

The economics of animal transport

Long distance transport of animals in the EU

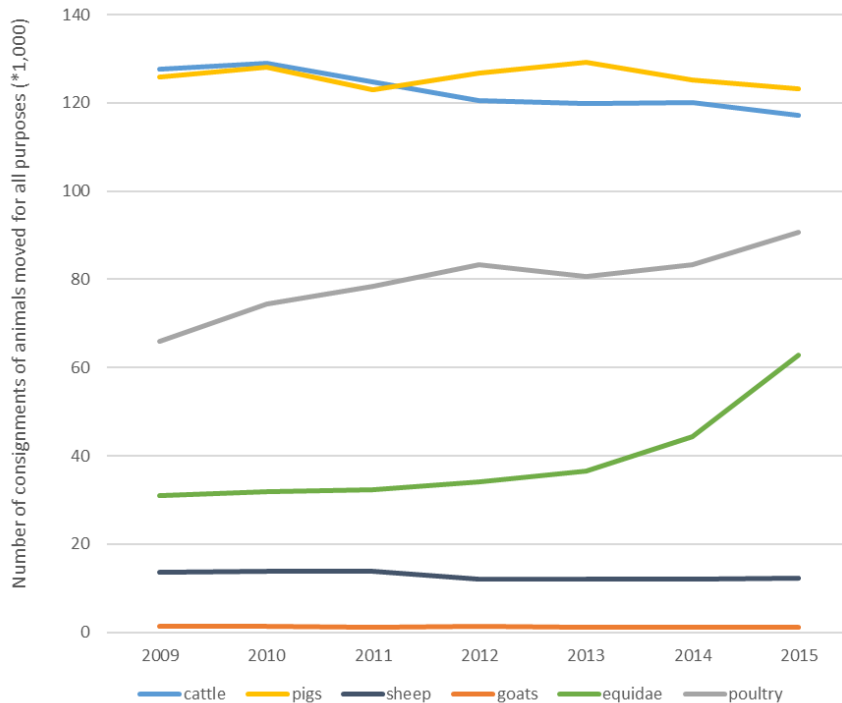
Dr. Coen van Wageningen, Wageningen Economic Research

OIE Animal Welfare Forum, Animal Transport: a shared responsibility, Paris, France, 11-12 April 2019

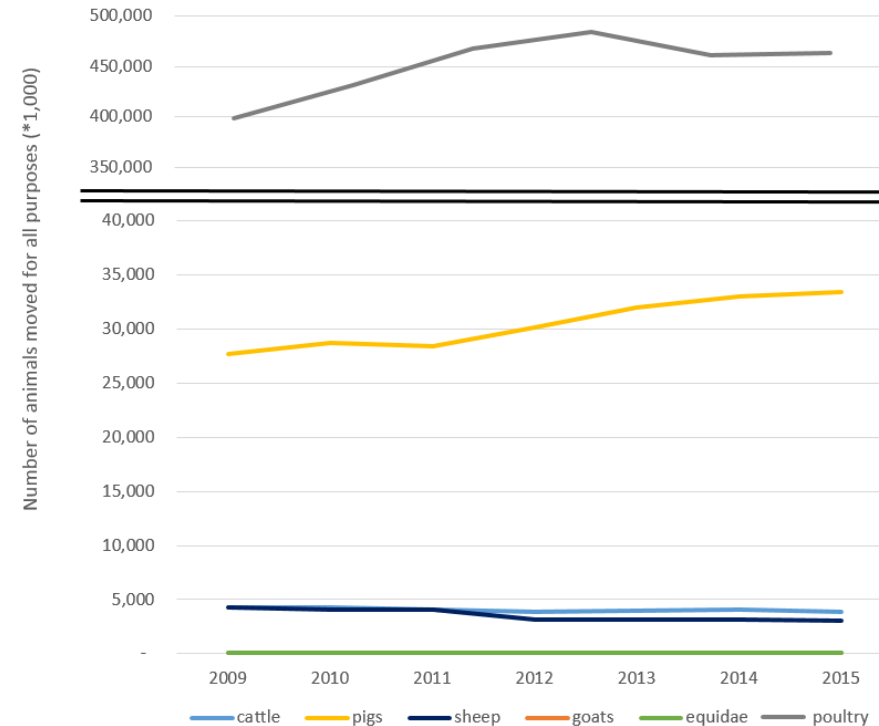


Intra-EU cross-border transport of animals for all purposes ('09-'15)

Consignments/year



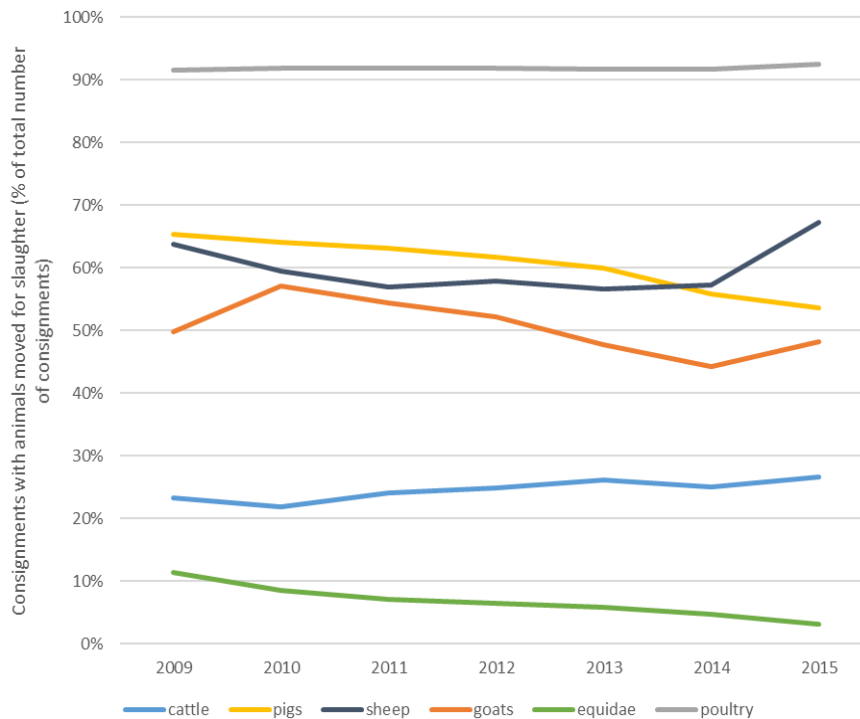
Animals/year



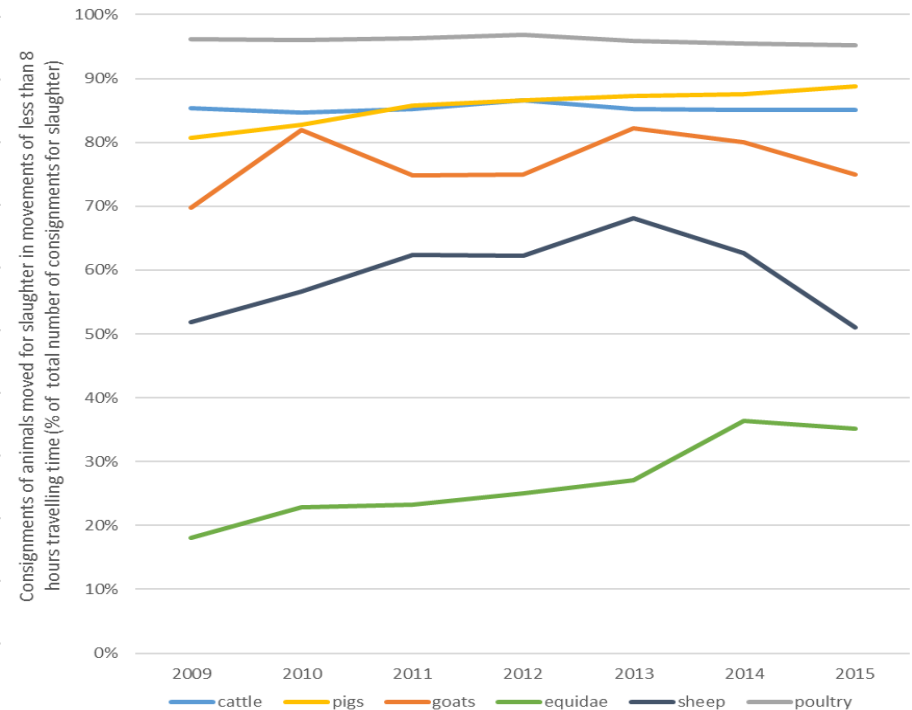
- Consignments/year 365,000->410,000; most pigs, cattle
- Animals/year 440->540 million; most poultry (400-500 million) and pigs (27-34 million)

Intra-EU cross-border transport of animals for slaughter ('09-'15)

% animals for slaughter

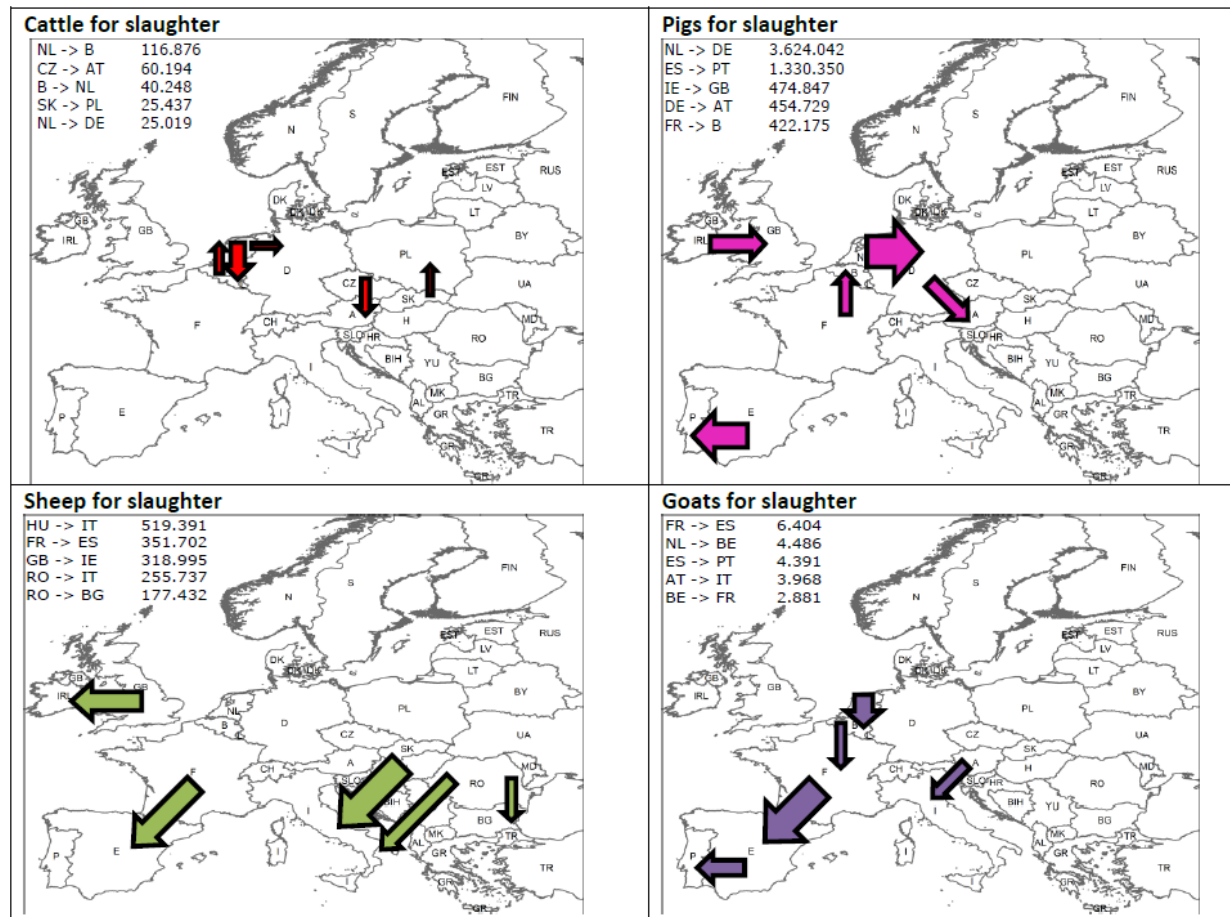


% <8 hours travelling time



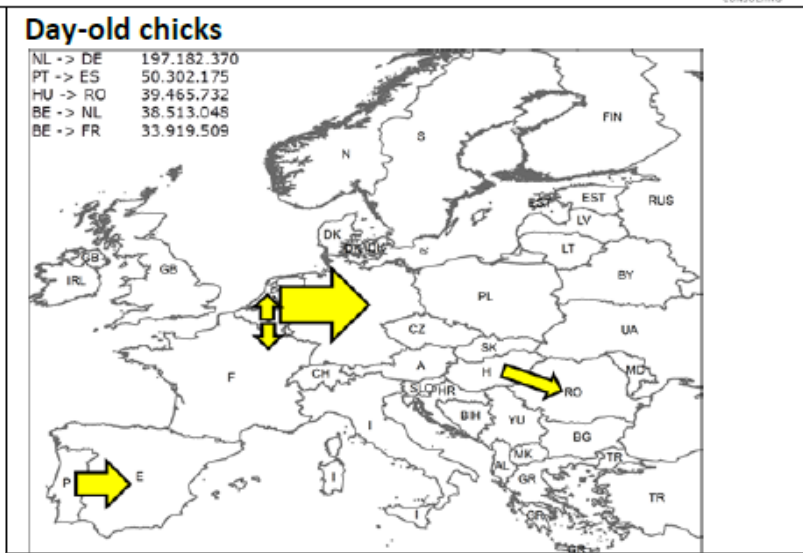
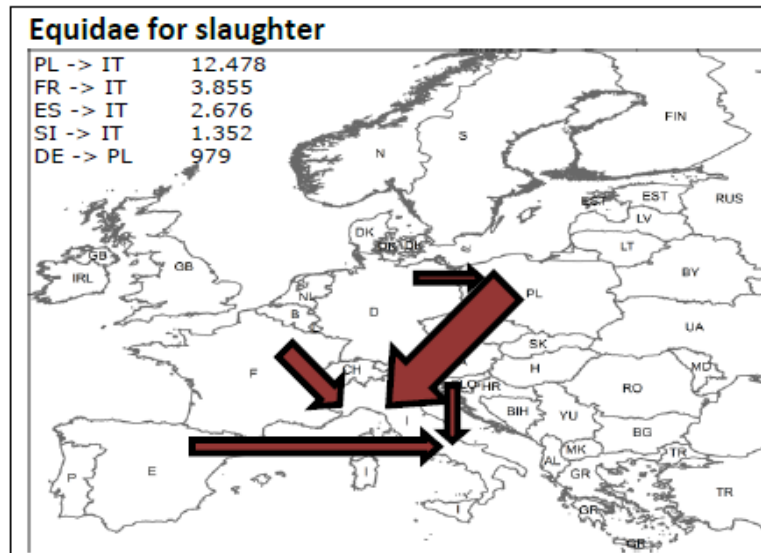
- Majority moved for slaughter, except cattle and equidae
- Majority moved less than 8 hours, except equidae

Intra-EU cross-border transport of animals for slaughter (2015)

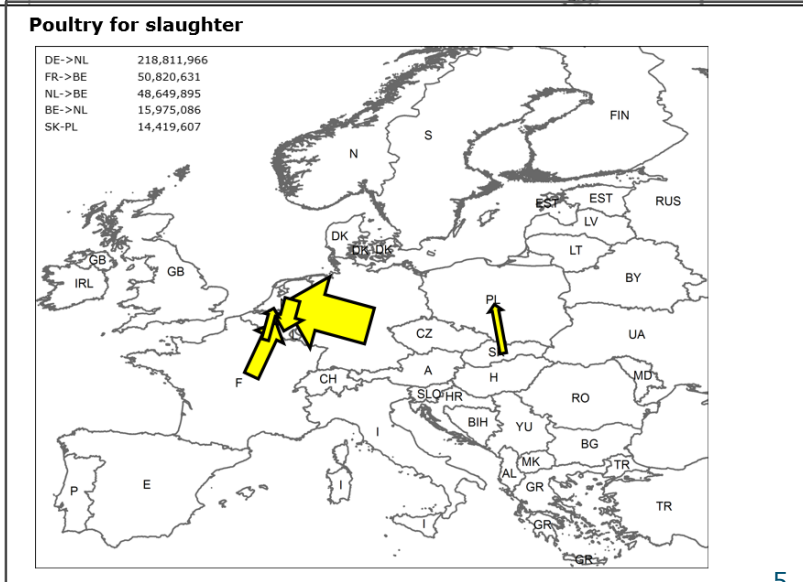


- Cattle, Pigs: Netherlands, Germany, Belgium, France
- Goats, sheep to southern EU

Intra-EU cross-border transport of horses and poultry (2015)



- Horses for slaughter to Italy
- Poultry: Netherlands, Germany, Belgium, France large players



Consignment costs breakdown

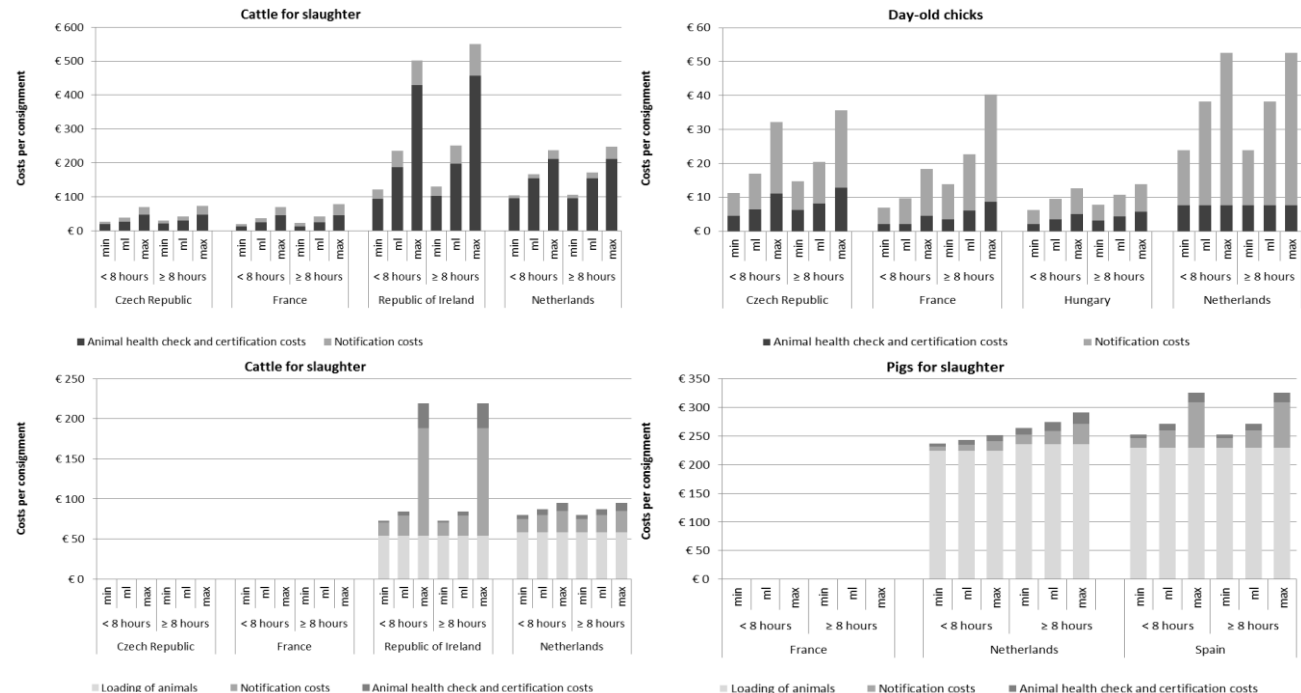
Cost item (€/consignment, 2017)	Spent hens from the Netherlands to Poland	Lambs from Hungary to Italy
Drivers	760	470
Fuel	405	430
Truck	135	140
Toll	70	220
Animal health check	250	530
Total	1615	1785
% of value animals	16%	11%

- Transport of live animals is expensive
- Driver and fuel costs important (salary level, fuel price)
- Animal health check, notification and certification can be substantial part of the costs of a consignment

Notification, animal health check, certification

Competent
Authority

Operator(s)



- Differences between Member States and animal species
 - CA between €10 and €220 per consignment
 - Operator between €75 and €250 per consignment
- EU annual net direct benefits of €22 million (€13-€33)

Why are animals moved in the EU?

1. Differences in slaughter costs between Member States

- 5.5 million spent hens/year from the Netherlands to Poland

Table Comparing scenario 1 'transport of spent hens from the Netherlands for slaughter in Poland' with scenario 2 'slaughter of spent hens in the Netherlands followed by transport of their meat to Poland'

Indicators	Unit	Scenario 1	Scenario 2	Difference
Costs				
Total costs	€ per kg meat in Poland	0.88	1.20	0.32
<i>Among which</i>				
Transport costs	€ per kg meat	0.32	0.04	-0.28
Slaughter costs	€ per kg meat	0.55	1.07	0.52
Transport costs after slaughter	€ per kg meat	0.01	0.09	0.08

- Low labour costs in slaughterhouses in Poland compensate the additional transport costs

Why are animals moved in the EU?

2. Differences in primary production costs between Member States

- Horses from Poland to Italy
- Poland compared to Italy
 - Widely available pastures
 - Lower production costs due to lower feed and labour costs and tradition of breeding horses with low-fat meat
- Low primary production costs in Poland compensate the additional transport costs of live horses



Why are animals moved in the EU?

3. Insufficient slaughter capacity in a Member State

- 570,000 lambs/year from Hungary to Italy

Table Comparing scenario 1 'transport of lambs from Hungary for slaughter in Italy' with scenario 2 'slaughter of lambs in Hungary followed by transport of their meat to Italy'

Indicators	Unit	Scenario 1	Scenario 2	Difference
Costs				
Total	€ per kg meat in Italy	1.16	0.67	0.49
Among which				
Transport costs	€ per kg meat	0.44	0.10	0.34
Slaughter costs	€ per kg meat	0.69	0.51	0.18
Transport costs	€ per kg meat	0.02	0.07	-0.05

- Privatisation in 1990's; slaughter capacity sold to Italian companies; slaughter locations in Hungary closed
- 80-90% of Hungarian lambs moved to Italy



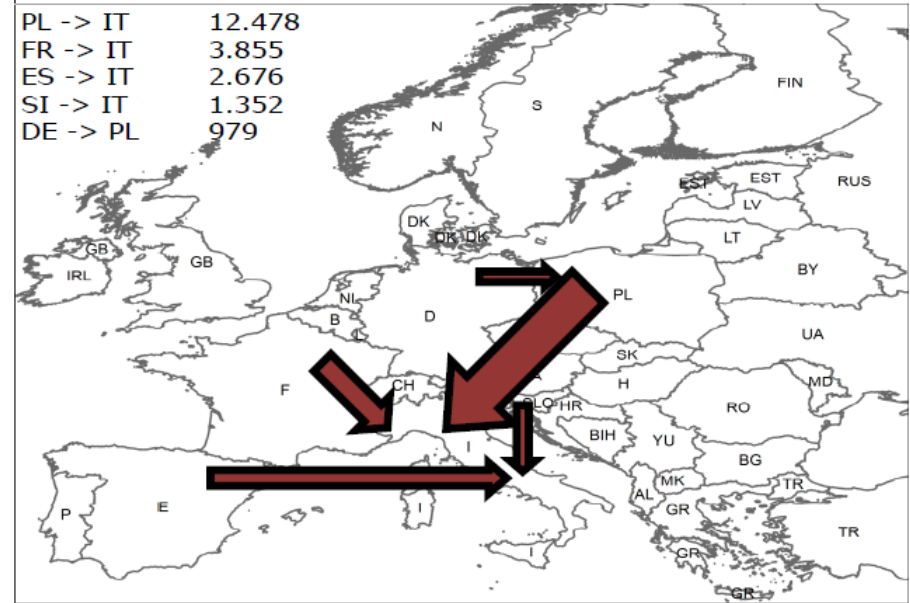
Why are animals moved in the EU?

4. Consumer demand in another Member State

- Horses to Italy
- Large part of horse meat consumed in EU is consumed in Italy
- “Locally produced”, “Local origin”
- Fresh (=not frozen) meat

Equidae for slaughter

PL -> IT	12.478
FR -> IT	3.855
ES -> IT	2.676
SI -> IT	1.352
DE -> PL	979



Why are animals moved in the EU?

5. Differences in enforcement and norms between Member States

- In enforcement of animal welfare and hygiene at slaughter or during transport
- In local norms and interpretation of EU norms due to cultural and educational background
 - In some Member States animals unfit according to Regulation 1/2005 were found fit by competent authority, official veterinarian and private actors
- Strict enforcement, tight norms induce animal moving
- Recent evaluation Regulation 1/2005: general implementation, data recording, enforcement, compliance with rules on fitness for transport have improved

Why are animals unfit for travel moved in the EU?

- Costs of killing on the farm (veterinary costs, rendering costs, missed income) exceed costs/revenue when transporting the unfit animal
 - Pressure on official veterinarian to sign certificate
 - On-farm slaughter legally complicated by EU-hygiene legislation
- Cultural and educational background
 - In some Member States, animals unfit according to Regulation 1/2005 were found fit by competent authority, official veterinarian and private actors
- In some Member States, official veterinarians are not legally responsible for allowing unfit animals to travel

Conclusions (1)

- In 2015 540 million animals were moved in the EU between Member States, of which 500 million poultry, 30 million pigs, 4 million cattle
- Majority of animals in EU moved for slaughter, except cattle and equidae
- Majority animals in EU moved less than 8 hours, except equidae
- Moving live animals in the EU is expensive compared to the value of the consignment of animals
- Transport costs vary widely between Member States and animal species due to differences in salaries and distances

Conclusions (2)

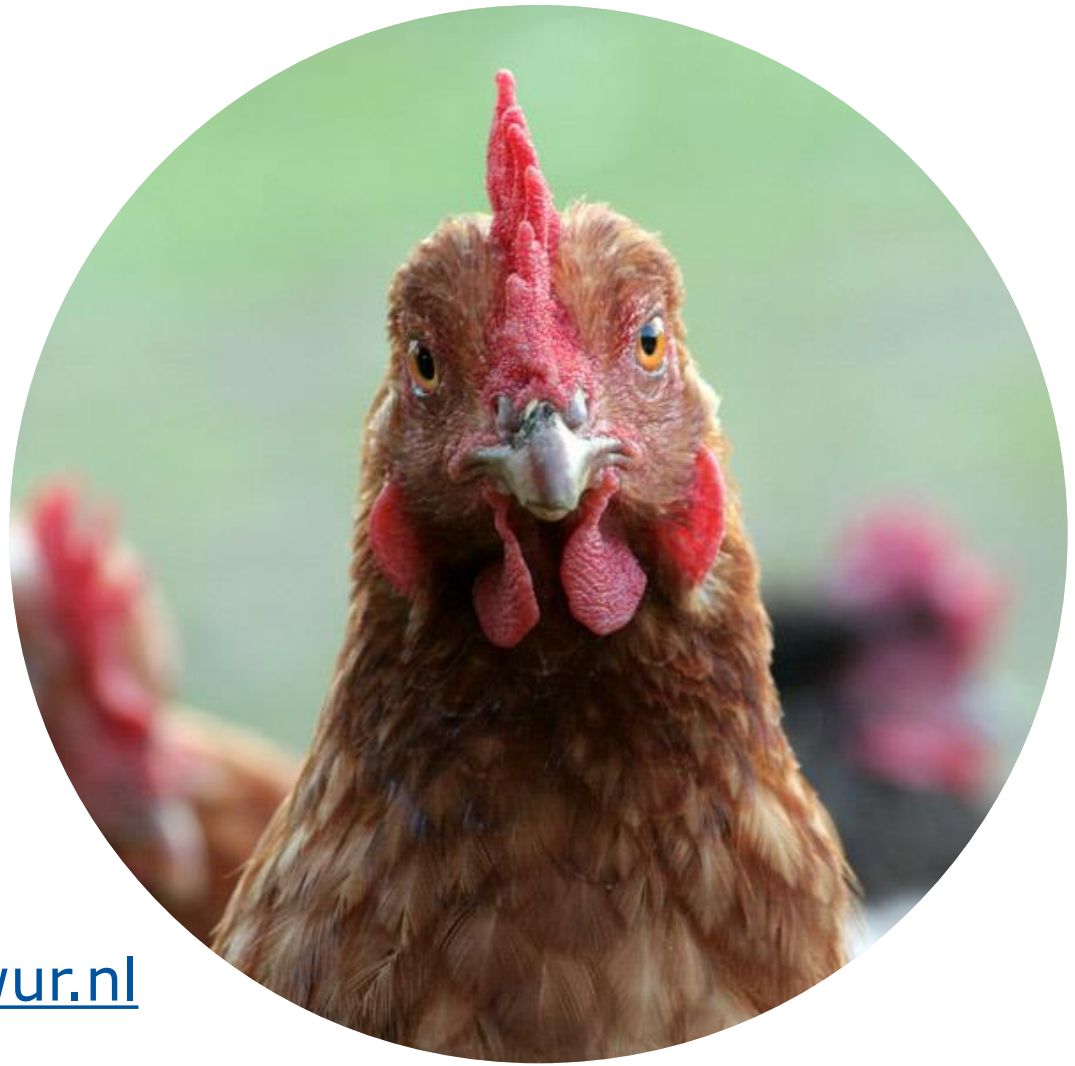
Why are animals moved in the EU?

1. Lower slaughter costs in another Member State
2. Lower primary production costs in a Member State
3. Insufficient slaughter capacity in a Member State
4. Consumer prefer local slaughter
5. Less strict enforcement and norms in another Member State

Why are unfit animals moved?

1. High costs of on-farm slaughtering/killing
2. Cultural and educational background on what is fit
3. Official veterinarians not being legally responsible

Thank you for your attention



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