

# VAEX

03-2021 - EN

## THE LIVESTOCK TRADERS



SOURCE: THE SHOW TRUCK CHANNEL

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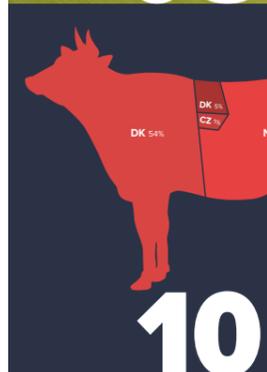
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Team AXIS EUROLINK



*"Going the extra mile during a very challenging year"*

"The year 2020 is behind us now. Looking back, we can say that it was a good year for VAEX. During periods of market stress, the value we add to the European pig farming sector can be seen more clearly. But I have never seen such a turbulent market in my life."

"Thanks to our extensive network and our ability to navigate quickly through rapidly changing market conditions, we are used to solving puzzles. However, the extreme conditions faced by the pig farming sector during the past year were unprecedented, even for me. Most issues are predictable, for example we knew that the African swine fever virus would reach Germany at some time. This happened in September, at the worst possible time. We were right in the middle of the corona crisis and the slaughterhouses and meat processors were already struggling to work with modified processes. The German outbreak had an enormous impact. The market for pigs and piglets came under increasing pressure and the European market faced growing uncertainty. Finding market niches in all

parts of Europe was an extremely difficult task, but it was also rewarding. We managed to achieve this by using our existing network and new distribution channels. Together, we can always go the extra mile and make more progress.

"Excellent teamwork enables us to keep on pushing the boundaries. Together, we will go to any lengths for our customers, for our suppliers and for each other. In 2021, we will boost our efforts to ensure the smooth functioning of the VAEX organisation. A team that radiates a feeling of pride. Only together can we face the new challenges that come our way with flexibility and determination.

Therefore, I would like to thank everyone for their great cooperation in 2020. I hope that the year 2021 will bring more stability for everyone. We will continue to go from strength to strength".

*Dirk Govers, CEO*

# "African swine fever poses challenge to Romanian pig farming sector"



Carmen Radelescu tells how VAEX has been working for fifteen years in Arad to 'pave the way for pigs' in Romania. "This work is dynamic and it is anything but boring and predictable. Our strength lies in our wide network and in the fact that we keep on puzzling away at something until we achieve a solution".

Carmen is manager of VAEX Romania and she heads up a 'six-woman team.' They focus on selling piglets in Romania and Hungary and purchasing piglets in Romania, Hungary and Germany. They also purchase fattening pigs. These are slaughtered and the carcasses are sold on. "That sounds simple, but it was certainly not the case last year," says Carmen. "African swine fever is a continuing problem in Romania. It causes uncertainty in the pig market and prices have fallen."

## African swine fever

New outbreaks of African swine fever among farmed pigs can disrupt schedules at any time. Carmen says that the virus re-occurs persistently because of the large numbers of wild swine in Romania. The large number of backyard farms with poor standards of hygiene are also a danger to the professional pig farming sector. "If one animal tests positive on a small-scale pig farm, all operations within a radius of 10 km are shut down. That happened yet again in the first week of 2021 and eleven professional pig farmers were unable to transport their piglets and fattening pigs. If the outbreak does not spread any further, the ban is lifted after six weeks".

But Carmen also has a customer whose operation was shut down for almost eight months in 2020. "Then it is difficult to fulfil commitments," she emphasises. "However, solving difficult situations is also one of our strong points. We have a wide network and we keep on working the problem until we find an acceptable solution".

Carmen has to find solutions within Romanian borders. The presence of African swine fever makes it impossible to export piglets, fattening pigs, fresh pork or carcasses. "To enable us to export piglets from a pig farm that has been shut down for such a long time, we contact the authorities and deliver customised solutions to prevent health

problems", explains Carmen. "We did this by using pig houses in the region itself or in surrounding areas.

## Separate distribution channels

In order to market the healthy fattening pigs of a locked-down farm, the ladies of team VAEX Romania have to find special slaughter capacity. "The meat of pigs from a contaminated area is not permitted to be sold without restrictions", explains Carmen. "The carcass or the meat needs to be thermally treated. This is only done by a few smaller slaughterhouses which means that distribution is limited. It also affects the price that they are willing to pay. Another complication for marketing these fattening pigs is the weight. "Normally, fattening pigs have a live weight of 100 to 110 kilogrammes," she states. "But the heaviest animals from locked-down farms weigh between 160 and 180 kilogrammes when they are slaughtered."

Carmen also describes a situation whereby a large sow farm was temporarily locked down and the supply of piglets to the regular buyers came to a standstill. "It was a painful situation for both of these customers," she says. "But for us, too. Because it was difficult to fulfil the agreements laid down in the contract, and also because the buyer did not want to have piglets from another source in his pig houses".

## Seeing opportunities

Carmen is an optimist and always sees opportunities. "After an outbreak of African swine fever, large pig farms are empty due to the culls and the period of mandatory inactivity. They can be re-populated with sows or piglets. But there are also pig farmers who have suffered such big losses in the past year that they put their farms up for sale," she adds. "We try to find new owners for locations with space for developing pig farms.

Carmen believes that her country is attractive to entrepreneurs with a pioneering spirit. "Romania has to import about half of the pork meat that it uses. Pig farmers who want to work professionally can make money and contribute to the recovery of domestic pork meat production.

## ABOUT THE ROMANIAN TEAM...

- Fanatical coffee drinkers;
- A close-knit team;
- Enthusiastic about walking;
- All staff birthdays are celebrated in the office;
- Commonly known as 'the women's team' and as the team that finds a solution for every challenge;
- Team-building days are very worthwhile.



# WORKING TOGETHER TO FIND THE RIGHT SOLUTIONS

Jaap Dane has had a working relationship with VAEX for almost twelve and a half years. *"When I communicate with Ilona or Dirk from VAEX we don't need many words to understand each other. Together, we are quick in finding appropriate solutions".*

Jaap Dane is now 30 years old and has been working for the family business 'Firma Dane en Zn' since he was eighteen. He has been co-owner since 2011. Trading in cattle and beef is embedded in Dane's genes. He knows all the ins and outs of trading in the Netherlands and he has a keen eye for the market. He has worked along with VAEX for almost twelve and a half years to supply third countries with in-calf heifers. "If Ilona from VAEX calls me and asks for 300 Holstein-Friesian in-calf heifers that are between two and five months pregnant for the Russian market, I will find them," says Dane. "I know where to look for these animals in the Netherlands."

About 80% of Dane's trade in heifers is designated for VAEX. Ilona and the foreign buyer are present when the animals are being selected. "But this physical meeting is no longer possible due to the corona infections in Europe," he says. "Therefore, Ilona and I do the job with a camera and a direct online connection with the customer."

### Running and standing still

Heifer exports can continue thanks to this adapted selection method. According to Dane, this digital, cost-saving solution is temporary. "Buyers like to see with their own eyes what they will be getting in their cowsheds. The relationship is reinforced through personal contact and some touring around the Netherlands."

This year, Dane has done considerably less trade in heifers. Following the successful years of 2016, 2017 and 2018, Dane had a less successful year in 2019 because there were very few heifers for sale. The supply of heifers recovered in 2020, but there was no demand. "It was a year of running and standing still. In 2020, we were unable to export even a single heifer to Russia for several months," he stresses. "COVID 19 slowed down building projects so that orders were postponed until the autumn. Luckily, our trading company has enough strings to its bow so that I could direct my energy and time elsewhere. And I am used to being adaptable".

### Making the most of opportunities

Another thing that Dane appreciates about his long-running relationship with VAEX is its creativity and its response to new challenges. "If I see that the market is becoming saturated with a certain sort of cattle, I call Dirk to discuss our approach to this development", he says. "We complement each other well and we don't need a lot of words to put things in order. This way we deliver each animal to the best destination for the right price".

Dane expects that 2021 will be a better year for heifers than the last two years. But he is concerned that both transport of livestock and long-distance transport of slaughter cattle are under intense scrutiny. "Regulations make it more difficult to work properly and efficiently to benefit the cattle sector. And Russia needs our heifers to produce enough milk for the Russian people", says Dane decisively.



**Firma Dane en Zn**  
Together with their sons, Jaap and Teun, Kors and Elise Dane run the family business 'Firma Dane en Zn' in Oudemolen (North Brabant). The company has two locations and it consists of an arable farming branch, farms for beef cattle and poultry and it trades in cattle and beef. It has a total of eight permanent employees.

# UNCERTAINTY CHARACTERISED THE MARKET IN 2020

The market for cattle and cattle trading is always dynamic. But the extremes of 2020 are absolutely unprecedented. Periods of running and standing still came and went at top speed and peak prices dropped within a few months to dramatically low levels. Responding to an unpredictable market pushed us to the limit.

During the first four months of 2020, trade in piglets was satisfactory and the market was predictable. Prices for piglets and meat products reached historically high levels. A main factor was the large demand for pork from Asia, particularly China. African swine fever caused production in the world's biggest pork country to slump dramatically. But the Chinese pig stocks are recovering at an amazing rate; this reduced the demand for pork on the global market as the year went on.

The spread of COVID-19 infections among employees in pig slaughterhouses and meat processing plants suddenly slowed down the market which had run smoothly until the month of May. China withdrew export certificates from meat processors in affected locations in the Netherlands, Germany and Denmark. Within a very short time, the market came under a great deal of pressure. The market for fattening pigs slowed down, the piglet market slowed down and prices suffered a decline.

## Complicating factor

An additional complicating factor was the outbreak of African swine fever in Germany last September. It was only to be expected that this contagious swine disease would cross the border from Poland at some time. But it could not have happened at a worse time. September is traditionally a slow month for the pig market, but having the corona problems at the same time made everything even more difficult. In addition, German slaughterhouses had to sell their products on the European market. This put more pressure on prices and the trading lines were far from normal. The market was no longer predictable. In some weeks, business stagnated and in other weeks every truck was needed to transport the animals to their destination.

An example of market disruption is the export flow of fattening pigs. Livestock was transported from the Netherlands, Belgium and Germany to Spanish slaughterhouses right to the end of 2020. In a normal year, that would only happen for a couple of weeks during the tourist season.

## Looking ahead at the pig market

At the end of 2020, the market calmed down allowing the dramatically low piglet prices to recover a little. That is a positive sign for the recovery of the piglet market. In the Netherlands, farmers are struggling with a further decline in pig stocks. The effects of the subsidy scheme for the remediation of pig farms are visible in a structurally lower supply of piglets and fattening pigs. In Germany, the supply of piglets will decline further because some sow farmers stopped trading in 2020 and others are expected to follow.

*"Prices for piglets and meat products reached historically high levels."*

## Export market for heifers

The year 2020 can go down in history as a very poor year for the export of heifers from the Netherlands, Belgium and Germany. COVID-19 affected trade with third countries such as Russia, Uzbekistan, Georgia and Kazakhstan. Building projects for dairy farms faced lengthy delays because of this. It led to an export dip of almost three months. Heifer exports picked up again in the autumn. Selection of heifers had to take place online because the COVID-19 regulations prohibited entry to persons from third countries.

There are a few more nice projects in the pipeline for 2021. The first heifers were released from quarantine in January. Heifer export is expected to be more stable and consistent than it was in 2020. We are still being faced with challenges, such as responding to social and political demands regarding long-distance transport of livestock. We need to be creative if we want to maintain the financially interesting heifer market.

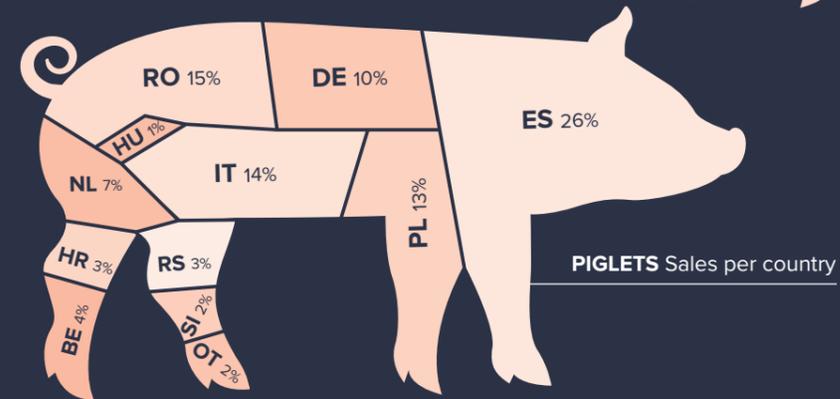
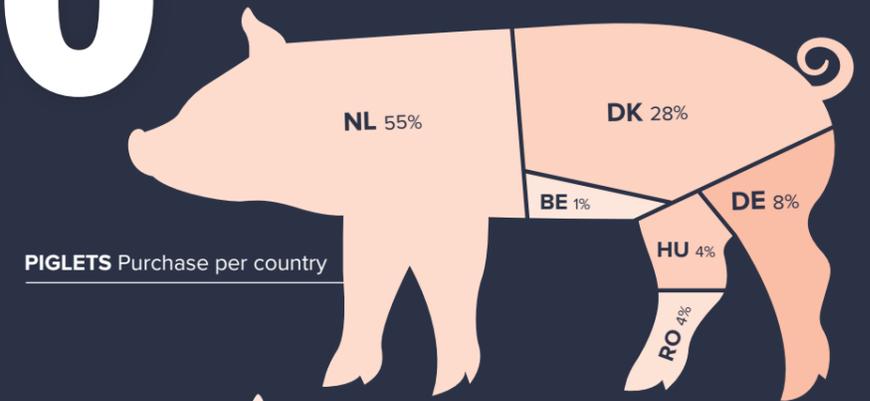
# STATISTICS 2020

**30**  
employees

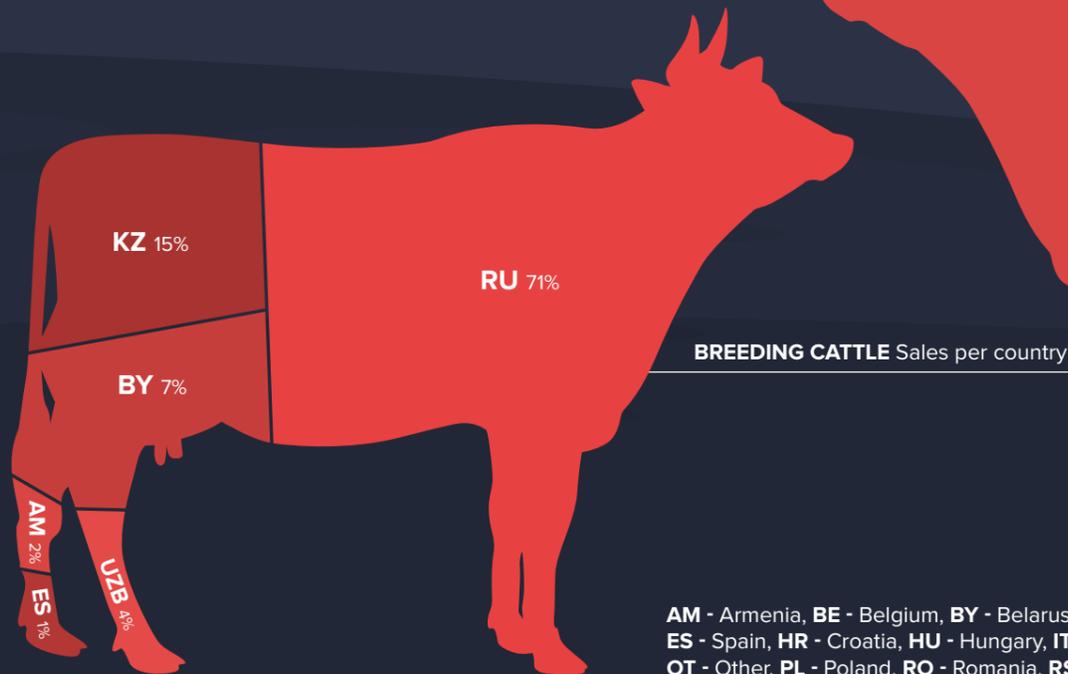
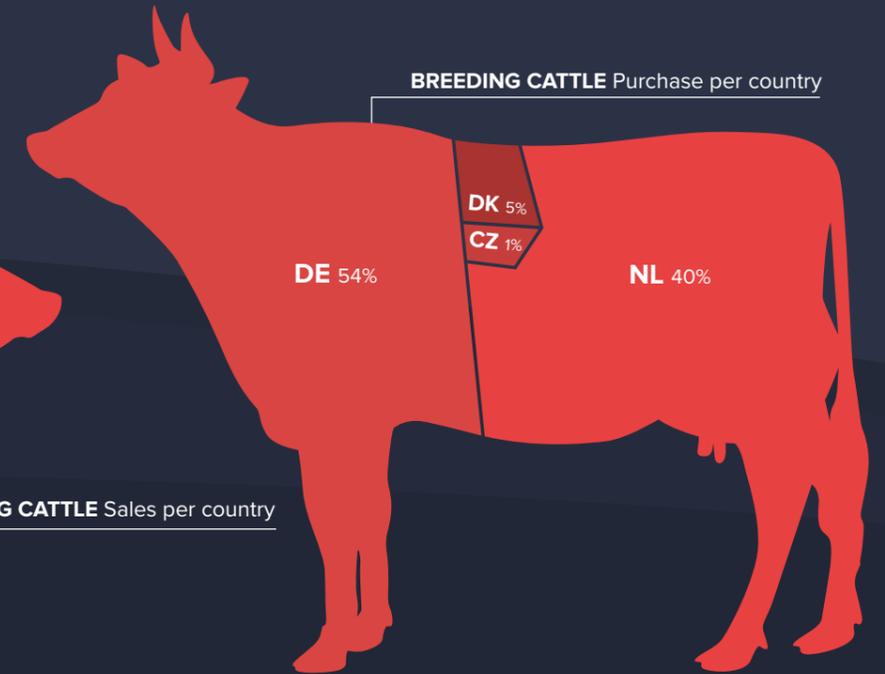
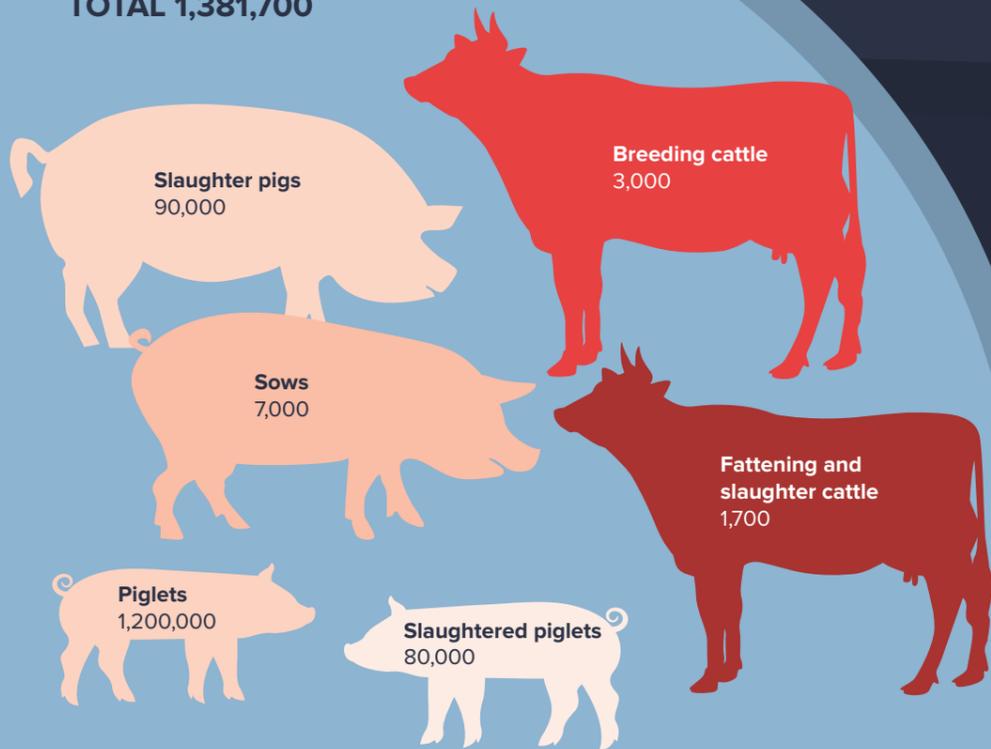
**7**  
commission agents

**€110**  
million turnover

**4,770**  
tonnes  
traded carcasses & meat



## ANIMALS TRADED: TOTAL 1,381,700



AM - Armenia, BE - Belgium, BY - Belarus, CZ - Czech Republic, DE - Germany, DK - Denmark, ES - Spain, HR - Croatia, HU - Hungary, IT - Italy, KZ - Kazakhstan, NL - The Netherlands, OT - Other, PL - Poland, RO - Romania, RS - Serbia, RU - Russia, SI - Slovenia, UZB - Uzbekistan



# A THIRTY-FIVE-YEAR-OLD RELATIONSHIP CONTINUES TO GROW

After the Netherlands, Denmark is the most important supplier of piglets for VAEX's trading activities. Every year, more than 350,000 piglets are transported to another destination in Europe. Most of those Danish piglets are handled by H&S Westergaard A/S.

**H&S Westergaard A/S first did business with VAEX in 1985, but it did not really join the VAEX family until five years ago. How does co-owner Søren Westergaard feel about the ever-closer working relationship with VAEX?**

**Who is Søren Westergaard?**

"I was born in Sunds in 1975. My father traded in pigs and cattle and had a transport company. I took business studies at Herning Handelsskole and I attended the vocational training school for livestock and meat in Neumühle in Germany. I have run the trading company with my brother Henrik since 2005. We now have 28 employees".

**What are the key activities of your company?**

"Buying and selling piglets is our company's core activity. We sell about 35,000 piglets per week. Buying sows for slaughter in our slaughterhouse in Sevel and selling sow meat is a good second branch. We also trade in breeding cattle and beef cattle and we have fourteen lorries for transporting livestock".

**How long have you been doing business with VAEX?**

"We have a working relationship of more than 35 years. My father, Henrik, first did business with Toon and Leo Govers in 1985. From then on, business was done on an incidental basis. But for the past five years we have been working more closely with VAEX".

**In which areas do you collaborate with VAEX?**

"Mainly for export of piglets. We work together to ensure that piglets are delivered to the right destination

in Europe. VAEX also commissions us to collect heifers in Denmark for export to third countries. In addition, we collaborated in 2020 to trade in carcasses of slaughtered pigs. One of our fixed sales channels was cut off due to corona issues. VAEX helped us find other distribution channels".

**How would you describe the relationship with VAEX?**

"I can sum it up in one word: good. Communication lines are short and we are always ready to help each other".

**What challenges do you see ahead?**

"Our business is and will always be dynamic. But, in the last year was particularly difficult because we had to deal with the effects of COVID-19 and the outbreak of African swine fever in Germany. We will always have to keep adapting to the highs and lows in the market".

**What are you proud of?**

"The first thing that comes to mind is my wife and my three children. We have succeeded in finding an acceptable balance between work and home life. Hard work and long hours are not bad things if the time you spend together is quality time. We even managed to enjoy a couple of short holidays together during the hectic year 2020."

**What are you allergic to?**

"If people don't keep their commitments. People should stick to their word".



## PERSONAL DETAILS

**Søren Westergaard is married to Christina and they have three children. Sofie is 20 years old, Emil 17 and Frederik 16.**

**What is your favourite food?**

"A good steak or fish burger in the 'Skagen fiskrestaurant' in Skagen. I like to drink a nice glass of red wine or a beer with it".

**Are you a sporty person?**

"I do two very different sports as hobby: badminton and football".

**Where is your favourite holiday destination?**

"A beach holiday at the most northerly point of Denmark - Skagen. But I also enjoy skiing in the Alps.

**Which brand of car suits you best?**

"Life is safer and more comfortable when you drive a Volvo".



A team functions best when everyone feels comfortable and happy, feels involved and does the work that suits them best. Then people are prepared to go the extra mile if a colleague asks or if the situation demands it. "VAEX has successfully taken the path towards more efficient teamwork," say Linda Carels and Joost Pennings.

# "Teamwork - onward and upward every day!"

Linda Carels has been the right-hand person of VAEX CEO, Dirk Govers, since July 2018. In her role as management assistant, she supports him and organises everything at VAEX The Livestock Traders from A to Z, including some HR tasks. Joost Penning started working as operations manager in March 2018. His focus is streamlining company processes to make them simpler and more efficient. Linda, Dirk and Joost form the management team of VAEX The Livestock traders and they set the goals for improving the company and team performance.

### Modern trader

Thirty-six-year-old Linda Carels has a clear preference for working in a man's world. "My work experience included working as account manager in the building trade, so moving to the cattle and pig trade was not such a big change in that respect," she says. "The dynamic aspect was also not such a big change, but I was sceptical about the trading side. I was very surprised by what I found: an exciting company with a modern trader and a team of young people."

Joost, who doesn't have farming roots, can identify with Linda's statement. "I also had preconceptions about a pig trading company: rather old-fashioned, a low-status trade." Funnily enough, on the day of his job interview at VAEX he also attended an interview with another company dressed up in a suit and tie. "That doesn't suit me at all", he says. "I like informality, the easy-going atmosphere you find in Brabant and short lines of communication".

### Taking big steps

During the two years that Linda and Joost have worked for VAEX, they have already seen a lot of necessary changes. According to Joost, important steps have been taken in the areas of company processes and IT. "I like to make other people's work easier, clearer and more up-to-date. It also works out cheaper".

Linda tackled the challenge of responding to the corona regulations, applying them within their organisation and keeping people involved. "From ensuring that people can work effectively at home and what to do if someone has tested positive with corona to making a schedule for the office," she explains. "Even though people are working at a distance from the organisation, I make sure that the team spirit and performance continue to grow. We have a stable group of motivated people with an average age of 34 years old. Everyone is in tune with each other".

### Full speed ahead

Of course new goals have been set for the year 2021. We will always move onward and upward. Full speed ahead. Individual goals are collected and converted into objectives for departments and for the whole VAEX team. In the same way, Joost, who works in various locations, wants to store knowledge in the content management system so that the information is accessible to everyone. "Having internal matters in good order and a good working relationship between departments has a positive effect on the team and the customers," says Joost Penning decisively.

"Modern working methods with more responsibility and freedom".

Linda's enthusiasm and hard work create support for the changes. "Full speed ahead, but our people are also allowed to make mistakes. They learn from them and develop. A precondition is that they are happy and can be themselves. They can do that here. I am proud to be able to work for VAEX.

## DID YOU KNOW THAT...

**Joost and Linda both play football; Joost plays for Rhode in Sint-Oedenrode and Linda plays for VV Nijnsel;**

**Linda is a real morning person; Every workday, she starts work in the VAEX office in Reek between 7.15 am and 7.45 am;**

**Joost and Linda both hate it if people drag their feet, it's full speed ahead!;**

**Joost and Linda live in the same village; They didn't know each other before they started working for VAEX;**

**Joost does a lot of volunteer work; He can't sit still.**

# SUSTAINABLE LIVESTOCK TRANSPORT, EVEN AT TROPICAL TEMPERATURES

**VAEX**  
THE LIVESTOCK TRADERS.COM

Towards the end of the period of tropical weather conditions in 2020, Cuppers Carrosserieën delivered an unusual trailer to VAEX. The insulated cattle truck with cross ventilation is fitted with a cooling engine and refrigerated body. "Livestock is transported comfortably during tropical weather conditions," says Johnny Cuppers.

Customers come to Cuppers in Lichtenvoorde because of their specialist knowledge and experience in sustainable transport. "Aerodynamic form and the lightest possible construction keep fuel consumption to a minimum," explains the manager of Cuppers Carrosserieën. "We make the cargo space as smooth and seamless as possible, from the point of view of animal welfare and of optimal, fast cleaning".

#### Keep on trucking

At Cuppers, innovation is a interaction between the vehicle body builder and the client. So, in close consultation with VAEX, the problem of livestock transport during excessive heat could be tackled. European transport legislation forbids livestock transport when the outside temperatures are higher than 35 degrees Celsius. "If this means that a truck has to stand still for one day per year, that is not really a problem. But these regulations can be problematic for livestock transports to southern European countries," explains Cupper. "With the two extra cooling techniques in the trailer, VAEX was able to provide responsible livestock transport during hot weather. A practical answer to tighter legislation."

More advanced technology is required for cooling a cattle truck than for the air conditioning in a car. It is impossible to recirculate air in a cattle truck and mix it with cooled fresh air. "The formation of ammonia has a disastrous effect on air conditioning technology. Furthermore, pigs produce moisture and heat and that has to be conducted away," according to Cuppers. "And cooling a whole truck to a comfortable temperature for pigs would take up about 10% of the available floor space".

To keep the cooling costs down, we decided to install a Carrier cooling engine in the bulkhead. Cooled air is directed through special channels to the side where the outside air enters through the ventilation openings. This reduces the air temperature by a few degrees. Furthermore, the flow of cooler air helps to evaporate extra moisture

from the animals. "This cooled trailer makes it possible to transport livestock even at tropical temperatures", says Cuppers. "In addition to the tens of thousands of Euros in extra investments, about 2% of the cargo space is forfeited in favour of improved animal welfare".

#### Spraying system

Another cooling technique is wetting the outside of the cattle truck. When a livestock truck is in motion the effect of direct heat from the sun is cancelled by the driving wind. But when a truck stands still the hot sun can soon cause problems for the livestock. Cooling the bodywork with a spraying system reduces the radiation effect. "Evaporative water cools the outside of the trailer. But the fan systems need to keep running at full capacity to make sure that the level of relative humidity does not rise too high around the animals," explains Cuppers. "Therefore, placing sprinklers in the cargo area with animals is not such a good solution in that type of situation".

Cuppers believes that air-conditioned livestock transport will become more popular due to animal welfare needs and image improvement. "Transport of breeding cattle must comply with high standards for air quality and animal well-being such as virus filtering and maximum hygiene.

Farmers of fattening pigs have discovered that piglets delivered in air-conditioned trucks are ready for slaughter a week earlier, and they want nothing else now. But Cuppers believes that transport of fattening pigs needs to remain economically viable. "All extras on the trucks cost more money and this has to be earned back."

 **Cuppers**  
**Carrosserieën bv.**  
**Lichtenvoorde**

We would like to introduce:

# TEAM AXIS EUROLINK

AXIS EUROLINK is the transport department of VAEX The Livestock Traders. The team consists of five office employees, six permanent drivers and seven drivers on call. We would like to introduce the people who organise everything behind the scenes, the office employees!

**Roy Woltman**

*Head of planning*

He likes expensive champagne. On New Year's Eve, he lets off about two months' worth of salary in fireworks. He is a Happy Socks fan.

**Mark van der Burgt**

*Logistics employee*

Footballer. Enjoys Domino Day and gaming. Favourite food: McDonald's. Can also be found regularly on the padel court.

**Dennis Louwet**

*Financial controller*

Originally from Belgium. Good with figures, he loves explaining all the ins and outs to his colleagues. Knows all there is to know about Excel. Crazy about his two daughters.

**Laura Rutten**

*Assistant financial controller*

How to capture Laura's heart? Keep an air fryer in your bedroom. In her spare time, you will find her hitting a punch bag.

**Joeri van der Kraan**

*Planner*

The youngest of the group. Since he joined AXIS EUROLINK he has gained 5 kg in weight because of all the treats in the office.

From left to right:  
Roy, Mark, Dennis,  
Laura, Joeri.

AXIS EUROLINK

Connecting Livestock Chains

# THIS IS VAEX

## VAEX The Livestock Traders

Reek, the Netherlands

Arad, Romania

Traders in:

- Piglets
- Pigs
- Sows
- Breeding cattle
- Goats
- Carcasses & meat

+ Own transport department

AXIS EUROLINK

+ Own rest stall in Hungary

[www.thelivestocktraders.nl](http://www.thelivestocktraders.nl)

## VAEX The Truck Traders

Ravenstein, the Netherlands

- Traders in new and used trucks and transport vehicles

+ Own workshop

[www.thetrucktraders.nl](http://www.thetrucktraders.nl)

## BUFFL

Reek, the Netherlands

- Installation of truck interiors

[www.buffl.nl](http://www.buffl.nl)

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THE TRUCK TRADERS



**BUFFL**  
CUSTOMIZERS