

Rt Hon George Eustice MP
Secretary of State
Dept for Environment, Food and Rural Affairs
Seacole Building
2 Marsham Street
London
SW1P 4DF

Dear Secretary of State,

I am writing to thank you and your team for the huge effort that went into developing the package of measures announced on 14th October. We greatly appreciated your support in trying to help alleviate the backlog of pigs on farm and prevent the need for welfare culling.

While we understand that some of the measures, especially sourcing butchers and getting them online and operational will take time to take effect, I wanted to alert you to concerns we have about the other schemes, how they may be used and the impact that this will have on the sector.

The purpose of the Private Storage Aid scheme when first devised was to provide a simple mechanism for the storage of minimally butchered pigs to encourage a rapid increase in the number of pigs taken off farms to begin to alleviate the ever-growing backlog. Since the PSA has now been altered to allow the inclusion of boneless joints, we understand that some processors will not now use PSA until the butchers on temporary visas have arrived in the UK, expected at some point in January. This will enable them to use the resource to de-bone product and place it into storage until summer 2022 when there is expected to be a drop in supply. The PSA therefore rather than helping farmers reduce pigs on farm, will only serve to help processors out of a supply issue.

Whilst the situation will undoubtedly begin to ease when the butchers come on line, many are being told this will not be until the spring. This does not therefore address our immediate crisis of a welfare cull and will put further downward pressure on the pig price at a time when feed prices and other costs continue to rise. Already 14,000 healthy pigs have been culled on farms and sent for rendering because of the sheer lack of space and we have lost 27,500 sows from the National herd. With farmers losing an average of £25 per pig equating to an overall loss of £130 million in the first six months of 2021, we fear that many will not survive.

In addition, the bigger processors have told us that the additional kill bonus won't be used because they cannot encourage their staff to work additional shifts. Many are already working 50-hour weeks, and have been for some time, and refuse to work more. They have also said that the £3 per pig offered was not a large enough incentive so we would ask that Defra considers increasing this amount in order to encourage the measure to be used and pigs taken off farms.

An added complication is that some processors have been taking 'distressed loads' of heavy pigs from farmers at around 50% of their market value. Whilst some have no choice but to accept these low prices, despite the fact that they were originally contracted at much higher prices, many would rather see their pigs sold cheaply into the food chain than be destroyed

on farm and have to pay for them to be disposed of. However, these prices are being fed into the Standard Pig Price (SPP) reporting mechanism which is crashing prices even further. For every distressed kill, the SPP drops by about 4p/kg. If one processor, encouraged by Defra to take additional pigs, does so on this basis once a week, we predict the SPP will be £1.17/kg by Christmas. With a current cost of production of £1.80/kg, pig farmers will soon run out of cash to feed their pigs. Defra did not stipulate that pigs being taken into either PSA or additional kills be paid on the price that they were originally contracted at, so this may well exacerbate the situation.

I am sure you would not wish your well-meaning packages designed to push more pigs through the system to be responsible for the crash of the SPP and the resulting carnage. We have asked processors to buy these distressed loads on a liveweight basis as if they were buying from markets, which we understand is perfectly legal, to prevent these prices going into the SPP and we would appreciate your support in encouraging this solution as they are yet to respond.

We respectfully ask that you chair a roundtable of processors, retailers and producers to take stock, properly assess whether the measures are working and agree further approaches that will alleviate the backlog of pigs on farm. Secondly, we would also be delighted to welcome you onto a farm to see first-hand how this on-going crisis is impacting British food producers.

Thank you again for your support and we look forward to your response.

A handwritten signature in black ink, appearing to read 'Rob Mutimer', with a long horizontal flourish extending to the right.

Rob Mutimer
Chairman
National Pig Association