

VAEX

THE LIVESTOCK TRADERS



MAGAZINE 2020

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Roberto de Pol Dall'Italia



*“So here we have it, **the VAEX Magazine for 2020!** It is with great pride that I present the end result.”*

Pig trading has been in my blood since I was a little boy. 'Our old man' showed us how it's done. Work hard and make sure your heart is in it. He passed this passion on to me, and I now share it with my family and colleagues. Together with our team, we work with great dedication every day to make customers happy and trade and transport our animals in safe and healthy conditions. As our motto says: 't Komt Goed! (It'll be all right)

Pig and piglet trading, but cow trading as well, is what we are good at, and what we work on every day with a motivated and enthusiastic team. 2019 was a turbulent year, but by being patient, tapping new markets, and finding new customers and suppliers, we have managed to perform well and raise our profile in the market. VAEX is well known in the market and we can simply not be overlooked!

I see a lot of good things for upcoming year. In the past three years, we were able to organize the trade of pork carcasses in a structured way. In 2020 we would like to focus on strengthening our position in this market and continue to explore the possibilities in the meat parts market. Besides entering new markets, we will also be expanding and reinforcing operations in our current markets. Our focus will continue to be on finding new customers and new suppliers.

And finally, I would like to thank our customers, suppliers, and certainly also my colleagues for the great working relationship over the past year. I hope we can keep this up for many years to come.

Thank you and enjoy the read!

THIS IS VAEX

In 1971, brothers Toon and Leo Govers started their pig trading company, Gebroeders Govers BV, from a small office at home. That was almost half a century ago. Half a century of countless developments and innovations, while the warm feeling of a family business has always remained. That is VAEX today.

VAEX Group

The trading partner who knows what moves you! VAEX Group is our umbrella organisation, which includes both the pig and cattle trade and the truck trade. Two different branches, each operating independently from the same customer-focused idea: 'No is not an option and yes is right around the corner!' Both active nationally and internationally, with a passion for their product.

VAEX The Truck Traders

For new and used trucks, trailers and exclusive tailor-made vehicles. And when we say tailor-made, we truly mean tailor-made. Not only are we specialists in the field of purchasing and sales, but we also offer maintenance and conversion options in our modern workshop near the company premises in Ravenstein. A completely new interior in your vehicle? Our BUFFL customisers will take care of it. Your vehicle needs transporting? We'll be happy to fire up the engine of our exclusive recovery truck. Purchase and sale, trade-in, maintenance, customising, back office and transport: The Truck Traders offer a total concept, from A to Z!

VAEX The Livestock Traders

Nearly half a century of experience with the trade in piglets, slaughter pigs and sows and breeding cattle. Trade based on trust and with a personal approach. Just ask our broad network of buyers and suppliers in the Netherlands, Europe and beyond. We never lose sight of animal welfare. Flexible? Well, yes! Thanks to our own AXIS Eurolink transport department, boasting a spacious and modern fleet and our Anhoka resting stable in Hungary. Purchasing and selling, also from the branch in Romania, service, brokerage, quality assurance and transport: The Livestock Traders take care of that. Practically unbeatable in terms of versatility!

FROM FRENCH TEACHER TO COW TRADER



Ilona: "When all animals arrive at the final destination in good health and the customer is satisfied, then I am very proud and happy."

Did you know that Ilona...

- likes all beef, but prefers a good steak?
- misses the thick layer of snow in her native Russia every winter?
- has a degree in French and English and is a fully qualified teacher of both languages?
- loves to travel, read, teach languages to children, and do creative things with her son?
- enjoys her work when all her animals have arrived at their destination safe and sound?



For over eleven years, Ilona has been a well-known face within the VAEX family. After starting out in pig and piglet sales, she soon ended up at the cow department. Full of passion and with great expertise, she has shipped out numerous cows over the past years. She came to the Netherlands from Russia, by way of France, where she met her husband. After graduating, she basically ended up at VAEX by coincidence. At the time, VAEX was looking for someone to sell its trucks and cattle in Russian-speaking countries. Selling trucks appealed to Ilona, because her father had been a lorry driver, but the Russian national did not really pay much attention to the word cattle in the job description. It came as a bit of a surprise on her first day at work. But seeing as Ilona is extremely eager to learn, she learnt everything there is to know about the trucks and the animals in no time, and rapidly became one of our top salespersons.

What do you think the cow market will be like in 5 years' time?

"Personally, I think demand for cows will remain fairly stable over the coming years. When it comes to supply and logistics, there will be barely any changes. This year, we have seen that the Netherlands is unable to offer large numbers of cows for export, and that is not likely to change much either, given the new regulations and stricter requirements for cattle farmers. Germany continues to be a large exporter, but they will also face more and more restrictions on long-distance transport. It has recently become increasingly difficult to certify and ship cows, and certainly also animals in general, to Russia, Kazakhstan, or Georgia. Besides the Netherlands and Germany, many other Western European nations are also following these regulations. Going forward, there could be good prospects in Eastern Europe, but perhaps we may be able to start selling animals from the US again..."

What was a particular moment of happiness for you during your time at VAEX so far?

"Apart from the fact that I always have a moment of happiness when "my" animals arrive at their destination safe and sound, I was very proud when we had organised our first flight to transport cows from Canada to Russia; or when our first ship of cows arrived in Russia, all the way from the US. Seeing such a large-scale project, such a long journey, work out perfectly and all the animals delivered to a satisfied customer, just made me feel proud and extremely happy. We now regularly arrange long-distance transport by sea, air, or road, and I'm still excited every time the animals arrive safely."

A LARGER INTERNATIONAL MARKET

Ruud has been a strong force in the VAEX family for sixteen years now. With lots of enthusiasm and extensive knowledge and experience, he has shipped out numerous pigs and piglets during his time at VAEX so far. His affinity for the world of farming is a family thing. He previously ran a regional pig and piglet trading business with his father and brother. With their small fleet of lorries, they primarily served farmers from Germany and the Benelux countries. But the international market also appealed to Ruud. After meeting Dirk, Pim, and the rest of the Govers family, he decided to join VAEX with all his staff and lorries. At VAEX, he got a lot of freedom to put all his ideas into practice. He grabbed challenges with both hands and ultimately became a proud and key player in VAEX's sales team.

What do you think the pig and piglet market will be like in 5 years' time?

With the tightening of existing legislation and regulations and the introduction of new restrictions on cattle farming in the Netherlands, quite a number of farmers will decide to pack it in over the coming years, meaning that there will be fewer pigs in our country. Besides that, regulations for long-distance transport have also been tightened in the Netherlands. How this will affect the market remains to be seen, but I don't think it will make things easier. We are also increasingly seeing animal rights activists targeting our industry, which has put our entire industry in the spotlight. These three factors make that we need to start focusing on a larger international market. We are, in fact, already doing that in Denmark and Germany, but how to handle this further and how to grow in the international market... that will be the real challenge!

What is the biggest blunder you've made at work?

One day, during the loading of a shipment of pigs in Eastern Germany, I realised that my car door had locked. I couldn't open it, because the key was locked inside, in the boot. We called German roadside assistance, but they couldn't help us either. After we broke a window to get in, we realised we had no other option than to have the spare key sent over by international parcel service. In my overalls and Crocs, I had to wait for the package to arrive the next day. Luckily, the local farmer gave me fifty euros to, in my overalls and Crocs, go eat a schnitzel and check into a hotel for the night.



Did you know that Ruud...

- as a kid wanted to be a Campina lorry driver?
- is a real Harley Davidson fanatic?
- is crazy about spare ribs and beef stroganoff?
- loves music and going out with friends?
- hates disagreements and exercise?

DATA 2019

€175 mln
Total The Livestock Traders sales

€125 mln
Total VAEX Group sales

1,4 mln
Animals traded

4.750 ton
Carcasses traded

15%
Sales increase in euros compared to 2018

19
Dutch office employees

6
Romanian office employees

AXIS EUROLINK

5
Office staff

7
Permanent drivers

5
Stand-ins

Pigs for slaughter
total purchasing and sales: 148.600

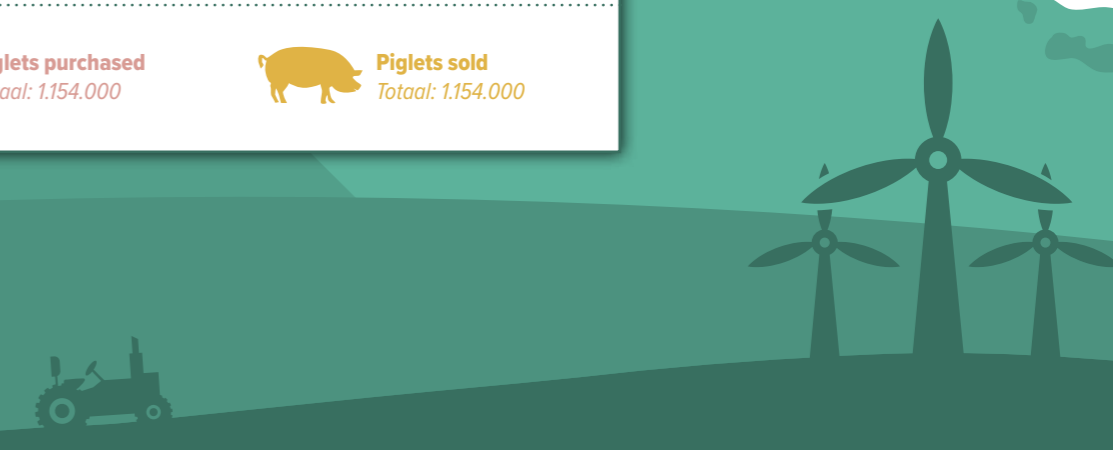
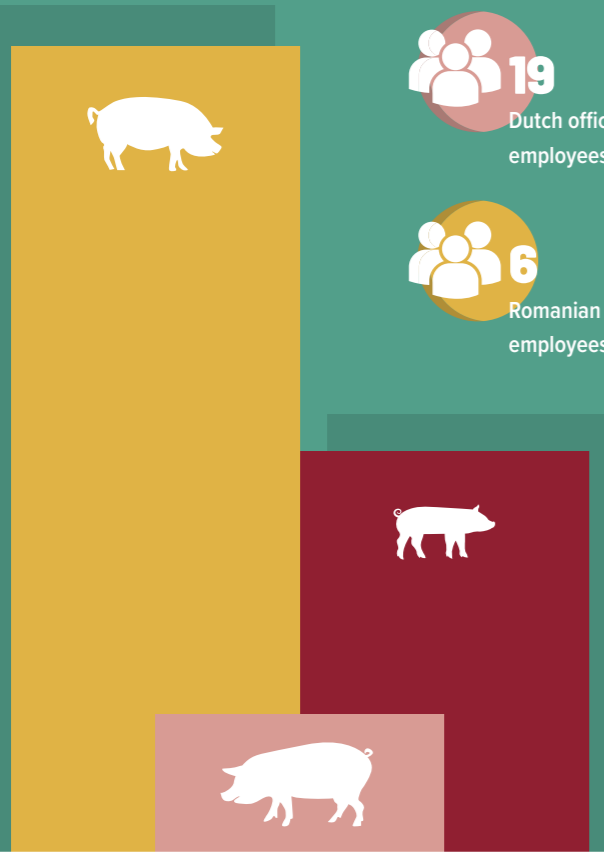
Piglets for slaughter
total purchasing and sales: 67.500

Sows
total purchasing and sales: 20.000



Armenia	35
Georgia	130
Pakistan	195
Russia	4.680
Turkmenistan	35
Other countries	7.600

Breeding cattle purchased Totaal: 5.110	Breeding cattle sold Totaal: 5.110
Piglets purchased Totaal: 1.154.000	Piglets sold Totaal: 1.154.000



VAEX IN ROMANIA

With its staff of six, our office in Arad is truly a strong force within the VAEX family. The sales staff in Romania, and certainly also the sales support staff, have scaled up VAEX operations in the Eastern European market, raising the company's profile in the process. Romania, but also Hungary and other countries in the region are now part of the territory served by VAEX.

The team in Arad, which is made up entirely of women, maintains a close working relationship with their customers and colleagues that is characterised by a personal and informal approach. The office exudes heart for the business and the connection with the team back in the Netherlands is becoming stronger and stronger. One big VAEX family is what we want to build!

The Romanian team has plenty of experience in the market, knows nearly all the farmers and trading companies, and speaks their customers' language and knows their culture. These qualities have enabled VAEX Romania to develop into a leading player in the market. But VAEX wants more! The commercial goal for 2020 is to grow in the current markets in Eastern Europe, and to pioneer in new markets in the region. These efforts will hinge largely on being successful in further raising VAEX's profile. Also on the supply side, they want to grow; from piglets to carcasses, vertical integration and optimisation is the goal.



A WOMEN'S TEAM IN ROMANIA!

Eva, Carmen, Cecilia,
Adina, Elyana & Denisa.

VAEX has been selling pig carcasses in Romania for 3 years now. It started out as an incidental thing, but pig carcass sales have gradually become a structural revenue stream over the past 2 years. In 2019, they sold five shipments a week. The goal for 2020 is to take this up to eight shipments a week. Given the uncertain developments with respect to long-distance animal transport, this is a good segment to develop further. Besides pig carcass sales, VAEX will also further develop its meat trading operations in 2020. VAEX has identified demand among customers in Romania in this market and has, therefore, decided to find medium-size abattoirs and meat processing companies in its network that are not yet present in the Romanian market or only have limited operations in Romania. We intend to make all this happen while downsizing our fleet at the same time. From now on, VAEX Spedition SRL will be working without having its

own fleet, instead re-engaging former partners and charters to transport the shipments.

'The Romanian team has plenty of experience in the market, knows nearly all the farmers and trading companies, and speaks their customers' language and knows their culture.'

Besides commercial goals, they have also set internal goals. Office staff will be more proactive in supporting the commercial team, so as to enable the commercial team to go out into the field more often. This means that all office activities will revolve around the trading operations. Seeing as VAEX is set to diversify into the meat market, office

staff is going to have to acquire new knowledge and study this new market. Another challenge that our office staff in Romania is facing is that they are going to have to take on sales support work, given that much of the transport administration work will cease. With help from the head office in the Netherlands, VAEX Romania will take on these challenges with a positive mindset in 2020.

In a nutshell, a close-knit team that wants to get ahead. A highly promising member of the VAEX family.

Developments in the agricultural sector:

NITROGEN POLLUTION ISSUE & RISING PIG PRICES

In 2019, the agricultural sector was in a state of flux. In the Netherlands, the political agenda with respect to agriculture is dominated by the nitrogen pollution issue. Farmers refused to take farming restrictions lying down and organised mass protests, working their way back into the Dutch public's good books.

The pig farming sector faced great uncertainty due to the African swine fever virus. In Europe, especially countries such as Romania and Poland were affected, where the issue still has not settled down. There were also cases in Belgium, and while the affected area is not growing, the virus is still alive there. African swine fever virus is not only raging in Europe, the disease is also still present in Asia on a large scale, and it seems to be even worse there than in Europe. As a result, countries such as China have already culled millions of pigs and seen their pig stock shrink drastically. Other countries in the region also suffer the impact of this animal disease, while a vaccine has still not been found. It has led to pork shortages that have pushed up pig prices in Europe in late 2019 to unprecedented levels since the previous swine fever epidemic in 1997.

China is grappling with a shortage of pork that is likely to endure for a long time. Pig prices are rising as a result,

pulling piglet prices up in their slipstream. The question is how long this will go on for. How long will the Chinese need Europe to meet their pork demand? 1 year? 2 years? Or are there perhaps other continents, such as North America, that can better and more cheaply fill the pork gap in the Asian market? These are issues that will shape the pig market in 2020.

Meanwhile, the nitrogen pollution issue continues to dominate the debate in the Netherlands. In 2020, there will be greater clarity on how nitrogen restrictions will affect the farming sector. Will the government push through its target of halving the size of the pig farming industry? Or will they listen to farmers and take a more friendly approach?



Logistics

2019 was an eventful year at VAEX Group's logistics unit, **AXIS Eurolink**. Last year, the aim was to create a separate logistics unit, a stand-alone entity, and increase revenue from our transport operations and particularly also from transport for third parties. These goals were revised significantly over the year, and the focus was shifted to transport of our own shipments.

Given the focus on our own pig and cattle trading, a decision was made to cut the number of proprietary tractor units to four and base these in the Netherlands. We do still have nine proprietary semi-trailers that are towed by charters. These charters are entirely decked out in the VAEX design and come under VAEX's responsibility to still be able to guarantee the quality and flexibility of our transport operations.

All in all, it was a dramatic year for the logistics unit. All the more reason to work even harder over the coming year. In 2020, the focus will truly be on transporting our own shipments. The distinctive Bordeaux red vehicles donning the slogan "t Komt Goed!" (It'll be all right) will be hitting the European roads again in 2020!

Did you know that VAEX...

- offers an **ALL-IN** service for breeding cattle? From selection and pedigree certificates to blood tests, quarantine, transport, insurance, and advice, VAEX can take care of it from **A to Z**.
- sells a **wide range of cow varieties**? While we specialise in **Holstein Friesian** cattle, we also sell **yearlings, in-calf heifers, and breeding bulls of different varieties**.

BREEDING CATTLE

The year 2019 was a somewhat turbulent year. With low supply in the Netherlands, there were worries as to whether we would be able to meet demand in Russia. As demand in Russia slumped slightly this year, there turned out to be sufficient supply after all. With peaks and troughs throughout the year, we ultimately still sold as many as 4,600 cows for breeding in Russia, over 1,000 more than in the previous year. Supply mainly came from Germany. Besides our operations in Russia, we also managed to complete projects in Georgia, Turkmenistan, Pakistan, Armenia, and the UK. We have again shipped out a varied range of breeding cattle by air, sea, and road over the year.

Our aim for 2020 is to create greater stability in our sales, so as to also be able to better organise supply and make it more structural. We ultimately closed 2019 as a good year, and we are going into 2020 full of confidence.



THE COMMERCIAL TEAM ON THE ROAD

VAEX's commercial team is on the road more than they can be found at the office. This is what ensures lasting strong bonds with customers and suppliers, while also keeping up the team's knowledge of the market, so that they can serve every country with the right expertise. Thanks to the sales team with its many years of experience, the international representatives, and the office in Romania, VAEX boasts extensive knowledge and is able to share this knowledge with its customers in a professional, and yet informal way. Whenever the market slows down, the commercial team can draw on its vast network to find buyers. Farmers can, therefore, always rely on us to ship out their pigs or piglets.

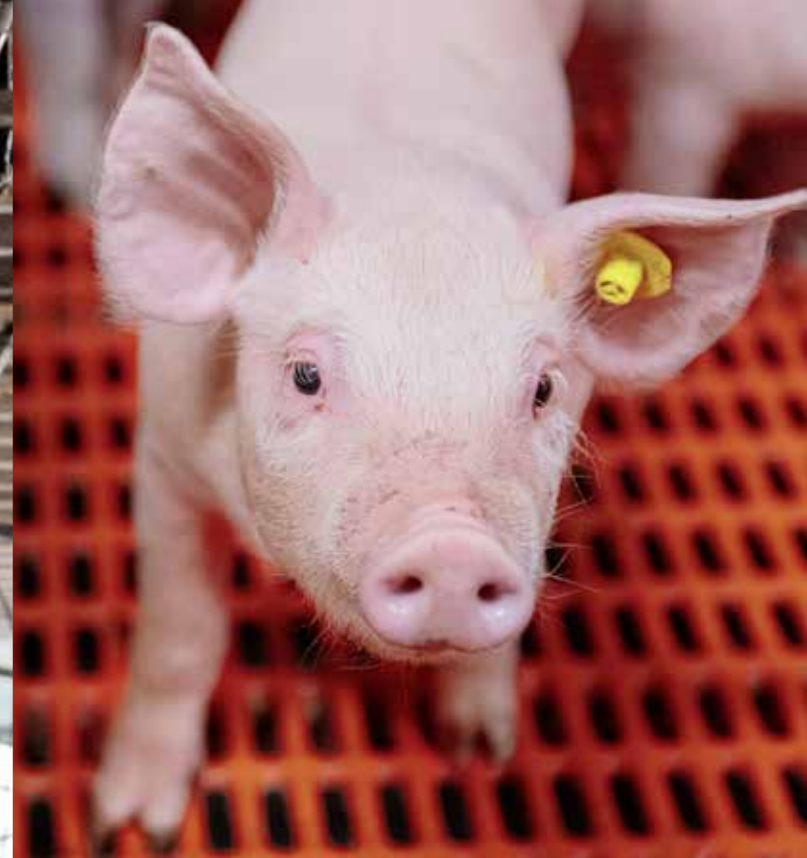


Dirk on developments in the agricultural sector:

Growth in international trade relations

Prompted by developments over the past few years, we have already established numerous trading relationships outside the Netherlands. And we will be striking up further such relationships over the coming years. In fact, we already do most of our animal trading outside the Netherlands. As a result, VAEX is less exposed to developments in the Netherlands. That said, we do regret enormously that our home market may be forced to downsize. To show our solidarity, we have taken part in farmers' protests and supported farmers in various ways. #TROTSOPDEBOER #PROUDOFFARMERS

VAEX tracks the situation every day, responding to changing circumstances and looking more and more across the border. After all, there will always be regions with piglet shortages or surpluses. We always try to match supply and demand one way or another. This also goes for countries that have had cases of swine fever. In these countries, VAEX buys carcasses for Romania, for example, as we try to be flexible and keep in step with developments. One thing is clear, there will be further changes in 2020, but we are ready to get stuck in! Or to quote the VAEX motto: "t Komt goed!" (It'll be all right!)



Pig and piglet market within VAEX

When it comes to our purchasing operations, the piglet market saw yet more growth. Denmark, but also Germany and Hungary, are increasing in importance. We even bought piglets in Italy. Our pig sales are spread nicely over Europe. Although most of our sales went to Italy, Spain, and Romania, VAEX was also active across the other countries in Europe. With the arrival of Gert Posthouwer, VAEX gained a stronger foothold in the German and Polish markets in 2019. The market permitting, VAEX intends to again hit the target of 1,500,000 animals sold in 2020, just like in 2018.





Keep up to date

Since 2016, VAEX has been tracking pig prices on a weekly basis, publishing them on our website and sending out email updates. Aside from that, we also send a weekly email update on supply and demand in the market, with a view to finding suitable solutions for customers and suppliers alike. If you are interested in a weekly update on pig prices or supply and demand, sign up to our updates on www.vaex.nl/signup.

Needless to say, VAEX is also active on social media. From the latest news to videos and photos, you will get it all on Facebook. We even have an On The Road album with stunning pictures of VAEX lorries on the road, to which we add new pictures all the time. Curious? Follow us on facebook.com/vaexgroupBV.

New livestock truck combination

In November 2019, the time had finally come, the unveiling of our new combination! Complete with music, champagne, and fireworks, our full squad of drivers welcomed the new lorry.

Built entirely to our specifications by our friends at The Truck Traders, the new cattle lorry has a long range and allows us to use the maximum number of square metres, making it a great addition to VAEX's fleet.

The VAEX mentality

Team VAEX values attitude, commitment, and involvement just as much as the level of education of its employees. VAEX puts emphasis on the fact that someone fits in the team, is eager to learn, and always tries to go the extra mile. This is what we call the VAEX spirit! Phrases such as "let's get it done," "hard work," and "It'll be all right" often resound in the corridors of our offices and are typical of the VAEX team's mindset. Together with commitment to the company, an informal work atmosphere, and a flexible work schedule, our mindset sums up what VAEX stands for. It is how the team tries to stay modern and go full speed ahead to conquer its markets.

Did you know that VAEX...

- has pig trading reps in Italy and Croatia and cow trading reps in Russia, Georgia, Kazakhstan, Belarus, and Pakistan?
- has supplied animals in over 20 countries in 2019, both in Europe and beyond?
- has employees that speak as many as 11 languages, namely Romanian, Croatian, Spanish, Italian, French, Dutch, German, English, Russian, Hungarian, and Mandarin?
- offers its staff a lunch of fried or boiled eggs prepared by office manager Linda Carels every day?
- almost exclusively uses vehicles with V8 engines?
- loves a good drink and good food? VAEX organises an annual summer barbecue, regular skiing weekends, and is always good at coming up with a good excuse to have a drink together.
- starts work early between 6 and 7 in the morning and doesn't stop until between 6 and 7 in the evening?
- has a workforce with an average age of 34?



ROBERTO DE POL DALL'ITALIA!

Roberto, our agent in Italy, has been part of the VAEX family for quite some time now. This hard-working Italian knows everything there is to know about pigs, but he knows even more about pig trading. Roberto has been working in this business for several years. In 2016, Roberto first came into contact with VAEX. He was instantly impressed by the high level of professionalism of the team and wanted to work with the “good guys” of VAEX. Working with the VAEX team is something he still does with great vigour every day. Calling, emailing, driving, he can do it all at the same time. Very efficient and great for business, but much to the delight of his colleagues and fellow road users, he still decided to get a driver for his work on the road. We can safely say that he has great heart for the business. Together with his wife Silvia, Roberto is a great addition to the VAEX team.

What is the best part of your job?

I enjoy my job the most when I can get out onto road to travel all over the country. What I would love most is to visit a different trader or farmer in a different location every day. I have seen every part of Italy by now. Nowadays, I also travel outside Italy for deals. Denmark and the Netherlands are countries that I go to a lot. Besides the travelling, I also find the contact and negotiations with farmers a particularly enjoyable part of my job.

What makes pig trading in Italy so special in comparison to other European countries? And what do you think it will be like in the future?

A country such as Italy is known as a pig-importing country. Every year, Italy imports a lot of pigs from countries such as the Netherlands and Denmark. In comparison to other European countries, pig prices in Italy have been relatively high over the past years. As a result, pig traders have always been eager to sell in Italy and Italy barely exported any pigs. But this has changed recently. Dutch and Danish pigs have become more expensive, and so there is now demand for cheaper Italian pigs. We are, therefore, facing a strange and difficult situation at the moment and we need to find ways to deal with it. One solution we have already started to use is to export Italian pigs to Spain. It's a start. I'm eager to see how this will play out in the future. VAEX will have to keep a close eye on the market.

Did you know that Roberto...

- wanted to be a motocross rider or professional footballer when he was a little boy?
- considers the VAEX team his close friends?
- prefers spare ribs over all other kinds of meat? As long as they don't have a lot of fat on them!
- does nearly everything together with his wife Silvia?
- enjoys riding his motorcycle with his son?
- is involved in various activities in the pig industry.

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VAEX meets De Linde

VAEX in combination with a catering establishment. Does that sound illogical? We don't think so! VAEX Group and restaurant De Linde in Reek have hit it off like no other. A golden combination, because we both go the extra mile in terms of quality and service. Meet... De Linde: Tasty recipe 'Linde'. Because a positive dining experience takes more than good food alone

Ingredients..

- 2 young, enthusiastic local catering tigers
- 190 kilos of well-matured cattle traders of the brand 'Govers'
- 4 small branches of knowledge and quality herb
- A handful of Brabant cheerfulness
- 4 tablespoons of hospitality
- Salt and pepper

Combine this with...

- 1 beautiful building
- 1 spacious terrace
- A unique, trendy design and appearance
- A varied audience from miles around

The result...

A tasteful, lively place that caters for every taste. Serve immediately!

TIP: Make sure there are plenty of drinks to suit the occasion and make a joint toast on life!

*This recipe is offered to you by:
Tom and Simone of 'Linde'
Pim and Dirk Govers of 'VAEX Group'*

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