

Scottish Egg Producer Retailers Association

MARKET REPORT

www.scottisheggs.co.uk

sepramail@gmail.com

Date: 29th May 2015

	Size	V. Large	Large	Medium	Small
Farm to Shop	Prices	£1.49	£1.25	£1.15	80p
Scottish Wholesaler	Colony F/R	£1.10 £1.50	80p £1.40	70p £1.30	
English Wholesaler	Colony	£1.20(+6p)	90p(+6p)	80p(+4p)	60p(+4p)
	F/R	£1.60	£1.50	£1.30	80p
	Colony	£1.35(+5p)	£1.05(+5p)	95p(+5p)	75p(+5p)
	F/R	£1.50	£1.50	£1.30	85p
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/£1.45	95p
Central Egg Agency	Colony	95p(+5p)	80p(+5p)	70p(+5p)	55p
	F/R	£1.40(-5p)	£1.30(-5p)	£1.15(-5p)	95p(-5p)
Imported Continental Prices in Bulk					
Dutch Eggs	Barn	85p(+2p)	72p(+6p)	66p(+5p)	59p(+3p)
	Colony		69p(+6p)	63p(+6p)	

The market it's the old swings and roundabouts again, an awful lot of Colony production **out**, so prices are up, there is a lot of new Free Range production **in**, so prices are down, but things will stabilise as we are almost out of May and in general prices are going up.

In this ever shrinking world, eggs and poultry are important, but a very small part, we mentioned last week the problems of AI in USA now a week later we have an idea of how it is affecting us in the EU.

Powdered egg is now being exported in a fairly big way to Japan, also liquid to the Middle East, France, Spain and Portugal because they are declared AI free are exporting shell eggs to Africa and the Middle East, we have also been told of a fairly large export of liquid from England to the Gulf States.

All of this affects our market.

Ukraine/EU,

There is a lot of concern in Europe over the Ukraine's exports to the EU under their associate membership, (all the benefits without the welfare regulations and mountains of cheap grain) but because of the American AI problems will the Ukraine now be looking at the markets traditionally supplied by America, as they specialise in dried and liquid both of which are the easiest to export and not time controlled.

We sometimes wonder where science is going, they not only have the ability to accelerate evolution which in theory will be beneficial in food production for our increasing world population, but now it appears they can also turn the clock back, are we heading for the hitch hikers guide to the galaxy?

Dino-Chicken: Chicken bred with dinosaur 'snout'

Published 21 May 2015

A chicken embryo with a dinosaur-like snout instead of a beak has been developed by scientists.

According to their research, which was published in the journal *Evolution*, the scientists first looked at the fossil record to figure out what the ancestral snout was supposed to look like.

They then looked at the genes of the birds, to try and see what could have changed the snout into a beak, then injecting inhibitors for those genes into the embryos, producing those old snouts.

The project was led by Yale University palaeontologist Bhart-Anjan Bhullar, who said it was not about simply creating a "dino-chicken". "Our goal here was to understand the molecular underpinnings of an important evolutionary transition."

For now Bhullar has no plans, or ethical approval, to hatch the snouted chickens. But he believes they would have been able to survive "just fine".

Source BBC Earth

Australian scientists aim to create non-allergenic eggs

Published 28 May 2015

Researchers from Deakin University, Melbourne and Australia's national science agency, CSIRO are collaborating to produce a hypoallergenic egg, which won't trigger allergic reactions in sufferers.

The research team have used a new technique in the lab to ‘switch off’ four of the 40 proteins found inside egg whites, which commonly causes allergens in children.

While the study has been hard to crack, the team have also produced the world’s first synthetic versions of the four egg white proteins, making it a step closer to alleviate allergies.

Project leader Dr Tim Doran, from CSIRO, told *Daily Mail Australia* the breakthrough has promised clinical use around egg allergies that could potentially help tens of thousands of sufferers.

“We are not producing genetically modified chickens as part of this research, we are simply modifying the proteins within the egg whites to produce chickens which lay allergy-free eggs,” he said.

Dr Doran, who has worked with poultry for more than 10 years, said his daughter has been suffering an egg allergy since birth, which was one of the major reasons behind the research.

The research is expected to take three years to complete and the university said hypoallergenic vaccines could be available within five years.

Source - *Daily Mail*

Ukrainian cage egg imports: 10 questions answered

Ukrainian cage eggs flood the European market. Authorities in European countries have already indicated there is very little they can do against it - 10 pressing questions are answered.

Ukrainian egg producers are allowed to export to the European Union. In November 2014, market leaders **Ovostar Union** and **Avangardco** sent their first shipments.

Ukraine's European poultry export potential

The implementation of the association agreement between the European Union and Ukraine might be suspended until 2016, but agricultural products may still enter the European market. This gives Ukraine, which deals with very low consumer confidence as a result of the ongoing conflict in the country, better opportunities to export. Much to the fear and frustration of European poultry farmers - in the longer term, it may become even easier for Ukraine to export to the EU. It is part of the association agreement – designed to ensure better relations – in a free trade agreement.

1

Is the European egg market operating on a level playing field?

Whereas European poultry farmers have to abide by animal welfare regulations since a few years ago, Ukraine mostly produces cage eggs. And egg products (including a lot of dried egg powder) are now allowed on the European market. 'A level playing field is missing', government officials in Western Europe agree. But they add that there is little politics can do about it, because the license has been issued from Brussels. There is, however, a quatum: in a first phase, there is a limit of up to 3,000 tonnes of processed eggs per year. And 1,500 tonnes of egg product, increasing to 3,000 tonnes of egg product after five years. We are referring to export without import duties here.

2

Does the EU need to help the Ukrainian egg industry?

In this case, it is not concerned with Ukrainian agricultural businesses that fall over if they are not allowed to export to Europe. A market study by Euwep already pointed out that the Ukrainian egg sector can also survive on the European market with the current import taxes – especially so because of the low production costs.

3

Who is the big player in the Ukrainian egg industry?

Avangardco is not just the egg giant of Ukraine, but it is also the second largest producer of shell eggs and egg products in the world. Avangardco is also operationally active in poultry, animal feed and other activities. Nearly 23 million laying hens were used in 2013. Much of the export goes to the Middle East. In addition, China and North America are seen as extra growth markets. Avangardco employs over 4,500 people and, despite lodging its holding in Cyprus (for tax reasons), it is active on Ukrainian ground. 19 poultry farms are distributed all over the country, even in war-tormented Eastern Ukraine and the Crimean peninsula annexed by Russia.

4

Avangardco: Ukrainian egg giant - what are the costs of war?

The companies in Eastern Ukraine have nearly shut down and in Crimea the new power is trying to expropriate and 'nationalise' Avangardco's rearing company for pullets via an injunction. Avangardco will probably go to the International Tribunal in The Hague if it loses its activities in Crimea – which are now at a standstill – and thereby losing at least €200 million of investments.

5

Who owns Avangardco?

Owner and founder is the 40-year-old Oleg Bachmatjoek, a wealthy millionaire (Forbes Ukraine estimates his net worth at 623 million, 13th on the list of richest Ukrainians) that led Avangardco Investment to the position of second largest egg producer in the world in less than five years. “He had bought up 150, 160 egg companies in Ukraine in no time and before we knew it, he took the lead,” explain the owners of its largest competitor Ovostar Union, according to Forbes Ukraine. Avangardco has the largest market share by far.

6

Avangardco's owner - what is his global reach?

He is also owner and founder of UkrLandFarming, which is listed in the top ten largest agricultural companies in the world. It is one of the largest because of the nearly immeasurable stretches of land the agrogiant owns in Ukraine (and supposedly mainly leases out to the Chinese). As the American Cargill bought 5% of the shares in UkrLandFarming last year, the value of the company is estimated at \$ 4 billion – although this may be less (temporarily) as a result of the current crisis in Ukraine.

7

What role does politics play in Ukraine's egg industry ?

An important role. It is striking that in Ukrainian politics, there is a huge agricultural lobby going on. Because of the free trade agreement a lot of oligarchs and executives seem to support the party of President Petro Porosjenko. One of them is Joeriy Kosjoek. Until this summer, the CEO of the nation's largest chicken producer MHP, he is now the main political advisor of Porosjenko.

8

What recent scandal involved EU funds?

In 2012, there was big fuss because MHP had received hundreds of millions of euros to export-credit insurance and loans of all kinds for the construction of the largest poultry house of Europe. According to earlier research carried out by, among others, the German channel ZDF, some dozens of European millions infused the Ukrainian egg market. Both the German credit insurer Euler Hermes as well as the German Government played a role in this. Furthermore, it was known that they were cage eggs, which did not correspond with German or European standards.

9

What does Ovostar do?

They sell under their own brand name Ovostar as well as Yasensvit. They deliver various egg products to Nestlé, Kraft Foods and McDonald's, and employ 1,300 people. Ovostar Union now has a turnover of \$150 million, but with their access to the European market, has the short-term goal to increase this to half a billion dollars. As a matter of fact, Ovostar is in the books as a Dutch company, because they are registered at the Jan van Goyenkade in Amsterdam.

10

What difference does the egg origin to the consumer?

“The eggs themselves are fine,” says René Kremers, CEO of Difco International and agricultural consultant in the Ukraine, among other countries. “Obviously, this is about the story behind it. Animal welfare has still not been embraced as a topic in Ukraine. They also don't understand that European consumers are willing to pay four times as much for a free-range egg.” So Kremers suspects that producers like Avangardco and Ovostar will not adjust their policy. 'That means it is up to the animal welfare organisations and the supermarkets in Europe to take a stand against these cage eggs. Together they will get the Ukrainian producers to their knees, if those eggs are not accepted. And what they will do next? “They will just refocus on the Middle East and China. Maybe less prestigious, but a larger market with fewer requirements.”

By Geert Jan Hahn

Email us your thoughts on this market situation

UK turkey producer goes green

Bernard Matthews, the UK's largest turkey farmer, has launched 'The Big Green Plan' –a programme of green energy initiatives that will make the business the UK's greenest farmer and to put sustainability at the very heart of the business.

The plan's six major goals mean that by end of 2016 Bernard Matthews will be 100% self-sufficient from renewable green electricity and by 2020 will be 100% carbon neutral, send zero waste to landfill, have reduced its carbon emissions by 35%, reduced the weight of its packaging by 25% and reduced its water usage by 20%.

Rob Burnett, Bernard Matthews Chief Executive Officer, said: "Sustainability is central to our long term business strategy. We're already generating a large proportion of our energy needs from renewable sources including solar, wind, waste and biomass and are well placed to be generating 100% of our electricity sustainably by 2016."

An ambitious plan

"Our Big Green Plan is ambitious and will require everyone in the business to work together to achieve these tough targets. But for the business to remain sustainable in the future we need to ensure we become more efficient in the way we use energy."

To achieve its goals, Bernard Matthews has rolled out a number of green energy projects that reach every single part of its business, from farm to factory. To date it has gained over £100M of investment from multiple green energy investors, which has allowed the business in partnership with developers to plan, develop and build key green energy projects that will ensure it meets its targets. These include:

Biomass

Bernard Matthews has already completed the largest UK roll out of 209 biomass boilers, across 30 of its turkey farms, to help reduce its reliance on fossil fuels.

Wind

The turkey producer is installing nine large scale wind turbines at three farms across Norfolk and Suffolk, each generating 2.3MW of 'green' electricity - equivalent to powering nearly 700 homes. Four are already built and generating energy.

Solar

The business has already built a 55 acre solar farm in Suffolk, which can generate up to 10.1 MW of electricity.

Anaerobic Digestion

Bernard Matthews has partnered with two leaders in the anaerobic digester sector and has already built a £4.2m anaerobic digestion plant to generate power from factory wastes.

Turkey Litter Pelleting

Pending new legislation it may soon be possible to burn turkey litter in biomass boilers. If this gets the green light, it would allow us to recycle 10,000 tonnes of turkey litter, in order to generate heat and replace use of LPG.

By World Poultry



Start preparing for Auto Enrolment

Around 12 months before your staging date you should receive a letter from The Pensions Regulator to advise you that you are 12 months away from Auto Enrolment. If you miss your staging date you risk incurring hefty penalties, so it's a good idea to start early and be prepared.

What steps do you need to take to be ready for Auto Enrolment?

- ✓ Confirm your staging date. This is the date by which you should have enrolled your employees into a recognised pension scheme.
- ✓ Join a recognised pension scheme – Not all pension schemes are recognised for Auto Enrolment, visit the [Pension Regulators website](#) to find out more.
- ✓ Set up your processes to manage Auto Enrolment records. The scheme requires additional employees' records to be kept, specific employee communications and payment contributions to be calculated.

Speak to Farmplan today to find out about the **Auto Enrolment Suite** available now as part of [Earnie Payroll software](#).

Please contact our sales team to find out more on **01594 545000** or [click here](#) for a call back.

**ARRANGE A
CALLBACK
ABOUT AUTO
ENROLMENT
SOFTWARE >**

[Click here to find out more about Auto Enrolment software >](#)

Please note that we are only able to advise on the operation of the program, Earnie Payroll and associated Auto Enrolment modules. We strongly advise that you contact a Financial Advisor for details about the new scheme and for help in setting up a qualifying pension scheme.

Call 01594 545000 today to find out more

about how specialised farm management software can benefit you. Software support and training available.



 sales@farmplan.co.uk

 01594 545000

 www.farmplan.co.uk

Why did the dinosaur cross the road?

Because chickens didn't exist yet! ----- (or is science about to prove different)



Inchcolm Veterinary Services

Leaders in Poultry Health