

JANUARY 2012

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SUMMARY

Pig production to the year ended September 2011 was 729,287 pigs, an increase of 5.1% compared to the year ended September 2010.

Production increased by 4.8% in the North Island and by 5.2% in the South Island. 60.9% of production was in the South Island.

The total domestic production of pork for the 2010/11 meat year was 50,094 tonnes, up 6.4% from 47,082 tonnes in 2009/10

The average weight of pigs marketed in 2010/11 was 68.7kg, 0.9 kg higher than in 2009/10.

The average carcass weight of pigs processed in the North Island was 65.4kg and 70.8kg in the South Island.

The proportion of choppers processed was unchanged in 2010/11 at 2.4%.

The total volume of pork imported into New Zealand in 2010/11 was 41,661 tonnes carcass weight equivalent (CWE), an increase of 10.5% on 2009/10 and the greatest volume recorded.

Frozen pork was 97.8% of imports. 82.1% of imports were frozen middle, leg or boneless cuts HTS category 0203.29.0019.

The total value of imports in 2010/11 was NZ\$140.8 million including customs, insurance and freight (CIF) with an average value of \$4.60 per kilogram. An increase of \$0.05 per kilogram on 2009/10 and 12.7% increase in total value

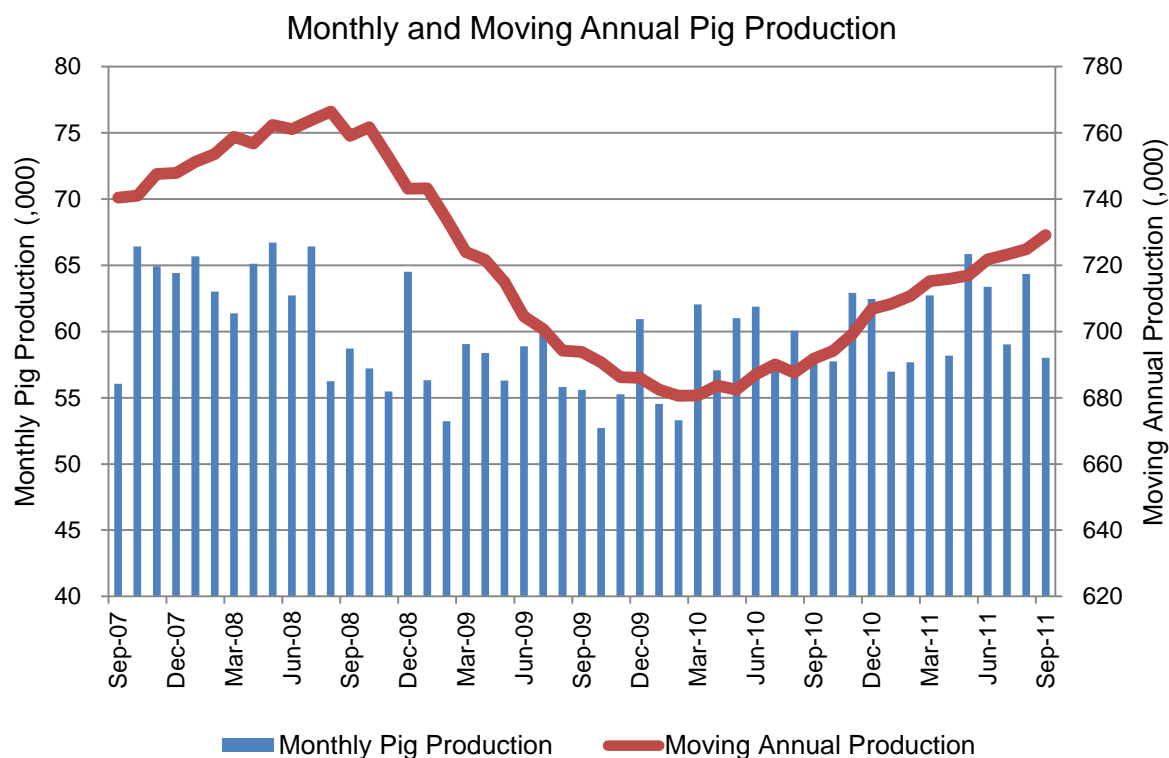
The average price for pork weight pigs was 33c/kg lower (-8.6%) and for bacon weight pigs was 35c/kg (-9.6%) lower in 2010/11 than in 2009/10. Over the same period the average market price of wheat was \$116/t higher (36.6%).

Total farm gate revenue was \$176.0 million in 2010/11, 2.7% higher than in 2009/10 (\$171.3 million).

Annual per capita consumption at September 2011 was 20.6 kg per capita an increase of 7.6% over September 2010. Consumption of imported pork increased by 9.9% and consumption of NZ pork increased by 5.7%.

Total pork consumption was 91,755 tonnes (CWE) in the year ended September 2011, the highest level recorded.

PIGS MARKETED



Source: New Zealand Pork

The graph above shows the monthly pig production and the moving annual pig production over the past 4 years. Pig production has recovered strongly from the low in mid-2009/10.

The number of pigs processed at licensed plants in the 2010/11 meat year was 729,287, an increase of 5.1% on the previous year.

The total domestic production of pork for the 2010/11 meat year was 50,094 tonnes, up 6.4% from 47,082 tonnes in 2009/10.

The average weight of all pigs marketed in 2010/11 meat year was 68.7kg, 0.9kg heavier than in 2009/10. The average carcass weight of pigs marketed in the North Island increased by 0.9kg to 65.4kg and by 0.8kg to 70.8kg in the South Island.

The table below shows the weight categories of pigs processed in the past 2 years. Pig production increased by 4.8% in the North Island and by 5.2% in the South Island. The South Island produced 60.9% of all pigs marketed.

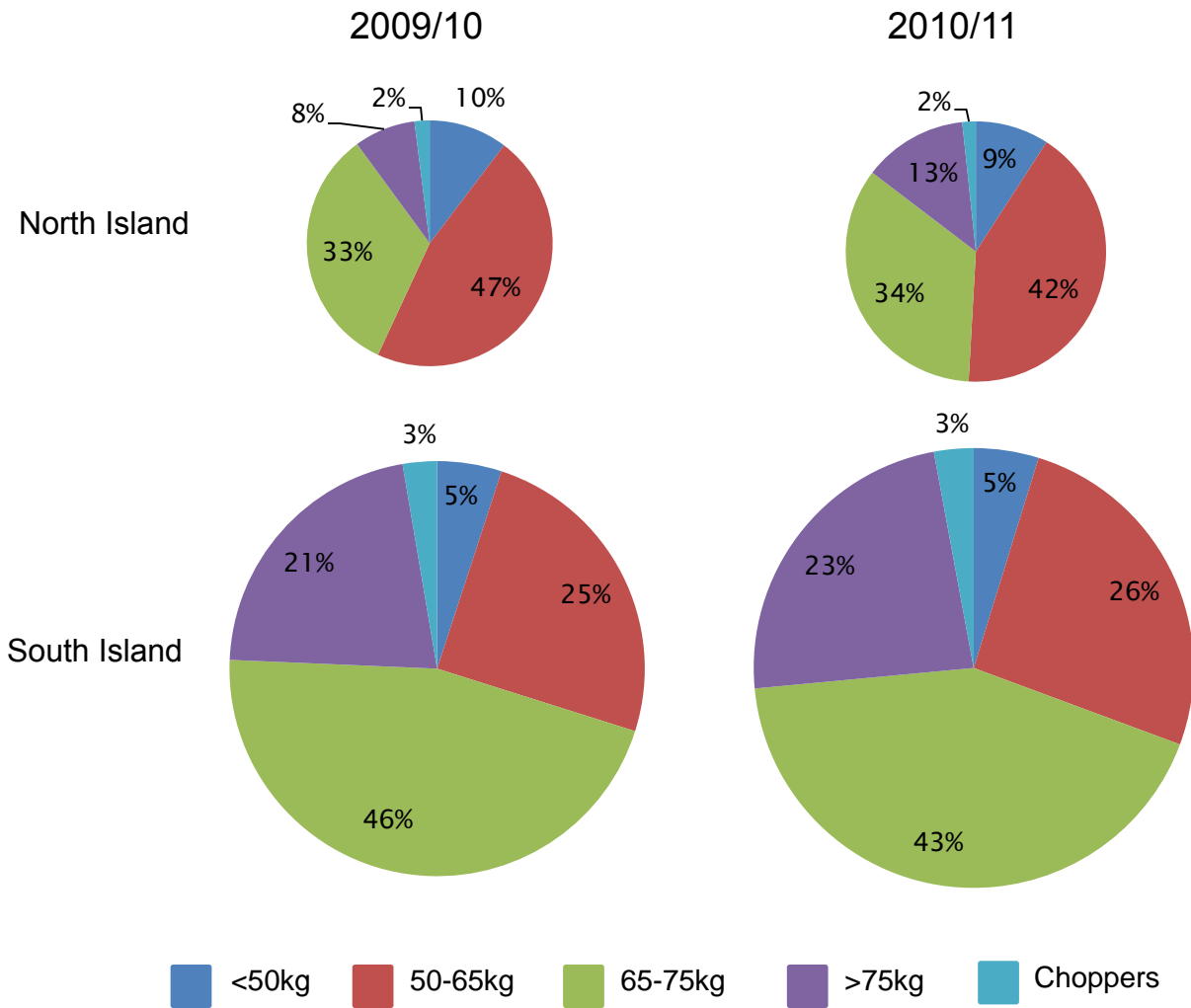
The number of heavy pigs (>75kg) processed increased 29% in 2010/11 from 113,387 to 146,299 pigs. This weight category was 20.1% of pigs processed in 2010/11, up from 16.1% in 2009/10.

The proportion of choppers processed in 2010/11 was the same as in 2009/10 at 2.4%. The proportion of choppers processed in the South Island increased from 2.7% to 2.9%, in the North Island it dropped from 2.0% to 1.7%.

Weight categories		Pigs Produced		% of Region Total	
		09/10	10/11	09/10	10/11
Pigs <50kg	Nth Is	28,069	25,982	10.3	9.1
	Sth Is	21,213	20,918	5.0	4.7
	NZ	49,282	46,900	7.1	6.4
Pigs 50 - 65kg	Nth Is	126,638	118,962	46.6	41.8
	Sth Is	104,933	113,487	24.8	25.5
	NZ	231,571	232,449	33.4	31.9
Pigs 65 - 75kg	Nth Is	89,769	98,179	33.0	34.5
	Sth Is	193,442	187,922	45.8	42.3
	NZ	283,211	286,101	40.8	39.2
Pigs > 75kg	Nth Is	21,920	36,906	8.1	13.0
	Sth Is	91,467	103,393	21.7	23.3
	NZ	113,387	146,299	16.3	20.1
Choppers	Nth Is	5,419	4,786	2.0	1.7
	Sth Is	11,267	12,752	2.7	2.9
	NZ	16,686	17,538	2.4	2.4
Total	Nth Is	271,815	284,815	39.2	39.1
	Sth Is	422,322	444,472	60.8	60.9
	NZ	694,137	729,287		

Source: New Zealand Pork

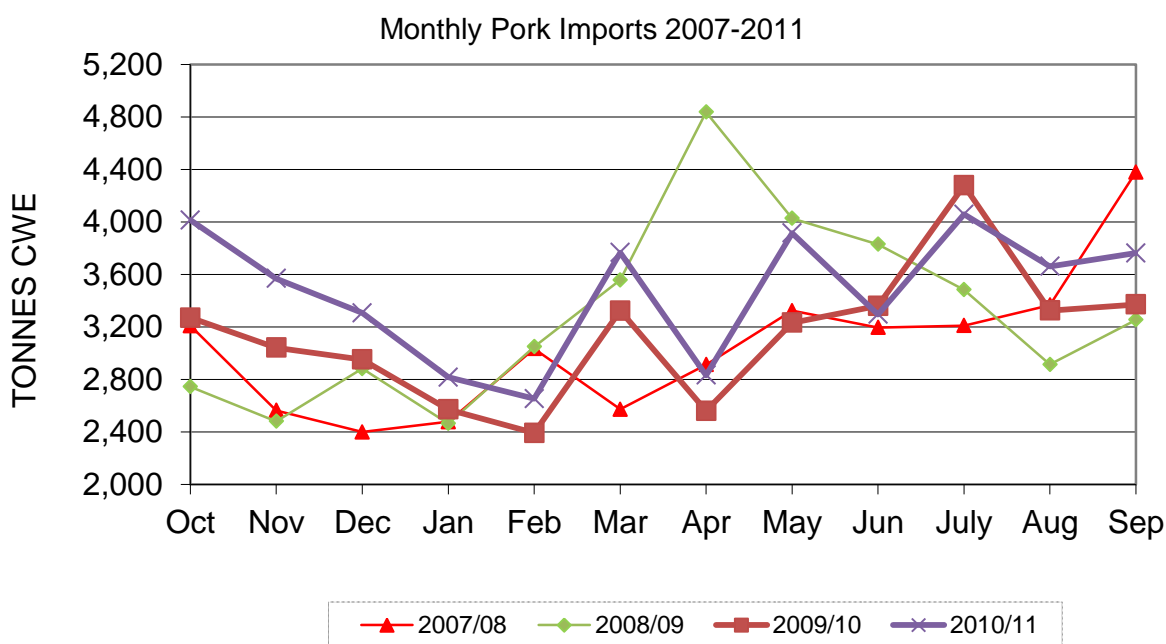
This data is shown graphically below, the size of each circle is relative to the number of pigs produced.



PORK IMPORTS

The total volume of pork imported into New Zealand in 2010/11 was a record 41,661 tonnes carcass weight equivalent, an increase of 10.5% from the 37,690 tonnes imported in 2009/10.

The total value of imports for 2010/11 was NZ\$140.8 million including customs, insurance and freight (CIF) with an average value of imported pork per kilogram of \$4.60, an increase of \$0.05 per kilogram on 2009/10 and 12.7% increase in value.



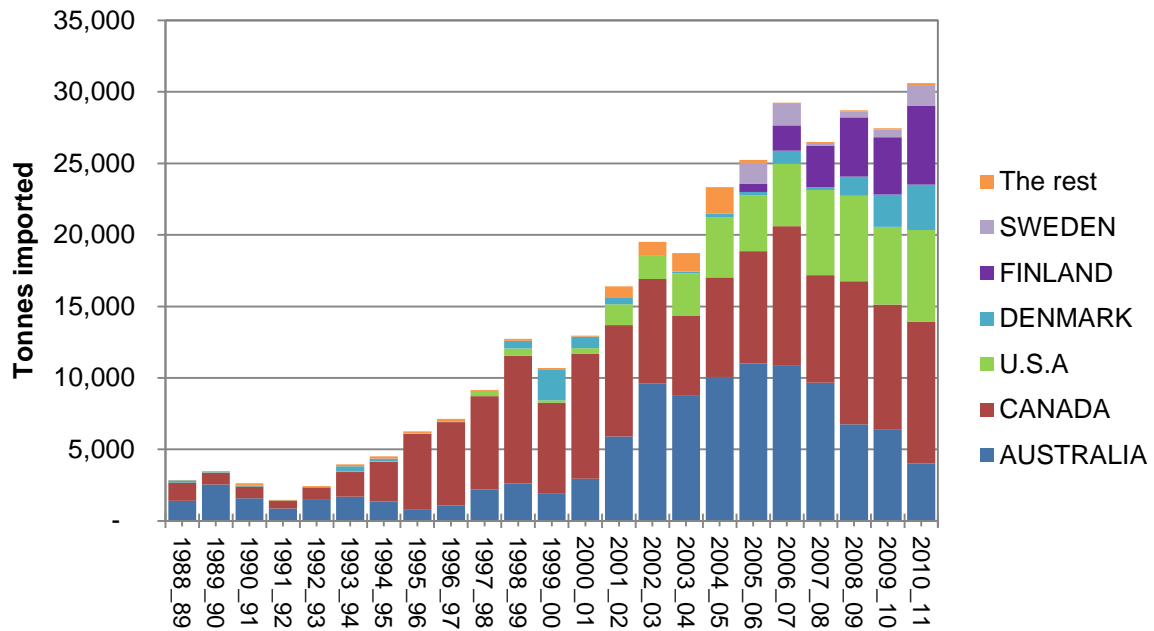
Source: Statistics New Zealand

Frozen pork cuts accounted for 97.8 per cent of all imports in the year. 82.1% of imports were frozen middle, leg or boneless cuts; HTS category 0203.29.0019.

79.7t (111.6t CWE) of chilled pork from Australia with an average value of \$4.93/kg was imported into New Zealand an increase of **1,531%** from the 4.9t imported in 2009/10. Most of that was imported in November 2010 (72.3t at \$4.75/kg) excluding that month the average value of chilled pork imported was \$6.80/kg

In 2010/11 most pork (product weight) imported into New Zealand came from Canada (32.4%), the USA (20.9%), Finland (18.0%), Australia (13.2%), Denmark (10.4%), and Sweden (4.7%).

Origin of pig meat imports



PORK EXPORTS

MONTH	Cook Islands	Fr. Polynesia	Niue	Samoa W	Singapore	Tonga	Vanuatu	Australia	Japan	Other	TOTAL
Meat weight (tonnes)											
07/08	54.2	0.4	4.0	2.7	0.6	2.8	3.9	13.8	82.8	1.3	166.6
08/09	51.6	0	3.0	3.4	3.4	4.8	5.7	19.2	0	2.0	93.3
09/10	31.0	2.3	2.3	2.7	0.7	7.4	8.8	22.8	3.0	0.3	81.5
10/11	30.4	0.9	3.1	1.8	0.4	2.5	5.8	60.9	14.0	29.9	149.5

Source: Statistics New Zealand

Total exports for 2010/11 were 217 tonnes CWE, up 92% from 2009/10. Note that the export data does not record the volume of pork exported in mixed products.

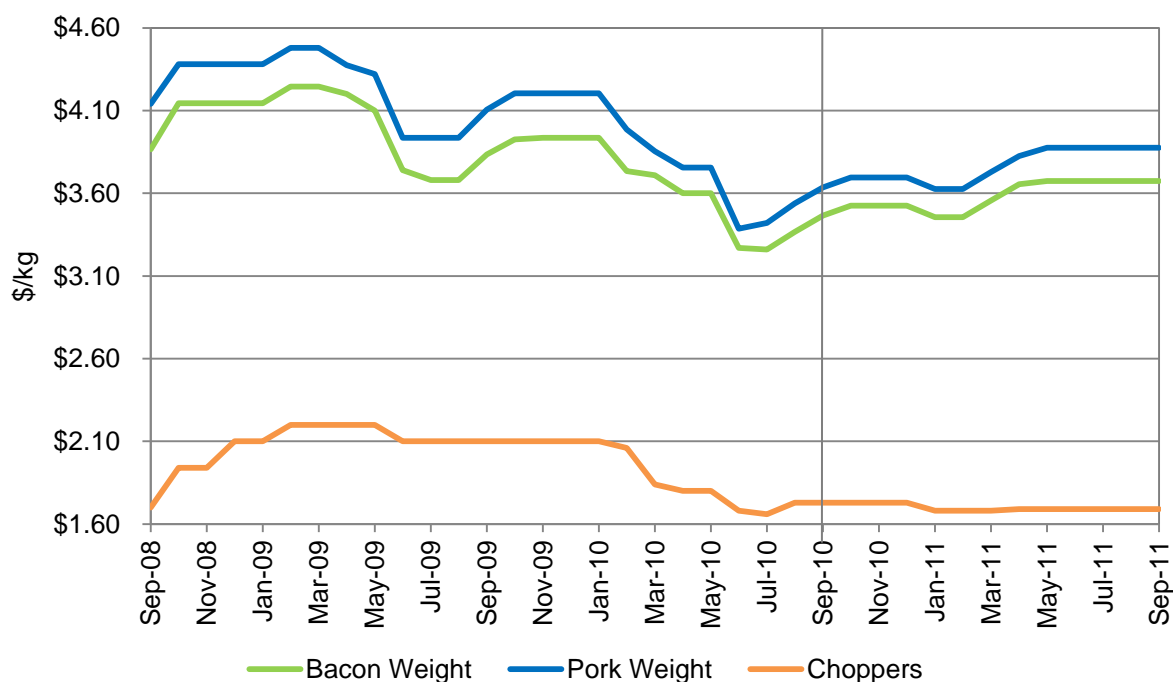
FARM GATE PRICES

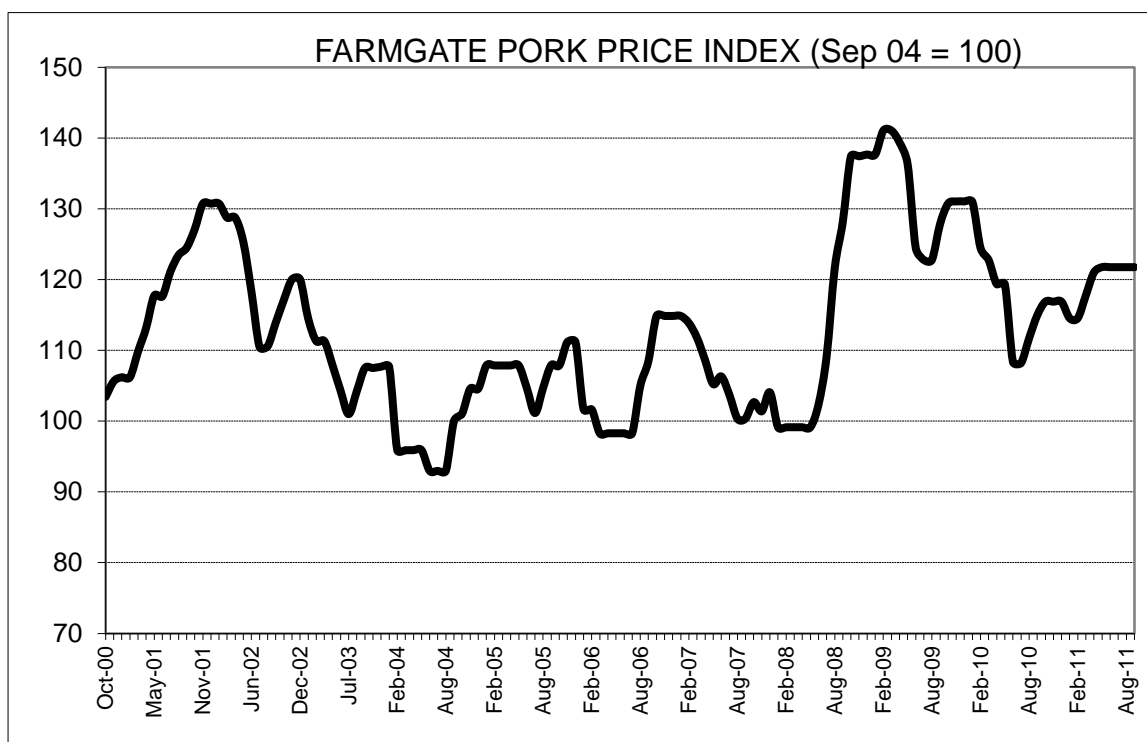
	Pork weight (45-50kg, D1)	Bacon weight (65-70kg, H2)	Choppers	Wheat Average market price
September 10	\$ 3.64	\$ 3.47	\$ 1.73	\$363
2009/10 avg	\$ 3.84/kg	\$ 3.64/kg	\$ 1.89/kg	\$317/t
October	\$ 3.70	\$ 3.53	\$ 1.73	\$368
November	\$ 3.70	\$ 3.53	\$ 1.73	\$402
December	\$ 3.70	\$ 3.53	\$ 1.73	
January	\$ 3.63	\$ 3.46	\$ 1.68	\$394
February	\$ 3.63	\$ 3.46	\$ 1.68	\$404
March	\$ 3.73	\$ 3.56	\$ 1.68	\$431
April	\$ 3.83	\$ 3.66	\$ 1.69	\$456
May	\$ 3.88	\$ 3.68	\$ 1.69	\$464
June	\$ 3.88	\$ 3.68	\$ 1.69	\$470
July	\$ 3.88	\$ 3.68	\$ 1.69	\$475
August	\$ 3.88	\$ 3.68	\$ 1.69	\$488
September 11	\$ 3.88	\$ 3.68	\$ 1.69	\$490
2010/11 avg	\$ 3.51/kg	\$ 3.34/kg	\$ 1.54/kg	\$433/t

Source: New Zealand Pork

The average price for pork weight pigs was 33c/kg lower (-8.6%) and for bacon weight pigs was 35c/kg (-9.6%) lower in 2010/11 than in 2009/10. Over the same period the average market price of wheat was \$116/t higher (36.6%).

Average farmgate pork prices



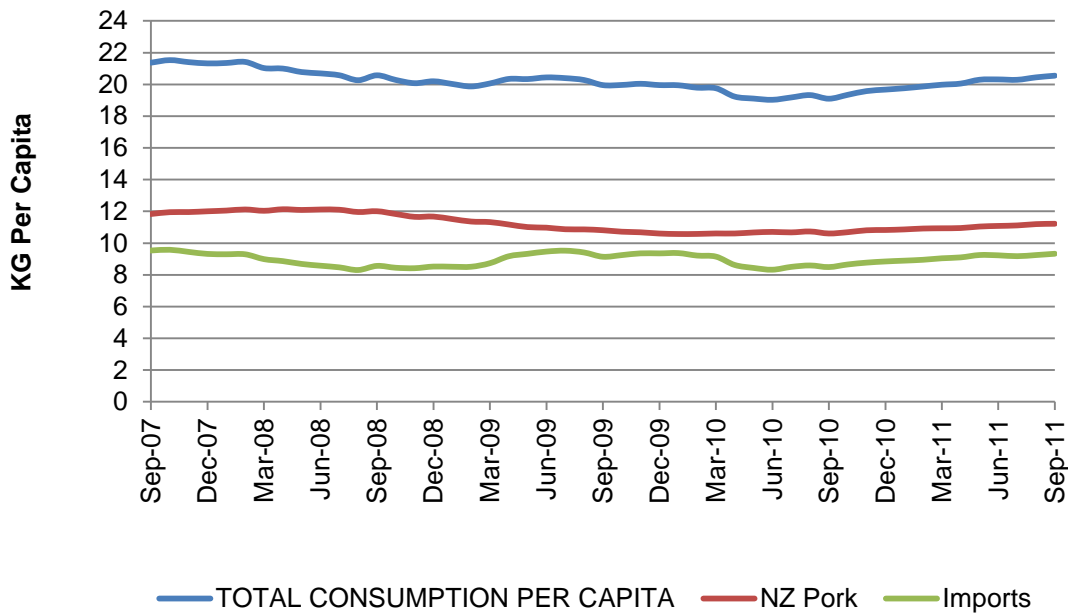


Source: *New Zealand Pork*

The average Farmgate Pork Price Index for 2010/11 was 118.9 compared with 121.1 in 2009/10. The total farm gate revenue was \$176.0 million in 2010/11, 2.7% higher than in 2009/10 (\$171.3 million).

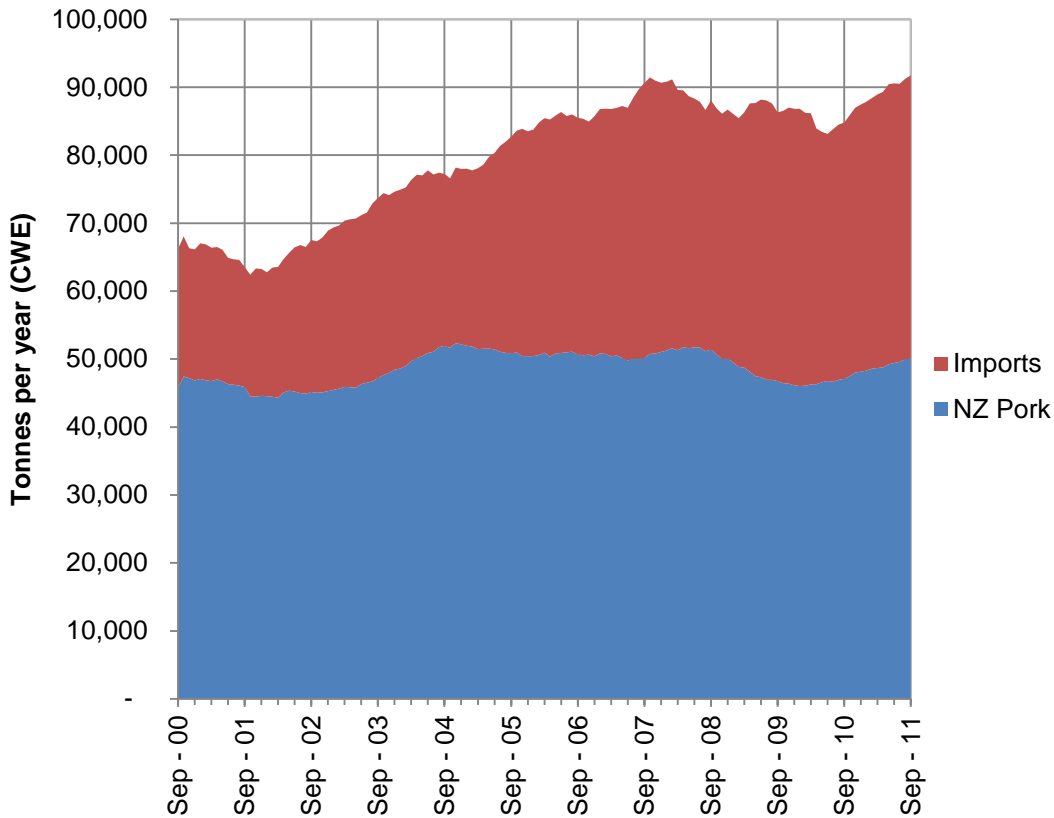
PER CAPITA CONSUMPTION

Consumption as of September 2011 was 20.6 kg per capita with 9.3 kg of this made up from imported pork. This level of per capita consumption was 7.6% higher than September last year. Consumption of imported pork increased by 9.9% and consumption of NZ pork increased by 5.7%.



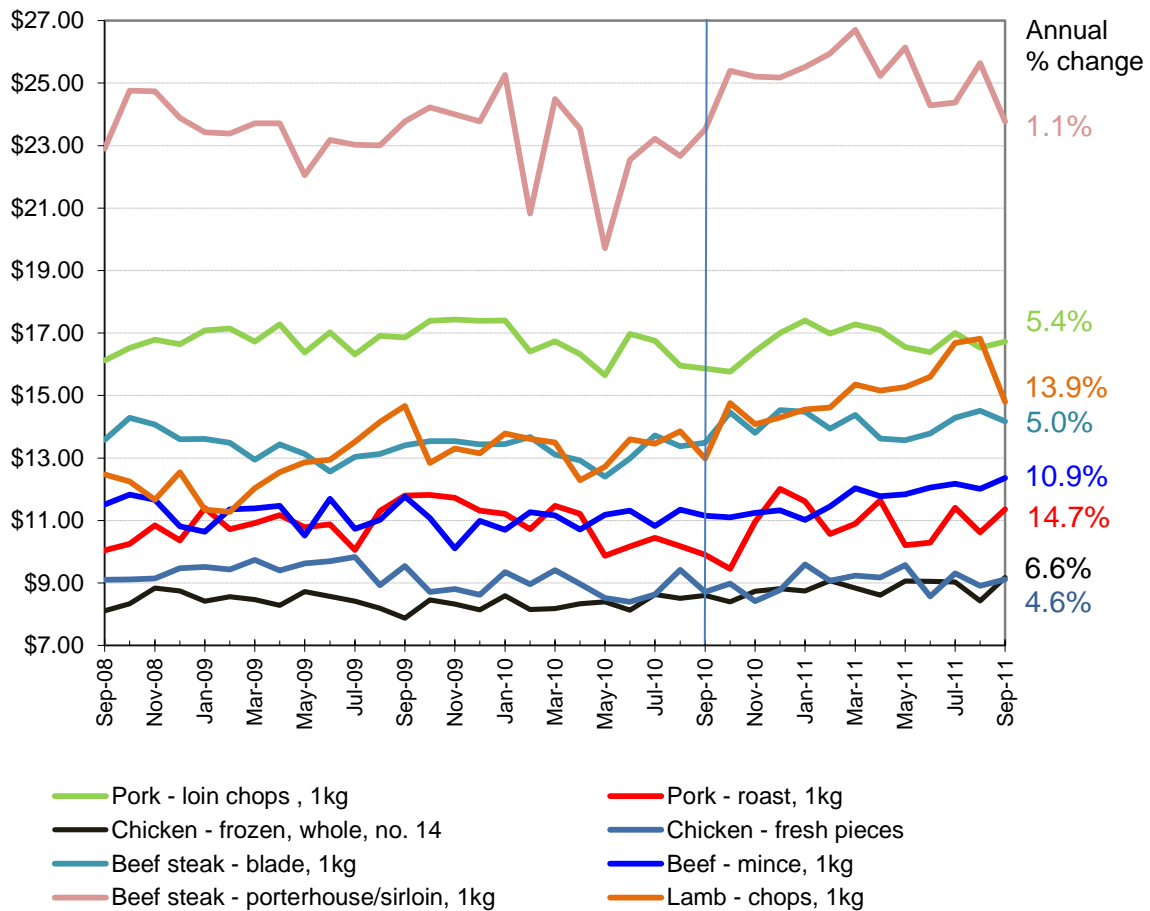
The graph below shows that total pork consumption in New Zealand was 91,755 tonnes per year (CWE) the highest level recorded.

Annual Pork Imports and Production



Source: Statistics New Zealand/ New Zealand Pork

WEIGHTED AVERAGE RETAIL PRICES



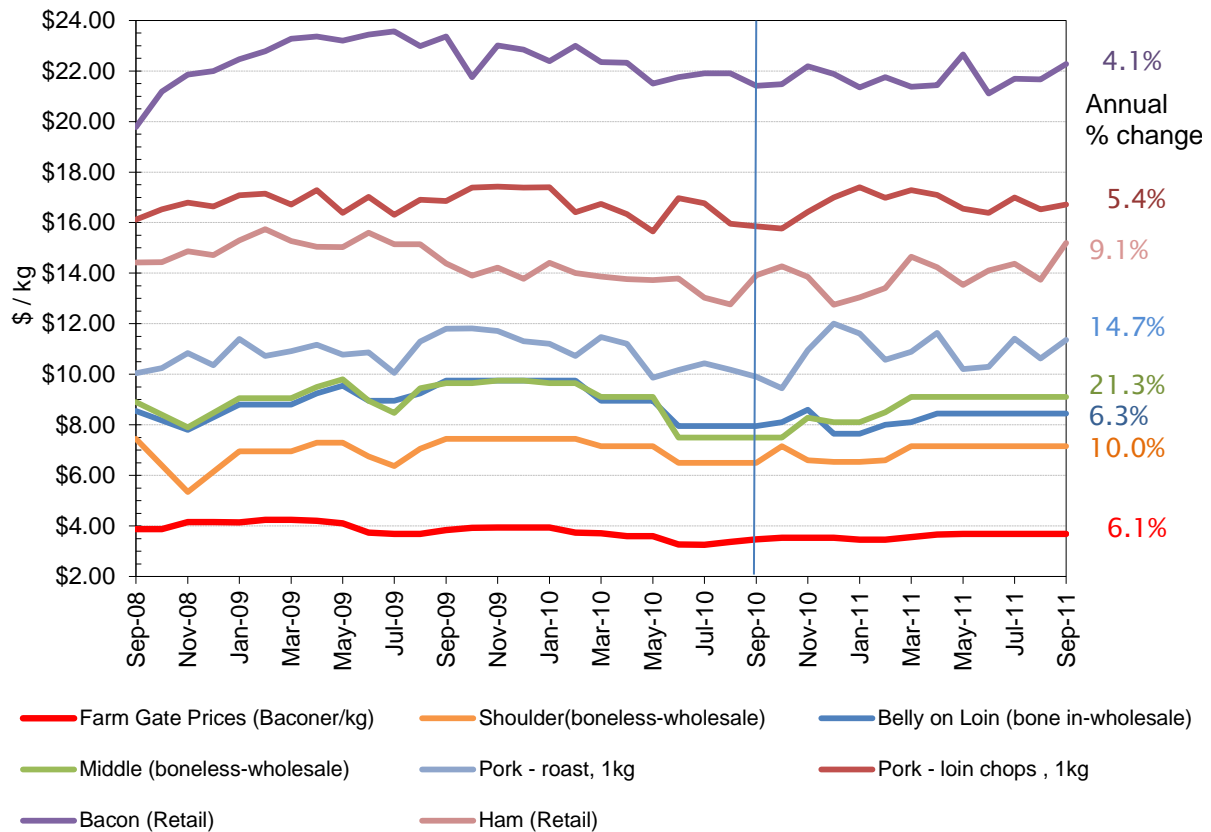
Source: Statistics New Zealand

The weighted average retail prices are calculated by Statistics NZ using “movements of an appropriate index with the FPI”, refer to the Statistics NZ website for more details.

This graph compares the retail price of pork with other meats. Over the past 2 years the export driven increase in the price of lambs has resulted in the price of lamb chops increasing from comparable to pork roast to prices closer to those of pork chops.

Beef mince and pork roast are the largest retail cuts from each animal. In the past, the retail prices of these two cuts followed each other closely as shoppers substituted one product for the other. However, as the price of beef has increased over the past 18 months the link between beef mince and pork roast prices has weakened. It remains to be seen if this will continue

PRICE TRENDS FROM FARM TO RETAIL



Source: Statistics New Zealand/ New Zealand Pork

The graph above gives an indication of changes in prices at key points from farm to retail. This information is collected every month and should be used only as an indication of trends in prices.

The graph shows that the farm gate and wholesale prices of pork were stable for the last 6 months of the year while retail prices were more volatile.

The prices of both bacon and ham increased over the year after declining in 2009/10, this may be due to increased consumer demand for NZ product and willingness to pay a premium for it.