



The Scottish facility is expected to provide greater product availability and supply flexibility.

With 120 boar places, the Scotland site is part of an overall investment plan. Situated just outside Aberfeldy, in Perthshire, the stud location is excellent for biosecurity and distribution by its temperature-controlled courier network to Scotland and Northern England.

Upgraded boar housing offers excellent conditions for both boars and operators, who have a wealth of laboratory and animal care expertise. As such, Hermitage AI has developed its own processing system that produces high quality product, maximising herd productivity in terms of fertility and genetic value provided.

Aberfeldy is one of six AI centres currently supplying semen to the UK market. Like all Hermitage AI Centres, it is EU licensed and supervised by a centre veterinarian, whose

responsibilities include routine health testing, monitoring and all relevant certification – in turn, they are monitored by the Animal and Plant Health Agency.

All AI boars are sourced from high health nucleus farms and spend a minimum of 30 days in an approved quarantine prior to entry. Here, compulsory testing (Classical swine fever, Aujeszky's disease and brucellosis) is completed, while tests for PRRSV are conducted at entry and prior to exit.

Following negative results, boars are transported to the AI Centre in a designated trailer. All Hermitage AI Centres are surveyed weekly for PRRSV and analysed by an external laboratory.

The Hermitage AI stations currently supply PIC Genetics, PIC-Hermitage Genetics and Møllevang Danish Genetics.

PIC UK and Ireland commercial director Steve Furniss said: "Finding a great supply partner allows us to focus our resources on genetic improvement and technical services that benefit our customers. Genus, PIC's holding company, will spend globally over £40 million in research and development this financial year, the majority of which will either be for the porcine business or for pigs and cattle.

That genetic improvement and delivery to farm level is core to our business, as it is here we create added lifetime value to our customers' businesses. Hermitage AI is an excellent partner for making that happen."



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Genetic Update: Pig producers worldwide benefit from genetic progress

**New genetic techniques are increasing the production, efficiency and yield of PIC pigs at a remarkable rate. This increased rate of genetic progress in recent years is now showing as accelerated improvement in commercial pig farms. And we believe there is more to come.**

**The 2013 introduction of Relationship-Based Genomic Selection (RBGS) into PIC's genetic program has helped to accelerate the growth in commercial profit potential. RBGS has replaced the assumed pedigree-based relationship between animals in the genetic evaluation by the actual genomic-based relationship between animals. This has increased the traditional rate of genetic progress by over 35 percent per year for all traits, lines and commercial products.**

In PIC's genetic farms at the top of the pyramid, we have seen significant advancement in traits that directly impact the efficiency, throughput and robustness of pork production. This is a direct result of the introduction of RBGS and other on-going investments in technology.

A specific example of this additional value is the impressive change in both total born and average piglet birth weight. PIC has been measuring individual piglet birth weight for a number of years and has incorporated it into the selection process while implementing RBGS. As a result, the PIC genetic farms have realized an improvement in total born of over 1.5 pigs per litter. Simultaneously, direct selection on individual piglet birth weight has led to an increase of birth weights by over 100 grams per piglet. Total born is a critical measure of success on a sow farm, but if birth weight and survivability of piglets is low, the value of increased total born is minimal. Now that birth weight is also increasing, these additional pigs will increase the producers' productivity and profit potential. Linked to the improvement in birth weight, pre-wean survival also saw a sharp improvement of 0.8 percent average per year for the last five years.



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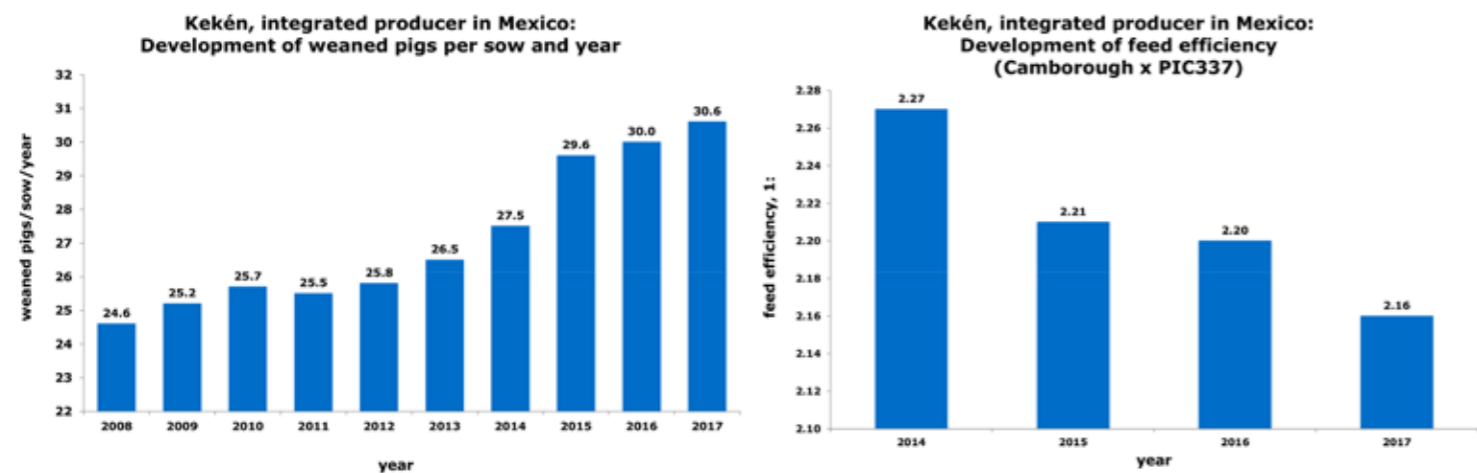


Maternal improvements at the genetic farm level take approximately 2-3 years to disseminate through a multiplication system to the commercial level. Now, approximately four years after implementation of RGBS, customers are starting to see the impact from this improved rate of gain at their commercial sow farms. The full benefits of these genetic changes in PIC lines are being observed as commercial finisher pigs start reaching market.

PIC maintains a customer database of commercial performance data. The database includes reproductive results from over 710

thousand sows and performance data of 6.3 million growing pigs. The performance data are showing strong year-over-year gains. The phenotypic trends of traits ranging from total born to feed conversion to average daily gain are showing trends equal to or greater than the predicted genetic trend.

Kekén, one of Mexico's largest integrated producers, has used PIC genetics for over 20 years. The Mexican company works with internal multiplication of Camborough sows and is using 337 boars. Genetic gain is turning into commercial improvement as total born per litter has increased from 12.6 pigs in 2013 up to 15.4 pigs in 2017. In the same time period, pigs weaned per sow increased by over 4 pigs / year, from 26.5 up to 30.6 pigs / sow / year. In addition, feed conversion has also im-



proved by over 0.1 from 2.27 in 2014 to 2.16 today while marketing a heavier pig.

The results from Pronaca, a 10,000 sow customer in Ecuador, reveal significant improvements in growing pig performance with a daily growth of 991 grams per day versus 922 grams in 2010, and a feed conversion of 2.35 compared to 2.64 in 2010.

For PIC customers, implementation of RGBS and the continued growing investment in industry leading data capture programs like GNXbred, help deliver the annual improvements necessary in an increasingly competitive industry. Numerous traits, including total born, survivability and efficiency, are improving at an increased rate and create greater benefit for PIC customers.

**Our motto "Never Stop Improving" drives PIC every day. Investing in technology and services to deliver robust, predictable commercial-level genetic improvement is a key part of that mission.**

## PIC and Hermitage move forward with new Scottish AI facility

**PIC Genus and Hermitage joined forces last year. As we have watched the pig industry consolidate into fewer hands, it will not have gone unnoticed that the number of genetic businesses in the UK has also reduced over the past 20 years.**



**Last year, in a move to strengthen their positions in the market, PIC acquired genetic rights from Hermitage, with the two companies entering into a strategic partnership.**

As part of the deal, PIC's UK studs were transferred to Hermitage to be operated by a new business, Hermitage AI Ltd, designed to deliver added benefits for customers of both companies – combining PIC's added value and Hermitage's reputation for investing in facilities for the production and supply of superior genetics. It also means the partnership can leverage technologies and practices across more operations and deliver excellent customer service.

"This exciting new partnership allows for a more specialised approach to PIC's supply chain," said Hermitage AI general manager Simon Cook. "Hermitage AI will continue to invest in the latest CASA (computer-assisted sperm analysis) technologies for semen evaluation and preservation to deliver the best quality product and also to give access to the highest level of genetics."

The week before Christmas, Hermitage AI re-opened a facility in Scotland, an addition that will see the company operate more than 2,000 boar spaces in Europe – making it one of the most significant players in porcine semen production.

