

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary Public

Date: 12/7/2017

GAIN Report Number:

Poland

Post: Warsaw

2017 Annual Poultry and Poultry Products Report

Report Categories:

Poultry and Products

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Report Highlights:

Post forecasts that 2018 Polish poultry meat production will grow by two percent over 2017. Despite more moderate growth, Poland will remain the European Union's (EU) largest poultry meat producer. 2017 poultry production will increase by eight percent over 2016. Higher production is driven by growing domestic consumption and international demand. Although most poultry meat exports are shipped internally within the EU, the Government of Poland (GOP) and Polish industry bodies are actively seeking new markets, including the United States.

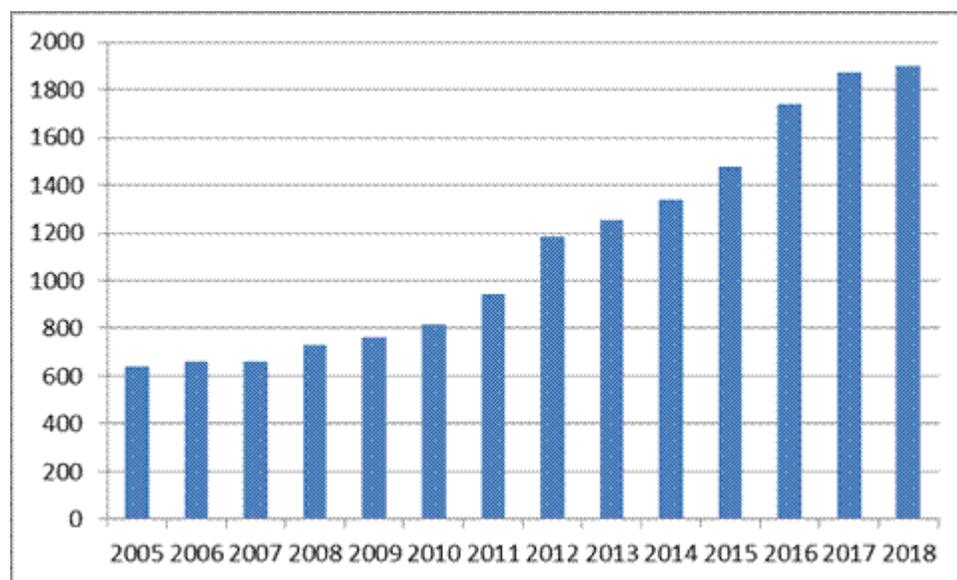
General Information:

I. Poultry Meat

Production

In 2017, Polish poultry production will reach 2.8 million metric tons (MMT), an eight-percent increase over 2016. This production increase stems from growing domestic demand, as poultry is perceived as more healthful and less expensive than beef. Increasing exports, mainly to other EU Member States, are also driving expanded production. Despite recent year-on-year production increases, 2017 poultry production growth will slow from 2016 because of higher feed prices and lower broiler farm-gate prices. Production will also contract because of the high pathogenic avian influenza (HPAI) outbreak from December 2016 to April 2017. The average farm-gate price for broilers during the first nine months of 2017 was PLN 3.32 (\$0.95), a 1.7-percent decrease from the corresponding period in 2016. Poultry meat production consists mainly of chicken broilers (85 percent) and turkey (14 percent), both of which are used by the domestic meat processing industry. Duck and goose meats are produced on a smaller scale and are exported mainly to Germany and other countries in Western Europe. Post forecasts that 2018 poultry production will grow by two percent over 2017. The anticipated slower growth rate in 2018 is due to expected lower domestic prices for poultry meat and declining export demand. Poultry meat production is based on locally produced grains (mainly corn) and 2.0 MMT of soybean meal, imported mainly from South America or the United States.

Graph 1: Production of chicken meat (000 MT)



2017 – FAS Warsaw estimate

2018 – FAS Warsaw forecast

Consumption

Post estimates that 2017 poultry meat consumption will reach 30 kilograms per capita, almost three percent over 2016. Poultry meat remains the cheapest animal protein on the Polish market, which stimulates demand. Since 2013, poultry meat retail prices have trended downward. However, through August 2017, poultry meat prices increased by 0.3 percent over the same period in 2016. Pork, beef,

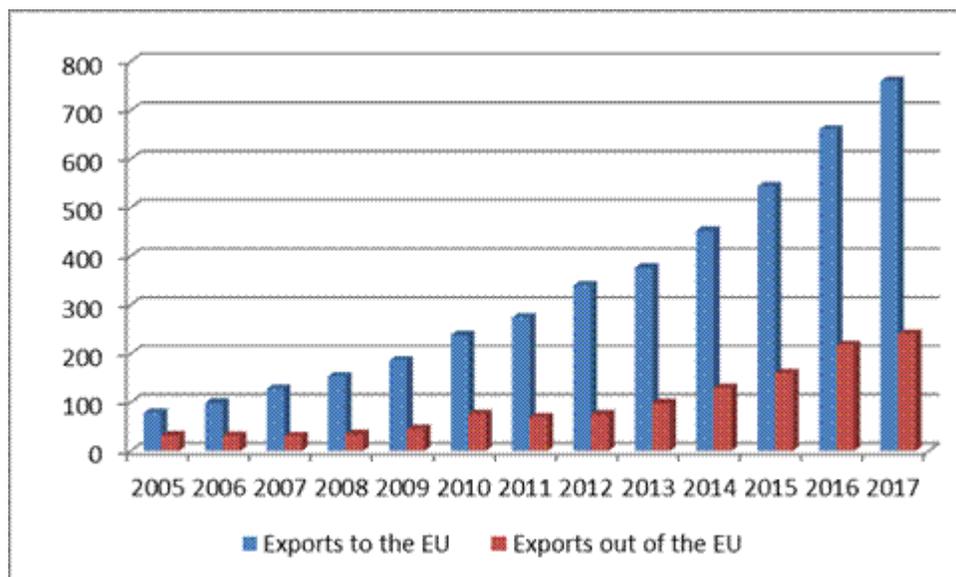
and fish prices also increased during the same period by 10.3 percent, 2.6 percent, and 4.2 percent, respectively. Although Polish consumers continue to prefer pork, with annual per capita consumption at 41 kilograms, poultry meat is perceived as a more healthful and less expensive alternative. The Polish meat processing industry is also producing poultry sausages and *pâté* to imitate pork products. Post forecasts that 2018 poultry consumption will increase by two percent because of higher production and lower retail prices. Poultry meat constitutes 38 percent of meat consumed in Poland, compared to 53 percent for pork and only three percent for beef. Post estimates that consumption from back-yard flocks constitute 6.4 percent of total consumption.

Trade

2016 poultry meat exports reached 877,000 MT, a 24-percent increase over 2015. However, in value terms, 2016 Polish poultry meat reached 15-percent, at \$1.54 billion, reflecting a price decline. In 2016 some 30 percent of Poland’s poultry meat production was destined for export. Post expects that 2017 export growth will continue due to expanding demand from intra-EU and Asian markets. Major markets within the EU are the United Kingdom, Germany, France, the Netherlands, and the Czech Republic. Hong Kong, China, and Ukraine are the main markets outside of the EU. The Polish poultry industry is highly integrated and export oriented. Although the majority of exports are directed to the internal EU market, the industry and GOP is trying to open new market opportunities, including U.S. market access.

Imports of poultry meat mostly consist of chicken and turkey cuts from Germany, Slovakia, and the UK. 2016 imports were valued at about \$95 million, a 20-percent increase over 2015 because of higher frozen chicken-cut imports from Germany and Slovakia.

Graph 2: Exports of Chicken Meat (000 MT)



2017 – FAS Warsaw estimate

2018 – FAS Warsaw forecast

II. Eggs and Egg Products

Production

Polish egg production in 2016 reached 597,000 MT, about two-percent higher over 2015. Production growth was driven by cheaper feed costs and higher exports. Post estimates that 2017 egg production will increase by five percent. The shortage of eggs in other parts of Europe, caused by 2017 Fipronil contamination and HPAI outbreaks, will drive production growth, domestic prices, and export demand. Post further forecasts that 2018 production will continue to grow due to the diminished supplies in 2017.

Trade

2016 Polish egg exports reached 260,177 MT and were almost unchanged from 2015. Increased exports to Germany offset reduced shipments to Italy. Germany, the Netherlands, and Italy remain the main markets for Polish table eggs, while Germany, the Czech Republic, the Netherlands, and Denmark were the main markets for processed eggs. Through the first eight months of 2017, Polish table egg exports increased by one percent over the same period in 2016, driven by growing sales to the Netherlands.