



News Extract no. 116



Content from these countries

Europe	Europe	Asia	South America	North America
Ireland	Slovakia/Hungary	China	Argentina	Canada
UK	Romania	India	Brazil	
Germany	Ukraine			
Latvia	Belarus			
Poland	Russia			

WORLD



EU agri-food trade surplus continues to increase during January-February 2021

Source: EU Commission, 7 June 2021

In January and February 2021, the value of EU agri-food exports totalled €28.5 billion (a decrease of 6% compared to the same period in 2020), while the value of imports fell by 12.5% to reach €18.2 billion. The agri-food trade surplus for the first two months of 2021 stood at €10.3 billion, an increase of 8% compared to the corresponding period in 2020. These are amongst the main findings published today by the European Commission in the monthly trade report for January-February 2021.

The United Kingdom's withdrawal from the European Union had a significant impact on EU agri-food trade with the UK, with the exports declining in value by €1.13 billion and imports falling by €1.38 billion. Trade with the USA also dipped, with the value of exports falling by €287 million and the value of imports dropping by €191 million.

Further declines in export values were recorded in relation to Russia (down by €169 million), Japan (a drop of €141 million), and Saudi Arabia (a decrease of €90 million), while notable falls in import values were recorded for Indonesia (down by €184 million) and Ukraine (down €170 million).

Compared to January-February 2020, the value of EU agri-food exports to China rose by €529 million, while increased export values were also recorded in relation to Nigeria (up by €84 million), Norway (up €75 million), and Chile (a rise of €57 million).

[Read more:](#)



CDC Group commits \$100 million to ETG, supporting the lives of farmers across Africa and Asia

Source: farmlandgrab.com, 10 May 2021

CDC Group, the UK's development finance institution and impact investor, has announced a US \$100 million debt commitment to ETG, an agricultural conglomerate connecting smallholder farmers to global markets through its operations in 48 countries worldwide. The debt commitment will support the growth of ETG's food and agriculture business, and it will help ETG strengthen food value chains by expanding its logistic networks, boosting agriculture yields and the production of staple foods such as grains, rice and cocoa.

ETG has long standing relationships with over 550,000 smallholder farmers across Africa, it helps to significantly improve their livelihoods by providing consistent future demand for their produce through access to regional and global markets; this enables their business to grow and ultimately improve their way of life. Operating a two-way logistics model, ETG drops fertilizers at the farmgate – improving crop quality – and then picks up the farmers produce to sell on the global market. ETG also provides warehousing and distribution centres giving farmers flexibility to store and sell their produce at the optimal time, thereby increasing their income potential substantially.

[Read more:](#)



Global Pork Prices

Source: Genesis, 22 June 2021

The First Power In Genetics

GENESUS

Global Market Report

Price as of June 22nd , 2021

	Domestic price (own currency)		US dollars (Liveweight/lb.)
USA (CME constructed price)	120.68	USD/100 lb. carcass DW	89.30 c
Canada (Ontario) [Base Price]	270.59	CAD/100 kg carcass DW	79.68 c
Mexico (Average in City Mexico)	43.00	MXN/kg liveweight	95.80 c
Brazil (South Region)	7.65	BRL/kg liveweight	69.99 c
Russia	133.40	RUB/kg liveweight	82.88 c
China	15.80	CNY/kg liveweight	\$ 1.11
Spain	1.543	EUR/kg liveweight	83.47 c
France	1.547	EUR/kg carcass	70.69 c
United Kingdom	155.82	GBP/100 kg carcass	78.79 c
Vietnam (national average)	68,000	VND/kg liveweight	\$ 1.35
South Korea (national average)	5,794	KRW/kg carcass	\$ 1.78

EUROPE



Australian beef in the UK

Source: AHDB, 17 June 2021

The UK has recently agreed a Free Trade Agreement with Australia, which among other things will increase market access to the UK for Australian beef.

“Beef tariffs will be eliminated after ten years. During the transition period, Australia will have immediate access to a duty-free quota of 35,000 tonnes, rising in equal instalments to 110,000 tonnes in year 10. In the subsequent five years a safeguard will apply on beef imports exceeding a further volume threshold rising in equal instalments to 170,000 tonnes, levying a tariff safeguard duty of 20 per cent for the rest of the calendar year.” Until now, Australia had been exporting modest amounts of beef to the EU (including the UK), typically under a quota arrangement paying a 20% tariff rate.

Prior to the low beef prices, we experienced in 2019, the UK had been importing 2,500-3,000 tonnes of beef from Australia, down from over 7,000 tonnes in 2013 and 2014. This is out of a total UK annual import demand of around 270,000 tonnes of beef, the majority of which is served by the EU, and by Ireland in particular. So, on the face of it, 35,000 tonnes of access rising to 170,000 tonnes is significant.

[Read more:](#)



Ireland. Now Cuckoo funds target farms after being deterred by new housing bulk-buy limits

Source: farmlandgrab.com, 24 may 2021

Cuckoo funds have turned their attentions to farms – with young farmers now being driven off the land as a result.

The latest twist in the property war between the State and investment funds has raised cross-party hackles, with several politicians concerned by the return of landlordism to rural Ireland.

Ahead of the implementation of new laws limiting the bulk-buying of houses, investors who fear increased taxes will reduce profits in the housing market are turning to agricultural land where prices are soaring and tax breaks are enticing.

Farmers are now warning these 'rural cuckoo funds' are squeezing them off the land and turning them into renters too. The situation – which has been likened to a modern-day version of John B Keane's *The Field* – is to be raised as a matter of urgency in the Dáil. This is because it is feared these funds are likely to accelerate the buying up of farmland in the wake of the Government's legislation to limit their ability to bulk-buy new housing developments.

The Government also moved to change the tax status of real estate investment trusts (REITs) after a public outcry over the role of the funds in pushing first-timebuyers off the property ladder.

REITs are attracting millions in investors' cash as low interest rates mean there is no return at the banks in a 21st-century version of 19th-century landlordism.

[Read more:](#)



JBS-Pilgrim's buys Kerry's "Meat and Meals" for over DKK 6 billion DKK

Source: [Agriculture & Food, week 25, 2021](#)

Pilgrim's Pride Corp., a subsidiary of JBS, buys Irish-based "Kerry Meats" and "Kerry Meals" stores in Ireland and the UK for DKK 819 million. euros.

Kerry Meats is a leading manufacturer of processed meat products, meat snacks and finished products in Ireland and the UK. Kerry Meals sells a range of chilled and frozen ready meals in the UK. The two areas together had an annual turnover of £ 725 million in 2020. The transaction is expected to be completed in the 4th quarter of 2021 and must be approved by relevant competition authorities

A statement from Brazilian-based JBS said: "The deal strengthens Pilgrim's Pride's position as one of the leading food companies in Europe and creates an integrated platform in the world with a range of branded and high value products."



Germany. Decrease in imports of live pigs

Source: [Agriculture & Food, week 22, 2021](#)

According to AMI, German imports of piglets and finishers in the first 4 months of the year fell from 4.7 million PCS. in 2020 to 3.8 million PCS. in 2021. The decrease in imports is due to fewer imported piglets and finishers from the Netherlands and Belgium, whereas imports from Denmark are unchanged.

According to AMI's figures, imports from Denmark in the first 4 months of the year are DKK 2.153 million PCS. against 2.143 million PCS. last year. Imports from the Netherlands have fallen to DKK 1,579 million against 2.147 million last year. 0.078 million have been imported from Belgium this year against 0.377 million last year.



Latvia. Farmers receive EUR 1 million in compensation for damaged winter crops

Source: ActusQ Newsletter, May 2021

The cold and snowy winter, late spring, and wildlife activity have brought worrying days for farmers – much of their sowings have been destroyed. Insurance joint-stock company BTA Baltic Insurance Company has already received 73% more claims than in the previous spring, and the number of indemnities to be paid reaches one million euros.

By the middle of April, farmers have already submitted 180 claims, the average amount of each being around 8 thousand euros. The largest indemnity calculated so far has reached 30 thousand euros. Mostly winter crops have been affected: wheat, barley, rye, rapeseed, and triticale, and the damage has covered the entire country. In Zemgale, the damage has been more serious and some crops will have to be resown there.

Insurance Indemnity Department, explains the causes of the damage. In the last years, various natural disasters have been becoming an increasing threat to the harvest, but given that farmers have the opportunity to insure crops against adverse climatic conditions and also receive funding from the European Union and the state budget, the Ministry of Agriculture has not provided for compensation from the state budget this year, thus moving the crop protection culture towards insurance.



Poland. “EU recovery fund to significantly boost agriculture”: PM Morawiecki

Source: polandin.com, 4 May 2021

The unprecedented money for Polish agriculture achieved in the PL-EU negotiation process will help in the development of Polish agriculture in an extremely significant way, said Prime Minister Mateusz Morawiecki after a meeting with the EU Commissioner for Agriculture and Rural Development, Janusz Wojciechowski.

The talks between the PM and Commissioner Wojciechowski concerned the EU Reconstruction Plan for Europe and the impact of the National Reconstruction Plan on the development and modernisation of Polish agriculture.

PM Morawiecki stressed that Tuesday's vote in the Sejm on the ratification of the decision to increase the EU's own resources concerns not only the Reconstruction Fund, but also the EU funds for Polish agriculture for the next seven years.

According to the prime minister, “Polish agriculture, green, ecological, but also effective, is the type of agriculture that the EU prioritizes and will focus on”. “Never before have Polish countryside and agriculture received as much money as provided for in this EU budget for the next seven years.”



Smithfield completes acquisition of Mecom Group

Source: Agriculture & Food, week 25, 2021

Smithfield Foods has completed the transaction, which means the acquisition of Mecom Group, which has processors in Slovakia and Hungary.



In the second half of 2020/21 Australia became key competitor on the barley market of Saudi Arabia

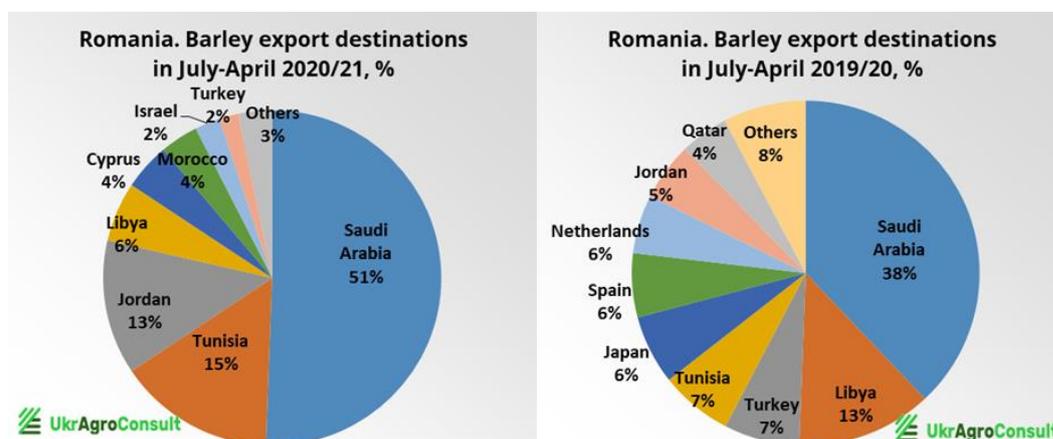
Source: Black Sea Grain Report, week 24 2021

According to the port data, in April Romania decreased barley exports to 20 KMT, which was sharply lower than in the same month last year (78.2 KMT) on the lack of shipments to Saudi Arabia.

No shipments to this destination were reported since December 2020. February export boost was seen thanks to the large cargo (57 KMT) destined for Jordan.

In July-April 2020/21 Romania exported 1023.5 KMT of barley (or 85% of export forecast), which was only 16% lower than in the same period last season (1222 KMT). Romania compensates its poor crop with higher imports from the neighboring countries.

This season exports to Saudi Arabia (504.8 KMT in July-April) have almost reached the shipments in July-June 2019/20 (509.5 KMT), thanks to the high pace in the FH of the season. In the second half Australia became the main competitor for the all the Black Sea barley origins with its new crop.



Chinese demand for feed crops from Ukraine to continue

Source: Black Sea Grain Report, week 24 2021

Ukraine exported over 2.8 MMT of barley and about 8 MMT of corn to China from the season's beginning till May— about 10.8 MMT combined. This already exceeds last season's total by 59%;

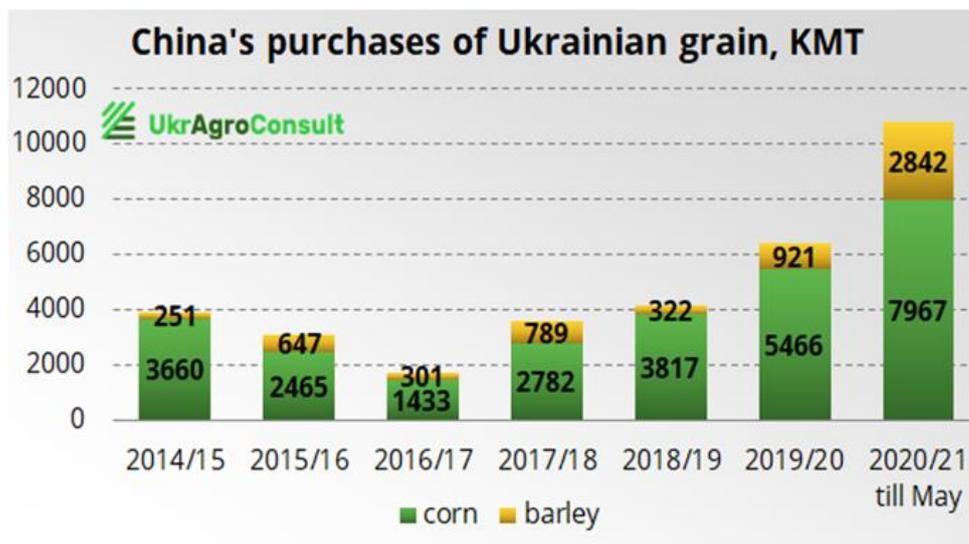
This season's exports from Ukraine to China may reach— 2.9 MMT for barley and 9.0 MMT for corn.

China's pig herd had recovered to 97.6% of its 2017 level (before the ASF epidemic). However, it is also worth taking into consideration that population in China has continued growing since 2017, as well as the average income and per capita pork consumption. Efforts are already underway for raising domestic corn yields in order to replace the imported product, but this process may take a few seasons. Therefore, import of this crop should be expected to actively continue in MY 2021/22. The market expectations are at 30 MMT.

American corn shipments to China have jumped since the U.S.-China Phase 1 trade deal came into force in 2020 – the U.S.'s share closed the calendar year and Q1 2021 up at 38%

and 52%, respectively (see the diagram above, the data source is Mr. Jeffrey Xu's presentation at the Black Sea Grain Conference);

As the season 2021/22 is drawing nearer, demand for new-crop grain increases. In May 2021 alone, China has already purchased more than 12 MMT of 2021/22-crop corn from the U.S. and, according to trade sources, another some 5 MMT from Ukraine. Such a rush caused a hike in forward price and narrowed the spread between forward and spot prices;



Ukraine. One of the Most Fertile Nations Wants to Feed the World

Source: farmlandgrab.com, 20 June 2021

Ukraine will introduce long-awaited land reforms next month just as food prices rise to the highest in almost a decade.

It was nicknamed the bread basket of the Soviet Union, and now Ukraine might finally be able to start living up to its agricultural potential in an era when the world appears to need it most.

On July 1, a new law will allow the buying and selling of farmland for the first time in two decades. The government says the advent of a functioning market means one of the most fertile places on the planet is the first step toward bigger, more efficient farming by fostering investment.

It's a long-awaited reform in a nation perennially dogged by corruption and political vested interests. But it has implications beyond Ukraine after global food supply was exacerbated by the coronavirus pandemic.

The country of 40 million people is punching well below its weight on the global stage. It's the biggest exporter of sunflower oil, the fourth-largest shipper of corn and delivers grain to nations from Morocco to Bangladesh and Indonesia. But corn yields are a third lower than in the U.S. and wheat about a quarter below the European Union.

[Read more](#)



Grain imports to Belarus will fall to 225 KMT

Source: Black Sea Grain Report, week 24 2021

Belarus is a net importer of grain, in contrast to neighboring countries such as Russia, Ukraine, Poland. The country imports from 100 to 900 KMT of grain annually. In the current season 2020/21, grain imports decreased to 225 KMT, as Belarus has harvested a fairly high grain harvest for two years in a row, sufficient to meet its own needs. The main grain crops in Belarus have traditionally been wheat, barley and rye. However, in recent years, the corn harvest has increased significantly. Global climatic changes have led to enough heat and moisture for growing corn. The average yield increased to 6 MT/ ha compared to 4.5 MT/ ha in previous years. Since the country has developed animal husbandry, the lion's share of grain is consumed domestically. Besides Belarus imports wheat and barley mainly from Russia.

RUSSIA



Russia reaches Soviet levels of pork consumption

Source: [Pig Progress](#), 4 June 2021

In 2020, pork consumption in Russia hit 27 kg per capita – the highest level in the past 30 years. The overall demand for pork on the Russian market last year climbed 4% compared to 2019 to 4.08 million tonnes. Pork accounts for 36% of the meat consumption in Russia, lagging behind only poultry with 44%, the bank reported.

Pork consumption in Russia drastically fell in the 1990s following the collapse of the Soviet Union, when industry's operations largely got disrupted. The demand started growing again in the 2000s to a large extent, thanks to the growing purchasing power of the Russian population.

According to Rosselхозbank, pork production in Russia is likely to grow faster than consumption in 2021. As new projects in the pig industry become operational, this year's production performance is anticipated to grow by 170,000 tonnes, compared to 2020, reaching 4.44 million tonnes.

[Read more:](#)



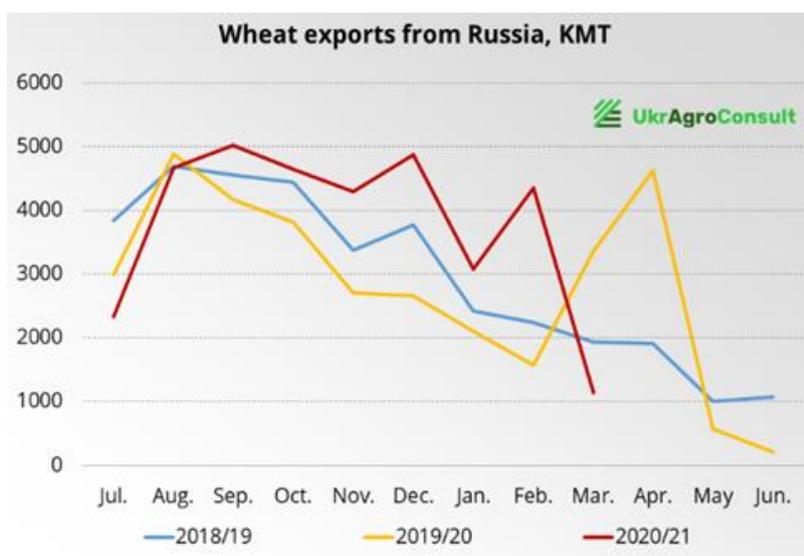
Russia exported a record amount of wheat

Source: [Black Sea Grain Report](#), week 24 2021

Almost 34.4 MMT of wheat had been exported since the season's beginning (+22% y-o-y) that is a record high for this time period. But March witnessed a slump in Russian wheat exports - 1.15 MMT was exported (-74% from February and -66% from March 2019/20) – the lowest for this month since MY 2014/15.

The highest volumes were shipped to traditional destinations such as Egypt and Turkey (280 KMT and 208 KMT, respectively). The EU has stepped up purchases in recent months, expanding its share in Russian wheat exports to 4%.

As a reminder, the mechanism of floating customs duties comes into force from June 2, whose rates were calculated last week: wheat: USD 38.10/MT, barley: USD 39.60/MT, corn: USD 50.20/MT. Duties are holding back sales, especially for corn. Before the introduction of the floating duty, the situation was reversed - duties on wheat exports were higher than on barley and corn.



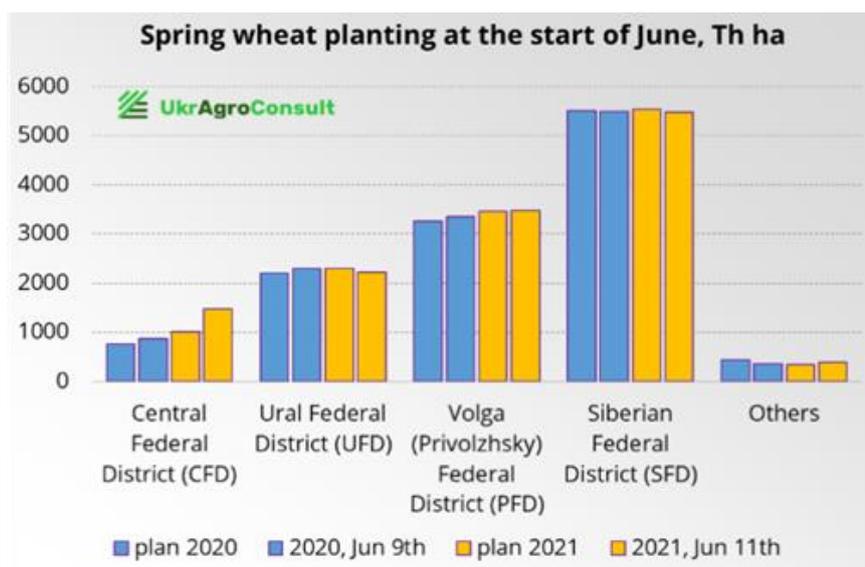
Russia. 2021/22 planting campaign

Source: Black Sea Grain Report, week 24 2021

The planting campaign in early June is already on the home stretch. Winter crops in the Central and Volga regions were damaged by winter frost due to insufficient snow cover, therefore Russian growers were forced to reseed the affected fields. Consequently, spring wheat acreage increased considerably – it was 13 MI ha as of June 11, or 3% above the Ag Ministry’s target.

However, due to drought in southern parts of the Volga and Ural federal districts, the greatest acreage expansion happened in the Central and Southern districts, where spring weather was more favorable (in terms of both temperature and moisture).

As a result, the area of grain crops (spring + winter) will be 0.622 MI ha higher than last year and will reach 48.5 MI ha, which is a record. But the harvest will not be a record one due to the winter damage.





Cherkizovo invests more than 1 billion \$ in new projects in pork and poultry

Source: Agriculture & Food, week 24, 2021

Russian Cherkizovo has announced plans to invest more than 80 billion rubles equivalent to 1.1 billion \$ in new pig and poultry projects in three Russian regions. The new projects are expected to be completed in 2025. The projects are expected to be financed via Gasprombank.

In the Tula region, Cherkizovo will invest 48 billion rubles in new pig slaughterhouse, processing plant and cold store. The slaughtering plant must have a capacity of 4.2 million pigs annually. In the same region, 8.4 billion rubles will be invested in a poultry slaughterhouse. In the Lipetsk region, Cherkizovo will invest 8 billion rubles in 4 new pig herds. In addition, 7.5 billion rubles in 6 productions of poultry. And finally, Lipetsk will invest 3.5 and 2.0 billion rubles in feed mill and storage for grain. In the Altai region, Cherkizovo will invest 2.6 billion rubles in new poultry production.

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

ASIA



China hog futures fall to record low on fears of pork glut

Source: Financial Times, 16 June 2021

Market becoming inundated as farmers slaughter pigs over fears prices will continue to fall. Hog futures in China have fallen to record lows as mass slaughtering of pigs prompts fears that the world's second-biggest economy faces a deluge of pork.

Rising concerns that the local pork market is becoming inundated have led to a more than 30 per cent fall in Dalian-traded hog futures, which allow investors to bet on the future direction of prices, since they were launched in January.

Prices have been hit as authorities have encouraged farmers to raise more pigs and replenish the country's pork reserves following outbreaks of ASF.

On Tuesday 15 June, hog futures on the Dalian Commodity Exchange dropped as much as 7.1 per cent to a trough of Rmb18,550 (\$2,900) per metric tonne after it was reported that smaller pigs were also being slaughtered, adding even more supply. Wholesale pork prices in China have dropped almost 50 per cent this year to Rmb23.57 per kilogramme, their lowest price since late 2019.

[Read more:](#)



Effective measures adopted to protect black soil

Source: China Daily, 5 May 2021 – from Newsletter, Danish Embassy in Beijing

As China's most fertile land, the northeastern region, including the provinces of Heilongjiang, Jilin and Liaoning and the eastern part of Inner Mongolia autonomous region, accounts for about a quarter of the country's annual grain yields. According to data from the National Plan for Soil and Water Conservation (2015-30), black soil covers an area of 1.09 million square kilometers in the region, including around 29 million hectares of farmland.

With a high density of organic matter, black soil is very suitable for growing crops. However, long-term cultivation and overuse of fertilizers have caused degeneration of the soil, threatening the local environment and grain production.



IFU invest in Solar Park of 250 Megawatt in India

Source: IFU website, 17 June 2021

IFU has signed a shareholder agreement with ACME and UNOPS to build and finance a 250-megawatt solar park in the Indian state of Rajasthan. The plant will supply approx. 500,000 households with electricity and will be one of IFU's largest investments in renewable energy to date, measured in capacity in megawatts. The investment is made on behalf of the Danish SDG Investment Fund, which is based on capital contributions from the Danish state, major Danish pension companies and other private investors.

Today, more than 60 percent of the energy produced in India is based on coal or gas. Therefore, renewable energy is a high priority of the Indian government in order to both reduce CO2 emissions and meet the growing energy needs of a growing economy, population and urbanization.

[Read more:](#)

SOUTH AMERICA

Argentina: Pig chain boom since the year 2000

Source: Pig Progress, 13 May 2021

Argentina's pig sector has experienced 2 decades of impressive increase at a growth rate above 8% per year. That number makes the sector the most dynamic in the country's economy since 2011.

The rise of pig production in Argentina has started even earlier. In 2002, the country produced 136,000 tonnes. Last year, the number reached 775,000 tonnes, 5.7 times more in 19 years with a growth annual average of 10.3%.

Both the domestic market as well as exports have confirmed that trend. In 2020, pork exports in 2020 reached a new record with 43,000 tonnes driven by demand from China – a relatively recent phenomenon.

The first attempt to export Argentinean pork meat was in 2009. The idea was revived in 2015. Since then, the initiative has generated strong growth in recent years, with 13 destinations, currently being China with 67% of the main export market.

The consumption per capita also increased strongly. In 2011, on average every Argentinean consumed 8.62 kg per year. Last year, that amount was at 19.3 kg last year (an increase of 123.8%).

[Read more:](#)



Brazil's pig industry broke records in 2020

Source: Pig Progress, 27 May 2021

The year 2020 was the best ever for Brazilian pig sector in terms of production, international trade and domestic consumption. That became clear in a report that was recently published by the Brazilian Animal Protein Association (ABPA); the figures are summed up beneath.

New records for Brazil's pig industry in 2020

	2020	Increase (%)		
Pork produced	4.44 million tonnes	11.3%		
Pork exported (volume)	1.02 million tonnes	36.5%		
Pork exported (value)	US\$ 2.27 billion	42%		
Pork consumption	16 kg/capita	4.5%		

It will prove hard to achieve similar growth figures for another year in 2021. Luís Rua, the ABPA director for trade, explained, "Brazil experiences a complex equation. On one hand, Brazilian pork exports continue to accelerate in a global context of lower supply due to the cases of African Swine Fever (ASF) in Asia and also in Europe."

[Read more:](#)



Brazil. Pig producers want action against rising feed prices

Source: Agriculture & Food, week 22 2021

The Brazilian pig producers want intervention from the Brazilian government against high feed prices. According to the producers, high prices for maize and soy make fattening pigs an economically bad business.

According to the Brazilian industry association "Brazilian Animal Protein Association" (ABPA), interventions are required that can increase the local grain supply. Without intervention, the organization warns of rising food prices in Brazil in the near future. The Brazilian government has also recently warned of the prospect of a historically long period of drought that will hit the country's grain supply.

NORTH AMERICA



Ensuring a future for Canada's pig producers

Source: Pig Progress, 14 June 2021

As the number of independent (non-integrated) farms shuttering pig barns grows in Canada, it is wise to pursue crucial pricing negotiations more than ever.

Pig farmers in Canada have long been vulnerable to many factors, including swine influenza, PEDv and other diseases, trade wars with China – and most recently, Covid-19. In 2020, meat processing plants in both Canada and the US were temporarily shut down due to the pandemic, causing huge pig backlogs on farms and a crash in pig prices.

The Canadian Pork Council (CPC) took action on behalf of its producer members, asking the federal government for aid. Pig producers, the organization pointed out, were losing over \$ 30 CAD (€ 20) per finished pig, while weanlings in some cases had completely lost their cash value. No aid was ever provided.
Price of pork products remains steady

And, at the same time throughout 2020, the price of pork products remained steady. In an attempt to balance out the situation and ensure their profitability, Canadian pig producers have suggested a new pricing formula to better relate the weight of a finished pig to its cut-out value.

[Read more:](#)