



Short-term outlook for EU agricultural markets in 2018 and 2019

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This report presents the outlook for 2018-2019 for arable and specialised crops, as well as meat and dairy markets in the EU. It is the result of analysis by market experts in the European Commission's Directorate-General for Agriculture and Rural Development. It is based on data available up to 15 June. The next issue is due in autumn 2018.

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[http://ec.europa.eu/agriculture/
markets-and-
prices/index_en.htm](http://ec.europa.eu/agriculture/markets-and-prices/index_en.htm)

HIGHLIGHTS

- ❖ Lower EU cereal production expected
- ❖ An increase in EU milk production tempered by unfavourable weather conditions
- ❖ Higher meat availability in the EU to drive a small rise in consumption

As a result of dry conditions in late spring in various regions, EU cereal production is estimated below average in 2018/2019. However, EU and global stocks are ample and despite strong global demand, it is premature to anticipate any significant rise of world prices. EU oilseed production will probably fall compared with last year's bumper harvest.

With EU sugar production at a high, beet growers and sugar producers are confronted with low prices.

The lower than anticipated growth in EU milk collection, together with sustained EU and global demand for dairy products, will probably lead to higher milk prices in the second half of the year.

EU peaches and nectarines production is expected to decline compared with 2017's (record) harvest. Similarly, a significant drop in EU tomato production is expected in 2018.

Weather conditions have so far been favourable to EU olive oil production, which is set to rise in 2018/2019.

A continued small increase in beef production and higher imports are expected to lead to a slightly higher utilisation of beef. Pigmeat supply grows while exports struggle to follow, keeping prices down. Poultry imports are down as Brazilian supply falls, sustaining rising prices as EU production increases.

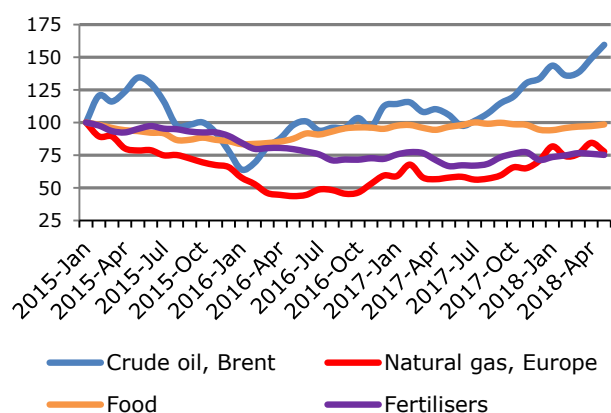
Note: This report has been drawn up for the EU-28 under constant policy assumptions; it is assumed that the Russian import ban will remain in place until the end of 2018.

1. MACRO-ECONOMIC OUTLOOK¹

Higher crude oil prices in 2018

The Brent **crude oil price** moved up from the low level of around USD 30/barrel in January 2016 to USD 80/barrel in May 2018. The limited fall in prices in the first few months of 2018 was followed by a strong price increase in the spring. By mid-June, the oil price was back to its November 2014 level (19 June: USD 75/barrel,). The recovery in global economic growth created a solid underlying demand for oil, although key estimators (e.g. the International Energy Agency) recently adjusted the world oil demand forecast slightly downwards. The sanctions recently imposed by the US on Iran over its nuclear policy, together with the continued difficulties in Venezuelan oil production, have tightened supply. The talks between Russia and Saudi Arabia on loosening the supply restrictions has halted the strong upward price movement, but there is no agreement on the scale of production increases yet. The price increase since summer 2017 continues to trigger investments in US shale oil production and higher production levels are foreseen in 2018-2019. The IHS-Markit forecast for the average Brent crude oil price for 2018 was adjusted upwards to USD 74/barrel.

Graph 1 Price indices for food, fertiliser and energy (January 2015 = 100)



Source: DG Agriculture and Rural Development, based on World Bank (crude oil, natural gas, fertilisers) and FAO (food)

The price for **natural gas** delivered in Europe rose in 2017 (+19 %). In the first half of 2018, prices stabilised, but the European natural gas market is expected to grow, following the crude oil price but with a time lag. Prices are forecast to increase by 15 % in 2018 compared with 2017 (World Bank).

The World Bank composed **fertiliser** index rose between December 2017 and May 2018 (+5 %). The price for potassium and phosphorous based products rose more (+6 %) than that for nitrogen-based fertiliser (+2 %).

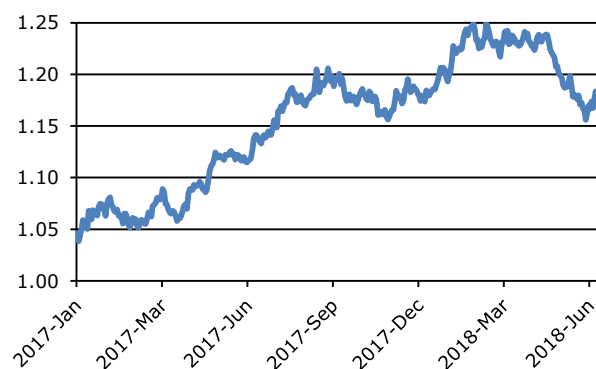
¹ Based on European Economic Forecasts (May 2018), IHS Markit (cut-off date 15 June 2018), FAO World Food Price Index and the World Bank (Commodity Markets and Global Economic Outlook).

After a significant increase in 2016, the Food and Agriculture Organization (FAO) food price index dropped slightly in 2017. It has picked up since January 2018 (4 %), mainly driven by higher prices for cereals and dairy products.

A slowdown of economic growth in the EU

The world economic recovery is expected to continue in 2018, with a **growth** forecast similar to 2017 at 3.3 %. Growth is expected to slow down slightly in 2019-2020. Important decisions relating to international trade and possible retaliation measures between the US and several partners add uncertainty to economic prospects. EU growth is expected to slow down already in 2018, mainly due to lower domestic demand and uncertainty around the future relationship between the UK and the EU.

Graph 2 USD/EUR exchange rate



Source: DG Agriculture and Rural Development, based on Eurostat

Dollar to rebound in the second quarter of 2018

The weakening of the US dollar against the **euro** in 2017 and the first quarter of 2018 stopped in April and the dollar rebounded from USD 1.24/EUR to slightly below USD 1.16/EUR (20 June 2018). A slowdown of euro area growth and consequent expectations of a continuing accommodating monetary policy have weakened the euro. IHS-Markit forecasts an average exchange rate for 2018 of USD 1.19/EUR. A high level of uncertainty regarding the US dollar exchange rate with other currencies remains, due to geopolitical risks, the US' trade relations and unclarities around the implementation of the programmes of several recently installed governments in the EU.

Major uncertainties regarding global trade flows

Current trade disputes might affect trade flows significantly. In addition, the impact of the UK withdrawal on bilateral trade remains uncertain and operators are waiting for a confirmation of the transition period providing clarity until the end of 2020.

2. ARABLE CROPS

CEREALS

Market developments in the EU

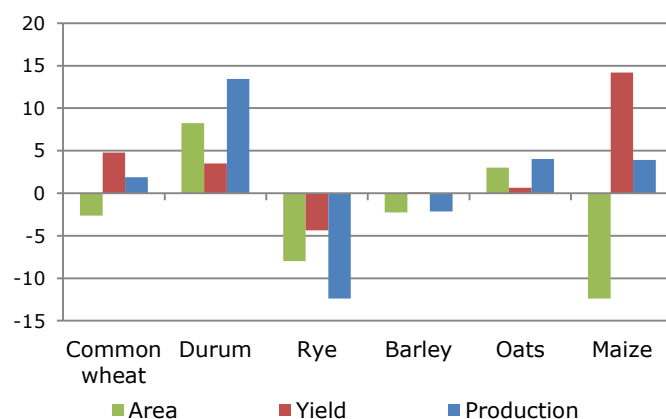
	2017/2018	2018/2019
Production	↗ +3.5%	↘ -2.5%
Exports	↘ -16%	↗ +29%
Imports	↗ +21%	↘ -16%
Consumption	↗ +0.5%	↗ +0.4%

Compared with previous season

Good recovery of EU cereal harvest in 2017/2018, but falling net exports

The 2017/2018 **cereal harvest in the EU** reached 307.1 million t, almost 1 % above the last 5-year trimmed average². Overall cereals harvested area decreased by more than 3 %, while oilseeds gained area. The drop was particularly marked for wheat (-4 %), while both barley and maize area decreased by 2 %. However, due to favourable weather conditions, EU yields increased by 4 % compared with the 5-year average. As regards production, soft wheat volumes increased by 2 %, durum wheat by 13 % and maize by 4 % while barley harvest decreased by 2 %.

Graph 3 2017/2018 EU cereal area, yield, production compared with the last 5-year average (%)



Source: DG Agriculture and Rural Development

In 2017/2018, **common wheat** output recovered compared with the previous low harvest and was slightly above the 5-year average, with a total of 141.8 million t. Production in France and Romania rose by 33 % and 17 %, respectively. In contrast, the wheat harvest dropped by almost 45 % in Spain and

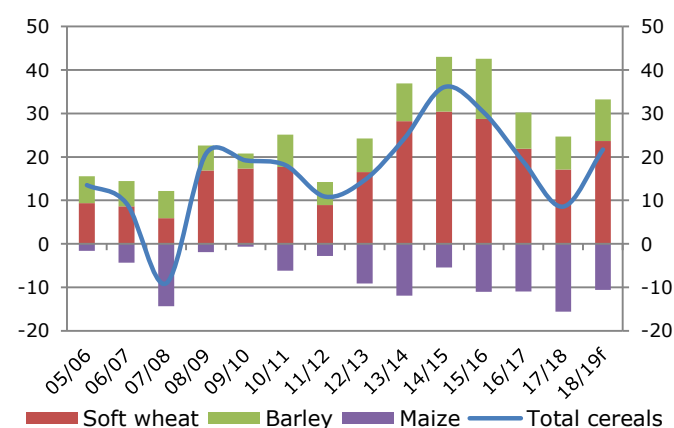
² 5-year average excluding the lowest and highest values.

by somewhat less in the Czech Republic, Slovakia and Hungary. Grains quality was mixed across the EU with good quality in France, while late summer rainfalls in the northern part of the EU impacted negatively the harvest. Durum wheat output decreased slightly compared with last year, but was still significantly above the last 5-year average (+13 %). The harvest totalled 9.3 million t, with particularly marked increases in France, Greece and Spain.

Barley production remained at a high level (which after a 6th consecutive year now seems to be standard) reaching almost 59 million t. Good harvests in France and the UK offset a 22 % drop in Spain.

EU **maize** production was slightly above average at 65.5 million t, partly thanks to an excellent harvest in Romania. Maize output in Romania increased by more than 40 % compared with the last 5-year average, while production in Hungary, Bulgaria, Slovakia and Poland remained stable or decreased slightly.

Graph 4 EU cereal net trade (million t)



Source: DG Agriculture and Rural Development

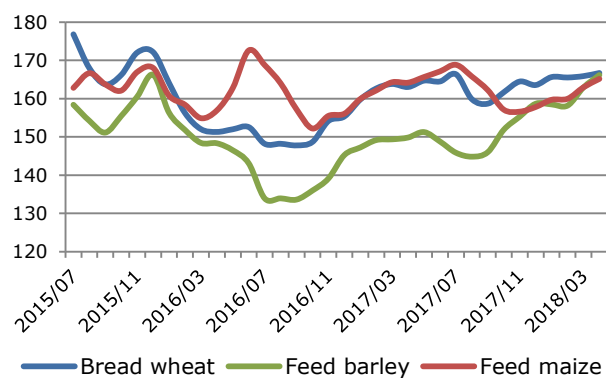
EU **cereal net exports** have declined over the last 4 years. The drop was significant in 2017/2018 (around 10 million t, 60 % below the 5-year average). This is mainly due to lower wheat exports and a rise in maize imports. Despite a good harvest across the EU for soft wheat, there was fierce competition from the CIS³ countries, thanks to ample supplies and targeted investments in logistics. World prices remain at rather low level compared with EU prices. On the import side, unprecedented volumes of maize flowed into the EU from Brazil and Ukraine mainly compensating significant drops in the production of barley and other cereals for feed in the Iberian peninsula and, to a lesser extent, providing feedstock for bioethanol production and starch. EU net barley exports decreased by 9 % compared with last year, despite stronger international demand, in particular from China and Iran (for feed).

The majority of EU cereals are used for animal **feed**. Following the increased production of poultry and pigs

³ Commonwealth of Independent States

in the EU-N13 and higher milk yields in 2017/2018, the total feed use rose to 173.2 million t (+0.4 million t). Thanks to attractive prices throughout the marketing year, the use of maize for feed increased by 8 %. In contrast, the higher price of barley in the EU limited its use in animal rations. The use of feed-wheat remained stable in 2017/2018 thanks to a competitive price (EUR 150-160 /t).

Graph 5 EU cereal producer prices (EUR/t)



Source: DG Agriculture and Rural Development

Despite the ample supplies, producer **prices** were buoyed throughout the marketing year by record world and EU demand. EU maize and wheat prices remained stable at EUR 156-166/t. By contrast, feed barley prices rose by 11 % compared with last year (April 2018). After a 3-year declining trend the EU's cereal stock-to-use ratio increased to 19 %, the highest level since 2010, largely due to the expanding maize and wheat stocks.

Mixed prospects so far for 2018/2019 EU production in a context of reduced sown area

Total **area** for arable crops is expected to decrease by almost 1 % compared with last year, despite a slight increase in oilseed area. Cereal area is expected to decrease for the fourth consecutive year, by 1.2 %. In total, cereal acreage is expected to be slightly below 55 million ha. Most of the decrease will probably come from a 2 % reduction in common wheat sown area, the biggest drop in the cereal sector. Durum wheat planted area is also likely to decrease, by about 6 %. Overall, winter crops acreage declined due to adverse conditions during sowing. In contrast, summer crops, especially maize and spring barley, are likely to expand slightly (+1.5 % and +2.9 % respectively).

In terms of **yield**, despite the delayed sowing for spring crops, weather conditions were generally favourable, albeit deteriorating in June. After a warm and humid start of the year, particularly in the west of the EU, temperatures were slightly above average (except during a cold spell in March, which did not have a major impact on crop development). In particular, higher than usual temperatures stimulated plant growth in central Member States (Hungary, Romania and Bulgaria), but were not always

counter-balanced with sufficient soil moisture. These conditions persisted in late spring and started to affect crop growth.

Cereal yields are thus expected to decrease slightly compared with last year, as dry and warm conditions affect winter cereals most, mainly in central and northern Europe. Still, weather conditions in the summer will be key determinants of the overall impact on both spring and summer crops.

Compared with the last 5-year average, a 3-5 % fall in **soft wheat** yield is estimated in the Baltic states, Finland, Sweden and Germany, and around -1 % in France. Yield projections in Spain and Portugal are still above average, thanks to abundant rainfall. Another area of concern is Romania and Bulgaria, where abnormally high temperatures shortened the grain-filling stage for winter and spring crops.

Major **maize** areas, including Scandinavia, the Baltic states, Germany and central Member States, were hit by warm temperatures combined with a lack of rain. In some of these areas, e.g. Hungary, yield potential has probably already been affected, given the advanced stage crops have reached. In Denmark and Sweden, the precipitation deficit impacted crops during their heading or grain-filling. In southern Europe, conditions are good, thanks to ample rainfalls in the spring, and there are fewer concerns as regards soil moisture. Concerns there focus more on higher risks of disease due to waterlogging in some regions. The availability of water later in the summer will determine the real potential for maize production.

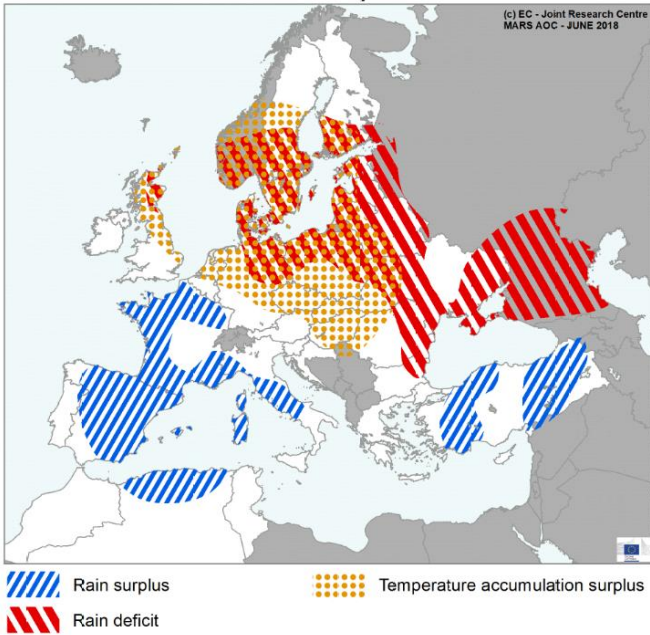
Winter and spring crops yield forecasts for 2018/2019 are therefore slightly below trend for common wheat, barley, rye, triticale and maize. Given the large areas with weather concerns (see above), the outlook remains subject to downward risks.

In such conditions, total **EU cereal production in 2018/2019** is expected to be 299 million t (around 7 million t less than in 2017/2018 and 3 % below the last 5-year average). Soft wheat production is expected to decline by 3 % compared with last year, to 138 million t. Durum wheat production could stabilise at 8.8 million t, 5 % below last year's bumper crop but still above previous levels. Barley production is expected to remain stable. It is too soon to predict the maize harvest, as the crop develops later in the summer; however, the increase in area suggests that the 2018/2019 harvest could be close to 64 million t for the third consecutive year.

Weather conditions in July and August will be key for assessing crop development. In several regions, rain is needed to improve soil moisture and crop conditions before harvesting. For maize, water availability is one of the key factors determining the final harvest.

Map 1 Areas of concern-extreme weather events

Based on weather data from 1 May 2018 until 22 June 2018



Source: Mars-Bulletin crop monitoring in Europe 26(6) <http://mars.jrc.ec.europa.eu/mars/Bulletins-Publications>

Small decline in global availabilities

According to the International Grain Council, the **world cereal harvest** is expected to decline marginally, while opening stocks are tighter than last year (-2.8 %). Various sources (IGC, USDA and AMIS-FAO) estimate a total cereal production of about 2 090 million t in 2018/2019. Thanks to the expected expansion of cereal uses globally and the production decline in certain regions, global trade is projected to reach a record-high level for the sixth year in a row.

Projections for global **wheat** production range from 742 to 754 million t, slightly down from last year. Production is expected to decrease in Russia and the US, due to dry conditions in certain regions. However, Russia’s exports are expected to remain at a high level, as are Ukraine’s. Given the continuing strengthening of international demand, both for food and feed, the world stock-to-use ratio is expected to decline slightly.

The IGC and the USDA forecast an increase in world **maize** production, especially in Argentina and the CIS. Consumption increases will be driven mainly by US and Chinese demand for feed and industrial (bioethanol) purposes.

OILSEEDS

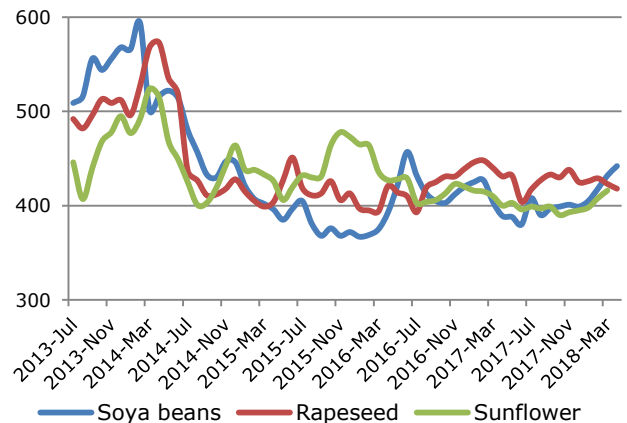
Market developments in the EU

	2017/2018	2018/2019
Production	↑ +12%	↓ -4.6%
Exports	↑ +19%	↓ -9.5%
Imports	↓ -4.5%	↓ -1.7%
Consumption	↑ +4.7%	↓ -3.2%

Compared with previous season

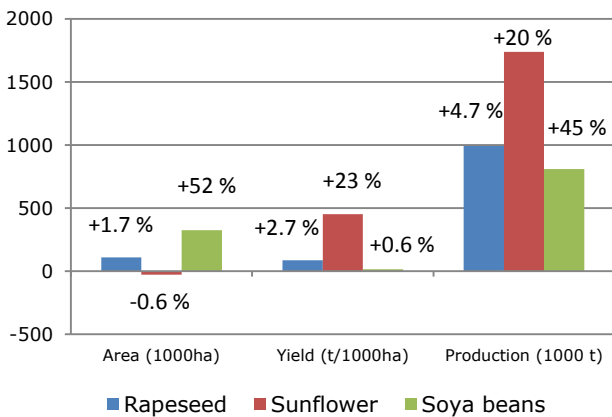
In 2017/2018, the **global oilseed harvest** remained at a high level for the second year in a row. The USDA estimates it at over 570 million t, 1 % down from the previous year. The significant drought-induced drop in oilseed (mainly soya bean) production in Argentina was largely offset by increases in the US (+2 %), Brazil (+3 %), China (+10 %) and the EU (+12 %). This prevented prices from exceeding moderate levels, despite stronger international demand. Besides, uncertainties remain with regards to the impact of the 25 % retaliation tariffs on US soya beans to be imposed by China from the beginning of July.

Graph 6 International price of oilseeds (USD/t)



Source: FAO Food Price Monitoring and Analysis Tool

Graph 7 2017/2018 EU oilseed area, yield, production compared with the last 5-year average (%)

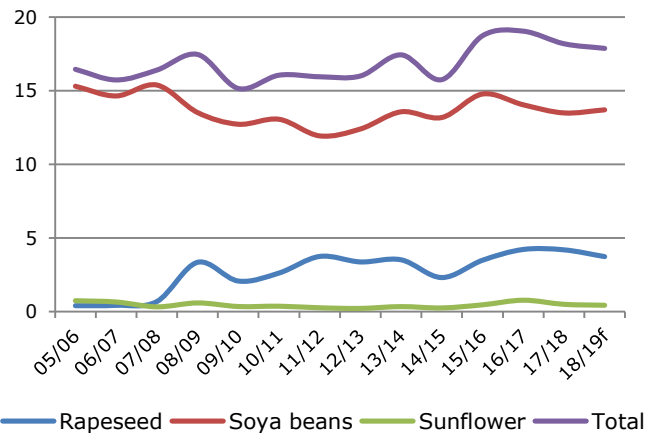


Source: DG Agriculture and Rural Development

The **EU oilseed harvest** in 2017/2018 was close to record levels, reaching almost 35 million t, a 12 % increase compared with 2016/2017. Both rapeseed and sunflower harvests rose by about 2 million t. Soya bean production increased by 100 000 t, continuing the run of record levels.

Rapeseed production increased by almost 5 % compared with the last 5-year average. This was driven by high production levels in France, the UK and Poland, while German production decreased. Yield increases in France and the UK meant that production was higher there, despite a drop in area. Sunflower production was 19 % up from the previous year, thanks to a bumper harvest in Romania, reaching an unprecedented level. Big harvests in France and Bulgaria also contributed to the overall increase. The soya bean harvest also surpassed the previous year's, at 2.6 million t. Production rose in Romania and France in particular, but fell by 6 % in Italy (the EU's biggest producer) and Croatia.

Graph 8 EU oilseed imports (million t)



Source: DG Agriculture and Rural Development

With this large harvest across the EU, **oilseed imports** fell by 4.5 % to 18.2 million t. Soya bean imports were most affected, probably due to the increase in domestic production and the strengthening

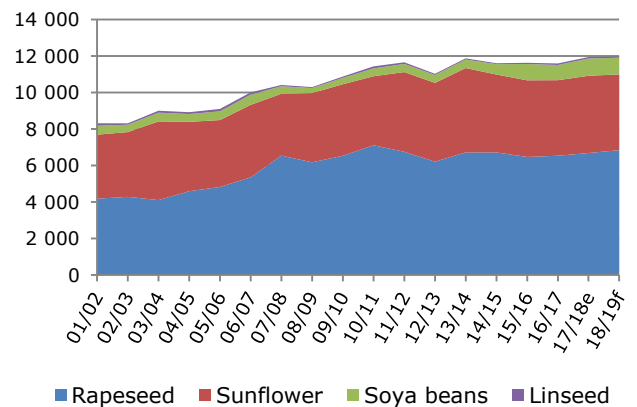
of the prices in the course of the winter. Price developments were also impacted by the continuous strengthening of the US dollar over the year. Nevertheless, EU imports of meals increased slightly to 22.5 million t. Imports of vegetable oils reached a record 9.1 million t, mainly due to an increase in palm oil imports.

The bumper oilseed harvest raised the EU's self-sufficiency rate to 67 % in 2017/2018, two percentage points above the 5-year average.

EU oilseed harvest expected to decrease

The USDA projects that **world oilseed production** in 2018/2019 will rebound and exceed 590 million t (+4 %). This would come mainly from higher soya bean production, thanks to more sowings in Argentina and Brazil, offsetting a slight drop in the US. Rapeseed production is expected to rise by 2 % on the back of a bigger harvest in Australia and Ukraine.

Graph 9 EU oilseed area (1 000 ha)



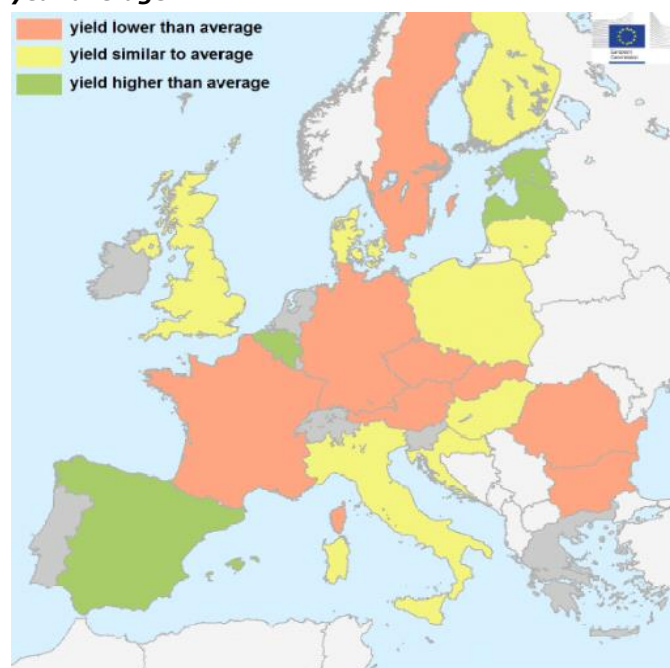
Source: DG Agriculture and Rural Development based on Eurostat

In the EU, sowing areas are expected to remain stable at a record level of around 12 million ha, i.e. 2.4 % above the 5-year average. Total EU rapeseed area could reach 6.8 million ha (+2.4 %, year-on-year), with expansion particularly marked in France (+7 %), Romania (+11 %), the UK (+9 %) and Hungary (+14 %), offsetting decreases in Germany (-3 %) and Poland (-11 %). By contrast, sunflower and soya bean acreage are decreasing compared with last year, by about 81 000 ha and 35 000 ha respectively.

Continuous high temperatures and water depletion in Germany and central/eastern Member States impacted the grain-filling and flowering stage. Wet conditions, especially in France, affected crop development due to excessive rainfall during thunderstorm events. The 2018/2019 oilseed harvest is therefore expected to be lower than last year, at 33.3 million t, which is still 1.5 % above the last 5-year average. Estimated EU rapeseed yields remain below trend at 3.1 t/ha, 6.6 % below the 5-year average. The rapeseed harvest is therefore expected to reach 20.8 million t (3 % down on last year).

Production is expected to decrease in all major producer countries (France, Germany, Hungary, Poland and the UK). Sunflower seed production is expected to fall by 6 % to 9.7 million t, while soya bean output is expected to grow by 5 % to 2.8 million t (despite lower area and weather issues).

Map 2 Yield forecasts for rapeseed compared with 5-year average



Source: Mars-Bulletin crop monitoring in Europe 26(6)
<http://mars.jrc.ec.europa.eu/mars/Bulletins-Publications>

PROTEIN CROPS

Decrease area for protein crops in 2018/2019

For **protein crops** (field peas, broad beans and lupins), the total area sown is expected to decrease by about 3.5 % in 2018/2019, to 1.9 million ha. Despite the decline, this level is still 25 % above the last 5-year average. Broad beans (-55 400 ha) and peas (-36 500 ha) are the most affected, while lupin areas expand (+25 500 ha).

This represents a modest decline, which might be partly due to difficult sowing conditions in the spring in a large number of northern Member States. With first yield estimates slightly above the 5-year average, production of beans and peas is expected to fall to 4.7 million t (-4 %), 30 % above the 5-year average. Another factor explaining the stability of the sown area is that voluntary coupled support covers large parts of the EU protein crop area. Other policy decisions, such as the banning of pesticides on Ecological Focus Areas, which could potentially influence farmers' choices to grow protein crops, did not appear to have a major impact due to the modest size of the arable area covered.

EU biodiesel imports on the rise

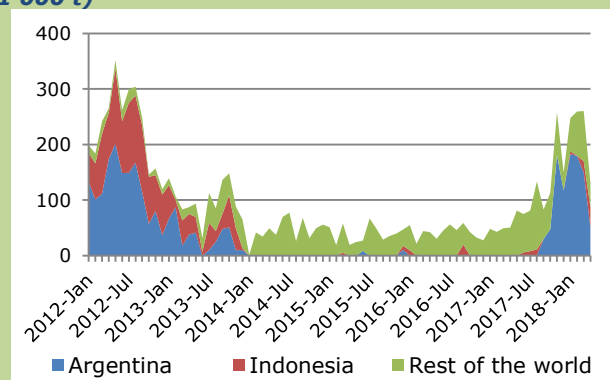
Over the past year, the EU market has seen significant increases of FAME⁴ biodiesel imports from Argentina and, to a lesser extent, Indonesia. Argentinian biodiesel is produced from soy oil while Indonesian biodiesel is based on palm oil.

The increase in imports follows the EU General Court's judgments on EU anti-dumping duties imposed on imports of Argentinian and Indonesian biodiesel. The duties were introduced in 2013 and triggered a quick decline of Argentinian and Indonesian exports to the EU. They were challenged as being inconsistent with WTO rules and the Court annulled them in September 2016. In January 2018, the European Commission announced that it was dropping its appeal against the Court's decision and instead, in May 2018, declared the reopening of the anti-dumping investigation against imports of Argentinian and Indonesian biodiesel.

From 2013 onwards, Argentina and Indonesia had targeted their biodiesel exports of biodiesel mainly to the US (the destination of around 90 % of those exports in 2016). Together with Canada, they have been the main exporters of FAME biodiesel to the US over the last 5 years, accounting for almost 70 % of US imports on average.

In August 2017, the US government introduced anti-subsidy duties on biodiesel imports from Argentina and Indonesia, and in October 2017 it raised the duties for Argentinian imports. In February 2018, it added anti-dumping duties, rendering imports from those countries economically prohibitive. Argentinian and Indonesian exports to the US fell sharply and a large proportion of the biodiesel was redirected to the EU. Argentina's exports to the EU went from zero to 0.9 million t in 12 months (May 2017 to April 2018) and Indonesia's increased from 20 000 t to almost 90 000 t.

Graph 10 Monthly EU imports of FAME biodiesel (1 000 t)



Source: DG Agriculture and Rural Development, based on Comext

EU biodiesel exports to the US almost doubled over the same period, to 145 000 t.

⁴ Fatty Acid Methyl Esters, produced from esterification of fats and oils, and used as blending fuel for diesel cars.

SUGAR

Market developments in the EU

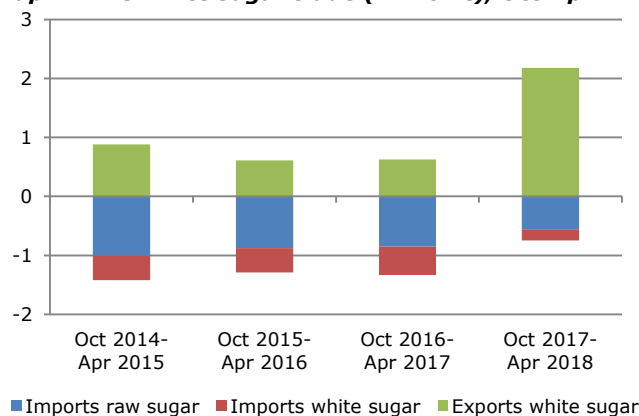
	2017/2018	2018/2019
Production	↑ +25%	↓ -4.8%
Exports	↑ +141%	→ +0%
Imports	↓ -50%	→ +0%
Consumption	↑ +5.9%	→ -0.3%

Compared with previous season

EU sugar exports remain high

EU **sugar production** in 2017/2018 is now set at 21.1 million t, 24 % above the average of the previous 5 years, thanks to a 16 % increase in area combined with good sugar beet yields (+8 %) and high sugar content. A significant proportion of this production is destined for the world market: by the end of April 2018, almost 2.2 million t of sugar had been exported, which is over 2.5 times the exports over the same period in the year before. Exports are expected to reach 3.2 million t for the 2017/2018 marketing year, while imports are declining and estimated at 1.2 million t by the end of the marketing year (September 2018).

Graph 11 EU white sugar trade (million t), Oct-Apr



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

World and EU sugar prices continue to fall

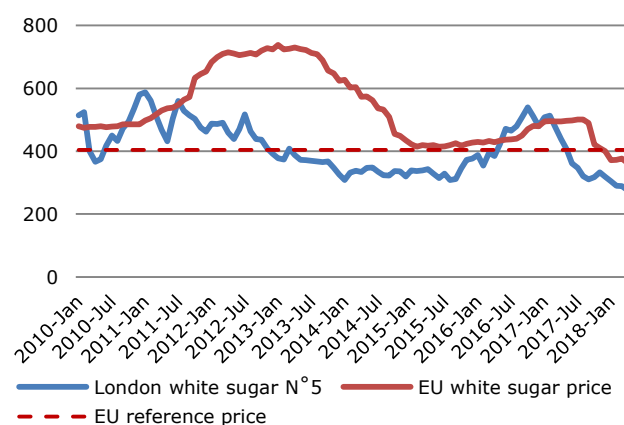
Big cane crops in India and Thailand have further increased sugar availability on the world market, in turn putting more pressure on world sugar prices. The world white sugar price was EUR 282/t in May 2018, while the EU **white sugar price** dropped to EUR 368/t. These unprecedentedly low levels are below the reference price of EUR 404/t. The price drop results partly from global oversupply, but also from

the abolition of EU production limits. Despite increased alignment with the world price, the gap between the EU and world prices remained around EUR 80/t over the first eight months of the marketing year.

Sugar beet prices are also far lower than in previous years: in many cases because of value-sharing clauses; in other cases because some sugar processors had announced they would not be able to guarantee the minimum price for the next crop that had been agreed in two-to-three year contracts.

In the short term, however, some stabilisation of world prices can be expected, as India has reacted to low prices by building sugar stocks, while Thailand and Brazil are directing more sugarcane to ethanol production.

Graph 12 World and EU white sugar prices (EUR/t)



Source: DG Agriculture and Rural Development, based on the London Exchange and the European Central Bank

2018/2019 planting delayed by rain and cold

Planting for the **2018/2019** sugar marketing year was delayed in many countries due to the wet and cold weather in March. While conditions in the following months were more favourable, it is still unclear whether this delay will impact sugar beet yield and sugar content. 2017/2018 yields were exceptionally high, in particular in the main producing countries, and despite areas remaining stable, beet production is expected to be 5 % lower in the next marketing year, under a stable area. Sugar production is forecast to be 5 % below this year's production, at 20.1 million t, which is still 14 % above the last 5-year average.

Global sugar production is also expected to be lower than in 2017/2018, possibly relieving some pressure on world prices. However, this may be counterbalanced by the release of Indian sugar stocks.

3. SPECIALISED CROPS

TOMATOES

Market developments in the EU

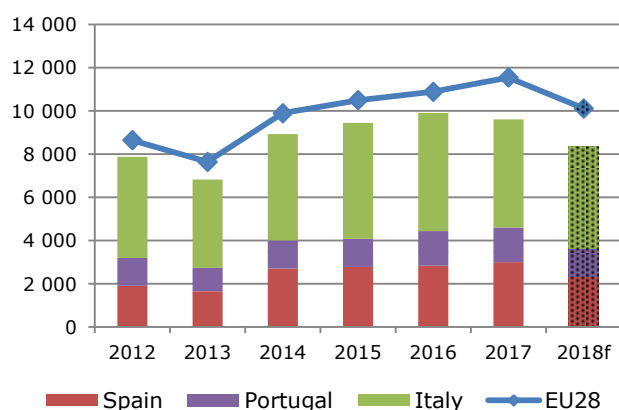
	2017	2018
Production	↗ +3.0%	↘ -7.8%
Exports	↘ -3.1%	↘ -14%
Imports	↘ -19%	↗ +13%
Consumption	↘ -0.3%	↘ -3.9%

Compared with previous season, for fresh and processing

Large drop of Iberian production of tomatoes for processing in 2018

EU production of tomatoes rose to 18.5 million t in 2017 (+3 % compared with 2016) mainly driven by growth in tomatoes for processing (11.5 million t, +6 % compared with 2016). By contrast, the production of fresh tomatoes fell slightly in 2017 (-2 %). In the first few months of 2018, there were a lot of fresh tomatoes on the market due to a delayed harvest in the winter season. From May, the production from both southern and central Member States is on the market, which leads to a high supply and pressure on prices. In 2018, the European organisation representing the tomato processing industry (TomatoEurope) expects a fall of 12 % in the EU production of tomatoes for processing driven by a big drop in the Iberian peninsula (-22 %). This reduction could be an adjustment of production to demand, following strong supply growth in recent years. However, this hypothesis will only be confirmed once figures on areas are available.

Graph 13 EU production of tomatoes for processing (1 000 t)



Source: DG Agriculture and Rural Development, based on Eurostat

World production of tomatoes for processing is expected to fall by 5 % to 35.9 million t in 2018 (TomatoEurope), but showing significant differences in the various production areas. A sharp drop is expected in China (-33 %), due to an adjustment to excessive production in recent years, while production in California is expected to rise by 13 %.

Total EU **imports** of processed tomatoes fell in 2017 (-24 %), due to the sharp drop in imports from China (-57 %). At the same time, imports from Ukraine are rising significantly (+17 % in 2017 compared with 2016) thanks to their competitiveness. This trend is likely to continue. In 2018, imports are expected to further increase (+15 %) to the levels of recent years.

EU **exports** of fresh tomatoes continued to fall in 2017 for the fourth consecutive year after the Russian ban (-17 % compared with 2016 and -64 % compared with 2013). By contrast, EU imports increased by 8 % driven by a strong rise in imports from Turkey (+42 %) due to its recent difficulties to export to Russia. Based on the expected stable imports from Morocco and the gradually re-opening of the Russian market for Turkey, EU imports are expected to fall in 2018 while exports could rise slightly.

PEACHES

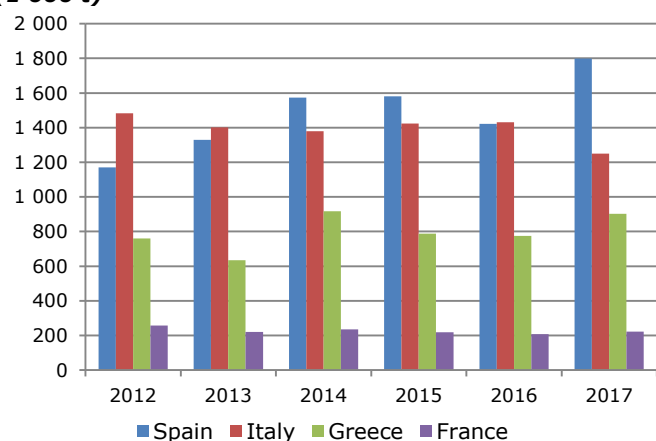
Market developments in the EU

	2017	2018
Production	↗ +8.5%	↘ -11%
Exports	↗ +11%	↘ -20%
Imports	↘ -13%	↗ +15%
Consumption	↗ +8.1%	↘ -10%

Compared with previous season

Drop in EU production of peaches and nectarines in 2018

In 2017, the EU saw a record **harvest** of peaches and nectarines. Production of fresh peaches and nectarines increased by 9 % compared with 2016 (6 % above the last 5-year trimmed average). This increase was driven by favourable weather conditions and the planting of new, higher-yielding varieties, in particular in Spain where the production potential has expanded dramatically. The 4 main producers - Spain (42 %), Italy (29 %), Greece (21 %) and France (5 %) -, accounted for about 97 % of EU production in 2017. Since 2012, Spain's share has increased significantly at the expense of Italy and France.

Graph 14 EU peaches and nectarines production (1 000 t)

Source: DG Agriculture and Rural Development, based on Eurostat

The European producers' association for the peaches and nectarines (EuroPech) sector estimates that production will decline by 11 % in 2018 compared with 2017 (7 % below the last 5-year average), due to adverse weather conditions such as frost and hail during the flowering season in parts of Spain, Italy and France. While production drops are expected in Spain (-14 %), France (-16 %) and Italy (-10 %), Greek production is forecast to increase (+20 %). However, the producers' association has significantly underestimated the final result in the past (e.g. in 2017, production forecasts were around 40 % lower than the actual harvest in some regions, such as Catalonia). This year, the sector has taken measures to improve the forecast methodology.

In 2017, average **producer prices** were at low from mid-July, due to big surpluses on the market, with large price differences in particular between France and other main producing countries. Price differences are explained *inter alia* by differences in productivity and labour costs, marketing strategies and product quality. In France, price levels tend to be higher thanks to the strong demand for local products.

Prices for the new early-maturity varieties were higher at the beginning of this campaign than in the same period in 2017, because of the delayed start to the 2018 season. When the Greek and Italian peaches came onto the market together with the delayed early-maturity varieties from Spain prices fell slightly below levels at the same time year in 2017.

Price developments during the campaign are heavily dependent on weather conditions. On the one hand, the weather influences the harvesting period in the various regions. Overlapping harvesting periods in different regions and Member States have a negative impact on prices, in particular during the peak season (July). This year, wetter and colder weather in Spain delayed the early production which tends to clash with later harvests where the weather is warmer than usual (Italy, Greece, France). On the other hand, weather strongly influences consumption, with warm

temperatures leading to increased demand (e.g. in Germany in May).

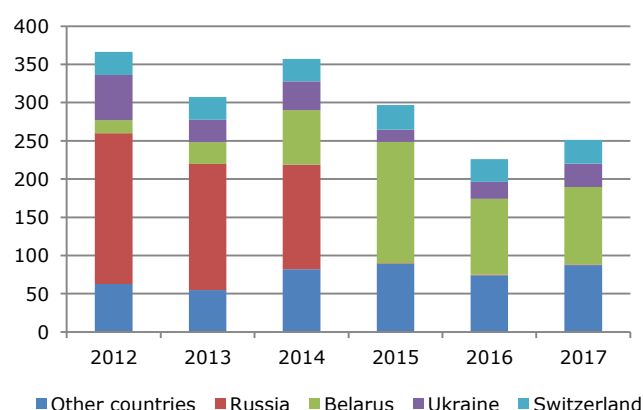
Apparent consumption has risen slightly over the past 5 years, to around 6 kg per capita, although there are significant variations relating to the influence of the weather. However, this does not take into account the losses that occur at various stages between production and the product reaching the final consumer.

Exports expected to decline strongly in 2018

While EU **exports** rose slightly in 2017 thanks to higher availabilities, they are expected to fall by 20 % in 2018 due to lower production and difficulties on the export market.

Until Russia introduced its import ban in 2014, it was the largest export market for EU fresh peaches and nectarines, in terms of both volume and value, shares of 54 % (165 000 t) and 56 % (EUR 182 million) respectively. Subsequently, exports to Belarus, Ukraine and Switzerland increased (+63 000 t on average in 2015-2017 compared with the 2012-2014 average), accounting respectively for 40 %, 12 % and 12 % of total EU exports in 2017. However, these new trade flows did not compensate for the loss of the Russian market and EU exports dropped by 25 % between 2012-2014 and 2015-2017, while average EU production increased by 5 % over the same period. This results in increased competition and pressure on prices on the EU market.

Since the beginning of the Russian ban, the Commission has taken a range of emergency measures for fruit and vegetables. For peaches and nectarines, the aid has entitled to withdrawals of 175 000 t.

Graph 15 EU peaches and nectarines exports (1 000 t)

Source: DG Agriculture and Rural Development, based on Eurostat

OLIVE OIL

Market developments in the EU

	2016/2017	2017/2018
Production	↓ -25%	↑ +24%
Exports	↔ -2.7%	↗ +3.9%
Imports	↓ -7.2%	↑ +77%
Consumption	↓ -17%	↑ +17%

Compared with previous season

Record high world production in 2017/2018

EU olive oil **production** is likely to reach 2.2 million t in 2017/2018 according to the latest notifications from Member States⁵, despite the decrease in Spain (-3 %). A recovery is expected in Greece (+77 %), Italy (+135 %) and Portugal (+94 %). In the latter, production almost tripled in the last 10 years. These EU developments contributed to the recovery of world production, estimated at 3.3 million t (+30 % compared with the previous year and the highest level since 2002). Turkey and Morocco saw record production and Tunisia also recorded a good harvest.

Increased availability pushes prices down

Given the high global supply, EU producer **prices** for virgin olive oil dropped by 25 % between October 2017 and May 2018, to EUR 275/100kg, 4 % below the last 5-year average for the same period.

In addition, larger availabilities are underpinning a recovery in EU apparent consumption to 3.2 kg per capita (+2 % above the last 5-year average) and stocks are likely to reach 433 000 t (+12 %).

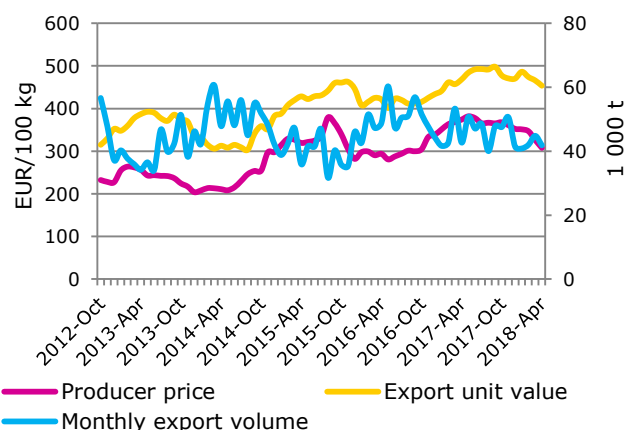
Growing exports to alternative markets

EU olive oil **exports** between October and April slowed slightly compared with last year (-5 %). However, exports to Brazil performed particularly well (41 000 t, +56 % year-on-year). China, one of the biggest export markets, recorded growth of 2 %. Although volumes are still small, growing export markets were identified in South-East Asia and the Middle East. Exports to the US were lower than last year in the first half of the campaign (-19 %): exports from Spain declined more than those from Italy (-23 %, as against -15 %). On the other hand, Spain exported more to Latin America (+13 %), China (+13 %) and Canada (+91 %), which accounted for a total of 31 000 t. As has been observed in the past, lower prices tend to boost trade, and EU exports are

⁵ Member States significantly underestimated November production, which they notified as 1.8 million t (17 % below the current estimate).

estimated to reach 580 000 t by the end of the current campaign (+4 %).

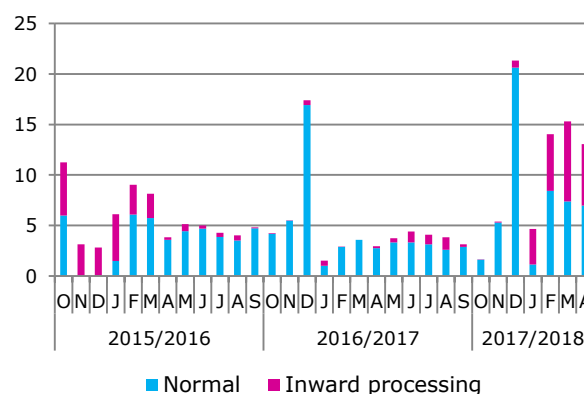
Graph 16 EU olive oil prices and monthly exports



Note: Olive oil trade of CN1509; Source: DG Agriculture and Rural Development, based on Comext and MS notifications

In 7 months (October-April), EU olive oil **imports** had already exceeded last year's total. Tunisia is the main EU supplier (68 % of imports including inward processing). By April, the Tunisian annual quota of 56 000 t was filled at 41 % (imports in normal regime). The development of EU imports is always quite proportional to the harvested quantities in neighbouring countries. Accordingly, the upward trend is expected to continue, resulting in imports of 160 000 t by the end of the campaign (+77 % year-on-year).

Graph 17 Tunisian imports by regimes (1 000 t)



Note: Olive oil trade of CN1509; Source: DG Agriculture and Rural Development, based on Comext






A 2018/2019 campaign favoured by weather conditions

The spring weather favoured olive growth. Wetter-than-usual conditions in Iberian peninsula, Italy and large parts of south-east Europe made it possible to replenish the water reserves to be used for irrigation. In addition, below-average spring temperatures allowed a good flowering. Without severe weather events (e.g. drought), the olive oil **production** could get close to the record levels of recent years (up to 2.4 million t) in 2018/2019.

4. DAIRY

MILK

Market developments in the EU

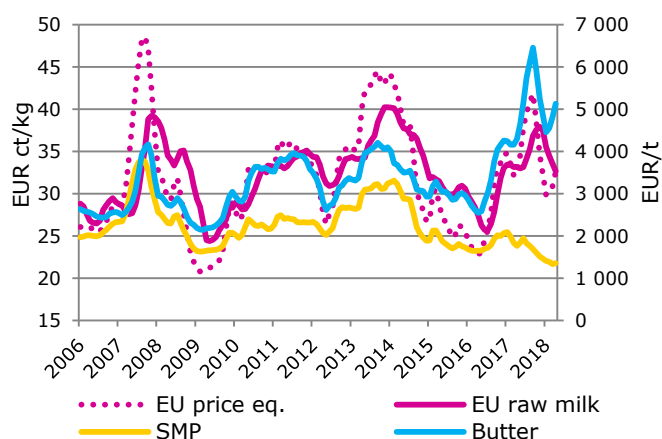
	2017	2018
 Milk collection	 +1.9%	 +1.2%
Dairy herd	 -0.9%	 -0.6%

Compared with previous year

EU milk production growth slightly tempered by adverse weather conditions

In the first quarter of 2018, EU **milk collection** was more than 2 % higher than last year. Despite the large dairy herd, growth was slightly less than expected. The main reasons were the cold and wet weather conditions delaying grass growth in early spring, followed by a lack of precipitation in some Member States. Ireland, and to some extent also France, were most affected. In addition, milk collection in the Netherlands is down from last year, as constraints on phosphate emissions phased in. By contrast, collections went up significantly in Germany, Italy, Poland, Spain and Belgium in the first 4 months of the year.

Graph 18 EU monthly dairy prices



Note: The milk price equivalent is based on butter and SMP prices
Source: DG Agriculture and Rural Development

The increased collections in the EU, but also globally (see text box), as we approached the peak of the season, led to a drop in the **EU raw milk price** to around EUR 33/100kg in April. This was 2 % below the previous year's price and 1 % lower than the last 5-year average. The EU milk price could slightly decline or stabilize in May, but an increase is expected later this year. This follows the seasonal pattern and the current rise in dairy product prices, driven by EU and global demand.

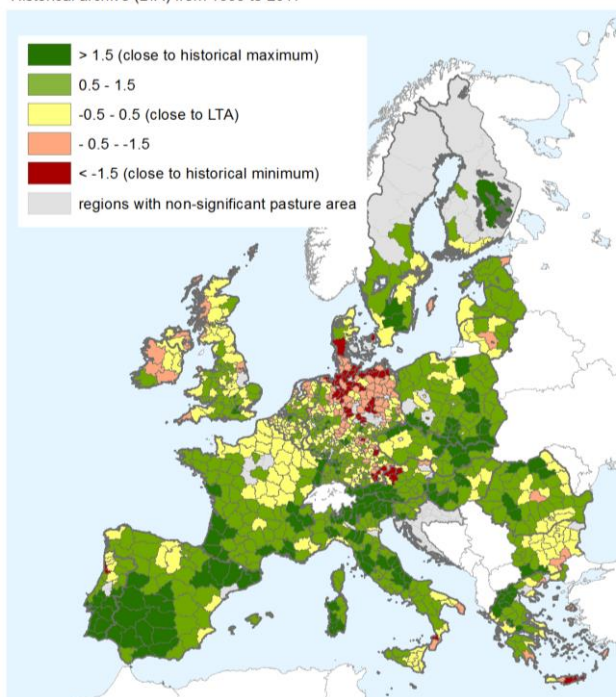
The **EU milk price equivalent**, based on skimmed milk powder (SMP) and butter prices levelled out in January and then rose by 20 % to EUR 36/100kg in June, driven mainly by the butter price surge and to a lesser extent by the recovery in the SMP price. The butter market remains undersupplied, despite the increased availability of milk in Europe. This is due to very low stocks and lower milk collection in France, the Netherlands and Ireland, three of the EU's main butter producers. In addition, butter production in Germany went down. It is expected that the price of SMP will continue its current upward trend and then stabilise in the course of the year.

At the peak of the milk season (April-June), the availability and quality of **pastures** is key not only for providing good pasture but also for building up forage resources for the following months. After a late start, grass productivity in France is now back to normal in the main milk producing regions. Ireland and the UK, are still catching up in this respect. In addition, Denmark, and wider areas around the Baltic Sea are now affected by relatively higher seasonal temperatures and a lack of precipitation. On the other hand, farmers were able to use more feed concentrates thanks to higher margins at the end of 2017 and the expected higher milk price in the second half of the year, thus partly compensating for lower forage availability.

Map 3 Relative index of pasture growth

Period of analysis 1 May – 20 June 2018

Index based on Copernicus GEOV2 fAPAR 10-day product.
Historical archive (LTA) from 1999 to 2017



Note: This index is a synthetic indicator of biomass formation. A value of 0 indicates that biomass production in the current season is similar to the long-term average. Values higher than 2 and below -2 indicate that biomass production in the current season is close to, the historical (2008-2017) maximum and minimum respectively.

Source: Mars <https://ec.europa.eu/jrc/en/mars/bulletins>

Trends in milk production by the EU's major competitors

In 2017, the EU and its main competitors recorded milk production growth of 2 % and this trend was sustained in the first 3 months of 2018.

In New Zealand, the milk season runs from June to May and peaks in the autumn. After 2 years of decline due to lower milk prices and adverse weather conditions, milk collection stabilised.

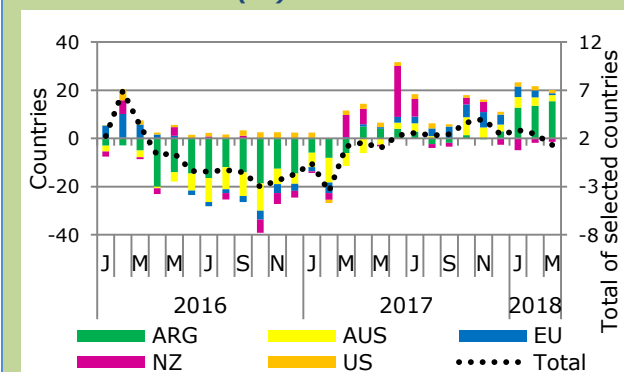
Australia closes its production season in June and recorded a cumulated year-on-year increase of 3.5 % in April. This increased milk supply translated into growing exports, mainly to Asia.

US milk production grew again last season, which ended in March (+1.5 %). The US is the only major competitor that has seen sustained production growth since 2016. This was mainly driven by domestic consumption. The US increased its self-sufficiency, imported significantly less in the first 4 months of the year and gained market shares on the global market.

In Argentina, weather conditions at the end of 2017 put some pressure on cows and reduced production growth. However, as temperatures dropped recently, cows' productivity increased in the first quarter of the year, and the production in June-March was 4.5 % higher than in the same period last year.

Overall, stronger world supply is putting some pressure on prices. However, world demand remains strong and supports world market prices.

Graph 19 Monthly change in milk production of selected countries (%)



Source: DG Agriculture and Rural Development, based on AHDB

In 2018, on the basis of the dairy **herd** evolution, the milk price and weather conditions, EU milk collection is expected to increase by 1.2 % compared with 2017. This encompasses further production increases in the second (+1.3 %) and third quarters (+1 %), while in the last quarter milk collection is likely to reach the same high level of production as last year (if the weather is favourable). The milk collection growth is driven particularly by Germany, Poland, Belgium and Italy, which are increasing their deliveries significantly. Young cows put into lactation at a time of improved grass availability should contribute to the

recovery of deliveries in France. In Ireland, despite unfavourable weather conditions so far, milk collection is likely to rise slightly compared with last year.

Given the sustained demand for EU dairy products and the absence of a major drop in prices, milk collections are likely to grow further in 2019 (+0.8 %).

The milk **yield** is likely to increase further by 1.7 % in 2018, while the number of dairy cows is expected to decline slightly (-0.6 %). The number of (beef and dairy) cows slaughtered in the period to March is the same as last year. In Ireland, the slaughter of older cows was brought forward to March. Slaughterings in the Netherlands have been strongly affected by the phosphate reduction obligation and are slowing down from very high levels in 2017. In Italy, more seed-sexing is being used in dairy farms, leading to greater availability of young female cattle, higher replacement rates and thus more slaughterings.

DAIRY PRODUCTS

Market developments in the EU

	2017	2018
Production	➔ +0.4%	➔ +1.1%
Exports	↑ +9.2%	➔ +3.9%
Imports	↓ -22%	➔ +4.3%
Consumption	➔ +0.4%	➔ +0.7%

Compared with previous year, in milk equivalent

Boosted world dairy product exports

Global demand of dairy products is sustained and in the first quarter of 2018, global dairy trade expanded by 8 % compared with the same period of last year, resulting in total shipments of 14.4 million t of milk equivalent.⁶ **EU exports** increased, but at a slower rate (+3 %), and took 33 % of world exports. Despite a slight decrease in milk production in the first quarter of the year, exports from New Zealand grew by 5 % compared with last year, as they country again became the world's leading dairy exporter. Even stronger dynamics are observed in the US, which recorded a 19 % year-on-year export increase, consolidating its status as the world's third biggest exporter.

In 2018, demand for EU dairy products is expected to stay strong on both domestic (+0.7 %) and global

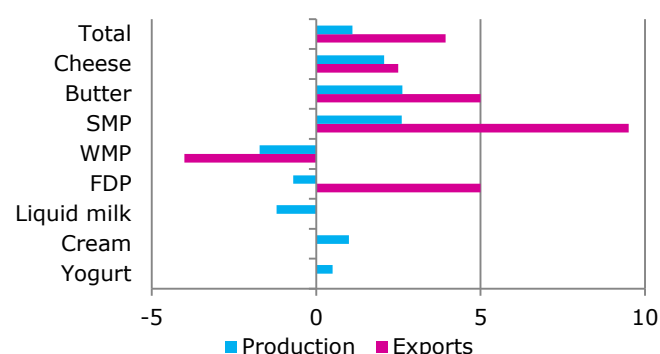
⁶ Based on exports from the EU, the US, New Zealand, Argentina, Australia, Uruguay and Belarus of cheese, SMP, WMP, butter, fresh dairy products and whey using the coefficients detailed in the methodology at the end of this report.

(+4 %) markets. Particular factors affecting EU trade competitiveness in the coming months will be the exchange rate developments (slightly favourable in recent weeks) and the availability of milk in the coming season in New Zealand (and other competitors). In addition, it remains to be seen whether further opportunities for the EU will arise from the introduction of tariffs on US dairy products by China and Mexico, in retaliation for the US tariffs on steel and aluminium. China introduced 25 % tariffs on some dairy products from 5 July and Mexico announced tariffs of 10-25 % on various types of cheeses for which the US is the main supplier (75 % of Mexico's cheese imports in 2017).

Slowdown in EU cheese export growth

Cheese processing continues to offer good returns, all the more now that cheese prices are rising, and the increasing volume of milk collected in the first 4 months of the year drove a 3 % growth in cheese production compared with last year. The price drop observed at the end of 2017 and in January reversed and prices started rising again, to EUR 3 360/t in mid-June for cheddar.

Graph 20 Change in EU production and exports of dairy products in 2018/2017 (%)



Source: DG Agriculture and Rural Development

In 2018, EU cheese **production** is expected to increase by over 2 %, driven by domestic and world demand. On the domestic market, use is expected to grow by 1.5 %, driven mainly by industrial use, although retail sales are also sustained.

On the world market, in the first 4 months of the year, the greater competitiveness of the EU's main competitors (especially the US) put pressure on EU cheese **exports**, which just maintained last year's level. However, the trend of increasing exports of high value cheeses is observable in relation to some Member States, e.g. Italy. As regards the main EU markets, in January - April, increasing exports were recorded in Switzerland (+5 %), whereas shipments to Japan decreased slightly (-3 %). However, on the basis of a steady upward trend in Japanese imports in recent years, further growth is expected; overall EU exports are expected to grow by 2.5 % in 2018.

SMP stock release driven by good demand

In April, after 3 months of strong growth, EU **SMP production** was below last year's level, mainly because of the decreased milk collection in France and Ireland. Over the first 4 months of the year, SMP production was still 5 % above last year. With the upcoming slowdown in milk collection, overall 2018 production growth is expected to be below 3 %.

Despite strong availabilities in stocks and freshly produced SMP, steady demand boosted mainly by exports, helped to reverse the declining trend in the SMP price in April. In mid-June, it reached EUR 1 540/t, still more than 20 % below the 2017 level, but almost 10% higher than in January.

In the first 4 months of the year, global demand for SMP remains particularly high, as highlighted by the 14 % increase in **exports** by the top 4⁷ SMP world exporters. The EU remained the first world exporter and its exports recorded 8 % growth compared with the same period last year, but the US is now just behind thanks to a 27 % increase in its shipments. As regards the EU's main export destinations, exports to the Middle East grew significantly. Exports to Algeria (+53 %, accounting for a fifth of EU exports) and to Egypt (+65 %) grew the most. In contrast, EU exports to the main Asian markets (China, Indonesia and the Philippines) declined significantly.

In addition, sales of SMP from the **intervention stocks** from the beginning of 2018 to June totalled almost 100 000 t. For the remaining period of the year, additional volumes could be sold out of intervention due to the high global demand. Given our production forecast (+3 %), our working assumption is that total sales could amount to 150 000 t in 2018. In this scenario, EU SMP exports would rise by 10 %, while private stocks could increase to 115 000 t and intervention stocks to 230 000 t.

Less processing of WMP

Since the beginning of the year, the EU **production** of whole milk powder (**WMP**) has dropped steadily: in April it was 5 % below last year's level. This can be partly explained by the better returns offered by cheese, SMP and butter, and the competition from New Zealand, the main WMP exporter.

As a result, in the first 4 months of the year shipments from the EU were 9 % less than in the same period last year. It is likely that competitors will keep their positions on the market and the EU's overall export performance will probably result in an annual decline of -4 %. At the same time, for some export destinations, the relatively cheaper SMP and

⁷ Based on exports from the EU, the US, New Zealand and Australia, as reported to Global Trade Atlas.

fat-filled powders will be preferred for economic reasons.

Undersupplied butter market

Despite increased EU milk production, the butter market remains undersupplied which is a result of the drop in milk collection in some of the main producing countries (France, the Netherlands and Ireland) and of lower **butter production** in Germany. In April, cumulative production was just 1 % above the low level at the same time last year and private stocks are at a record low. Nevertheless, sustained high domestic and world demand continues to support the high butter price, which has been on an upward trend since the beginning of the year, reaching EUR 5 800/t by in mid-June.

EU **exports** increased by only 1 % in January-April compared with the same period last year because of the lack of supply and high prices. With 3 % export growth, New Zealand is maintaining its dominant position in this market with a share of 60 %.

In the course of the year, it is likely that more milk will be directed to butter production, which is expected to record close to 3 % growth. Exports are likely to be 5 % above last year's rather low level.

Drinking milk production and consumption down

In the period to April, the **production** of drinking milk and cream recorded a cumulative decrease (both close to -1 %), whereas yogurt production was at roughly the same level as last year.

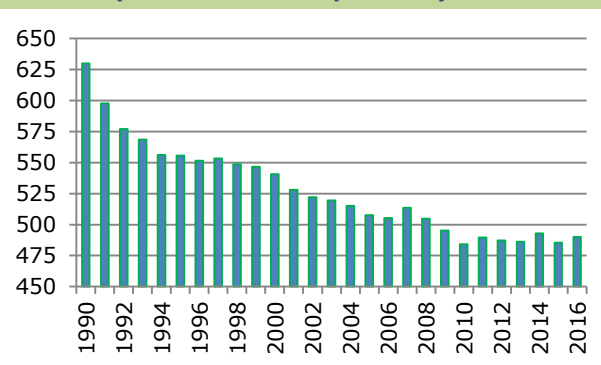
Exports of fresh dairy products (FDP) are growing again. In the period to April, exports of cream rose by 1 %, drinking milk by 6 % and yogurt by 16 % (in product weight). It is unlikely that increasing exports (expected to be 5 % higher than in 2017) will compensate for lower EU demand. The trend of decreasing retail sales of liquid milk continues (with some exceptions, e.g. the UK and organic milk) and it is expected that production of fresh dairy products will slow down in the course of the seasonal milk production decline.

Greenhouse gas emissions in agriculture

According to the European Environment Agency (EEA) report on greenhouse gas emissions (GHG) published in May 2018, EU agriculture⁸ (including LULUC⁹ of grassland and cropland) accounted for 12 % of all GHG emissions in 2016, as it has (more or less) for the past 10 years. Between 1990 and 2016, emissions from EU agriculture fell by 22 %. The main contributors to this decline are Poland, Germany, Italy and Romania. However, the rate of decline has levelled out in the past 10 years and emissions now fluctuate around 490 million t of CO₂ equivalent.

In 2016, 39 % of emissions related to enteric fermentation or ruminant livestock, 32 % to agricultural soils, 14 % to LULUC of cropland and 13 % to the management of manure.

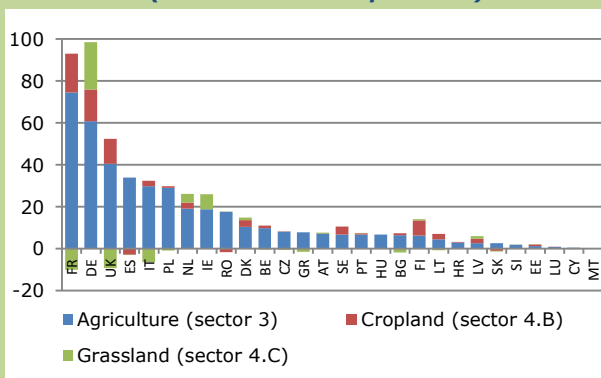
Graph 21 Evolution of GHG emissions from EU agriculture (million t of CO₂ equivalent)



Source: DG Agriculture and Rural Development, based on EEA

Grassland is an important net carbon sink in France, Italy and the UK, but a net source of emissions in Germany, Ireland and the Netherlands, contrary to the common assumption that it sequesters carbon. This is due to the management of (carbon-rich) grassland and the fact that the potential of grassland to capture carbon is limited over time.

Graph 22 GHG emissions from EU agriculture by Member State (million t of CO₂ equivalent)



Source: DG Agriculture and Rural Development, based on EEA

⁸ The agricultural sector is defined according to [context indicator 45](#) of the common monitoring and evaluation framework (CMEF).

⁹ LULUC, Land use and land-use change

5. MEAT

BEEF

Market developments in the EU

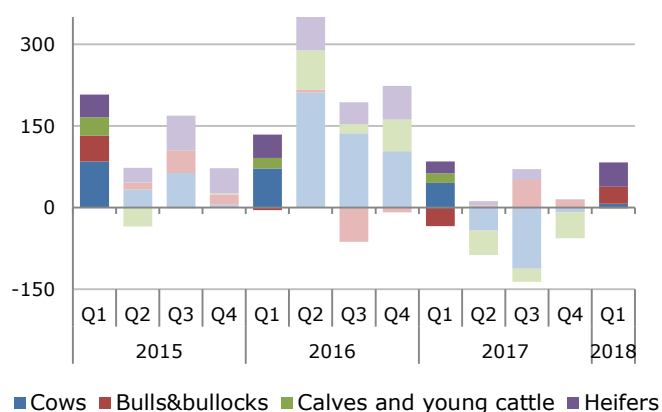
	2017	2018
Production	→ +0.1%	↗ +0.5%
Exports	↑ +9.1%	↓ -6.0%
Imports	↓ -6.2%	↑ +8.0%
Consumption	↘ -0.7%	↗ +0.7%

Compared with previous year, net production and meat trade

EU beef production increasing slightly in 2018

The updated results of the December livestock survey confirmed a small (< 1 %) drop in the **total cow herd** in the EU in 2017. The decrease was entirely driven by the EU-15, while cow herds continued to expand in most of the EU-N13. The dairy cow herd shrank by nearly 1 %, reflecting ongoing restructuring in some Member States, notably the Netherlands. The EU suckler cow herd remained virtually stable, although it declined in France, Belgium and Ireland.

Graph 23 Year-on-year changes in EU beef slaughtering by category (1 000 heads)



Source: DG Agriculture and Rural Development, based on Eurostat

Despite the herd reduction in 2017, **net beef production** increased in the first quarter of 2018 by 2.0 % year-on-year. Production increased in both the EU-15 (+1.7 %) and the EU-N13 (+4.8 %). Most of the increase in the number of heads slaughtered is attributable to males and heifers. However, thanks to the increase in weight, slaughtering of cows, expressed in carcass weight, also increased significantly. Slaughtering of calves and young cattle was modest. Two thirds of beef production come from the dairy herd, hence the strong link between these

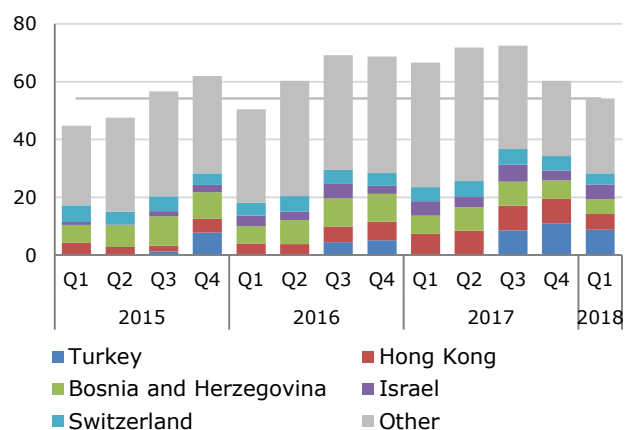
two markets. Part of the higher slaughtering rate being registered currently is due to the greater availability of young female dairy cattle (not all needed for cow replacement). Consequently, EU net beef production is expected to increase somewhat in 2018 (+0.5 %). Upward revisions in some traditional beef-producing countries (France, Italy, the UK and Austria) and developments in eastern Europe (especially Poland) may just compensate for sizeable contractions in other Member States (the Netherlands, Romania, Germany and Belgium). The current high slaughter rate for heifers and the expected small decline in the EU dairy herd will impact on beef production potential in the next few years, and beef net production is expected to drop by 0.6 % in 2019.

EU beef exports are expected to fall

EU exports of live bovine animals were almost 13 % higher in the first 4 months of 2018, than in the same period of 2017. For 2018 as a whole, the increase is expected to be 3 %. The key EU partners are concentrated in the Mediterranean area. Turkey, which is the EU's main export destination since 2017, absorbed nearly a third of EU live bovine exports. Lebanon, Libya and Israel also remained key destinations, though buying fewer animals. By contrast, exports to Algeria doubled, as the country exempted live animals, unlike meat products, from its import ban. Overall, after slowing down in the second half of 2018, live exports are expected to stabilise in 2019, mainly due to the expected decline in EU net production and competition from other players.

Solid **beef export** growth in the first half of 2017 had turned negative by the end of the year and exports were almost 15 % lower in the first 4 months of 2018 than in the same period in 2017. Currently, 5 main partners account for more than half of the EU's beef exports. Turkey, which has kept its border open and expanded strongly since mid-2017, became the first destination for EU beef. Israel continued to buy more from the EU. On the other hand, exports to Hong Kong (-7 %) and especially to Bosnia and Herzegovina (-17 %) dropped significantly, but the two countries still remained the second and third most important export destinations. Exports in January-April to other key destinations, such as Switzerland, Norway, the Philippines and Algeria, were lower than in the year before.

Key world producers exported more beef in the first 4 months of 2018 than a year ago. Brazil increased its exports by 25 %, mainly to Hong Kong, China, Egypt, the EU and Chile. The US, Argentina, New Zealand and Paraguay also expanded their exports, including to traditional EU export partners (Hong Kong, Israel, Switzerland and the Philippines), and are expected to continue putting pressure on the world market in 2018. The outlook for EU exports in 2018 is therefore bleak (-6 %), as there is little potential for expansion, and will depend mainly on two markets: Turkey and Israel.

Graph 24 EU quarterly beef exports, by destination (1 000 t)

Source: DG Agriculture and Rural Development, based on Eurostat

Imports pick up, backed by the return of Brazil

The fall in **imports** registered in 2017 came to a halt this year. EU beef imports were 20 % higher in the first 4 months of 2018 than in the same period in 2017. Strong increases in January and April (and previously in July and October 2017) are linked to the new system for managing a particular tariff-rate quota (TRQ) that is available by quarter on a first-come-first-served basis. This leads to a peak in the first month of each quarter and might bias the current high increase.

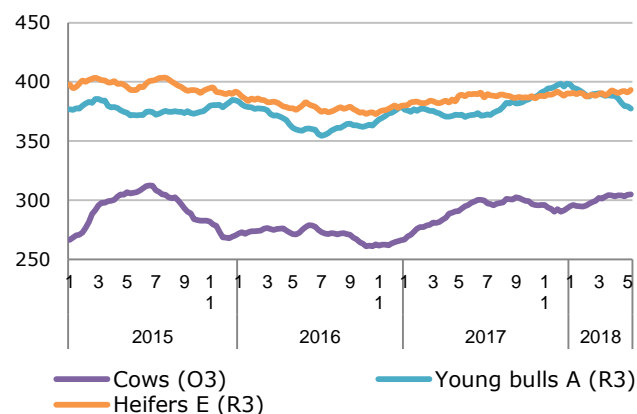
For 2018 as a whole, 8 % growth is expected. South American countries became more dominant on EU markets (accounting for over 75 % of imports), and their prices decreased. Brazil, which had to limit deliveries to the EU last year because of the meat scandal¹⁰, has recovered and increased its exports by a third. Argentina has recorded a surge in exports to the EU since mid-2017 (nearly 40 % more than in January-March 2017). By contrast, growth in Uruguay's exports moderated to 2 %. Among the other provenances, imports from Australia increased significantly after a dip at the beginning of 2017, but decreased from the US where prices went up, while all other main exporting countries recorded a drop.

Prices stabilise with downward pressure expected

Beef **prices** have stabilised in the EU, but ample world supply, as also shown in higher EU imports, is expected to put downward pressure on EU and world prices. The EU price for young bulls fell below EUR 380/100kg this year (-5 % from the seasonal peak in December), as slaughterings increased. The cow (category O3) price has stayed firm since summer 2017, between EUR 290/100kg and the EUR 305/100kg more recently, seeing neither a cyclical winter price drop nor a spring rise, despite the

¹⁰ This scandal in 2017 was triggered by police investigations into irregularities in health inspections.

higher cow demand in recent months. The EU price for heifers has stabilised at EUR 390/100kg in recent months, i.e. at the 2015-2017 average.

Graph 25 EU monthly price for certain categories of bovine animals (EUR/100kg)

Source: DG Agriculture and Rural Development

Beef **consumption** in the EU (in a balance sheet approach) is expected to maintain itself at 10.9 kg per capita in 2018 (+0.7 %). This reflects a moderate increase in the domestic supply of beef, backed by higher imports.

SHEEP

Market developments in the EU

	2017	2018
 Production	↗ +3.3%	→ +0.1%
Exports	↑ +81%	↓ -7.0%
Imports	↓ -14.9%	→ -0.5%
Consumption	↘ -1.9%	→ -0.0%

Compared with previous year, net production and meat trade

EU sheepmeat production stagnates in 2018

In the first quarter of 2018, **net sheep and goat meat production** in the EU increased by a solid 7 % year-on-year. However, that strong start to the year, boosted by an early Easter, must be compared with an exceptional drop of 7 % in the first quarter of 2017. The number of ewes put to the ram stagnated in Spain and even declined in the UK, France, Greece and Italy. On the other hand, Romania continued to expand its herd, increasing the number of ewes and favouring an expansion in sheepmeat production.

Relying on the increased number of ewes put to the ram (13 % year-on-year) and the carry-over from

2017, sheepmeat production in Ireland is expected to rise, but this is tempered by a cold and wet spring, which affects grass availability and lambing rates. Overall, EU net sheepmeat production is expected to stabilise in 2018, and increase slightly in 2019.

Exports decline from very high levels in 2017

EU **exports of live sheep** were almost 10 % lower in the first 4 months of 2018, than in the same period of 2017, and for 2018 as a whole they are expected to decline by 20 %. The recent drop reflected a sole decline in exports to Libya (which more than halved), seemingly due to liquidity problems. Live sheep exports diverted partially to four other key Mediterranean partners (Jordan, Lebanon and, increasingly, Turkey and Israel). Spain and Romania have been the main suppliers; hence their exports decreased the most, especially to Libya. Australia is increasing its share in some of the EU's export markets, but this might be tempered by the introduction of the McCarthy Review¹¹ on live sheep trade, following growing public concern. EU live exports are expected to decline if the situation in the Libyan market is not resolved soon.

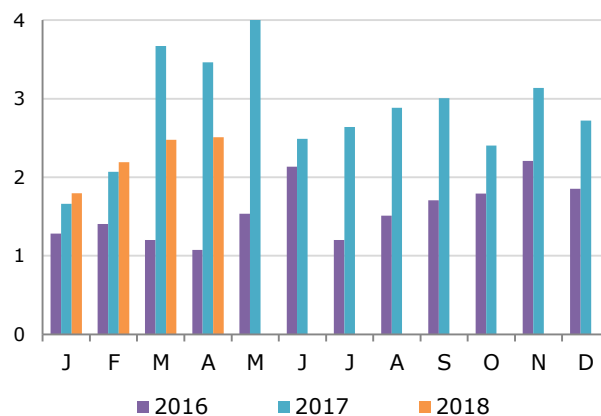
Sheep and goat **meat exports** were 17 % lower in the first 4 months of 2018 than in the same period of 2017, and for 2018 as a whole they are expected to decrease by 7 %. In 2017, the EU saw exceptionally strong growth in exports to all key partners, especially in March-May, which partly explains why 2018 figures are lower. Hong Kong, to which exports grew markedly last year, remains the first destination for EU sheepmeat, receiving a quarter of EU exports. Switzerland continued to import large amounts, following a boost in the past two years. Israel, which appeared to have opened its border for more regular imports last year, increased its intake by 150 %. On the other hand, exports to key Middle East partners (Oman, Jordan and the UAE) dropped significantly and Algeria stopped importing from the EU. Assuming continued disruption affecting certain destinations, sheepmeat exports are expected to decline by 7 % in 2018 and by a further 2 % in 2019.

Stable imports after drop last year

In the first 4 months of 2018 EU sheepmeat **imports** were comparable with the same period in 2017. Imports are expected to remain stable for the rest of 2018, as growth prospects in New Zealand are weak. Australia, which fills its EU TRQs to the EU every year, has used around 40 % of its current TRQs to date. In the first quarter of 2018, New Zealand's exports to the EU were similar to the precedent year. However, the UK, its most important destination, imported less lamb/mutton meats due to non-favourable exchange

rates versus the British pound. According to the NZ Ministry of Primary Industries, sheep-herd sizes there are forecast to go down slightly in the coming years. Also, the signing of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in March this year might lead New Zealand's exporters to focus more on Asian-Pacific markets.

Graph 26 EU exports of sheep and goat meat (t)



Source: DG Agriculture and Rural Development, based on Eurostat

Prices for heavy lambs escalated in the spring


Given the tight supply and high demand in the spring, **heavy lamb prices** significantly exceeded the average levels of previous years, reaching around EUR 630/100kg in April and May, but started falling in June, below EUR 600/100kg. In contrast, **light lamb prices** have been below the average levels of previous years, except in the Easter months, and have fallen towards EUR 500/100kg, due to limited demand for this high-value product.

Sheepmeat **consumption** in the EU is expected to remain stable (1.8 kg per capita) in 2018, after a drop of 1.9 % in 2017. This will be linked to stable production and imports, and somewhat tempered by lower exports. Consumption may pick up again once EU supplies recover and prices moderate.

¹¹ The McCarthy's report reviewed the conditions of live sheep exports to the Middle East during the northern summer, and issued 23 recommendations to assure health and welfare outcomes for transported live animals.

PIGMEAT

Market developments in the EU

	2017	2018
Production	↘ -0.9%	↗ +1.5%
Exports	↘ -8.8%	↗ +2.5%
Consumption	↘ -0.1%	↗ +1.2%

Compared with previous year, net production and meat trade

Supply grows in 2018

Following the expansion of the EU breeding-pig herd reported in the December 2017 livestock survey (+1.1 % year-on-year), EU **pigmeat production** rose by 4.1 % in tonnes in the first quarter of 2018 compared with 2017. The growth rate was considerably higher in the EU-N13 (+10 %) than in the EU-15 (+3 %), with increases in most Member States, particularly in eastern Europe: Poland (+12 %), Romania (+18 %) and Slovakia (+19 %).

This fast growth is expected to moderate by the end of the year, due to low prices and struggling exports, to reach a total production of 24 million t in 2018 (+1.5 % year-on-year). In 2019, production should stabilise, but this will depend on export performance.

EU pork exports - stable volumes, lower value

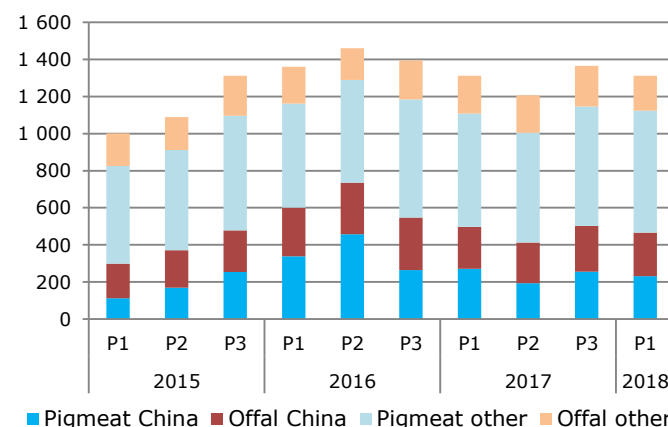
Since 2015, the main driver of EU pork **exports** has been the fact that China has imported more due to the restructuring of its pork sector. In 2016, EU shipments reached record levels (4.2 million t)¹², 45 % of which went to China. In 2017, Chinese demand declined and China took 476 000 t less EU pork, accounting for 36 % of EU exports. For 2018, the *China Agricultural Outlook (2018-2027)* foresees a new contraction of pigmeat imports (-26 %). If this materialises, EU exports will have to find other outlets. Nevertheless, while the volume of exports to China fell by 6 % year-on-year in the first 4-month period of 2018, it was still only 1 % below the average volume of 2017. In the same period, total export volumes were stable, thanks to increases in other markets: Japan (+6 %), South Korea (+25 %), the Philippines (+17 %) and the US (+25 %); however, exports shrank by 7 % in value due to lower prices.

The EU kept its dominant position in the Chinese market in the first quarter of 2018 (66 % share of pigmeat imports) while Canada and the US saw their shares reduced slightly, from 14 % each in 2017 to 12 % and 11 % respectively. By contrast, Brazil doubled its share to 8 %, having been closed out of

¹² Pigmeat in carcass weight equivalent, plus offal in product weight.

the Russian market from December 2017. For offal, the EU's share in Chinese imports was lower (57 %), but was still significantly higher than those of the US (30 %) and Canada (10 %).

Graph 27 EU pork exports by 4-month period (1 000 t, meat in carcass weight, offal in product weight)



Source: DG Agriculture and Rural Development, based on Eurostat

Thus, developments as regards EU exports will continue to depend mostly on Chinese demand, but they could be influenced by the tariffs recently imposed by China and Mexico on US pork products in retaliation for the US steel and aluminium tariffs¹³. On 2 April, China announced an additional 25 % tariff on US pork: it had imported 166 000 t of pigmeat and 416 000 t of offal from the US in 2017. On 5 June, Mexico announced a 10 % tariff on imports of most US pork products (to be raised to 20 % a month later), while opening a 350 000 t duty-free quota until the end of 2018 for countries already approved to export pork to Mexico¹⁴. This may open opportunities for other partners, particularly Canada, which will be able to export duty-free the fresh/chilled products that currently make up the bulk (90 %) of Mexico's pork imports, but also for the EU and Chile. Brazil will not have access to the Mexican market unless the current foot-and-mouth disease restrictions are lifted. In 2017, Mexico imported 714 000 t of pigmeat (89 % of its total imports) and 148 000 t of offal from the US. On 21 April, the EU and Mexico agreed in principle to update their 2000 trade agreement. When the new arrangements come into force, the EU will be able to export pork products to Mexico duty-free except for a 10 000 t TRQ of pork loins.

Russia continues to expand its pigmeat production capacity and is expected to reach self-sufficiency in the near future. This has been stimulated by a decline in pork imports due to the import bans in place (imports of EU pork will be banned until the end of

¹³ Tariffs on all US steel and aluminium imports came into effect on 28 March with exceptions for Canada, Mexico, the EU, Australia, South Korea and Argentina. On 1 June the exception was lifted for Canada, Mexico and the EU.

¹⁴ The duty-free quota is open to any country authorised to export to Mexico until end of 2018, which in principle would also include the US.

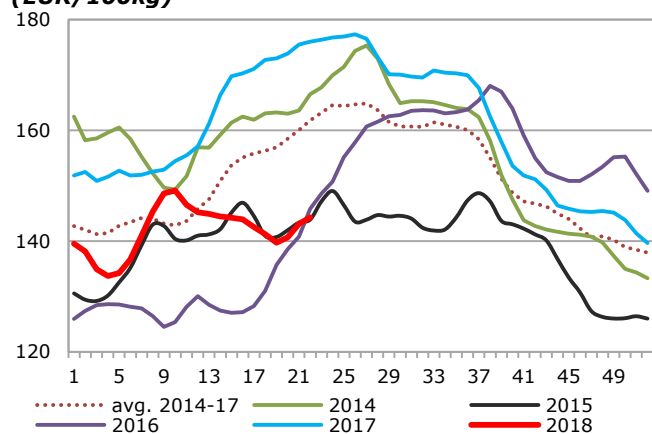
2018 at least and imports of Brazilian meat have been banned since December 2017). Russian pigmeat imports dropped dramatically (-67 % year-on-year) in the first quarter of 2018, while exports rose by 32 %. However, Russian pigmeat exports are heavily dependent on Ukraine and Belarus (85 % share in the first three months of 2018) and the search of other destinations is complicated by the current spread of African swine fever (ASF).

ASF is also an issue in the EU, with Hungary reporting its first cases (wild boars) in April. New cases have been reported in 2018 in the Member States in which the disease was already present: Estonia, Lithuania, Latvia, Romania, the Czech Republic and Poland. So far, the impact of ASF on EU trade is limited but further spreading to other main producing countries could have a wider impact.

Despite this threat and in view of the growth in EU supply, EU pigmeat exports are expected to rise by 2.5 % in 2018, albeit under pressure from increasing supplies of cheaper pigmeat from the US and Canada (the EU's main competitors). EU pigmeat exports are not expected to rise in 2019, but this will depend on price developments in 2018.

EU pork imports remain very low, although they have grown steadily since 2016. Quantities traded under CETA are increasing slowly but are not yet significant.

Graph 28 EU weekly prices for pigmeat, class E (EUR/100kg)



Source: DG Agriculture and Rural Development

Lower EU pigmeat prices

EU **pigmeat prices** rose in February 2018, due to temporary tight supply after Christmas, and approached the high price level of 2017, but they began to fall slowly in March as production recovered. The trend reversed in May when good weather boosted demand, and prices reached EUR 144/100kg at the end of the month. However, prices remain well below the last 4-year average, putting considerable pressure on producers at a time when markets are confronted with slightly rising feed prices. Pigmeat prices remain lower in the US, Canada and Brazil than

in the EU, despite the seasonal rise in the US and Canada since April.

The EU average **piglet price** is also below the high levels of 2017, but close to the last 4-year average. Prices rose gradually in the first few months of 2018 peaking in mid-April at EUR 52.5 per piglet, before giving way to a seasonal downward trend and falling to EUR 45.7 at the end of May.

EU **consumption** of pigmeat remained stable at 32.2 kg per capita in 2017, as lower exports offset the fall in supply. In 2018, with production outpacing exports and lower prices, consumption is expected to rise to 32.5 kg per capita and then to fall slightly the following year.

POULTRY

Market developments in the EU

	2017	2018
Production	↗ +0.9%	↗ +1.5%
Exports	↘ -0.4%	↗ +2.5%
Imports	↘ -11%	↔ +0.0%
Consumption	↔ +0.0%	↗ +1.1%

Compared with previous year, net production and meat trade

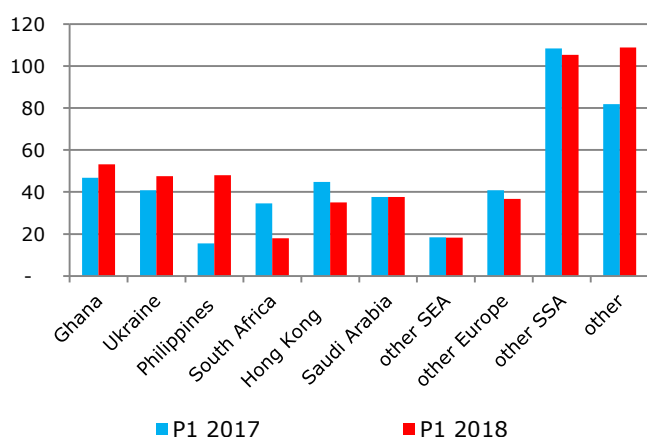
Fewer bird flu outbreaks, EU turkey and duck production recovers

After the moderate growth of 2017 (+0.9 %), EU **poultry production** rose by 3.9 % year-on-year in the first quarter of 2018, with significant output growth in most of the main producing countries: Poland (+8 %), the UK (+3 %), France (+5 %), Germany (+7 %) and the Netherlands (+6 %). Only Spain and Italy bucked the trend, with decreases of 1 % and 4 % respectively. In a winter with fewer bird flu episodes, production of ducks and turkeys, the species most affected by last year's outbreaks, recovered with increases of 34 % and 4 % respectively (5 % above 2016 levels, year-on-year). The growth in duck production was driven by Hungary, which became the EU's second biggest producer (23 % share, behind France with 40 %), while, as further evidence of diversification by the main EU-N13 producers, Poland became the second biggest producer of turkey (19 % share, behind Germany on 23 %). By the end of 2018, the expansion of poultry production is expected to slow down, bringing annual growth to 1.5 %, while imports recover from the drop in the first few months of the year. A stabilisation is expected in 2019.

Exports to grow moderately while imports stabilise

EU poultry meat **exports** followed the recovery registered in the second half of 2017, and grew by 8 % year-on-year between January and April 2018, mostly due to more exports to the Philippines, where the bird flu ban had reduced exports the previous year. In those 4 months, Ghana became the main EU partner with a 10 % share, followed closely by Ukraine and the Philippines (9 % each). Exports to South Africa seem to have bottomed out at 4 % (down from 17 % in 2016), but show no signs of recovery for the moment. Other sub-Saharan destinations¹⁵ accounted for 21 % of exports, yet this share decreased year-on-year. For the full year, exports are expected to grow by 2.5 %, taking account of the fact that 2017 export volumes were significantly higher from May onwards. Growth is expected to slow down in 2019.

Graph 29 EU poultry meat exports, January-April, (1 000 t)¹⁵



Source: DG Agriculture and Rural Development, based on Eurostat

World trade is likely to face a number of disruptions in 2018, affecting Brazil, the world's main exporter, most directly. Saudi Arabia (the main destination for Brazilian exports) plans to impose a ban on imports of stunned poultry¹⁶ (this will probably also affect EU exports), while on June 11 China (the second most important destination for Brazilian exports) announced its intention to impose anti-dumping measures on poultry shipments from Brazil. In addition, the EU decided in April to withdraw export authorisations from 20 Brazilian poultry establishments over concerns on Salmonella checks. These disruptions will probably result in some shifts in export flows, particularly after the road transport strike in Brazil led to the death of tens of millions of chicks and triggered a sudden price increase, which is likely to disrupt the Brazil's export capacity for some months.

¹⁵ Other sub-Saharan (SSA): Benin, RDC Congo, Gabon, Liberia, Congo, Togo, Guinea, Equatorial Guinea and Angola; other South-East Asia (SEA): Vietnam, Malaysia; other Europe: Switzerland, FYROM, Belarus, Albania, Moldova, Serbia

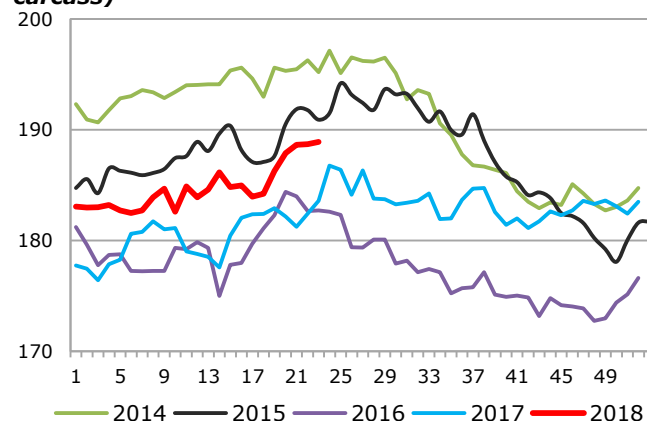
¹⁶ Stunning is the practice of rendering animals unconscious before slaughtering to minimise suffering.

As a result of the animal health issues referred to above, the EU's poultry meat **imports** from Brazil fell by 45 % in volume year-on-year in the first 4 months of 2018, shrinking its share to 33 % (from 50 % in 2017). Imports from other origins rose substantially in the same period to close part of the gap: Thailand (+15 %), Ukraine (+136 %) and Chile (+85 %), but total EU imports fell by 9 %. In the first half of 2018, Ukraine's exporters have exhausted the 8 800 t available under the TRQ for poultry meat and preparations and significantly increased their quota fill for the 10 000 t TRQ for whole birds, while also increasing the volumes shipped to the EU via liberalised tariff lines (to more than 4 000 t monthly). EU poultry imports are expected to remain at last year's level for 2018 as a whole and to rise significantly in 2019 (+7 %), assuming that EU imports from Brazil resume soon. If the restrictions on Brazilian exports to the EU are maintained, overall EU poultry imports will fall in 2018.

EU broiler prices on the up

In the first few months of 2018, EU **broiler prices** were on a rising trend supported by the good export performance and exceeded the level of the previous two years, reaching EUR 189/100kg by the end of May.

Graph 30 Weekly EU broiler prices (EUR/100kg carcass)



Source: DG Agriculture and Rural Development

EU **consumption** per capita is expected to start rising again, slightly but steadily, after stagnating in 2017 due to tight supplies, to 24.1 kg in 2018 and 24.3 kg in 2019.

6. STATISTICAL ANNEX

ARABLE CROPS

Table 6.1 EU cereal, oilseed and protein crop area (1000 ha)

	EU-28					% variation			
	2014	2015	2016	2017e	2018f	17/16	17 vs 5-year av.*	18/17	18 vs 5-year av.*
Common wheat	24 419	24 325	24 250	23 365	22 964	-3.7	-2.6	-1.7	-4.3
Durum	2 295	2 436	2 765	2 679	2 527	-3.1	8.2	-5.7	1.0
Rye	2 163	1 964	1 923	1 992	1 959	3.6	-8.0	-1.6	-3.9
Barley	12 434	12 219	12 301	12 095	12 152	-1.7	-2.2	0.5	-1.2
Oats	2 546	2 526	2 611	2 686	2 664	2.9	3.0	-0.8	2.1
Maize	9 615	9 256	8 548	8 365	8 490	-2.1	-12.4	1.5	-7.1
Triticale	2 952	3 117	2 913	2 701	2 574	-7.3	-5.9	-4.7	-10.4
Sorghum	158	139	123	138	142	12.0	1.4	2.8	0.6
Others	1 341	1 297	1 321	1 517	1 392	14.8	10.6	-8.2	1.5
Cereals	57 923	57 279	56 756	55 538	54 863	-2.1	-3.4	-1.2	-4.1
Rapeseed	6 714	6 467	6 533	6 680	6 841	2.3	1.7	2.4	3.0
Sunflower	4 266	4 197	4 138	4 232	4 150	2.3	-0.6	-1.9	-1.9
Soya beans	569	893	832	947	913	13.8	52.3	-3.6	19.4
Linseed	50	66	84	80	69	-3.9	24.8	-13.6	-0.8
Oilseeds	11 599	11 623	11 587	11 940	11 973	3.0	2.9	0.3	2.4
Field peas	532	744	913	1 021	984	11.7	70.0	-3.6	34.8
Broad beans	394	624	655	705	649	7.6	53.6	-7.9	16.4
Lupines	119	258	179	188	214	5.3	43.5	13.6	32.0
Protein crops	1 045	1 626	1 747	1 913	1 847	9.5	58.4	-3.5	25.4
Sugar beet	1 632	1 420	1 499	1 742	1 736	16.2	10.9	-0.3	10.6
Total	72 199	71 949	71 588	71 151	70 428	-0.6	-1.0	-1.0	-2.0

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

Table 6.2 EU cereal, oilseed and protein crop yields (t/ha)

	EU-28					% variation			
	2014	2015	2016	2017e	2018f	17/16	17 vs 5-year av.*	18/17	18 vs 5-year av.*
Common wheat	6.1	6.3	5.6	6.1	6.0	9.9	4.8	-1.3	0.3
Durum	3.4	3.4	3.5	3.5	3.5	0.2	3.5	0.2	2.3
Rye	4.2	4.0	3.9	3.7	3.7	-2.7	-4.4	-1.4	-5.7
Barley	4.9	5.1	4.9	4.9	4.8	0.6	0.1	-1.1	-1.2
Oats	3.1	3.0	3.1	3.1	3.1	-1.3	0.6	1.4	1.3
Maize	8.1	6.4	7.4	7.9	7.6	6.5	14.2	-3.7	2.7
Triticale	4.5	4.1	4.1	4.3	4.2	4.9	3.4	-0.4	1.3
Sorghum	5.9	5.2	5.4	5.5	5.5	0.4	4.9	0.2	2.1
Others	3.0	2.7	2.7	3.0	2.9	10.0	6.4	-4.4	0.9
Cereals	5.7	5.5	5.3	5.6	5.5	5.8	3.9	-1.4	0.6
Rapeseed	3.6	3.4	3.1	3.3	3.0	6.8	2.7	-7.3	-6.6
Sunflower	2.2	1.9	2.1	2.5	2.3	16.0	22.6	-4.3	11.8
Soya beans	3.2	2.7	3.0	2.8	3.0	-7.2	0.6	9.2	7.8
Linseed	2.3	1.9	1.7	1.9	2.2	7.5	-8.5	15.0	9.4
Oilseeds	3.1	2.8	2.7	2.9	2.8	8.2	8.2	-4.9	-0.4
Field peas	2.6	2.8	2.5	2.7	2.7	6.2	2.0	0.2	0.2
Broad beans	3.2	3.1	2.9	3.1	3.2	5.1	2.6	3.5	4.5
Lupines	1.8	1.4	1.6	1.7	1.7	0.4	3.7	4.0	5.5
Protein crops	2.7	2.7	2.6	2.7	2.8	5.4	2.8	0.9	2.0
Sugar beet	80.3	71.7	75.0	81.0	77.3	8.0	12.6	-4.6	2.1

Table 6.3 EU cereal, oilseed and protein crop gross production (1000 t)

	EU-28					% variation			
	2014	2015	2016	2017e	2018f	17/16	17 vs 5-year av.*	18/17	18 vs 5-year av.*
Common wheat	149 684	152 516	134 963	142 911	138 686	5.9	1.9	-3.0	-3.0
Durum	7 704	8 389	9 672	9 394	8 882	-2.9	13.4	-5.5	3.2
Rye	9 048	7 796	7 406	7 464	7 242	0.8	-12.4	-3.0	-10.6
Barley	60 728	61 931	59 951	59 295	58 931	-1.1	-2.1	-0.6	-2.7
Oats	7 767	7 585	8 138	8 263	8 311	1.5	4.0	0.6	3.2
Maize	77 961	59 287	63 083	65 728	64 222	4.2	3.9	-2.3	-1.6
Triticale	13 224	12 785	11 829	11 508	10 929	-2.7	-4.6	-5.0	-9.4
Sorghum	930	720	669	752	775	12.5	6.6	3.0	5.6
Others	3 999	3 453	3 585	4 529	3 972	26.3	16.7	-12.3	2.4
Cereals	331 044	314 461	299 295	309 845	301 949	3.5	0.9	-2.5	-2.8
Rapeseed	24 267	21 814	20 106	21 961	20 844	9.2	4.7	-5.1	-3.4
Sunflower	9 274	7 882	8 739	10 370	9 729	18.7	20.1	-6.2	7.0
Soya beans	1 835	2 371	2 477	2 618	2 754	5.7	44.8	5.2	23.6
Linseed	115	128	146	151	150	3.2	14.3	-0.6	10.2
Oilseeds	35 491	32 195	31 468	35 100	33 478	11.5	10.5	-4.6	1.6
Field peas	1 394	2 077	2 314	2 747	2 653	18.7	73.4	-3.4	37.6
Broad beans	1 248	1 962	1 922	2 174	2 073	13.1	55.6	-4.6	21.2
Lupines	209	364	294	311	368	5.7	42.2	18.1	35.3
Protein crops	2 851	4 402	4 531	5 232	5 094	15.5	61.6	-2.6	29.7
Sugar beet	131 022	101 872	112 404	141 094	134 128	25.5	26.2	-4.9	14.2

Table 6.4 EU overall cereal balance sheet (million t)

	EU-28					% variation 18/19 vs. 17/18
	2014/15	2015/16	2016/17	2017/18f	2018/19f	
Beginning stocks	37.6	48.2	46.2	40.5	54.1	33.4
Gross production	331.0	314.5	299.3	309.8	301.9	-2.5
Usable production	328.1	311.7	296.7	307.1	299.3	-2.5
Imports	15.6	20.6	19.4	23.4	19.6	-16.3
Availabilities	381.3	380.5	362.2	371.1	373.0	0.5
Total domestic uses	279.2	281.3	281.3	282.8	283.8	0.4
- Human	65.0	65.1	65.4	66.2	66.4	0.3
- Seed	9.6	9.6	9.6	9.3	9.3	0.0
- Industrial	32.6	33.1	33.4	34.0	34.0	0.0
<i>o.w. bioethanol</i>	11.5	12.0	12.2	12.6	12.6	0.0
- Animal feed	172.0	173.4	172.9	173.2	174.1	0.5
Losses (excl on-farm)	2.2	2.2	2.2	2.2	2.2	0.0
Exports	51.7	50.8	38.2	32.0	41.3	29.1
Total uses	333.1	334.3	321.7	317.0	327.3	3.3
End stocks	48.2	46.2	40.5	54.1	45.7	-15.5
- Market	48.2	46.2	40.5	54.1	44.7	-17.4
- Intervention	0.0	0.0	0.0	0.0	0.0	
Self-sufficiency rate %	118	111	105	109	105	

Table 6.5 EU-28 cereal balance sheet 2018/2019 (forecast) (million t)

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-28
Beginning stocks (01.07.2018)	18.1	5.8	2.9	23.5	0.7	0.4	0.5	0.9	1.2	54.0
Gross production	0.1	0.1	0.0	0.0	0.2	3.8	5.3	0.0	0.0	9.4
Usable production	137.6	58.4	8.8	64.0	7.1	0.7	8.2	10.7	3.8	299.3
Import ¹	3.4	0.5	2.1	13.3	0.1	0.2	0.0	0.0	0.2	19.6
Total availabilities	159.0	64.8	13.7	100.8	7.8	1.3	8.7	11.7	5.2	373.0
Total domestic use	117.7	50.0	9.4	75.2	7.0	0.9	7.7	11.5	4.4	283.8
- Human	48.1	0.4	8.1	5.4	3.1	0.2	1.2	0.1	0.0	66.4
- Seed	4.8	2.1	0.5	0.4	0.4	0.0	0.5	0.5	0.1	9.3
- Industrial	10.8	9.1	0.1	11.7	1.7	0.0	0.1	0.4	0.1	34.0
<i>o.w. bioethanol</i>	4.7	0.4	0.0	6.2	1.0	0.0	0.0	0.3	0.0	12.6
- Animal feed	54.0	38.4	0.8	57.6	1.9	0.7	6.0	10.5	4.3	174.1
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	27.0	10.1	1.2	2.7	0.1	0.0	0.2	0.0	0.0	41.3
Total use	145.6	60.4	10.7	78.4	7.2	0.9	7.9	11.6	4.5	327.3
End stocks (30.06.2019)	13.4	4.3	3.0	22.3	0.6	0.4	0.8	0.0	0.7	45.6
- Market	13.4	4.3	3.0	22.3	0.6	0.4	0.8	0.0	0.7	45.6
- Intervention	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in stocks	-4.7	-1.5	0.2	-1.2	-0.1	0.0	0.3	-0.9	-0.5	-8.4
Change in public stocks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-sufficiency rate %	117	117	93	85	101	84	107	93	85	105

¹ Grains equivalent (grain, groats and flour).

Note: estimated export quantities for all wheat = 27.9 million t, for coarse grains = 10.0 million t.

Table 6.6 EU-28 cereal balance sheet 2017/2018 (million t)

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-28
Beginning stocks (01.07.2017)	10.1	5.6	2.9	17.4	0.7	0.1	0.5	1.7	1.5	40.5
Gross production	142.9	59.3	9.4	65.7	7.5	0.8	8.3	11.5	4.5	309.8
Usable production	141.8	58.8	9.3	65.5	7.3	0.7	8.2	11.3	4.3	307.1
Import ¹	3.9	0.5	1.4	17.0	0.1	0.4	0.0	0.0	0.2	23.4
Total availabilities	155.8	64.9	13.5	99.9	8.1	1.3	8.6	13.0	6.0	371.0
Total domestic use	115.8	50.6	9.4	74.3	7.2	0.9	7.9	11.9	4.7	282.8
- Human	48.0	0.4	8.0	5.4	3.1	0.2	1.1	0.1	0.0	66.2
- Seed	4.8	2.1	0.5	0.4	0.4	0.0	0.5	0.5	0.1	9.3
- Industrial	10.8	9.1	0.1	11.7	1.7	0.0	0.1	0.4	0.1	34.0
<i>o.w. bioethanol</i>	4.7	0.4	0.0	6.2	1.0	0.0	0.0	0.3	0.0	12.6
- Animal feed	52.2	39.0	0.8	56.8	2.1	0.7	6.2	10.9	4.5	173.2
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	21.0	8.1	1.2	1.4	0.1	0.0	0.2	0.0	0.0	32.0
Total use	137.7	59.1	10.7	76.3	7.4	0.9	8.2	12.0	4.7	317.0
End stocks (30.06.2018)	18.1	5.8	2.9	23.5	0.7	0.4	0.5	0.9	1.2	54.0
- Market	18.1	5.8	2.9	23.5	0.7	0.4	0.5	0.9	1.2	54.0
- Intervention	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in stocks	8.0	0.2	0.0	6.1	0.0	0.2	0.0	-0.7	-0.3	13.5
Change in public stocks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-sufficiency rate %	122	116	99	88	101	82	103	95	92	109

¹ Grains equivalent (grain, groats and flour).

Note: estimated export quantities for all wheat = 26.0 million t, for coarse grains = 10.9 million t.

Table 6.7 EU-28 cereal balance sheet 2016/2017 (million t)

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-28
Beginning stocks (01.07.2016)	14.6	7.7	2.4	13.7	1.0	0.2	1.6	2.3	2.7	46.2
Gross production	135.0	60.0	9.7	63.1	7.4	0.7	8.1	11.8	3.6	299.3
Usable production	133.9	59.4	9.6	62.8	7.2	0.6	8.0	11.6	3.4	296.7
Import ¹	3.3	0.4	1.7	13.6	0.0	0.2	0.0	0.0	0.2	19.4
Total availabilities	151.8	67.5	13.7	90.1	8.2	1.0	9.7	13.8	6.2	362.2
Total domestic use	115.7	52.8	9.4	69.5	7.4	0.9	9.0	12.1	4.7	281.3
- Human	47.8	0.4	8.0	4.8	3.0	0.2	1.1	0.1	0.0	65.4
- Seed	5.0	2.2	0.5	0.4	0.4	0.0	0.4	0.6	0.1	9.6
- Industrial	10.5	9.0	0.1	11.5	1.6	0.0	0.1	0.4	0.1	33.4
<i>o.w. bioethanol</i>	4.5	0.4	0.0	6.0	0.9	0.0	0.0	0.3	0.0	12.2
- Animal feed	52.4	41.2	0.8	52.8	2.3	0.7	7.3	11.0	4.5	172.9
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	25.2	8.7	1.4	2.7	0.1	0.0	0.1	0.0	0.0	38.2
Total use	141.7	61.9	10.8	72.7	7.5	0.9	9.2	12.2	4.7	321.7
End stocks (30.06.2017)	10.1	5.6	2.9	17.4	0.7	0.1	0.5	1.7	1.5	40.5
- Market	10.1	5.6	2.9	17.4	0.7	0.1	0.5	1.7	1.5	40.5
- Intervention	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in stocks	-4.5	-2.0	0.4	3.7	-0.3	-0.1	-1.1	-0.6	-1.2	-5.7
Change in public stocks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-sufficiency rate %	116	113	102	90	98	72	90	96	73	105

¹ Grains equivalent (grain, groats and flour).

Note: estimated export quantities for all wheat = 34.0 million t, for coarse grains = 16.8 million t.

Table 6.8 EU-28 oilseeds balance sheets (million t)

	EU-28					% variation			
	2014/15	2015/16	2016/17e	2017/18f	2018/19f	17/18 vs 16/17	% 5-yr.av.	18/19 vs 17/18	% 5-yr.av.
Production	35.4	32.1	31.3	34.9	33.3	11.6	10.5	-4.6	1.5
Rapeseed	24.3	21.8	20.1	22.0	20.8	9.2	4.7	-5.1	-3.4
Soya beans	1.8	2.4	2.5	2.6	2.8	5.7	44.8	5.2	23.6
Sunflower	9.3	7.9	8.7	10.4	9.7	18.7	20.1	-6.2	7.0
Total domestic use	49.3	50.0	49.6	51.9	50.3	4.7	6.3	-3.2	1.3
Rapeseed	25.9	24.9	24.1	25.9	24.3	7.7	6.3	-6.4	-2.9
<i>of which crushing</i>	25.0	24.1	23.3	25.1	23.5	7.6	6.2	-6.4	-3.0
Soya beans	14.4	17.1	16.5	15.7	16.3	-4.5	3.5	4.0	4.6
<i>of which crushing</i>	12.9	15.2	14.7	14.0	14.6	-4.7	3.1	4.0	4.3
Sunflower	9.0	8.1	9.0	10.3	9.7	13.7	19.4	-6.1	8.0
<i>of which crushing</i>	7.9	7.0	8.0	9.0	8.5	13.5	19.1	-6.1	7.5
Imports	15.8	18.7	19.1	18.2	17.9	-4.5	4.6	-1.7	-1.3
Rapeseed	2.3	3.5	4.2	4.2	3.7	-0.6	21.2	-11.0	0.0
Soya beans	13.2	14.8	14.1	13.5	13.7	-3.9	-0.8	1.6	0.0
Sunflower	0.3	0.5	0.8	0.5	0.4	-35.7	41.1	-12.7	0.0
Exports	1.3	0.9	0.9	1.1	1.0	18.9	14.5	-9.5	-4.0
Rapeseed	0.6	0.3	0.3	0.2	0.3	-37.3	-36.7	58.0	0.0
Soya beans	0.1	0.1	0.2	0.3	0.2	49.7	152.7	-48.9	0.0
Sunflower	0.6	0.4	0.4	0.6	0.5	47.8	27.0	-12.3	0.0
End stocks	3.2	3.1	2.9	3.0	3.0	4.2	7.0	-1.2	0.0
Rapeseed	1.1	1.1	1.0	1.1	1.1	2.7	4.9	0.3	1.6
Soya beans	1.4	1.4	1.2	1.3	1.3	8.7	14.4	-2.0	0.0
Sunflower	0.7	0.6	0.7	0.7	0.6	-1.7	-2.5	-2.3	-4.9
Self-sufficiency rate %	72	64	63	67	66				

Table 6.9 EU oilmeals balance sheets (million t)

	EU-28					% variation			
	2014/15	2015/16	2016/17e	2017/18f	2018/19f	18/19 vs 17/18	% 5-yr.av.	17/18 vs 16/17	% 5-yr.av.
Production	28.8	29.6	29.3	30.4	29.6	3.6	5.7	-2.6	1.1
Rapeseed	14.3	13.8	13.3	14.3	13.4	7.6	6.2	-6.4	-3.0
Soya beans	10.2	12.0	11.6	11.1	11.5	-4.7	3.1	4.0	4.3
Sunflower	4.4	3.9	4.4	5.0	4.7	13.5	19.1	-6.1	7.5
Total domestic use	50.0	52.4	50.4	51.5	50.8	2.2	3.1	-1.3	0.3
Rapeseed	14.3	13.7	13.0	14.2	13.3	9.2	6.0	-6.0	-3.2
Soya beans	28.4	31.9	29.7	29.1	29.7	-2.0	0.5	2.3	2.0
Sunflower	7.3	6.9	7.8	8.3	7.8	6.4	14.9	-5.9	4.6
Imports	22.3	23.8	22.2	22.5	22.3	1.4	1.5	-1.0	-0.2
Rapeseed	0.5	0.4	0.2	0.3	0.4	37.3	-29.5	29.0	0.0
Soya beans	18.6	20.2	18.3	18.5	18.5	1.1	0.2	0.1	0.0
Sunflower	3.2	3.2	3.7	3.7	3.4	1.2	9.9	-9.0	0.0
Exports	1.0	1.0	1.1	1.3	1.0	24.9	28.7	-23.5	-1.5
Rapeseed	0.4	0.5	0.5	0.4	0.4	-18.9	0.0	4.3	0.0
Soya beans	0.3	0.3	0.3	0.5	0.3	81.0	57.4	-36.5	0.0
Sunflower	0.3	0.2	0.3	0.4	0.3	50.8	79.9	-36.0	0.0
End stocks	0.5	0.5	0.5	0.5	0.5	2.3	0.0	-0.4	0.0
Rapeseed	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Soya beans	0.4	0.4	0.3	0.3	0.3	3.3	0.0	-0.5	0.0
Sunflower	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Self-sufficiency rate %	58	56	58	59	58				

Table 6.10 EU vegetable oils balance sheets (million t)

	EU-28					% variation			
	2014/15	2015/16	2016/17e	2017/18f	2018/19f	18/19 vs 17/18	% 5-yr.av.	17/18 vs 16/17	% 5-yr.av.
Production	16.2	15.9	15.9	16.9	16.1	6.6	7.2	-4.6	0.9
Rapeseed	10.3	9.9	9.6	10.3	9.6	7.6	6.2	-6.4	-3.0
Soya beans	2.6	3.0	2.9	2.8	2.9	-4.7	3.1	4.0	4.3
Sunflower	3.3	3.0	3.3	3.8	3.6	13.5	19.1	-6.1	7.5
Palm	0.0	0.0	0.0	0.0	0.0				
Total domestic use	22.8	23.1	22.9	24.4	23.1	6.8	8.3	-5.2	1.0
Rapeseed	10.2	9.8	9.3	10.2	9.5	9.4	7.6	-6.8	-2.6
Soya beans	1.9	2.4	2.3	2.3	2.3	-1.3	8.0	1.3	3.3
Sunflower	3.9	4.0	4.5	5.1	4.5	13.2	32.5	-12.1	8.9
Palm	6.7	7.0	6.6	6.7	6.8	1.4	0.8	0.4	0.7
Imports	8.5	9.0	8.9	9.1	8.8	2.6	6.2	-3.7	0.0
Rapeseed	0.3	0.2	0.2	0.2	0.2	47.6	0.0	2.3	0.0
Soya beans	0.3	0.3	0.3	0.3	0.3	2.8	0.0	2.1	0.0
Sunflower	1.0	1.4	1.7	1.7	1.3	1.6	50.5	-21.3	0.0
Palm	6.9	7.1	6.8	6.9	6.9	1.9	0.4	0.2	0.0
Exports	1.9	1.8	1.9	1.6	1.8	-12.4	-11.6	8.6	0.1
Rapeseed	0.4	0.4	0.3	0.3	0.3	-12.8	-14.5	11.9	0.0
Soya beans	0.9	1.0	0.9	0.8	0.9	-11.3	-13.8	10.9	0.0
Sunflower	0.4	0.4	0.5	0.4	0.4	-16.2	0.0	3.6	0.0
Palm	0.2	0.1	0.2	0.1	0.1	-6.5	0.0	2.4	0.0
End stocks	1.6	1.5	1.5	1.5	1.5	-0.4	0.0	-0.5	-1.1
Rapeseed	0.6	0.6	0.6	0.6	0.6	-1.4	0.0	-0.5	-1.4
Soya beans	0.2	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0
Sunflower	0.3	0.3	0.3	0.3	0.3	-4.9	0.0	-0.7	-3.0
Palm	0.5	0.5	0.5	0.5	0.5	3.5	5.4	-0.6	0.0
Self-sufficiency rate %	71	69	69	69	70				

SUGAR BALANCE

Table 6.11 Sugar beet production and sugar balance in the EU (million t white sugar equivalent)

	EU-28					% variation	
	2014/2015	2015/2016	2016/2017	2017/2018e	2018/2019f	17/18 vs. 16/17	18/19 vs. 17/18
Beginning stocks	2.6	4.0	1.9	2.2	2.6	14.3	18.0
White sugar production	19.5	14.9	16.8	21.1	20.1	25.3	-4.8
Imports	2.7	2.9	2.4	1.2	1.2	-50.4	0.0
Availabilities	24.8	21.8	21.2	24.5	23.9	15.7	-2.5
Total domestic uses white sugar	19.4	18.5	17.7	18.7	18.6	5.9	-0.3
- Human	16.8	16.6	16.2	16.6	16.5	2.4	-0.4
- Industrial	2.6	2.0	1.5	2.2	2.2	44.7	0.0
<i>o.w. bioethanol</i>	1.7	1.2	0.7	1.4	1.4	86.0	0.0
Exports	1.4	1.4	1.3	3.2	3.2	140.8	0.0
Total uses	20.8	19.9	19.0	21.9	21.8	15.4	-0.3
End stocks	4.0	1.9	2.2	2.6	2.0	18.0	-21.5
Self-sufficiency rate %	100%	81%	95%	113%	108%	0.0	0.0
Sugar beet production for sugar	125.1	94.2	106.2	134.5	129.2	26.7	-4.0

Note: Human domestic use also includes sugar for exported processed products.

OLIVE OIL BALANCE

Table 6.12 EU Olive oil balance sheets (1000 t)

	EU-28					% variation	
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018e	17/18 vs 16/17	% 5-yr.av.
Production	2 483	1 435	2 324	1 748	2 174	24.4	15.0
Total domestic use	1 731	1 572	1 678	1 400	1 643	17.4	3.0
Imports	53	225	98	91	160	76.6	29.2
Exports	601	508	573	558	580	3.9	6.2
End stocks	608	211	380	321	433	35.0	11.9
Self-sufficiency rate %	143	91	139	125	132	6.0	12.2

TOMATOES BALANCE

Table 6.13 EU Tomatoes balance sheets (1000 t)

	EU-28							% variation			
	2012	2013	2014	2015	2016	2017	2018f	17/16	% 5-yr.av.	18/17	% 5-yr.av.
Production (total)	15 191	14 534	16 692	17 766	18 005	18 543	17 089	3.0	12.0	-7.8	-2.3
EU supply for processing	8 637	7 639	9 890	10 485	10 882	11 537	10 083	6.0	19.3	-12.6	-3.2
Exports (processing)	2 198	2 477	2 243	2 393	2 636	2 576	2 200	-2.3	8.6	-14.6	-11.4
Imports (processing)	2 621	2 171	2 280	2 537	2 967	2 245	2 600	-24.3	-9.5	15.8	10.5
Consumption (processing)	9 060	7 333	9 927	10 629	11 212	11 206	10 483	-0.1	13.5	-6.5	-1.0
<i>Per capita (kg)</i>	18	14.5	19.5	20.9	21.9	21.9	20	0.0	12.5	-8.7	-3.7
EU supply for fresh consumption	6 555	6 895	6 802	7 281	7 124	7 006	7 006	-1.7	0.9	0.0	0.0
Exports (fresh)	265	364	301	202	159	132	142	-17.0	-48.4	7.6	-35.6
Imports (fresh)	445	441	488	481	525	569	577	8.4	20.7	1.4	15.9
Consumption (Fresh)	6 735	6 972	6 988	7 560	7 490	7 443	7 441	-0.6	4.1	0.0	1.8
Per capita EU (kg)	13.4	13.8	13.8	14.8	14.7	14.5	14.5	-0.9	3.3	-0.3	1.2

PEACHES AND NECTARINES BALANCE**Table 6.14 EU Peaches and Nectarines balance sheets (1000 t)**

	EU-28							% variation			
	2012	2013	2014	2015	2016	2017	2018f	17/16	% 5-yr.av.	18/17	% 5-yr.av.
Production (total)	3 791	3 735	4 260	4 184	3 984	4 321	3 846	8.5	8.4	-11.0	-7.2
<i>of which IT, EL, SP and FR</i>	3 672	3 585	4 105	4 009	3 834	4 173	3 714	8.8	8.7	-11.0	-6.7
<i>of which other EU countries</i>	119	151	155	174	150	148	132	-1.3	-2.6	-10.8	-13.2
Production (fresh)	3 340	3 483	3 817	3 544	3 381	3 669	3 265	8.5	5.8	-11.0	-8.4
Imports (fresh peaches and nectarines)	31	31	24	27	30	26	30	-13.3	-11.4	15.4	8.4
Exports (fresh peaches and nectarines)	361	305	354	294	225	250	200	11.1	-21.3	-20.0	-29.3
Production (for processing)	451	252	443	640	604	652	580	7.9	30.6	-11.0	3.1
Total domestic use	3 461	3 461	3 930	3 917	3 789	4 097	3 676	8.1	10.1	-10.3	-5.2
Processing	774	558	972	883	868	937	842	7.9	11.3	-10.1	-6.0
Apparent consumption (fresh)	2 687	2 903	2 958	3 034	2 921	3 160	2 834	8.2	7.9	-10.3	-4.6
Consumption (fresh) per capita EU (kg)	5.3	5.7	5.8	6.0	5.7	6.2	5.5	8.8	8.1	-11.3	-5.7
Self-sufficiency rate %	1	1	1	1	1	1	1	0.0	0.0	-9.1	-9.1
Area (1000 ha)	249	246	243	246	243	248	248	2.1	1.2	0.0	1.2
Yield	15	15	18	17	16	17	16	6.1	7.4	-10.9	-8.5

MILK AND DAIRY PRODUCTS

Table 6.15 Milk supply and utilisation in the EU-28

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Dairy cows (million heads)¹	23.3	23.4	23.3	23.1	22.9	22.8	0.2	-0.4	-0.9	-0.6	-0.5
of which EU-15	17.9	18.1	18.1	17.9	17.8	17.8	1.2	-0.2	-0.9	-0.6	-0.4
of which EU-N13	5.4	5.2	5.2	5.1	5.1	5.0	-3.1	-1.1	-1.1	-0.7	-0.7
Milk yield (kg/dairy cow)²	6737	6861	6904	7081	7200	7285	1.9	0.6	2.6	1.7	1.2
of which EU-15	7272	7358	7386	7568	7681	7758	1.2	0.4	2.5	1.5	1.0
of which EU-N13	4951	5134	5210	5370	5505	5615	3.7	1.5	3.1	2.5	2.0
Milk production (million t)	159.7	162.9	163.0	165.6	167.2	168.3	2.0	0.1	1.6	1.0	0.6
of which EU-15	130.7	133.8	134.0	136.0	137.3	138.1	2.4	0.2	1.5	0.9	0.6
of which EU-N13	29.0	29.2	29.0	29.5	29.9	30.2	0.5	-0.5	1.8	1.2	1.0
Feed use (million t)	3.7	3.4	3.5	3.4	3.4	3.3	-6.3	1.7	-1.8	-1.8	-1.0
On farm use and direct sales (mio t)	7.2	6.7	6.2	6.0	5.8	5.6	-6.5	-7.9	-3.7	-2.3	-3.2
Delivered to dairies (million t)	148.9	152.8	153.4	156.2	158.1	159.3	2.6	0.4	1.9	1.2	0.8
of which EU-15	127.4	130.9	131.2	133.3	134.7	135.5	2.8	0.2	1.7	1.0	0.6
of which EU-N13	21.5	21.9	22.2	22.9	23.4	23.9	1.8	1.4	3.0	2.3	2.0
Delivery ratio (%)³	93.2	93.8	94.1	94.3	94.5	94.7	0.6	0.3	0.3	0.2	0.2
of which EU-15	97.5	97.9	97.9	98.0	98.1	98.1	0.4	0.0	0.1	0.0	0.0
of which EU-N13	74.1	75.1	76.5	77.4	78.2	79.0	1.3	1.9	1.2	1.0	1.0
Fat content of milk (%)	3.99	4.01	4.07	4.06	4.07	4.07	0.4	1.4	-0.2	0.4	0.0
Protein content of milk (%)	3.36	3.37	3.38	3.39	3.39	3.39	0.3	0.2	0.2	0.1	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 total production).

³ Delivery ratio is milk delivered to dairies per total production.

Table 6.16 EU-28 fresh dairy products market balance (1000 t)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Production	46 502	46 883	46 321	45 862	45 541	45 242	0.8	-1.2	-1.0	-0.7	-0.7
of which Drinking Milk	31 404	31 348	30 850	30 678	30 309	29 946	-0.2	-1.6	-0.6	-1.2	-1.2
of which Cream	2 633	2 745	2 764	2 787	2 815	2 846	4.3	0.7	0.9	1.0	1.1
of which Acidified Milk	7 969	8 040	7 988	7 906	7 945	7 975	0.9	-0.6	-1.0	0.5	0.4
of which Other Fresh Products ²	4 496	4 750	4 719	4 491	4 471	4 475	5.7	-0.7	-4.8	-0.4	0.1
of which EU-15	40 082	40 267	39 737	39 260	38 906	38 585	0.5	-1.3	-1.2	-0.9	-0.8
of which EU-N13	6 420	6 616	6 584	6 602	6 635	6 657	3.1	-0.5	0.3	0.5	0.3
Imports (extra EU)	19	12	14	26	26	26	-36	19	78	0	0
Exports (extra EU)	810	962	1 168	1 134	1 191	1 191	19	21	-3	5	0
Domestic use¹	45 711	45 933	45 168	44 753	44 376	44 077	0.5	-1.7	-0.9	-0.8	-0.7
p.c. consumption (kg)	90.4	90.6	88.9	87.8	86.9	86.2	0.3	-1.9	-1.2	-1.1	-0.8
Self-sufficiency rate (%)	102	102	103	102	103	103					

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 6.17 EU-28 cheese market balance (1000 t)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Production (in dairies)	9 213	9 555	9 695	9 926	10 131	10 296	3.7	1.5	2.4	2.1	1.6
of which from pure cow's milk	8 478	8 705	8 773	8 962	9 145	9 295	2.7	0.8	2.2	2.1	1.6
of which from other milk ¹	735	850	923	964	985	1 001	15.7	8.5	4.5	2.2	1.6
EU-15 (in dairies)	7 843	8 127	8 202	8 348	8 515	8 647	3.6	0.9	1.8	2.0	1.6
EU-N13 (in dairies)	1 370	1 428	1 494	1 578	1 616	1 649	4.2	4.6	5.6	2.4	2.0
Processed cheese impact ²	346	333	332	330	327	325	-3.8	0.0	-0.8	-0.8	-0.8
Total production	9 559	9 888	10 028	10 256	10 458	10 621	3.4	1.4	2.3	2.0	1.6
Imports (extra EU)³	77	61	71	60	60	60	-20	15.0	-15.7	0.0	0.0
Exports (extra EU)	721	719	800	830	850	893	-0.3	11.3	3.7	2.5	5.0
Total domestic use	8 870	9 201	9 359	9 501	9 647	9 787	3.7	1.7	1.5	1.5	1.5
Stock changes	45	30	- 60	- 15	20	0	0.0	0.0	0.0	0.0	0.0
Processing use	303	292	287	285	282	280	-3.4	-1.7	-0.9	-0.9	-0.9
Human consumption	8 567	8 908	9 071	9 216	9 365	9 508	4.0	1.8	1.6	1.6	1.5
of which EU-15	7 259	7 514	7 588	7 665	7 769	7 869	3.5	1.0	1.0	1.3	1.3
of which EU-N13	1 308	1 395	1 483	1 551	1 596	1 639	6.6	6.4	4.6	2.9	2.6
p.c. consumption (kg)	16.9	17.6	17.8	18.1	18.3	18.6	3.8	1.6	1.3	1.4	1.4
Self-sufficiency rate (%)	108	107	107	108	108	109					

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.

Table 6.18 EU-28 whole milk powder market balance (1000 t)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Production	756	717	730	749	736	743	-5.1	1.8	2.6	-1.7	0.9
of which EU-15	694	665	680	703	692	699	-4.2	2.3	3.3	-1.5	1.0
of which EU-N13	61	52	49	46	43	43	-15.3	-5.3	-7.5	-5.0	0.0
Imports	1	4	6	2	2	2	181	44	-72	0	0
Exports	390	400	381	394	378	382	2.7	-4.7	3.2	-4.0	1.0
Domestic Use¹	367	321	354	357	359	363	-12.7	10.4	0.7	0.8	0.9
Self-sufficiency rate (%)	206	224	206	210	205	205					

¹ Domestic use includes stock changes.

Table 6.19 EU-28 skimmed milk powder market balance (1000 t)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Production	1 457	1 538	1 561	1 519	1 558	1 579	5.6	1.5	-2.7	2.6	1.3
of which EU-15	1 235	1 325	1 342	1 319	1 359	1 379	7.3	1.3	-1.7	3.0	1.5
of which EU-N13	222	213	218	199	199	199	-3.9	2.4	-8.8	0.0	0.0
Imports (extra EU)	2	3	4	2	2	2	50	8	-33	0	0
Exports (extra EU)	648	692	575	780	855	923	6.8	-17	36	10	8
Domestic use	721	741	768	791	816	853	2.7	3.6	3.0	3.2	4.5
Ending stocks	170	279	501	451	341	146					
Private (industry)	170	250	150	75	115	130					
Public (intervention)	0	29	351	376	226	16					
Stock changes	90	109	222	- 50	- 110	- 195					
Self-sufficiency rate (%)	202	208	203	192	191	185					

Table 6.20 EU-28 butter market balance (1000 t)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Production	2 234	2 334	2 380	2 346	2 407	2 429	4.5	1.9	-1.4	2.6	0.9
of which EU-15	1 973	2 053	2 081	2 048	2 099	2 116	4.1	1.3	-1.6	2.5	0.8
of which EU-N13	261	281	299	297	308	313	7.6	6.4	-0.5	3.5	1.5
Imports	25	3	3	1	3	3	-90	14	-58	152	0
Exports	135	172	206	168	177	177	27	20	-18	5	0
Domestic use	2 095	2 155	2 196	2 203	2 233	2 265	2.9	1.9	0.3	1.4	1.4
p.c. consumption (kg)	4.1	4.3	4.3	4.3	4.4	4.4	2.7	1.6	0.1	1.1	1.2
Ending stocks	125	135	115	90	90	80					
Private	125	135	115	90	90	80					
Public (intervention)	0	0	0	0	0	0					
Stock changes	30	10	- 20	- 25	0	- 10					
Self-sufficiency rate (%)	107	108	108	106	108	107					

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.

MEAT

Table 6.21 EU-28 overall meat balance (1000 t carcass weight equivalent)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Gross Indigenous Production	44 599	46 002	47 390	47 366	47 986	47 904	3.1	3.0	-0.1	1.3	-0.2
Live Imports	2	2	2	2	2	2					
Live Exports	197	247	291	310	311	316	25.2	17.8	6.6	0.3	1.6
Net Production	44 403	45 757	47 101	47 058	47 677	47 591	3.0	2.9	-0.1	1.3	-0.2
of which EU-15	36 898	37 827	38 704	38 435	38 780	38 559	2.5	2.3	-0.7	0.9	-0.6
of which EU-N13	7 505	7 930	8 398	8 624	8 897	9 031	5.7	5.9	2.7	3.2	1.5
Meat Imports	1 332	1 368	1 402	1 262	1 286	1 358	2.7	2.4	-10.0	1.9	5.6
Meat Exports	3 553	3 837	4 629	4 414	4 498	4 429	8.0	20.6	-4.6	1.9	-1.5
Consumption	42 182	43 288	43 874	43 906	44 465	44 520	2.6	1.4	0.1	1.3	0.1
Population (million)	508	510	511	512	514	515	0.3	0.3	0.3	0.2	0.2
Per Capita Consumption¹ (kg)	66.3	67.9	68.7	68.5	69.2	69.2	2.4	1.2	-0.2	1.0	0.0
Self-sufficiency rate %	106	106	108	108	108	108					

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 6.22 EU-28 beef/veal market balance (1000 t carcass weight equivalent)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Gross Indigenous Production	7 655	7 835	8 089	8 113	8 156	8 115	2.3	3.2	0.3	0.5	-0.5
Live Imports	0	0	0	0	0	0					
Live Exports	114	178	219	238	246	248	56.1	23.0	8.9	3.0	1.0
Net Production	7 541	7 657	7 870	7 875	7 910	7 867	1.5	2.8	0.1	0.5	-0.6
of which EU-15	6 751	6 819	6 974	6 923	6 930	6 881	1.0	2.3	-0.7	0.1	-0.7
of which EU-N13	790	838	896	952	981	986	6.1	7.0	6.2	3.0	0.5
Meat Imports	308	300	304	285	308	314	-2.6	1.4	-6.2	8.0	2.0
Meat Exports	208	211	249	271	255	250	1.6	17.8	9.1	-6.0	-2.0
Consumption	7 641	7 746	7 926	7 889	7 964	7 931	1.4	2.3	-0.5	0.9	-0.4
Per Capita Consumption¹ (kg)	10.5	10.6	10.9	10.8	10.9	10.8	1.0	2.0	-0.7	0.7	-0.6
Share in total meat cons. (%)	18.1	17.9	18.1	18.0	17.9	17.8					
Self-sufficiency rate (%)	100	101	102	103	102	102					

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

Table 6.23 EU-28 pigmeat market balance (1000 t carcass weight equivalent)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Gross Indigenous Production	22 772	23 464	23 884	23 684	24 049	23 912	3.0	1.8	-0.8	1.5	-0.6
Live Imports	0	0	0	0	0	0					
Live Exports	35	21	10	13	17	20	-41.9	-51.9	29.8	30.0	20.0
Net Production	22 737	23 443	23 875	23 671	24 033	23 892	3.1	1.8	-0.9	1.5	-0.6
of which EU-15	19 278	19 903	20 261	19 998	20 268	20 085	3.2	1.8	-1.3	1.4	-0.9
of which EU-N13	3 459	3 540	3 614	3 673	3 765	3 807	2.4	2.1	1.6	2.5	1.1
Meat Imports	14	11	12	14	16	22	-19.6	6.1	16.6	15.0	35.0
Meat Exports	1 948	2 218	2 814	2 567	2 631	2 552	13.9	26.8	-8.8	2.5	-3.0
Consumption	20 803	21 236	21 073	21 118	21 418	21 362	2.1	-0.8	0.2	1.4	-0.3
Per Capita Consumption¹ (kg)	32.0	32.5	32.2	32.2	32.5	32.4	1.7	-1.0	-0.1	1.2	-0.5
Share in total meat cons. (%)	49.3	49.1	48.0	48.1	48.2	48.0					
Self-sufficiency rate (%)	109	110	113	112	112	112					

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

Table 6.24 EU-28 poultry meat market balance (1000 t carcass weight equivalent)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Gross Indigenous Production	13 273	13 797	14 503	14 628	14 850	14 939	3.9	5.1	0.9	1.5	0.6
Live Imports	1	1	2	2	2	2					
Live Exports	11	10	10	8	8	8	-6.2	-7.6	-12.5	0.0	0.0
Net Production	13 263	13 787	14 495	14 622	14 843	14 933	4.0	5.1	0.9	1.5	0.6
of which EU-15	10 091	10 318	10 691	10 729	10 802	10 804	2.3	3.6	0.4	0.7	0.0
of which EU-N13	3 172	3 470	3 803	3 893	4 042	4 129	9.4	9.6	2.4	3.8	2.2
Meat Imports	821	855	882	789	789	844	4.1	3.2	-10.5	0.0	7.0
Meat Exports	1 365	1 388	1 548	1 542	1 580	1 596	1.7	11.5	-0.4	2.5	1.0
Consumption	12 719	13 254	13 829	13 869	14 052	14 181	4.2	4.3	0.3	1.3	0.9
Per Capita Consumption¹ (kg)	22.0	22.9	23.8	23.8	24.1	24.3	3.9	4.1	0.0	1.1	0.7
Share in total meat cons. (%)	30.2	30.6	31.5	31.6	31.6	31.9					
Self-sufficiency rate (%)	104	104	105	105	106	105					

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

Table 6.25 EU-28 sheep and goat meat market balance (1000 t carcass weight equivalent)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Gross Indigenous Production	899	907	914	941	931	939	0.9	0.8	2.9	-1.0	0.8
Live Imports	0	0	0	0	0	0					
Live Exports	36	38	52	50	40	39	3.6	38.4	-3.7	-20.0	-2.0
Net Production	863	869	862	890	891	899	0.8	-0.8	3.3	0.1	0.9
<i>of which on-farm slaughterings</i>	110	101	103	120	121	121	-8.3	2.4	15.9	1.0	0.0
of which EU-15	778	787	778	785	781	789	1.1	-1.2	1.0	-0.5	1.0
of which EU-N13	84	82	84	105	109	110	-2.6	2.1	25.3	4.2	0.5
Meat Imports	189	202	203	173	172	177	7.3	0.4	-14.9	-0.5	3.0
Meat Exports	32	20	19	34	32	31	-38.1	-4.7	80.7	-7.0	-2.0
Consumption	1 019	1 052	1 046	1 029	1 031	1 045	3.2	-0.5	-1.6	0.2	1.4
Per Capita Consumption¹ (kg)	1.8	1.8	1.8	1.8	1.8	1.8	2.8	-0.8	-1.9	0.0	1.2
<i>Share in total meat cons. (%)</i>	2.4	2.4	2.4	2.3	2.3	2.3					
Self-sufficiency rate (%)	88	86	87	91	90	90					

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

Table 6.26 Share of EU exports in volume by destination (%)

		Cereals	Soft wheat	Barley	Meat, offal, live	Beef*	Pork*	Poultry*	Infant Food	Dairy products	Cheese Curd	SMP and WMP	Whey powder	Olive Oil	Wine
China	2007	0	0	1	3	0	4	1	6	6	0	1	25	2	2
	2017	1	0	3	22	1	36	0	42	14	2	8	29	7	17
	2018 Jan-Apr	2	0	6	22	1	35	0	46	13	2	7	28	3	12
ASEAN	2007	2	1	4	4	1	4	5	12	14	1	15	32	1	2
	2017	2	1	7	10	8	10	13	3	18	3	20	42	3	2
	2018 Jan-Apr	2	1	4	12	6	11	16	2	18	3	18	41	3	2
North Africa	2007	36	55	13	0	4	0	0	11	13	6	26	3	1	0
	2017	28	33	14	2	11	0	1	8	11	7	22	2	1	1
	2018 Jan-Apr	33	42	20	2	12	0	0	7	12	8	24	3	1	2
Other Africa	2007	19	27	9	12	8	7	23	7	11	2	22	3	2	12
	2017	23	30	10	15	16	5	40	5	10	3	13	3	3	8
	2018 Jan-Apr	19	27	10	15	17	5	38	4	10	3	13	3	3	6
Middle East	2007	20	2	45	6	6	1	17	24	16	11	20	2	3	1
	2017	26	21	45	6	15	1	11	13	15	17	18	3	5	1
	2018 Jan-Apr	28	22	41	6	16	1	11	11	18	19	21	4	7	1
USA Mexico Canada	2007	0	0	0	3	0	4	0	4	8	24	2	1	50	37
	2017	1	0	2	3	1	5	0	2	7	20	4	1	43	35
	2018 Jan-Apr	1	0	3	4	1	6	1	2	5	18	0	1	40	40

Note: * meat, offal and live animals

Source: Comext-Eurostat

Table 6.24 Group definitions:

ASEAN: Myanmar, the Philippines, Thailand, Laos, Vietnam, Cambodia, Indonesia, Malaysia, Brunei Darussalam, Singapore

North Africa: Libya, Tunisia, Algeria, Morocco, Egypt

Middle East: Armenia, Azerbaijan, Lebanon, Syria, Iraq, Iran, Israel, Palestine, Jordan, Saudi Arabia, Kuwait, Bahrain, Qatar, United Arab Emirates, Oman, Yemen, Georgia

Other Africa: Sudan, Lesotho, Mauritania, Mali, Burkina Faso, Niger, Chad, Cape Verde, Senegal, Gambia, Guinea-Bissau, Guinea, Sierra Leone, Liberia, Ivory Coast, Ghana, Togo, Benin, Nigeria, Cameroon, Central African Republic, Equatorial Guinea, Sao Tome and Principe, Gabon, Congo, Democratic Republic of Congo, Rwanda, Burundi, St. Helena ascension and Tristan da Cunha, Angola, Ethiopia, Eritrea, Djibouti, Somalia, Kenya, Uganda, Tanzania, Seychelles, British Indian Ocean Territory, Mozambique, Madagascar, Mauritius, Comoros, Mayotte, Zambia, Zimbabwe, Malawi, South Africa, Namibia, Botswana, Swaziland

NAFTA: USA, Mexico, Canada

7. 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 5 calendar years for meat and dairy and 5 marketing years for crops.

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 and intra-EU trade statistics).

Due to some inconsistencies in intra EU trade reporting, intra-trade is based on export figures only, i.e. imports of France are calculated as extra-EU imports plus exports of EU partners to France.

- Weekly commodity prices communicated to DG Agriculture and Rural Development by the Member States.

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 (JRC MARS AGRI4CAST¹⁷), 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 5 marketing years or assuming no changes compared with the previous year.

Yields: MS estimates or AGRI4CAST projections are used if available. If these data are not available, preferably the yield trend over the 12 last years is retained, otherwise the trimmed average of the last 5 marketing years is used.

¹⁷ <http://mars.jrc.ec.europa.eu/mars/About-us/AGRI4CAST/Crop-Monitoring-and-Yield-Forecasting>

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 starting with the harvest: July/June for cereals and Oct/Sept for sugar. Thus, area, yield and production figures of crops refer to the year of 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. Projections are based on information about the ethanol production development. Stocks are closing the balance for cereals¹⁸. 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 crushing coefficients range from 94% to 98% for rapeseed, 89-91% for soybeans and 85-89% 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.

Sugar: For sugar beet area, yield and production, the procedure is similar to the other arable crops. It includes sugar beets for sugar production and for ethanol production. The balance sheet includes only sugar beet production processed into sugar¹⁹ and white sugar. The link with white sugar production is made through the white sugar production as notified under the Common Market Organisation (CMO) for sugar. The presented balances do only consider white sugar (e.g. no isoglucose or products containing sugar) and take into account sugar beet production outside of the quota. Industrial and biofuel use is based on historical data and projections based on information about ethanol production development. Stocks are taken from Member States notifications when they become available and therefore the

¹⁸ 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.

¹⁹ Sugar beet production processed directly into ethanol is not accounted for in the white sugar production.

balance closes over human consumption. When Member State information on stocks is not yet available or for the projections they are closing the balance. The reported stocks include carry-forward sugar.

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 equivalent²⁰.

Production forecasts for the year 2018 and 2019 are based on annual and monthly data on slaughtering, livestock numbers, Member States expert forecast, 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 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 production²¹.

²⁰ 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.

²¹ Milk statistics for the EU-N13 on-farm production of butter, cheese and other products has only recently become complete and has yet to be validated.

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 (monthly) production statistics due to confidentiality.

Dairy products production for year 2016 is based on Eurostat annual statistics, estimates for 2017 and projections for 2018 and 2019 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.

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 forecast 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. 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.

Trade is expressed in milk equivalent using the total solid methodology accounting for the non-fat and protein components of milk such as lactose. As a consequence, the milk coefficient of cheese (composed of fat and protein only) is lower with this methodology (3.58) than when accounting for fat and protein only (5.97). The other coefficients used are: 6.57 for butter, 7.57 for SMP, 7.56 for WMP, 7.48 for whey powder, 0.85 for drinking milk, 3.21 for cream and 0.98 for yogurts.

Glossary

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

EU-N13 includes EU Member States, which joined the EU as from 2004.

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

Data

Balance sheets for the EU and production figures at Member State level are available on Europa

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

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