Pork CRC Initiatives APN February 2016

By Dr Roger Campbell, Pork CRC CEO

Australia well in the race

It's that time of year again, with global business indicators for calendar year 2014 now available and summarised for selected countries in Table 1.

The Australian results are based on Pork CRC's benchmarking project and for some KPIs are likely to be somewhat above the Australian averages.

The Canadian figures for reproduction might be below the industry average, but these are what's been reported. Clearly, cost comparisons depend on exchange rates, which tended to favour Australia in 2014 and in 2015, but they do reflect the price we (and others) can place on our product on the international market. In this respect the US continues to lead the world.

Table 1: Business Indicators for selected countries for calendar year 2014

Country/ Indicator	AUS	Bra	Can	USA	Den	Net	GB	Spain
COP ($ AUS/kg carcass weight)	2.71	2.12	2.02	2.02	2.56	2.73	2.90	2.50
Feed as % of COP	59	78	67	64	60	59	61	71
Feed ($AUS/tonne)	438	454	348	327	421	465	475	471
HFC (Kg/kg CWT)	3.68	3.70	3.90	3.94	3.65	3.44	3.72	3.72
HFC (MJDE/kg CW)	51.2	NA	52.3	56.3	51.1	48.2	52.8	NA
Pigs weaned/sow/y	23.4	25.7	22.7	24.6	30.5	29.2	24.1	25.8
Pigs sold/sow/y	22.4	24.6	21.5	22.4	28.5	27.8	22.7	24.2
Carcass weight (kg)	78	90	98	97	84	92	80.5	81
Carcass/sow/y (kg progeny)	1747	2210	2105	2167	2378	2565	1823	1969
Wean-finish mortality (%)	4.0	4.2	5.5	8.9	6.6	4.8	5.9	6.5

AUS-Australia, Bra-Brazil, Can-Canada, Den-Denmark, Net-Netherlands, GB-Great Britain

Narrowing margin

With the exception of the Danes and Dutch, we're not that far behind on numbers sold per sow and, as expected, volume in Australia is limited by carcass weight which averaged 78 kg in the Pork CRC benchmarking project, but is closer to 75 kg across the Australian industry.

COP is to the farm-gate and doesn't reflect the impact of heavier carcasses on processing and other costs through the supply chain. The latter is probably reflected in the fact that the price for leg meat (ham) in the US at the moment is $1.76 AUD/kg. It's hard to beat that and the US and Canada (and Brazil) clearly have marked feed and labour cost advantages over us and the EU.

HFC differences generally reflect carcass weight, with US and Canada having the 'worst' HFC. In the EU, Italy produces the heaviest pigs (126 kg).The average HFC for Italy in 2014 was 4.89. The Dutch are an exception, having the third heaviest heavy carcass weight and lowest HFC. Maybe we should pay more attention to what they are doing nutritionally? Differences between countries are consistent with 2013 results.

I haven't shown average prices for 2014 but can say the UK made a bit of money, the Danes and Dutch didn't and the US and Canada had a record year due to PEDv, which markedly reduced supply. As you're aware, all except Australia broke even or lost money in 2015.

Racing ahead

I think we're well in the race and will need to continue to differentiate ourselves from importers in the type of pork we produce (high integrity Australian pork) and how it tastes – simply good with opportunities for progress in the areas of antibiotic use and improving reproduction. I had almost given up on the latter, but as I've been saying lately, we're seeing some real progress and innovation by producers. This is illustrated by the best herd in our benchmarking project. Keep in mind it is a NZ herd and they have some climatic advantages and access to EU and US genetics. Nevertheless, they are weaning just under 30 pigs/sow, with a BA 2.5 piglets lower than the Danish average (13.5 vs 16). They have a lower pre weaning mortality (11.7%) than the Danes and wean at 21 (not 28) days, so get more litters/sow/year. The third best in our project weans more than 25 pigs per sow/year and has a born alive of only 11.5. They have pre weaning mortality of 11.1% and wean at 18.5 days. The two herds weaning earlier (average = 24.2 days) are achieving farrowing rates of 89%-92% and have wean-remating intervals of 6.3-6.5 days compared to the second best herd which weans at 28 days and has a wean to remating interval of 5.6 days. So, there are plenty of ways of skinning the cat and I'm not sure that with our climate and housing we could handle sows that have 16 born alive – 13 to 14 will do and it would seem that we sometimes return to the future with Paul Hughes' Target 25 still being applicable. I think we have the genetics, knowledge and management capable of achieving and even exceeding this goal.

It's always interesting to see what others are doing and to learn from them. However, the secret is selling or making the best of what you have and this is where we should concentrate over the next few years.

Outdoor growth

Given the growth in outdoor (free range) production in Australia, I thought you might be interested in what the British and New Zealanders are doing (Table 2), given they are about the only other serious pork producing countries with a considerable percentage of pigs born and sometimes reared outdoors.

We are attempting to get some outdoor herds into our benchmarking project. The figures for Australia in Table 1 are all indoor herds.

Table 2: Sow performance indicators for UK and NZ indoor and outdoor herds in 2014

Indicator	UK Indoor	UK Outdoor	NZ Indoor	NZ Outdoor
Pigs weaned/sow/y	25.7	21.8	25.8	24.3
Born alive/litter	12.6	11.4	12.6	12.7
Pre weaning mortality (%)	11.5	14.2	11.9	17.4
Lactation period (days)	26.6	26.1	25.8	25.8
Sow feed/year (Tonne)	1.345	1.547	NA	NA

I'll talk in some depth about Pork CRC's benchmarking project and its latest outcomes at South Australia's Pig Industry Day on Friday, February 26 at the Barossa Weintal in Tanunda.

www.porkcrc.com.au