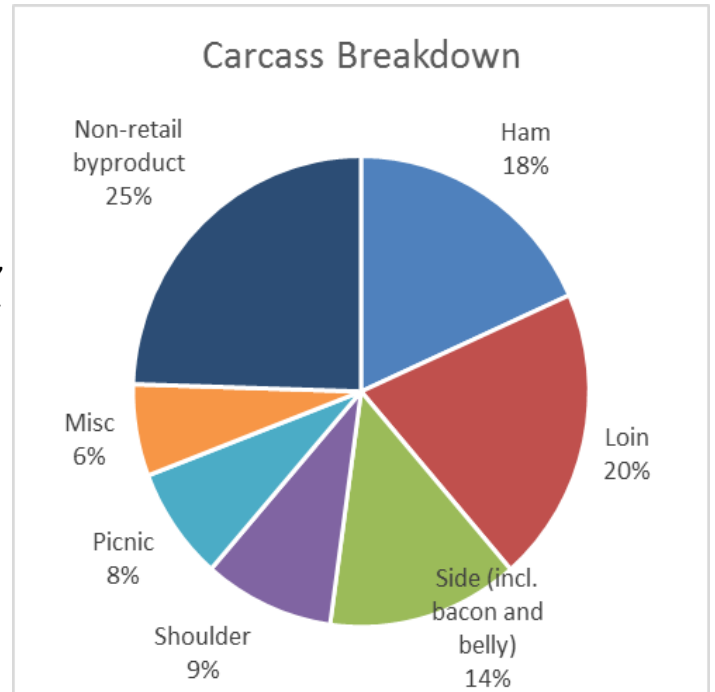# Sector Summary: Pigs

Trade and supply chains:

- When we leave the EU, high tariffs (import tax) will be placed on UK exported to the EU, with relatively low tariffs on EU imports to the UK. With exporters paying tariffs, this will mean that it will cost more for the UK to export pig meat to the EU , which is currently a key market for cull sow carcases and offal. For example, fresh carcases, worth around 65p/kg, will face a tariff under WTO tariffs of 46p/kg, reducing the value by approximately £39/head.

- The UK imports large quantities of certain cuts such as loin and leg. In the medium to long term the industry may wish to adapt pig meat products (e.g. by changing cuts or new methods of processing) or develop alternative markets for lower-demand parts of the carcase, to create a new carcase balance.

- https://www.gov.uk/prepare-export-from-uk-after-brexit

Carcass Breakdown

- Non-retail byproduct 25%
- Ham 18%
- Loin 20%
- Side (incl. bacon and belly) 14%
- Shoulder 9%
- Picnic 8%
- Misc 6%

Inputs:

- With 90% of livestock medicines coming from the EU and delays to imports at borders predicted for up to several months are predicted. It is advisable to discuss your medicine needs with your vet to identify where it might be appropriate to increase your stock carried, and where this could be counterproductive. If possible stock up on routine medicines that can be bought ahead of time.

- Prices of cereal for feed are not predicted to increase significantly given that the UK has not placed tariffs on imported grain, although a drop in the pound in the case of No Deal may have some impact.

- A number of companies import breeding animals, semen genetic material, e.g. semen, embryos ior embryos or germplasm into the UK from the EU. Assess the source of your breeding inputs and consider alternatives.

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The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

SR DP **Farm Advisory Service**

National Advice Hub
T: 0300 323 0161
E: advice@fas.scot
W: www.fas.scot

Workforce

- With 90% of pig farm businesses employing migrant labourers on a permanent basis (NPA), of which 93% are from the EU, the question of whether or not EU labour will be permitted to stay is hugely important from day one for the pig sector.
- Pig meat processing is also highly dependent on EU labour, and agriculture has not been designated a priority sector for shortage occupations after Brexit.
- Farmers should begin looking into alternatives for migrant labour, and be prepared to budget more for staff costs in the coming months as businesses will be competing for a smaller pool of staff.
- Businesses should also look into supporting EU staff in securing residency if at all possible, given the year-round calendar for production and processing unlike other agriculture sectors. Advice on how to apply for settlement status can be found at https://www.gov.uk/eusettledstatus

For further information on steps to take to increase your business' resilience in a No Deal Brexit, see our online checklist at : **https://www.fas.scot/rural-business/brexit/preparing-for-no-deal/**

No issues expected	• Global demand for British pork, which is known for quality and food safety assurance • Supply of grain or feed, or significant changes in their price
Known issues	• Shortage of labour, on farm and in processing • Cull sow market under EU tariffs appears unviable – need to address carcase balance, i.e. finding a more viable cull sow carcase market
Unknown issues	• Impact of tariffs and trade on other meat markets, and subsequent impact on demand for pork • Impact of non-tariff barriers on imports of breeding stock, semen or veterinary products.

Opportunities:

- Higher welfare production and food safety standards are a Unique Selling Point for UK producers.
- High interest and demand in non-EU markets, particularly in east Asia – more opportunity than other sectors

Pigs	
Subsidy reliance	Low
EU market access	Medium
Trade Trade vulnerability to non EU imports	High
Reliance on other at risk sectors	Medium
Labour - farm	Medium
Labour - processing	High
Logistics	Low
Processing	Medium

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