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Germany

Poultry and Products

Higher German egg imports from the U.S.

2003

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Report Highlights:

In the wake of the Avian Influenza outbreak this Spring in the Netherlands, Belgium and Germany, German imports of chicken eggs from the U.S. soared. These eggs are not destined for the fresh market. They are either hatching eggs or are being processed and thereafter re-exported.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Berlin [GM1]
[GM]

German import statistics show a significant increase in chicken egg imports from the United States. In the first seven month of 2003, Germany imported 14.2 million in-shell eggs and 484,940 hatching eggs from the U.S. versus only 306,000 and 55,800 in the same period of the previous year.

However, in order to avoid the high EU import duties, the in-shell eggs are re-exported within six month of importation after being processed into egg products such as liquid or dried eggs, egg-yolks, and egg-whites.

The strong increase in U.S. shipments can be attributed to a shortage of eggs in the EU as a result of the following factors:

- In the wake of the Avian Influenza outbreak this Spring many laying hen facilities in the Netherlands, Belgium and Germany had to be de-populated. While most of them have been re-stocked by now, it takes some time until they reach their full production capacity again.
- The hot summer resulted in increased mortality and reduced the productivity of laying hens in some regions of the EU.
- As of January 2003, EU minimum space requirements for laying hens in cages have increased by 20 percent from 450 to 550 square centimeters, meaning 20 percent fewer birds in the same space.
- In Germany the construction of new chicken cages is forbidden as of January 2003, while in other EU member states this is still allowed until the end of 2011. This does not encourage investment in laying hen facilities in Germany.

As a consequence, egg prices in the EU are currently exceptionally high and still on the rise. They are expected to remain at a high level at least until Christmas if not until Easter of 2004. They are expected to drop again when the re-stocked laying hen facilities in Germany, Belgium and the Netherlands have reached their full production capacity.

However, if and how far US exporters can benefit from this situation is not clear, as German imports of in-shell eggs seems to be singular events rather than on a continuous basis.

In 2002, Germany produced 14 billion eggs. Imports amounted to the equivalent of 6.3 billion eggs, and exports to 1.6 billion eggs. The equivalent of 18.5 billion eggs were used for human domestic consumption.

EU import duties for in-shell eggs (HS code 0407 00 30) amount to 30.4 Euro per 100 kg net. A tariff-rate quota exists for 135,000 MT at a tariff of 152 Euro per 1000 kg net (15.2 Euro per 100 kg). EU import duties for hatching eggs (HS code 0407 00 19) amount to 35 Euro per 1,000 pieces.

Price information for eggs intended for processing is not available. Price development for eggs intended for consumption is illustrated in the tables below.

Average wholesale prices for in-shell eggs intended for direct consumption

Unpacked eggs, class A, in Euro per 100 pieces				
Size		Sept 30 - Oct. 6, 2003	Oct. 1 -7, 2002	percent change
XL	> 73 g	12.60	10.00	26.0
L	63 - 73 g	11.80	8.70	35.6
M	53 - 63 g	10.90	7.90	38.0
S	< 53 g	8.70	7.20	20.8

(Bayerische Warenbörse, München)

Source: ZMP (German Central Market- and Price Reporting Agency)

Packed eggs in cartons, class A, in Euro per 100 pieces				
Size		Oct. 3 - 7, 2003	Oct. 4 - 8, 2002	percent change
XL	> 73 g	19.45	15.20	28.0
L	63 - 73 g	18.70	13.90	34.5
M	53 - 63 g	17.75	13.15	35.0
S	< 53 g	14.95	12.45	20.1

(Norddeutsche Eiernotierung)

Source: ZMP (German Central Market- and Price Reporting Agency)