, which will come into force from February 15. Apart from the grain export quota of 17.5 MMT, it was decided to restrict wheat exports by a duty of EUR 25/MT (50% for those exceeding the quota, but no less than EUR 100/MT). As the tariff restriction consequences Russian wheat is offered at USD 15-20 higher prices than other origins because its sellers had partially or fully priced in the export tariff.

The Government has ordered the Ag Ministry to distribute the tariff grain export quota among exporters by February 9, 2021.

Traders report delays in the issuance of customs documents by customs authorities (for up to 10 days). Most likely, this step has been taken in response to a surge in the volume of cargoes exporters seek to ship by February 15 (the date when the tariff quota is to come into force).

No export tariff will be imposed on other grains, but their shipments abroad will be limited by the quota size. As the volume of exports in this period has never exceeded 17.5 MMT before, the above-mentioned restriction must not adversely affect barley and corn exports.



Russia has a big wheat stock

Source: Black Sea Grain, week 2, 2021

Russian stocks of grains and pulses had risen by 4% from a year earlier. As of December 1, 2020, they included the following:

- wheat: 27.2 MMT (+11%)
- barley: 2.0 MMT (-1%)
- corn: 5.2 MMT (-2%):

ASIA



Japan accepts Hungary's ASF regionalization for pork

Source: pig333.com, 14 January 2021

Hungary becomes the first country affected by African swine fever with which Japan has agreed on regionalization.

A two-year series of negotiations between Hungary and Japan ended on December 16 with the adoption of a regionalization agreement.

This opportunity, in addition to being a serious economic advantage for Hungarian pig producers, is also a significant recognition of the work of Hungarian veterinary professionals and their measures to curb the ASF epidemic. Exports from the areas of Hungary that are free of ASF may continue after the approval of the veterinary export certificate.

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AUSTRALIA



Australia. How one quarter of the farmland in some states is foreign owned - and China holds by far the most

Source: farmlandgrab.com, 14 December 2020

Foreign ownership of farmland in some states has surged to as high as 25 per cent as China maintains its position as Australia's most powerful foreign investor. Overseas investment has soared on the east coast with foreign holdings now owning 26.2 per cent of farmland in Tasmania, according to new Australian Taxation Office data.

The proportion of foreign-owned agricultural land in the Northern Territory has also reached 25 per cent, with WA coming in third at 17 per cent.

Foreign holdings increased by 3.4 per cent in Victoria and four per cent in New South Wales and the ACT - where more than 2.6million hectares of agricultural land is owned by an overseas company.

US investors bought the most Australian farmland in the year to June 30 but Chinese companies now own 9.2million hectares - the most out of any foreign nation.

British investors are the second most powerful owners in Australian agriculture with holdings equal to 8.17million hectares.

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AFRICA



Africa's green wall is growing

Source: [Global Nyt](https://www.nytimes.com), 18 January 2021

Africa's great green wall is to grow up in the Sahel Belt across the continent, from the Atlantic to the Red Sea. At the recent One Planet summit on biodiversity, the wall was nourished by promises of an additional \$ 14 billion from, among others, France and the World Bank, which were also organizers together with the UN.

Thus, almost a third of the money needed should be in house. The goal is to have planted 100 million hectares of destroyed land by 2030 and created 10 million new green jobs.

The green wall will benefit food security in the region and provide many families with a livelihood. It will help biodiversity, mitigate the consequences of climate change and strengthen the resilience of local communities, says UN Secretary-General António Guterres.

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Norfund lost NOK 146 million on a plantation in Tanzania

Source: farmlandgrab.com, 8 January 2021

It started as a government collaboration between Tanzania and North Korea on large-scale rice production in the 1980s, but the plans were never completed. In 2008, the Guernsey-registered company Agrica took over the Mngeta farm in the Kilombero Valley in the central part of Tanzania. Now it was international investors in collaboration

with development aid money who were to ensure modern rice production on a large scale.

The plantation is more than 5,000 hectares, two hundred times larger than an average Norwegian farm. Agrica has operated the plantation through its subsidiary Kilombero Plantations Limited (KPL).

Norfund invested in Agrica in 2010, and then increased its investment and provided loans. The last financial guarantee was given in 2017. Norfund owned 26.9 percent of the company when it shut down in 2019.

It was long known that the plantation was struggling financially, as can be seen in the final bill for Norfund's part. Norfund's losses are divided between \$13.4 million in investments and \$10 million in loans and guarantees.

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Trooper Group of Companies (Pty) Ltd to invest \$525M to cultivate to 60,000 hectares of land in Angola

Source: farmlandgrab.com, 5 January 2021

Trooper Group of Companies (Pty) Ltd to invest \$525M to cultivate to 60,000 hectares of land in Angola, producing 300,000 tons of maize and 90,000 tons of Soya in order to curb food insecurity

Angola is one of Africa's most asset-rich nations. It is sub-Saharan Africa's second-biggest producer of oil after Nigeria. It is the world's fourth largest producer of precious stones. The country has an abundance of minerals and water. It also has sound forest and fisheries industries.

Angola gained its freedom in 1975 and prior to that was self-sufficient in key cash crops and was a large exporter of coffee and sugar. The long battle for freedom saw wars which upset its farming and fisheries industries and as such the country has been subject to net food imports since 1990. Ten percent of the country's land is arable and yet highly under-utilized resulting in one of the lowest per hectare production yields in sub-Saharan Africa.

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SOUTH AMERICA

Argentina suspends corn exports to ensure domestic food supplies

Source: [Daily Mail Online](https://www.dailymail.com), 30 December 2020

Argentina will suspend sales of corn for export until Feb. 28. The government has announced the surprise move as part of its effort to ensure ample domestic food supplies. The move by the world's No. 3 corn supplier was a sign of tightening global food supplies during the COVID-19 pandemic.

Argentina's government is struggling to control food price inflation and help low-income families contending with an economy shrinking during the pandemic. Buyers can still book corn from Argentina, but only for a shipping date March 1 or later.

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Brazil's pork meat exports to top 1 million tonnes in 2020

Source: Pig Progress, 17 December 2020

Brazil is about to achieve the threshold of 1 million tonnes of exported pigmeat in 2020. The result is a new year record for the country's swine sector.

According to the Brazilian Association for Animal Protein (ABPA), by the end of 2020 exports are likely to reach the level of 1.03 million tonnes, which would mean a year-on-year increase of 37%. In 2019, total shipments amounted to 750,000 tonnes.

Another threshold was already beaten between January and November. For the 1st time, Brazil's pork exports exceeded the value of US\$ 2 billion in a single year (US\$ 2.079 billion), 47.1% more than the US\$ 1.413 billion made in the same period at 2019.

Not only Brazil's pork meat exports are record-breaking – so are the domestic production figures.

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Forest is the key to Colombia's strengthened climate goals

Source: Global News, 20 January 2021

Colombia has sent a strengthened climate plan to the UN as required by the Paris Agreement. The Latin American country promises, among other things, a stop to deforestation and the restoration of almost one million hectares of nature.

The natural rich South American country would reduce its climate-damaging emissions by 52 percent compared to the expected level if no effort was made (the business-as-usual scenario). This is a significant sharpening of the previous target of a 20 percent reduction.

Colombia's goal for the country's forests is that deforestation should be completely curbed by 2030. Specifically, the country will reduce the expected level of deforestation by 50,000 hectares annually. At the same time, 960,000 hectares of nature will be restored by the end of the decade, and by 2022, 180 million trees will have been planted, the Colombian authorities promise.

Among other things, this will be done with support from Norway, Germany and the United Kingdom, which have promised up to \$ 360 million in support in return for concrete results with forest conservation.

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