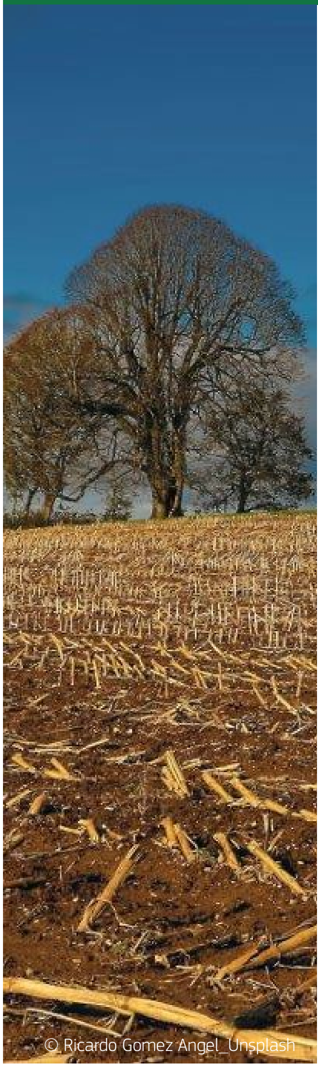
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KEY MESSAGES

268.5 million t

Usable cereals production in 2023/24

Stable

Use of cereals in 2023/24

+11%

Oilseeds production in 2023/24 (compared to 5-year average)

+7%

Sugar production in 2023/24

ARABLE CROPS

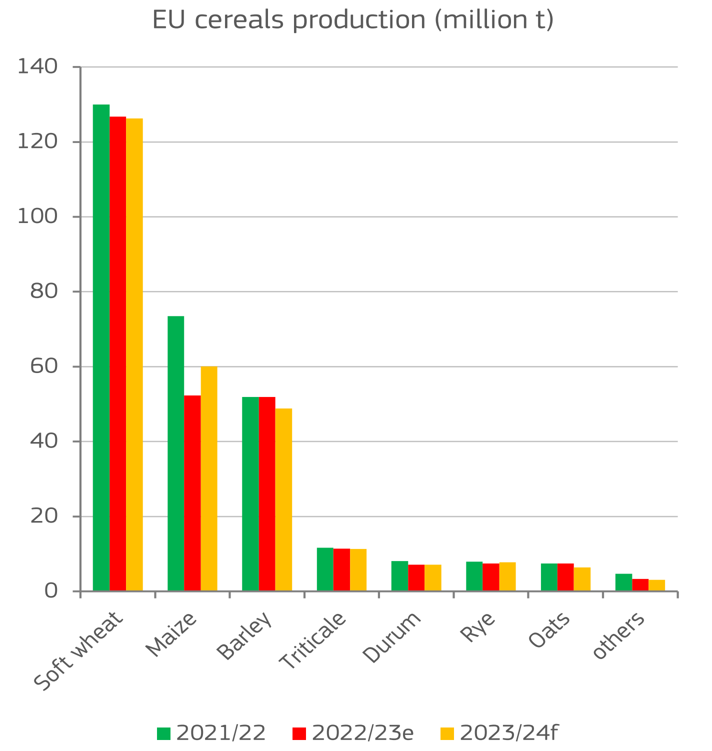
HIGHLIGHTS

2023/24 EU cereal production is projected at 268.5 million t (4.3% below 5-year average), mostly due to the adverse weather conditions over spring and summer that affected negatively especially maize and barley production (13% and 7% below the 5-year average). The EU use of cereals is stable compared to the last marketing year, but 1.4% below the 5-year average. Because the overall EU animal production remains relatively stable (but differentiates among species), the increase in use of cereals for feed is expected to be rather marginal (+0.3%), while the use of cereals for biofuel production continues growing (12% above 2022/23). After a historically high level of EU cereal imports in 2022/23, they are likely to be lower in 2023/24, although still above the 5-year average.

The EU oilseed production in 2023/24 is expected to be at 33 million t (11% above 5-year average), mainly due to an excellent rapeseed harvest (13.3% above 5-year average). With a production of 4.6 million t, also protein crops availability will be higher (7.7% above the 5-year average).

2023/24 EU sugar production is forecast at 15.6 million t (close to 5-year average) as sugar beet planting area, beet yields, and sugar content are expected to increase. EU production of isoglucose, which was estimated to fall by 24% in 2022/23 due to the consequences of 2022 summer drought, high feedstock and input costs in main EU producing countries, is expected to partially recover in 2023/24.

CEREALS

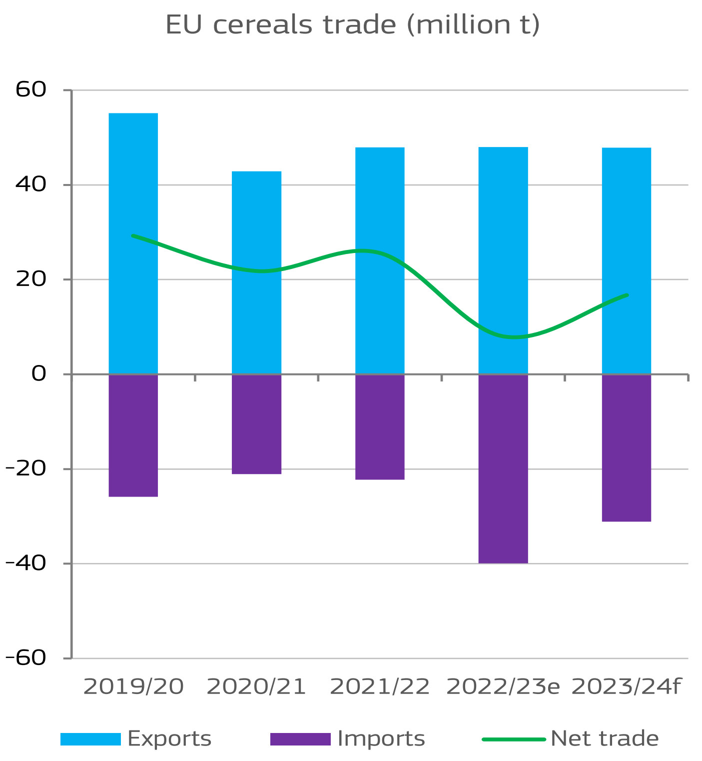


Source: DG Agriculture and Rural Development, based on Eurostat, MS notifications and JRC MARS data.

SMALLER THAN INITIALLY EXPECTED RECOVERY OF 2023/24 EU CEREAL PRODUCTION

The 2023/24 EU cereal production is estimated to reach 268.5 million t, only 1% above the previous marketing year, despite a slight reduction in the area cultivated (-1% below 2022/23). It is lower than expected at the beginning of summer, due to adverse weather conditions in some EU regions over spring and summer that negatively affected crops. Prolonged wet conditions during the harvest period negatively affected cereals quality, and it is expected that a higher share of cereals is only suitable for feed consumption.

Cereal yield growth is foreseen higher than anticipated (2% above 2022/23), but still 1.3% below the 5-year average. In 2023/24, EU soft wheat production is expected to be stable (125.3 million t), while maize production is forecast to recover from the very low level harvested last year (+15% to 59.8 million t). Growth in sorghum and rye production is forecast (+41.6% and +4.2% year-on-year respectively), driven by an increased area, while the most significant production reductions are expected for oats (-14%) and barley (-6%) as the major producing regions in ES and Northern EU were affected by adverse weather conditions (drought in ES and drought followed by heavy rains in the North).



Source: DG Agriculture and Rural Development, based on Eurostat.

STABLE CEREALS CONSUMPTION IN 2023/24

Stable domestic production and relatively high beginning stocks could result in lower imports. The improved logistical solutions developed to facilitate the Ukrainian grains reaching its traditional markets in Africa and Asia should result in lower export to the EU than last season. Lower imports are expected for soft wheat (-31%), barley (-26%) and maize (-23%), while imports could increase for durum wheat (+30%) because of lower beginning stocks. EU cereal exports are expected to remain stable, slightly above the 5-year average (+3.5%), supporting the EU net export position.

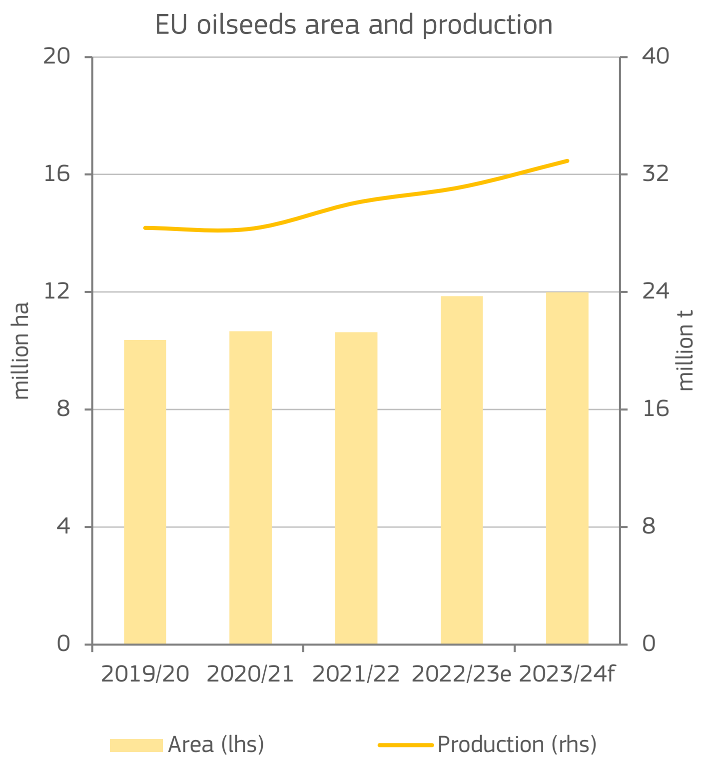
EU use of cereals is not expected to change substantially (+1% compared to 2022/23), remaining below the 5-year average (-1.4%). The stable EU use levels could be driven by an almost constant use for animal feed (+0.3%), reflecting a rather stagnating EU animal production expected in 2023/24. The high quality of EU cereal feed provides good opportunities for livestock producers to use EU feed and to rely less on imports. The use of cereals for industrial purposes is expected to slightly grow compared to 2022/23 (+3.8%). 12 million t of cereals (one third of the total industrial uses, +12% compared to 2022/23) could be used to produce biofuels. This represents a return to pre-war levels as cereal price dropped significantly from its peak in 2022 helping the recovery of margins for ethanol producers, and bioeconomy in general.

OILSEEDS

SMALL RECOVERY OF EU SUNFLOWER AND SOYA BEAN PRODUCTION IN 2023/24

In 2023/24, EU oilseed production is expected to be 6% above the last marketing year, and could reach 33 million t. This is driven in particular by higher soya bean (+20%) and sunflower (+14%) production which are recovering from a very low levels recorded last season. Rapeseed production, that has been growing in 2022/23, is expected to be rather stable at 19.6 million t in 2023/24, despite a small increase in the cultivated area (+1% compared to 2022/23). Regarding sunflower seed, there are still challenges for some of the main EU producing countries (RO, BG) due to the adverse weather conditions.

Compared to historically high levels of EU imports in 2022/23, attributed to challenges in trade flows from Ukraine and the difficulties in using Ukrainian crushing capacity, rapeseed and sunflower imports are expected to decrease (15% and -29.5% respectively), while soya bean imports are forecast to increase by 6% to 14 million t, back to average levels of the last 5 years. At the same time, EU exports are likely to remain relatively stable.



Source: DG Agriculture and Rural Development, based on Eurostat, MS notifications and JRC MARS data.

LOWER IMPORTS OF OILSEED MEALS IN 2023/24

The annual EU production of oilseed meals is expected to increase only marginally in 2023/24, by 1.3% to about 31million t. Overall, the increased production of soya and sunflower meals (+7% and +6 % respectively) offsets the decrease in rapeseed meals (-5%).

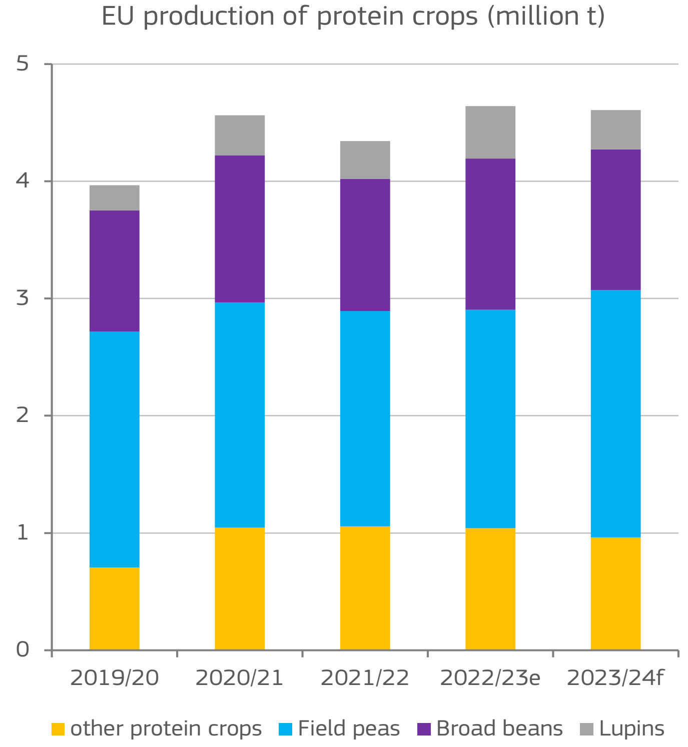
EU exports of oilseed meals are also expected to increase only marginally (+1.5%) to 2.4 million t, driven mainly by exports of soya meals (+25%) while exports of rapeseed meals could decline (-13%). EU imports of oilseed meals are forecast to fall by about 5% except for soya meals which imports could remain stable.

The EU production of vegetable oils is expected to stay unchanged in 2023/24 at about 17 million t, as well as consumption (at about 21 million t). Palm oil use is expected to continue its structural fall (-12.5% this year), in line with the last 5 years.

Both EU exports and imports of oils are expected to decline in 2023/24 going back to more traditional levels. Exports could amount to 2.6 million t (-12% compared to 2022/23), owing to lower exports of rapeseed (-32%) and sunflower (-20%) oils.

Source: DG Agriculture and Rural Development, based on Eurostat.

PROTEIN CROPS

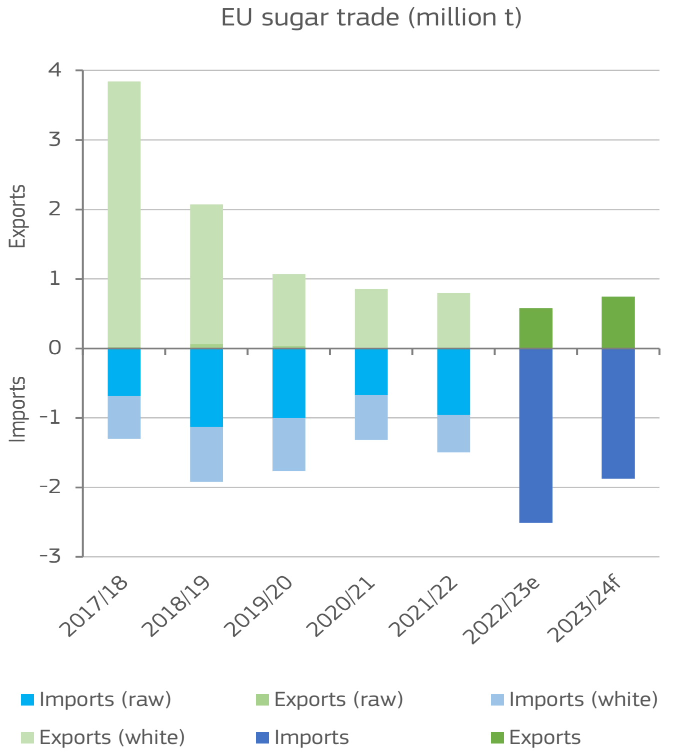


Source: DG AGRI, based on Eurostat, MS notifications and JRC MARS data.

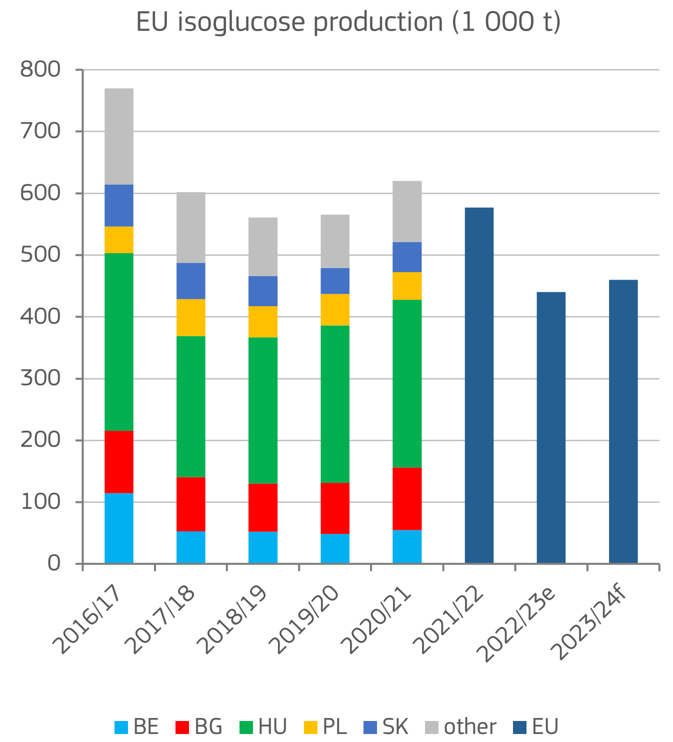
STABLE EU PROTEIN CROP PRODUCTION

2023/24 EU protein crop production is estimated to remain relatively stable at around 4.6 million t (+0.4% compared to 2022/23), despite a small increase in the area cultivated (+1.2%).

Production is expected to drop in marketing year 2023/24 for lentils (-25%) and broad beans (-2.9%) due to unfavourable weather conditions in some EU producing countries (e.g. DE, DK, SE, PL). However, this decrease is partially offset by expanded field pea production, which is projected to reach 2.1 million t (+13% compared to the last marketing year) thanks to significant progress in DE, FR and RO.



Source: DG Agriculture and Rural Development, based on Eurostat.



Source: DG Agriculture and Rural Development, based on Eurostat.

SUGAR

EU PRODUCTION TO RECOVER IN 2023/24

Despite delayed plantings due to wet spring, 2023/24 EU white sugar production is estimated at 15.6 million t, 7.0% above 2022/23 and close to the 5-year average of 15.7 million t. This is a combined result of an increase in beet planting areas, higher beet yields and a potential increase in sugar content.

Thanks to the production increase, EU availability is higher. Therefore, EU sugar imports are forecast to decline to 1.9 million t in 2023/24 (25% below the estimated post-quota record of 2.5 million t imported in 2022/23). Imports should nevertheless stay above the 5-year average thanks to high EU sugar prices and increased availability of Ukrainian sugar, while EU exports compared to 2022/23 should increase 29% to 0.75 million t.

Total EU consumption of sugar in 2023/24 is expected to remain resilient to high prices and relatively stable compared to 2022/23. It should continue to be supported by strong EU exports of sugar in processed products, while industrial use of sugar is due to partly recover. Ending stocks of sugar, which are estimated at 1.4 million t in 2022/23 (-9.6% year-on-year), are expected to be at a similar level also at the end of 2023/24 season.

ISOGLUCOSE

HIGH FEEDSTOCK AND INPUT COSTS CONSTRAINING EU PRODUCTION

2022/23 EU isoglucose production is estimated to decrease to around 440 000 t (24% below 2021/22, and 29% below to post sugar quota record of 620 000 t in 2020/21).

The production was strongly affected by the consequences of the 2022 summer drought, high feedstock and input costs in key isoglucose production countries, especially in HU. Due to limited domestic availability, isoglucose exports are also estimated to have fallen sharply to 50 000 t, or 32% below 2021/22 season level of 73 000 t. Imports are estimated to have increased, but remain marginal at 3 600 t.

Because of the lower production in 2022/23, the use of isoglucose in the EU is also expected to decrease by 21% compared to 2021/22.

With lower input costs and better feedstock availability in the 2023/24 season, EU isoglucose production, are forecast to increase by around 5 %.