



# EU dairy short-term outlook

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# Outline

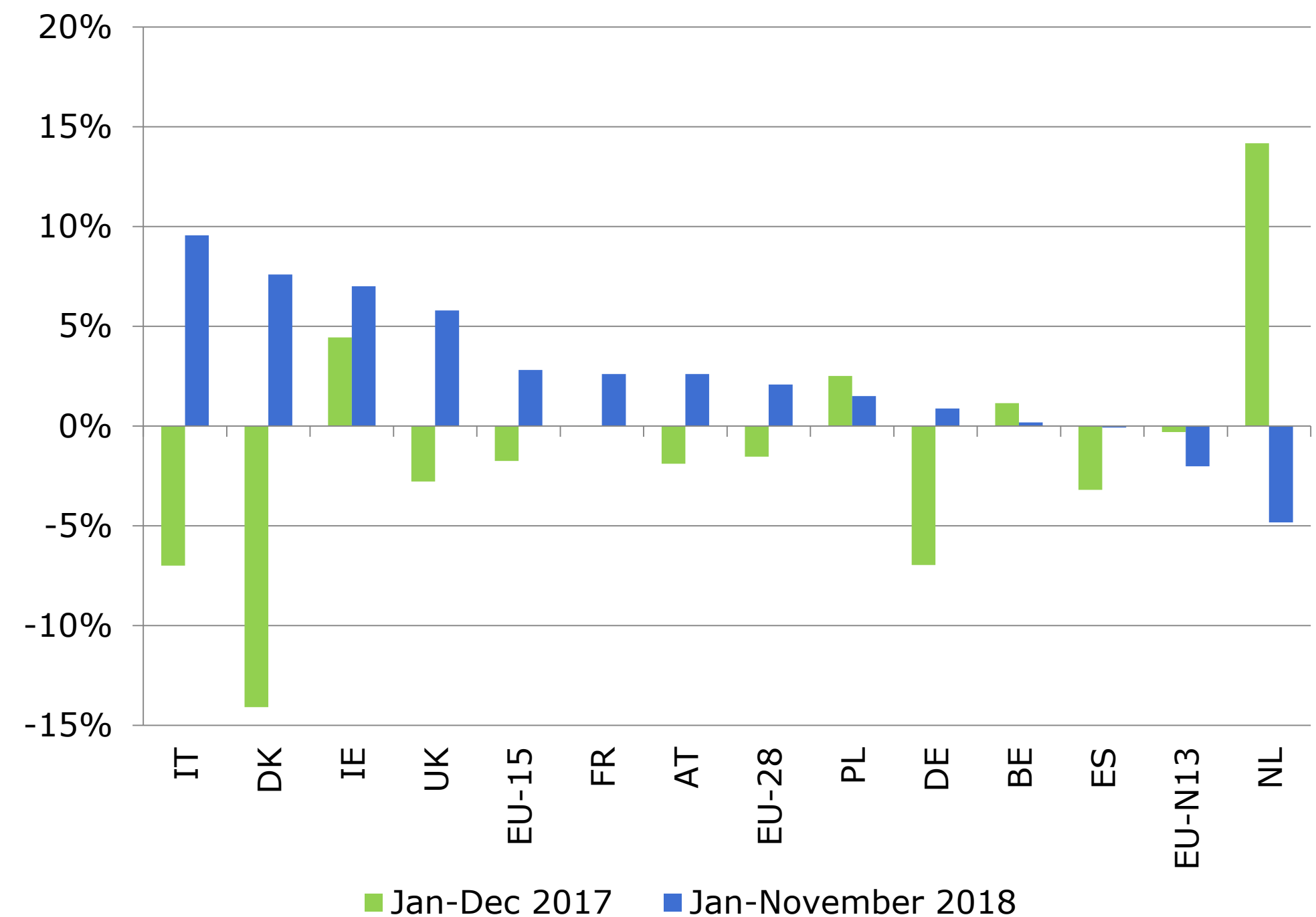
- **Herd development** (slaughterings, livestock survey)
- **Structural changes** in dairy sector
- Forecast of **2019 quarterly milk deliveries**
- **Global dairy market** in a nutshell



# Increased cow's slaughterings in 2018

## Cows

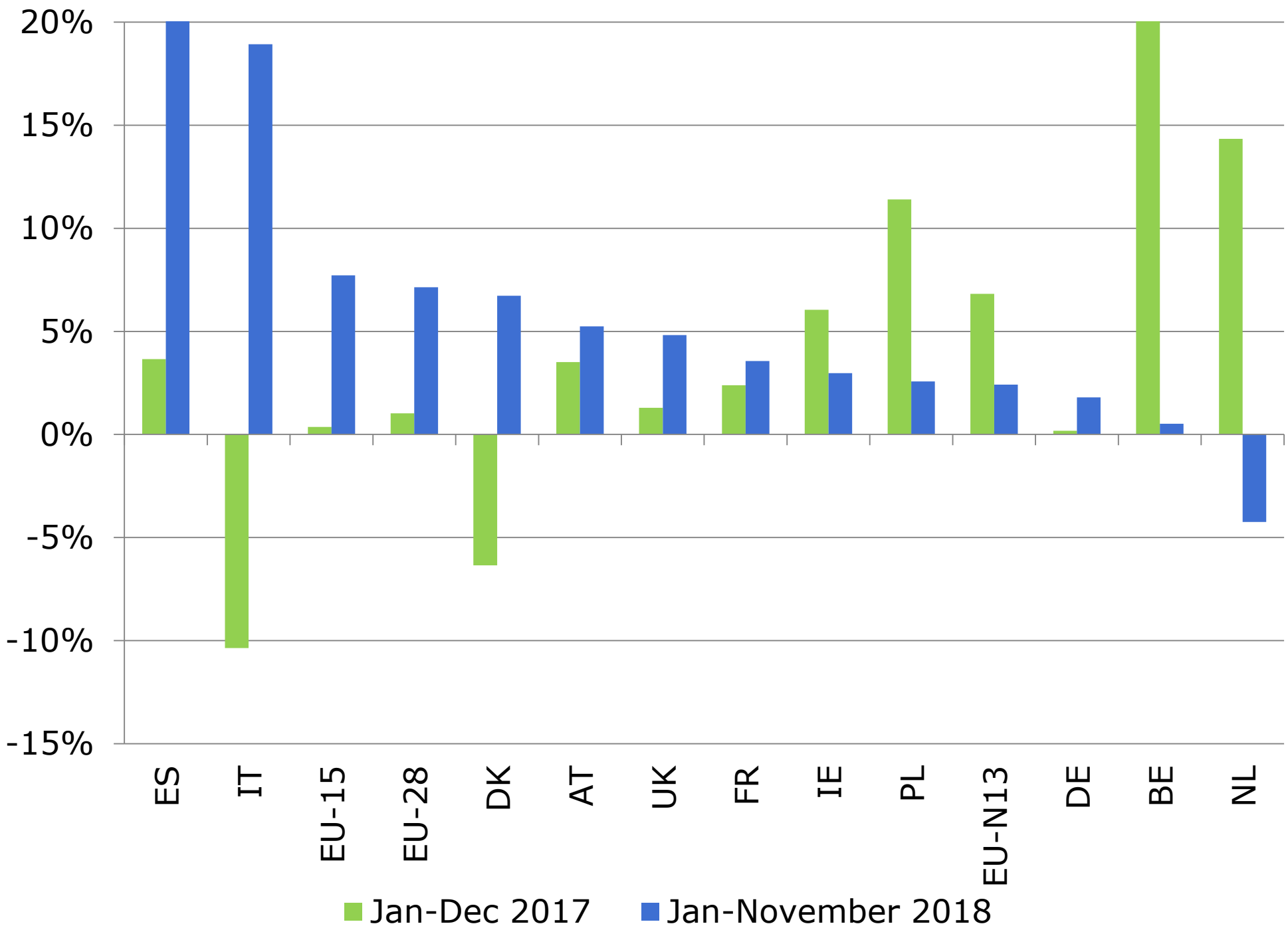
Change in number of slaughtered cows



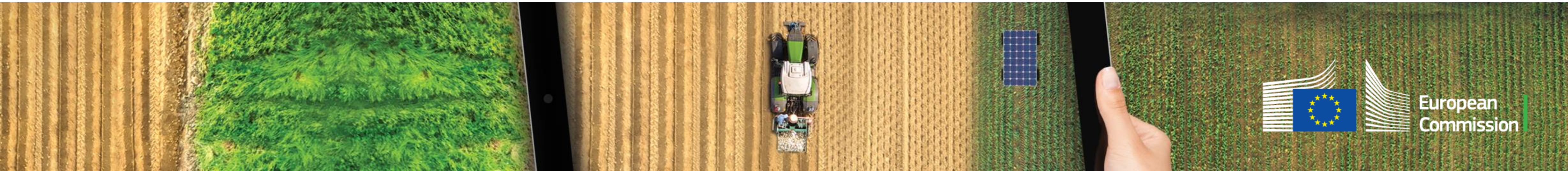
Note: including beef and dairy  
Source: Eurostat

## Heifers

Change in number of slaughtered heifers



Source: Eurostat

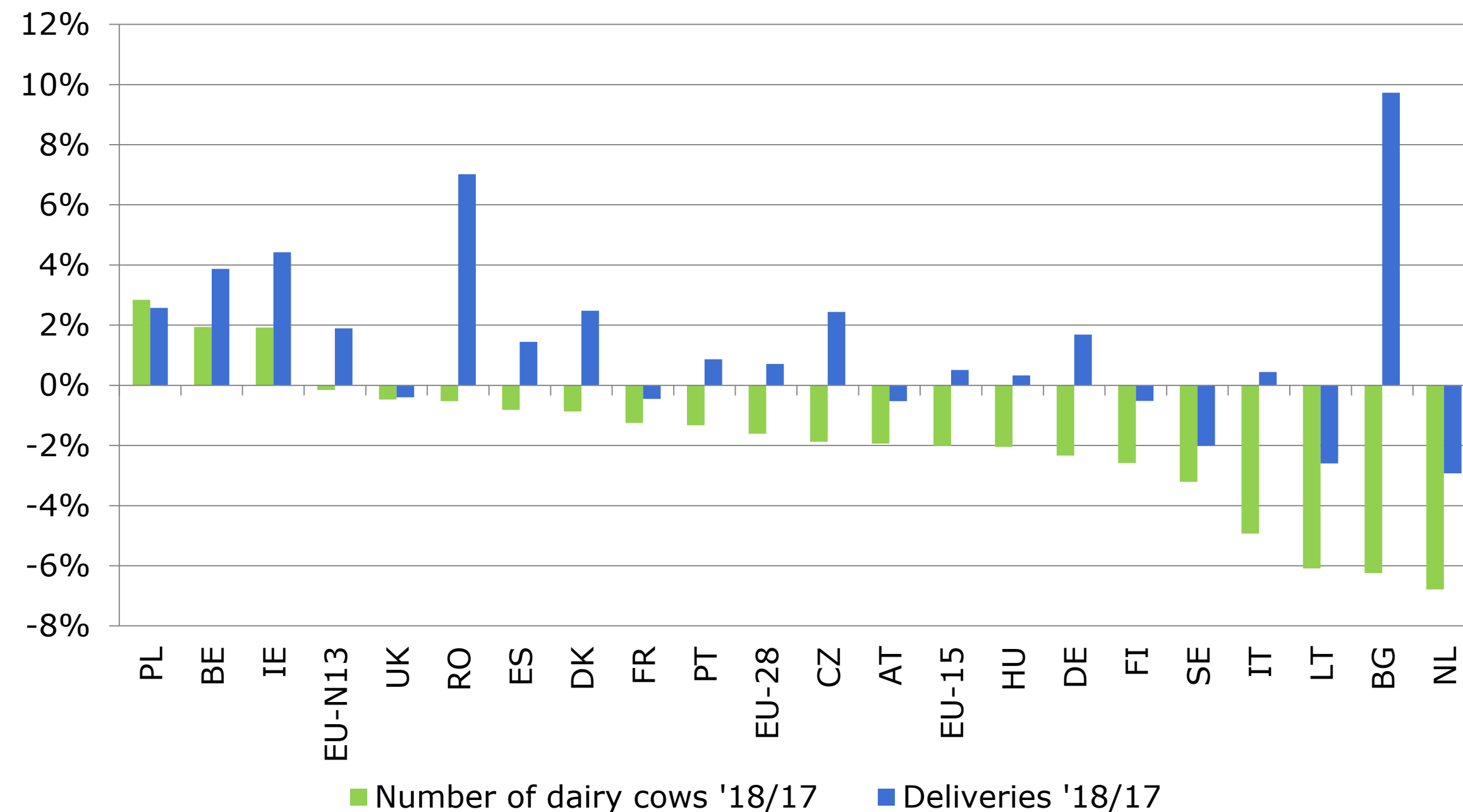




# A sizeable dairy herd + increasing deliveries

=> continuous efficiency gains

Change in deliveries and number of dairy cows  
2018/2017



- **EU-28 dairy cows herd -1,6%**

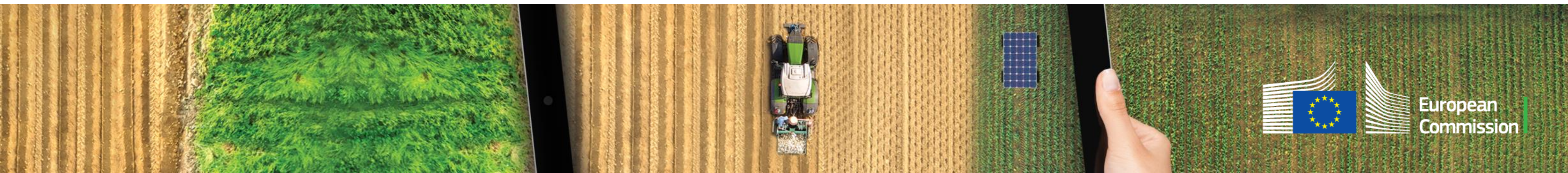
(-2% in EU-15, -0.2% in EU-N13)

Leading to

- **yield increase +2.2%**

(+2.5% in EU-15, 2.4% in EU-N13)

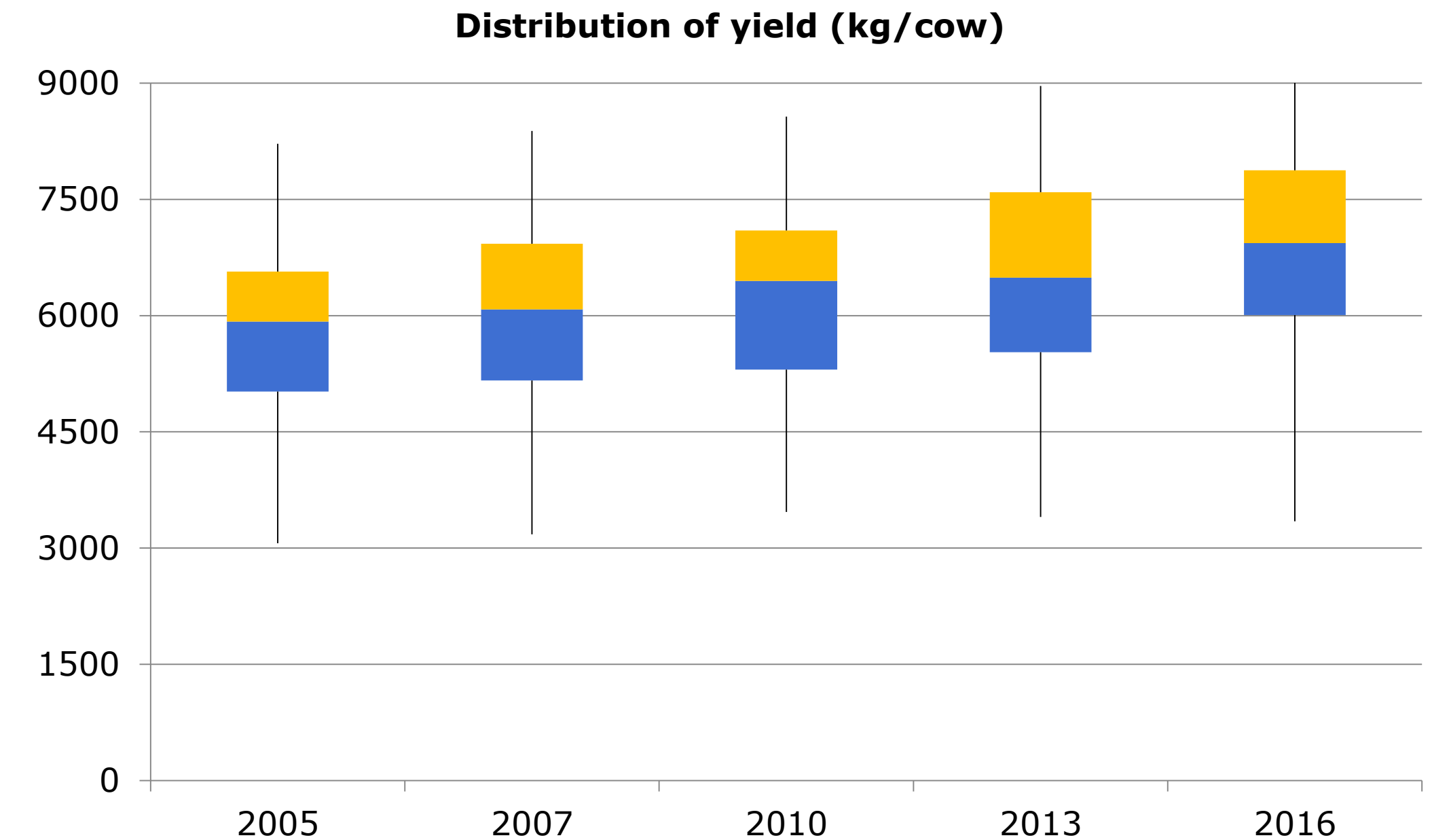
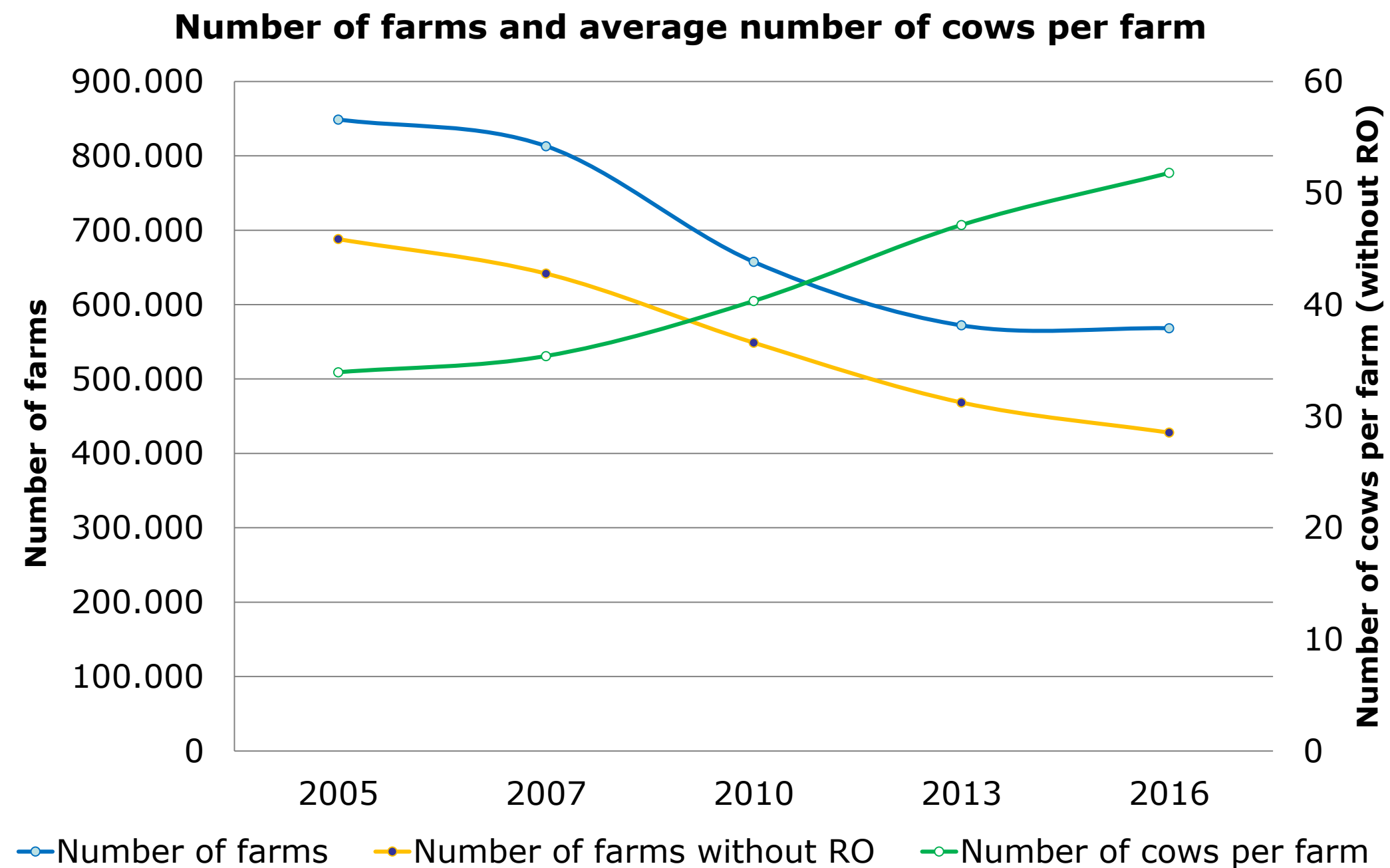
Source: Eurostat



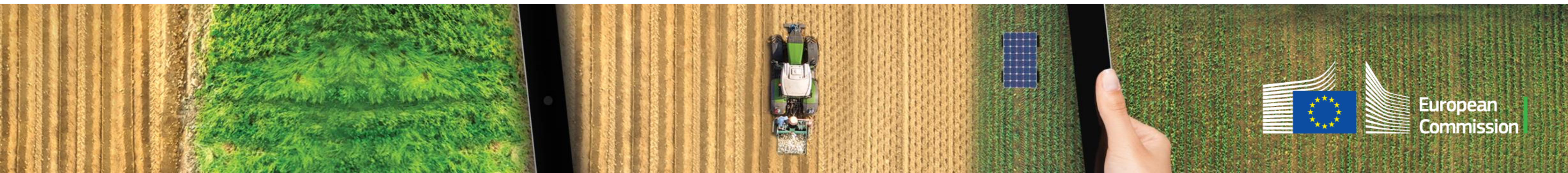


# Structural changes in EU dairy farms

... increasing herd size per farm and further productivity gains



Source: Eurostat

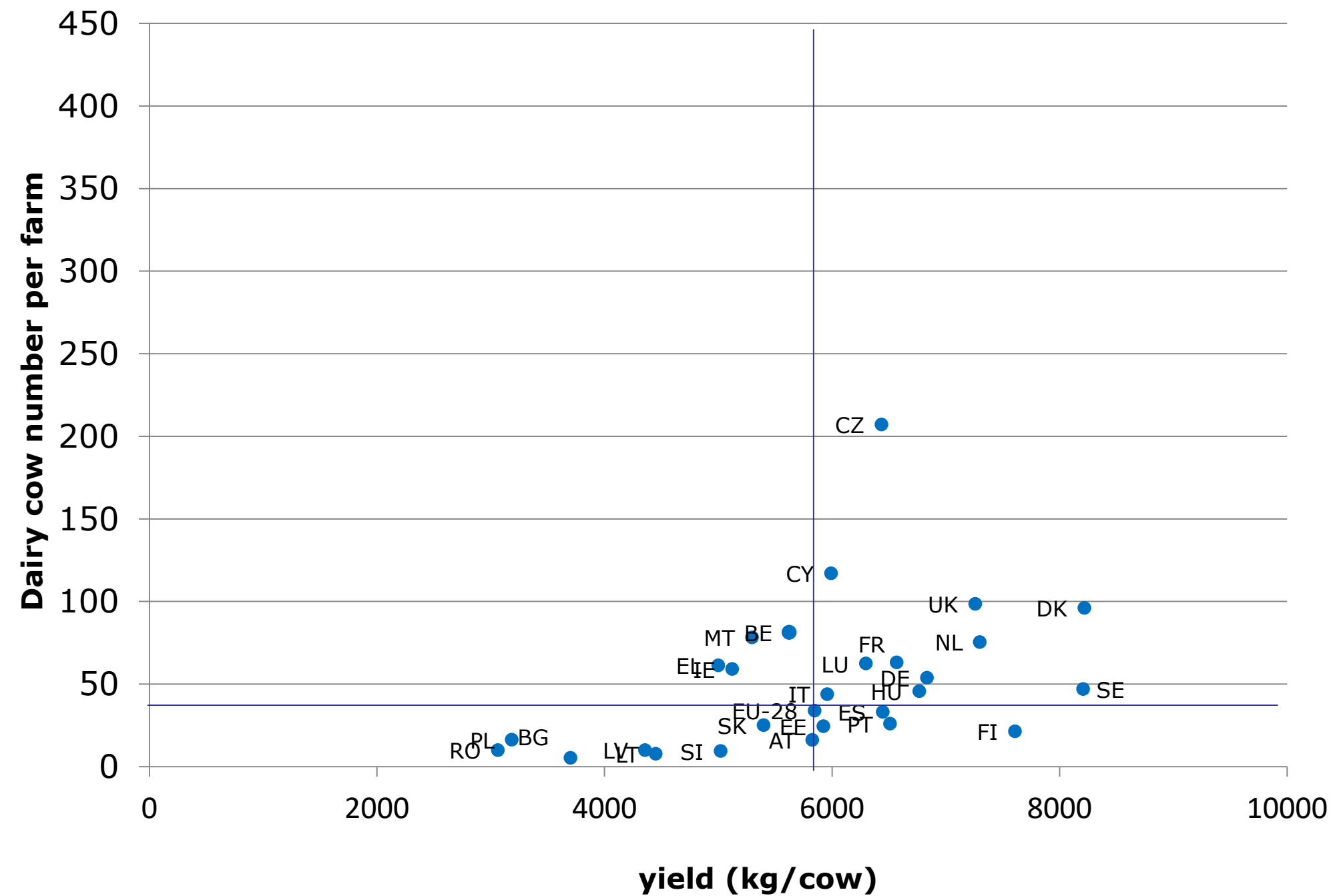




# Structural changes in EU dairy farms

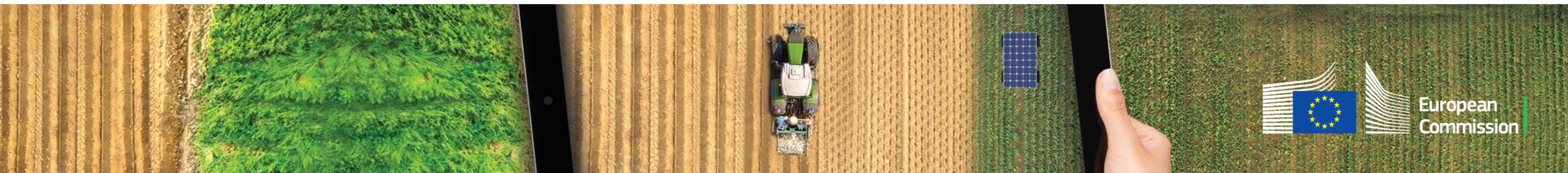
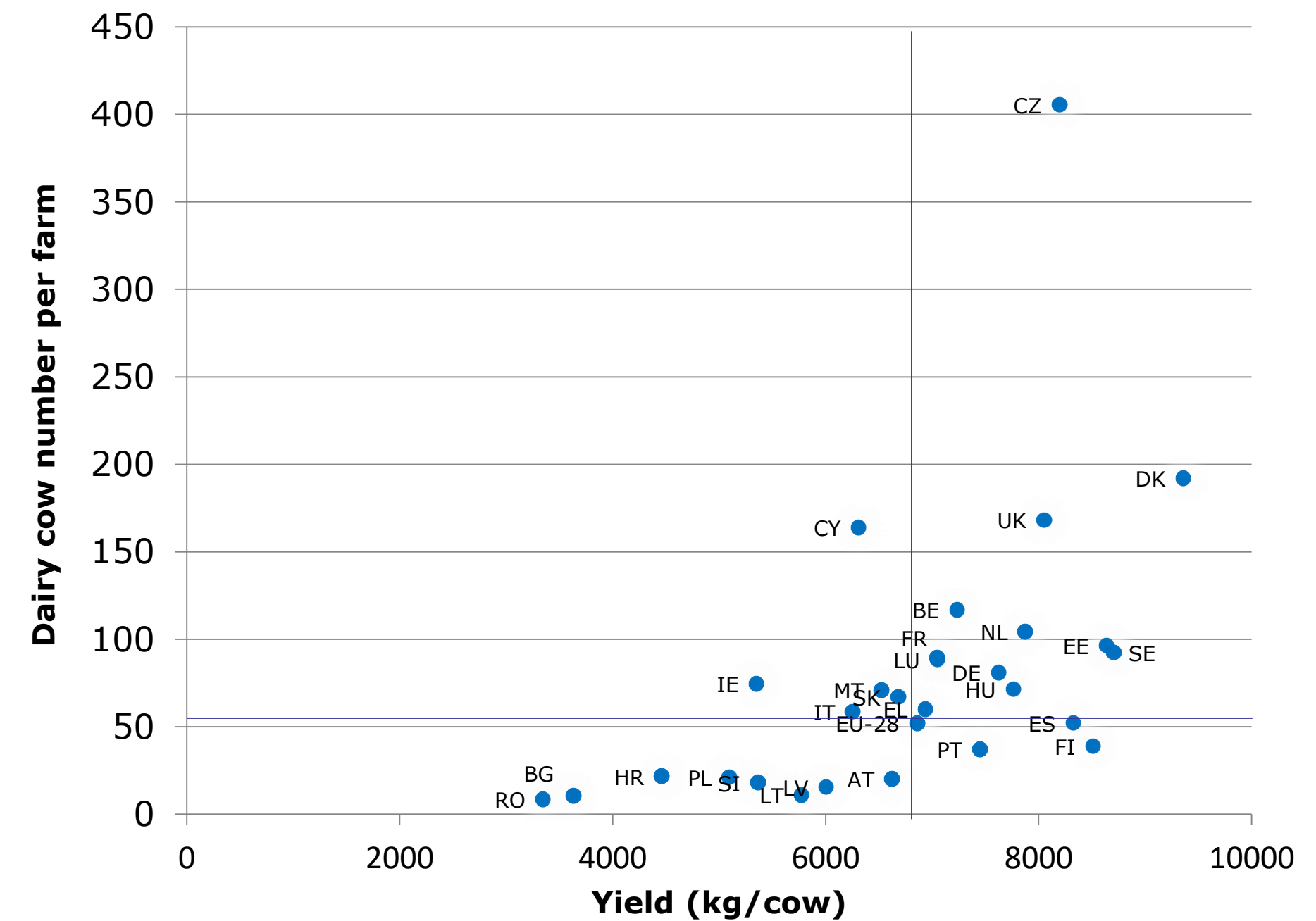
... differentiated on MS level

Dairy cow number per farm and yield (2005)



Source: Eurostat

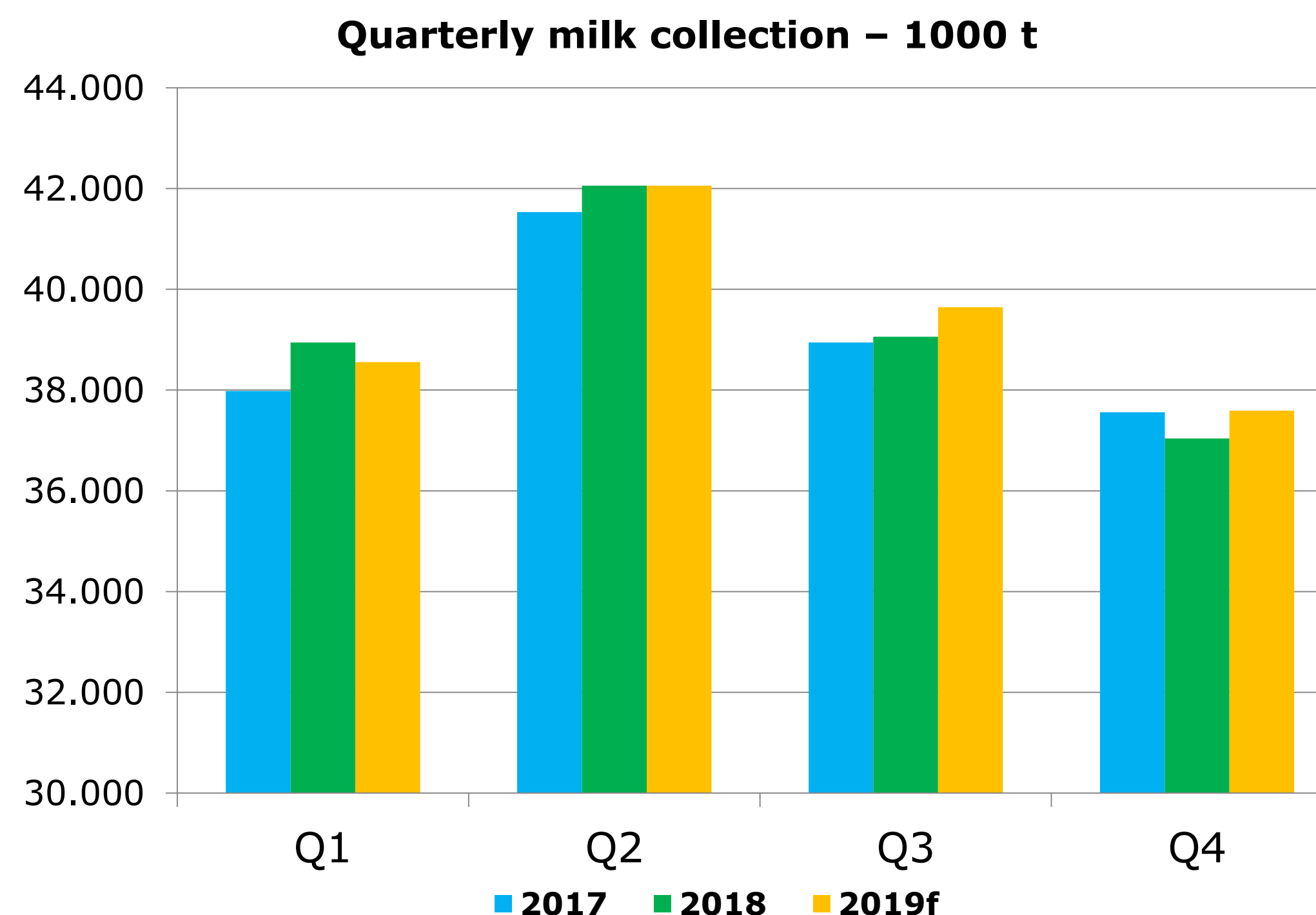
Dairy cow number per farm and yield (2016)





# 2019 quarterly forecast of milk deliveries

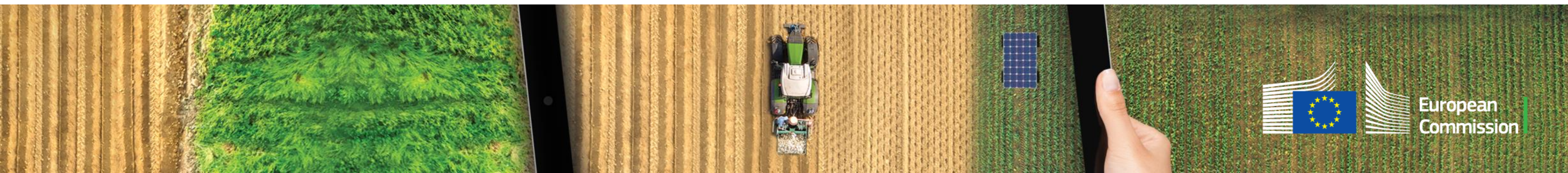
**EU-28 milk collection +0.5% / 2018**



Out of which UK:

- 2017 – 10 %
- 2018 – 10 %

Source: DG Agriculture and Rural Development





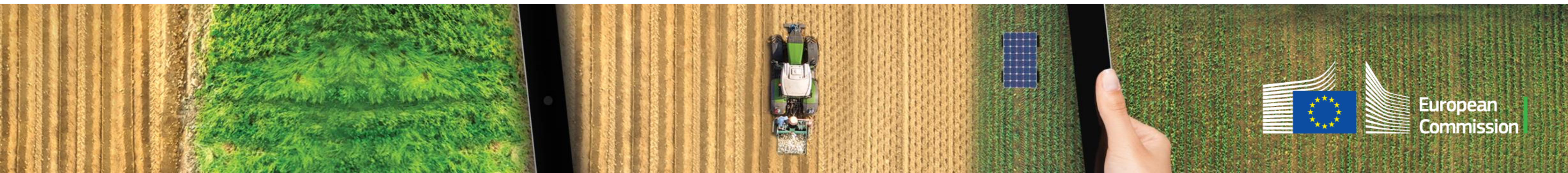
# Global dairy market in a nutshell

## World supply to increase

- World **milk supply** (esp. NZ, US)
- **Slowdown** of economic growth in **China**
- **US-China** trade dispute (overall milk solids trade in Jan-Nov -17%, mainly driven by decline in whey - 16%)  
→ the loss of US compensated by increase of EU whey exports (+14%, accounted for 70% of the US loss)

## Challenges and opportunities for the EU

- **Sustained** demand for **EU cheese**
  - **Viable export** market for **powders** (in particular SMP, FFPs, whey powder)
  - **Technical dairy** products **on rise**
- X
- Competition on the market for **WMP**
  - Domestic and world demand for **liquid milk** and **cream**





# Thank you

## Agricultural Outlook

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

## Markets briefs

[https://ec.europa.eu/agriculture/markets-and-prices/market-briefs\\_en](https://ec.europa.eu/agriculture/markets-and-prices/market-briefs_en)

## Market observatories

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

## CAP reform

[https://ec.europa.eu/agriculture/future-cap\\_en](https://ec.europa.eu/agriculture/future-cap_en)

