

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Livestock and Products Report

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Livestock and Products

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Report Highlights:

In 2015 swine inventories decreased by 4 percent due to reduced prices and export restrictions of pork caused by outbreaks of African Swine Fever (ASF). The outbreak of ASF and continuation of the Russian import ban in 2016 are the major factors adversely affecting the Latvian swine production later in 2016 and in 2017. Production of pork in 2016 is expected to increase by 7 percent because of reduction of inventories and higher slaughter stemming from unfavorable economic conditions for swine production. Cattle inventories are expected to increase in 2016 because growing numbers of beef cattle will offset reduction in the dairy cow herd.

General Information:

Swine

Production

At the beginning of 2016 inventories of swine amounted to 334,000 head and are expected to decrease towards the end of the year and on into 2017. At the beginning of 2016 the number of breeding sows amounted to 24,000 head and was 11 percent lower than a year earlier. The outbreak of ASF in the wild boar population in June 2014 and domestic swine in June 2015 resulted in restrictions on exports of live pigs and pork that adversely affected the Latvian swine industry (see also FAS Warsaw Report *“Expansion of African Swine Fever in Poland and Baltic Countries. Warsaw Poland 11-7-2016”*). Reduction of farm-gate prices for swine in 2015 and restrictions on sale of pigs in the areas affected by ASF force farmers to increase slaughter and reduce herds.

Consumption

Slaughter of swine in 2016 is expected to be 7 percent higher than a year ago because of continuing reduction of inventories. It is expected that slaughter weight will increase in 2016 because of delays in procurement of pigs in the areas affected by ASF and fluctuations of farm-gate prices for swine.

Trade

In 2015 Latvia exported 170,836 head of swine mainly to Lithuania and Poland. Exports of swine in 2015 were four percent lower than in 2014 because of reduced shipments to Poland. Reduction of swine inventories accompanied by ASF restrictions are expected to further limit exports of swine in 2016. In the first eight months of 2016 exports of swine was reduced by 23 percent in comparison to the same period of 2015. Over 90 percent of total exports to Poland consisted of piglets while exports to Lithuania consisted mostly of slaughter hogs. Russia used to be the major market for exports of Latvian swine, however, an increase of tariffs followed by introduction of the import ban in August 2014 reduced exports from 163,000 head in 2011 to zero in 2015. In the first 8 months of 2016 exports of swine were reduced by 6 percent in comparison to the same period of 2015. Latvian imports of swine in the first eight months of 2016 amounted to 6,720 head, almost a 50 percent reduction compared to the same period of 2015.

Pork

Production

It is estimated that pork output in 2016 will amount to 24,900 MT and will be 7 percent higher than in 2015. Higher pork output will result from increased slaughter. In 2015 the share of pork in the total volume of meat accounted for 42 percent, as compared to 35 percent for poultry meat and 22 percent for beef.

Trade

Latvia is a net importer of pork. In 2015 imports of pork amounted to 32,212 MT. In the first eight months of 2016 imports of pork were 30 percent lower than in the same period of 2015 because of higher domestic supplies and reduced shipments from Poland, Lithuania and Germany. Major suppliers of pork are Poland and Estonia. In 2015 overall exports of pork amounted to 3,711 MT, a 40 percent drop compared to the previous year because of the Russian import ban.

Cattle

Production

In December 2015 cattle inventories amounted to 419,000 head and were one percent lower than a year ago. The decrease of cattle inventories in 2015 resulted from a three percent reduction of dairy cow inventories because of the crisis in the dairy industry. Inventories of cattle are expected to grow in 2016 because of the growing popularity of beef cattle production. Growing interest in the development of beef cattle production stems from the difficult situation on the dairy market, so farmers look for alternative or additional sources of income. In Latvia production of beef cattle is also perceived as pro-organic production which is in line with a general policy of the government.

Consumption

Slaughter of cattle in 2015 was one percent higher than a year ago because of increased culling rate of dairy cows resulting from low level of farm-gate milk prices. It is expected that slaughter of cattle will decrease in 2016 due to higher exports.

Trade

In 2015 Latvia exported 43,567 head of cattle mainly to the Netherlands, Poland and Turkey. Cattle exports were six percent higher than in the previous year because of growing demand from Turkey. Farmers receive higher prices for cattle sold for export compared to prices offered by the domestic slaughter plants. It is expected that exports of cattle in 2016 will increase by 10 percent because of growing shipments to Turkey. Imports of cattle are limited to breeding stock from the Netherlands and Poland.

Beef

Production

In 2015 beef production amounted to 18,800 MT. Production of beef is expected to decrease in 2016 because of reduced slaughter.

Trade

Latvia is a net exporter of beef. In 2015 exports of beef amounted to 10,748 MT and were 10 percent higher than in 2014. The Netherlands were the major importer. In the first 8 months of 2016 beef exports were at the same level as in 2015. In 2015 Latvia imported 7,591 MT of beef mainly from Poland.

End of the report.