

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Romania

**Post:** Bucharest

### Romania Poultry and Products Annual Report 2015

**Report Categories:**

Poultry and Products

**Approved By:**

Russ Nicely

**Prepared By:**

Monica Dobrescu

**Report Highlights:**

Poultry production will likely keep on an upward trend in 2015, though at a slower rate than in 2014. Imports are expected to stagnate, while exports are predicted to slowly recover. Poultry meat per capita consumption ranks second after pork.

## General Information:

The Romanian poultry sector developed well over the past few years, proving to be one of the most dynamic livestock segments. No major disease outbreaks hit the sector, allowing the industry to progress further. Investment in feeding practices, animal welfare standards and management at farm level, along with observing strict rules regarding hygiene and packaging at the slaughterhouse level, allowed producers to increase efficiency and develop consistently. Reasonable feeding prices as a result of abundant grains supply, especially in 2013 and 2014, represented another factor which stimulated poultry farms to continue developing. In terms of productivity, average daily weight gain grew from 53.81 grams in 2010 to 54.76 grams in 2015 (first six months), average feed consumption declined from 1.853 kg feed/kg of meat in 2010 to 1.731 kg feed/kg of meat in 2015, while mortality percentage dropped from 3.64 percent in 2010 to 2.3 percent in 2015.

In terms of poultry production concentration, according to data published by the Poultry Producers Association, there are 10 poultry farms which produced about 60 percent of total poultry production in 2014. These are vertically integrated poultry producers (feeding to reproduction, with slaughterhouses and processing units), with output ranging from 11,000 MT/year to 58,000 MT/year. The progress of the sector is positively viewed not only by domestic investors, but also by foreign investors. Very recently, the Indian company IBS Synergies announced its intention to invest U.S. \$150 million in Romania's poultry sector for an integrated greenfield project, which would include a hatchery, a feed-compound production plant and a slaughterhouse.

The largest share of poultry meat produced is sold as fresh/chilled meat on the market, investments in cutting lines and packaging technologies helping producers to ensure hygiene standards and extend product shelf-life. Large poultry operations market a sizeable volume through modern retail outlets, while a few developed independent store chains.

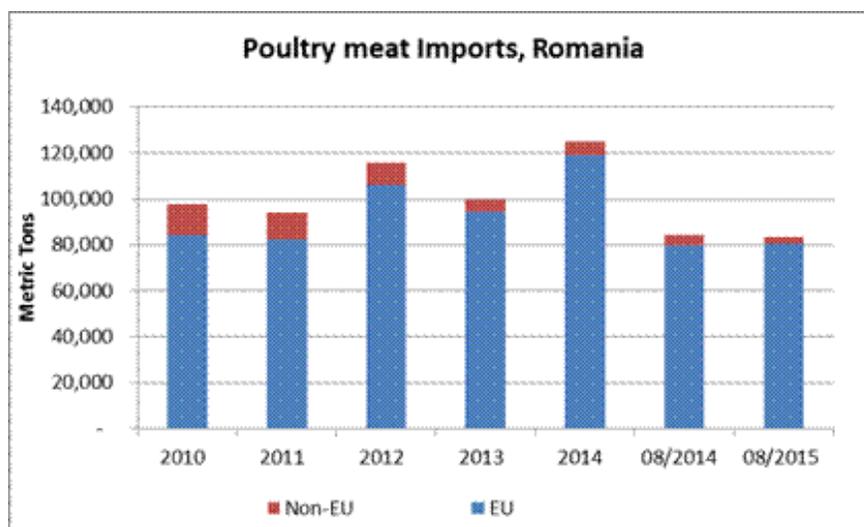
As a result of this domestic production expansion, the poultry meat trade deficit shrank, exports almost matching the import level. Nevertheless, Russian trade restrictions imposed in August 2014 diverted a considerable amount of poultry meat towards Romania, negatively affecting broiler production and exports. There was a positive influence on domestic consumption though, as competition strengthened and added more pressure on prices. In 2014 poultry meat imports grew by 31 percent due to this oversupply of meat held by the major EU producers as a result of the Russian ban on EU food products (Table 1). Netherlands, Germany and Poland became the main suppliers to the Romanian market, with an impact on Hungary's share, a traditional supplier. Non-EU import share of the Romanian market has fallen over the past years, from 15 percent in 2010 to 5.5 percent in 2014 and only 3.8 percent in 2015 (first 8 months). Brazil remains the main supplier from outside European Union. The large share of imports remains in the form of frozen cuts (74 percent in 2014).

**Table 1 - Romania, Poultry Meat Imports (MT)**

Origin	Calendar Year			Year To Date		
	2012	2013	2014	08/2014	08/2015	%Change
EU	105,954	94,332	118,747	79,904	80,425	0.65

Non-EU	9,673	5,420	6,128	4,345	2,826	(34.96)
<b>TOTAL</b>	<b>115,627</b>	<b>99,752</b>	<b>124,875</b>	<b>84,249</b>	<b>83,251</b>	<b>(1.18)</b>

Source: Global Trade Atlas



Source: Global Trade Atlas

Although Romania was not directly affected by the Russian food import ban since it was not certified for poultry exports to Russian Federation, exports plummeted in 2014 as a result of difficulties in maintaining markets or finding new outlets. As Table 2 illustrates, Romanian poultry meat exports fell in 2014 by 13 percent compared to the previous year. Exports mainly consisted of cuts, almost equally distributed between fresh/chilled and frozen. The major destinations for local poultry meat are the United Kingdom, Bulgaria, the Netherlands and Hungary. The most recent export figures (8 months of 2015) show an increase, creating the expectation for a 10 percent surge in exports for year 2015.

**Table 2 - Poultry meat Exports, Romania (MT)**

	Calendar Year			Year To Date		
	2012	2013	2014	08/2014	08/2015	%Change
EU	76,966	69,441	61,056	41,180	48,351	17.41
Non-EU	8,200	9,653	8,120	5,474	4,780	(12.68)
<b>TOTAL</b>	<b>85,166</b>	<b>79,094</b>	<b>69,176</b>	<b>46,654</b>	<b>53,131</b>	<b>13.88</b>

Source: Global Trade Atlas

In 2015 poultry production is likely to continue on an upward trend, but at a slower rate than in 2014, based on the production data available for the first 9 months of this year (Table 3). Imports are expected to stagnate, while exports are set to improve in 2015.

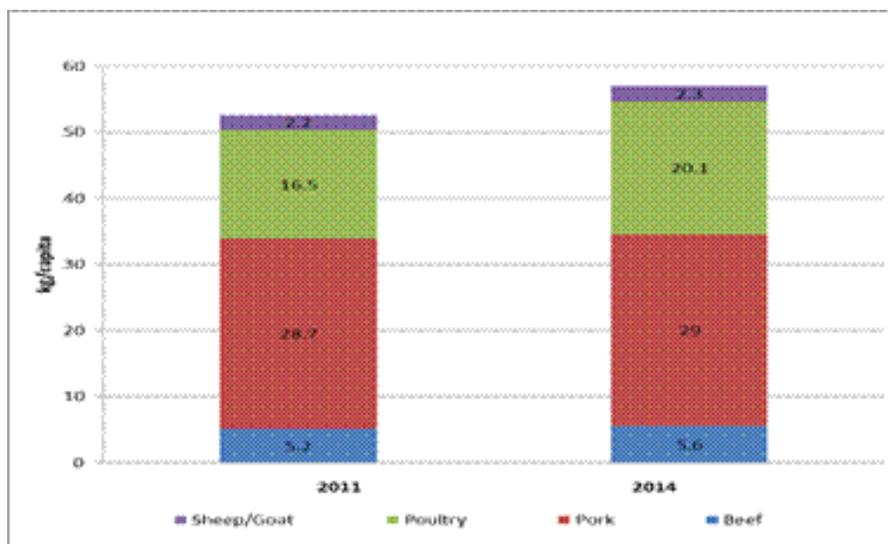
**Table 3 - Romania, Poultry Meat Production, Trade and Consumption**

<b>Carcass Weight (CWE), MT</b>	<b>2013</b>	<b>2014</b>	<b>2015*</b>
Poultry Production	332,428	396,995	408,900
Imports from EU	94,332	118,747	120,000
Imports from extra EU	5,420	6,128	4,500
<b>TOTAL SUPPLY</b>	<b>432,180</b>	<b>521,870</b>	<b>533,400</b>
Exports to intra EU	69,441	61,056	68,000
Exports to extra EU	9,653	8,120	7,500
Available for Domestic Consumption	353,086	452,694	457,900
<b>TOTAL DISTRIBUTION</b>	<b>432,180</b>	<b>521,870</b>	<b>533,400</b>

Source: Global Trade Atlas, National Institute of Statistics; FAS projections

In terms of consumption, per capita consumption of poultry meat ranks second after pork meat, statistical data pertaining to 2014 showing a level of 20.1 kg poultry meat as compared to 29 kg of pork meat, while beef and sheep/goat follow at a long distance, 5.6 kg and 2.3 kg respectively. The diagram below shows consumers' preference for poultry meat rising from 2011 to 2014 in the detriment of pork meat.

#### Per capita meat consumption, Romania (kg of meat/capita)



Source: National Institute of Statistics

Useful links:

[www.madr.ro](http://www.madr.ro)

[www.ansvsa.ro](http://www.ansvsa.ro)

[www.avicultura.ro](http://www.avicultura.ro)

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