



European
Commission



2014-2024 Prospects for EU Agricultural Markets

Civil Dialogue Group
Animal Products

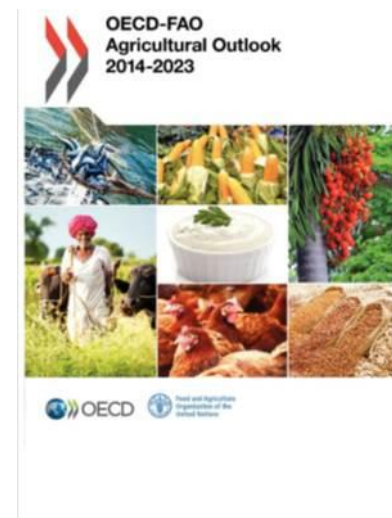
Brussels
14 April 2015

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Agricultural Modelling and Outlook
DG Agriculture and Rural Development
European Commission

Agriculture
and Rural
Development

Sources and process

- **OECD/FAO Agricultural Outlook 2014-2023**
 - Agricultural commodity markets for the rest of the world
- **EU Short Term Outlook**
 - Recent years and orientation for near future
 - Version of Autumn 2014
- **Macro-economic forecast**
 - For the EU: AMECO November 2014 (DG ECFIN)
 - Consistent source for main countries and up to 2024 (IHS Global Insight)
- **Expert opinion**
 - In-house expertise and senior staff of DG AGRI
 - Workshop on EU commodity markets, October, Brussels
- **Modelling work and validation (with JRC-IPTS)**
 - AGLINK-COSIMO (EU-version) & uncertainty analysis

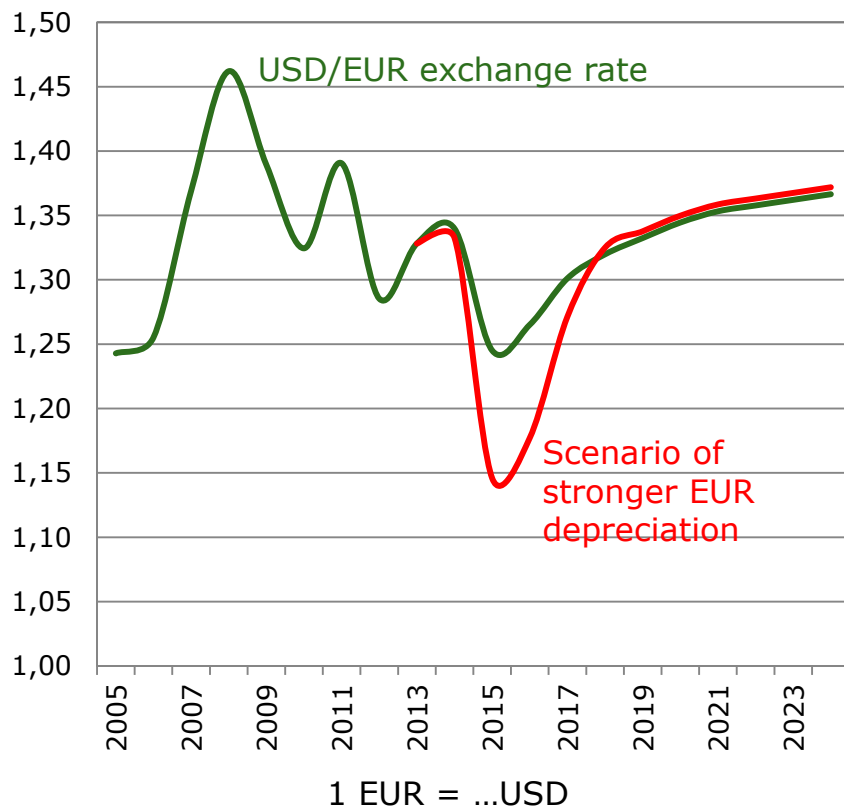


Policy assumptions

- CAP 2013 as far as possible
 - Voluntary coupled support
 - Greening:
 - Permanent pasture kept constant,
 - Limited effect of ecological focus area (EFA) & crop diversification at EU aggregated level
- Trade agreements only if ratified:
 - Concessions to UKRAINE included
 - FTA with CANADA not included
- Russian import ban assumed to remain 1 year

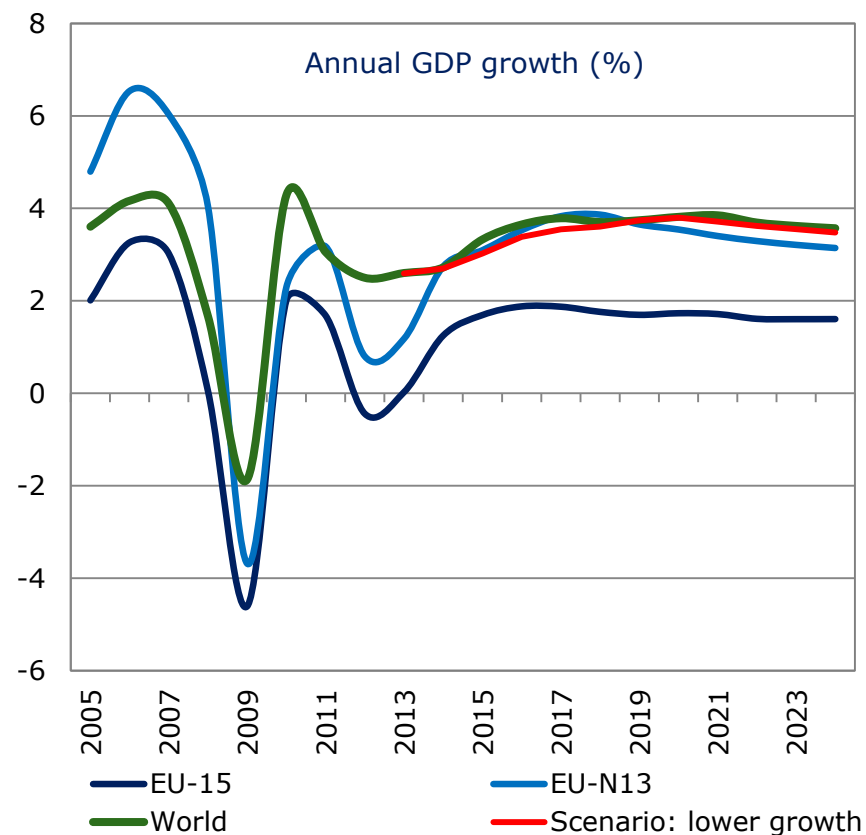
Macroeconomic assumptions

The euro in the long-term

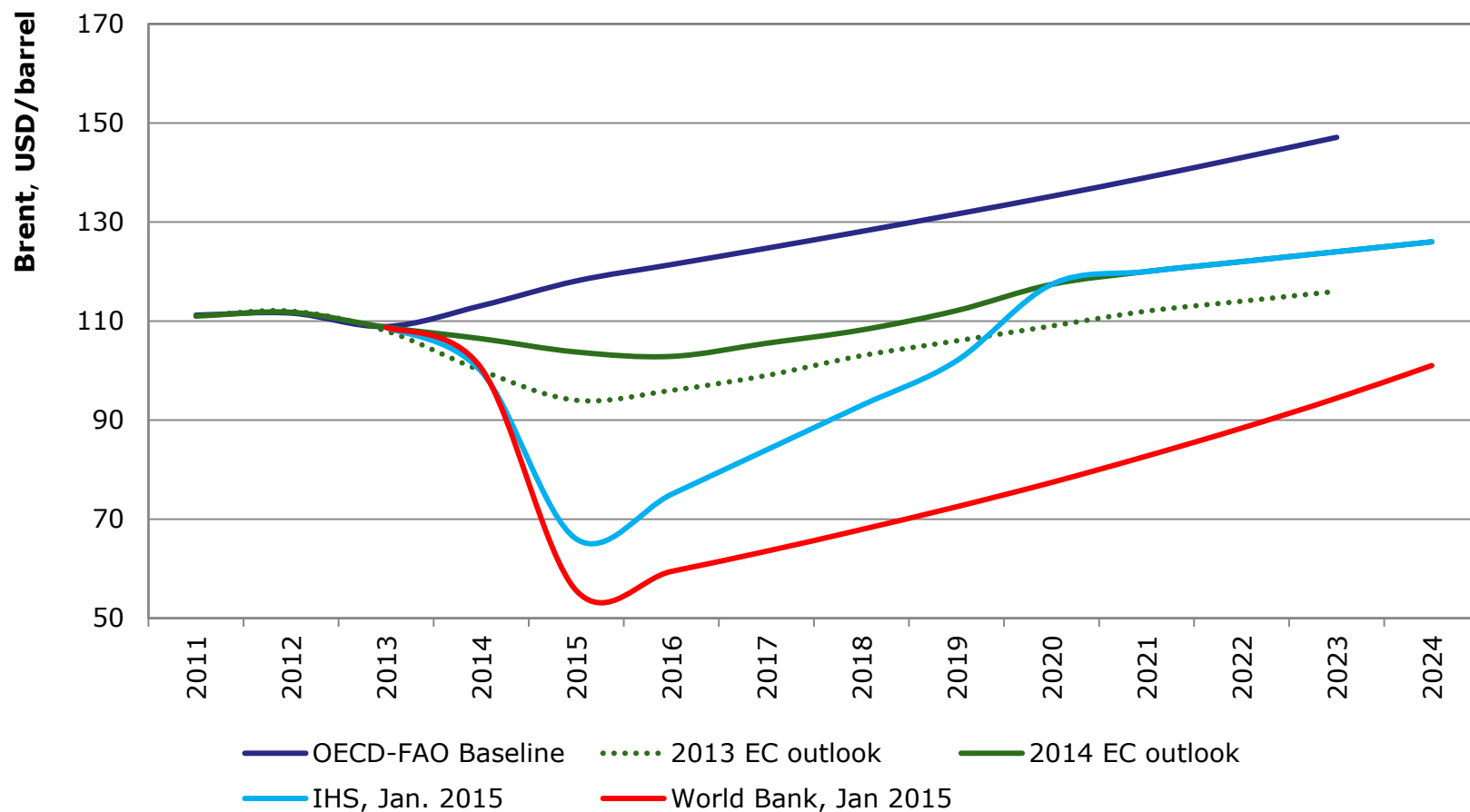


Source: elaboration by DG Agriculture and Rural Development

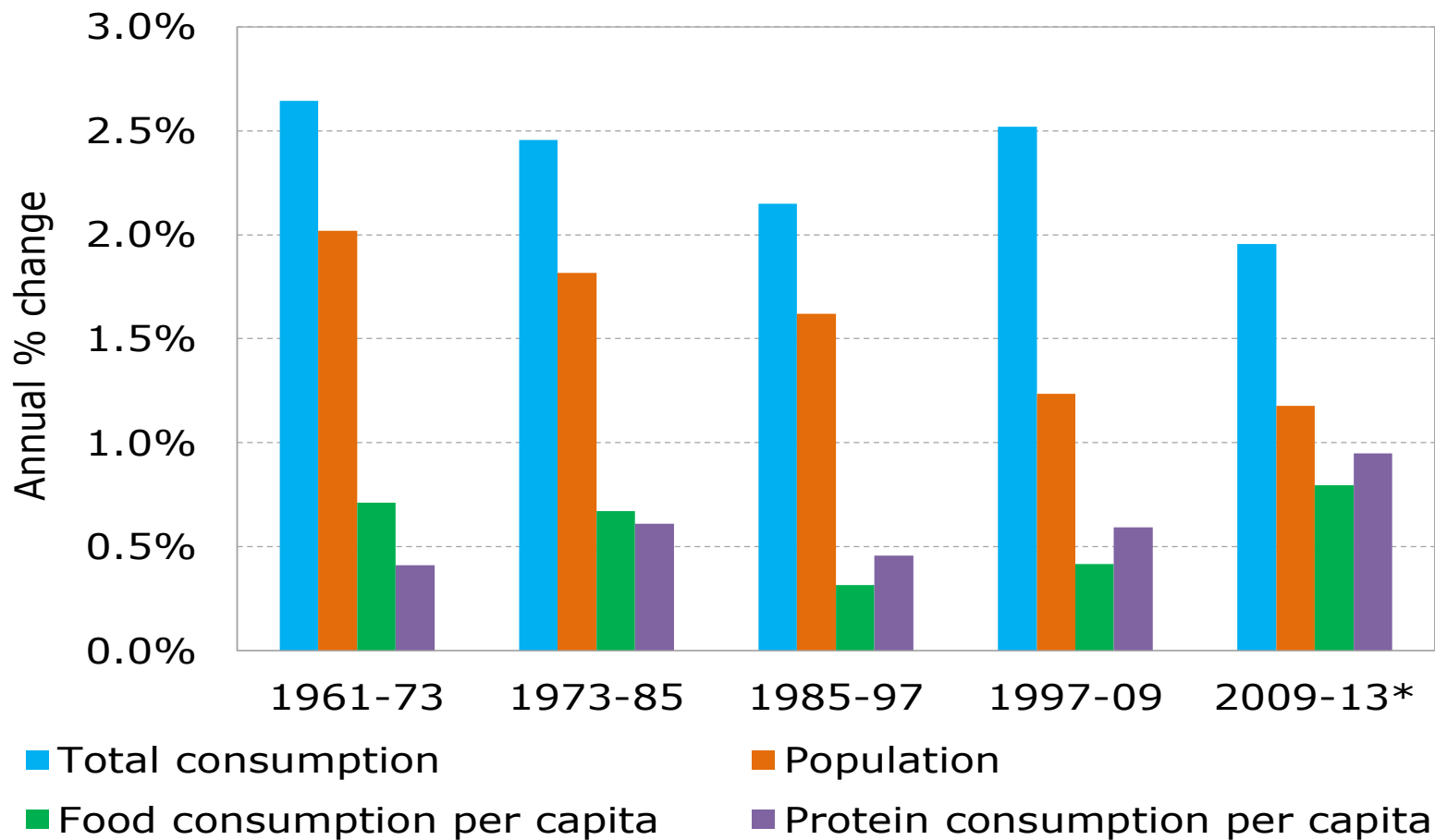
The economic growth path



Oil price, a very uncertain assumption



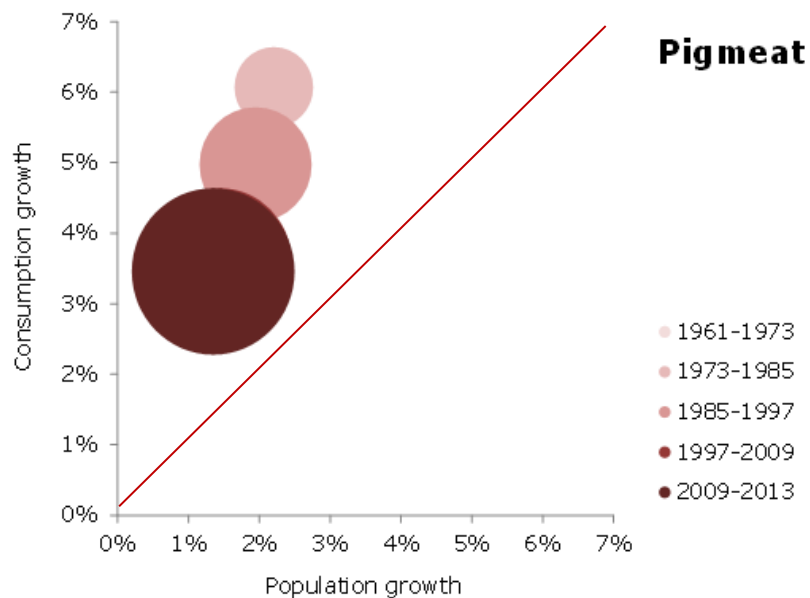
Lower world population growth but more protein intake



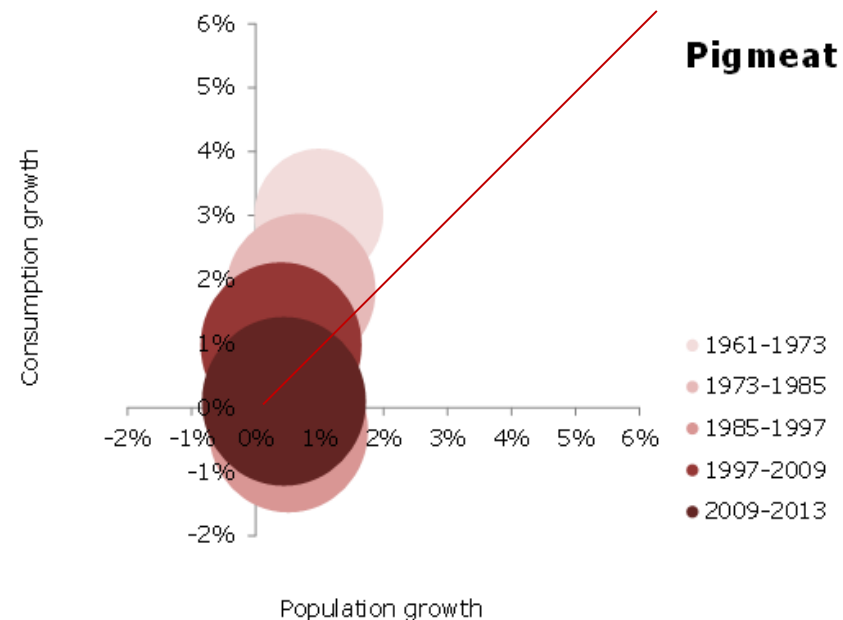
Changes in consumption patterns

domestic use versus annual population growth

Developing countries



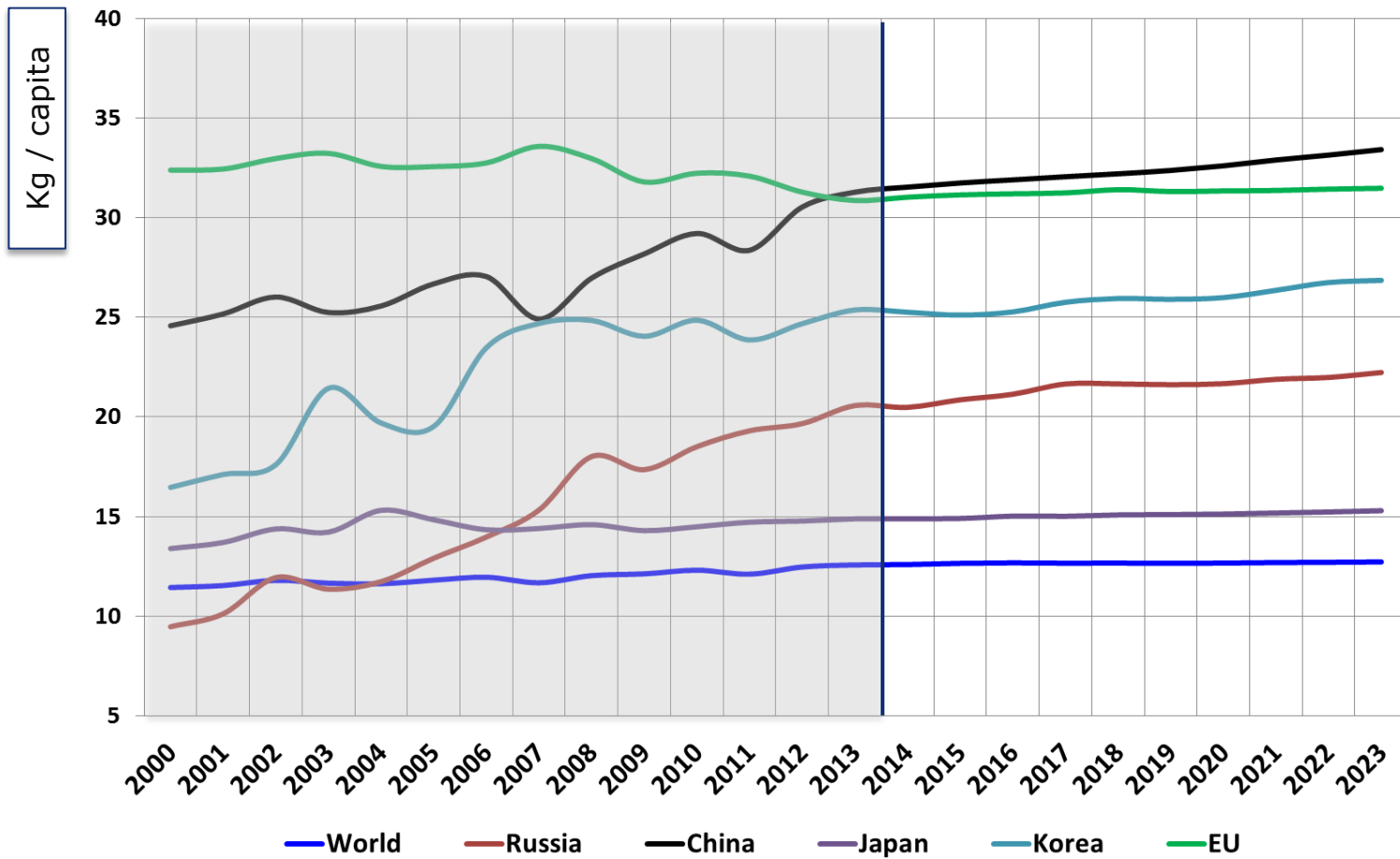
Developed countries



Source: elaboration by DG Agriculture and Rural Development

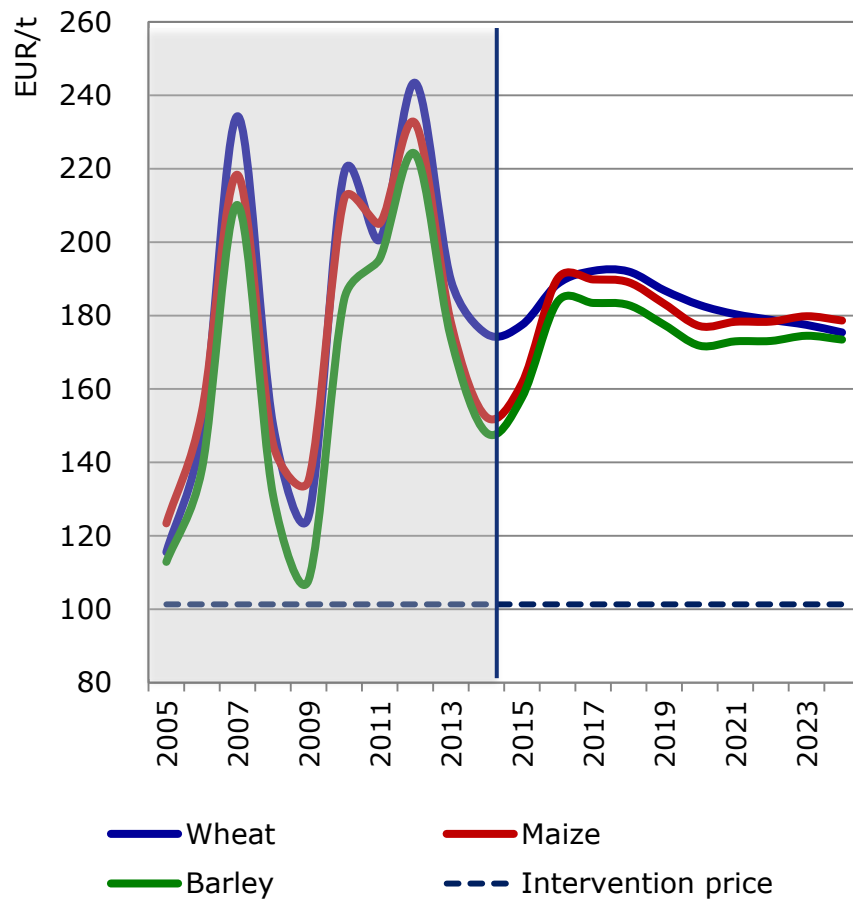
Size of bubbles represents total average consumption over the period.

Increasing pig meat consumption per capita



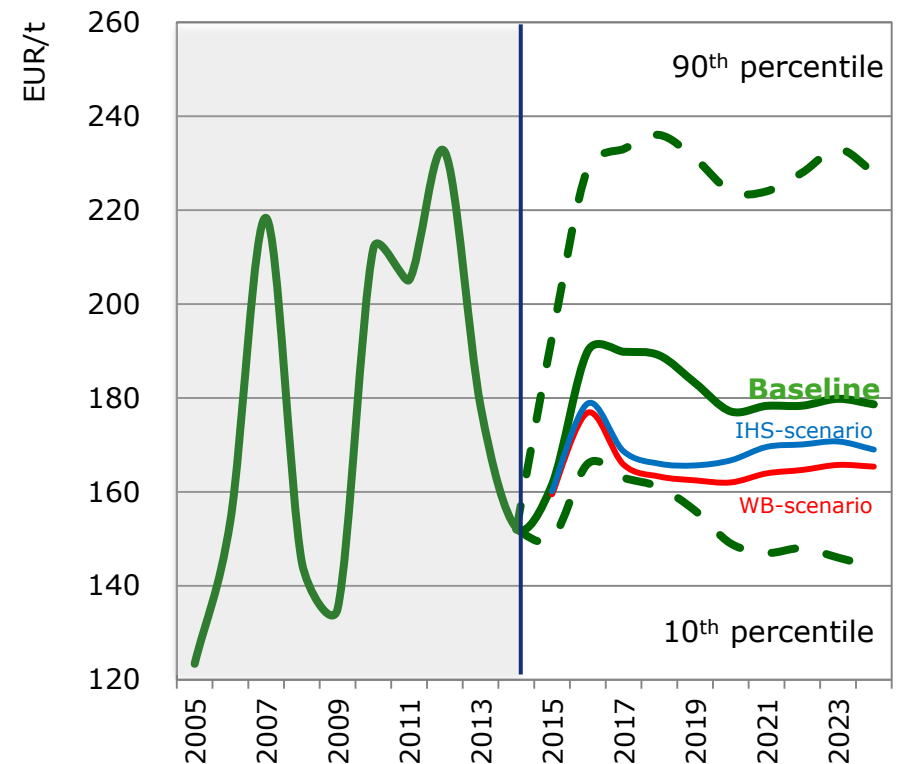
Source: elaboration by DG Agriculture and Rural Development

EU cereal producer prices above historical averages over the medium term



Source: elaboration by DG Agriculture and Rural Development

Uncertainties surrounding EU maize price developments

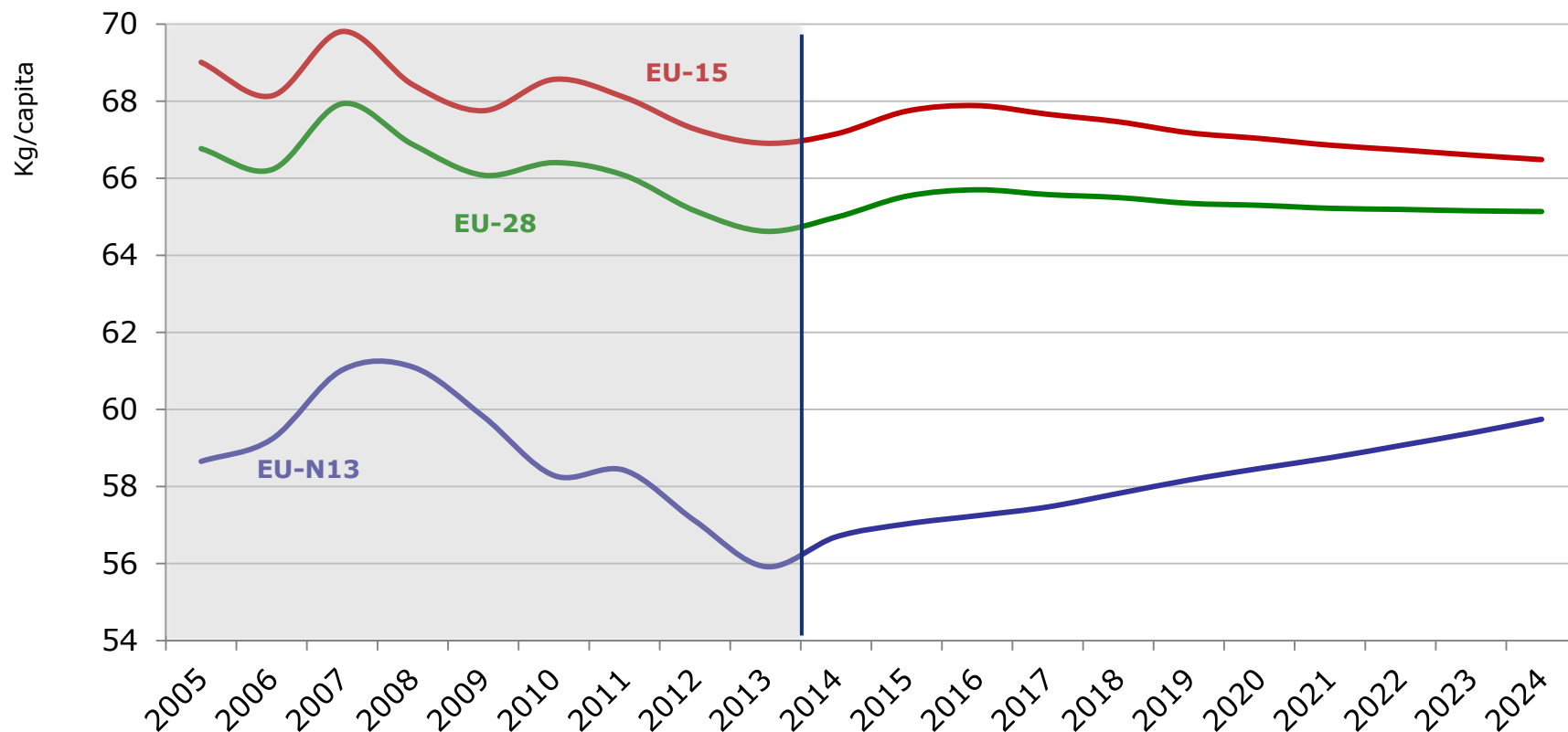


Note: Uncertainty analysis prepared by JRC-IPTS, based on partial stochastic analysis

Prospects for pig meat

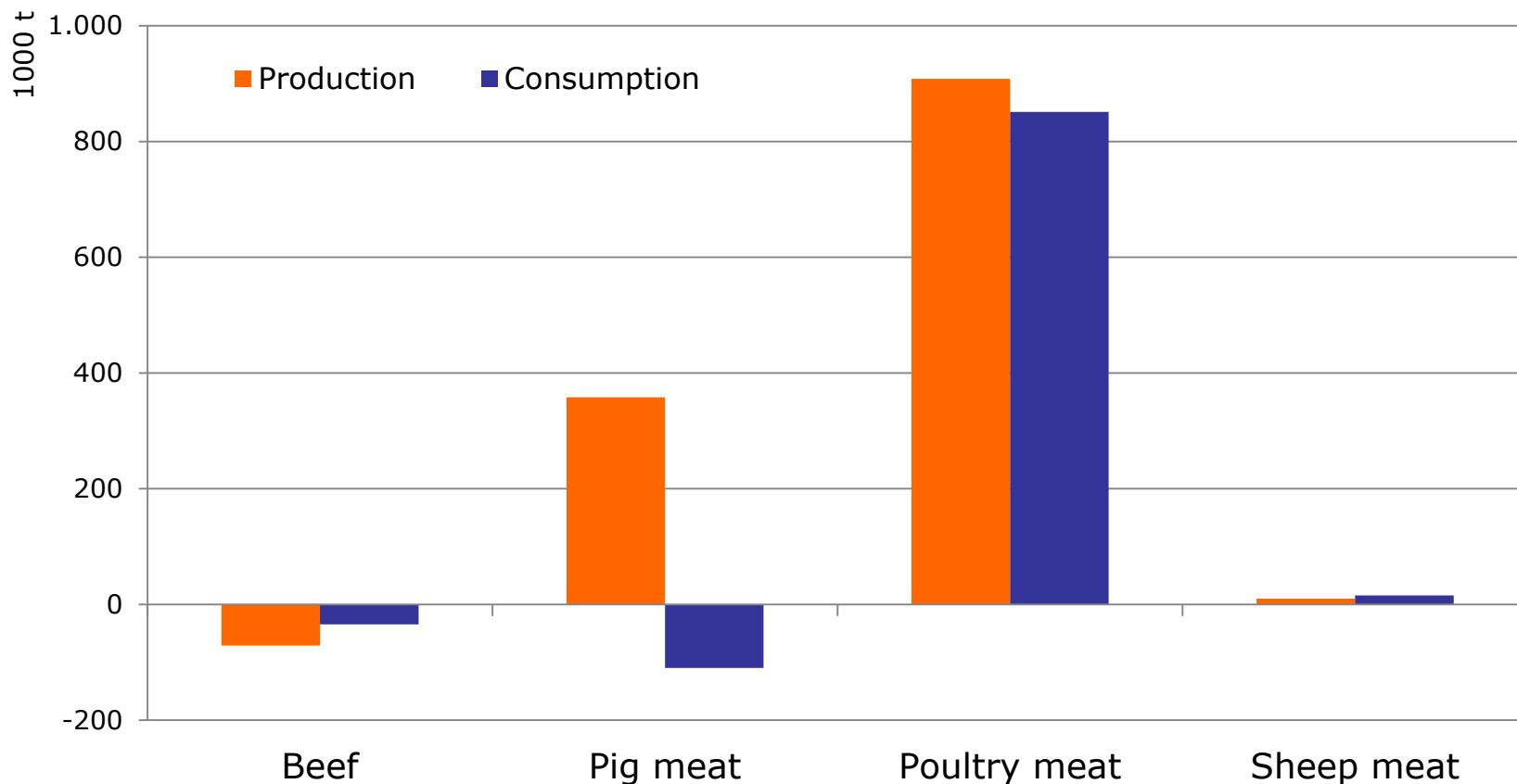
- **Good export prospects**
 - *up to 2.5 million tonnes*
 - *driven by a steady growing world consumption, especially Asia*
 - *supporting firm or moderate increasing world and EU prices.*
- **A slight increase in EU pig meat production**
 - *After years of declining production*
 - *driven by increase of export potential and productivity gains*
 - *feed costs stay stable and above average*
- **An EU *per capita* pig meat consumption on a declining trend**
 - *after a recovery in the short-run,*
 - *back to declining consumption, losing out to poultry meat*

A slowly declining EU meat consumption *per capita*



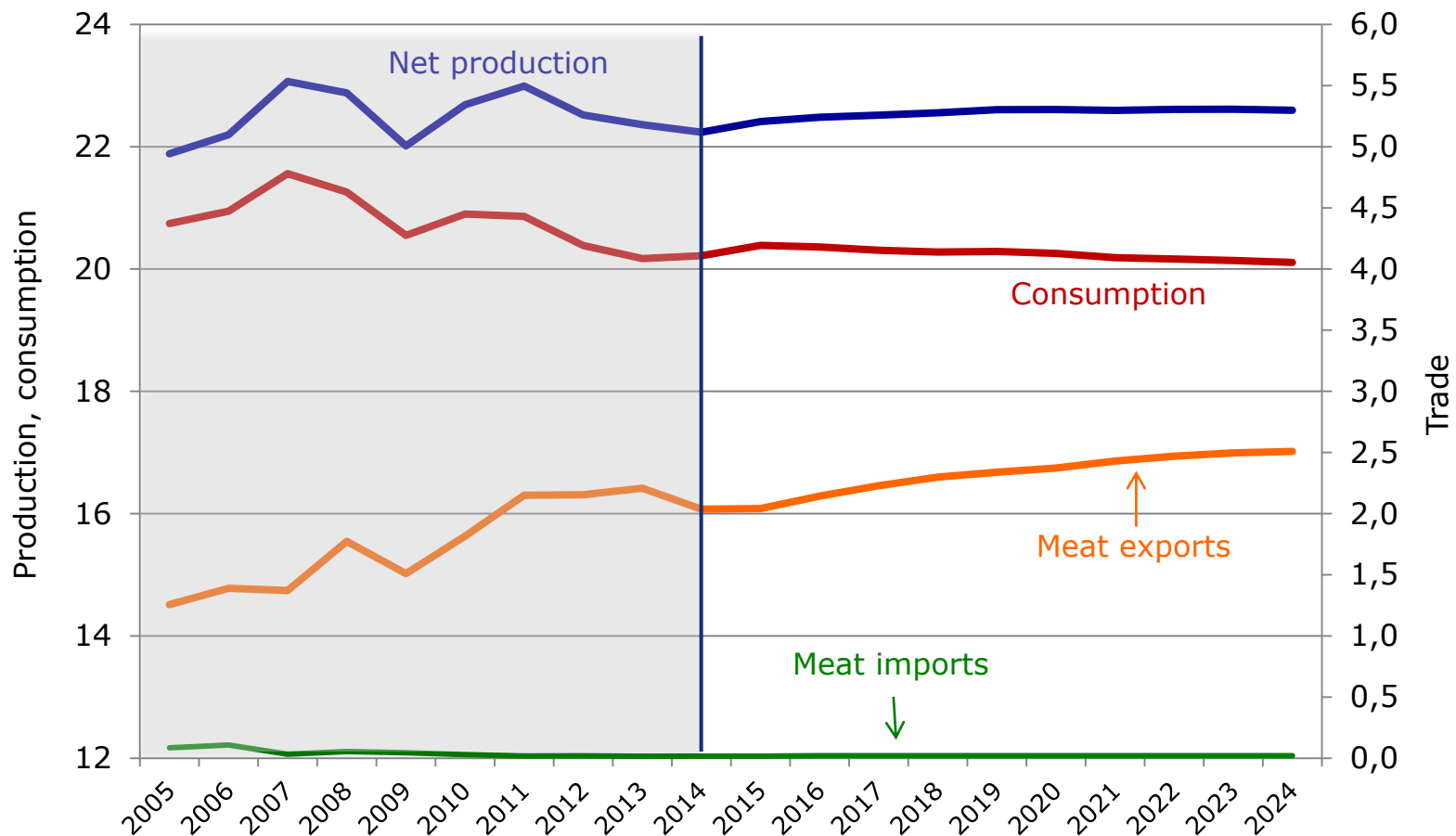
Source: elaboration by DG Agriculture and Rural Development

Change in total EU meat production and consumption 2024 compared to 2014



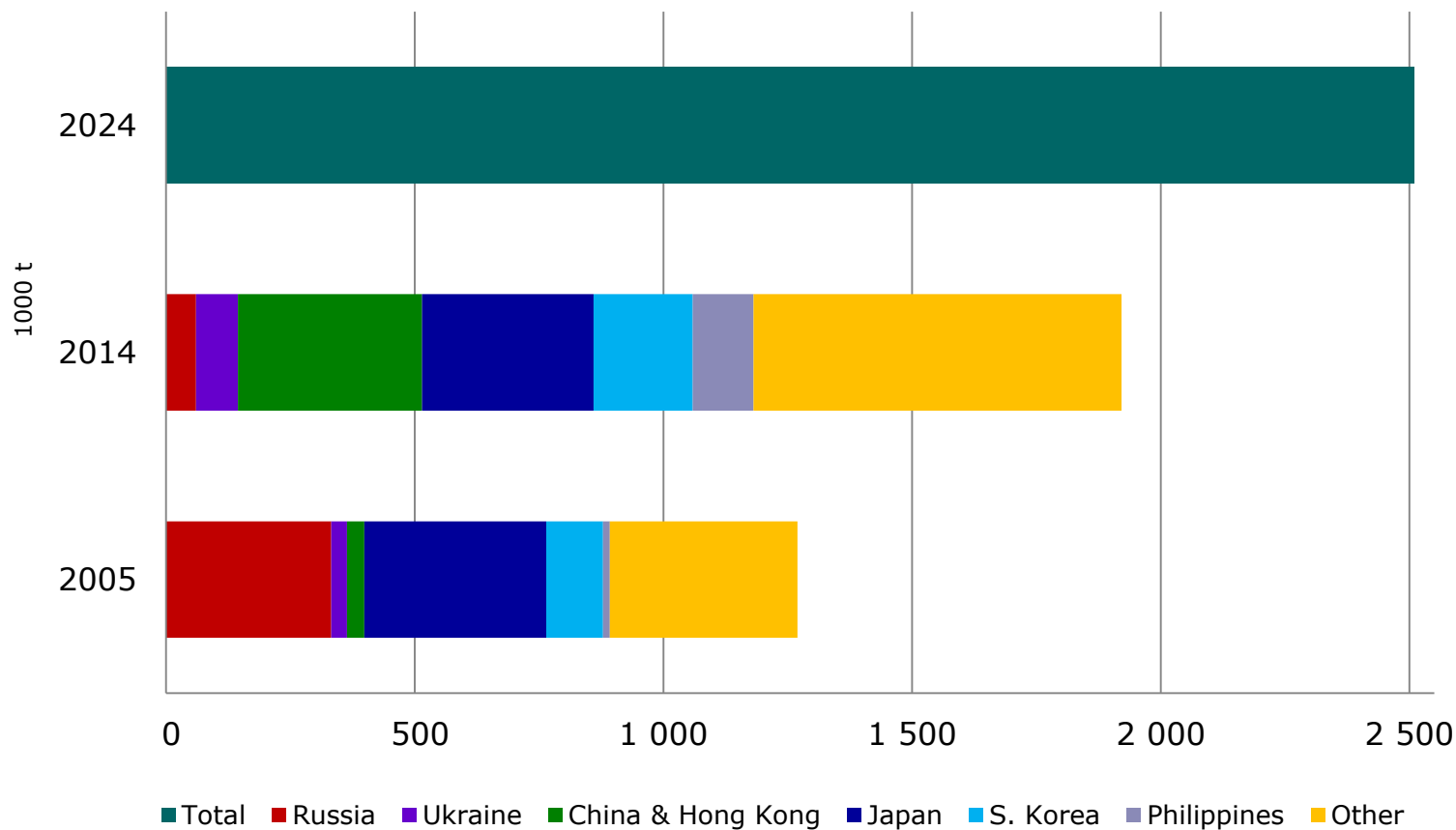
Source: DG Agriculture and Rural Development

Pig meat market balances (million tonnes)



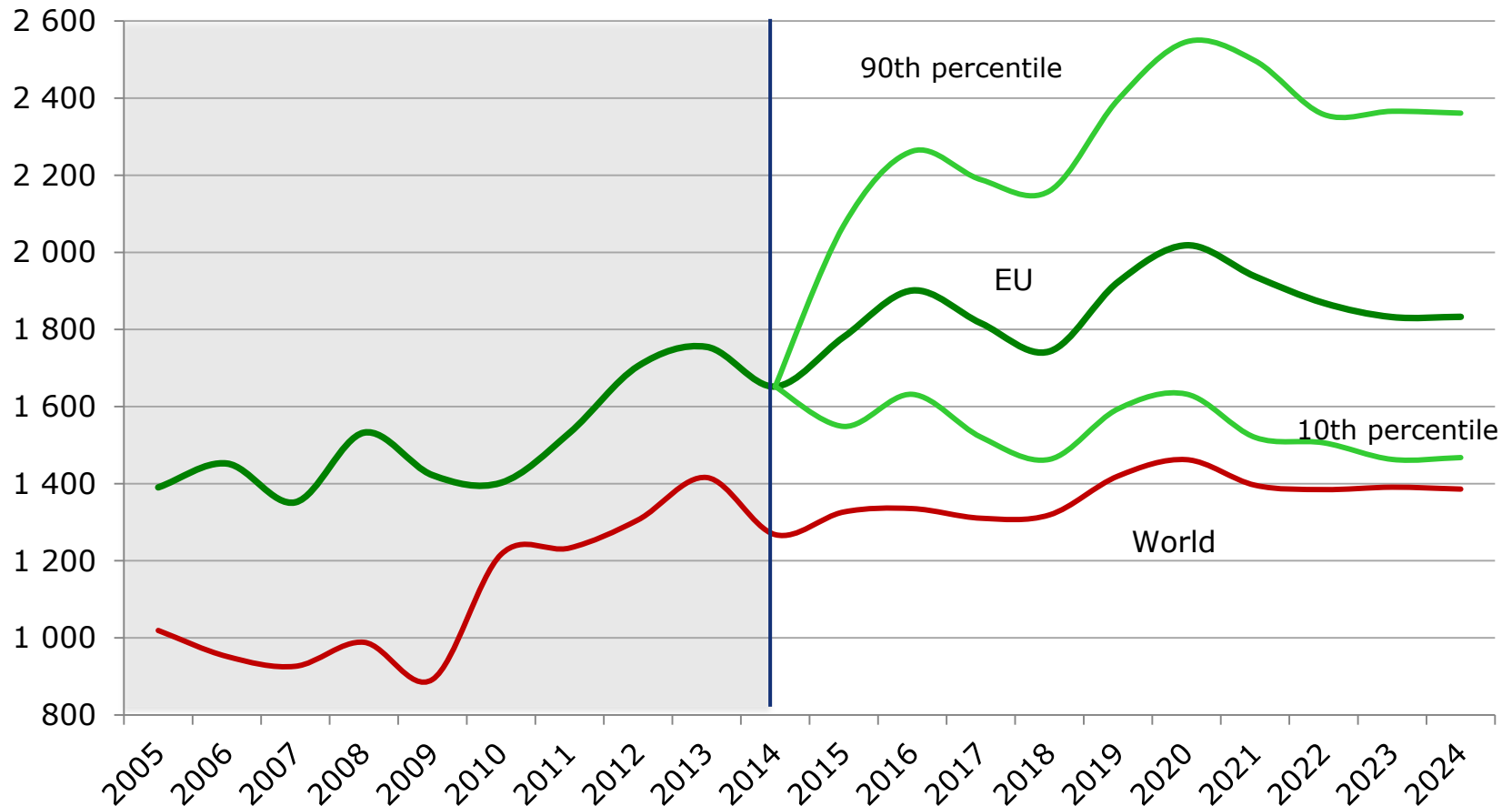
Source: DG Agriculture and Rural Development

EU pig meat exports developments



Source: Eurostat and DG Agriculture and Rural Development

Uncertainties surrounding EU pig meat price developments (EUR/t)



Source: DG Agriculture and Rural Development

Note: Uncertainty analysis prepared by JRC-IPTS, based on partial stochastic analysis

Thanks for your attention!

Medium term report and data available at:

http://ec.europa.eu/agriculture/markets-and-prices/medium-term-outlook/index_en.htm

Short term outlook at:

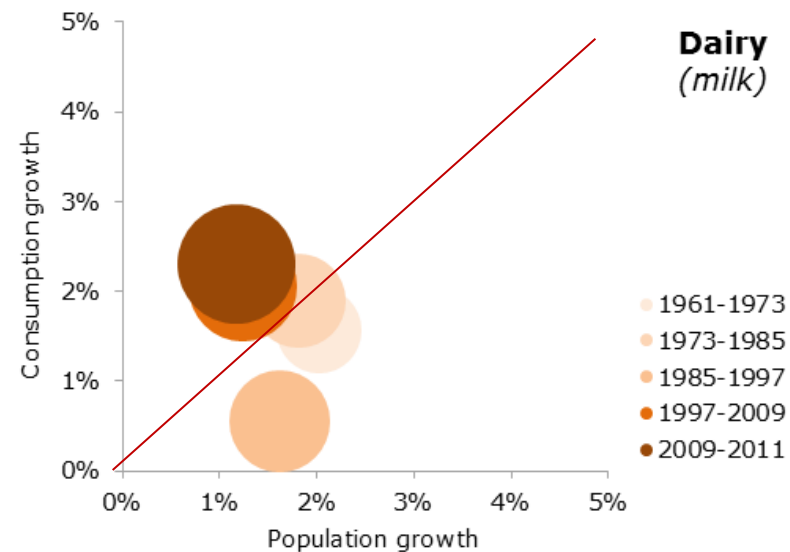
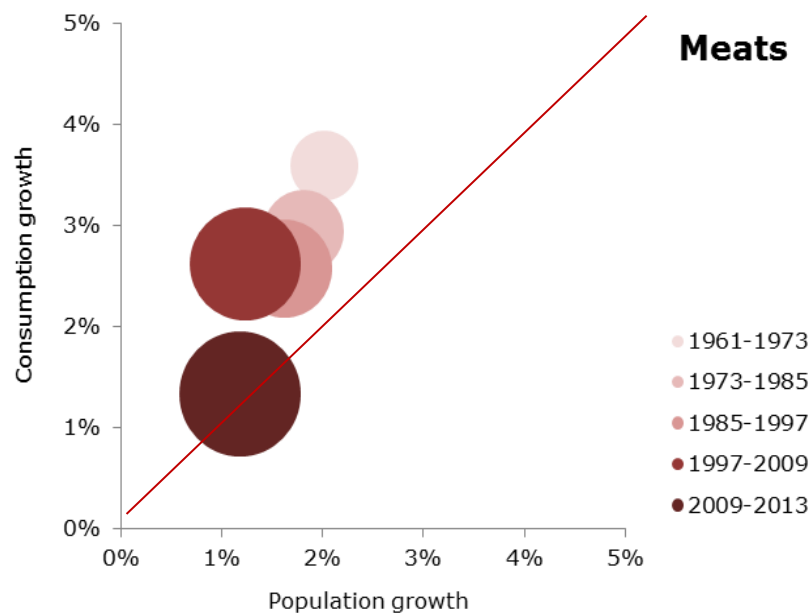
http://ec.europa.eu/agriculture/markets-and-prices/short-term-outlook/index_en.htm

DISCLAIMER: While all efforts are made to reach robust market and income prospects, uncertainties remain. This presentation does not necessarily reflect the official opinion of the European Commission.

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Changes in consumption patterns

World domestic use versus annual population growth



Size of bubbles represents total average consumption over the period.