SUMMARY

Among Swedish consumers and politicians there is a wish to increase the amount of organic pig production. In addition this will make it possible for Swedish agriculture to process the organic grain into organic pig meat which can then be exported. Due to the decrease taking place within conventional pig production there is a surplus number of buildings in the Swedish rural areas, which relatively simply could be remodelled to contain an EU-regulations type of organic production. An increase in organic production can therefore also lead to an increase in the growth of the rural areas.

The aim of the presented investigation was to compare the economics of organic pig production according to the KRAV-regulations and production according to the present EU-regulations. Within the KRAV-regulations, different types of production systems were also compared. The object was to present interested producers, who are perhaps smaller conventional producers who may be considering ceasing production, a better basis for investing in organic pig production. These comparisons would also contribute factual data to the debate about how the organic pig production of the future in Sweden should be carried out. The overall ambition was to contribute to growth within this sector in Sweden.

In order to compare the economics of different production systems for organic piglet and growing-finishing pig production, a previously used calculation model based on Excel was used. The first step was to collect data for the different alternatives using a literature search. Information obtained from research publications and existing calculations were used as in data. Three different production systems for organic piglet production were compared:

A1) Nursing and gestating sows in outside huts according to the KRAV-regulations (42 sows);
A2) Nursing sows in a pig house and gestating sows in outside huts according to KRAV (60 sows);
A3) Nursing and gestating sows in a pig house according to the EU-regulations (120 sows).

Four different production systems for organic growing-finishing pigs were compared:

B1) Growing-finishing pigs in outside huts according to KRAV (300 pig places);
B2) Growing-finishing pigs in outside huts during the summer and in a pig house during the winter according to KRAV (300 pig places);
B3) Growing-finishing pigs in a pig house with access to a pasture during the summer according to KRAV (600 pig places);
B4) Growing-finish pigs in a pig house according to EU-regulations (1200 pig places).

Comparison of the different production systems for piglet production showed that there was only 2 SKK difference per pig in production costs between producing pigs in a pig house according to KRAV (A2) or the EU regulations (A3). On the other hand, the
production costs using huts outside according to KRAV (A1) was significantly higher
than producing pigs in a pig house according to KRAV (58 SKK per pig). It should be
noted that rental costs for pasture were not included in these calculations.

The comparison between different production systems for growing-finishing pigs
showed that it cost approximately 0.39 SKK more to produce a kg pig carcass
according to KRAV in a pig house (B3) than according to the EU in a pig house (B4). In
the present investigation, systems using outside huts (B1) led to considerably higher
production costs (2.79 SKK) than did systems using a pig house according to KRAV
(B3). It should be noted that rental costs for pasture were not included in these
calculations.

If the production costs for piglet production and growing-finishing pig production
according to KRAV were put together (systems A2 + B3), these costs were 0.42 SKK
higher per kg pig carcass than the costs for the EU regulations production system
(systems A3 + B4). If a rental expenditure of 3 000 SKK per hectare was included, the
difference increased to 1.25 SKK per kg pig carcass.

Within the KRAV based production systems, there was a large variation in
production costs. In the most extensive system (systems A1 + B1) they were 3.47 SKK
higher than for the most intensive system (systems A2 + B3). If a rental cost of 3 000
SKK was included in the calculations, this difference in production costs increased to
6.63 SKK per kg pig carcass.

To demonstrate how own feed production or usage of by products from the food
industry could affect production costs for the different production forms, a 30% lower
feed price was inserted into the calculation model. The results of this new calculation
showed that the extensive production systems with low feed efficiencies had the greatest
reduction in production costs per kg pig carcass. In order to demonstrate how lower
building/housing costs could affect the production costs, the housing costs were
reduced by half in the model. The results of this new calculation showed that the
production types with relatively high investment costs had the greatest reduction in
production costs per kg pig carcass.

In summary, it could be concluded that production costs per kg pig carcass were
lowest if organic production was carried out according to the EU-regulations. The
difference as compared to KRAV production when using pig houses was about 0.40
SKK, exclusive of rental expenditures. With a rental cost of about 3 000 SKK per ha per
year, this difference increased to 1.25 SKK. The difference/range in production costs
between different production forms within KRAV-regulations was great. Evaluation of
profitability in the present study had not taken consideration to the possibility of having
different levels of payment for carcasses according to type of production system. The
payment for organic meat in Sweden produced according to EU regulations will be in
general comparable to that in other EU countries. The present investigation showed
that the payment for KRAV-produced meat should be somewhat higher than that for the
EU-meat, in order to cover the higher production costs. The production of KRAV-pig
meat using the outside huts system should have an even higher payment so this
production system could continue to be profitable in the future. The development of
different “brands” for different markets would provide a greater possibility for
progress in production for both the KRAV and the EU organic pig meat. Producers
presently producing pigs using the KRAV regulations and conventional pig producers
who will change to organic production would be able to find their ”own market”. In this way organic pig production could become a ”growth branch” in the future.