

Scottish Egg Producer Retailers Association

MARKET REPORT

www.scottisheggs.co.uk

sepramail@gmail.com

Date: 20th February 2015

	Size	V. Large	Large	Medium	Small
Farm to Shop	Prices	£1.49	£1.25	£1.15	80p
Scottish Wholesaler	Prices	£1.30	90p	80p	
English Wholesaler	Colony F/R	£1.20	96p	86p	65p
		£1.60	£1.50	£1.20	90p
		£1.35	£1.15	£1.05	68p
		£1.75	£1.70	£1.45	£1.00
Packer / Producer Contracted average Price					
		Organic	FreeRange	Barn	Colony
		£1.20/£1.45	85p/£1.05	75p/95p	65p/85p
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/£1.35	95p
Central Egg Agency	Colony F/R	£1.08	93p	83p	68p
		£1.50	£1.45	£1.30	£1.00
Imported Continental Prices in Bulk					
Dutch Eggs	Barn	87p(+2p)	78p(+2p)	71p	60p(+2p)

The market appears fairly stable there is just enough home produced to cover demand for home produced and Lion Code.

Wholesale demand on the cheaper end of the market is now coming from imported eggs.

According to DEFRA some very large Free Range egg producers have turned in a double figure (and we don't mean decimal points) profit per hen last year despite all the problems, this is encouraging investment in new very large production.

There is always a dark cloud on the horizon, if the protective tariff barriers on imported products are removed or lowered, which are currently protecting our European industry because of our higher cost of production linked to our higher welfare standards there will be an avalanche of dried egg powder sliding across Europe as too many countries are looking at Europe and have much cheaper product.

Conference and competition

John and Linda Retson have again organised the Scottish Free Range Organic Conference.

Perth Racecourse 4th March.

And if you haven't received your application for the Scottish Egg Quality Awards phone Iain Campbell. This is an important vehicle for promoting your business, be proud of your own production and marketing, don't hesitate, have a go, all results are in confidence, but if you get an invitation to the dinner at Murrayshall Hotel Perth, you are a winner.

European egg sector under threat by free trade

The average offer price of whole egg powder from Ukraine and India is very close to the average European price. This means that, despite the import duty, non-EU countries are able to compete on the European market. The EU is currently engaging in discussions with several countries with the aim of arriving at bilateral trade agreements.



A 50% cut in import duty would create a realistic scenario in which Ukraine, India, the USA, and Argentina would be able to sell whole egg powder at a significantly lower price than Europe. These were the conclusions of a study by LEI Wageningen UR

An earlier study (base year 2010) revealed that, thanks to the import duty, the offer price of European egg products could compete with that of non-EU countries. The recent follow-up study (base year 2013) shows, however, that the situation has since changed to the detriment of the European producers. The change was caused by increased costs resulting from EU regulations on animal welfare and a lower exchange rate for local currency in relation to the euro.

Costs of producing egg powder

In 2013 the average costs of producing whole egg powder were lower in Ukraine (72%), the US (79%), Argentina (82%), and India (73%) than the average costs in Europe. As the costs of transporting whole egg powder are low, the offer price of non-EU countries on the European market is also low. At the moment the import duty is protecting the EU against an influx of imported eggs and egg products from outside the EU.

EU regulations

The European laying hen industry is facing a whole battery of regulations on animal welfare, food safety, and environmental conservation. More than 15% of the production costs are directly attributable to EU

regulations. The prohibition on traditional caged housing has significantly increased the costs of keeping laying hens. As there are no such regulations in non-EU countries and imported egg products are not subject to EU standards, the competitiveness of the European egg sector is being undermined.

Source: Wageningen University

Ukraine eyes increased egg production in 2015

Egg production in Ukraine will grow by 3-4% this year compared to 2014 and will amount to 20.5 billion pieces, the head of the Union of Poultry Breeders of Ukraine Sergey Karpenko stated recently.



"With regard to exports, this will depend on the external environment and the possibility of conducting supplies abroad. If export supplies can be increased then further investments can be made in the growth of the country's domestic production. Currently the plans for export for 2015 are 2.5 billion pieces. Also the country is actively developing in the area of egg processing," Karpenko added.

More than US \$ 2.6 billion has been invested in the Ukrainian poultry industry over the past 10 years. This offered a significant contribution to the reconstruction of plants, egg processing capacities and the construction of new poultry complexes, Karpenko said.

According to him, in 2014 the total volume of poultry meat production in the country amounted to 1.3 million tonnes.

The growth of poultry meat production in Ukraine will also allow the country to continue to increase export supplies. Last year it exported 185,000 tonnes – which is 35,000 tonnes more than in 2013. Poultry imports amounted to 70,000 tonnes – which accounts for 5% of the country's market.

By [Vladislav Vorotnikov](#)

Specialist poultry farm incomes in UK to drop

The average Farm Business Income (FBI) for specialist poultry farms in the UK for 2014/15 is set to fall, according to latest forecasts from the UK government's agricultural body, Defra.



Despite an increase in throughput, lower egg and broiler prices are expected to reduce total farm output.

Uncertainty in specialist poultry sector

This is expected to be partially offset by lower input costs, particularly feed which is a key input on these farms. Average incomes are therefore expected to fall by 12% to around £140,500. Specialist poultry units are subject to a considerable degree of uncertainty reflecting both the structure of this sector and the relatively small sample of these farms in the Farm Business Survey (FBS) sample.

However, average FBI, essentially the same as net profit, is expected to fall across almost all farm types with specialist pig units recording the largest fall, down 21% year on year. Average income is expected to fall by around 13% on dairy farms in 2014/15 to £78,000.

In contrast, grazing livestock farms are showing signs of recovery, but even with increases in income across the beef and sheep sector, profitability still falls some way short of 2012/13 levels. A marginal increase is also expected in cereal farm income.

Source: Defra



Sponsored and organised by
ForFarmers and Scotland's Rural College

ENTER HERE



OR ENTER ONLINE AT:
tinyurl.com/seqa2015



The 8th Scottish Organic & Free Range Egg Producers Conference 2015
4th March 2015 at Perth Racecourse Scone PH2 6BB

Once again organised by John and Linda Retson
J S R Services (Blairgowrie) Ltd

Programme of Events

9.00 - 10.15 am	Registration and Coffee
10.15 -10.30am	Welcome & Introduction John Retson
10.30 - 11.05.am	The Future for Organic &The Alternative system in Scotland & UK Keith Henderson H & N Brown
11.05 - 1 1.40am	The Facts As We Know Them Robert Gooch Director of Policy, BFREPA
11.40 – 12.15 pm	Farm Shop Retailing Moira Sampson
12.15 – 2.15 pm	Lunch & Trade Stands
2.15 -3.00pm	The Facts on Marketing & the Implications to Producers Professor David Hughes, Emeritus Professor of Food Marketing, Imperial College London.
3.15 pm	Vote of Thanks/Close of Conference/Trade Stands/coffee

Total cost per person £42.00 (including VAT) including Lunch

Contact Linda on 01250 87077 email – linda@jsrservices.co.uk



07803 286 724

