Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Required Report - public distribution

Date: 8/4/2000

GAIN Report #UK0030

United Kingdom

Livestock and Products

Annual

2000

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Report Highlights: British beef is continuing to struggle to make any impact on international meat markets. However, the domestic market remains buoyant and production is forecast up 24,000 MT in CY2000, the first year a significant increase will have occurred since the BSE crisis broke in 1996. In the hog industry, the severe contraction of the UK breeding herd in CY1998 continues to reverberate through the sector, reducing domestic supplies and increasing the reliance on imports which are forecast to rise both in CY2000 and CY2001.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
London [UK1], UK

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SECTION I: Situation & Outlook

Cattle & Beef

As previously forecast, prime cattle slaughterings fell by just over 2 percent in CY1999 to approximately 2.2 million head. Within this total, steer slaughter volumes ended the year down 8 percent at 1.05 million head while heifer slaughterings rose for the third year running to reach 878,000 head. As a result, the proportion of heifers in the total kill rose to 39 percent, leading to a further disproportionate decline in the average carcase weight. In the first half of CY2000, the total slaughter volume has increased over 5 percent on the same period a year earlier. Indeed, CY2000 is forecast to see a total slaughter volume increase of around 125,000 head to over 2.4 million. This increase is largely a reflection of the finishing of the first of the dairy calves retained after the end of the Calf Processing Aid Scheme (CPAS) in July of 1999. Within the total CY2000 kill, calf slaughterings are forecast to reach just 128,000 head - according to the British Cattle Movement Service (see Appendix) around a third of calves that might otherwise have been disposed of under the CPAS are being registered and presumably being put into finishing systems. Hence, the low official calf slaughter volume seen thus far this year indicates that a high number of calves are still being disposed of via unrecorded routes such as knacker yards and hunt kennels, a reflection of the low prices for bobby calves. CY2000 is also expected to see another high proportion of heifers in the total kill, further reducing average carcase weights such that beef production is forecast to be up by less than the increase in slaughterings to around 700,000 tonnes. CY2000 is forecast to be the first year a significant increase in beef production has occurred since the BSE scandal broke in March of 1996. More and more dairy farmers are now reported to be crossing dairy cows with beef bulls to improve the value of their calves. As a consequence, more calves are expected to be put into finishing systems as this year progresses meaning that CY2001is forecast to see a further rise in prime slaughterings, currently forecast up 2 percent at over 2.3 million head. Calf slaughterings through officially recorded channels are forecast to remain steady.

Cow disposals through the Over Thirty Month Scheme (OTMS) remained high in CY1999, topping 900,000 head, up 8 percent on the previous year. Current throughput of the scheme suggests a similarly high volume in CY2000, underpinned by an increased number of dairy cattle from enterprises that are either closing or scaling back on cow numbers as a consequence of the difficult market conditions and falling milk prices in the sector. Also expected to prolong the long-term anticipated decline in the throughput of the OTMS is the recent approval to increase the maximum weight upon which compensation is payable under the OTMS, thereby increasing the attractiveness of the scheme. That said, a decline in CY2001 throughput of the OTMS is currently forecast to around 850,000 head. As a consequence, a decline in the post’s "loss" category has been factored into the forecasts.

In the long term it is expected that the UK’s breeding herd will contract. In particular, pressure in the dairy sector shows little sign of abating and with yield potentials yet to be fully utilized there is every chance for the dairy sector to become more concentrated.

Market commentators are forecasting a decline in beef import volumes in CY2000 after the sharp rise last year. However, official trade data for the first three months of CY2000 show imports up on CY1999. Although imports from the Irish Republic (which was the source of virtually all of the increase in CY1999) are expected to fall in the latter part of this year in line with the decline in production there, empty intervention stocks will mean demand for imported beef, particularly for processing, is expected to rise. As previously suggested a greater share of this import volume is expected to be sourced from third countries although Ireland will remain by far the largest source for imported beef in the UK. A notable increase in imports from Brazil was recorded in the first three months of this year. Both the quantity of fresh/chilled and frozen beef increased but most of the rise was in frozen boneless cuts as would be expected given that supplies of frozen intervention beef have been exhausted. Post forecasts the total CY2000 import volume to remain at around 280,000 tonnes.

In mid-March, the German Bundesrat agreed to lift its ban on imports of British beef, effective April 1. Given the reported strong consumer resistence in Germany it is unlikely this move will lead to any substantial exports to the region. However, industry sources do hope that the lifting of the ban by Germany will provide a positive signal to other potential markets for British beef. The move means that France now stands alone in the EU in its refusal to accept imports of British beef, contrary to EU legislation. While legal action was launched against France at the European Court of Justice in early January the expectation is that no ruling will be made until late 2001. France's counter action, based on the pretense that the EU's action in lifting the British beef export ban was failing to protect consumers health, was recently thrown out of court.

It remains that only two abattoirs, one in Scotland and one in England, are dedicated to the requirements of the Date Based Export Scheme (DBES). The many operating restrictions placed on eligible abattoirs have acted as a disincentive to those considering entering the scheme. Market commentators hope that the recent decision to relax the most contentious of the rules such that export-approved abattoirs may now supply beef on the bone to the domestic market, may boost scheme participation and in turn lead to an upturn in export volumes (until now cutting plants exporting beef were restricted to processing boneless beef and banned from supplying beef on the bone to the UK market). While commercial trade is beginning to build some momentum, it is very limited. Those trades that have been reported as success stories in the UK media include a set of orders placed by Greek importers following a promotional British beef dinner in Athens in February. The image of British beef was also given a boost by a two-day visit to Britain for top European chefs, restauranteurs and hoteliers organized by the UK's Meat & Livestock Commission (MLC) and hosted by Prince Charles. Indeed, this latter public relations effort epitomizes the work being undertaken by the MLC to promote British beef abroad. The MLC has also organized promotions at a number of trade shows in Greece, Spain, Belgium and Italy, and organized visits to the UK by representatives of both French and Italian consumer associations so that they could see first hand the workings of the DBES and the British Cattle Movement Service.

July saw the first shipments of British veal since the EU ban was lifted (the UK Government outlawed the use of close confinement veal crates in 1990 - this ban will not become effective across Europe until 2006). The trade is the result of a project developed to supply welfare friendly veal. The British veal was reported to be destined for markets in Belgium and Italy. However, while the trade has high hopes of an increase in this business, the overall export market for British beef remains very difficult. Although the number of recorded small, specialist contracts are on the increase, thereby paving the way for larger contracts in the future, it is expected to be quite some time until any significant beef export tonnages are seen.

With the final sale of intervention beef from UK intervention stores having taken place in mid-April these stores are now virtually empty. However, some of what was held in private stores for use by manufacturers has now begun to appear on the market. With import volumes remaining buoyant, supplies available for consumption are expected to themselves remain strong in CY2000. Data for the first half of CY2000 show that steak, mince and burger sales are all up on last year, the former largely due to several price promotions. Total supplies of beef are expected to drop back marginally in CY2001 in the absence of any intervention stock releases. Private stores of beef are expected to remain high in CY2000 as a consequence of the favorable exchange rates which thus far this year have encouraged traders to import for the purpose of storing. Whether this trend continues into

CY2001 will largely depend on domestic prices and the strength of the pound.

Hogs & Swine Meat

The impact of the severe contraction of the UK breeding herd in CY1998 following the crisis-induced record slaughter volume of the same year continues to reverberate through the sector. The slaughter volume in CY1999 reached 14.7 million head, down almost 10 percent on the previous year but remaining high, largely a consequence of producers being unable to replace sows in 1998 because of their low values and so increasing the cull due to the higher age profile of the herd. CY2000 has seen slaughter volumes fall, partly as a result of the continued decline in the breeding herd but also due to two recent disease outbreaks in the east of the country which have increased mortality in weaners (Postweaning Multisystemic Wasting Syndrome and Porcine Dermatitis Nephropathy Syndrome). As such the CY2000 slaughter volume is forecast at just 13.1 million head, down a further 11 percent, but slowing as the year progresses.

The sector remains under a great deal of pressure and although both sales and stock values are rising, many farmers are still reported to be at the break even point. When the large debts of many farmers are taken into consideration, the rationalization seen across the sector is forecast to continue through 2000 and beyond. It is expected that it will not be until 2001 that a rise in sow numbers will be seen as some of the more efficient farmers again begin to expand their herds. The industry will be more concentrated, with fewer producers keeping more pigs and producers becoming increasingly focused on productivity. The forecast lack of expansion in the breeding herd in the second half of 2000 means that a further fall in clean pig slaughterings is forecast for CY2001, to less than 13 million head, the lowest kill since CY1975.

The decline in slaughter volumes in recent years has inevitably impacted on pigmeat production. CY1999 saw a disproportionate decline in pork availability. The fall in slaughter volume in CY2000 will likely cause a further tightening of supply, production in line with previous forecasts at 1.1 million tonnes, down almost 9 percent. The steadying in slaughter volume forecast for CY2001 should have a stabilizing effect on production, currently also forecast at 1.1 million tonnes.

The reduced domestic pig meat supplies and continued supplies on the Continent have weighed on the export volume in CY2000. Exports to EU destinations in the first three months fell, the main market Germany down 2000 metric tonnes or 13 percent. Exports to non-EU countries were little changed at around 10,000 metric tonnes although much of this was a result of food aid shipments to Russia balancing with losses elsewhere. As such, exports are forecast slightly down in CY2000 with the tight supplies forecast to limit exports in CY2001.

Live pig exports fell in 1999. As well as less cross border trade with the Irish Republic, much fewer slaughter pigs were exported to Spain, just one of a few countries which continues to expand its herd.

Aided by the strength of sterling imports rose in CY1999 since imported pigmeat remained competitively priced. In particular, the large increase from the Netherlands was reported to be largely made up of bone-in cuts. Although bacon imports fell in 1999, more was sourced from the Netherlands, reducing Denmark’s dominant share of this market to just under 50 percent. The reduction in production in CY2000 will see a further increase in imports, the increase expected to be more marked in the first half of the year.

With the increase in imports of pork, supplies in CY1999 fell just 3 percent. The decline in supplies has been felt in both the catering and retail sectors to relatively equal degrees. Despite the further rise in imports in CY2000, supplies available for consumption are still expected to decline by around 3 percent compared with CY1999. Any growth in imports in CY2001 is expected to be less than in CY2000 - the anticipated reduction in availability of EU supplies leading to a firming of Continental prices and a narrowing of the differential between the UK and the Continent thus reducing the latter's attractiveness as a source of product.

SECTION II: Statistical Tables

PSD - Meat, Beef & Veal

Country	United Kingdom					
Commodity	Meat, Beef and Veal				(1000 MT CWE)(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Slaughter (Reference)	2292	2293	2386	2414	0	2463
Beginning Stocks	163	163	117	134	0	120
Production	678	678	691	702	0	715
Intra EC Imports	132	140	128	135	0	133
Other Imports	134	139	137	145	0	142
TOTAL Imports	266	279	265	280	0	275
TOTAL SUPPLY	1107	1120	1073	1116	0	1110
Intra EC Exports	9	9	13	15	0	20
Other Exports	1	1	2	2	0	5
TOTAL Exports	10	10	15	17	0	25
Human Dom. Consumption	980	976	968	979	0	970
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	980	976	968	979	0	970
Ending Stocks	117	134	90	120	0	115
TOTAL DISTRIBUTION	1107	1120	1073	1116	0	1110
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

PSD - Animal numbers, Cattle

Country	United Kingdom					
Commodity	Animal Numbers, Cattle				(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Total Cattle Beg. Stks	11237	11237	10761	11281	0	11268
Dairy Cows Beg. Stocks	2900	2920	2850	2884	0	2800
Beef Cows Beg. Stocks	2155	2195	2120	2154	0	2100
Production (Calf Crop)	3356	3356	3550	3367	0	3330
Intra EC Imports	3	3	3	3	0	3
Other Imports	1	0	1	1	0	1
TOTAL Imports	4	3	4	4	0	4
TOTAL SUPPLY	14597	14596	14315	14652	0	14602
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	0	0	0	0	0	0
Cow Slaughter	0	1	0	2	0	2
Calf Slaughter	75	75	120	128	0	120
Other Slaughter	2217	2217	2266	2284	0	2341
Total Slaughter	2292	2293	2386	2414	0	2463
Loss	1544	1022	1077	970	0	889
Ending Inventories	10761	11281	10852	11268	0	11250
TOTAL DISTRIBUTION	14597	14596	14315	14652	0	14602
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Imports matrix - Meat, Beef & Veal

Country	United Kingdom		Units:	MT
Commodity	Meat, Beef and Veal		Partial Begin	January
			Partial End	March
Exports for:	1998	1999	1999	2000
	Full	Full	Partial	Partial
U.S.			644	
Others				
Irish Republic	72178	90845	20840	23669
Netherlands	8412	10325	3452	2029
Germany	3545	241	175	
France	1806	6569	877	762
Spain		950		420
Denmark		907		
Other EU	7007	6598	2590	2033
>Total EU	92948	116435	27934	28913
Brazil	41658	59048	9054	15808
Argentina	9228	9777	3118	2253
Uruguay	12569	9918	2536	1979
Zimbabwe	4717	6314	906	686
Australia	8963	7763	1518	906
Botswana	4422	5537	417	399
Namibia	5171	6635	610	334
New Zealand	4050	441	201	
Other Non-EU	12972	3619	451	852
>Total Non-EU	103750	109052	19455	23217
Total for Others	196698	225487	46745	52130
Others not Listed				
Grand Total	196698	225487	47389	52130

Exports matrix - Meat, Beef & Veal

Country	United Kingdom		Units:	MT
Commodity	Meat, Beef and Veal		Partial Begin	January
			Partial End	March
Exports for:	1998	1999	1999	2000
	Full	Full	Partial	Partial
U.S.				
Others				
Irish Republic	3237	2422	601	685
Netherlands	291	2195	37	518
Germany	893	753	78	41
Italy	266	313	99	38
France	250	260	94	19
Spain	274	191	80	
Portugal	213	21		
Other EU	1084	867	85	238
>Total EU	6508	7022	1074	1539
Sweden	426	74	30	
Other Non-EU	447	334	93	77
>Total Non-EU	873	408	123	77
Total for Others	7381	7430	1197	1616
Others not Listed				
Grand Total	7381	7430	1197	1616

Imports matrix - Animal numbers, Cattle

Country	United Kingdom		Units:	Head
Commodity	Animal Numbers, Cattle		Partial Begin	January
			Partial End	March
Exports for:	1998	1999	1999	2000
	Full	Full	Partial	Partial
U.S.				
Others				
Irish Republic	1654	1491	404	1284
Netherlands	622	919	263	7
Other EU	668	397	13	5
>Total EU	2944	2807	680	1296
Canada	444	229	160	92
Other Non-EU	42	0	0	56
>Total Non-EU	486	229	160	148
Total for Others	3430	3036	840	1444
Others not Listed				
Grand Total	3430	3036	840	1444

Price table - Meat, Beef & Veal

Country	United Kingdom		
Commodity	Meat, Beef and Veal		
Prices in	pence	per uom	kilogram
Year	1999	2000	% Change
Jan	1139	1181	3.69%
Feb	1143	1195	4.55%
Mar	1145	1176	2.71%
Apr	1175	1161	-1.19%
May	1144	1153	0.79%
Jun	1197	1182	-1.25%
Jul	1188		-100.00%
Aug	1191		-100.00%
Sep	1186		-100.00%
Oct	1185		-100.00%
Nov	1178		-100.00%
Dec	1191		-100.00%
Exchange Rate	0.67	Local currency/US $	

Source & Contract Terms: Sirloin Steak Retail Price, England & Wales, Meat & Livestock Commission (MLC), UK Market Survey

Price table - Cattle

Country	United Kingdom		
Commodity	Animal Numbers, Cattle		
Prices in	pence	per uom	kilogram
Year	1999	2000	% Change
Jan	89.48	91.82	2.62%
Feb	90.94	91.07	0.14%
Mar	90.67	90.66	-0.01%
Apr	91.75	91.48	-0.29%
May	92.6	89.97	-2.84%
Jun	93.8	93.1	-0.75%
Jul	90.83		-100.00%
Aug	89.11		-100.00%
Sep	87.77		-100.00%
Oct	87.81		-100.00%
Nov	91.49		-100.00%
Dec	94.28		-100.00%
Exchange Rate	0.67	Local currency/US $	

Source & Contract Terms: Average Prices, Medium Steers, (465 - 555 kg) Liveweight, England & Wales, Meat & Livestock Commission (MLC), UK Market Survey

PSD - Meat, Swine

Country	United Kingdom					
Commodity	Meat, Swine				(1000 MT CWE)(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Slaughter (Reference)	14730	14729	13401	13144	0	12920
Beginning Stocks	20	20	19	23	0	19
Production	1200	1199	1133	1090	0	1078
Intra EC Imports	493	513	495	530	0	540
Other Imports	4	4	5	6	0	6
TOTAL Imports	497	517	500	536	0	546
TOTAL SUPPLY	1717	1736	1652	1649	0	1643
Intra EC Exports	185	191	170	160	0	155
Other Exports	33	35	29	25	0	25
TOTAL Exports	218	226	199	185	0	180
Human Dom. Consumption	1480	1458	1434	1421	0	1443
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	1480	1487	1434	1445	0	1443
Ending Stocks	19	23	19	19	0	20
TOTAL DISTRIBUTION	1717	1736	1652	1649	0	1643
Calendar Yr. Imp. from U.S.	2	3	3	4	0	4
Calendar Yr. Exp. to U.S.	4	4	4	3	0	3

PSD - Animal numbers, Swine

Country	United Kingdom					
Commodity	Animal Numbers, Swine				(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
TOTAL Beginning Stocks	7554	7554	7050	7037	0	6950
Sow Beginning Stocks	705	705	655	652	0	640
Production (Pig Crop)	14444	14444	13420	13563	0	13100
Intra EC Imports	166	180	200	200	0	200
Other Imports	0	0	0	0	0	0
TOTAL Imports	166	180	200	200	0	200
TOTAL SUPPLY	22164	22178	20670	20800	0	20250
Intra EC Exports	173	169	150	145	0	135
Other Exports	2	6	0	2	0	2
TOTAL Exports	175	175	150	147	0	137
Sow Slaughter	357	357	331	318	0	302
OTHER SLAUGHTER	14373	14372	13070	12826	0	12618
Total Slaughter	14730	14729	13401	13144	0	12920
Loss	209	237	144	559	0	218
Ending Inventories	7050	7037	6975	6950	0	6975
TOTAL DISTRIBUTION	22164	22178	20670	20800	0	20250
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Imports matrix - Meat, Swine

Country	United Kingdom		Units:	MT
Commodity	Meat, Swine		Partial Begin	January
			Partial End	March
Exports for:	1998	1999	1999	2000
	Full	Full	Partial	Partial
U.S.	0	2647	450	601
Others				
Denmark	192211	184071	44096	46631
Netherlands	138324	161025	29774	48437
Irish Republic	42227	48811	12077	12352
France	26110	33901	7637	8353
Germany	6375	12217	2449	2915
Belgium-Lux	3453	10939	2589	5272
Italy	1062	1669	300	
Other EU	29989	15730	2909	4241
>Total EU	439751	468363	101831	128201
Poland	1055	1166	269	252
Other Non-EU	3465	257	0	47
>Total Non-EU	4520	4070	719	900
Total for Others	444271	469786	102100	128500
Others not Listed				
Grand Total	444271	472433	102550	129101

Exports matrix - Meat, Swine

Country	United Kingdom		Units:	MT
Commodity	Meat, Swine		Partial Begin	January
			Partial End	March
Exports for:	1998	1999	1999	2000
	Full	Full	Partial	Partial
U.S.	3548	3810	1074	714
Others				
Germany	68193	67771	15790	13741
Netherlands	36764	35767	5944	5253
Italy	15297	15167	4325	4780
France	22864	21512	7449	3545
Irish Republic	14457	18283	4707	5677
Denmark	6056	5986	1900	1104
Portugal	4231	4184	1193	951
Other EU	17459	21360	3750	3765
>Total EU	185321	190030	45058	38816
Japan	5097	5359	1448	1653
Hong Kong	5879	6162	1666	1847
Hungary	967	802	687	236
Russia	3995	5301	0	590
Poland	3841	3891	1790	233
Gibraltar	271	280	54	
Czech Republic	409	350	137	
Other Non-EU	8600	9026	3677	5065
>Total Non-EU	32607	34981	10533	10338
Total for Others	214380	221201	54517	48440
Others not Listed				
Grand Total	217928	225011	55591	49154

Imports matrix - Animal numbers, Swine

Country	United Kingdom		Units:	Head
Commodity	Animal Numbers, Swine		Partial Begin	January
			Partial End	March
Exports for:	1998	1999	1999	2000
	Full	Full	Partial	Partial
U.S.	0	0	0	
Others				
Irish Republic	198230	179345	20990	64920
Other EU	4944	906	849	172
>Total EU	203174	180251	21839	65092
Total for Others	203174	180251	21839	65092
Others not Listed				
Grand Total	203174	180251	21839	65092

Exports matrix - Animal numbers, Swine

Country	United Kingdom		Units:	Head
Commodity	Animal Numbers, Swine		Partial Begin	January
			Partial End	March
Exports for:	1998	1999	1999	2000
	Full	Full	Partial	Partial
U.S.			0	
Others				
Belgium-Lux	18135	11301	3431	4375
Netherlands	35168	20908	5408	6830
Germany	55855	54775	11716	12456
Spain	33446	4420	983	6411
Irish Republic	79427	58019	12091	3227
Other EU	23135	18964	6122	2262
>Total EU	245166	168387	39751	35561
Canada	1036	391	158	
Japan	1049	637	116	157
Other Non-EU	3381	5060	324	323
>Total Non-EU	5466	6088	598	480
Total for Others	250632	174475	40349	36041
Others not Listed				
Grand Total	250632	174475	40349	36041

Price table - Meat, Swine

Country	United Kingdom		
Commodity	Meat, Swine		
Prices in	pence	per uom	kilogram
Year	1999	2000	% Change
Jan	377	367	-2.65%
Feb	342	366	7.02%
Mar	343	345	0.58%
Apr	350	344	-1.71%
May	354	341	-3.67%
Jun	355	346	-2.54%
Jul	352		-100.00%
Aug	351		-100.00%
Sep	352		-100.00%
Oct	346		-100.00%
Nov	361		-100.00%
Dec	365		-100.00%
Exchange Rate	0.67	Local currency/US $	

Source & Contract Terms: Fillet End Leg Retail Price, England & Wales, Meat & Livestock Commission (MLC), UK Market Survey

Price table - Animal numbers, Swine

Country	United Kingdom		
Commodity	Animal Numbers, Swine		
Prices in	pence	per uom	kilogram
Year	1999	2000	% Change
Jan	45.87	59.18	29.02%
Feb	56.25	61.12	8.66%
Mar	60.9	72.47	19.00%
Apr	71.2	75.2	5.62%
May	67.05	72.1	7.53%
Jun	68.56	75.41	9.99%
Jul	64.44	79.15	22.83%
Aug	62.35		-100.00%
Sep	60.24		-100.00%
Oct	61.05		-100.00%
Nov	60.33		-100.00%
Dec	59.7		-100.00%
Exchange Rate	0.67	Local currency/US $	

Source & Contract Terms: Fatstock Auction Market Prices, Pork Pigs, (40 - 67 kg) Liveweight, Ministry of Agriculture, Fisheries & Food (MAFF), Agricultural Market Report

Appendix: Animal Identification Program - Cattle

Cattle Tracing is an integral part of the UK Government's efforts to improve consumer confidence in beef. A computerized Cattle Tracing System (CTS) was launched in Great Britain on 28 September 1998. A similar system also exists in Northern Ireland.

The UK's CTS is the fourth element in a comprehensive system of cattle identification and registration. Data relating to where cattle are kept is recorded by the Government so that the animals can be traced for a variety of reasons, including animal disease. The four elements of the cattle identification and registration system are as follows:

- Tagging - Cattle must have a unique number. Cattle numbers are recorded on two eartags per animal, one in each ear;
- Farm records - Records of cattle births, imports, movements and deaths must be kept by farmers;
- Passports - Cattle must have passports, recording where they have been throughout their lives;
- The CTS - A computer based system to register cattle in Great Britain and their movements from birth to death. The CTS records the identification and death of cattle registered since July 1996 and, additionally, the movements from birth to death of cattle issued with passports from 28 September 1998.

The CTS makes it possible to check which animals are present on a holding, check where an animal has been during its life, trace animals exposed to a disease risk, give assurances to buyers about an animal's life history, and so strengthen consumer confidence in beef.

The CTS is run by the British Cattle Movement Service (BCMS) and is part of the Ministry of Agriculture, Fisheries and Food (MAFF). The Government paid for setting up the CTS and is currently paying for its operation. It had planned to recover the costs of running the CTS from industry from September 1999. However, in view of the depressed state of the market, the Minister announced on 20 September, 1999 that the Government would meet the CTS costs itself and would not impose charges before 2002/2003 at the earliest.