



TRADE-RELATED SUPPLEMENT

Addition to the 5/6/16 EIC Special Report:

“The market reaction after the 2015 High Path Avian Influenza outbreak”

In the main report we showed that imports increased considerably and exports dropped after the HPAI outbreak. The following information shows the main changes that occurred during this time in the overseas markets.

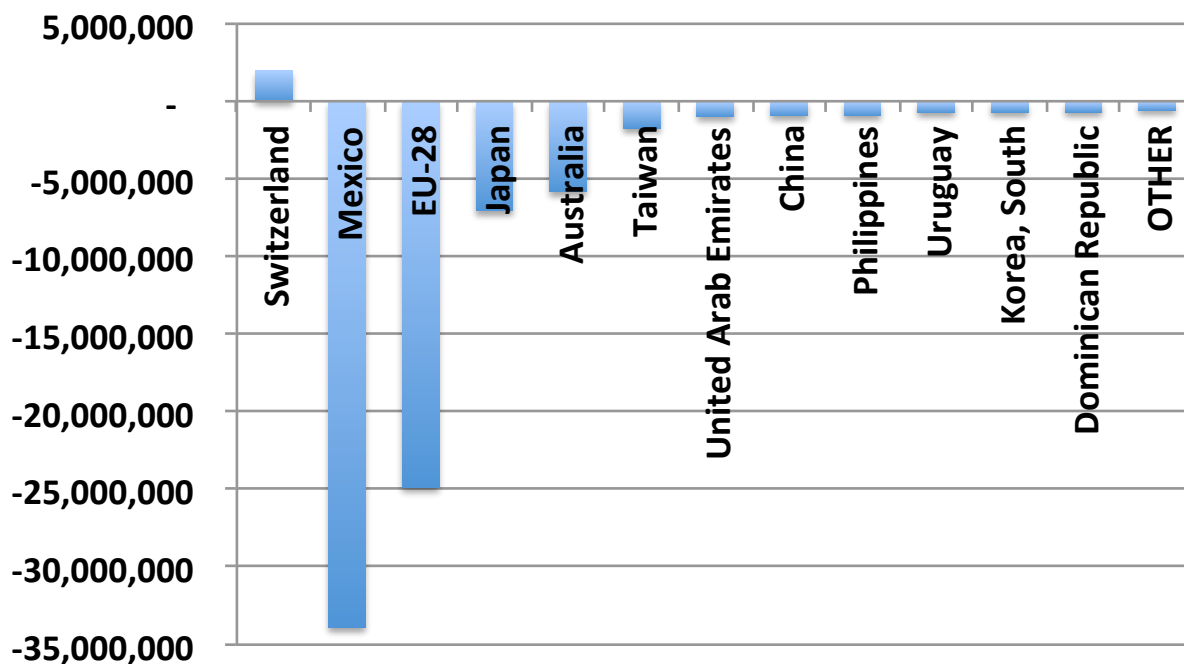
EXPORTS

The main export markets affected were Mexico, the European Union, Japan and Australia respectively.

Exports to Mexico decreased by 90%. The reduction in exports to Mexico represented a 44% of the exports net change between the first quarter of 2015 and the first quarter of 2016. Exports to the EU decreased by 77%. The reduction in exports to the EU represented a 32% of the exports net change between the first quarter of 2015 and the first quarter of 2016. The vast majority of exports lost were for egg products rather than shell eggs.

A few countries increased their imports from the U.S. during this same time; the largest increase came from Switzerland.

Figure 1. Change in U.S. total egg 1st quarter exports by partner 2015 vs. 2016 (dozen equivalent)



Source: USDA FAS

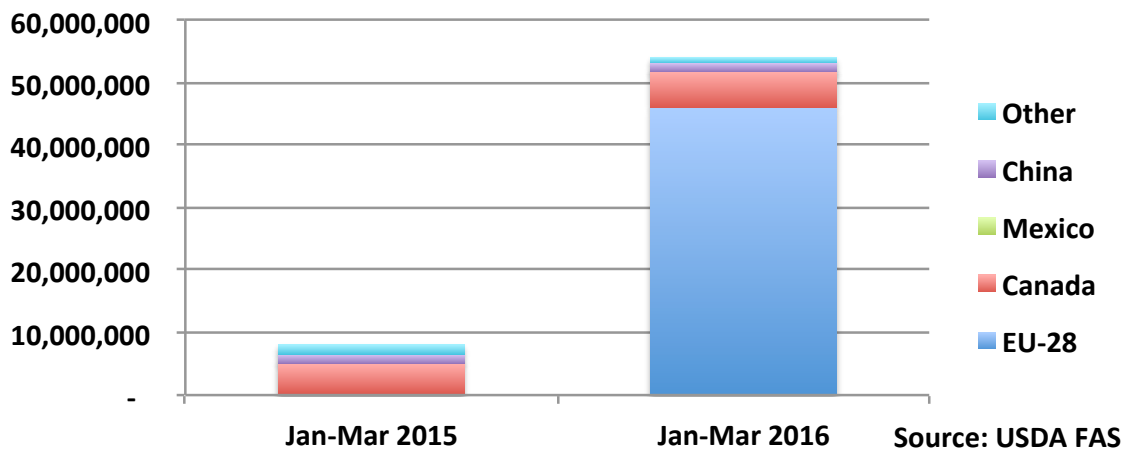
IMPORTS

Total egg imports:

Most of the import increase can be explained by the change in the European Union. Eggs imported from the EU represented 85% of the total eggs imported in the first quarter of 2016. The countries responsible for the largest majority of eggs exported to the U.S. were The Netherlands (60% of U.S. imports) and Spain (13% of U.S. imports).

The imports from Canada increased by 17%, which represented 11% of the egg imports during the first quarter of 2016.

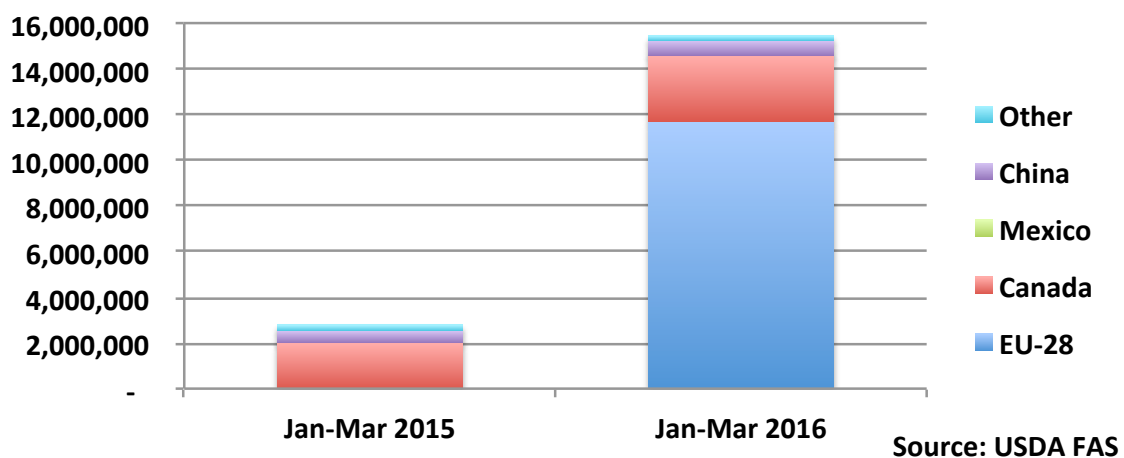
Figure 2. 1st quarter U.S. total egg imports by partner (market) 2015 vs. 2016 (dozen equivalent)



Shell egg imports:

EU shell egg imports to the U.S. were non-existent prior to the outbreak, but they represented 76% of the shell egg imports during the 1st quarter of 2016. During the first quarter of 2016, Spain represented 45% of the shell egg imports, and Italy represented 13%. Canada shell egg imports increased 42% and represented 19% of the shell egg import market during the same time period.

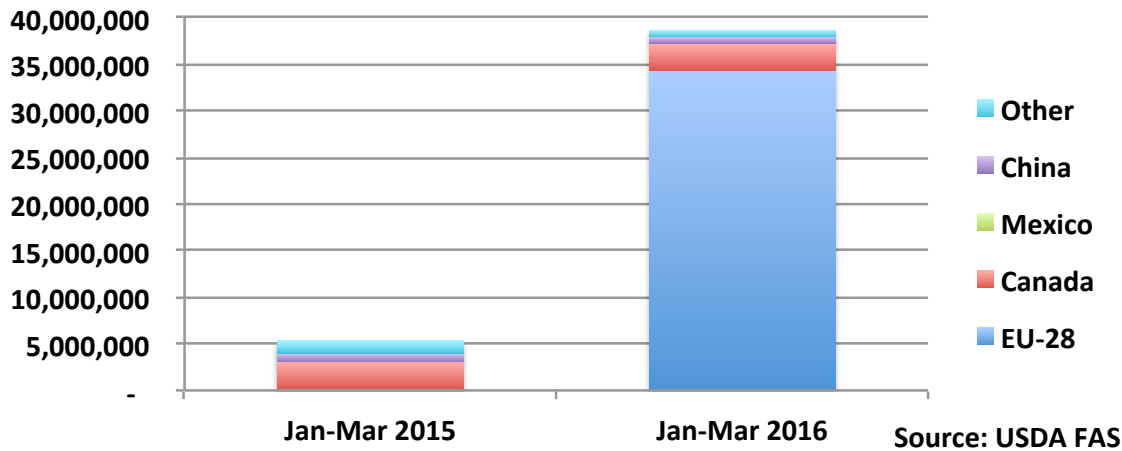
Figure 3. 1st quarter U.S. shell egg imports by partner (market) 2015 vs. 2016 (dozens)



Egg products imports:

Imports of egg products during the first quarter of 2016 increased dramatically from the EU and represented 89% of the egg products imported. The Netherlands represented 84% of U.S. egg products imports. Canada egg product imports represented 8% during this time.

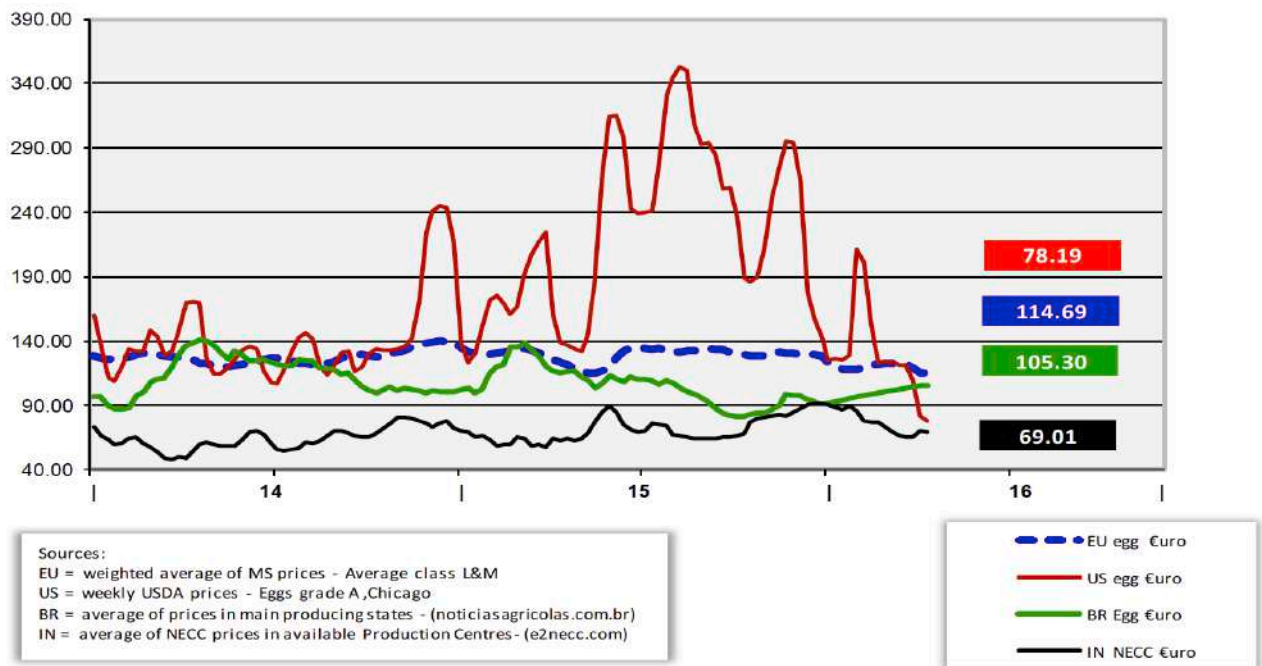
Figure 4. U.S. 1st quarter U.S. egg products imports by partner (market) 2015 vs. 2016 (dozen equivalent)



PRICE COMPARISON

Figure 5 shows a comparison of egg prices in the U.S., EU, Brazil and India. It illustrates that the U.S. price of eggs is lower than the European Union and Brazil, and just slightly higher than prices in India. This demonstrates how competitive the U.S. egg prices are in the international market place as of April 2016.

Figure 5. Egg prices for the EU, U.S., Brazil and India (in euros/100kg)



Source: European Commission