



# *Short-term Challenges in EU Agriculture*

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# Three key factors shape Europe's agriculture



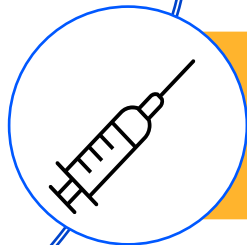
## Cost inflation and consumer response:

*Input prices jumped (energy, fertilizer, feed, labour) but margin pressure differs per sector*



## Trade and geopolitics:

*Russia/Ukraine war has materially changed trade flows*

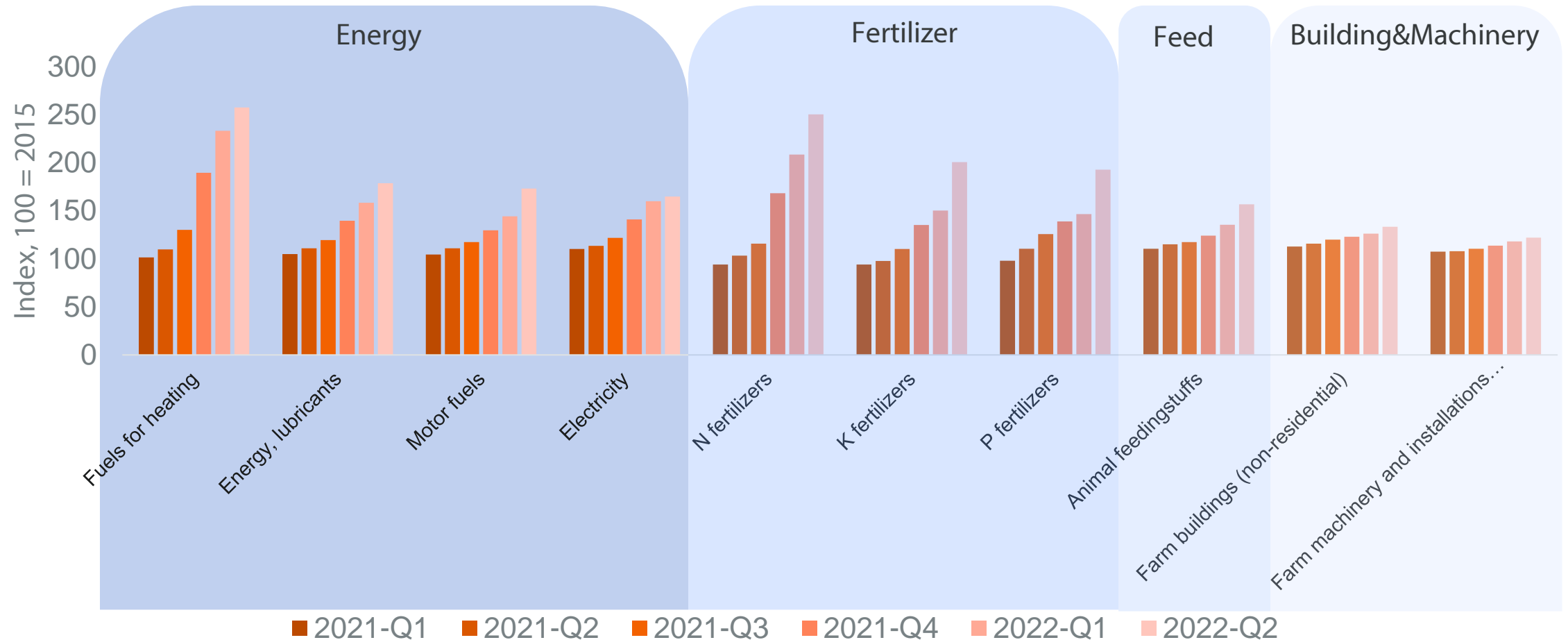


## Disease pressure:

*African Swine Fever and Avian Influenza impacts production and trade*

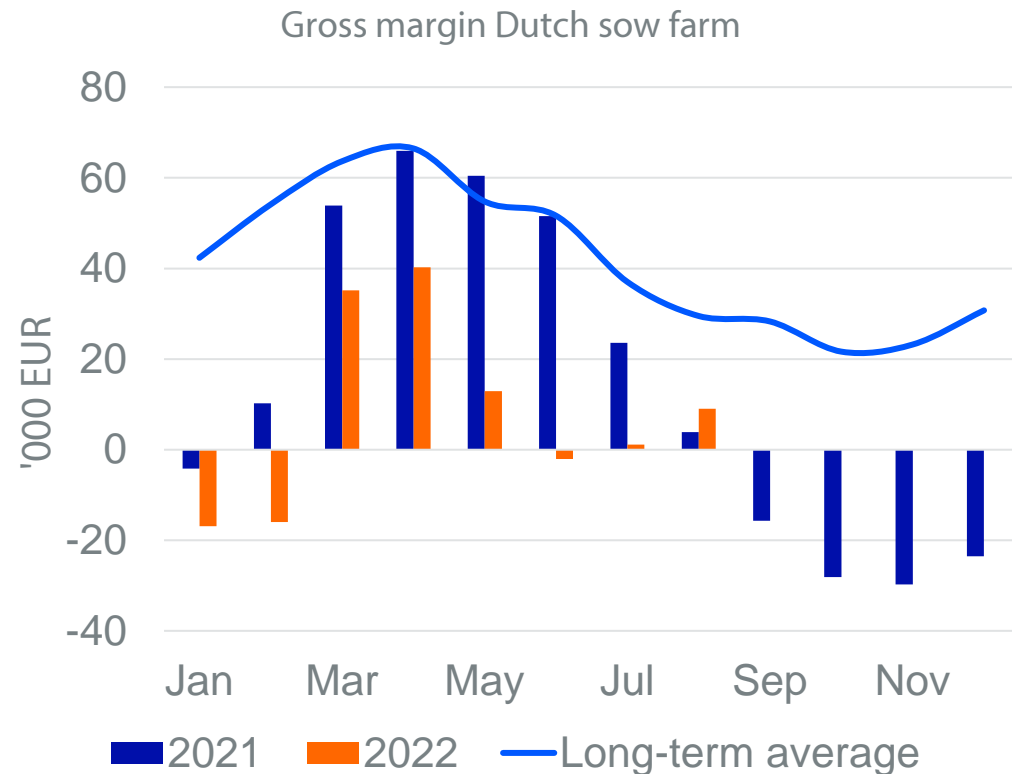
# Agricultural input prices skyrocketed

Highest increase in energy, fertilizer and feed

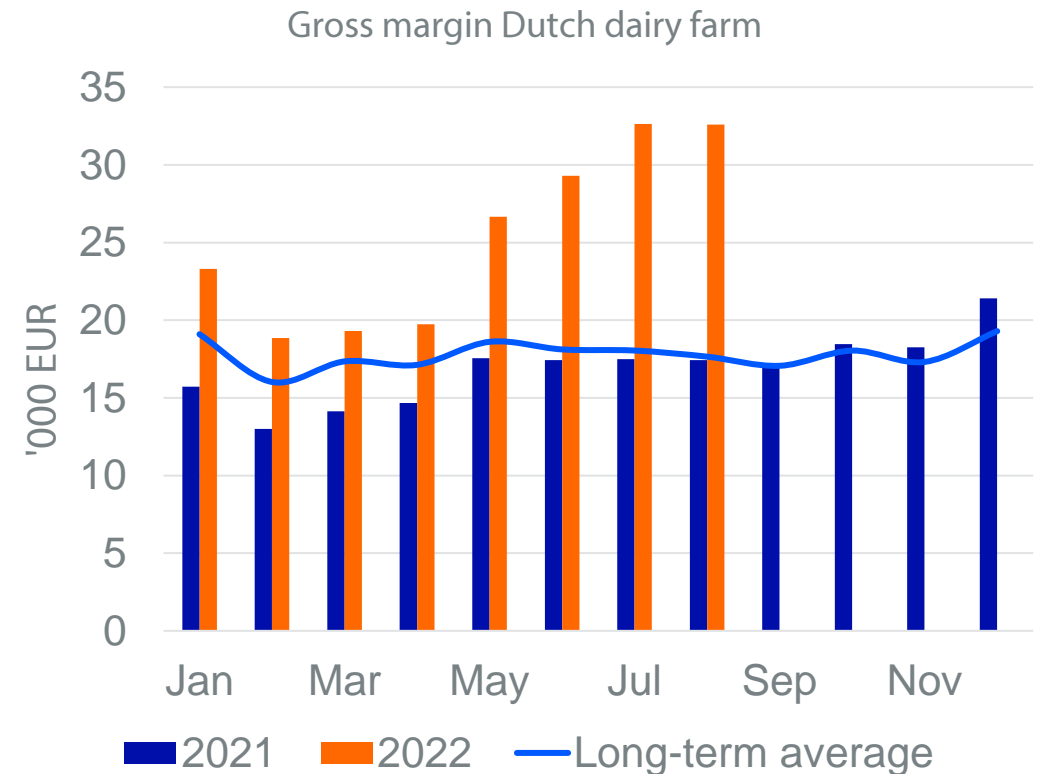


# Ability to pass through increased cost differs per sector

Low piglet price and increased costs pressure margins at the sow farm

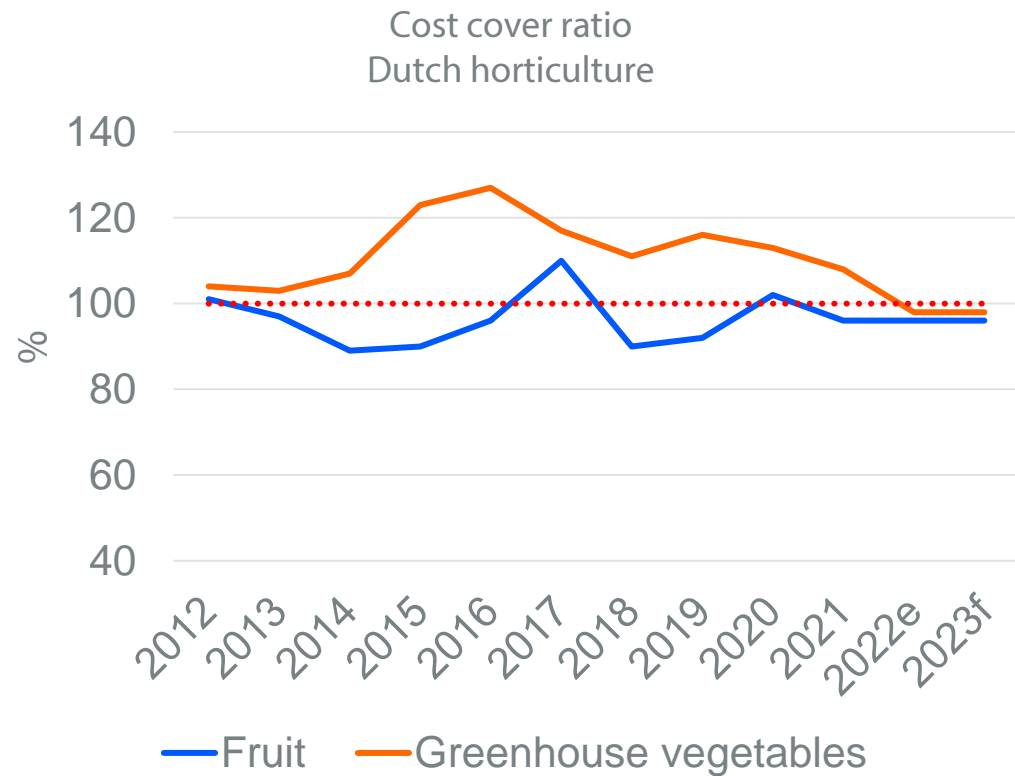


High milk price results in improved margins for dairy

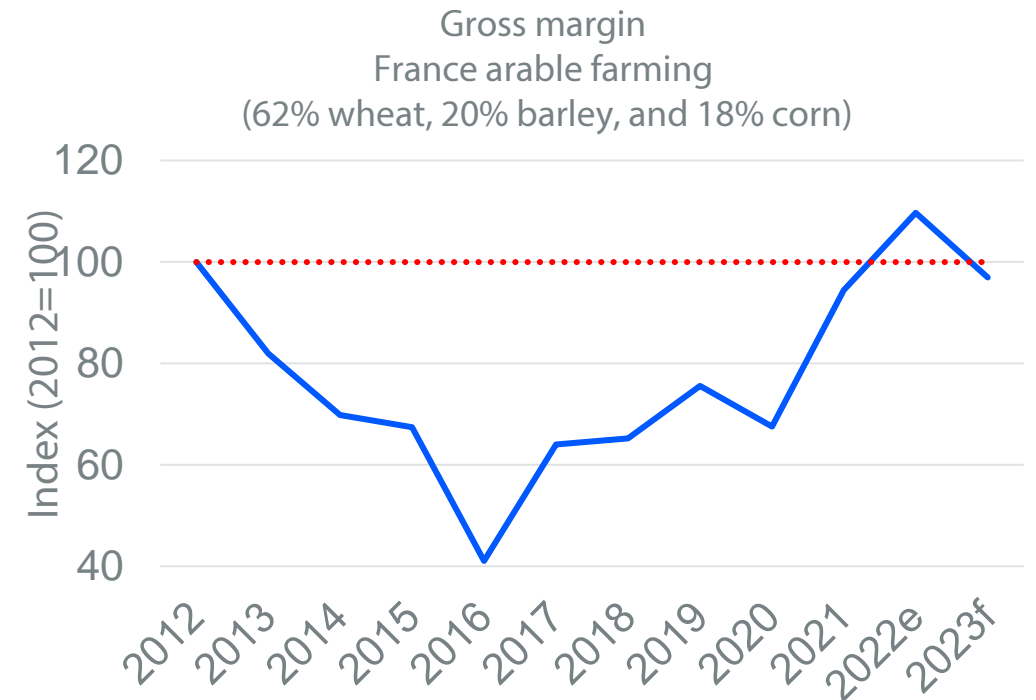


# Pressure is also felt in horticulture and arable farming

*For specialty crops the situation is more challenging*

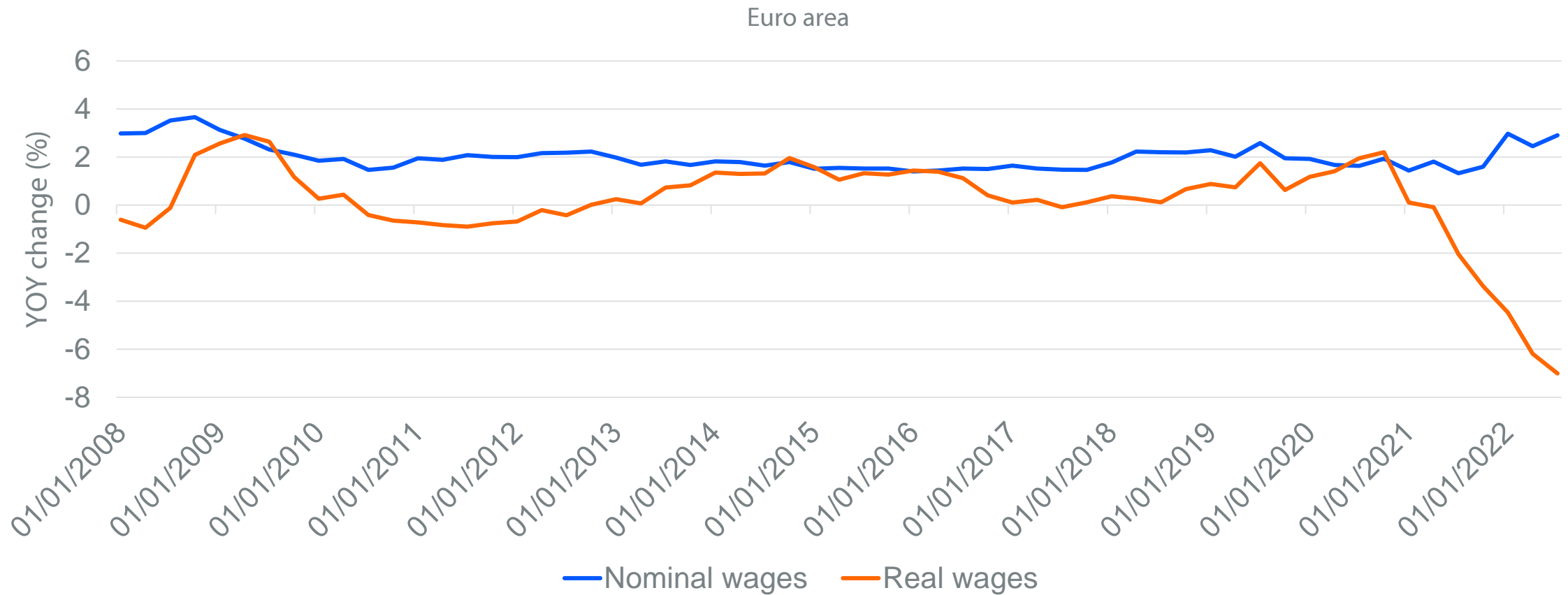


*Arable farming held up pretty well*



# An unprecedented loss of spending power

And buffers are diminishing



# *Organic markets come under pressure*

after an exceptional growth during the Covid pandemic

WEDNESDAY, 28 SEPTEMBER 2022 - 11:20

## **Inflation has NL residents buying fewer organic products**

### **Organic products less popular in Belgium due to high inflation**

Saturday, 28 May 2022

By **Dylan Carter**

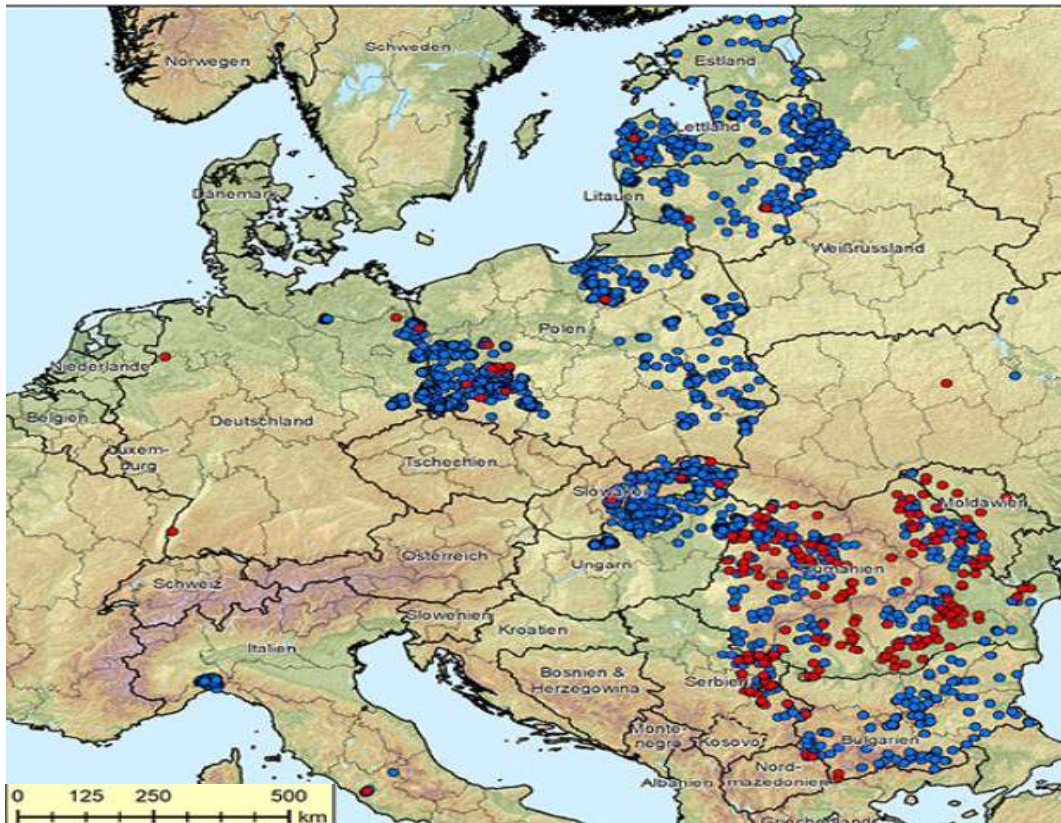
### **Inflation and commoditization threaten France's organic market**

Faced with rising prices and seduced by local products, consumers are turning away from organic options. Mass retailers and specialty stores must develop new strategies to avoid a decline in sales.

Published on May 22, 2022 at 14h47, updated at 14h52 on May 22, 2022 | 🕒 3 min. · [Lire en français](#)

# Disease pressure impacts supply and trade

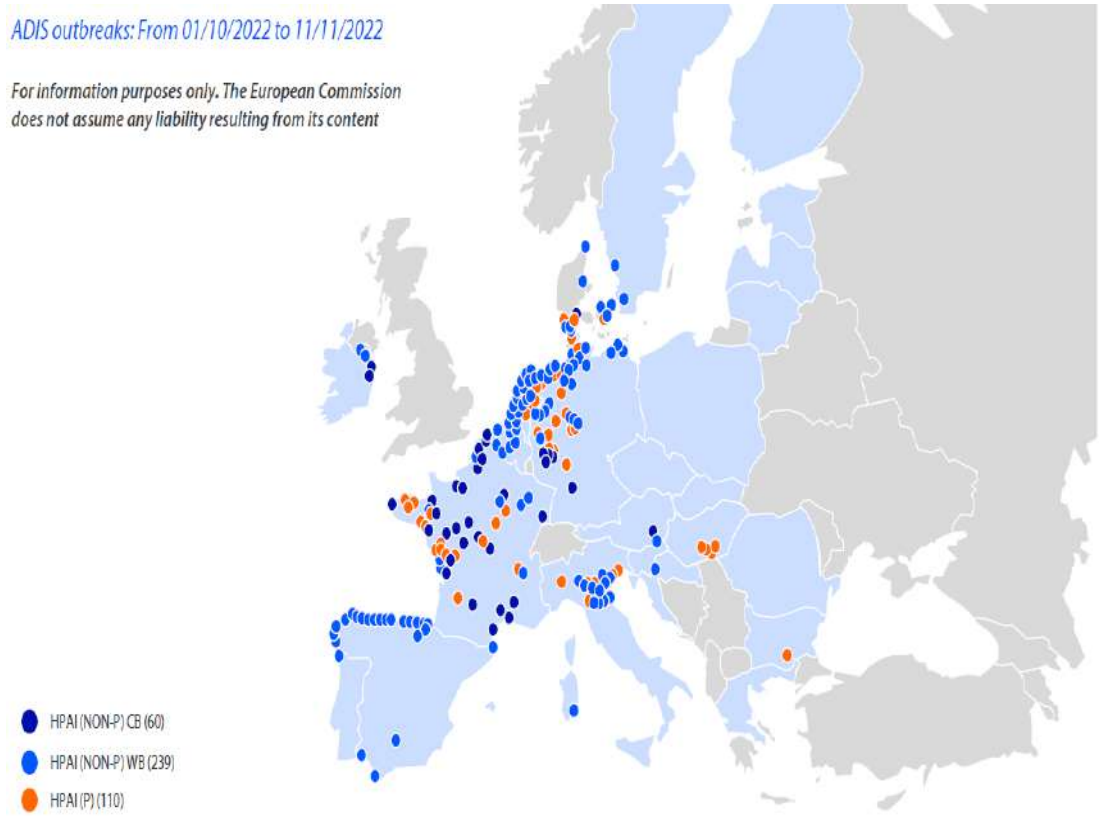
## African Swine Fever continues to spread across Europe



## Heavy impact of Avian Influenza on poultry

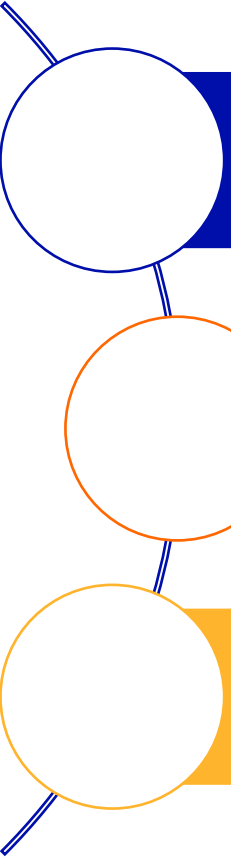
ADIS outbreaks: From 01/10/2022 to 11/11/2022

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# Take aways



Production levels have been and will be impacted as consumption patterns and levels change

Competitive landscape to change among member states – also influenced by various government support measures

Downturn comes after years of growth in agricultural income



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