EGG PRODUCTS IN EUROPE (EU): FURTHER GROWTH AND CONCENTRATION

By Filiep Van Bosstraeten

The egg products manufacturers in Europe (EU) have a yearly output of more than 1.5 million metric tons egg products. Over the last 10 years most of the bigger producers had further growth and some of the small factories have been taken over or merged in order to set up new and modern facilities.

Because of strict EU regulations and high requirements by the food industry, the egg products industry in the EU became probably the best worldwide. The equipment is constantly improved not only for higher capacities but also for better hygiene and to extend the shelf life of fresh liquid egg products. Most manufacturers are certified according ISO and BRC standards.

Besides the normal growth for industrial use, a considerable and growing quantity is produced for the catering industry. Several manufacturers added further processed products with added value, such as cooked and peeled eggs, poached eggs, french and spanish omelets, waffles, scrambled egg mixes, quiches, egg mayonnaise, custard cream, sport drinks, etc. We expect further growth in this segment of the market, as is the case in North America.

The EU is self-sufficient in egg products. Imports are growing in periods of high prices for shell eggs, but remain relatively small. Because of important consumption of egg yolk, there is some export of egg albumen powder, mainly to the Far East.

The WTO regulations (when they become effective) and further cuts in tariff protection resulting from the bilateral agreements will make the egg products sector very vulnerable and should therefore be considered highly sensitive. The cost price of eggs in the EU has increased considerably because of the welfare regulations, which are non existant in third contries and where additionally the cost of feed is much lower than the in the EU.
Other legislation, such as the Integrated Pollution and Prevention Control Directive and the Salmonella Requirements also have adverse impacts on the egg products industry's

competitiveness.

Within the EU, **EUROVO** (Italy) with its plants in Italy, France, Poland and Spain remains the largest overall egg products manufacturer and **IGRECA** (France) is the biggest in spray dried egg products. The **Sanovo group** (Denmark) with plants in Denmark, Germany, Spain and the Czech Republic, and the **WEKO GROUP** (the Netherlands) with plants in the Netherlands, Austria, Spain and Poland, are also in the top 5 of the egg products manufacturers in the EU.

AUSTRIA: (total egg production in 2009: 94.000 tonnes)

The egg processing industry did not change very much over the last 10 years. The companies **Amering, Falzberger, Pro-Ovo (owned by Weko - Netherlands)** and **Hessel Eier** are manufacturers of egg products specially for the local market. **OVOPROT** is the most important producer of powdered products in Austria.

Several trading companies are historically established in Austria and are specialised in the transit trade of egg products from third countries; in the past mostly originating from East Block countries, Canada, USA, nowadays mostly from South America and India.

BELGIUM : (total egg production in 2009: 164.000 tonnes)

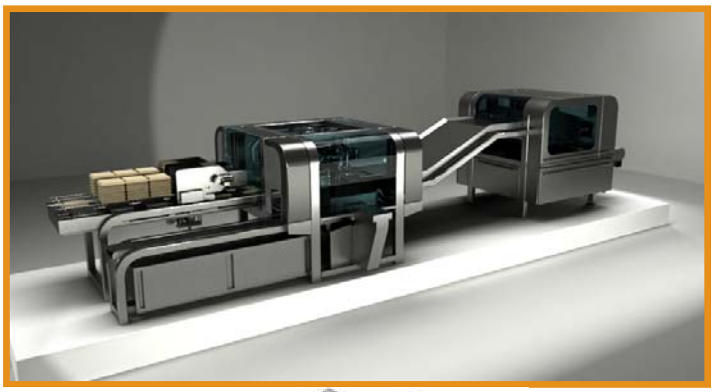
Belgium reduced its production of eggs (236.000 tonnes in 2001) and egg products considerably over the last decade.

Ovofood part of the Farmers Association, decided to leave the egg sector and closed its factory.

Belovo decided to stop its egg breaking activities in Belgium and to transfer the production outside of the EU (China, India and South America) and to concentrate its activities on the production on fine chemicals extracted from egg white and egg yolk.

The bankruptcy of **Dion Vande Wiele** meant a further yearly reduction of more than 50.000 tons. Part of these production capacities have been taken over by the remaining Belgian processors, such as **Anseeuw, Hulstaert, LEC** and **Lodewijckx,** but a big part was taken over by processors in Holland and France.

At present we estimate that the total annual production in Belgium has been reduced to about 70.000 tons.



CEM 432 egg breaking machine CEM Ovomaster

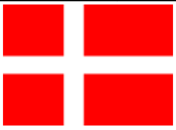
BULGARIA (total egg production in 2009: 100.000 tonnes

No commercial egg processing plants. Only **Trudovo** is a plant exploited by Sanovo Denmark.

CZECH REP. (total egg production in 2009: 188.000 tonnes)

Framagro with plants in Jicin and Prerov is a joint venture by the French group **Glon.**

DENMARK (total egg production in 2009: 79.000 tonnes)



Sanovo Foods Ltd, as a part of the Sanovo group, remains a very important player in Europe and as an exporter to Japan (with their own trading company) and the Far East. They have fully owned plants and important share holding in egg products plants in Denmark, Germany, Spain, Czech Republic and the Far East.

Danegg Ltd has its main activities in shell eggs, but is also developing its egg products division with more added value products. They became major share holders in the Swedish KRONÄGG.

Honum Ltd, sold its plant to **Hedegaard Ltd,** who transfered the production activities to his own plant.

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ESTONIA (total egg production in 2009: 9.000 tonnes)

Eesti Munatooted - trademark of **Scanegg Suomi OY** (Finland). The trademark covers a wide range of different egg products.

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FINLAND (total egg production in 2009: 55.000 tonnes)

The overall egg products situation in Finland changed very little. **Scanegg Suomi Oy** is now a daughter company of Munakunta with more than 80% of the shares. They remain in control of the national market with with a capacity of
5 to 6.000 tonnes/year. They are now (since july 2006) 100% owner of **A/S Eesti Munatooded** in Estonia.

The other Egg processing company in Finland is called **Farmimuna Oy**. They are breaking around 2 000 tons/year. Farmimuna is an integrated family company and its activities include everything in egg business starting from own feed production until egg processing.

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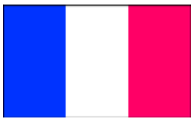
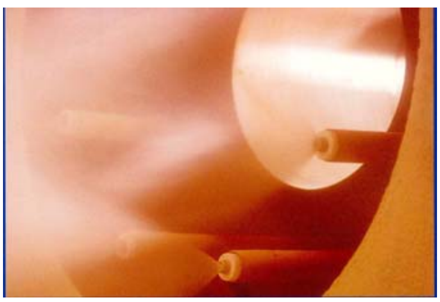


FRANCE (total egg production in 2009: 928.000 tonnes)

The egg products in France had a continuous growth and is estimated at 25% of the total consumption, which is more than 200.000 metric tons shell equivalent. The trend towards concentration, initiated in the late nineties, is continued. The official list of egg products manufacturers is over 60, but an important part is not in production. At present we estimate that about 30 plants are in production and some of these are controlled by bigger groups.
Igreca, expanded its production capacity and remains the biggest breaker in France and is the most important producer of powdered egg products in Europe.
The animal feed group **GLON** owns **Trois Vallées, Lecam and Ovoland** and closed the egg products lines at Rivet and Domaine de l'Orme after take-over. With the recent acquisition of **France Ponte–Inovo,** Glon has the most diversified program of egg based products for the catering industry.
The **Liot** plant is now taken over by **Eurovo** (Italy), who already has **Ovonor** and the **Caradec** group.
The cooperative **Cecab** reduced their production capacity in **ABCD** and stopped their production in **Ovociel.** They increased the capacity in **PEP.** This plant is exclusively dedicated to the production of products with added value for the catering industry.
Geslin continued the modernisation and further expansion and became the second biggest producer in France.
Ferme du Pré expanded its production capacity and remains specialised in the production of extended shelf life products, cooked and peeled eggs and poached eggs.
SAMO regained control and increased its production capacity and added extended shelf life products to its range.
Berteau, Cazes and **Socalvo** closed their plants because of financial difficulties, while L'oeuf Landais and Pycovo maintained their activities for the production and trade of shell eggs but stopped their production of egg products.
Sovimo is now owned by Carlier.
Amongst the independent egg products manufacturers, with considerable growth in recent years, we mention **Agrodoubs**, **Atlantic Ovo, Blanchard, Epi Bretagne, Lorandel, Soc. Normande d'Ovoproduits, Ovoservice** and **Socovo.**
Ovifrance is a cooperation for export of egg products between several producers (**Epi Bretagne, Trois Vallées**).
Valoroeuf (owned by Veos, Belgium) is the specialist in spray drying technical egg products.



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GERMANY (total shell egg production in 2009: 671.000 tonnes)

Because Germany changed one year earlier than the rest of Europe to the new welfare regulations, there was an important reduction of shell egg production. We expect that the production capacity in 2010 will be back to the figures of 2008 and might be close or even more than 800.000 tonnes. The egg products industry had a continuous growth of production and consumption.

Sanovo (Denmark) remains active in its production facility in Zeven, but sold its interest in **Rex Emsland to Ovobest.** They also sold **Ost Bevern** to a group of shell egg traders.

The most important player in Germany is **Ovobest**, immediately followed by **Eipro** and **Juchem.**

The other producers, **Bonner egg products, Cewo, Ei-Quick, Eisa, Ehlego** and **Rädler** kept their positions.

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GREECE (total shell egg production in 2009: 127.000 tonnes)

Sovimo-Hellas is now owned by Greek shell egg producers and traders. They added cooked and peeled eggs and omelets to their production. Their total production is estimated at 4.000 tonnes.

Zouras Farm completed a new plant with facilities for the production of egg powders. The production will start end 2010.

PomFarm is producing omelets.

Ovo Fresco will also complete an installation for egg products towards the end of 2010.

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HUNGARY (total shell egg production in 2009: 139.000 tonnes)

The egg production in Hungary reduced by more than 50% since 2000. Only medium sized egg products manufacturers, such as **Capriovus, Babolna** and **Pasteur,** are mainly serving the local market. **Gyermelyi**, an important noodle factory, has a modern processing plant for their own needs.

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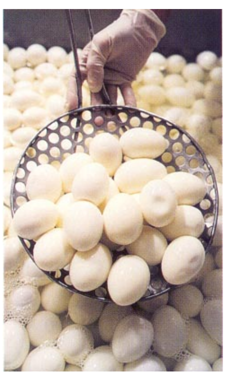
IRELAND (the total shell production in 2009: 43.000 tonnes)

The production in Ireland is now dominated by **Ready Egg** (previously Erne Eggs) with a new plant. They bought Quality Egg Products and made a joint venture with Irish Egg Products. They produce extended shelf life egg products and hard boiled eggs.

The smaller operators **Thompsons**, **Glenshane** and **Andrews** maintained their position.

Easy Egg in Northern Ireland is an important producer of cooked and peeled eggs.



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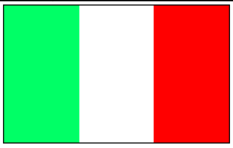
ITALY (the total egg production in 2009: 743.000 tonnes)



The production capacity of egg products in Italy further increased. They remain a big consumer of egg yolk of which they still import large quantities, while the egg white is exported as liquid and powder.
Egg products represent about 40% of the total consumption of eggs.

Eurovo, the biggest, increased further its capacity in its own plants and also by further take-overs (Maia). They also added new egg farms with in-line breaking. They expanded their capacity for the production of egg powders.
Monaldi acquired **Uovador** and together with their production facilities in Albania and Romania they are now the second biggest in Italy.
AIA further modernised their production. **Parmovo** added drying facilities. **GF Ovodry** is specialised in in spray drying, without breaking facilities. The other plants **Cascina Italia, Ferraris** and **Novelli** kept their positions. **Garoia** stopped their production because of financial problems**. Balzanovo** stopped its egg processing activities.

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LATVIA (total shell egg production in 2009: 41.000 tonnes)

Balticovo is the most important egg producer with more than 1.5 million layers. They are actually expanding their existing plant for liquid and powdered egg products.

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LITHUANIA (total egg production in 2009: 55.000 tonnes)

Vievio EMT is the most important egg products processor in the country.

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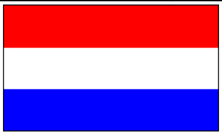
MALTA (total egg production in 2009: 7.000 tonnes)

NETHERLANDS (total shell egg production in 2009: 645.000 tonnes)



The Netherlands is in the top 5 as producer of shell eggs in the EU and consequently a very important producer and exporter of egg products with actually in total 20 registered egg products plants.

Since 1999 some important alterations have taken place. **Cehave** sold its interest in egg products. After the withdrawel of **Dion Vande Wiele** (Belgium) from the Cehave group, they sold the **Enthoven** plant to **Bouwhuis** and **Van den Burg** and **Henningson-Van den Burg** to the **Weko-group.**

The Weko-group also acquired **Euro-Ei Food** and became in a short period one of the most important egg products manufacturers in Europe. Besides their original plant in Ochten, and the above mentioned acquisitions they already own a plant in Austria **(Pro Ovo)** a plant in Poland (**Weko-Polska)** and more recently they acquired the **Nive** plant with their trading companies in Germany (Agrovo and Hamegg). They are now installing a new processing plant next to the egg farm which they own in Spain.

Adriaan Goede BV considerably increased its capacity for powdered products and took over **Eiproma**; a producer of extended shelf life liquid egg products.

Bouwhuis increased its capacity with addition of a new spray dryer.

Frisian Egg Products (Stuiver) completed a new plant and created a joint venture for egg products manufacturing in **Egypt**.

Wulro Egg Products modernised and also increased considerably their production capacities.

A new plant was created by **Lemmers Group**. It stepped recently into a cooperation with the existing **EPO**. Several smaller producers such as **Verstappen** serve the local market. The technical egg products industry is controlled by **Schaffelaarbos.**

NORWAY

Norway is not an EU member, but because of the trade relations with the other EU countries we include them in this survey.

About 17% of their egg production is turned into egg products

Prior modernised its plant and also changed the name to **Nortura**. They remain the biggest producer in Norway of extended shelf life egg products, cooked and peeled eggs, quiches, scrambled eggs, egg mixes, omelets, pancakes and waffles.

A smaller player is **Ek Gårdspakkeri AS**.

POLAND (total egg production in 2009: 590.000 tonnes)

Ovopol is the most important egg products manufacturer with a long history of production of liquid and powdered products. More recently Ovovita added and egg products line to its egg farms.

Other EU processors invested in plants in Poland: Weko (NL) and Eurovo (IT).

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PORTUGAL (total egg production in 2009: 125.000 tonnes)

Derivados de ovos (DDO Ovoprodutos) is the only egg products manufacturer in Portugal and it had a considerable growth, mainly with its export to Spain.

About 50% of its production is exported.
They acquired Induovo (Spain), which includes a recently build plant in Asturias (Spain) with drying facilities for egg powder and which is started up in 2010. They also have a cooperation with Dervo (Spain).

ROMANIA (total egg production in 2009: 335.000 tonnes)

In Romania a large part of the eggs are coming from backyard production and egg processing is on a rather small scale. Only 2 companies are processing the surplus of the consumption eggs into egg products: **Avicola Buftea** and **Agricola Internaţional Bacău.**
Monaldi (Italy) has the most important egg farm in the country and recently added an eggprocessing plant.

SLOVENIA (total egg production in 2009: 23.000 tonnes)

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SLOVAKIA (total egg production in 2009: 73.000 tonnes)

SPAIN (total egg production in 2009: 924.000 tonnes)

Because of the considerable growth of the shell egg production in Spain over recent years, the egg products industry is growing rapidly and replacing the imports. **Pascual** is the most important producer. They added an important production line for Spanish omelets (Tortilla).
Induovo, with the existing plant near Barcelona and the newly built plant in Asturias, has been taken over by the Portugese **DDO.**
Dervo has a cooperation agreement with **DDO** (Portugal)**.**
Hibramer, one of the most important egg producers, added an egg processing plant.
ACE, Procasa, Nutme and **Ovosec** maintained their position.
Copain considerably increased its capacity.

SWEDEN (total egg production in 2009: 104.000 tonnes)

The two egg products manufacturers in the country maintained thier position**. Källbergs** (owned by the Danish Danaegg) is specialised in dried products while **Svenska Lantägg** is oriented towards the liquid egg products.

SWITZERLAND (total egg production in 2009: 43.000 tonnes)

Switzerland is not an EU member state but an important importer of eggs and egg products from the EU. The situation is stable and the variations of consumption are compensated with the variation of imports.
Luchinger+Schmidt remains the biggest player in the egg products field in Switzerland.
Egg Production: 40.226 tons of which 40% in barn system and 60% free range. Self-sufficiency: 73%

of the shell egg consumption but 47% of total consumption incl. egg products (39% of total egg consumption is consumed as egg products, whereof 95% are imported).

Since 1st January 2000, imported shell eggs which are produced in cages, have to be marked as "eggs produced in cages" on the retail package (but there is no special tax on such eggs!). This marking is done on the package only, not on each egg. Instead each egg has to be marked with the country of origin, but this is something that has been mandatory for more than 50 years!

In Switzerland there are several smaller egg product producers. The biggest of them is **Lüchinger+Schmid AG** in Kloten. Lüchinger+Schmid has some 1.500 different items in their program: egg whites, whole eggs, egg yolks, long eggs, cooked and peeled eggs in different packages and a complete range of products based on Bio eggs with their “Agri-Sana” label. They also have a range of products for retail “Party Eggs” in their production program.

Eier Hungerbühler in Flawil is probably the second largest egg products producer, but very small compared to L+S.

The other producers are too small to be named. They just serve local or specialised markets. For instance **Hosberg** and **Rüti** for organic eggs (bio).

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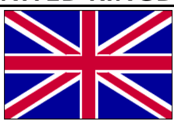
UNITED KINGDOM (total egg production in 2009: 647.000 tonnes)



In the UK, several egg processing companies have disappeared or have been taken over. The UK remains an importing country for egg products, mainly from other EU countries.

Deans Foods changed name and became **Noble Foods** after they merged with **Stonegate Farms**. In the operation the plants at Watkins and Thames Valley have been closed. They have kept two egg processing plants under their control (Daylay and Dell Foods). They recently closed the plant H.D.Hardie in Edinburgh.

Earlier this year they took over Parker Foods, which meanwhile has been closed.

Freshfayre has been closed after financial problems. **Framptons**, the leading independent, non integrated processor in the UK, sold its share in AEP Holdings Ltd called Quality Egg Products in Northern Ireland to Ready Egg (Ireland). **Griffiths (Oakland)** added an inline breaking plant to their farm. **Daylay (Noble)** and **Framptons** have extended shelf life products in small packs. **Oasters** has a line for mayonnaise and salads.

Worldwide Egg products (Manton group) modernised its existing plants and increased its capacity.

Bumblehole Eggs, Lowrie and **D. Wise Ltd** modernised their plants.