

Scottish Egg Producer Retailers Association

MARKET REPORT

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	Size	V. Large	Large	Medium	Small
Farm to Shop	Prices	£1.49	£1.25	£1.15	80p
Scottish Wholesaler	Prices	£1.30	80p	70p	
English Wholesaler 1	Colony	£1.00 (-10p)	60p (-6p)	55p (1p)	52p
	F/R	£1.20 (-10p)	£1.10 (-10p)	£1.00 (-10p)	60p
2	Colony	£1.05(-5p)	65p(-5p)	57p(-5p)	50p(-5p)
	F/R	£1.15	£1.10	90p	
Packer / Producer Contracted average Price					
		Organic	FreeRange	Barn	Colony
		£1.30/£1.50	95p/£1.15	85p/£1.05	80p/£1.00
Producer / Consumer		V. Large	Large	Medium	Small
- Colony	Prices	£2.00	£1.85	£1.40	90p
- Free Range	Prices	£3.00	£2.35	£1.93	£1.05
Free-Range to Farm Shop	Prices	£1.75/£2.25	£1.31/£1.91	£1.15/£1.45	95p
Central Egg Agency	Colony	£1.00 (-10p)	70p (-5p)	60p (-5p)	50p (-5p)
	F/R	£1.25 (-5p)	£1.15 (-5p)	£1.05 (-5p)	75p (-5p)
Imported Continental Prices in Bulk					
Dutch Eggs	Barn	95p	70p (2p)	64p (-2p)	

Prices you would think couldn't get lower but there is a good possibility that they will, it all depends on the weather this weekend with the May day holiday, if demand is good prices will stabilise, if not they may weaken further as May is notorious for poor demand, the one consolation is we have so far not picked up any changes to producer prices, but that would be inevitable as things are.

We make no excuse for majoring on Ukraine this week, our feelings are that we have as an industry been led up the garden path by the EU, we have been coerced into a position of massive borrowing and investment on the grounds of welfare by the EU, who are now opening the door for production outwith the EU which can and is undermining the entire EU market.

Now we discover that the Ukraine is to be brought into the EU as an associate member, (free trade without the Euro) how can we possibly compete with them, they will be able to take whatever share they

want of the European wholesale and products market, as an example large bakery organisations who buy their egg by the tanker load, do so purely on price, as the product only has to declare that eggs are included, now we have German banks financing the expansion of the production in the Ukraine.

Local image and our assurance organisations and schemes are our only market safeguards and advertising of these facts, we in Scotland have an advantage in this with our SCO on the eggs, but we need more information and education to consumers, our customers, of what to look for on the egg, that confirms the information on the pack, that the eggs are home produced, and the safest in the world.

Another reason for highlighting the Ukraine is that it is becoming very clear that major production of chicken and eggs is moving to where the grain is cheapest, the USA has always lead this field, in that it is better economic scene, not to sell the grain, but to convert it into a higher value product, we now have Brazil following their example with their poultry industry expanding rapidly and exporting product, with South Africa for example complaining that their industry is being decimated by cheaper product from Brazil.

The same thing is happening in most other major grain producing countries, as grain represents the major cost of production and big business investing in large production complexes where the grain is.

Ukraine: Avangard reduces egg export

At the beginning of the year, Ukraine's largest producer and exporter of chicken eggs Avangard faced difficulties with the supply of its products to foreign markets.

The amount of eggs that have been delivered into the domestic market, has led to an unusual fall in prices for the current season, report Ukraine media. Avangard has significantly reduced the number of eggs that it exports, said Oleg Bakhmatyuk the owner of the company.

“Avangard slowed export of eggs because of the conflict in Syria, as well as due to the unstable situation in Iraq,” he said. As a result, according to Mr. Bakhmatuk in the first half of 2013 Avangard reduce the volume of exports of eggs by about 20%.

Oleg Bakhmatyuk expects that in June the market of Syria and Iraq will be reopened for Avangard, so the company will be able to reach the planned level of 1.6 billion eggs by the end of the year. "Now we want to increase the volume of egg powder export, especially in Korea and Japan," Oleg Bakhmatyuk claimed. Also in 2014 Avangard is going to enter the China market.

[Vladislav Vorotnikov](#) *May 2, 2013*

Bakhmatyuk: “Ukraine to become the largest exporter of eggs”

Oleg Bakhmatyuk, owner of Avangard, Ukraine's largest egg producer, has expressed confidence that in the next few years, Ukraine has all chances to lead global egg exports.

In particular businessman see huge potential in China as importer of Ukrainian eggs. "Beijing at the state level has been actively developing domestic pig farming, but egg production in the country is not very developed. Avangard, which exported 110.8 million eggs in the first quarter of 2012, compared with just 1.3 million for the same period of 2011, sees in China one of the priority markets for increasing export supplies in 2012" said Bakhmatyuk in a recent interview. Among other promising Asian markets Bakhmatyuk also marked Malaysia and the Philippines.

"The dynamics of the global market promises bright prospects for egg producers. World import of chicken eggs is growing at more than US\$ 100 million a year, even during the global economic crisis. At the same time markets of the Middle East and India are catching up with Western countries on the consumption of this product. An important advantage of the Ukrainian enterprises compared to Western competitors is cheap feed grains. The cost of grain for the Ukrainian poultry farmers is the same as the price of oil in Saudi Arabia" said Bakhmatyuk.

"We have some of the best lands in the world. Our land is sufficient to produce about 120 million tonnes of grain per year, and the only problem is the availability of technology. Ukraine - is a Brazil, only with a 10-year-old lag," says Bakhmatyuk.

Source: Vladislav Vorotnikov

Ovostar signs loan deal for €10 million

Ovostar Union has entered into a seven year loan agreement with Landesbank Berlin for €10 million.

According to the Ovostar's Board of Directors the funds from the loan will be used to finance the purchase of Salmes laying hens equipment and pre-fabricated poultry buildings. The funds will be used for the implementation of the 2nd stage of production capacity expansion programme. The program is to be completed in 2013 while its full effect will be materialised in 2014.

The loan agreement is covered by the guarantee of Euler-Hermes Deutschland AG.

Company Update: Ovostar increases flock numbers

A leading producer of eggs and egg products in Ukraine, Ovostar Union, has reported a significant increase in its total flock as part of its operational results for the first quarter of 2013.

As of 31 March 2013 the total flock of the company increased by 28% to 4.32 mln birds from 3.37 mln birds as of 31 March 2012. Laying hens flock increased by 33% to 3.34 mln birds (3M2012: 2.50 mln birds).

In the first quarter 2013 egg production increased by 23% year-on-year to 214 mln eggs (3M2012: 174 mln eggs). The volume of eggs sold increased to 127 mln from 124 mln in the first quarter 2012 while volumes of eggs exported increased to 12 mln eggs.

In the first quarter 2013 the company processed 49% more eggs than in the first quarter of 2012 reaching 70 mln eggs (3M2012: 47 mln eggs). As a result, selling volumes of dry and liquid egg products increased considerably. In the first three months of 2013 the sales volume of dry egg products increased by 92% to 346 tons and sales volume of liquid egg products increased by 61% to 1 639 tons (3M2012: 180 and 1 020 tons, respectively).

The Company's 2012-2013 investment program is being implemented on schedule. Equipment installation is being finalised in the second laying hens house of 309,000 hen places. This laying hens house will be launched in May 2013. All necessary equipment required for a 10,000 ton expansion of the grain storage facility has been delivered and in March 2013 the company started installation of the grain elevator. Expanded capacities of grain storage are expected to be launched in August 2013.

Among other key developments, in the first quarter of 2013 the company started production of private label eggs for METRO under the Fine Food trademark and also signed a contract with Zhytomirsky meat processing plant to supply egg products.

World Poultry Apr 26, 2013

How did the eggs leave the motorway?

They took the eggs-it

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