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Short Term Outlook for the EU arable crops, meat and dairy markets in 2014 and 2015

Contents

1. Macroeconomic outlook
2. Arable crops
3. Meats
4. Dairy
5. Statistical annex
6. Methodology

This publication presents the short term outlook for the arable crops, meat and dairy markets in the EU for 2014-15. The report is based on analysis of market experts within the Directorate General for Agriculture and Rural Development of the European Commission. Information and data available until 15 June 2014 have been used. Next issue will be published in autumn 2014.

Directorate General for Agriculture and Rural Development – Short Term Outlook – N°9

http://ec.europa.eu/agriculture/markets-and-prices/index_en.htm

HIGHLIGHTS

- The cereal outlook indicates an above average 2014 harvest, for the second year in a row, and a record level of cereal exports for marketing year 2013/14.
- EU meat production is seen recovering after two years of tight supplies for beef and pig meat.
- Milk prices, driven by a strong world demand, remain firm despite the record milk collection in the EU.

Consolidated figures for 2013/14 confirm an above average cereal harvest of 302 million tonnes, supporting a record level of exports expected to reach 42 million tonnes. As a consequence, carry-over stocks are limited and the stock-to-use ratio is expected to recover only partially from 10 to 12%. The new harvest in 2014/15 is expected to be above average for the second year in a row and reach 303 million tonnes.

The mild economic recovery sets the scene for increased meat consumption (and production) throughout the outlook, but political uncertainty, sanitary barriers and self-sufficiency targets in some of the most important trade partners of the EU are expected to drive meat exports down significantly (-4.7%), with pig and poultry meat being the most affected sectors.

Milk deliveries in the EU were at an all-time high in the first four months of this year. Nevertheless, milk prices remained firm and largely above last year. Although increased supply led initially to price corrections of most dairy products compared to their record levels in 2013, the decline seems to have ended after the seasonal production peak and given strong export demand, especially for powders.

1. MACROECONOMIC OUTLOOK¹

World economic outlook

Total world population is expected to continue expanding through the outlook at a rate of around 1.1% per year to reach 7.3 billion inhabitants in 2015. Increased population is expected in India (+1.2% per annum to reach 1.28 billion people in 2015), the US (+0.8% p.a. to 322 million) and China (+0.6% p.a. to number 1.37 billion in 2015) while a marginal decline is foreseen in Russia.

Despite downward revisions, the forecast for the world economy remains positive and the world real GDP is projected to grow moderately in 2014 and 2015 by 2.9% and 3.5% respectively, with China at a stable rate of around 7% and the US at 2.2% and 3%.

However, geopolitical tensions are expected to slow down the economic growth in Russia in 2014 (+0.5%) as well as a recession in Ukraine (-4.6%), coupled with an estimated devaluation of the Ukrainian and Russian currencies against the US dollar, by 30% and 10% respectively. In 2015, the devaluation rate is likely to weaken to 2% in both countries.

In Argentina, growth is projected to slow down to 1.3% in 2014 and 0.2% in 2015, and a depreciation of the Argentinean peso vis-à-vis the US dollar is forecasted over the outlook by more than 30%.

World consumer prices are expected to stabilise at an annual growth of around 3.2%, and the world unemployment rate could slightly retreat from 8.4% in 2014 to 8.2% in 2015.

The price of a barrel of Brent crude oil is expected to remain stable at a high level of 109 USD in 2014, driven by firm demand from advanced economies, while prospects for 2015 indicate a drop by 7 USD compared to the previous year².

European Union economic outlook

EU-28 population is projected to grow slowly at an annual rate of 0.2% to reach 510.1 million inhabitants by 2015, with higher growth in the EU-15 (France, the United Kingdom, Italy and Germany) compensating for the declines in the EU-N13 (notably Hungary, Poland and Romania).

After two years of stagnation, a moderate recovery is expected in both 2014 and in 2015, with the respective EU GDP growth at +1.6% and +2%. While

the 2014 growth remains weak in most countries severely hit by the economic downturn (or even negative in Cyprus), the recovery is expected to gain strength in 2015 to reach +2.1% in Spain, +2.9% in Greece and +3% in Ireland. EU consumer price inflation is expected to remain rather low at 1% and 1.5% in 2014 and 2015, respectively.

The situation on the EU labour market is expected to improve slightly, with an unemployment rate projected to decline gradually from 10.8% in 2013 to 10.5% in 2014 and 10.1% by 2015. The most vulnerable Member States, Greece and Spain, are likely to register slightly lower rates in 2014 than the 2013 records (26% and 25.5% respectively) and a further decline is anticipated in 2015 (at 24%).

After having weakened throughout 2013 and the first months of 2014, the EUR/USD exchange rate reached 1.37 EUR/USD in May 2014 and is expected to stay relatively stable at 1.38 EUR/USD throughout the short-term outlook horizon.

2. ARABLE CROPS

Cereal record exports achieved in 2013/14

Consolidated estimates for marketing year 2013/14, point to cereal production reaching about 302 million tonnes in the EU-28 (5% above the five year average and more than 8% above 2012-13), with a record wheat export level of 29 million tonnes (43% above average). Soft wheat remains the first EU crop with a final production of 135 million tonnes (5.7% above average), followed by maize with 65 million tonnes (+9.6%) and barley 59 million tonnes (+5.9%). Durum wheat with 7.8 million tonnes (10% below average) continues its decrease since 2007.

Cereal area sown was slightly lower by 0.2% from the previous year, mainly due to slight decreases in all categories with the exception of soft wheat (+0.7%). By contrast, yields show an increase of 8% over the previous year thanks to favourable climatic conditions, in particular for soft wheat with a +7.3%, barley +10% and maize +11%. The decrease in durum wheat production is mainly explained by reduced areas (-9% compared to the previous year), notably in France.

The strong increases in yields are attributed mainly to the improved climatic conditions, especially in Spain, Hungary and the Balkan regions, which were affected by droughts the previous year.

Cereal exports are estimated to reach a record of 42 million tonnes, of which 29 million tonnes would be soft wheat (43% above average) and 8.5 barley (32% above average).

¹ Based on IHS (cut-off date 15th of June 2014) and Directorate-General Economic and Financial Affairs – AMECO (5th of May 2014).

² This does not account for any potential impact on oil price stemming from the recent political developments in Iraq.

This results in higher shipments to EU traditional destinations (the Maghreb countries, Egypt and Saudi Arabia) and also to South Korea and Iran. Romania and Lithuania became respectively the third and fourth wheat exporters to third countries, after France and Germany. Domestically, animal feed use slightly increased by 1.0% compared to the previous year supported by lower prices for feed wheat and maize and an increased demand in the second part of the marketing year for dairy products.

Partial recovery of EU cereal stocks

Final cereal stocks are expected to increase by 4.7 million tonnes to reach 32.5 million tonnes. This figure is still 24% below the five-year average, but brings the stock-to-use ratio from 10.3% (end 2012) to 12.0%.

Good oilseed and protein crop harvest in 2013

The production estimate for oilseeds is consolidated at 31.2 million tonnes in 2013/14. This figure is 3.5 million tonnes higher (+12.7%) than the low 2012/13 harvest. In particular rapeseed recorded an area increase of 8.4%, compensating the decrease in cereals area, with final production reaching 20.9 million tonnes. Sunflower production increased by 25%, reaching 9 million tonnes, driven by an area increase of 2.5% and a yield improvement of 22.3%. Total protein crops also show an increase in production to 2.4 million tonnes (+3.9%), despite the decline in area (-2.8%).

2014/15: another good year for grains in the EU

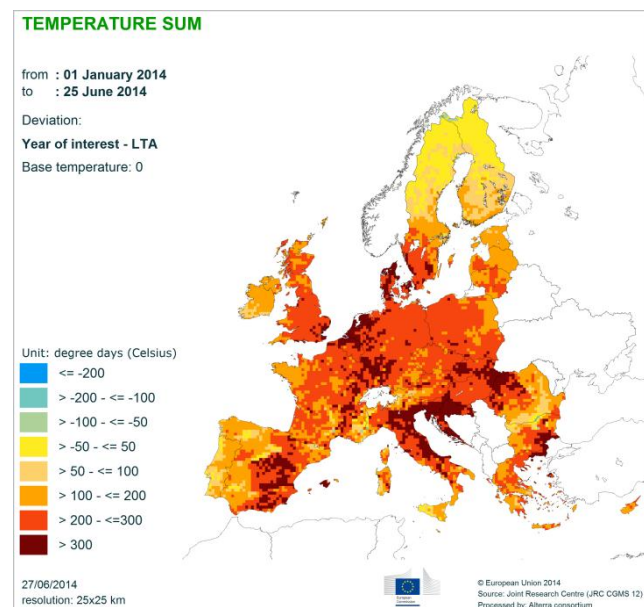
The forecast for the new EU cereal harvest indicates a production of about 303 million tonnes, which is slightly above 2013/14 and, for the second year in a row, higher than average (+5.5%).

Total cereal area is expected to increase by almost 1%, with EU farmers' preferred choices reflecting higher area for soft wheat (450 000 ha, or 2.0% more than last year) and maize (+1.0%). Barley area is projected to decrease by 6.5%, and durum wheat's negative trend is anticipated to continue.

As regards yields, winter crops have been to this stage supported by a milder season (see map 1 showing a daily surplus of temperatures by 1.7 °C in the red areas), sufficient humidity and rare frost impact. At present, some areas of concern are detected in Spain for excessive dryness and drought especially in some central and southern areas (parts of Castilla-La Mancha, Aragón, Comunidad Valenciana and Murcia) impacting both winter and summer crops (see map 2). Some rain is also needed in part of France to keep the potential of production. Pastures are also affected in these areas (see map 3), but are well performing as a whole in central and eastern EU. Other limiting yield events are the excessive humidity

recorded in western Balkans in May and a heat wave in June, during the grain filling stage of wheat in southern Europe.

Map 1 Milder than their long term average (LTA) temperatures since January boosted crop growth in the areas depicted in amber and red

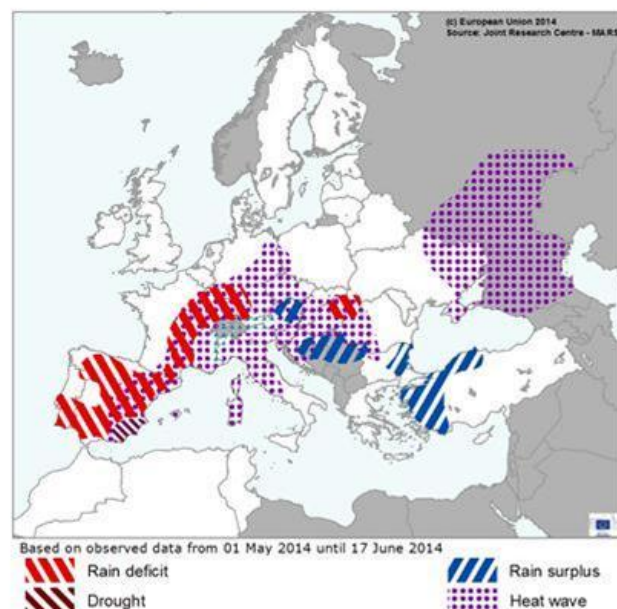


Source: Mars-JRC Agri4cast

<http://mars.jrc.ec.europa.eu/mars/Bulletins-Publications>

Map 2 Areas of concern

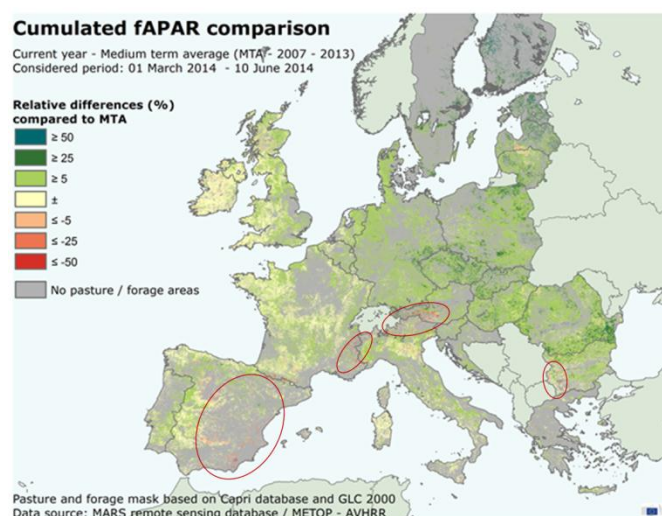
WEATHER ANOMALIES



Source: Mars-Bulletin Crop Monitoring in Europe 22(6)

<http://mars.jrc.ec.europa.eu/mars/Bulletins-Publications>

Map 3 Satellite data indicating biomass conditions on pasture areas below normal in the spotted red areas



Source: Mars-JRC Agri4cast

<http://mars.jrc.ec.europa.eu/mars/Bulletins-Publications>

Winter cereals harvest is taking place earlier this year as growth was boosted by higher than average temperatures cumulated across the crop season resulting in an advance in the cycle from 2 to 3 weeks (see map 1). Nevertheless, high uncertainty still remains for the impact of climatic conditions on summer crops, especially for grain maize whose yield is currently forecasted above average (+3.5%).

The projected balance sheet for 2014/15 marketing year shows that, if the potential production is maintained, there would be room for further stock refilling or for continuing the good pace of exports. This could take place despite the expected increase in the use of cereals for animal feed by more than 5 million tonnes because of the anticipated increase in animal production.

A slightly lower world cereal harvest in 2014/15

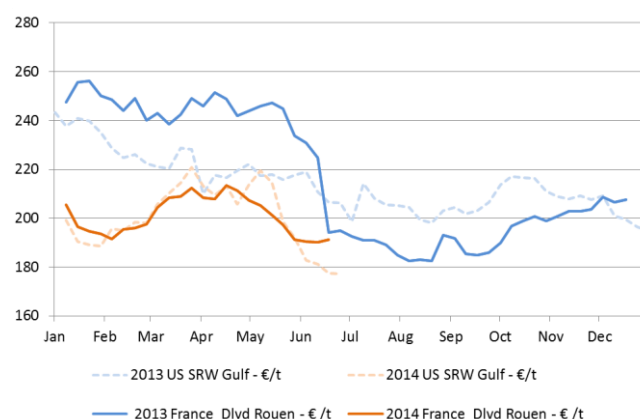
At world level, the June issue of IGC expects on cereal production to decrease by 31 million tonnes compared to the previous record year (-2%). This is mainly explained by a smaller wheat harvest expected in the US because of drought. This level of production is nevertheless the second highest ever, and if realised would exceed world demand by 3% and guarantee a small increase in the carry-over stocks (+12 million tonnes). Similar trends are depicted in the USDA June report, but with a cereal production reduction of 27 million tonnes and a partial recovery of wheat yield in the US in the last weeks.

Lower cereal prices in 2013-14

Despite the strong world demand, world prices started declining in view of the new large harvest. Large availabilities also lead EU cereal prices lower than in the previous year. In June, EU prices oscillated around

170 EUR/t and 190 EUR/t respectively for maize (Bordeaux quotation) and soft wheat (delivered Rouen quotation), in line with developments in international prices.

Graph 1 Wheat prices in the EU and the US in 2013 and 2014



Source: DG Agriculture and Rural Development and USDA

3. MEATS

Dairy herd restocking brings more meat

In recent years, total cow numbers declined at a slower pace than in the past, and it even increased in 2013. This resulted in lower meat production in 2012 and 2013 as fewer females were slaughtered. In parallel, the number of born calves increased leading gradually to a higher number of animals fattened, and thus in additional meat to come in the market in 2014 and 2015.

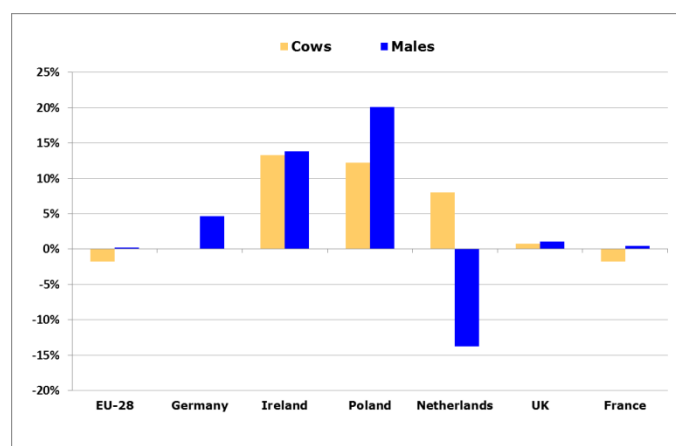
Changes in the total cow herd are driven by a decline in suckler cow herd by nearly 300 thousand heads since 2011 and a parallel increase of the number of dairy cows by more than 400 thousand heads over the same period, leading the total number of cows to 35.4 million heads in December 2013. The continuous decline in the number of beef cows, combined with the restocking of dairy cows due to high milk prices and the milk quota expiry in 2015, led to an 8.3% decline in total EU beef production between 2011 and 2013.

In the first four months of 2014, total EU slaughterings were still slightly lower (-0.2%) than the previous year but this average EU result masks significant differences among Member States. The higher slaughterings can be observed in several countries, with higher beef slaughterings in Ireland (+13%), Poland (+12%), the United Kingdom (+3%) and Germany (+4%) (see graph 2). Yet over the same period, decreases were recorded in other

Member States (e.g. -21% Italy³, -2% France, -9% Hungary), either because the restocking process is not yet over (e.g. in France) or because of the ongoing decline in the number of suckler cows in other Member States.

Nevertheless, yearly beef production is expected to recover by 1.4% in 2014 compared to 2013 and at a stronger pace in 2015 (+2.3%) since the effect of the dairy cow herd restocking is expected to spread to more countries.

Graph 2 Change in males and cows slaughtering in the first four months of the year compared to 2013



Source: Eurostat

In the first four months of 2014, beef imports showed a decline of 3.7% compared to the same period of 2013. Volumes of Brazilian origin remained stable, but imports from Argentina and Uruguay declined significantly (-19%) because of increased domestic consumption and the orientation of some of their shipments towards Asian markets (mainly to China) and to Russia. Nevertheless, as the EU market remains attractive for South American beef producers, eventually total 2014 imports are expected to recover in the remainder of the year.

After two years of sharp decline, the recovery in EU production could lead 2014 meat exports to increase by close to 5%, driven by sustained demand from Russia, Switzerland and Bosnia Herzegovina. On June 26th 2014, Russia introduced a ban on EU beef trimmings and offal. The extent to which it could affect the EU export performance is yet uncertain given that not all beef products are concerned.

Prices, though still high, have been steadily declining for over a year to 366 EUR/100 kg in May 2014, 4.3% below their 2012-13 average. This shall contribute to the expected recovery in domestic consumption to 10.5 kg/capita in 2014 and 10.7 kg/capita in 2015 (in retail weight).

Pig meat production starts picking up slowly after 2 years of tight supplies

Following the compulsory introduction of the welfare rules for breeding sows by December 2013, the 2013 number of breeding sows was still 1.6% below 2012 at 15.2 million heads. Declines in Germany (-3%), France (-3.1%), Poland (-5.6%) and Italy (-5%) were partly offset by increases in the Netherlands (+1.3%) and Denmark (+2.4%). The implementation of group housing for sows and the low profits of last years translated in a shortfall in the number of piglets going into production, with high prices for piglets recorded at the beginning of the year, peaking at 54 EUR/head in April (9% above the 2012-13 average).

The Russian ban on EU pig meat introduced after the discovery of a few cases of African Swine Fever in wild boars close to the border with Belarus added uncertainty on the market.

Against this background, pig meat production in 2014 is anticipated to increase only marginally by 0.2%, with higher supplies in Denmark and the Netherlands expected to compensate for potential drops in France, Germany and Spain. Provided that market conditions will improve next year, production could recover at a slightly stronger pace in 2015 (+0.8%).

In the first four months of the year, shipments to Russia decreased by 80% compared to last year; however the strong Asian demand limited the decrease of total EU exports to 16%. The reduction in the US supply in 2014 following the Porcine Epidemic Diarrhoea Virus outbreak has contributed to the increase in the demand for EU pig meat coming from the Asian markets (China, Japan, South Korea, Hong Kong, Singapore or Philippines).

Nevertheless, given that Russian volumes account for one third in total EU exports, the strong Asian demand is not expected to fully compensate for the sharp drop of exports towards Russia and over the whole year the EU exports are expected to fall for the first time in several years (-7% compared to 2013). Given the uncertainty related to trade developments with Russia, EU exports of pig meat are currently estimated to recover only marginally in 2015. Without agreement of Russia on the regionalisation system implemented by the EU, EU pig meat exports might be further affected.

There is currently a relatively good demand for pig meat throughout the EU with prices 5% below the 2012-13 average at 164 EUR/100 kg; thus 2014 consumption is likely to slightly recover from the 2013 low (31 kg/capita) to finally reach 31.4 kg/capita in 2015 (in retail weight).

³ A possible break in time series may be at the origin of this strong decline.

Pig offal exports

Around 1 million tonnes of pig meat offal are exported to destinations outside the EU, with five EU countries accounting for more than 80% of total offal exported (the Netherlands, Spain, Germany, Denmark and France). An increasing share goes to China including Hong Kong: from around 40% in 2005 to almost 70% in 2013 while the share to Russia is steadily decreasing (from 35% to 10% over the same period).

Poultry meat production keeps on increasing in spite of the higher availability of other meats

Poultry meat production has been steadily increasing for years, and this trend is expected to continue in the future. However, the growth is anticipated to slow down as beef and pig meat production is expected to recover in the next years.

A decline in exports is projected in 2014 for the second year in a row. Shipments to Ukraine may drop further due to the Ukrainian government target to increase self-sufficiency and to uncertainty stemming from political tensions and the related Ukrainian currency devaluation. Exports to Russia have been declining in the last 3 years for a similar self-sufficiency policy. The moderate recovery observed in the first four months of the year to compensate for the reduced pig meat trade is not expected to reverse the declining trend. Despite the reorientation of some of the EU exports towards other destinations, 2014 exports are likely to further contract as the higher volumes shipped to South Africa and Benin will not compensate for the declines to Hong Kong, Saudi Arabia and Ukraine.

On the import side, the decrease in the shipments coming from Thailand due to the unstable political situation is compensated by the increase of those coming from Brazil, with overall imports are expected to stabilise at the 2013 level over the projection period.

After a period of slow growth towards the end of 2013, poultry price started to increase to reach in May 2014 199 EUR/100 kg, 3.4% above the 2012-13 average. With an increase in production, lower exports and slightly higher imports, consumer demand is expected to continue picking up to reach 21.6 and 21.7 kg per capita in 2014 and 2015 respectively (in retail weight).

An increase in sheep production driven by profitability gains

The sheep production gives signs of stabilisation since 2011 due to increased profitability in the sector.

Revised data⁴ for 2013 production show a slight recovery after the strong drop in the previous year. More slaughterings in the EU-N13 (in Romania and Bulgaria) filled in the gap left by slightly lower volumes being produced in the EU-15.

Heavy lamb prices, at 572 EUR/100 kg in May, are 15% above the 2012-13 average. Light lamb prices are 2% below the 2012-13 average but still at the high level of 582 EUR/100 kg in May. These price levels, combined with good forage conditions in the north of the EU and lower cereal prices, implied lower production costs and stimulated a moderate production expansion in 2013 which is expected to continue in both 2014 and 2015. In addition, the possibility of a certain degree of coupled support announced by some Member States in the framework of the 2013 reform of the Common Agriculture Policy is likely to contribute to the sector profitability. However, the drought affecting the pasture, particularly in Spain (see map 3) might limit production growth in 2014.

Shortages in lambs in New Zealand, and consequently an expected lower 2014 production, are expected to drive the EU sheep imports 2.5% down; additionally, New Zealand is diverting more and more volumes to closer destinations as China and Saudi Arabia (shipments to these two destinations in the first quarter of the year were 30% and 13% higher compared to 2013). More imports from Australia will not fill the gap.

4. DAIRY**A historically high EU milk collection**

Favourable weather conditions, good forage quality (and quantity) and high milk prices led to a 6% increase in EU milk deliveries in the first four months of the year compared to 2013. The magnitude of this increase is particularly large because at the beginning of 2013 poor weather had put downward pressure on milk production.

Contrary to expectations, production in some Member States did not diminish despite the risk of significantly overshooting milk quotas. This behaviour was expected in the Member States with rather high milk prices, like Germany, Denmark, the Netherlands and Austria. In contrast, Irish milk production slowed down considerably and equalled the low 2012 level,

⁴ The challenge in estimating sheep and goat meat production is linked to the important share of 'on farm slaughterings' in total production (on average accounting for 18% for sheep and 28% for goats; this share is even higher in some Member States, reaching in Romania 96% for sheep and 100% for goats, around 40% in Portugal or 20% in Greece for both categories). This figure is usually the most revised and it might change the total production trend from negative to positive. This is the reason why 2013 figures have been revised upwards in comparison to the winter edition of the short term outlook.

before surging again in April (+22% compared to April 2013).

However, the 7.3% surge in Polish production was not expected given that the Polish milk price is among the lowest in the EU. In some Member States that are underutilising their quota, milk deliveries also increased significantly during the first four months of the year. This was particularly evident in the United Kingdom, France, Estonia and Romania. In contrast, milk production in Greece and the Czech Republic remains on a downward trend.

Milk prices still 15% higher than a year ago

This abundant supply was easily absorbed by the markets and EU farm gate milk prices remained firm during the first four months of the year, 15.5% above 2013. In April, the EU weighted average decreased by 3% compared to March but the price level, at 38.35 EUR/100 kg, was still very high. Further modest downward adjustments can be expected because prices of dairy products have experienced a reduction. In addition, during the peak periods of milk collection, milk spot prices declined, notably because processing capacities were fully utilized.

Nevertheless, in the second half of the year, EU farm gate milk prices are expected to remain at reasonably high levels given that demand is strong, especially for exports, and because the period of maximum supply is already over and commodity and spot prices have started to increase again.

EU prices performed well despite the fact that milk production was also higher in the other main exporting areas: the USDA estimates that the production of New Zealand, Australia, the US and the EU increased by 4.6% compared to the first quarter of 2013. This expansion is particularly significant in New Zealand where last year production had been affected by drought. In the US, the increase is more moderate.

A 2.8% increase in 2014 EU milk deliveries

For the remainder of the year, it is expected that growth in EU milk production will slow down compared to the high deliveries experienced during the second half of 2013. Milk prices have already started to decrease from the current record levels and there is no extra quota available for the last year before the quota system expires; in addition some farmers may face difficulties in paying significant penalties for producing above quota two years in a row. A reduction in milk collection could already be observed in May in France, Germany and the United Kingdom. Therefore, in 2014, EU milk deliveries are expected to increase by 4 million tonnes to 145.3 million tonnes.

In 2015, the expiry of the quota system could lead to an increase in production in the few Member States

that are currently restrained by quotas. However, milk and dairy product price developments and weather conditions will remain the main drivers of milk production. In addition, environmental constraints, competition for land with other sectors and investments strategies of the dairy industry will play a major role. As a consequence, a moderate increase of EU milk deliveries is foreseen in 2015, at +2.3%.

More powders are produced to answer the increasing export demand

Between January and April 2014, higher milk supplies allowed EU dairy processors to increase the production of skimmed milk powder (SMP) and whole milk powder (WMP), by 17% and 10% respectively compared to 2013. Because of this surge in production, EU prices started to decrease in March but the decline stopped in June, driven by strong world demand. At the end of June, EU SMP and WMP prices are around 7% lower than a last year at 289 EUR/t and 334 EUR/t respectively.

During the first four months of the year, world demand for powders (SMP and WMP) increased, driven by Algerian and Chinese demand: Chinese imports at 530 000 tonnes increased by close to 80% compared to last year. The EU benefited significantly from this market expansion.

Between January and April, SMP exports increased by 66% compared to the depressed 2013 levels. Shipments to Algeria doubled and those to China quadrupled, at 55 000 and 27 000 tonnes respectively. Exports to Nigeria, Middle East and South East Asia expanded too. Over the same period, WMP EU exports rose by 30%. Most of the increase is due to Algeria, which imported more the first four months of this year than during the whole of 2013. Shipments to Angola and China also increased significantly, while exports to traditional EU destinations (Oman, and in particular Nigeria) remained lower than in 2013.

For the remainder of the year, growth is expected to ease as powder production and exports have recovered in the second half of 2013 after the poor performance of the first six months. Therefore in 2014, production and exports of SMP are expected to increase by 10% and 27% respectively compared to 2013. Lower prices might lead countries from the Middle East and Africa to further increase their imports after a slowdown in 2013 due to the prohibitive price level. In addition, Chinese demand is expected to remain strong even though some stocks might have been accumulated.

In 2014, WMP production could increase for the second year in a row, driven by world demand and an ongoing increase in domestic use, particularly for chocolate production.

Cheese exports still strong in spite of decline of the Russian market

In 2013, Russia accounted for 33% of EU cheese exports. During the first four months of the year, EU shipments to Russia decreased by 8%, with German exports particularly affected. Over that period, total Russian cheese imports decreased by 5%: imports from Ukraine and Germany halved while those from Argentina quadrupled and those from Poland increased by 25%.

Nevertheless, in the same period, total EU exports decreased by only 1% on the previous year, because shipments to new destinations, such as to Saudi Arabia, Egypt, Libya and the United Arab Emirates, expanded significantly.

In spite of the gradual economic recovery in many European countries, consumption expansion is constrained by higher consumer prices which reflected to a certain extent the increase in milk prices (see text-box in the next page).

In the first four months of the year, cheese production increased by 2.6% in line with the increase in milk supply. The development of domestic consumption is difficult to measure on a monthly basis. Throughout 2014, cheese production is expected to increase by 1.6% compared to 2013 while exports could grow by 2.5% if the Russian imports come back to normal. Per capita consumption is expected to reach 17.3 kg or 1.3% above the 2013 level. Most of the increase will take place in the EU-N13 where cheese consumption is still significantly lower than in the EU-15 (12.3% and 18.4% respectively in 2013).

A favourable demand for dairy fat

In 2014, butter production is expected to increase by 2.5% driven by strong export demand (up by 9%) and higher domestic use (close to 3%). Despite the price decrease which started in January, the EU butter price has remained firm at 354 EUR/100 kg at the end of June (12% below last year).

Contrary to last year's expectations, there is a significant demand for dairy fat. The campaign against the use of palm oil may have played an important role in the increased demand of butter for industrial use. Figures show that imports still remain quite low, however per capita consumption is slightly increasing since 2012, and it is expected to continue in the next two years. As in 2013, imports of butter and especially butter oil for inward processing will continue to increase significantly. Exports have increased by 22% in the first four months of 2014, driven by higher Russian demand.

Milk price from the farm-gate to consumers

The monthly EU farm-gate milk price has increased substantially since March 2013. The highest increase was recorded in September 2013, +20% compared to a year before.

Over the same time period, EU cheese prices have been on average between 7% higher for Emmental and 17% higher for Gouda than the year before. However, the consumer price for milk, cheese and eggs measured by Eurostat has not increased by more than 4% above the preceding year. This can be explained by the fact that agricultural commodities make up only a small proportion of the overall production costs of food at retail level.

Changes in EU milk producer and consumer prices
(milk, cheese, eggs) March 2014 versus March 2013

	Farm-gate	Consumer
EU	16.1	3.3
Germany	16.9	8.7
France	17.0	0.8

Source: DG Agriculture and EUROSTAT

The degree of transmission of price increases from the milk producer to the consumer varies between Member States. For example, in March 2014 German farm-gate milk price increased by 17% compared to March 2013 while consumer prices were around 9% higher. In contrast, the increase in French farm gate milk price (+17%) has so far been transferred only to a limited extent (less than 1%) to consumers. This reflects the difference in structure of the food chain between Member States and in bargaining power between the different actors of the chain.

Yogurt consumption is declining

The production of fresh dairy products is expected to remain stable in 2014 and 2015, while a small decrease in per capita consumption could be compensated by higher exports. Drinking milk shipments, especially to China, are expected to continue growing by more than 10% (they were 16% above last year for the first four months of the year).

Fresh dairy products show less positive developments than the other dairy products because the export potential is more limited, except for UHT milk shipments to China. Yogurt consumption in particular is declining, possibly affected by a change in perception regarding the health benefits, leading to a decline in production, forecasted at 0.5% for 2014 and measured at 2.7% for the first four months of the year.

By contrast, the production of cream for direct consumption is expected to increase by 2% in 2014 and 2015 driven by a rise in domestic use.

5. STATISTICAL ANNEX

ARABLE CROPS

Table 5.1 EU cereal, oilseed and protein crop area ('000 ha)

	EU-28					% variation			
	2010	2011	2012	2013e	2014f	13/12	13 vs 5-year av.*	14/13	14 vs 5-year av.*
Common wheat	23 151	23 324	23 249	23 409	23 866	0.7	0.7	2.0	2.7
Durum	2 896	2 507	2 597	2 363	2 345	-9.0	-14.7	-0.8	-11.2
Rye	2 592	2 228	2 361	2 570	2 413	8.8	0.1	-6.1	-3.8
Barley	12 231	11 924	12 499	12 334	12 284	-1.3	-4.4	-0.4	-0.6
Oats	2 730	2 712	2 669	2 639	2 618	-1.1	-5.3	-0.8	-3.2
Maize	8 276	9 287	9 824	9 754	9 842	-0.7	7.8	0.9	6.5
Triticale	2 722	2 599	2 425	2 679	2 723	10.5	0.5	1.7	2.1
Sorghum	117	117	118	143	147	21.0	23.0	2.4	25.0
Others	1 547	1 675	1 770	1 523	1 678	-14.0	-12.7	10.2	0.9
Cereals	56 260	56 370	57 512	57 415	57 915	-0.2	-0.3	0.9	1.4
Rapeseed	7 094	6 739	6 199	6 724	6 675	8.5	3.7	-0.7	0.2
Sunflower	3 763	4 350	4 284	4 427	4 336	3.3	10.7	-2.1	3.6
Soybeans	430	447	437	418	446	-4.3	3.5	6.6	4.1
Linseed	118	92	85	73	79	-14.1	-12.3	7.9	-5.4
Oilseeds	11 404	11 629	11 005	11 642	11 536	5.8	5.0	-0.9	1.7
Field peas	709	690	505	460	483	-8.8	-18.5	4.8	-14.6
Broad beans	508	414	348	363	379	4.4	-8.3	4.2	-5.7
Lupines	125	93	84	56	80	-33.0	-33.4	42.0	-5.4
Protein crops	1 343	1 197	937	880	941	-6.1	-15.8	6.9	-10.0
Sugar beet	1 845	1 545	1 619	1 607	1 689	-0.8	-10.1	5.1	-0.1
Total	69 007	69 197	69 455	69 937	70 393	0.7	0.2	0.7	1.2

*The 5-year average is a trimmed average in all tables.

Table 5.2 EU cereal, oilseed and protein crop yields (t/ha)

	EU-28					% variation			
	2010	2011	2012	2013e	2014f	13/12	13 vs 5-year av.	14/13	14 vs 5-year av.
Common wheat	5.53	5.58	5.42	5.81	5.81	7.3	3.8	-0.1	3.7
Durum	3.16	3.38	3.22	3.35	3.15	4.2	4.3	-6.0	-2.8
Rye	3.00	3.08	3.70	3.97	3.64	7.1	18.9	-8.3	5.7
Barley	4.34	4.35	4.40	4.86	4.54	10.3	10.2	-6.5	3.1
Oats	2.74	2.93	2.97	3.19	3.02	7.4	8.6	-5.1	3.0
Maize	7.19	7.61	6.06	6.72	7.18	10.9	-5.2	6.8	3.5
Triticale	3.95	3.90	4.17	4.29	4.22	2.9	5.0	-1.6	2.8
Sorghum	5.48	5.92	4.20	5.13	5.17	22.2	-4.5	0.7	-2.5
Others	2.80	2.71	2.95	2.86	2.79	-3.0	3.0	-2.5	-1.4
Cereals	4.99	5.17	4.89	5.31	5.28	8.5	4.6	-0.4	4.2
Rapeseed	2.91	2.85	3.10	3.11	3.23	0.3	2.6	3.8	6.2
Sunflower	1.85	1.96	1.67	2.05	1.92	22.9	10.8	-6.3	2.8
Soybeans	2.85	2.77	2.15	2.56	2.61	18.7	-7.7	2.2	-3.1
Linseed	1.45	1.71	1.57	1.85	1.62	17.6	17.1	-12.1	-2.6
Oilseeds	2.54	2.50	2.49	2.68	2.70	7.4	4.7	0.9	4.9
Field peas	2.82	2.28	2.32	2.68	2.73	15.5	5.1	1.9	7.4
Broad beans	2.81	2.83	2.88	2.80	2.90	-2.6	-5.0	3.5	2.2
Lupines	1.51	1.40	1.53	2.24	1.52	46.1	55.6	-32.2	2.4
Protein crops	7.14	6.51	6.73	7.72	7.15	14.7	10.2	-7.4	1.3
Sugar beet	63.13	67.10	71.37	65.38	75.48	-8.4	3.0	15.5	15.8

Table 5.3 EU cereal, oilseed and protein crop production ('000 t)

	EU-28					% variation			
	2010	2011	2012	2013e	2014f	13/12	13 vs 5-year av.	14/13	14 vs 5-year av.
Common wheat	128 000	130 243	125 913	136 049	138 581	8.0	5.0	1.9	7.0
Durum	9 160	8 481	8 355	7 922	7 392	-5.2	-9.9	-6.7	-13.2
Rye	7 787	6 860	8 744	10 192	8 781	16.6	18.4	-13.8	-0.2
Barley	53 065	51 918	55 007	59 891	55 773	8.9	5.5	-6.9	-0.4
Oats	7 482	7 952	7 924	8 417	7 918	6.2	3.6	-5.9	-2.2
Maize	59 488	70 666	59 552	65 582	70 667	10.1	6.1	7.8	14.5
Triticale	10 750	10 132	10 101	11 479	11 481	13.6	7.9	0.0	6.4
Sorghum	642	691	497	735	758	47.8	24.6	3.1	17.0
Others	4 326	4 540	5 227	4 361	4 687	-16.6	-9.0	7.5	0.7
Cereals	280 699	291 482	281 321	304 628	306 038	8.3	5.0	0.5	5.5
Rapeseed	20 611	19 199	19 222	20 904	21 542	8.7	6.2	3.1	6.4
Sunflower	6 945	8 534	7 140	9 064	8 322	26.9	27.1	-8.2	10.0
Soybeans	1 224	1 240	942	1 070	1 165	13.5	2.9	8.9	7.6
Linseed	171	156	134	135	128	1.0	-2.8	-5.1	-9.6
Oilseeds	28 952	29 130	27 438	31 173	31 156	13.6	9.4	-0.1	6.6
Field peas	1 997	1 574	1 170	1 232	1 316	5.3	-8.9	6.8	-4.1
Broad beans	1 431	1 171	1 002	1 019	1 099	1.7	-15.7	7.9	-8.1
Lupines	189	131	129	126	122	-2.1	3.2	-3.6	-5.5
Protein crops	3 617	2 876	2 300	2 377	2 537	3.3	-10.8	6.7	-5.7
Sugar beet	116 452	103 677	115 579	105 027	127 446	-9.1	-8.5	21.3	14.9
Total	313 268	323 489	311 059	338 178	339 731	8.7	4.9	0.5	5.4

Table 5.4 EU overall cereal balance sheet (million t)

	EU-27			EU-28		% variation vs. 13/14
	2010/11	2011/12	2012/13	2013/14e	2014/15f	
Beginning stocks <i>for information: Gross production</i>	54.6	36.9	37.6	27.8	32.5	16.8
Usable production	277.7	288.7	278.6	304.6	293.7	-3.6
Imports	275.1	286.0	276.0	301.8	303.2	0.5
Availabilities	13.3	14.4	16.9	18.3	15.8	-13.8
Total domestic uses	342.9	337.3	330.5	347.9	351.5	1.0
- Human	272.3	272.2	268.9	271.1	276.8	2.1
- Seed	65.1	65.4	65.6	65.6	65.4	-0.2
- Industrial	9.6	9.7	9.7	9.7	9.6	-0.5
o.w. bioethanol	30.1	30.1	30.4	31.0	31.4	1.3
- Animal feed	9.1	9.1	9.5	9.9	10.3	4.0
Losses (excl on-farm)	167.5	167.0	163.2	164.9	170.3	3.3
Exports	2.2	2.2	2.2	2.2	2.2	-0.5
Total uses	31.5	25.2	31.6	42.1	32.5	-22.7
End stocks	306.0	299.7	302.6	315.5	311.5	-1.3
- Market	36.9	37.6	27.8	32.5	40.0	23.1
- Intervention	36.4	37.5	27.8	32.5	40.0	23.1
Self-sufficiency rate %	0.6	0.1	0.0	0.0	0.0	-

Table 5.5 EU-28 cereal balance sheet 2014/15 (forecast) (million t)

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-28
Beginning stocks (01.07.2014)	8.3	6.0	0.2	15.1	1.0	0.3	0.7	0.6	0.3	32.5
<i>for information:</i>										
Gross production	138.6	55.8	7.4	70.7	8.8	0.8	7.9	11.5	4.7	306.0
Usable production	137.5	55.3	7.3	70.4	8.6	0.7	7.8	11.3	4.4	303.2
Import ¹	3.1	0.1	2.1	10.0	0.1	0.2	0.0	0.0	0.1	15.8
Total availabilities	149.0	61.4	9.6	95.4	9.6	1.2	8.5	11.9	4.8	351.5
Total domestic use	112.9	48.1	8.4	75.0	9.1	0.7	7.6	10.8	4.1	276.8
- Human	48.0	0.4	7.8	5.0	3.0	0.2	1.1	0.1	0.0	65.4
- Seed	4.7	2.3	0.4	0.5	0.5	0.0	0.5	0.5	0.3	9.6
- Industrial	10.6	9.5	0.1	8.9	1.5	0.0	0.1	0.6	0.1	31.4
<i>o.w. bioethanol</i>	4.5	0.9		3.6	0.8			0.5		10.3
- Animal feed	49.6	36.0	0.1	60.7	4.1	0.5	5.9	9.7	3.7	170.3
Losses (excl on-farm)	0.9	0.4	0.0	0.6	0.1	0.0	0.1	0.1	0.0	2.2
Export ¹	22.0	7.1	1.0	2.2	0.1	0.0	0.2	0.0	0.0	32.5
Total use	135.8	55.6	9.4	77.8	9.3	0.7	7.8	10.9	4.2	311.5
End stocks (30.06.2015)	13.2	5.9	0.2	17.6	0.4	0.5	0.6	1.0	0.6	40.0
- Market	13.2	5.9	0.2	17.6	0.4	0.5	0.6	1.0	0.6	40.0
- Intervention	0.0	0.0		0.0						0.0
Change in stocks	4.8	-0.2	0.0	2.5	-0.6	0.2	0.0	0.4	0.4	7.5
Change in public stocks	0.0	0.0		0.0						0.0
Self-sufficiency rate %	121.8	114.9	87.0	93.8	94.4	96.9	102.9	104.2	107.0	109.6

¹ Grains equivalent (grain, groats and flour).

Note: estimated export quantities for all wheat = 23.0 million t, for coarse grains = 9.5 million t.

Table 5.6 EU-28 cereal balance sheet 2013/14 (estimate) (million t)

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-28
Beginning stocks (01.07.2013)	8.6	4.2	0.2	12.9	0.5	0.0	0.6	0.6	0.3	27.8
<i>for information:</i>										
Gross production	136.0	59.9	7.9	65.6	10.2	0.7	8.4	11.5	4.4	304.6
Usable production	135.0	59.4	7.8	65.3	10.0	0.6	8.3	11.3	4.1	301.8
Import ¹	1.7	0.1	1.8	14.2	0.1	0.3	0.0	0.0	0.1	18.3
Total availabilities	145.3	63.6	9.8	92.4	10.6	1.0	8.9	11.8	4.5	347.9
Total domestic use	107.1	48.7	8.4	73.7	9.3	0.7	7.9	11.1	4.1	271.1
- Human	48.0	0.4	7.8	4.9	3.0	0.2	1.1	0.1	0.0	65.6
- Seed	4.7	2.3	0.4	0.5	0.5	0.0	0.5	0.5	0.3	9.7
- Industrial	10.5	9.5	0.1	8.6	1.5	0.0	0.1	0.6	0.1	31.0
<i>o.w. bioethanol</i>	4.4	0.9		3.3	0.8			0.5		9.9
- Animal feed	43.8	36.6	0.1	59.7	4.3	0.5	6.2	10.0	3.7	164.9
Losses (excl on-farm)	0.9	0.4	0.1	0.6	0.1	0.0	0.1	0.1	0.0	2.2
Export ¹	29.0	8.5	1.1	3.0	0.2	0.0	0.3	0.0	0.0	42.1
Total use	137.0	57.6	9.6	77.3	9.6	0.7	8.3	11.2	4.2	315.5
End stocks (30.06.2014)	8.3	6.0	0.2	15.1	1.0	0.3	0.7	0.6	0.3	32.5
- Market	8.3	6.0	0.2	15.1	1.0	0.3	0.7	0.6	0.3	32.5
- Intervention	0.0	0.0		0.0						0.0
Change in stocks	-0.3	1.9	0.0	2.2	0.5	0.3	0.1	0.1	0.0	4.7
Change in public stocks	0.0	0.0		0.0						0.0
Self-sufficiency rate %	126.1	121.9	92.6	88.6	107.0	93.6	105.3	101.4	99.1	111.3

¹ Grains equivalent (grain, groats and flour).

Note: estimated export quantities for all wheat = 30.1 million t, for coarse grains = 12.0 million t.

Table 5.7 EU-27 cereal balance sheet 2012/13 (million t)

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-27
Beginning stocks (01.07.2012)	10.1	7.2	0.7	16.9	0.6	0.2	0.9	0.7	0.2	37.6
for information: Gross production	124.9	54.8	8.3	58.3	8.7	0.5	7.8	10.0	5.2	278.6
Usable production	123.9	54.3	8.2	58.0	8.5	0.4	7.7	9.8	5.0	276.0
Import ¹	3.8	0.1	1.5	11.0	0.1	0.3	0.0	0.0	0.1	16.9
Total availabilities	137.8	61.6	10.4	85.9	9.2	0.9	8.7	10.6	5.4	330.5
Total domestic use	108.0	49.2	8.8	70.6	8.5	0.9	7.9	9.9	5.0	268.9
- Human	47.9	0.4	8.1	4.8	3.0	0.2	1.1	0.1	0.0	65.6
- Seed	4.7	2.3	0.4	0.5	0.5	0.0	0.5	0.5	0.3	9.7
- Industrial	10.3	9.4	0.1	8.3	1.5	0.0	0.1	0.6	0.1	30.4
<i>o.w. bioethanol</i>	4.3	0.9		3.0	0.8			0.5		9.5
- Animal feed	45.0	37.2	0.2	57.0	3.5	0.7	6.2	8.8	4.6	163.2
Losses (excl on-farm)	0.9	0.4	0.1	0.6	0.1	0.0	0.1	0.1	0.0	2.2
Export ¹	20.3	7.8	1.4	1.8	0.1	0.0	0.1	0.0	0.0	31.6
Total use	129.2	57.4	10.3	73.0	8.7	0.9	8.1	10.0	5.1	302.7
End stocks (30.06.2013)	8.6	4.2	0.2	12.9	0.5	0.0	0.6	0.6	0.3	27.8
- Market	8.6	4.2	0.2	12.9	0.5	0.0	0.6	0.6	0.3	27.8
- Intervention	0.0	0.0		0.0						0.0
Change in stocks	-1.4	-3.0	-0.5	-4.0	-0.1	-0.2	-0.3	-0.2	0.0	-9.8
Change in public stocks	0.0	-0.1		0.0						-0.1
Self-sufficiency rate %	114.8	110.3	93.6	82.2	100.2	45.2	97.9	99.2	98.6	102.6

¹ Grains equivalent (grain, groats and flour).

Note: estimated export quantities for all wheat = 21.7 million t, for coarse grains = 9.9 million t.

Table 5.8 EU-28 oilseeds balance sheets (million t)

	EU-28					% variation			
	2010/11	2011/12	2012/13	2013/14e	2014/15f	vs. 12/13	vs. 5-year av.	vs. 13/14	vs. 5-year av.
Production	28.8	29.0	27.3	31.0	31.0	13.7	9.5	0.0	6.7
Rape	20.6	19.2	19.2	20.9	21.5	8.7	6.2	3.1	6.4
Soybean	1.2	1.2	0.9	1.1	1.2	13.5	2.9	8.9	7.6
Sunflower	6.9	8.5	7.1	9.1	8.3	26.9	27.9	-8.2	10.0
Total domestic use	44.2	44.0	44.1	45.5	46.4	3.2	3.6	2.0	5.3
Rape	23.2	22.8	23.1	23.7	24.7	2.6	3.0	4.1	6.2
<i>of which crushing</i>	22.3	21.8	22.2	22.8	23.7	2.8	3.2	3.9	5.7
Soybean	14.2	13.2	13.7	13.6	13.5	-1.4	-1.4	-0.3	-0.6
<i>of which crushing</i>	12.8	11.9	12.5	12.2	12.2	-2.3	-1.6	-0.1	-0.5
Sunflower	6.8	8.0	7.2	8.2	8.2	13.7	17.7	0.0	12.0
<i>of which crushing</i>	5.9	7.1	6.3	7.3	7.2	15.9	19.7	-1.3	11.9
Imports	16.1	16.0	16.0	16.6	16.0	3.4	3.3	-3.4	-0.1
Rape	2.6	3.8	3.4	3.5	3.3	4.3	13.0	-8.0	2.1
Soybean	13.1	12.0	12.4	12.7	12.5	2.1	-0.4	-1.6	-1.1
Sunflower	0.4	0.3	0.2	0.4	0.3	54.9	7.3	-18.9	-11.3
Exports	0.7	0.8	0.5	1.2	0.8	122.9	77.2	-36.4	-2.7
Rape	0.2	0.1	0.1	0.3	0.2	248.7	149.3	-51.6	-4.4
Soybean	0.1	0.0	0.1	0.0	0.1	-22.2	20.2	62.2	75.5
Sunflower	0.5	0.6	0.4	0.8	0.5	117.5	70.8	-36.5	-9.1
End stocks	3.5	3.7	2.4	3.3	3.2	37.5	-5.3	-4.5	-8.3
Rape	1.5	1.5	0.9	1.3	1.3	44.4	-14.3	-3.8	-11.8
Soybean	1.3	1.3	0.9	1.0	1.1	17.6	-18.9	5.0	-12.5
Sunflower	0.7	0.9	0.7	1.0	0.9	53.8	42.9	-15.0	13.3
Self-suff. rate %	65.1	65.9	61.9	68.2	66.8				

Table 5.9 EU oilmeals balance sheets (million t)

	EU-28					% variation			
	2010/11	2011/12	2012/13	2013/14e	2014/15f	13/14 vs. 12/13	13/14 vs. 5- year av.	14/15 vs. 13/14	14/15 vs. 5- year av.
Production	26.1	25.7	25.9	26.6	27.1	2.6	3.3	1.7	4.5
Rape	12.7	12.4	12.6	13.0	13.5	2.8	3.2	3.9	5.7
Soybean	10.1	9.4	9.9	9.6	9.6	-2.3	-1.6	-0.1	-0.5
Sunflower	3.2	3.9	3.5	4.0	4.0	15.9	19.7	-1.3	11.9
Total domestic use	49.2	49.1	45.8	47.5	49.5	3.7	-2.0	4.3	3.0
Rape	12.7	12.3	12.8	13.1	13.5	2.7	4.1	3.1	5.9
Soybean	31.2	29.7	26.0	27.5	29.1	5.6	-8.8	5.8	0.7
Sunflower	5.3	7.1	7.0	6.9	6.9	-1.8	15.4	0.6	7.6
Imports	24.2	24.7	21.0	21.7	23.5	3.6	-8.0	7.9	2.9
Rape	0.2	0.2	0.4	0.5	0.3	16.5	131.8	-38.5	2.7
Soybean	21.8	21.2	16.9	18.2	20.1	7.7	-13.3	10.3	1.2
Sunflower	2.2	3.3	3.7	3.1	3.1	-16.7	17.6	0.9	7.5
Exports	0.9	1.2	1.1	0.8	1.1	-22.6	-8.2	24.7	10.6
Rape	0.3	0.3	0.3	0.3	0.3	25.8	41.1	-23.3	-2.1
Soybean	0.6	0.8	0.7	0.3	0.7	-54.4	-43.4	109.3	18.4
Sunflower	0.1	0.1	0.1	0.2	0.1	59.5	68.1	-35.7	-11.5
End stocks	0.5	0.6	0.6	0.7	0.6	8.3	18.2	-7.7	9.1
Rape	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Soybean	0.4	0.4	0.5	0.5	0.5	11.1	25.0	-10.0	12.5
Sunflower	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Self-suff. rate %	52.9	52.2	56.7	56.1	54.7				

Table 5.10 EU vegetable oils balance sheets (million t)

	EU-28					% variation			
	2010/11	2011/12	2012/13	2013/14e	2014/15f	13/14 vs. 12/13	13/14 vs. 5- year av.	14/15 vs. 13/14	14/15 vs. 5- year av.
Production	14.2	14.3	14.2	14.8	15.2	4.3	4.5	2.2	6.5
Rape	9.2	8.9	9.1	9.3	9.7	2.8	3.2	3.9	5.7
Soybean	2.6	2.4	2.5	2.4	2.4	-2.3	-1.6	-0.1	-0.5
Sunflower	2.5	3.0	2.6	3.1	3.0	15.9	19.7	-1.3	11.9
Palm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total domestic use	20.3	20.5	19.8	21.2	21.0	7.0	4.5	-0.9	1.8
Rape	9.4	9.4	8.8	9.3	9.8	5.3	0.7	6.1	5.1
Soybean	3.0	2.3	1.7	1.8	2.1	6.8	-31.2	18.1	-4.6
Sunflower	3.1	3.6	3.4	3.5	3.8	1.2	1.8	8.1	8.6
Palm	4.8	5.2	5.9	6.7	5.3	13.1	27.9	-20.6	-3.4
Imports	7.3	7.4	7.4	8.2	7.2	10.4	10.8	-11.8	-2.3
Rape	0.5	0.6	0.2	0.3	0.4	48.2	-33.9	43.9	6.7
Soybean	0.9	0.6	0.3	0.3	0.4	15.8	-52.2	15.5	-21.7
Sunflower	0.9	0.8	1.0	0.8	0.9	-23.3	-17.7	19.8	5.0
Palm	5.1	5.4	5.9	6.8	5.5	14.7	26.0	-19.1	-1.8
Exports	0.9	1.2	1.9	1.7	1.4	-6.6	82.8	-22.5	4.8
Rape	0.2	0.2	0.5	0.4	0.3	-23.6	158.2	-19.0	27.9
Soybean	0.4	0.6	1.0	0.9	0.7	-14.6	85.9	-21.6	8.0
Sunflower	0.2	0.2	0.2	0.4	0.2	62.7	117.5	-46.4	0.0
Palm	0.2	0.2	0.1	0.1	0.2	-0.6	-12.8	25.4	10.7
End stocks	1.2	1.2	1.1	1.2	1.1	4.5	-1.1	-0.9	0.0
Rape	0.5	0.4	0.4	0.4	0.4	0.0	-4.0	0.0	0.0
Soybean	0.1	0.1	0.2	0.2	0.2	33.3	53.8	-21.7	20.5
Sunflower	0.3	0.3	0.3	0.3	0.3	0.0	0.0	0.0	0.0
Palm	0.4	0.4	0.3	0.3	0.3	0.0	-10.0	11.1	0.0
Self-suff. rate %	69.7	69.6	71.7	69.9	72.0				

MEATS

Table 5.11 EU-28 overall meat balance ('000 tonnes carcass weight equivalent)

	EU-28						% variation				
	2010	2011	2012	2013e	2014f	2015f	11/10	12/11	13/12	14/13	15/14
Gross Indigenous Production	44 135	44 640	44 030	43 744	44 040	44 486	1.1	-1.4	-0.6	0.7	1.0
Live Imports	1	1	1	1	2	0					
Live Exports	190	240	232	179	180	186	26.2	-3.6	-22.6	0.7	3.1
Net Production	43 946	44 401	43 800	43 567	43 862	44 300	1.0	-1.4	-0.5	0.7	1.0
EU-15	36 781	37 222	36 663	36 396	36 211	36 587	1.2	-1.5	-0.7	-0.5	1.0
EU-N13	7 164	7 179	7 137	7 170	7 650	7 713	0.2	-0.6	0.5	6.7	0.8
Meat Imports	1 385	1 357	1 326	1 311	1 305	1 308	-2.1	-2.3	-1.1	-0.5	0.3
Meat Exports	3 230	3 783	3 702	3 704	3 529	3 546	17.1	-2.1	0.1	-4.7	0.5
Consumption	42 101	41 976	41 424	41 174	41 637	42 062	-0.3	-1.3	-0.6	1.1	1.0
Population (mio)	504	506	507	508	509	510	0.3	0.2	0.2	0.2	0.2
Per Capita Consumption¹ (kg)	66.4	66.1	65.2	64.7	65.3	65.8	-0.5	-1.4	-0.7	0.9	0.8
Self-sufficiency rate %	104.8	106.3	106.3	106.2	105.8	105.8					

¹ In retail weight. Coefficients to transform carcass weight into retail weight are 0.7 for beef and veal meat, 0.78 for pigmeat and 0.88 for both poultry meat and sheep and goat meat.

Table 5.12 EU-28 beef/veal market balance ('000 tonnes carcass weight equivalent)

	EU-28						% variation				
	2010	2011	2012	2013e	2014f	2015f	11/10	12/11	13/12	14/13	15/14
Gross Indigenous Production	8 232	8 215	7 882	7 531	7 624	7 799	-0.2	-4.1	-4.5	1.2	2.3
Live Imports	0	0	0	0	0	0					
Live Exports	104	147	159	109	102	107	42.3	7.8	-31.4	-6.5	5.0
Net Production	8 128	8 068	7 723	7 422	7 522	7 692	-0.7	-4.3	-3.9	1.4	2.3
EU-15	7 305	7 245	6 950	6 677	6 724	6 885	-0.8	-4.1	-3.9	0.7	2.4
EU-N13	824	822	773	745	799	807	-0.2	-5.9	-3.7	7.2	1.0
Meat Imports	321	286	275	304	301	301	-10.8	-4.1	10.6	-0.9	0.0
Meat Exports	253	327	210	161	169	170	29.2	-35.8	-23.3	4.6	1.0
Consumption	8 196	8 027	7 788	7 565	7 655	7 823	-2.1	-3.0	-2.9	1.2	2.2
Per Capita Consumption¹ (kg)	11.4	11.1	10.8	10.4	10.5	10.7	-2.3	-3.2	-3.1	0.9	2.0
Share in total meat cons. (%)	19.5	19.1	18.8	18.4	18.4	18.6					
Self-sufficiency rate (%)	100.4	102.3	101.2	99.6	99.6	99.7					

¹ In retail weight. Coefficient to transform carcass weight into retail weight is 0.7 for beef and veal meat.

Table 5.13 EU-28 pigmeat market balance ('000 tonnes carcass weight equivalent)

	EU-28						% variation				
	2010	2011	2012	2013e	2014f	2015f	11/10	12/11	13/12	14/13	15/14
Gross Indigenous Production	22 753	23 055	22 554	22 415	22 464	22 637	1.3	-2.2	-0.6	0.2	0.8
Live Imports	0	0	0	0	0	0					
Live Exports	67	62	36	26	31	31	-6.9	-42.4	-27.1	18.6	1.0
Net Production	22 686	22 993	22 518	22 389	22 433	22 605	1.4	-2.1	-0.6	0.2	0.8
<i>EU-15</i>	19 121	19 438	19 127	19 038	18 882	19 033	1.7	-1.6	-0.5	-0.8	0.8
<i>EU-N13</i>	3 566	3 556	3 391	3 351	3 551	3 572	-0.3	-4.6	-1.2	6.0	0.6
Meat Imports	29	18	19	16	15	15	-38.8	9.9	-19.3	-6.8	1.1
Meat Exports	1 815	2 151	2 154	2 207	2 053	2 057	18.5	0.1	2.5	-7.0	0.2
Consumption	20 900	20 860	20 384	20 197	20 395	20 563	-0.2	-2.3	-0.9	1.0	0.8
Per Capita Consumption¹ (kg)	32.3	32.2	31.4	31.0	31.3	31.4	-0.4	-2.5	-1.1	0.7	0.6
<i>Share in total meat cons. (%)</i>	49.6	49.7	49.2	49.1	49.0	48.9					
Self-sufficiency rate (%)	108.9	110.5	110.6	111.0	110.1	110.1					

¹ In retail weight. Coefficient to transform carcass weight into retail weight is 0.78 for pigmeat.

Table 5.14 EU-28 poultry meat market balance ('000 tonnes carcass weight equivalent)

	EU-28						% variation				
	2010	2011	2012	2013e	2014f	2015f	11/10	12/11	13/12	14/13	15/14
Gross Indigenous Production	12 191	12 391	12 647	12 841	12 984	13 076	1.6	2.1	1.5	1.1	0.7
Live Imports	1	1	1	1	2	0					
Live Exports	9	9	10	10	9	10	-8.5	16.9	2.5	-7.3	0.9
Net Production	12 182	12 384	12 638	12 832	12 976	13 067	1.7	2.1	1.5	1.1	0.7
<i>EU-15</i>	9 511	9 690	9 771	9 870	9 792	9 850	1.9	0.8	1.0	-0.8	0.6
<i>EU-N13</i>	2 671	2 694	2 867	2 962	3 185	3 216	0.8	6.4	3.3	7.5	1.0
Meat Imports	796	831	841	792	794	794	4.4	1.3	-5.9	0.3	0.0
Meat Exports	1 150	1 290	1 313	1 300	1 268	1 280	12.2	1.8	-1.1	-2.4	0.9
Consumption	11 829	11 925	12 166	12 324	12 502	12 581	0.8	2.0	1.3	1.4	0.6
Per Capita Consumption¹ (kg)	20.6	20.8	21.1	21.4	21.6	21.7	0.6	1.8	1.1	1.2	0.4
<i>Share in total meat cons. (%)</i>	28.1	28.4	29.4	29.9	30.0	29.9					
Self-sufficiency rate (%)	103.1	103.9	104.0	104.2	103.9	103.9					

¹ In retail weight. Coefficient to transform carcass weight into retail weight is 0.88 for poultry meat.

Table 5.15 EU-28 sheep and goat meat market balance ('000 tonnes carcass weight equivalent)

	EU-28						% variation				
	2010	2011	2012	2013e	2014f	2015f	11/10	12/11	13/12	14/13	15/14
Gross Indigenous Production	959	978	947	958	968	974	2.0	-3.1	1.1	1.1	0.6
Live Imports	0	0	0	0	0	0					
Live Exports	10	22	27	34	38	38	111.3	23.0	26.1	12.9	0.3
Net Production	948	956	921	924	930	936	0.8	-3.7	0.4	0.6	0.7
<i>EU-15</i>	845	849	815	812	814	819	0.5	-4.1	-0.4	0.3	0.6
<i>EU-N13</i>	103	107	106	113	116	117	3.5	-1.2	6.4	3.4	1.0
Meat Imports	240	222	190	200	195	198	-7.3	-14.3	4.9	-2.5	1.7
Meat Exports	12	15	25	36	39	39	25.5	63.5	48.3	8.1	0.0
Consumption	1 176	1 163	1 086	1 088	1 086	1 095	-1.1	-6.6	0.1	-0.2	0.9
Per Capita Consumption¹ (kg)	2.1	2.0	1.9	1.9	1.9	1.9	-1.3	-6.8	-0.1	-0.4	0.6
<i>Share in total meat cons. (%)</i>	2.8	2.8	2.6	2.6	2.6	2.6					
Self-sufficiency rate (%)	81.5	84.1	87.2	88.1	89.2	89.0					

¹ In retail weight. Coefficient to transform carcass weight into retail weight is 0.88 for sheep and goat meat.

MILK AND DAIRY PRODUCTS

Table 5.16 Milk supply and utilisation in the EU-28

	EU-28						% variation				
	2010	2011	2012	2013e	2014f	2015f	11/10	12/11	13/12	14/13	15/14
Dairy cows (mio heads)¹	23.3	23.1	23.1	23.3	23.2	23.1	-0.9	-0.2	0.9	-0.2	-0.7
of which EU-15	17.6	17.5	17.6	17.8	17.9	17.8	-0.5	0.6	1.5	0.4	-0.3
of which EU-N13	5.8	5.6	5.5	5.4	5.3	5.2	-2.0	-2.7	-1.0	-2.0	-2.0
Milk yield (kg/dairy cow)²	6 273	6 426	6 451	6 438	6 612	6 796	2.4	0.4	-0.2	2.7	2.8
of which EU-15	6 934	7 092	7 054	7 025	7 197	7 388	2.3	-0.5	-0.4	2.4	2.6
of which EU-N13	4 257	4 362	4 523	4 510	4 643	4 771	2.5	3.7	-0.3	3.0	2.8
Milk production (million t)	149.9	151.9	152.2	153.2	157.0	160.2	1.3	0.2	0.6	2.5	2.0
of which EU-15	122.1	124.1	124.2	125.5	129.1	132.1	1.7	0.0	1.0	2.9	2.3
of which EU-N13	27.8	27.8	28.1	27.7	27.9	28.1	-0.3	1.1	-1.3	0.9	0.7
Feed use (million t)	3.7	3.5	3.5	3.4	3.3	3.4	-5.8	-0.8	-3.0	-1.1	2.3
On farm use and direct sales (mio t)	7.1	6.6	6.6	6.4	6.3	6.2	-6.1	-1.0	-2.0	-1.3	-2.1
Delivered to dairies (million t)	136.9	139.6	140.1	141.3	145.3	148.6	2.0	0.3	0.9	2.8	2.3
of which EU-15	118.2	120.4	120.0	121.4	125.0	127.9	1.9	-0.3	1.1	2.9	2.4
of which EU-N13	18.8	19.2	20.0	19.9	20.3	20.7	2.4	4.2	-0.7	2.2	1.7
Delivery ratio (%)³	91.3	91.9	92.0	92.2	92.5	92.8	0.6	0.1	0.3	0.3	0.2
of which EU-15	96.8	97.0	96.7	96.8	96.8	96.9	0.2	-0.4	0.1	0.1	0.1
of which EU-N13	67.4	69.2	71.3	71.8	72.7	73.5	2.6	3.1	0.7	1.3	1.0
Fat content of milk (%)	4.05	4.03	4.04	4.04	4.04	4.04	-0.4	0.2	0.0	-0.1	-0.1
Protein content of milk (%)	3.38	3.37	3.37	3.37	3.37	3.37	-0.3	0.1	-0.1	0.0	0.0

¹ Dairy cow numbers refer to the end of the year (historical figures from the December cattle survey).² Milk yield is dairy cow production per dairy cows (dairy cows represent around 99.7% of EU-27 total production).³ Delivery ratio is milk delivered to dairies per total production.

Table 5.17 EU-28 fresh dairy products market balance ('000 tonnes)

	EU-28						% variation				
	2010	2011	2012	2013e	2014f	2015f	11/10	12/11	13/12	14/13	15/14
Production	46 992	46 800	46 713	46 495	46 647	46 790	-0.4	-0.2	-0.5	0.3	0.3
of which Drinking Milk	31 801	31 723	31 670	31 584	31 741	31 837	-0.2	-0.2	-0.3	0.5	0.3
of which Cream	2 432	2 419	2 509	2 521	2 572	2 623	-0.5	3.7	0.5	2.0	2.0
of which Acidified Milk	8 230	8 201	8 130	8 005	7 965	7 973	-0.4	-0.9	-1.5	-0.5	0.1
of which Other Fresh Products ²	4 529	4 456	4 405	4 384	4 368	4 357	-1.6	-1.2	-0.5	-0.4	-0.3
of which EU-15	40 678	40 560	40 434	40 229	40 349	40 430	-0.3	-0.3	-0.5	0.3	0.2
of which EU-N13	6 314	6 240	6 279	6 266	6 297	6 360	-1.2	0.6	-0.2	0.5	1.0
Imports (extra EU)	37	44	42	28	28	28	19.0	-5.2	-33.0	0.0	0.0
Exports (extra EU)	328	399	532	578	647	712	21.5	33.5	8.5	12.0	10.0
Domestic use¹	46 701	46 445	46 222	45 945	46 028	46 107	-0.5	-0.5	-0.6	0.2	0.2
p.c. consumption (kg)	93	92	91	90	90	90	-0.8	-0.7	-0.8	-0.1	-0.1
Self-sufficiency rate (%)	100.6	100.8	101.1	101.2	101.3	101.5					

¹ Domestic use includes stock changes.² Includes buttermilk, drinks with milk base and other fresh commodities.

Note: The figures on imports and exports are referring to total trade, i.e. including inward processing.

Table 5.18 EU-28 cheese market balance ('000 tonnes)

	EU-28						% variation				
	2010	2011	2012	2013e	2014f	2015f	11/10	12/11	13/12	14/13	15/14
Production (in dairies)	9 011	9 065	9 287	9 368	9 517	9 692	0.6	2.5	0.9	1.6	1.8
of which from pure cow's milk	8 322	8 381	8 548	8 625	8 773	8 947	0.7	2.0	0.9	1.7	2.0
of which from other milk ¹	688	684	738	743	744	745	-0.6	8.0	0.6	0.1	0.1
EU-15 (in dairies)	7 765	7 811	7 956	7 990	8 085	8 203	0.6	1.9	0.4	1.2	1.5
EU-N13 (in dairies)	1 245	1 254	1 331	1 378	1 432	1 488	0.7	6.1	3.5	3.9	3.9
Processed cheese impact ²	330	330	325	334	348	360	0.1	-1.5	2.8	4.1	3.3
Total production	9 341	9 395	9 612	9 703	9 865	10 051	0.6	2.3	0.9	1.7	1.9
Imports³	84	75	78	75	79	79	-10.5	4.2	-4.3	6.0	0.0
Exports	667	673	768	787	807	843	0.8	14.1	2.5	2.5	4.5
Total domestic use⁴	8 757	8 797	8 923	8 990	9 138	9 287	0.5	1.4	0.8	1.6	1.6
Processing use	295	296	287	287	298	307	0.2	-3.1	0.2	3.9	3.0
Human consumption	8 462	8 501	8 636	8 703	8 839	8 980	0.5	1.6	0.8	1.6	1.6
of which EU-15	7 243	7 270	7 368	7 392	7 454	7 527	0.4	1.3	0.3	0.8	1.0
of which EU-N13	1 219	1 232	1 268	1 311	1 385	1 453	1.1	3.0	3.4	5.7	4.9
p.c. consumption (kg)	17	17	17	17	17	18	0.2	1.3	0.5	1.3	1.4
Self-sufficiency rate (%)	106.7	106.8	107.7	107.9	108.0	108.2					

¹ Other milk includes goat, ewe and buffalo milk.² Processed cheese impact includes production and net exports of processed cheese.³ Imports and Exports include Processed Cheese.⁴ Total domestic use includes stock changes.**Table 5.19 EU-28 whole milk powder market balance ('000 tonnes)**

	EU-28						% variation				
	2010	2011	2012	2013e	2014f	2015f	11/10	12/11	13/12	14/13	15/14
Production	704	692	662	698	721	738	-1.8	-4.3	5.5	3.3	2.3
of which EU-15	645	632	598	624	640	653	-2.0	-5.4	4.5	2.5	2.0
of which EU-N13	59	59	64	73	81	85	0.8	7.6	14.9	10.0	5.0
Imports	2	2	3	3	4	4	-10.2	52.2	27.0	11.3	5.3
Exports	445	388	386	374	393	401	-12.9	-0.5	-3.0	5.0	2.0
Domestic Use¹	261	305	278	327	331	341	17.2	-8.8	17.4	1.4	2.8
Self-sufficiency rate (%)	270.2	226.6	237.7	213.5	217.4	216.5					

¹ Domestic use includes stock changes.

Table 5.20 EU-28 skimmed milk powder market balance ('000 tonnes)

	EU-28						% variation				
	2010	2011	2012	2013e	2014f	2015f	11/10	12/11	13/12	14/13	15/14
Production	965	1 096	1 109	1 092	1 204	1 306	13.6	1.2	-1.6	10.3	8.4
Imports	4	0	2	5	4	3	-90.0	334.3	199.6	-20.0	-20.0
Exports	376	516	520	407	516	614	36.9	0.9	-21.9	27.0	19.0
Domestic use¹	686	689	685	690	692	694	0.4	-0.5	0.7	0.3	0.4
Ending stocks	265	157	62	62	62	62					
Private (industry)	70	107	62	62	62	62					
Public (intervention)	195	50	0	0	0	0					
Stock changes	- 94	- 108	- 95	0	0	0					
Self-sufficiency rate (%)	140.6	159.1	161.8	158.2	174.0	188.0					

¹ Domestic use includes stock changes.

Table 5.21 EU-28 butter market balance ('000 tonnes)

	EU-28						% variation				
	2010	2011	2012	2013e	2014f	2015f	11/10	12/11	13/12	14/13	15/14
Production	2 087	2 133	2 196	2 182	2 236	2 280	2.2	2.9	-0.7	2.5	1.9
of which EU-15	1 866	1 913	1 954	1 935	1 983	2 023	2.5	2.2	-1.0	2.5	2.0
of which EU-N13	221	221	242	246	253	256	0.0	9.6	1.8	2.5	1.5
Imports	34	34	29	23	40	42	0.5	-15.0	-21.9	77.0	4.0
Exports	157	124	124	116	127	133	-21.5	0.1	-6.2	9.0	5.0
Domestic use¹	2 049	2 015	2 081	2 088	2 150	2 188	-1.7	3.3	0.4	2.9	1.8
p.c. consumption (kg)	4	4	4	4	4	4	-1.9	3.0	0.1	2.7	1.6
Ending stocks	50	80	100	100	100	100					
Private	49	80	100	100	100	100					
Public (intervention)	2	0	0	0	0	0					
Stock changes	- 85	29	21	0	0	0					
Self-sufficiency rate (%)	101.9	105.9	105.6	104.5	104.0	104.2					

Note: Data refer to butter, butter oil and other yellow fat products expressed in butter equivalent. Figures on imports and exports do not include inward/outward processing.

¹ Domestic use includes stock changes.

6. METHODOLOGY

This outlook takes into account the most recent macroeconomic information and the domestic and international market developments and expectations. Data is subject to retrospective review.

The balance sheets refer to five calendar years for meat and dairy and five marketing years for crops (July/June). Crop marketing years start with the harvest. Thus, area, yield and production figures of crops refer to the year of harvest.

SOURCES

- EUROSTAT
 - Agricultural production yearly for historical data and monthly data for previous and current year for meat and dairy production.
 - Farm livestock survey.
 - Gross Indigenous Production (GIP) forecast for meat.
 - Early estimates for crop products.
- COMEXT database (extra-EU trade statistics).

Production projections for current and next year are based, depending on the sector, on EUROSTAT monthly data, official estimates of ministries or national statistical institutes, and on the Crop Monitoring and Yield Forecasting projections (AGRI4CAST⁵), in the case of cereals; on expert forecasts for Gross Indigenous Production (in heads) sent by Member States (MS) to Eurostat in the case of meat; on monthly milk deliveries for dairy.

The projected external trade figures are derived from the latest monthly data available by applying trends and annual profiles as well as from trade licences and import quotas, when applicable.

Arable crops

Crop areas: For MS in which data is not yet available, a percentage variation is estimated on the basis of those MS which communicated data or area is estimated through the trimmed average of the last five marketing years or assuming no changes compared to the previous year.

Yields: MS estimates or AGRI4CAST projections are used if available. If these data are not available, preferably the yield trend from 2000 to the present is retained, otherwise the trimmed average of the last five marketing years is used.

Trade: Cereal trade figures include cereals as such, plus flour and groats (in cereal equivalent). In the former editions of the Short Term Outlook maize trade included additional processed products. This has been revised backward and the balance is closed via an adjustment of the processing demand.

Balance sheets are based on a marketing year (July-June) starting with the harvest.

Cereals: Human consumption, seed use and other industrial use is based on historic relations regarding population and planted area in the relevant marketing year. Feed use is based on calculations with FeedMod, an in-house model for feed ration optimisation. Cereal use as feedstock for ethanol production for previous marketing years is based on the use of the ethyl-alcohol balance sheets produced by MS. Projections are based on information about the ethanol production development. Stocks are closing the balance for cereals⁶. Intervention stocks equal official figures of the Directorate General for Agriculture and Rural Development for the past and estimates based on past experience for the current marketing year, if applicable.

Oilseeds: The balance sheets include rape, soybean and sunflower seed meal and oil, plus palm oil. Stock data represent own estimates based on expert judgement and market information. Thus, the balances close on the domestic use. A coefficient is used to determine the share of oilseeds used in the crushing industry. These coefficients are 96% for rapeseed, 93% for soybeans and 89% for sunflower seed. The balance sheets are interlinked, as oilseeds are crushed into meals and oils on the basis of processing coefficients, used to determine the percentage of meals and oils obtained from oilseeds in the crushing process. These processing coefficients equal 57% for rape meal, 79% for soybean meal and 55% for sunflower meal and 41% for rape oil, 20% for soybean oil and 42% for sunflower oil.

Meat

The meat balance sheets cover the beef, pig, poultry, sheep and goat meat categories. Trade data is divided into live animals and meat products ('fresh and chilled', 'frozen', 'salted' and 'prepared'). The offal and fat categories are excluded (with the exception of pork lard). All data is expressed in carcass weight equivalent⁷.

Production estimates for the year 2013 are based on annual data on slaughtering and livestock numbers. Projections for the years 2014 and 2015 are based on the available monthly data. Member States experts forecast on the expectations as regards implementation of new welfare rules in the pig sector, on the trends in livestock numbers and meat consumption patterns.

Net production refers to data on slaughtering taking place in the registered slaughterhouses as well as in other establishments. The other slaughterings are

⁶ For all crops this refers to a situation as of end-June, which may differ from other balances, e.g. IGC for maize, USDA for corn.

⁷ Carcasses of bovine animals, pigs, sheep, goats and poultry are defined at point 3 ('carcass weight' at point 4) of Annex I of Regulation (EC) No 1165/2008 concerning livestock and meat statistics. For more details as regards the conversion coefficients of product weight into carcass weight equivalent please refer to the Eurostat document ASA/TE/F/655.

⁵ <http://mars.jrc.ec.europa.eu/mars/About-us/AGRI4CAST/Crop-Monitoring-and-Yield-Forecasting>

subject to constant reviews. therefore data on the net production might be sensitive to these changes.

GIP is calculated as net production plus live exports minus live imports. Consumption is calculated as a residual, i.e. sum of production plus imports less exports plus stock change.

Milk and dairy products

The commodity balance sheets cover production of dairy products taking place in dairy processing plants and so far do not include on-farm production⁸.

Production of EU-28 total dairy products and in particular for SMP and WMP are estimated, where necessary since the concentration in the dairy processing industry has resulted in an increasing number of Member States not publishing their milk (monthly) production statistics due to confidentiality.

Milk production estimates for year 2013 are based on most recent annual milk deliveries. Projections for the years 2014 and 2015 are based on the available monthly statistics, on price expectations, on the trends stemming from the medium term projections and on consumption patterns. Assumptions are made on the dairy herd and cow milk yield, milk demand for direct sales, feed and on-farm use, and milk fat and protein content developments.

⁸ Milk statistics for the EU-N12 on-farm production of butter, cheese and other products has only recently become complete and has yet to be validated.

Milk uses for dairy products are balanced with availabilities of total milk fat and proteins through a 'residual approach'. Market forecasts are first made for milk deliveries and the production of dairy products. The forecasted production figures are then converted into protein and fat equivalents and subtracted from the available dairy fat and protein of the milk delivered.

In the dairy products balances, consumption is calculated as a residual, i.e. sum of production plus imports less exports plus stock change.

When evaluating the possible future developments for dairy commodities, also expectations on the level of milk deliveries and/or changes in production of other dairy products have to be taken into account.

Knowledge of private (commercial) stocks and consumption levels is incomplete or lacking for most dairy products. The developments in domestic use may hide considerable changes in private (industry/trade) stocks.

Glossary

EU-15 includes EU Member States in 2003: Belgium, Denmark, Germany, Ireland, Greece, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom.

EU-N12 includes the Members States that joined the EU in 2004: the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia, and in 2007: Bulgaria and Romania.

EU-N13 includes EU-N13 plus Croatia, which joined the EU the 1st July 2013.

EU-27 includes EU-15 plus EU-N12, i.e. the European Union between 2007 and 2013.

EU-28 includes EU-15 plus EU-N13, i.e. the European Union since 2013.

DISCLAIMER: While all efforts are made to reach robust estimates uncertainties on results may still remain. This publication does not necessary reflect the official opinion of the European Union.

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