

Joint meeting of the CDG ANIMAL PRODUCTS (Section Pigmeat)
and the CMO EXPERT GROUP (Section Animal Products)

EUROPEAN PIGMEAT REFLECTION GROUP - 1st Meeting

6th April 2022

The example of a MS' sectoral interventions

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- ▶ Objectives and measures of the Slovak Republic in the field of pig farming and pigmeat production
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Pig farming in Slovakia

▶ Total number of pigs kept by farmers - legal entities	422 639 head
▶ Number of sows	26 645 head
▶ Number of farms	554
▶ Number of breeders' organizations associating pig farmers	2
▶ Number of piglets reared per sow per year	29,09
▶ Average daily fattening gain	0,625 kg

Production and consumption of pigmeat in the Slovak Republic

► Production of pigs for slaughter	743 181 head
► Number of slaughterhouses	55
► Number of cutting plants	196
► Number of processing plants	198
► Production self-sufficiency (2019)	49.9%
► Food self-sufficiency (2019)	32.3%.
► Utilization of production capacities of enterprises in the food industry	55%
► Consumption of pork in Slovakia per person per year	35.7 kg

Objectives and measures of the Slovak Republic in the field of pig farming

Strategic document approved by the Government of the Slovak Republic "Vision of common procedures in building modern agriculture in the horizon of 2035"

Targets:

In production	2027	2035
Number of sows in head	44 000	56 000
Number of piglets reared per sow per year	30,5	32,4
Average daily fattening gain	0,710	0,763
Production in tons carcase weight per year	110 000	155 000

Objectives and measures of the Slovak Republic in the field of pig farming

Measures

- ▶ investment in the construction of new large-scale pig farms, compound feed, storage facilities and the renewal and modernization of the processing industry with the introduction of innovative technologies to meet BAT requirements and using environmental technologies and mitigating the negative effects of production on the quality of life in the region
- ▶ setting the rules of vertical cooperation within the pigmeat sector to ensure cooperation at the level of primary producers, but also at the level of primary producers and processors to ensure sales
- ▶ fostering formal contractual relations to ensure the processing of domestic raw materials
- ▶ consumer awareness and promotion of products from local manufacturers in order to save the environment

Objectives and measures of the Slovak Republic in the field of pig farming

Measures

- ▶ sales diversification - a short supply chains e.g. company stores
- ▶ increasing sales of domestic production in state institutions
- ▶ securing supplies for the State material reserves from domestic sources
- ▶ Creating a simple, consumer - friendly food labeling system on store shelves

In the case of securing production 155 thousand. ton slaughter weight the Slovak Republic would cover the expected domestic consumption of 37 kg per person per year to about 80%. By making full use of existing processing capacities, food self-sufficiency would increase to almost 81%.

Tools to achieve the targets of the Slovak Republic in the field of pig farming and pigmeat production

Regulatory

- ▶ Legislation of the European Union
- ▶ Legislation of the Slovak Republic

Intervention

- ▶ Common Agricultural Policy of the EU
- ▶ State Budget

Strategic Plan of the Slovak Republic for the Common Agricultural Policy of the European Union for the period 2023-2027 - sectoral interventions - pigmeat

As the level of organization in the pigmeat sector is insufficient, it is necessary to encourage the merging of producers into producer organizations. A higher level of organization will also strengthen farmers' collective bargaining power vis-à-vis the processing industry and trade. The support will be in line with Article 47 of EU Regulation 2115/2021 and will focus on the following interventions:

1. Improving production planning and adjusting to demand
2. Concentration of supply and new sales channels
3. Improving the conditions of employment
4. Increasing the sustainability and efficiency of transport and storage
5. Energy saving, energy efficiency, investments in utilization of renewable energy sources
6. Promotion and marketing

Strategic Plan of the Slovak Republic for the Common Agricultural Policy of the European Union for the period 2023-2027 - sectoral interventions - pigmeat

- ▶ In the pigmeat sector the creation of producer organizations is expected to be gradual. In total, the estimated support is 3 mil. EUR.
- ▶ Eligible applicants will be producer organizations and their associations recognized under EU Regulation 2013/1308 and producer groups.

Planned Unit Amounts - financial table with output:

Financial Year	2023	2024	2025	2026	2027	2028
Planned unit amount (Total Union expenditure in EUR)	0,00	88 824,00	203 925,00	330 681,00	306 994,00	306 994,00
O.35 (unit: Operational Programmes)	0,00	1,00	2,00	2,00	3,00	3,00
Annual indicative financial allocation (Total Union expenditure in EUR)	0,00	88 824,00	407 850,00	661 362,00	920 982,00	920 982,00

Improving production planning and adjusting to demand

The aim of this intervention is to ensure market-oriented production, control of production volume as well as control of the type of products produced through proper production planning based on actions aimed at creating demand-based production. Producer organizations should act in accordance with market requirements, so it is essential to ensure appropriate production planning based on supply and demand forecasts. They should also focus on offering new products and services.

Scope of support:

1. Investments in of tangible and intangible assets
2. Investments in IT (including software)
3. Tracking and certification systems, in particular quality monitoring of products on market
4. Investments related to operational planning
5. Market analysis (market research) / marketing strategies
6. Developing production and sales plans
7. Analyzing the possibilities of introducing new products / new sales channels

Concentration of supply and new sales channels

The aim of this intervention is to concentrate supply and strengthen the bargaining position vis-à-vis customers through the creation of producer organizations / producer groups, associations of producer organizations. Horizontal cooperation can help improve logistics, warehousing and processing of products, reduce production and transaction costs and improve innovation potential.

Scope of support:

1. Investments in tangible and intangible assets
2. Marketing activities including direct marketing and search for new alternative sales channels
3. Investments in equipment for cooperation in sales (e.g. equipment for common logistic, refrigeration, processing or packaging)
4. Joint procurement of input supplies

Improving the conditions of employment

The aim of this intervention is to improve the conditions of employment and the enforcement of the employer's legal obligations

Scope of support:

1. Investments in protective equipment and clothing for employees
2. Modernization of common facilities of employees
3. Consulting services and educational activities (e.g. trainings, seminars) for employees (safety and health protection)

Increasing the sustainability and efficiency of transport and of storage

The aim of this intervention is to strengthen the sustainability and efficiency of transport and storage. Improvements to existing storage technologies and alternative logistics practices can lead to reduced emissions.

Scope of support:

1. Investments in sustainable logistics systems
2. Investments in improving and maintaining the quality of processing, storage and transport
3. Construction of climate-friendly cold storage and storage areas
4. Improving existing storage technologies, including protection of the environment
5. Vehicle equipment
6. Development of concepts to reduce emissions
7. Investments in housing, including technologies, processing, packaging, etc.

Energy saving, energy efficiency, investments in utilization of renewable energy sources

The aim of this intervention is to contribute to climate change mitigation by reducing greenhouse gas emissions and saving energy and using alternative energy sources.

Scope of support:

1. Investments related to the optimization of existing systems such as in production, processing, storage
2. Investments in new systems and equipment environmentally friendly, in production, processing, storage
3. Investments related to the conversion of machinery / equipment regarding introduction of alternative energy sources
4. Renewable, alternative energy sources
5. Advisory services in energy efficiency

Promotion and marketing

Product marketing and its importance are currently growing, and can be considered a fundamental function of producer organizations. Producer organizations must take an active approach to retailing with their own offer, new (quality) products and services, looking for buyers, researching their habits, wishes and needs. The main marketing activities include research, development of new products, their distribution, communication with the customer, pricing and provision of services to the customer. Quality marketing should take place continuously, planned, in accordance with the long-term strategy of the company and using all available tools.

Scope of support:

1. Promotion of direct marketing (e.g. company stores, vending machines)
2. IT
3. Costs related to the development of a marketing strategy in order to improve the level of sales (material, personnel costs)
4. Costs for creating a logo and joint marketing strategy of the producer organization
5. Investments related to ensuring the preparation of products according to market needs
6. Investments to create the necessary infrastructure and logistics

Thank you for your attention!

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