

# Competitiveness of the pork supply chain – an international comparison

Robert Hoste, Agr.Econ.Res.Institute (LEI)  
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# Overview

- Production cost farm level
- Production cost supply chain
- Opportunities for new member states

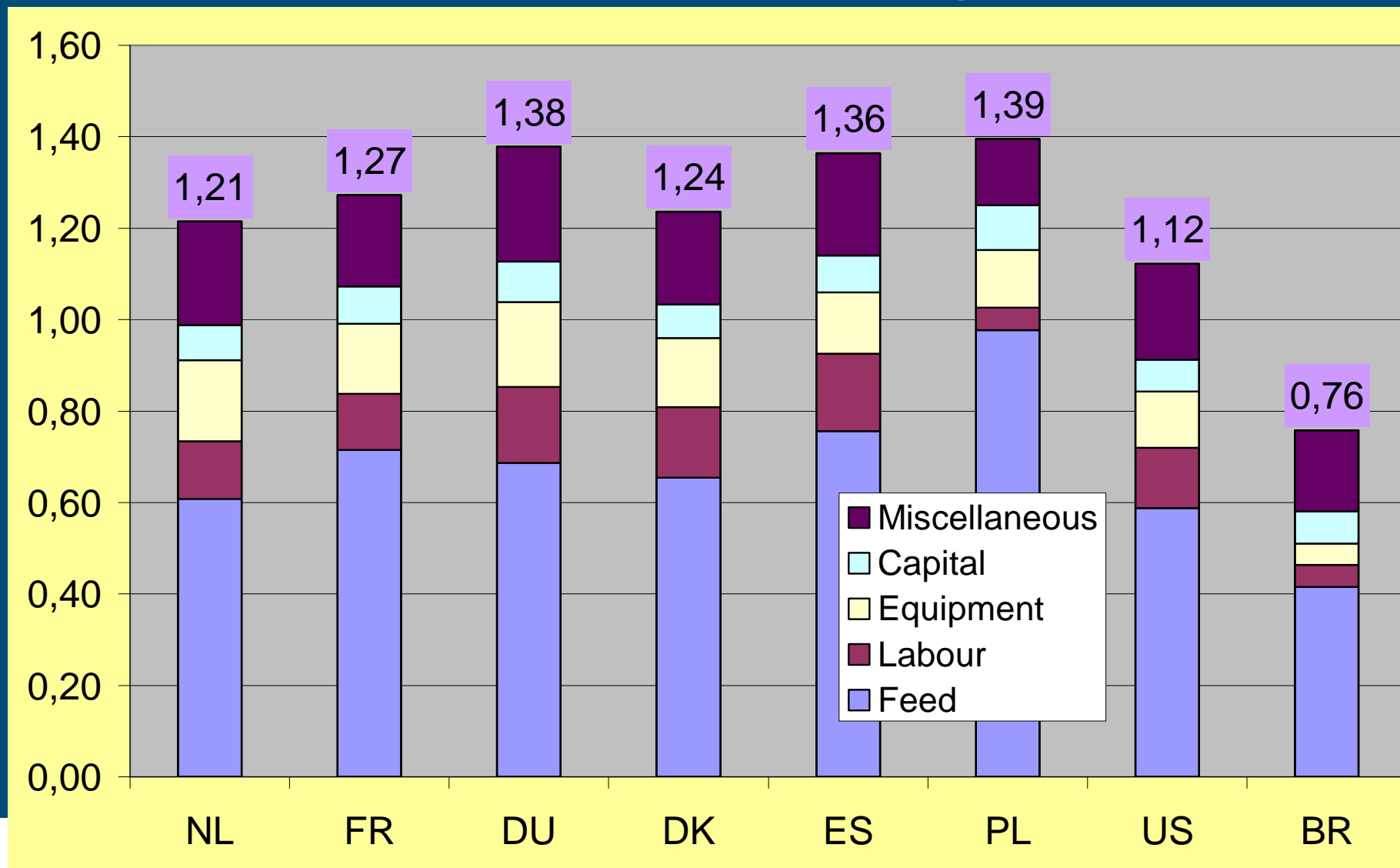
# Production cost of pig farm



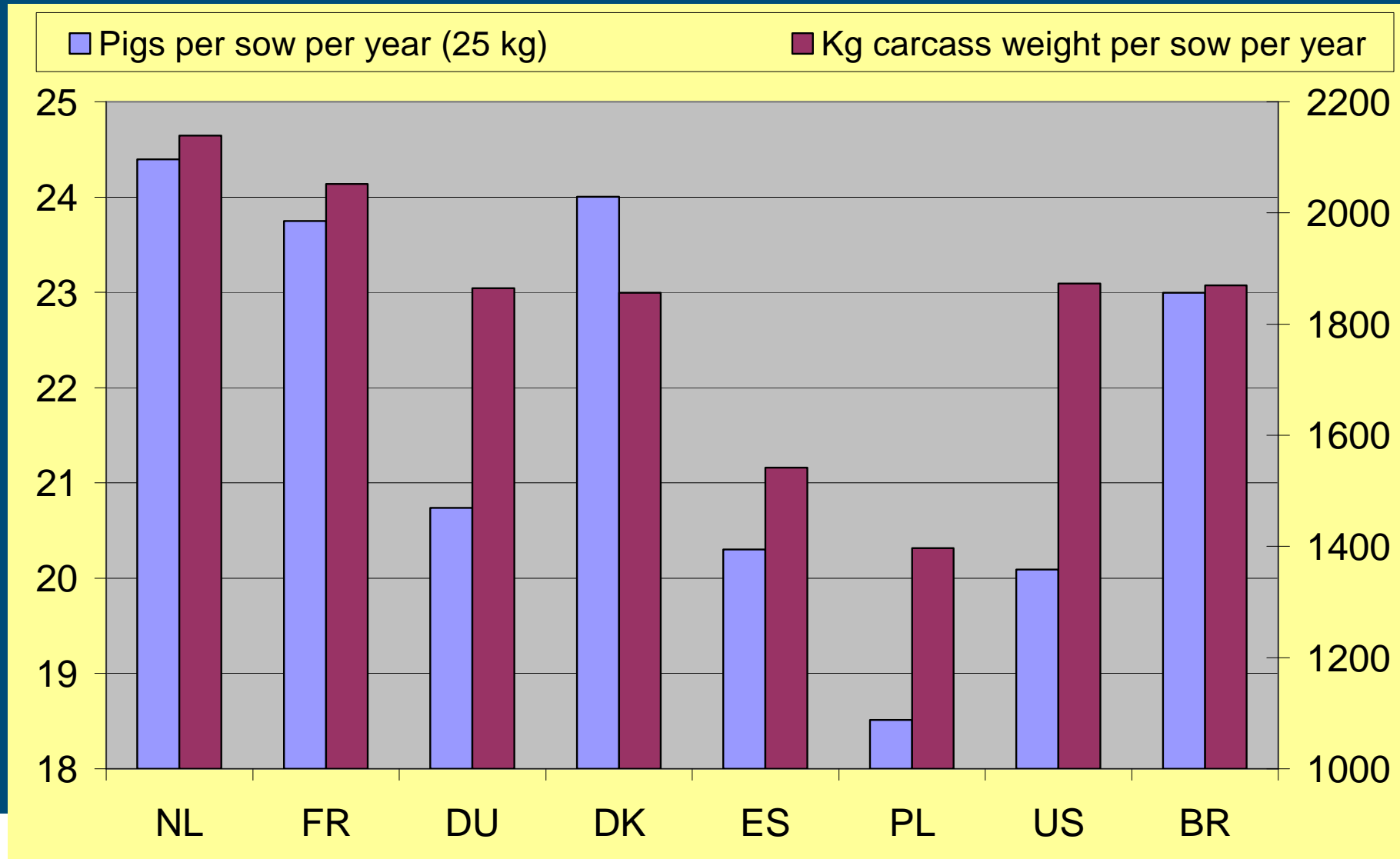
# Production cost of pig farm

- International comparison
- Typical farm
- Commissioned by Dutch Product Board
- Year 2004
- Strategic cost comparison (labour, interest, feed)

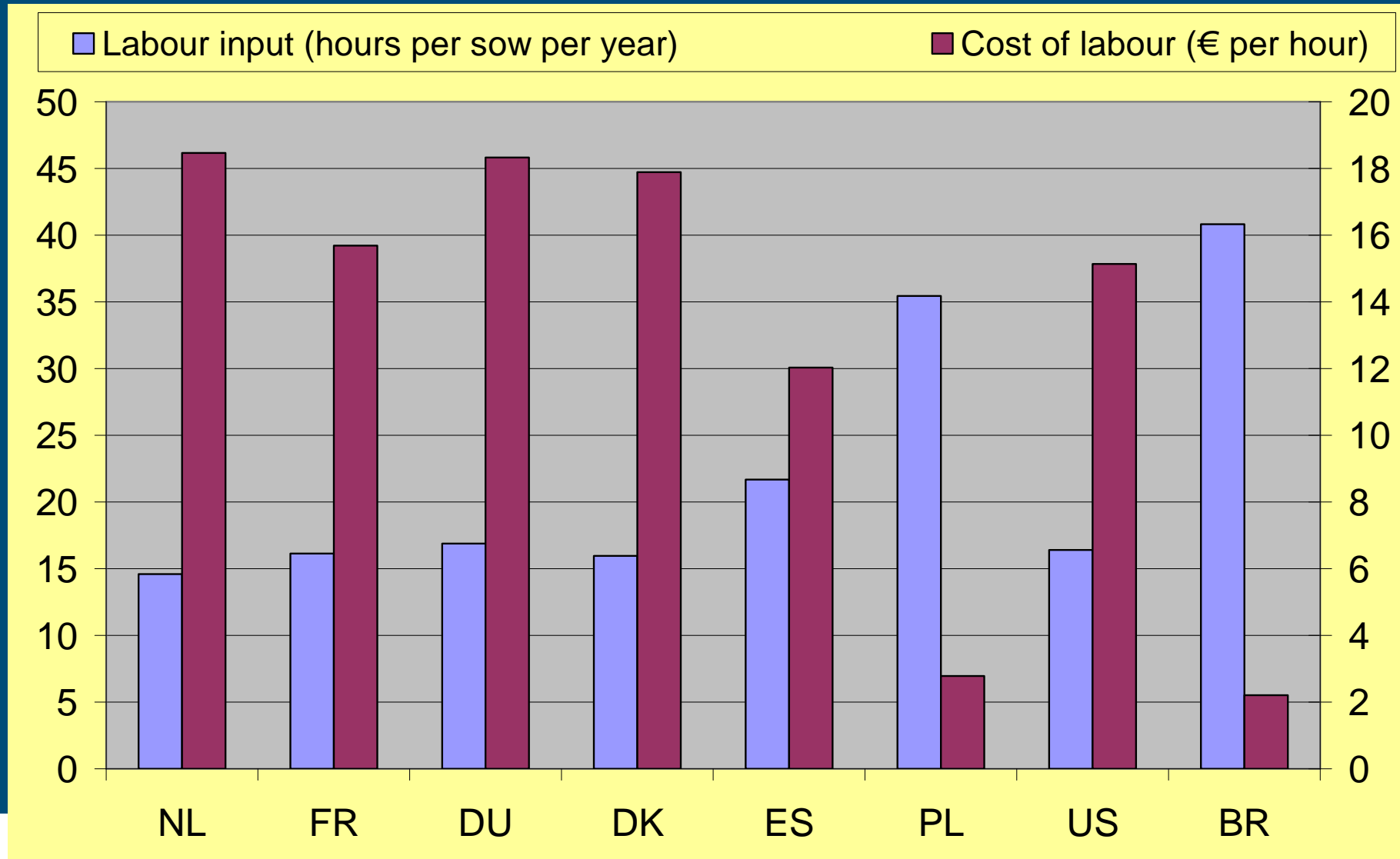
# Cost of production on farm (€/kg)



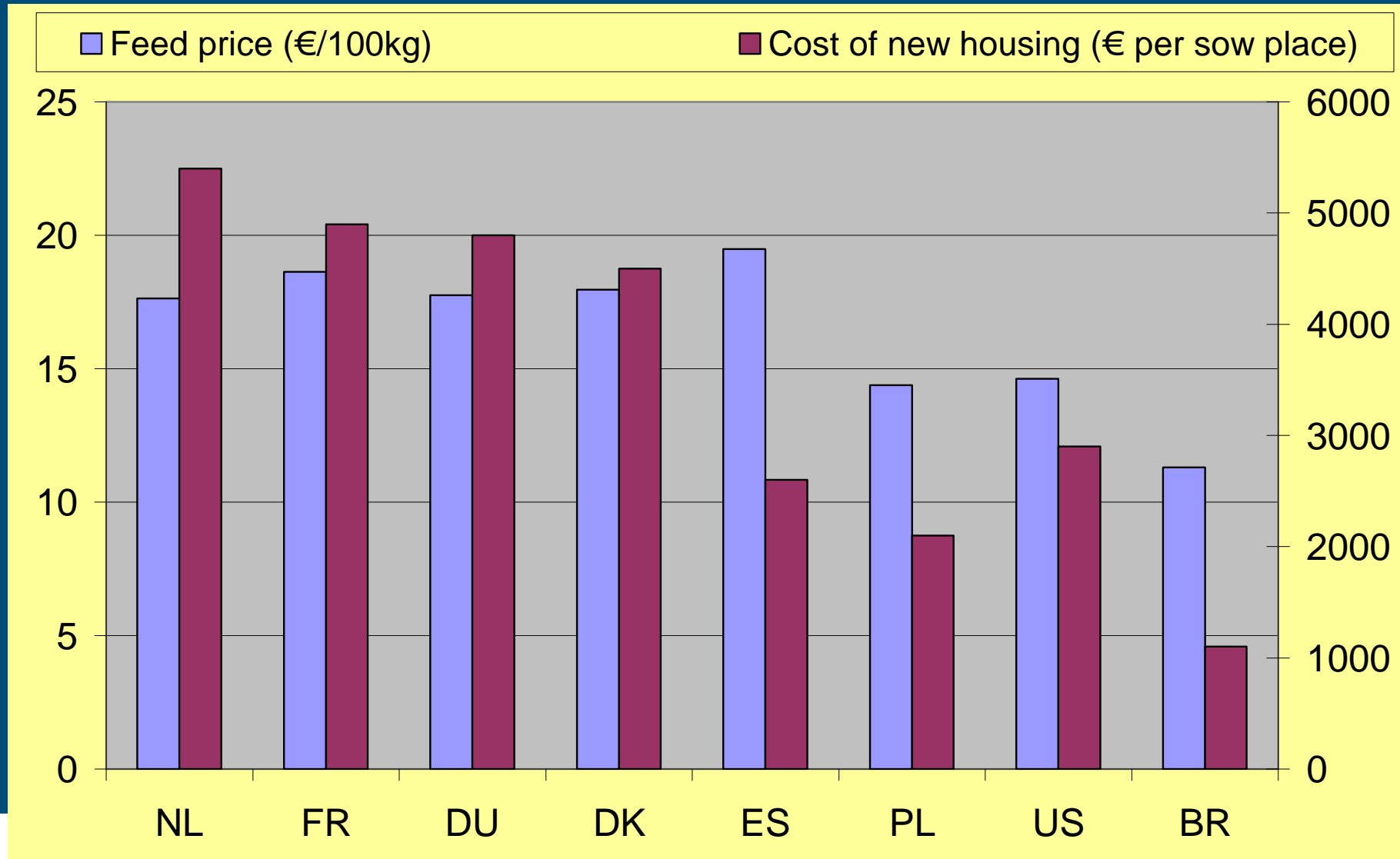
# Performance



# Labour

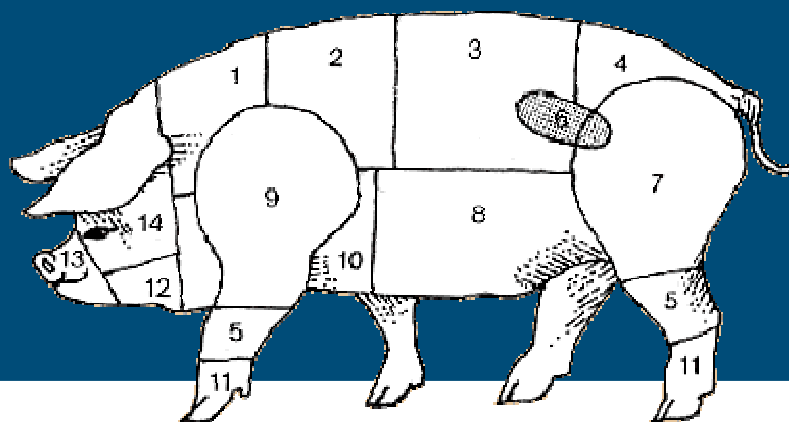


# Feed and Equipment cost





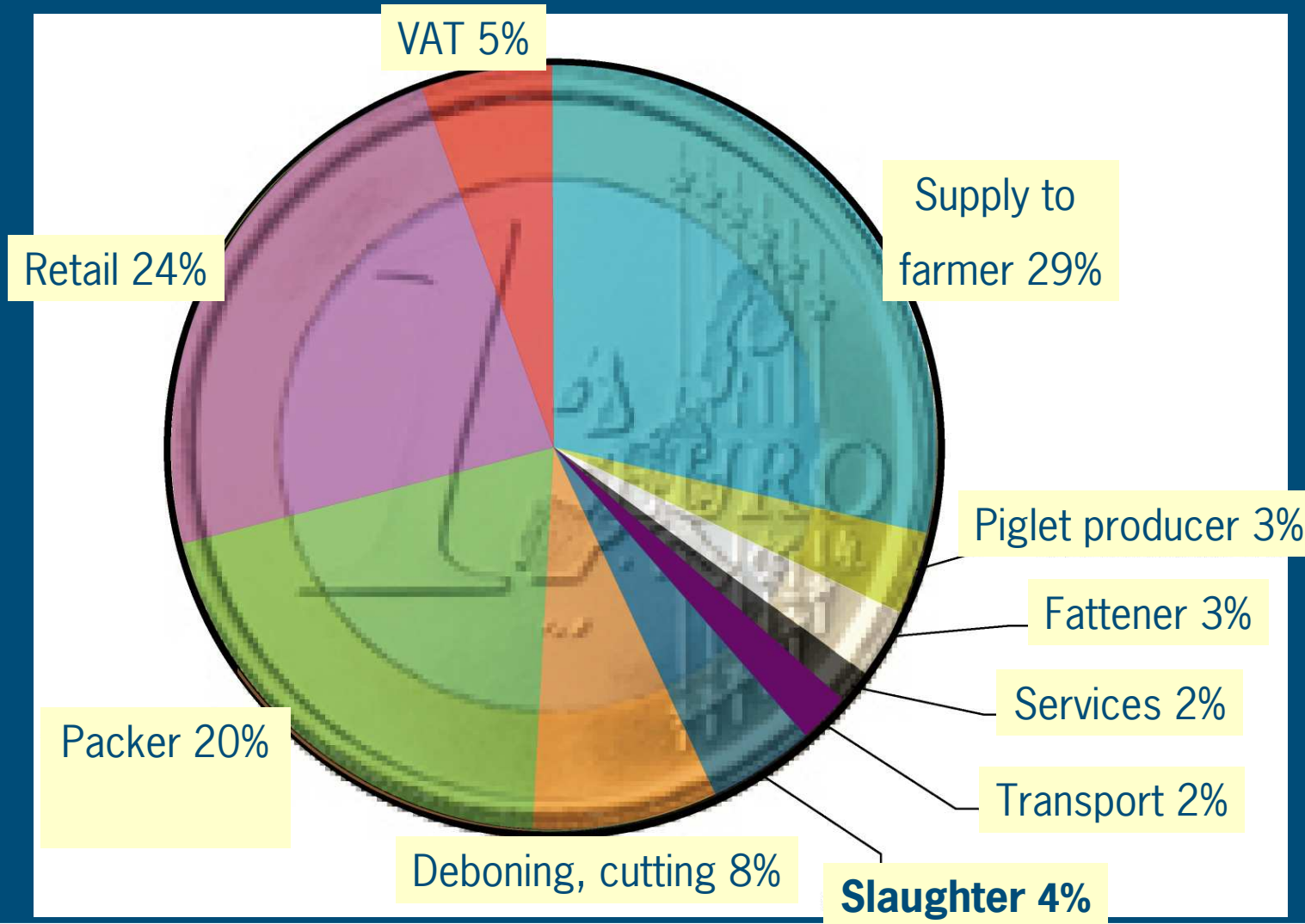
# Production cost of supply chain



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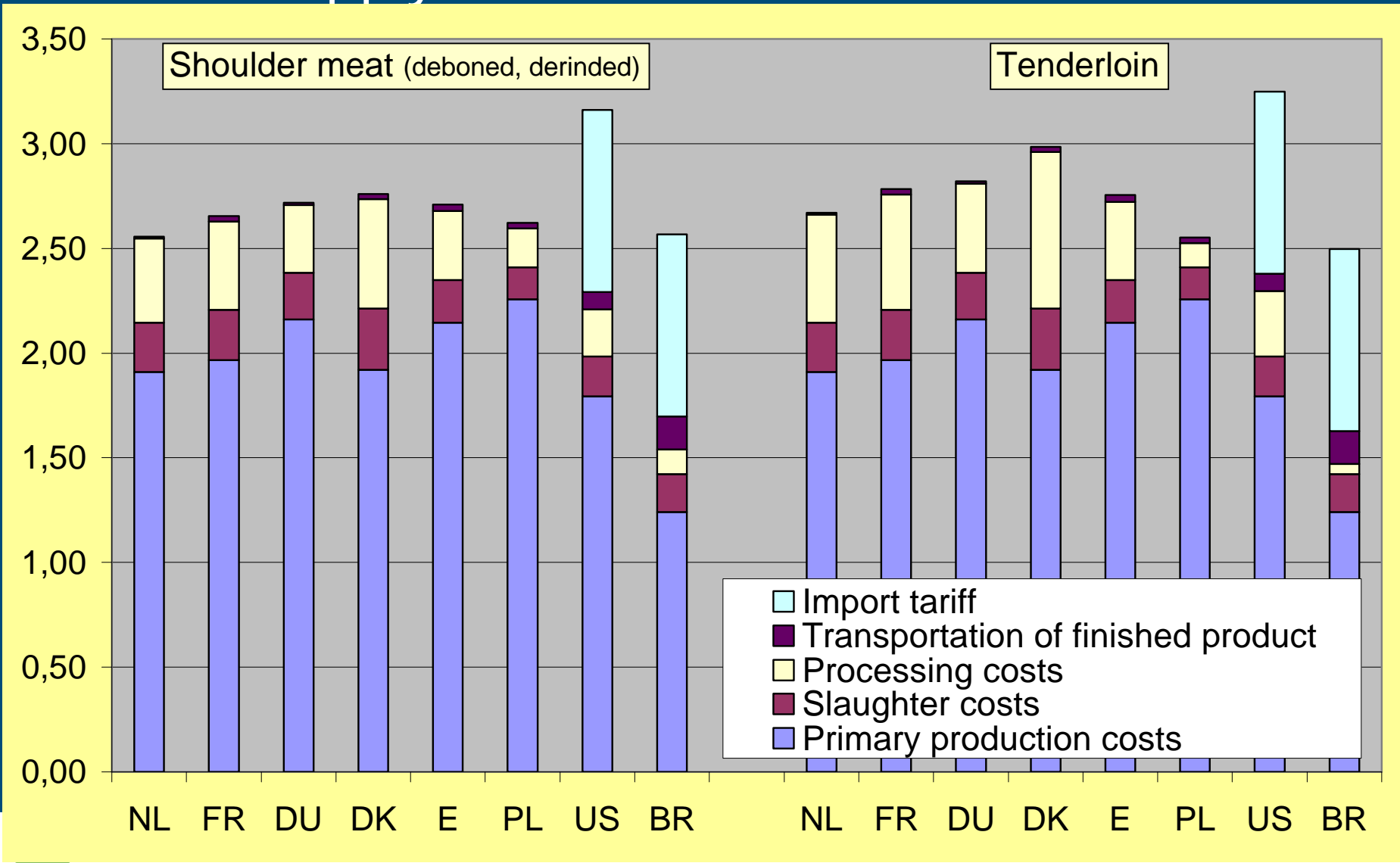
# Consumer euro



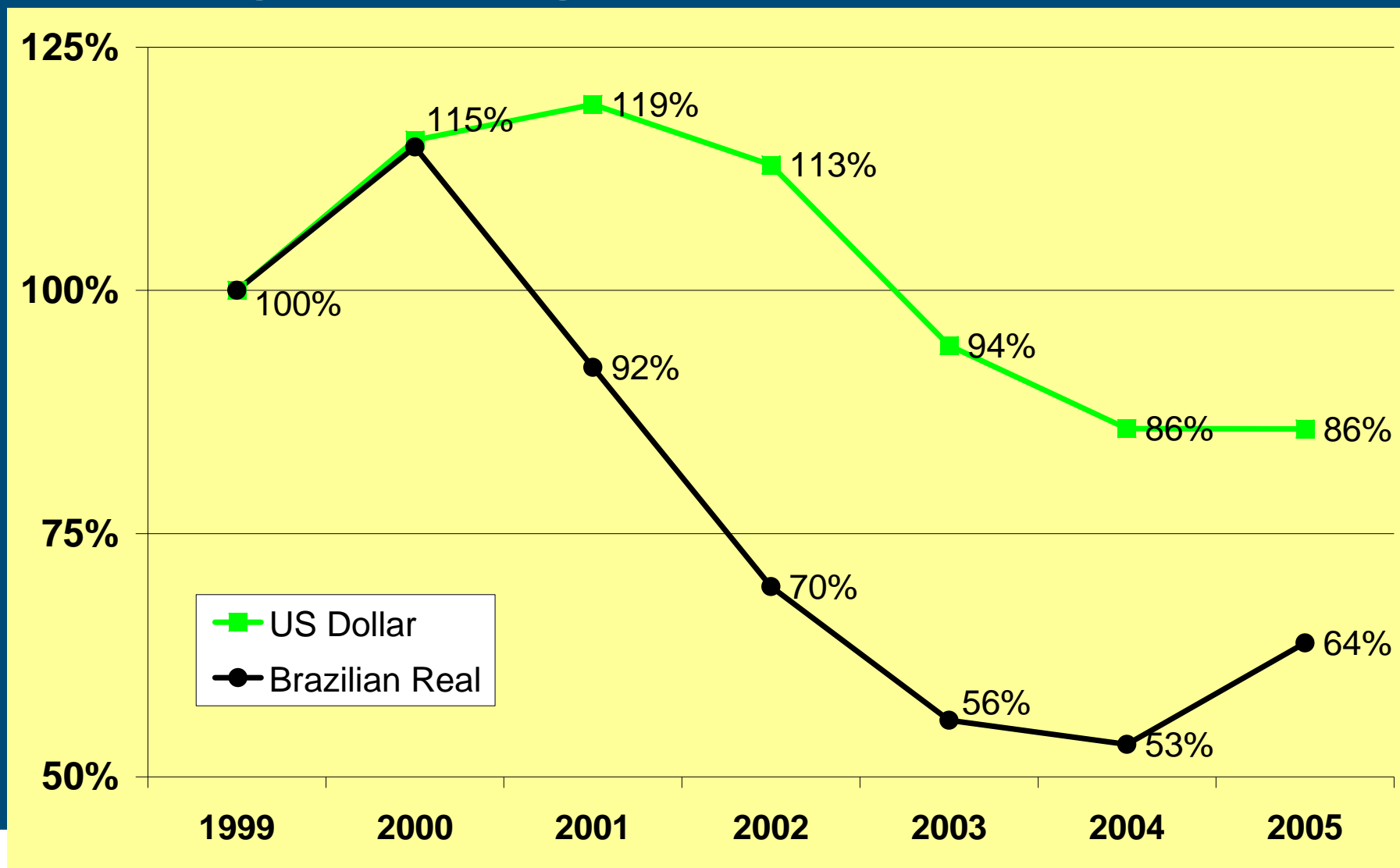
# Production cost of supply chain

- Two products: Shoulder meat and Tenderloin
- From 8 countries to the German market
- Costs:
  - Slaughter and processing costs
  - Transport
  - Import levies
- Professional estimate based on Dutch situation
  - Specified per country
- Cost  $\neq$  market price

# Cost of supply chain to German market



# Exchange rates (against €, 1999=100%)





# Opportunities for the new EU Member States



# Pig sector Poland

- Small-scaled and fragmented
- Low performance
- Low willingness to cooperate
- Credit facilities are uncommon
- Large-scale integrations discover societal resistance
  
- And the future?

# Critical factors for new Member states

- Credit facilities
- Farm comparison
- Infrastructure
- Communication (within supply chain and with society)



# Critical factors new Member states

- Disease eradication plan
- Use of genetic hybrids
- Professional organisation of the supply chain
- Don't forget: The glass is half-full, not half-empty

# Thank you for your attention

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