



Perspectives on pig production in Norway.

Knut Røflo

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## Introduction

### Knut Røflo

- Graduated from the Norwegian University of life sciences (UMB) 1995
- Norwegian School of management 1999
- Work experience
  - Statkorn AS (grain trade), 5 years
  - EWOS AS (fish feed), 8 years
  - Joined Felleskjøpet in June 2009
  - Supervisory board of Topigs Norsvin since 2014





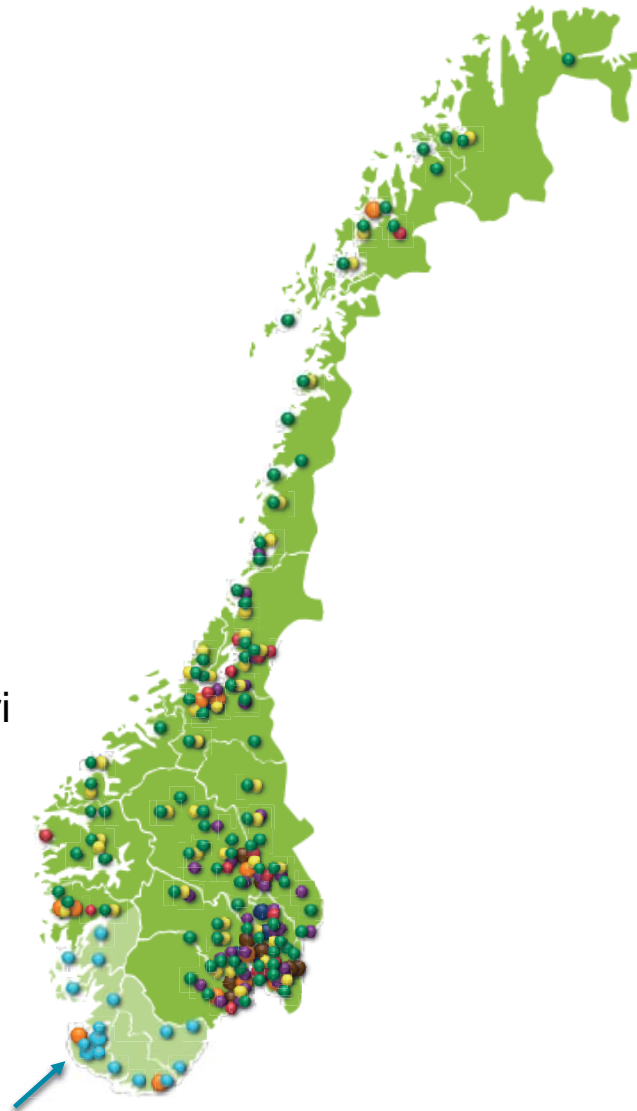
## This is «Felleskjøpet»

- Two cooperatives, owned by Norwegian farmers
  - Felleskjøpet Agri SA
  - Felleskjøpet Rogaland Agder SA
- Very similar business
  - Feed
  - Fertilizers, crop protection, seeds, grass preservation
  - Machines – farming
  - Retail: One stop shop for farmers and consumer goods, (pet-food, gardening)
  - Various other businesses
    - Milling and baking, organic fertilizer, horticulture, etc



## Presence

Felleskjøpet Agri



Felleskjøpet Rogaland Agder

- About 200 locations in Norway
- Feed mills
- Grain elevators
- Hardware stores
- Warehouses
- ...

# Market leadership



Feed



Fertilizer, seeds, crop-protection



Machinery



Retail: Pet Food, gardening



Grain



Horticulture



Milling and baking

Our task!  
"ON THE EDGE"



# Norsvin and Topigs Norsvin

The world's most innovative swine genetics company



**Topigs Norsvin**

PROGRESS IN PIGS



## Norsvin: A farmer owned cooperative



- The Norwegian Pig Breeders' Association, Norsvin, was founded as a co-op in 1958, and is now owned by 1 650 Norwegian pig producers.
- International activities merged with Topigs in 2014.
  - Topigs Norsvin. The world's most innovative swine genetics company
- Overall purpose with Norsvin is to add value to the pig through research and development.
- Profitable and reliable partner in the international markets.



## Customer oriented and value driven



- Norsvin specializes in genetic advancement for an integrated industry, focusing on a system approach balancing all aspects of the chain of value for maximum annual profit.
- Built on research and development, not on selling gilts.
- Tradition of high throughput phenotyping, which currently are being build on by genomic selection.
- 20% of turnover back to R&D.

**3 stars in practice!**



**Topigs Norsvin**

PROGRESS IN PIGS

## Norwegian pig production:

### Some key features:

- Animal welfare
  - *Loose housing, long lactation, anesthesia with castration, no medication in feedstuffs etc.*
- Structure
  - *Small family farms*
- High cost has lead to efficiency
  - *High feed prices*
- Agriculture through the entire country
- High health

### Some key figures:

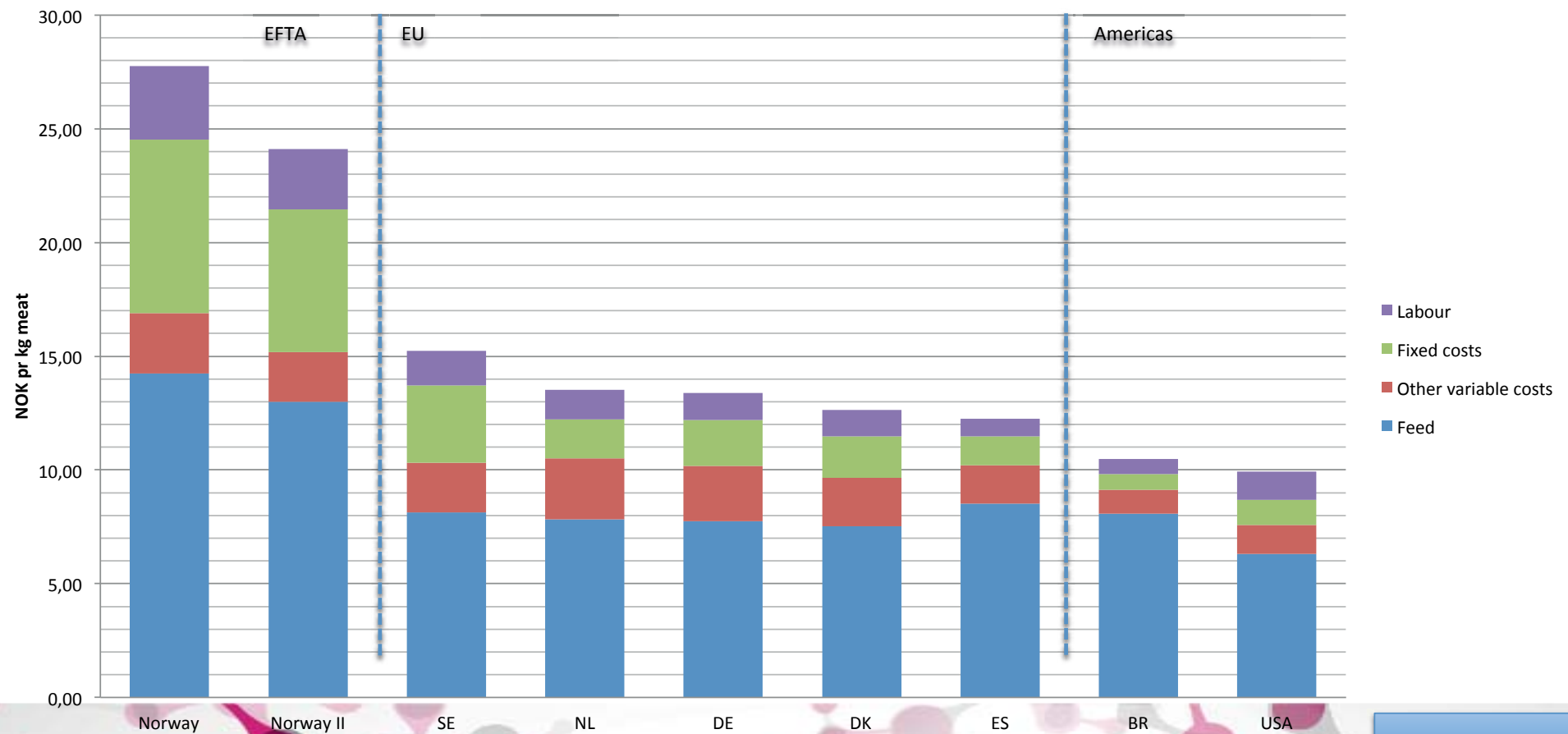
- 1,6 million slaughter pigs annually
- Norwegian pigs mainly fed on Norwegian raised carbohydrates
- Norsvin only genetic company present.
  - Farmer owned, also controlling AI
- 1200 herds with sows
- 1300 herds specialized with slaughter pigs only
- 2600 FTE
- 5200 FTE in connected industry
- Annual value creation of NOK 2 700 million (€ 338 mill)



## MRSA - status

- The Norwegian pig industry has a strategy to remove MRSA bacteria from pig barns.
- Less than 10 positive incidents in 2016 and 2017.
- Measures:
  - Culling of positive herds and
  - Prevent human spread incidents!
- These are adequate and sufficient measures!
  - But very costly for the farmers that are involved.
- The government has proposed to increase general research on anti microbial resistance, but are not proposing to increase preplacement support for MRSA culled farms.
  - High MRSA insurance costs will therefore continue. Norsvin is not satisfied with this.

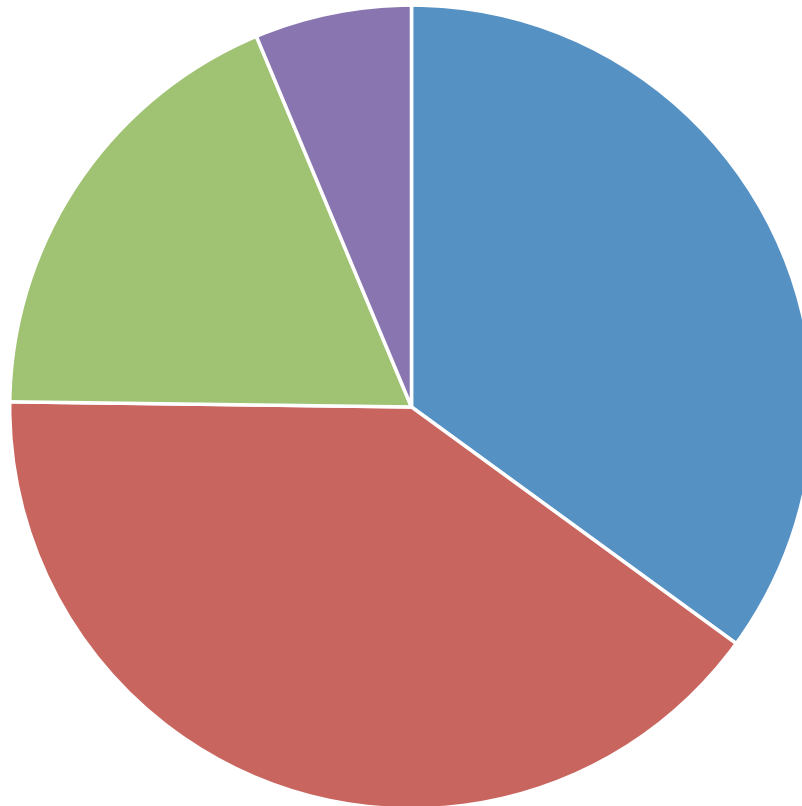
# Cost per kg meat (NOK) selected countries



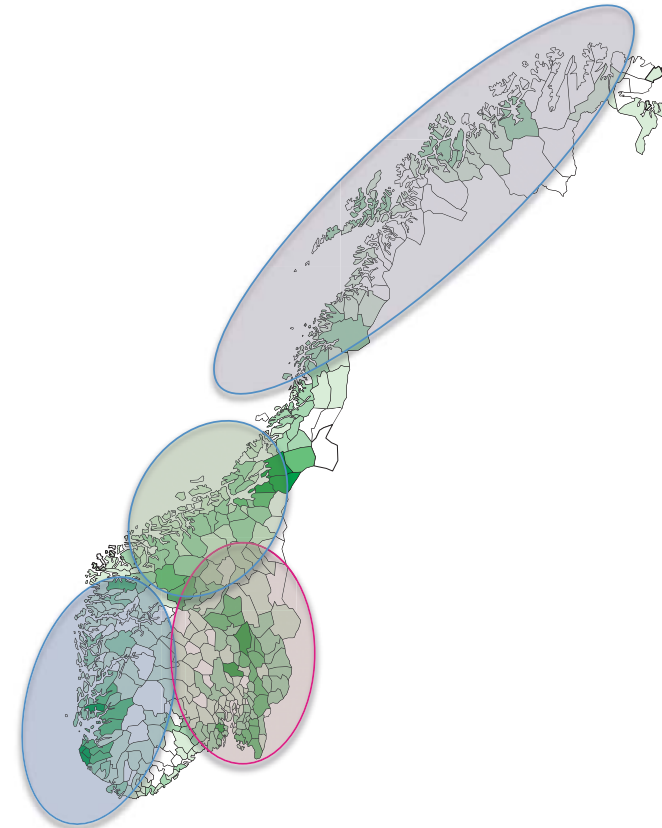




## Distribution of swine production in Norway (2015)



■ Vest ■ East ■ Central ■ North



Kilde ; SSB.  
Verdiskapning – kr 30 per kg produsert svinekjøtt

**Efficiency & profitability**



**Topigs Norsvin**

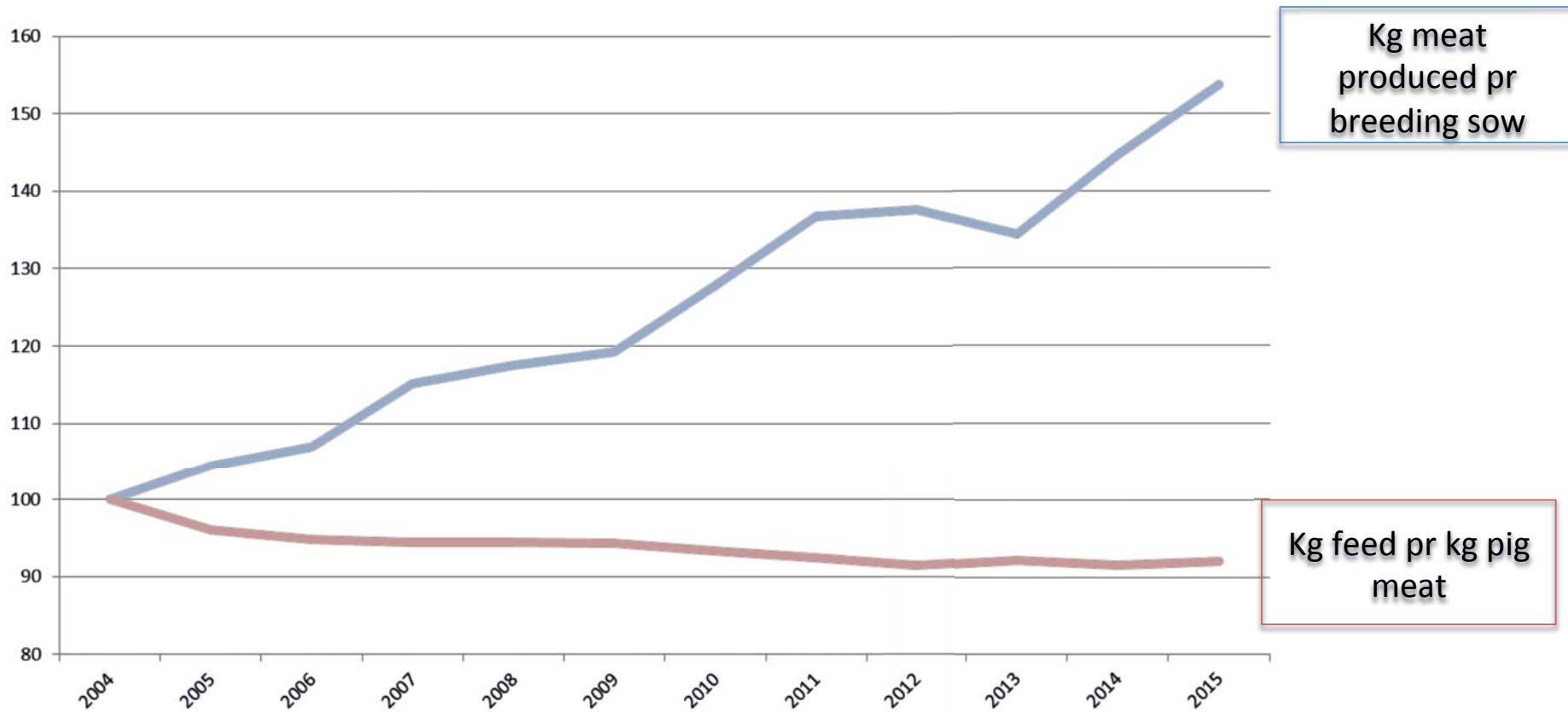
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**Breeding sows is reduced by 50%.**  
**Pig meat production is almost double since 1995**



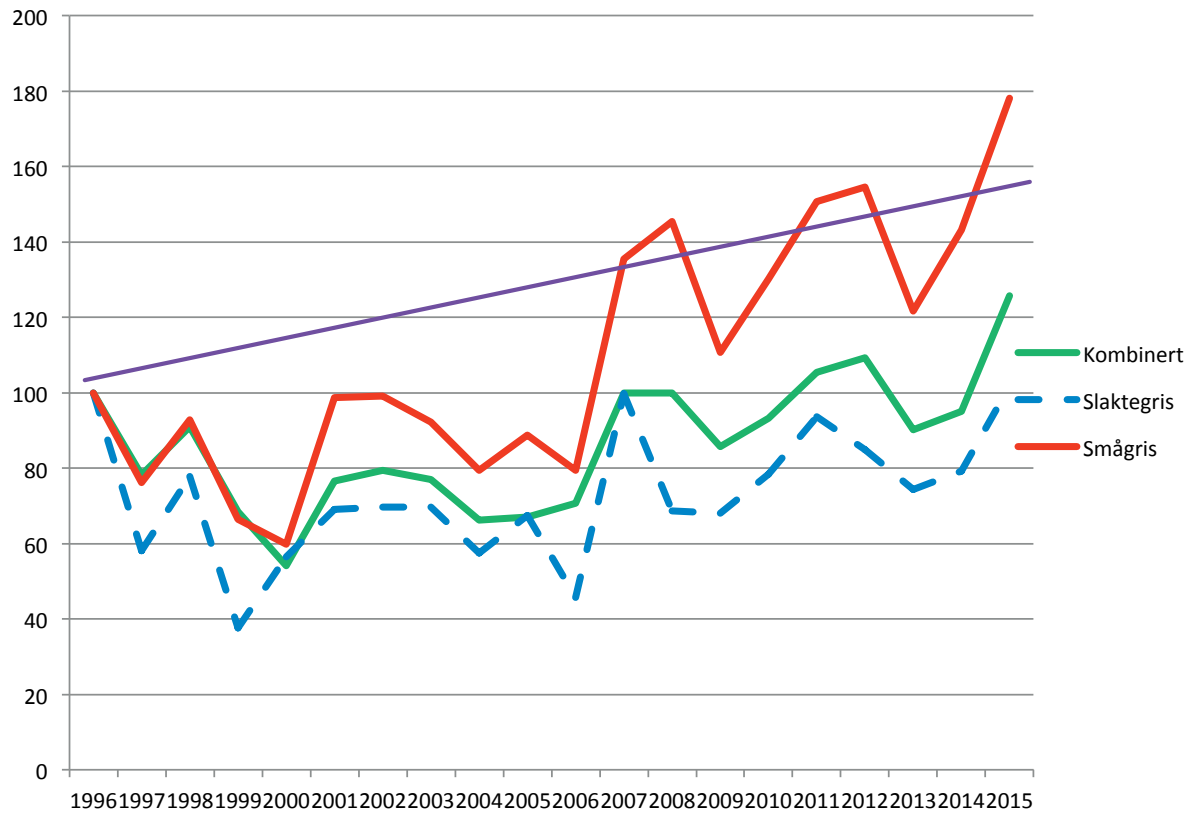


## Improved efficiency in the pig production! Year 2004 = 100



Source; Various official sources (mainly from the Directorate of Agriculture)

## Gross margin pr finisher, 1996 = 100, NOK (NOM)



- If adjusted to real price - > almost status quo



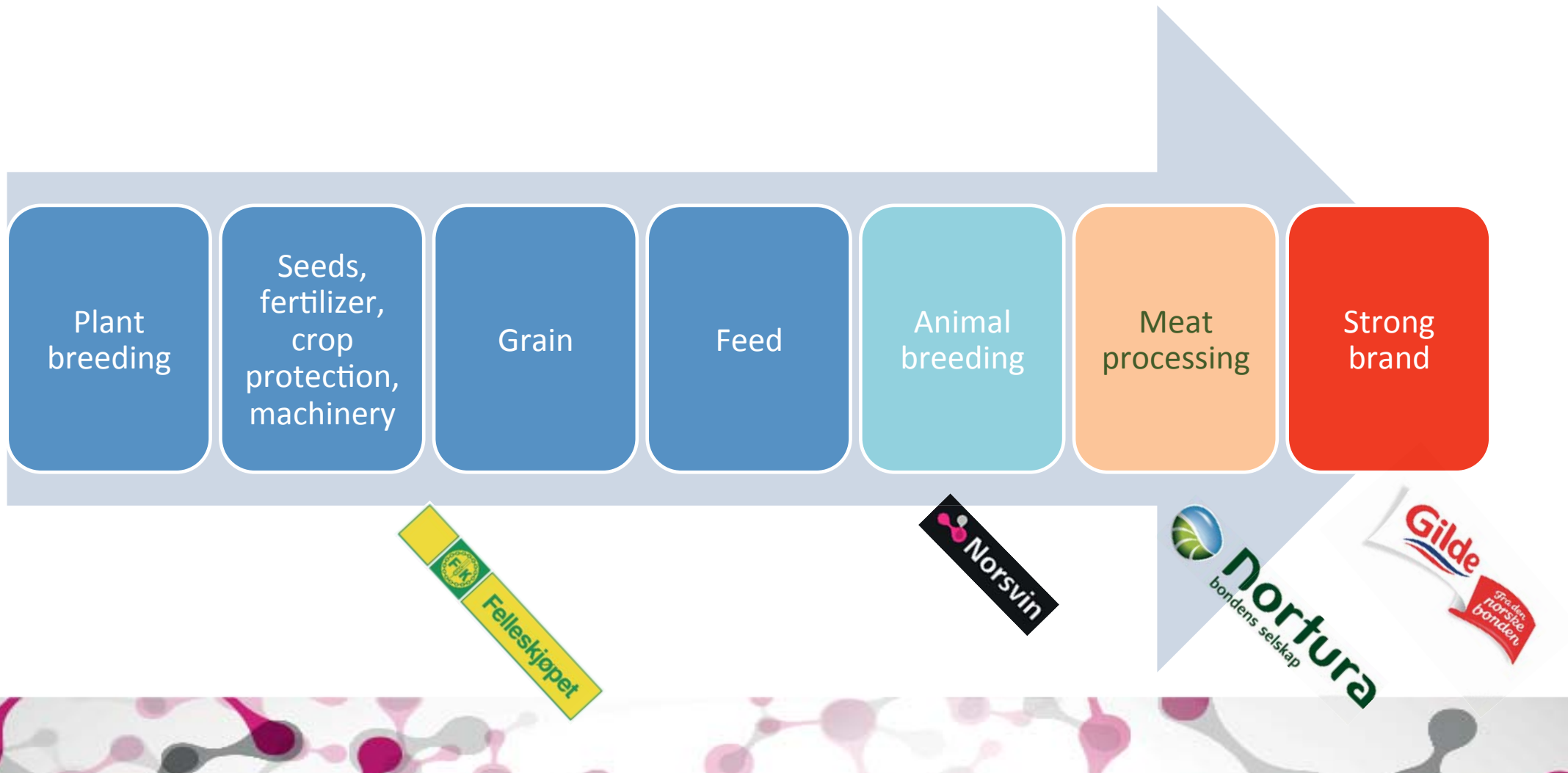
# The value chain



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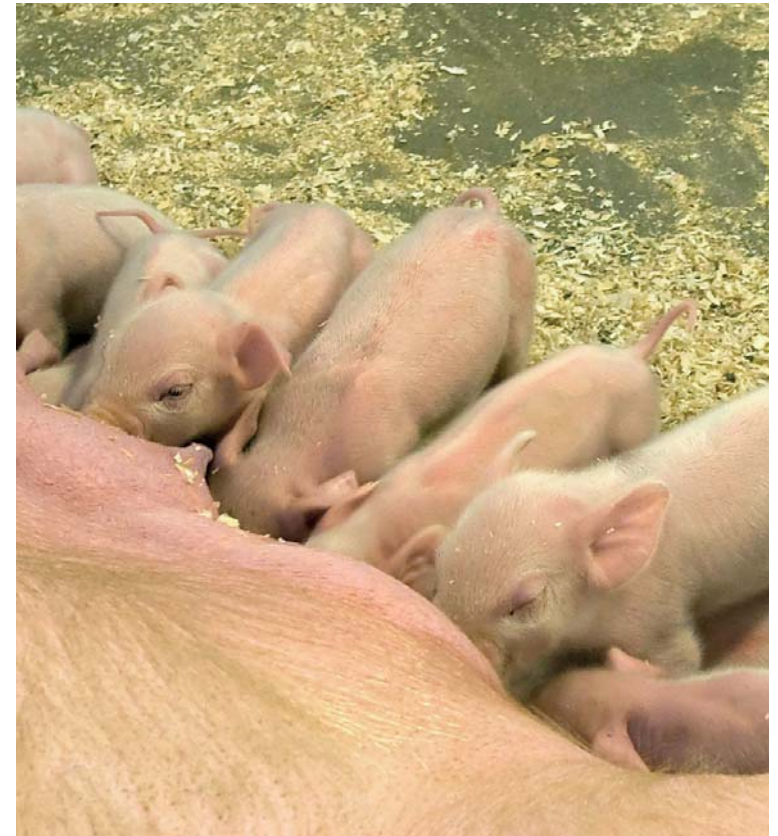
## Farmers are strongly interacting within the pig related value chain





## 4 cornerstones

- Meat market in balance
- Farmers negotiate internal prices with the government
  - Includes grain and pig meat prices
- Protected market
- Distributed production



Thank you!

