

# Polish poultry driven by exports

In 2007, a growing export market was the main factor fuelling the dynamics of Polish poultry and egg production. Stable growth is forecasted in poultry production in 2008, while a further improvement in the foreign trade in shell eggs and egg products is expected.

By Philippe Caldier, France



The Ovovita facilities are located in Prawda in the Lodz region.

In its May 2008 issue, the IERIGZ of Warsaw (Institute of Agricultural and Food Economics) gives a good overview of the Polish poultry sector in 2007 and its perspectives for 2008-2009. In 2007, poultry production in Poland was 7.5% down on 2006 at 1.115 mln t (Table 1). Poultry exports (the main factor driving up the dynamics of poultry production) amounted to 260,000 t, which is 20% up on the previous year and almost twice more than in 2004. In 2007, exports accounted for 23% of total poultry production, and this means a strong dependency of the sector on foreign sales. In the geographical structure of Polish poultry exports, Germany accounted for 43,5% of the total in

2007, followed by Great Britain (18.4%), Czech Republic (6.3%), France (5.1%) and the Netherlands (3.3%). Regarding geographical origins of poultry meat imports, the leading countries in 2007 were Great Britain (23.6%), the Netherlands (20.5%) and Germany (15.9%).

## Zloty getting stronger

"The strength of Polish zloty erodes the profitability of exports and thus creates a serious threat for further development of the poultry sector," comments the Polish report. The growth rate of exports in 2008 is therefore expected to decline while a stable growth is forecast in poultry production, which would total 1.180 mln t, 6% up on 2007. Poultry exports would rise 7% to 277,000 t and domestic use is to increase by 3-4%.

In 2007, the foreign trade surplus in poultry exceeded €0.5 billion and was 47% up on 2006. This increase was mainly a result of an increase in the prices on the EU market where demand was in excess of supply.

In his report, IERIGZ quotes the

"exceptional performance of poultry processors in Poland in 2007, with the best financial standing and economic performance since the beginning of the 1990s". The profitability at net level reached 20.3%, the revenue on sales increased by 30%, while the revenue on exports increased by 44% (the revenue on exports accounted for 20% of total revenue). On the other hand, a decline was reported regarding investments.

Poultry prices in Poland at retail level in 2007 were subject to a considerable increase, followed as a consequence by a drop of the consumption of poultry meat, which in 2007 stayed close to the level observed in 2006. According to the household budget survey, the consumption of poultry meat in 2007 declined by 5% while the consumption of cured poultry meat remained unchanged.

## Growing egg exports

According to preliminary estimates, shell egg production in 2007 totalled

Table 1 - Polish poultry meat overview (1,000 t)

Year	Production	Import	Export	1+2-3
	-1	-2	-3	
2000	584	17	46	555
2001	695	26	45	676
2002	794	31	58	767
2003	860	24	108	776
2004	916	89	132	873
2005	1,016	82	186	912
2006	1,037	89	215	911
2007	1,115	97	260	952
2008*	1,18	84	277	987
I-VI 2008*	576	36	119	493
VII-XII 2008*	604	48	158	494
I-VI 2009*	610	36	130	516

\* Forecasts

Table 2 - Polish egg production overview (1,000 t)

	2002	2003	2004	2005	2006	2007	2008*	2009
Production (1)	499	518	521	545	546	560	570	580
Import (2)	1	2	10	12	11	12	14	-
Export (3)	12	30	35	58	62	99	112	-
1+2-3	488	490	496	499	495	473	472	-

\* Forecasts



**Large-scale operations like Ovovita use high-tech sorting and packing lines.**

**Ovovita markets egg products under their own brand name.**

2.5% up on 2006 and 2005 at 560,000 t. Growing exports already account for 18% of domestic production (against 6% in 2003) and 23% of domestic use. As for poultry meat, foreign sales are the only factor driving up shell egg production. The domestic consumption in 2007 declined once again. In spite of growing prices of cereals, egg production is still expected to grow in 2008 and 2009 (Table 2). "In 2008, shell egg production is forecast to increase by 2% and exports by 13%, at a slower rate than in the previous year," according to IERIGZ. Thanks to

growing foreign demand, the surplus of foreign trade in shell eggs and egg products in 2007 increased by 86% to €83 million. A further improvement in the surplus (around 10%) is expected again in 2008.

According to the household budget survey, shell egg consumption declined by 3.6% in 2007. It was concluded that shell egg prices in 2008 are expected to increase further. However, the prices of meat products would grow faster than the prices of shell eggs, which could have a stabilising effect on the demand. ■

## More production and exports for Ovovita

Created in 2006, Ovovita is a privately-owned Polish company leading in the production and processing of eggs. "A huge majority of eggs processed in our factory are produced on our farms known as Ferma Niosek Prawda, which was opened in 1990," explains Mieszko Kurasik, the son of Ovovita's owner. Today, the farms consist of one million laying hens and about 80 people are working in both companies. Daily production of Ferma Niosek Prawda exceeds the level of 700,000 eggs, and the sales of shell eggs increased by more than 20% from 2006 to 2007. "Everything is automated and controlled by a computer," explains Kurasik, who adds that the company has its own feeding plant and storage facilities of 50 million shell eggs.

Of total sales, 30% are processed eggs and 70% are shell eggs sold through supermarkets chains such as Lidl. "People are looking for more healthy eggs and this segment will grow in the future," says Kurasik. Some years ago, Ovovita launched its Vitea Omega-3 eggs created in cooperation with Agricultural University in Wrocław, and headed by Prof. Tadeusz Trziszka. The eggs are characteristics by a high level of polyunsaturated fatty acids, omega-3, vitamin A and E, and lower level of cholesterol. "These eggs are produced thanks to a special feed made in cooperation with the Polish feed company Tasomix," adds Kurasik. The main function of the processing plant of Ovovita is the production of liquid, dried and boiled egg products, and 10,000 m<sup>2</sup> is equipped with modern technology including the following stages:

- breaking and separating contents of the eggs with electronic scanning the effectiveness of separation
- filtering and cooling
- homogenisation
- aseptic pasteurising and packaging of liquid products
- membrane ultra filtration
- drying the egg yolk, egg white and entire egg
- boiling, peeling and packaging of hard-boiled eggs in protective atmosphere

Ovovita's offer concerning liquid egg products includes liquid eggs, liquid egg yolk, liquid egg white, liquid egg mixtures, and liquid eggs in spray. Dried egg products include whole egg powder, egg yolk powder, egg white powders and hard boiled eggs.

"The egg powder is mainly exported to European countries such as Denmark, Germany and the UK," explains Kurasik, who adds that liquid eggs are mainly sold on the Polish market. "We are about to build two new chicken houses and rebuild our feed plant," he concludes, stating that he is about to start exporting egg products to Ukraine and Japan in the coming months.

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