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Report Highlights:

EU-27+UK chicken meat production is expected to increase slightly again in 2020 driven by both domestic and export demand. However, it will grow at a slower pace due to an HPAI outbreak in Poland. In recent years, EU-27+UK consumers have been switching to chicken meat from other types of meat as it is less expensive and easy to prepare. Imports are forecast to increase by 2 percent in 2020, with about 15 percent of imports projected to come from Ukraine, now a major supplier. In 2020, EU-27+UK exports are expected to stagnate to Sub-Saharan Africa and to Asia due to the HPAI-related embargoes on Polish chicken meat in several export markets.

DISCLAIMER

The PSD numbers in this report are not official USDA figures, but result from a collaborative effort by FAS EU offices to consolidate PSDs from all 27 EU member states. Because the United Kingdom remains part of the EU single market and the customs for the duration of the agreed transition period set through the end of December 2020 after its exit from the European Union on February 1, 2020, UK figures remain in the EU-27+UK total.

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Commodity: Chicken, Meat

Production

EU-27+UK chicken meat production in 2020 is now forecast to increase by 1.1 percent from 2019.

This increase follows 1.6 percent growth in 2019, driven by increased domestic EU-28 consumption and higher than anticipated exports. The EU-28 chicken meat production increase in 2019 was also notably driven by a 4 percent production increase in Poland which is now the leading chicken meat producing country in the European Union. However, FAS Warsaw estimates that Polish chicken production growth will slow to 1.5 percent in 2020 because of HPAI (Highly Pathogenic Avian Influenza) outbreaks in late December 2019. Until February 12, 2020, there were 18 confirmed HPAI outbreaks in domestic Polish poultry (mainly turkey farms) and one case in wild birds.

Hungarian authorities also confirmed the primary outbreak of the H5N8 strain of highly pathogenic avian influenza (HPAI) in a turkey farm and a duck farm, on January 12, 2020. Wild migrating birds were likely the origin of the cases in Hungary.

The slower production growth in western European countries in 2020 is also due to higher feed prices, stricter environmental regulations, such as in the Netherlands, high labor costs, such as in France, and the lack of investments in updated production facilities, such as in Germany.

Consumption

EU-27+UK domestic consumption of chicken meat is expected to increase more than total population growth in 2020, indicating a small increase in per-capita consumption. This is due to the switch from other meats to chicken meat because of weak economic conditions in some EU-27+UK countries as well as consumer preference changes toward leaner and easier to prepare meats.

Trade

EU-27+UK chicken meat imports are expected to increase by 2 percent in 2020. While imports from Thailand and Ukraine are anticipated to remain strong, imports from Brazil are expected to regain some market share. Chicken meat imports from Ukraine are anticipated to stabilize after the closure of the loophole that benefits Polish producers (see [EU-28 2019 Poultry Annual GAIN report](#) for background information.) It is yet to be seen if the COV-19 outbreak in China will impact Chinese exports (estimated at 25,000 MT in CY 2019) of chicken meat to EU-27+UK in 2020.

EU-27+UK chicken meat exports in 2020 are expected to stagnate due to the HPAI outbreaks in Poland and Hungary that led South Africa, China, South Korea, Singapore, Japan, Taiwan, United Arab Emirates, and the Philippines to ban Polish and Hungarian chicken meat, while others, Ukraine, Belarus, Hong Kong, Kazakhstan, Russia, Armenia, Cuba, and Saudi Arabia applied regionalized bans. On the other hand, the Netherlands and Belgium are again eligible to export chicken meat to South Africa. South Africa is preparing to increase the MFN duties on bone-in and boneless chicken imports from 37 percent and 12 percent, respectively, to up to 82 percent at request of the South Africa's poultry industry, but EU-27 exporters will be exempted because of the EU-SADC (Southern African Development Community) Economic Partnership Agreement. The growth of EU-27+UK chicken meat exports to Cuba (27,000 MT in CY 2019, a fourfold increase from 2018) is expected to continue, albeit at a slower pace.

Traditional French frozen whole chicken exports to Saudi Arabia plummeted by 18 percent in 2019 as they could not compete with Brazilian exports. This downward trend will likely continue in 2020.

Policy

A New Wave of Avian Influenza Threatening EU Poultry Production

Since the autumn of 2019, a new wave of highly pathogenic avian influenza (HPAI) subtype H5N8 is infecting primarily wild birds in northeastern Europe. As in previous years, migrating birds are believed to be the conduits for its spread. Poland, Hungary, Slovakia, Romania, Bulgaria and Czech Republic identified outbreaks in farmed birds, while infected wild birds were also found in Germany. As a result of the findings in Germany, the Netherlands ordered farmed poultry to be kept inside in order to avoid contact with wild birds. The Belgian government has so far resisted calls from Belgian poultry farmers for similar measures.

DATA

Meat, Chicken	2018		2019		2020	
	Jan 2018		Jan 2019		Jan 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Market Begin Year						
European Union						
Beginning Stocks	0	0	0	0	0	0
Production	12260	12260	12460	12460	12600	12600
Total Imports	703	704	740	724	710	740
Total Supply	12963	12964	13200	13184	13310	13340
Total Exports	1427	1426	1545	1548	1610	1550
Human Consumption	11536	11538	11655	11636	11700	11790
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	11536	11538	11655	11636	11700	11790
Total Use	12963	12964	13200	13184	13310	13340
Ending Stocks	0	0	0	0	0	0
Total Distribution	12963	12964	13200	13184	13310	13340
(1000 MT)						

Note: Per revised FAS instructions, exports of chicken paws to Hong Kong and China have been excluded from EU-28 and EU-27+UK chicken meat exports.

Attachments:

No Attachments