



Chances in the Romanian pigsector for Dutch entrepreneurs

The program

Opening by Pieter Helfferich (director Agriprogress) and Reinder Schaap (honorary consul and chairman taskforce Agri and food, Dutch Romanian Network)

Why go to Romania? Introduction sector and experiences of Romanian Pig farmers, Dr. Adrian Balaban, top pig farmer in Buzau, porkandcompany.com.

Why go to Romania? Experiences of Dutch farmers in Romania, Heinz Derksen, Dutch pig farmer in Romania, the Brader company

Why go to Romania? Project development and building in Romania, Sven van Genugten, Genugten Agri

Why go to Romania? Advantages for farmers (fiscal) and further steps by Pieter Helfferich, including role Agriprogress

Discussion

Closing by Reinder Schaap





Commercial farms and backyard holdings* (2016)

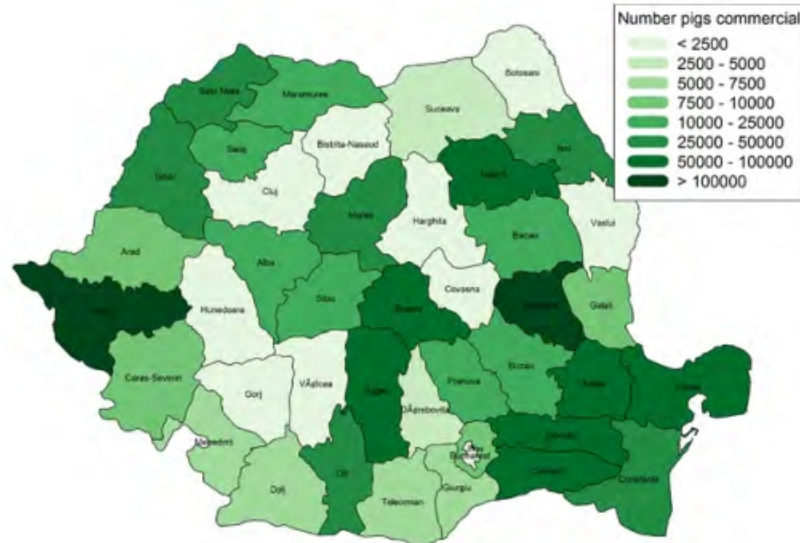
	Total registered holdings	of which holdings with private capital (commercial)	Total holdings without legal status	of which individual holdings (backyards)
number of holdings with pigs	501	229	1,283,083	1,274,734
number of pigs (*1,000)	1,865	1,804	2,278	2,235
average number of pigs per holding	3,723	7,878	2	2
% of total pigs		44%	56%	55%

Source: Own calculation based on NIS (2017) Farm survey 2016

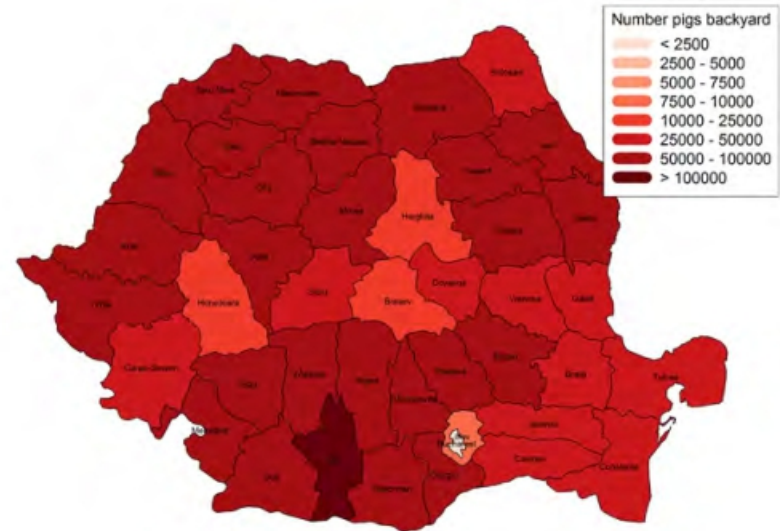
* Registered holding

Regional distribution of pigs in Romania

Number of pigs on commercial farms



Number of pigs in backyards
(holdings no status with pigs)



Commercial farms are in areas with also a large number of backyard pigs.

Source: Own illustration based on NIS (2017). Farm survey 2016.



Chances in the Romanian pigsector

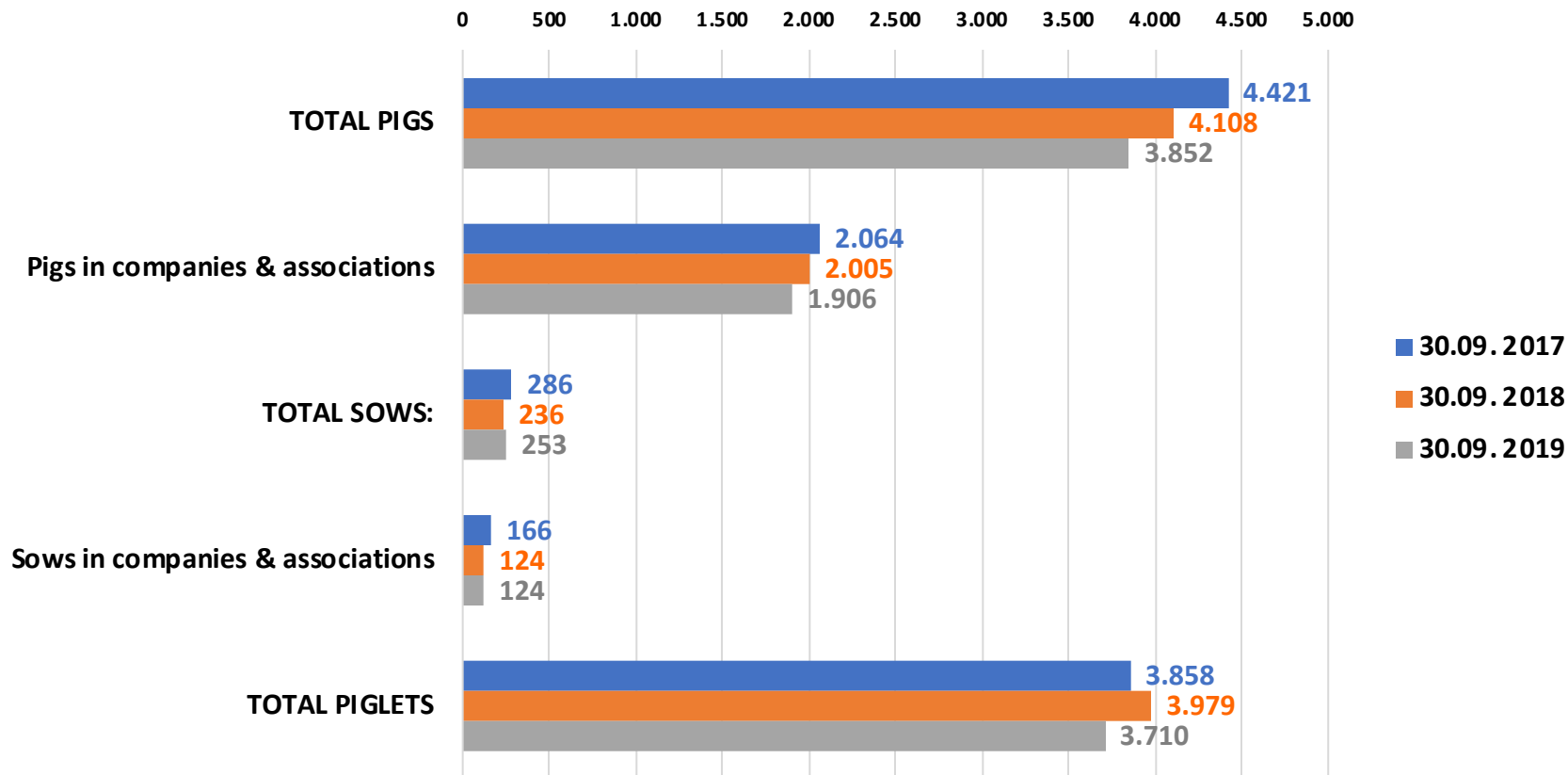
Introduction Dr Adrian Balaban



SITUATION OF THE PIG MEAT PRODUCTION SECTOR IN ROMANIA

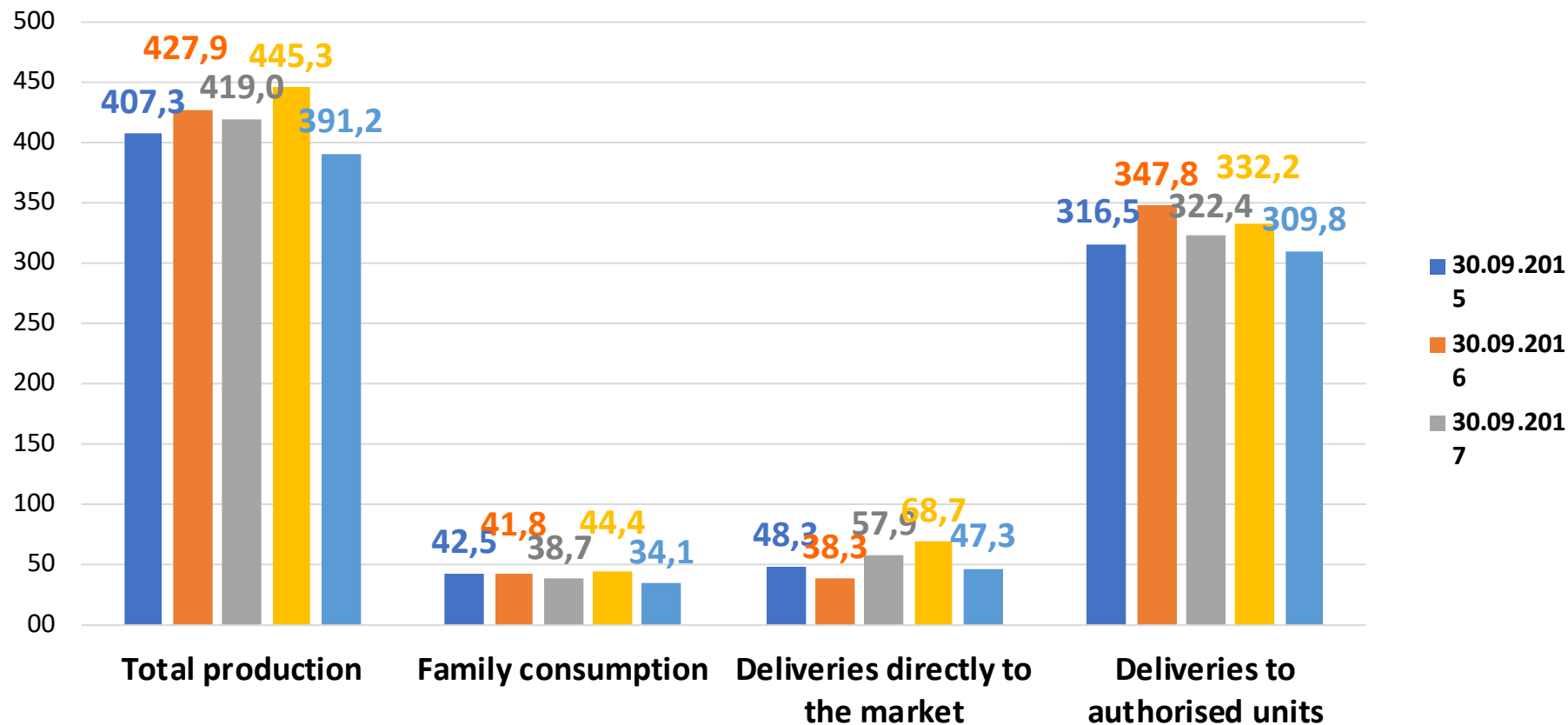
**Dr. Adrian
Balaban**

Evolution of the total number of pigs, sows, piglets (thousand heads)

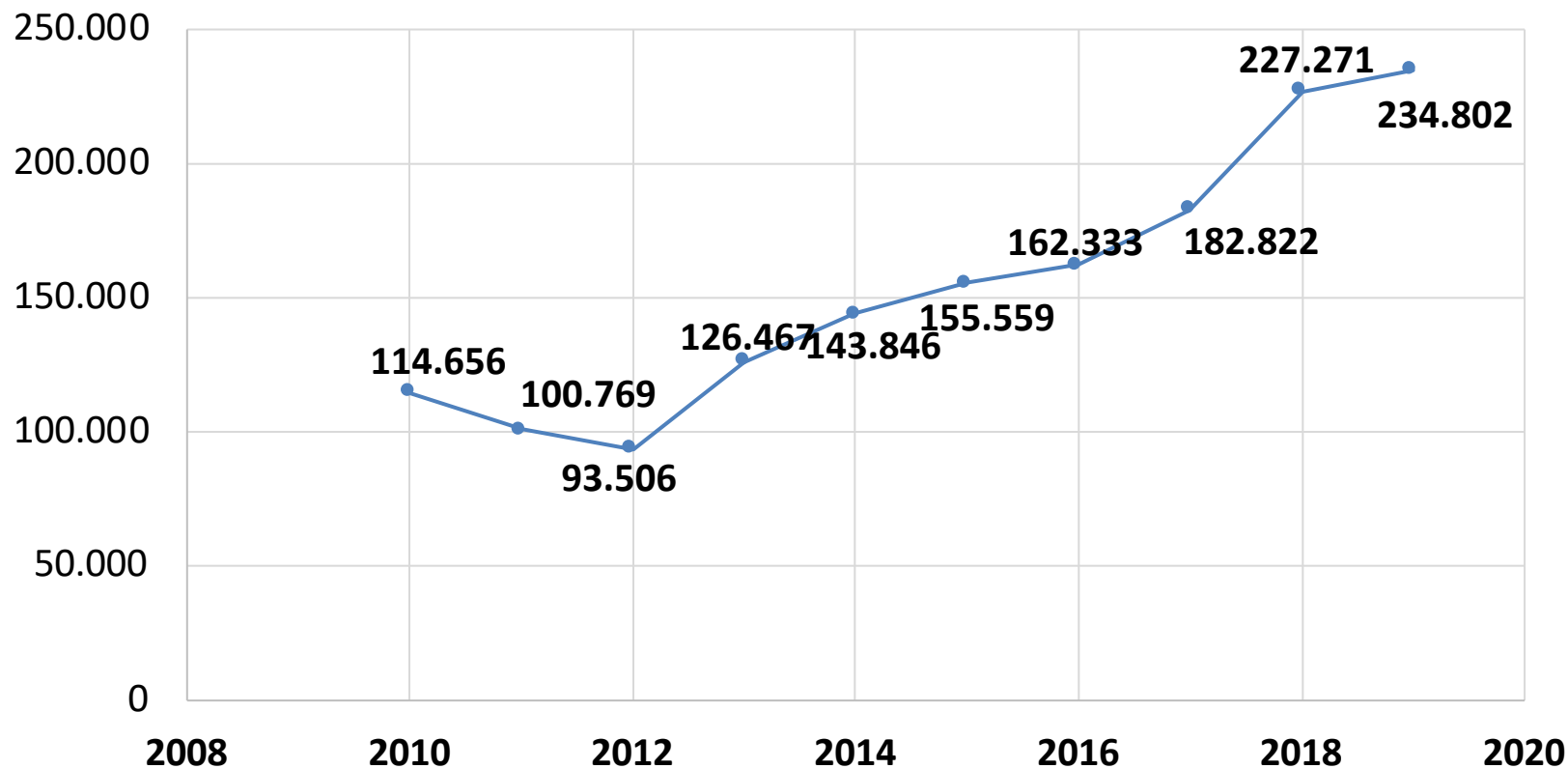


Source: Statistical data of the Ministry of Agriculture and Rural Development

Total production of pig meat (thousand tonnes live)

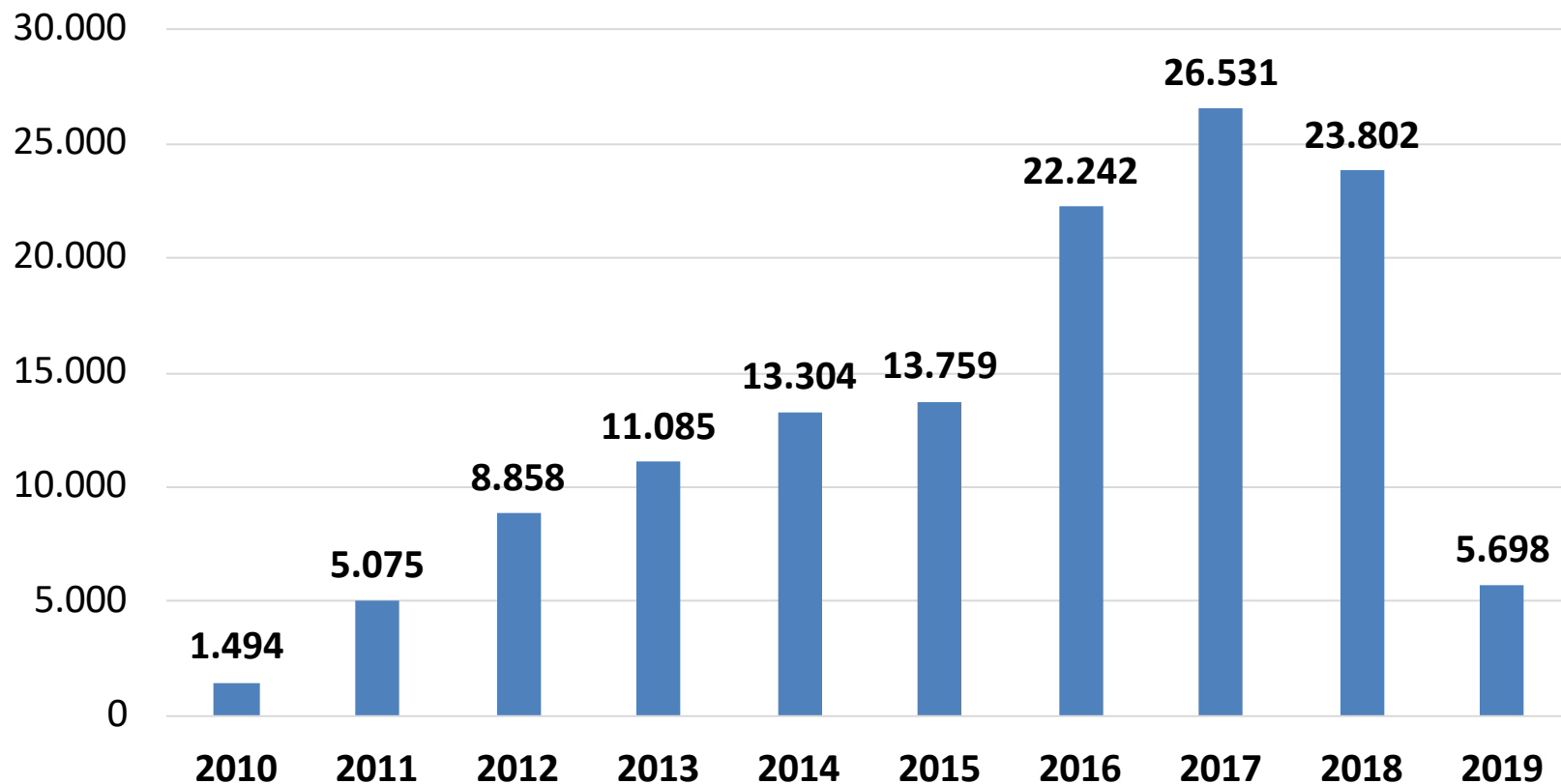


Evolution of imports of pig meat in Romania on September 30 (Tonnes)



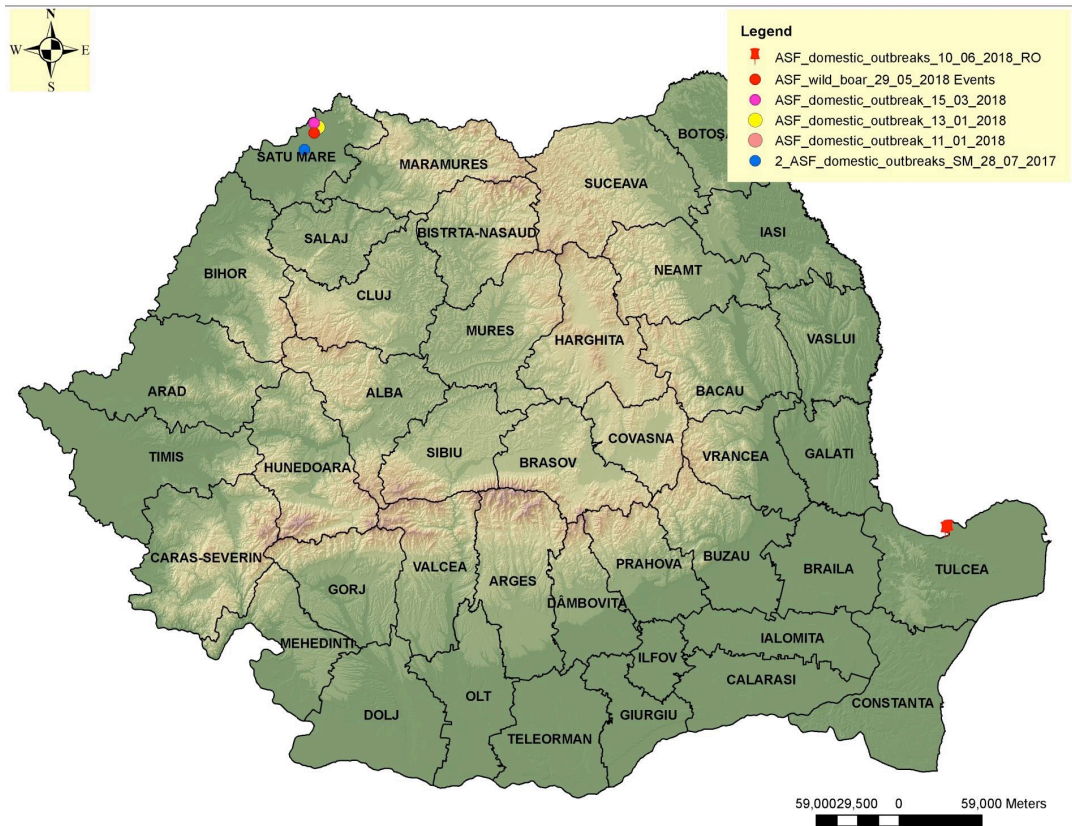
Source: Statistical data of the Ministry of Agriculture and Rural Development

Evolution of exports of pig meat in Romania on September 30 (Tonnes)



Source: Statistical data of the Ministry of Agriculture and Rural Development

The evolution of African swine fever in Romania (July 2017 – JUNE 2018)



- **July 31, 2017:** The first outbreak of ASF in 2 households in Satu-Mare county. No cases in wild boar were identified. On November 21, 2017 both outbreaks were closed and restrictions lifted
- **January 11-13, 2018:** two ASF outbreaks in households, Satu-Mare county
- **March 13, 2018:** one outbreak in household in Satu-Mare county
- **May 29, 2018:** first case in wild boar in Satu-Mare county
- **June 28, 2018** – ASF outbreak was confirmed in the slaughterhouse Carniprod (Tulcea county)

ASF SITUATION – TOTAL outbreaks – November 20, 2018

● Domestic pigs:

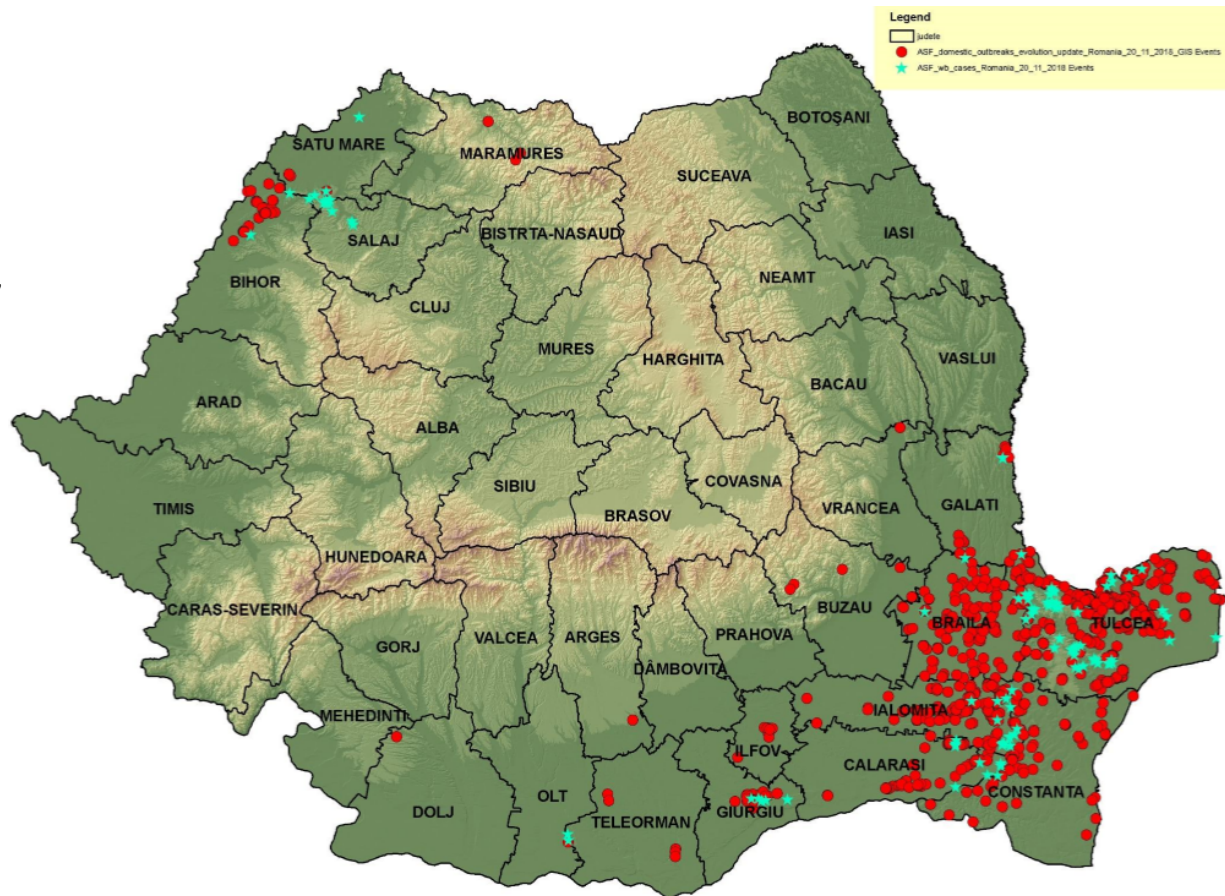
1 102 outbreaks with 361 067 affected pigs from which:

- 297 618 in commercial farms
- 63 449 from backyards

★ Wild boars:

211 positive cases from which:

- 174 found dead
- 37 hunted wild boars



ASF SITUATION in Romania

December 28, 2018

- At December 28, 2018 African Swine Fever was evolving in 19 counties in 301 locations, with a number of 1,145 outbreaks (of which 19 commercial farms) and 558 cases in wild boars.

In total 364 212 pigs have been eliminated from the disease.

- 12 outbreaks were extinguished in Satu Mare county and an outbreak in Dambovită county. Also, meat processing unit belonging to SC Carniprod SRL has resumed, on 08/14/2018.
- By the date of December 28th 8 535 owners were compensated, the total amount of payments being 251 120 910 lei.

ASF SITUATION in Romania

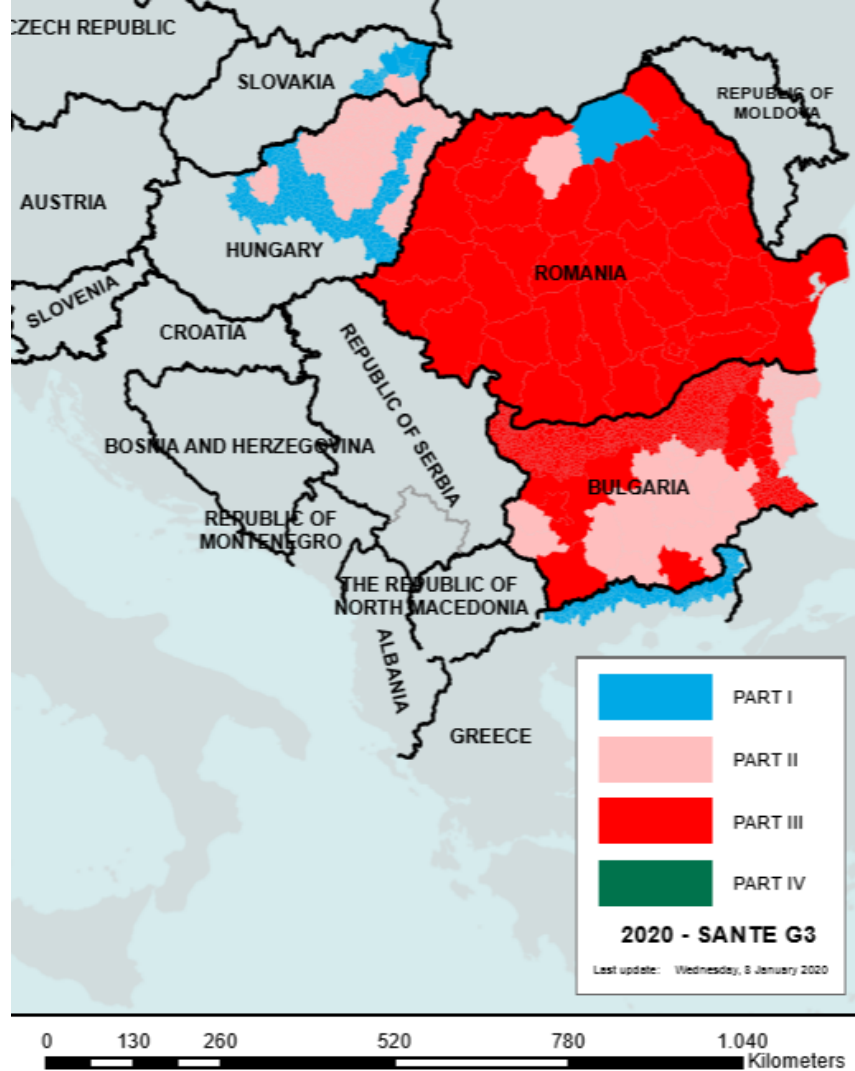
December 31, 2019

- At December 31, 2019 African Swine Fever was evolving in 237 locations in 24 counties, with a number of 626 outbreaks (of which 12 outbreaks in commercial farms and two outbreaks in the holding type A). In other 12 counties were only diagnosed cases in wild boars.
- From the date of confirmation of the first outbreak in Romania (July 31, 2017) until December 31, 2019, 543 621 pigs affected by the disease were eliminated and 2 447 cases were diagnosed in wild boars.
- A total of 2 257 outbreaks were extinguished
- By the date of December 31st 2019 14 507 owners have been compensated, the total payment being 403 270 160 lei.

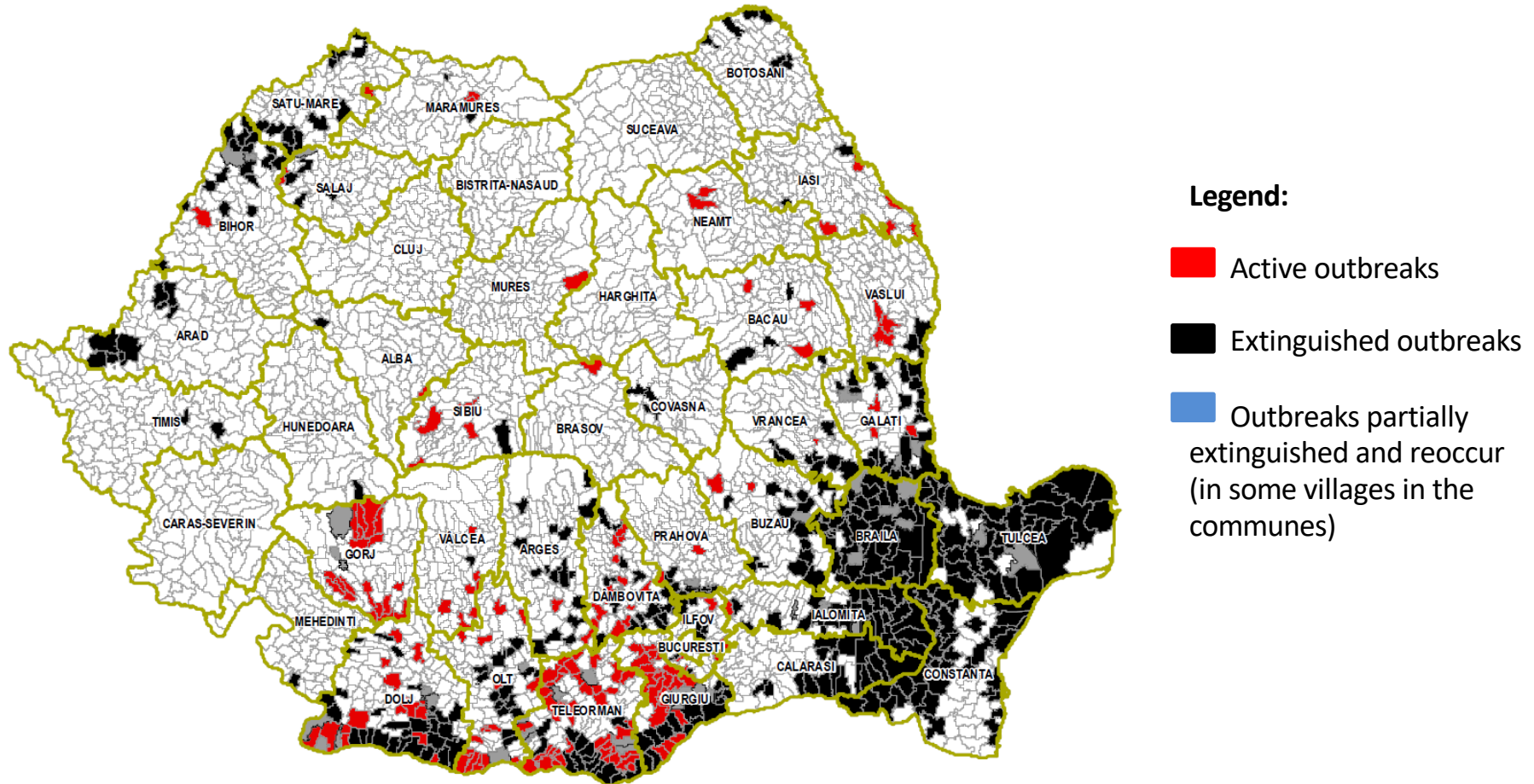
**Asf regionalisation as per
commission implementing decision
2014/709/eu**

Last update: 8 January 2020

Source: European Commission



Map of ASF outbreaks on 16 January 2020





QUESTIONS?

THANK YOU!

**Dr. Adrian
Balaban**



Chances in the Romanian pigsector

Introduction Heinz Derksen













GENUGTEN AGRI

PROFESSIONALS IN ANIMAL HOUSING



Webinar

Chances in the Romanian pigsector Construction experiences



GENUGTEN AGRI

PROFESSIONALS IN ANIMAL HOUSING

Bouw van varkensstallen in Roemenië

Bedrijfsinformatie

Bouw en inrichting van moderne varkensbedrijven

Focus op 'turn-key' aannemen van volledige bedrijven vanaf ontwerp tot oplevering

Strategie: 'continuïteit door het leveren van kwaliteit'

Opgericht 1992

+ 500 uitgevoerde projecten

2^e generatie sinds 2016

45 medewerkers

Actief in: Nederland, België, Duitsland,
Frankrijk, Ierland, Verenigd Koninkrijk,
Polen, Hongarije, Roemenië en China



Een greep uit ons klanten bestand

Bouwproject

1. Ontwerp gemaakt op basis van bekende Europese Regelgeving;
2. Klant heeft Architect team (architect, constructeur, electra en sanitair) ingehuurd;
3. Vertaling ontwerp naar Roemeense tekeningen / wetgeving -> opletten;
4. Start bouwproject -> diverse controleurs nodig;
5. Ambtelijke inspectie bouwamt, milieuamt, papierwerk;
6. Veiligheid;

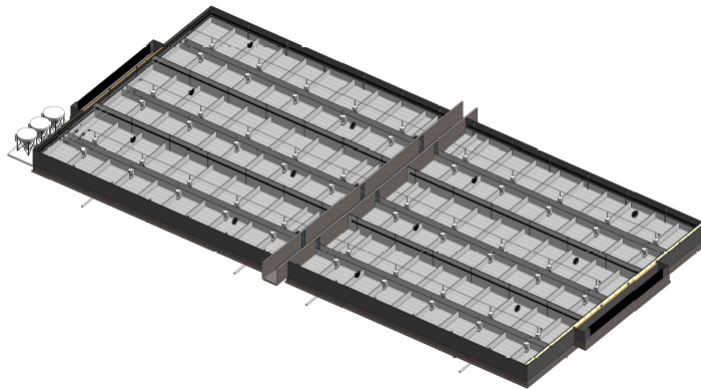
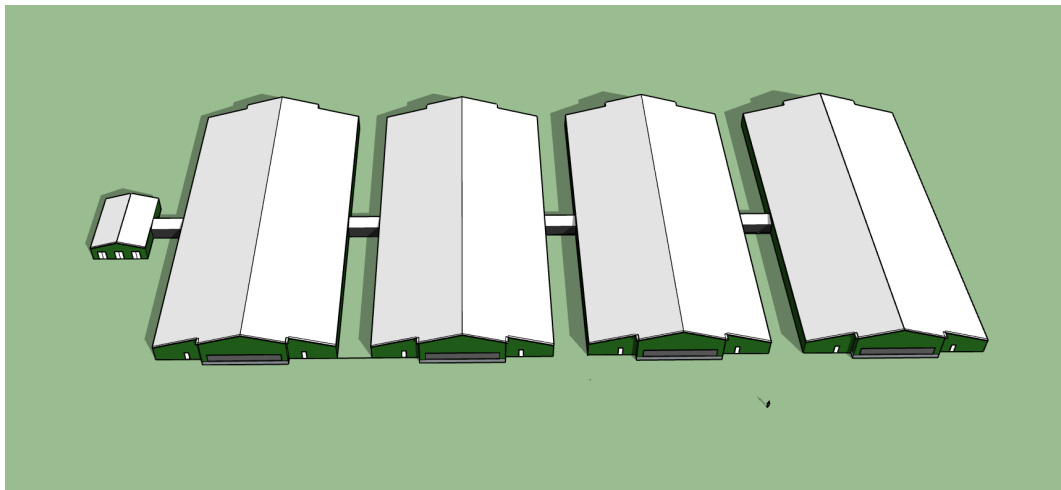
1. Ontwerp gemaakt op basis van bekende Europese Regelgeving;

Uitgangspunten: Locatie perceel, wetgeving, brand, emissie, biosecurity, subsidie, aantallen dieren, varkens per vrachtauto, mestafzetmogelijkheden, looproutes, investeringskosten etc.



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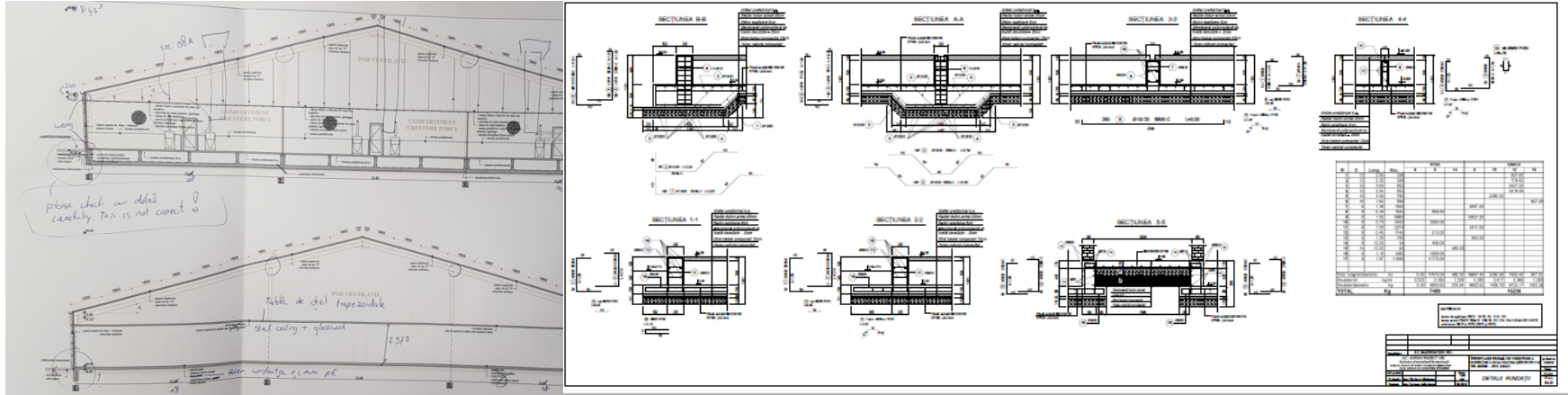
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3D Presentation

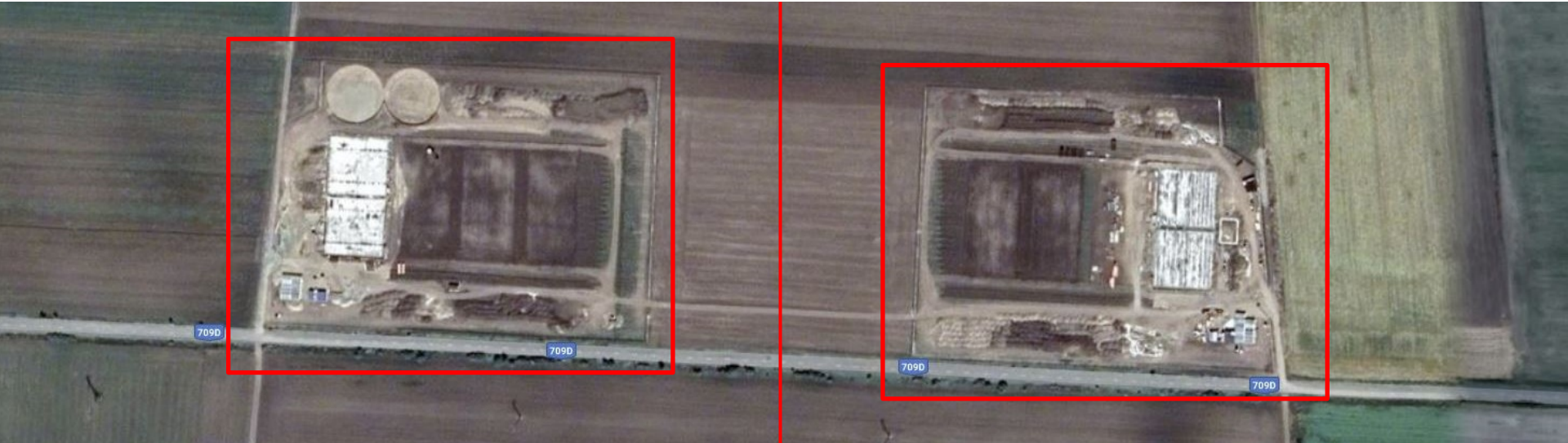
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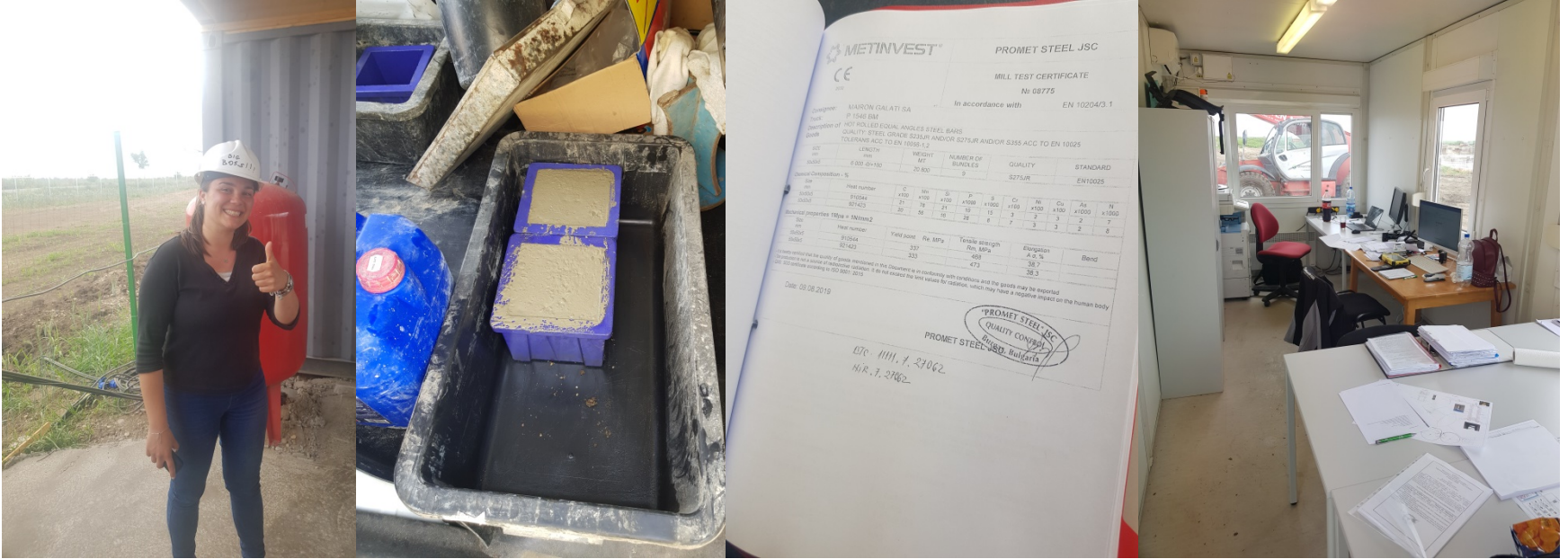
Links: 10.000 vleesvarkensplaatsen – Rechts 10.000 vleesvarkensplaatsen. Bouw gestart.



4. Start bouwproject -> diverse controleurs nodig;



5. Ambtelijke inspectie bouwamt, milieuamt, papierwerk;



6. Veiligheid;



Welkom | Intro | **Bouwproject** | Advies |

Met z'n allen een mooi stuk vakwerk maken!



Welkom | Intro | Bouwproject | **Advies** |

Advies

Interesse in de mogelijkheden?

Neem contact op met:

The logo for agriprogress, featuring the word "agriprogress" in a bold, black, sans-serif font with a registered trademark symbol, set against a solid green rectangular background.

info@agriprogress.com



info@genugten-agri.nl



Webinar

Chances in the Romanian pigsector



Webinar

Chances in the Romanian pigsector



About us.

Mission.

Sustainable business development in agri- and food chains by project development, -management, training and consultancy

Linking pin bringing tech, knowhow and investors between mainly NL and other countries since 1990.

Extensive network in NL and Romanian agribusiness.

agriprogress®



| 02

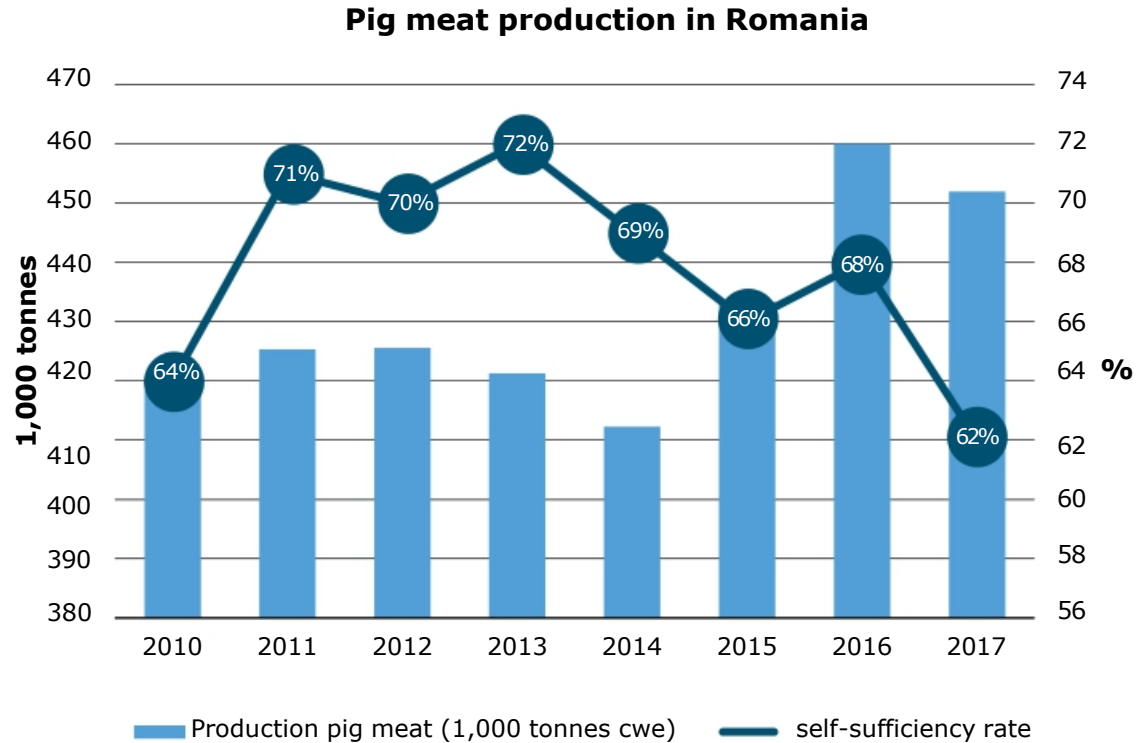
Activities.

Romania since 2007

- Organisation of study visits, clusters, training, matchmaking NL and RO partners
- Legal and fiscal issues
- Business development and management of projects (export, business plans, financing, subsidies, partners, training, new business etc.)
- Trade and participation (exhibition, distributor search, local representative, market study, office in Bucharest)

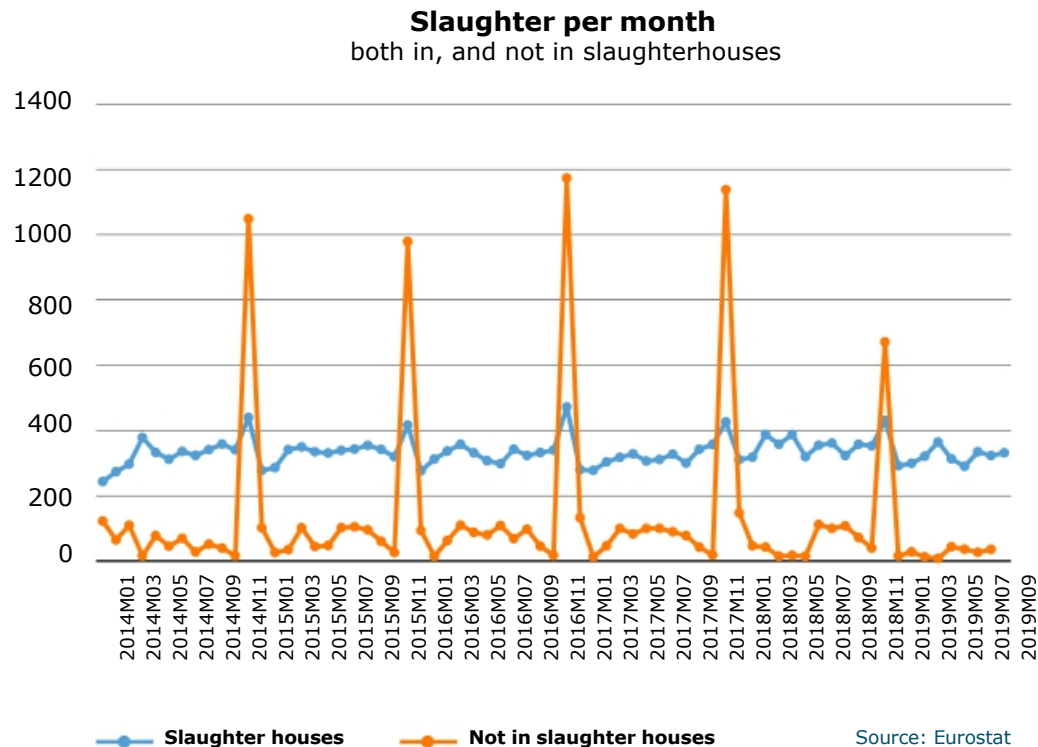
Pig meat production in Romania

- Pig meat production decreased in 2017, to a level of about 450 thousand tonnes
- The self-sufficiency degree of pig meat in Romania dropped to 62% in 2017 due to higher consumption per capita
- Due to ASF, production dropped with 20% in the period 2017-2019



Characteristics of backyard holdings

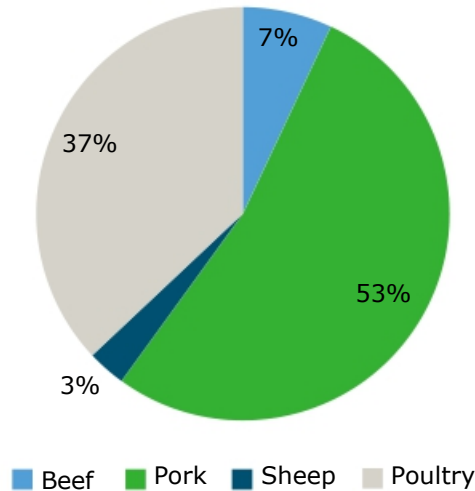
- Farm size varies
(up to 150 pigs, typically 1-5 animals)
- Large number of farms
(in 2012 approx. 1.3 million registered holdings)
 - Officially registered and non-registered
 - Roughly 55% of total number of pigs in Romania
- Tradition (Christmas pig) (about half of the total slaughtering in the month of December, see graph)
- Additional source of income
- Valorisation of household left-overs and corn received as rent for land
- Inconclusive and not well monitored regulation
- Poor biosecurity
- Source of piglets varies (both domestic and import)
- Substantial political relevance due to large numbers of holdings



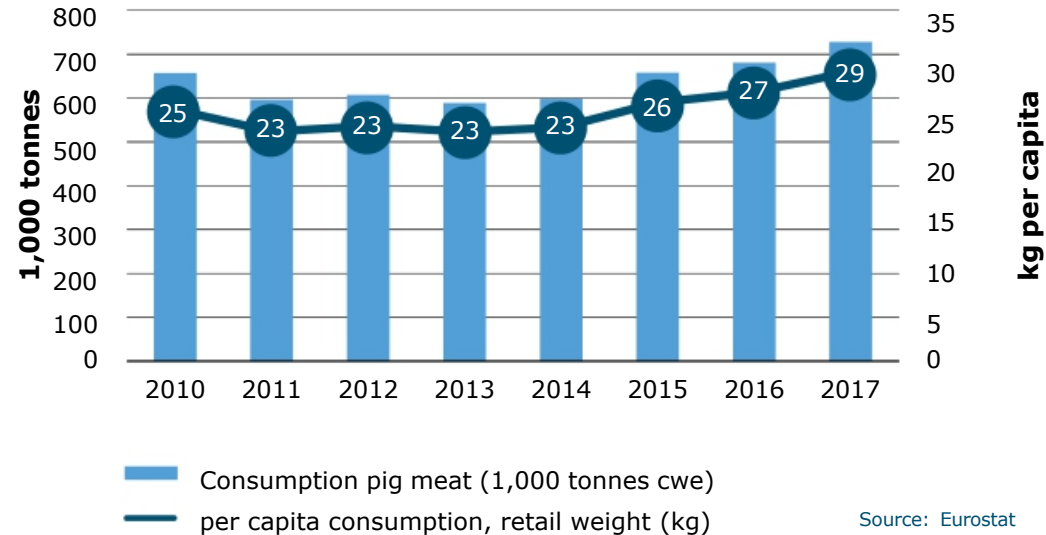
Pig meat consumption in Romania

- In Romania, pig meat comprises 53% of the total meat consumption per person (Source: NIS, 2017)
- According to IAR (2019), in rural areas, around 30% of pig meat consumption originates from backyard holdings

Shares of meat consumed
per person in 2017



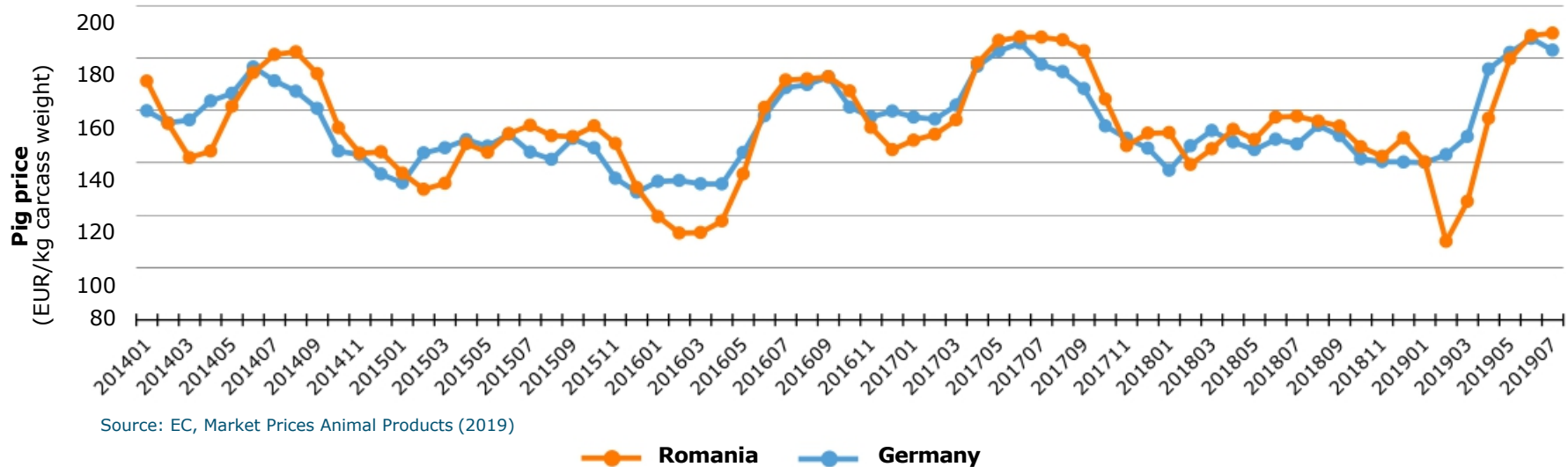
Pig meat consumption in Romania



Source: Eurostat

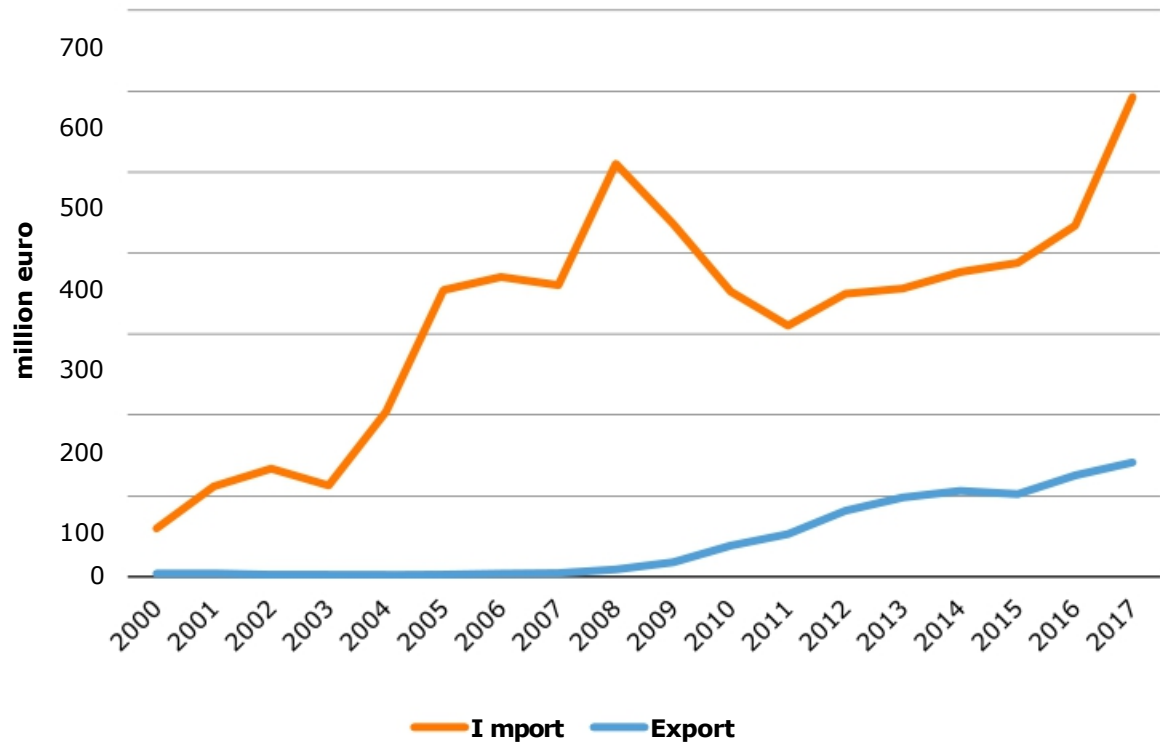
Monthly pig meat price in Romania and Germany

- Market prices for slaughter pigs shows the same pattern in Romania and Germany to a large extent. Prices are also on a comparable level
- The German market is a reference for price setting
- The meat industry typically makes no differentiation in the payment for carcass quality
- No quality assurance systems are in place (like the Dutch IKB system or the German QS system)



Imports and exports of pig meat products

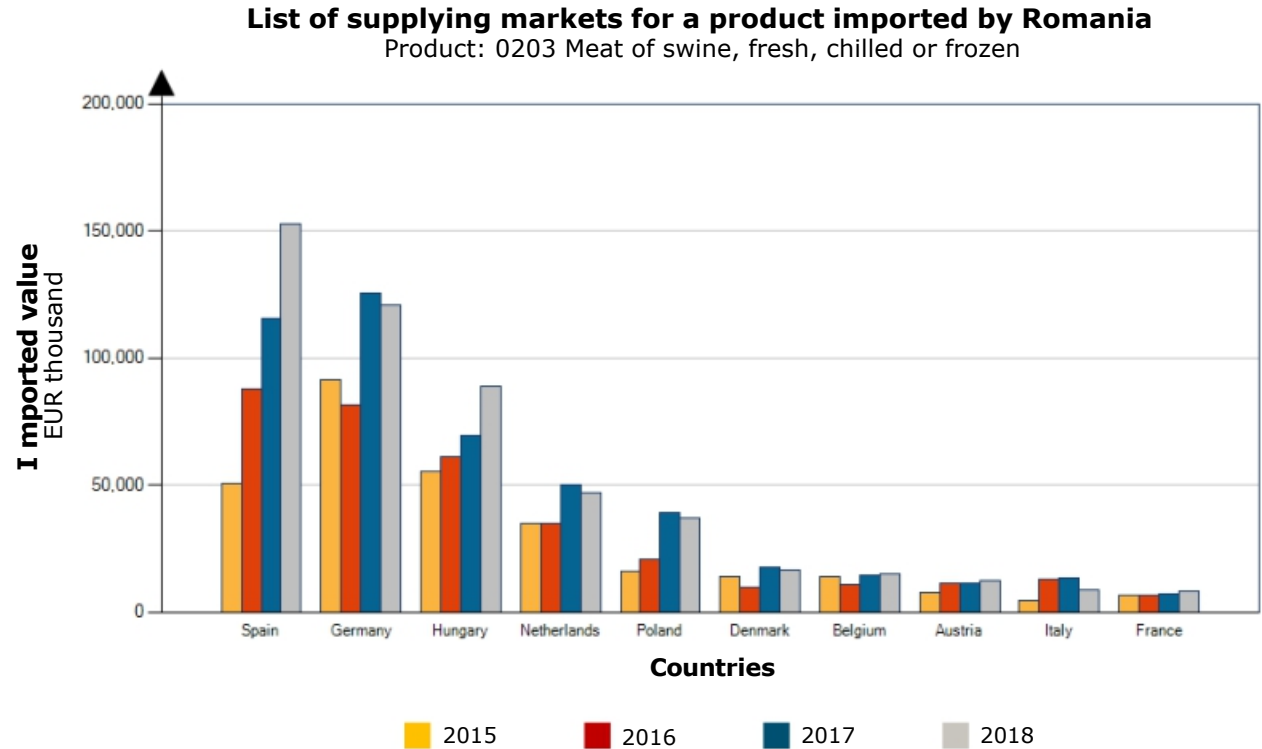
- Import is strongly increasing; in 2017 the total import amounted to 600 thousand tonnes
- Export slightly increased due to:
 - export of by-products to China
 - meat products to Romanians living abroad (source Romanian Meat Association (pers. com.))



Source: Eurostat

Import of pig meat products

- Over 50% of imported pig meat originates from Germany and Spain
- Imports from Spain, Hungary and Poland are growing



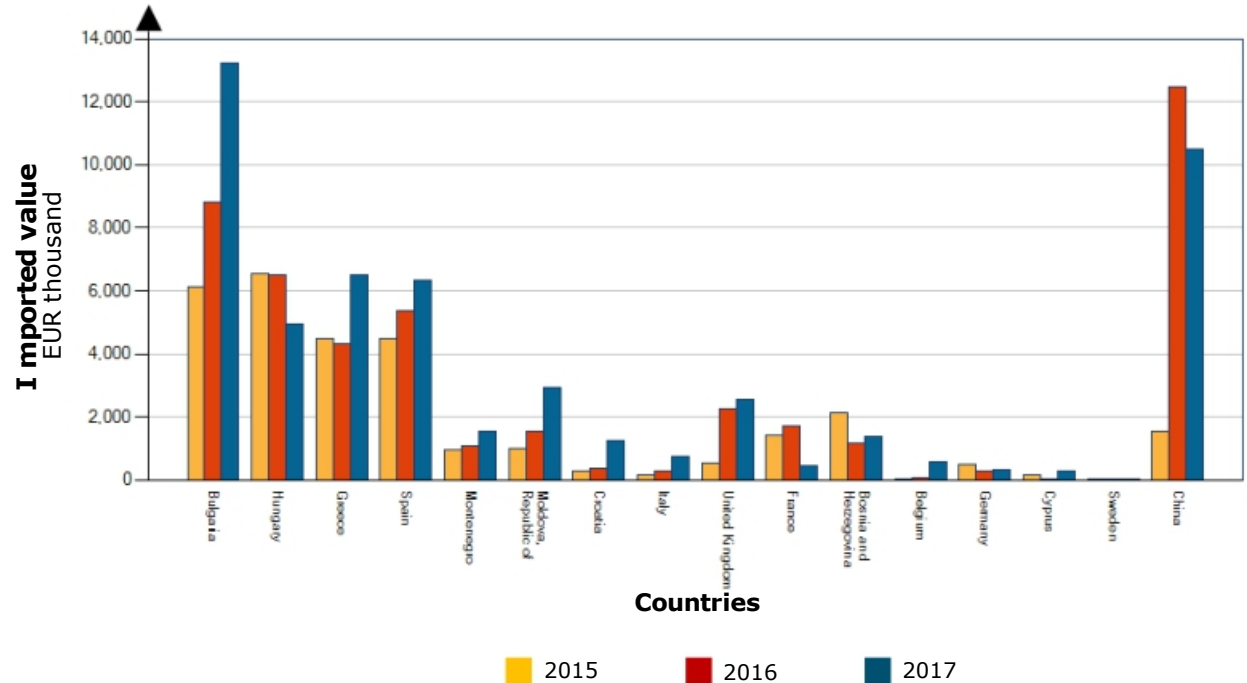
Source: Trademap.org, based on Eurostat

Export of pig meat products

- Initiatives to open Asian market
- Exports to European destinations are mainly to Romanian expats
- Export volumes are very limited, compared to imports
- Since 2017 export seriously hampered due to outbreaks of ASF

List of importing markets for a product exported by Romania

Product: 0203 Meat of swine, fresh, chilled or frozen



Source: Trademap.org, based on Eurostat
Romanian Meat Association (pers.com.)

Premium Porc



Smithfield

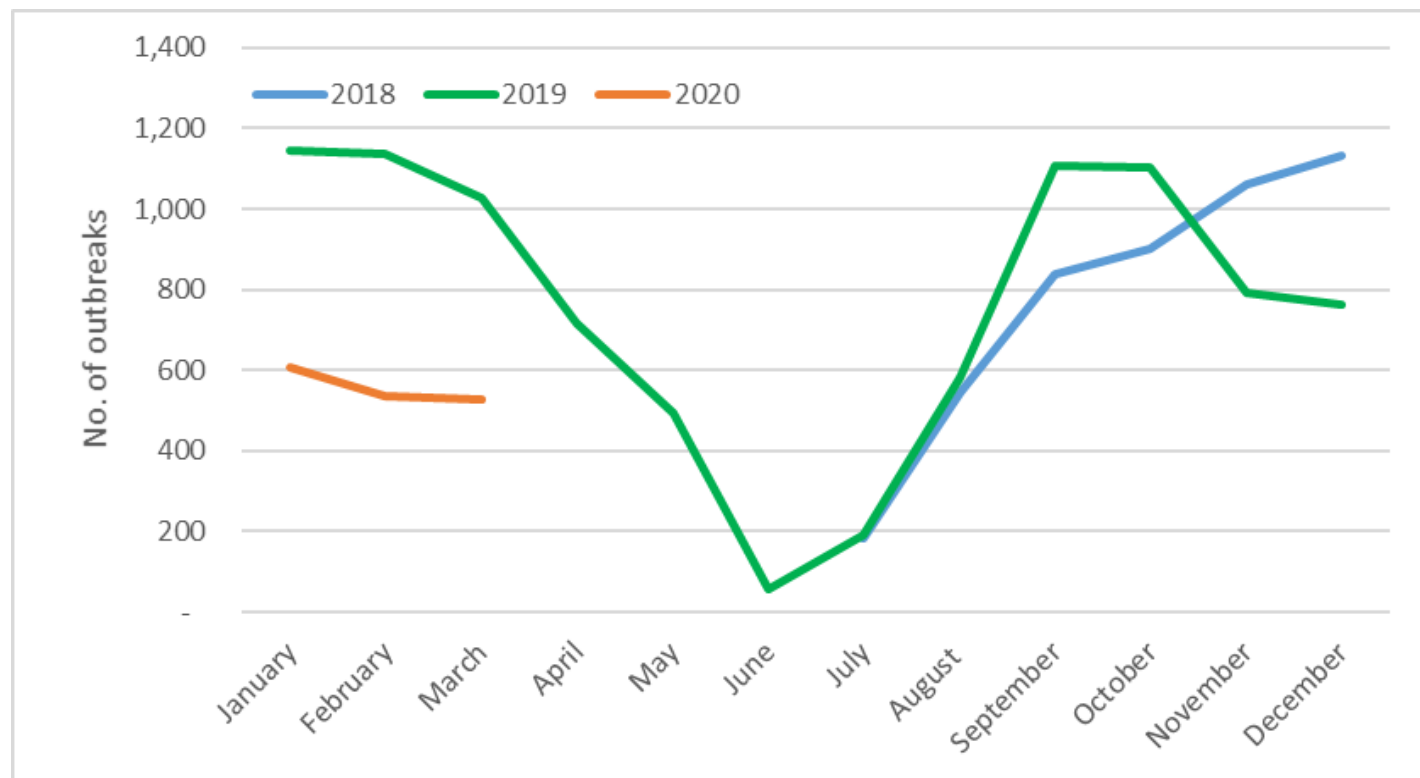


- 229 commercial farms that keep 45% of total pigs, 2.23 million backyard holdings, keeping 55% of total pigs
- Dependency on import of piglets
- Financial incentives to increase piglet production, mainly on large farms (>2,000 sows)
- Substantial deficit of Romanian produced pork in Romanian market (+/- 60% self-sufficiency rate) (2017), now even lower (30%)

Characteristics of commercial farms

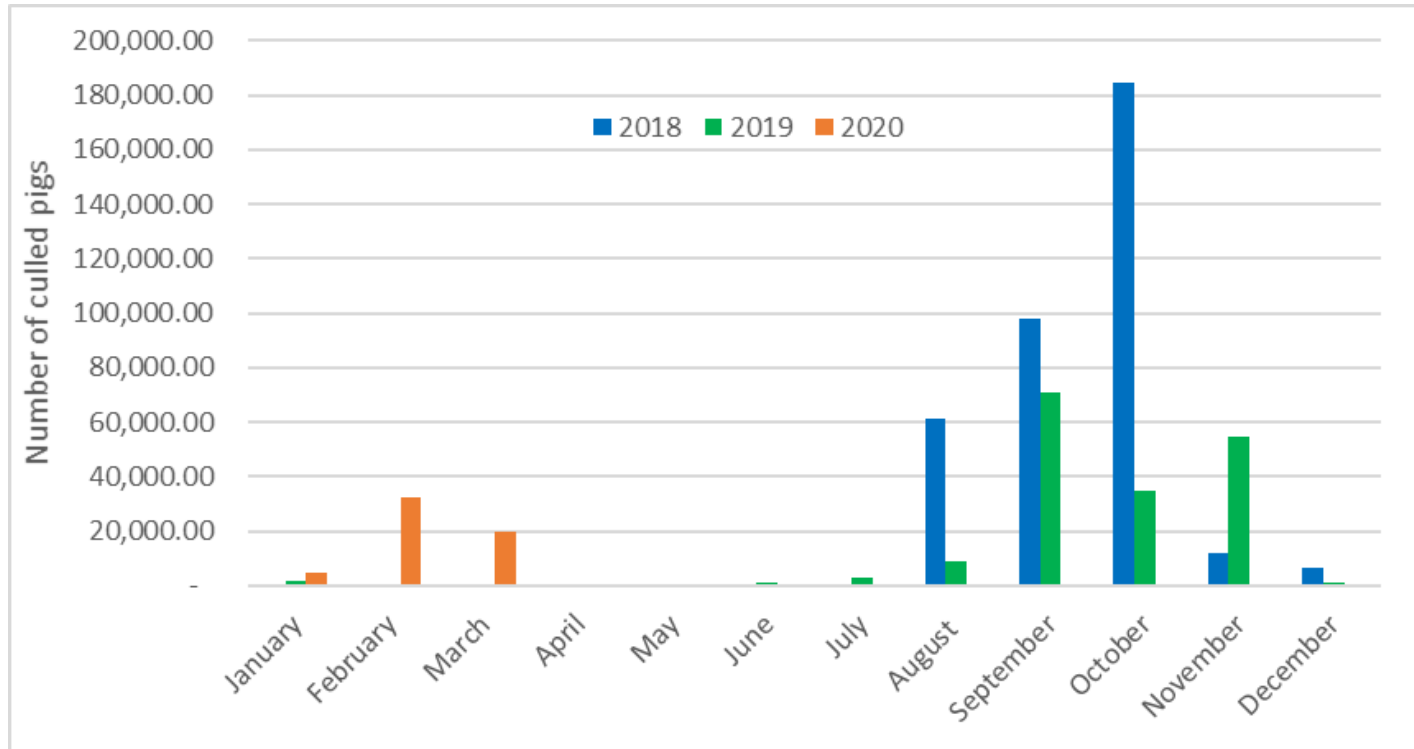
- Large farms on multiple locations
 - Farrowing and finishing is found both on a single location, and on separate locations
- Besides farrow-to- finish farms also specialised finishing farms depending on imported piglets
- Full or partly vertically integrated (own feed processing and some also slaughtering and sales)
- Large part of feed ingredients home-grown
- Governmental support for farm development, especially for piglet production and for animal welfare and environmental measures.
- Both Romanian and foreign investors and expertise, Premium Porc No 2, Former Smithfield No 1
- Since ASF threat in Romania: high level of biosecurity
- Substantial amount of regulation on e.g. environment, animal health, hygiene implemented and enforced

Romania - Number of outbreaks



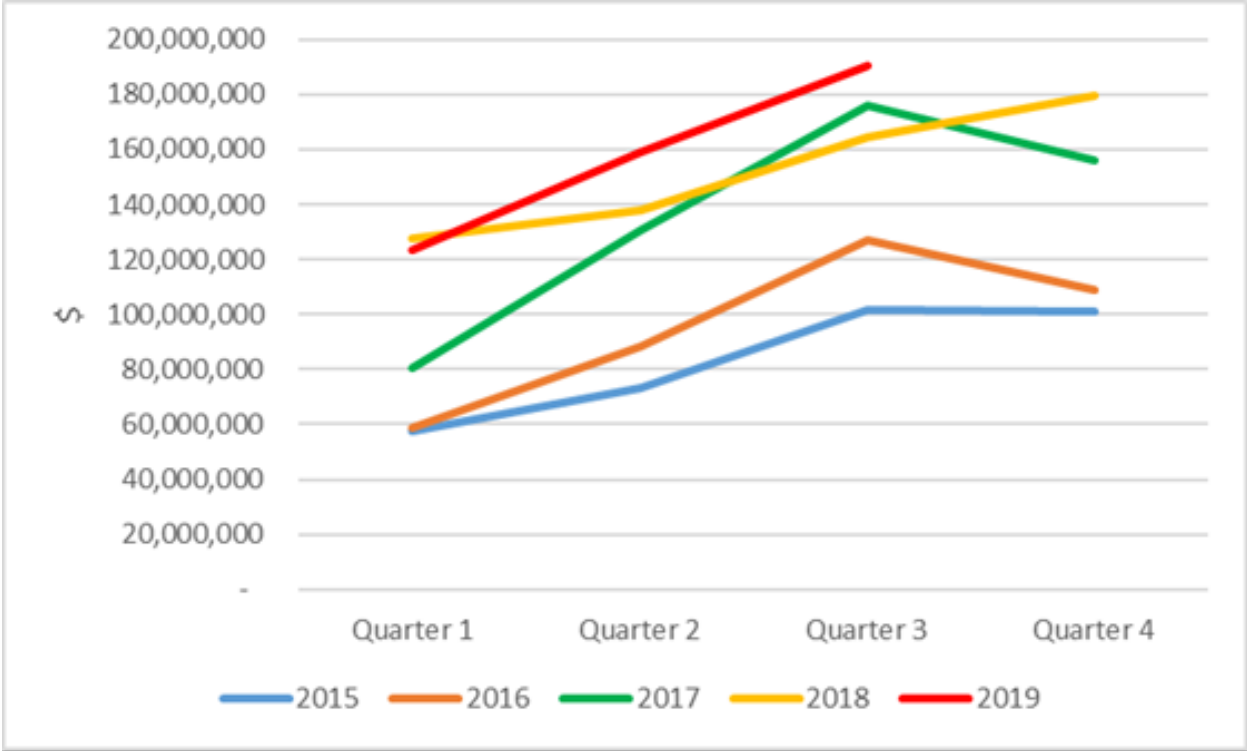
Source: NSVFSA

Romania – Number of culled pigs



Source: NSVFSA

Romania – Pork meat imports by value

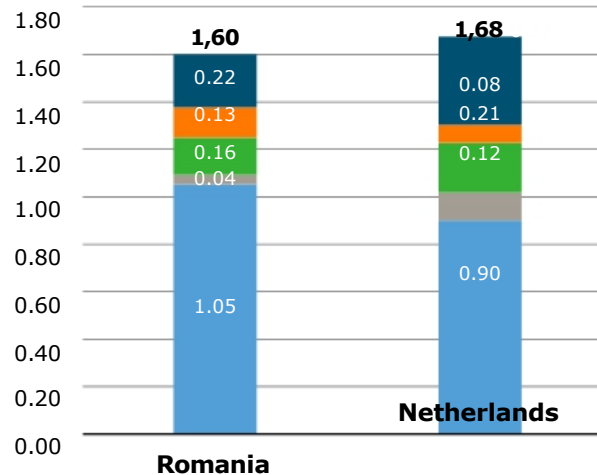


Source: Trade Data Monitor LLC

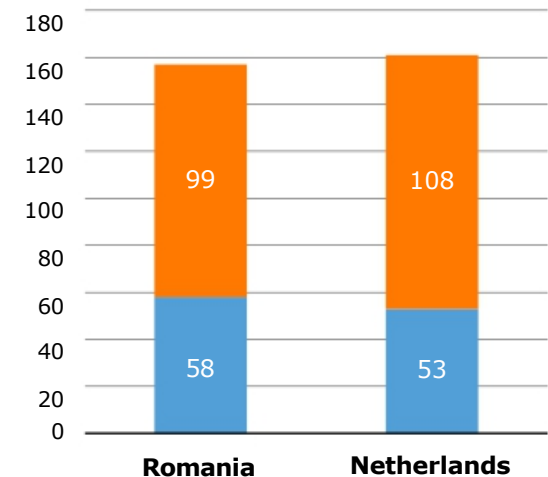
Cost of pig production in Romania and the Netherlands

- The cost of professional pig production in Romania (€1.60 per kg of hot carcass weight) is slightly lower than in the Netherlands (€1.68/kg), due to lower labour and housing costs, and lower miscellaneous costs such as manure.
- Piglet production is more expensive in Romania than in the Netherlands, which however is more than compensated by lower costs in the growing- finishing phase.
- Costs are assessed according to the InterPIG approach (see Hoste, in press), based on year 2018

Costs of production
in € per kg



Cost per slaughter pig
divided into cost for piglet production and the growing- finishing phase (€/animal)



■ Feed costs
■ Labour costs
■ Housing costs
■ Capital costs
■ Miscellaneous costs

■ piglet ■ grow-finish

Source: Own analysis

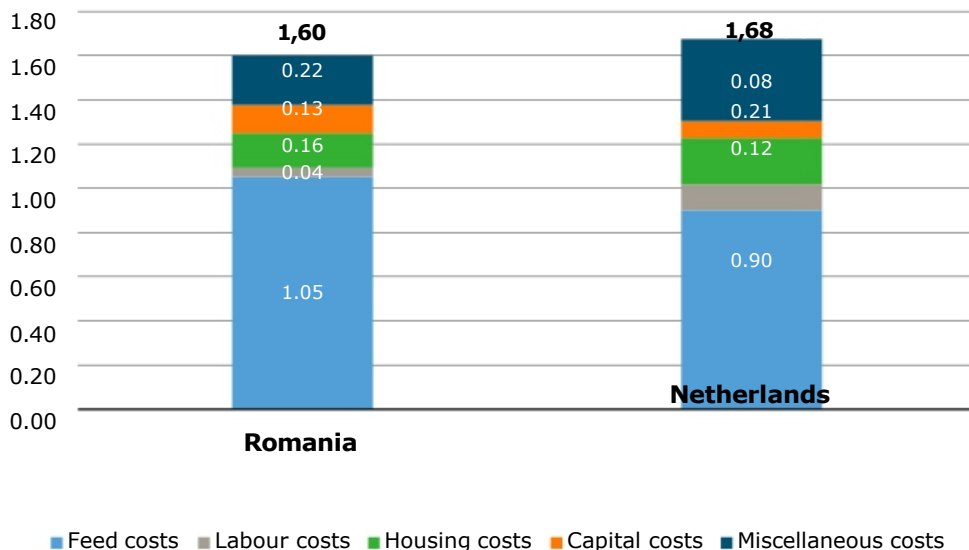
Assessment of the competitive position of pig production in Romania compared to the Netherlands

Profitability is influenced by the cost of pig production. A cost calculation has been made using data from Biggenprijszschema (WLR, 2019) for the Netherlands and an interview with Mr. Adrian Balaban for Romania, for the year 2018 (Figure 2).

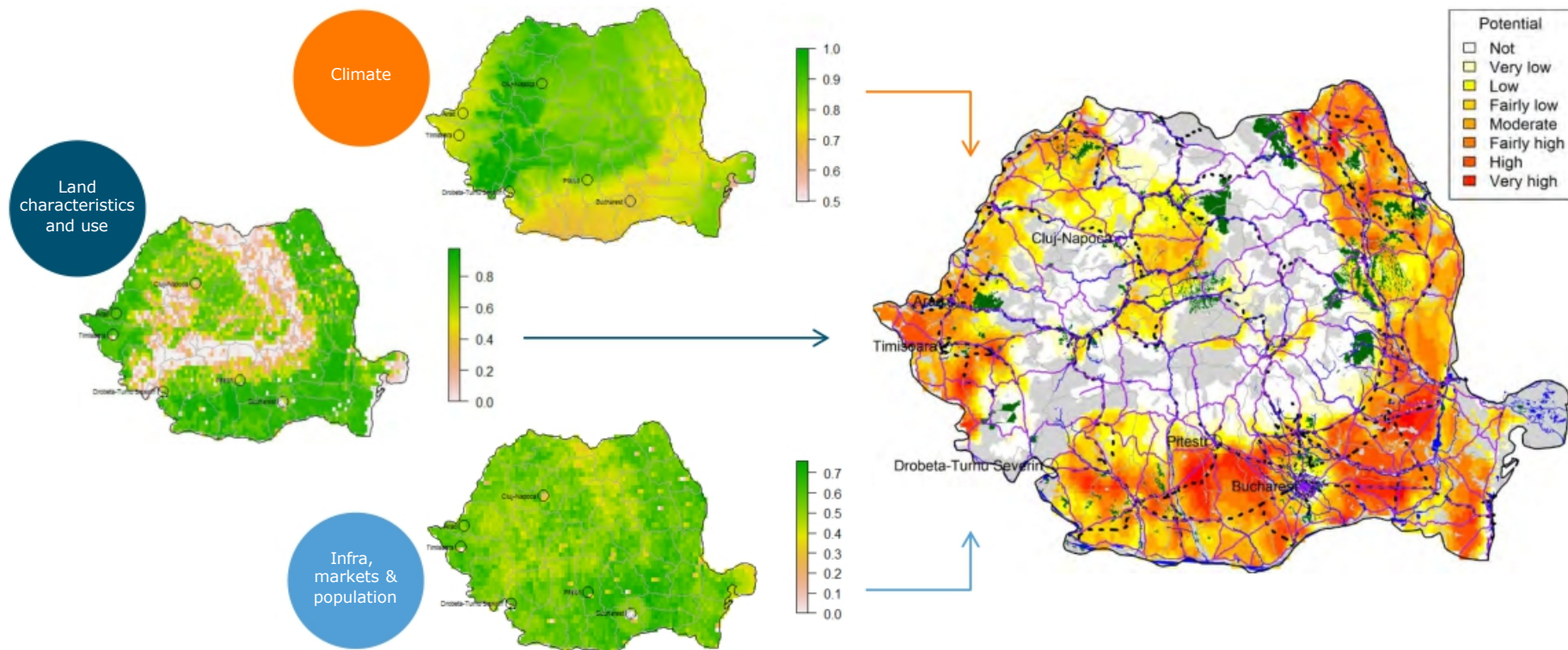
The cost of professional pig production in Romania (€1.60) is slightly lower than in the Netherlands (€1.68), due to lower labour and housing costs, and lower miscellaneous costs such as for manure. Feed costs and capital costs are lower in the Netherlands. These costs reflect a farrow-to-finish farm.

If costs are broken down into piglet production and growing-finisher, it is shown that piglet production is more expensive in Romania (€58) than in the Netherlands (€53), which is more than compensated by lower costs in the growing-finisher stage: €99 in Romania, versus €108 in the Netherlands for the weight increase from 25 to 120 kg.

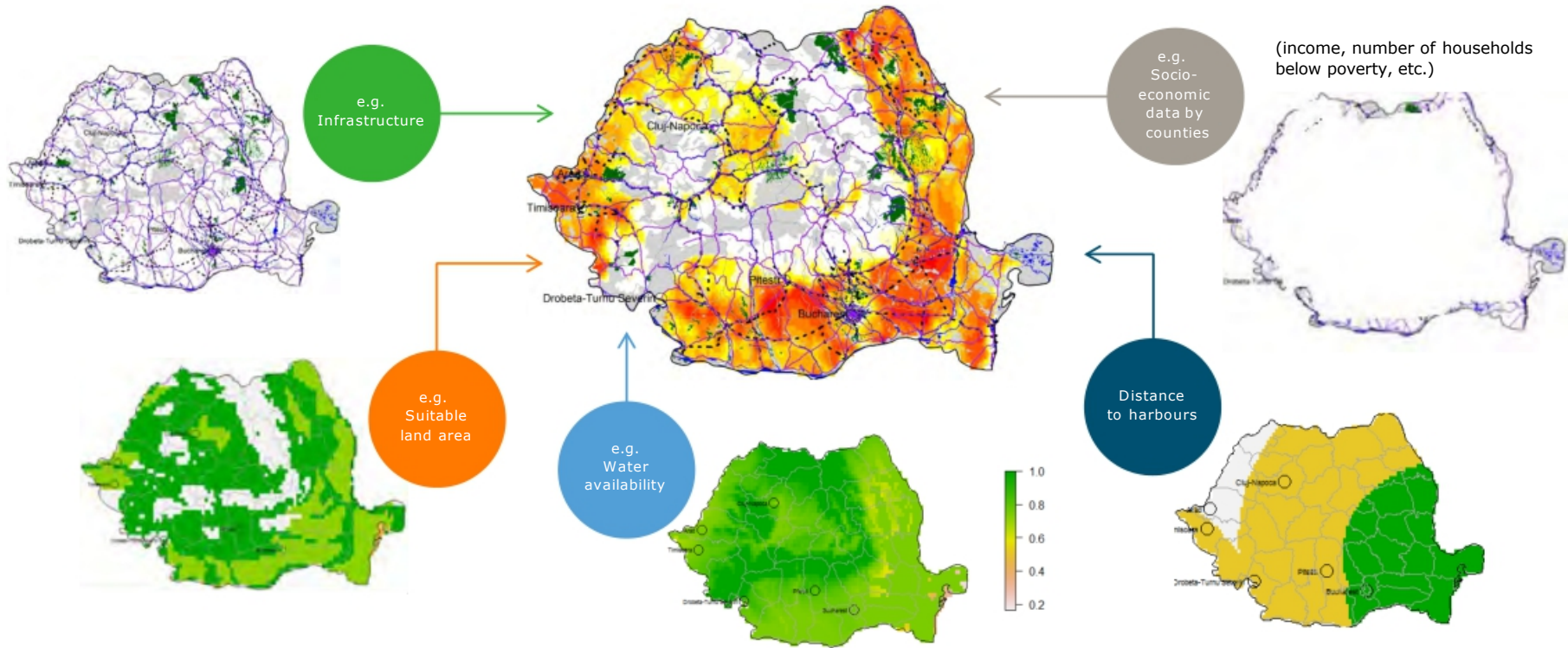
Figure 2. Assessment of pig cost of production and split into cost factors
(€/kg carcass weight)



Potential Pig Farming (commercial)



Regional analysis will cross evaluate suitability of climate, resource availability, markets, population, income...



Voor- en nadelen NL-RO.

- **Human resources: familiebedrijf vs holding, arbeidskrachten**
- **Periferie (veterinair, samenwerking, kennis, kapitaal, subsidies, ketens, AVP)**
- **Kringloop (mest, beschikbaarheid grondstoffen)**
- **Kostprijs en marktprijs (schaalgrootte, ketens export)**
- **Maatschappelijk (dierwelzijn, milieu)**

Fiscale mogelijkheden.

- ☐ Herinvesteringsreserve
- ☐ Conserverende aanslag
- ☐ Deelnemingsvrijstelling
- ☐ Goed uitzoeken met een fiscalist

Strategie opties

- ☐ **Emigratie**
- ☐ **Participatie actief**
- ☐ **Participatie passief**
- ☐ **Interim management/advies**

Questions?

Next steps?

Pieter Helfferich

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