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Spain's Poultry Meat and Egg Production Report 2015

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Poultry and Products

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Report Highlights:

Spanish broiler production increased by 10 percent 2014 compared to the previous year, due to lower feed prices and an expected higher demand on domestic consumption and extra EU exports. It is expected for 2015 and 2016 that Spanish broiler production will remain flat, mainly due to the low economic margins received by broiler producers. Regarding egg production, Spain has restructured the egg sector after the implementation of the last Animal Welfare regulation in 2012. Spain's egg production registers a structural surplus of eggs that in 2014 reached almost 123 percent. Spain is then a net exporter of eggs and in 2014 exports were up 21 percent with 187,000 tons. Spain started exporting eggs to the United States in July 2015. Approximately 6 percent of Spanish egg exports are going to the United States, representing until now the largest country exporting eggs to the U.S.

General Information:

Poultry Meat Production

The number of broiler farms was in 2014 of 4,992, thus decreasing 0.8 percent compared to previous year following the downward trend since 2007, but with more effective and efficient broiler farms. Spanish broiler production increased by 10 percent 2014 compared to the previous year, due to lower feed prices and an expected higher demand on domestic consumption and extra EU exports. Spanish broiler production represents 11.1 percent of the total EU broiler meat production. Official data in 2014 shows the Spanish poultry sector accounts for 15.4 percent of the final livestock production and almost 6 percent of final agricultural production.

According to the Spanish Ministry of Agriculture, Food and Environment, MAGRAMA, official data for broiler production was in 2014: 1.234 MMT CWE, meaning 10 percent higher than previous year, due to lower feed prices and an expected higher demand on domestic consumption and extra EU exports. Spanish broiler production represents 11.1 percent of the total EU broiler meat production, the fourth European producer after Poland, UK and Germany.

In the first semester of 2015, Spanish total poultry slaughter increased 1.54 percent compared to the same period of the previous year and reaching 701,305 MT CWE. It is expected for 2015 and 2016 that Spanish broiler production will remain flat, mainly due to the low economic margins received by broiler producers. Producers report that the retail chains are pressing too much on final prices to broiler producers, which is causing the closure of many farms.

Broiler imports in 2014 decreased with 88 MMT CWE or almost 17 percent lower than the previous year due to an increase in production. For 2015 imports may increase mainly from Portugal, Germany and the Netherlands.

Spain's total exports in 2014 were 140 MMT CWE, 36 percent higher than previous. Intra and extra EU exports grew 37 and 34 percent respectively, mainly to France, Portugal, United Kingdom, Denmark, Germany and The Netherlands and spectacular increases to South Africa, with 1,064 percent and 12,300 MT CWE and Vietnam with a growth of 202 percent. Some African countries like Benin, Togo and Gabon continue to be important for Spanish broiler exports. Exports to Hong Kong also rose 11 percent. For 2015 it is estimated to continue with this upward trend of Spanish broiler meat exports intra and extra UE.

In 2014 turkey production in Spain amounted to 166,000 tons CWE, 6.4 percent higher than previous year. Total imports increase 16 percent in 2014 by the increase of intra EU imports. Total exports of turkey meat increased 10 percent in 2014 with a rise in value of 16 percent. African markets such as Benin, Togo, Gabon, and Guinea are increasing their turkey meat imports from Spain. South Africa and Hong Kong are important new markets.

Egg Production

Regarding egg production, the EU has restructured the egg sector after the implementation of the last Animal Welfare regulation in 2012. The total EU layer hens' census has changed since then. According to official data from Spanish Ministry of Agriculture, Food and Environment, MAGRAMA, Spain is the third country in the EU of egg layer census with 44 thousand of layer hens, thus 13.4 percent of the total EU census. The Spanish Ministry of Agriculture reports that there are 1,172 egg farms of which 93 percent are located in enriched cages. This places Spain in third position within the EU-28 after Italy and France in the layer hen's census. The egg production is centered 27 percent in Castile La Mancha, 17 percent in Castile Leon, 11 percent in Aragon and 7 percent in Catalonia, Valencia and Andalusia. According to official data, in 2014 Spain produced 798 thousand tons of eggs, so 1 percent less than previous year, representing the fourth egg producer in the EU after France, Germany and Italy.

Official data in 2014 shows the Spanish egg sector accounts for 4.9 percent of the final livestock production and 1.8 percent of final agricultural production. The final revenue reached 783 million EUR. Spain's egg production registers a structural surplus of eggs that in 2014 reached almost 123 percent.

Spanish egg per capita consumption 13.1 kg/year, in a downward trend after several years so exports are very important with this production level. Spain is then a net exporter of eggs (Figure 1) and in 2014 exports were up 21 percent with 187,000 tons, following the upward trend since 2012. Intra EU-28 egg exports grew 20 percent in 2014 following the upward trend reaching 170,041 tons as well as exports to third countries were up 33 percent in 2014 reaching 16,701 tons (Figure 3).

In 2014 Spanish table eggs arrived to more than 10 countries in Africa such as Angola, Mauritania, Libya, Guinea Bissau or Liberia, to Asia such as Oman, Israel, UAE or Hong Kong and to America such as Mexico.

In addition, in 2015 in response to the avian influenza outbreak in the U.S. and the subsequent demand for eggs in the U.S. market, Spain started exporting eggs to the United States in July 2015.

Approximately 6 percent of Spanish egg exports are going to the United States.

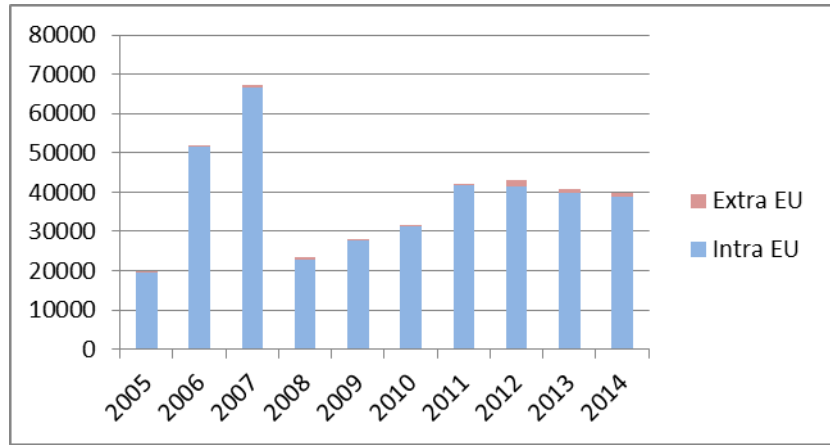
According to the US Agricultural Marketing Service, AMS, since June 23rd 2015 until October 2nd 2015, AMS has issued imports of 35,657,150 dozen breaking eggs from twelve source countries including from Spain (34.0 percent; 12,129,530 dozen), representing until now the largest country exporting eggs to the U.S.

Spanish Trade Evolution of Eggs (tons)



Figure 1: Trade Evolution of Spanish Eggs (tons)
Source: MAGRAMA

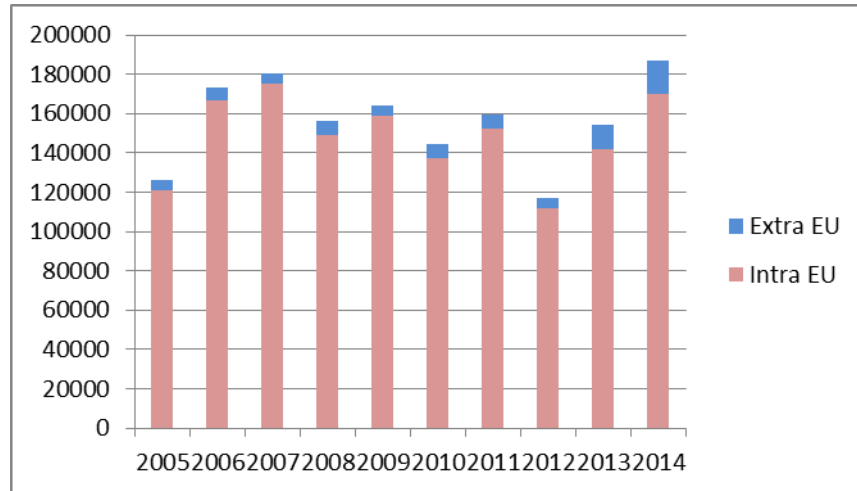
Spanish Egg Imports (Tons)



		Spanish Egg Imports (Tons)									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Intra EU		19,480	51,480	66,650	22,780	27,780	31,150	41,650	41,510	39,920	38,930
Extra EU		484	107	483	775	333	519	469	1,468	775	908
TOTAL		19,964	51,587	67,139	23,561	28,113	31,672	42,128	42,984	40,697	39,842

Figure 2: Imports of Eggs (tons)
Source: MAGRAMA

Spanish Egg Exports (Tons)



Spanish Egg Exports (Tons)										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Intra EU	120,861	166,545	175,356	149,279	159,088	137,094	152,394	111,622	141,741	170,041
Extra EU	5,165	7,058	4,816	7,001	4,931	7,193	7,060	5,162	12,527	16,701
TOTAL	126,026	173,603	180,172	156,280	164,019	144,287	159,454	116,784	154,268	186,742

Figure 3: Exports of Eggs (tons)
Source: MAGRAMA