COUNTRY

EU egg production is slowly

The European Union (EU) poultry industry is slowly declining due to the increasing number of regulations regarding the environment and bird welfare. This results in higher costs, changing marketing structures and a drop in production capacity and global competitiveness.

By Wiebe van der Sluis

Eggs are a precious nutrient for many. Consumers in general are aware of the nutritional properties of the egg and a fairly stable demand has been evident, unless there are major incidents that make them reluctant to buy and eat eggs. European consumers are in this respect no exception. In recent years, the EU has seen a somewhat stable consumption pattern for table eggs, but a declining population and changing consumer behaviour has caused a slight but ongoing decline in total demand. Fortunately, this development went along with a drop in total egg output. The reason for the dwindling egg output can be found in increasing costs of production: higher feed prices and increasing costs with the aim of protecting the environment and bird welfare.

Major drops in production

In its 2007 statistical report for poultry meat and eggs, the German office for market and price information, ZMP, indicated a 1% drop in total egg output in 2006 for the EU-25, while in the EU-15 a drop of 1.6% was noticed (*Table 1*). Major drops in the larger production countries like France, Spain and the UK were recorded. These drops are linked to the nearing EU-wide ban on traditional cages in 2012.

Although 2012 is still some years away, many egg producers who have to replace their existing cage systems decide not to wait until then, but plan to convert - or have already converted - their operation to free-range or aviary, with less birds. Some have even decided to close down altogether. The latter trend is seen primarily in Belgium where many producers and farmers have stopped production.

Figures for 2007 indicate, according to ZMP, a continuation of the trend seen in recent years. The number of pullets

Table 1 - Egg production in the EU (1000 tonnes)

Country	*2004*	*2005*	*2006*
Belgium/Luxemburg	230	200	189
Denmark	83	80	78
Germany	805	788	796
Greece	126	123	117
Spain	924	875	830
France	1021	1001	973
Ireland	39	43	43
Italy	783	777	780
The Netherlands	611	607	611
Austria	87	89	91
Portugal	132	120	119
Finland	58	58	57
Sweden	111	1 8	106
UK	789	819	808
EU-15	5799	5688	5598
Czech Republic	146	146	149
Estonia	13	13	13
Cyprus	12	12	13
Latvia	30	30	30
Lithuania	49	49	49
Hungary	197	182	183
Malta	6	6	6
Poland	521	545	560
Slovenia	23	23	23
Slovakia	69	69	69
EU-25	**6865**	**6763**	**6693**
Rumania	97	97	-
Bulgaria	335	355	-

(Source ZMP Markt Bilanz 2007)

Table 2 - Per capita egg consumption in EU countries (kg/cap)

Country	*2004*	*2006*
Belgium/Luxemburg	14.0	13.5
Denmark	18.5	17.5
Germany	12.9	12.7
Greece	10.4	10.0
Spain	18.6	17.5
France	15.5	15.3
Ireland	10.0	10.5
Italy	12.0	11.9
The Netherlands	13.8	13.9
Austria	13.8	14,.1
Portugal	9.1	8.9
Finland	9.3	9.6
Sweden	12.3	12.1
UK	13.5	13.5
Czech Republic	15.4	15.4
Hungary	18.5	17.8
Poland	11.7	12.3
EU-25	**13.6**	**13.3**

Note: Only countries with figures over these years are listed
(Source ZMP Markt Bilanz 2007)

Note:
ZMP Bilanz 2007 (German Language), available since June 2007, can be provided through contacting ZMP Zentrale Markt- und Preisberichtstelle GmbH, P.O.Box 2569, 53015 Bonn, Germany. Phone: +49 228 9777 122 or Fax: +49 228 9777 129. Email: info@zmp.de. Web: www.zmp.de.

declining

raised and the number of hatching eggs set do not expect major changes in the near future. Since the EU remains self-sufficient (102%), the trend will have little effect on imports and exports. Recent figures show that stock levels have declined and market prices are, after two poor years, back at a decent level.

Consumer trust

Overall consumer demand in the EU is reasonable stable (*Table 2*), and with the exception of 2003, consumers prove to be reliable customers. They appreciate the product and have faith in its nutritional value, but are very sensitive when it comes to food safety. Here, the poultry sector continuously fights against the cholesterol myth and incorrect salmonella stories, since they are kept alive by those who do not like the way eggs are being produced.

The bird flu outbreaks at the beginning of this century in Italy - and in the Netherlands in 2003 - have had a devastating effect on production and consumption of poultry products. Effective media campaigns have proven to help regain consumer trust in the wholesomeness of the products, and consumption levels went back to normal within a relatively short period of time.

To get production back on track was a different story. The Dutch producers used the out-of-production time to refurbish or convert their facilities according to the new regulations. More than 50% of production changed to free-range or aviary systems and created a competitive advantage in a rapidly changing domestic consumer market, as well as the German consumer market, which is the Netherlands' major export market.

Competitiveness gone

Despite regaining consumer trust and an expanding EU (from 15 to 27 countries now) the industry could not prevent a continuous decline in total demand. Forecasts do not foresee a major shift in this trend, since the population in the EU continues to decline and changes in consumption patterns may negatively affect per capita consumption.

Bearing environmental regulations and animal welfare rules in mind, the EU will see more changes in the years to come. Production costs will increase further and competitiveness on the international market will become a disadvantage. Exports of shell eggs to third countries may come to a standstill and imports from low-cost countries will increase. The latter will be the case especially for liquid and dried egg products. The long-term future for the EU egg industry is, for that reason, rather uncertain. ■