

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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EU Egg Prices Sky High as Fipronil Findings Continue

Report Categories:

Poultry and Products

SP2 - Prevent or Resolve Barriers to Trade that Hinder

U.S. Food and Agricultural Exports

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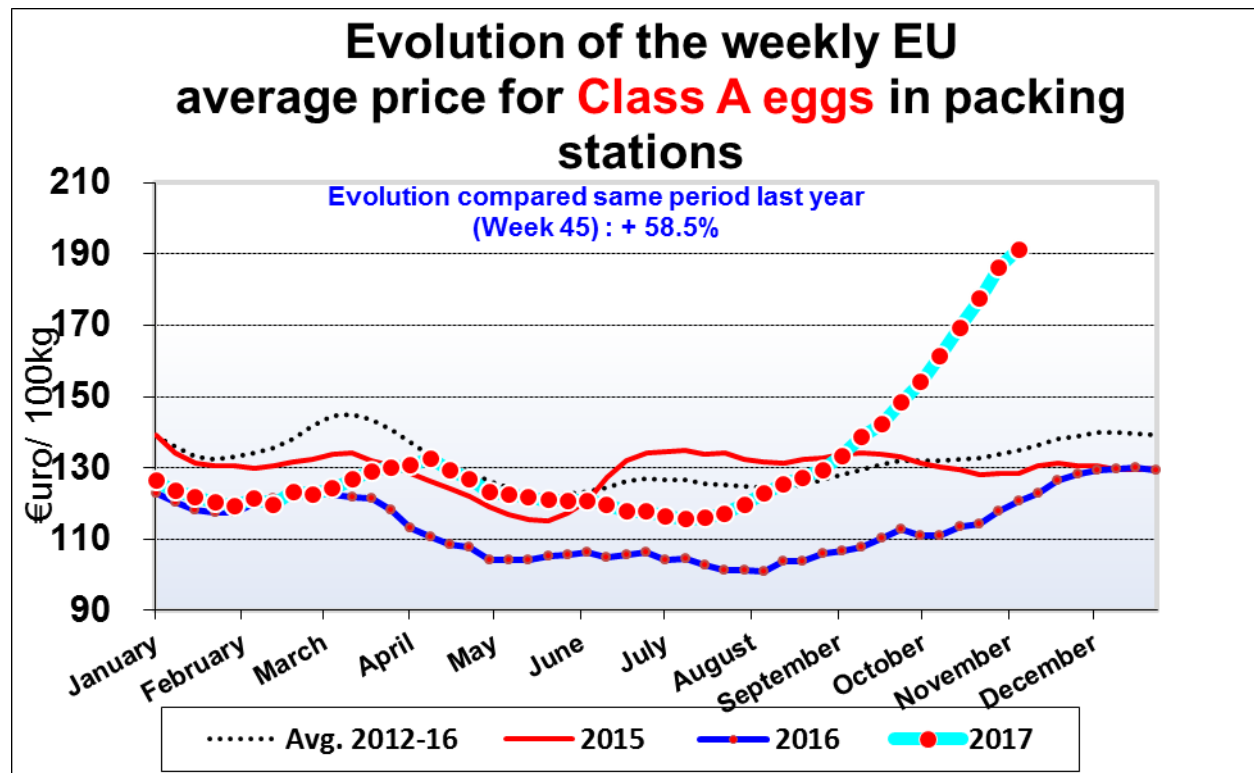
Report Highlights:

The EU egg market is facing high prices, especially for egg products, which are in line with a surge in prices for breaking eggs in the United States. While the fipronil crisis originally led to a price surge as the market was in fear of an egg shortage, the EU market seems to be adequately supplied. Imports of egg and egg products from the United States are filling the shortfall in imports from Ukraine that faces an import ban because of avian influenza.

General Information:

Background

At the beginning of November 2017, EU average egg prices, at over €191/100kgs, appeared to reach the summit of a major price surge that started in late July. The surge was reportedly triggered after Belgium notified the European Commission (EC) and other EU member states (MS) that it had found fipronil in eggs, pointing to a problem with origins in The Netherlands.



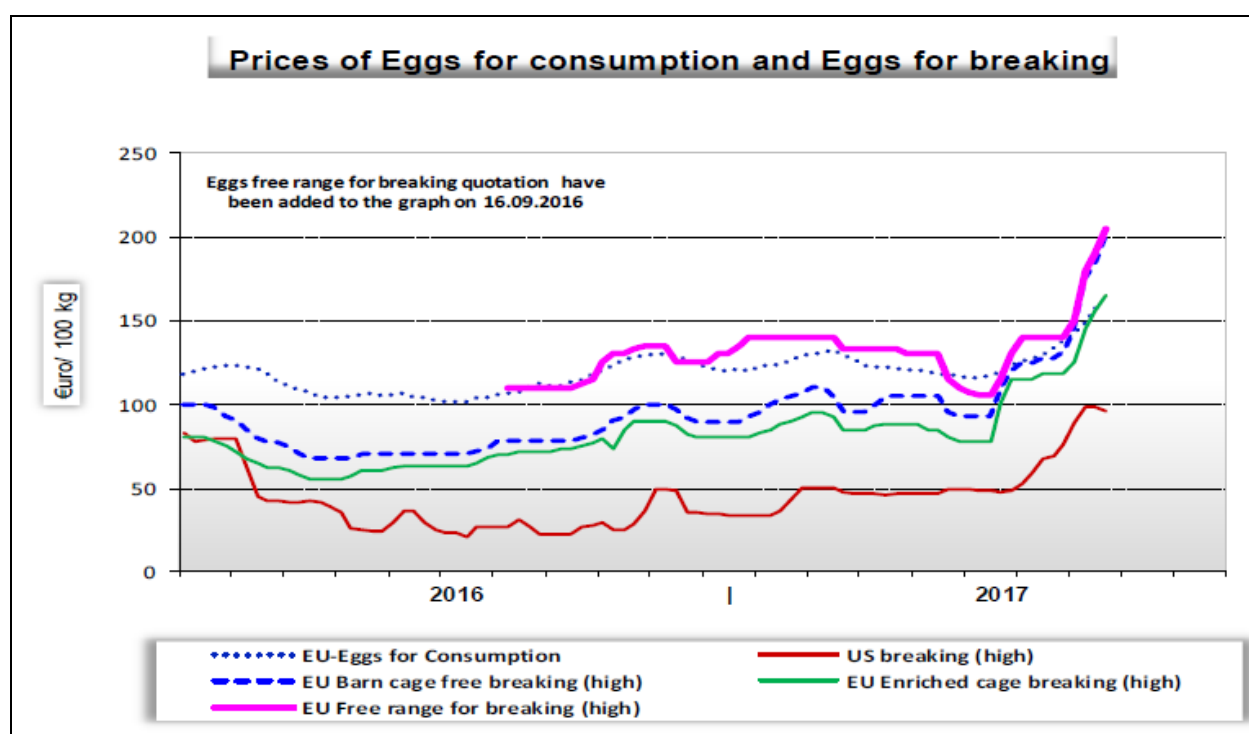
Source: European Commission

Fipronil Crisis Still Ongoing

The [Belgian notification](#) ^[1] from July 21, 2017 to the EC Rapid Alert system ([RASFF](#) ^[2]) led to 707 follow-up notifications involving 56 countries, including all EU MS except Croatia, but also countries like Russia, Hong Kong, the Philippines, India, South Africa and the United States. Until now, the RASFF has received another 86 alerts for fipronil in eggs, of which 61 from Italy with 4 labeled as serious. However, none of these additional alerts drew the number of follow-up notifications that the Belgian alert did. The findings seem to have also shifted to Eastern Europe, with recent findings in Greece, Bulgaria, the Czech Republic and Hungary.

Limited Impact on EU Egg Market

In recent weeks, EU food processing industries have been complaining about the high egg prices, as autumn is typically the season during which they need increased egg product supplies in their production for the coming end-of-year holiday season. However, the EC price comparison below shows that EU prices stabilized at the end of August after an initial surge due to the fipronil crisis, but then increased further in line with international price increases for breaking eggs, especially in the United States, which became the top exporter to the EU in 2017.



Source: European Commission

The fipronil crisis led to a 5 percent drop in production in Belgium and even a temporary 30 percent drop in The Netherlands, as affected barns went out of production. Despite this, overall EU egg production for 2017 has not decreased compared to 2016. However, the fact that The Netherlands is the largest egg exporter has led to some re-arrangements in the egg trade on the EU internal market.

Another indication that the EU market is adequately supplied comes from recent trade trends. At the end of August, EU egg and egg product imports were down 5.6 percent for the year compared to the same period in 2016. EU egg exports were also down 10.2 percent as several importing countries have banned egg imports from certain EU MS because of avian influenza. At the end of August, U.S. egg and egg product exports to the EU had reached 7,220 MT compared to 3,250 MT for the whole of 2016, as U.S. exports have been replacing imports from Ukraine because of avian influenza.

^[1] https://webgate.ec.europa.eu/rasff-window/portal/?event=notificationDetail&NOTIF_REFERENCE=2017.1065

^[2] <https://webgate.ec.europa.eu/rasff-window/portal/?event=searchForm&cleanSearch=1>