



European  
Commission



# Short-term Outlook Dairy markets Publication 3.10.2017

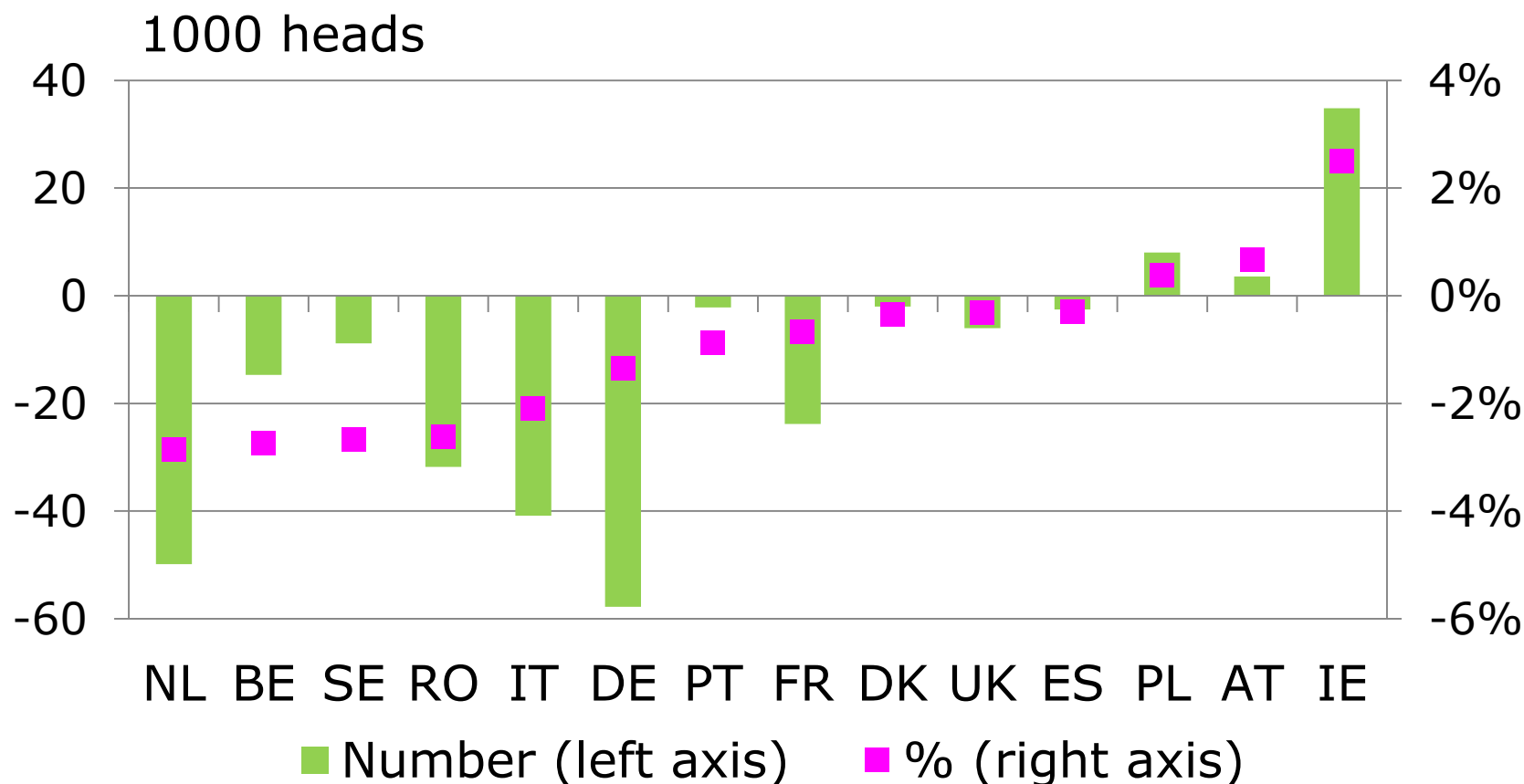
**Civil Dialogue Group**  
**17.10.2017**

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European Commission*

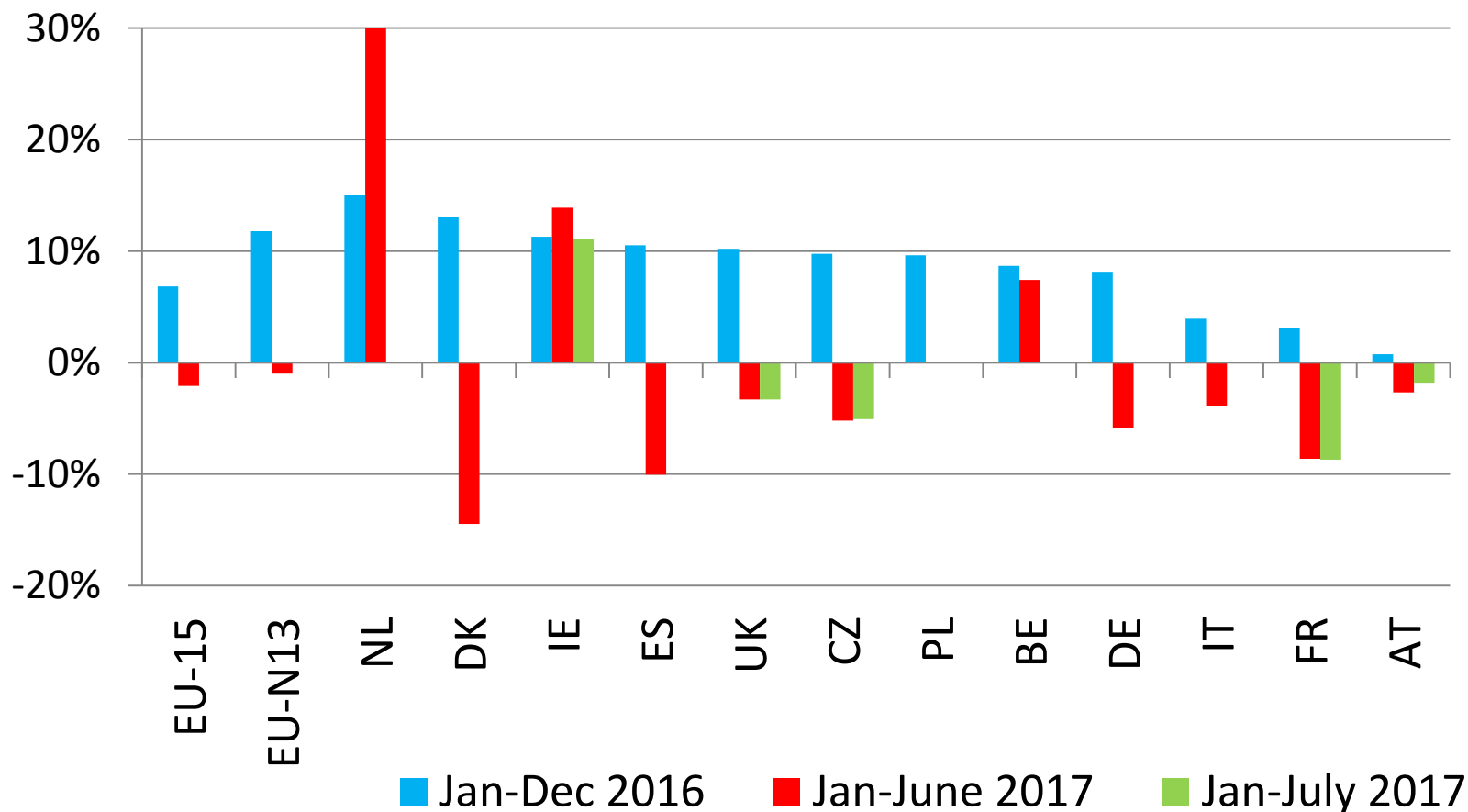
Agriculture  
and Rural  
Development

## EU Dairy herd: back to declining trend 2017/2016 - May-June livestock survey



# Slow down in EU cow slaughterings

% change compared to previous year



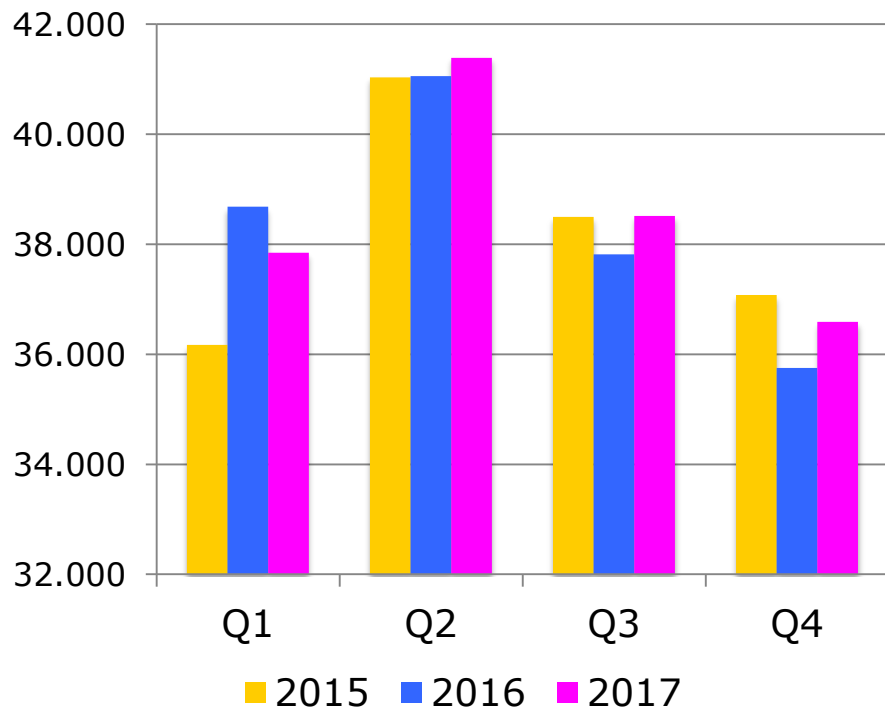
## Summary of 2017 forecasts

- Milk collection: close to + 1 million t (+0.7%)
- Mainly processed into cheese, where best returns
- Strong exports: close to + 2 million t of milk equivalent
- Continuous higher consumption of dairy products: +0.6 million t of milk equivalent
- Very low EU private stocks

**2018 +1.4% milk / 2017**

## 2017 EU milk collection +0.7% (2018 + 1.4%)

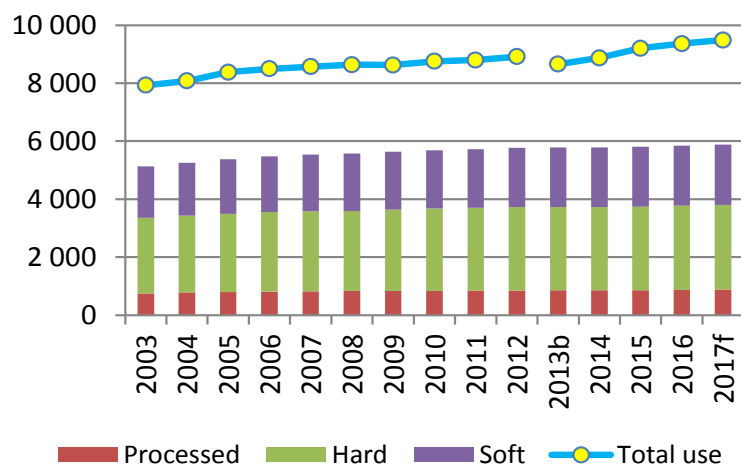
EU milk collection forecast by quarter  
(1000 t)



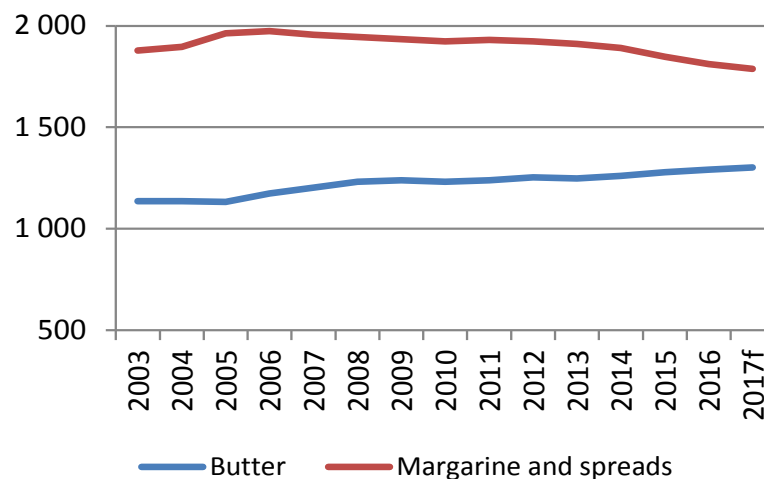
- Milk collection Jan-August 2017 = 2016
- Increase in the 2<sup>nd</sup> half driven by higher milk prices but expected to remain below 2015
- A contrasted situation in the EU:
  - Strong increase to be expected in IE, PL, IT, LU, SI, CY, BG, RO
  - Increase in ES, AT
  - Recovery in the UK, BE
  - Stable (-0.5% // +0.5%) in: DK, EE, LV, CZ, FI, HU, LT, SK
  - Decrease in: DE, FR, SE, NL, PT

# Increasing use of cheese and butter

Total cheese use compared to retail sales and catering use by cheese type (1000 t)



Retail sales and catering use (1000 t)  
Butter, margarine and spreads



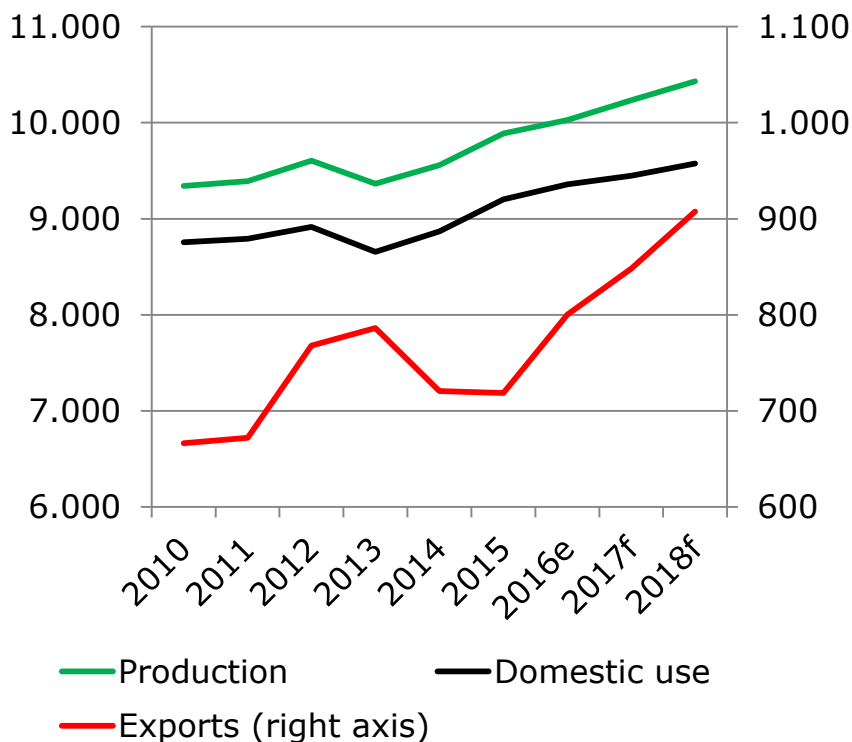
Note: b break in time series due to changes in German data definition

Source: DG Agriculture and Rural Development, based on Euromonitor and own calculations

Source: DG Agriculture and Rural Development, based on Euromonitor

# Cheese

EU cheese balance sheet (1000 t)



## • 2017 forecast

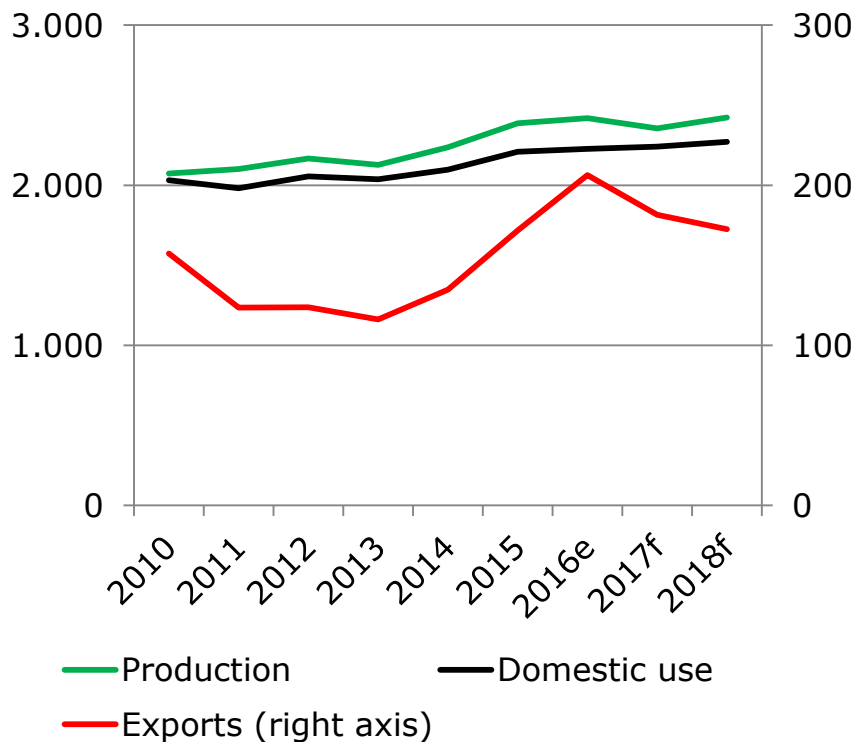
- Production: +2%
- Exports: +6%
- Consumption: +1%  
i.e. +0.33 M t of milk eq.
- Per capita consumption: 17.9 kg

## • 2018

- More production and exports

# Butter

EU balance sheet (1000 t)



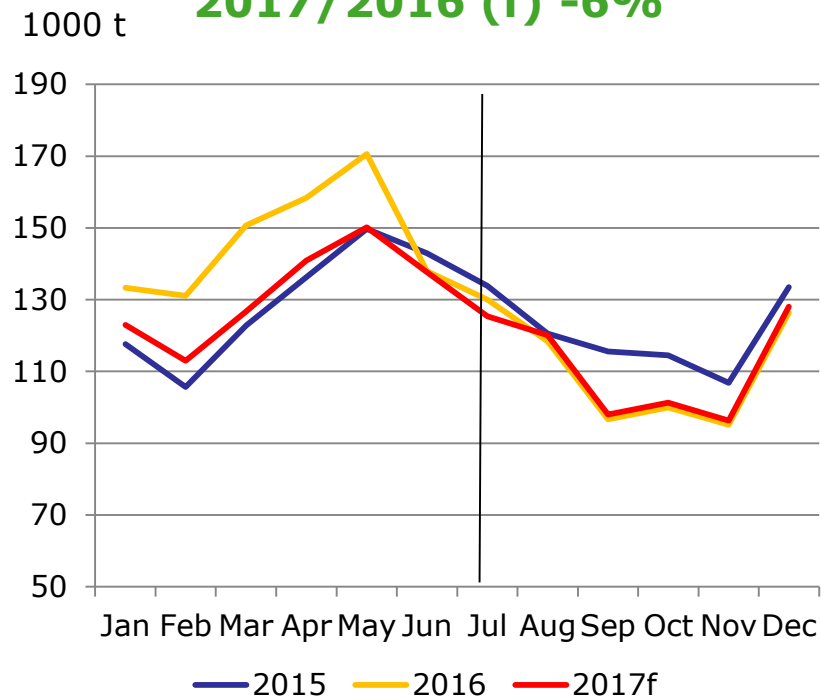
- 2017 forecast
  - Lower fat content in 2017
  - Production: -3%, slightly below 2015
  - Exports: -12%
  - Consumption: +1%
  - Very low stocks: 65 000 t end 2017
- But more cream: +3.5%
- 2018
  - Increase in production



## EU SMP 2017 production down to 1.485 Mt

Jan-July -9%/2016

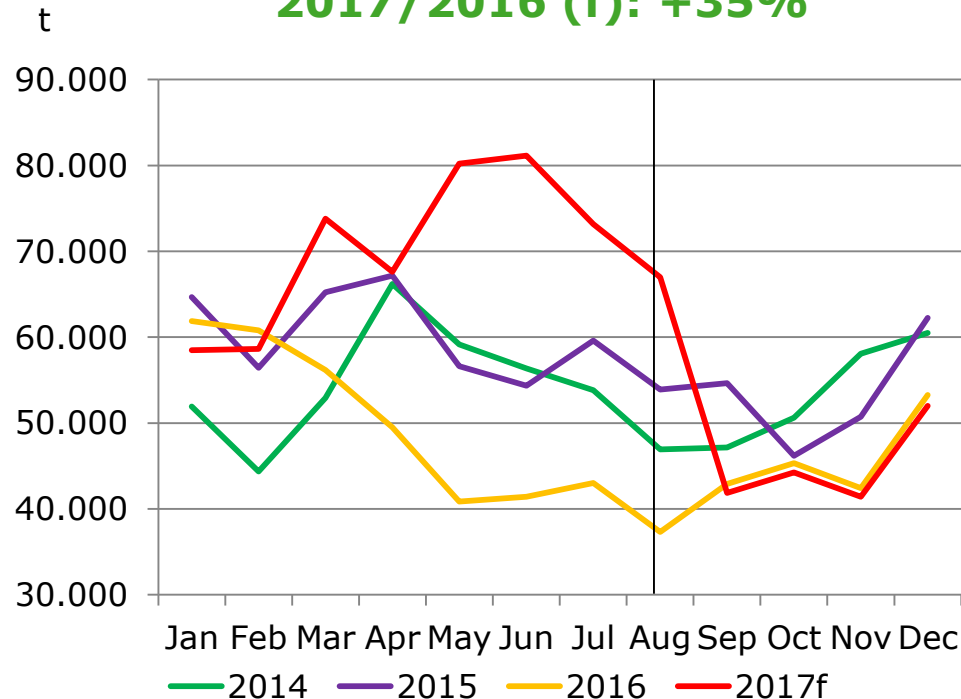
2017/2016 (f) -6%



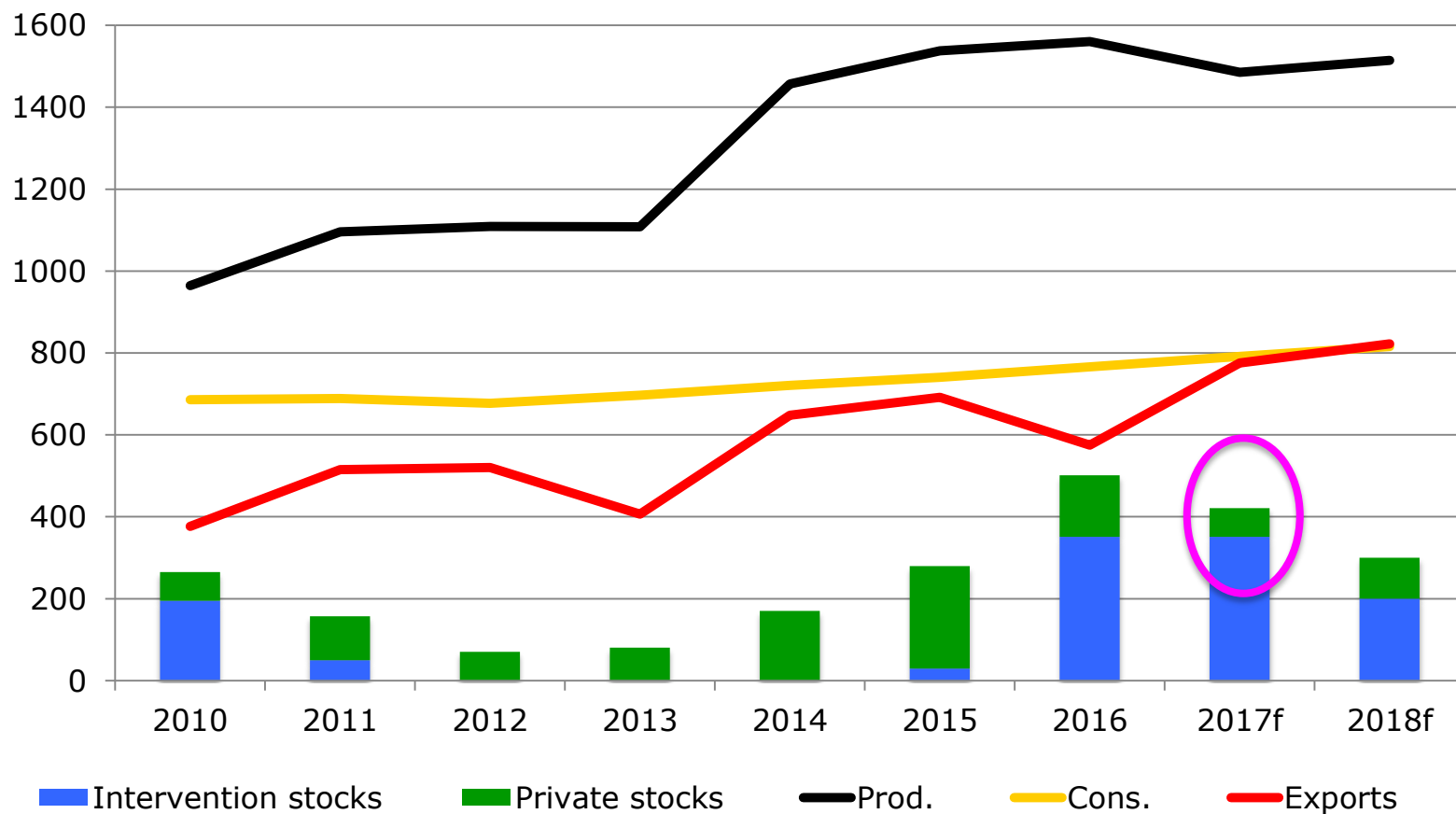
## EU SMP exports strongly up to 780 000 t

Jan-August +43%/2016

2017/2016 (f): +35%

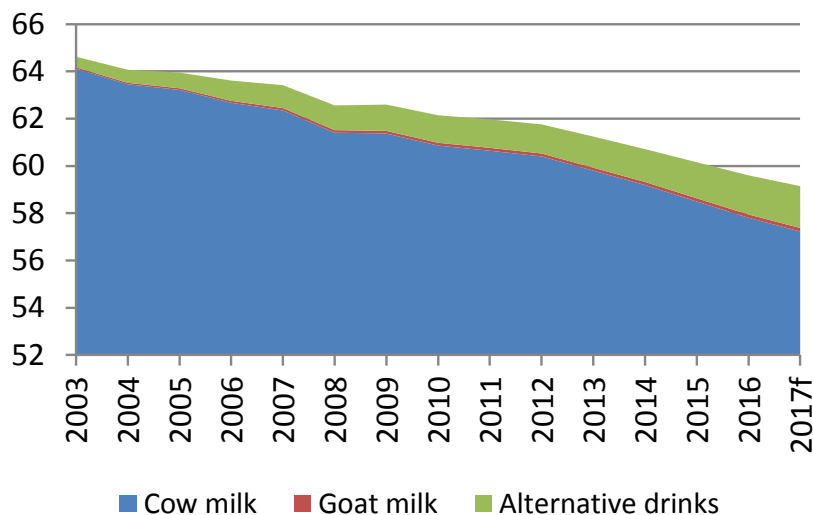


## EU SMP balance sheet



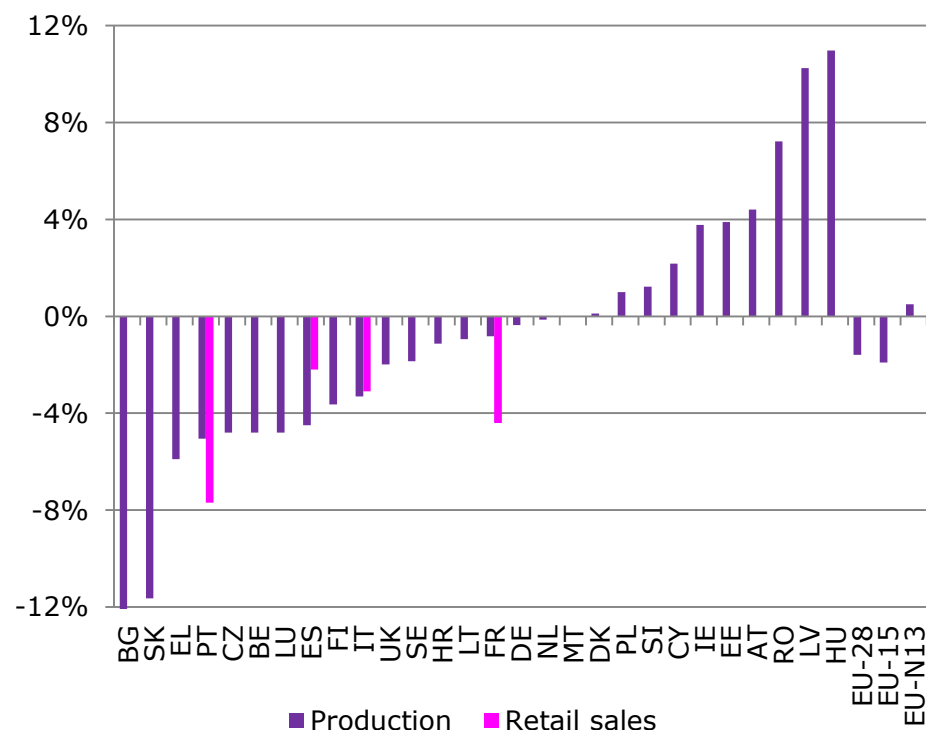
# Decrease in drinking milk consumption: -5kg/capita in the last 10 years

Cows' and goats' milk and alternative drinks:  
retail sales and catering use (1000 t)



Source: DG Agriculture and Rural  
Development, based on Euromonitor

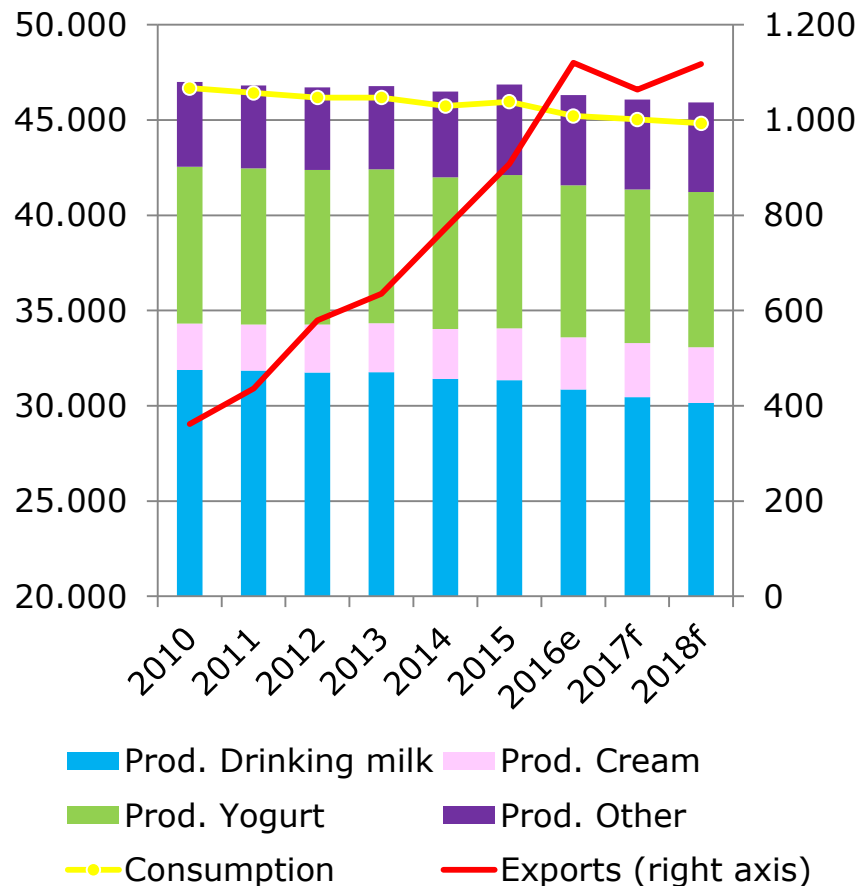
Change in production and retail sales in  
2016/2015



Source: DG Agriculture and Rural Development, based on Eurostat  
and consumers panel. For France, Oct2016-Sept2017 compared to  
previous year for retail sales.

# Fresh dairy products

EU balance sheet (1000 t)



- 2016 production 'final' numbers
  - Drinking milk -1.6%
  - Cream +0.6%
  - Yogurt -0.6%
  - Total in product weight: -1.2%
  - Stable in the EU-N13
  - Down in the EU-15 -1.3%
- 2017 forecast
  - Production: -0.5%
    - Drinking milk -1%
    - Cream, yogurt up
  - Exports: -5%
  - Consumption: 87.8 kg/cap (-0.7%)
- 2018
  - Similar trends

# Thank you

## Short-term outlook

[http://ec.europa.eu/agriculture/markets-and-prices/short-term-outlook\\_en](http://ec.europa.eu/agriculture/markets-and-prices/short-term-outlook_en)

## Medium-term outlook

[http://ec.europa.eu/agriculture/markets-and-prices/medium-term-outlook\\_en](http://ec.europa.eu/agriculture/markets-and-prices/medium-term-outlook_en)

## EU agricultural outlook conference

[http://ec.europa.eu/agriculture/events/2016-outlook-conference\\_en](http://ec.europa.eu/agriculture/events/2016-outlook-conference_en)

## EU Milk Market Observatory

[https://ec.europa.eu/agriculture/market-observatory/milk\\_en](https://ec.europa.eu/agriculture/market-observatory/milk_en)