



## AVEC PRESS RELEASE

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### **Energy and feed price surge put the EU poultry meat production at risk**

Operators in the poultry meat supply chain are struggling to maintain production levels because of the very high energy and feed prices. Outgoing AVEC President Paul Lopez, asks decision-makers to prioritise food and poultry meat production, to guarantee affordable and continuous supply in the weeks to come.

As it happened during the Covid-19 crisis, the poultry meat sector is committed to working with the European Institutions to provide a continuous supply of high-quality and affordable poultry products to the EU citizens. But without intervention from policy makers, this is and will continue to be highly challenging.

The poultry meat producers are affected all along the supply chain, by unprecedented increase of costs of energy, (especially natural gas, fuel, and electricity), CO<sub>2</sub>, packaging and external labour which threaten the continuity of the production. Energy and gas supply especially is critical for primary breeding of poultry to maintain the welfare of the birds.

The Russian invasion of Ukraine has also resulted in a substantially raise of the feed prices, which represent 70 % of the production cost of poultry. This has led to a situation where farmers may prefer to stop the production in the coming weeks rather than taking the risk of big financial losses.

There are huge difficulties to pass the additional costs through the supply chain, so the support of the authorities is urgently needed.

Policy-makers should continue to prioritise the poultry meat sector for access to both energy and feed, similar to Covid crisis where poultry was considered as a crucial sector.

However, the simple access to energy and feed material is not sufficient. If affordable and stable prices cannot be guaranteed the survival of the sector is at stake.

The Commission must support Member States to intervene to bring energy prices reasonable levels, increase liquidity on energy markets, diversify energy supply, and look for solutions such as placing a cap on prices for energy/feed.

Sustainable production is our priority, and we see our sector as part of the solution when it comes to climate change. Therefore, we ask the authorities to strongly support our sector to develop and accelerate the transition towards sustainable sources of energy, to limit the dependence to foreign fossil fuel and feed suppliers, and increase the resilience of the sector.

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