



# EU AGRICULTURAL OUTLOOK

2024 - 2035

*Executive Summary*

*Manuscript completed in December 2024*

Luxembourg: Publications Office of the European Union, 2024

© European Union, 2024

Reuse is authorised provided the source is acknowledged.

The reuse policy of European Commission documents is regulated by Decision 2011/833/EU (OJ L 330, 14.12.2011, p. 39).

For any use or reproduction of photos or other material that is not under the copyright of the European Union, permission must be sought directly from the copyright holders.

PDF    ISBN 978-92-68-22162-4    ISSN 2600-0628    doi 10.2762/2329210    KF-01-24-024-EN-N

While all efforts are made to provide sound market and income projections, uncertainties remain.

The contents of this publication do not necessarily reflect the position or opinion of the European Commission.

Contact: DG Agriculture and Rural Development, Analysis and Outlook Unit

Email: [agri-outlook@ec.europa.eu](mailto:agri-outlook@ec.europa.eu)

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

Please cite this publication as: EC (2024), EU agricultural outlook, 2024-2035.

European Commission, DG Agriculture and Rural Development, Brussels.

# EXECUTIVE SUMMARY

*This EU Agricultural Outlook report presents the prospects for EU agriculture until 2035, considering the expected developments of main drivers of supply and demand. These include the general macroeconomic environment, climate, agricultural inputs, world trade, and consumer demand, while assuming that the current policy framework remains unchanged.*

*According to the projections, the EU agricultural sector is expected to continue to be a net exporter of agri-food products and contribute to global food security, remaining self-sufficient for several commodities, such as wheat, barley, meat, dairy products, olive oil and wine, while remaining a net importer for maize and oilseeds. For certain products, the EU is projected to shift towards exporting higher-value goods rather than higher volumes, increasing its value of exports.*

*The outlook is subject to various uncertainties. Agricultural productivity growth is challenged by pressures from climate change and impacts on key natural resources, notably water and soil, which limit the potential for yield growth and induce a shift of agroclimatic zones northwards, affecting crop cultivation patterns.*

*EU consumption patterns are also expected to change in response to economic downturns as consumers search for ways of spending less on their food baskets, but not at the expense of food quality and safety. EU consumers have concerns about the sustainability of their diets, although changes take place relatively slowly. A slightly lower meat consumption (driven by beef and pigmeat) is expected, while the consumption of plant proteins is expected to grow (e.g. pulses). The consumption of dairy products is due to stabilise, in line with changing habits (e.g. lower consumption of drinking milk) and expanding novel uses of dairy products (e.g. functional and fortified products, and the use of dairy ingredients).*

*Compared to the 2023 edition, this 2024 report presents updated projections based on the 2024 OECD-FAO Agricultural Outlook, market data available at the end of September 2024, the 2024 Autumn Short-Term Outlook for EU agricultural markets, additional market intelligence available at the end of October 2024, and using the most recent macroeconomic projections and reflecting the policy current environment.*

*The outlook assumes a stable macroeconomic environment, with real GDP growth in the EU projected to stabilise in the medium term and inflation to return to the 2% target level. The Euro is expected to appreciate in the future against the US dollar only slightly compared to historical trends, while the Brent oil price is assumed to remain constant in real terms. World population is expected to grow at a slower pace than in the past decade, in line with UN population projections.*

*The outlook for world markets is based on the latest 2024-2033 OECD-FAO Agricultural Outlook, which depicts a 7% increase in calorie intake in middle-income countries, largely due to greater consumption of staples, livestock products and fats, and a 4% increase in low-income countries. The outlook for world markets is characterised by a slight fall in real prices for main agricultural commodities, which may not be reflected in local retail food prices.*

*The present edition of the EU Agricultural Outlook report also features a partial assessment of the environmental aspects of the December 2023 EU market projections, which show an improvement from the 2017 base-year for all environmental and climate indicators analysed (greenhouse gas emissions, ammonia emissions, and nitrogen surplus). It also includes an assessment of the extent to which improvements in EU crop yields and feed efficiency could mitigate the impact of a weather-driven supply disruption on global feed supply on the EU meat markets, concluding that addressing the vulnerability of the EU meat sector, but also the EU protein sector in general, would require a more comprehensive, food systems approach.*

*While the policy environment is considered stable in this outlook, macroeconomic variations triggered by geopolitical events are a source of uncertainty for our projections, as well as the volatility in crop yields. A dedicated chapter assesses the potential impacts of such uncertainties illustrating the results as ranges to the main baseline projections.*

The amount of **EU agricultural and forest land** is projected to remain stable between now and 2035, but with relative changes in the share of different types of land. Within arable crops, land-use shifts from cereals and rapeseed to soya beans, other oilseeds and pulses. This is due to expectations of lower demand of cereals for feed and of rapeseed for biofuel, and the impact of coupled income support for protein crops. The amount of agricultural land under permanent crops is expected to increase, while permanent grassland, fodder and fallow land remains stable due to a balance between greater flexibility under the CAP following the 2024 Simplification Regulation, and the CAP support for agro-ecological practices.

Yields of **cereals and oilseeds** are expected to increase only marginally by 2035, as positive developments linked to precision farming, digitalisation, and improved soil health, and an expected reduction in the yield gap between EU countries, are countered by the negative impacts of climate change, and constraints on the availability and affordability of some agricultural inputs (e.g. plant protection products, fertilisers). A small increase in cereal production is driven by maize and barley production, while wheat production is expected to pick up after the decrease in production observed in 2024. Production of pulses and soya beans are also

projected to increase, supported by EU policies favouring protein crops, crop rotation and increasing needs for plant proteins for food use, and leading to a reduction in imports of oilseeds and protein crops, albeit the EU remains a net importer.

The demand for **animal feed** in the EU is projected to decline over the outlook due to reductions in the EU production of pigmeat and beef, and a decline in the dairy herd. A drop in crop-based feed is expected due to a shift towards more grass-based (extensive) production systems, and towards a more efficient feed use (which are assumed to improve via animal genetics and better-targeted feeding systems). By contrast, poultry feed demand could grow due to consumer demand for slow-growing chickens. Following the decline in 2024, feed prices are expected to start growing again after 2025.

Levels of EU **oilseed** crushing are expected to decrease, driven by a decline in rapeseed and sunflower crushing which are only partially compensated by soya beans. The use of vegetable oils is projected to decline due to a reduction in demand for biofuels, with an expected further shift away from palm oil, while the use of oilseeds for food remains relatively stable.

**Sugar production** is projected to slowly decline by 2035 driven by a decrease in sugar beet yield and area. Sugar consumption is expected to gradually decline because of consumers shifting to diets with a lower sugar intake, especially by reducing the high sugar content of food products. Although the EU is projected to be a net importer of sugar during most years, its reliance on imports is likely to decline.

Demand for **biofuels** in the EU is also expected to decrease as the decarbonisation of road transport continues. As the use of crop-based feedstock to produce biofuels is limited by a production cap, the use of advanced biofuels is expected to grow, with most feedstock coming from municipal waste.

In the **EU dairy sector**, EU milk production is about to reach a turning point in the medium term, where the continuous decline in the dairy cow herd is not counterbalanced anymore by a growth in milk yields. EU milk production will continue to be driven by increasing contributions from the sector to more sustainable agricultural and food systems, generating more value added in the sector. Despite a decline in milk collection, the production of some dairy products is still expected to grow (e.g. cheese and whey powder) albeit at a slower pace than in the past. Butter production is likely to achieve limited growth, while skimmed milk powder remains stable. These developments are supported by strong domestic and global demand for these products. On the contrary, there will be a further decline in the production of drinking milk and whole milk powder. EU per capita consumption of dairy products is projected to remain stable, but lifestyle changes and growing health requirements could increase demand for fortified and functional dairy products, as well as dairy products with lower fat and sugar content. The total volume of EU dairy exports is expected to slightly decrease, reflecting a shift towards higher value-added exports. This shift and

relatively high world market prices will lead to an increase in total export value. The EU raw milk price is expected to be well above pre-2022 levels by 2035.

EU **beef** consumption remains challenged by tight supply and high prices, in combination with sustainability concerns. Low profitability and the prospects of a stricter sustainability regulatory framework are expected to lead to further production decline by 2035. Coupled income support and eco-schemes under the CAP, together with a relatively good price outlook, will help to slow down this trend but will not reverse it. The average slaughter weight will continue on a slightly upward trend thanks to better feed and herd management, and a larger share of beef-type animals in the productive herd. Declining EU production may contribute to maintaining beef prices at a higher level than in the past. Although EU beef meat exports are due to grow slowly between now and 2035, EU exports of live bovine animals are expected to decrease gradually due to a decline in the availability of live animals, increased competition, and existing concerns about long-distance transport. EU beef imports could increase slowly by 2035 due to limited EU supply, a reduction in consumption, but sustained demand for certain cuts.

Consumption of **pigmeat** is challenged by sustainability concerns and is therefore projected to decrease between now and 2035. Intensive pigmeat production systems are likely to face further societal criticism, contributing to a decline in EU pigmeat production. African Swine Fever is assumed to remain in the EU, but without any major or uncontrolled outbreaks. EU pigmeat exports - which increased in the previous decade - are expected to decline between 2022/24 average and 2035 due to a recovery in pigmeat production in Asian countries. Accounting EU export volumes from 2024, they are projected to remain almost stable until 2035. Pigmeat prices could remain higher than past levels due to increased costs and reduced EU supply.

Among meats, **poultry** could continue benefitting from a healthier image and a relatively cheaper price. Together with further export opportunities, this would push poultry production upward between now and 2035, albeit at a lower yearly growth rate than seen in the past decade. Due to environmental legislation, expansion may only be possible in certain EU regions. In the future, the incidence of Avian influenza is expected to extend over the whole year instead of being a seasonal event. It will challenge the sector, especially free-range production systems. EU poultry exports are due to regain momentum, despite the continuing price gap with world prices.

A decline in the EU production of **sheep and goat meat** is expected to continue (although with different trends among EU countries), despite coupled income support and favourable prices, although prices are likely to increase more slowly than in the past decade. EU per capita consumption is expected to remain relatively stable due to sustained consumption patterns related to cultural traditions. EU imports of sheep and goat meat are expected to increase following the implementation of the Free Trade Agreement between the EU and New Zealand.

For **specialised (permanent) crops**, the area of land with olives for oil production is expected to remain relatively stable. However, by 2035 the EU production of **olive oil** is expected to grow slightly driven by yield increases. The declining trend observed in olive oil consumption in recent years is expected to continue in the main producing countries, while consumption is projected to grow in other EU countries. High prices and potential substitution with other vegetable oils contribute to demand uncertainty. Overall, EU consumption of olive oil is projected to decrease, resulting in increasing net exports. The production of **table olives** in the main producing countries is likely to face challenges from climatic conditions and water shortages, while per capita consumption of table olives is expected to increase slightly in the coming decade. The beneficial properties of olive consumption and increasing health concerns regarding dietary habits support this expansion. The EU is expected to remain a net exporter of table olives, although it is also a key importer at the global level.

**Wine** consumption is expected to continue declining, driven by reduced alcohol intake by younger generations, shifting habits on drinking occasions and demographic changes. Moreover, as some of the main EU export markets are starting to experience similar consumption trends, EU wine production and exports are likely to decrease, leading to a reduction in vineyard areas, assuming stable weather conditions. However, climate change and extreme weather events could lead to large fluctuations and, on average, already lower production volumes. EU wine imports are expected to decline further due to ample supply within the EU.

The production of fruit and vegetables will also face challenges related to extreme weather events, rising energy costs, limitations on the use of pesticides, and pest outbreaks. By 2035, EU consumption of fresh fruit and vegetables is expected to be stable or increase, driven by increasing consumer awareness of the benefits of adopting a diet rich in fruit and vegetables, as well as public promotion initiatives. Assuming stable weather conditions, EU **apple** production is expected to remain stable due to increasing yields, compensating for a decline in cultivated area. EU per capita consumption of apples could increase due to consumer preferences for eating more fruit, and new apple varieties that better reflect consumer preferences. EU production of **peaches and nectarines** is expected to decline over the outlook, while consumption of fresh peaches and nectarines remains relatively stable. The production of **oranges** is expected to increase slightly, driven by a higher share of production for fresh consumption. EU consumption of fresh oranges is expected to increase. In contrast to the largely increasing consumption of fresh fruit and vegetables, the EU consumption of processed fruit is expected to continue decreasing driven by a decline in juices. Except for apples, EU imports of other fresh fruit and vegetables are expected to increase.

By 2035, the production of fresh **tomatoes** is expected to decline by a drop in winter production and a shift to small-sized tomatoes. At the same time, fresh consumption of tomatoes is expected to remain stable as small-sized varieties continue to be demanded more, while snacking of tomatoes push demand up. EU production and consumption of processed tomatoes is expected to increase as demand for processed food increases.

The aforementioned market prospects imply an upward trend in the overall agricultural **production value** throughout the outlook period. After coming down from the high levels in 2022-2023, overall intermediate input costs are projected to return to an increasing trend, and above the 2021 levels. Based on the differences between production value and costs, and after a period of stabilisation, the EU aggregate farm income is projected to increase by 1.4% from 2028 onwards. In view of the assumed continuation of structural change, with an estimated decline in farm labour from 7.6 million annual working units in 2023 to 6.9 million in 2035, the EU farm income per labour unit is projected to grow by 2.2% in nominal terms after 2028, while in real terms the increase would be 0.2% over the same period, depreciated by the rate of inflation over the outlook.

This EU Agricultural Outlook includes a **simulation** to assess to what extent improvements in EU crop yields and feed efficiency can mitigate the impact of a hypothetical extreme weather event affecting global feed suppliers by 2035. Consequently, the EU feed supply chain would be impacted as well, with indirect effects on EU meat producers, since the EU is a net importer of protein feed. Results from this 'what if' scenario analysis indicates that the weather event would produce a global feed price increase, leading to increases also for meat prices. Nevertheless, EU meat production and consumption would be only marginally affected under the scenario assumptions. According to the results, improvements to EU feed efficiency and protein-rich crop yields can improve the resilience of the EU meat sector and decrease its dependence on imported protein feed, but only to a limited extent.

This EU Agricultural Outlook also looks at the **climate and environmental implications** of the market projections in 2035, taking as a basis the projections of the 2023 EU Agricultural Outlook. Results show an improvement across all environmental and climate indicators included in the analysis with a projected reduction in greenhouse gas emissions, ammonia emissions, and nitrogen surplus. The main drivers for these changes include declines in animal numbers and reduction of utilised agricultural area over time, and the adoption of farming practices by EU farmers, such as more efficient application of fertilisers and enhancing soil management, significantly contributing to increased carbon sequestration and reduced soil erosion. Many of these practices are driven and supported through the national strategic plans under the Common Agricultural Policy.

## **FINDING INFORMATION ABOUT THE EU**

### **Online**

Information about the European Union in all the official languages of the EU is available on the Europa website at:  
[https://europa.eu/european-union/index\\_en](https://europa.eu/european-union/index_en)

### **EU publications**

You can download or order free and priced EU publications from: <https://publications.europa.eu/en/publications>.  
Multiple copies of free publications may be obtained by contacting Europe Direct or your local information center:  
(see [https://europa.eu/european-union/contact\\_en](https://europa.eu/european-union/contact_en))



✂ @EUAgri

#AgriOutlook

<https://ec.europa.eu/agri-outlook>

ISSN 2600-0628



Publications Office  
of the European Union