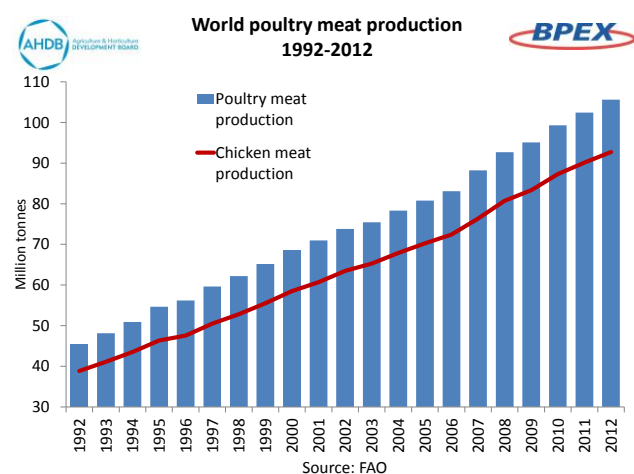


Poultry meat on the rise

Poultry is set to become the world's favourite meat source, providing around 35% of all animal protein. It is popular amongst both developed and developing countries, providing a cheap and affordable protein source. Figures obtained from the UN Food & Agriculture Organisation show world poultry meat production more than doubling in the last 20 years, from 45.4 million tonnes in 1992 to 105.6 million tonnes in 2012. Chicken meat, in particular, accounts for around 90% of total poultry meat production. This means poultry is gaining a higher significance in livestock agriculture and is therefore a serious competitor to the red meat sector.



There has been a similar development in the UK, which makes poultry a direct competitor to pig market. In light of the growing importance of the poultry market, AHDB/BPEX has incorporated data about the poultry sector into the 2014 edition of the Pig and Poultry Pocketbook, launched at this month's Pig and Poultry Fair. The Pocketbook contains the latest facts and figures about the pig industry and similar information for the poultry sector. Areas covered include animal and bird numbers, the supply chain, slaughterings and production, prices, imports and exports, consumption and carcass classification. The Pocketbook can be downloaded from the BPEX website by [clicking here](#).

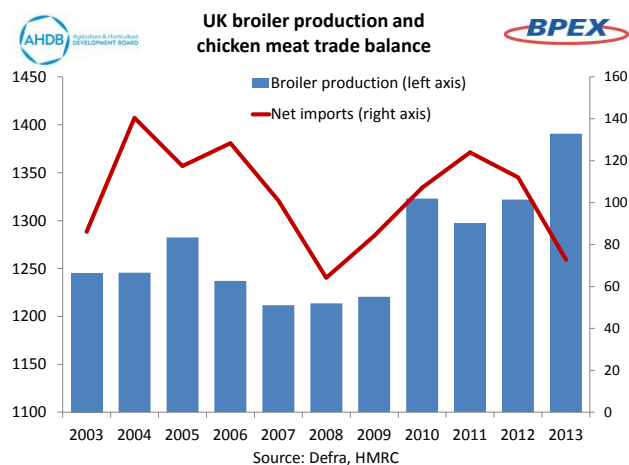
In contrast to the poultry market, long term trends show a decline in UK pig meat production since 1992, although output has picked up in the last decade, as portrayed in figure 4.5 of the Pig and Poultry Pocketbook. Despite rising availability of domestic and foreign pig meat, poultry is increasingly filling up consumer baskets as a result of competitive pricing, versatility and ease of cooking.

Data collected by Kantar Worldpanel show GB household pork purchases, by volume, have been below the previous year's levels since mid-2012. Meanwhile, chicken purchases showed the reverse trend until the back end of 2013, when higher retail prices for various chicken cuts bit into consumer budgets, indicating a strong correlation between chicken

consumption and price. The fresh cuts, in particular, have struggled, with higher retail prices encouraging customers to switch to frozen cuts.

Similarly to the pig sector, poultry processors also face carcass utilisation challenges. In particular, chicken breasts are most preferred in the UK, with demand outstripping supply. Dark meat, on the other hand, is less favoured, which allows the opportunity to export some of the surplus. Annual figures for 2013 record a marginal decline in chicken imports, as higher domestic production and steady consumption reduced the import requirement. The first quarter figures for this year, however, showed chicken imports edge up slightly to 85,900 tonnes. Almost 95% of the supplies are sourced from the EU, with the Netherlands, Poland and Ireland being the primary sources.

Exports on the other hand, rose by a notable 15% in 2013, compared with the year before, mirroring the rise in pork exports. The EU accounted for 72% of total trade, with the Netherlands and Ireland being the main destinations, although many shipments to the former, in particular, are likely to be for re-export. African destinations were prominent in terms of non-EU markets, led by South Africa, Benin and Ghana. Unlike the situation for pork, access to key Asian markets, except for Hong Kong, is not yet available to the UK poultry sector.



Looking forward, growth opportunities for the UK poultry sector look promising, given the high demand coupled with the unsubsidised and well integrated supply chains. Latest 2013 figures from Defra highlighted a 3% year-on-year increase in commercial broilers at 943 million head, while meat produced from broilers was up by 5% on the year at 1.4 million tonnes. In addition, efficiency improvements include better feed conversion and reduced finishing periods, helped by steady improvements in genetics and management. In fact, improved industry efficiency is the main reason poultry meat is so affordable, with poultry meat prices increasing at a slower rate than pork and other meats over the last decade or so, an example other livestock sectors could learn from.