



European
Commission



2014-2024 Prospects for EU Agricultural Markets

Civil Dialogue Group
Poultry meat

**Brussels,
10 March 2015**

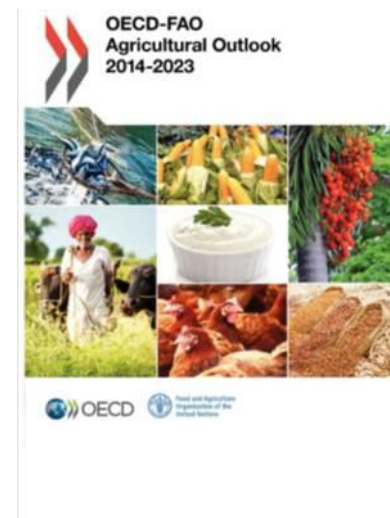
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*Agricultural Modelling and Outlook
DG Agriculture and Rural Development
European Commission*

Agriculture
and Rural
Development

Sources and process

- **OECD/FAO Agricultural Outlook 2014-2023**
 - Agricultural commodity markets for the rest of the world
- **EU Short Term Outlook**
 - Recent years and orientation for near future
 - Version of Autumn 2014
- **Macro-economic forecast**
 - For the EU: AMECO November 2014 (DG ECFIN)
 - Consistent source for main countries and up to 2024 (IHS Global Insight)
- **Expert opinion**
 - In-house expertise and senior staff
 - Workshop on EU commodity markets, October, Brussels
- **Modelling work and validation (with JRC-IPTS)**
 - AGLINK-COSIMO (EU-version) & uncertainty analysis

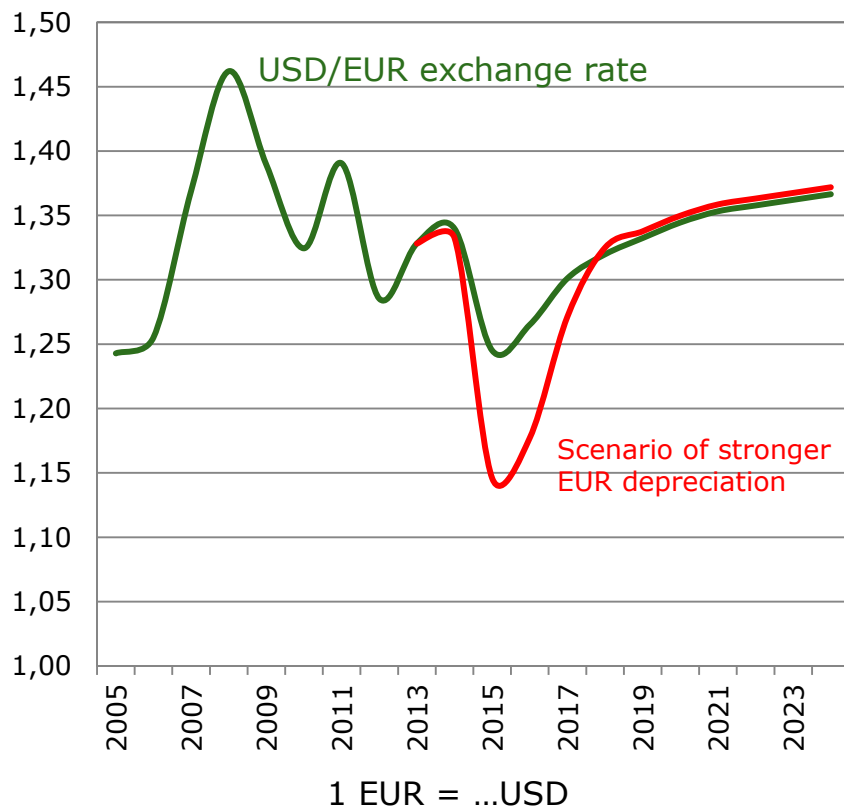


Policy assumptions

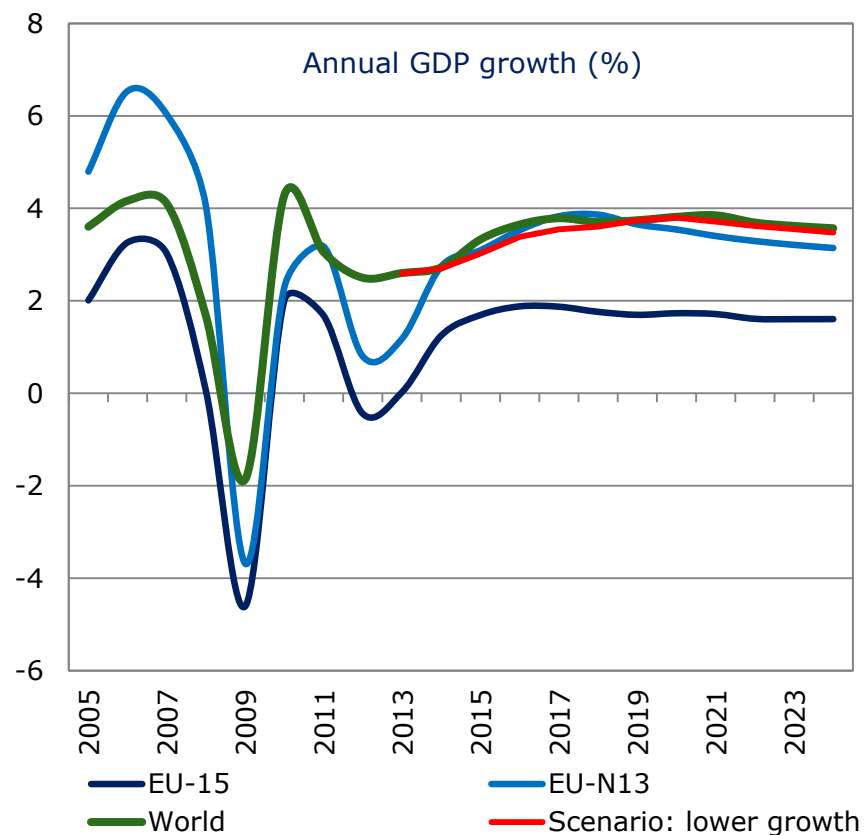
- CAP 2013 as far as possible
 - Voluntary coupled support
 - Greening:
 - Permanent pasture kept constant,
 - Limited effect of ecological focus area (EFA) & crop diversification at EU aggregated level
- Trade agreements only if ratified:
 - Concessions to UKRAINE included
 - FTA with CANADA not included
- Russian import ban assumed to remain 1 year

Macroeconomic assumptions

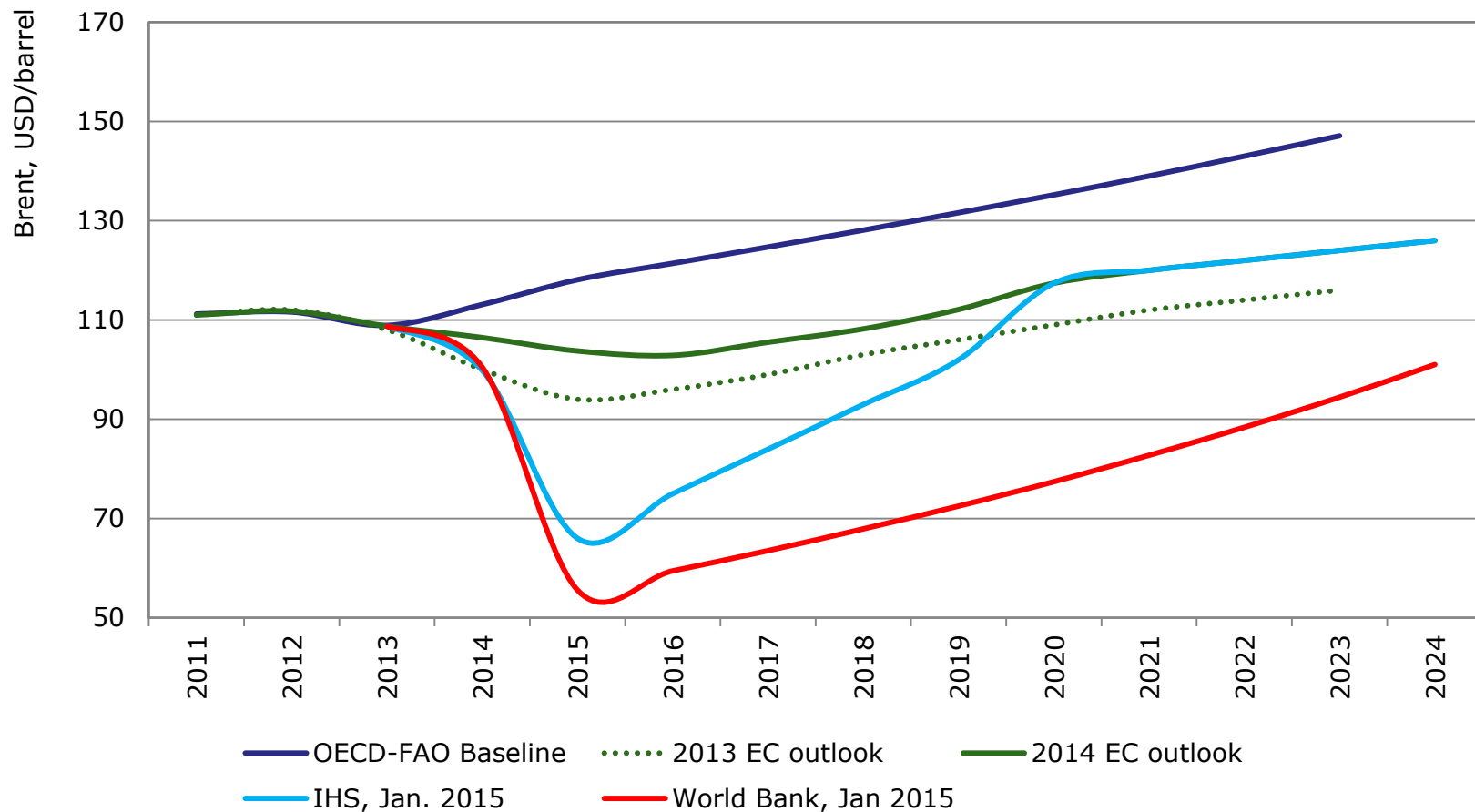
The euro in the long-term



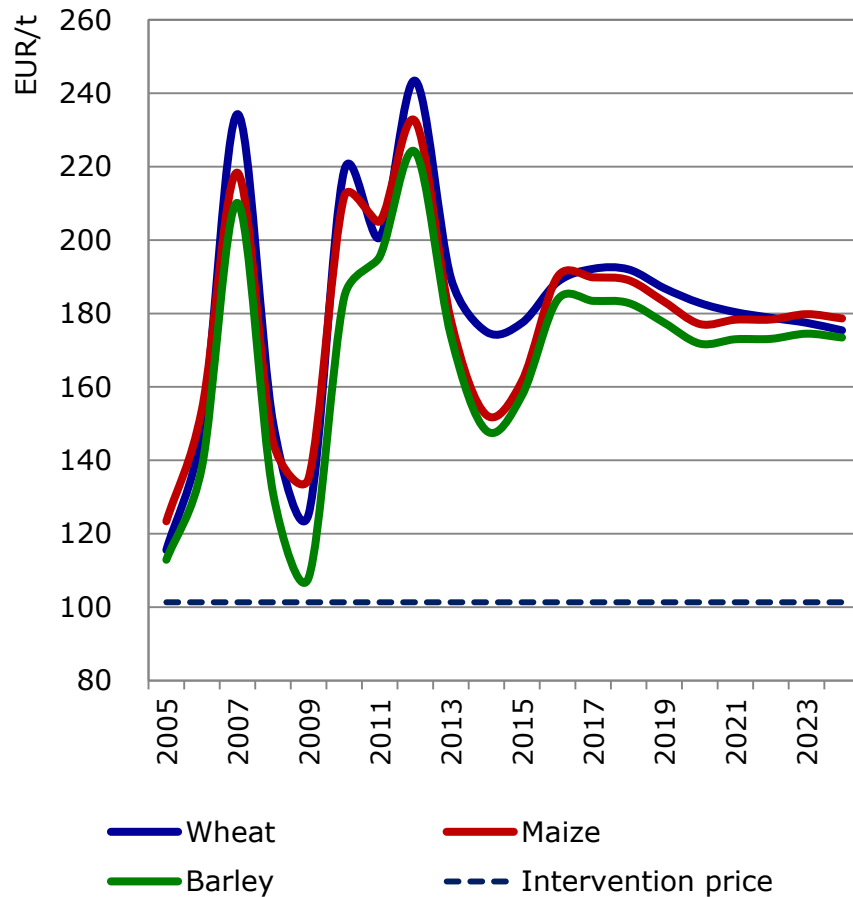
The economic growth path



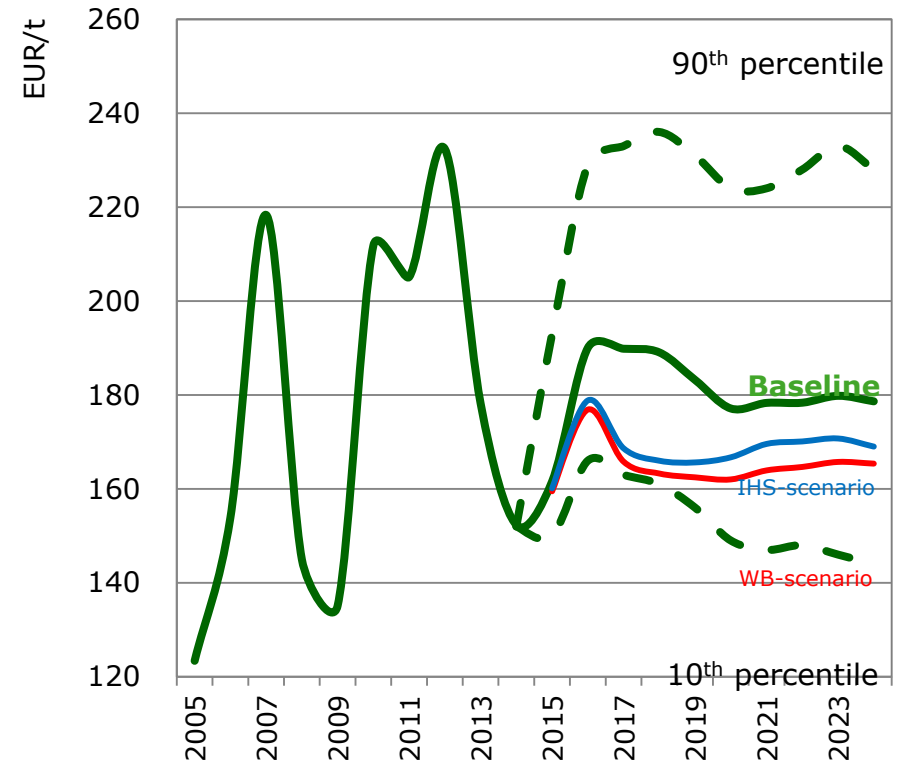
Oil price, a very uncertain assumption



EU cereal producer prices above historical averages over the medium term



Uncertainties surrounding EU maize price developments



Note: Uncertainty analysis prepared by JRC-IPTS, based on partial stochastic analysis

Prospects for meat

- **Good exports prospects**

- *for pig meat and poultry,*
- *driven by a steady growing world consumption,*
- *supporting firm or even increasing world and EU prices.*

- **An increase in EU meat production**

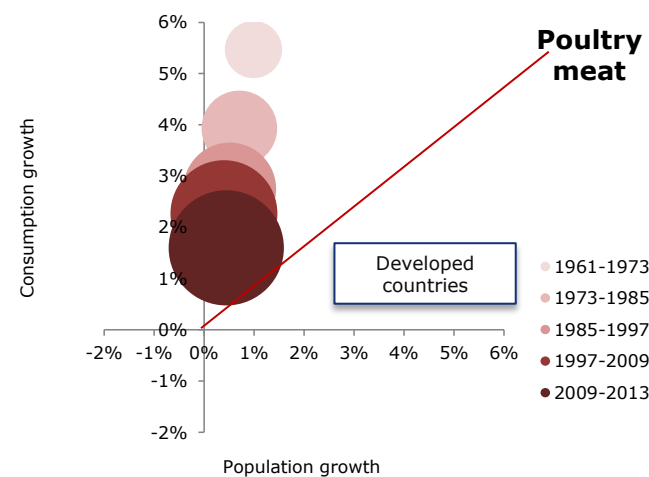
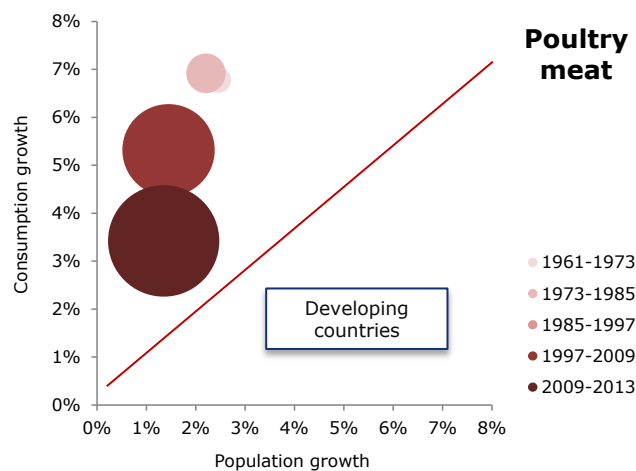
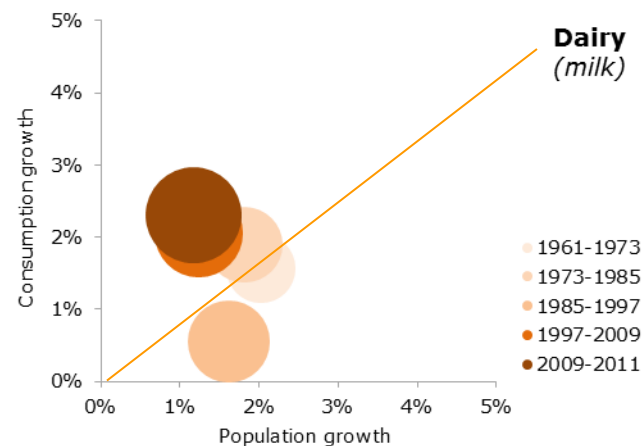
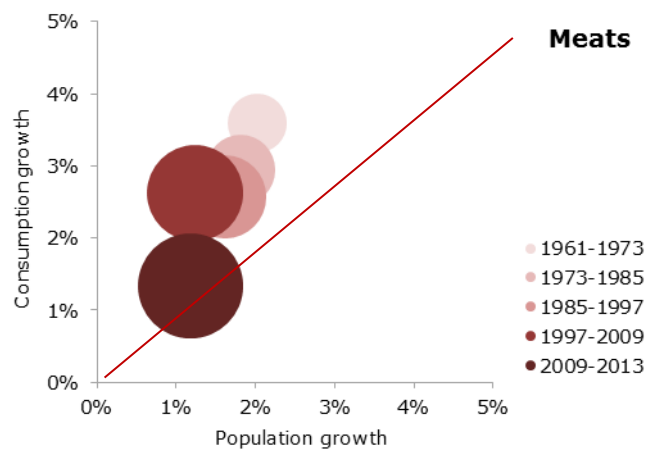
- *driven by a sustained increase in poultry meat production and lower feed costs,*
- *while, after a recovery in the short-run, beef production should decline at a slow pace*
- *and pig meat production should stabilise.*

- **An EU *per capita* meat consumption on a declining trend**

- *after a recovery in the short-run,*
- *back to declining consumption*
- *except for poultry benefitting from a lower price and a good image close to consumers*

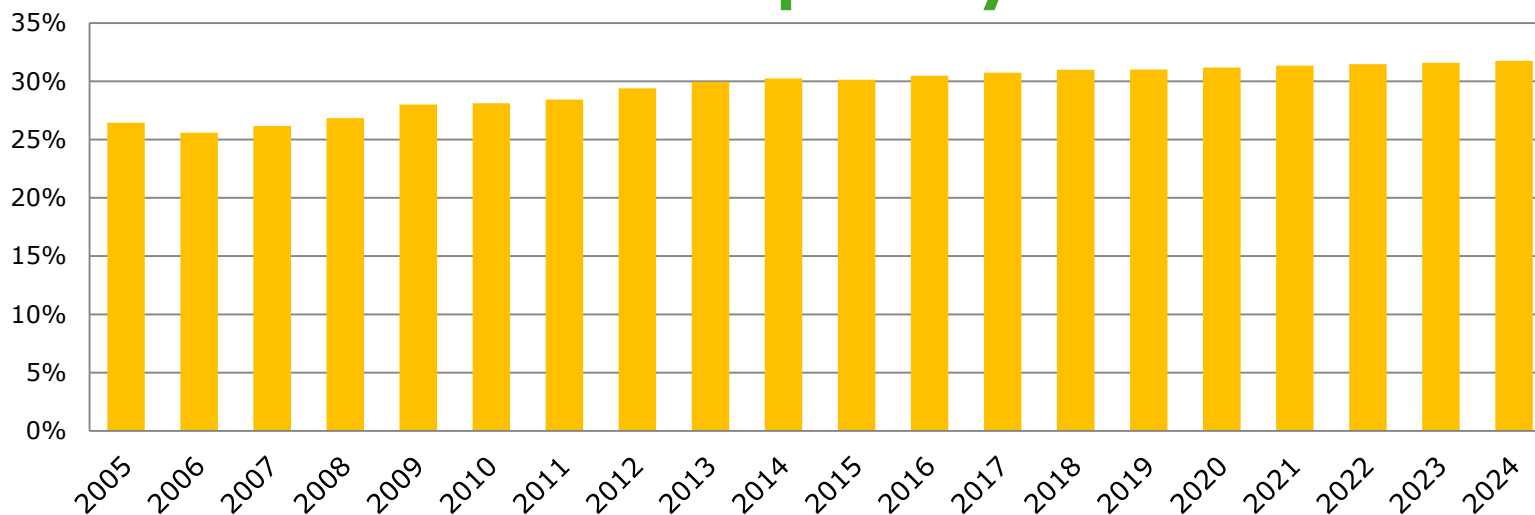
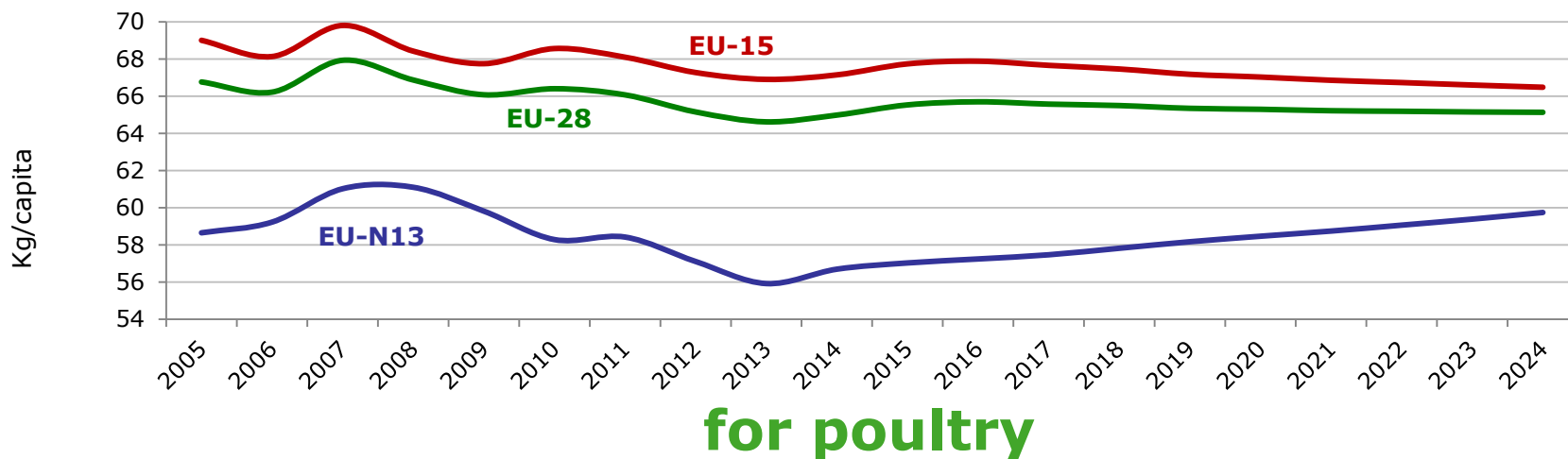
Changes in consumption patterns

World domestic use versus population annual growth

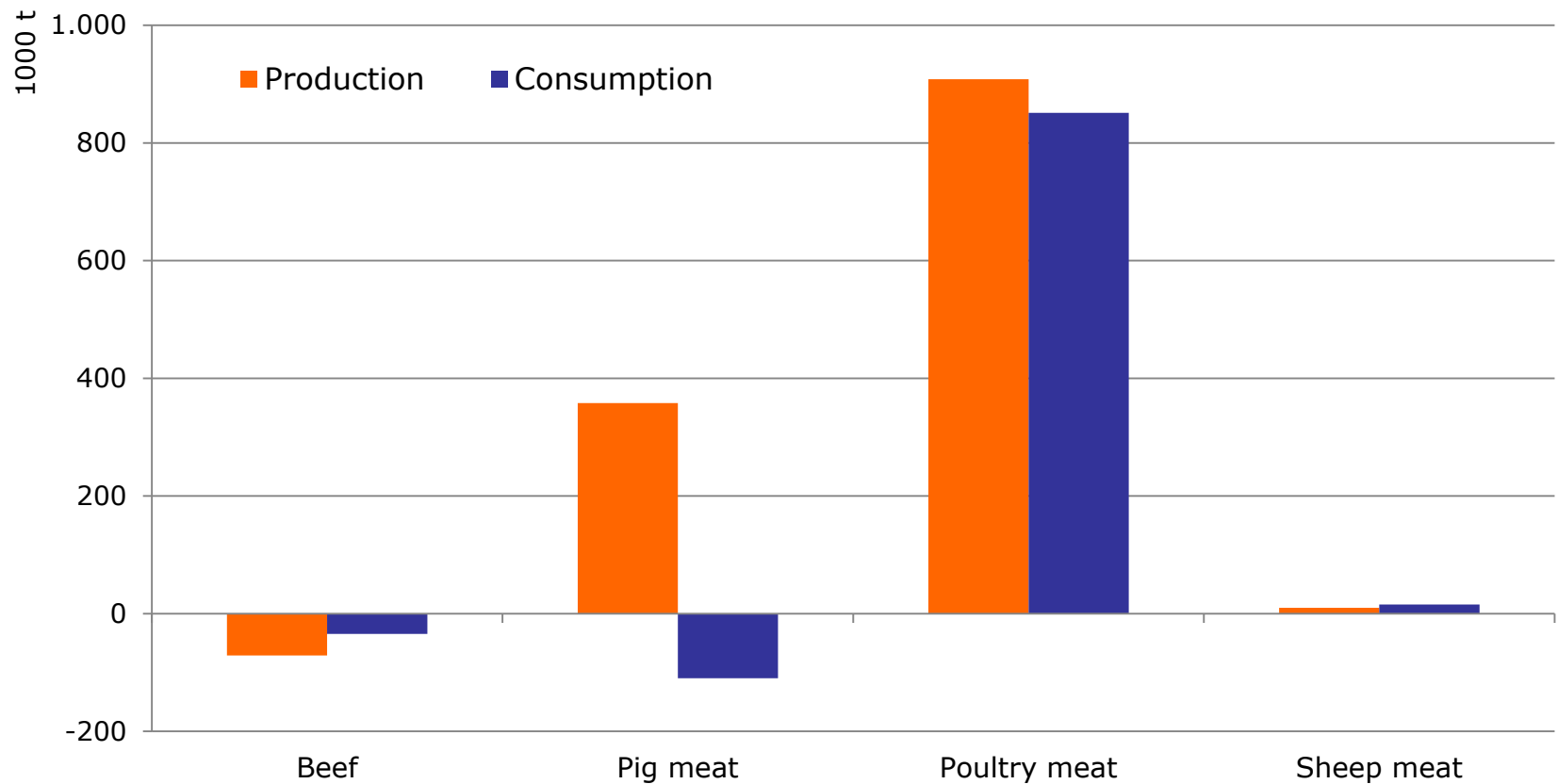


Size of bubbles represents total average consumption over the period.

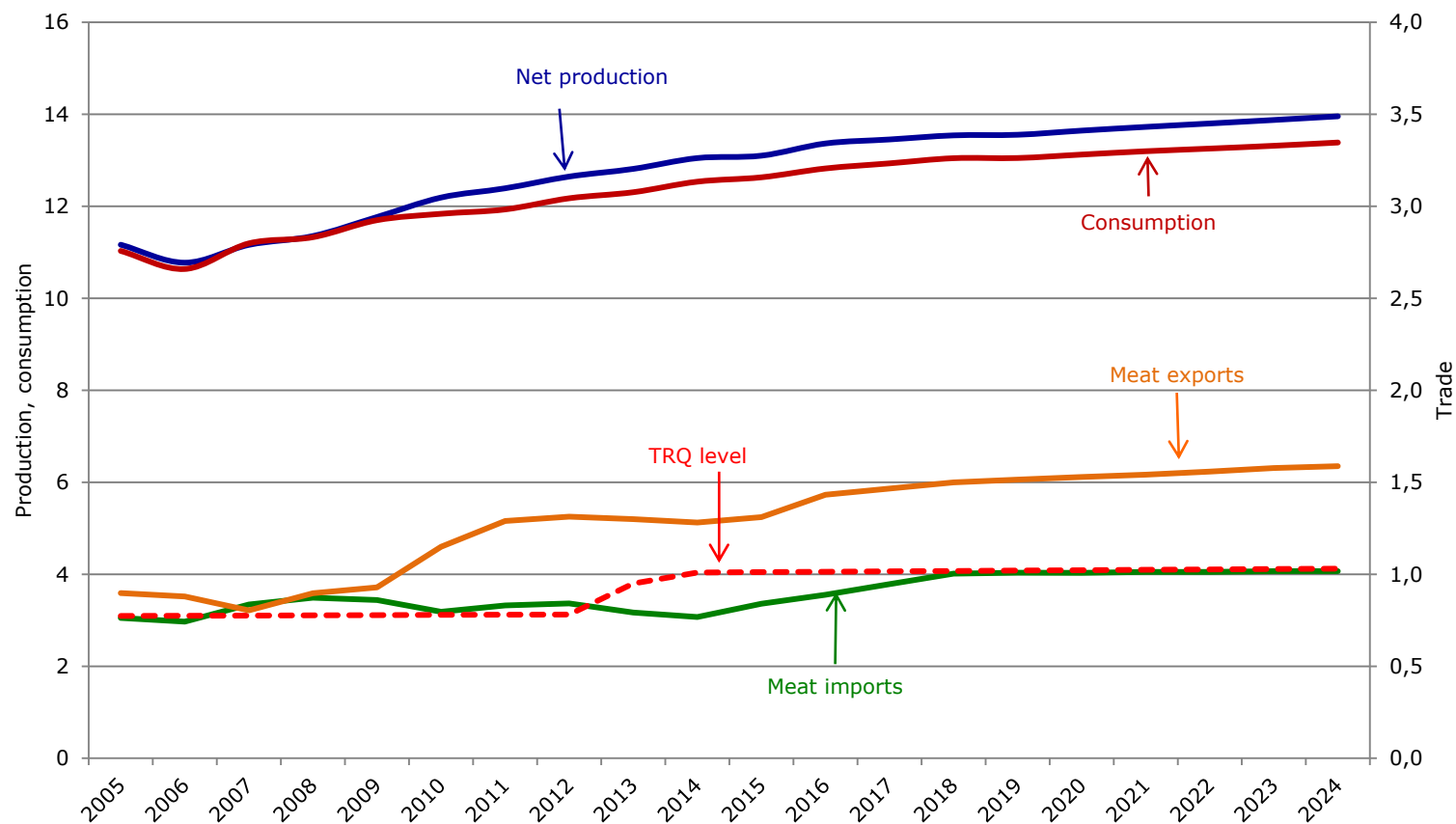
A slowly declining EU meat consumption except ...



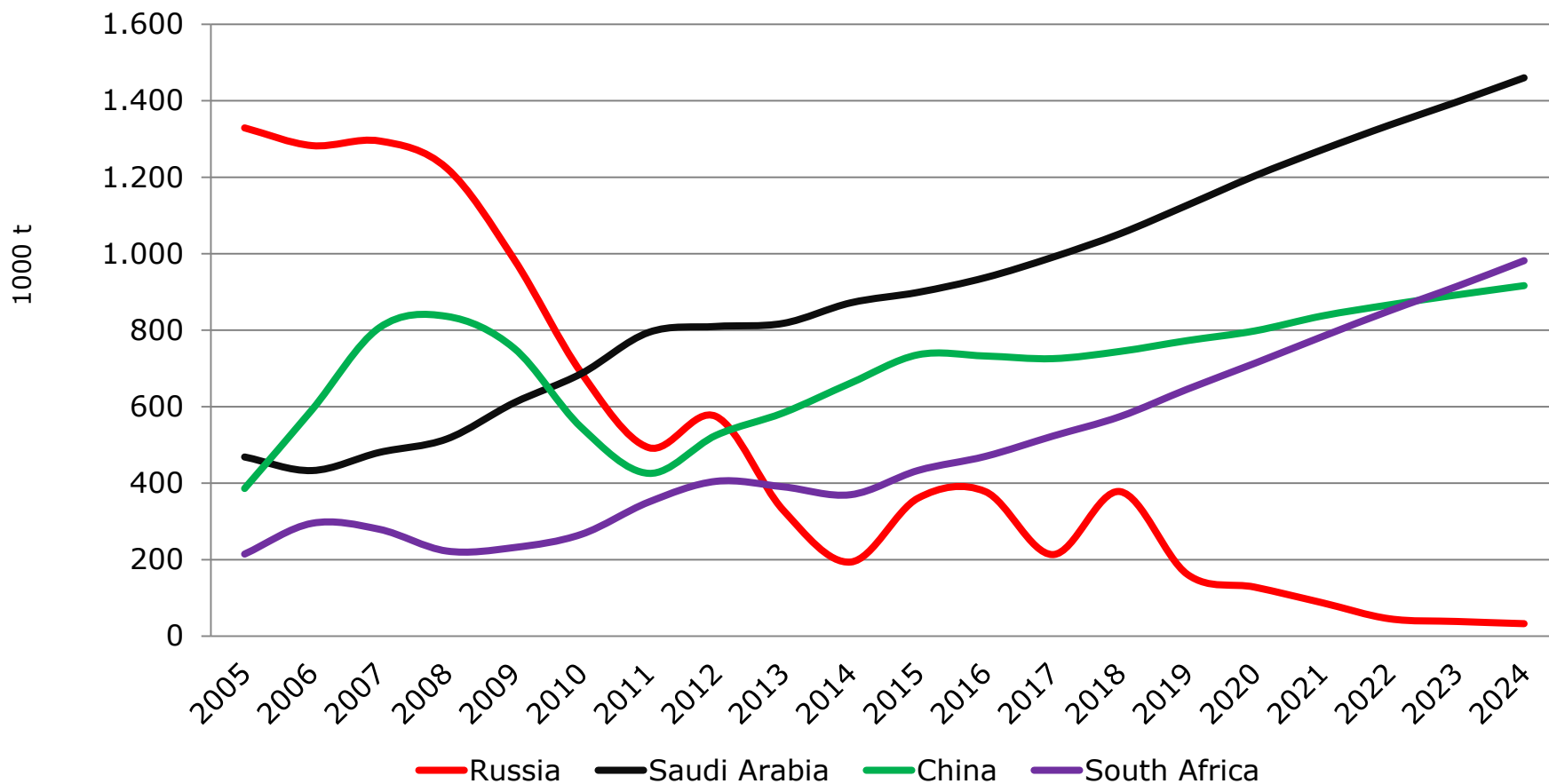
Change in EU meat production and consumption 2024 compared to 2014



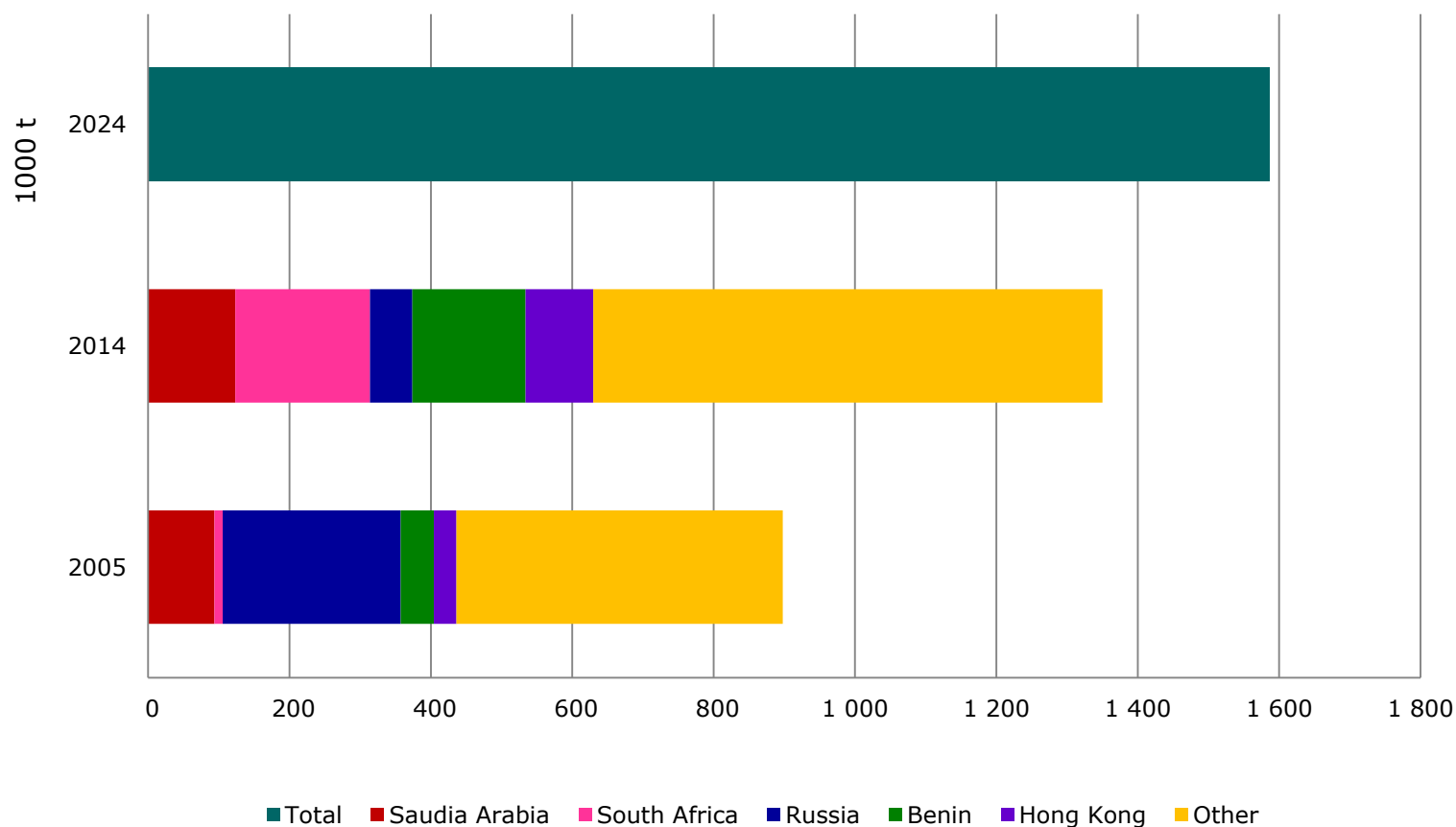
Poultry meat balance



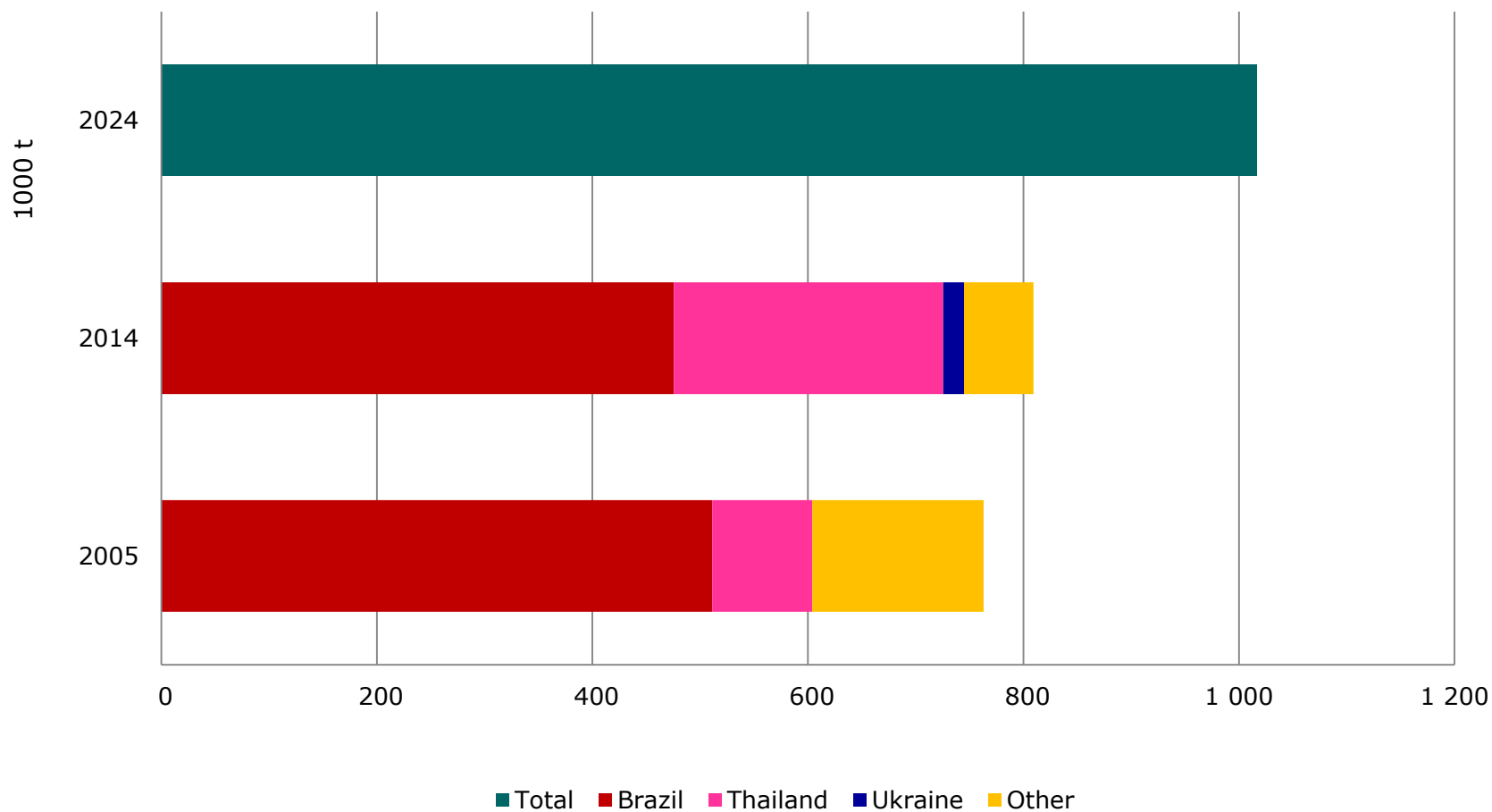
Poultry import demand



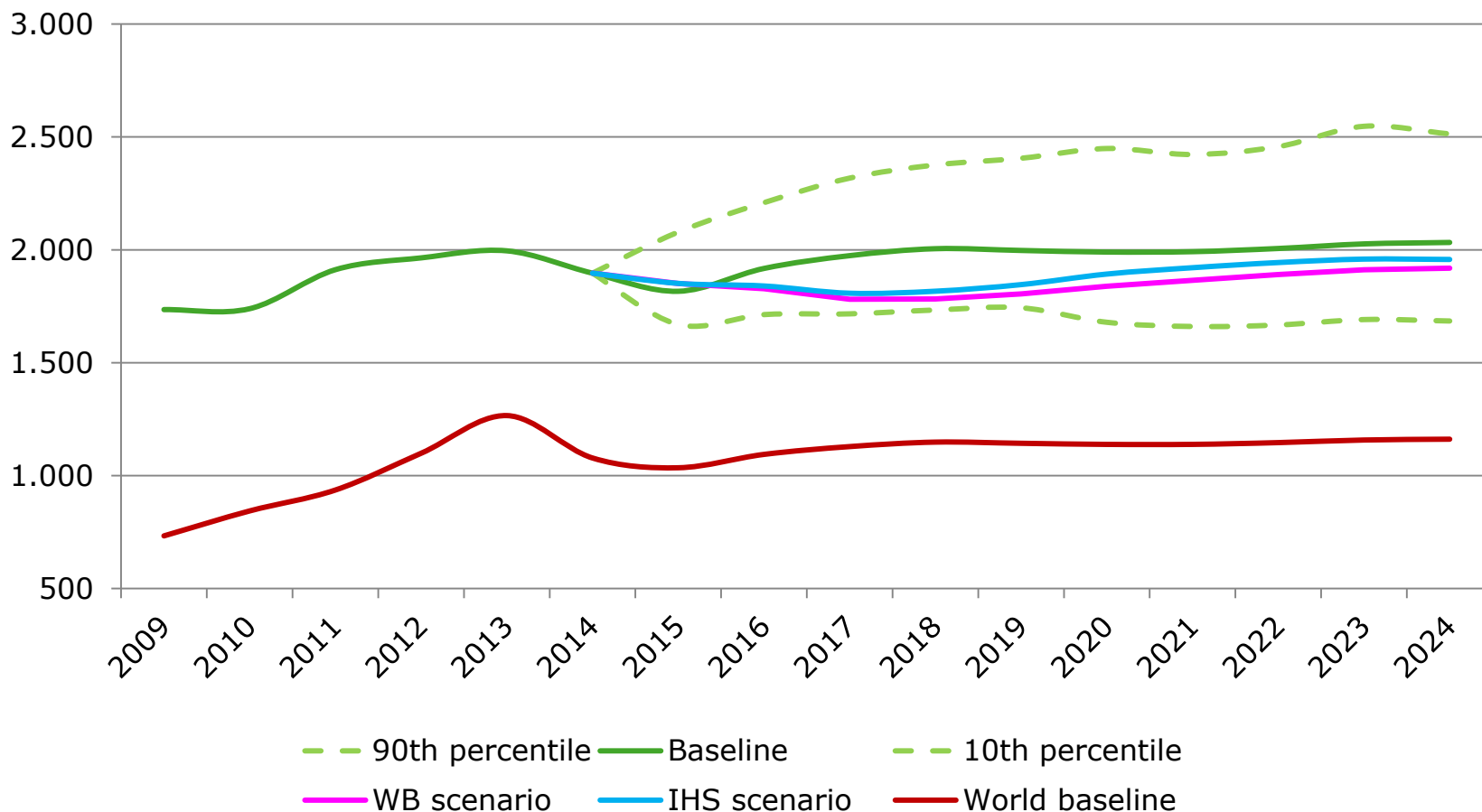
EU poultry exports developments



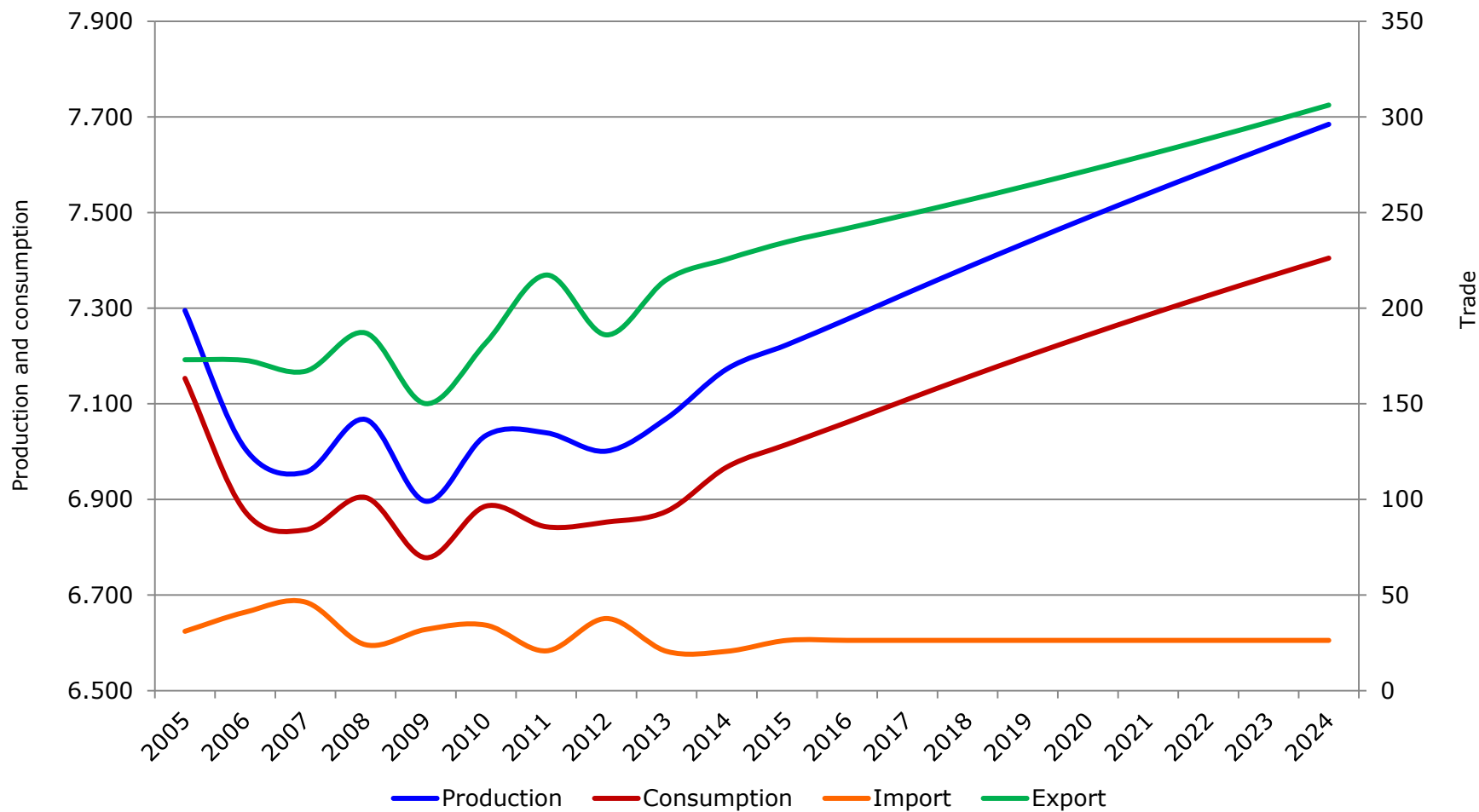
EU poultry meat imports



Uncertainties surrounding EU poultry price developments (EUR/t)



Eggs balance sheet



Thank you for attention!

Report and data available at:

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