

Roles and targets of EUWEP / EEPTA - what we have achieved and tasks ahead

Presentation to 14th Egg Symposium,
Kecskemét, Hungary,
9th October 2015

Mark Williams, Secretary-General

Who are we?

- EUWEP

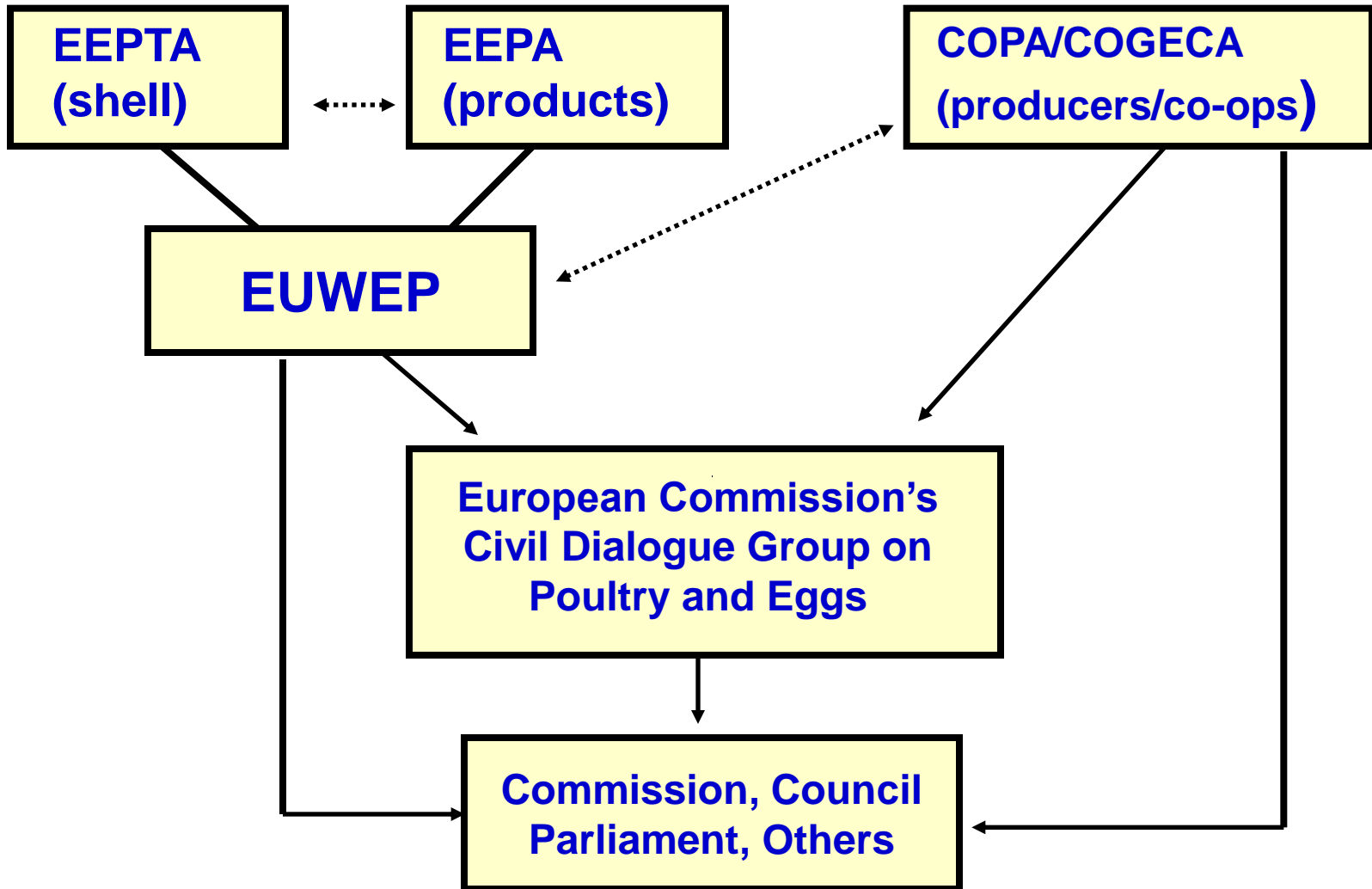
EU Association of egg packers, traders and egg processors

- Made up of 3 organisations

- European Egg Packers and Traders Association (shell eggs)
- European Egg Processors Association (egg products)
- European Poultry and Game Association

- Represents the EU egg sector

The EU Organisations - Structure



EUWEP

EU Egg Sector

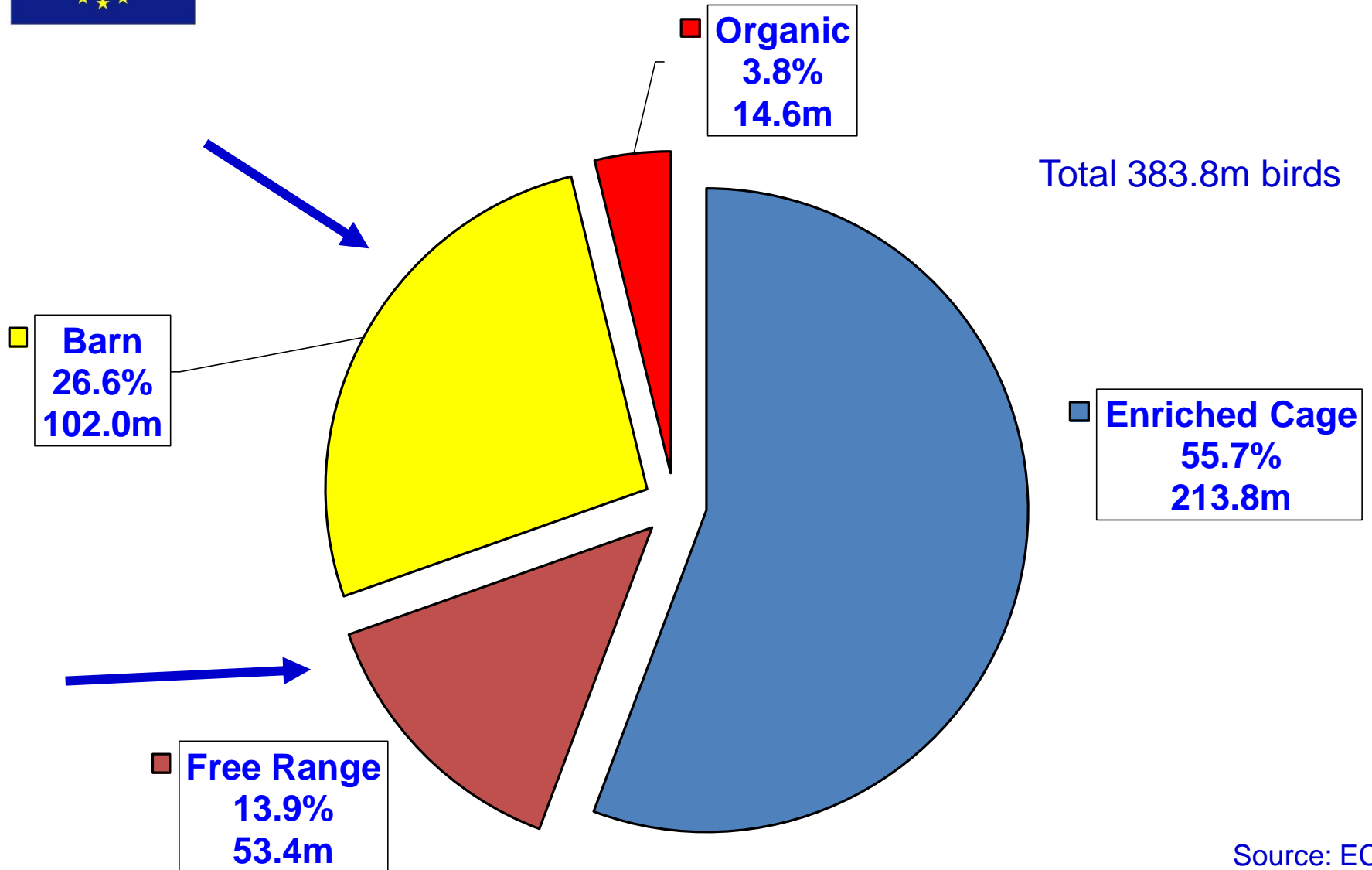
- Successful
- Unsupported
- Efficient
- Innovative
- Reactive to consumer demand
 - Free Range, Barn, Organic, Enriched Cage
- Responsible
 - Food safety, traceability, assurance schemes, animal welfare, environmental protection

EU laying Hens - 2014

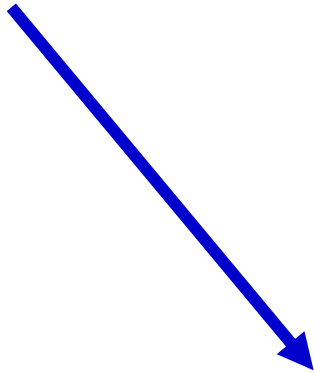
								20.07.2015		
								(NOMBRE POULES)		
AGRI C3 M.R.		Moyenne poules pondeuses présentes par type d'élevage Average number of laying hens								
		R. 589/2008, Art. 31								
		2014								
	(3) Cage Cage		Production alternative			Total altern.	Total	% altern. / total	Change 14/13	
	Non enriched	enriched	Plein air Free range (1)	Sol Barn (2)	Biologique Organic (0)					
BE	0	5.114.473	2.265.741	869.130	193.053	3.327.924	8.442.397	39,4%	0,0%	
BG	0	2.208.511	121.596	1.850.373	0	1.971.969	4.180.480	47,2%	4,7%	
CZ		4.399.549	11.600	853.221	9.535	874.356	5.273.905	1657,9%	-5,2%	
DK	0	1.646.012	165.461	716.609	731.770	1.613.840	3.259.852	49,5%	-1,3%	
DE	0	5.374.071	9.151.930	31.728.545	4.594.277	45.474.752	50.848.823	89,4%	1,9%	
EE	0	906.182	27.940	39.727	31.030	98.697	1.004.879	9,8%	0,6%	
IE		1.653.932	1.162.234	37.123	52.195	1.251.552	2.905.484	43,1%	2,8%	
EL						0	0			
ES	0	36.520.344	1.576.707	932.104	152.458	2.661.269	39.181.613	6,8%	2,0%	
FR 5)		32.876.551	8.195.072	3.079.625	3.155.239	14.429.936	47.306.487	30,5%	0,0%	
HR		1.308.829	30.141	357.791	150	388.082	1.696.911	22,9%	-17,3%	
IT	0	40.409.325	1.654.458	18.773.475	1.235.408	21.663.341	62.072.666	34,9%	2,9%	
CY	0	305.560	46.413	75.614	6.293	128.320	433.880	29,6%	1,7%	
LV	0	2.283.794	41.358	333.685	0	375.043	2.658.837	14,1%	-0,2%	
LT	0	2.246.235	840	81.984	4.480	87.304	2.333.539	3,7%	-5,9%	
LU			1.000	90.200	9.230	100.430	100.430	100,0%	-2,5%	
HU	0	4.335.079	119.060	1.636.473	39.470	1.795.003	6.130.082	29,3%	8,1%	
MT						0	0			
NL	0	4.967.000	4.939.000	19.997.000	1.453.000	26.389.000	31.356.000	84,2%	-4,8%	
AT	0	129.942	1.181.396	4.162.500	580.049	5.923.945	6.053.887	97,9%	1,5%	
PL 1)		33.833.749	3.860.028	890.216	85.436	4.835.680	38.669.429	12,5%	2,7%	
PT 4)	0	7.316.716	160.916	577.107	45.671	783.694	8.100.410	9,7%	12,0%	
RO 2)	0	2.184.526	32.750	5.752.962	89.021	5.874.733	8.059.259	72,9%	22,3%	
SI	0	687.100	16.240	744.656	6.429	767.325	1.454.425	52,8%	-0,9%	
SK	0	2.496.921	12.833	303.390	9.321	325.544	2.822.465	11,5%	-1,0%	
FI	0	2.813.402	24.842	1.202.257	166.337	1.393.436	4.206.838	33,1%	1,3%	
SE	0	1.532.094	109.166	4.756.173	964.934	5.830.273	7.362.367	79,2%	4,4%	
UK	0	16.255.288	18.462.791	2.165.617	969.254	21.597.662	37.852.550	57,1%	3,3%	
EUR 28	0	213.805.185	53.371.513	102.007.557	14.584.040	169.963.110	383.768.295	44,3%		



EU Laying Hens by System of Production (2014) million



Source: EC

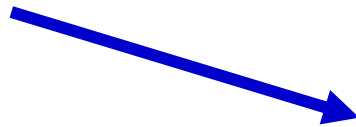


EUWEP

Conventional cage
(banned in the EU in 2012)



Enriched 'colony' cage



Aviary / Barn system



EUWEP

Influences on the EU egg sector



Some current policy issues

- 'Opportunities' and 'challenges'
- International trade
- Avian Influenza
- Animal welfare
 - Beak trimming
 - Disposal of male day-old chicks
- Promotion
- Improving official statistics

International trade

EU Imports of Eggs:

Trade Figures (Comext - tonnes egg equiv.) not incl. Hatching eggs

When EU production is high, imports are low, and vice versa

	2011		2012		2013		2014		Jan-Jul 15		Compared to Jan-Jul 14
	tonnes	%	tonnes	%	tonnes	%	tonnes	%	tonnes	%	
India	1.554	7,5%	3.658	9,7%	3.855	18,7%	5.606	42,3%	3.794	37,4%	+ 17,7%
Argentina	8.113	39,0%	10.159	26,9%	5.835	28,4%	1.433	10,8%	2.016	19,9%	+ 158%
USA	5.956	28,6%	15.179	40,2%	6.861	33,4%	3.930	29,7%	1.978	19,5%	- 31%
Ukraine	0	0,0%	0	0,0%	0	0,0%	163	1,2%	920	9,1%	+++
Norway	1.502	7,2%	1.474	3,9%	1.968	9,6%	1.280	9,7%	563	5,6%	- 36%
Switzerland	343	1,6%	333	0,9%	355	1,7%	610	4,6%	262	2,6%	- 32%
Others	3.335	0,2%	6.919	0,0%	1.687	0,0%	219	0,0%	604	6,0%	
EXTRA EU 28	20.801		37.722		20.563		13.240		10.136		
% change			+ 81%		- 45%		- 36%		+ 22,9%		



Competitiveness of the EU egg sector

International comparison base year 2013

P.L.M. van Hone

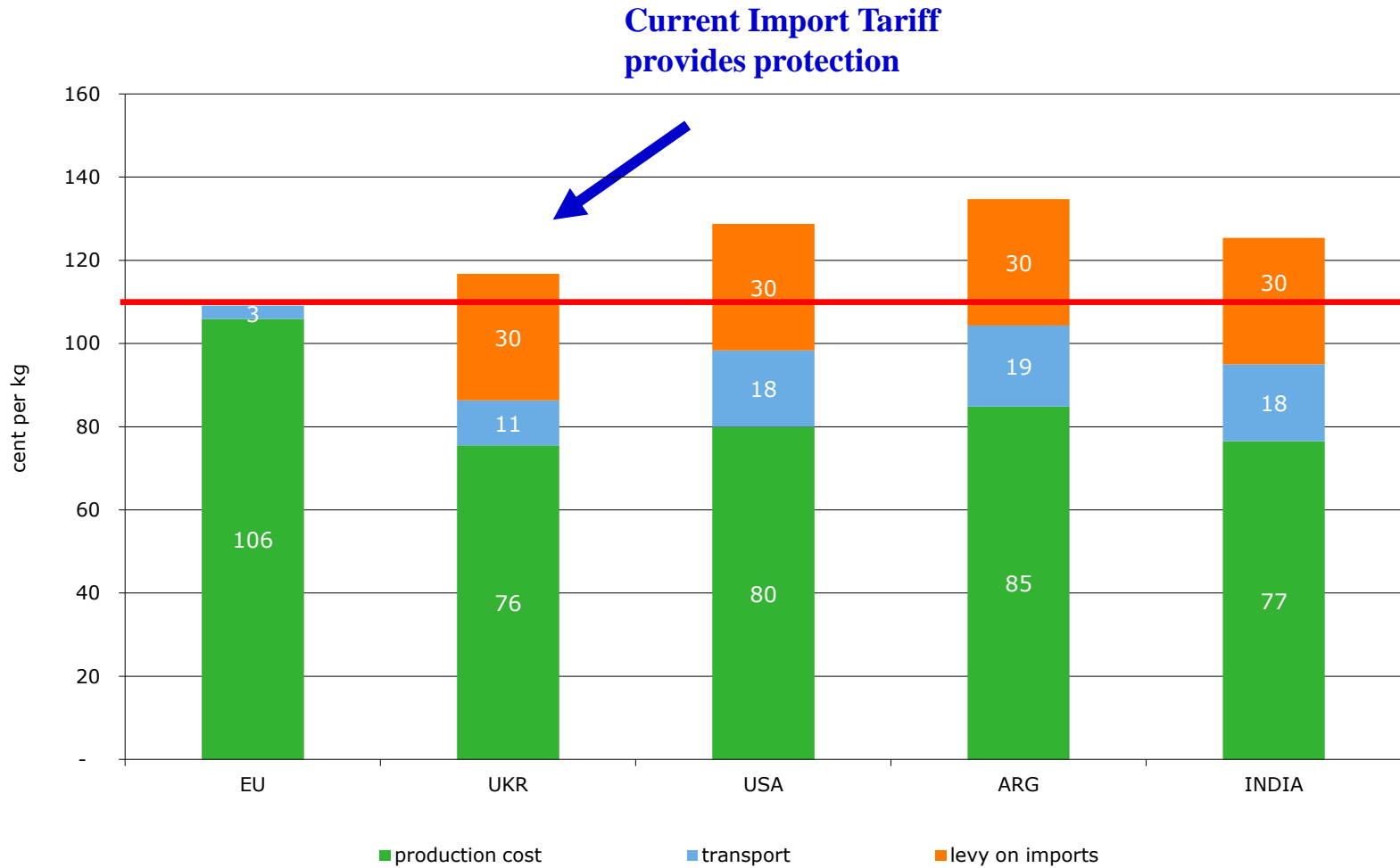


Report commissioned by EUWEP

- Produced by
Agricultural Economics
Research Institute
(LEI), The Netherlands
- Independent Research
Institute (Part of
Wageningen University
and Research Centre)

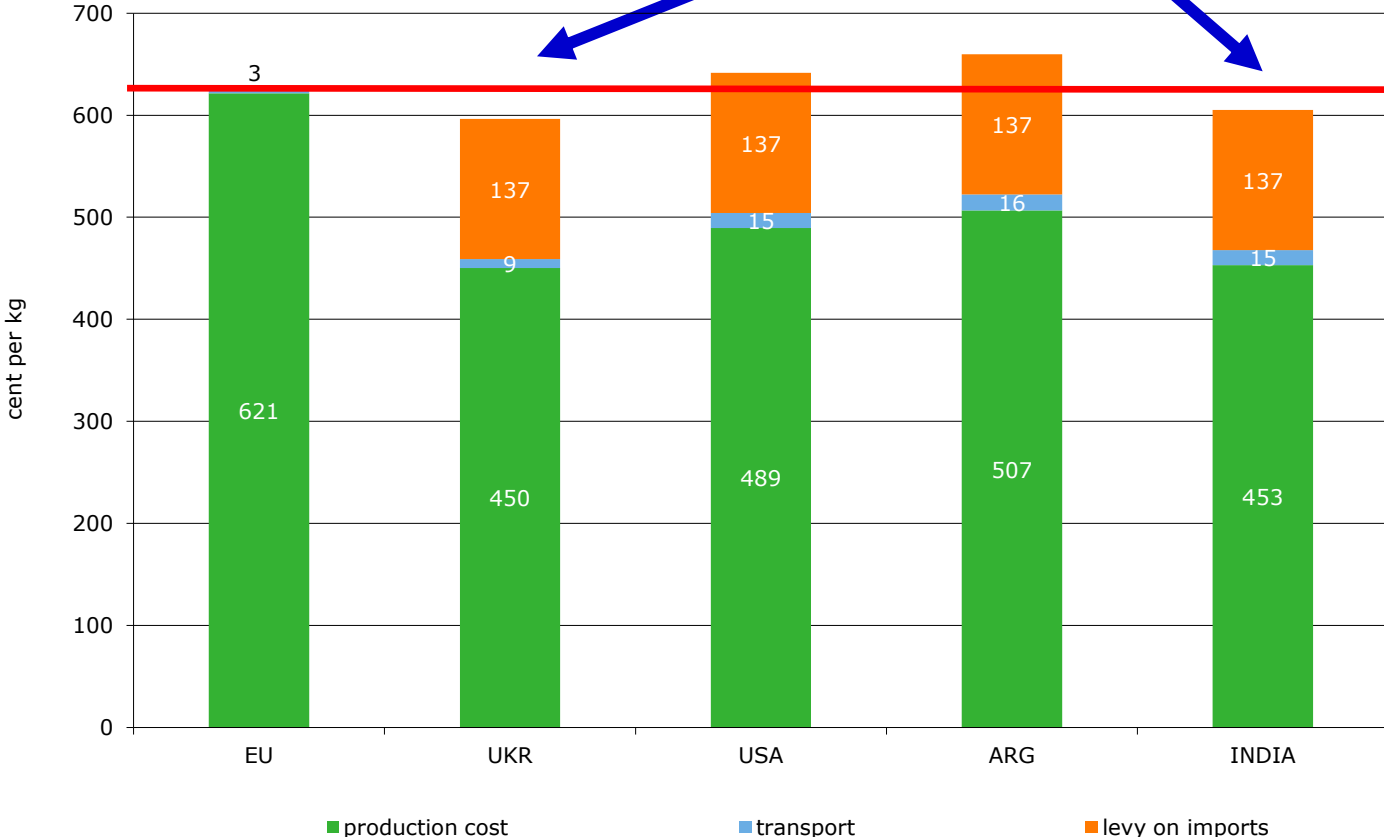
This report updates
the reports published
in 2003, 2005 and
2012

Offer price shell eggs in Germany 2013 (Eurocents/kg)



Offer price whole egg powder Germany 2013 (Eurocents/kg)

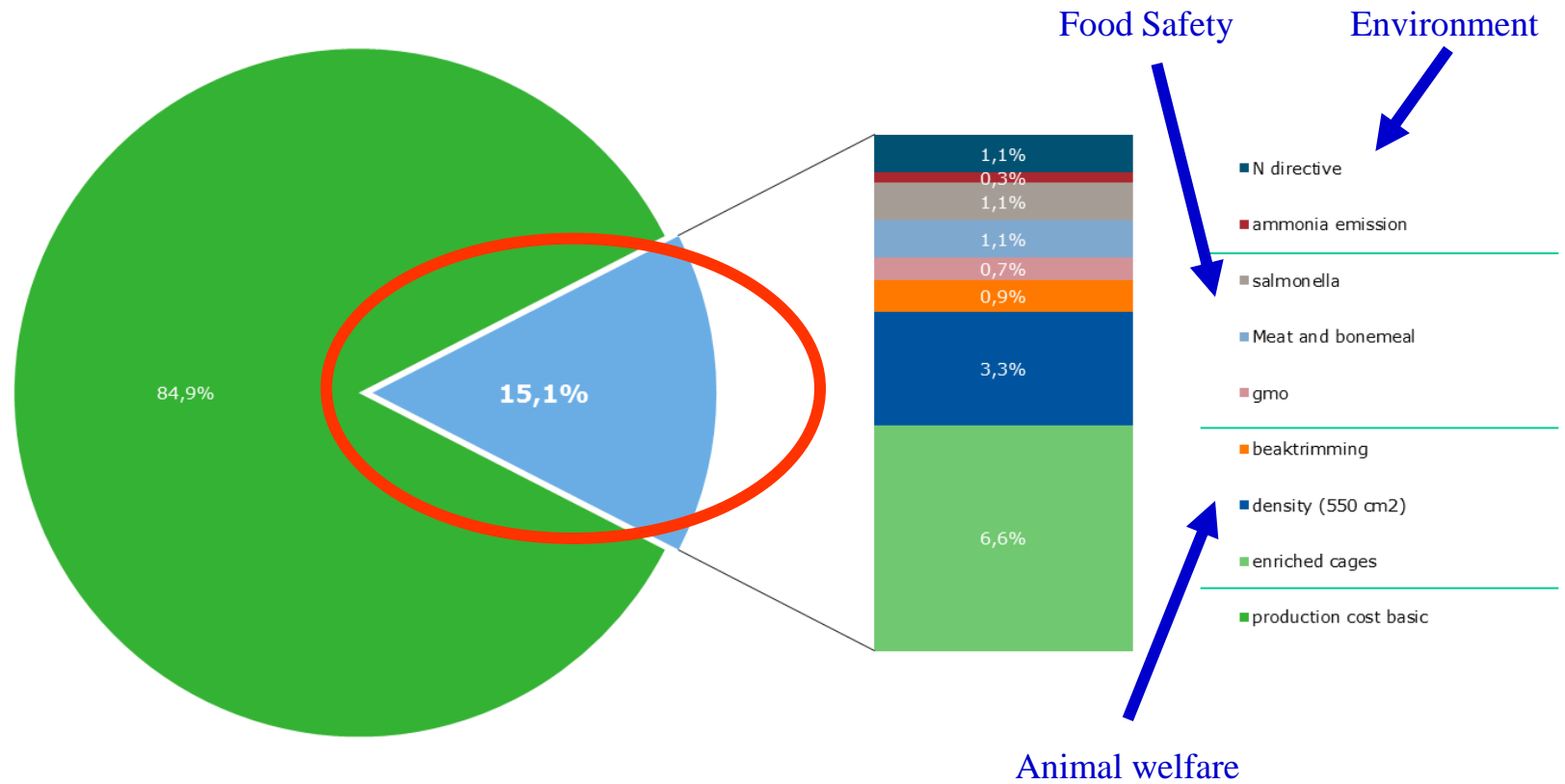
Even at current Import Tariff,
Ukraine and India competitive



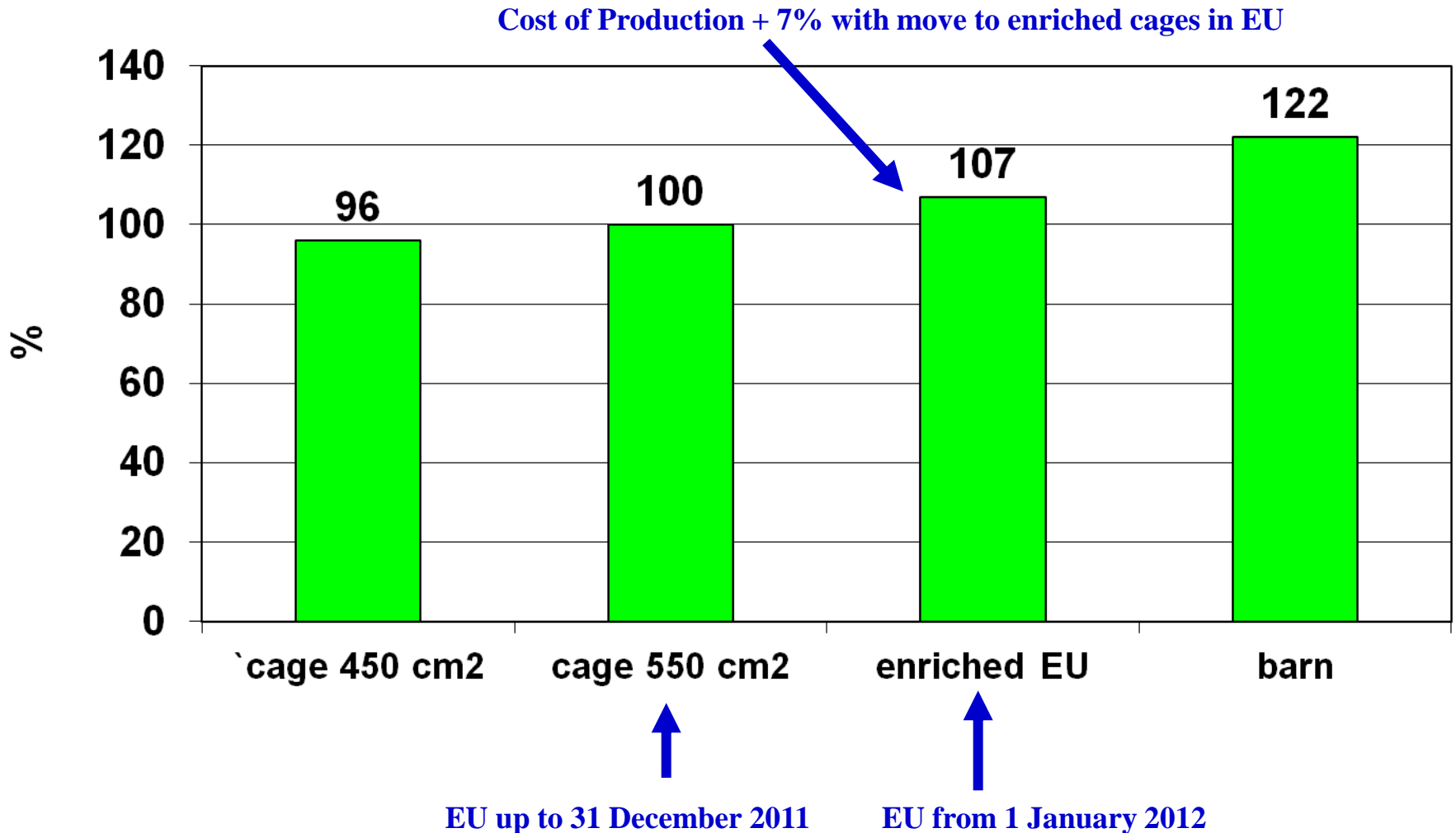
EU legislation

- Environment
 - Nitrate directive (max amount N on land)
 - Ammonia emission (National Emission Ceiling)
- Food Safety
 - Zoonoses Directive / Salmonella control
 - Ban on Meat and Bone meal (MBM)
 - Restriction on use of GM crops
- Animal welfare
 - Housing systems (Directive 98/58/EC)
 - Stocking density in enriched cages is 750 cm² per hen (since 2012)
 - Beak trimming legislation

EU legislation in 2012: production costs of eggs



EU legislation: 'housing systems'



Scenarios for the future

- Import tariffs on eggs and egg products

Reduction as a result of;

- WTO multilateral agreement

- Example 50% reduction in import tariffs

- Bilateral agreements

- Removal of import tariff

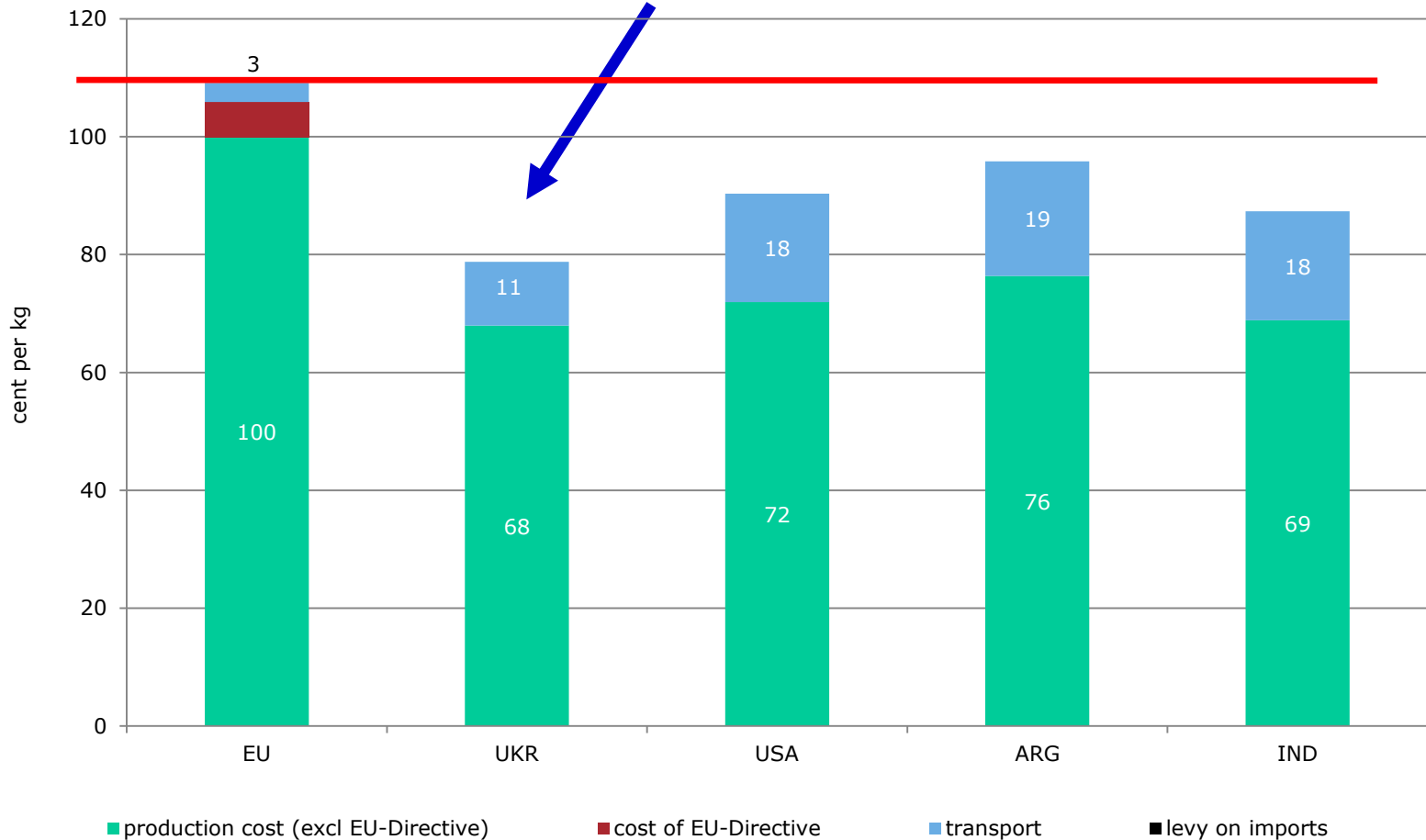
- Exchange rates

- large fluctuation

- 10% change in exchange rate to Euro

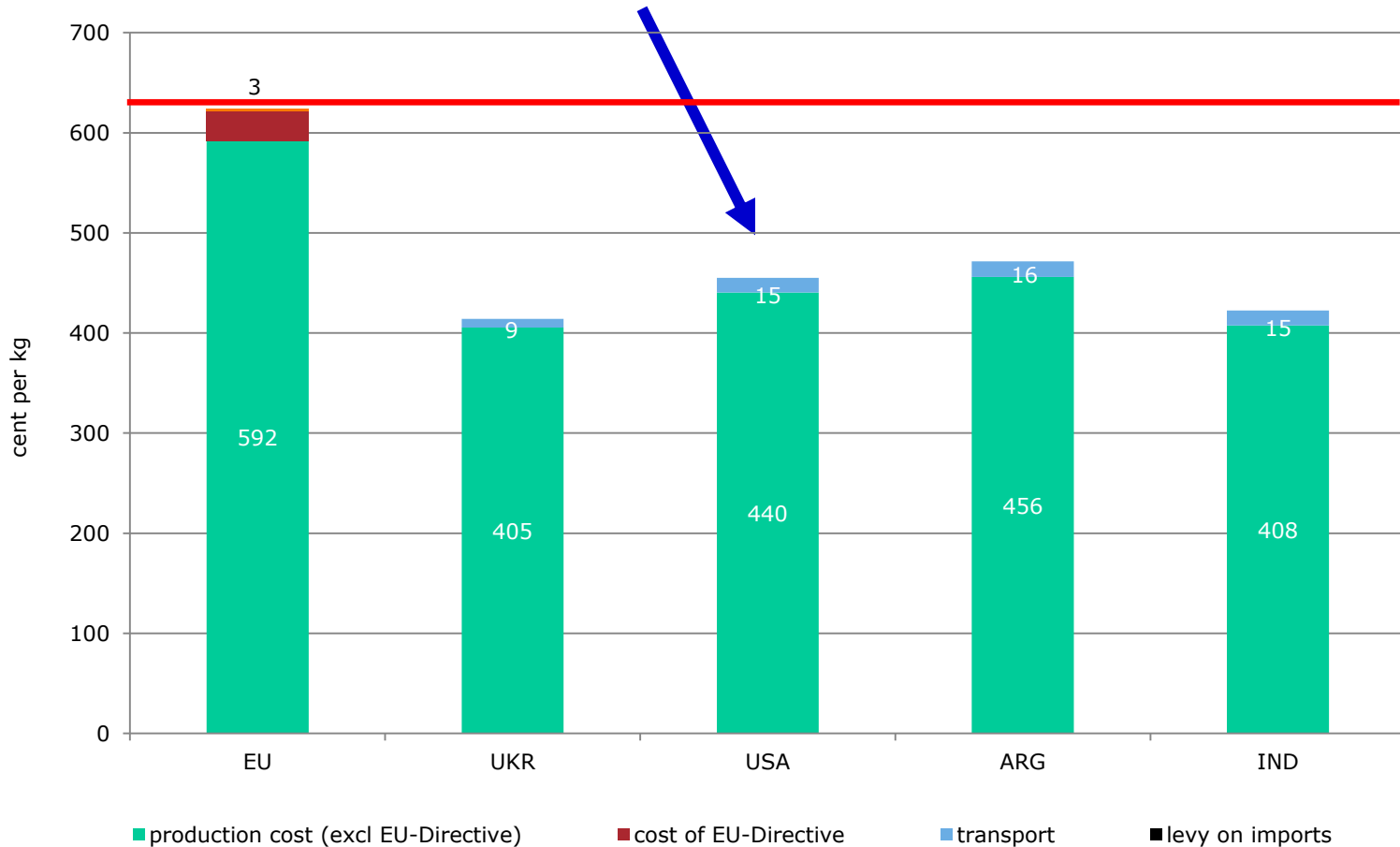
Offer price Shell eggs Germany 2013 (Eurocents/kg), scenario 4 (zero import tariff & -10% exchange rate)

This is real situation. FTAs are for the removal of Import Tariffs = EU becomes even more uncompetitive



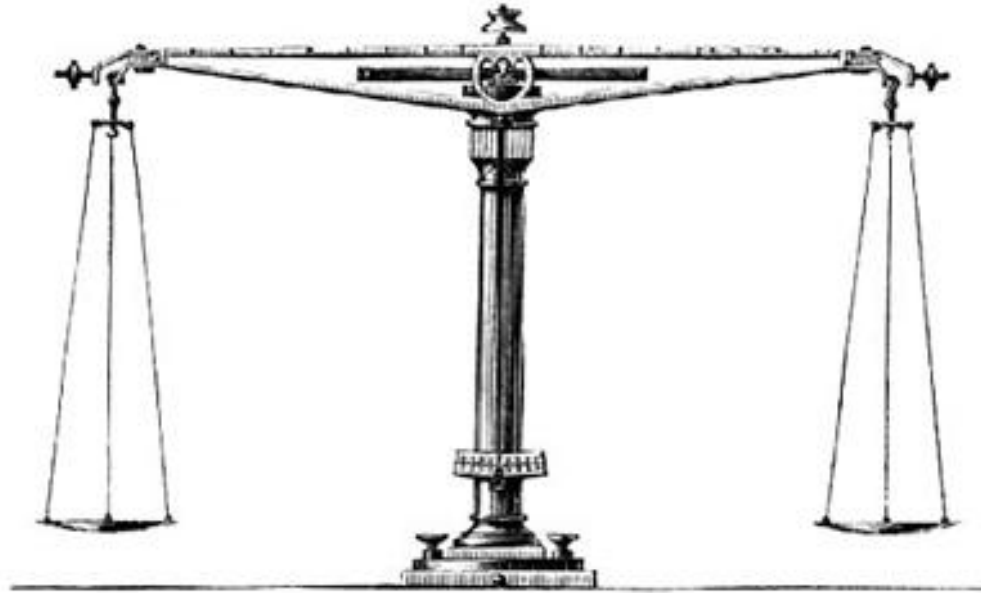
Offer price whole egg powder Germany 2013 (Eurocents/kg), scenario 4 (zero import tariff & -10% exchange rate)

This is real situation. FTAs are for the removal of Import Tariffs = EU becomes even more uncompetitive



Free trade

Fair trade



Production cost in
EU due to public
concern

Import levies

EUWEP

What do we need?

- Egg Industry has legitimate concerns
 - EU citizens wanted conventional cages banned, as considered cruel, yet EU allows imports of eggs and egg products from this system
- Need for 'Sensitive Product' status - to be afforded to the 'at risk' egg tariff lines
 - In particular, Dried egg and Liquid egg
- Need Animal Welfare standards to be included in all bilateral (and multilateral) trade negotiations
- Therefore, all imports to meet EU's high standards on;
 - Food safety
 - Environment
 - Animal Welfare
- This is 'fair trade'

EU Exports of Eggs:

Trade Figures (Comext - tonnes egg equiv.) not incl. Hatching eggs

Japan is a very important market

	2011		2012		2013		2014		Jan-Jul 15		Compared to Jan-Jul 14
	tonnes	%	tonnes	%	tonnes	%	tonnes	%	tonnes	%	
Japan	66.354	31%	66.935	36%	64.522	30%	78.765	34%	41.346	30%	- 8,2%
Switzerland	42.163	19%	41.888	23%	41.991	20%	39.379	17%	24.137	17%	- 1%
U.A.Emirates	8.261	4%	1.676	1%	10.449	5%	8.118	4%	9.137	7%	+ 126%
USA	636	0%	180	0%	98	0%	3.020	1%	7.315	5%	+++
Angola	17.524	8%	17.110	9%	12.905	6%	16.077	7%	6.868	5%	- 6%
Israel	2.654	1%	1.060	1%	936	0%	3.491	2%	5.540	4%	+++
Taiwan	7.939	4%	4.624	2%	3.411	2%	3.445	2%	2.667	2%	+ 57%
Thailand	7.251	3%	6.406	3%	5.913	3%	4.939	2%	2.576	2%	- 14%
Hong Kong	5.354	2%	409	0%	314	0%	2.379	1%	2.472	2%	+ 139%
Sierra Leone	312	0%	0	0%	1.020	0%	1.673	1%	2.035	1%	+ 61%
Russia	4.947	2%	5.982	3%	10.538	5%	7.659	3%	1.302	1%	- 68%
Others	53.680	25%	39.502	21%	62.538	29%	59.518	26%	32.907	24%	
EXTRA EU 28	217.075		185.771		214.636		228.464		138.301		
% change			- 14%		+ 16%		+ 6%		+ 6,3%		

Source: EC

Avian Influenza

The '12 week rule'

- Com Reg (EC) No. 589/2008

ANNEX II

Minimum requirements for systems of production for the various egg farming methods

1. 'Free-range eggs' must be produced in systems of production which satisfy at least the conditions specified in Article 4 of Council Directive 1999/74/EC.

In particular, the following conditions must be satisfied:

- (a) hens must have continuous daytime access to open-air runs. However, this requirement does not prevent a producer from restricting access for a limited period of time in the morning hours in accordance with usual good farming practice, including good animal husbandry practice.

In case of other restrictions, including veterinary restrictions, adopted under Community law to protect public and animal health, having the effect of restricting access of hens to open-air runs, eggs may continue to be marketed as 'free-range eggs' for the duration of the restriction, but under no circumstances for more than 12 weeks;

- At present, if a producer chooses to house birds outside of PZ/SZ, he would lose free range marketing status
- Concern to producers in UK, DE, NL

Animal welfare

Beak trimming - EU Member States

- Beak trimming not allowed in legislation in;
 - Sweden, Finland
 - But ... White birds (easier to manage untrimmed)
- Allowed under legislation, but not practiced in;
 - Denmark (industry ban) - white birds
 - Austria (quality assurance scheme ban), Brown birds, But ... producer receives higher egg price
- Germany
 - Proposed voluntary ban from 1st January 2017
 - but, grant aid available to producers (1.70 euros/bird)
- The Netherlands
 - Proposed ban from September 2018
 - But, review in 2017
- Other member states utilise derogation in Directive 1999/74/EC

Male day-old chick disposal

- Market demand for culled day-old chicks
 - zoos, birds of prey, snakes etc
- Germany - concern at North Rhine-Westphalia move to ban
 - Hatcheries in Germany have to demonstrate there is a use for culled male DO chicks
- Unilever announcement in USA (September 2014)
- Development of 'dual breed'

Food safety

Prevalence of the two target serovars (*S. Enteritidis* and/or *S. Typhimurium*)-positive laying hen flocks of *Gallus gallus* during the production period, 2013



EU: 1%

Source: ECDC

EUWEP

Opportunities

Egg Marketing in the Member States

- EU consumers assume high standards of:
 - Food safety
 - Animal Welfare
- Consumers are increasingly interested in:
 - The Environment
 - Recycling
 - Fair trade
 - CSR

Opportunities for the Egg Industry

- Egg image improving - nature's perfect product!
- Good news on Cholesterol
- Good news on Satiety
- Egg displays improving - innovative packaging
- The 'welfare story' - growth of non-cage at retail level

(but more difficult for egg products)

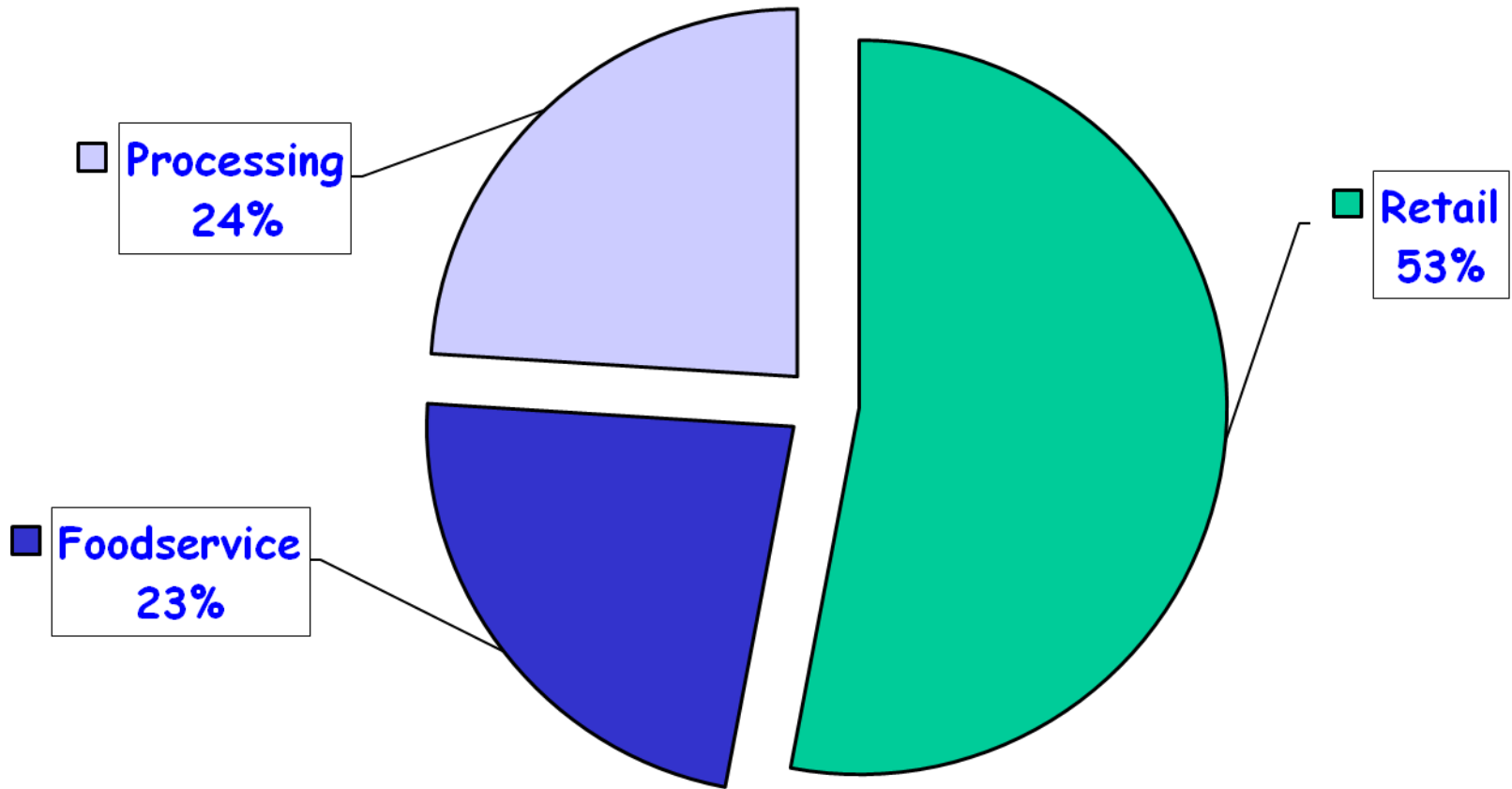
- Growth in certain egg product sectors
- Branding - Further differentiation possible - growth in speciality and enriched eggs e.g. Omega-3
- Reducing the 'Carbon footprint' - local/regional sourcing

Egg Nutrition

- 70% more Vitamin D
- 100% more Selenium
- 20% less fat
- more than 20% less saturated fat
- around 13% fewer calories
- more than 10% less cholesterol

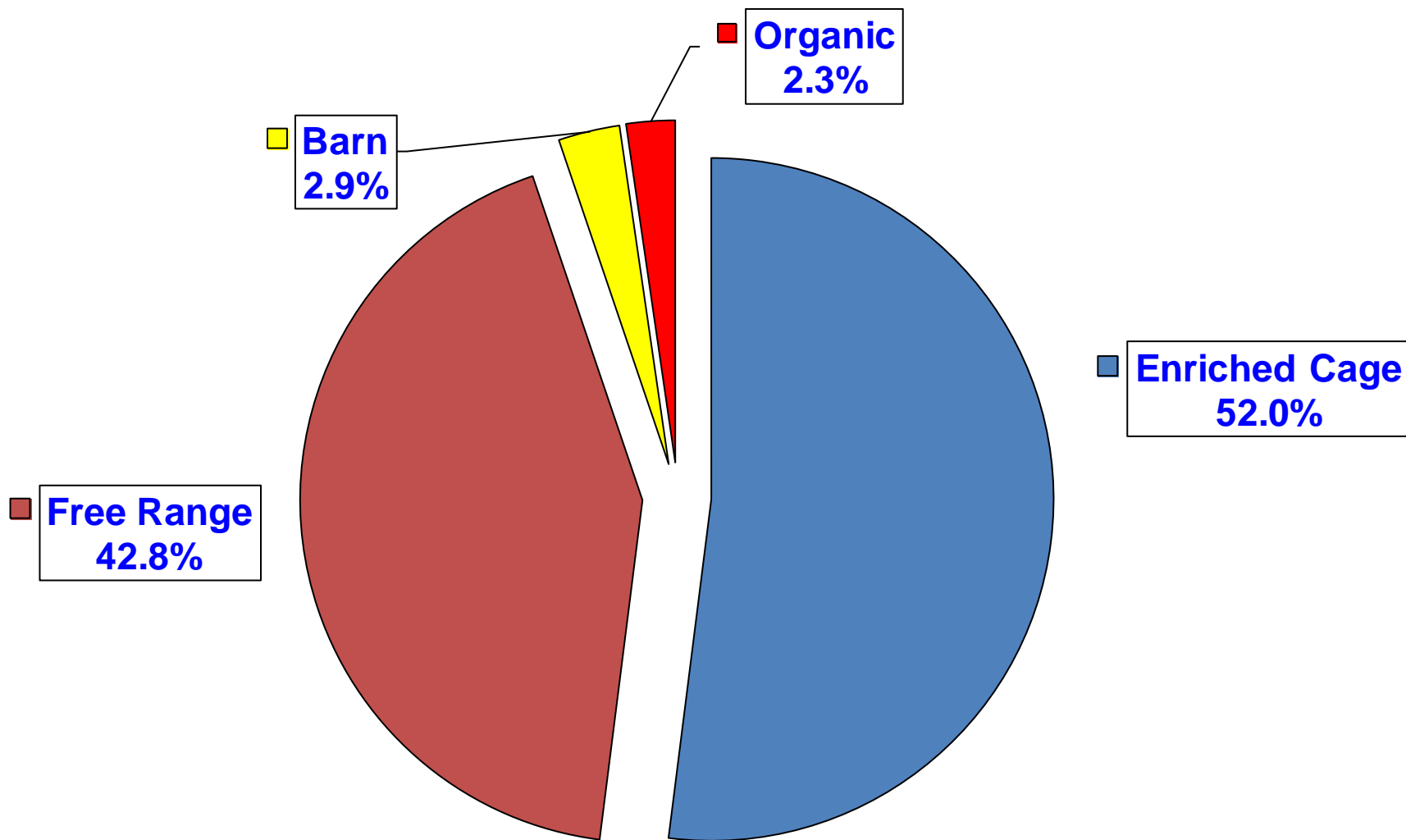


UK Egg Market make-up (2014p) (Est Volume)





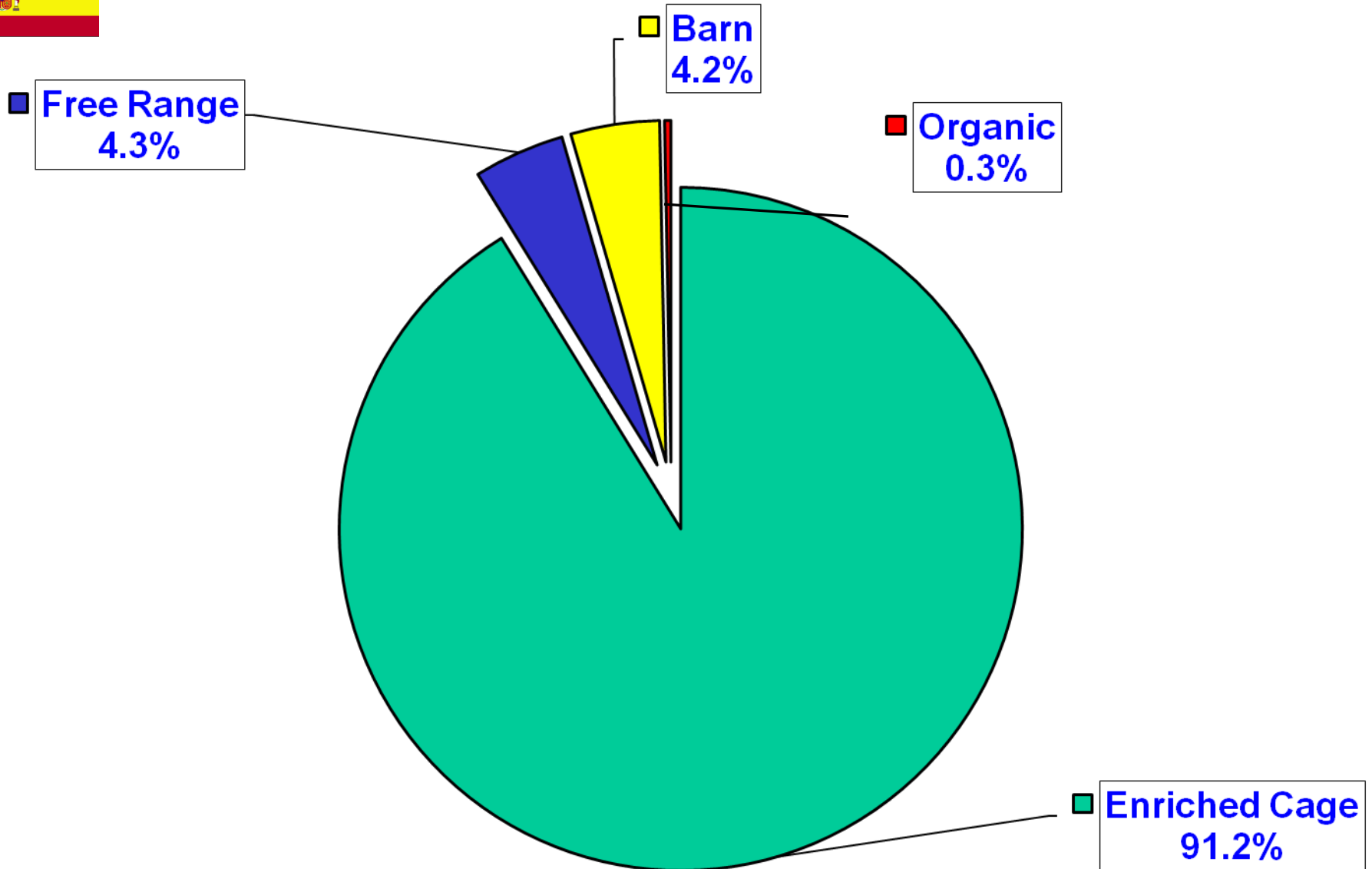
UK Market Split - Volume 2014



Source: Defra

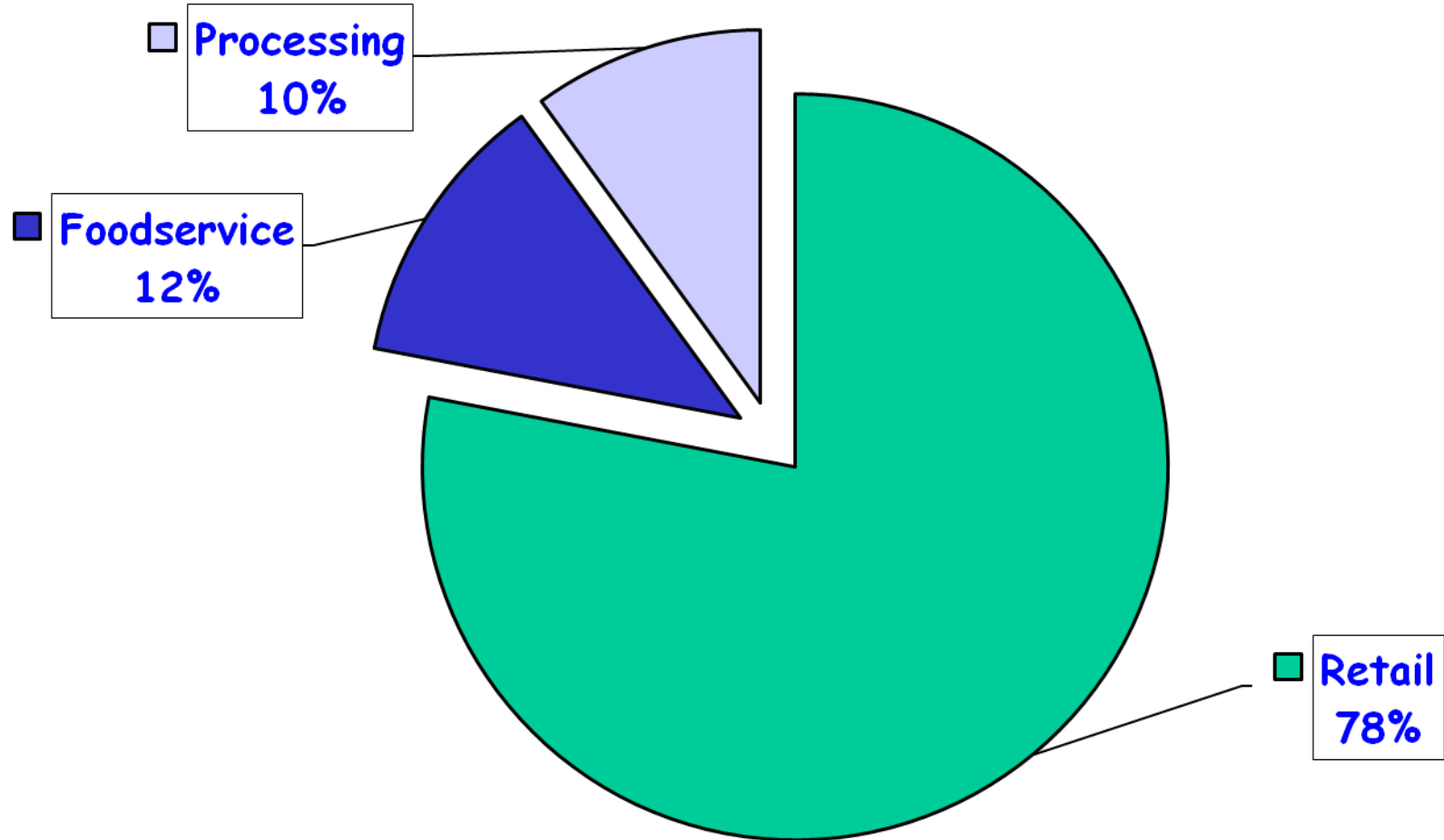


Spain - Market Split (2014)



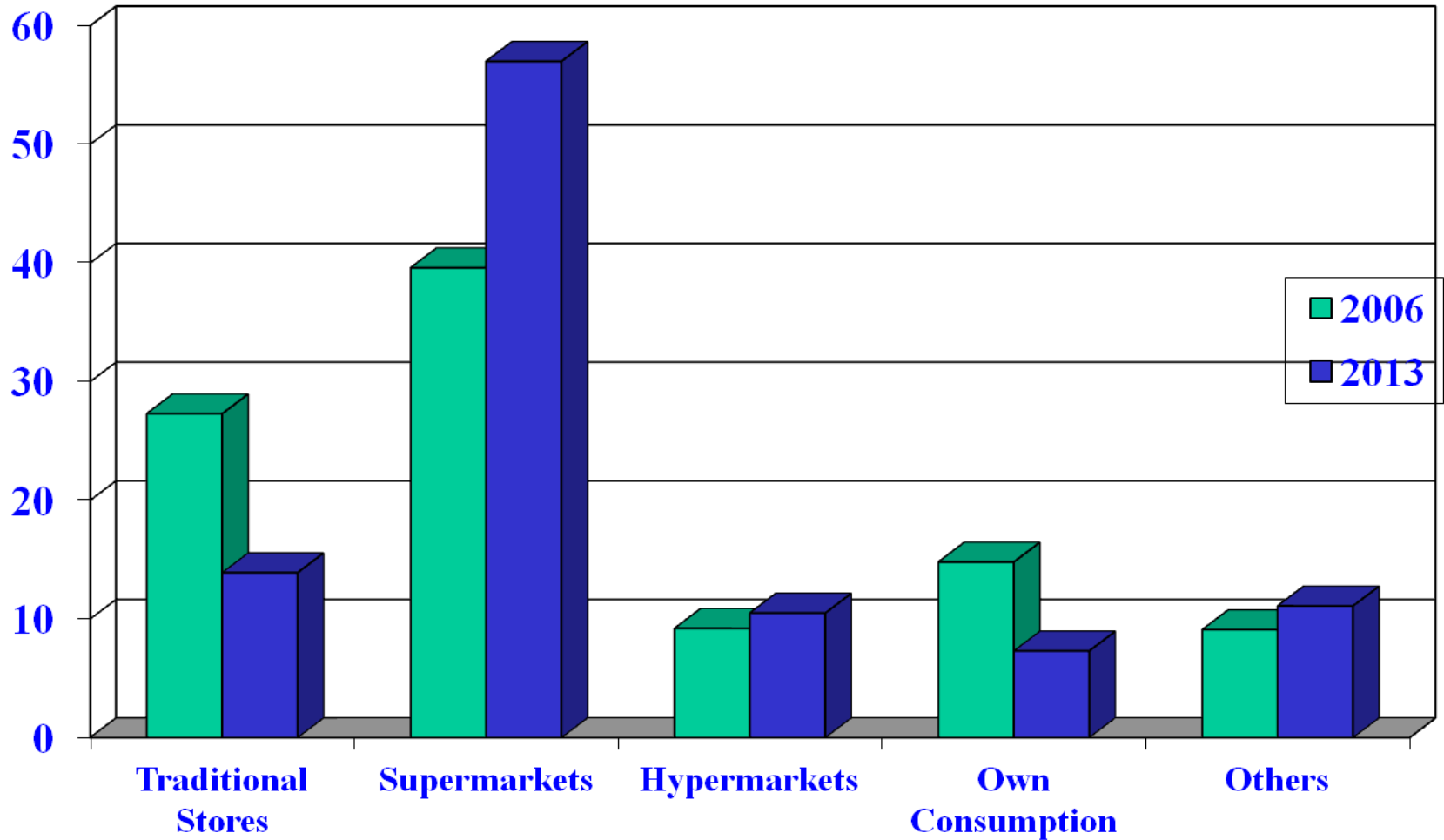


Spain - Egg Market make-up (2013)



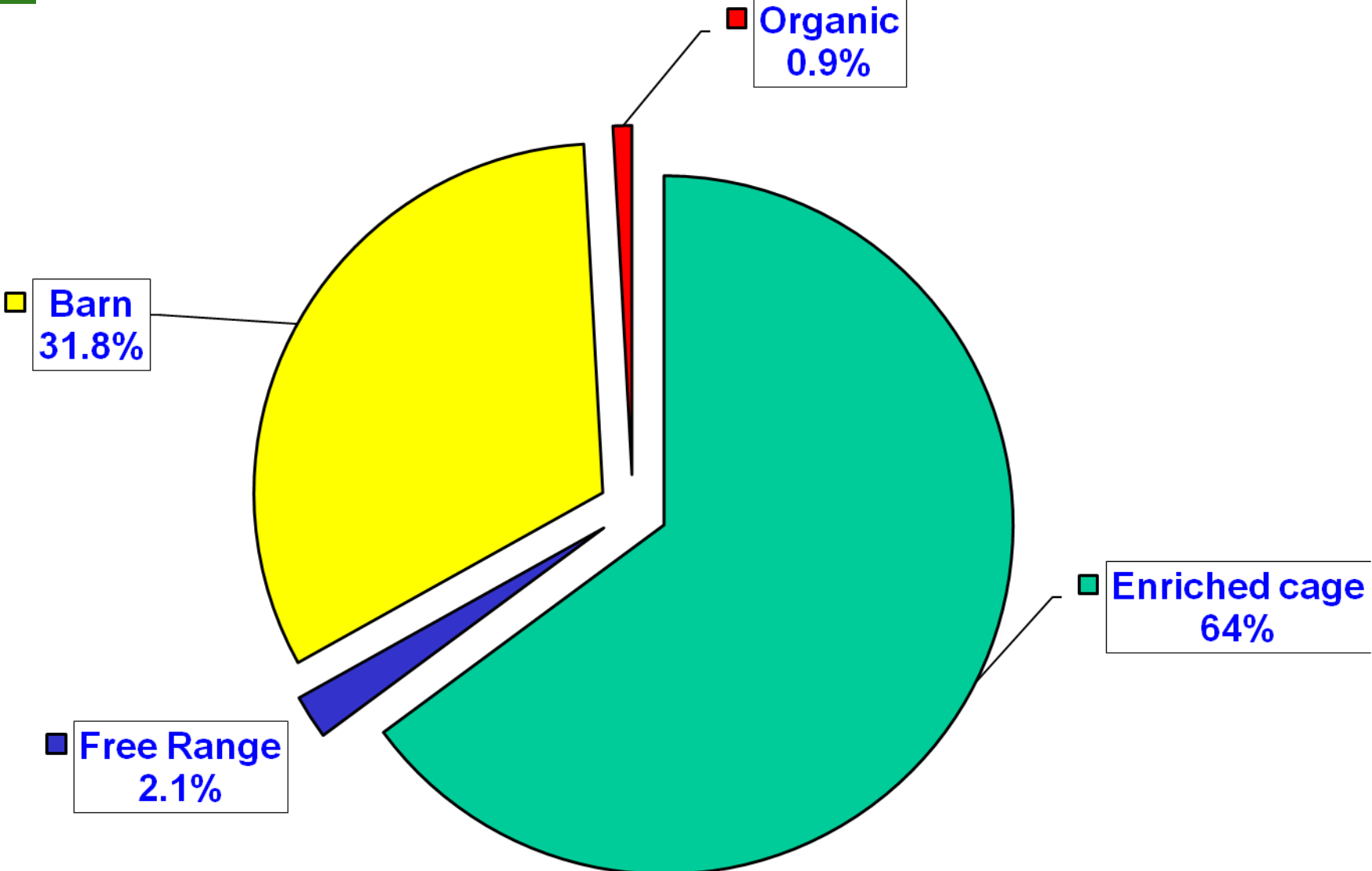


SPAIN - Distribution of Retail (shell) Egg Sales (2006 & 2013) (%)





Hungary Market Split (2014)



Egg consumption and self-sufficiency (selected countries) (2014)

Country %	Consumption per capita	Self-sufficiency
Denmark	245	95
Finland	186	-
France	216	111
Germany	231	70
Hungary	214	94
Italy	218	95
Netherlands	195 (2013)	308
Poland	168	170
Portugal	140	-
Spain	205	123
Sweden	217	90
Switzerland	177	57
UK	184	87

Source: IEC

Promotion



The new promotion policy

Regulation (EU) No1144/2014



*DG Agriculture and Rural Development
European Commission
Marie MAUREY – 16.9.2015*

Agriculture
and Rural
Development

Europa web-site

http://ec.europa.eu/agriculture/promotion/policy/index_en.htm

The Future?

- Must continue to produce what the market requires
- Consumer confidence is vitally important
- Food safety, animal welfare and environmental issues will continue to be important
- Must continue to differentiate product
- Must continue to address challenges and be alert for emerging issues

Conclusions

- EU has the most modern industry in the world
- A huge achievement
 - should be proud of this
- Confidence restored in eggs

Thank you for your attention

For further information please contact
mark.williams@euwep.org