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Report Highlights:

Despite ongoing avian influenza outbreaks and increasing competition from imports, strong internal EU demand will drive chicken meat production in 2024. While inflation continues to be a concern, production costs of chicken meat remain generally lower compared to other animal protein. EU chicken meat imports increased by 2.3 percent in 2023 and further growth is expected in 2024, driven by a strong demand in the HRI sector. EU imports of Ukrainian chicken meat grew by 50 percent in 2023 due to the temporary EU free-trade measures supporting Ukraine. EU chicken meat exports decreased by 2 percent in 2023. Trade restrictions due to avian influenza exacerbate the lower price competitiveness of EU chicken meat relative to other world suppliers. However, trade is expected to stabilize in 2024.

DISCLAIMER

The PSD data in this report are not yet official USDA numbers. These estimates are the result of a collaborative effort by FAS offices in the European Union (EU) to consolidate PSDs from all 27 EU Member States.

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Commodity: Chicken, Meat

Production

European Union (EU) chicken meat production in calendar year (CY) 2024 is forecast to grow by 0.4 percent, following the 1.65 percent increase in CY 2023. Despite continuing outbreaks of Highly Pathogenic Avian Influenza (HPAI) in major EU producing countries and increasing competition from imports, chicken meat production continues to grow driven by strong domestic demand. EU Chicken meat production has benefited from slightly lower energy and feed prices in 2023, particularly in Poland, now the leading EU producer. In several countries like the Netherlands and Belgium, environmental regulations such as the new limits on nitrogen emissions constrain further expansion in production. French chicken meat production also fell in CY 2023, as French costs of production remain relatively high.

In the wake of the HPAI outbreaks, EU Member States are continuing to reinforce surveillance and biosecurity measures on poultry farms. Some areas are even instituting temporary bans on free-range poultry farms.

Consumption

EU domestic consumption of chicken meat is expected to increase by 0.9 percent in CY 2024, buoyed by both retail sales and consumption in the HRI sector.

Over the longer term, chicken meat consumption is expected to grow as consumer preferences continue to favor chicken meat. Chicken meat is generally more affordable than other animal protein. European consumers also generally consider chicken meat to be healthier, more versatile, and easier to prepare.

Trade

EU chicken meat imports increased by 2 percent in CY 2023 and are expected to further increase by 3.5 percent in CY 2024. The European HRI sector accounts for the largest share of imported chicken. Imports from Brazil stagnated in CY 2023, while imports from United Kingdom fell by 20 percent as the EU imposed strict sanitary controls following Brexit. Imports from Thailand also faced increased competition from Ukraine.

EU imports of Ukrainian chicken meat grew by more than 50 percent in CY 2023. Clearly, this trade continues to benefit from EU regulation 2023/1077 which renewed temporary trade concessions under the Deep and Comprehensive Free Trade Agreement (DCTA) of 2011. Under this EU Regulation, Ukrainian chicken meat is eligible to enter the European market without tariffs or quotas. This measure is temporary and, unless it is extended, it will expire on June 5, 2024. Some EU countries such as Poland have already asked the EU to impose limits chicken meat imports from Ukraine.

In CY 2023, EU chicken meat exports decreased by 1.8 percent driven by an 18 percent drop in EU chicken meat exports to the Democratic Republic of Congo and an 11 percent drop in exports to Saudi

Arabia, two major markets for EU chicken. Other markets which saw a decline in EU exports included Ukraine, Cuba, Liberia, and Malaysia. Even though EU export prices to Saudi Arabia decreased by 7 percent in CY 2023, prices are still 16 percent higher than in CY 2021. By comparison, in CY 2023, the Saudi import price for Brazilian chicken meat fell by 23 percent. Overall, with rising production costs across the EU, EU chicken meat exports are now generally less competitive, especially in African markets.

The UK remains the largest market for EU chicken meat (up 1 percent), driven by strong exports from Poland and Germany that effectively compete with Thai, Brazilian, Chinese, and Ukrainian chicken meat.

South Africa, which used to be a major customer of EU chicken (up to 122,000 MT in CY 2019), imported less than 2,300 MT in CY 2022. In CY 2023, South Africa imports of EU chicken meat rose to 12,500 MT as HPAI restrictions eased trade with the Netherlands, Spain, and Ireland. EU chicken meat exports to Ukraine in CY 2023 decreased by 14 percent. As Russia's ongoing war of aggression against Ukraine continues to disrupt trade flows, the purchasing power of Ukrainian consumers is very limited. Mechanically separated meat (MSM), which used to be exported from Poland to Ukraine, is now produced and consumed locally. High value cuts produced in Ukraine are increasingly exported to the EU to generate revenue.

HPAI outbreaks will likely continue to impact EU chicken meat exports. While EU chicken meat production costs have stabilized due to lower energy and feed prices, competition from less expensive Ukrainian chicken meat will continue to constrain opportunities for export. Thus, EU chicken meat exports are expected to remain flat at CY 2023 levels.

Policy

COVID-19 Update

Highly Pathogenic Avian Influenza (HPAI) Situation Update

HPAI outbreaks have plagued the EU poultry sector since autumn of 2021. The European Commission has reported a long list of outbreaks, but entering into 2024, there is a lower frequency of reported cases In 2023, France received EU approval to implement a vaccination scheme for its domestic duck flocks.

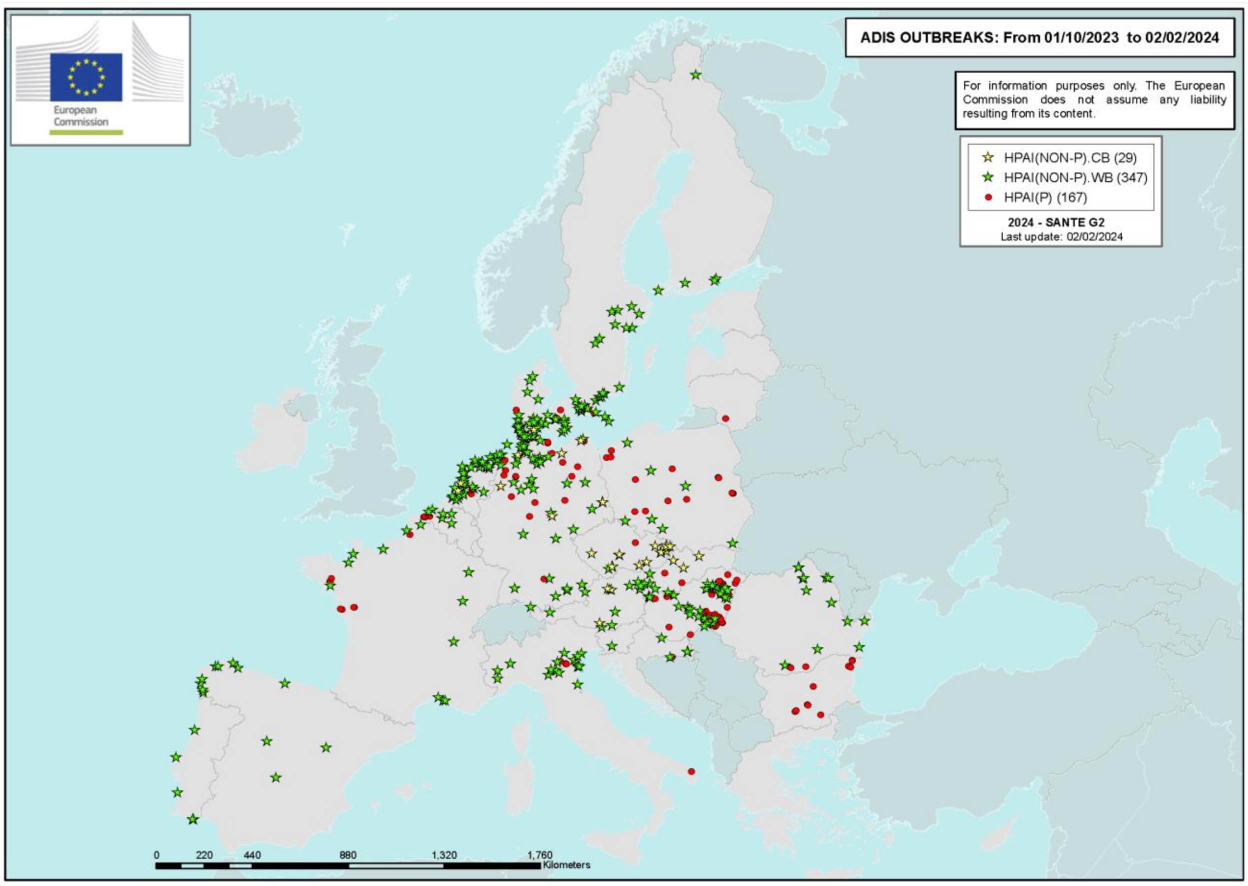

Figure 1: HPAI detections in the EU in the period 01 October 2023 – 2 February 2024

Source: European Commission (https://food.ec.europa.eu/animals/animal-diseases/diseases-and-control-measures/avian-influenza_en)

Table 1

Chicken Meat Production, Supply and Distribution

Meat, Chicken	2022		2023		2024	
Market Year Begins	Jan 2022		Jan 2023		Jan 2024	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	10870	10880	11150	11060	11200	11110
Total Imports (1000 MT)	704	704	745	720	760	750
Total Supply (1000 MT)	11574	11584	11895	11780	11960	11860
Total Exports (1000 MT)	1725	1703	1715	1670	1715	1670
Human Consumption (1000 MT)	9849	9881	10180	10110	10245	10190
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT)	9849	9881	10180	10110	10245	10190
Total Use (1000 MT)	11574	11584	11895	11780	11960	11860
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	11574	11584	11895	11780	11960	11860
(1000 MT)						

Note: Per revised FAS instructions; exports of chicken paws to Hong Kong, China and South Africa have been excluded from EU chicken meat exports.

For Trade data: HS Codes Included: 0207.11, 0207.12, 0207.13, 0207.14, 1602.32 as well as imports of HS 0210.99.39 from South America and Thailand (only).

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Attachments:

No Attachments