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EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate E – Markets
The Director

Brussels,
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Minutes

Meeting of the CDG Animal Production – focus on Poultry and Eggs
17 April 2023

Chair: AGRI E3 Animal Products

The following organisations were represented: AVEC, AnimalhealthEurope, BEUC, CEJA, CELCAA, COGECA, COPA, ECVC, EEB, EFA, EFFAB, ELPHA, EuroCommerce, FEEDM, FEFAC, FEFANA, IFOAM, IPIFF, ORIGENEU.

1. **Nature of the meeting:** Non-Public

2. **List of points discussed**

(1) Welcome and adoption of Agenda

The chair recalled the Rules of Procedure that had been previously adopted by CDG members.

(2) EU poultry market presentation and exchange of views on production figures for poultry with market experts

The Commission presented the most recent forecast for EU poultry meat and rabbit meat production in 2023.

EU total poultry meat production is projected to see a modest increase in 2023 (+1.2% year-on-year) after a downward trend in 2022 (-1.4% year-on-year). Looking at individual poultry species, experts forecast an increase in production of broilers (+0.4%), a rebound in turkey production (+2.6%) and strong growth in duck production (+21%). Conversely, rabbit production is expected to further decline (-22%).

In January 2023, EU total poultry meat production increased by 4.2% compared to January 2022. Upward developments were observed in most Member States, with a particular strong rebound in Italy (+23%).

Since March 2022, EU broiler prices have been rising to unprecedented high levels in most Member States. While the pace slowed down slightly from September 2022 onwards, the upward trend continued in 2023.

In 2022, EU poultry exports declined in volume (-10%) but further increased in value (+17%) compared to 2021, due to significantly higher world market prices. In 2022, year-on-year shipments fell in volume to some main destinations (e.g. Ghana, DRC and Ukraine). On the other hand, EU poultry exports increased the most to the United Kingdom and Saudi Arabia.

In 2022, EU poultry imports increased in volume (+10%) and significantly more in value (+61%) compared to 2021. EU imports increased the most from Brazil (+25%) and Ukraine (+61%). Imports from the UK have continued to decline (-21%). Imports from Brazil, Thailand and Ukraine account for almost 92% of EU total poultry imports.

On Ukraine, for the first 14 weeks of 2023 EU poultry meat imports reached 67 906 t, +204% compared to the first 14 weeks of 2022. Within this category, imports of frozen meat increased the most and reached 34 888 t (+214%). We can also note an increase of 197% of fresh meat with 26 538 t imported during this period.

Stakeholders expressed concerns on rising poultry imports from Ukraine.

(3) EU Egg market presentation & exchange of views on production figures with market experts

The Commission presented the most recent market data. EU egg production is expected to increase for eggs for consumption (+1.2%) as well as for hatching eggs (+2%) following experts' forecast data. The latter highlighted difficulties in the organic sector: consumers are reluctant to buy the most expensive products and producers are confronted with an increase in all costs (feed, energy, packaging…).

The distribution of laying hens per production system showed a slight increase of barn and free-range systems while cage production decline and organic production is stable. After a sharp increase in 2022, EU egg prices are staying at a high level, well above the historic five years average (+ 78%) and last year prices (+41%). The increase of prices was sharper for cage and barn eggs than for free range and organic ones. Imports of eggs and egg products increased in 2022, and Ukraine became the first origin representing half of EU imports. Since the entry into force of the temporary trade liberalization Regulation (R2022/870), Ukraine imports are well above previous years, in particular imports of fresh eggs. For the first 14 weeks of 2023, 11 686t were imported. March 2023 showed the highest imports volume with 5 069t. EU exports slightly decreased in 2022 in volume but not in value. The United Kingdom, Japan and Switzerland represent 2/3 of EU exports. The trade balance is largely positive.

Exports of hatching eggs and one-day-chicks are heavily affected by the war in Ukraine: -9.5% for hatching eggs in 2022 and -18.8% for chicks.

Members highlighted concerns regarding the increase of imports from Ukraine, especially for local markets in Member States bordering Ukraine.

(4) World poultry market – presentation from GIRA

GIRA's representative gave a presentation on Global Poultrymeat Market Outlook (extracted from the Gira Meat Club 2022).

In the mid-term Gira expects a cautious growth of global poultrymeat output to continue, driven by firm demand in most markets, also boosted by inflation at least for 2023. The highest growth rates are expected in Southeast Asia & South Asia, and there is still room for some growth in the Americas.

However, there are some major brakes on supply, including a number of global and some EU-specific issues:

- HPAI is likely to further disrupt Europe & N. America. The potential arrival of the disease in Brazil would lead to a gap in global supply especially for breastmeat and whole birds, and to higher prices,
- Feed cost inflation is easing, but it is still a greater risk than normally in all parts of the world (except RU & UA, that face other issues of course),
- Other costs continue to rise, hitting Europe particularly hard (labour, energy),
- Another EU-specific constraint is the increasing AW standards – in light of the recent EFSA recommendations.

Answering to AVEC on the position of the EU as the only world region were no production growth was foreseen by Gira in the future, Gira's representative referred to a graph showing mid-term production changes expected for major regions, where the EU is among the 6 regions with over +1 mio t growth expected by 2027, though this indeed means far smaller annual % growth compared to pre-Covid rates and compared to some other parts of the world, due to EU-specific issues including the energy situation and animal welfare standards, although there is no precise information on what exactly will be realized from EFSA recommendations (density rules, on-farm hatching rather than transporting DOC, etc.). Gira is cautious in its European growth forecast on the assumption that the EU would be moving towards a more extensive system, adding to the already high cost base.

(5) Update on Ukraine trade issues

The Commission gave an overview of trade relations with Ukraine. The Autonomous Trade Measures (ATMs) for Ukraine granting all Ukrainian products a unilateral one-year duty-free and quota-free access to the EU market, entered into force on 4 June 2022. On 23 February 2023 the Commission presented a proposal extending the ATMs for Ukraine for another year, until 5 June 2024. The proposal is currently being discussed by the co-legislators. To take into account the concerns of the sector regarding increased imports of certain agricultural products from Ukraine (including poultry and eggs) the Commission proposal features an expedited and reinforced safeguard clause.

(6) Avian Influenza and vaccination rules

The Commission presented updates on the epidemiological situation with highly pathogenic avian influenza (HPAI) in the EU and the rest of the world. It was highlighted that the virus is still present in the environment and wild birds are still found infected in almost all parts of the EU. Starting last year, the virus has also spread to Canada, the US and South America. Therefore, preventive measures, primarily high biosecurity, have to be kept in place in poultry farms. The Commission also informed of specific rules on vaccination, as laid down in Commission Delegated Regulation 2023/261, which has come into force on 12 March 2023.

Following questions from participants, the Commission confirmed that HPAI, including new EU-rules on vaccination, is an important topic for the upcoming General Session of the World Organisation for Animal Health in Paris in May.

As regards EU rules on vaccination against HPAI, there were concerns that the conditions for surveillance would be too burdensome and expensive and that this might deter Member States from starting preventive vaccination. The first moment for the Commission to reflect and if needed change the rules on surveillance, will be after the opinion of EFSA on HPAI surveillance and risk mitigation measures, which is expected in March next year.

In response to an appeal for coordination by the Commission as regards vaccination against HPAI in the EU, the Commission explained that there are now detailed rules and requirements in Delegated Regulation 2023/361, and that it is up to Member States to decide if and how they want to proceed. If they wish to start a vaccination programme, it must be implemented in line with this Regulation. Also, the Commission has set up a working group on vaccination. This allows Member States to share trial results, vaccination plans, and possibly cooperate.

(7) Review of marketing standards – state of play

The Commission presented the state of play and indicative timetable for the adoption of reviewed marketing standards for poultry and eggs and highlighted in particular the possibility for stakeholders to comment within the framework of the feedback mechanism, during the month of May. Some participants raised concerns in relation to the minimum liver weight of foie gras and the labelling of meat from foie gras production as free range.

(8) Market transparency – state of play

The Commission presented the state of play on the implementation by Member States of the market transparency initiative in force since 1st January 2021. The situation is evolving despite several Member States encountering difficulties in collecting and aggregating new price data. The Commission provided examples of prices for poultry cuts, eggs, pig cuts and dairy products. Ongoing work on the Agri-food data portal where these data are publicly available was also presented.

3. List of participants

(e-signed)

Pierre BASCOU

List of participants– Minutes

Meeting of the Civil Dialogue Group on Animal Production
– Focus on Poultry Meat and Eggs
17 April 2023

Organisations	
Association of Poultry Processors and Poultry Trade in the EU Countries	AVEC
AnimalhealthEurope	AnimalhealthEurope
Bureau Européen des Unions de Consommateurs	BEUC
Conseil Européen des Jeunes Agriculteurs / European Council of Young Farmers	CEJA
European Liaison Committee for the Agricultural and AGRI-Food Trade	CELCAA
European agri-cooperatives / General Confederation of Agricultural Co-operatives of the European Union	COGECA
European farmers / Committee of Professional Agricultural Organisations of the European Union	COPA
European Coordination Via Campesina	ECVC
European Environmental Bureau	EEB
Eurogroup for Animals	EFA
European Forum of Farm Animal Breeders	EFFAB
European Live Poultry and Hatching Egg Association	ELPHA
EuroCommerce	EuroCommerce
Fédération Européenne des Emballeurs et Distributeurs de Miel	FEEDM
European Feed Manufacturers Federation / Fédération européenne des fabricants d'aliments composés	FEFAC
EU association of Speciality Feed Ingredients and their mixtures	FEFANA
International Federation of Organic Agriculture Movements European Regional Group	IFOAM
International Platform of Insects for Food and Feed	IPIFF
ORIGINEU Organisation pour un réseau international d’indications géographiques	ORIGINEU
Ad-hoc expert	