

# Scottish Egg Producer Retailers Association

## MARKET REPORT

www.scottisheggs.co.uk

sepramail@gmail.com

Date: 07th August 215

	Size	V. Large	Large	Medium	Small
<b>Farm to Shop</b>	Prices	£1.49	£1.25	£1.15	80p
<b>Scottish Wholesaler</b>	Colony F/R	£1.15 £1.50	90p £1.40	80p £1.30	
<b>English Wholesalers</b>	Colony F/R Colony F/R	£1.36 £1.60 £1.50 £1.40	£1.06 £1.50 £1.20 £1.40	96p £1.30 £1.20 £1.20	76p 80p 85p 75p
<b>Packer / Producer Contracted average Price</b>					
		<b>Organic</b> £1.20/£1.45	<b>FreeRange</b> 90p/£1.15	<b>Barn</b> 75p/95p	<b>Colony</b> 65p/85p
<b>Producer / Consumer</b>		<b>V. Large</b>	<b>Large</b>	<b>Medium</b>	<b>Small</b>
<b>- Colony</b>	Prices	£2.00	£1.85	£1.40	90p
<b>- Free Range</b>	Prices	£3.00	£2.35	£1.93	£1.05
<b>Free-Range to Farm Shop</b>	Prices	£1.75/£2.25	£1.31/£1.91	£1.15/£1.45	95p
<b>Central Egg Agency</b>	Colony F/R	£1.13(+3p) £1.40(+5p)	98p(+3p) £1.30(+5p)	88p(+3p) £1.20(+5p)	68p(+3p) 95p(+5p)
<b>Imported Continental Prices in Bulk</b>					
<b>Dutch Eggs</b>	Barn	85p	73p	66p	60p
<b>German</b>			75p	69p	

The market is moving up with caution, demand for Free Range is picking up mostly through the special offers in the supermarkets; the comment is that 2 weeks ago you couldn't give Free Range Medium away, this week you can't get them, with Lion Code being extremely tight in supply.

The shadow of cheap eggs from the Ukraine is hovering over the EU again but we heard of a medium consignment from Spain at 58p possibly stuck in the Channel Tunnel or some immigrants for company?

The other comment is that if demand wasn't so quiet prices would be really up, it is only 2 weeks till our Scottish schools go back and 2 weeks later in England, there is a good possibility that's when demand will go up with eggs being such good value for money and all the good publicity and benefit from eggs.

Two of the articles this week show what a knife edge we are on with the World Wide AI problems and the consequences from a confirmed case, we are all aware in this industry how easy it is to lose money it

used to be the old supply demand thing with supermarket pressure thrown in, but this AI problem could be crippling if the genie got out of the bottle in our country, we are an island nation which in the past helped but with all the people and material movement we now have Bio-Security is the best answer for prevention, as in this computerised digital world somebody somewhere puts a price on everything.

---

## AI outbreak costing UK poultry industry dearly

Lost export markets are costing the UK poultry sector dear following the outbreak of highly pathogenic avian influenza on an egg farm in Lancashire last month.

The outbreak of H7N7 on the farm near Preston led to the death of 36,000 birds and the slaughter of 144,000 more, and prompted a number of countries to close their doors again to British poultry and eggs.

### Trade bans on UK poultry

According to Defra, Australia, Japan, Kenya, Singapore, South Africa and St Vincent are currently imposing country bans on UK poultry, while the United Arab Emirates is banning poultry from England only. Hong Kong, Turkey and Russia are taking a regional approach, banning product from Lancashire.

"We are working closely with veterinary authorities across the world to limit the trade impact and reopen export routes as soon as possible," said a Defra spokesman.

### Six months of restrictions

One company affected is layer genetics company Hy-Line – even though it has no production in the affected area of Lancashire. "We believe the most recent HPAI outbreak in the UK will result in a minimum of six months of import restrictions to third countries that require country freedom from HPAI," said company president, Jonathan Cade.

"This will result in more than £1.5m of lost business to Asia, Africa and India from our UK operation over the next six months. This is in addition to many more millions already lost as a result of the last outbreak." Cade said it was essential that premises affected by HPAI were cleaned and disinfected quickly, to OIE requirements, so that "country freedom" could be reinstated as soon as possible. "You can be assured that Hy-Line's long-term viability to supply layer breeding stock from our operation in the UK is certain," he added.

### Disruption to EU hatching egg trade

Hatchery business Joice and Hill near Peterborough, Cambridgeshire, also complained that it had lost business, including the sale of 300,000 hatching eggs to a customer in the Middle East, which was cancelled this week. With Germany also reporting a case of HPAI this week, managing director Nick Bailey predicted disruption to the whole EU hatching egg trade.

By Philip Clarke

---

## US: APHIS boosts workers in wake of avian influenza

“Two hundred and thirty-two enterprises and operations have been hit by avian influenza since early spring with nearly 50 million birds depopulated. This has caused USDA to reach out to almost 3,000 additional workers for APHIS,” USDA Agriculture Secretary Tom Vilsack has said.

Speaking at 'Avian Influenza Outbreak...Lessons Learned' Conference held July 28 - 29 , in Des Moines, Iowa, he said "we have expended, or likely will expend, in excess of \$700 million dollars in the form of indemnification payments to producers, as well as the reasonable cost of disinfection and clean-up. We expect, and anticipate, that should avian influenza re-emerge in the fall, that number may obviously grow".

### **Best biosecurity possible**

As part of his speech, Secretary Vilsack discussed preparing for the fall season. He focused on collaborating with the poultry industry and state and local governments, as well as on the need for the best biosecurity possible, incident command structures, the vaccination and indemnification process, and better communications among all parties.

Secretary Vilsack remarked, "Obviously, the best biosecurity job may not be good enough. There may well be a re-emergence; and if there is, we will be dealing again with the issue of depopulation."

### **Worst outbreak in modern history**

Iowa Governor Terry Branstad spoke on the impact of avian influenza on the industry. He observed that the spring avian influenza outbreak was the worst animal disease outbreak in modern US agricultural history, with the largest economic impact and the largest number of animals affected.

Governor Branstad remarked that Iowa was one of the states hit hardest by the outbreak, commenting that "according to USDA's latest egg production report, Iowa egg production in June was down 44% from one year ago".

### **AI a world-wide issue**

In his presentation titled, "H5N2 Outbreak: Where Are We... Where We Are Going," Dr John Clifford, chief veterinary officer for USDA APHIS, observed that avian influenza is a world-wide issue. He stressed the need to address issues in other parts of the world as they arise or be faced with continuing to have these types of introductions, or risk of introductions, in the US and around the world.

Dr Clifford also shared lessons learned regarding disposal and cleaning and disinfection methods as a result of the spring avian influenza outbreak, as well as discussed the results of the completed USDA epidemiology avian influenza report.

By Rosie Burgin

---

## Ovostar Union launches egg exports to the EU

Ovostar Union, the second large producer of egg and egg products in the Ukraine, has launched the first deliveries of eggs to the European Union, the company has announced.

"I am pleased to note that in June 2015 the Company has started first shipments of our products to the European Union. Successful expansion of our sales geography is an important tool for the implementation of our organic growth program within the chosen concept," said CEO Boris Belikov.

"Together with a gradual recovery in prices on the domestic market and strengthening of our export positions, we see a high demand for our products," he added.

### **Increased egg production**

According to Belikov, new export markets support the company's confidence in obtaining sustainable results in the future. As previously reported, in 2014 Ovostar Union increased egg production by 16.2%, or by 145 million units to 1,038 million units, compared with 2013 year.

Last year the company ended with a net profit of US\$ 25.825 million, reducing net income compared to 2013 by 6.9%, or US\$ 5.562 million to US\$ 74.78 million.

By [Vladislav Vorotnikov](#)

---

## Hendrix Genetics (ISA) expects turnover to double

Hendrix Genetics, one of the world's largest animal breeding companies, expects to see its turnover almost double to €600 million within the next five years.

[Hendrix Genetics](#), headquartered in the Netherlands, is the holding company of various breeding business units, like Hypor (pigs), ISA (layers), Hybrid (turkeys), Caringa (traditional poultry) and Landcatch (aquaculture). The company hopes to grow further having a new shareholder, i.e. NPM Capital.

## Ready for further consolidation

In an interview with the Dutch financial newspaper [Financieele Dagblad](#), Thijs Hendrix, president, Hendrix Genetics was quoted to say, "We are ready for further consolidating the industry."

The company has already grown dramatically during the last decade, having started out with 50 employees and being at 2,500 at the moment. This growth was partly achieved by takeovers. This month, NPM Capital, part of SHV Holdings, acquired almost 25% of the company's shares. The remainder is owned by the Hendrix family (56%), a French investor and Antoon van den Berg, the company's CEO.

## World population continues to grow

The opportunities for the company are in the international field, Hendrix says. World population continues to grow, so the demand for poultry, eggs, pigs and aquaculture will continue to grow as well. In the short term, the company envisages growth opportunities in Russia, which aims to achieve self-sufficiency in agriculture. Hendrix also mentioned the Americas and Asia.

In this light, the turnover is expected to grow from €390 million this year to €600 million in 2020. The board of directors expects this to happen both by autonomous growth as well as by further takeovers, with major contributions from France, the US and Canada.

Net profit is expected to even treble to a level of approximately €45 million.

## 15% in research

Hendrix Genetics produces animals and eggs for breeding purposes as well as software for breeding programmes. Annually, the company invests about 15% of revenue into R&D. The research of about 200 specialists is invested in all five business units.

By [Vincent ter Beek](#)

---

  
Nutrition, health, performance ...*naturally*

Alltech |  
Alltech House | Ryhall Road, Stamford | Lincs | PE9 1TZ  
Tel: +44 (0)1780 764512 | Fax: +44 (0)1780 764506 |  
Mobile: +44 (0)7885 282294 | [www.alltech.com](http://www.alltech.com)

