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# Short-Term Outlook

## for EU arable crops, dairy and meat markets in 2015 and 2016

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This publication presents the short term outlook for the arable crops, meat and dairy markets in the EU for 2014-2016. The report is based on analysis of market experts within the Directorate-General for Agriculture and Rural Development of the European Commission. Information and data available until 15 September 2015 have been used. Next issue will be published in winter 2016.

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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

- 2015 EU milk deliveries expected up by around 1% compared to last year.
- Above average 2015/2016 EU wheat production but a strong reduction in maize production following a hot and dry summer.
- Strong reduction in sugar production leading to a more balanced EU market in 2015/2016.
- Further increase in all EU meat supplies in 2015, after the recovery in 2014.

In the dairy sector, despite low prices, milk deliveries are expected to slightly increase at EU level in 2015 and most probably in 2016. 2015 production is even expected to decrease in the two main milk producing countries, Germany and France. More milk is channelled into SMP and butter because of good demand (domestically and abroad), price competitiveness and storage possibilities. Cheese production is also expected to increase. Dairy commodity prices have now stabilised but further milk price cuts can be expected in the short-term.

EU cereal production is expected to be again above 300 million tonnes in 2015/2016. Although lower than last year's record harvest only 3 out of the last 10 seasons were more productive. Given good harvests worldwide and relatively low world prices, EU exports are expected to be lower than in 2014/2015. The significant reduction in EU white sugar production and the projected correction of the market unbalance at world level in 2015/2016 should allow the EU white sugar price to increase.

Pig meat production is expected to increase further in 2015 in spite of the low prices. However, the first signs of decrease in the reproductive herd could be observed recently. Poultry meat production continues its steady development. Good exports of meat and live cattle to Turkey bring relief on the beef market, where supply increase is driven by the dairy herd development. The rising availabilities of meat on the EU market translate into a further 2% increase in EU per capita consumption, after the strong recovery already observed in 2014.

## 1. MACROECONOMIC OUTLOOK<sup>1</sup>

### Continued low oil price expected

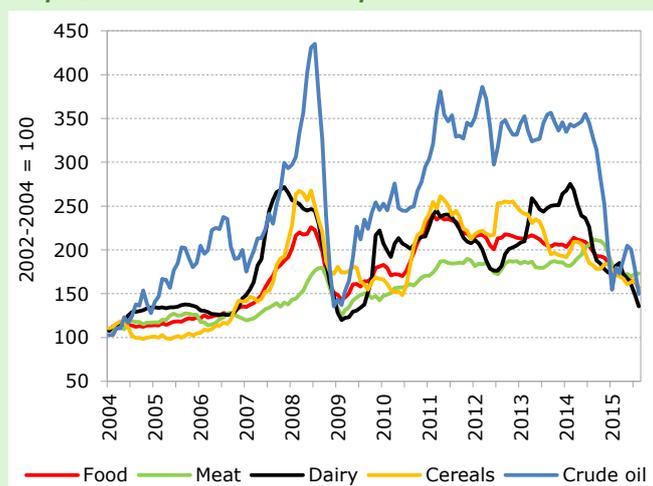
Following the sharp fall at the end of last year, the Brent crude oil price is expected to average 53 USD/bbl in 2015, close to 50% below 2014. This development is driven by higher supply relative to consumption. While in the past OPEC countries adjusted production downward to support oil price, this decision was not taken so far. Furthermore a huge part of the additional oil supply originates from the US. The oil price is not expected to increase again soon and in 2016, the oil price is forecast to average 55 USD/bbl.

The main impact is a reduction in energy bills for consumers, which could contribute to support demand, including for food. On the other hand, revenues of exporting countries, relying mainly on the oil economy, are decreasing, reducing their ability to buy processed products, like Algeria for dairy powders (see the dairy chapter).

#### General decrease in crude oil and food prices

Like crude oil prices, food prices keep on decreasing. At 156 points in September 2015, the FAO Food Price Index was 26% below last year and only 9% above the lowest 2009 month (February). Most of the decline comes from dairy products (-43% compared to last year), sugar (-37%) and vegetable oils (-31%). The decline in cereals is slightly lower (-25%) despite the second consecutive good cereal harvest in 2015. The smallest drop is recorded for the meat price index (-11%). More details on the different markets can be found in the commodity chapters.

Graph 1 Crude oil and FAO food price indices



Source: FAO and World Bank

### Towards a stabilisation of the euro around 1.10 USD/EUR?

After a drop to 1.05 USD/EUR in March 2015, the euro started slowly appreciating again against the US dollar to reach 1.12 USD/EUR at the end of September. At an average of 1.10 USD/EUR for 2015, the euro is forecasted 17% below last year. The outlook for 2016 suggests that the EU currency will remain relatively stable at 1.11 USD/EUR. However, this is a major uncertainty and a further appreciation of the euro could affect EU competitiveness on world markets.

In addition, other key EU trading partners are also concerned by currency depreciation against the US dollar. For example, the similar depreciation forecasted for the New Zealand dollar against the US dollar, lead to no additional comparative advantage for the EU. Moreover, the higher expected depreciation (30%) of the Brazilian real against the US dollar even strengthens the competitiveness of Brazilian exports compared to the EU. In addition, it leads to an increase of producer prices in local currency stimulating production in Brazil.

### Steady worldwide economic growth supporting domestic demand...

World economic growth is expected to be steady at 2.6% in 2015 and 3.0% in 2016 slightly below previous forecast because of a lower growth expectation in China. Nevertheless, the current forecast maintains significant Chinese GDP growth of 6.5% in 2015 and 6.3% in 2016 (compared to 7.3% in 2014). The growth in China is expected below the one in India for the first time.

Driven by robust internal demand, the EU economy could grow by about 2% p.a. over the outlook period. In the US, the economic growth forecast is at 2.5% and 2.8% in 2015 and 2016 respectively. The appreciation of the dollar is expected to limit US competitiveness on the world market. In addition, the higher income is supporting domestic demand and this translates into a decrease of export potential and higher imports (especially of some agricultural products such as beef or dairy).

### ... except in South America, Russia and Ukraine

While the latest forecast indicate a small but positive Gross Domestic Product (GDP) development in Argentina in 2015 (+0.3%), the economic crisis in Brazil is deepening and real GDP could decline by 2.7% in 2015 and by 0.7% again in 2016. This affects their internal consumption and should increase export, also thanks to their currency.

<sup>1</sup> Based on IHS (cut-off date 15th of September 2015).

The ongoing tensions between Russia and Ukraine are driving both the economic performance and currency further down. Consequently, the GDP might decline by 4% in Russia and 11% in Ukraine in 2015 and continue declining in 2016 by 1% and 4% respectively. After a strong depreciation against the US dollar in 2015 (close to 40%), the Russian rouble could stabilise in 2016. This deterioration of the Russian economic situation implies that, even if the import ban would be removed, trade would not resume to previous levels.

## 2. ARABLE CROPS

### Second consecutive good cereal harvest in 2015 leads to comfortable world stock levels

The September issue of the International Grain Council reports for 2015/2016 a cereal harvest at 1 996 million tonnes, 21 million tonnes lower than last year's record harvest but still a good harvest in historical terms. The reduction in production is mainly due to lower maize production, -38 million tonnes, while wheat production increases slightly compared to 2014/2015 by 7 million tonnes. After two good harvests worldwide, cereal stocks are at a high level of 456 million tonnes, ensuring stock to use ratio of 29% for wheat and 20% for maize. Given these global prospects world cereal prices remain under downward pressure, similar to last year's situation.

### A hot and dry summer significantly reduced maize production

EU cereal production is expected to reach 301.9 million tonnes. Although lower than last year's record harvest (-8%), only 3 out of the last 10 seasons were more productive. The decrease is mainly the result of lower yields (-7%) in particular for maize and to a lesser extent smaller area harvested (-1%). Summer weather conditions have been challenging for the development of summer crops with a combination of heat waves and severe droughts in large areas of southern, central and eastern Europe while on the other hand surplus rainfall and colder than seasonal weather in northern Europe. Map 1 shows the areas for which there is still a concern for the yield of selected summer crops.

At EU level, the soft wheat harvest is estimated to reach 144.6 million tonnes, 4 million less than last year. Harvested area only slightly decreased (-1%), a combined effect of the low cereal prices at the moment of sowing but still performing better compared to maize. Despite the less favourable summer weather, EU wheat yields are estimated only 2% lower than the 2014 record yields while 6% above the 5 year average. Greater than seasonal rainfall in August allowed for yield recovery and harvesting had already started before the second heat wave. In France, the soft wheat harvest even reached a record level of 40 million tonnes of good quality wheat.

Maize, not yet harvested at the time of this report, is likely to be more affected by the adverse summer weather resulting in an anticipated yield loss of 22% compared to the 2014 harvest and 12% below the 5 year average. Conditions for spring sowings were widely favourable with dry weather in mid-April followed by rains. But in central Europe no significant rainfall occurred in August and rain-fed summer crops were affected during their most important development phases. In western Europe, some affected maize was harvested as green maize. Yields for irrigated maize on the other hand develop under optimal conditions thanks to the high temperature and ample irrigation (e.g. in northern Spain). The maize yield effect combined with an expected 3% reduction in harvested area result in a production 25% below last year, at 58.4 million tonnes, the lowest harvest since 2010.

**Map 1 Areas still of concern for summer crop development**



Source: Mars-Bulletin Crop Monitoring in Europe 23(9) <http://mars-apache.jrc.it/bulletins>

Barley production contracted to 59.0 million tonnes (-2%) mainly driven by the yield decrease of 1.5% compared to 2014. The biggest decrease was observed in Germany and Romania while production increased in France and Denmark by more than 5% compared to 2014.

Durum wheat production is the only cereal with increases (+4.8%) compared to 2014, mainly driven by an area increase (+4.6%). Among major producers, only Greece further reduced its area while Italy, Spain and France saw significant area increases. The reason for this reversal of a long term decreasing trend is difficult to assess. The strong prices of durum wheat last season increased the attractiveness of this crop. In addition, some Member States grant voluntary coupled support to durum wheat from 2015 onwards. The 2015 harvest is estimated at 8.0 million tonnes.

More than half of the cereals produced in the EU are used to feed livestock. Feed use is expected to further increase compared to last year to 173 million tonnes, as a consequence of increased livestock production.

Ample supply on the world market, less domestic cereal production combined with a slightly higher feed use should lead to lower (but still substantial) exports in 2015/2016 than in 2014/2015. The EU's traditional destinations will demand less than the year before due to their good harvests. Total cereals exports are expected to reach 41.5 million tonnes, a decrease of 20% compared to 2014, still 13% higher than the 5 year average. Good EU exports despite ample world supply are supported by a competitive EUR/USD exchange rate. Wheat exports should remain strong at above 29 million tonnes. Maize imports on the other hand are foreseen to increase compensating for the lower EU production and are estimated at 11 million tonnes compared to 9 million tonnes in 2014.

In the EU, the stock to use ratio for cereals decreases from 16% to 14% or 40 million tonnes in 2015/2016. Although end stocks for most cereals increase further from the comfortable level of 2014/2015, the maize stock is expected to be more than halved due to the bad harvest. Stock to use ratios for wheat, barley and maize are respectively 13%, 19% and 14%.

#### **Also in 2015/2016 extraordinary world soybean production expected**

World oilseed production in 2015/2016 is projected at 527 million tonnes, although below the 2014/2015 record of 537 million tonnes (USDA). This is mainly due to a combination of increased soybean plantings (e.g. in Brazil and the US) and/or higher than average yields (e.g. in Argentina). World soybean production for 2015/2016 is projected at 320 million tonnes, which is in line with last year's exceptional production. Rapeseed production on the other hand will be notably lower due to dry weather effects impacting on yields in Canada and the EU, while harvested area in Ukraine, Belarus and Australia is lower than expected. As a consequence, the already high stocks are expected to increase further to a record stock of 96 million tonnes, mainly driven by soybean (87 million tonnes, USDA).

#### **El Niño conditions present, but unclear impacts**

*The US National Oceanic and Atmospheric Administration (NOAA) has been observing El Niño conditions since summer 2015 and predicts a 95% chance that they will continue through the northern hemisphere winter 2015/2016, gradually weakening through spring 2016.*

*According to the EU Joint Research Centre - JRC Ispra, the El Niño Southern Oscillation (ENSO) forecast from NOAA from end September shows increasing sea surface temperature anomalies since spring 2015 that will probably peak in autumn and stay well above normal conditions throughout the winter 2015/2016. A 50% probability was projected for an El Niño in winter 2014/2015 and it slowly developed into a strong El Niño by today with a 95% probability to stay during the winter and still with a 55% probability to last until late spring 2016.*

*Despite the clear signal of an El Niño being present, observed impacts in form of strong weather anomalies have been hardly observed so far. Typically in an El Niño event, Australia is early affected in its southern hemisphere spring with reduced precipitation and potential high impacts on crop growth. This year, however, an overly-wet Indian Ocean has been delivering above-average moisture to wheat-producing western Australia so that crop growing conditions stay favourable for the time being. In case of El Niño, drier than average conditions are also expected for the Monsoon-influenced countries, especially eastern India, affecting potentially rice production. However, the current conditions in India indicate average or slightly above-average precipitation in the east, while the north and north-west of India, where mainly wheat is grown, show a rainfall deficit. There is indication that El Niño might also shorten this year's currently ongoing Monsoon season, thus increasing the deficit in the north.*

*Nevertheless, according to the G-20 Agricultural Market Information System - AMIS, the El Niño event might affect the current production in certain areas. In southern Brazil and Argentina, in El Niño years conditions can be wetter than normal during summer months and favour soybeans production, while northern Brazil is expected to be drier than normal.*

*Also Rabobank indicates that, while El Niño is generally favourable for the north american weather, it is not the case for Indonesia and Malaysia. There is about a six-month delay before El Niño starts impacting palm production, which could mean a significant decrease in palm oil production early next summer.*

#### **Lower oilseed yields in the EU in 2015/2016**

In the EU, total area planted with oilseeds is slightly below last year (nearly 11.5 million ha). While the sunflower area remained stable (4.2 million ha), soybean area expanded with more than 100 000 hectares to 739 000 hectares at the expense of rapeseed. With the harvest completed in the majority of Member States, yield estimates indicate a considerable decline compared to previous record year for all oilseeds. Average rapeseed yield declined with about 10%, sunflower yield with more than 15% and soy with more than 18% compared to 2014/2015 record year. But all in all yield remains around average for the different oilseed crops, except for sunflower where the yield in the EU-15 was well below average (-10%). Main reason is the drought in central

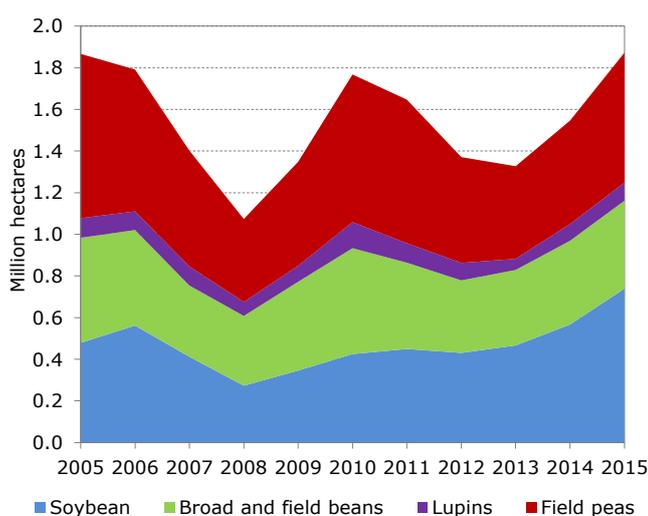
Europe mainly affecting yields in France, Germany and Spain.

As a consequence, total production in the EU-28 is nearly 13% lower compared to previous year, but in line with the 5-year average. With the high soybean production in the US and South-America, the already high stocks were further replenished and soybean prices are particularly low. Together with the expected further increase in EU meat production, this will bring imports of soybean and meal back to pre-2014/2015 levels, while total domestic oilseed and meal use is expected to be slightly lower than in 2014/2015.

### Rising EU protein crop area in 2014 and 2015

Main protein crops grown for animal feed in the EU are field peas, broad and field beans and lupines. Soybeans are also an important source of proteins. Protein crop area has declined over the years due to competition from other protein sources (mainly imported soymeal) and more rewarding alternative crops. A minimum was reached in 2008 after which the area fluctuated, driven by price and policy developments. With the 2009 CAP reform (Health check) the specific support of 55.57 EUR/ha for protein crops was dropped. Some Member States decided then to grant coupled support to protein crops via Article 68: France and Poland already in 2010 and Finland from 2011. Several Member States opted in 2015 for Voluntary Coupled Support (VCS) for protein crops while all Member States consider areas planted with (one or more types of) protein crops eligible as Ecological Focus Areas (EFA), as protein crops are nitrogen fixing crops. Soybeans, also able to fixate nitrogen, are eligible as EFA in 15 Member States.

**Graph 2 Evolution of protein crop and soybean area in EU-28**



Source: DG Agriculture and Rural Development

The area of protein crops and soybean is increasing again since 2013. In 2015, it exceeded the 2010 area, mainly boosted by the expansion of soybeans. Graph

2 shows the evolution of this area in the EU-28. Italy is by far the most important soybean grower, followed by France, Romania, Croatia and Hungary. Field peas are mainly grown in France, Spain and Germany and broad and field beans in the United Kingdom and France. Nearly 60% of the small European lupine area can be found in Poland.

Protein crop yields for 2014/2015 were 6% above average, while projections for 2015/2016 are in line with the 5 year average.

### Main feed suppliers of the EU in 2014/2015

The higher domestic cereal and oilseed production in the EU in 2014/2015 triggered an increase in domestic use, increased exports and reduced imports of seeds and meals as well as a replenishment of stocks.

Although decreased by 5.5 million tonnes compared to 2013/2014, the 63.1 million tonnes total cereal and oilseed imports to the EU in 2014/2015 were still 1% above the 5 year average. The main reduction compared to 2013/2014 came from maize imports (-5.5 million tonnes to 2.3 million tonnes), while also rapeseed imports (-1.2 million tonnes to 2.3 million tonnes) and soybean imports (-0.8 million tonnes to 12.8 million tonnes) decreased, due to the ample production in the EU in 2014/2015. Small increases in common and durum wheat exports to the EU could not compensate for the maize import reduction.

Main maize supplier in 2014/2015 was Ukraine with 5.6 million tonnes. Other maize suppliers, such as Brazil, the US, Russia, Canada, Argentina and Serbia exported less than 1 million tonnes to the EU. Ukraine however increased its common wheat exports from 0.1 million tonnes in 2013/2014 to 1.4 million tonnes in 2014/2015. The EU's second most important common wheat supplier, Canada, remained stable with around 0.6 million tonnes of high quality wheat for food use.

Total oilseed imports in the EU amounted to 15.4 million tonnes, 4% below the 5-year average. With the exception of the US, all trading partners experienced reductions in volumes supplied to the EU. Main soybean suppliers to the EU remained Brazil (5.6 million tonnes) and the US (4.2 million tonnes), while rapeseed was mainly sourced from Ukraine (1.2 million tonnes) and Australia (1 million tonne).

Similar trends were observed for meals, with higher EU domestic production, especially sunflower meal, and lower than average imports of soybean meals. Main EU soybean meal suppliers remained Brazil and Argentina (7.6 million tonnes each), the US (1 million tonne) and Paraguay (0.9 million tonnes). Total EU domestic use of rape meal and sunflower meal was at an all-time high contributing to a reduction of the protein dependency of the EU. Sunflower meal imports mainly came from Ukraine (2.0 million tonnes) and Russia (0.9 million tonnes).

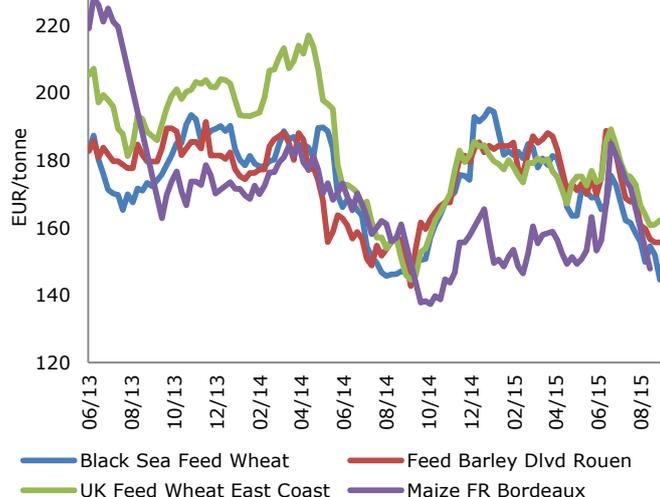
### Generally low cereal and feed prices

In the last months, world prices have been relatively low compared to recent years. Large availabilities at world level, sufficient stocks and expectations for a good maize harvest in the northern hemisphere put downward pressure on prices of the main commodities for the coming months.

At EU level, prices have been volatile in the last couple of months as a reaction to changes in expected weather effects (see Graph 3). EU milling wheat prices for the medium quality (FOB delivered Rouen) were at 175 EUR/t in June, compared to 188 EUR/t in the same period last year, but jumped to 198 EUR/t in the first week of July given the news about the incoming heat wave. Since, EU wheat prices have come down again when the limited impact on wheat became clear, being traded at 159 EUR/t on September 15<sup>th</sup>. Nevertheless, wheat prices are still significantly above the intervention price.

The impact of the summer weather on maize prices was differentiated between the two main markets. The price in Bordeaux depicted a steep price spike at the beginning of July and came back to 148 EUR/t, compared to 157 EUR/t last year, following lower than anticipated yield losses in western Europe. The price in Budapest jumped from around 130 EUR/t before summer to 148 EUR/t in July but remained rather high since with 141 EUR/t on September 15<sup>th</sup> compared to 116 EUR/t last year.

**Graph 3 Feed cereal prices**

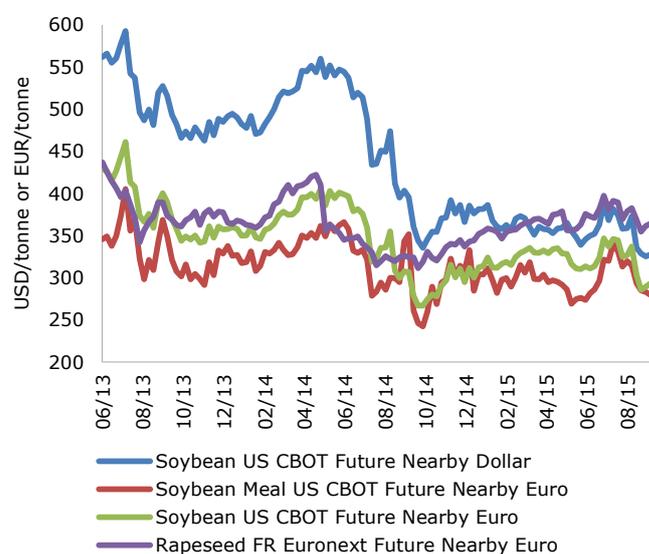


Source: DG Agriculture and Rural Development, based on data communicated by the Member States and IGC data

Feed compound prices are generally at a low level following consecutive good harvests for soybean. Concerns about a slowdown in the Chinese economy, world's top soybean importer, and volatile currency movements added to the downward pressure on soybean prices. US soybean export prices were 289 EUR/t on September 15<sup>th</sup> similar to last year in anticipation of a large harvest in the US. Taking into account the depreciation of the euro compared to the dollar, prices in USD/t are considerably lower this year compared to last year same period (327 USD/tonne soybeans on 15/09/2015 compared to 360 USD/tonne on 16/09/2014, see Graph 4). EU rapeseed prices (MATIF nearby) have increased slightly over the last year to 368 EUR/t from 324 EUR/t in September last year given an anticipated lower harvest. Soybean

meal prices tend to be closer to seed prices around this time of the year as the majority of the US harvest still has to be crushed.

**Graph 4 Evolution of oilseed prices**



Source: DG Agriculture and Rural Development, based on data from Euronext and CBOT

The low cereal and feed prices will benefit to livestock and dairy farmers in the EU with the exception of central Europe where maize is scarce and at relatively higher prices.

### Strongly reduced sugar production in 2015/2016 foreseen to rebalance EU sugar market

The exceptional sugar harvest in 2014/2015 of 19.4 million tonnes of white sugar (13% higher than the 5 year average) led to almost 3 million tonnes of out of quota sugar being transferred into the 2015/2016 season. This so-called carry forward sugar is counted as quota sugar in the following season which means that about 22% of the quota sugar for 2015/2016 was de facto produced before the season started. This led to a strong incentive for sugar producers to reduce sugar output significantly in 2015/2016. Moreover, world and in particular EU white sugar prices were on a steep downward path since the beginning of 2013 which further eroded the anticipated competitiveness of sugar beet vis a vis competing crops. As a result, in 2015, the sown area shrank by 14% compared to 2014 in the EU. While Denmark, the United Kingdom, Greece and Sweden reduced the sugar beet area by more than 30% other Member States such as France and Hungary decreased it by less than 5%.

EU sugar beet yield is expected to be at the 5 year average (1% lower) but hides big variations among Member States. As discussed in the section on cereals, summer weather has been challenging for summer crops like sugar beet, especially in central Europe. This leads to yield expectations significantly

below the 5 year average for Romania (-17%), Croatia (-16%) and Poland (-12%). The combination of a reduction in sown area and on average yield leads to a 16% reduction in sugar beet production compared to 2014, 9% below the 5 year average.

The white sugar production depends on the sugar content of the sugar beet root which is still uncertain at this time of the year as weather in the last growth stage plays an important role. Based on first field tests and historical trends the 2015/2016 white sugar production is foreseen at about 15.3 million tonnes (-21% compared to last year).

EU prices have stabilised at a low level over the last few months and in July were identical to June at 414 EUR/t. World sugar prices were however lower again

in August at only 308 EUR/t for white sugar London n°5. Despite current ample availabilities on the world market after a fifth consecutive year of surplus (depending on the source a surplus of around 3 million tonnes in 2014/2015), EU prices are expected to increase given the reduced EU sugar supply and tariff protection at the EU border. The forecasted world sugar deficit in 2015/2016 (world sugar consumption compared to world sugar production) will not immediately lead to firmer prices as the available stocks at world level are still significant.

Imports are expected to be on the historical average and exports are set to attain the WTO limit. Total uses foreseen at 20.7 million tonnes, a normal volume, lead to a forecast end stock in 2015/2016 of 2.2 million tonnes, the lowest in the last 5 years.

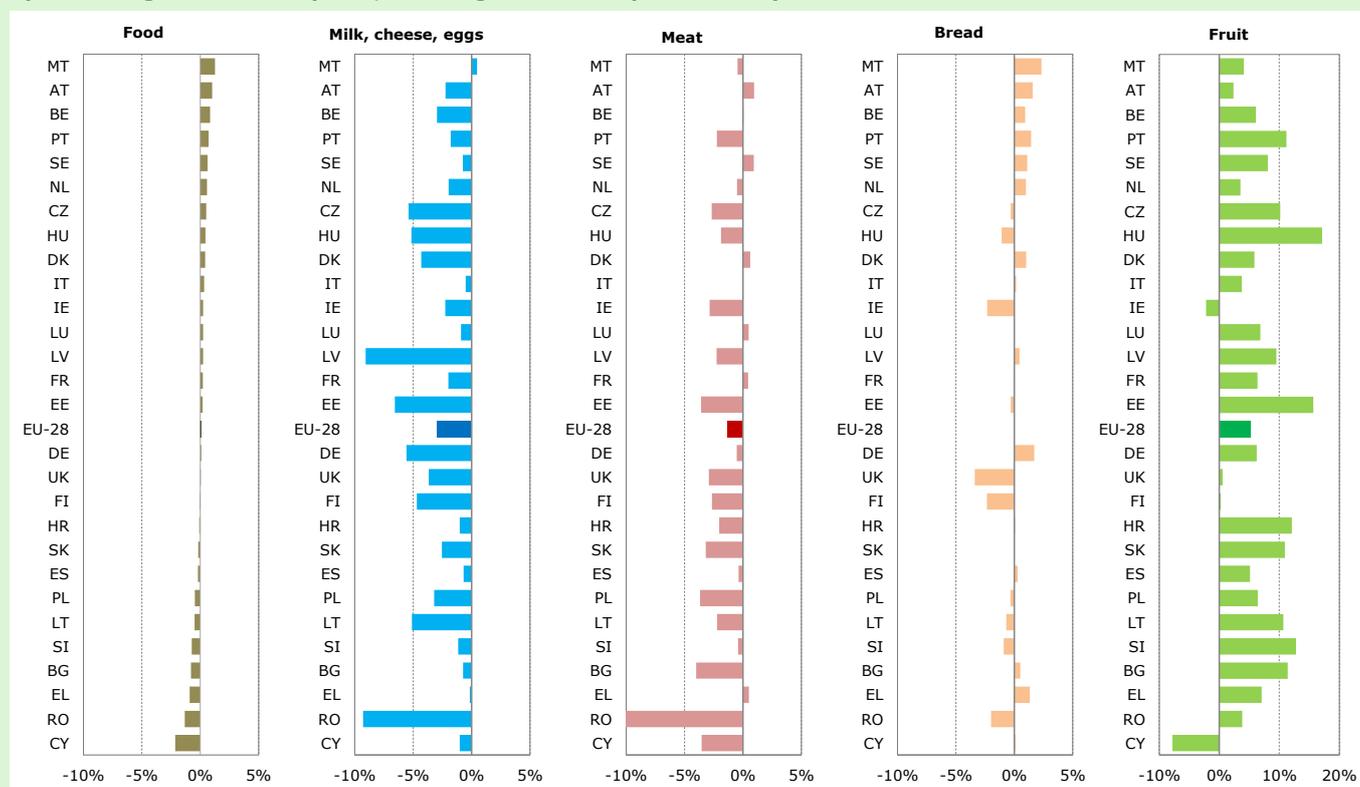
### Consumer prices for dairy products and meat declining

Despite the strong decline in agricultural prices, on average in the EU-28, food prices for consumers remained stable between June and August compared to the same period in 2014. However, this average hides significant differences between Member States but most of all between sectors.

Food prices at consumer level declined by 1% or more in Cyprus, Romania and Greece. By contrast food prices increased most in Malta, Austria and Belgium in line with general inflation.

While consumer prices for fruits and vegetables increased significantly (+5.3% and +3% respectively on average in the EU), prices for milk and cheese declined the most (-3%), well ahead of meat (-1.3%). Bread and cereal prices remained stable. For milk and cheese, consumer prices declined in all Member States except Malta. They dropped by more than 5% in Romania, the Baltic countries, Germany, the Czech Republic and Hungary. For meat, the decline is lower in several countries. Nevertheless, a significant drop was registered in Romania, Bulgaria, Poland, Estonia and Cyprus.

Graph 5 Change in consumer prices, June-August 2015 compared to last year



Source: DG Agriculture and Rural Development based on Eurostat

### 3. DAIRY

#### EU milk deliveries to slightly increase in 2015...

In 2015, milk deliveries in the EU are expected around 1% above last year and a further increase might be expected in 2016. Clear differences can be noticed between Member States with expected strong increases in volumes in the Netherlands, Ireland, Poland, the United Kingdom, Spain and Denmark; while 2015 production should be lower than last year in France and Germany.

This overall increase might seem surprising given the strong reduction in the price of dairy commodities and of raw milk observed in the last months. However the time-lag from reduced milk prices to change in production levels is usually several months. The abundant number of dairy cows currently in production results from decisions taken by farmers at least one year ago. In addition feed prices have been relatively low and pasture availability has been normal, except in some countries more affected by heat waves during summer.

#### ... because the dairy herd is ample...

Between April (the end of the quota system) and July, milk deliveries in the EU increased by around 2.5% compared to last year. After the 1.3% reduction in milk deliveries recorded in the first quarter of the year, in order to limit over-quota production and the surplus-levies to be paid, the potential of the additional dairy herd could be fully exploited thanks to good grass availabilities in spring and reasonable feed prices.

In the EU-15, the increase in the number of dairy cows registered in December 2014 (+0.8% compared to 2013) was further confirmed in the June-July livestock survey (+1.2% so far for the EU-15 Member States for which data is available<sup>2</sup>). The rise was particularly significant in Ireland (+5.7%), the Netherlands (+3.5%) and the United Kingdom (+2%). By contrast, the number of dairy cows was quite stable in France, Spain, Italy, Belgium and Denmark, and down in Sweden. In addition, the number of heifers kept for cow replacement is below last year except in Italy and the Netherlands.

It is expected that farmers in the EU-15 will slaughter additional dairy cows in reaction to lower milk prices. While in the first half of the year, cow slaughterings rose by 3% only, they have started accelerating in July in some Member States like in the United Kingdom and Belgium. This phenomenon could be amplified now that cows will go back into stables for the winter. Therefore, a slowdown in milk production growth is expected in the coming months.

In the EU-N13, the number of dairy cows is decreasing due to an on-going restructuring of milk production (1.4% below last year in May-June in Poland e.g.), but the genetic improvement in the cow herd and the growing share of milk produced delivered to dairies, led to additional deliveries (+1.4% in the first 7 months of the year compared to 2014) despite abundant cow slaughterings (+10% in heads in the first half of the year). The strongest increase in slaughterings took place in Romania (following an exceptional rise in milk deliveries in 2014), Estonia and Lithuania, strongly affected by the Russian import ban.

Until summer, grass productivity had been above average supporting the increase in milk deliveries in May and June. During July and August, successive heat waves affected biomass production in central and southern Europe. However, only a few Member States have been significantly affected: France, southern Germany, the Czech Republic, Slovakia and Poland. In addition, abundant rainfall in late August and September has helped pastures to recover.

#### ... despite the low milk price levels

The rise in production occurred despite the reduction in milk prices, because once the herd has been built, even with lower milk prices, farmers tend to produce more to keep a stable output and cover fixed costs, all the more when cows are grass-fed and when feed prices are affordable. It is only when the milk price reduction is lasting that farmers might take the decision to reduce milk production, by e.g. adapting the diet by purchasing less compound feed and slaughtering older cows (as already observed). It remains to be seen though if farmers will significantly reduce feed purchases.

In addition, several measures have been taken to help farmers through this difficult period and keep them in production: farmers were offered the possibility to pay the surplus levy over a three year period, a targeted aid was granted to dairy farmers in the Baltic countries and in Finland end of 2014, the solidarity package for farmers announced early September. The other part of this package (prolongation of market intervention, private storage aid for cheese and the enhanced scheme for SMP) aims at supporting prices of dairy products. This should support in turn the milk prices paid to dairy farmers but with a time-lag.

For 2016, a further increase in milk production is expected because the dairy herd might once more be slightly up in the EU-15 by December 2015 (+0.4%) and also because the reduction in milk deliveries which was observed in the first quarter of 2015, to stay within quotas, will not take place in 2016.

<sup>2</sup> AT, BE, DK, ES, FR, IE, IT, NL, SE, UK for the EU-15, PL and RO for the EU-N13.

### Opposite trends in Member States after the end of quota

The slight increase in EU milk deliveries in 2015 (at around 1%) hides significant differences in the development of milk production in the EU Member States.

Milk delivered to dairies is expected to increase by more than a 100 000 tonnes in 2015 in the Netherlands, Ireland, Poland, the United Kingdom, Spain and Denmark. In the Netherlands, the huge increase projected this year (close to 600 000 tonnes) was driven by the good prices experienced in 2013 and 2014, however farmers have also accelerated production in view of maximising their phosphates ceilings which were still to be fixed. A lower growth can therefore be expected next year. In Ireland (close to +500 000 tonnes), farmers face lower production costs because of the large use of grass, a slowdown in the growth might take place once the cows are in-door, but Ireland should become the main contributor to production growth next year. In Denmark (+100 000 tonnes), milk deliveries started to grow significantly compared to last year only during summer but this increase is expected to last leading to potentially 200 000 tonnes of additional milk delivered in 2016. Following the abolition of quota, farmers in these Member States have answered very positively to the invitation of their processing industry to produce as much as they like.

In the United Kingdom (+150 000 tonnes), the ample herd took advantage of the good grass availability, however a slowdown in milk deliveries growth can already be observed and should continue until the end of the year (as in Belgium). In Poland, productivity growth is the main factor for higher deliveries (close to +200 000 tonnes). Other eastern countries have significantly contributed to the higher 2015 deliveries: the Czech Republic, Hungary and Slovakia. In these Member States, where production never reached quota, the main driver for growth has been the high milk prices in 2013-2014. The slowdown in production is currently particularly pronounced in these countries as well as in Portugal.

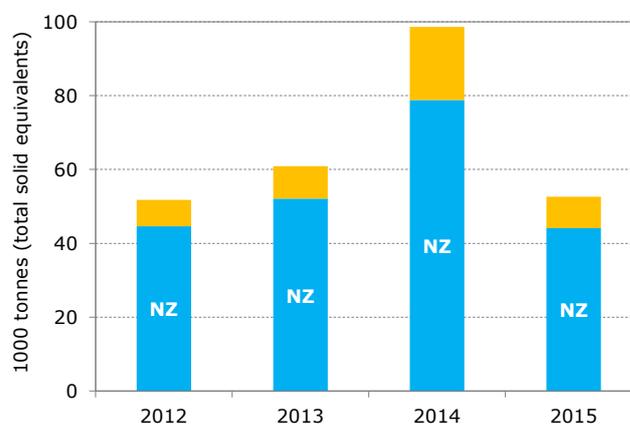
On the other hand in France and Germany, 2015 milk collection is expected below 2014 by around 150 000 tonnes each. This compares to exceptional increases the year before (1.3 and 1.1 million tonnes respectively). In addition, there are significant regional differences in both countries. In France, the production decline is particularly pronounced in the southern part. Two major French cooperatives have also implemented an A/B/C price system limiting the incentive for farmers to produce more than their quota reference. In addition, private companies (which collect half of the milk in France) have also limited the possibility for farmers to deliver more in view of the decline in dairy products price. It might be difficult for France to continue refraining most productive farmers to produce and higher deliveries are expected in 2016. In Germany, the production decline is concentrated in the old 'Lander' and directly linked to the reduction in milk collection at the beginning of the year to limit surplus-levy bill. After the end of quota, milk collection increased slowly compared to the already high 2014 level of production. Therefore, growth in milk deliveries can be expected next year as the production in January–March 2015 was relatively low.

### Higher supply worldwide

Commodity price developments in the EU are very much linked to changes in supply and demand on the world market. Worldwide, further growth in supply is anticipated in the EU and in the US where milk production is expected to increase by more than 1% also in 2015. However, in these two regions milk collection declines at this period of the year. By contrast, in Oceania the seasonal increase is starting (strongest supply takes place between September and January). For the new milk season (July 2015/June 2016), Australia is expected to go on increasing its production. In New Zealand, milk prices are very low, cow slaughterings are up, a lower milk collection is therefore expected but until August deliveries were still strongly above last year and the possible impact of El Nino on milk production level remains uncertain.

On the demand side, Russian consumption and imports remain below last year because Russia could not compensate for the reduction in cheese imports from 'banned' countries neither by importing more from other countries nor by producing more domestically. Recently, processing plants in New Zealand have been allowed to export again to Russia, but no major cheese flow is expected. It seems that the production of cheaper analogue 'cheese' (based on dairy proteins and vegetable fat) is developing instead.

**Graph 6 Average monthly Chinese imports, January–August**



Source: DG Agriculture and Rural Development own elaboration based on World trade atlas

In China, imports of WMP and SMP are back to normal levels, though remaining substantially below 2014 high levels, down by 55% and 28% respectively in the first 8 months of the year. However, imports of whey, liquid milk and cheese are higher than last year. In total milk solid equivalent, Chinese imports were 32% below 2014 between January and August, but 4% below only in August. It is to be kept in mind that the level of imports in 2014 was extremely high and disconnected from actual demand. The 2015 average monthly imports are so far slightly above 2012 and

below 2013 accounting for the January-August period (see Graph 6). In parallel, Chinese domestic production increased as well as domestic consumption.

There are concerns regarding the ability of oil producing countries to continue buying increasing quantities of powders. Furthermore strong competition from New Zealand is taking place. Purchases by Algeria are already significantly below last year but in this country year-on-year comparisons can be misleading given public purchases are managed via tenders taking place at different moments of the year.

By contrast, in the US, despite the increase in domestic production, additional imports are required to satisfy the growing domestic demand for butter and cheese and exports are declining. Import demand is also growing in South East Asia, Mexico and Japan.

There are contradicting signals indicating that many purchasers, especially for powders, might have already replenished their stocks and therefore their import demand could slow down, including in South East Asia. But at the same time, purchases can be stimulated by seeing that SMP prices have now reached a price floor.

#### **Commodity prices stopped declining but further milk price cuts to be expected in the short-term**

In the EU, SMP prices are indeed at intervention price level since end of July and the US and New Zealand prices converged to that price level in September. A small recovery in the EU price could be observed in the last weeks but at 175 EUR/100 kg end of September, the EU SMP price remains 20% below last year. The price decrease has also come to a halt for WMP, at 223 EUR/100 kg end September, i.e. 10% below last year. The fall in the SMP price led to a strong decline in whey prices which lay 30% below last year at 65 EUR/100 kg.

All cheese prices remain stable at depressed levels around 20% below last year, though the decline is lower for Emmental (-11%). The EU Cheddar price is, not surprisingly, above the New Zealand price but it remains much more competitive than the US price, partly because of an exchange rate advantage and partly because of the strong US domestic demand driving domestic prices up.

The butter market is much better oriented than the proteins market, supported by strong domestic demand but also by robust export demand and flying prices in the US. At 288 EUR/100 kg end of September, butter prices are only 6% below last year and remain 30% above the intervention price.

As concluded during the last meeting of the European Milk Market Observatory, with the increase in Global Dairy Trade indices in the last month, the well

oriented butter market and the fact that SMP prices cannot further decline, market sentiment slightly improved. While EU prices may stabilise at these levels, commodity prices are not expected to increase before next year.

However, farmers should expect further milk price decreases. There is always a delay of two to three months in price transmission from commodity to raw milk prices. Moreover, several dairy processors have already announced further price cuts. In July 2015, the average EU milk price at 29.70 EUR/100 kg was 20% below last year. There is a notable gap in milk price levels between the different Member States, with prices still above 30 EUR/100 kg in July in Italy, France, Denmark, the Netherlands, Finland, Sweden and the United Kingdom, while the milk price was below 25 EUR/100 kg in the Baltic countries, Hungary and Romania, reflecting differences in costs, product value and supply chain structures. In addition, the average at Member State level hides large differences in milk prices paid to farmers, e.g. in countries where A/B price systems apply (in the United Kingdom and France) and when milk valorisation differs strongly between companies or regions like in Spain. At 47.3 EUR/100 kg in Germany in July, the organic milk price remains also very high compared to conventional milk.

#### **More milk channelled into SMP/butter but also cheese**

With the current butter price level, the possibility to store SMP and good market opportunities for both products, the best alternative remains for EU processors to channel large quantities of milk into SMP and butter. Therefore, in 2015 EU butter and SMP production are expected to increase respectively by around 5% and 8% compared to last year.

This additional butter production should be easily absorbed by the domestic consumption where butter is gaining market share over margarine, while imports for the EU domestic market are expected to remain very limited, at 3 000 tonnes. Imports of butter from New Zealand via the TRQ are close to zero because the price gap is not sufficient to cover the reduced tariff (70 EUR/100 kg). Most of the volumes of butter and butteroil imported this year are used for processing products re-exported on the world market and therefore not accounted for in the balance. Exports of butter (inc. butteroil) could reach around 150 000 tonnes in 2015, 13% above last year, driven by good demand in Saudi Arabia, US, Egypt and Singapore. The 150 000 tonnes of butter that have entered into storage under the PSA scheme would have a limited impact on the aggregate end-of-year stocks; up by 10 000 in 2015.

Nearly half of the EU SMP production is exported, half is used domestically (e.g. to process fresh dairy products, chocolate, biscuits, fat filled milk powders...) or stored. So far EU SMP exports have continued to

increase (+9% in the first seven months of the year compared to 2014) despite lower shipments to Algeria, China and Indonesia. The low price and a competitive euro have allowed other countries from the Middle East and South East Asia to purchase higher quantities. Because of the lower revenues in oil producing countries and the significant buying that took place already, SMP exports could slightly slowdown in the remaining months of the year, leading for the whole year to 678 000 tonnes of EU exports (+5%).

Domestic use is foreseen to expand by above 2% in 2015. Nevertheless, an increase in public and private SMP stocks is unavoidable in the wake of the additional production expected. By end of September 2015, 70 000 tonnes have been offered into PSA scheme and public intervention and additional quantities are expected to be stored. The volumes offered to storage in the remaining months of the year will depend on export performance. At the end of calendar year 2015, intervention stocks are expected to reach 55 000 tonnes while private stocks (aided or not) could increase by 25 000 tonnes compared to December 2014. The enhanced Private Storage Aided (PSA) scheme, available from October 15<sup>th</sup>, might lead to additional quantities stored with aid and lower intervention buying-in.

Cheese domestic use is increasing, especially for industrial use (sandwiches, pizzas, burgers ...), while retail sales developments vary according to Member States. In the first seven months of the year, cheese exports were still 11% below last year because of the loss of the Russian market; nevertheless EU exports to the other destinations went on increasing and by the end of the year total cheese exports could reach 687 000 tonnes, i.e. a level only 4.5% below last year. Cheese is also storable, at least certain types of cheeses, and a new PSA scheme will also apply to cheese from mid-October 2015. All these factors could attract additional cheese production, expected in 2015 1% above last year while private industrial stocks (aided and not) at the end of the year could be 30 000 tonnes higher than end 2014.

With current price levels of fat and proteins, the strong competition from New Zealand and the lower Chinese demand, whole milk powder is not the best alternative for processors. Therefore, production is expected to decrease in 2015 by 4.5%, exports by 4% and domestic use by close to 5%.

Fresh dairy products are strongly affected by the declining trend in EU consumption of fresh milk and yogurts. The dynamic consumption of cream and the sustained exports of fresh milk are not enough to compensate for this loss. The production of fresh dairy products is expected to further decline in 2015 by 0.5%. A stabilisation in 2016 could take place thanks to new innovations in this segment.

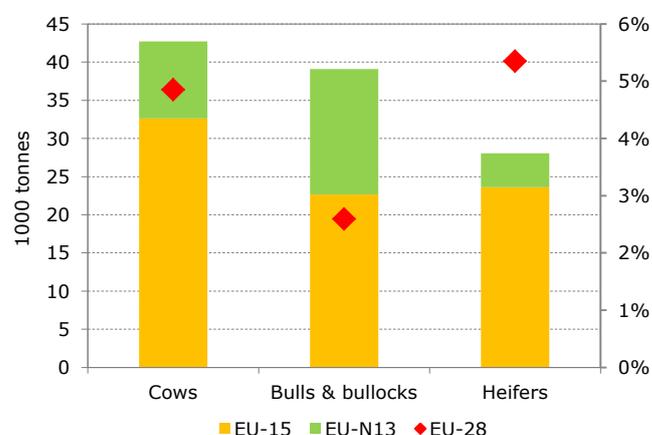
## 4. MEAT

### Cow herd development follows different paths in EU Member States

In 2014, the suckler cow herd decreased by 350 000 heads, including a shift in the beef herd from the EU-15 to the EU-N13, while dairy cows saw their numbers increasing by 240 000 heads according to the updated livestock survey of December 2014. The shift of suckler to milk cows is more pronounced in Ireland, the United Kingdom, the Netherlands, Austria and Italy. On the other hand, France and Spain increased both their dairy and suckler cow herds.

EU beef production in the first half of 2015 increased by 3.4% year-on-year, especially in the EU-N13 (+9.4%). The increase in female slaughterings is directly linked to the low milk prices and the ongoing restructuring of milk production systems. The most pronounced increase in beef meat production was recorded in Hungary, Bulgaria, the Czech Republic, Estonia, Lithuania and Romania. The effect comes mainly from an increase in the number of heads slaughtered but also from higher carcass weights. Although the increase of slaughterings in percentage points is smaller in the EU-15 (+2.8%), the absolute volume changes are still larger than for the EU-N13 (see Graph 7) and can be attributed to Italy, Spain, Austria, Belgium, but also Portugal. On the other hand, the figure for the EU-15 hides declines of slaughterings of cows and heifers in Ireland and the Netherlands, followed along this road by the United Kingdom, resulting in an increase of the dairy herd. The growing relative importance of EU-N13 in slaughterings of bulls and bullocks is mainly coming from a reduction in the slaughterings of this category in Ireland and the United Kingdom, confirming the indications of a shift from beef to dairy in certain EU-15 countries and the increasing importance of beef production in the EU-N13.

**Graph 7 Changes in beef volumes slaughtered by category (first half of 2015 compared to 2014)**



Source: DG Agriculture and Rural Development

Overall, total EU beef production could increase by close to 2% in 2015, as EU production capacity has risen and the impact of the herd changes is lagged in time due to the longer production cycle. Therefore, a potential increase of 0.6% in beef production is also foreseen in 2016. Moreover, the low level of the milk price in the EU may lead to the culling of cows and heifers and add additional beef on the market.

### Will exports to Turkey relieve some pressure from the EU beef market?

The first half of 2015 showed an increase of 39% in live exports year-on-year. The re-opening of the Turkish market since last year confirms clearly the large opportunities. Lebanon remains the main destination of live bovine animals but the level of exports to Turkey is gradually increasing and reached the same quantity as Lebanon in the second quarter of 2015. The exact potential of live exports to Turkey remains difficult to predict, but the high beef prices in Turkey and the opening of a tariff rate quota (TRQ) for beef meat, give a positive market signal on the short term at least. Therefore, live exports are expected to further expand in 2015 to a level equivalent to 174 000 tonnes and there is room for further increases also in 2016 as in the past (e.g. 2011-2012) monthly exports were above current levels. However, the recent outbreak of bluetongue in France may have a negative impact on these projections.

The first half of 2015 showed a small decline in beef meat exports by 3% compared to 2014. This is mainly due to the high level of exports during that period last year. EU beef exports to Russia represented around 28 000 tonnes in the first six months of 2014. The loss of this outlet was not fully compensated in the first half of 2015 despite increased exports to other destinations like Norway, the Balkan countries and the Philippines. Turkey accorded very recently a new TRQ of 30 000 tonnes of bovine meat to the EU (till end of 2015), together with some tariff reductions. Although no tenders are yet published, this opportunity could be a very welcome outlet for the EU beef market, acknowledging at the same time there is no guarantee that it will be extended to 2016. Even though the US recently opened its market to imports of Irish and Lithuanian beef, the volumes will probably be minor. Despite the Russian import ban still in place throughout 2015, EU exports in 2015 are nevertheless expected to reach 219 000 tonnes, a 6% increase compared to 2014.

EU beef imports should stay rather stable in 2015 as other markets outside the EU remain attractive destinations. During the first half of 2015, total EU beef imports were 1% higher compared to 2014. A minor shift of suppliers from Brazil and New Zealand to Argentina and the US can be mentioned. Although the export potential of Australia to the world market was expected to be reduced in 2015 due to a decapitalisation of its cow herd, this is not (yet)

confirmed by trade statistics. Exports to the EU stayed stable during the first two quarters of 2015. The recent free trade agreement (FTA) concluded between Australia and China may divert trade away from the EU market but probably only on the medium term.

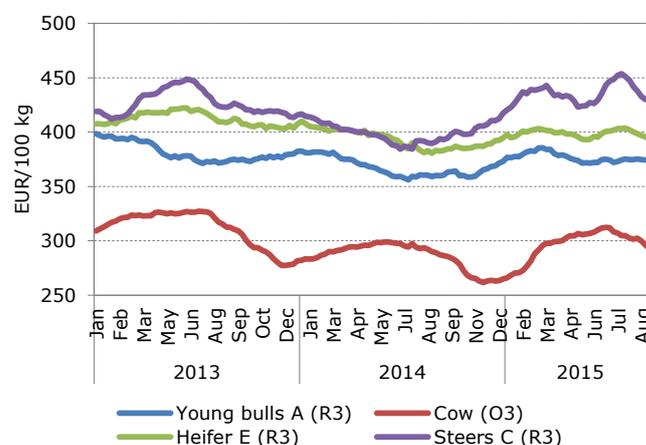
At the same time, the US beef herd entered a stage of recapitalisation, possibly inducing a shortage in the short term but an increased production potential in the longer run, having first effects probably in the second half of 2016.

Brazil is suffering from a declining internal demand due to the economic recession and a shift of consumer preference to cheaper meats. Together with a depreciation of the real, this situation gives a potential for extra Brazilian beef exports to the world market, including the EU. On the other hand, the continuing high world prices may give the incentive to start retaining animals and recapitalise the reproductive herd in the longer run, not only in Brazil.

Despite the increase in production, EU beef prices stay firm and are in general higher than last years' prices (see Graph 8). Prices of cows increased in the first half of 2015 and started to drop from the beginning of July 2015, following the seasonal pattern. The continued slaughtering of heifers start to push the EU price slightly downwards. Steer prices showed a sudden jump in June-July mainly due to a temporary unbalance between supply and demand in the United Kingdom and Irish markets. Prices of young bulls on the other hand staid rather stable over the last months. World prices are to remain high because of tight supply and high demand in the US and Asia, attracting beef supplies from the main world exporters.

A recovery in EU consumption is expected to take place, reaching 10.7 kg/capita (in retail weight) in 2015 and stay at that level in 2016, in line with the higher availability of beef on the EU market and current price developments.

**Graph 8 EU price by slaughter category**



Source: DG Agriculture and Rural Development, based on MS data

## Pork sector: first signs of a decline in the EU reproductive herd

Despite the decreasing pig meat prices, the lag in the adjustment of pig production meant that EU slaughterings continued to go up in the second quarter of 2015 compared to 2014 although at a slower pace, reaching +3.9% for the whole first half of the year.

Almost all Member States increased production. The most remarkable growth was recorded in Spain (+9.1% or 265 000 tonnes in first half of 2015) based on a strong increase of breeding sows (+5% or 105 000 heads). Higher production was recorded also in the other major pig meat producers: Denmark, Germany, the Netherlands, Poland, Belgium, France and the United Kingdom.

As a consequence of the below average pig meat prices, the first signs of a decline in the reproductive herd can be seen. The recently published June 2015 livestock survey shows that the number of covered sows and gilts not yet covered slightly decreased in the main producing Member States (-0.7% and -1.7%) compared to June 2014. Although this change is relatively small, it is similar to the increase of breeding sows seen in the December survey 2014. Nevertheless, the number of piglets recorded is still on the rise (+1.1%), explaining the current depressed piglet price. These findings might limit the overall 2015 annual increase in meat production to around 2.7% year-on-year and in 2016 to 0.5%.

Increased production, lower EU meat prices, a depreciated euro and a strong demand from Asia explain the surge in pig meat exports in the first six months of 2015 (+15%). The main increases were noted in shipments destined to China, the Philippines, Georgia, Balkan countries and South Korea. Smaller volumes exported to Japan are explained by its good inventories and the fact that the US has started recovering from the 2014 PEDv episode and is regaining its market share. EU exports to Hong Kong are further eroding in favour of direct exports to China, mounting to 172 000 tonnes or +52% in the first six months of 2015. According to a recent publication of Rabobank, China might need to import an extra 600 000 tonnes in 2015 because of its shrinking pig numbers. Back yard farming seems to be pushed out while larger scale farms remain in business. This could be an opportunity for EU exports to China. Nevertheless, in the past in similar situation domestic prices went up limiting consumption and the growth in imports. In addition, a close eye should be kept on the euro/yuan exchange rate and the consequences of the financial crisis on Chinese consumer demand and its meat sector.

Driven by strong global demand, increased competitiveness on the world market (price and exchange rate) and an expected lower supply in Brazil, EU exports are projected to grow by 144 000

tonnes (or 7.5%) in 2015 to slightly over 2 million tonnes. In 2016, EU exports could continue to expand but at a slower pace due to increased competition and availabilities in US and Brazil. As Russia is continuously encouraging its domestic pork production and because of the economic situation, the EU exports towards this destination are not expected to resume significantly even if the sanitary and economic import ban were to be lifted.

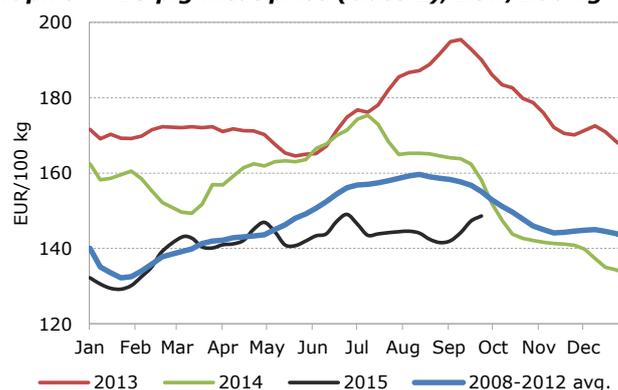
## Firming EU pig meat prices, but still below average

In total 64 000 tonnes, mainly boned legs and bellies, were offered to the private storage scheme opened in March 2015. Denmark, Spain and Poland represented 56% of the concluded contracts. A new private storage aid scheme could be expected by the end of this year if the market further declines, while Member States can opt to use the solidarity package for farmers also for the pork sector.

The seasonal price increase during summer was flattened out in 2015 while we can notice a small recovery in the last weeks, with prices reaching 152 EUR/100 kg c.w. by the beginning of September, still 15-20 EUR/100 kg below the 2010-2014 average but 15 EUR above the price at the beginning of 2015.

Prospects of increased production and a limited export growth relative to total production could encourage a further growth in consumption to reach 32.7 kg per capita in 2015 compared to 2014 and a stabilisation next year. This level of consumption is still lower than before 2008.

**Graph 9 EU pig meat price (class E), EUR/100 kg**



Source: DG Agriculture and Rural Development, based on MS data

## Expansion to continue in EU poultry meat production

As in the pig sector, continued affordable feed prices for 2015-2016 thanks to an expected good crop harvest worldwide support a further production growth in poultry meat. In the first half of 2015, production increased by 3.6% compared to the same period of 2014, mainly in the EU-N13 (+10.3%). By

contrast, Germany is slightly decreasing its slaughtering over the same period (-0.4%).

Throughout 2015, the increase in poultry meat production could reach around 2.6% more compared to 2014 (13.6 million tonnes) and the growth could continue into 2016 as well, but at a lesser pace.

EU poultry meat exports in the first six months of 2015 expanded (+2%). The Philippines, Benin, Saudi Arabia and Ghana represent the destinations that contributed the most to compensate the loss of the Russian market. Exports to Ukraine are further increasing, reaching 27 500 tonnes in the first half of the year. As with pig meat, a shift between decreasing exports to Hong Kong and expanding exports to China is visible. Throughout 2015, exports might grow by 3.5% to reach 1.4 million tonnes driven by the strong demand from some Asian and African countries. Despite the anti-dumping measures taken by South Africa against several EU companies and its support to domestic industry, the EU continues to ship important volumes to this destination (85 000 tonnes in first half of 2015). The overall 2016 EU export growth is expected to be limited to 25 000 tonnes when compared to 2015 as more competition is expected from the US and Brazil on the world market (China, Saudi Arabia, etc. ...).

EU poultry meat imports in the first half of 2015 increased slightly by 2%; volumes coming from Brazil showed a strong decline (-25 000 tonnes) as Brazil is increasing its exports to non-EU markets and the internal economic downturn reduces domestic beef meat sales to the benefit of cheaper meats like poultry. Thailand easily filled this gap despite the internal political tensions. The poultry tariff rate quotas attributed to Ukraine within the framework of the bilateral free trade agreement with the EU explain the sudden surge of their exports to the EU (+13 500 tonnes), though still far below their poultry imports from the Union.

After a drop at the end of April, poultry meat prices have recovered and were floating the last months within the narrow band of 190-195 EUR/100 kg c.w., before showing the first signs of the seasonal decline expected in September and October. After the strong increase in 2014, EU per capita consumption is expected to increase at a slower pace to 22.5 kg and 22.7 kg c.w. in 2015 and 2016 respectively.

### **Does EU sheep meat production take a turn in 2015?**

In 2014, EU net production of sheep and goat meat decreased slightly by 0.3% (contrary to what was mentioned in the previous outlook, because of data updates on on-farm slaughtering). On the other hand, the December 2014 livestock survey reveals that the EU sheep flock increased by 0.4% compared to 2013, representing almost 320 000 extra heads,

but huge contrasts exist between Member States. Bigger increases in herd size were reported in the United Kingdom (+1 million heads) and Romania (+270 000 heads), while flocks were decreasing substantially in Spain (-650 000 heads) and Greece (-280 000 heads). The goat herd remained almost stable at EU-28 level, hiding important changes in Member States. Romania, Spain and the Netherlands recorded an increase of 95 000, 90 000 and 30 000 heads respectively. On the contrary, Greece lost 3% of its herd, representing 135 000 heads.

Not surprisingly, the overall increase of the reproductive capacity resulted in a promising 2.5%<sup>3</sup> jump in slaughtering in the first half of 2015, reversing the long-term trend of the previous years. In 2015, the combination of favourable prices and relatively good forage conditions in Member states not affected by drought should keep incentives to production. Furthermore the implementation of the voluntary coupled support for sheep and goat in many Member States should help maintaining the interest in sheep and goat farming. Altogether, sheep and goat meat production is expected to increase by 1.5% in 2015.

In the first six months of 2015, imports from New Zealand increased by 6 000 tonnes compensating the decrease of other trade partners and resulting in an overall 2% increase of imports so far. The existing TRQ of New Zealand is currently filled up to 59% (till 8/9/2015). Australia continues to destock because of persisting droughts, sending its products mainly to Asia but also to the EU. This is probably the reason why the EU exports to Hong Kong suddenly collapsed in the first half of 2015. Therefore, the expectation is that exports would decline by 25% in 2015, while imports would increase modestly by 1%.

Heavy lamb carcass prices continued to increase from January until April 2015 (575 EUR/100 kg), largely above 2012-2014 prices, followed by an almost continued drop to 470 EUR/100 kg, before reaching similar price levels to previous years by the beginning of September. Light lamb carcass prices followed more or less the seasonal trend in the beginning of 2015 at a level 80 EUR higher than the previous two years, surging to a peak around Easter before joining the seasonal trend and price level of 2012-2014. The last five years, the price of light lamb varied always within a band of 550 to 650 EUR/100 kg, which gives a positive outlook for the short-term future.

Consumption of sheep meat in the EU accounts for 2.4% of total meat consumption or only 1.8 kg per capita, and is expected to stay more or less stable in 2015-2016.

<sup>3</sup> The challenge in estimating sheep and goat meat production is linked to the important share of 'on farm slaughtering' in total production (on average accounting for 18% for sheep and 28% for goats; this share is even higher in some Member States such as Romania, Greece and Portugal). This figure is usually the most revised and it might change the total production trend from negative to positive.

## 5. STATISTICAL ANNEX

## ARABLE CROPS

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

	EU-28					% variation			
	2011	2012	2013	2014e	2015f	14/13	14 vs 5-year av.*	15/14	15 vs 5-year av.*
Common wheat	23 749	23 243	23 372	24 425	24 211	4.5	5.2	-0.9	3.2
Durum	2 504	2 598	2 420	2 306	2 411	-4.7	-12.6	4.6	-3.8
Rye	2 240	2 360	2 607	2 105	2 235	-19.3	-13.2	6.2	-2.9
Barley	11 924	12 490	12 714	12 403	12 324	-2.4	-0.6	-0.6	-0.4
Oats	2 694	2 663	2 664	2 544	2 484	-4.5	-5.7	-2.3	-7.1
Maize	9 308	9 864	9 692	9 583	9 277	-1.1	3.8	-3.2	-2.6
Triticale	2 600	2 425	2 687	2 908	2 815	8.2	8.9	-3.2	5.5
Sorghum	116	118	144	154	143	6.6	31.2	-7.3	12.6
Others	1 675	1 801	1 525	1 667	1 622	9.4	-0.1	-2.7	-0.5
<b>Cereals</b>	<b>56 809</b>	<b>57 563</b>	<b>57 823</b>	<b>58 094</b>	<b>57 523</b>	<b>0.5</b>	<b>1.2</b>	<b>-1.0</b>	<b>0.2</b>
Rapeseed	6 727	6 203	6 704	6 715	6 431	0.2	1.0	-4.2	-4.2
Sunflower	4 344	4 238	4 575	4 182	4 184	-8.6	0.3	0.1	-1.6
Soybeans	449	430	466	567	739	21.6	30.4	30.4	64.7
Linseed	92	85	73	77	77	5.4	-7.6	-0.4	-9.3
<b>Oilseeds</b>	<b>11 612</b>	<b>10 956</b>	<b>11 818</b>	<b>11 540</b>	<b>11 431</b>	<b>-2.4</b>	<b>1.9</b>	<b>-0.9</b>	<b>-0.7</b>
Field peas	690	508	445	497	624	11.7	-12.2	25.5	10.5
Broad beans	414	348	363	402	422	11.0	0.3	5.0	7.5
Lupines	93	84	53	80	87	50.1	-5.5	8.7	1.2
<b>Protein crops</b>	<b>1 197</b>	<b>940</b>	<b>861</b>	<b>979</b>	<b>1 133</b>	<b>13.8</b>	<b>-6.5</b>	<b>15.7</b>	<b>9.1</b>
Sugar beet	1 646	1 661	1 580	1 631	1 410	3.2	0.4	-13.6	-13.4
<b>Total</b>	<b>71 265</b>	<b>71 120</b>	<b>72 083</b>	<b>72 245</b>	<b>71 497</b>	<b>0.2</b>	<b>1.7</b>	<b>-1.0</b>	<b>0.0</b>

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

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

	EU-28					% variation			
	2011	2012	2013	2014e	2015f	14/13	14 vs 5-year av.*	15/14	15 vs 5-year av.*
Common wheat	5.53	5.41	5.83	6.14	6.02	5.4	9.8	-2.0	6.8
Durum	3.36	3.24	3.35	3.34	3.35	-0.2	3.0	0.2	1.3
Rye	3.06	3.70	3.95	4.22	3.73	6.7	19.0	-11.6	1.3
Barley	4.36	4.40	4.81	4.90	4.83	1.9	11.1	-1.5	6.7
Oats	2.94	2.98	3.15	3.08	3.03	-2.2	4.8	-1.6	1.1
Maize	7.59	6.06	6.89	8.16	6.33	18.5	16.7	-22.5	-12.4
Triticale	3.90	4.17	4.27	4.53	4.16	6.1	10.4	-8.2	0.7
Sorghum	5.85	4.19	5.04	5.99	5.04	18.8	14.1	-15.8	-7.3
Others	2.71	2.90	2.84	2.86	2.81	0.9	1.5	-1.7	-0.7
<b>Cereals</b>	<b>5.15</b>	<b>4.89</b>	<b>5.32</b>	<b>5.72</b>	<b>5.30</b>	<b>7.6</b>	<b>12.7</b>	<b>-7.3</b>	<b>2.7</b>
Rapeseed	2.85	3.10	3.13	3.62	3.27	15.7	18.7	-9.5	7.4
Sunflower	1.98	1.68	2.00	2.17	1.85	8.1	15.4	-14.6	-5.0
Soybeans	2.79	2.22	2.61	3.27	2.67	25.1	20.1	-18.3	-3.1
Linseed	1.71	1.57	1.85	1.85	1.64	0.1	10.9	-11.1	-3.8
<b>Oilseeds</b>	<b>2.52</b>	<b>2.51</b>	<b>2.66</b>	<b>3.06</b>	<b>2.70</b>	<b>15.0</b>	<b>18.9</b>	<b>-11.8</b>	<b>4.9</b>
Field peas	2.28	2.31	2.76	2.63	2.58	-4.4	2.8	-2.0	0.6
Broad beans	2.82	2.93	2.84	3.19	2.84	12.5	11.6	-11.0	-0.6
Lupines	1.40	1.53	2.34	1.60	1.61	-31.8	7.8	0.6	3.9
<b>Protein crops</b>	<b>2.40</b>	<b>2.47</b>	<b>2.77</b>	<b>2.78</b>	<b>2.60</b>	<b>0.5</b>	<b>5.2</b>	<b>-6.3</b>	<b>-1.4</b>
Sugar beet	76.01	69.12	69.03	70.89	69.23	2.7	1.5	-2.3	-0.6

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

	EU-28					% variation			
	2011	2012	2013	2014e	2015f	14/13	14 vs 5-year av.*	15/14	15 vs 5-year av.*
Common wheat	131 228	125 793	136 151	149 905	145 690	10.1	15.5	-2.8	10.6
Durum	8 409	8 407	8 103	7 711	8 081	-4.8	-9.4	4.8	-2.7
Rye	6 860	8 740	10 296	8 873	8 324	-13.8	0.8	-6.2	-1.7
Barley	51 990	54 989	61 129	60 756	59 475	-0.6	7.7	-2.1	5.7
Oats	7 913	7 938	8 394	7 839	7 535	-6.6	-3.0	-3.9	-4.6
Maize	70 620	59 816	66 751	78 197	58 694	17.1	25.7	-24.9	-10.7
Triticale	10 144	10 105	11 465	13 166	11 703	14.8	22.1	-11.1	8.5
Sorghum	679	496	728	922	719	26.7	43.5	-22.0	5.5
Others	4 540	5 227	4 328	4 775	4 565	10.3	2.9	-4.4	0.4
<b>Cereals</b>	<b>292 384</b>	<b>281 513</b>	<b>307 343</b>	<b>332 143</b>	<b>304 786</b>	<b>8.1</b>	<b>14.3</b>	<b>-8.2</b>	<b>3.8</b>
Rapeseed	19 199	19 239	20 973	24 303	21 062	15.9	19.9	-13.3	3.9
Sunflower	8 608	7 132	9 166	9 056	7 742	-1.2	19.3	-14.5	-6.3
Soybeans	1 254	958	1 218	1 852	1 973	52.0	63.8	6.5	60.4
Linseed	156	134	135	143	126	5.5	0.5	-11.5	-12.8
<b>Oilseeds</b>	<b>29 218</b>	<b>27 462</b>	<b>31 492</b>	<b>35 354</b>	<b>30 903</b>	<b>12.3</b>	<b>20.8</b>	<b>-12.6</b>	<b>3.3</b>
Field peas	1 574	1 172	1 227	1 309	1 611	6.7	-4.5	23.0	17.6
Broad beans	1 167	1 019	1 029	1 284	1 200	24.8	7.2	-6.5	3.5
Lupines	131	129	125	128	140	2.4	-0.3	9.3	8.1
<b>Protein crops</b>	<b>2 872</b>	<b>2 319</b>	<b>2 381</b>	<b>2 722</b>	<b>2 951</b>	<b>14.3</b>	<b>1.1</b>	<b>8.4</b>	<b>11.0</b>
Sugar beet	125 135	114 830	109 096	115 647	97 605	6.0	2.2	-15.6	-13.8

**Table 5.4 EU overall cereal balance sheet (million t)**

	EU-27		EU-28			% variation vs. 14/15
	2011/12	2012/13	2013/14	2014/15e	2015/16f	
Beginning stocks	36.6	38.2	28.6	34.7	46.1	33.0
Gross production	289.6	278.8	307.3	332.1	304.8	-8.2
Usable production	286.9	276.2	304.5	329.2	301.9	-8.3
Imports	14.4	16.9	19.2	15.6	16.6	6.4
<b>Availabilities</b>	<b>337.8</b>	<b>331.2</b>	<b>352.4</b>	<b>379.4</b>	<b>364.6</b>	<b>-3.9</b>
Total domestic uses	272.2	268.8	272.0	279.5	280.8	0.5
- Human	65.4	65.5	65.7	65.7	65.8	0.0
- Seed	9.7	9.7	9.7	9.6	9.6	0.0
- Industrial	30.1	30.4	31.8	32.1	32.3	0.6
<i>o.w. bioethanol</i>	9.1	9.5	10.7	11.0	11.2	1.8
- Animal feed	167.0	163.2	164.9	172.0	173.1	0.6
Losses (excl on-farm)	2.2	2.2	2.2	2.2	2.2	0.0
Exports	25.2	31.6	43.5	51.7	41.5	-19.7
<b>Total uses</b>	<b>299.7</b>	<b>302.6</b>	<b>317.7</b>	<b>333.3</b>	<b>324.5</b>	<b>-2.7</b>
<b>End stocks</b>	38.2	28.6	34.7	46.1	40.1	-12.9
- Market	38.1	28.6	34.7	46.1	40.1	-12.9
- Intervention	0.1	0.0	0.0	0.0	0.0	-
<b>Self-sufficiency rate %</b>	105	103	112	118	108	-8.7

**Table 5.5 EU-28 cereal balance sheet 2015/2016 (forecast) (million t)**

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-28
Beginning stocks (01.07.2014)	11.0	6.6	0.8	22.6	1.1	0.3	1.4	1.1	1.2	<b>46.1</b>
Gross production	145.7	59.5	8.1	58.7	8.3	0.7	7.5	11.7	4.6	<b>304.8</b>
Usable production	144.6	59.0	8.0	58.4	8.1	0.6	7.4	11.5	4.3	<b>301.9</b>
Import <sup>1</sup>	3.0	0.3	1.8	11.0	0.1	0.2	0.0	0.0	0.1	<b>16.6</b>
<b>Total availabilities</b>	<b>158.6</b>	<b>65.8</b>	<b>10.6</b>	<b>92.1</b>	<b>9.3</b>	<b>1.2</b>	<b>8.9</b>	<b>12.6</b>	<b>5.6</b>	<b>364.6</b>
Total domestic use	115.3	47.5	8.7	77.8	8.4	0.9	6.5	12.1	3.6	<b>280.8</b>
- Human	48.0	0.4	8.1	5.0	3.0	0.2	1.2	0.1	0.0	<b>65.8</b>
- Seed	4.7	2.3	0.4	0.5	0.5	0.0	0.5	0.5	0.3	<b>9.6</b>
- Industrial	10.6	9.3	0.1	10.0	1.5	0.0	0.1	0.6	0.1	<b>32.3</b>
<i>o.w. bioethanol</i>	4.5	0.7		4.7	0.8			0.5		<b>11.2</b>
- Animal feed	52.0	35.6	0.1	62.3	3.4	0.7	4.8	11.0	3.2	<b>173.1</b>
Losses (excl on-farm)	0.9	0.4	0.0	0.6	0.1	0.0	0.1	0.1	0.0	<b>2.2</b>
Export <sup>1</sup>	27.9	9.0	1.2	3.0	0.2	0.0	0.2	0.0	0.0	<b>41.5</b>
<b>Total use</b>	<b>144.1</b>	<b>56.9</b>	<b>10.0</b>	<b>81.3</b>	<b>8.6</b>	<b>0.9</b>	<b>6.8</b>	<b>12.2</b>	<b>3.7</b>	<b>324.5</b>
<b>End stocks (30.06.2015)</b>	14.5	8.9	0.6	10.7	0.7	0.3	2.1	0.4	1.9	<b>40.1</b>
- Market	14.5	8.9	0.6	10.7	0.7	0.3	2.1	0.4	1.9	<b>40.1</b>
- Intervention	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
Change in stocks	3.5	2.3	-0.2	-11.9	-0.4	-0.1	0.6	-0.7	0.8	<b>-6.0</b>
Change in public stocks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>Self-sufficiency rate %</b>	<b>125</b>	<b>124</b>	<b>92</b>	<b>75</b>	<b>97</b>	<b>70</b>	<b>114</b>	<b>95</b>	<b>118</b>	<b>108</b>

<sup>1</sup> Grains equivalent (grain, groats and flour).

Note: estimated export quantities for all wheat = 29.1 million t, for coarse grains = 12.4 million t.

**Table 5.6 EU-28 cereal balance sheet 2014/2015 (estimate) (million t)**

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-28
Beginning stocks (01.07.2013)	9.1	7.2	0.3	15.3	1.1	0.2	0.6	0.6	0.3	<b>34.7</b>
Gross production	149.9	60.8	7.7	78.2	8.9	0.9	7.8	13.2	4.8	<b>332.1</b>
Usable production	148.7	60.2	7.6	77.9	8.7	0.8	7.7	13.0	4.5	<b>329.2</b>
Import <sup>1</sup>	2.9	0.1	2.8	9.4	0.1	0.1	0.0	0.0	0.1	<b>15.6</b>
<b>Total availabilities</b>	<b>160.7</b>	<b>67.5</b>	<b>10.7</b>	<b>102.6</b>	<b>9.9</b>	<b>1.1</b>	<b>8.3</b>	<b>13.6</b>	<b>5.0</b>	<b>379.4</b>
Total domestic use	115.5	47.8	8.7	75.4	8.5	0.8	6.6	12.4	3.7	<b>279.5</b>
- Human	48.0	0.4	8.1	5.0	3.0	0.2	1.1	0.1	0.0	<b>65.7</b>
- Seed	4.7	2.3	0.4	0.5	0.5	0.0	0.5	0.5	0.3	<b>9.6</b>
- Industrial	10.5	9.3	0.1	10.0	1.5	0.0	0.1	0.6	0.1	<b>32.1</b>
<i>o.w. bioethanol</i>	4.4	0.7		4.7	0.8			0.5		<b>11.0</b>
- Animal feed	52.4	35.9	0.1	60.0	3.5	0.6	4.9	11.3	3.3	<b>172.0</b>
Losses (excl on-farm)	0.9	0.4	0.0	0.6	0.1	0.0	0.1	0.1	0.0	<b>2.2</b>
Export <sup>1</sup>	33.3	12.7	1.2	4.0	0.2	0.0	0.2	0.0	0.0	<b>51.7</b>
<b>Total use</b>	<b>149.8</b>	<b>60.9</b>	<b>9.9</b>	<b>80.0</b>	<b>8.8</b>	<b>0.8</b>	<b>6.9</b>	<b>12.5</b>	<b>3.8</b>	<b>333.3</b>
<b>End stocks (30.06.2014)</b>	11.0	6.6	0.8	22.6	1.1	0.3	1.4	1.1	1.2	<b>46.1</b>
- Market	11.0	6.6	0.8	22.6	1.1	0.3	1.4	1.1	1.2	<b>46.1</b>
- Intervention	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
Change in stocks	1.9	-0.6	0.5	7.3	0.0	0.2	0.9	0.4	0.9	<b>11.4</b>
Change in public stocks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>Self-sufficiency rate %</b>	<b>129</b>	<b>126</b>	<b>88</b>	<b>103</b>	<b>102</b>	<b>106</b>	<b>117</b>	<b>104</b>	<b>121</b>	<b>118</b>

<sup>1</sup> Grains equivalent (grain, groats and flour).

Note: estimated export quantities for all wheat = 34.6 million t, for coarse grains = 17.1 million t.

**Table 5.7 EU-28 cereal balance sheet 2013/2014 (million t)**

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-27
Beginning stocks (01.07.2012)	9.3	4.2	0.1	13.1	0.5	0.0	0.6	0.6	0.3	<b>28.6</b>
Gross production	136.2	61.1	8.1	66.8	10.3	0.7	8.4	11.5	4.3	<b>307.3</b>
Usable production	135.1	60.6	8.0	66.5	10.1	0.6	8.3	11.3	4.1	<b>304.5</b>
Import <sup>1</sup>	1.8	0.0	1.9	15.0	0.1	0.2	0.0	0.0	0.1	<b>19.2</b>
<b>Total availabilities</b>	<b>146.2</b>	<b>64.9</b>	<b>10.0</b>	<b>94.6</b>	<b>10.7</b>	<b>0.8</b>	<b>8.9</b>	<b>11.8</b>	<b>4.5</b>	<b>352.3</b>
Total domestic use	106.2	48.5	8.5	75.6	9.3	0.7	7.9	11.1	4.1	<b>272.0</b>
- Human	48.0	0.4	7.9	4.9	3.0	0.2	1.1	0.1	0.0	<b>65.7</b>
- Seed	4.7	2.3	0.4	0.5	0.5	0.0	0.5	0.5	0.3	<b>9.7</b>
- Industrial	10.5	9.3	0.1	9.6	1.5	0.0	0.1	0.6	0.1	<b>31.8</b>
<i>o.w. bioethanol</i>	4.4	0.7		4.3	0.8			0.5		<b>10.7</b>
- Animal feed	42.9	36.6	0.1	60.6	4.3	0.5	6.2	10.0	3.7	<b>164.9</b>
Losses (excl on-farm)	0.9	0.4	0.1	0.6	0.1	0.0	0.1	0.1	0.0	<b>2.2</b>
Export <sup>1</sup>	30.0	8.8	1.1	3.1	0.2	0.0	0.3	0.0	0.0	<b>43.5</b>
<b>Total use</b>	<b>137.1</b>	<b>57.7</b>	<b>9.7</b>	<b>79.3</b>	<b>9.6</b>	<b>0.7</b>	<b>8.3</b>	<b>11.2</b>	<b>4.2</b>	<b>317.7</b>
<b>End stocks (30.06.2013)</b>	9.1	7.2	0.3	15.3	1.1	0.2	0.6	0.6	0.3	<b>34.7</b>
- Market	9.1	7.2	0.3	15.3	1.1	0.2	0.6	0.6	0.3	<b>34.7</b>
- Intervention	0.0	0.0		0.0						<b>0.0</b>
Change in stocks	-0.2	3.0	0.2	2.2	0.6	0.1	0.0	0.0	0.0	<b>6.0</b>
Change in public stocks	0.0	0.0		0.0						<b>0.0</b>
<b>Self-sufficiency rate %</b>	<b>127</b>	<b>125</b>	<b>94</b>	<b>88</b>	<b>108</b>	<b>93</b>	<b>105</b>	<b>101</b>	<b>98</b>	<b>112</b>

<sup>1</sup> Grains equivalent (grain, groats and flour).

Note: estimated export quantities for all wheat = 31.1 million t, for coarse grains = 12.4 million t.

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

	EU-28					% variation			
	2011/12	2012/13	2013/14e	2014/15f	2015/16f	14/15 vs 13/14	% 5-yr.av.	15/16 vs 14/15	% 5-yr.av.
<b>Production</b>	<b>29.1</b>	<b>27.3</b>	<b>31.4</b>	<b>35.2</b>	<b>30.8</b>	<b>12.3</b>	<b>20.9</b>	<b>-12.6</b>	<b>3.4</b>
Rape	19.2	19.2	21.0	24.3	21.1	15.9	19.9	-13.3	3.9
Soybean	1.3	1.0	1.2	1.9	2.0	52.0	63.8	6.5	60.4
Sunflower	8.6	7.1	9.2	9.1	7.7	-1.2	19.3	-14.5	-6.3
<b>Total domestic use</b>	<b>43.9</b>	<b>44.0</b>	<b>46.7</b>	<b>48.4</b>	<b>47.2</b>	<b>3.6</b>	<b>9.9</b>	<b>-2.4</b>	<b>5.1</b>
Rape	22.8	23.1	23.8	25.3	24.4	6.5	9.1	-3.7	4.5
<i>of which crushing</i>	21.7	22.2	23.0	24.4	23.5	6.3	9.0	-3.7	4.5
Soybean	13.1	13.7	14.5	14.2	15.4	-2.4	2.8	8.7	9.8
<i>of which crushing</i>	11.8	12.4	13.1	12.8	13.9	-2.3	3.5	8.6	9.9
Sunflower	8.0	7.2	8.4	8.9	7.4	5.6	21.1	-16.2	-5.3
<i>of which crushing</i>	7.1	6.3	7.6	7.9	6.6	5.0	22.6	-16.5	-5.3
<b>Imports</b>	<b>16.0</b>	<b>16.0</b>	<b>17.4</b>	<b>15.4</b>	<b>16.5</b>	<b>-11.2</b>	<b>-3.8</b>	<b>7.3</b>	<b>3.3</b>
Rape	3.8	3.4	3.5	2.3	3.1	-33.7	-26.8	32.2	-3.2
Soybean	11.9	12.4	13.5	12.8	13.2	-5.0	0.8	2.8	3.4
Sunflower	0.3	0.2	0.3	0.3	0.3	-26.3	-20.5	7.8	-4.7
<b>Exports</b>	<b>0.9</b>	<b>0.6</b>	<b>1.1</b>	<b>1.3</b>	<b>1.0</b>	<b>17.6</b>	<b>45.3</b>	<b>-21.9</b>	<b>8.2</b>
Rape	0.1	0.1	0.3	0.6	0.3	102.7	226.5	-44.9	48.7
Soybean	0.1	0.1	0.1	0.1	0.1	115.4	69.9	-23.4	10.6
Sunflower	0.7	0.4	0.7	0.6	0.6	-22.8	-9.1	2.0	0.5
<b>End stocks</b>	<b>3.7</b>	<b>2.4</b>	<b>3.3</b>	<b>4.3</b>	<b>3.3</b>	<b>28.8</b>	<b>23.8</b>	<b>-22.0</b>	<b>-4.8</b>
Rape	1.5	0.9	1.3	2.0	1.4	53.8	41.2	-30.0	-1.2
Soybean	1.3	0.9	1.0	1.4	1.1	40.0	16.7	-22.6	-9.7
Sunflower	0.9	0.7	1.0	0.9	0.8	-15.0	13.3	-2.0	2.0
<b>Self-suff. rate %</b>	<b>66</b>	<b>62</b>	<b>67</b>	<b>73</b>	<b>65</b>				

Table 5.9 EU oilmeals balance sheets (million t)

	EU-28					% variation			
	2011/12	2012/13	2013/14e	2014/15f	2015/16f	14/15 vs 13/14	% 5-yr.av.	15/16 vs 14/15	% 5-yr.av.
<b>Production</b>	<b>25.6</b>	<b>25.9</b>	<b>27.6</b>	<b>28.4</b>	<b>28.1</b>	<b>2.9</b>	<b>9.8</b>	<b>-1.3</b>	<b>5.6</b>
Rape	12.4	12.7	13.1	13.9	13.4	6.3	9.0	-3.7	4.5
Soybean	9.3	9.8	10.4	10.1	11.0	-2.3	3.5	8.6	9.9
Sunflower	3.9	3.5	4.2	4.4	3.6	5.0	22.6	-16.5	-5.3
<b>Total domestic use</b>	<b>49.3</b>	<b>45.9</b>	<b>48.8</b>	<b>49.4</b>	<b>48.8</b>	<b>1.3</b>	<b>1.7</b>	<b>-1.3</b>	<b>-0.8</b>
Rape	12.3	12.8	13.2	14.0	13.5	5.8	9.2	-3.3	4.6
Soybean	29.8	26.1	28.5	28.2	28.5	-1.2	-3.8	1.1	-1.2
Sunflower	7.2	7.1	7.1	7.3	6.8	3.1	12.2	-6.9	-4.2
<b>Imports</b>	<b>24.9</b>	<b>21.1</b>	<b>22.1</b>	<b>22.0</b>	<b>21.7</b>	<b>-0.4</b>	<b>-4.5</b>	<b>-1.1</b>	<b>-4.6</b>
Rape	0.2	0.4	0.5	0.5	0.4	-1.0	52.8	-2.4	19.2
Soybean	21.3	17.0	18.5	18.3	17.9	-1.1	-8.7	-1.9	-7.4
Sunflower	3.4	3.7	3.1	3.2	3.3	3.6	11.0	3.6	3.3
<b>Exports</b>	<b>1.2</b>	<b>1.1</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>16.9</b>	<b>6.7</b>	<b>-3.0</b>	<b>-1.5</b>
Rape	0.3	0.3	0.4	0.4	0.3	14.7	54.4	-15.7	14.1
Soybean	0.8	0.7	0.3	0.3	0.4	-2.3	-44.0	41.1	-14.7
Sunflower	0.1	0.1	0.2	0.3	0.2	56.8	147.0	-34.6	28.2
<b>End stocks</b>	<b>0.6</b>	<b>0.6</b>	<b>0.7</b>	<b>0.6</b>	<b>0.6</b>	<b>-7.7</b>	<b>9.1</b>	<b>2.8</b>	<b>5.7</b>
Rape	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Soybean	0.4	0.5	0.5	0.5	0.5	-10.0	12.5	3.7	7.7
Sunflower	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
<b>Self-suff. rate %</b>	<b>52</b>	<b>56</b>	<b>57</b>	<b>57</b>	<b>58</b>				

Table 5.10 EU vegetable oils balance sheets (million t)

	EU-28					% variation			
	2011/12	2012/13	2013/14e	2014/15f	2015/16f	14/15 vs 13/14	% 5-yr.av.	15/16 vs 14/15	% 5-yr.av.
<b>Production</b>	<b>14.3</b>	<b>14.2</b>	<b>15.2</b>	<b>15.9</b>	<b>15.2</b>	<b>4.5</b>	<b>11.8</b>	<b>-4.4</b>	<b>4.4</b>
Rape	8.9	9.1	9.4	10.0	9.6	6.3	9.0	-3.7	4.5
Soybean	2.4	2.5	2.6	2.6	2.8	-2.3	3.5	8.6	9.9
Sunflower	3.0	2.6	3.2	3.3	2.8	5.0	22.6	-16.5	-5.3
Palm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total domestic use</b>	<b>20.5</b>	<b>20.1</b>	<b>21.9</b>	<b>22.0</b>	<b>21.8</b>	<b>0.6</b>	<b>6.7</b>	<b>-1.3</b>	<b>4.1</b>
Rape	9.3	8.9	9.4	9.8	9.6	3.8	4.2	-1.5	2.6
Soybean	2.3	1.7	2.1	2.0	2.1	-5.5	-15.0	8.7	1.2
Sunflower	3.7	3.5	3.7	3.8	3.5	3.1	7.4	-8.8	-4.0
Palm	5.2	6.0	6.7	6.5	6.5	-3.1	17.4	0.5	10.7
<b>Imports</b>	<b>7.4</b>	<b>7.6</b>	<b>8.4</b>	<b>8.3</b>	<b>8.1</b>	<b>-0.5</b>	<b>11.2</b>	<b>-2.7</b>	<b>4.1</b>
Rape	0.6	0.2	0.3	0.3	0.3	-12.1	-36.5	-1.9	-26.8
Soybean	0.5	0.3	0.3	0.3	0.3	-21.0	-40.3	8.5	-23.6
Sunflower	0.9	1.1	0.9	1.0	1.0	13.8	6.3	-1.6	5.5
Palm	5.4	6.1	6.9	6.8	6.6	-0.8	20.4	-3.4	8.2
<b>Exports</b>	<b>1.2</b>	<b>1.8</b>	<b>1.6</b>	<b>1.8</b>	<b>1.8</b>	<b>13.4</b>	<b>43.1</b>	<b>-3.8</b>	<b>12.9</b>
Rape	0.2	0.5	0.3	0.4	0.4	16.2	42.5	5.2	25.9
Soybean	0.6	1.0	0.8	0.9	0.9	9.0	45.5	1.7	18.2
Sunflower	0.2	0.2	0.3	0.4	0.3	24.9	117.7	-22.4	29.3
Palm	0.2	0.1	0.1	0.2	0.1	5.9	-1.9	-6.1	-11.5
<b>End stocks</b>	<b>1.2</b>	<b>1.1</b>	<b>1.2</b>	<b>1.5</b>	<b>1.2</b>	<b>29.3</b>	<b>30.4</b>	<b>-16.2</b>	<b>5.6</b>
Rape	0.4	0.4	0.4	0.6	0.5	37.5	37.5	-18.2	8.0
Soybean	0.1	0.2	0.2	0.2	0.2	-21.7	20.5	7.8	18.8
Sunflower	0.3	0.3	0.3	0.3	0.3	32.0	32.0	-16.2	10.7
Palm	0.4	0.3	0.3	0.5	0.4	50.0	35.0	-22.2	-4.5
<b>Self-suff. rate %</b>	<b>70</b>	<b>71</b>	<b>69</b>	<b>72</b>	<b>70</b>				

## SUGAR BALANCE

Table 5.11 Sugar beet production and white sugar balance in the EU (million t white sugar equivalent)

	EU-27		2013/14e	EU-28		% variation vs. 14/15
	2011/12	2012/13		2014/15f	2015/16f	
<b>Sugar beet production (million t)</b>	<b>124.0</b>	<b>113.9</b>	<b>109.1</b>	<b>115.6</b>	<b>97.6</b>	<b>-15.6</b>
<b>Beginning stocks</b>	1.2	2.4	3.2	2.6	4.0	56.4
<b>White sugar production</b>	18.7	17.4	16.7	19.4	15.3	-20.9
<b>Imports</b>	3.6	3.9	3.7	2.9	3.5	20.7
<b>Availabilities</b>	<b>23.5</b>	<b>23.6</b>	<b>23.6</b>	<b>24.8</b>	<b>22.8</b>	-8.1
<b>Total domestic uses white sugar</b>	19.1	18.9	19.5	19.4	19.2	-0.9
- Human	17.0	16.6	17.5	17.3	17.1	-1.0
- Industrial	2.1	2.3	2.0	2.2	2.1	-0.3
<i>o.w. bioethanol</i>	1.5	1.5	1.2	1.4	1.4	2.9
<b>Exports</b>	2.1	1.5	1.5	1.4	1.4	0.0
<b>Total uses</b>	<b>21.1</b>	<b>20.5</b>	<b>21.0</b>	<b>20.8</b>	<b>20.7</b>	-0.8
<b>End stocks</b>	2.4	3.2	2.6	4.0	2.2	-45.5
- Market	2.4	3.2	2.6	4.0	2.2	-45.5
- Intervention	0.0	0.0	0.0	0.0	0.0	0.0
<b>Self-sufficiency rate %</b>	98	92	86	100	80	-20.2

## MILK AND DAIRY PRODUCTS

Table 5.12 Milk supply and utilisation in the EU-28

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
<b>Dairy cows (million heads)<sup>1</sup></b>	<b>23.1</b>	<b>23.0</b>	<b>23.3</b>	<b>23.4</b>	<b>23.4</b>	<b>23.2</b>	<b>-0.1</b>	<b>1.0</b>	<b>0.4</b>	<b>0.0</b>	<b>-0.7</b>
of which EU-15	17.4	17.6	17.8	18.0	18.1	18.0	0.8	1.6	0.8	0.4	-0.5
of which EU-N13	5.6	5.5	5.4	5.4	5.3	5.2	-2.7	-0.9	-1.0	-1.5	-1.5
<b>Milk yield (kg/dairy cow)<sup>2</sup></b>	<b>6 444</b>	<b>6 472</b>	<b>6 480</b>	<b>6 727</b>	<b>6 800</b>	<b>6 915</b>	<b>0.4</b>	<b>0.1</b>	<b>3.8</b>	<b>1.1</b>	<b>1.7</b>
of which EU-15	7 119	7 059	7 035	7 277	7 330	7 438	-0.8	-0.3	3.5	0.7	1.5
of which EU-N13	4 362	4 594	4 660	4 886	4 996	5 114	5.3	1.4	4.9	2.2	2.4
<b>Milk production (million t)</b>	<b>151.9</b>	<b>152.1</b>	<b>153.8</b>	<b>160.1</b>	<b>161.9</b>	<b>163.4</b>	<b>0.2</b>	<b>1.1</b>	<b>4.1</b>	<b>1.1</b>	<b>0.9</b>
of which EU-15	124.1	124.1	125.7	131.1	132.6	133.8	0.0	1.3	4.3	1.1	1.0
of which EU-N13	27.8	28.0	28.2	29.1	29.3	29.5	1.0	0.4	3.2	1.0	0.5
Feed use (million t)	3.5	3.5	3.5	3.6	3.6	3.7	-1.6	2.3	0.6	1.4	1.4
On farm use and direct sales (mio t)	8.4	8.3	9.0	8.8	8.9	8.9	-1.3	8.8	-2.5	1.2	0.0
<b>Delivered to dairies (million t)</b>	<b>140.0</b>	<b>140.4</b>	<b>141.2</b>	<b>147.8</b>	<b>149.4</b>	<b>150.8</b>	<b>0.3</b>	<b>0.6</b>	<b>4.6</b>	<b>1.1</b>	<b>0.9</b>
of which EU-15	120.8	120.4	121.4	126.7	128.1	129.3	-0.3	0.8	4.4	1.1	0.9
of which EU-N13	19.2	20.0	19.9	21.1	21.3	21.5	4.2	-0.7	6.0	1.3	0.9
<b>Delivery ratio (%)<sup>3</sup></b>	<b>92.2</b>	<b>92.3</b>	<b>91.8</b>	<b>92.3</b>	<b>92.3</b>	<b>92.3</b>	<b>0.1</b>	<b>-0.5</b>	<b>0.5</b>	<b>0.0</b>	<b>0.0</b>
of which EU-15	97.3	97.0	96.6	96.7	96.6	96.6	-0.3	-0.4	0.1	-0.1	0.0
of which EU-N13	69.2	71.4	70.5	72.5	72.7	72.9	3.2	-1.2	2.7	0.3	0.3
Fat content of milk (%)	4.03	4.04	4.04	4.04	4.04	4.04	0.3	0.0	0.0	0.0	0.0
Protein content of milk (%)	3.37	3.37	3.37	3.37	3.37	3.37	0.1	-0.1	0.0	0.0	0.0

<sup>1</sup> Dairy cow numbers refer to the end of the year (historical figures from the December cattle survey).

<sup>2</sup> Milk yield is dairy cow production per dairy cows (dairy cows represent around 99.7% of EU total production).

<sup>3</sup> Delivery ratio is milk delivered to dairies per total production.

Table 5.13 EU-28 fresh dairy products market balance ('000 tonnes)

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
<b>Production</b>	<b>46 801</b>	<b>46 707</b>	<b>47 061</b>	<b>46 879</b>	<b>46 634</b>	<b>46 747</b>	<b>-0.2</b>	<b>0.8</b>	<b>-0.4</b>	<b>-0.5</b>	<b>0.2</b>
of which Drinking Milk	31 853	31 751	31 995	31 861	31 606	31 606	-0.3	0.8	-0.4	-0.8	0.0
of which Cream	2 419	2 508	2 585	2 663	2 743	2 825	3.7	3.0	3.0	3.0	3.0
of which Acidified Milk	8 201	8 130	8 144	7 982	7 902	7 917	-0.9	0.2	-2.0	-1.0	0.2
of which Other Fresh Products <sup>2</sup>	4 328	4 318	4 338	4 374	4 384	4 398	-0.2	0.5	0.8	0.2	0.3
of which EU-15	40 559	40 427	40 673	40 488	40 204	40 285	-0.3	0.6	-0.5	-0.7	0.2
of which EU-N13	6 241	6 280	6 389	6 391	6 430	6 462	0.6	1.7	0.0	0.6	0.5
<b>Imports (extra EU)</b>	<b>44</b>	<b>42</b>	<b>28</b>	<b>16</b>	<b>12</b>	<b>10</b>	<b>-5.2</b>	<b>-32.9</b>	<b>-44.7</b>	<b>-20.0</b>	<b>-20.0</b>
<b>Exports (extra EU)</b>	<b>399</b>	<b>532</b>	<b>577</b>	<b>727</b>	<b>836</b>	<b>961</b>	<b>33.5</b>	<b>8.3</b>	<b>26.0</b>	<b>15.0</b>	<b>15.0</b>
<b>Domestic use<sup>1</sup></b>	<b>46 446</b>	<b>46 217</b>	<b>46 513</b>	<b>46 168</b>	<b>45 811</b>	<b>45 795</b>	<b>-0.5</b>	<b>0.6</b>	<b>-0.7</b>	<b>-0.8</b>	<b>0.0</b>
p.c. consumption (kg)	91.8	91.1	91.5	90.6	89.7	89.5	-0.7	0.5	-1.0	-1.0	-0.3
<b>Self-sufficiency rate (%)</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>102</b>	<b>102</b>	<b>102</b>					

<sup>1</sup> Domestic use includes stock changes.

<sup>2</sup> Includes buttermilk, drinks with milk base and other fresh commodities.

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

**Table 5.14 EU-28 cheese market balance ('000 tonnes)**

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
<b>Production (in dairies)</b>	<b>9 061</b>	<b>9 279</b>	<b>9 324</b>	<b>9 568</b>	<b>9 665</b>	<b>9 784</b>	<b>2.4</b>	<b>0.5</b>	<b>2.6</b>	<b>1.0</b>	<b>1.2</b>
of which from pure cow's milk	8 382	8 551	8 618	8 821	8 915	9 030	2.0	0.8	2.4	1.1	1.3
of which from other milk <sup>1</sup>	679	728	706	746	750	754	7.2	-3.1	5.8	0.5	0.5
EU-15 (in dairies)	7 807	7 949	7 976	8 202	8 273	8 368	1.8	0.3	2.8	0.9	1.1
EU-N13 (in dairies)	1 254	1 330	1 348	1 365	1 392	1 417	6.1	1.4	1.3	2.0	1.8
Processed cheese impact <sup>2</sup>	337	331	364	373	379	385	-1.7	9.8	2.5	1.5	1.7
<b>Total production</b>	<b>9 398</b>	<b>9 610</b>	<b>9 687</b>	<b>9 941</b>	<b>10 044</b>	<b>10 169</b>	<b>2.3</b>	<b>0.8</b>	<b>2.6</b>	<b>1.0</b>	<b>1.2</b>
<b>Imports (extra EU)<sup>3</sup></b>	<b>75</b>	<b>78</b>	<b>75</b>	<b>76</b>	<b>76</b>	<b>76</b>	<b>4.2</b>	<b>-4.4</b>	<b>2.3</b>	<b>0.0</b>	<b>0.0</b>
<b>Exports (extra EU)</b>	<b>673</b>	<b>768</b>	<b>787</b>	<b>720</b>	<b>687</b>	<b>729</b>	<b>14.1</b>	<b>2.5</b>	<b>-8.5</b>	<b>-4.5</b>	<b>6.0</b>
<b>Total domestic use<sup>4</sup></b>	<b>8 800</b>	<b>8 921</b>	<b>8 975</b>	<b>9 297</b>	<b>9 433</b>	<b>9 517</b>	<b>1.4</b>	<b>0.6</b>	<b>3.6</b>	<b>1.5</b>	<b>0.9</b>
<b>Stock changes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>30</b>	<b>- 60</b>					
Processing use	302	292	316	329	335	339	-3.4	8.2	4.2	1.7	1.2
Human consumption	8 498	8 629	8 659	8 938	9 068	9 238	1.5	0.4	3.2	1.5	1.9
of which EU-15	7 266	7 361	7 382	7 626	7 728	7 866	1.3	0.3	3.3	1.3	1.8
of which EU-N13	1 232	1 268	1 278	1 312	1 340	1 371	2.9	0.8	2.6	2.2	2.3
p.c. consumption (kg)	16.8	17.0	17.0	17.5	17.8	18.0	1.3	0.2	3.0	1.2	1.6
<b>Self-sufficiency rate (%)</b>	<b>107</b>	<b>108</b>	<b>108</b>	<b>107</b>	<b>106</b>	<b>107</b>					

<sup>1</sup> Other milk includes goat, ewe and buffalo milk.

<sup>2</sup> Processed cheese impact includes production and net exports of processed cheese.

<sup>3</sup> Imports and exports include processed cheese.

<sup>4</sup> Total domestic use includes stock changes.

**Table 5.15 EU-28 whole milk powder market balance ('000 tonnes)**

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
<b>Production</b>	<b>703</b>	<b>672</b>	<b>757</b>	<b>770</b>	<b>736</b>	<b>752</b>	<b>-4.3</b>	<b>12.6</b>	<b>1.7</b>	<b>-4.5</b>	<b>2.2</b>
of which EU-15	643	608	691	699	671	684	-5.4	13.5	1.2	-4.0	2.0
of which EU-N13	59	64	67	72	65	68	7.8	4.0	7.6	-9.0	4.0
<b>Imports</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>52.2</b>	<b>27.0</b>	<b>-61.9</b>	<b>0.0</b>	<b>0.0</b>
<b>Exports</b>	<b>388</b>	<b>386</b>	<b>374</b>	<b>389</b>	<b>373</b>	<b>384</b>	<b>-0.5</b>	<b>-3.0</b>	<b>3.9</b>	<b>-4.0</b>	<b>3.0</b>
<b>Domestic Use<sup>1</sup></b>	<b>316</b>	<b>289</b>	<b>386</b>	<b>383</b>	<b>364</b>	<b>369</b>	<b>-8.6</b>	<b>33.7</b>	<b>-0.9</b>	<b>-4.9</b>	<b>1.3</b>
<b>Self-sufficiency rate (%)</b>	<b>222</b>	<b>233</b>	<b>196</b>	<b>201</b>	<b>202</b>	<b>204</b>					

<sup>1</sup> Domestic use includes stock changes.

**Table 5.16 EU-28 skimmed milk powder market balance ('000 tonnes)**

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
<b>Production</b>	<b>1 096</b>	<b>1 109</b>	<b>1 108</b>	<b>1 400</b>	<b>1 511</b>	<b>1 533</b>	<b>1.2</b>	<b>0.0</b>	<b>26.3</b>	<b>7.9</b>	<b>1.5</b>
<b>Imports (extra EU)</b>	<b>0</b>	<b>2</b>	<b>5</b>	<b>2</b>	<b>5</b>	<b>5</b>					
<b>Exports (extra EU)</b>	<b>516</b>	<b>520</b>	<b>407</b>	<b>646</b>	<b>678</b>	<b>726</b>	<b>0.9</b>	<b>-21.8</b>	<b>58.8</b>	<b>5.0</b>	<b>7.0</b>
<b>Domestic use<sup>1</sup></b>	<b>689</b>	<b>685</b>	<b>707</b>	<b>738</b>	<b>757</b>	<b>777</b>	<b>-0.5</b>	<b>3.1</b>	<b>4.4</b>	<b>2.6</b>	<b>2.6</b>
<b>Ending stocks</b>	<b>157</b>	<b>62</b>	<b>62</b>	<b>80</b>	<b>160</b>	<b>195</b>					
Private (industry)	107	62	62	80	105	110					
Public (intervention)	50	0	0	0	55	85					
Stock changes	- 108	- 95	0	18	80	35					
<b>Self-sufficiency rate (%)</b>	<b>159</b>	<b>162</b>	<b>157</b>	<b>190</b>	<b>200</b>	<b>197</b>					

<sup>1</sup> Domestic use includes stock changes.

**Table 5.17 EU-28 butter market balance ('000 tonnes)**

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
<b>Production</b>	<b>2 102</b>	<b>2 167</b>	<b>2 120</b>	<b>2 228</b>	<b>2 336</b>	<b>2 362</b>	<b>3.1</b>	<b>-2.2</b>	<b>5.1</b>	<b>4.8</b>	<b>1.1</b>
of which EU-15	1 880	1 922	1 875	1 961	2 040	2 060	2.3	-2.5	4.6	4.0	1.0
of which EU-N13	222	245	245	267	296	302	10.3	0.2	8.8	11.0	2.0
<b>Imports</b>	<b>34</b>	<b>29</b>	<b>21</b>	<b>25</b>	<b>3</b>	<b>10</b>	<b>-15.0</b>	<b>-28.4</b>	<b>21.7</b>	<b>-9.0</b>	<b>300</b>
<b>Exports</b>	<b>124</b>	<b>124</b>	<b>116</b>	<b>134</b>	<b>152</b>	<b>165</b>	<b>0.1</b>	<b>-6.2</b>	<b>15.6</b>	<b>13.0</b>	<b>9.0</b>
<b>Domestic use<sup>1</sup></b>	<b>1 983</b>	<b>2 051</b>	<b>2 025</b>	<b>2 094</b>	<b>2 177</b>	<b>2 242</b>	<b>3.5</b>	<b>-1.3</b>	<b>3.4</b>	<b>3.9</b>	<b>3.0</b>
p.c. consumption (kg)	3.9	4.0	4.0	4.1	4.3	4.4	3.2	-1.5	3.2	3.7	2.7
<b>Ending stocks</b>	<b>80</b>	<b>100</b>	<b>100</b>	<b>125</b>	<b>135</b>	<b>100</b>					
Private	80	100	100	125	135	100					
Public (intervention)	0	0	0	0	0	0					
Stock changes	29	21	0	25	10	- 35					
<b>Self-sufficiency rate (%)</b>	<b>106</b>	<b>106</b>	<b>105</b>	<b>106</b>	<b>107</b>	<b>105</b>					

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.

<sup>1</sup> Domestic use includes stock changes.

## MEAT

Table 5.18 EU-28 overall meat balance ('000 tonnes carcass weight equivalent)

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
<b>Gross Indigenous Production</b>	<b>44 585</b>	<b>44 041</b>	<b>43 601</b>	<b>44 683</b>	<b>45 838</b>	<b>46 165</b>	<b>-1.2</b>	<b>-1.0</b>	<b>2.5</b>	<b>2.6</b>	<b>0.7</b>
Live Imports	1	1	1	2	2	2					
Live Exports	240	232	179	197	240	250	-3.6	-22.8	10.3	21.8	4.1
<b>Net Production</b>	<b>44 346</b>	<b>43 811</b>	<b>43 424</b>	<b>44 488</b>	<b>45 600</b>	<b>45 917</b>	<b>-1.2</b>	<b>-0.9</b>	<b>2.5</b>	<b>2.5</b>	<b>0.7</b>
<i>EU-15</i>	37 223	36 713	36 373	36 976	37 671	37 793	-1.4	-0.9	1.7	1.9	0.3
<i>EU-N13</i>	7 123	7 098	7 050	7 512	7 928	8 124	-0.4	-0.7	6.5	5.5	2.5
<b>Meat Imports</b>	<b>1 357</b>	<b>1 326</b>	<b>1 311</b>	<b>1 326</b>	<b>1 334</b>	<b>1 361</b>	<b>-2.3</b>	<b>-1.1</b>	<b>1.1</b>	<b>0.6</b>	<b>2.0</b>
<b>Meat Exports</b>	<b>3 783</b>	<b>3 702</b>	<b>3 698</b>	<b>3 507</b>	<b>3 702</b>	<b>3 799</b>	<b>-2.1</b>	<b>-0.1</b>	<b>-5.2</b>	<b>5.6</b>	<b>2.6</b>
<b>Consumption</b>	<b>41 920</b>	<b>41 435</b>	<b>41 036</b>	<b>42 306</b>	<b>43 231</b>	<b>43 479</b>	<b>-1.2</b>	<b>-1.0</b>	<b>3.1</b>	<b>2.2</b>	<b>0.6</b>
Population (mio)	506	507	507	509	510	511	0.2	0.1	0.3	0.2	0.2
<b>Per Capita Consumption<sup>1</sup> (kg)</b>	<b>66.0</b>	<b>65.2</b>	<b>64.5</b>	<b>66.3</b>	<b>67.6</b>	<b>67.9</b>	<b>-1.2</b>	<b>-1.0</b>	<b>2.8</b>	<b>2.0</b>	<b>0.4</b>
<b>Self-sufficiency rate %</b>	<b>106</b>	<b>106</b>	<b>106</b>	<b>106</b>	<b>106</b>	<b>106</b>					

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

Table 5.19 EU-28 beef/veal market balance ('000 tonnes carcass weight equivalent)

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
<b>Gross Indigenous Production</b>	<b>8 200</b>	<b>7 867</b>	<b>7 502</b>	<b>7 664</b>	<b>7 857</b>	<b>7 913</b>	<b>-4.1</b>	<b>-4.6</b>	<b>2.2</b>	<b>2.5</b>	<b>0.7</b>
Live Imports	0	0	0	0	0	0					
Live Exports	147	159	109	114	174	183	7.8	-31.6	5.3	52.0	5.0
<b>Net Production</b>	<b>8 052</b>	<b>7 708</b>	<b>7 393</b>	<b>7 549</b>	<b>7 683</b>	<b>7 731</b>	<b>-4.3</b>	<b>-4.1</b>	<b>2.1</b>	<b>1.8</b>	<b>0.6</b>
<i>EU-15</i>	7 245	6 950	6 681	6 766	6 840	6 854	-4.1	-3.9	1.3	1.1	0.2
<i>EU-N13</i>	807	758	712	784	843	877	-6.0	-6.1	10.1	7.6	4.0
<b>Meat Imports</b>	<b>286</b>	<b>275</b>	<b>304</b>	<b>307</b>	<b>301</b>	<b>304</b>	<b>-4.1</b>	<b>10.6</b>	<b>1.2</b>	<b>-2.0</b>	<b>1.0</b>
<b>Meat Exports</b>	<b>327</b>	<b>210</b>	<b>161</b>	<b>207</b>	<b>219</b>	<b>226</b>	<b>-35.8</b>	<b>-23.4</b>	<b>28.5</b>	<b>6.0</b>	<b>3.0</b>
<b>Consumption</b>	<b>8 012</b>	<b>7 773</b>	<b>7 536</b>	<b>7 650</b>	<b>7 765</b>	<b>7 809</b>	<b>-3.0</b>	<b>-3.0</b>	<b>1.5</b>	<b>1.5</b>	<b>0.6</b>
<b>Per Capita Consumption<sup>1</sup> (kg)</b>	<b>11.1</b>	<b>10.7</b>	<b>10.4</b>	<b>10.5</b>	<b>10.7</b>	<b>10.7</b>	<b>-3.2</b>	<b>-3.2</b>	<b>1.2</b>	<b>1.3</b>	<b>0.4</b>
<i>Share in total meat cons. (%)</i>	<b>19.1</b>	<b>18.8</b>	<b>18.4</b>	<b>18.1</b>	<b>18.0</b>	<b>18.0</b>					
<b>Self-sufficiency rate (%)</b>	<b>102</b>	<b>101</b>	<b>100</b>	<b>100</b>	<b>101</b>	<b>101</b>					

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

**Table 5.20 EU-28 pig meat market balance ('000 tonnes carcass weight equivalent)**

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
<b>Gross Indigenous Production</b>	<b>23 058</b>	<b>22 554</b>	<b>22 385</b>	<b>22 834</b>	<b>23 441</b>	<b>23 557</b>	<b>-2.2</b>	<b>-0.8</b>	<b>2.0</b>	<b>2.7</b>	<b>0.5</b>
Live Imports	0	0	0	0	0	0					
Live Exports	62	36	26	36	23	24	-42.4	-27.3	36.2	-35.0	5.0
<b>Net Production</b>	<b>22 995</b>	<b>22 519</b>	<b>22 359</b>	<b>22 799</b>	<b>23 418</b>	<b>23 533</b>	<b>-2.1</b>	<b>-0.7</b>	<b>2.0</b>	<b>2.7</b>	<b>0.5</b>
<i>EU-15</i>	19 438	19 127	19 055	19 334	19 846	19 925	-1.6	-0.4	1.5	2.6	0.4
<i>EU-N13</i>	3 558	3 391	3 304	3 465	3 572	3 608	-4.7	-2.6	4.9	3.1	1.0
<b>Meat Imports</b>	<b>18</b>	<b>19</b>	<b>16</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>9.9</b>	<b>-19.4</b>	<b>-7.6</b>	<b>2.0</b>	<b>4.0</b>
<b>Meat Exports</b>	<b>2 151</b>	<b>2 154</b>	<b>2 201</b>	<b>1 918</b>	<b>2 062</b>	<b>2 124</b>	<b>0.1</b>	<b>2.2</b>	<b>-12.9</b>	<b>7.5</b>	<b>3.0</b>
<b>Consumption</b>	<b>20 862</b>	<b>20 384</b>	<b>20 173</b>	<b>20 895</b>	<b>21 371</b>	<b>21 424</b>	<b>-2.3</b>	<b>-1.0</b>	<b>3.6</b>	<b>2.3</b>	<b>0.3</b>
<b>Per Capita Consumption<sup>1</sup> (kg)</b>	<b>32.2</b>	<b>31.4</b>	<b>31.0</b>	<b>32.0</b>	<b>32.7</b>	<b>32.7</b>	<b>-2.5</b>	<b>-1.2</b>	<b>3.2</b>	<b>2.0</b>	<b>0.0</b>
<i>Share in total meat cons. (%)</i>	<b>49.8</b>	<b>49.2</b>	<b>49.2</b>	<b>49.4</b>	<b>49.4</b>	<b>49.3</b>					
<b>Self-sufficiency rate (%)</b>	<b>111</b>	<b>111</b>	<b>111</b>	<b>109</b>	<b>110</b>	<b>110</b>					

<sup>1</sup> In retail weight. Coefficient to transform carcass weight into retail weight is 0.78 for pig meat.

**Table 5.21 EU-28 poultry meat market balance ('000 tonnes carcass weight equivalent)**

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
<b>Gross Indigenous Production</b>	<b>12 359</b>	<b>12 691</b>	<b>12 798</b>	<b>13 268</b>	<b>13 614</b>	<b>13 766</b>	<b>2.7</b>	<b>0.8</b>	<b>3.7</b>	<b>2.6</b>	<b>1.1</b>
Live Imports	1	1	1	1	1	1					
Live Exports	9	10	10	11	10	10	16.9	2.4	5.7	-4.0	0.0
<b>Net Production</b>	<b>12 351</b>	<b>12 683</b>	<b>12 789</b>	<b>13 259</b>	<b>13 605</b>	<b>13 757</b>	<b>2.7</b>	<b>0.8</b>	<b>3.7</b>	<b>2.6</b>	<b>1.1</b>
<i>EU-15</i>	9 690	9 821	9 835	10 083	10 180	10 207	1.3	0.1	2.5	1.0	0.3
<i>EU-N13</i>	2 661	2 862	2 954	3 176	3 425	3 550	7.5	3.2	7.5	7.8	3.6
<b>Meat Imports</b>	<b>831</b>	<b>841</b>	<b>791</b>	<b>816</b>	<b>828</b>	<b>849</b>	<b>1.3</b>	<b>-5.9</b>	<b>3.1</b>	<b>1.5</b>	<b>2.5</b>
<b>Meat Exports</b>	<b>1 290</b>	<b>1 313</b>	<b>1 300</b>	<b>1 350</b>	<b>1 397</b>	<b>1 425</b>	<b>1.8</b>	<b>-1.0</b>	<b>3.8</b>	<b>3.5</b>	<b>2.0</b>
<b>Consumption</b>	<b>11 892</b>	<b>12 210</b>	<b>12 280</b>	<b>12 725</b>	<b>13 036</b>	<b>13 180</b>	<b>2.7</b>	<b>0.6</b>	<b>3.6</b>	<b>2.4</b>	<b>1.1</b>
<b>Per Capita Consumption<sup>1</sup> (kg)</b>	<b>20.7</b>	<b>21.2</b>	<b>21.3</b>	<b>22.0</b>	<b>22.5</b>	<b>22.7</b>	<b>2.5</b>	<b>0.4</b>	<b>3.3</b>	<b>2.2</b>	<b>0.9</b>
<i>Share in total meat cons. (%)</i>	<b>28.4</b>	<b>29.5</b>	<b>29.9</b>	<b>30.1</b>	<b>30.2</b>	<b>30.3</b>					
<b>Self-sufficiency rate (%)</b>	<b>104</b>	<b>104</b>	<b>104</b>	<b>104</b>	<b>104</b>	<b>104</b>					

<sup>1</sup> In retail weight. Coefficient to transform carcass weight into retail weight is 0.88 for poultry meat.

**Table 5.22 EU-28 sheep and goat meat market balance ('000 tonnes carcass weight equivalent)**

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
<b>Gross Indigenous Production</b>	<b>969</b>	<b>928</b>	<b>917</b>	<b>917</b>	<b>926</b>	<b>929</b>	<b>-4.2</b>	<b>-1.2</b>	<b>0.0</b>	<b>1.0</b>	<b>0.4</b>
Live Imports	0	0	0	0	0	0					
Live Exports	22	27	34	36	33	33	23.0	26.1	7.7	-10.0	0.0
<b>Net Production</b>	<b>947</b>	<b>901</b>	<b>883</b>	<b>880</b>	<b>893</b>	<b>897</b>	<b>-4.8</b>	<b>-2.0</b>	<b>-0.3</b>	<b>1.5</b>	<b>0.4</b>
<i>of which on-farm slaughterings</i>	149	140	124	128	121	119	-5.9	-11.9	3.1	-5.0	-2.0
<i>EU-15</i>	849	815	803	793	805	807	-4.1	-1.5	-1.2	1.5	0.3
<i>EU-N13</i>	98	87	81	87	88	89	-11.5	-6.9	8.3	1.0	1.0
<b>Meat Imports</b>	<b>222</b>	<b>190</b>	<b>200</b>	<b>188</b>	<b>190</b>	<b>193</b>	<b>-14.3</b>	<b>5.0</b>	<b>-6.0</b>	<b>1.0</b>	<b>1.5</b>
<b>Meat Exports</b>	<b>15</b>	<b>25</b>	<b>36</b>	<b>32</b>	<b>24</b>	<b>24</b>	<b>63.5</b>	<b>48.0</b>	<b>-12.0</b>	<b>-25.0</b>	<b>-1.0</b>
<b>Consumption</b>	<b>1 154</b>	<b>1 067</b>	<b>1 047</b>	<b>1 036</b>	<b>1 059</b>	<b>1 066</b>	<b>-7.5</b>	<b>-1.9</b>	<b>-1.0</b>	<b>2.2</b>	<b>0.6</b>
<b>Per Capita Consumption<sup>1</sup> (kg)</b>	<b>2.0</b>	<b>1.9</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>-7.7</b>	<b>-2.1</b>	<b>-1.3</b>	<b>1.9</b>	<b>0.4</b>
<i>Share in total meat cons. (%)</i>	<b>2.8</b>	<b>2.6</b>	<b>2.6</b>	<b>2.4</b>	<b>2.4</b>	<b>2.5</b>					
<b>Self-sufficiency rate (%)</b>	<b>84</b>	<b>87</b>	<b>88</b>	<b>88</b>	<b>87</b>	<b>87</b>					

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

## 6. METHODOLOGY

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

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

### Sources

- Eurostat
  - Agricultural production yearly for historical data and monthly data for previous and current year for meat and dairy production.
  - Farm livestock survey.
  - Gross Indigenous Production (GIP) forecast for meat.
  - Early estimates for crop products.
- Comext database (extra-EU trade statistics).
- 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 AGRI4CAST<sup>4</sup>), in the case of cereals; on expert forecasts for Gross Indigenous Production (in heads) sent by Member States (MS) to Eurostat in the case of meat; on monthly milk deliveries for dairy.

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

### Arable crops

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

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

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

Balance sheets are based on a marketing year starting with the harvest: July/June for cereals and Oct/Sept for sugar.

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 cereals<sup>5</sup>. 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 93% to 97% for rapeseed, 89-92% for soybeans and 85-90% 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: The balance sheet includes both sugar beet and white sugar. For sugar beet the procedure is similar to the other arable crops. 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 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.

<sup>4</sup> <http://mars.jrc.ec.europa.eu/mars/About-us/AGRI4CAST/Crop-Monitoring-and-Yield-Forecasting>

<sup>5</sup> 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.

## 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 equivalent<sup>6</sup>.

Production estimates for the year 2014 are based on annual and monthly data on slaughtering. Projections for the years 2015 and 2016 are based on the available livestock numbers, Member States expert forecast, on the expectations as regards implementation of new welfare rules in the pig sector, on the trends in livestock numbers and meat consumption patterns.

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

<sup>6</sup> 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.

and so far do not include on-farm production<sup>7</sup>. Production of EU-28 total dairy products and in particular for SMP and WMP are estimated, where necessary since the concentration in the dairy processing industry has resulted in an increasing number of Member States not publishing their milk (monthly) production statistics due to confidentiality.

Milk production estimates for year 2014 are based on most recent annual milk deliveries. Projections for 2015 and 2016 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.

<sup>7</sup> Milk statistics for the EU-N12 on-farm production of butter, cheese and other products has only recently become complete and has yet to be validated.

## Glossary

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

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

EU-N13 includes EU-N12 plus Croatia, which joined the EU the 1<sup>st</sup> July 2013.

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

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

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

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

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