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Report Highlights:
EU poultry finds it increasingly difficult to compete on world markets. Egg production is likely to keep decreasing as a result of EU welfare and environmental regulations.

Includes PSD changes: Yes
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INTRODUCTION

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SUMMARY

EU poultry production keeps growing while imports soar and EU exports find it increasingly difficult to compete on world markets. Egg production briefly increased in 2001, following production recovery in some member states, but is likely to keep decreasing as a result of EU welfare regulations.

POULTRY

PSD Table						
Country	European Union					
Commodity	Poultry, Meat, Total				(1000 MT)(MIL HEAD)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	1054	1054	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	8394	8494	8599	8599	8850	8750
Whole, Imports	71	71	57	0	50	0
Parts, Imports	236	236	260	0	300	0
Total extra-EU imports	307	307	317	550	350	570
TOTAL SUPPLY	8701	8701	8916	9149	9200	9320
Whole, Exports	277	277	273	0	265	0
Parts, Exports	755	755	745	0	785	0
Total extra-EU exports	1032	1032	1018	1025	1050	990
TOTAL Use	7669	7669	7898	8124	8150	8330
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	8701	8701	8916	9149	9200	9320

In 2001, production increased as foreseen, as a consequence of the resumption of Italian and Belgian production. Italy recovered from the avian influenza outbreak while Belgium overcame the dioxin crisis. Production could have been further boosted by the BSE crisis and its positive consequences on poultry consumption but increased demand in the domestic EU market was largely absorbed by massive imports of poultrymeat, mainly from Brazil.

Production is expected to keep increasing in 2002, but by a lower rate than initially foreseen. EU consumers' switch from beef to poultry faded away more quickly than expected, as beef consumption gradually returned to normal levels as of the summer of 2001. Furthermore, decreasing exports and increasing imports discouraged poultry production expansion.

Imports increased considerably in 2001, mostly salted poultrymeat from Brazil and Thailand. These traditional exporters to the EU took advantage of low import duties for this category of products, exacerbated by competitive prices of Brazilian poultry. EU authorities are actively reviewing options in order to try and regulate these imports, which destabilize the EU poultry sector.

Stabilized import levels in 2002 assume that a solution has been found to cap imports of salted poultrymeat, possibly through a change in import product nomenclature. However, imports are unlikely to decrease as double zero agreements with Central and Eastern European countries allow large quantities of poultry to be imported into the EU duty-free.

Exports continued their long-time downward trend in 2001 and are expected to decrease again in 2002. This is mainly due to lower exports of whole birds to the Middle East which are not price competitive even with export refunds. Even reinstated restitutions on poultry cuts at the end of 2001 and improved exports of turkey are not expected to be able to reverse this trend.

EU poultry consumption was boosted by the BSE crisis and the suspicious attitude of EU consumers towards beef. This renewed enthusiasm for poultry was, however, mitigated by high EU poultry prices in 2001. As beef consumption is recovering, poultry consumption in 2002 is expected to return to traditional low growth rates.

Poultry production by member state

	2001	**2002**
EU total	8599	8750
France	2218	2220
UK	1558	1550
Italy	1250	1230
Germany	861	880
Netherlands	747	735
Other member states	2198	

Poultry consumption by member state

	2001	2002
EU total	8124	8330
UK	1722	1732
France	1591	1570
Germany	1442	1471
Italy	1100	1100
Netherlands	352	358
Other member states	1817	1999

Poultry exports by member state

	2001	2002
EU total	1025	990
France	398	383
Netherlands	265	255
UK	75	70
Germany	60	54
Other member states	227	229

CHICKEN

PSD Table						
Country	European Union					
Commodity	Poultry, Meat, Total	Meat, Chicken-16wks			(1000 MT)(MIL HEAD)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	6654	6654	6799	6822	7000	6820
Whole, Imports	0	0	0	0	0	0

Parts, Imports	0	0	0	0	0	0
Total extra-EU imports	189	189	200	250	250	275
TOTAL SUPPLY	6843	6843	6999	7072	7250	7095
Whole, Exports	0	0	0	0	0	0
Parts, Exports	0	0	0	0	0	0
Total extra-EU exports	764	764	750	726	775	695
TOTAL Use	6079	6079	6249	6346	6475	6400
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	6843	6843	6999	7072	7250	7095

TURKEY

PSD Table						
Country						
Commodity	Poultry, Meat, Total	Turkey			(1000 MT)(MIL HEAD)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	1740	1740	1800	1784	1850	1785
Whole, Imports	0	0	0	0	0	0
Parts, Imports	0	0	0	0	0	0
Total extra-EU imports	61	61	65	85	65	85
TOTAL SUPPLY	1801	1801	1865	1869	1915	1870
Whole, Exports	0	0	0	0	0	0
Parts, Exports	0	0	0	0	0	0
Total extra-EU exports	248	248	260	324	270	325
TOTAL Use	1553	1553	1605	1545	1645	1545
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	1801	1801	1865	1869	1915	1870

EGGS

PSD Table						
Country:	European Union					

Commodity:	Poultry, Eggs					
		2000		2001		2002
	Old	New	Old	New	Old	New
Calendar Year Begin		01/2000		01/2001		01/2002
Layers	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	85768	85768	88981	88981	89000	88000
Hatch Eggs, Imports	21	21	13	13	15	0
Shell Eggs, Imports	389	389	249	249	285	0
Extra EC Imports	3826	3826	3564	3564	3600	3650
TOTAL SUPPLY	89594	89594	92545	92545	92600	91650
Hatch Eggs, Exports	156	156	155	155	155	150
Shell Eggs, Exports	2959	2959	2943	2943	2945	2865
Extra EC Exports	7375	7375	7377	7377	7200	7000
TOTAL Use	82219	82219	85168	85168	85400	84650
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	89594	89594	92545	92545	92600	91650

Egg production increased in 2001, as previously foreseen. The end of the avian influenza outbreak in Italy and of the dioxin crisis in Belgium marked the resumption of production in those two countries. This growth in production diminished the need for imports. Exports decreased, as EU eggs become less and less competitive on world markets. EU consumption was boosted by the growing use of egg products in the processed products industry and by the BSE crisis, when some EU consumers substituted eggs for beef.

In 2002, egg production is expected to decrease rather than stabilize. Contributing factors include low egg prices in the EU market as well as the long-time downward trend of EU egg production. But the crucial effect is new EU environmental and welfare regulations. The new requirements all aim at reducing the density of laying hens in egg-producing plants and thus will reduce production.

Imports are expected to go up in 2002, in line with the decrease in production, although trends vary within the EU: Spain and the Netherlands, for instance, forecast lower imports for 2002.

Exports are likely to go down in 2002, in spite of low prices which should make EU egg products more competitive on world markets. Major exporting countries, such as the Netherlands, find it more and more difficult to compete with the United States and India.

Egg consumption is foreseen to return to its long-term downward trend in 2002, in line with the recovery of beef consumption. Additionally, EU welfare regulations are largely contributing to the expansion of free-range egg production. EU consumers react to more expensive free-range eggs by a reduction of the number of shell eggs they consume.