

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Poultry production in Latvia on a rise.

Report Categories:

Poultry and Products

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Report Highlights:

Latvia is a net importer of poultry meat. It is estimated that in 2015 poultry meat production will increase by 2 percent as a result of growing domestic demand and reduced imports. In response to the demand from the United States caused by the outbreak of avian influenza, Latvia started to export eggs to the United States. In July and August of 2015 the value of egg exports to the U.S. amounted to U.S. \$ 436,000.

General Information:

Production

In 2014 poultry meat production in Latvia amounted to 28,700 MT and was 7 percent higher than in 2013. It is expected that due to growing domestic demand and low cost of feed production of poultry meat will grow in 2015 by another 2 percent. It is estimated that in 2014 the share of poultry meat in total meat production amounted to 32 percent. Latvia's largest poultry processor is Putnu Fabrika Ķekava. PF Kekava supplies an estimated 65 percent of the total supply of poultry meat in Latvia. In 2013 the turnover of Ķekava amounted to almost U.S. \$40 million, with U.S. \$5.5 million profit. The company belongs to the Lithuanian investment agricultural holding Linas Agro Group. Latvia's count of organic poultry declined in 2014 by 10.3 percent to 24,706 birds. In 2014, 648 million eggs were produced in Latvia, compared to 630 million in 2013. In 2014, on average one laying hen produced 272 eggs.

Consumption

Demand for domestically produced products is growing in Latvia. Several Latvian poultry producers, including Putnu Fabrika Kekava Ltd and Lielzeltini, are putting the origin of their products on the packaging, letting consumers know that they are buying domestically produced poultry. A study recently conducted by the Latvian food industry showed that more than 70 percent of Latvian citizens put emphasis on the origin of food, and are looking for such information on the packaging.

Trade

Latvia is a net importer of poultry meat. In 2014 Latvia imported 31,532 MT of poultry meat valued U.S. \$50 million. In the first 8 months of 2015 imports of poultry products amounted to 16,628 MT, a drop by 20 percent in comparison to the same period of the previous year, because of lower imports from Poland and Estonia. Estonia is a major supplier of poultry meat to Latvia followed by, Poland and Lithuania. Latvia imports mainly chicken cuts and edible offal (HS code 020713) and prepared or preserved chicken meat and offal (HS code 160232).

In 2014 exports of poultry meat amounted to 15,312 MT and were 12 percent higher than in 2013. In the first 8 months of 2015 exports decreased by 23 percent, due to reduced volume of shipments to Estonia and Lithuania as well as closure of Russian market. The Baltic market is strongly integrated and some companies have processing plants in different Baltic States. A decline of prices within the EU resulted in a 39 percent drop of value of exports in the first 8 months of 2015 in comparison to the same period of 2014. Main export destinations within the EU are Estonia, Sweden and Lithuania. Exports outside of the EU are directed mainly to Belarus and Uzbekistan. Although the priority markets for Latvia's exports are the Baltic States and Scandinavia, the largest poultry processor Putnu Fabrika Ķekava plans to launch export supplies to Finland, Norway and China.

In response to the demand from the United States caused by the outbreak of avian influenza Latvia started to export eggs to the U.S. In July and August of 2015 the value of exports of Latvian eggs to the U.S. amounted to U.S. \$ 436,000. It is expected that exports will slow down towards the end of 2015

because of reduced demand from the U.S.

End of the Report.