



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 2014-16. 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 February 2015 have been used. Next issue will be published in summer 2015.

Directorate General for Agriculture and Rural Development – Short Term Outlook – N°11
http://ec.europa.eu/agriculture/markets-and-prices/index_en.htm

HIGHLIGHTS

- 2014 was a record production year for cereals, oilseeds, sugar and milk.
- EU exports reached very good levels boosted by a competitive euro against US dollar, despite the Russian import ban on EU products.
- Dairy product prices started to recover after the historic production high of 2014 and, despite the quota expiry, no surge in milk production is expected.
- EU meat production is increasing again, following a few years of decline in supply.

Favourable climatic conditions allowed EU cereal production to reach a new record level in 2014/15 thanks to increases in areas and significantly higher yields for the main cereals. Stocks are expected to further recover, bringing the stock to use ratio up to 18%. The expected high production of white sugar in 2014/15 implies that significant stocks are to be released to the market in 2015/16, and a contraction of the sugar beet production is expected in 2015/16.

In the dairy sector, 2014 saw an exceptional rise in milk supply, both in the EU and worldwide. This led to a significant price decrease, exacerbated by the Russian import ban. EU exports performed very well, thus limiting stock accumulation. Substantial differences between Member States were observed though. The current recovery in dairy commodity prices should lead to a stabilisation and then an increase of the EU milk price. However, no surge in milk production is expected in 2015 over the 2014 record, despite the quota expiry in April.

The expansion of the EU dairy- and suckler-cow herds leaves room for increased beef production and exports in a period of high world prices. Despite low output prices, pig meat production is expected to recover, supported by lower feed prices and increased productivity. In the poultry meat sector, production, trade and consumption are continuously increasing. A stabilising herd, firm prices and the new voluntary coupled support give the sheep sector a positive outlook.

1. MACROECONOMIC OUTLOOK¹

Oil price collapse lowers production costs

The Brent crude oil price declined dramatically towards the end of 2014, after a prolonged period of relatively stable prices around 100 – 110 USD per barrel. At 48 USD/bbl in January, the oil price was forecast to average 47.5 USD/bbl in 2015. Led by an increase in US production, world oil supply grew faster than demand which remained sluggish, as economic growth stayed weak in many countries. In such a context, the OPEC decision not to adjust production downwards, alongside other factors, pushed prices further down.

In 2016, the oil price might surpass 62 USD per barrel, driven by the expected downward adjustment of US oil supply and slightly higher demand, stimulated by low prices.

This lower oil price environment implies a reduction in energy-related production costs of agricultural commodities. Nevertheless, it does not imply an automatic and immediate reduction in fertilizer prices given gas price development is largely disconnected from oil price (see box).

The depreciation of the euro facilitates EU exports

Since mid-2014 the euro has been weakening versus the US dollar and this trend is expected to continue in 2015, reaching an average of 1.17 EUR/USD. In 2016, it is assumed to stay stable further supporting higher EU exports on the world market.

A more positive world outlook and return to EU economic growth

The world economic outlook is expected to lead to a rise in real GDP by 3% in 2015 and 3.4% in 2016. In India a higher growth (8% per year) is forecast than in China (6.5% per year). In the US, expected growth remains strong (3% in 2015 and 2.7% in 2016).

In other important EU trade partners, Brazil and Argentina, the economic situation may deteriorate further in 2015, with GDP retreating by 0.5% and 1.3% respectively. A recovery is expected though in 2016. In addition, both Brazilian real and Argentinean peso are expected to weaken against the US dollar, more than the euro, implying that the EU will have more difficulties to compete with these two regions on world markets. Both currencies depreciated against the euro in 2014. In 2015 Brazilian real should strengthen while Argentinean currency is expected to

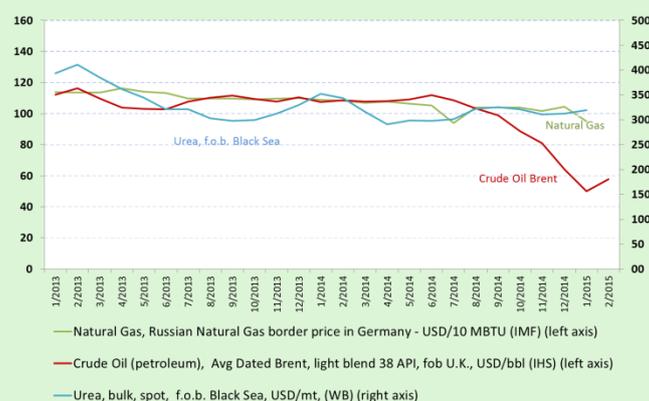
continue depreciating. The economic prospects for Russia and Ukraine are gloomy in 2015, with GDP growth expected to decline by 5% in both countries before recovering in 2016 (+1%).

After a weak recovery at an annual basis of 1.3% in 2014,, EU economic growth is expected to slightly gain strength over the two year-outlook period (1.7% and 2.1% respectively). EU unemployment rate is expected to continue to decline from the 2012-2014 highs to reach 9.8% in 2015 and 9.3% in 2016. This could contribute to a strengthening of EU consumption especially of meat and cheese.

Why are EU fertilizer prices still high in spite of 50% cheaper oil?

Fertilizer prices increased slightly in December and January by respectively 0.4% and 2.2% on a year to year basis, while at the same time Brent oil prices continued to decline and are now 50% lower than in June 2014. This is mostly explained by the fact that the EU price for nitrogen fertilizers is mainly linked to natural gas, with a time lag of several months (4 to 8) depending on the contract, and EU natural gas prices did not follow oil price developments (+10% in December and -6% in January).

Graph 1 Fertiliser, natural gas and crude oil price



Source: World Bank

The natural gas used to produce nitrogenous fertilizers in the EU is mainly imported from Russia (32%), Norway (31%) and Algeria (13%). It is to be noted that the price of EU imported natural gas is 3 times higher than the US shale-gas price.

In 2013, EU agriculture used 11 million tonnes of nitrogen fertilizers (N)*. This amount represents 76% of the total Nitrogen, Phosphate and Potash fertilizers (NPK) consumption. The EU imports around 20% of its nitrogen fertilizers.

* Source: <http://fertilizerseurope.com> – 2013 data

¹ Based on IHS (cut-off date 13th of February 2015) and DG for Economic and Financial Affairs' Winter Forecast (5th of February 2015).

2. ARABLE CROPS

Exceptional world cereal harvest in 2014/15

The February issue of the International Grain Council (IGC) reports a world cereal production exceeding for the first time in history 2 billion tonnes in 2014/15. World demand is expected at 1 976 million tonnes, leading ending stocks to reach a 30-year high level in absolute values at 431 million tonnes (21% stock-to-use ratio).

Record harvest in the EU

The 2014/15 EU cereal harvest reached a record level and for the second straight year production is expected above average (+14%) and 7% above 2013/14. The total volume is estimated at 327 million, or 23 million tonnes higher than in 2013 and more than 50 million tonnes higher than in 2012. Total cereal area went up by more than 1 million hectares, from its 57.8 million ha level in 2013. In addition, good climatic conditions combining a mild winter, summer rain in southern areas and the lack of significant extreme events, led to very good yields.

Exceptional yields for maize

Yields of summer cereals increased particularly strongly supported by good rain: maize (+15%) and sorghum (+14%). For maize, the largest yield increases at national level were recorded in France (reaching 10.4 t/ha), Hungary (6.5 t/ha) and Bulgaria (6.4 t/ha). With an expected 14% increase in production, the quantity of maize produced in the EU might exceed internal use, leading to lower imports, while exports might remain stable and higher volumes stored.

Increase in areas and yields for soft wheat and triticale

The additional cereal production was also driven by significant increases in soft wheat and triticale area planted (+8% for both), with sowing decisions supported by good prices during 2013/14. In addition, good climatic conditions led to an increase of EU soft wheat yield (+8%). EU production is therefore expected to rise by 13.6 million tonnes compared to 2013 with a contribution of close to 8 million tonnes coming from the 5 biggest producers; France, Germany, the United Kingdom, Poland and Romania.

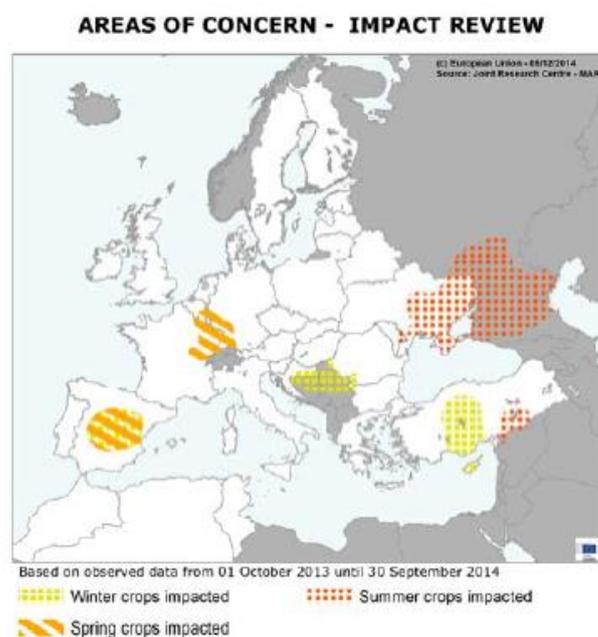
Decreases in production for other cereals

The record level in soft wheat production was partially offset by decreases registered for rye (-13%) and oats (-6%). For rye and oats the reduction in production is mainly driven by a decrease in area allocation by 19% for rye (driven by a large -25% in Poland) and 4% for oats.

As regards durum wheat, its negative trend continued leading to a 4.2% decrease to the lowest level since 1997, 7.6 million tonnes, despite an increase of production in Italy (+3.7%).

Barley production decreased by 1% because of an almost 3% reduction in area, while the average EU yield increased by 2%. Large increases in production were reached in France (+14%) and Germany (+12%). Yet barley also suffered from dry spring conditions in Spain (see map with area of concern) that reduced yield by 31% compared to 2013 high levels and from a big area reduction in Poland (-30%).

Map 1 Areas of concern in 2014: strongest negative weather impact on spring crops



Source: *Mars-Bulletin Crop Monitoring in Europe 22(13)*
<http://mars.jrc.ec.europa.eu/mars/Bulletins-Publications/MARS-Bulletin-Vol.22-No.13-Crop-Monitoring-in-Europe-15-December-2014>

Record trade expected

For the marketing year 2014/15, cereal imports are expected to decrease by one third, while exports are projected again to increase reaching a new record at 44.3 million tonnes (close to 2% more than in the previous marketing year). The EU could therefore increase its trade surplus to 31.6 million tonnes (compared to 24.3 in 2013/14). For the first 6 months of the marketing year 2014/15, the EU exported 15.4 million tonnes of wheat (0.7 million tonnes more than previous record in 2013/14). Main wheat export destinations were North-Africa (Algeria, Morocco, Egypt) and the Middle-East (Saudi Arabia, Jordan, Iran). By contrast, durum wheat is mainly imported (2.2 million tonnes) from Canada (80%), the US and Mexico.

Maize imports are expected to reach below average levels in 2014/15, although the special import quotas granted to Ukraine were completely filled in 2014 for

maize and wheat (not for barley). For the first part of 2015 (up to 20th February), the maize quota was filled immediately at 100% while for wheat fulfilment reached 22.5%.

Large availabilities and decreasing prices on one side and a slightly increasing EU animal production on the other are pushing cereal use for animal feed 3.4% higher compared to the previous marketing year.

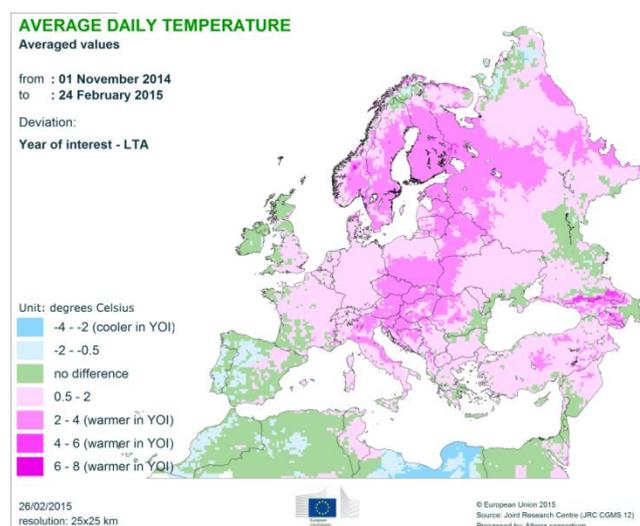
Strong recovery in stocks

Final stocks for marketing year 2014/15 are expected to increase from 34.9 to 50.0 million tonnes bringing the stock-to-use ratio from 13% to 18%; stock-to-use ratios are expected to reach 12% for wheat (against 9% at the end of 2013/14), 20% for barley and 28% for maize.

Favourable 2015/16 cereal conditions to date

Early forecasts for the 2015/16 harvest are showing a good level of cereal production at more than 300 million tonnes, a result of generally favourable weather conditions (mild winter and absence of higher than normal impacting frosts, see Map 2). First figures from Member States indicate a decrease in soft wheat areas by 3.5% mainly in Poland (-15%). By contrast, the number of hectares planted with barley is expected to increase by 1.5% and durum wheat by 3.5% (France +8% and Italy +3%). The latter is supported by voluntary coupled support and higher prices at the time of sowing.

Map 2 Milder temperatures than their long term average (LTA) since November are depicted in pink in this map



Source: Mars-Bulletin
<http://mars.jrc.ec.europa.eu/mars/Bulletins-Publications/>

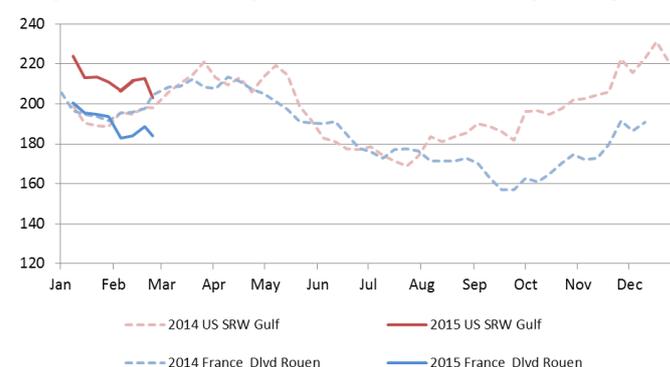
Cereal prices

EU prices remained competitive at world level with a supportive EUR/USD exchange rate and lower

transport costs. The last quotations for the EU and US prices indicate that one tonne of EU soft wheat is quoted 7% below last year at 184 EUR (Delivered Rouen on 24/02/2015), and 19 EUR below the US wheat (SRW FOB Gulf), which is at 230 USD/t (=203 EUR/t). Durum wheat was quoted at more than 350 EUR/t (Port la Nouvelle FOB) at the end of February, i.e. 37% higher than one year ago.

EU Maize (Bordeaux) was 14% lower than a year ago at 149 EUR/t on 24/02/2015, below US maize price that declined by 22% in one year at 176 USD/t (155 EUR/t) for US YC3 FOB Gulf.

Graph 2 Soft wheat price in the EU and US (EUR/t)



Source: DG Agriculture and Rural Development and USDA

Very good 2014 oilseeds harvest

Similarly to cereals, the EU 2014 oilseed harvest is estimated to have exceeded its 2013 record, supplying the domestic market mainly with large quantities of rapeseed. While the planted area remained stable, a considerable yield increase of 14% was achieved due to the excellent growing conditions. Germany, France, Poland and the United Kingdom, the main EU rapeseed producers, showed considerable yield increases ranging between 14 and 25%. Domestic soybean production was also favourable (+19%) due to the combined effect of a larger planted area (+9% in the EU-28) and a yield increase of 10%.

For the 2014/15 marketing year, the large domestic cereal and oilseed harvest, together with lower crude oil prices and Euro depreciation against the US dollar, could drive reduced oilseed imports and increased domestic use and stocks. Due to the low crude oil price, crushing margins remain low, leading to lower oilseed imports, partially compensated by 2% higher meal imports. Imports of vegetable oils are likely to remain rather stable. Developments in seed and oil imports largely depend on crushing margins and biofuel consumption, which will remain under pressure.

With the start of the harvest in South America, meal prices could drop because of the record soybean harvest expected in Brazil and Argentina against a

background of nearly stable US plantings. This would be positive for the livestock sector.

Early estimates for 2015/16 indicate a small increase in EU oilseed area (+1%). Winter rape sowings reported by Member States are slightly higher in Czech Republic, Lithuania and France, stable in Bulgaria, while slightly decreasing in Romania. The mild winter until now should result in limited crop damage.

Rising EU protein crop production in 2014 and 2015

For protein crops, the area increased in 2014 by 9% but yields were slightly lower (-1%). Yields were especially disappointing for lupins in Poland (main producer) and for field peas in Spain. With 14 Member States opting for Voluntary Coupled Support for protein crops, plantings in 2015 are expected to further increase (+8%) to reach above 1 million hectares in the EU-28, still 0.5 million ha below the level reached in 2004.

Exceptionally high EU sugar production in 2014/15

2014/15 is an exceptional year for the EU sugar production. Not only did the production of sugar beet increase by about 6% compared to 2013 but excellent weather conditions in the later part of the growing season led to high levels of sugar in the root. This resulted in an estimated production of just over 19 million tonnes of white sugar, an increase of 14% compared to 2013/14. Given the rather stable domestic use of sugar, the expectation is that 2014/15 marketing year will end with very high stock levels of almost 3.5 million tonnes compared to 2.4 million tonnes in 2013/14. The high level of EU production combined with a good world harvest and decreasing oil prices results in lower white sugar prices, at 433 EUR/t in December 2014.

In most countries the price for sugar beet is contracted at the time of seeding, thus the current low sugar prices result in reduced sugar beet prices for the 2015/16 marketing year. Combined with the high level of stocks going into the next season, this led to announcements by different sugar producers that they will significantly reduce the area contracted for sugar beets and hence sugar production. The full extent of the area and production contraction will only be clear when sowing is finalised. Based on the current available data, a 5% decrease in sugar beet area is expected, while white sugar production could fall by 15% because of an assumed return to lower sugar content in the beet compared to 2014. Imports are expected to increase again to historic levels from low 2014/15 levels when sugar prices will recover a bit. Exports of EU sugar are stable for 2015/16.

Prices from the farm-gate to consumers

The EU is entering a period of very low inflation. In such a context it is interesting to closely look into how food prices behave compared to general inflation.

Both inflation and food prices increased in the first half of 2014 compared to the same period in 2013 (by 0.7% and 0.2% respectively), whereas they showed opposite trends in the second half of 2014; inflation increased by 0.4%, but food prices paid by consumers decreased by 0.7%. This might partly be explained by the drop in several producer prices in 2014. Nevertheless not all food sectors or Member States followed this trend, with noticeable differences observed in direction, speed and magnitude of the price changes.

During the first half of 2014, average EU meat producer prices decreased on average by 5%, while consumer prices increased by almost 1%. This overall trend was observed in Spain and Romania, yet in Ireland consumer prices decreased by 1%. The larger drop in producer prices in the second half of the year (-9%) was reflected in lower consumer prices in most Member States, but to a more or less pronounced extent, and with some exceptions (as e.g. in Romania).

For milk, the significant increase in the farm gate price during the first half of 2014 (+13% for the EU) was generally transmitted to consumer prices for both milk and cheese, with nevertheless huge differences between Member States: +8% in Germany against less than +1% in France. By contrast, the generalised decrease in producer prices in the second half of the year did not prevent a further increase in consumer prices in most of the Member States, although to a small extent.

Because wheat represents only a small part of the final value of bread, the important drop seen in wheat prices at producer level in 2014 did not have a significant impact in consumer prices for bread and cereals in most EU countries. Nonetheless, differences were important among countries. The price of bread increased by more than 1% in Germany e.g., whereas Romania or Hungary consumer prices decreased by more than 2%.

These differences in price transmission could be linked to the fact that consumer prices include other costs besides the one of the raw material or to contracts between parties specifying delivery prices at a certain point in time or further to differences in the structure of the food chain between sectors and Member States.

Changes in producer and consumer prices, 2014 with respect to the same period of 2013 (in %)

Product / Country	Producer prices		Consumer prices	
	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec
Meat				
EU	-5.0	-9.2	0.7	-0.3
Ireland	-9.9	-7.5	-1.0	-2.7
Spain	-2.9	-16.7	0.7	-0.2
Romania	-8.9	-9.2	1.2	1.0
Milk / Milk, cheese and eggs				
EU	12.6	-7.7	3.2	1.5
Germany	15.3	-11.7	8.4	4.0
France	12.1	-0.6	0.8	0.6
Poland	14.9	-9.6	3.4	1.1
United Kingdom	13.2	-2.4	1.6	-0.5
Wheat / Bread and cereals				
EU	-19.5	-8.0	-0.2	-0.3
Germany	-21.7	-10.6	1.3	1.4
Hungary	-18.3	0.9	-3.9	-2.0
Romania	-22.7	-0.2	-8.8	-2.7

Sources: Eurostat for consumer prices (table [prc_hicp_midx](#)); own calculation of producer prices based on prices communicated to DG Agriculture by the MS (wheat and meat, milk) and Eurostat data on slaughtering (table [apro_mt_pwgtn](#))

3. DAIRY

Commodity prices bottom up as quota disappear

At the end of January 2015, powder and butter prices reversed their path after several months of decrease. For cheese, only Cheddar and Emmental prices are increasing while Gouda and Edam prices are still oriented downwards. Further to a significantly higher supply worldwide, driven by rising milk prices in 2013 and favourable supply conditions, EU butter prices started decreasing in January 2014 while for SMP the reduction started in March 2014. The introduction by Russia of a ban on imports of dairy products from the EU and other origins in August 2014 exacerbated the supply pressure given the importance of Russia as a market outlet (equivalent to 1.5% of EU milk production in 2013, but representing much more in the Baltic countries and Finland).

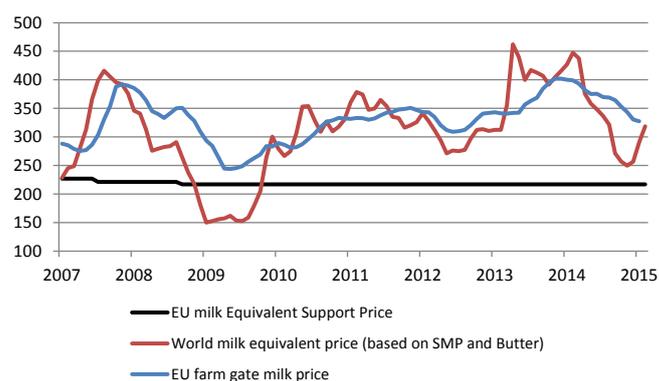
By mid-February, EU prices were still around 15% below their high 2014 levels for butter and 35% for SMP, while whey powder prices were less than 10% below last year. Only in Latvia did the SMP price reach a level close to intervention price. The currently observed reversal in trend can be explained by a significant seasonal decrease in milk collection in the EU reinforced by farmers' willingness to limit over quota supply and by lower milk prices in general. At the same time, milk supply in Oceania is affected downwards by dry weather conditions and global demand remains dynamic.

The decrease in commodity prices in 2014 translated into a significant reduction of the average EU milk price by October, even though in certain Member States, like in the Baltics, an abrupt drop had been registered already in September. This lag in response is linked to the fact that in several Member States prices are fixed in advance for the next one or two months. Similarly, the increase in dairy product prices did not yet drive milk prices up, except on the spot market.

In December 2014, the EU average milk price, in real fat content, reached 33.05 ct/kg, 18% below the 40.21 ct/kg record price of December 2013. The situation remains very diverse between Member States, with around 30% lower prices on a year to year basis in the Baltic countries, Belgium and the Netherlands, around 20% in Denmark, Germany, Ireland, Poland, Luxembourg and Sweden. In the other Member States, recorded price decreases are lower, at around 10% in Finland, France or Italy for example.

In January 2015, first estimates indicate that the decrease has slowed down and milk prices may now stabilise faster than expected, before starting to recover in the coming months.

Graph 3 EU farm gate milk price and world price of butter and SMP in milk equivalent (EUR/t)



Sources: DG Agriculture and Rural Development based on MS notifications and USDA

Record EU deliveries in 2014 close to 148 million tonnes

While many expected an increase in EU milk deliveries in 2014, few anticipated the magnitude of this increase, estimated at 4.5% or more than 6 million tonnes in one year. This equals the cumulative quantity increase in deliveries during the previous five years, which were the years during which quotas increased progressively by 1% annually. The 2014 increase is particularly strong (above 6%) in Latvia, the United Kingdom, Lithuania, Poland, Hungary, Estonia, Luxembourg and Belgium. The record was reached by Romania² with around 13% higher deliveries.

Towards the end of 2014, farmers in many Member States started to slow down milk deliveries to limit surplus-levy³ bills in a context of decreasing milk prices. In Denmark, deliveries dropped below previous year levels already by October, and in Ireland the reduction reached 17% in December. In Poland, where at the end of 2014 deliveries were still higher than in 2013, information on slaughterings indicates a stronger slowdown for the final months of the quota year, with Polish cow slaughterings having increased significantly (+50% between September and December compared to 2013). On average, total EU milk deliveries were estimated in December 2014 to be around 1% above their 2013 level.

Cow slaughterings have generally increased in the EU-28 over this period (+5%) and more particularly in the EU-N13 (+21%). There is no distinction in statistics between meat coming from dairy and beef cows. However, in several Member States a clear link can be established between these slaughterings and the development of the dairy market leading some farmers to cull the least productive cows like in France and Spain (besides Poland). The data already available for December indicate a generalisation of

² Romania represents though only 5% of EU-N13 deliveries.

³ When farmers produce above quota they have to pay a tax called 'surplus-levy'.

this practice. Culling cows is not the only means at the disposal of farmers to reduce temporarily milk deliveries: cow rations can be adapted, the lactation duration can be shortened, part of the milk can be fed to calves or cows can be milked only once a day. These techniques indicate willingness to minimise damage to production potential while waiting for quota abolition and a better orientation of milk prices.

The increase in milk collection compared to last year has slowed down not only in countries likely to exceed their quotas, but also in France, particularly since December, and more recently in the United Kingdom, following the reduction in milk prices. In addition, private dairy processors in France have progressively reduced the possibility for farmers to deliver more than the previous year in order to adapt supply to demand. Moreover, two of the main French cooperatives apply a price system limiting the incentive to produce above quantities agreed upon because additional litres get paid at a very low price.

No surge expected in 2015 despite quota expiry

A further contraction of EU milk deliveries is expected in the first quarter of 2015 compared to 2014. From April, when quotas are abolished, provided demand supports milk prices, milk collection could progressively rebound given that forage availability is good and feed prices remain low. Nevertheless, it is to be kept in mind that April and May correspond already to the peak of the season and therefore deliveries significantly higher than the exceptional levels of 2014 are not very likely, also in view of the expected lag in recovery of farm gate milk prices.

In 2015, the first year without quota, EU milk deliveries are expected to increase moderately, by around 1%. Further supply increase can be expected especially in the countries where the number of dairy cows remains significantly higher than the year before according to the December livestock survey: Ireland (+4.2%), the Netherlands (+0.8%) or Germany (+0.7%). In several other Member States, cow slaughterings and on-going genetic improvements have led to significant decreases in dairy cow numbers: Poland (-2.2%), Estonia (-2.9%) or Denmark (-3.5%). However, the number of heifers in Poland, two years or over, raised to calve was significantly higher than the year before, indicating potential for producing more milk, while heifers' numbers, in Denmark or Estonia were oriented downwards questioning the ability to increase significantly milk production in 2015 in these two countries. On average, the number of heifers ready to start milk production in the coming months was significantly higher than last year (+2.3% for the EU-28).

At EU level, in December 2014 the number of dairy cows was stable compared to 2013 putting an end to the exceptional rise in dairy cow numbers recorded in 2013. However, in the EU-15 a small further increase

was recorded (+0.6%) for the third year in a row. In the EU-N13, while milk deliveries increased by close to 6%, the number of dairy cows was reduced by 1% further to the on-going restructuration.

Booming SMP production and exports

In 2014, SMP production reached 1.36 million tonnes (+23% compared to 2013). Already before the introduction of the Russian ban, SMP production was rising in line with higher milk availabilities. Extra production took place also after August when due to the sudden absence of the Russian outlet for cheese, some milk has been channelled into SMP and butter.

Lower prices and more recently Euro depreciation have supported a huge increase in EU SMP exports at 646 000 tonnes, up by close to 60%. More than 20% of the shipments went to Algeria after a 2013 year marked by modest performance on this market. Substantial additional quantities went to Egypt and China where the US have decreased their shipments. In addition Saudi Arabia, Morocco, the Republic of Korea, Malaysia and Philippines increased significantly their imports of European SMP.

In addition, exports of fat filled milk powder (FFMP), a mix of SMP and vegetable fat (CN 19019099), increased by 23% in 2014 and reached close to 700 000 tonnes.

As a consequence, the significant increase in SMP output did not lead to a considerable accumulation of stocks. At the end of December 2014, SMP stocks under private storage aided scheme, were limited at 16 000 tonnes. Moreover, domestic use remained relatively stable.

In 2015, a significant further increase in production might be foreseen supported by extra export demand.

More WMP, especially for the domestic market

WMP production increased significantly for the second year in a row (+5.5%) driven mainly by higher domestic use especially for chocolate processing (in the EU around 60% of WMP is used to produce chocolate). Lower prices led exports 4% above 2013. Exports to Algeria more than doubled and this country became the first destination of EU exports followed by Oman. If total Chinese imports of WMP have slowed down significantly between the beginning and the end of the year 2014, total imports for the whole year have been higher than in 2013 (+8%).

In 2015, production and exports could increase slightly, especially if New Zealand has less availability due to dry weather conditions.

Less whey powder exported

While whey production is estimated to be higher in 2014 in line with the higher cheese production, exports have recorded a 2% decrease, especially towards China (-10%). However, exports to Thailand, Indonesia, Korea and Malaysia have increased significantly. In addition, exports of food preparation for infant formula (CN 19011000), a higher value added product containing whey powder, increased by 9%.

A good year for butter exports

Butter production in the EU is estimated at 2.2 million tonnes in 2014, close to 4% above 2013. The market for dairy-fat has done relatively well despite the higher availabilities and the halt of exports to Russia. Stocks have not accumulated as much as anticipated, with additional butter stocks estimated to be rather limited. In December 2014 only 20 500 tonnes of butter were stored under the Private storage aided scheme.

Several elements supported the dairy-fat market: the fat content of milk has decreased, possibly related to the higher share of milk produced by cows in first lactation. In addition, increasing domestic use of butter for notably bakery but also cream for direct consumption supported the market.

Moreover, exports increased substantially (+18%) especially towards Saudi Arabia, the US, Egypt, Morocco and Japan. The EU could take higher shares of these markets because of the lack of competitiveness and supply in the US where dairy-fat is increasingly used for cheese and yoghurt production. In 2014, US butter production and exports declined respectively by 2% and close to 30% compared to 2013. In 2015, the expected further contraction in the US could allow for higher EU exports in a context of higher supply.

Re-orientation of part of the EU cheese trade

EU cheese production increased by 1.8% in 2014 and reached 9.8 million tonnes. The main driver of this development has been the sustained domestic use.

In addition, while Russia represented a third of EU cheese exports, dairy operators have found new exports outlets for cheese and in the end in 2014 EU exports were only 8% below 2013. Shipments increased particularly to Korea and Japan while New Zealand re-oriented its exports towards Australia and China.

Moreover, the average export price increased by 4% because cheeses of higher average value have been exported: while Gouda exports decreased by 13% in volume, the average price increased by 10%. The strongest reduction in exported volume relates to the

generic type of hard or semi-hard cheeses – CN 04069087 (-26%). By contrast, Cheddar sees the highest increase (+46%). Cheese exports of Ireland, the United Kingdom and Spain increased substantially in 2014, while German and Dutch exports decreased.

In 2015, production and consumption could further increase by more than 1%. EU exports could be 5% higher than in 2014 if exports to other destinations go on increasing.

More export of milk while domestic use remains stable

In 2014, production of fresh dairy products is estimated slightly above 2013 driven by higher production especially in the EU-N13, exports and a general rise in demand for cream.

Exports of liquid milk increased by more than 25% in 2014, driven by Chinese steady higher demand (+74%) but also by Belarus' purchases to increase their capacity to supply processed products to the Russian market: in 2014, the EU exported 70 000 tonnes to Belarus while previously exports to this destination were non-existing. Though, the share of EU liquid milk exports in production remains marginal (1.5%).

4. MEAT

The EU suckler cow herd is increasing

While the May-June livestock survey 2014 gave a first indication of the stabilisation of the EU suckler cow herd, the December survey showed an increase by 1.3% compared to 2013. This increasing trend was already visible in the EU-N13, but it is now also the case in major EU-15 beef producing countries, like Spain (+ 114 000 heads) and France (+32 000 heads).

The herd changes at Member State level are very diverse. The main driving factors are: competition between beef and milk production for land and in terms of profitability, the demand for beef and the implementation of the voluntary coupled support in the beef sector under the new CAP (around 40% of the total coupled support envelop will be allocated to the beef sector).

The latter effect is probably most pronounced in Spain. Before the 2013 reform of the CAP, the number of eligible suckler cows for a premium (1.4 million heads) was well below the actual number (currently almost 1.9 million heads). While the new CAP still foresees a limited number of eligible cows, the ceiling is above the current suckler cows herd size in Spain.

In 2014, total EU beef production⁴ is estimated 2.1% above 2013, after several years of decline. This development is partly driven by the increase in the number of dairy cows and the consecutive higher availability of bovine animals⁵. Secondly, additional dairy cows have been culled in certain Member States because of the downward milk price but also in order to limit the production above 2014/15 quota and the associated surplus-levies. In addition, lower feed costs and good forage quality resulted in slightly higher carcass weights on average. The increase in number of heads slaughtered was higher in the EU-N13 (+10.0%) than in the EU-15 (+1.2%), but very similar in terms of tonnes (around 80 000). In Poland, where more than half of the EU-N13 beef production takes place, slaughterings went up by 21% in 2014 compared to 2013, especially from cows (+29%).

In 2015, total beef production could further increase by close to 2%, as the EU production capacity has risen, some further culling of dairy cows is expected and prospects for internal and external demand are quite positive.

Slight increase in export potential of bovine meat and live animals

In 2014, beef export volumes increased strongly (by 29% or 46 000 tonnes). This is mainly thanks to increased exports to Hong Kong, Western Balkans and the Philippines (new market). In 2015, other destinations look also promising, like the US given that Ireland got official clearance to export beef there (moderate volumes expected) and shipments to Turkey seem to resume slowly, in spite of some administrative issues (BSE certificates), pushing EU exports in 2015 to an expected level of 224 000 tonnes.

Exports of live animals were higher in 2014 than in 2013 (+5.4%), representing more than one third of the volume of bovine exports. Lebanon remained the main destination for live animals (+45%). Worth noting is the re-opening of the Turkish market and resuming of exports since October, which could change significantly the level of EU exports of live bovine animals. Therefore, live exports are expected to further expand in 2015 to a level of 130 000 tonnes (c.w.e.).

In 2014, EU beef imports from Argentina and Uruguay declined due to their internal policy restricting exports to limit consumer prices increase, while Australia and Brazil increased their supply to the EU market (+21% and +3% respectively), despite a huge US demand.

Focus on Russia

The crisis with Ukraine resulted into a deterioration of the Russian economic situation. The strong devaluation of the ruble and reduced supplies after the ban imposed on EU, Canadian, US, Australian and Norwegian imports in August 2014, drove Russian consumer prices up by 18% for meat and 14% for milk and dairy products in December 2014 compared to the previous year.

The self-sufficiency policy aiming at improving domestic meat production implied anyhow that Russia would import less meat in the future. Nevertheless, the increase in pig meat production, estimated at 7% in 2014, failed to compensate the strong decline in pig meat imports (-30% compared to 2013 despite increased supply from Brazil). Consequently, the increase in consumer prices is particularly strong for pig meat (22% for boneless pork and 30% for the other types).

Given the high pig meat prices, consumers turned to cheaper poultry meat and in spite of higher production and imports (mainly coming from Brazil, Argentina and Turkey), sustained demand drove a steady poultry meat price increase to a record level in December 2014 (+34%).

Regarding beef, contrary to previous expectations, Brazil did not compensate for the reduction in imports from the EU and increased its exports marginally. Only Argentina and Belarus increased their exports to Russia. The impact on consumer beef price is relatively moderate (10% in boneless beef and 12% in non-boneless type), especially compared to pig meat prices.

Milk production in Russia was on a declining trend, estimated at -0.8% per year between 2003 and 2013. In 2014, milk production increased by around 1% according to the Russian Federal State Statistics Service and a larger quantity of milk has been channelled to cheese and butter to partially compensate for reduced imports.

2014 cheese imports, slightly above 300 000 tonnes, have decreased by 30% compared to 2013. The EU supplied in 2013 60% of Russian imports. With the ban, 2014 imports from the EU decreased by close to 50% compared to previous year. In addition, the political crisis with Ukraine, the third supplier of Russia after Belarus in 2013, led to an 80% reduction in imports from this origin. The rise in Belarus cheese exports to Russia is estimated at close to 15%. Imports from Argentina, Uruguay or Serbia increased significantly in percentage terms but these three countries accounted for less than 10% of the Russian imports.

Source: IHS based on Russian Federal State Statistics Service and Global Trade Atlas

⁴ Because of break in time series in Italy, the EU net production is estimated based on ISMEA information on registers.

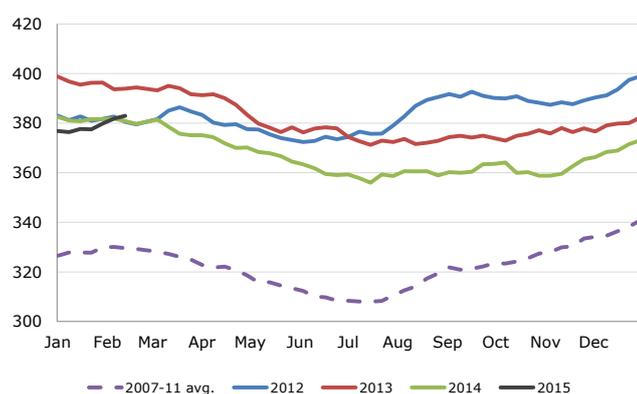
⁵ Two third of the beef meat comes from the dairy herd.

Even though the export potential of Australia is expected to be reduced in 2015, Brazil might take over their share as exports to Russia have not taken off as expected. As a result, EU beef imports should stay virtually unchanged in 2015.

Beef prices were on a declining trend till July 2014 but they started to recover since then, and currently they remain well above the 2007-11 average. The EU beef price reached 383 EUR/100 kg by 15 February 2015 (see Graph 4). World prices are to remain high because of tight supply, high demand in the US and Asia, and a temporary drop in the Australian production potential.

In 2014, the higher beef availability on the EU domestic market allowed for a recovery of consumption of 10.5 kg/capita (in retail weight). This is expected to continue but the rising beef price could limit the upward move to reach 10.6 kg/capita in 2015 before going back to its declining trend.

Graph 4 Price for young bulls R3 (EUR/100 kg)



Source: DG Agriculture and Rural Development

Increased pig production and drop in prices

In 2014, EU pig meat production started recovering from the low 2013 level supported by lower feed costs and increased productivity. Production developments in the EU-15 have been different from country to country; increases took place in Spain (3.7%), Portugal (4.1%), the United Kingdom (3.5%) and the Netherlands (5.3%), declines in Germany (-0.8%) and Italy (-2%) while production in France and Denmark remained stable. Despite the appearance of African Swine Fever (ASF) at the beginning of 2014, the production increase in Poland has been particularly strong (almost 9%) and, together with an increase by more than 10% in Hungary and Romania, it brought EU-N13 total net production to around 3.5 million tonnes (or +5.4% on a yearly basis).

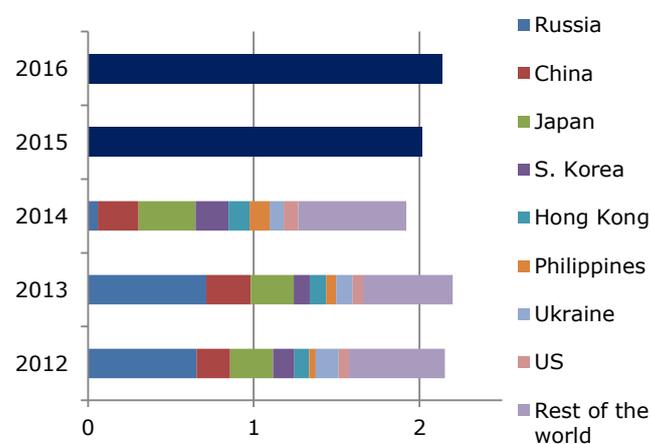
After several years of contraction in the number of pigs, preliminary December 2014 livestock survey data indicated an increase by 1.2%; breeding sows

increased by 0.4% thanks to Spain (4.7%) and the Netherlands (1%), while in Poland it remained stable.

A stronger increase is shown in piglet numbers (2.4%) out of which Spanish pig population rose by 12%, Denmark 3%, the Netherlands 4% and Portugal 7%. Despite the current low prices, a higher pig herd and increased productivity following the implementation of welfare rules in the sow sector should create conditions for a continuous recovery in production over the projection period at around 23 million tonnes.

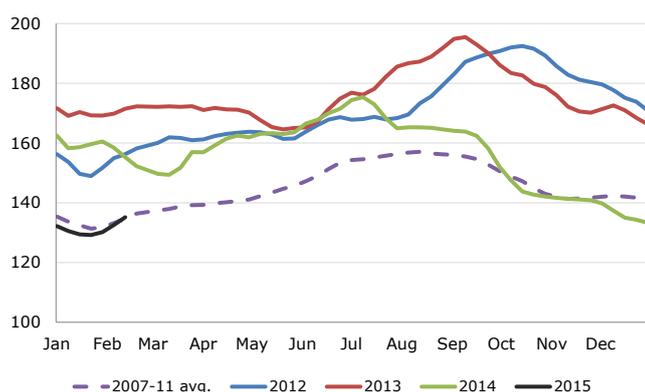
In the absence of the Russian outlet since February 2014 EU pig meat exports (including lard but without offal) dropped by around 13% in 2014, and this despite re-orientation to alternative markets. Due to the restrictions imposed on EU meat, in 2014 Russia accounted for a mere 3% of EU pig meat exports compared to 33% a year earlier. Strong demand from the Asian markets, particularly from Japan (totalling 345 000 tonnes), South Korea (199 000 tonnes), Hong-Kong (125 000 tonnes) and Philippines (122 000 tonnes) did not fully compensate for the loss of the Russian market. However, prospects of higher pig meat supplies and strong demand from Asia could support a recovery so that exports could reach the 2012 level by 2016 (2.1 million tonnes).

Graph 5 EU pig meat exports (million tonnes)



Source: DG Agriculture and Rural Development based on COMEXT

Despite a sustained recovery in consumption, the strong drop in EU exports and increased supply on the domestic market drove pig meat prices down below their 2007-11 average, at 133 EUR/100 kg the last week of 2014. On 24th of February 2015, the European Commission announced the opening of a private storage aid scheme for pig meat to stimulate pig prices recovering faster and to stabilise producer margins.

Graph 6 EU pig meat price, class E, in EUR/100 kg

Source: DG Agriculture and Rural Development

Poultry meat production – the success story

Lower feed prices in 2014 prompted EU poultry production to reach an exceptional level of around 13.2 million tonnes. Increases took place in some of the most important EU poultry producers: Germany (4%), Poland (9%), the Netherlands (2%) and Spain (10%). By contrast, poultry production kept relatively stable in the United Kingdom and France; stability in French poultry production might be related to the financial difficulties of two important companies. Provided that feed prices will continue to be favourable in view of good availabilities and Avian Flu outbreaks are kept under control, the solid demand is foreseen to allow production to grow over the outlook though at a slower pace than in 2014 and reach 13.5 million tonnes by 2016.

Despite a number of factors that could have heavily affected the export market in 2014 (i.e. the Russian import ban, the South African anti-dumping measures, Avian Flu outbreaks in some major producing countries and the drop in demand from Saudi Arabia), EU shipments of poultry products performed remarkably, reaching a record of 1.35 million tonnes (or +4% year on year). Exports to Benin increased by 17%, to South Africa by 25%, to Hong Kong by 13.5% while those to Saudi Arabia declined considerably (-20%). The anti-dumping duties imposed by South Africa on selected companies in Germany, the Netherlands and the United Kingdom did not prevent a strong increase in EU shipments to South Africa from not usually big suppliers (Belgium, Hungary, France and Spain).

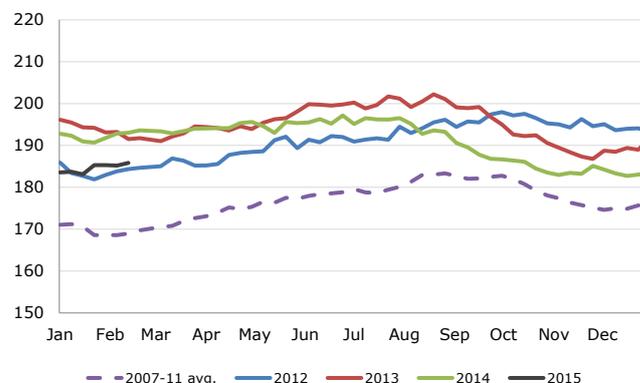
Prospects of increased production in Brazil and the US, the EU's main competitors on the world market, could limit the export pace of increase in 2015 to around 2%; however, a potential pick up in exports towards the Saudi Arabian market in the near future might bring EU exports to 1.4 million tonnes by 2016.

After the drop suffered in 2013, poultry meat imports into the EU increased again in 2014. Declining

volumes from Brazil have been more than compensated by those of Thai origins. Although increasingly supplying other markets (such as China, Japan and Russia or the closer Venezuela), Brazil remains the main EU foreign supplier of poultry meat accounting for 60% market share. Higher volumes of salted poultry meat from Thailand, within larger Tariff Rate Quota (TRQ), drove a 10% increase of EU imports from this origin. Provided EU market remains attractive for Brazilian and Thai suppliers, given TRQs are still not fully filled, imports are expected to grow both in 2015 by 40 000 tonnes and in 2016 to reach around 900 000 tonnes. In addition, Ukraine is allowed to provide to the EU 56 000 tonnes c.w.e. (36 000 in product weight) at zero duty in the framework of the recently opened TRQ.

Poultry meat prices have been quite stable in the first half of 2014 and on a slightly declining path in the second half of the year. Nevertheless they kept being higher than the 2007-11 average and moved within the narrow band of 183-192 EUR/100 kg.

In 2014, in the context of a still weak economic recovery, per capita consumption of poultry meat grew by 2.5%; the share of poultry meat in total meat consumption is expected to continue increasing to the detriment of pig meat.

Graph 7 EU poultry meat price in EUR/100 kg

Source: DG Agriculture and Rural Development

Declining sheep meat production in 2014

Blue Tongue outbreaks in Sardinia at the end of 2013 and in 2014 resulted in drastic sheep slaughterings and affected 2014 lamb production (Italy registered a drop of 33% in sheep production compared to 2013⁶). The outbreaks spread also to other parts of the EU, mainly in Greece, Bulgaria, Romania and Spain, with a total of 9 415 cases notified in 2014 (compared to 6 190 in 2013).

⁶ Based on the period January-November, as December data was not yet available.

In 2014, EU production of total sheep and goat declined by 1%⁷, slightly more than in 2012-13 (-0.4%). The main drops were recorded for Spain (-14 000 tonnes) and Italy (-12 000 tonnes), while production increased in some other countries. The implementation of the voluntary coupled support for sheep and goat in certain Member States should help maintain the interest in sheep and goat farming. On the other hand, it could lead to a higher retention of animals and a temporary slowdown of slaughterings. Therefore, EU production in 2015 is expected to improve only marginally, hiding though different situations by Member States.

In 2014, tight availabilities in New Zealand and reorientation of its exports towards China led to 8% lower exports into the EU. New Zealand represents more than 80% of EU imports of sheep and goat meat. The absence of compensation by Australia and Argentina resulted in an overall import decline of 6% compared to 2013. The existing TRQs are currently around 30% under-filled but imports are expected to increase modestly in 2015.

On the other hand, though limited in volumes, EU live exports increased in 2014, especially towards destinations such as Libya, while EU meat exports decreased slightly. Trade flows are expected to remain stable for the period 2015-16.

Though on a declining path since June 2014, heavy lamb carcass prices were still firm in August 2014 (at 482 EUR/100 kg) and they increased again towards the end of the year. Light lamb carcass prices increased almost the whole year 2014, reaching a peak above 650 EUR/100 kg in December 2014, followed by a drop in the first weeks of 2015. This price evolution together with limited supply will keep per capita consumption at a stable level in 2015 and 2016 (1.8 kg/capita).

5. UNCERTAINTIES

The forecasts are elaborated based on the assumption that the one year Russian import ban end in August 2015, but the duration of this ban remains far from certain.

In addition, the export performance of the EU is supported by the depreciation of the euro against the US dollar. Export forecast might be affected by significant changes in the exchange rate.

Last but not least, experience has shown the oil price could develop unexpectedly, thus bringing additional uncertainty to the agricultural markets.

⁷ The challenge in estimating sheep and goat meat production is linked to the important share of 'on farm slaughterings' in total production (on average accounting for 18% for sheep and 28% for goats; this share is even higher in some Member States as in Romania, Greece and Portugal). This figure is usually the most revised and it might change the total production trend from negative to positive.

6. STATISTICAL ANNEX

ARABLE CROPS

Table 6.1 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	23 371	25 119	24 244	7.5	8.2	-3.5	3.4
Durum	2 504	2 598	2 420	2 314	2 395	-4.4	-12.3	3.5	-4.5
Rye	2 240	2 360	2 607	2 105	2 229	-19.2	-13.1	5.9	-3.1
Barley	11 924	12 488	12 715	12 393	12 580	-2.5	-0.7	1.5	1.7
Oats	2 694	2 663	2 665	2 546	2 641	-4.4	-5.6	3.7	-1.2
Maize	9 308	9 864	9 771	9 631	9 221	-1.4	4.1	-4.3	-3.6
Triticale	2 600	2 425	2 687	2 909	2 701	8.2	9.0	-7.1	1.2
Sorghum	116	118	145	157	129	8.8	34.2	-17.9	2.0
Others	1 675	1 801	1 525	1 718	1 666	12.7	2.9	-3.0	1.2
Cereals	56 809	57 561	57 904	58 892	57 806	1.7	2.6	-1.8	0.7
Rapeseed	6 727	6 203	6 704	6 732	6 789	0.4	1.2	0.8	1.0
Sunflower	4 344	4 238	4 575	4 313	4 394	-5.7	3.5	1.9	2.2
Soybeans	449	430	466	508	516	9.0	16.9	1.5	14.9
Linseed	92	85	73	77	83	5.4	-7.6	8.0	-1.6
Oilseeds	11 612	10 956	11 818	11 631	11 782	-1.6	2.7	1.3	2.0
Field peas	690	508	445	489	555	10.0	-13.5	13.4	-1.3
Broad beans	414	348	363	374	385	2.8	-6.9	3.1	0.3
Lupines	93	84	56	82	86	45.6	-3.0	5.1	-0.3
Protein crops	1 197	940	865	945	1 026	9.3	-9.7	8.6	-0.1
Sugar beet	1 646	1 661	1 580	1 631	1 547	3.2	0.4	-5.2	-5.0
Total	69 618	69 457	70 587	71 468	70 614	1.2	2.3	-1.2	1.0

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

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

	EU-28					% variation			
	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	5.82	5.95	5.88	2.1	6.4	-1.1	4.4
Durum	3.36	3.24	3.35	3.37	3.41	0.5	3.7	1.2	2.8
Rye	3.06	3.70	3.95	4.23	3.84	7.1	19.4	-9.2	4.5
Barley	4.36	4.40	4.81	4.89	4.70	1.6	10.9	-3.8	3.9
Oats	2.94	2.98	3.15	3.11	3.08	-1.4	5.7	-0.9	2.4
Maize	7.59	6.06	6.86	7.92	7.41	15.5	13.4	-6.5	2.7
Triticale	3.90	4.17	4.27	4.53	4.38	6.1	10.4	-3.2	6.2
Sorghum	5.85	4.19	5.03	5.76	5.53	14.4	9.7	-3.9	2.3
Others	2.71	2.90	2.84	2.84	2.81	0.1	0.7	-1.1	-0.5
Cereals	5.15	4.89	5.31	5.60	5.40	5.4	10.4	-3.6	4.6
Rapeseed	2.85	3.10	3.13	3.57	3.11	14.2	17.2	-12.8	2.2
Sunflower	1.98	1.68	2.00	2.14	1.97	6.6	13.8	-7.6	1.4
Soybeans	2.79	2.22	2.61	2.86	2.73	9.5	5.2	-4.6	-1.0
Linseed	1.71	1.57	1.85	1.61	1.57	-12.6	-3.2	-2.4	-3.4
Oilseeds	2.52	2.51	2.67	3.00	2.66	12.4	16.3	-11.2	3.3
Field peas	2.28	2.31	2.78	2.63	2.59	-5.2	2.4	-1.5	0.8
Broad beans	2.82	2.93	2.83	3.09	2.94	8.9	8.0	-4.8	2.8
Lupines	1.40	1.53	2.24	1.55	1.52	-30.7	4.5	-1.8	-0.6
Protein crops	2.40	2.47	2.77	2.72	2.63	-1.7	2.9	-3.1	0.3
Sugar beet	76.01	69.12	69.03	70.89	69.89	2.7	1.5	-1.4	0.3

Table 6.3 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	136 114	149 369	142 632	8.2	4.9	9.7	15.1
Durum	8 409	8 407	8 102	7 788	8 160	-3.9	-8.5	4.8	-1.8
Rye	6 860	8 740	10 296	8 908	8 566	-13.5	1.2	-3.8	1.0
Barley	51 990	54 989	61 129	60 552	59 151	-0.9	7.4	-2.3	5.2
Oats	7 913	7 938	8 397	7 914	8 135	-5.8	-2.1	2.8	2.7
Maize	70 620	59 816	67 037	76 302	68 301	13.8	22.5	-10.5	3.8
Triticale	10 144	10 105	11 466	13 173	11 837	14.9	22.1	-10.1	9.7
Sorghum	679	496	728	906	715	24.5	41.1	-21.0	5.0
Others	4 540	5 227	4 328	4 882	4 683	12.8	5.2	-4.1	2.2
Cereals	292 384	281 513	307 596	329 794	312 180	7.2	13.5	-5.3	6.2
Rapeseed	19 199	19 239	20 977	24 059	21 146	14.7	18.7	-12.1	4.3
Sunflower	8 608	7 132	9 170	9 215	8 677	0.5	21.4	-5.8	4.5
Soybeans	1 254	958	1 218	1 454	1 407	19.3	28.6	-3.3	14.4
Linseed	156	134	135	125	131	-7.9	-12.2	5.4	-7.5
Oilseeds	29 218	27 462	31 500	34 853	31 361	10.6	19.1	-10.0	4.8
Field peas	1 574	1 172	1 238	1 289	1 440	4.2	-6.2	11.7	5.3
Broad beans	1 167	1 019	1 029	1 153	1 131	12.0	-3.8	-1.9	1.3
Lupines	131	129	126	127	131	0.8	-1.2	3.3	1.8
Protein crops	2 872	2 319	2 393	2 569	2 702	7.4	-4.7	5.2	3.5
Sugar beet	125 135	114 830	109 096	115 647	108 106	6.0	2.2	-6.5	-4.5
Total	324 474	311 295	341 489	367 216	346 243	7.5	13.9	-5.7	6.1

Table 6.4 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	34.9	50.0	43.2
Gross production	289.6	278.8	307.6	329.8	312.2	-5.3
Usable production	286.9	276.2	304.8	326.8	309.3	-5.4
Imports	14.4	16.9	19.2	12.7	14.1	10.6
Availabilities	337.8	331.2	352.6	374.5	373.4	-0.3
Total domestic uses	272.2	268.8	272.0	278.0	278.4	0.2
- Human	65.4	65.5	65.7	65.6	66.0	0.5
- 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	170.6	170.5	-0.1
Losses (excl on-farm)	2.2	2.2	2.2	2.2	2.2	0.0
Exports	25.2	31.6	43.5	44.3	39.8	-10.2
Total uses	299.7	302.6	317.7	324.5	320.4	-1.3
End stocks	38.2	28.6	34.9	50.0	53.0	6.0
- Market	38.1	28.6	34.9	50.0	53.0	6.0
- Intervention	0.1	0.0	0.0	0.0	0.0	-
Self-sufficiency rate %	105.4	102.7	112.1	117.6	111.1	4.9

Table 6.5 EU-28 cereal balance sheet 2015/16 (forecast) (million t)

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-28
Beginning stocks (01.07.2014)	13.3	9.6	0.6	20.6	1.2	0.4	1.6	1.1	1.7	50.0
Gross production	142.6	59.2	8.2	68.3	8.6	0.7	8.1	11.8	4.7	312.2
Usable production	141.5	58.6	8.1	68.0	8.4	0.6	8.0	11.6	4.4	309.3
Import ¹	3.1	0.1	1.9	8.5	0.1	0.2	0.0	0.0	0.1	14.1
Total availabilities	157.9	68.4	10.6	97.1	9.6	1.2	9.6	12.7	6.2	373.4
Total domestic use	111.3	49.0	8.6	78.3	8.4	0.9	6.5	12.5	3.0	278.4
- Human	48.0	0.4	8.0	5.0	3.0	0.2	1.2	0.1	0.3	66.0
- Seed	4.7	2.3	0.4	0.5	0.5	0.0	0.5	0.5	0.3	9.6
- Industrial	10.6	9.3	0.1	10.0	1.5	0.0	0.1	0.6	0.1	32.3
<i>o.w. bioethanol</i>	4.5	0.7		4.7	0.8			0.5		11.2
- Animal feed	48.0	37.1	0.1	62.8	3.4	0.7	4.8	11.4	2.2	170.5
Losses (excl on-farm)	0.9	0.4	0.0	0.6	0.1	0.0	0.1	0.1	0.0	2.2
Export ¹	27.1	8.5	1.2	2.6	0.1	0.0	0.2	0.0	0.0	39.8
Total use	139.3	58.0	9.8	81.5	8.6	0.9	6.8	12.6	3.0	320.4
End stocks (30.06.2015)	18.7	10.4	0.8	15.6	1.0	0.4	2.8	0.1	3.2	53.0
- Market	18.7	10.4	0.8	15.6	1.0	0.4	2.8	0.1	3.2	53.0
- Intervention	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in stocks	5.3	0.8	0.2	-5.0	-0.2	0.0	1.3	-1.0	1.6	3.0
Change in public stocks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-sufficiency rate %	127.18	119.63	93.93	86.90	99.70	69.97	123.49	92.89	150.22	111.11

¹ Grains equivalent (grain, groats and flour).

Note: estimated export quantities for all wheat = 28.3 million t, for coarse grains = 11.5 million t.

Table 6.6 EU-28 cereal balance sheet 2014/15 (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	15.6	1.1	0.2	0.6	0.6	0.3	34.9
Gross production	149.4	60.6	7.8	76.3	8.9	0.9	7.9	13.2	4.9	329.8
Usable production	148.2	60.0	7.7	76.0	8.7	0.8	7.8	13.0	4.6	326.8
Import ¹	3.0	0.1	2.2	7.0	0.1	0.2	0.0	0.0	0.1	12.7
Total availabilities	160.3	67.3	10.2	98.5	9.9	1.2	8.4	13.6	5.0	374.5
Total domestic use	115.0	48.3	8.6	74.4	8.5	0.8	6.6	12.4	3.3	278.0
- Human	48.0	0.4	8.0	5.0	3.0	0.2	1.1	0.1	0.0	65.6
- Seed	4.7	2.3	0.4	0.5	0.5	0.0	0.5	0.5	0.3	9.6
- Industrial	10.5	9.3	0.1	10.0	1.5	0.0	0.1	0.6	0.1	32.1
<i>o.w. bioethanol</i>	4.4	0.7		4.7	0.8			0.5		11.0
- Animal feed	51.9	36.4	0.1	59.0	3.5	0.6	4.9	11.3	2.9	170.6
Losses (excl on-farm)	0.9	0.4	0.0	0.6	0.1	0.0	0.1	0.1	0.0	2.2
Export ¹	31.0	9.0	1.0	3.0	0.1	0.0	0.2	0.0	0.0	44.3
Total use	146.9	57.7	9.6	78.0	8.7	0.8	6.8	12.5	3.4	324.5
End stocks (30.06.2014)	13.3	9.6	0.6	20.6	1.2	0.4	1.6	1.1	1.7	50.0
- Market	13.3	9.6	0.6	20.6	1.2	0.4	1.6	1.1	1.7	50.0
- Intervention	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in stocks	4.3	2.4	0.3	5.0	0.1	0.2	1.0	0.5	1.4	15.1
Change in public stocks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-sufficiency rate %	128.8	124.2	89.6	102.1	102.6	103.5	118.4	104.4	138.4	117.6

¹ Grains equivalent (grain, groats and flour).

Note: estimated export quantities for all wheat = 32.0 million t, for coarse grains = 12.3 million t.

Table 6.7 EU-28 cereal balance sheet 2013/14 (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	28.6
Gross production	136.1	61.1	8.1	67.0	10.3	0.7	8.4	11.5	4.3	307.6
Usable production	135.1	60.6	8.0	66.8	10.1	0.6	8.3	11.3	4.1	304.8
Import ¹	1.8	0.0	1.9	15.0	0.1	0.2	0.0	0.0	0.1	19.2
Total availabilities	146.1	64.9	10.0	94.8	10.7	0.8	8.9	11.8	4.5	352.6
Total domestic use	106.2	48.5	8.5	75.6	9.3	0.7	7.9	11.1	4.1	272.0
- Human	48.0	0.4	7.9	4.9	3.0	0.2	1.1	0.1	0.0	65.7
- Seed	4.7	2.3	0.4	0.5	0.5	0.0	0.5	0.5	0.3	9.7
- Industrial	10.5	9.3	0.1	9.6	1.5	0.0	0.1	0.6	0.1	31.8
<i>o.w. bioethanol</i>	4.4	0.7		4.3	0.8			0.5		10.7
- Animal feed	42.9	36.6	0.1	60.6	4.3	0.5	6.2	10.0	3.7	164.9
Losses (excl on-farm)	0.9	0.4	0.1	0.6	0.1	0.0	0.1	0.1	0.0	2.2
Export ¹	30.0	8.8	1.1	3.1	0.2	0.0	0.3	0.0	0.0	43.5
Total use	137.1	57.7	9.7	79.3	9.6	0.7	8.3	11.2	4.2	317.7
End stocks (30.06.2013)	9.1	7.2	0.3	15.6	1.1	0.2	0.6	0.6	0.3	34.9
- Market	9.1	7.2	0.3	15.6	1.1	0.2	0.6	0.6	0.3	34.9
- Intervention	0.0	0.0		0.0						0.0
Change in stocks	-0.2	3.0	0.2	2.5	0.6	0.1	0.0	0.0	0.0	6.3
Change in public stocks	0.0	0.0		0.0						0.0
Self-sufficiency rate %	127.2	124.9	93.7	88.3	108.2	92.6	105.1	101.2	98.3	112.1

¹ 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 6.8 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.
Production	29.1	27.3	31.4	34.7	31.2	10.7	19.2	-10.1	4.9
Rape	19.2	19.2	21.0	24.1	21.1	14.7	18.7	-12.1	4.3
Soybean	1.3	1.0	1.2	1.5	1.4	19.3	28.6	-3.3	14.4
Sunflower	8.6	7.1	9.2	9.2	8.7	0.5	21.4	-5.8	4.5
Total domestic use	43.9	44.0	46.7	47.8	47.4	2.3	8.6	-0.9	5.4
Rape	22.8	23.1	23.8	25.7	24.7	7.9	10.5	-3.8	5.6
<i>of which crushing</i>	21.7	22.2	23.0	24.8	23.8	7.5	10.6	-3.8	5.7
Soybean	13.1	13.7	14.5	13.3	14.4	-8.3	-3.3	8.1	4.8
<i>of which crushing</i>	11.8	12.5	13.2	12.1	13.1	-8.5	-2.9	8.3	5.1
Sunflower	8.0	7.2	8.4	8.8	8.3	4.9	20.4	-5.9	5.7
<i>of which crushing</i>	7.1	6.3	7.6	7.9	7.4	5.0	22.8	-6.7	6.0
Imports	16.0	16.0	17.4	15.4	16.2	-11.5	-4.0	5.7	1.4
Rape	3.8	3.4	3.5	2.9	3.2	-18.3	-9.8	13.5	0.0
Soybean	11.9	12.4	13.5	12.3	12.8	-8.7	-3.2	3.4	1.2
Sunflower	0.3	0.2	0.3	0.2	0.2	-50.4	-46.5	44.1	-11.2
Exports	0.9	0.6	1.1	1.3	1.0	21.6	50.2	-23.4	9.7
Rape	0.1	0.1	0.3	0.6	0.3	91.2	207.9	-43.6	43.6
Soybean	0.1	0.1	0.1	0.1	0.1	23.7	-2.5	8.7	3.0
Sunflower	0.7	0.4	0.7	0.7	0.6	-5.8	10.9	-10.4	0.4
End stocks	3.7	2.4	3.3	4.3	3.3	28.8	23.8	-22.0	-4.8
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
Self-suff. rate %	66.2	62.1	67.1	72.6	65.9				

Table 6.9 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.
Production	25.6	26.0	27.7	28.0	28.0	1.1	8.1	-0.1	5.2
Rape	12.4	12.7	13.1	14.1	13.6	7.5	10.6	-3.8	5.7
Soybean	9.3	9.8	10.4	9.5	10.3	-8.5	-2.9	8.3	5.1
Sunflower	3.9	3.5	4.2	4.4	4.1	5.0	22.8	-6.7	6.0
Total domestic use	49.3	46.0	48.9	49.5	48.9	1.3	1.8	-1.3	-0.7
Rape	12.3	12.8	13.2	14.1	13.6	6.6	10.4	-3.2	5.7
Soybean	29.8	26.1	28.5	27.9	27.9	-2.3	-4.9	0.1	-2.9
Sunflower	7.2	7.1	7.1	7.5	7.3	5.9	15.3	-2.8	2.8
Imports	24.9	21.1	22.1	22.5	21.9	2.0	-2.2	-2.7	-4.6
Rape	0.2	0.4	0.5	0.4	0.4	-3.2	49.5	-1.0	19.4
Soybean	21.3	17.0	18.5	18.7	18.1	1.0	-6.7	-3.3	-7.3
Sunflower	3.4	3.7	3.1	3.4	3.4	8.5	16.2	0.5	3.3
Exports	1.2	1.1	0.9	1.1	1.0	23.2	12.5	-6.2	-1.5
Rape	0.3	0.3	0.4	0.5	0.4	26.1	69.7	-20.3	18.6
Soybean	0.8	0.7	0.3	0.4	0.5	16.7	-33.1	23.5	-13.8
Sunflower	0.1	0.1	0.2	0.2	0.2	29.2	103.6	-27.8	16.7
End stocks	0.6	0.6	0.7	0.6	0.6	-7.7	9.1	2.8	5.7
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
Self-suff. rate %	52.0	56.5	56.7	56.6	57.2				

Table 6.10 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.
Production	14.3	14.2	15.3	15.9	15.5	4.2	11.7	-2.6	6.2
Rape	8.9	9.1	9.4	10.2	9.8	7.5	10.6	-3.8	5.7
Soybean	2.4	2.5	2.6	2.4	2.6	-8.5	-2.9	8.3	5.1
Sunflower	3.0	2.6	3.2	3.3	3.1	5.0	22.8	-6.7	6.0
Palm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total domestic use	20.5	20.1	22.0	22.2	22.1	1.0	7.3	-0.3	5.6
Rape	9.3	8.9	9.4	9.9	9.7	5.2	5.8	-1.8	3.9
Soybean	2.3	1.7	2.1	2.0	2.0	-6.6	-15.8	3.0	-4.8
Sunflower	3.7	3.5	3.7	4.0	3.9	7.5	12.3	-3.0	6.7
Palm	5.2	6.0	6.7	6.3	6.5	-6.2	13.8	2.6	10.9
Imports	7.4	7.6	8.4	8.3	8.1	-1.2	10.4	-2.3	4.1
Rape	0.6	0.2	0.3	0.3	0.3	-9.8	-34.9	-3.5	-26.6
Soybean	0.5	0.3	0.3	0.3	0.3	-20.1	-39.6	7.6	-23.6
Sunflower	0.9	1.1	0.9	1.1	1.0	26.2	17.9	-8.0	6.5
Palm	5.4	6.1	6.9	6.6	6.5	-3.3	17.4	-1.7	8.2
Exports	1.2	1.8	1.6	1.7	1.7	2.6	29.5	2.8	13.4
Rape	0.2	0.5	0.3	0.3	0.4	12.8	38.4	7.4	26.2
Soybean	0.6	1.0	0.8	0.8	0.9	-7.5	23.5	13.9	19.3
Sunflower	0.2	0.2	0.3	0.4	0.3	7.4	87.2	-15.2	21.5
Palm	0.2	0.1	0.1	0.2	0.2	28.3	18.8	-16.6	-10.8
End stocks	1.2	1.1	1.2	1.5	1.2	29.3	30.4	-16.2	5.6
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
Self-suff. rate %	69.6	71.0	69.5	71.7	70.1				

SUGAR BALANCE

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

	EU-27		2013/14	EU-28		% variation vs. 14/15
	2011/12	2012/13		2014/15e	2015/16f	
Beginning stocks	1.22	2.397	3.169	2.414	3.444	42.7%
Sugar beet production	123.97	113.91	109.10	115.65	108.11	-6.5%
White sugar production	18.74	17.37	16.73	19.07	16.28	-14.6%
Imports	3.54	3.82	3.59	2.97	3.48	17.2%
Availabilities	23.50	23.58	23.49	24.45	23.21	-5.1%
Total domestic uses white sugar	19.14	19.04	19.71	19.66	19.39	-1.4%
- Human	17.04	16.74	17.69	17.51	17.24	-1.5%
- Industrial	2.10	2.30	2.02	2.15	2.14	-0.3%
<i>o.w. bioethanol</i>	1.48	1.51	1.22	1.35	1.39	2.9%
Exports	1.97	1.37	1.37	1.35	1.35	0.0%
Total uses	21.10	20.41	21.08	21.01	20.74	-1.3%
End stocks	2.40	3.17	2.41	3.44	2.47	-28.3%
- Market	2.40	3.17	2.41	3.44	2.47	-28.3%
- Intervention	0	0	0	0	0	0.0%
Self-sufficiency rate %	98%	91%	85%	97%	84%	

MILK AND DAIRY PRODUCTS

Table 6.12 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
Dairy cows (mio heads)¹	23.1	23.1	23.3	23.3	23.1	23.0	-0.2	0.9	0.2	-0.7	-0.7
of which EU-15	17.5	17.6	17.8	17.9	17.9	17.8	0.6	1.5	0.6	-0.5	-0.5
of which EU-N13	5.6	5.5	5.4	5.4	5.3	5.2	-2.7	-1.0	-1.0	-1.5	-1.5
Milk yield (kg/dairy cow)²	6 426	6 465	6 482	6 744	6 876	6 968	0.6	0.3	4.0	2.0	1.3
of which EU-15	7 092	7 049	7 038	7 288	7 415	7 496	-0.6	-0.2	3.6	1.7	1.1
of which EU-N13	4 362	4 594	4 658	4 928	5 060	5 169	5.3	1.4	5.8	2.7	2.2
Milk production (million t)	151.9	152.2	153.9	160.4	162.4	163.4	0.2	1.1	4.3	1.2	0.6
of which EU-15	124.1	124.1	125.7	131.0	132.6	133.4	0.0	1.3	4.2	1.2	0.6
of which EU-N13	27.8	28.1	28.1	29.4	29.8	30.0	1.1	0.3	4.6	1.2	0.6
Feed use (million t)	3.5	3.5	3.5	3.6	3.6	3.7	-0.8	1.8	0.6	1.4	1.4
On farm use and direct sales (mio t)	8.7	8.6	9.1	9.2	9.4	9.6	-1.3	5.1	2.0	1.8	1.9
Delivered to dairies (million t)	139.6	140.0	141.2	147.6	149.4	150.1	0.3	0.9	4.5	1.2	0.5
of which EU-15	120.4	120.0	121.4	126.6	128.1	128.7	-0.3	1.1	4.3	1.2	0.5
of which EU-N13	19.2	20.0	19.9	21.0	21.3	21.4	4.2	-0.7	5.9	1.3	0.5
Delivery ratio (%)³	91.9	92.0	91.8	92.0	92.0	91.9	0.1	-0.3	0.2	0.0	-0.1
of which EU-15	97.0	96.7	96.5	96.6	96.6	96.5	-0.3	-0.2	0.1	-0.1	-0.1
of which EU-N13	69.2	71.3	70.6	71.5	71.6	71.5	3.1	-1.0	1.3	0.1	-0.1
Fat content of milk (%)	4.03	4.04	4.04	4.01	4.03	4.03	0.2	-0.1	-0.9	0.5	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

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

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

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

Table 6.13 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
Production	46 800	46 717	47 063	47 296	47 578	47 738	-0.2	0.7	0.5	0.6	0.3
of which Drinking Milk	31 855	31 787	31 994	32 154	32 314	32 347	-0.2	0.6	0.5	0.5	0.1
of which Cream	2 419	2 508	2 584	2 714	2 795	2 879	3.7	3.0	5.0	3.0	3.0
of which Acidified Milk	8 201	8 130	8 144	8 022	8 022	8 102	-0.9	0.2	-1.5	0.0	1.0
of which Other Fresh Products ²	4 325	4 293	4 341	4 407	4 446	4 410	-0.8	1.1	1.5	0.9	-0.8
of which EU-15	40 560	40 439	40 674	40 837	41 041	41 123	-0.3	0.6	0.4	0.5	0.2
of which EU-N13	6 240	6 278	6 389	6 459	6 537	6 615	0.6	1.8	1.1	1.2	1.2
Imports (extra EU)	44	42	28	16	12	10	-5.2	-32.9	-44.7	-20.0	-20.0
Exports (extra EU)	399	532	577	729	838	964	33.5	8.3	26.4	15.0	15.0
Domestic use¹	46 445	46 227	46 515	46 583	46 752	46 785	-0.5	0.6	0.1	0.4	0.1
p.c. consumption (kg)	91.8	91.1	91.4	91.4	91.5	91.3	-0.7	0.4	-0.1	0.1	-0.2
Self-sufficiency rate (%)	100.8	101.1	101.2	101.5	101.8	102.0					

¹ Domestic use includes stock changes.

² Includes buttermilk, drinks with milk base and other fresh commodities.

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

Table 6.14 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
Production (in dairies)	9 061	9 277	9 308	9 468	9 561	9 606	2.4	0.3	1.7	1.0	0.5
of which from pure cow's milk	8 381	8 551	8 592	8 746	8 839	8 881	2.0	0.5	1.8	1.1	0.5
of which from other milk ¹	680	727	715	722	722	726	6.9	-1.6	1.0	0.0	0.5
EU-15 (in dairies)	7 807	7 947	7 960	8 101	8 160	8 193	1.8	0.2	1.8	0.7	0.4
EU-N13 (in dairies)	1 254	1 330	1 348	1 368	1 401	1 413	6.1	1.4	1.5	2.4	0.9
Processed cheese impact ²	330	325	357	372	395	408	-1.5	9.8	4.1	6.4	3.3
Total production	9 391	9 603	9 665	9 840	9 956	10 015	2.3	0.6	1.8	1.2	0.6
Imports (extra EU)³	75	78	75	76	76	76	4.2	-4.4	2.3	0.0	0.0
Exports (extra EU)	673	768	787	721	757	810	14.1	2.5	-8.4	5.0	7.0
Total domestic use⁴	8 793	8 913	8 953	9 195	9 276	9 281	1.4	0.4	2.7	0.9	0.1
Stock changes	0	0	0	60	- 40	- 20					
Processing use	296	287	310	329	348	356	-3.1	8.1	6.0	5.9	2.4
Human consumption	8 497	8 626	8 643	8 807	8 968	8 945	1.5	0.2	1.9	1.8	-0.3
of which EU-15	7 266	7 359	7 365	7 488	7 614	7 589	1.3	0.1	1.7	1.7	-0.3
of which EU-N13	1 232	1 268	1 278	1 318	1 354	1 356	2.9	0.8	3.2	2.7	0.1
p.c. consumption (kg)	16.8	17.0	17.0	17.3	17.5	17.5	1.3	-0.1	1.7	1.6	-0.5
Self-sufficiency rate (%)	106.8	107.7	108.0	107.0	107.3	107.9					

¹ Other milk includes goat, ewe and buffalo milk.

² Processed cheese impact includes production and net exports of processed cheese.

³ Imports and Exports include Processed Cheese.

⁴ Total domestic use includes stock changes.

Table 6.15 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
Production	691	672	728	767	785	781	-2.7	8.3	5.5	2.3	-0.5
of which EU-15	631	608	664	697	711	708	-3.7	9.2	5.1	2.0	-0.5
of which EU-N13	59	64	64	70	74	74	7.6	0.2	9.2	5.0	0.0
Imports	2	3	3	1	1	1					
Exports	388	386	374	389	397	387	-0.5	-3.0	3.9	2.0	-2.5
Domestic Use¹	304	288	357	380	390	396	-5.2	23.7	6.5	2.5	1.6
Self-sufficiency rate (%)	227.0	232.9	203.9	202.0	201.5	197.3					

¹ Domestic use includes stock changes.

Table 6.16 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
Production	1 096	1 109	1 101	1 356	1 460	1 471	1.2	-0.7	23.2	7.7	0.8
Imports (extra EU)	0	2	5	2	2	2					
Exports (extra EU)	516	520	407	646	743	803	0.9	-21.8	58.9	15.0	8.0
Domestic use¹	689	685	699	694	692	701	-0.5	2.0	-0.7	-0.3	1.3
Ending stocks	157	62	62	80	107	77					
Private (industry)	107	62	62	80	107	77					
Public (intervention)	50	0	0	0	0	0					
Stock changes	- 108	- 95	0	18	27	- 30					
Self-sufficiency rate (%)	159.1	161.9	157.5	195.4	211.1	210.0					

¹ Domestic use includes stock changes.

Table 6.17 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
Production	2 110	2 153	2 137	2 220	2 277	2 282	2.1	-0.8	3.9	2.6	0.2
of which EU-15	1 888	1 909	1 891	1 963	2 012	2 016	1.1	-1.0	3.8	2.5	0.2
of which EU-N13	222	244	246	258	265	267	10.0	0.7	4.8	3.0	0.5
Imports	34	29	21	26	26	26	-15.0	-28.4	24.6	0.0	0.0
Exports	124	124	116	137	149	164	0.1	-6.2	17.7	9.0	10.0
Domestic use¹	1 991	2 038	2 041	2 084	2 134	2 164	2.4	0.2	2.1	2.4	1.4
p.c. consumption (kg)	3.9	4.0	4.0	4.1	4.2	4.2	2.1	-0.1	1.9	2.1	1.2
Ending stocks	80	100	100	125	220	180					
Private	80	100	100	125	220	180					
Public (intervention)	0	0	0	0	0	0					
Stock changes	29	21	0	25	20	- 20					
Self-sufficiency rate (%)	106.0	105.7	104.7	106.5	106.7	105.4					

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.

¹ Domestic use includes stock changes.

MEAT

Table 6.18 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
Gross Indigenous Production	44 589	44 028	43 597	44 554	45 118	45 347	-1.3	-1.0	2.2	1.3	0.5
Live Imports	1	1	1	2	0	1					
Live Exports	240	232	179	197	213	215	-3.6	-22.8	10.3	8.1	0.9
Net Production	44 351	43 798	43 420	44 358	44 905	45 133	-1.2	-0.9	2.2	1.2	0.5
<i>EU-15</i>	37 188	36 675	36 350	36 809	37 218	37 311	-1.4	-0.9	1.3	1.1	0.2
<i>EU-N13</i>	7 163	7 123	7 070	7 549	7 687	7 822	-0.6	-0.7	6.8	1.8	1.8
Meat Imports	1 357	1 326	1 311	1 318	1 358	1 417	-2.3	-1.1	0.6	3.0	4.3
Meat Exports	3 783	3 702	3 698	3 511	3 655	3 852	-2.1	-0.1	-5.1	4.1	5.4
Consumption	41 925	41 422	41 032	42 166	42 608	42 698	-1.2	-0.9	2.8	1.0	0.2
Population (mio)	506	507	507	509	510	511	0.2	0.1	0.3	0.2	0.2
Per Capita Consumption¹ (kg)	66.0	65.2	64.5	66.1	66.7	66.7	-1.2	-1.0	2.5	0.8	0.0
Self-sufficiency rate %	106.4	106.3	106.3	105.7	105.9	106.2					

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

Table 6.19 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
Gross Indigenous Production	8 199	7 867	7 496	7 661	7 788	7 774	-4.0	-4.7	2.2	1.7	-0.2
Live Imports	0	0	0	0	0	0					
Live Exports	147	159	109	115	130	132	7.8	-31.6	5.4	13.5	1.5
Net Production	8 052	7 708	7 388	7 546	7 658	7 643	-4.3	-4.2	2.1	1.5	-0.2
<i>EU-15</i>	7 245	6 950	6 680	6 762	6 850	6 823	-4.1	-3.9	1.2	1.3	-0.4
<i>EU-N13</i>	806	758	708	784	807	820	-5.9	-6.7	10.8	3.0	1.5
Meat Imports	286	275	304	307	304	311	-4.1	10.6	1.1	-1.0	2.3
Meat Exports	327	210	161	207	224	231	-35.8	-23.4	28.7	8.0	3.0
Consumption	8 011	7 773	7 530	7 646	7 738	7 723	-3.0	-3.1	1.5	1.2	-0.2
Per Capita Consumption¹ (kg)	11.1	10.7	10.4	10.5	10.6	10.6	-3.2	-3.2	1.2	1.0	-0.4
<i>Share in total meat cons. (%)</i>	19.1	18.8	18.4	18.1	18.2	18.1					
Self-sufficiency rate (%)	102.3	101.2	99.5	100.2	100.6	100.7					

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

Table 6.20 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
Gross Indigenous Production	23 055	22 554	22 385	22 717	23 000	23 074	-2.2	-0.8	1.5	1.2	0.3
Live Imports	0	0	0	0	0	0					
Live Exports	62	36	26	36	36	36	-42.4	-27.3	36.3	1.0	0.0
Net Production	22 993	22 518	22 359	22 681	22 964	23 038	-2.1	-0.7	1.4	1.2	0.3
<i>EU-15</i>	19 438	19 127	19 055	19 199	19 429	19 429	-1.6	-0.4	0.8	1.2	0.0
<i>EU-N13</i>	3 556	3 391	3 304	3 482	3 534	3 609	-4.6	-2.6	5.4	1.5	2.1
Meat Imports	18	19	16	15	15	15	9.9	-19.4	-7.6	2.0	4.0
Meat Exports	2 151	2 154	2 201	1 921	2 017	2 138	0.1	2.2	-12.7	5.0	6.0
Consumption	20 860	20 384	20 173	20 775	20 961	20 915	-2.3	-1.0	3.0	0.9	-0.2
Per Capita Consumption¹ (kg)	32.2	31.4	31.0	31.8	32.0	31.9	-2.5	-1.2	2.6	0.7	-0.4
<i>Share in total meat cons. (%)</i>	49.8	49.2	49.2	49.3	49.2	49.0					
Self-sufficiency rate (%)	110.5	110.6	111.0	109.3	109.7	110.3					

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

Table 6.21 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
Gross Indigenous Production	12 357	12 660	12 773	13 242	13 394	13 557	2.4	0.9	3.7	1.1	1.2
Live Imports	1	1	1	1	0	1					
Live Exports	9	10	10	11	11	11	16.9	2.4	5.7	0.9	0.0
Net Production	12 350	12 651	12 763	13 232	13 383	13 547	2.4	0.9	3.7	1.1	1.2
<i>EU-15</i>	9 655	9 784	9 809	10 059	10 151	10 269	1.3	0.3	2.6	0.9	1.2
<i>EU-N13</i>	2 694	2 867	2 955	3 174	3 232	3 278	6.4	3.1	7.4	1.8	1.5
Meat Imports	831	841	791	809	850	899	1.3	-5.9	2.3	5.0	5.8
Meat Exports	1 290	1 313	1 300	1 350	1 381	1 450	1.8	-1.0	3.9	2.3	5.0
Consumption	11 891	12 179	12 255	12 692	12 851	12 996	2.4	0.6	3.6	1.3	1.1
Per Capita Consumption¹ (kg)	20.7	21.2	21.3	21.9	22.2	22.4	2.2	0.5	3.2	1.0	0.9
<i>Share in total meat cons. (%)</i>	28.4	29.4	29.9	30.1	30.2	30.4					
Self-sufficiency rate (%)	103.9	103.9	104.2	104.3	104.2	104.3					

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

Table 6.22 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
Gross Indigenous Production	978	947	943	934	937	942	-3.1	-0.4	-1.0	0.3	0.5
Live Imports	0	0	0	0	0	0					
Live Exports	22	27	34	36	37	37	23.0	26.1	7.7	0.3	0.0
Net Production	956	921	910	898	901	905	-3.7	-1.2	-1.3	0.3	0.5
<i>EU-15</i>	849	815	806	789	787	790	-4.1	-1.1	-2.1	-0.2	0.3
<i>EU-N13</i>	107	106	103	109	113	115	-1.2	-2.3	5.3	4.0	2.0
Meat Imports	222	190	200	188	189	191	-14.3	5.0	-6.2	1.0	1.0
Meat Exports	15	25	36	32	33	33	63.5	48.0	-12.0	2.0	0.0
Consumption	1 163	1 086	1 073	1 053	1 057	1 064	-6.6	-1.2	-1.8	0.4	0.6
Per Capita Consumption¹ (kg)	2.0	1.9	1.9	1.8	1.8	1.8	-6.8	-1.3	-2.2	0.1	0.4
<i>Share in total meat cons. (%)</i>	2.8	2.6	2.6	2.5	2.5	2.5					
Self-sufficiency rate (%)	84.1	87.2	87.9	88.7	88.6	88.5					

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

7. METHODOLOGY

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

The balance sheets refer to 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).

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 AGRI4CAST⁸), 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 cereals⁹. 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.

⁸ <http://mars.jrc.ec.europa.eu/mars/About-us/AGRI4CAST/Crop-Monitoring-and-Yield-Forecasting>

⁹ 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 equivalent¹⁰.

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

¹⁰ 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.

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 1st 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)

and so far do not include on-farm production¹¹. 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 2013 are based on most recent annual milk deliveries. Estimates for the years 2014 and 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.

¹¹ 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.

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