



# Short-term outlook for EU agricultural markets in 2017 and 2018

## HIGHLIGHTS

- ❖ EU cereal harvest just below average but ample global supply
- ❖ Significant increase of EU sugar beet-planted area in this first year without quotas
- ❖ Strong global and EU demand for dairy products and stable milk prices
- ❖ High exports of beef and sheep, while lower pig and poultry supply causes a dip in exports and higher prices
- ❖ Rise of the EUR against the USD to affect EU competitiveness on the world market

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This report presents the outlook for 2017-2018 for arable crops and meat and dairy markets in the EU. It is the result of analysis by market experts in the European Commission's Directorate-General for Agriculture and Rural Development. It is based on data available up to 15 September 2017. The next issue is due in winter 2018.

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

EU cereal production in 2017/2018 is expected to slightly recover from the low 2016/2017 season. However, it remains below average. Quality is very uneven. World and EU prices are not expected to rise in a context of ample global supplies. Oilseed production is expected to reach a high level mainly due to increasing yields.

Increased global sugar production in 2017/2018 will put additional pressure on already low world prices. With the end of sugar quotas, EU prices will become more exposed to world price volatility.

High olive oil prices due to the drop in production in the EU and globally in 2016/2017 led to a significant drop in consumption in the main EU-producing countries.

Market conditions in the dairy sector have been unprecedented with a record gap between very high butter prices and skimmed milk powder prices at intervention level. High demand for cheese, butter, cream and powders is supporting milk prices, and thanks to good forage, milk collection is expected to increase from last year.

High beef exports are helping to balance the increase in supply driven mainly by the dairy herd reduction. The growing production of pigmeat combined with falling exports could lead to lower prices. Poultry production and trade are expected to improve in the second half of 2017 after disruptions from bird flu. Sheepmeat exports on the rise.

*Note: This report has been drawn up for the EU-28 under constant policy assumptions, with the Russian import ban assumed to be in place until the end of 2018.*

*Photos copyright: oilseeds-Nick Fletcher, oliveoil-Krishtina Krishty, cereals-Best Community, wine-speleolog, sugarbeet-Fotalia, cow-Frank Luetke, pig-Fotalia, dairy products -Food Town, poultry-Fotalia, sheep-Car.I*

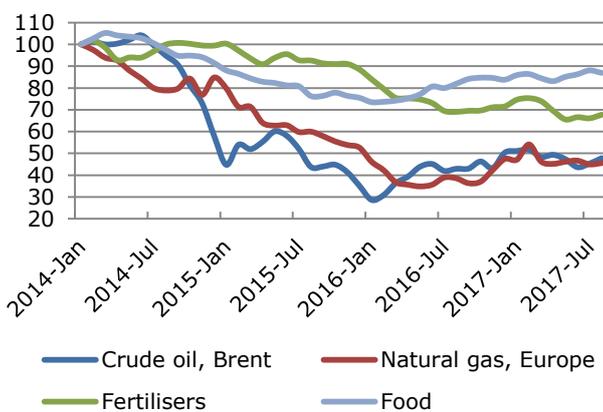


## 1. MACRO-ECONOMIC OUTLOOK<sup>1</sup>

### Food prices back up during the first two quarters in 2017

International food price indices have been on the decline since 2014. However, the recovery in meat and dairy prices during the winter and spring has supported the upward trend in the world food price index since the beginning of 2016. The exceptionally good harvest in Russia together with lower sugar prices are expected to lead to downward pressure on the world food index in autumn 2017.

**Graph 1 Price indices of food, fertiliser and energy (2014 = 100)**



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

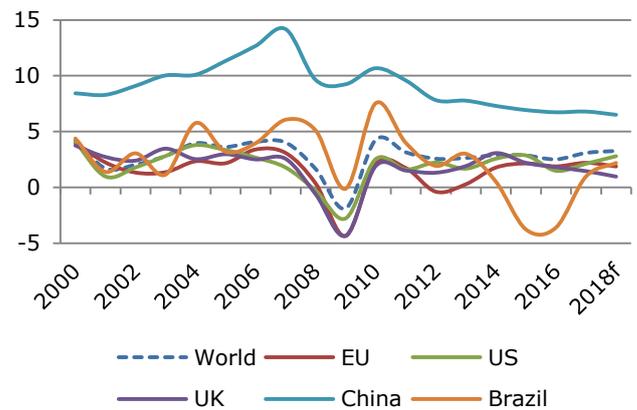
In summer 2017, the Brent crude oil price picked up part of its fall in the first half of 2017. By late August, the price was more than 10 % higher than a year ago. The price continued to rise in the first part of September to USD 56/barrel because of reduced production in the Gulf of Mexico after damage by hurricane weather. Demand in 2017 is expected to remain strong due to a recovery in world economic growth. Due to a production increase, oil prices were low in the first part of the year, this is why for the whole year IHS-Markit and the OECD forecast an average oil price of USD 51/barrel only and their forecast for 2018 is between USD 48-50/barrel. However, the World Bank expects higher oil prices in 2018.

The price for natural gas in Europe stabilised in summer 2017 after a sharp fall in the spring. The correlation between natural gas and nitrogen fertiliser prices, with a short lag, remains strong. The fall in urea prices has therefore turned around while the price of phosphate has continued to decrease. The price index of fertiliser remains stable.

### Stable world growth in 2018

World growth is expected to remain relatively stable in 2017-2018 just above 3 %. Brexit is expected to have a major negative effect on growth in the UK, which is projected to drop to below 1 % for 2018. Despite the robust growth projections for Germany and France, Brexit and the much slower growth in the main Mediterranean economies are expected to result in lower economic growth in the EU from 2.2 % in 2017 to 1.9 % in 2018. The US economy is expected to remain strong with a growth forecast of 2.8 % in 2018 (IHS-Markit).

**Graph 2 Economic growth GDP/capita (%)**



Source: DG Agriculture and Rural Development, based on IHS-Markit

### Depreciation of dollar continues in summer 2017

The weakening of the US dollar against the euro, pound sterling and yuan continued during the summer and early autumn to 1.19 USD/EUR (15 September), falling 13 % since the beginning of 2017. This resulted in lower competitiveness for EU exports. Based on the expectation of a US fiscal stimulus, IHS-Markit and the OECD forecast an appreciation of the dollar during 2018 to between 1.09- 1.15 USD/EUR. However, if and when it will occur remains uncertain.

After a 15 % depreciation of the pound since the UK referendum on Brexit, a stabilisation of the exchange rate at 0.85-0.90 GBP/EUR is expected in 2017-2018 (IHS-Markit, OECD). The downward trend for the Brazilian real in 2011-2016 has been broken, with a slight rise expected in 2017. However, the real is expected to remain considerably weaker than in the last 5 years. The Chinese yuan has depreciated around 10 % to the EUR from its peak in 2013. The forecast for 2018 is a relatively stable exchange rate for China (IHS-Markit). A weaker dollar and real together with a weaker yuan will make EU farm exports less competitive.

<sup>1</sup> Based on European Economic Forecasts (May), IHS Markit (cut-off date 15 September 2017) and the World Bank (Commodity Markets Outlook and Global Economic Outlook).

## 2. ARABLE CROPS

### CEREALS

#### Market developments in the EU

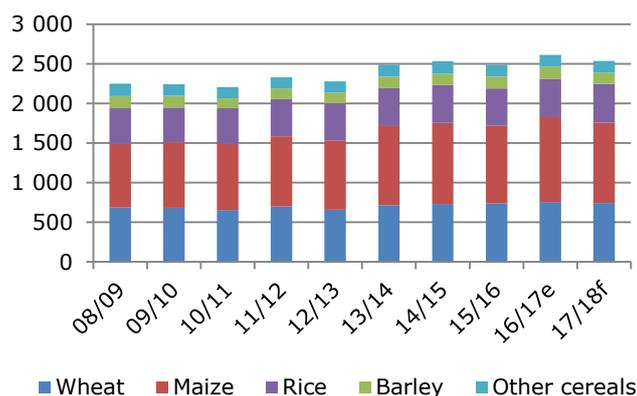
	2016/2017	2017/2018
 Production	▼	▲
Exports	▼	▶◀
Imports	▼	▲
Consumption	▼	▶◀

▲ up ▼ down ▶◀equal (compared to previous season)

#### High production of world grains in 2017/2018 and low prices

Following last year's record grain harvest, estimated at over 2 100 million t, the International Grain Council (IGC) forecasts world grain production to decline by 4 % around 2 000 million t compared to last year, mainly driven by lower maize outputs. However, wheat output is expected to remain high. With respect to rice output, an all-time production level is forecast at 485 million t, reflecting a higher planting area. In this context of ample availabilities (supply and stocks), global trade is expected to increase, especially for maize.

**Graph 3 World grains and rice production (million t)**



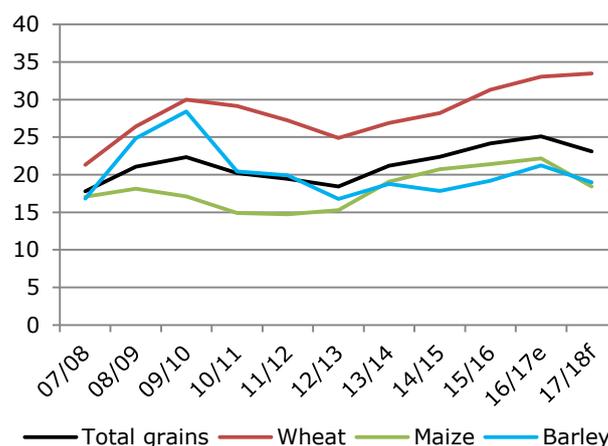
Source: DG Agriculture and Rural Development, based on IGC

For maize production, IGC forecasts a 5 % contraction compared to last year, to 1 000 million t. However, this would still be the third largest crop on record. Contraction is both due to the expected smaller planting area (in Brazil) and lower yields (in the US and Argentina). In China, the planting area has dropped by almost 4 %, probably because of government policy on destocking and resulting falling prices.

IGC forecasts a slight decrease in global wheat production down to 742 million t this year (-1.6 %), especially in North America (-20 % all-wheat production compared to last year) due to dry conditions. In parallel, the EU-28 expects a slight increase in production close to 3 % (see details below). The Joint Research Center (JRC) forecasts yields in Russia to be remarkably good and to boost production up to a record 80 million t. In their September bulletin for Ukraine, JRC forecasts above 5-year average yields in spite of rain deficits in the country. This will encourage both food and feed trade in the black Sea region even though bottlenecks on railways and at ports in the Black Sea could constrain exports.

Ending stocks of total grains in 2016/2017 were above 500 million t, and, in spite of large production, the growing demand may impact them downwards. A new record in maize consumption is expected (driven by feed demand and industrial use). For wheat, even with a growing demand especially for food use, an increase in global stocks is anticipated mainly driven by further accumulation in China. However, barley consumption is expected to be down, because it is estimated feed use in China will be lower, even though imports from Saudi Arabia should increase. World stocks of major barley exporters (Canada and Australia) should decline.

**Graph 4 World stock-to-use ratios (%)**

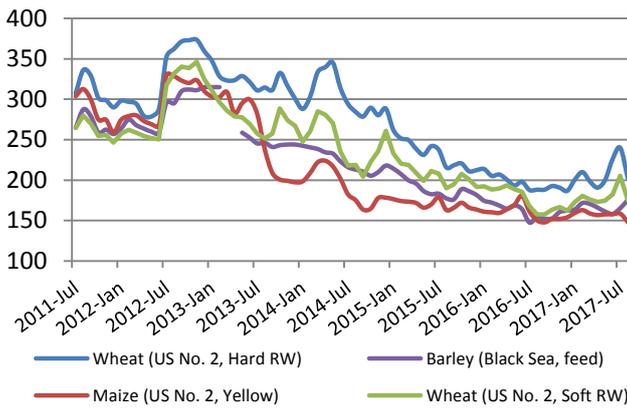


Source: DG Agriculture and Rural Development, based on IGC

A large global supply means that world prices are expected to remain low in the coming months.

Prices for hard and soft wheat saw a short-lived increase in July, probably because of concerns about spring wheat production in the US, which was revised downwards at the beginning of the summer. Recent reporting of bumper harvests, notably in the Black Sea, has hampered the rise.

**Graph 5 World monthly prices for cereals (USD/t)**



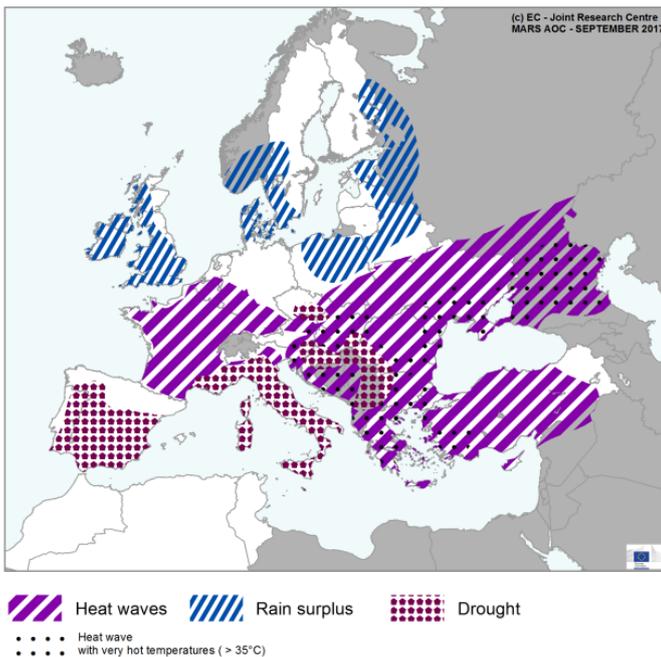
Source: DG Agriculture and Rural Development, based on FAO-GIEWS

**EU harvest recovers slightly from last year's low**

At close to 300 million t, total EU cereal production for 2017/2018 is expected to be 1.5 % higher than the last campaign, (which is still 1.6 % below the last 5-year average).

Hot and dry conditions throughout the summer have been of major concern in the southern part of the EU. Temperatures in Portugal, Spain, Italy and the western Balkans were the highest summer temperatures ever recorded. Several heatwaves hit Southern Europe with temperatures approaching and sometimes exceeding 40 degrees. Water balance has shown a considerable deficit across southern and central Europe, where summer rainfalls have been less than 40 mm.

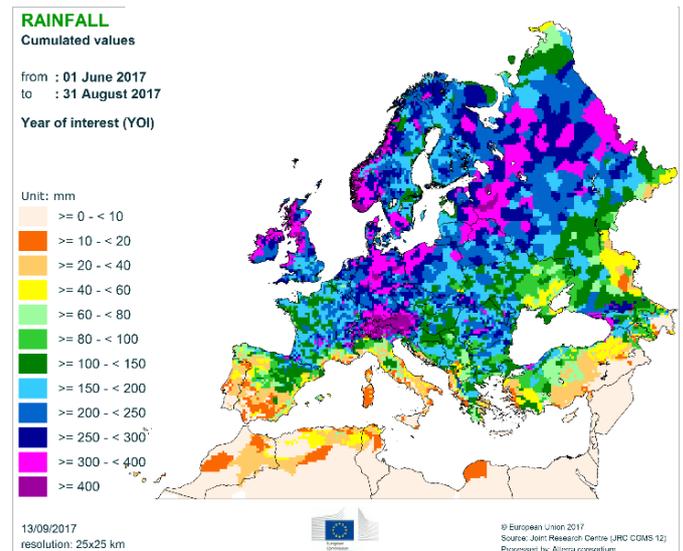
**Map 1 Areas of concern from 01 June to 31 August**



Source: Mars-Bulletin Crop Monitoring in Europe 25(9) <http://mars.jrc.ec.europa.eu/mars/Bulletins-Publications>

Yields were affected by the adverse weather in spring which hindered the development of winter and spring crops. The continued water deficit during the summer also reduced the grain-filling period. Abundant rainfalls occurred in the British Isles and the northern part of Germany, affecting yields too. The Baltic countries have been impacted as well by rainfalls, but an unprecedented level of production is still forecast.

**Map 2 Rainfall cumulated values**



Source: Mars-Bulletin Crop Monitoring in Europe 25(9) <http://mars.jrc.ec.europa.eu/mars/Bulletins-Publications>

EU production of soft wheat is expected to significantly increase this year (+5 %) to reach 140 million t. This is particularly due to a good increase in yields in general. This has been mainly happening in the north-west part of Europe (Belgium, France and the UK) and Estonia. By contrast, droughts reduced yields significantly, particularly in the Iberian Peninsula, where they were recorded to be the lowest across the EU-28.

In terms of quality, frequent rains in the northern part of the EU reduced the protein content for wheat. In northern regions of Germany especially, water deficits in early summer followed by wet conditions delaying harvest diminished the quality. Milling wheat production has been affected as well in Poland and the Baltic countries. French wheat, on the contrary, has an exceptional protein rate (above 12 % for 65 % of the crop) and this could favour European exports.

The durum wheat harvest stabilised at 9 million t. This is mainly driven by outstanding production in France (2 million t) outweighing the large drop in Italy (-8 %), which has faced heat waves. Germany and Croatia saw their production increasing at record levels.

EU barley production is expected to slightly decline to 58 million t, particularly due to lower spring barley output. By contrast, winter barley production went up.

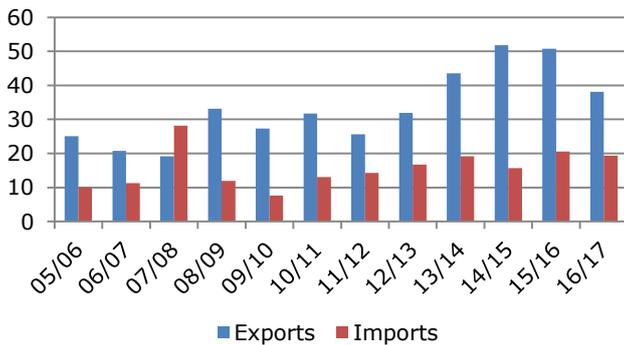
Indeed, lower yields for spring barley were recorded particularly in Spain. However, production in Germany, France and the UK increased and outweighed regional losses.

Maize production is expected to remain low for the third consecutive year (59 million t), 8 % below the 5-year average. The decrease is anticipated mainly in Hungary (-24 %) and Greece (-28 %), due to adverse weather at sensitive phases of the plant's development, particularly shortening the grain-filling stage. However, countries such as Bulgaria and Romania (both around +20 %) and France (+8 %) are expecting to offset the decrease.

EU ending stocks of cereals are expected to stabilise in the next marketing year, with a slight increase for barley and wheat stocks, and decrease for the other cereals.

The EU trade balance for the past marketing year 2016/2017 was 4 % lower than the 5-year average and reached 18 million t. This was particularly due to a total decrease (-25 %) of EU cereal exports compared to the previous year's peak. Imports were relatively stable compared to the 5-year average.

**Graph 6 EU cereals exports and imports (million t)**

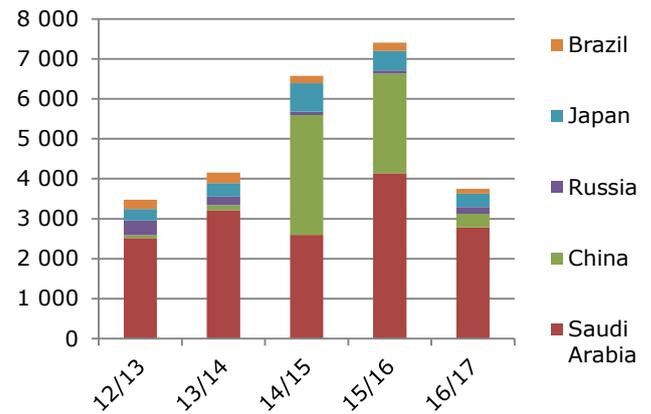


Source: DG Agriculture and Rural Development, based on COMEXT

In 2016/2017, EU soft wheat exports decreased significantly for the second consecutive year (-27 %) due to lower availabilities. The three main importers reduced their imports from Europe by 31 % in the case of Algeria, 49 % for Morocco and 41 % for Egypt.

The close to 40% drop in barley exports compared to last year is driven by reduced exports to both top destination, *i.e.* China (-86 %) and Saudi Arabia (-32 %). This is probably due to tighter supply in Europe in 2016/2017 and governmental policies in China favouring the inclusion of maize in the feed mix. This is also true for shipments to Japan and Brazil, but for lower volumes.

**Graph 7 EU barley exports with selected countries (million t)**

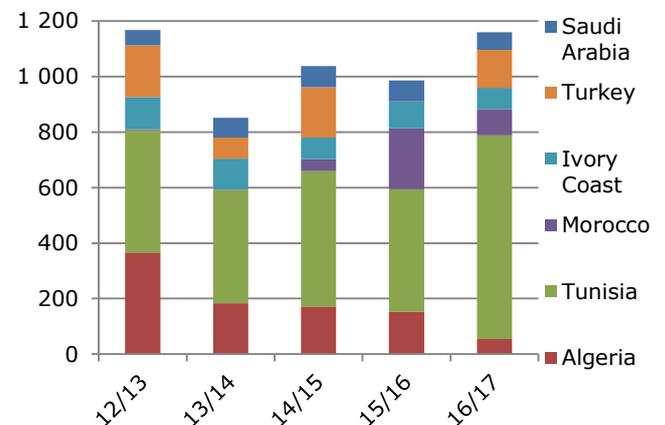


Source: DG Agriculture and Rural Development, based on COMEXT

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By contrast, and despite remaining a net importer, the EU exported 17 % more durum wheat to Europe's six main partners, mainly Tunisia and Turkey, whose imports are partly in the form of flour and semolina.

**Graph 8 EU durum wheat exports with selected countries (million t)**



Source: DG Agriculture and Rural Development, based on COMEXT

EU cereal prices remained low in the past marketing year, due to large global supplies. However, soft wheat prices rose slightly throughout the year (+4.8 %) as did prices for feed barley (+7 %). By contrast, maize prices were down 7.2 %.

## OILSEEDS

## Market developments in the EU

	2016/2017	2017/2018
<b>Production</b>	▼	▲
<b>Exports</b>	▶◀	▶◀
<b>Imports</b>	▲	▼
<b>Consumption</b>	▶◀	▲

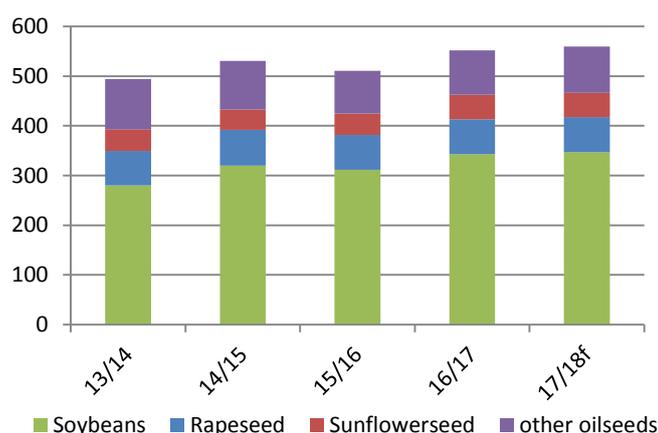
▲ up ▼ down ▶◀equal (compared to previous season)

## Global oilseed supplies up in 2017/2018

The 2017/2018 global production of oilseeds is expected to stabilise at the high level of 550 million t. IGC forecasts that the production of soya beans could slightly contract from the all-time record in 2016-2017, and reach 347 million t. Planting areas for the next harvest could increase, particularly in Brazil, because of the shift from maize production. In contrast, heavy rainfalls in Argentina could affect planting areas. Rapeseed output is expected to remain stable from last year, at 70 million t.

Sunflower seed is likely to decrease fractionally to below 49 million t, due to dry conditions in CIS countries, particularly Ukraine, where yields are down. Stable high level yields are expected in Russia and thus higher crushing volumes and exports.

## Graph 9 World oilseed production (million t)

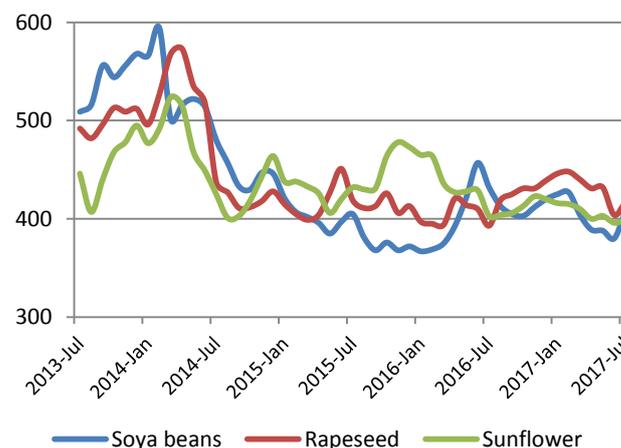


Source: DG Agriculture and Rural Development, based on IGC and Oilworld

Global demand for oilseeds is expected to remain high, especially because of a strong demand for soya beans for feed use, particularly in China. Due to the large supplies forecasted, prices are foreseen to remain relatively low. However, prices will depend on

the weather during planting seasons, particularly in Brazil and Argentina as some concerns have been reflected in a recent upward trend on the physical market as well as in futures prices, reaching USD 430/t for 2019.

## Graph 10 International oilseed prices (USD/t)



Source: DG Agriculture and Rural Development, based on FAO Food Price Monitoring and Analysis Tool

## High oilseed harvest in EU in 2017/2018

The EU 2017/2018 oilseed harvest is foreseen to reach 34 million t, the second highest in the past 10 years. This is an 8 % increase compared to the average of the last 5 years. Acreage rose slightly, but abundant production is mainly due to better yields, especially in the EU-15.

Compared to last year, rapeseed production grew by 10 % to more than 22 million t. This was driven by substantial increases in major producing Member States such as Poland (+20 %) and France (+10 %) which had higher yields. Nonetheless, Polish yields were revised downwards due to difficult harvest conditions. Oil content is expected to be of good quality in France but less so in Poland. Germany has had heavy rains during the summer that have hindered harvesting and deteriorated quality.

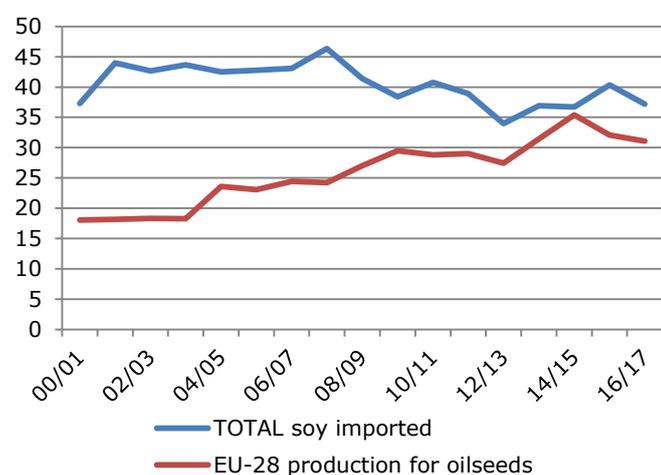
Sunflower seed production is also likely to increase to 9 million t (7 % above the 5-year average). All major producing countries reported higher production; especially Romania where the bumper harvest is estimated at 2.4 million t was recorded. Hungary and Bulgaria recorded limited increases (+2 % and +5 %, respectively). In Spain, average agronomic yields were reported, but the crop has lower oil content than normal because of the dryness.

Finally, soya bean production is expected to slightly increase to a new record high of 2.7 million t. An extended planted area, especially in Italy, is the main

driver as stable yields are seen across countries. Romanian production of soya beans was boosted this year at an unprecedented level of over 400 000 t with a particularly bigger planted area (+41 %).

EU-28 production of oilseeds has been on an upward trend for the past 10 years, mainly driven by rapeseed. Soya beans have seen a significant increase in their production, but the dedicated area is expected to be still 8 % of the total planting area for oilseeds in 2017/2018 (compared to 55 % for rapeseed and 36 % for sunflower seeds). Soy imports have followed a downward trend, although they slightly increased recently. This is in favour of EU self-sufficiency but not enough given the large domestic consumption of oilseed in the EU; the 5-year average self-sufficiency for oilseeds is 65 %, and for oilmeals it is down to 57 %.

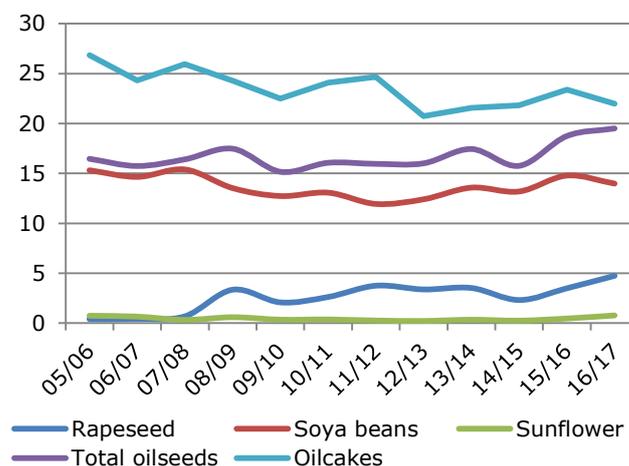
**Graph 11 Soya bean and meal imports and oilseed production (million t)**



Source: DG Agriculture and Rural Development, based on COMEXT  
 Note: Soya meals are expressed in beans equivalent

After a steady increase in oilcake imports since 2012/2013, recent market trends have shown a drop, while oilseed imports have stabilised. This is partly due to lower demand for feed linked to lower animal production in 2016. The consumption of oil meals in 2017/2018 is expected to increase slightly (+1 %) as is the total production of compound feed compared to 2016/2017.

**Graph 12 EU oilseed and oilcake imports (million t)**



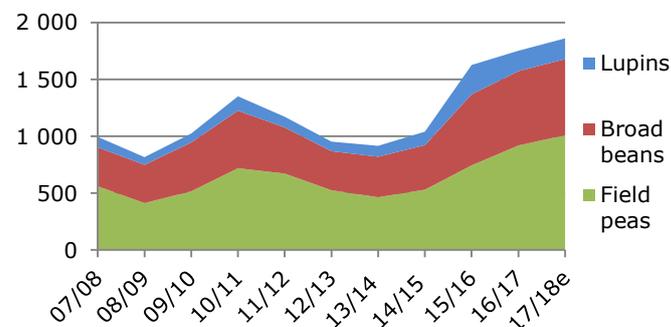
Source: DG Agriculture and Rural Development, based on COMEXT

## PROTEIN CROPS

### Production of protein crops set for new record high in 2017/2018

Protein crops (field peas, broad beans and lupins) are expected to have a bumper harvest in 2017/2018 at over 5 million t. This is mainly driven by the total output for field peas, almost 70 % higher than the 5-year average. Production of broad beans also increased and is expected to exceed 2 million t. The total EU area increased slightly compared to its high level of last year, attaining 1.8 million hectares.

**Graph 13 Area for protein crops in EU (1 000 ha)**



Source: DG Agriculture and Rural Development

## SUGAR

## Market developments in the EU

	2016/2017	2017/2018
 Production	▲	▲
Exports	▶◀	▲
Imports	▼	▼
Consumption	▶◀	▶◀

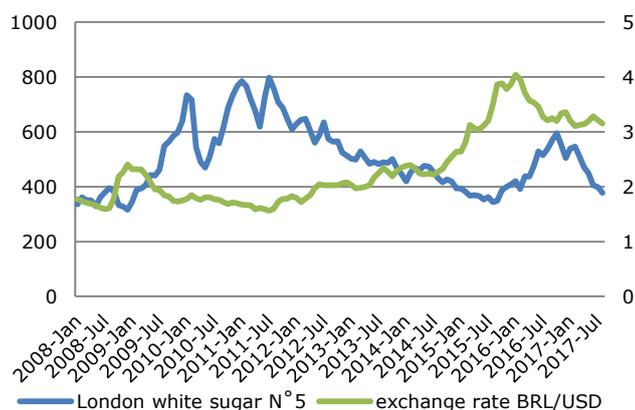
▲ up ▼down ▶◀equal (compared to previous season)

## Imports lower than anticipated in 2016/2017

EU white sugar production for 2016/2017 is now confirmed at 16.8 million t, 13% more than the previous year, but 5 % below the 5-year average. Exports are at average volumes of 1.3 million t, while import volumes are much lower than expected and are estimated at 2.3 million t, a decrease of 19 % compared with 2015/2016. Import licence applications from EPA/EBA countries<sup>2</sup> are estimated to be down by more than 15 %. This is directly linked to higher world prices over the first months of the marketing year and a certain contraction in EU consumption. It is also linked to the anticipation of a larger domestic supply with the new harvest. With lower consumption absorbing part of the reduction in imports, EU end stocks for 2016/2017 therefore remain estimated at 1.3 million t.

## World sugar prices below ethanol parity

**Graph 14 World white sugar prices (USD/t) and BRL/USD exchange rate**



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

<sup>2</sup> African, Caribbean and Pacific (ACP) countries with which preferential trade agreements are signed under the Economic Partnership agreements and Everything But Arms regulation.

EU white sugar prices have remained stable since January 2017 at close to EUR 500/t in June 2017, while world sugar prices fell sharply to EUR 347/t in July 2017. This decrease began early 2017 because of unexpected production increases in Pakistan and was amplified by the weak Brazilian real. As sugar is traded in dollars, a weak real renders sugar production more lucrative to Brazilian producers. The additional sugar supply from Brazil in turn puts pressure on world sugar prices.

The low sugar prices induced recent Brazilian tax adjustments: gasoline taxes were increased end of July, favouring domestic ethanol. Also, import duties on ethanol were introduced in Brazil end of August, targeting more particularly US corn-based ethanol imports. As a result, ethanol prices recovered, while low sugar prices now reach the ethanol parity, which is the level at which sugar production becomes less lucrative than ethanol production. The switch in production from sugar to ethanol could boost sugar prices. So far, the switch remains modest, and world sugar prices are expected to remain below the ethanol parity for some time.

## Sugar production expected to rise in EU and rest of world in 2017/2018

In 2017/2018, the EU sugar beet area is estimated to grow at 14 %, reaching 1.7 million ha. Dry weather conditions at the beginning of the season do not seem to have affected the average yield, estimated at 76.5 kg/ha, which is almost 7 % above the 5-year average. This brings the estimated sugar beet production to 131.1 million t for 2017/2018.

EU white sugar production is forecast at 20.1 million t, 20 % above 2016/2017. However, considering the advantageous ethanol parity over world sugar prices, it is still uncertain whether some switch between sugar and ethanol production would occur and lower the expected sugar production. With the end of sugar quotas and the resulting increased production, imports in 2017/2018 are expected to further decrease to 1.5 million t, while exports would more than double to 2.8 million t.

Similarly, good weather conditions in Asia, Australia and Brazil have supported good sugar cane yields and rapid harvesting. The increased availability is expected to result in a world sugar surplus of 4.6 million t in 2017/2018. Considering only a moderate growth in consumption, this could indicate that further pressure on sugar prices is to be expected, both worldwide and at EU level. Volatility of world prices is not expected to impact substantially EU sugar beet growers for 2017/2018, as producers are mostly covered on the futures market for this new marketing year.

### 3. OLIVE OIL

#### Market developments in the EU

	2016/2017	2017/2018
 Production	▼	▲
Exports	▶◀	▼
Imports	▲	▲
Consumption	▼	▶◀

▲ up ▼down ▶◀equal (compared to previous season)

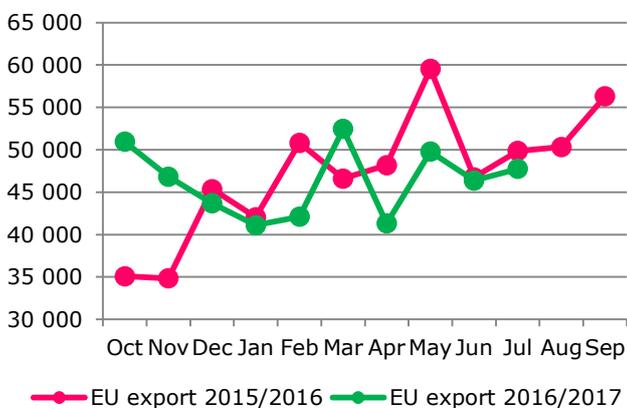
#### Low production in 2016/2017 behind record prices

The EU production of olive oil in the 2016/2017 campaign<sup>3</sup>, which just ended, is 25 % lower compared to 2015/2016 and 15 % below the last 5-year average. All EU producing Member States showed a drop as a result of the bad weather conditions, Italy being affected the most (-62 %), followed by France (-48 %) and Greece (-39 %). Italy accounts for almost half of the drop in EU production (- 582 000 t).

#### EU exports stable but EU consumption down

Despite the lower production, the EU maintained its export volume on the world market. In the first 10 months (October – July) of the campaign, EU exports were 1 % higher compared to the same period of the previous campaign and 4 % higher compared to the last 5-year average. Exports performed particularly well at the beginning of the campaign and decreased from December onwards (except March), reflecting the lower production and higher prices.

**Graph 15 EU olive oil monthly exports (t)**



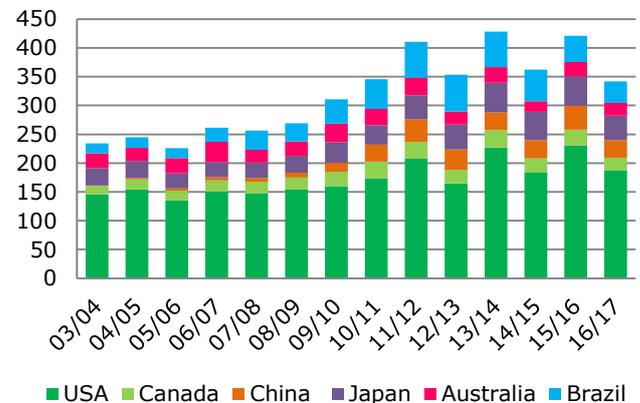
Source: DG Agriculture and Rural Development, based on data from COMEXT

The average EU price of virgin olive oil reported in August fell to EUR 367/100kg from its peak of EUR 382/100kg in May. Prices stopped rising in June in anticipation of the new harvest but also as a result of the negative effect of high prices on consumption, particularly in producing countries. Nevertheless, producer prices for virgin olive oil are still well above the last 5-year average (+40 %). EU consumption is estimated to be 12 % below the previous campaign and per capita consumption was particularly down in Greece and Italy.

#### World demand stays strong

Global demand continues to rise, driven mainly by the US, China, Brazil and Japan, which together accounted for 63 % of EU exports in the first 10 months of the 2016-2017 campaign. The US alone accounted for almost 40 % of all EU shipments. China has almost quadrupled its imports of European olive oil since 2003 to become the fourth destination after the US, Japan and Brazil. EU shipments to Brazil recovered slightly in 2016-2017 after 3 years of decline due to the economic crisis.

**Graph 16 EU exports to selected markets (1 000 t)**



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

#### Expectations for the 2017/2018 campaign

Thanks to recent moderate precipitations and the good weather at the time of flowering, the EU production of the 2017/2018 campaign will likely be better than in 2016-2017. However, it is not expected to reach a level above the last 5-year average. This will also have an effect on prices that could go down with the new harvest but should remain well above the historical average, taking into account the low level of ending stocks in September 2017 (estimated around 40 % lower than in the last campaign). Stocks will be low at the beginning of the new campaign and the lower olive oil availability and the high prices might result in slightly lower EU exports and a stable domestic consumption.

<sup>3</sup> The olive campaign runs from 1 October to 30 September.

## 4. WINE

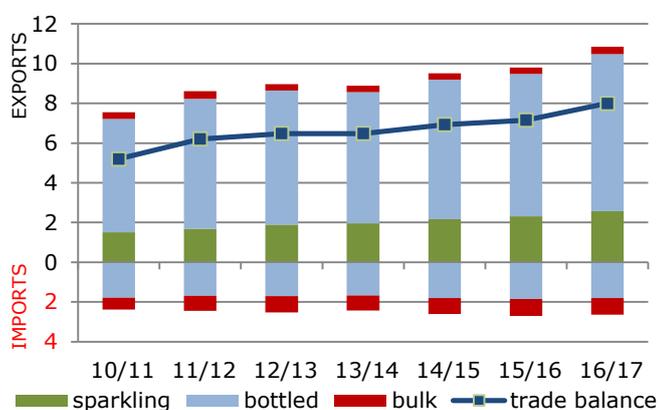


### EU Trade Special

#### EU wine trade surplus up significantly

Despite a 2 % decrease in production (based on Member State notifications) in the 2016/2017 marketing year, the EU increased its exports in volume by 6 % compared to both the previous marketing year and the last 5-year average, to more than 23 million hl. Exports increased in value by 8 % compared to the previous marketing year and by 11 % compared to the last 5-year average, accounting now for 8 % of the total EU agri-food exports.

**Graph 17 EU wine trade balance (billion EUR)**



Source: DG Agriculture and Rural Development, based on Eurostat

EU imports fell slightly in 2016-2017, both in volume (-1 %, to 14 million hl) and in value (-3 %). Compared to the last 5-year average, there is also a decrease in volume (-1 %) but a 3 % increase in value.

As a result, EU net exports grew further to EUR 8 billion in 2016/2017, 12 % above the previous marketing year and a growth of 54 % since 2010.

#### Sparkling wine

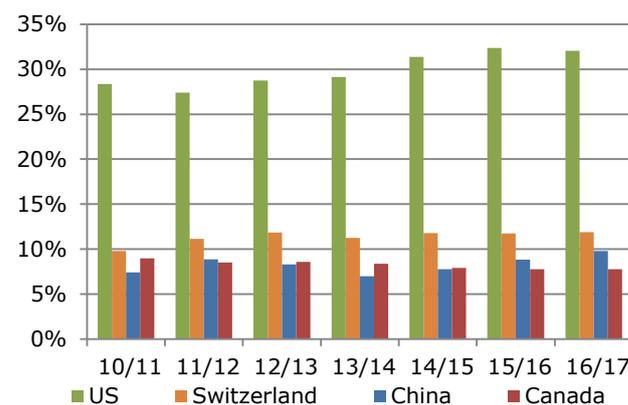
The sparkling wine market is dominated by three Member States (which together represent 92 % of EU exports). Italy has the largest market share in terms of volumes exported (44 %), followed by France (30 %) and Spain (16 %). Italian exports increased the fastest (+144 % since 2010) following the success of Prosecco. In terms of value, the picture is different, with France leading with 65 % of EU exports, followed by Italy and Spain with 21 % and 7 % respectively. This substantial difference can be explained by the contribution of Champagne.

This increase can be explained by growing exports of higher value products such as sparkling wines (+71 %) and bottled wine (+38 %) while exports of bulk wines remained very small. By contrast, imports of wine in bulk increased faster than those of bottled wines. Another factor influencing positively the trade balance in 2016-2017 was the 4 % export price increase of bottled PDO wines with a geographical indication (+4 % compared to 2015-2016).

#### EU-28 exports dominated by wines with geographical indication.

In addition, the share of wines with a GI<sup>4</sup> increased in volume over the last 6 years from 60 % to 66 % in 2016/2017. Expressed in value, this share remained stable over the same period at 89 %. This can be explained by the fact that the export price of wines without a GI increased relatively faster than the unit price of GI wines, already much higher. As an illustration, PDO wines were sold on average EUR 7.63/l in 2016/2017 compared to EUR 6.48/l in 2010/2011, while the price of the 'other wines' without GIs increased from EUR 0.87/l to EUR 1.32/l.

**Graph 18 Country share in EU wine exports (based on value)**



Source: DG Agriculture and Rural Development, based on Eurostat

The largest EU markets for wine in terms of value (US with 32 % and Switzerland with 12 %) are also dominated by GI wines. 90 % of US and Swiss imports from the EU are wines with a GI. This figure is lower in China where 78 % of all EU wine imported in 2016/2017 was wine with a GI. This is part of a trend in China of importing less EU wine with a GI (-6 % over the last six years). Russia is the third main destination of EU wine exports in volume (12 %), after the US (25 %) and China (18 %) but only takes the 7th position in terms of value (4 %). Nevertheless, the share of GI wine imported (in terms of value) by Russia increased from 62 % in 2011 to 73 % in 2016/2017.

<sup>4</sup> GIs including protected designations of origin (PDOs) and protected geographical indications (PGIs).

## 5. DAIRY

### Market developments in the EU

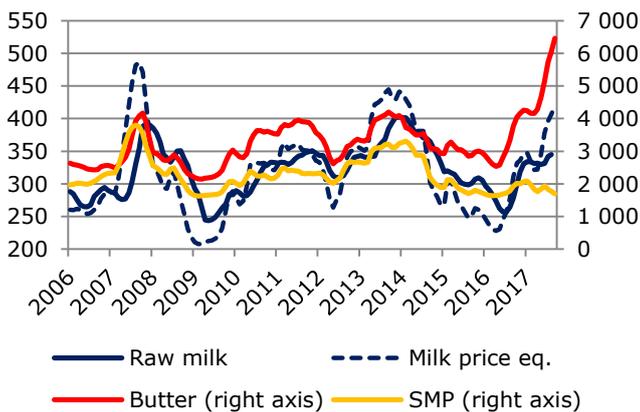
	2017	2018
Milk collection	▲	▲
Dairy herd	▼	▼

▲ up ▼ down ► equal (compared to previous year)

### Butter prices to the roof and SMP on the floor

The dairy market situation is unprecedented, with butter prices at a record high, around EUR 6 500/t, and skimmed milk powder (SMP) at intervention price level (EUR 1 690/t) mid-September. Despite the low SMP price, the milk equivalent price (based on SMP and butter) is above EUR 40/100kg. The raw milk price paid to farmers is now above EUR 34/100kg (34 % more than the lowest point in June 2016).

Graph 19 EU dairy prices (EUR/t)



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

The milk price is supported by the strong butter prices and by rising global demand for cheese, dairy fats and powders (see box). This price, together with the good forage quality and quantity available (especially silage maize), and the low feed prices result in improved margins that may stimulate milk production in the EU.

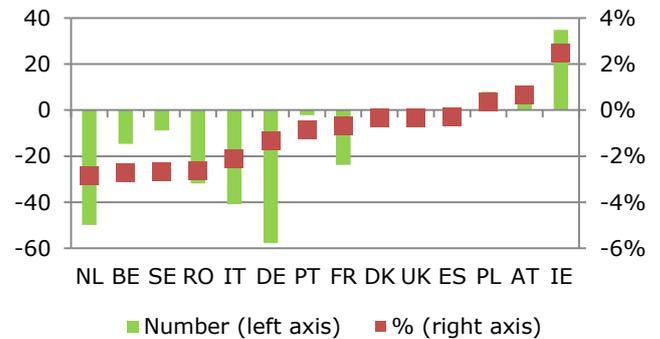
Therefore, more milk is to be expected on the global market in the coming months: the rebound of EU production, the steady rise in US supply and the start of the milk season in New Zealand all indicate more production. However, butter prices are expected to remain high (though below current levels), and generally the strong global demand for dairy products is expected to continue. Therefore, several factors will keep supporting milk prices, despite low SMP prices.

### Fewer dairy cows but more milk

The Eurostat May-June livestock survey indicates a decrease of close to 1 % in dairy cow numbers compared to the same period last year. This significant drop confirms a changing trend, i.e. a return to a long-term decline. This comes after the steady increase in cow numbers since 2013 triggered by high milk prices in a context of the end of milk quotas in 2015.

The drop is particularly sharp in the Netherlands with 50 000 dairy cows less. This is linked to the obligation to reduce phosphates emissions. The decline is also strong in Germany (-1.4 %) partly because of the low milk price paid to farmers in 2016, in Italy, Belgium and Romania where productivity is increasing fast. By contrast, the dairy cow herd continues to increase in Ireland (+2.5 %) and remains stable in Poland.

Graph 20 Change in the number of dairy cows in the EU



Source: DG Agriculture and Rural Development, based on Eurostat

EU cow slaughtering, after a sharp increase in 2016 (+8 % compared to 2015), slowed down significantly in the first half of 2017 (-2 %), except in the Netherlands, Belgium and Ireland. This indicates that most of the herd reduction due to lower 2015-2016 milk prices may have taken place already.

Despite lower cow numbers, milk collection is expected to rebound by 0.7 % in 2017 compared to 2016. This is thanks to significant gains in productivity due to: a high replacement rate in 2016 with more productive heifers, good forage availability and the use of more purchased feed, made possible thanks to better milk prices and low feed prices. Therefore, milk yields are forecast to increase by around 2 %.

Milk collection is growing strongly in Ireland, Poland and Italy. By contrast, it is expected to decline in Germany and France, where the drop in milk collection in the first half of the year was too great to be fully compensated in the second half. In the Netherlands, the drop in production is expected to accelerate to reach 1.5 % for the whole year. This decline is less than anticipated.

In 2018, with higher milk prices, EU milk collection could grow further by more than 1 %, mainly due to a

recovery in Germany and France and additional yield gains.

## DAIRY PRODUCTS

### Market developments in the EU

	2017	2018
<b>Production</b>	▲	▲
<b>Exports</b>	▲	▲
<b>Imports</b>	▼	▲
<b>Consumption</b>	▲	▲

▲ up ▼ down ►◄equal (compared to previous year)

In 2017, the close to 1 million t of additional milk collected in the EU is mainly processed into cheese, because despite record high butter prices, best returns are obtained when processing milk into value added products like cheese. In addition, strong exports (up by close to 2 million t of milk equivalent) and continuous higher consumption of dairy products (+0.6 million t) are drying out EU private stocks.

### EU cheese production supported by strong demand

EU cheese production is driven by increasing export demand and industrial use in the EU, and is forecasted to grow by 2 % in 2017. A similar increase is expected in 2018.

Cheddar prices remained stable at around EUR 3 500/t, a price level 11 % above last year, due to growing demand especially in Japan and South Korea. EU exports are expected to be 6 % higher than last year, at close to 850 000 t. In addition, *per capita* consumption may grow further but at a more moderate rate (+0.7 %) than in previous years. Most of this increase is expected in the eastern Member States while stabilisation is forecast in the EU-15.

### Butter production down but cream up

In 2017, EU butter production is expected to be nearly 3 % down from 2016. Germany and France produce 40 % of EU butter, and from January until July their butter production was down 7 %. Thus at EU level, production was 5 % lower than in 2016 over the same period. With the expected rebound in milk collection, including in France and Germany, butter production may recover in the second half of the year. However, it may not be enough to offset the drop in the first half of the year. Nevertheless, butter supply will be just below the 2015 production level.

In addition, significant dairy fat was processed into cream, leading to a 3 % rise in production. Moreover, between January and July 2017, milk fat content was 1.7 % lower than in 2016 (this is linked to the higher share of young females in the herd and to the lower use of energy-rich feed).

The lower butter production in the EU combined with less production in New Zealand and strong global demand led to very high butter prices. As a consequence, EU butter exports are expected to be more than 10 % less than last year, and stocks should be very low at the end of the year. Despite high prices in the EU, New Zealand did not use its TRQs in 2017, and EU imports should also remain low in 2018 given that New Zealand will favour closer Asian markets.

Butter demand is expected to remain stable, notably because the processing industry cannot easily adapt recipes and switch to vegetable fat, and especially because consumers prefer butter. In addition, butter prices are anticipated to go down towards the end of the year thanks to increased supply during the peak of milk production in Oceania. Moreover, current record prices are related to limited quantities bought by buyers who did not anticipate their purchases. But many buyers have forward contracts with conditions that were negotiated when prices were not that high.

With more milk being produced and with a higher fat content, EU butter production could rebound in 2018 by 3 %.

### SMP exports on strong upsurge

Until July, EU SMP exports were 39 % higher than in 2016 when levels were rather low. This rise in exports has been driven by strong demand from Algeria, China, the Philippines, Indonesia, Vietnam, Malaysia and Mexico. Exports may slow down in the remaining months of the year with the stronger euro and because many buyers may have already covered their needs. Nevertheless, exports could reach close to 780 000 t in 2017 (+35 % compared to 2016).

Exports grew while production declined (-9 % to July), implying that private stocks could be very low at the end of the year at 70 000 t. Despite the production decline forecast for the year (-5 %) and the strong demand, prices declined again to intervention level end of August, and additional buying-in took place. The working hypothesis used for this outlook exercise considers no change in public SMP ending stocks in 2017 at 351 000 t (meaning that the quantities

potentially sold would be equivalent to those bought in during the year).

In 2018, additional milk could be processed into SMP (+2 %), allowing for a continued increase in domestic use notably for the production and export of fat-filled milk powders<sup>5</sup> (FFMP) and higher exports (+6 %). In such conditions, a potential release of 150 000 t in 2018 has been considered as a working hypothesis.

### Less whole milk powder

Production of whole milk powder (WMP) in 2017 is expected to be down by more than 1 % from last year, despite the increase in production in the first quarter. WMP does not bring the best returns in spite of the high prices of around EUR 3 000/t since June.

In the first 7 months of the year, EU exports to Algeria, Nigeria and China rose sharply, but shipments to the Middle East dropped significantly leading to almost stable exports. For the whole year, exports are expected to fall by 5 % because of the increased competition expected from New Zealand in the second half of the year.

### Drinking milk down but cream and yogurt up

This year the drop in drinking milk exports, 14 % down in the first 7 months of the year compared to 2016, will not offset the steady decrease in the consumption of drinking milk. Therefore, production is expected to be more than 1 % below last year's level, and a similar drop is expected next year too.

By contrast, cream production, domestic use and exports are rising strongly, and yogurt production seems to be on the rise again after several years of decline. Therefore, in milk equivalent fresh dairy products, production may remain stable.

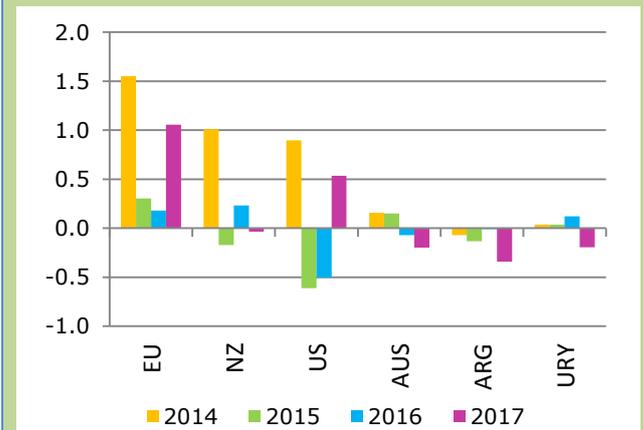
### Strong global demand boost EU dairy products exports

*In the first 7 months of the year, global demand for dairy products increased significantly (by 3 % compared to last year), led by a strong import demand from China, Mexico, Japan, Algeria and South Korea. After sharply rising for 2 years, US imports dropped as the US market is increasingly supplied by domestic production. This higher US supply also allows for an improvement of US exports.*

*Cheese trade increased by 6 % and SMP by 15 %. Cream exports almost doubled, although they represent less than 2 % of dairy exports. By contrast, butter shipments decreased by 8 % because of high prices, and WMP by 4 % despite sustained Chinese demand (+6 %).*

*The EU and the US benefited most from this market improvement, while the lower milk production in Australia and South America implied a strong decrease in their exports. New Zealand managed to maintain its exports despite the lower milk collection last season.*

**Graph 21** Yearly change in dairy product exports (million t of milk equivalent, total solids)



Source: DG Agriculture and Rural Development, based on GTA  
 Note: Milk equivalent coefficients: cheese 3.58, butter 6.57, SMP 7.57, WMP 7.56, whey powder 7.48, drinking milk 0.85, cream 3.21 and yogurt 0.98.

*Shipments of infant formula grew further (+8 %). The EU supplied this market at 64 % and the main client, China, imported 30 % of the traded volumes.*

*For FFMP, the increase is estimated at 10 % mainly for the benefit of the EU.*

<sup>5</sup> Fat filled milk powders or enriched powders are a mix between dairy proteins and vegetable fat.

## 6. MEAT

### BEEF

#### Market developments in the EU

	2017	2018
<b>Production</b>	▲	▼
<b>Exports</b>	▲	▶◀
<b>Imports</b>	▼	▲
<b>Consumption</b>	▼	▶◀

▲ up ▼ down ▶◀equal (compared to previous year)

#### EU beef production stable in 2017

According to the May-June livestock survey, the suckler cow herd of the reporting Member States<sup>6</sup> stayed relatively stable at aggregate level in 2017 year-on-year. Most Member States reported a decrease of between 2 000 and 23 000 heads. However, Poland and Spain expanded their herd by 34 000 heads each (+19 % and +2 % respectively). This could indicate a small geographical shift in specialised beef production systems.

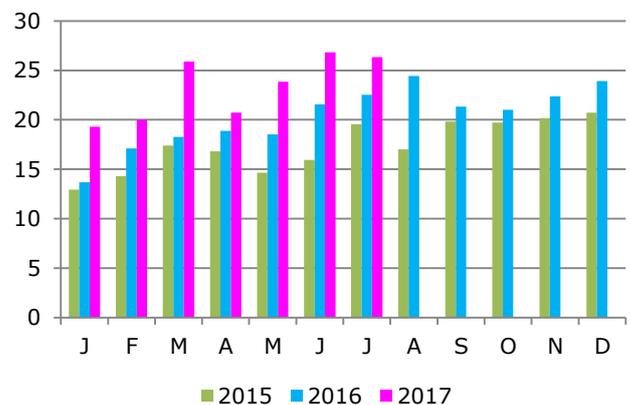
In the first half of 2017, net beef production in the EU was down slightly (-0.2 %), owing to a small decrease in the EU-15 (-0.5 %), while the EU-N13 still recorded an increase (+2 %). This slowdown is attributable mainly to a decrease in cow slaughterings, but diverging trends between countries exist, varying between +/- 20 000 t (see Graph 27). Worth mentioning is the increase in slaughterings of heifers (+5 %, in heads), mainly in France, Ireland, the Netherlands and Poland. Slaughter weights remained more or less stable for all categories.

EU net beef production is expected to remain stable in 2017. The restructuring of the dairy sector which mainly drove the beef production increase in the last 3 years will continue. However, the first signs of a slowdown are being seen thanks to higher milk prices. This explains the production stabilisation in 2017 and the forecast of a 0.5 % fall in 2018. Productivity gains in the dairy sector and the profitability of the various beef production systems are the main drivers in the medium term of declining beef production.

#### Exports continue to support domestic market

EU exports of live bovine animals fell in the first quarter of 2017 but increased again in the second quarter, closing at +5.5 % in the first 7 months. After a slow start in the beginning of the year, exports to Turkey increased again in March and continued during summer unlike last year. Demand for beef in Turkey is still high. Competition from big international players like Uruguay and, to a lesser extent Brazil, makes a shift from one supplier to the other relatively easy. Uruguay and Brazil represented respectively 31 % and 18 % of Turkish live imports in 2016. Overall, this market situation is expected to result in a 10 % increase of EU live exports in 2017.

Graph 22 EU monthly beef exports (1000 t)



Source: DG Agriculture and Rural Development, based on Eurostat

Beef meat exports rose by 25 % in the first 7 months of 2017. Increased beef demand from Hong Kong, Algeria, Israel and the Philippines are the key drivers. Turkey opened its border for meat imports again, resulting in 8 600 t of EU exports in July compared to less than 200 t in previous months. Overall, the outlook for exports in 2017 still looks positive (+10 %), thanks to the sustained increases in certain markets, the EU's (renewed) access to certain (niche) markets and the extensive portfolio of other destinations. This helps to sustain the price in the domestic market and derive benefit from the entire carcass. The average unit value of the exported cuts to the main trading partners is below EUR 3.5/kg, except for Israel and Switzerland, where the average unit value is above EUR 5/kg because of higher quality cuts. Development of beef exports in 2018 is difficult to predict, but it is assumed that the EU will be able to keep its share in the different export markets of low-value cuts.

EU beef imports fell by 7 % in the first quarter of 2017, and this trend continued in the second quarter,

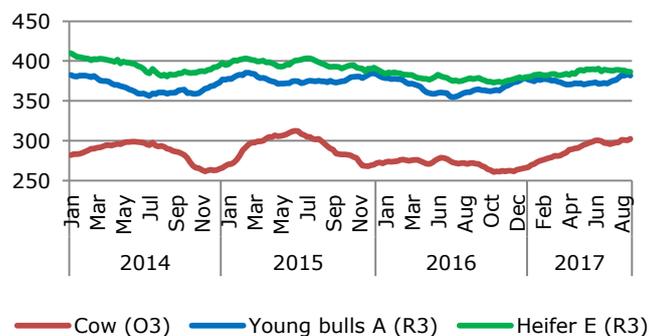
<sup>6</sup> The reporting Member States were Belgium, Denmark, Germany, Ireland, Spain, France, Italy, Netherlands, Austria, Poland, Romania, Sweden and the United Kingdom.

resulting in a decrease of almost 11 % in the first 7 months. The main reason is a major fall in imports from Brazil, by 26 % year-on-year for the period January-July. But imports from Australia were also down 10 % over the same period<sup>7</sup>. This was caused by the revaluation of the Brazilian currency in the beginning of 2017 and the meat scandal triggered by the Brazilian police's investigation into irregularities in health inspections. Australia exports less to the EU as a consequence of a reduction in the beef herd and other market opportunities in Asia. Beef prices in the US returned to a more competitive level, below EU prices, boosting exports to the world market and to the EU. For 2017 as a whole, EU imports are expected to decrease by 5 %. Brazil will probably return to the EU market by late 2017, early 2018, especially if EU beef prices continue to improve, but it remains uncertain when and at which pace.

### EU beef prices on the up in 2017

The average EU price of young bulls recovered at the end of 2016 and stayed more or less stable at around EUR 375/100kg in the first half of 2017. Since then it has been moderately rising. EU cow prices (category O3) steadily increased to around EUR 300/100kg in June and stabilised around that level, without following its characteristic seasonal pattern of decreasing. The slowdown in the slaughter rate of cows in the first quarter is probably the reason for this price development.

**Graph 23 EU price for certain categories of bovine animals (EUR/100kg)**



## PIGMEAT

## Market developments in the EU

	2017	2018
 Production	▼	▲
Exports	▼	▲
Imports	▲	▲
Consumption	▶◀	▲

▲ up ▼down ▶◀equal (compared to previous year)

## Pigmeat production down while herd expands

According to the May-June 2017 livestock survey, the sow herd in the main pigmeat producing countries<sup>10</sup> reversed the declining trend of the last 2 years, rising 1.2 % since the December 2016 survey. This is due mostly to a significant increase in the Spanish herd (+101 000 heads). Other countries expanding their herd were the Netherlands (+43 000 heads) and Poland (+26 000 heads), which is partially offset by reductions in Romania (-35 000 heads), France (-16 000 heads), Germany (-15 000 heads) and Denmark (-8 000 heads).

The previous reductions in the sow herd have been reflected in the EU's production capacity, with the volume of slaughterings falling by close to 2 % in the first half of 2017 and declines in all the main producing countries except Denmark and Spain. The fall in production is expected to taper off by the end of the year, reflecting the increase in the herd size. Hence, the forecast for the full year is a decline of 1.1 %, compared to 2016, while for 2018 EU production is expected to rise by 1 %.

## EU pigmeat exports lower in 2017

EU pigmeat exports are expected to fall by 9 % in 2017 due to the drop in Chinese demand since April, and to lower availability in the EU and high EU prices which limit the competitiveness of EU exports. From January to July 2017, pigmeat exports decreased by 14 % (6 % for offal) compared to the same period last year. However, thanks to the high prices, pigmeat exports are still higher in value for the period (+2 %).

In the case of China (see Graph), EU export volumes fell by 43 % (17 % for offal) in the first 7 months of 2017, compared to the previous year. Yet, they are still substantially higher than those of 2015 (+78 % for pigmeat, +14 % for offal), as exports were

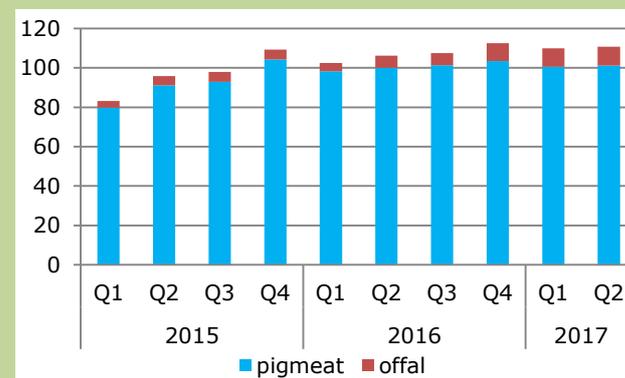
exceptionally high in 2016 due to the restructuring of the Chinese domestic pork sector. The drop in exports to China has been partially offset by significant increases in trade with other partners in Asia, notably Japan, South Korea and the Philippines.

### Japan Rising imports of EU pork products

Since 2013, exports to Japan have consistently increased, becoming in 2015 the second most important destination for EU pork products, although far below China. In the first 7 months of 2017, the share of Japan in EU exports was 12 % compared to China's 36 %. However, in the same period, EU exports to Japan increased by 6 % while China's fell by 33 %.

The EU is already the largest supplier of pork products to Japan (36 % market share in the first 7 months of 2017), followed by the US (29 %) and Canada (23 %). This position should be strengthened once the recently agreed Economic Partnership Agreement is implemented, as tariffs will be significantly reduced.

**Graph 26 EU pork exports to Japan (1000 t, meat in carcass weight, offal in product weight)**



Source: DG Agriculture and Rural Development, based on Eurostat

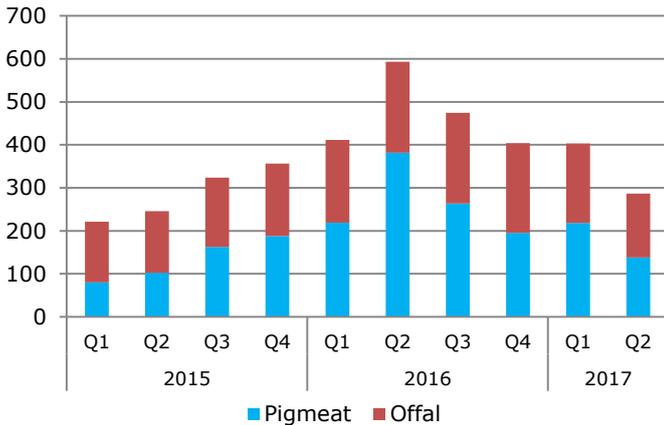
Japan imports mostly pigmeat unlike China where imports of offal are historically larger. However, EU offal exports to Japan have risen more significantly than those of pigmeat: in 2016, offal shipments increased by 44 %, and in the first 7 months of 2017 they increased by 82 % compared to 2016.

As EU prices remain high compared with competitors, the US and Canada have increased their share in Chinese imports from 23 % in the first quarter to 35 % in the second quarter, to the detriment of the EU which decreased its share from 69 % to 57 %. Brazil has not been able to increase its 4 % share due to the meat scandal.

The significant decline in EU pigmeat exports forecast in 2017 is expected to be partially reversed (+3 %) in 2018 as production increases.

<sup>10</sup> Belgium, Denmark, Germany, Ireland, Spain, France, Italy, Hungary, Netherlands, Austria, Poland, Romania, Sweden and UK

**Graph 27 EU pork exports to China (1000 t, meat in carcass weight, offal in product weight)**



Source: DG Agriculture and Rural Development, based on Eurostat

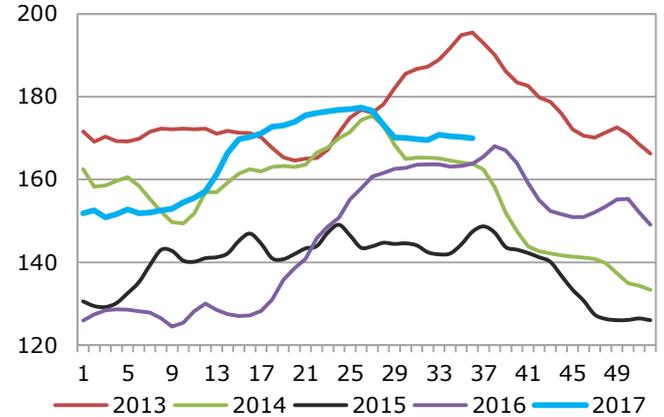
**EU pigmeat prices on the up**

Prices started 2017 at a considerably higher level than the two previous years. They remained stable for the first 2 months of the year and then steadily rose to 177 EUR/100kg by the end of June. In July prices fell to 170 EUR/100kg and have stayed at that level throughout the summer. As feed prices have remained fairly low and piglets are now cheaper, farmers' margins have been improving.

At the beginning of September, pigmeat prices fell in the US and Canada to below 130 EUR/100kg in

anticipation of increasing supplies. This will add pressure to EU competitiveness on the export markets, in particular next year when EU production is expected to expand.

**Graph 28 Weekly EU pigmeat prices, class E (EUR/100 kg)**



Source: DG Agriculture and Rural Development

The EU average piglet price started 2016 on a rising trend, reaching a historical maximum of EUR 59 in mid-April. Mid-May the trend reversed to follow a continuous seasonal decline down to EUR 47.5 in September. Nevertheless, prices remain substantially higher than a year before when the price was EUR 43.

EU consumption of pigmeat is expected to remain stable over the next two years at 31.9 kg/capita in 2017, slightly rising to 32 kg/capita in 2018 as production increases.

**POULTRY**

**Market developments in the EU**

	2017	2018
<b>Production</b>	▲	▲
<b>Exports</b>	▼	▲
<b>Imports</b>	▼	▲
<b>Consumption</b>	▲	▲

▲ up ▼down ►◀equal (compared to previous year)

**EU poultry production slowing upward pace**

In 2017, EU poultry meat production continues to grow, albeit at a more moderate rate than in previous years. In the first half of the year, the growth rate was just +0.6 % compared with one year earlier. Nevertheless, production is expected to increase in the second half, reflecting the high levels of chick

placings over the last months. Production is expected to increase in 2017 by 1.3 % compared to the previous year. Next year, the slowdown in production growth is expected to continue (+1.2 %).

The bird flu epidemic has impacted both EU production and trade, even as the disease moves to other continents. Production fell in most of the main EU producers in the first half of 2017: the Netherlands (-2.8 %), France (-1.7 %), Germany (-1.5 %), Italy (-1.2 %) and Spain (-0.3 %). It is not the case for Poland, the main EU producer, which is quickly recovering, with a close to 4 % gain in production in the first half of the year. The UK, another major producer, also increased production significantly over the same period.

**Prices above competitors**

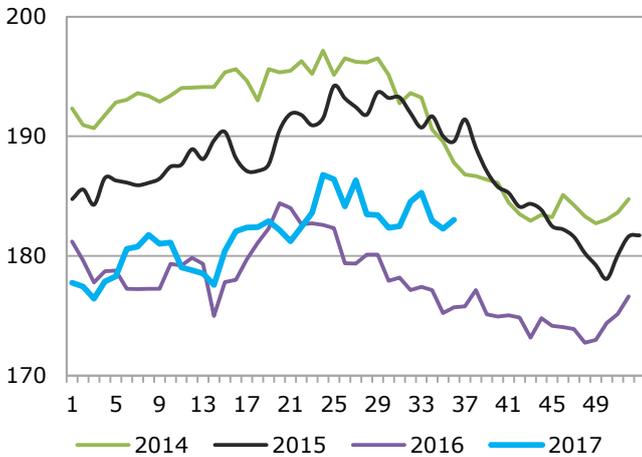
EU broiler prices exceeded 2016 levels in June 2017, when they reached EUR 183/100kg. Since then, weekly prices have remained in that range, significantly above last year's prices. The gap

between EU and Brazilian prices remains large, with the broiler price in Brazil around EUR 89/100kg since the end of July. By contrast, the price of US broilers overtook the EU price in May 2017, but dropped below EUR 160/100kg in August, putting pressure on EU exports.

**EU exports steady despite bans from bird flu**

EU poultry exports were at the same level as last year between January and July 2017, despite the diverse country-wide sanitary bans on imports imposed by some major trade partners. For 2017 as a whole, EU exports are expected to slightly decrease (-0.5 %), as EU prices (above those of its competitors) and import bans will limit exports. However, exports should recover in 2018, assuming that bans are finally lifted.

**Graph 29 Weekly EU broiler prices (EUR/100kg)**



Source: DG Agriculture and Rural Development

Exports remain flexible, and reductions in one country were offset by increases in others. Sanitary bans have caused declines in EU poultry exports to some key partners, reducing their share in EU exports for the first 7 months of 2017: South Africa (6 %), the Philippines (7 %) and Saudi Arabia (7 %). In the case of the Philippines, bans are beginning to be lifted (the Netherlands in May, Poland in July), and already its share has almost doubled since May. The export reductions are being offset mainly by increased shipments to two new main EU partners (8 % share in EU exports each): Hong Kong and Ukraine; but also to a group of sub-Saharan countries (Ghana, Benin, RDC Congo and Gabon) that account for a share of 24 %, from 18 % in 2016.

So far, EU poultry imports have been declining this year. It is expected that they will drop 6 % in 2017 and partially recover in 2018 with a rise of 4 %. The most significant reductions in poultry imports have occurred in the two main poultry exporters to the EU, Brazil and Thailand, but for very different reasons: Brazil is struggling with the consequences of the meat scandal while Thailand is favouring other Asian destinations. By contrast, Ukraine has significantly

increased its exports to the EU (+80 %). As of September 2017, Ukraine had filled the available tariff-rate quota (TRQ) for fresh and frozen poultry cuts (i.e. 75 % out of 16 800 t for the year), while only 25 % of the 20 000-t TRQ for frozen chicken carcasses was filled. EU per capita consumption for 2017 is expected to reach 24.1 kg, and a new increase to 24.3 kg is expected in 2018.

**EU poultry exports to South Africa dropped by half**

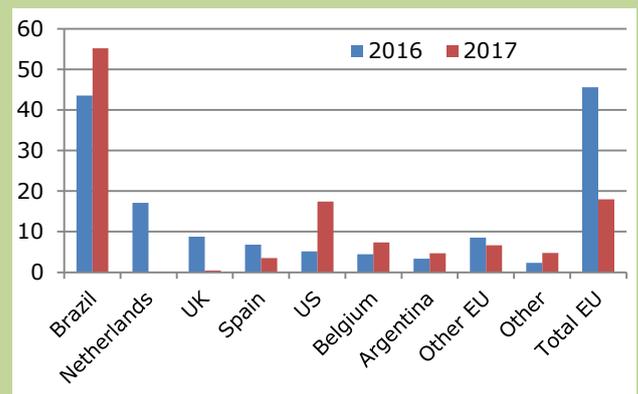
South Africa has been the main destination for EU poultry for the last few years with shares over 10 % since 2010, up to 17 % in 2016. However, the situation has changed dramatically in 2017 as the South African government has taken two measures to protect its poultry market:

- country-wide sanitary bans on EU poultry due to bird flu outbreaks in Germany, Denmark, France, Hungary, Poland, the Netherlands, UK and Spain;
- a provisional safeguard duty of 13.9 % on EU imports of bone-in portions of chicken between December 2016 and July 2017.

Since 2015, South Africa has also been applying anti-dumping measures on a number of producers and importers from Germany, the Netherlands and the UK.

These measures have not reduced overall poultry imports into South Africa, which still increased by 21 % in the first 7 months of 2017 over the previous year, but have reduced the share of imports from the EU from 46 % to 18 %. In particular, exports from the Netherlands and the UK practically stopped, while they halved for Spain. On the other hand, Belgium increased its share significantly.

**Graph 30 Share of South African poultry imports by origin (%)**



Source: DG Agriculture and Rural Development, based on GTA

This situation is to the advantage of the EU's main competitors, Brazil and the US, which have increased their shares significantly. As a result, the US has taken the place of the Netherlands as the second largest poultry exporter to South Africa, after Brazil.

## SHEEP

## Market developments in the EU

	2017	2018
 Production	▲	▲
Exports	▲	▲
Imports	▼	▲
Consumption	▼	▲

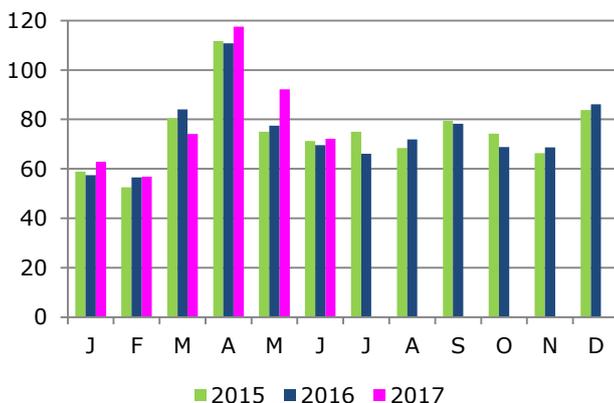
▲ up ▼down ►◄equal (compared to previous year)

## EU production continues rise

Net production increased substantially by 4.3 % in the first half of 2017 (+19 500 t), both in the EU-15 and the EU-N13. The increase comes entirely from sheep slaughterings (+5 %) while goat slaughterings were down by close to 2 %. Half of the increase can be attributed to the UK. Slaughterings in Ireland, Romania and Germany increased 14 %, 6 % and 9 % respectively.

EU live exports increased by almost 8 % in the first 7 months of 2017, despite the halt of shipments from Romania to Jordan during the first three months of 2017. Live trade is limited to a few exporters and importers. Romania and Spain account for 93 % of total live exports in 2016 (see graph), while the four main export destinations, Libya, Jordan, Israel and Lebanon, account for 95 %. Live exports could therefore increase by 5 % in 2017, on top of the large increase in 2016.

Graph 31 EU monthly slaughterings (1000 t)



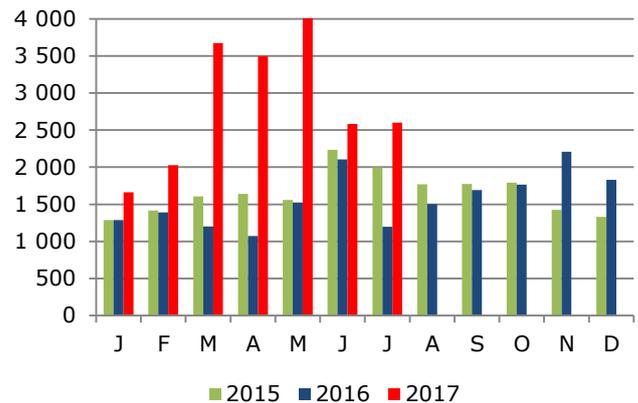
Source: DG Agriculture and Rural Development, based on Eurostat

After an excellent first quarter, exports of sheep and goat meat continue to do better than expected, although still at relatively low levels. For the first seven months of 2017, a 105 % increase was

recorded. Exports to Hong Kong are doing especially well again compared to last year. Thanks to the weaker pound sterling, the UK is becoming more competitive both on the internal EU and international market. A 75 % increase (or +14 000 t) is expected for 2017 as a whole.

In the first 7 months of 2017, sheepmeat imports dropped by 18 % year-on-year. New Zealand favoured the Asian markets, especially China, and shifted part of its exports away from the EU. A large share of the increase in world imports was absorbed by the US market. Another factor playing a role in the decrease of EU imports of New Zealand sheepmeat is the appreciation of the New Zealand dollar against the sterling and the euro, which has made competition with EU lamb slightly tougher for New Zealand. Nonetheless, New Zealand still accounts for over 80 % of total imports of sheepmeat to the EU. The second biggest exporter to the EU is Australia. By the end of 2017, imports of sheepmeat to the EU are expected to have fallen by 12 % compared to 2016, but should increase in 2018.

Graph 32 EU exports of sheepmeat &amp; goat meat (t)



Source: DG Agriculture and Rural Development, based on Eurostat

## Prices back to level of previous years

After the low start in the beginning of 2017 and the high prices in June and July, heavy lamb prices are slowly falling to the average level of EUR 490/100kg in recent months. Light lamb carcass prices followed a declining trend, to a below-average level of EUR 500/100kg by mid-March. After 2 months of prices close to the average of the last 5 years, prices in the summer followed the seasonal trend, EUR 30 below the price of previous years, but seem to be converging since then. With meat exports increasing and imports declining, less sheep meat is expected to be available on the EU market. Consequently, per capita consumption in the EU could drop by 1.5 % in 2017, but would rebalance again in 2018, thanks to adjustments in production and imports.



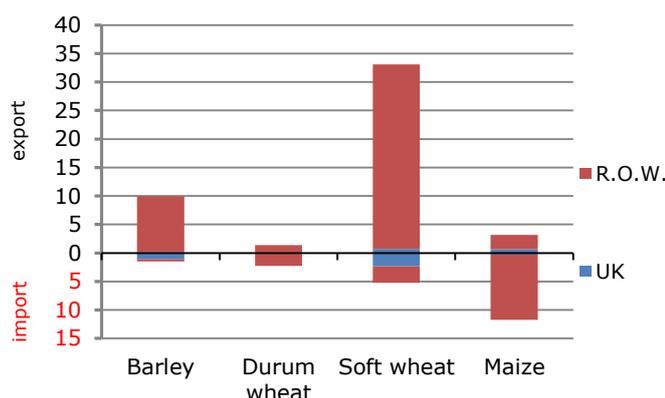
## UK SPECIAL

### EU-27 TRADE WITH THE UK AND THE REST OF THE WORLD (R.O.W.) IN THE CROP SECTORS

In the last edition, we provided information on meat and dairy trade of the EU-27 to the UK and the other countries. In this edition, trade flows for cereals, oilseeds and sugar are detailed.

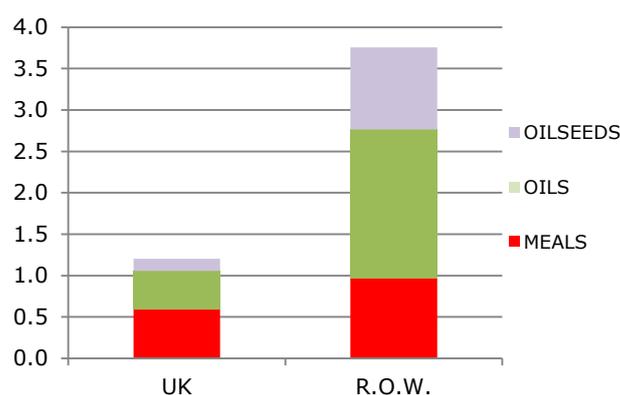
Although the EU-27 is a strong cereal net exporter, imports from the UK reach between 2 and 4 million t every year that is close to 20 % of EU-27 cereal imports in 2016.

**Graph 33 EU-27 cereal trade with the UK and the R.O.W. in 2016 (million t)**



Source: DG Agriculture and Rural Development, based on Eurostat

**Graph 34 EU-27 oilseed/meal/oil exports to the UK and the R.O.W. (million t)**

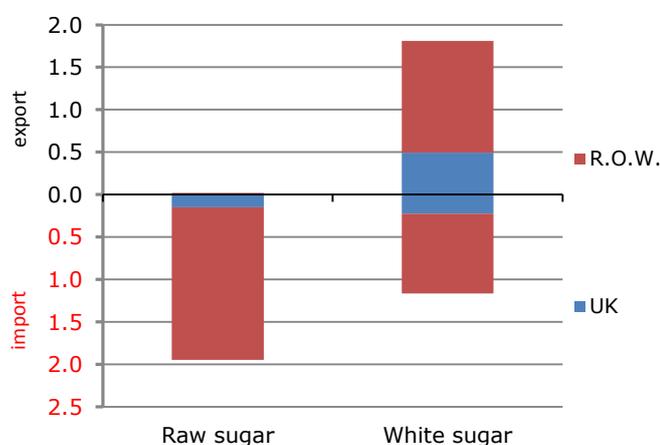


Source: DG Agriculture and Rural Development, based on Eurostat

For most cereals the EU-27 is a net importer with respect to the UK, in particular for soft wheat and barley (in 2016 the trade balance reached almost 1 million t for barley, representing three times the volume imported from the R.O.W., and 1.5 million t for soft wheat, representing 44 % of total EU-27 imports). The only notable exception is maize, for which the EU-27 is a net exporter vis-à-vis the UK and trades 20 % of its total exports with the UK (representing 0.7 million t).

For oilseeds, the EU-27 is a net exporter vis-à-vis the UK for what concerns meals and oils but a net importer of seeds (mainly rapeseeds for which the UK represents 7 % of EU-27 total rapeseed imports). The EU-27 is exporting 38 % of its meals (mainly soya meals) and 20 % of its oils to the UK (mainly sunflower oil), though this trade volume remains negligible compared to the strong EU-27 imports from the R.O.W. It is acknowledged that a significant part of the traded volumes are transhipped through EU-27 ports and re-exported to the UK.

**Graph 35 EU-27 sugar trade in 2016 (million t)**



Source: DG Agriculture and Rural Development, based on Eurostat

The UK is also a significant trade partner of the EU-27 for sugar. Indeed, the EU-27 trade balance for all sugar is positive with respect to the UK. Most important exports of the EU-27 are white sugar, of which close to 40 % are going to the UK. Still, in 2016 20 % of white sugar imports in the EU-27 came from the UK, the second main trade partner of the EU-27.

The UK has trade relationships with major sugar producers, from whom the UK imports raw sugar and refines it, explaining part of sugar exports to the EU-27. Though, both exports and imports between the UK and non-EU countries declined for the past four years whereas trade with the EU-27 gained importance. In 2016, 8 % of total EU-27 raw sugar imports came from the UK, representing 148 000 t likely to be mainly intra-firm trade. Still, other major producing countries as Brazil and Cuba remain significant trade partners of the EU-27.

## 7. STATISTICAL ANNEX

## ARABLE CROPS

Table 7.1 EU cereal, oilseed and protein crop area (1000 ha)

	EU-28					% variation			
	2013	2014	2015	2016	2017f	16/15	16 vs 5-year av.*	17/16	17 vs 5-year av.*
Common wheat	23 388	24 418	24 325	24 239	23 598	-0.4	1.8	-2.6	-1.6
Durum	2 392	2 295	2 435	2 725	2 670	11.9	15.8	-2.0	7.9
Rye	2 654	2 171	1 964	1 910	2 040	-2.7	-15.4	6.8	-5.9
Barley	12 370	12 434	12 217	12 322	12 172	0.9	-0.1	-1.2	-1.6
Oats	2 666	2 546	2 527	2 570	2 658	1.7	-2.1	3.4	2.5
Maize	9 775	9 615	9 255	8 553	8 460	-7.6	-10.5	-1.1	-11.4
Triticale	2 749	2 953	3 116	2 942	2 749	-5.6	3.9	-6.5	-4.6
Sorghum	145	158	139	128	125	-7.9	-4.8	-2.1	-8.8
Others	1 452	1 340	1 297	1 326	1 549	2.3	-10.7	16.8	12.8
<b>Cereals</b>	<b>57 591</b>	<b>57 930</b>	<b>57 275</b>	<b>56 716</b>	<b>56 023</b>	<b>-1.0</b>	<b>-1.4</b>	<b>-1.2</b>	<b>-2.6</b>
Rapeseed	6 711	6 714	6 466	6 547	6 810	1.3	0.6	4.0	3.6
Sunflower	4 623	4 263	4 197	4 151	4 348	-1.1	-3.8	4.7	2.1
Soya beans	465	569	893	830	934	-7.1	37.9	12.6	50.4
Linseed	64	50	66	84	67	27.9	49.6	-19.9	4.2
<b>Oilseeds</b>	<b>11 862</b>	<b>11 596</b>	<b>11 621</b>	<b>11 611</b>	<b>12 159</b>	<b>-0.1</b>	<b>-0.1</b>	<b>4.7</b>	<b>4.7</b>
Field peas	464	530	744	919	1 009	23.5	57.3	9.8	68.2
Broad beans	356	391	624	653	669	4.6	54.2	2.4	46.2
Lupines	96	119	258	179	183	-30.3	22.2	1.7	39.1
<b>Protein crops</b>	<b>916</b>	<b>1 040</b>	<b>1 626</b>	<b>1 752</b>	<b>1 860</b>	<b>7.7</b>	<b>52.8</b>	<b>6.2</b>	<b>54.2</b>
Sugar beet	1,578	1,632	1,420	1,505	1,714	6.0	-7.0	13.9	9.0
<b>Total</b>	<b>71 948</b>	<b>72 199</b>	<b>71 943</b>	<b>71 584</b>	<b>71 729</b>	<b>-0.5</b>	<b>-0.2</b>	<b>0.2</b>	<b>-0.1</b>

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

Table 7.2 EU cereal, oilseed and protein crop yields (t/ha)

	EU-28					% variation			
	2013	2014	2015	2016	2017f	16/15	16 vs 5-year av.*	17/16	17 vs 5-year av.*
Common wheat	5.8	6.1	6.3	5.6	6.0	-11.3	-5.3	7.8	2.7
Durum	3.4	3.4	3.4	3.4	3.5	-0.8	0.7	2.3	3.3
Rye	3.9	4.2	4.0	3.9	3.6	-2.2	0.5	-6.3	-7.5
Barley	4.9	4.9	5.1	4.9	4.8	-3.7	2.0	-1.3	-1.7
Oats	3.1	3.1	3.0	3.1	3.1	4.0	3.7	0.7	2.7
Maize	6.9	8.1	6.4	7.1	7.0	11.6	2.7	-1.7	3.2
Triticale	4.2	4.5	4.1	4.0	4.2	-2.5	-3.0	4.6	1.5
Sorghum	5.0	5.9	5.2	5.4	5.7	4.6	1.6	4.5	8.8
Others	2.8	3.0	2.7	2.7	2.9	2.0	-2.7	5.7	2.4
<b>Cereals</b>	<b>5.3</b>	<b>5.7</b>	<b>5.5</b>	<b>5.2</b>	<b>5.4</b>	<b>-4.7</b>	<b>-1.8</b>	<b>2.7</b>	<b>0.4</b>
Rapeseed	3.1	3.6	3.4	3.1	3.3	-9.0	-4.1	6.6	2.2
Sunflower	2.0	2.2	1.9	2.0	2.1	8.6	4.7	3.3	6.7
Soya beans	2.6	3.2	2.7	3.0	2.9	13.0	11.9	-3.6	4.9
Linseed	2.1	7.3	1.9	1.7	2.1	-10.8	-15.4	20.7	2.1
<b>Oilseeds</b>	<b>2.7</b>	<b>3.1</b>	<b>2.8</b>	<b>2.7</b>	<b>2.8</b>	<b>-3.0</b>	<b>1.5</b>	<b>5.0</b>	<b>4.2</b>
Field peas	2.8	2.6	2.8	2.5	2.8	-11.7	-4.6	12.0	5.4
Broad beans	2.9	3.2	3.1	2.9	3.1	-7.8	-3.0	8.7	5.1
Lupines	1.6	1.8	1.4	1.6	1.6	14.0	6.1	0.6	2.3
<b>Protein crops</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.5</b>	<b>2.8</b>	<b>-6.2</b>	<b>-3.2</b>	<b>9.8</b>	<b>5.5</b>
Sugar beet	69.1	80.3	71.7	74.3	76.5	3.6	2.8	3.0	6.7

**Table 7.3 EU cereal, oilseed and protein crop gross production (1000 t)**

	EU-28					% variation			
	2013	2014	2015	2016	2017f	16/15	16 vs 5-year av.*	17/16	17 vs 5-year av.*
Common wheat	136 207	149 675	152 515	134 796	141 484	-11.6	-3.7	5.0	0.9
Durum	8 097	7 704	8 389	9 316	9 338	11.1	16.1	0.2	12.5
Rye	10 452	9 068	7 797	7 414	7 416	-4.9	-13.0	0.0	-13.0
Barley	61 101	60 695	61 928	60 142	58 612	-2.9	1.6	-2.5	-3.4
Oats	8 371	7 765	7 581	8 017	8 346	5.8	2.1	4.1	5.6
Maize	67 037	77 915	59 250	61 093	59 381	3.1	-7.2	-2.8	-5.2
Triticale	11 559	13 222	12 774	11 757	11 494	-8.0	2.0	-2.2	-4.5
Sorghum	728	929	720	694	709	-3.6	-2.1	2.3	-0.6
Others	4 055	4 001	3 456	3 606	4 453	4.4	-13.6	23.5	14.5
<b>Cereals</b>	<b>307 606</b>	<b>330 975</b>	<b>314 409</b>	<b>296 835</b>	<b>301 233</b>	<b>-5.6</b>	<b>-2.6</b>	<b>1.5</b>	<b>-1.6</b>
Rapeseed	20 979	24 267	21 811	20 096	22 286	-7.9	-2.9	10.9	6.3
Sunflower	9 272	9 268	7 882	8 464	9 158	7.4	-1.2	8.2	7.3
Soya beans	1 216	1 834	2 371	2 488	2 700	5.0	54.7	8.5	49.4
Linseed	134	365	128	146	141	14.1	2.7	-3.4	1.9
<b>Oilseeds</b>	<b>31 601</b>	<b>35 734</b>	<b>32 192</b>	<b>31 194</b>	<b>34 284</b>	<b>-3.1</b>	<b>0.6</b>	<b>9.9</b>	<b>8.3</b>
Field peas	1 282	1 389	2 075	2 262	2 781	9.0	56.9	23.0	75.8
Broad beans	1 019	1 239	1 956	1 887	2 100	-3.5	44.1	11.3	52.0
Lupines	153	209	364	289	296	-20.6	33.6	2.4	36.3
<b>Protein crops</b>	<b>2 454</b>	<b>2 838</b>	<b>4 395</b>	<b>4 438</b>	<b>5 177</b>	<b>1.0</b>	<b>49.2</b>	<b>16.7</b>	<b>60.4</b>
Sugar beet	108,979	131,022	101,867	111,823	131,114	9.8	-3.9	17.3	17.2

**Table 7.4 EU overall cereal balance sheet (million t)**

	EU-28					% variation 17/18 vs. 16/17
	2013/14	2014/15	2015/16	2016/17	2017/18f	
Beginning stocks	31.3	38.0	48.5	46.5	38.5	-17.3
Gross production	307.6	331.0	314.4	296.8	301.2	1.5
Usable production	304.8	328.0	311.6	294.2	298.6	1.5
Imports	19.2	15.6	20.6	19.3	20.8	7.6
<b>Availabilities</b>	<b>355.3</b>	<b>381.6</b>	<b>380.8</b>	<b>360.1</b>	<b>357.8</b>	<b>-0.6</b>
Total domestic uses	271.6	279.2	281.3	281.3	281.0	-0.1
- Human	64.8	65.0	65.1	65.4	65.7	0.4
- Seed	9.5	9.6	9.6	9.6	9.4	-1.8
- Industrial	32.4	32.6	33.1	33.4	33.9	1.5
<i>o.w. bioethanol</i>	11.3	11.5	12.0	12.2	12.6	3.4
- Animal feed	164.9	172.0	173.4	172.9	172.0	-0.5
Losses (excl on-farm)	2.2	2.2	2.2	2.2	2.2	0.0
Exports	43.5	51.7	50.8	38.1	37.8	-0.9
<b>Total uses</b>	<b>317.3</b>	<b>333.1</b>	<b>334.3</b>	<b>321.6</b>	<b>321.0</b>	<b>-0.2</b>
<b>End stocks</b>	38.0	48.5	46.5	38.5	36.9	-4.2
- Market	38.0	48.5	46.5	38.5	36.9	-4.2
- Intervention	0.0	0.0	0.0	0.0	0.0	-
<b>Self-sufficiency rate %</b>	112.2	117.5	110.8	104.6	106.2	<b>1.57</b>

**Table 7.5 EU-28 cereal balance sheet 2017/2018 (forecast) (million t)**

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-28
Beginning stocks (01.07.2017)	10.1	5.8	2.5	15.6	0.7	0.2	0.3	1.7	1.6	<b>38.5</b>
Gross production	141.5	58.6	9.3	59.4	7.4	0.7	8.3	11.5	4.5	<b>301.2</b>
Usable production	140.4	58.1	9.2	59.1	7.3	0.7	8.3	11.3	4.2	<b>298.6</b>
Import <sup>1</sup>	3.3	0.6	1.5	15.0	0.1	0.2	0.0	0.0	0.2	<b>20.8</b>
<b>Total availabilities</b>	<b>153.8</b>	<b>64.5</b>	<b>13.3</b>	<b>89.7</b>	<b>8.1</b>	<b>1.0</b>	<b>8.6</b>	<b>12.9</b>	<b>6.0</b>	<b>357.8</b>
Total domestic use	115.4	50.8	9.4	72.2	7.7	0.9	7.9	11.9	4.7	<b>281.0</b>
- Human	48.0	0.4	8.0	4.9	3.1	0.2	1.1	0.1	0.0	<b>65.7</b>
- Seed	4.8	2.2	0.5	0.4	0.4	0.0	0.4	0.5	0.1	<b>9.4</b>
- Industrial	10.8	9.1	0.1	11.7	1.7	0.0	0.1	0.4	0.1	<b>33.9</b>
<i>o.w. bioethanol</i>	4.7	0.4	0.0	6.2	1.0	0.0	0.0	0.3	0.0	<b>12.6</b>
- Animal feed	51.8	39.2	0.8	55.3	2.6	0.7	6.2	10.9	4.5	<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>	27.0	7.0	1.4	2.0	0.2	0.0	0.2	0.0	0.0	<b>37.8</b>
<b>Total use</b>	<b>143.3</b>	<b>58.2</b>	<b>10.9</b>	<b>74.8</b>	<b>8.0</b>	<b>0.9</b>	<b>8.2</b>	<b>12.0</b>	<b>4.7</b>	<b>321.0</b>
End stocks (30.06.2018)	10.5	6.3	2.4	14.9	0.1	0.1	0.4	0.9	1.2	<b>36.8</b>
- Market	10.5	6.3	2.4	14.9	0.1	0.1	0.4	0.9	1.2	<b>36.8</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	0.4	0.5	-0.1	-0.7	-0.6	0.0	0.1	-0.8	-0.3	<b>-1.6</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>121.7</b>	<b>114.4</b>	<b>98.0</b>	<b>81.9</b>	<b>93.7</b>	<b>77.3</b>	<b>104.5</b>	<b>94.4</b>	<b>90.5</b>	<b>106.2</b>

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

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

**Table 7.6 EU-28 cereal balance sheet 2016/2017 (estimate) (million t)**

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-28
Beginning stocks (01.07.2016)	14.7	7.6	2.5	13.9	1.0	0.2	1.6	2.3	2.7	<b>46.5</b>
Gross production	134.8	60.1	9.3	61.1	7.4	0.7	8.0	11.8	3.6	<b>296.8</b>
Usable production	133.7	59.6	9.2	60.8	7.3	0.7	7.9	11.5	3.4	<b>294.2</b>
Import <sup>1</sup>	3.3	0.4	1.7	13.6	0.0	0.2	0.0	0.0	0.2	<b>19.3</b>
<b>Total availabilities</b>	<b>151.7</b>	<b>67.7</b>	<b>13.4</b>	<b>88.3</b>	<b>8.3</b>	<b>1.0</b>	<b>9.5</b>	<b>13.8</b>	<b>6.3</b>	<b>360.1</b>
Total domestic use	115.7	52.8	9.4	69.5	7.4	0.9	9.0	12.1	4.7	<b>281.3</b>
- Human	47.8	0.4	8.0	4.8	3.0	0.2	1.1	0.1	0.0	<b>65.4</b>
- Seed	5.0	2.2	0.5	0.4	0.4	0.0	0.4	0.6	0.1	<b>9.6</b>
- Industrial	10.5	9.0	0.1	11.5	1.6	0.0	0.1	0.4	0.1	<b>33.4</b>
<i>o.w. bioethanol</i>	4.5	0.4	0.0	6.0	0.9	0.0	0.0	0.3	0.0	<b>12.2</b>
- Animal feed	52.4	41.2	0.8	52.8	2.3	0.7	7.3	11.0	4.5	<b>172.9</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>	25.1	8.8	1.4	2.6	0.1	0.0	0.2	0.0	0.0	<b>38.1</b>
<b>Total use</b>	<b>141.6</b>	<b>61.9</b>	<b>10.8</b>	<b>72.7</b>	<b>7.5</b>	<b>0.9</b>	<b>9.2</b>	<b>12.2</b>	<b>4.7</b>	<b>321.6</b>
End stocks (30.06.2017)	10.1	5.8	2.5	15.6	0.7	0.2	0.3	1.7	1.6	<b>38.5</b>
- Market	10.1	5.8	2.5	15.6	0.7	0.2	0.3	1.7	1.6	<b>38.5</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	-4.6	-1.9	0.1	1.7	-0.3	-0.1	-1.3	-0.6	-1.1	<b>-8.0</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>115.6</b>	<b>113.0</b>	<b>98.0</b>	<b>87.6</b>	<b>98.2</b>	<b>74.3</b>	<b>88.3</b>	<b>95.5</b>	<b>73.3</b>	<b>104.6</b>

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

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

**Table 7.7 EU-28 cereal balance sheet 2015/2016 (million t)**

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-28
Beginning stocks (01.07.2015)	12.2	8.4	2.0	17.5	1.6	0.3	1.2	2.0	3.3	<b>48.5</b>
Gross production	152.5	61.9	8.4	59.3	7.8	0.7	7.6	12.8	3.5	<b>314.4</b>
Usable production	151.3	61.4	8.3	59.0	7.6	0.7	7.5	12.5	3.3	<b>311.6</b>
Import <sup>1</sup>	4.1	0.3	2.5	13.3	0.0	0.1	0.0	0.0	0.2	<b>20.6</b>
<b>Total availabilities</b>	<b>167.7</b>	<b>70.1</b>	<b>12.8</b>	<b>89.8</b>	<b>9.3</b>	<b>1.1</b>	<b>8.8</b>	<b>14.5</b>	<b>6.8</b>	<b>380.8</b>
Total domestic use	119.3	47.8	9.1	73.1	8.0	0.9	6.9	12.1	4.1	<b>281.3</b>
- Human	47.6	0.4	8.0	4.8	3.0	0.2	1.1	0.1	0.0	<b>65.1</b>
- Seed	5.0	2.2	0.5	0.4	0.4	0.0	0.4	0.6	0.1	<b>9.6</b>
- Industrial	10.9	9.0	0.1	10.9	1.6	0.0	0.1	0.4	0.1	<b>33.1</b>
<i>o.w. bioethanol</i>	4.9	0.4	0.0	5.5	0.9	0.0	0.0	0.3	0.0	<b>12.0</b>
- Animal feed	55.8	36.3	0.6	56.9	3.0	0.7	5.2	11.0	3.9	<b>173.4</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>	32.8	14.2	1.2	2.2	0.2	0.0	0.2	0.0	0.0	<b>50.8</b>
<b>Total use</b>	<b>153.0</b>	<b>62.4</b>	<b>10.3</b>	<b>75.9</b>	<b>8.3</b>	<b>0.9</b>	<b>7.1</b>	<b>12.2</b>	<b>4.1</b>	<b>334.3</b>
End stocks (30.06.2016)	14.7	7.6	2.5	13.9	1.0	0.2	1.6	2.3	2.7	<b>46.5</b>
- Market	14.7	7.6	2.5	13.9	1.0	0.2	1.6	2.3	2.7	<b>46.5</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	2.5	-0.7	0.5	-3.6	-0.6	-0.1	0.4	0.3	-0.7	<b>-2.0</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>126.8</b>	<b>128.4</b>	<b>91.1</b>	<b>80.7</b>	<b>94.9</b>	<b>77.4</b>	<b>109.2</b>	<b>103.6</b>	<b>80.6</b>	<b>110.8</b>

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

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

**Table 7.8 EU-28 oilseeds balance sheets (million t)**

	EU-28					% variation			
	2013/14	2014/15	2015/16	2016/17	2017/18f	16/17 vs 15/16	% 5-yr.av.	17/18 vs 16/17	% 5-yr.av.
<b>Production</b>	<b>31.5</b>	<b>35.4</b>	<b>32.1</b>	<b>31.0</b>	<b>34.1</b>	<b>-3.2</b>	<b>0.6</b>	<b>10.0</b>	<b>8.3</b>
Rapeseed	21.0	24.3	21.8	20.1	22.3	-7.9	-2.9	10.9	6.3
Soya beans	1.2	1.8	2.4	2.5	2.7	5.0	74.0	8.5	49.4
Sunflower	9.3	9.3	7.9	8.5	9.2	7.4	-1.2	8.2	7.3
<b>Total domestic use</b>	<b>47.7</b>	<b>49.3</b>	<b>50.0</b>	<b>49.8</b>	<b>50.5</b>	<b>-0.5</b>	<b>5.8</b>	<b>1.5</b>	<b>3.3</b>
Rapeseed	24.2	25.9	24.9	24.6	25.4	-1.3	2.1	3.3	3.5
<i>of which crushing</i>	23.5	25.0	24.1	23.8	24.6	-1.3	2.3	3.3	3.3
Soya beans	14.7	14.4	17.1	16.4	16.1	-3.8	14.9	-2.1	5.9
<i>of which crushing</i>	13.2	12.9	15.2	14.7	14.3	-3.3	14.6	-2.3	5.5
Sunflower	8.8	8.9	8.1	8.8	9.1	8.9	5.9	3.2	5.9
<i>of which crushing</i>	7.8	7.9	7.0	7.7	8.0	9.8	6.0	3.0	5.7
<b>Imports</b>	<b>17.4</b>	<b>15.8</b>	<b>18.7</b>	<b>19.5</b>	<b>17.4</b>	<b>4.1</b>	<b>18.4</b>	<b>-10.8</b>	<b>0.0</b>
Rapeseed	3.5	2.3	3.5	4.7	3.5	35.8	36.9	-26.9	0.0
Soya beans	13.6	13.2	14.8	14.0	13.6	-5.4	7.1	-2.9	0.0
Sunflower	0.3	0.3	0.5	0.8	0.4	67.1	170.7	-54.4	0.0
<b>Exports</b>	<b>1.1</b>	<b>1.3</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>5.2</b>	<b>-2.1</b>	<b>-1.7</b>	<b>-5.7</b>
Rapeseed	0.3	0.6	0.3	0.3	0.3	-6.9	22.5	-0.6	0.0
Soya beans	0.1	0.1	0.1	0.2	0.1	39.5	120.4	-40.8	0.0
Sunflower	0.7	0.6	0.4	0.4	0.5	3.1	-27.4	16.7	0.0
<b>End stocks</b>	<b>2.6</b>	<b>3.2</b>	<b>3.1</b>	<b>2.9</b>	<b>3.0</b>	<b>-4.4</b>	<b>0.0</b>	<b>4.2</b>	<b>7.0</b>
Rapeseed	1.0	1.1	1.1	1.0	1.1	-6.1	0.0	2.7	4.9
Soya beans	0.9	1.4	1.4	1.2	1.3	-9.9	2.8	8.7	14.4
Sunflower	0.7	0.7	0.6	0.7	0.7	11.1	-2.4	-1.7	-2.5
<b>Self-sufficiency rate %</b>	<b>66.0</b>	<b>71.8</b>	<b>64.1</b>	<b>62.4</b>	<b>67.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 7.9 EU oilmeals balance sheets (million t)

	EU-28					% variation			
	2013/14	2014/15	2015/16	2016/17	2017/18f	16/17 vs 15/16	% 5-yr.av.	17/18 vs 16/17	% 5-yr.av.
<b>Production</b>	<b>28.1</b>	<b>28.8</b>	<b>29.6</b>	<b>29.4</b>	<b>29.7</b>	<b>-0.7</b>	<b>6.6</b>	<b>1.0</b>	<b>3.3</b>
Rapeseed	13.4	14.3	13.7	13.6	14.0	-1.3	2.3	3.3	3.3
Soya beans	10.4	10.2	12.0	11.6	11.3	-3.3	14.6	-2.3	5.5
Sunflower	4.3	4.4	3.9	4.3	4.4	9.8	6.0	3.0	5.7
<b>Total domestic use</b>	<b>49.4</b>	<b>50.0</b>	<b>52.4</b>	<b>50.6</b>	<b>51.0</b>	<b>-3.5</b>	<b>2.1</b>	<b>0.8</b>	<b>2.0</b>
Rapeseed	13.5	14.3	13.7	13.3	14.0	-3.0	-0.3	5.6	4.1
Soya beans	28.7	28.4	31.9	29.7	29.5	-6.9	2.5	-0.7	1.8
Sunflower	7.2	7.3	6.9	7.6	7.5	11.3	7.2	-1.5	4.5
<b>Imports</b>	<b>22.0</b>	<b>22.3</b>	<b>23.8</b>	<b>22.2</b>	<b>22.3</b>	<b>-6.7</b>	<b>-2.2</b>	<b>0.2</b>	<b>0.4</b>
Rapeseed	0.5	0.5	0.4	0.2	0.4	-46.5	-48.6	94.7	0.0
Soya beans	18.5	18.6	20.2	18.3	18.5	-9.2	-3.9	0.7	0.0
Sunflower	3.1	3.2	3.2	3.7	3.4	13.7	11.7	-7.9	0.0
<b>Exports</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>	<b>1.0</b>	<b>4.8</b>	<b>2.5</b>	<b>-9.2</b>	<b>-6.5</b>
Rapeseed	0.4	0.4	0.5	0.5	0.4	8.8	44.8	-18.9	0.0
Soya beans	0.3	0.3	0.3	0.3	0.3	-10.8	-38.7	15.3	0.0
Sunflower	0.2	0.3	0.2	0.3	0.2	17.8	47.5	-16.1	0.0
<b>End stocks</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>-3.3</b>	<b>-6.5</b>	<b>2.3</b>	<b>0.0</b>
Rapeseed	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Soya beans	0.3	0.4	0.4	0.3	0.3	-4.8	-9.1	3.3	0.0
Sunflower	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
<b>Self-sufficiency rate %</b>	<b>56.9</b>	<b>57.6</b>	<b>56.5</b>	<b>58.1</b>	<b>58.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Table 7.10 EU vegetable oils balance sheets (million t)

	EU-28					% variation			
	2013/14	2014/15	2015/16	2016/17	2017/18f	16/17 vs 15/16	% 5-yr.av.	17/18 vs 16/17	% 5-yr.av.
<b>Production</b>	<b>15.5</b>	<b>16.2</b>	<b>15.9</b>	<b>15.9</b>	<b>16.3</b>	<b>0.4</b>	<b>4.8</b>	<b>2.2</b>	<b>3.2</b>
Rapeseed	9.6	10.3	9.9	9.8	10.1	-1.3	2.3	3.3	3.3
Soya beans	2.6	2.6	3.0	2.9	2.9	-3.3	14.6	-2.3	5.5
Sunflower	3.3	3.3	3.0	3.2	3.3	9.8	6.0	3.0	5.7
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>22.0</b>	<b>22.8</b>	<b>23.1</b>	<b>22.7</b>	<b>23.0</b>	<b>-1.8</b>	<b>4.7</b>	<b>1.1</b>	<b>2.3</b>
Rapeseed	9.4	10.2	9.8	9.5	10.0	-2.3	0.5	4.4	4.2
Soya beans	2.1	1.9	2.4	2.3	2.2	-3.6	9.6	-3.7	5.1
Sunflower	3.7	3.9	4.0	4.3	4.1	8.6	14.8	-4.7	6.0
Palm	6.7	6.7	7.0	6.6	6.7	-6.3	1.4	2.0	0.4
<b>Imports</b>	<b>8.4</b>	<b>8.5</b>	<b>9.0</b>	<b>8.7</b>	<b>8.5</b>	<b>-3.8</b>	<b>6.4</b>	<b>-2.1</b>	<b>-0.2</b>
Rapeseed	0.3	0.3	0.2	0.2	0.2	-26.3	-40.7	47.9	0.0
Soya beans	0.4	0.3	0.3	0.3	0.3	-10.9	-9.4	2.8	0.0
Sunflower	0.9	1.0	1.4	1.6	1.1	13.5	60.8	-27.2	0.0
Palm	6.9	6.9	7.1	6.7	6.8	-6.2	0.7	2.4	0.0
<b>Exports</b>	<b>1.6</b>	<b>1.9</b>	<b>1.8</b>	<b>1.9</b>	<b>1.8</b>	<b>2.5</b>	<b>5.3</b>	<b>-2.7</b>	<b>-1.8</b>
Rapeseed	0.3	0.4	0.4	0.3	0.4	-2.3	1.3	2.0	0.0
Soya beans	0.8	0.9	1.0	0.9	0.9	-5.2	-0.2	2.9	0.0
Sunflower	0.3	0.4	0.4	0.5	0.4	19.8	44.4	-16.1	0.0
Palm	0.1	0.2	0.1	0.2	0.1	21.3	6.9	-6.5	0.0
<b>End stocks</b>	<b>1.6</b>	<b>1.6</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>2.2</b>	<b>8.9</b>	<b>-0.4</b>	<b>0.0</b>
Rapeseed	0.6	0.6	0.6	0.6	0.6	4.3	14.3	-1.4	0.0
Soya beans	0.2	0.2	0.2	0.2	0.2	0.0	5.0	0.0	0.0
Sunflower	0.3	0.3	0.3	0.3	0.3	13.3	9.7	-4.9	0.0
Palm	0.4	0.5	0.5	0.5	0.5	-5.0	7.5	3.5	5.4
<b>Self-sufficiency rate %</b>	<b>70.8</b>	<b>71.0</b>	<b>68.6</b>	<b>70.1</b>	<b>70.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## SUGAR BALANCE

Table 7.11 Sugar beet production and white sugar balance in the EU (million t white sugar equivalent)

	EU-28					% variation	
	2013/2014	2014/2015	2015/2016	2016/2017e	2017/2018f	17/18 vs. 16/17	
Beginning stocks	3.2	2.6	4.0	1.9	1.3		-33
White sugar production	16.7	19.5	14.9	16.8	20.1		20
Imports	3.1	2.7	2.9	2.3	1.5		-35
<b>Availabilities</b>	<b>23.0</b>	<b>24.8</b>	<b>21.8</b>	<b>21.1</b>	<b>22.9</b>		<b>9</b>
Total domestic uses white sugar	19.1	19.5	18.5	18.5	18.5		0
- Human	16.9	16.8	16.6	16.4	16.2		-1
- Industrial	2.1	2.6	1.9	2.2	2.3		7
<i>o.w. bioethanol</i>	1.3	1.8	1.1	1.4	1.6		19
Exports	1.4	1.4	1.3	1.3	2.8		120
<b>Total uses</b>	<b>20.4</b>	<b>20.8</b>	<b>19.9</b>	<b>19.8</b>	<b>21.3</b>		<b>8</b>
<b>End stocks</b>	2.6	4.0	1.9	1.3	1.6		25
- Market	2.6	4.0	1.9	1.3	1.6		25
- Intervention	0.0	0.0	0.0	--	--		
<b>Self-sufficiency rate %</b>	88%	100%	81%	91%	109%		
Sugar beet production for sugar production (million t)	104.4	125.1	94.2	105.2	126.4		20

## OLIVE OIL BALANCE

Table 7.12 EU Olive oil balance sheets (1000 t)

	EU-28					% variation	
	2012/13	2013/14	2014/15	2015/16	2016/17e	16/17 vs 15/16	% 5-yr.av.
<b>Production</b>	<b>1 463</b>	<b>2 483</b>	<b>1 434</b>	<b>2 324</b>	<b>1 743</b>	<b>-25</b>	<b>-15</b>
<b>Total domestic use</b>	<b>1 601</b>	<b>1 730</b>	<b>1 572</b>	<b>1 646</b>	<b>1 443</b>	<b>-12</b>	<b>-13</b>
Imports	153	53	225	98	103	6	-11
Exports	489	601	508	574	574	0	5
End stocks	427	632	211	414	242	-41	-51
<b>Self-sufficiency rate %</b>	<b>91</b>	<b>143</b>	<b>91</b>	<b>141</b>	<b>121</b>	<b>-15</b>	<b>56</b>

## MILK AND DAIRY PRODUCTS

Table 7.13 Milk supply and utilisation in the EU-28

	EU-28						% variation				
	2013	2014	2015	2016e	2017f	2018f	14/13	15/14	16/15	17/16	18/17
<b>Dairy cows (million heads)<sup>1</sup></b>	<b>23.3</b>	<b>23.3</b>	<b>23.4</b>	<b>23.5</b>	<b>23.2</b>	<b>23.0</b>	<b>0.3</b>	<b>0.2</b>	<b>0.6</b>	<b>-1.2</b>	<b>-0.9</b>
of which EU-15	17.8	17.9	18.1	18.3	18.1	18.0	0.7	1.2	1.1	-1.2	-0.8
of which EU-N13	5.4	5.4	5.2	5.2	5.1	5.0	-1.0	-3.1	-1.1	-1.2	-1.1
<b>Milk yield (kg/dairy cow)<sup>2</sup></b>	<b>6 489</b>	<b>6 737</b>	<b>6 861</b>	<b>6 853</b>	<b>6 969</b>	<b>7 115</b>	<b>3.8</b>	<b>1.9</b>	<b>-0.1</b>	<b>1.7</b>	<b>2.1</b>
of which EU-15	7 040	7 272	7 358	7 308	7 418	7 566	3.3	1.2	-0.7	1.5	2.0
of which EU-N13	4 684	4 951	5 134	5 235	5 371	5 506	5.7	3.7	2.0	2.6	2.5
<b>Milk production (million t)</b>	<b>153.9</b>	<b>159.7</b>	<b>162.9</b>	<b>163.5</b>	<b>164.2</b>	<b>166.2</b>	<b>3.8</b>	<b>2.0</b>	<b>0.3</b>	<b>0.4</b>	<b>1.2</b>
of which EU-15	125.7	130.7	133.8	134.3	134.7	136.2	4.0	2.4	0.4	0.3	1.1
of which EU-N13	28.3	29.0	29.2	29.2	29.5	30.0	2.6	0.5	0.0	1.3	1.4
Feed use (million t)	3.5	3.7	3.4	3.5	3.4	3.4	3.1	-6.3	1.7	-1.8	-1.8
On farm use and direct sales (mio t)	8.5	7.2	6.7	6.7	6.4	6.3	-15.4	-6.5	-0.9	-3.5	-2.1
<b>Delivered to dairies (million t)</b>	<b>141.9</b>	<b>148.9</b>	<b>152.8</b>	<b>153.3</b>	<b>154.4</b>	<b>156.5</b>	<b>4.9</b>	<b>2.6</b>	<b>0.4</b>	<b>0.7</b>	<b>1.4</b>
of which EU-15	122.0	127.4	130.9	131.2	131.6	133.2	4.4	2.8	0.2	0.4	1.2
of which EU-N13	19.9	21.5	21.9	22.2	22.7	23.3	8.3	1.8	1.4	2.5	2.5
<b>Delivery ratio (%)<sup>3</sup></b>	<b>92.2</b>	<b>93.2</b>	<b>93.8</b>	<b>93.8</b>	<b>94.0</b>	<b>94.2</b>	<b>1.1</b>	<b>0.6</b>	<b>0.0</b>	<b>0.2</b>	<b>0.2</b>
of which EU-15	97.1	97.5	97.9	97.6	97.7	97.8	0.4	0.4	-0.2	0.1	0.1
of which EU-N13	70.2	74.1	75.1	76.1	77.0	77.8	5.5	1.3	1.4	1.1	1.1
Fat content of milk (%)	4.0	4.0	4.0	4.1	4.0	4.0	-0.8	0.4	1.4	-1.0	0.2
Protein content of milk (%)	3.4	3.4	3.4	3.4	3.4	3.4	0.2	0.3	0.2	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 7.14 EU-28 fresh dairy products market balance (1000 t)

	EU-28						% variation				
	2013	2014	2015	2016	2017f	2018f	14/13	15/14	16/15	17/16	18/17
<b>Production</b>	<b>46 784</b>	<b>46 502</b>	<b>46 882</b>	<b>46 321</b>	<b>46 076</b>	<b>45 931</b>	<b>-0.6</b>	<b>0.8</b>	<b>-1.2</b>	<b>-0.5</b>	<b>-0.3</b>
of which Drinking Milk	31 767	31 404	31 348	30 850	30 449	30 144	-1.1	-0.2	-1.6	-1.3	-1.0
of which Cream	2 575	2 633	2 745	2 764	2 860	2 946	2.2	4.3	0.7	3.5	3.0
of which Acidified Milk	8 076	7 969	8 040	7 988	8 068	8 149	-1.3	0.9	-0.6	1.0	1.0
of which Other Fresh Products <sup>2</sup>	4 366	4 496	4 751	4 720	4 699	4 692	3.0	5.7	-0.7	-0.4	-0.1
of which EU-15	40 396	40 082	40 267	39 737	39 458	39 261	-0.8	0.5	-1.3	-0.7	-0.5
of which EU-N13	6 388	6 420	6 616	6 584	6 617	6 670	0.5	3.1	-0.5	0.5	0.8
<b>Imports (extra EU)</b>	<b>33</b>	<b>19</b>	<b>12</b>	<b>14</b>	<b>19</b>	<b>19</b>	<b>-43</b>	<b>-36</b>	<b>19</b>	<b>30</b>	<b>0</b>
<b>Exports (extra EU)</b>	<b>635</b>	<b>773</b>	<b>908</b>	<b>1120</b>	<b>1064</b>	<b>1117</b>	<b>22</b>	<b>18</b>	<b>23</b>	<b>-5</b>	<b>5</b>
<b>Domestic use<sup>1</sup></b>	<b>46 182</b>	<b>45 748</b>	<b>45 987</b>	<b>45 215</b>	<b>45 030</b>	<b>44 833</b>	<b>-0.9</b>	<b>0.5</b>	<b>-1.7</b>	<b>-0.4</b>	<b>-0.4</b>
p.c. consumption (kg)	91.3	90.1	90.3	88.5	87.8	87.2	-1.3	0.2	-2.0	-0.7	-0.7
<b>Self-sufficiency rate (%)</b>	<b>101</b>	<b>102</b>	<b>102</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 7.15 EU-28 cheese market balance (1000 t)**

	EU-28						% variation				
	2013	2014	2015	2016	2017f	2018f	14/13	15/14	16/15	17/16	18/17
<b>Production (in dairies)</b>	<b>9 011</b>	<b>9 213</b>	<b>9 555</b>	<b>9 695</b>	<b>9 904</b>	<b>10 104</b>	<b>2.2</b>	<b>3.7</b>	<b>1.5</b>	<b>2.1</b>	<b>2.0</b>
of which from pure cow's milk	8 298	8 478	8 705	8 773	8 940	9 119	2.2	2.7	0.8	1.9	2.0
of which from other milk <sup>1</sup>	713	735	850	923	964	985	3.1	15.7	8.5	4.5	2.2
EU-15 (in dairies)	7 661	7 843	8 127	8 202	8 326	8 485	2.4	3.6	0.9	1.5	1.9
EU-N13 (in dairies)	1 350	1 370	1 428	1 494	1 578	1 619	1.5	4.2	4.6	5.6	2.6
Processed cheese impact <sup>2</sup>	356	346	333	332	330	327	-2.8	-3.8	0.0	-0.8	-0.8
<b>Total production</b>	<b>9 367</b>	<b>9 559</b>	<b>9 888</b>	<b>10 028</b>	<b>10 234</b>	<b>10 431</b>	<b>2.1</b>	<b>3.4</b>	<b>1.4</b>	<b>2.1</b>	<b>1.9</b>
<b>Imports (extra EU)<sup>3</sup></b>	<b>75</b>	<b>77</b>	<b>61</b>	<b>71</b>	<b>50</b>	<b>52</b>	<b>2.5</b>	<b>-19.7</b>	<b>15.0</b>	<b>-30.0</b>	<b>5.0</b>
<b>Exports (extra EU)</b>	<b>786</b>	<b>721</b>	<b>719</b>	<b>800</b>	<b>848</b>	<b>907</b>	<b>-8.3</b>	<b>-0.3</b>	<b>11.3</b>	<b>6.0</b>	<b>7.0</b>
<b>Total domestic use</b>	<b>8 655</b>	<b>8 870</b>	<b>9 201</b>	<b>9 359</b>	<b>9 450</b>	<b>9 576</b>	<b>2.5</b>	<b>3.7</b>	<b>1.7</b>	<b>1.0</b>	<b>1.3</b>
<b>Stock changes</b>	<b>0</b>	<b>45</b>	<b>30</b>	<b>-60</b>	<b>-15</b>	<b>0</b>					
Processing use	309	303	292	287	285	282	-2.1	-3.4	-1.7	-0.9	-0.9
Human consumption	8 346	8 567	8 908	9 071	9 165	9 294	2.6	4.0	1.8	1.0	1.4
of which EU-15	7 066	7 241	7 488	7 569	7 620	7 690	2.5	3.4	1.1	0.7	0.9
of which EU-N13	1 280	1 326	1 421	1 502	1 545	1 604	3.6	7.1	5.7	2.9	3.8
p.c. consumption (kg)	16	17	17	18	18	18	2.3	3.7	1.5	0.7	1.1
<b>Self-sufficiency rate (%)</b>	<b>108</b>	<b>108</b>	<b>107</b>	<b>107</b>	<b>108</b>	<b>109</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.

**Table 7.16 EU-28 whole milk powder market balance (1000 t)**

	EU-28						% variation				
	2013	2014	2015	2016	2017f	2018f	14/13	15/14	16/15	17/16	18/17
<b>Production</b>	<b>723</b>	<b>756</b>	<b>717</b>	<b>730</b>	<b>721</b>	<b>724</b>	<b>4.5</b>	<b>-5.1</b>	<b>1.9</b>	<b>-1.3</b>	<b>0.5</b>
of which EU-15	666	694	665	681	674	678	4.3	-4.2	2.4	-1.0	0.5
of which EU-N13	57	61	52	49	47	47	7.1	-15.3	-5.3	-5.0	0.0
<b>Imports</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>4</b>	<b>-58</b>	<b>181</b>	<b>44</b>	<b>-65</b>	<b>100</b>
<b>Exports</b>	<b>374</b>	<b>390</b>	<b>400</b>	<b>381</b>	<b>362</b>	<b>362</b>	<b>4.1</b>	<b>2.7</b>	<b>-4.7</b>	<b>-5.0</b>	<b>0.0</b>
<b>Domestic Use<sup>1</sup></b>	<b>352</b>	<b>367</b>	<b>321</b>	<b>355</b>	<b>361</b>	<b>366</b>	<b>4.4</b>	<b>-12.7</b>	<b>10.6</b>	<b>1.7</b>	<b>1.5</b>
<b>Self-sufficiency rate (%)</b>	<b>205</b>	<b>206</b>	<b>224</b>	<b>206</b>	<b>200</b>	<b>198</b>					

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

**Table 7.17 EU-28 skimmed milk powder market balance (1000 t)**

	EU-28						% variation				
	2013	2014	2015	2016e	2017f	2018f	14/13	15/14	16/15	17/16	18/17
<b>Production</b>	<b>1 108</b>	<b>1 457</b>	<b>1 538</b>	<b>1 561</b>	<b>1 485</b>	<b>1 515</b>	<b>31.4</b>	<b>5.6</b>	<b>1.5</b>	<b>-4.8</b>	<b>2.0</b>
of which EU-15	958	1 235	1 325	1 342	1 282	1 307	28.9	7.3	1.3	-4.5	2.0
of which EU-N13	150	222	213	218	203	207	47.6	-3.9	2.4	-7.0	2.0
<b>Imports (extra EU)</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>-54</b>	<b>50</b>	<b>8</b>	<b>-35</b>	<b>0</b>
<b>Exports (extra EU)</b>	<b>407</b>	<b>648</b>	<b>692</b>	<b>575</b>	<b>776</b>	<b>822</b>	<b>59</b>	<b>7</b>	<b>-17</b>	<b>35</b>	<b>6</b>
<b>Domestic use</b>	<b>697</b>	<b>721</b>	<b>741</b>	<b>768</b>	<b>792</b>	<b>816</b>	<b>3.5</b>	<b>2.7</b>	<b>3.7</b>	<b>3.1</b>	<b>3.1</b>
<b>Ending stocks</b>	<b>80</b>	<b>170</b>	<b>279</b>	<b>501</b>	<b>421</b>	<b>300</b>					
Private (industry)	80	170	250	150	70	100					
Public (intervention)	0	0	29	351	351	200					
Stock changes	10	90	109	222	-80	-121					
<b>Self-sufficiency rate (%)</b>	<b>159</b>	<b>202</b>	<b>208</b>	<b>203</b>	<b>188</b>	<b>186</b>					

**Table 7.18 EU-28 butter market balance (1000 t)**

	EU-28						% variation				
	2013	2014	2015	2016e	2017f	2018f	14/13	15/14	16/15	17/16	18/17
<b>Production</b>	<b>2 127</b>	<b>2 234</b>	<b>2 334</b>	<b>2 380</b>	<b>2 317</b>	<b>2 383</b>	<b>5.0</b>	<b>4.5</b>	<b>1.9</b>	<b>-2.6</b>	<b>2.8</b>
of which EU-15	1 877	1 973	2 053	2 081	2 018	2 069	5.1	4.1	1.3	-3.0	2.5
of which EU-N13	250	261	281	299	299	314	4.2	7.6	6.4	0.0	5.0
<b>Imports</b>	<b>21</b>	<b>25</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>13</b>	<b>23</b>	<b>-90</b>	<b>14</b>	<b>100</b>	<b>120</b>
<b>Exports</b>	<b>116</b>	<b>135</b>	<b>172</b>	<b>206</b>	<b>182</b>	<b>173</b>	<b>16</b>	<b>27</b>	<b>20</b>	<b>-12</b>	<b>-5</b>
<b>Domestic use</b>	<b>2 037</b>	<b>2 095</b>	<b>2 155</b>	<b>2 186</b>	<b>2 201</b>	<b>2 223</b>	<b>2.8</b>	<b>2.9</b>	<b>1.4</b>	<b>0.7</b>	<b>1.0</b>
p.c. consumption (kg)	4	4	4	4	4	4	2.5	2.6	1.1	0.4	0.7
<b>Ending stocks</b>	<b>95</b>	<b>125</b>	<b>135</b>	<b>125</b>	<b>65</b>	<b>65</b>					
Private	95	125	135	125	65	65					
Public (intervention)	0	0	0	0	0	0					
Stock changes	-5	30	10	-10	-60	0					
<b>Self-sufficiency rate (%)</b>	<b>104</b>	<b>107</b>	<b>108</b>	<b>109</b>	<b>105</b>	<b>107</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.

## MEAT

Table 7.19 EU-28 overall meat balance (1000 t carcass weight equivalent)

	EU-28						% variation				
	2013	2014	2015	2016	2017f	2018f	14/13	15/14	16/15	17/16	18/17
<b>Gross Indigenous Production</b>	<b>43 828</b>	<b>44 658</b>	<b>46 061</b>	<b>47 278</b>	<b>47 262</b>	<b>47 658</b>	<b>1.9</b>	<b>3.1</b>	<b>2.6</b>	<b>0.0</b>	<b>0.8</b>
Live Imports	1	2	2	2	2	2					
Live Exports	179	197	247	291	311	316	10.2	25.2	17.8	6.9	1.7
<b>Net Production</b>	<b>43 650</b>	<b>44 462</b>	<b>45 816</b>	<b>46 989</b>	<b>46 953</b>	<b>47 344</b>	<b>1.9</b>	<b>3.0</b>	<b>2.6</b>	<b>-0.1</b>	<b>0.8</b>
<i>EU-15</i>	36 600	36 952	37 879	38 600	38 507	38 730	1.0	2.5	1.9	-0.2	0.6
<i>EU-N13</i>	7 051	7 510	7 937	8 389	8 446	8 614	6.5	5.7	5.7	0.7	2.0
<b>Meat Imports</b>	<b>1 311</b>	<b>1 332</b>	<b>1 368</b>	<b>1 402</b>	<b>1 311</b>	<b>1 392</b>	<b>1.6</b>	<b>2.7</b>	<b>2.4</b>	<b>-6.5</b>	<b>6.2</b>
<b>Meat Exports</b>	<b>3 747</b>	<b>3 548</b>	<b>3 817</b>	<b>4 560</b>	<b>4 338</b>	<b>4 456</b>	<b>-5.3</b>	<b>7.6</b>	<b>19.5</b>	<b>-4.9</b>	<b>2.7</b>
<b>Consumption</b>	<b>41 215</b>	<b>42 247</b>	<b>43 367</b>	<b>43 830</b>	<b>43 925</b>	<b>44 279</b>	<b>2.5</b>	<b>2.7</b>	<b>1.1</b>	<b>0.2</b>	<b>0.8</b>
Population (million)	506	508	509	511	513	514	0.3	0.3	0.3	0.3	0.3
<b>Per Capita Consumption<sup>1</sup> (kg)</b>	<b>65.0</b>	<b>66.4</b>	<b>68.0</b>	<b>68.6</b>	<b>68.5</b>	<b>68.9</b>	<b>2.2</b>	<b>2.4</b>	<b>0.9</b>	<b>-0.1</b>	<b>0.6</b>
<b>Self-sufficiency rate %</b>	<b>106</b>	<b>106</b>	<b>106</b>	<b>108</b>	<b>108</b>	<b>108</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 7.20 EU-28 beef/veal market balance (1000 t carcass weight equivalent)

	EU-28						% variation				
	2013	2014	2015	2016	2017f	2018f	14/13	15/14	16/15	17/16	18/17
<b>Gross Indigenous Production</b>	<b>7 528</b>	<b>7 694</b>	<b>7 846</b>	<b>8 099</b>	<b>8 132</b>	<b>8 100</b>	<b>2.2</b>	<b>2.0</b>	<b>3.2</b>	<b>0.4</b>	<b>-0.4</b>
Live Imports	0	0	0	0	0	0					
Live Exports	108	114	178	219	241	246	5.3	56.1	23.1	10.0	2.0
<b>Net Production</b>	<b>7 420</b>	<b>7 580</b>	<b>7 668</b>	<b>7 881</b>	<b>7 891</b>	<b>7 855</b>	<b>2.2</b>	<b>1.2</b>	<b>2.8</b>	<b>0.1</b>	<b>-0.5</b>
<i>EU-15</i>	6 708	6 791	6 830	6 984	6 977	6 942	1.2	0.6	2.3	-0.1	-0.5
<i>EU-N13</i>	712	789	838	896	914	912	10.8	6.2	7.0	2.0	-0.2
<b>Meat Imports</b>	<b>304</b>	<b>308</b>	<b>300</b>	<b>304</b>	<b>289</b>	<b>318</b>	<b>1.5</b>	<b>-2.6</b>	<b>1.4</b>	<b>-5.0</b>	<b>10.0</b>
<b>Meat Exports</b>	<b>161</b>	<b>207</b>	<b>209</b>	<b>244</b>	<b>268</b>	<b>271</b>	<b>28.9</b>	<b>0.9</b>	<b>16.5</b>	<b>10.0</b>	<b>1.0</b>
<b>Consumption</b>	<b>7 563</b>	<b>7 681</b>	<b>7 759</b>	<b>7 941</b>	<b>7 912</b>	<b>7 902</b>	<b>1.6</b>	<b>1.0</b>	<b>2.3</b>	<b>-0.4</b>	<b>-0.1</b>
<b>Per Capita Consumption<sup>1</sup> (kg)</b>	<b>10.5</b>	<b>10.6</b>	<b>10.7</b>	<b>10.9</b>	<b>10.8</b>	<b>10.8</b>	<b>1.2</b>	<b>0.7</b>	<b>2.0</b>	<b>-0.7</b>	<b>-0.4</b>
<i>Share in total meat cons. (%)</i>	18.4	18.2	17.9	18.1	18.0	17.8					
<b>Self-sufficiency rate (%)</b>	<b>100</b>	<b>100</b>	<b>101</b>	<b>102</b>	<b>103</b>	<b>103</b>					

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

**Table 7.21 EU-28 pigmeat market balance (1000 t carcass weight equivalent)**

	EU-28						% variation				
	2013	2014	2015	2016	2017f	2018f	14/13	15/14	16/15	17/16	18/17
<b>Gross Indigenous Production</b>	<b>22 595</b>	<b>22 782</b>	<b>23 491</b>	<b>23 762</b>	<b>23 497</b>	<b>23 728</b>	<b>0.8</b>	<b>3.1</b>	<b>1.2</b>	<b>-1.1</b>	<b>1.0</b>
Live Imports	0	0	0	0	0	0					
Live Exports	26	35	21	10	6	7	36.1	-41.9	-52.0	-35.0	5.0
<b>Net Production</b>	<b>22 569</b>	<b>22 747</b>	<b>23 470</b>	<b>23 752</b>	<b>23 491</b>	<b>23 722</b>	<b>0.8</b>	<b>3.2</b>	<b>1.2</b>	<b>-1.1</b>	<b>1.0</b>
<i>EU-15</i>	19 265	19 288	19 930	20 138	19 917	20 076	0.1	3.3	1.0	-1.1	0.8
<i>EU-N13</i>	3 304	3 459	3 540	3 614	3 574	3 646	4.7	2.4	2.1	-1.1	2.0
<b>Meat Imports</b>	<b>16</b>	<b>14</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>15</b>	<b>-12.5</b>	<b>-19.6</b>	<b>6.0</b>	<b>12.0</b>	<b>8.0</b>
<b>Meat Exports</b>	<b>2 238</b>	<b>1 947</b>	<b>2 217</b>	<b>2 812</b>	<b>2 559</b>	<b>2 636</b>	<b>-13.0</b>	<b>13.9</b>	<b>26.8</b>	<b>-9.0</b>	<b>3.0</b>
<b>Consumption</b>	<b>20 347</b>	<b>20 814</b>	<b>21 264</b>	<b>20 952</b>	<b>20 945</b>	<b>21 100</b>	<b>2.3</b>	<b>2.2</b>	<b>-1.5</b>	<b>0.0</b>	<b>0.7</b>
<b>Per Capita Consumption<sup>1</sup> (kg)</b>	<b>31.4</b>	<b>32.0</b>	<b>32.6</b>	<b>32.0</b>	<b>31.9</b>	<b>32.0</b>	<b>2.0</b>	<b>1.8</b>	<b>-1.8</b>	<b>-0.3</b>	<b>0.4</b>
<i>Share in total meat cons. (%)</i>	49.4	49.3	49.0	47.8	47.7	47.7					
<b>Self-sufficiency rate (%)</b>	<b>111</b>	<b>109</b>	<b>110</b>	<b>113</b>	<b>112</b>	<b>112</b>					

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

**Table 7.22 EU-28 poultry meat market balance (1000 t carcass weight equivalent)**

	EU-28						% variation				
	2013	2014	2015	2016	2017f	2018f	14/13	15/14	16/15	17/16	18/17
<b>Gross Indigenous Production</b>	<b>12 803</b>	<b>13 281</b>	<b>13 799</b>	<b>14 485</b>	<b>14 675</b>	<b>14 857</b>	<b>3.7</b>	<b>3.9</b>	<b>5.0</b>	<b>1.3</b>	<b>1.2</b>
Live Imports	1	1	1	2	2	2					
Live Exports	11	11	10	10	8	8	4.0	-6.2	-7.6	-15.0	0.0
<b>Net Production</b>	<b>12 793</b>	<b>13 271</b>	<b>13 790</b>	<b>14 477</b>	<b>14 669</b>	<b>14 851</b>	<b>3.7</b>	<b>3.9</b>	<b>5.0</b>	<b>1.3</b>	<b>1.2</b>
<i>EU-15</i>	9 840	10 093	10 313	10 682	10 797	10 884	2.6	2.2	3.6	1.1	0.8
<i>EU-N13</i>	2 954	3 178	3 477	3 795	3 871	3 967	7.6	9.4	9.2	2.0	2.5
<b>Meat Imports</b>	<b>791</b>	<b>821</b>	<b>855</b>	<b>882</b>	<b>829</b>	<b>863</b>	<b>3.8</b>	<b>4.1</b>	<b>3.2</b>	<b>-6.0</b>	<b>4.0</b>
<b>Meat Exports</b>	<b>1 311</b>	<b>1 361</b>	<b>1 370</b>	<b>1 486</b>	<b>1 478</b>	<b>1 515</b>	<b>3.8</b>	<b>0.7</b>	<b>8.4</b>	<b>-0.5</b>	<b>2.5</b>
<b>Consumption</b>	<b>12 274</b>	<b>12 731</b>	<b>13 275</b>	<b>13 874</b>	<b>14 020</b>	<b>14 198</b>	<b>3.7</b>	<b>4.3</b>	<b>4.5</b>	<b>1.1</b>	<b>1.3</b>
<b>Per Capita Consumption<sup>1</sup> (kg)</b>	<b>21.3</b>	<b>22.1</b>	<b>22.9</b>	<b>23.9</b>	<b>24.1</b>	<b>24.3</b>	<b>3.4</b>	<b>3.9</b>	<b>4.2</b>	<b>0.7</b>	<b>1.0</b>
<i>Share in total meat cons. (%)</i>	29.8	30.1	30.6	31.7	31.9	32.1					
<b>Self-sufficiency rate (%)</b>	<b>104</b>	<b>104</b>	<b>104</b>	<b>104</b>	<b>105</b>	<b>105</b>					

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

**Table 7.24 Group definitions:**

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

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

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

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

**Table 7.23 EU-28 sheep and goat meat market balance (1000 t carcass weight equivalent)**

	EU-28						% variation				
	2013	2014	2015	2016	2017f	2018f	14/13	15/14	16/15	17/16	18/17
<b>Gross Indigenous Production</b>	<b>902</b>	<b>901</b>	<b>925</b>	<b>932</b>	<b>957</b>	<b>972</b>	<b>-0.1</b>	<b>2.7</b>	<b>0.7</b>	<b>2.7</b>	<b>1.5</b>
Live Imports	0	0	0	0	0	0					
Live Exports	34	36	38	52	55	55	7.9	3.6	38.2	5.0	0.0
<b>Net Production</b>	<b>868</b>	<b>864</b>	<b>887</b>	<b>879</b>	<b>902</b>	<b>917</b>	<b>-0.4</b>	<b>2.6</b>	<b>-0.9</b>	<b>2.6</b>	<b>1.6</b>
<i>of which on-farm slaughterings</i>	108	112	119	122	120	120	3.7	6.2	2.2	-1.0	0.0
EU-15	787	780	805	796	816	828	-0.9	3.2	-1.1	2.5	1.5
EU-N13	81	84	82	84	87	89	4.4	-2.6	1.7	3.7	3.0
<b>Meat Imports</b>	<b>200</b>	<b>189</b>	<b>202</b>	<b>203</b>	<b>179</b>	<b>197</b>	<b>-5.6</b>	<b>7.3</b>	<b>0.4</b>	<b>-12.0</b>	<b>10.0</b>
<b>Meat Exports</b>	<b>36</b>	<b>32</b>	<b>20</b>	<b>19</b>	<b>33</b>	<b>35</b>	<b>-11.8</b>	<b>-38.1</b>	<b>-5.2</b>	<b>75.0</b>	<b>5.0</b>
<b>Consumption</b>	<b>1 031</b>	<b>1 021</b>	<b>1 070</b>	<b>1 064</b>	<b>1 048</b>	<b>1 079</b>	<b>-1.0</b>	<b>4.8</b>	<b>-0.6</b>	<b>-1.5</b>	<b>3.0</b>
<b>Per Capita Consumption<sup>1</sup> (kg)</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>-1.3</b>	<b>4.4</b>	<b>-0.9</b>	<b>-1.8</b>	<b>2.7</b>
Share in total meat cons. (%)	2.5	2.4	2.5	2.4	2.4	2.4					
<b>Self-sufficiency rate (%)</b>	<b>87</b>	<b>88</b>	<b>86</b>	<b>88</b>	<b>91</b>	<b>90</b>					

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

**Table 7.24 Share of EU exports by destination (%)**

		Cereals	Soft wheat	Barley	Meat, offal, live	Beef	Pork	Poultry	Infant Food	Dairy products	Cheese Curd	SMP and WMP	Whey powder	Olive Oil	Wine
China	2006	0	0	0	1	0	1	1	4	3	0	0	28	1	1
	2016	1	0	4	24	2	34	3	44	13	2	12	29	6	8
	Jan-July 2017	0	0	0	17	1	25	1	52	13	2	11	30	6	9
ASEAN	2006	3	1	9	2	0	2	3	11	8	1	7	29	1	4
	2016	7	7	1	6	10	5	8	4	11	3	14	33	2	5
	Jan-July 2017	4	1	10	7	11	7	8	3	13	3	19	34	2	5
North Africa	2006	31	41	10	1	5	0	0	6	10	5	21	3	1	0
	2016	29	36	14	3	6	0	1	7	9	7	16	2	1	0
	Jan-July 2017	23	31	9	3	8	0	1	6	10	5	19	2	1	0
Other Africa	2006	24	31	15	6	5	4	19	9	7	15	6	2	2	3
	2016	19	23	15	7	11	3	32	10	4	12	6	3	3	2
	Jan-July 2017	23	32	15	8	9	3	35	7	3	12	7	3	3	2
Middle East	2006	11	9	16	4	1	1	16	24	17	10	26	2	3	1
	2016	22	22	26	6	11	1	16	14	17	15	22	3	5	2
	Jan-July 2016	21	17	32	6	12	1	13	12	16	16	18	4	5	2
USA Mexico Canada	2006	1	0	1	7	0	9	0	8	18	32	0	0	52	51
	2016	3	2	5	6	2	8	1	2	13	30	1	2	45	43
	Jan-July 2016	3	1	5	7	3	10	1	2	11	25	4	1	45	43

Source: Comext-Eurostat, Group definitions (p32)

## 8. 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.

### Sources

- Eurostat
  - Agricultural production yearly for historical data and monthly data for previous and current year for meat and dairy production.
  - Farm livestock survey.
  - Gross Indigenous Production (GIP) forecast for meat.
  - Early estimates for crop products.

- Comext database (extra and intra-EU trade statistics).

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

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

Production projections for current and next year are based, depending on the sector, on Eurostat monthly data, official estimates of ministries or national statistical institutes, and on the Crop Monitoring and Yield Forecasting projections (JRC MARS AGRI4CAST<sup>11</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 over the 12 last years 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. Thus, area, yield and production figures of crops refer to the year of harvest.

Cereals: Human consumption, seed use and other industrial use is based on historic relations regarding population and planted area in the relevant marketing year. Feed use is based on calculations with FeedMod, an in-house model for feed ration optimisation. Projections are based on information about the ethanol production development. Stocks are closing the balance for cereals<sup>12</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 94% to 98% for rapeseed, 89-91% for soybeans and 85-89% for sunflower seed. The balance sheets are interlinked, as oilseeds are crushed into meals and oils on the basis of processing coefficients, used to determine the percentage of meals and oils obtained from oilseeds in the crushing process. These processing coefficients equal 57% for rape meal, 79% for soybean meal and 55% for sunflower meal and 41% for rape oil, 20% for soybean oil and 42% for sunflower oil.

Sugar: For sugar beet area, yield and production, the procedure is similar to the other arable crops. It includes sugar beets for sugar production and for ethanol production. The balance sheet includes only sugar beet production processed into sugar<sup>13</sup> and white sugar. The link with white sugar production is made through the white sugar production as notified under the Common Market Organisation (CMO) for sugar. The presented balances do only consider white sugar (e.g. no isoglucose or products containing sugar) and take into account sugar beet production outside of the quota. Industrial and biofuel use is

<sup>11</sup> <http://mars.jrc.ec.europa.eu/mars/About-us/AGRI4CAST/Crop-Monitoring-and-Yield-Forecasting>

<sup>12</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.

<sup>13</sup> Sugar beet production processed directly into ethanol is not accounted for in the white sugar production.

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.

## 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>14</sup>.

Production forecasts for the year 2017 and 2018 are based on annual and monthly data on slaughtering, livestock numbers, Member States expert forecast, on the trends in livestock numbers and meat consumption patterns. Net production refers to data on slaughtering taking place in the registered slaughterhouses as well as in other establishments. The other slaughterings are subject to constant reviews; therefore, data on the net production might be sensitive to these changes. GIP is calculated as net production plus live exports minus live imports. Consumption is calculated as a residual, i.e. sum of production plus imports less exports plus stock change.

## Milk and dairy products

The commodity balance sheets cover production of dairy products taking place in dairy processing plants and so far do not include on-farm production<sup>15</sup>.

<sup>14</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.

<sup>15</sup> Milk statistics for the EU-N13 on-farm production of butter, cheese and other products has only recently become complete and has yet to be validated.

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

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 2015 are based on Eurostat annual statistics, estimates for 2016 and projections for 2017 and 2018 are based on the available monthly statistics, on price expectations, on the trends stemming from the medium term projections and on consumption patterns. Assumptions are made on the dairy herd and cow milk yield, milk demand for direct sales, feed and on-farm use, and milk fat and protein content developments.

Milk uses for dairy products are balanced with availabilities of total milk fat and proteins through a 'residual approach'. Market forecasts are first made for milk deliveries and the production of dairy products. The forecast production figures are then converted into protein and fat equivalents and subtracted from the available dairy fat and protein of the milk delivered. In the dairy products balances, consumption is calculated as a residual, i.e. sum of production plus imports less exports plus stock change. Knowledge of private (commercial) stocks and consumption levels is incomplete or lacking for most dairy products. The developments in domestic use may hide considerable changes in private (industry/trade) stocks.

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

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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