

IMPACT OF EU REGULATIONS ON PIG PRODUCTION IN FRANCE

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Introduction

French pig production and its industry have to face a raising number of regulation constraints, most of the time issued from EU directives or from imposed French procedures to reassure the consumer. The application of these measures induces extra costs at different levels of the industry. Some are taken in charge by the public authorities, the other ones by concerned firms.

Material and Methods

The impact of the most important measures (environment, welfare, traceability, sanitary security), expressed in cents of euros per kg deadweight (Table 1) has been estimated. Only definite extra costs corresponding to already set up rules are taken into account.

These additional costs include investment depreciations and interest charges on financial debts, and also running costs (operational charges, labour extra costs, additional inputs).

Environmental costs:

- building brought into compliance and pollution taxes: based on inquiries in public services.
- slurry treatment: based on an estimation from the Agricultural Census in 2000 of the quantities of nitrogen surplus in structural surplus zones and on an assessed unitary cost (1).

Welfare costs:

- In herds: keeping dry sows in groups takes place between 2003 and 2013, at which date its application will be compulsory. Global cost is based on a statistical survey on pig buildings in 2001, to estimate the number of concerned places, and on an assessed unitary cost (2).
- In transport: 50 000 exported breeders are concerned each year.

Traceability in pig industry

- Herds identification: all animals concerned, by tattoo or by microchip.
- Industrial food:
 - Security and traceability of raw materials: important consequences on supplying, manufacture, transport estimated with inquiries in feed firms.
 - Use of non GMO raw materials: a quarter of pig feed quantities is concerned (pigs belonging to quality signs).
- Slaughtering, meat processing: investment in computers and in labour is assessed, by inquiries.

Sanitary security:

- Growth promoters antibiotics ban: a partial ban was assessed (3) about 0,4 ct of euros/kg deadweight a total ban in 2006 would make it reach 2 ct.
- Bone meals and animal fats: since 2000, this ban has increased production cost of pig feed, an increase assessed through feed manufacturers.
- Elimination of slaughter by-products: this constraint borne by all slaughter firms is assessed by operator

inquiries: small-sized companies and multi-species ones are the most penalized.

Results

Table 1- Annual extra cost induced by regulation in French pig industry in 2005.

<i>In euros/100kg deadweight</i>	2005
Environment (S and I) ⁽¹⁾	
• Buildings brought into compliance	0,9(S)+0,4(I)
• Nitrogen surplus treatment	0,6(S)+4,1(I)
• Pollution tax	0,09(I)
Welfare (I)	
• In herd	0,15-0,53
• In transport	0,007
Traceability (I)	
• Herds identification, control	0,7-3
• Animal food:	
- security-traceability of raw materials	0,3
- use of non GMO raw materials	-
• Slaughtering, meat processing	1,7
Sanitary security (I)	
• Growth promoters antibiotics ban	0,4
• Bone meals and animal fats in feed	0,22
• Elimination of slaughter by-products	1,8
Total	11-14

⁽¹⁾ costs borne by State (S) or by industry (I)

Discussion

The average total extra costs borne by the entire French pig industry is estimated but some of these costs will not be borne equally by all firms, according to their situation, to their size, their localization...

Conclusion

The whole regulation constraints applied to French pig production have an important impact on production cost, between 11 and 14 cents of euros per kg deadweight; the impact is likely to be reinforced in the years to come. Marketing or regulation solutions have to be found, so that the production will not be penalised by its outside competitors who do not apply the same rules.

References

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