

TRENDS IN ROMANIA'S POULTRY MEAT MARKET IN THE PERIOD 2007-2015

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Abstract. *The paper analyzed the main trends in Romania's poultry meat market based on the data provided by the National Institute of Statistics for the period 2007-2015. Romania has a high potential for producing poultry meat, ranking on the 7th position in the EU-28. The poultry slaughtered weight increased both due to the number of slaughtered poultry and the average weight at slaughter. The chickens have the highest share in poultry live weight and carcass weight. Poultry meat is on the top position, representing about 50% of the meat consumption per inhabitant. The consumption is covered both by the domestic production and imports. However, the export/import ratio is less than 1, reflecting that Romania is a net importing country of poultry meat. To surpass the pressure of the foreign competitors, the Romanian producers of poultry meat must assure a high genetic value biological material, high quality and sufficient feeding, production cost reduction, and to intensify exports.*

Keywords: trends, meat, market, poultry, Romania not more than five.

1. Introduction

Poultry meat is a healthy meat with a high nutritional value given by the high quality protein content and low cholesterol percentage. Consumers are aware of this and for this reason consumption has increased. More than this, it could be produced in the shortest period of time compared to pork, beef and other meat sorts, and the production costs are covered by the market price assuring a high return and profitability to poultry breeders in the integrated industrialized companies [1].

The EU is an important poultry meat producer, but also an exporter and importer. As poultry meat consumption is increasing, the European and international market need a higher supply of poultry meat. Poultry farming in the developing countries is a chance to eradicate hungry [7].

Romania has a good position among the EU producers, regarding the poultry livestock, the number of slaughtered poultry and slaughtered weight [5, 6]. The poultry meat sector is continuously developing mainly in industrial specialized units with a modern technical endowment, where the best technologies are applied and production performance is high. Also, poultry farming is

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developed in small individual holdings, but their share in meat production is smaller compared to the specialized companies [2].

In this context, the paper aimed to analyze the dynamics of poultry meat production, consumption and trade in order to identify the main trends and measures destined to develop the sector and keep the pace with the market pressures.

2. Materials and Methods

The study is based on the empirical data collected from the National Institute of Statistics Data base, Tempo Online for the period 2007-2015.

The main studied indicators characterizing poultry meat market have been the following ones: weight of poultry for slaughtering and consumption at the national level, the live weight of slaughtered poultry in industrial specialized units, the chickens slaughtered live weight, the poultry meat contribution to meat production, poultry meat supply, poultry meat consumption, poultry meat export and import, farm gate price per kilogram poultry live weight, and Romania's position regarding the number of slaughtered poultry and the slaughtered live weight.

The data were processed using the modern usual methods such as: time analysis using fixed basis indices, comparison method, descriptive statistics of the main studied indicators. The obtained results are tabled and interpreted.

3. Results and discussions

3.1 Weight of poultry for slaughtering and consumption

The weight of poultry for slaughtering and consumption increased by 34.1% from 416 thousand tons in 2007 to 558 thousand tons in 2015.

The increasing trend of the slaughtered weight was due to the increased number of slaughtered chicken.

This was possible grace to the industrialized poultry meat sector which is vertically integrated mainly in the competitive production units including reproduction units, incubation, broilers fattening units, slaughterhouses, and own shops for selling the poultry meat products directly to consumers [3].

An important aspect is the fact that the industrial specialized units slaughter more and more poultry with a deep and positive impact on the poultry meat production. In this respect, if in 2007, there were 281 thousand tons of poultry slaughtered weight in the industrial specialized units, in 2015, this indicator reached 515 thousand tons, being by 83.2% higher than in 2007 (Table 1).

Table 1. Weight of poultry for slaughtering and consumption in Romania in the period 2007-2015 (Thousand tons)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2015/2007 % |
|--|------|------|------|------|------|------|------|------|------|-------------|
| Poultry Weight | 416 | 410 | 489 | 446 | 477 | 471 | 457 | 488 | 558 | 134.1 |
| Poultry weight slaughtered in indus. spec. units | 281 | 340 | 401 | 392 | 405 | 430 | 449 | 475 | 515 | 183.2 |

Source: Own calculation based on the NIS Data base, 2016 [4].

This was the consequence of the increased contribution of the industrial specialized units to slaughtered poultry weight from 67.5% in 2007 to 92.2% in 2015.

3.2. The chickens slaughtered weight

Another important aspect is that the slaughtered chickens in industrial specialized units increased by 77.9% from 275 thousand tons in 2007 to 489.7 thousand tons in 2015 and the contribution of chickens live weight to the total poultry slaughtered weight is very high, about 97% (Table 2).

Table 2. Poultry slaughtered live weight in the industrial specialized units in Romania in the period 2007-2015 (Thousand tons)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2015/2007 % |
|------------------------------------|------|------|------|------|------|------|------|------|------|-------------|
| Poultry weight in ind. spec. units | 416 | 410 | 489 | 446 | 477 | 471 | 457 | 488 | 558 | 134.1 |
| Chickens | 281 | 340 | 401 | 392 | 405 | 430 | 449 | 475 | 515 | 183.2 |

Source: Own calculation based on the NIS Data base, 2016 [4].

This is due to the fact that chickens represent 97.5% of the total number of slaughtered poultry in the industrial specialized units and their average weight at slaughter is 2.2 kg/head equal to the average weight at slaughter for all the slaughtered poultry (Table 3).

Table 3. Number of poultry slaughtered in the industrial specialized units in Romania in the period 2007-2015 (Thousand heads)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2015/2007 % |
|-------------------------------------|-------|-------|-------|-------|------|-------|-------|-------|-------|----------------|
| Total number of slaughtered poultry | 131.4 | 154.7 | 186.4 | 175.9 | 182 | 198.6 | 207.4 | 213.5 | 229.6 | 174.7 |
| Chickens | 128.9 | 153.2 | 185.5 | 175.0 | 180 | 196.6 | 204.6 | 211.2 | 224.0 | 173.6 |

Source: Own calculation based on the NIS Data base, 2016 [4].

In 2007, the highest share of slaughtered poultry was recorded in S Muntenia 28.9%, N E 18.6% and Central part of Romania 16.1%. In 2015, the contribution of the micro development regions was registered in S E Romania 24.3%, N E 22.7%, S Muntenia 19.4%, Central region 13.6% and N West 11% [4].

3.3. The poultry carcass weight

The poultry carcass weight increased by 77.2% from 211 thousand tons in 2007 to 374 thousand tons in 2015.

Table 4. The poultry carcass weight in the industrial specialized units in Romania in the period 2007-2015 (Thousand tons)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2015/2007 % |
|----------------|-------|-------|------|-------|-------|-------|-------|-------|-------|----------------|
| Carcass weight | 211.4 | 255.7 | 300 | 287.4 | 292.8 | 312.8 | 332.8 | 346.1 | 374.7 | 177.2 |
| Chickens | 206.4 | 252.1 | 298 | 283.9 | 284.8 | 301.8 | 322.2 | 334.7 | 355.7 | 172.3 |

Source: Own calculation based on the NIS Data base, 2016 [4].

The chickens' carcass weight carried out in the industrial specialized units increased by 72.3% from 206.4 thousand tons in 2007 to 355.7% thousand tons in 2015. As a result, the contribution of chickens to the carcass weight recorded a slight decline from 97.6% in 2007 to 94.9% in 2015 (Table 4).

3.4. The poultry contribution to meat production

The poultry contribution to meat production places poultry on the top position. In 2015, the structure of Romania's meat production included: poultry meat 49.38%, pork 43.54%, bovine meat 5.86% and sheep and goat meat 1.22% [4].

3.5. The poultry meat supply

The poultry meat supply increased by 14.56 5 from 394.2 thousand tons in 2010 to 451.6 thousand tons in 2015. This positive evolution was determined by the domestic production growth (+16.5%), import growth (+34.3%) and export growth (+58.9%). The share of the domestic production in the poultry meat supply increased from 90.5% in 2010 to 92% in 2015. However, a peak of 96.2% was recorded in 2011 (Table 5).

Table 5. The poultry meat supply in carcass weight (thousand tons) and the share of poultry meat production in Romania in the period 2010-2015 (%)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2015/2010 % |
|---------------------|-------|-------|-------|-------|-------|-------|----------------|
| Poultry meat supply | 394.2 | 396.3 | 400.1 | 382.4 | 437.7 | 451.6 | 114.56 |
| Production | 356.8 | 381.6 | 376.8 | 365.6 | 390.4 | 415.8 | 116.5 |
| Share of production | 90.5 | 96.2 | 94.1 | 95.6 | 89.1 | 92.0 | - |

Source: Own calculation based on the NIS Data base, 2016 [4].

3.6. The poultry meat consumption

The poultry meat consumption increased because of the lower price per kg, but also due to the fact that more consumers are aware that poultry meat is a healthy lean meat, rich in protein and with lower cholesterol than pork.

Table 6. The average poultry meat consumption per inhabitant in Romania in the period 2010-2015 (kg/capita)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2015/2010 % |
|---------------------------|------|------|------|------|------|------|----------------|
| Poultry meat consumption | 18.2 | 17.5 | 18.2 | 17.5 | 20.1 | 22.7 | 124.7 |
| Share in meat consumption | 30.3 | 31.2 | 32.9 | 32.2 | 34.8 | 39.1 | - |

Source: Own calculation based on the NIS Data base, 2016 [4].

In 2015, a Romanian consumed 22.7 kg poultry meat in the average, by 24.7% more than in 2010. As a result, the share of poultry meat in the average meat consumption per inhabitant increased from 30.3% in 2010 to 39.1% in 2015 (Table 6).

3.7. The poultry meat export and import

The poultry meat exported and imported amounts increased because Romania has integrated producing units, mainly the 39 high performance companies which are competitive regarding the modern technologies, daily gain, feed consumption, average live weight at slaughter and slaughter rate per carcass parts, and meat quality. Most of the Romanian poultry growers in the intensive system produce themselves the combined fodder and other ingredients needed to assure a balance diet and high production performance.

The export of poultry meat increased by 58.9% from 58.7 thousand tons in 2010 to 93.3 thousand tons in 2015. However, the imports of poultry meat exceed the exported amounts, affecting the local producers. The import of the poultry meat increased by 34.3% from 96.1 thousand tons in 2010 to 129.1 thousand tons in 2015. Therefore, the poultry meat trade balance is a negative one, and Romania is a net importer of poultry meat (Table 7).

For this reason, the export/import ratio is less than 1. However, the E/I ratio increased by 18% from 0.61 in 2010 to 0.72 in 2015 with some variations up and down across the analyzed period.

Table 7. The poultry meat exports and imports in Romania in the period 2010-2015 (Thousand tons)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2015/2010 % |
|-----------|------|------|-------|-------|-------|-------|----------------|
| Import | 96.1 | 93.7 | 115.1 | 100.1 | 123.3 | 129.1 | 134.3 |
| Export | 58.7 | 79.0 | 91.8 | 83.3 | 76.0 | 93.3 | 158.9 |
| E/I ratio | 0.61 | 0.84 | 0.79 | 0.83 | 0.62 | 0.72 | 118.0 |

Source: Own calculation based on the NIS Data base, 2016 [4].

3.8. The farm gate price per kilogram live weight

The farm gate price at delivery is still low, varying about lei 3.5-3.7/kg live weight. Many producers are complaining for this small acquisition price because the price for farm inputs increased and are similar to the ones at the EU level.

3.9. Romania's position in the EU regarding the number of slaughtered poultry and weight

Romania is an important poultry meat producer in the EU-28. In 2015, it came on the 7th position in the EU-28 with 213.3 million heads slaughtered poultry and 7,346 thousand tons poultry slaughtered weight.

The first positions in the EU for the number of slaughtered poultry, in the decreasing order, are occupied by France, the United Kingdom, Poland, Germany, Spain and Italy. The first positions for the slaughtered poultry weight, in the descending order, are occupied by Poland, France, the United Kingdom, Germany, Spain and Italy [8].

Conclusions

(1).Romania has a good tradition and high performance in producing poultry meat, keeping the pace with the requirements imposed by the EU and international markets. The industrialization and integration of the poultry sector across the meat chain from producers to consumers assure a high economic efficiency and profitability.

(2).As the domestic production cannot entirely meet the market needs, imports are required. However, the increased imported amounts of poultry meat may not be absorbed by the Romanian consumers and also they deeply affect the Romanian producers, who are obliged to keep stocks and have low deliveries.

(3).Romania's export of poultry meat is continuously developing due to the high quality of poultry meat and the requirements on the EU and international markets, where export price favors the Romanian exporters. The high pressure of the foreign competitors imposes continuous and strong measures to increase production performance (higher daily gain, higher meat quality) and economic efficiency and profitability in the poultry meat sector (profit, profit rate).

(4).To improve economic efficiency in the poultry meat sector are needed: (i) a permanent use of high genetic value meat breeds and hybrids able to get a good gain performance in a shorter period of time, (ii) a corresponding and high nutritive and energetic feeding to assure a higher carcass weight and quality, (iii) a permanent control of the production cost, and (iv) a more intensive marketing to surpass the pressures of the internal and external markets, and to extend the foreign beneficiaries.

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