

# MediaRelease

New Zealand  
**PORK**

FOR IMMEDIATE RELEASE

---

26 January 2009

## Pork consumption grows despite producer difficulties

“The most difficult of the last 30 years” is how Chris Trengrove describes 2008 in New Zealand Pork’s recently released Annual Report. “Biofuels, a commodity boom, drought, losses, exits, grain prices, and recession all combined to make what many commentators have described as the perfect storm,” says Trengrove.

During the year grain prices reached crippling levels, meaning for a period that producers were losing up to \$50 per pig and resultantly exits began. However by the end of the year, the schedule was pushing \$4.00/kg, the exchange rate had become favourable, pork imports had dropped significantly and spot grain prices had stabilised allowing producers to now make modest margins.

Trengrove notes that the downturn has had an impact with 10% plus production capacity leaving the industry and therefore expects production to be down for the 2008/09 year.

Despite the difficult year Trengrove points to a number of successes for the industry. The launch of the Lesnies 100% New Zealand Bacon of the Year Competition drew 110 bacon makers and 233 individual bacon entries. “Strong consumer interest reinforced country of origin as an important issue and it is satisfying that all of our major processors have dedicated NZ hams and bacons and they carry our 100% New Zealand bacon and ham labelling”.

Consumption of fresh pork has also continued to grow notes Trengrove. “Growth in fresh consumption has been half a kilo per capita per year for the last five years, 75% of our domestic production now goes to the fresh market. There is no doubt that we can continue to grow consumption but the challenge is to ensure that we lift returns to producers.”

In that regard NZPork has continued a strong industry sustainability focus on biosecurity, environment and animal welfare with mixed results. “It is disappointing that another 12 months have passed without resolution of the Import Health Standards for pigmeat from countries with PRRS. We have continued to make sound science representations to MAF Biosecurity New Zealand (MAFBNZ) but have been unable to make progress.”

During the year NZPork developed new initiatives in animal welfare assessment and investigated biogas application but the environmental area overall continues to be difficult particularly for farming related resource consents. “The attitude of councils nationwide is variable. Increasingly we see over officious approaches which threaten the sustainability of current businesses and make it difficult for new ones to establish. This requires action at the very highest levels of government to ensure that the right to farm and wealth creation for our nation is protected. In this respect we applaud the Government’s review of the Resource Management Act (RMA).

Ends

*Contacts:*

Sam McIvor, CEO, 04 917 4754 or 029 438 8222

Chris Trengrove, Chairman, 03 347 8307 or 021 311 007

Requests for images relating to this media release can be made by emailing [info@pork.co.nz](mailto:info@pork.co.nz)

The NZPork Annual Report can be downloaded from  
<http://www.nzpork.co.nz/Publications/AnnualReport.aspx>