

Voluntary Report – Voluntary - Public Distribution

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Report Name: Ongoing HPAI Outbreaks Threaten the Future of France Egg and Poultry Industry

Country: France

Post: Paris

Report Category: Poultry and Products, Pest/Disease Occurrences, Sanitary/Phytosanitary/Food Safety, Agriculture in the News

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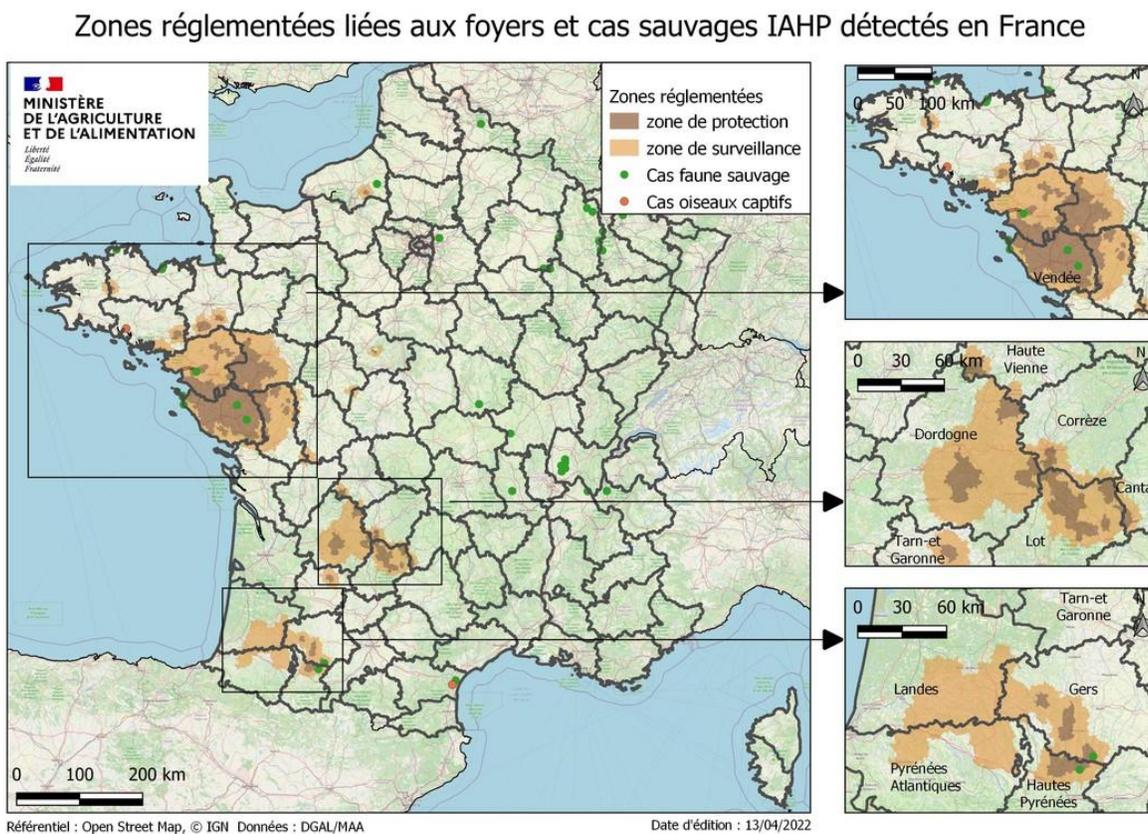
Approved By: David Leishman

Report Highlights:

Highly Pathogenic Avian Influenza (HPAI) outbreaks have already led to the culling of 15 million poultry birds in France (approximately 5 percent of the total poultry flock). Dozens of new cases are being discovered every day. The new variant of the HPAI H5N1 virus appears to be highly transmissible and is spreading rapidly through reproductive flocks of broilers, ducks and egg laying hens. French poultry producers are already under significant stress due to the Russia-Ukraine crisis. Rising production costs, not least for feed grain and energy, are threatening the future competitiveness of France's egg and poultry industry. Imports now account for more than 50 percent of France's total chicken meat consumption.

Ongoing outbreaks of Highly Pathogenic Avian Influenza (HPAI) are threatening the future of France’s egg and poultry industry. As of 19 April 2022, 1300 French poultry farms have been infected. Currently, 27 cases of backyard production and 46 cases in wild populations are under investigation. Dozens of new cases are discovered every day. Similarly to previous outbreaks, new HPAI cases were first discovered in southwest France (see map below), where free range ducks are grown for foie gras production. In January and February 2022, the HPAI virus moved to western France, notably the Vendée district and Pays de Loire region, impacting larger commercial poultry production, including broilers, turkeys and laying hens that are raised indoors.

Figure 1: French Zones of HPAI Surveillance and Protection

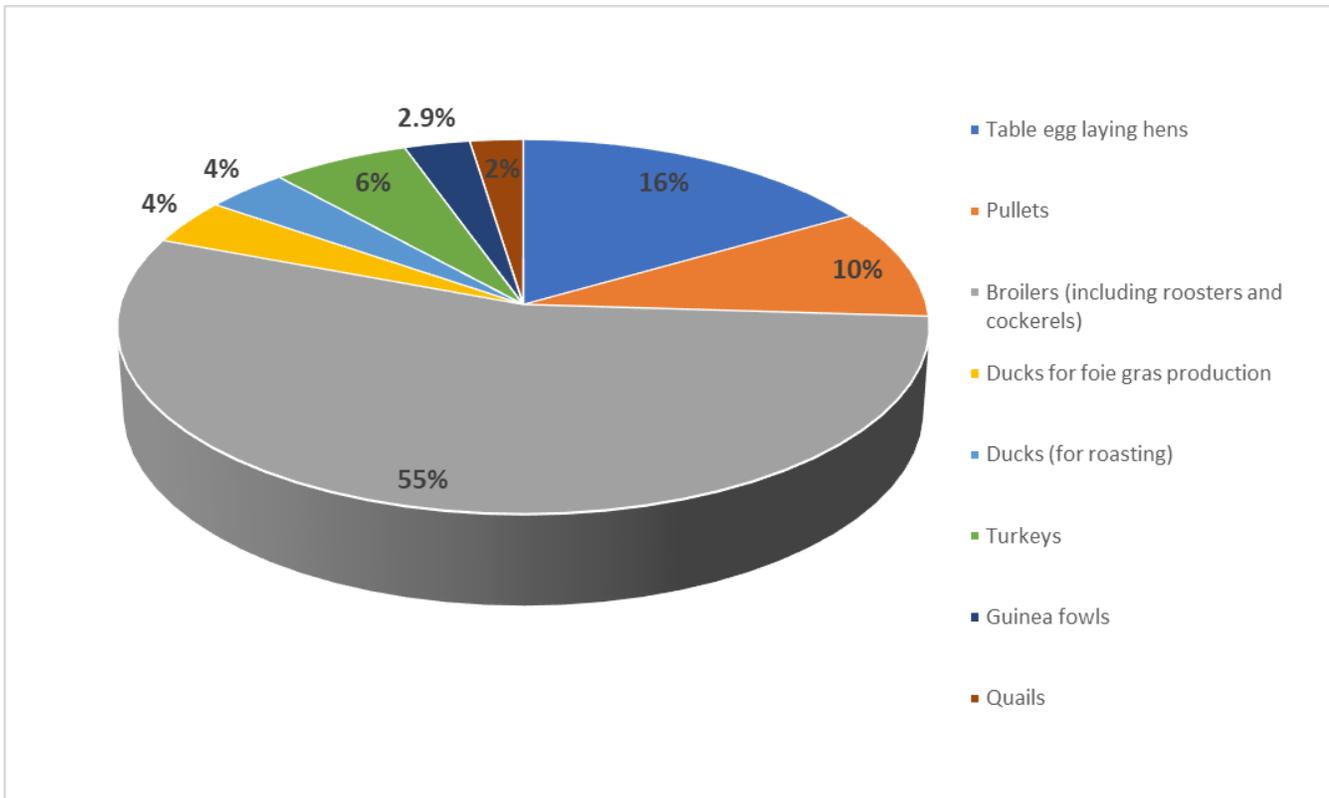


(Source French Ministry of Agriculture)

Since the early winter of 2021, France has euthanized more than 15 million birds (or about 5 percent of the estimated 300 million birds which comprise the total domestic poultry population, including backyard production). In the Vendée district (with 836 cases as of 19 April 2022), farmers are reporting that local government agencies are so overwhelmed by the problem, that many farms are culling and burying the birds

themselves onsite with quicklime. The H5N1 virus variant appears to be highly transmissible and is rapidly spreading also to endangered bird species in zoos.

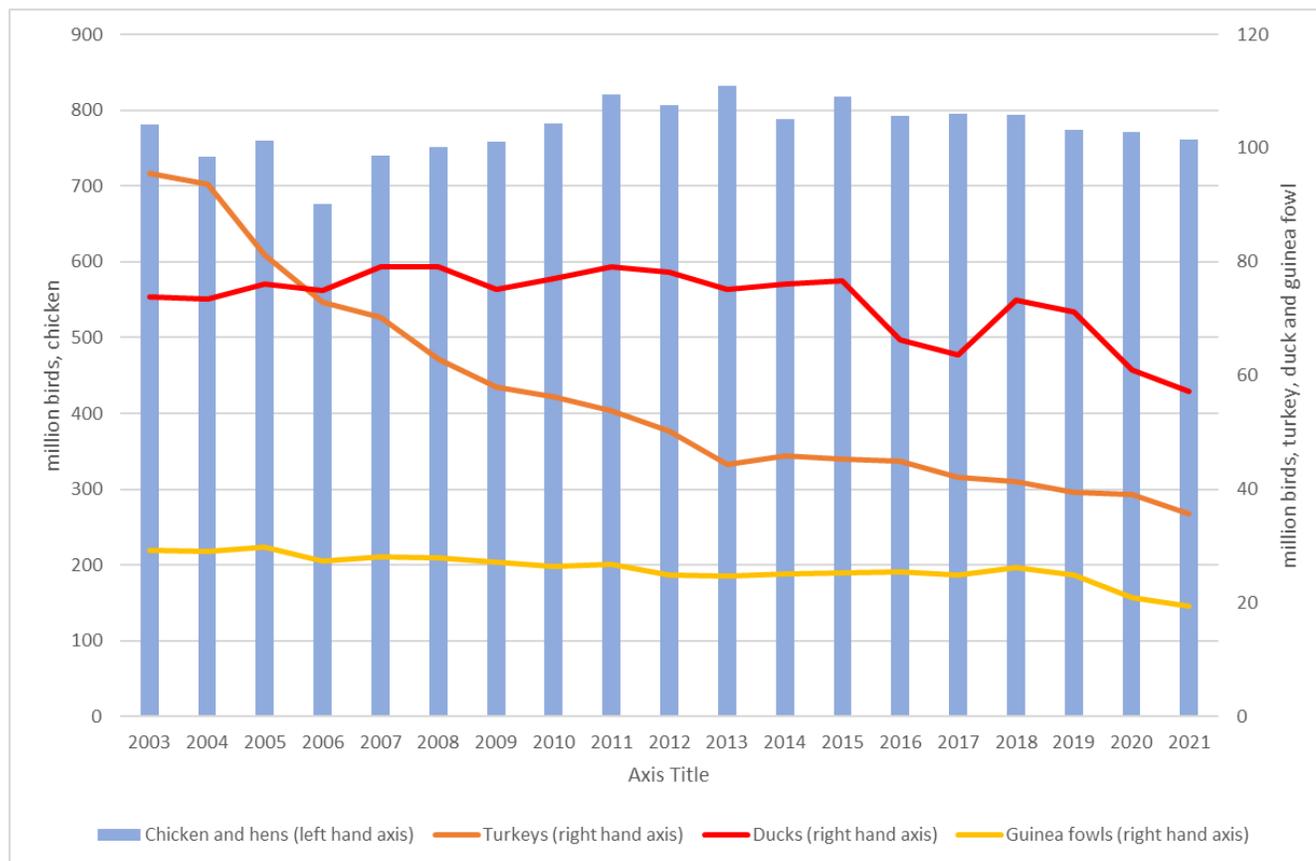
Figure 2: French Domestic Poultry Population Estimates for CY 2020 - 297 million birds



(Source French Ministry of Agriculture)

The French Ministry of Agriculture has officially ordered that all birds must be kept indoors (or under netting to prevent contact with wild birds). The order applies also to organic or free-range production. The Ministry has also initiated a new census of all farms and individuals that raise birds, even for backyard production or as pets. In HPAI zones of surveillance and protection, close to confirmed cases (as indicated in the zones de protection map), all movement of birds is prohibited. Access to farms is strictly regulated and local governments can mandate the culling of all birds within a 3km radius of an infected farm. Notwithstanding these measures, HPAI is still spreading north and is now threatening the Sarthe district, where one of the largest French free-range producers, the [Volailles de Loué](#) farmer cooperative, is based. [LDC](#), the largest poultry company in the European Union (EU), has already announced that its slaughtering capacity in the Pays de Loire region will decline by 20 percent.

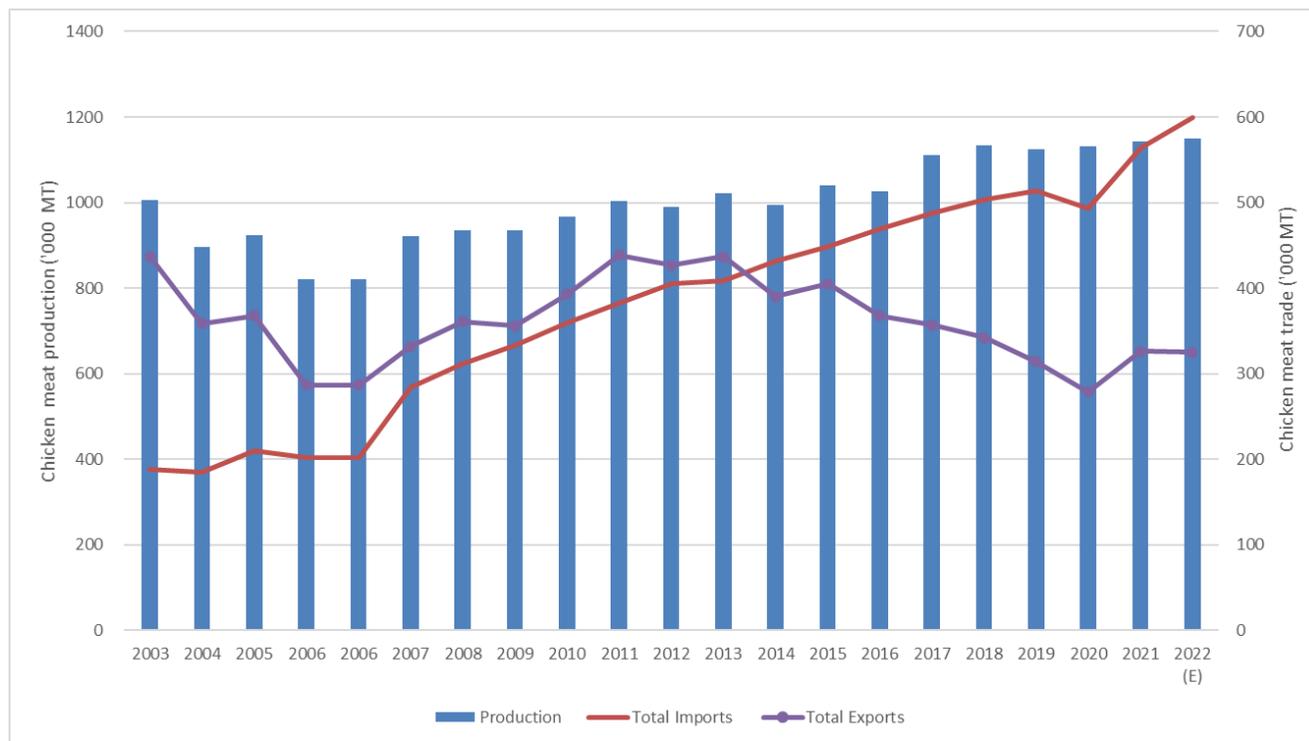
Figure 3 : Main poultry productions in France (2003-2021), million birds



(Source French Ministry of Agriculture)

The Pays de Loire region accounts for 20 percent of total French broiler production, 70 percent of duck production, and 90 percent of the French guinea fowl production. The French poultry industry is particularly concerned by the vulnerability of reproductive flocks that supply broilers, ducks and laying egg hens to breeders to hatcheries. Even as HPAI is gradually brought under control, the effects on breeding stocks could lead to significant shortage of chicks and ducklings in France. The French poultry industry association ([ANVOL](#)) has already warned that temporary shortages of eggs and chicken meat are almost unavoidable.

Figure 4 : French chicken meat production (left axis) and trade (right axis)



(Source FAS Paris calculation and Trade Data Monitor LLC)

Over the last decade, the French poultry sector has lost competitiveness. While French consumer demand for eggs and poultry meat has grown by more than 40 percent, French poultry production has declined. Since 2011, French production of turkey has declined by 30 percent; duck and guinea fowl production has fallen by 25 percent, while chicken meat production has stagnated. Not only is French poultry production less competitive in world markets, but French producers are also losing domestic market share to lower cost EU suppliers like Belgium, Poland and the Netherlands. Currently, less than 50 percent of chicken meat consumed in France is of domestic origin. Much of the poultry consumed in the French hotel, restaurant and institutional catering (HRI) sector originates from Poland. France remains one of the largest egg producers in the EU (with 15.7 billion eggs produced in 2020), but its trade surplus in egg and egg products is also shrinking.

The recent HPAI outbreaks are only exacerbating deeper structural issues in the French poultry industry. The sector is besieged by rising production costs, especially for labor and animal feed. Feed grain alone accounts for almost 65 percent of total poultry production costs. The current Russia – Ukraine crisis has added inflationary pressures on transportation, energy, feed and labor. While “Made in France” may have widespread popular appeal, it is becoming increasingly expensive.

Attachments:

No Attachments.