

Costs & implications of adopting a slower-growing breed standard in the EU

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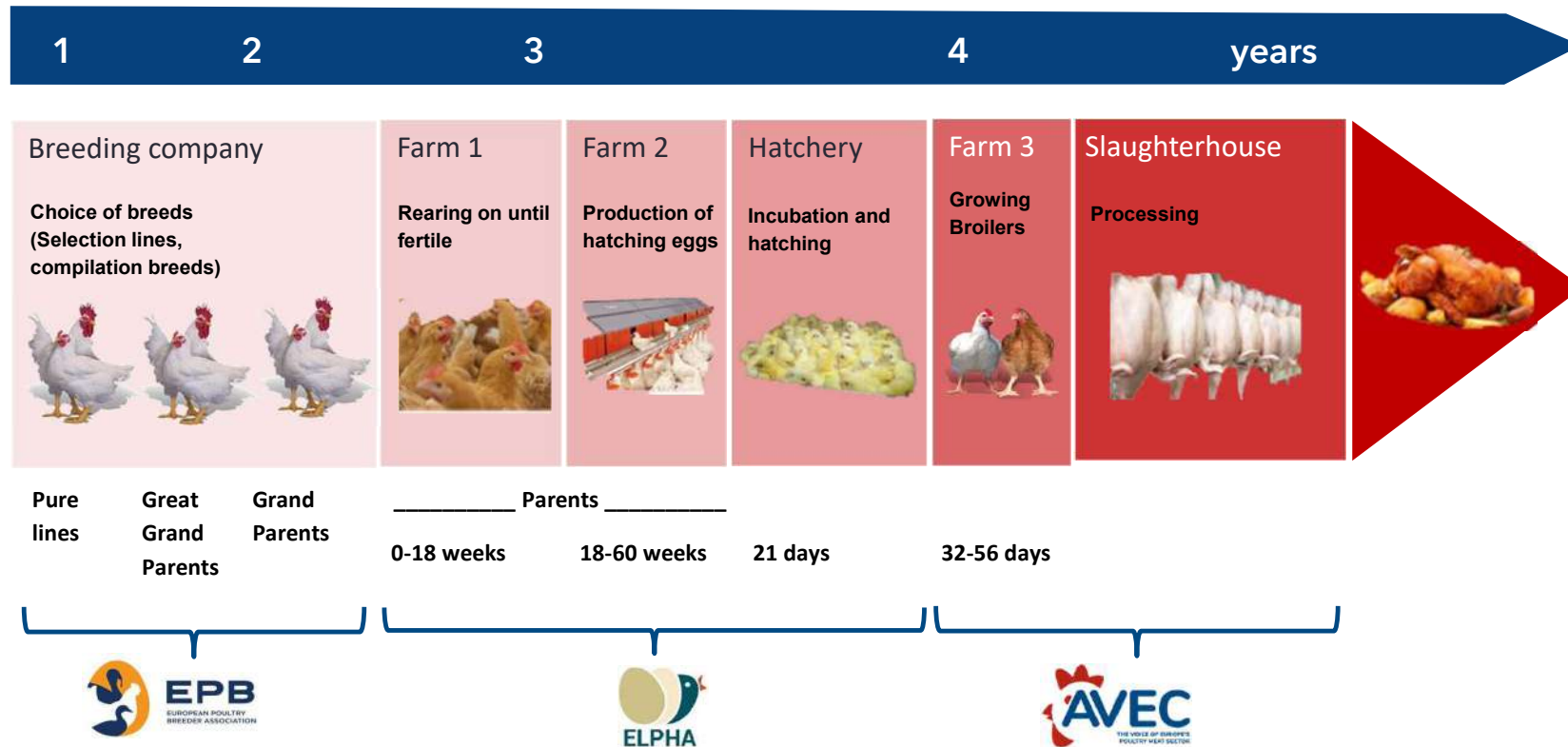
AVEC, ELPHA & EPB



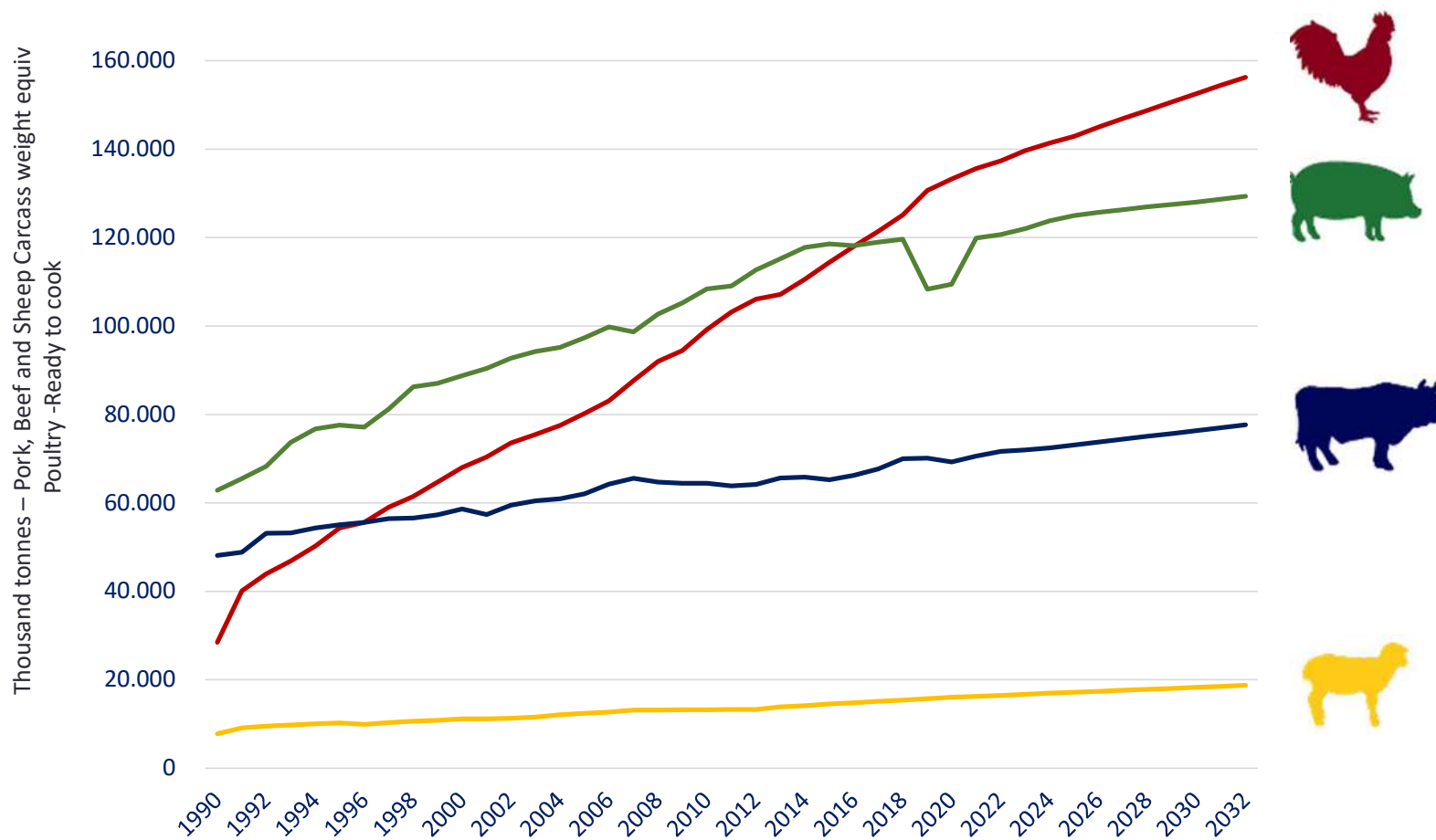
AVEC is **the voice of Europe's poultry meat sector**, a trade organisation representing **95%** of poultry meat produced in Europe (27+UK).



Covering the whole chain from Breed to Meat



World Meat Consumption Forecast till 2032



European Chicken Commitment

History

Now endorsed by 10 NGOs, the standards are officially rebranded as The Better Chicken Commitment.

January 2017

A coalition of five leading NGOs publishes the official “Joint Animal Protection Organization Statement on Broiler Chicken” establishing a set of science-backed broiler chicken welfare standards.

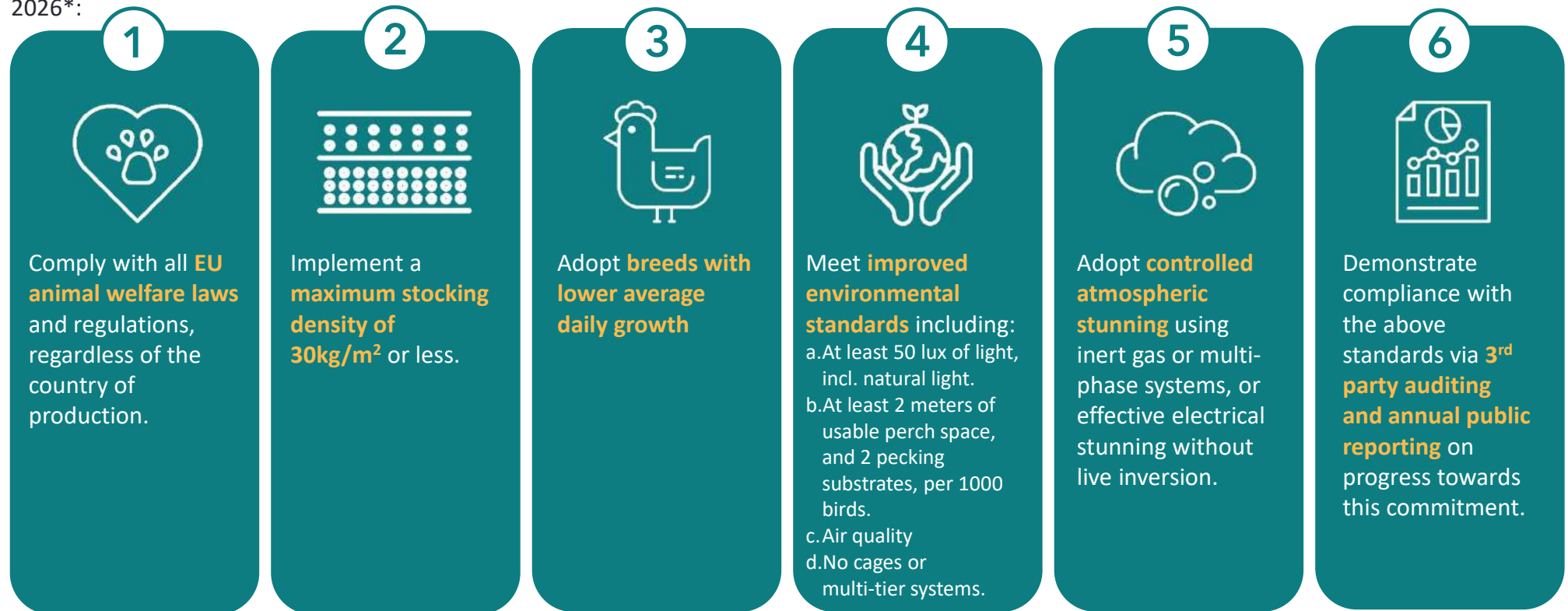
September 2019

December 2021

Global Animal Partnership announces the results of its multi-year broiler breed evaluation study along with its initial list of approved breeds, increasing the total number of approved BCC breeds to 16.

The ECC policy

The ECC is a framework of standards promoted by animal welfare NGOs, which aims to enhance animal welfare and exceeds current EU legislation. It commits its signatories to apply several requirements to 100% of their (fresh, frozen and processed) poultry supply chain by 2026*:



*For companies committing after December 31, 2023, a longer timeline may be set, provided the timeline is in agreement with an NGO signatory of the ECC, has progress milestones, and a public deadline for 100% compliance.

ECC Committed companies in Europe

Numerous companies across Europe, spanning from retailers to restaurants and catering businesses, have already signed up to the ECC and committed to its requirements by 2026*:



*For companies committing after December 31, 2023, a longer timeline may be set, provided the timeline is in agreement with an NGO signatory of the ECC, has progress milestones, and a public deadline for 100% compliance.

The ADAS Report



As ECC compliance progresses, crucial questions regarding its **environmental implications** and its **effects on chicken meat production** remain unanswered.

What will the consequences of a shift to the ECC standards be?



To shed light on these issues, AVEC has commissioned **a study** from RSK ADAS Ltd (ADAS) - a consultancy firm specialising in agriculture - to assess the likely **impact** of fully adopting the ECC requirements across EU chicken production and determine the **consequences**.



The Association of Poultry Processors and Poultry Trade in the EU Countries

Costs and implications of the European Chicken Commitment in the EU




A report prepared by RSK ADAS Ltd

March 2024



Objective and scope of the ADAS report

The following parameters are compared for standard and ECC production:

-  **1 Cost**
-  **2 Carbon footprint of chicken production**
-  **3 Land use changes Water use and supply**



The study's unique aspect

Emphasis is placed on calculating costs **per kilogram of meat, unlike previous research focused solely on the consequences for live birds or liveweight**, which doesn't accurately reflect market realities since **we sell meat, not live animals**.

Due to **differences in meat yields** between standard and ECC production, earlier studies often underestimated the true impact of switching to ECC standards.

Comparisons 'per bird' and 'per kg of liveweight' are also provided.

Results

Cost of production per kg of meat



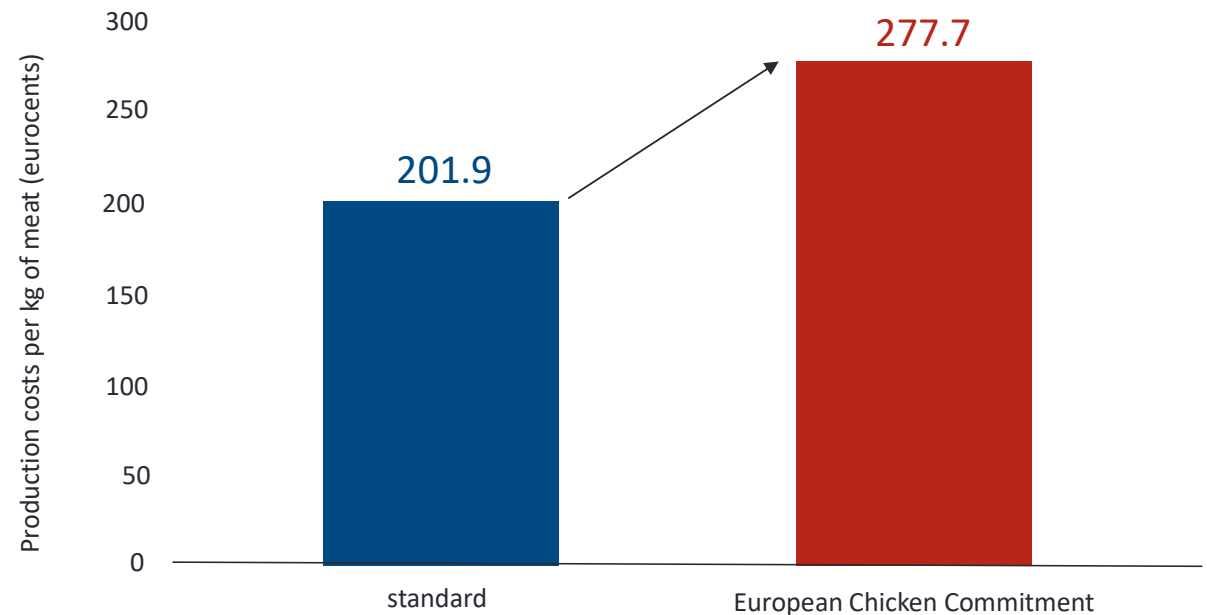
+37,5%

Increase in production costs (per kg of meat)



Consequence?

When production costs increase, consumer prices also go up...



Source: The costs and implications of adopting European Chicken Commitment Standards in the European Union, ADAS, March 2024.

Results

Production of annual meat output per m²



-44%

Less meat produced on a yearly basis



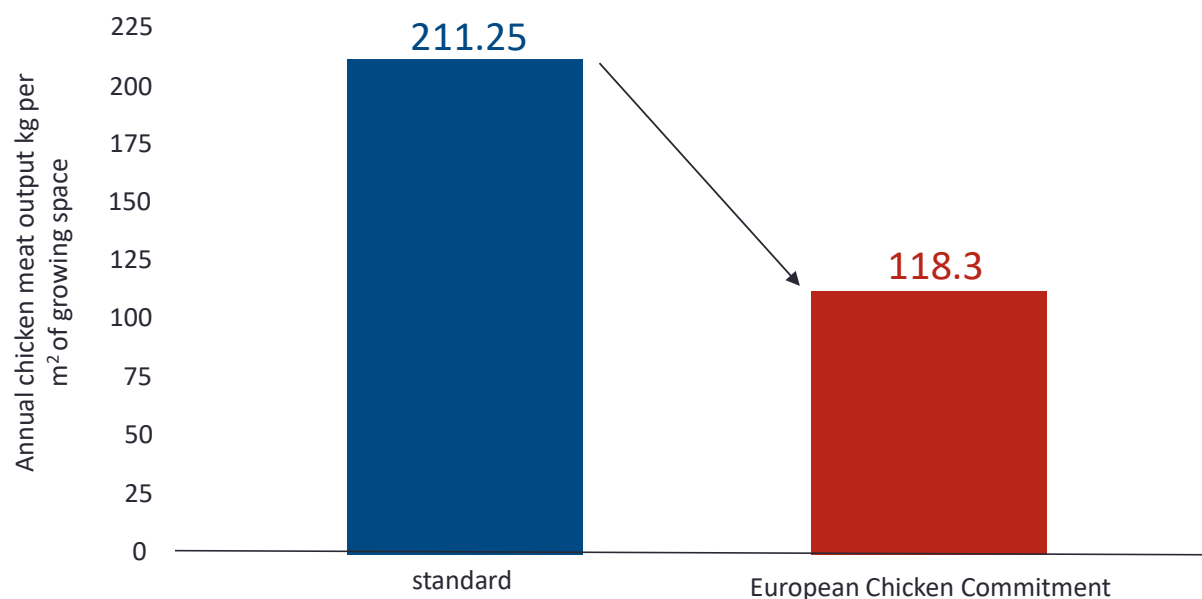
Consequences?

When the production per m² goes down, we will **produce less ...**



But what does that mean?

... that for the same building capacity (same number of poultry houses = same number of m² of building) the quantity of meat produced would decrease by 44 % on a yearly basis.



*Source: EU AGRICULTURAL OUTLOOK 2023 - 2035

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Source: The costs and implications of adopting European Chicken Commitment Standards in the European Union, ADAS, March 2024.

Results

EU growing space requirements



? But what does that mean?

+9,692

New poultry houses needed to maintain annual chicken meat output, at an estimated cost of:

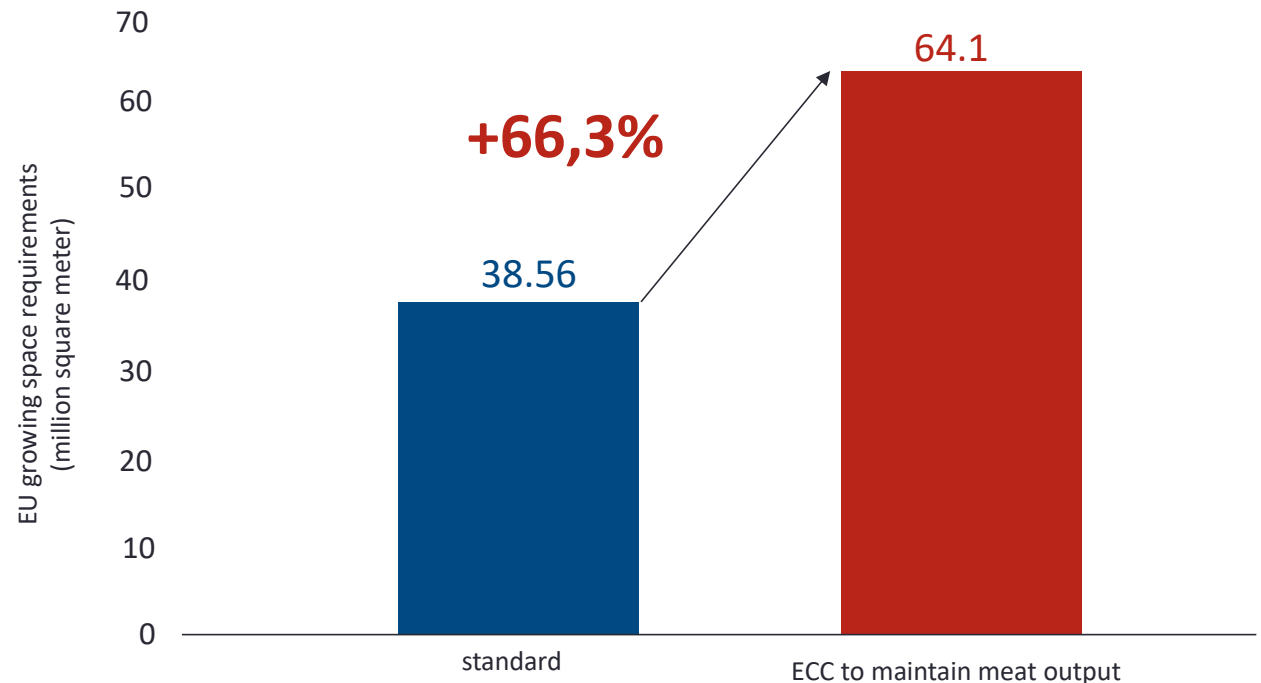
€8.24bn

based on a capital cost for new buildings of €420 per m² of growing space.



Consequence?

When growing space requirements go up... We will have huge difficulties getting the permits for building new poultry houses...



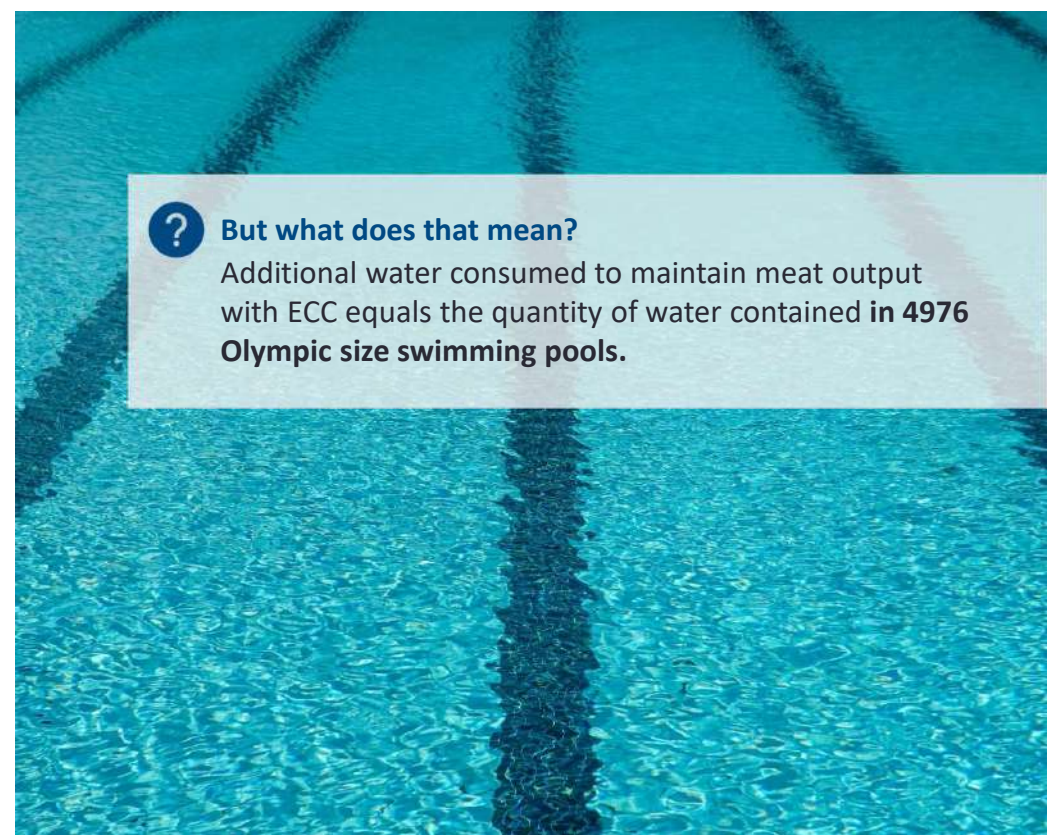
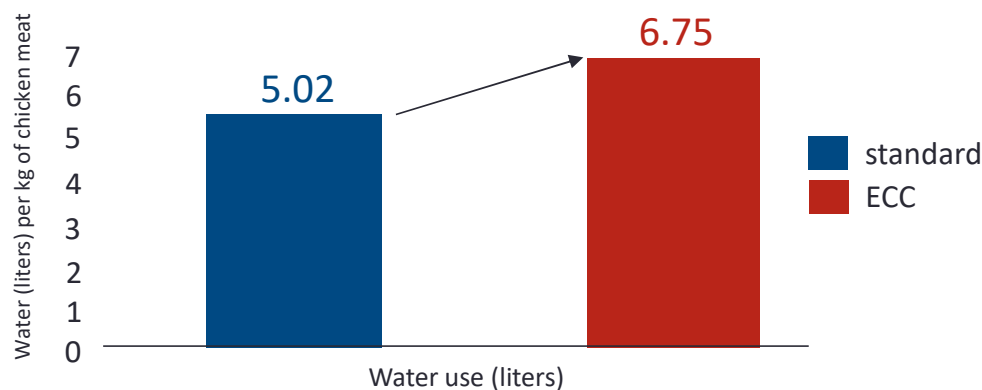
Source: The costs and implications of adopting European Chicken Commitment Standards in the European Union, ADAS, March 2024.

Results

Water requirements per kg meat

+34,5%

More water needed per kg of meat produced

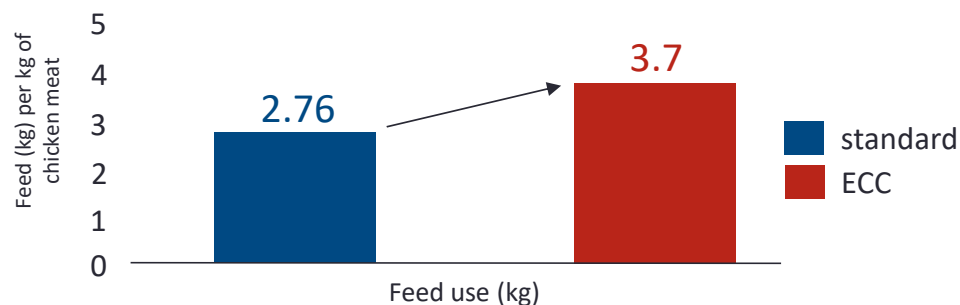


Results

Feed requirements per kg meat

+34,4%

More feed needed per kg of meat produced



Results

Extra GHG emissions per kg meat



+24,4%

Increase of GHG emissions per kg meat produced



Consequence?

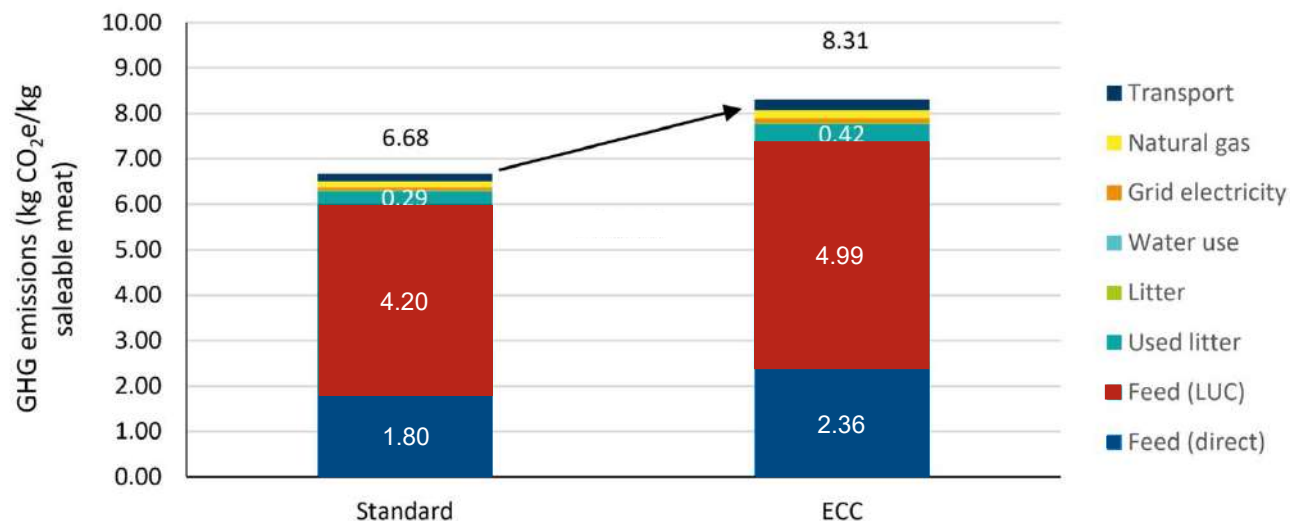
GHG emissions intensify the greenhouse effect, contributing to **climate change**



the EU Poultry meat sector has currently **the lowest level of GHG emissions** compared to other meat types*

*Source: <http://www.fao.org/gleam/results/en/>

 | The voice of Europe's poultry meat sector



Source: The costs and implications of adopting European Chicken Commitment Standards in the European Union, ADAS, March 2024.

Summarising the findings

The "Costs and Implications of the European Chicken Commitment in the EU" study finds that fully transitioning to ECC standards would result in:



Production Cost
37.5% ↑
per kg of meat



Poultry Houses
9,692 new
to maintain current
production levels



Water use
35.4% ↑



Meat Production
44 % ↓

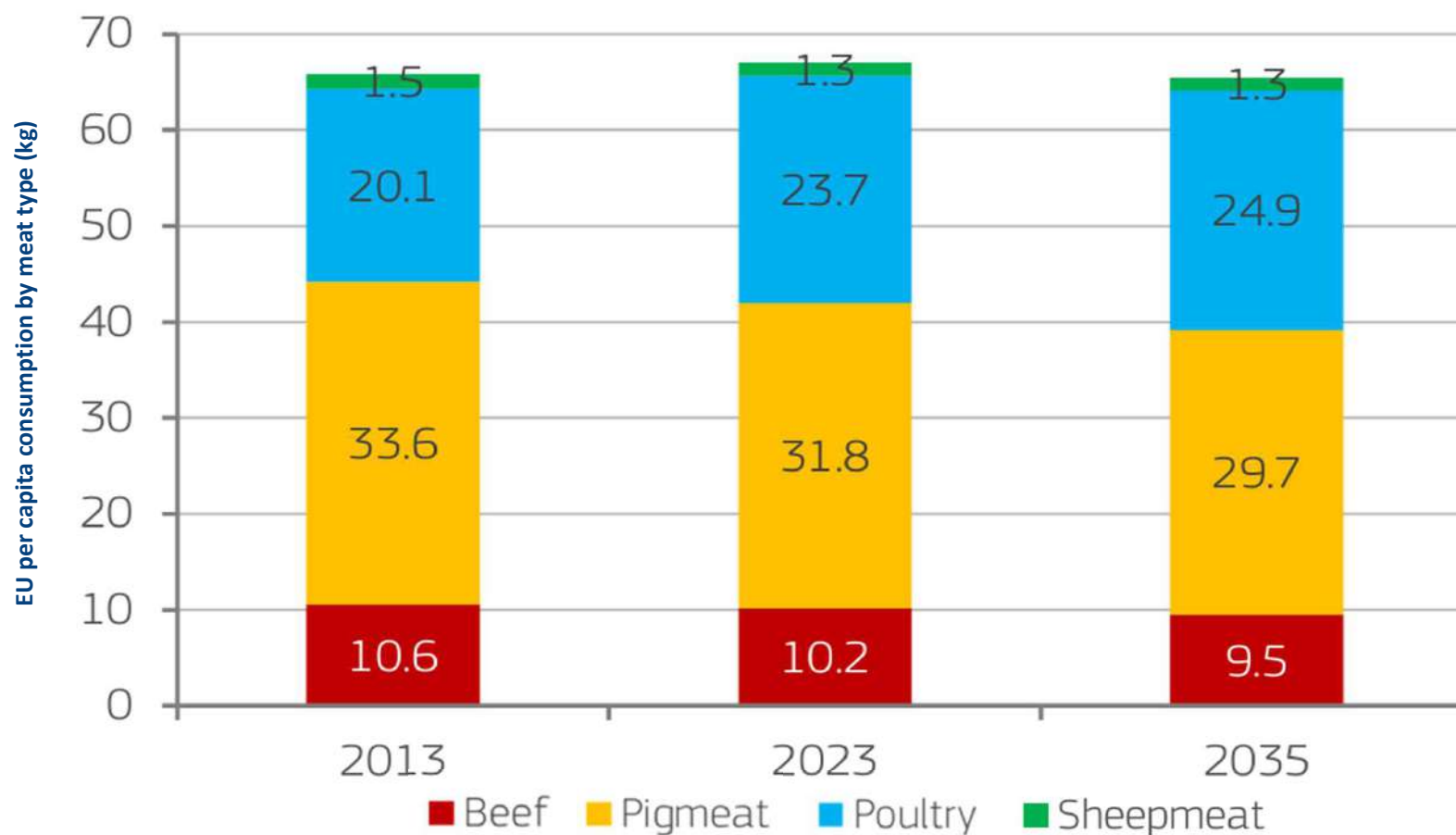


Feed use
35.5% ↑



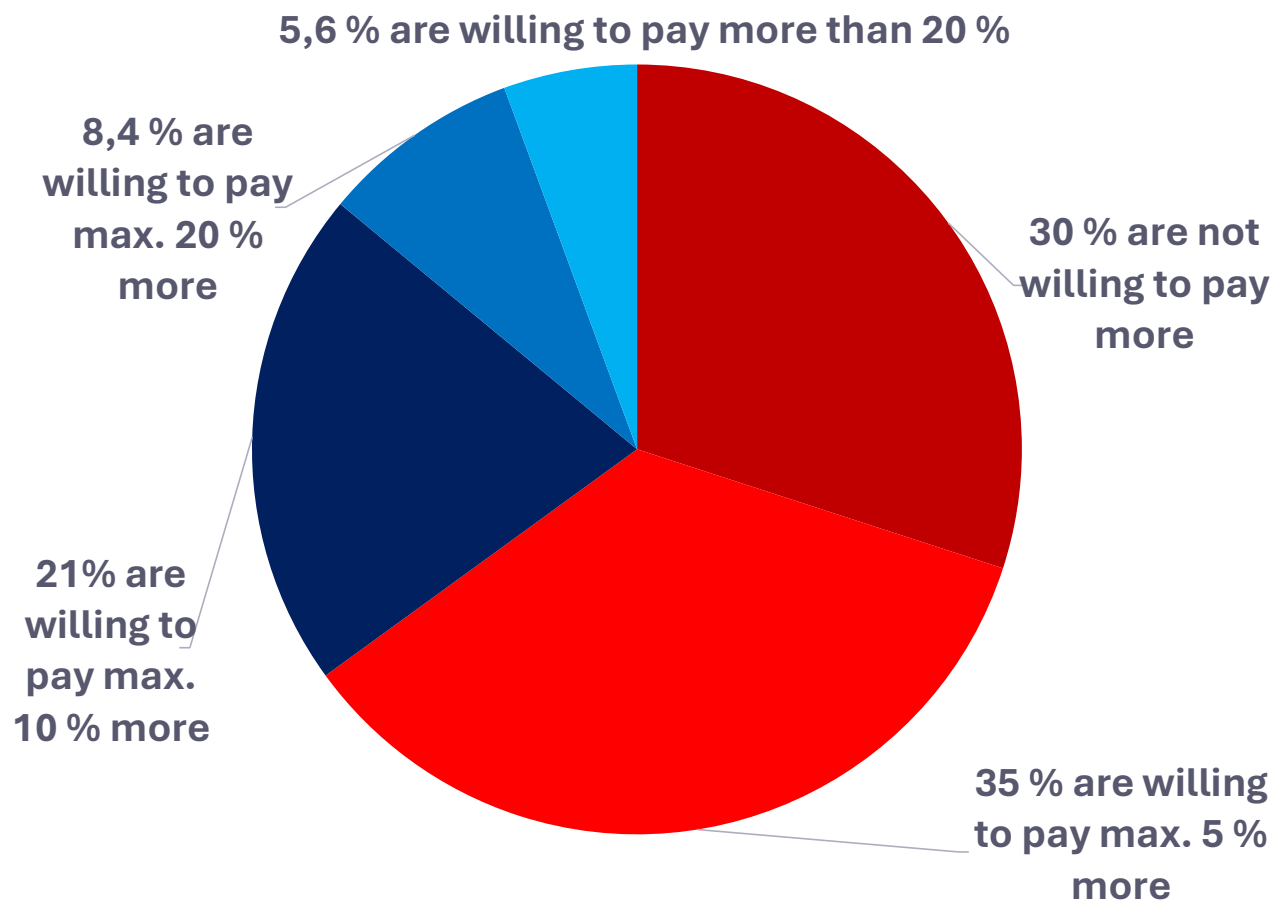
GHG Emissions
24.4% ↑

Meat Consumption Forecast - EU



Consumption of poultry meat in the EU is expected to increase 5% from 2023 to 2035

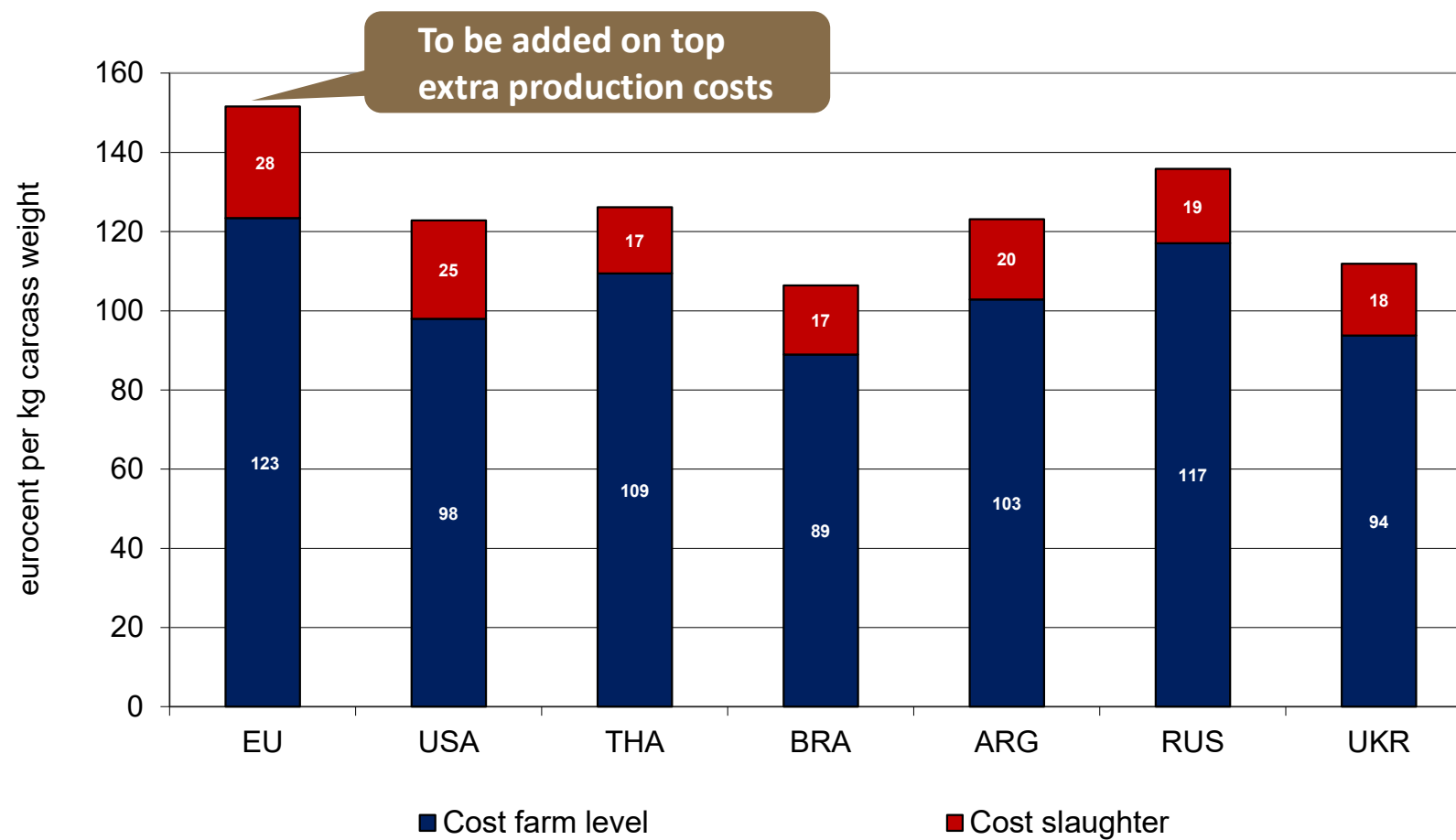
Are the consumers willing to pay for animal welfare?



17% have serious difficulties dealing with the cost of meat.

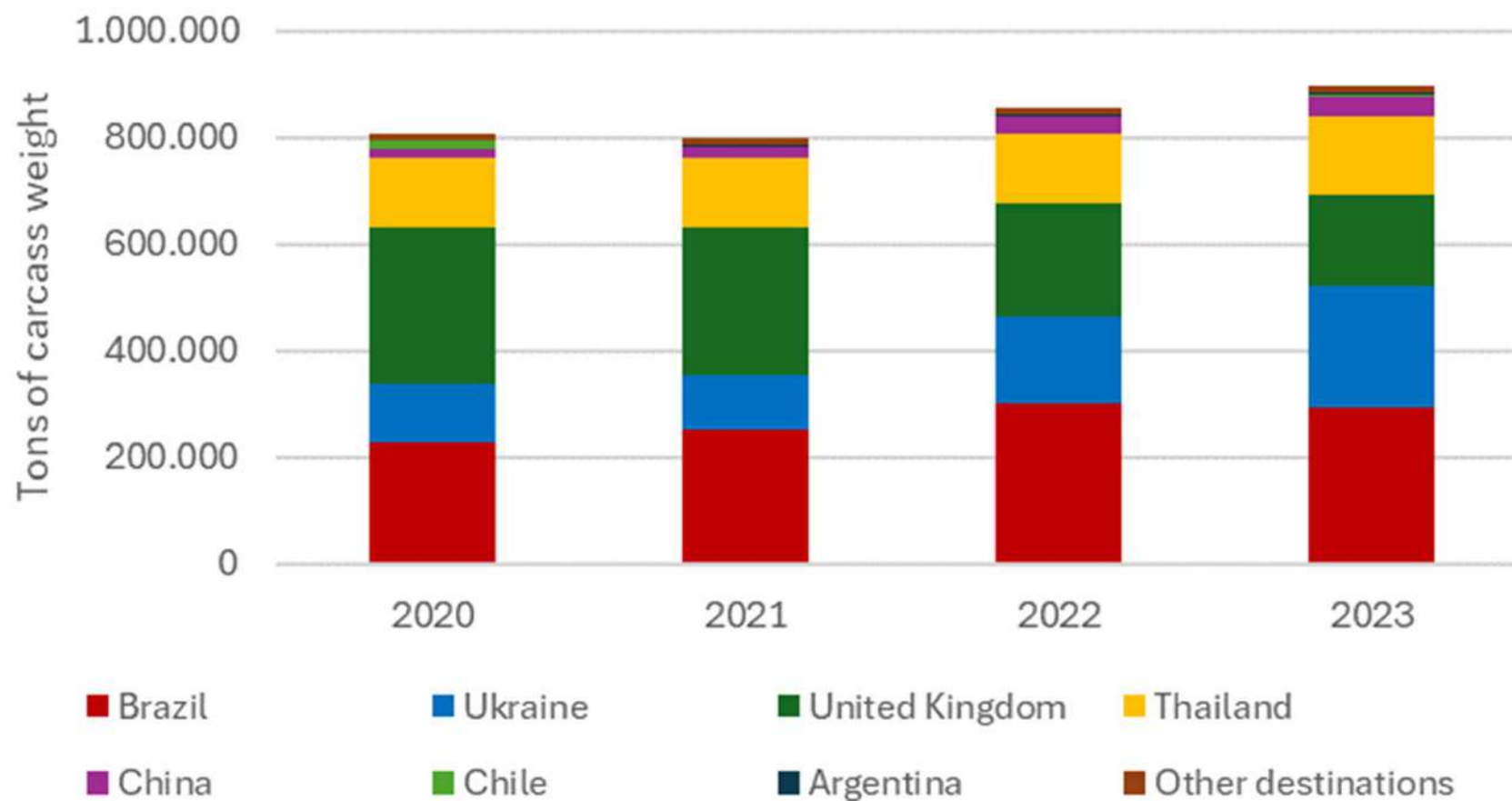
Only 14% are willing to pay more than 10% extra for animal welfare.

Production costs



Horne, P.L.M. van, 2017.
Competitiveness of the EU poultry meat sector, base year 2015;
International comparison of production costs. Wageningen, Wageningen Economic Research, Report 2017-005. 36 pp.; 14 fig.; 11 tab.; 16 ref.
<http://www.avec-poultry.eu/communications>

Import of poultry meat to EU



**Animal welfare is important
... therefore, we propose ...**

AVEC's proposal

At AVEC, we are committed to the continuous improvement of animal welfare in balance with economic and environmental sustainability.

Alternative methods to enhance animal welfare without imposing undue financial burdens on consumers or exacerbating environmental concerns are necessary. The EU poultry sector **advocates for:**



the development of **output-based animal welfare indicators**, grounded in scientific and objective criteria to assess welfare performance



effective farm management

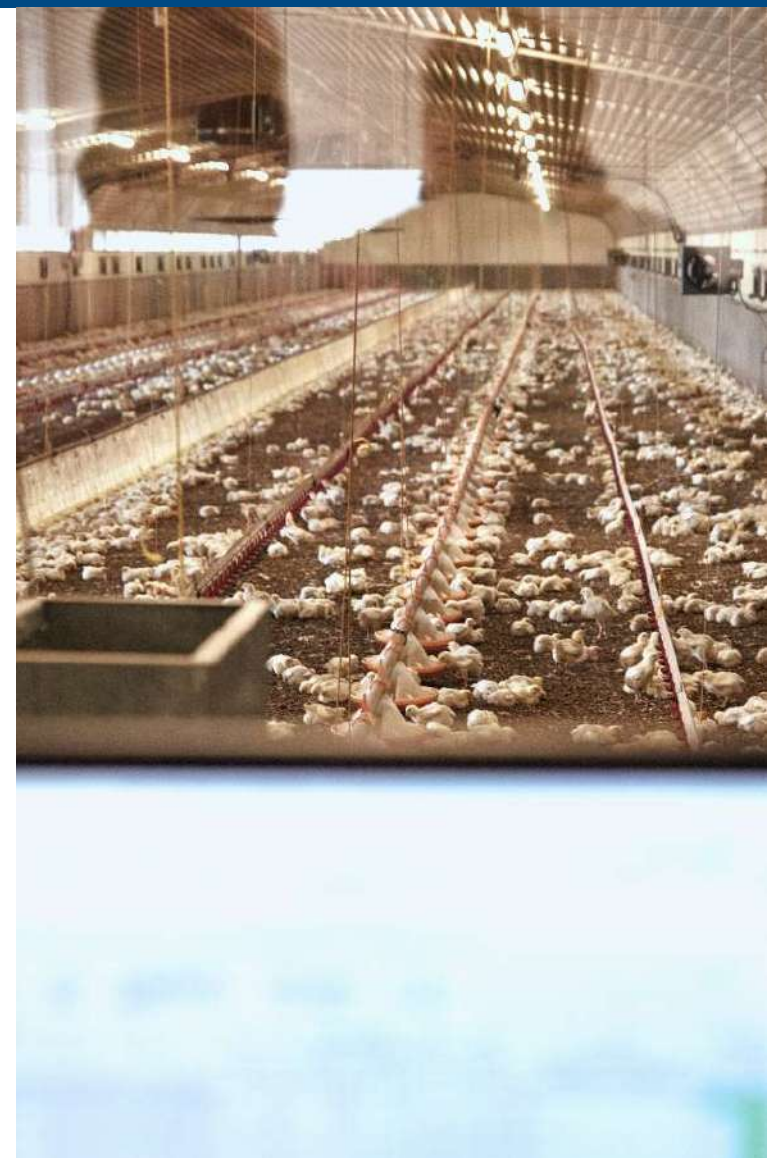
The Greenwell study* indicates that farm management and day-old chick quality can have a major effect on the welfare performance of a flock and that there is room for welfare improvement in all production systems



comprehensive farmer training

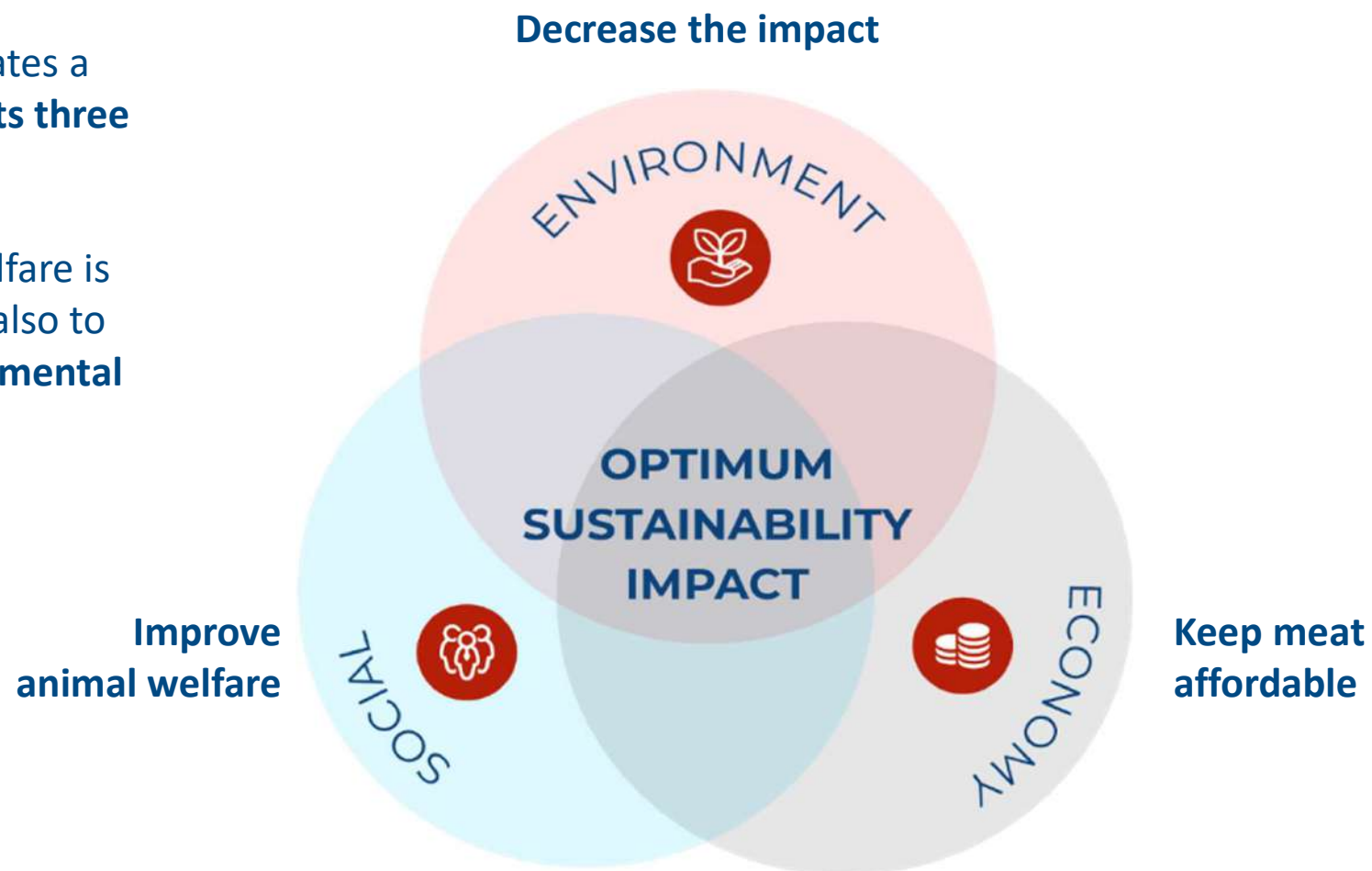


a framework that incentivises and encourages progress through realistic and achievable objectives for producers.



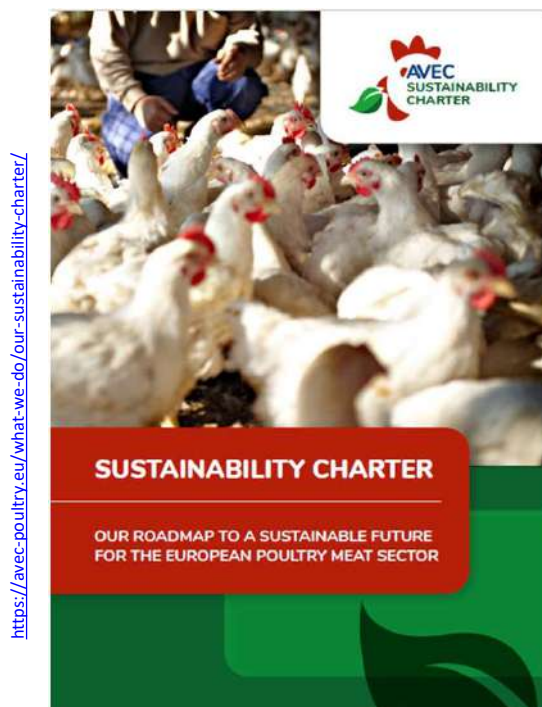
True sustainability necessitates a delicate **balance between its three pillars.**

While improving animal welfare is paramount, it is important also to take **economic and environmental impact** into consideration.



That is the reason we created AVEC's Sustainability Charter

Our 4 ambitions



1 Reduce our environmental impact and GHG emissions



2 Reduce the use of antibiotics



3 Reduce the use of packaging material and improve recyclability



4 Optimize Animal Welfare

Conclusion

The EU poultry sector remains committed to delivering **high-quality, accessible chicken meat** produced under the **highest standards** in the world. We encourage consumers and policymakers to consider the study's findings to make **informed decisions** about chicken production standards.



For more information about the study and AVEC's positions, please visit: www.avec-poultry.eu

