

Voluntary Report – Voluntary - Public Distribution

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Report Name: Turkey and Products Market Brief

Country: Poland

Post: Warsaw

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Report Highlights:

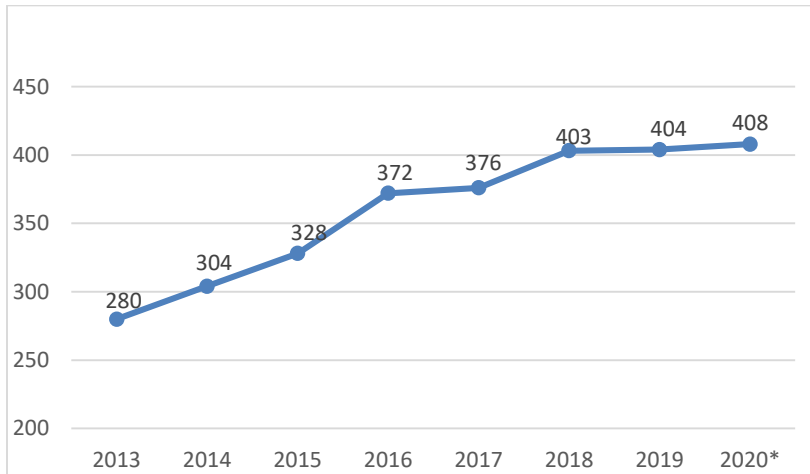
Poland is the European Union's (EU) largest producer of turkey meat. Post estimates that 2020 turkey meat production will increase by one percent over 2019. The COVID-19 pandemic and the highly pathogenic avian influenza (HPAI) outbreak in early 2020 minimally disrupted turkey meat production during the first half of 2020, but will likely moderate output during the second half of the year. In 2019, Poland exported 227,003 MT of turkey meat, valued at \$730 million. Major export markets within the EU were Germany, Spain, and the UK. Major non-EU markets were China and Ukraine.

General Information

Production

Post estimates that 2020 turkey meat production will increase by one percent over 2019. Most turkey meat production growth occurred during the first half of 2020. Production is expected to moderate during the second half of the year following COVID-19 and the HPAI outbreak in early 2020. Turkey meat production was less profitable in the second quarter of 2020, particularly as many hotel, restaurant, and institutional (HRI) businesses closed in Poland's major export markets because of the pandemic. The HPAI outbreak on turkey farms during the first quarter of 2020 led several non-EU countries to restrict imports of Polish turkey meat. Although turkey meat accounts for only 14 percent of total Polish poultry production, Poland has been the EU's largest turkey meat producer since 2017.

Graph 1: Turkey Meat Production, 000/MT of Carcass Weight

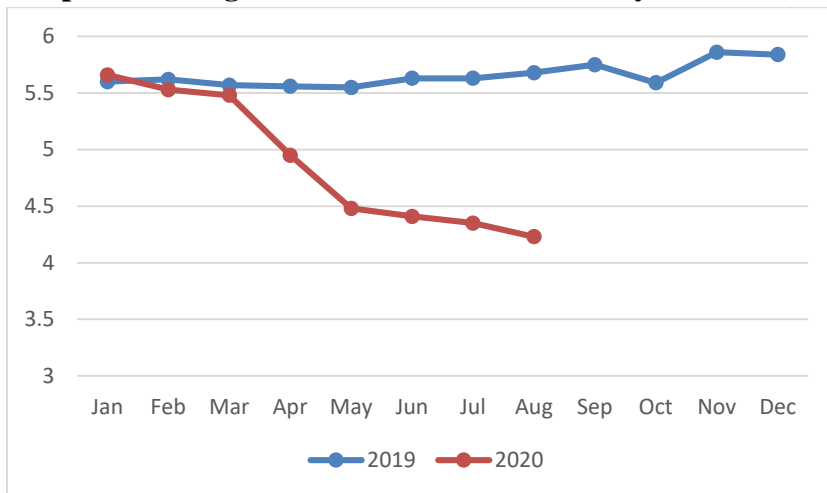


Source: Rynek Drobiu (Poultry Market), October 2020, Institute of Rural Economics

*Post estimate

In the second quarter of 2020, following the COVID-19 outbreak, farm-gate price for turkeys dropped by 17 percent compared to the same period in 2019 (Graph 2). In August 2020, the average farmgate live-weight basis was 4.23 Polish zlotys (PLN) per kilogram (\$1.12), 25 percent less than August 2019. According to industry sources, turkey meat production through the second quarter of 2020 remained high because many producers were still obligated under contracts signed before the onset of the pandemic. Post estimates that total 2020 turkey meat production will increase by one percent, despite the downturn in production during the second half of the year, due to higher production during the first half of 2020. Post expects it will be difficult for Polish turkey meat processors to increase profitability in the short term, especially following the strong uptick in COVID-19 cases since October 2020. Post forecasts that turkey broiler production will continue to decline throughout the first half of 2021.

Graph 2: Average Farm-Gate Prices of Turkey Broilers (PLN*/kilogram)



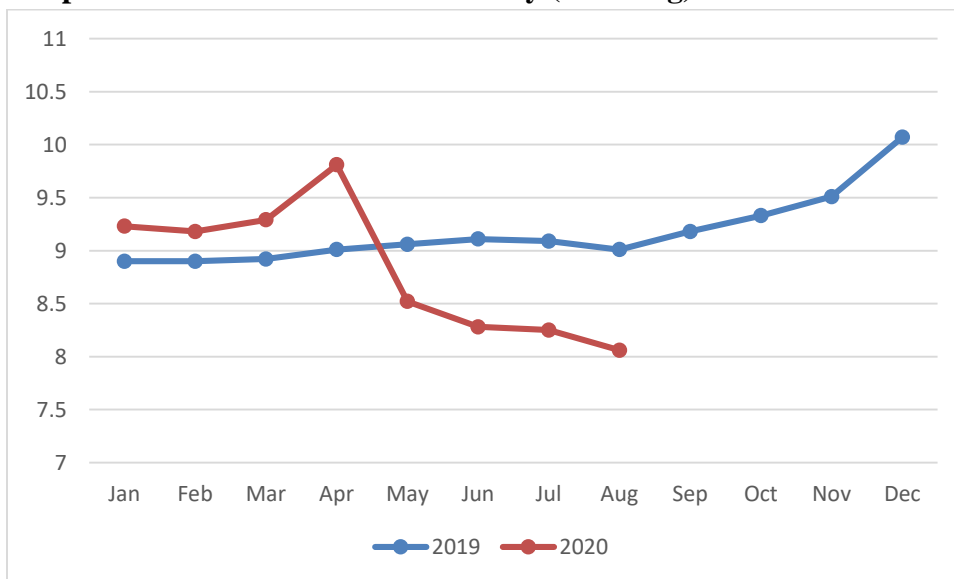
Source: Rynek Drobiu, October 2020, Institute of Rural Economics

* Exchange rate: PLN 3.78 per \$1.00

Consumption

Post estimates that turkey meat consumption will remain flat in 2020. Stronger retail turkey meat sales will mostly compensate for lower HRI sales. Turkey meat retail prices have fallen since April 2020 (Graph 3) and are more affordable for consumers.

Graph 3: Retail Price of Whole Turkey (PLN*/kg)



Source: Rynek Drobiu, October 2020, Institute of Rural Economics

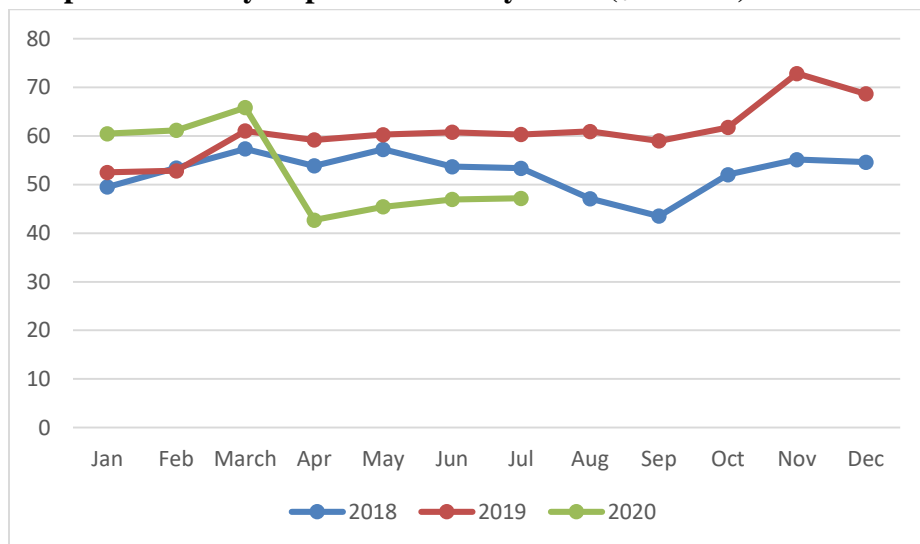
* Exchange rate: PLN 3.78 per \$1.00

Trade

In 2019, Poland exported 227,003 MT of turkey meat, valued at \$730 million. Major EU export markets included Germany, Spain, and the UK. Major non-EU markets were China and Ukraine. During the

first seven months of 2020, turkey meat exports in value terms dropped by nine percent from the same period in 2019. This decline started in when Poland introduced strict COVID lockdown measures (Graph. 4). Despite, this decline in turkey meat exports by value, export by volume increased by 0.4 percent during the first seven months of 2020 over the same period in 2019. This indicates that Polish exporters reduced prices to maintain trade flows.

Graph 4: Monthly Exports of Turkey Meat (\$ million)



Source: Trade Data Monitor LLC (TDM)

The Polish turkey industry is vertically integrated and is one of the most modern in the EU. Apart from production farms, the largest producers own feed plants, slaughter facilities, and turkey meat processing plants. They also specialize in a variety of value-added turkey meat products, like sausages, hams, or canned products. These products are popular among domestic consumers, as well as on the global market. (See attached list of major Polish turkey producers and processors).

Attachments:

[List of Turkey Slaughter Plants.docx](#)