



Short-term outlook for EU agricultural markets in 2018 and 2019

Contents

1. Macro-economic outlook
2. Arable crops
3. Specialised crops
4. Dairy
5. Meat
6. Statistical annex

This report presents the outlook for 2018-2019 for arable and specialised 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 2018. The next issue is due in spring 2019.

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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)

HIGHLIGHTS

- ❖ Drought led to an 8 % drop in EU cereal harvest, with wheat suffering most
- ❖ Despite lower global sugar production in 2018/2019, sugar prices remain low
- ❖ Higher EU milk production tempered by unfavourable weather conditions
- ❖ Both production and consumption of meat expected to increase in the EU

Continuous dry conditions throughout the summer affected total EU cereal production, which is estimated to drop 8 % below average. Compared with last year, EU wheat harvest suffered most and this in a context of reduced global cereal output by 2 %. By contrast, global maize availability is increasing slightly. EU oilseed production has also declined, but global oilseed supplies are ample. Feed prices are higher than last year, mainly due to wheat and barley prices, while soya bean prices are lower.

EU sugar production in 2018/2019 is forecast 1.9 million t lower than the record level in 2017/2018. Yet world sugar surpluses close to 9 million t are keeping prices low.

Growth in EU milk collection is expected to be less than anticipated, due to the drought. With farmers lacking forage until next spring due to the drought, and thus in need to purchase more feed, costs are likely to increase.

In 2018, beef production is growing more than anticipated, because of a reduced suckler herd and farmers bringing forward slaughterings due to a shortage of forage. Ample supply is keeping pigmeat prices down, while the expansion of the breeding herd is grinding to a halt. In contrast, poultry production is on the rise, as a drop in imports from Brazil supports higher prices. Sheep and goat meat production is down, driven by lower supply from the UK and Romania.

EU apple harvest is expected to be 2.8 million t more than the low level in 2017/2018.

The large quantities of olive oil available on the world and EU markets in 2017/2018 pushed prices down and this has contributed to a recovery in consumption in the EU.

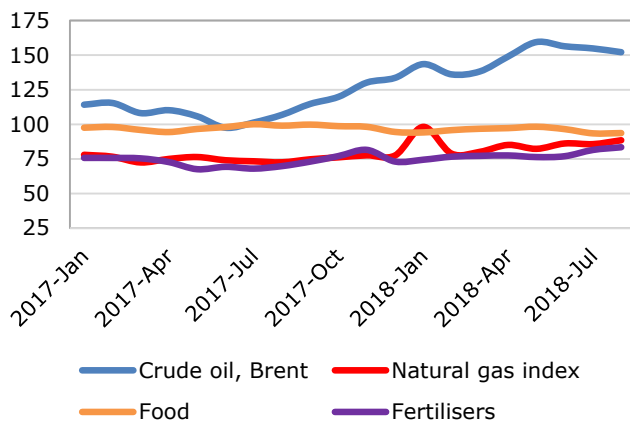
Note: This report has been drawn up for the EU-28 under constant policy assumptions; it is assumed that Russia's import ban will remain in place until the end of 2019.

1. MACRO-ECONOMIC OUTLOOK¹

Crude oil prices still high

The Brent **crude oil price** rose from around USD 60/barrel in February 2018 to USD 80/barrel in May 2018. Between May and September, it fluctuated between USD 70 and USD 80/barrel. The recovery in global economic growth, and in particular the strong US economy, created solid underlying demand for oil. The sanctions imposed by the United States on Iran over its nuclear policy, together with considerably lower production levels in Venezuela, continue to tighten supply. The price is also supported by the OPEC² agreement to limit oil production. This has reduced production more than initially expected by the market, although prices declined slightly after the May peak. More recently, the hurricane season in the USA, with a temporary shutdown of production capacity, together with reduced stock levels, caused prices to rise by over 15 % between 15 August and 17 September. The oil price is expected to remain at similar levels for rest of 2018, with an average of USD 73/barrel for Brent crude in 2018 (IHS-Markit).

Graph 1: Price indices for food, fertiliser and energy (January 2015 = 100)



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

After a price spike at the end of 2017, due to cold weather and distribution difficulties, the composed world **natural gas** index increased by 8 % between May and August 2018. Prices are forecast to increase by 15 % in 2018 compared with 2017 (World Bank).

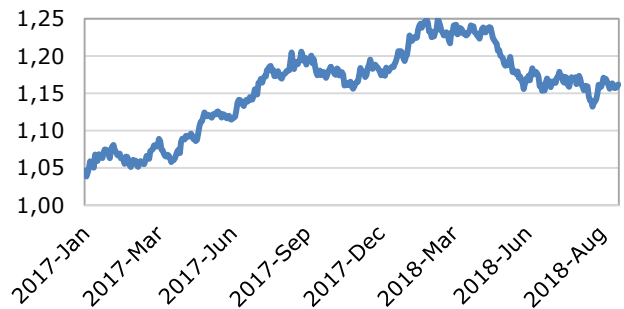
The World Bank composed **fertiliser** index followed the upward price trend for natural gas and rose by 9 % between May and August 2018. The price for nitrogen-based fertiliser (urea) rose more (+17 %) than that for potassium- and phosphorous-based products (+3 %).

After an increase in the first quarter of 2018, the Food and Agriculture Organisation (FAO) food price index dropped by 5 % between May and August 2018. The sugar, vegetable oil and dairy indices saw particularly sharp falls.

Uncertain economic prospects

The world economic recovery is expected to continue in 2018, with **growth** forecast at 3.2 % (IHS-Markit). Global growth is expected to slow down slightly in 2019-2020. The continued fiscal stimulus is expected to support US growth in 2018-2019, while the picture for the EU is slightly different. The lower growth in the EU in 2018 (2.0 %) is mainly due to a slowing expansion in domestic demand and uncertainty around the post-Brexit relationship with the UK. Political disagreements between the USA and countries in the Middle East, together with decisions relating to the USA's trade with several of its partners, add further uncertainty to economic prospects.

Graph 2: USD/EUR exchange rate



Source: DG Agriculture and Rural Development, based on ECB

Strong US dollar in fourth quarter of 2018

The US dollar's weakening against the **euro** since the beginning of 2017 turned in April. The dollar rebounded to levels just above USD 1.15/EUR and moved sideways during the summer. In the first half of 2018, it appreciated against most major world currencies (euro, yuan, real, rouble, (Argentinian) peso, (Turkish) lira). It has been buoyed by the strong US economy and hikes of the federal funds interest rate, while the euro has been weakened by the slowdown in euro area growth. IHS-Markit forecasts an average exchange rate of USD 1.18/EUR for 2018.

Uncertainties around global trade

Escalating trade disputes (mainly between the USA and China) may affect already some trade flows significantly. The impact of Brexit on bilateral trade remains uncertain and operators are preparing for a new relationship between the EU and the UK after March 2019.

¹ Based on European Economic Forecasts (May 2018), IHS Markit (cut-off date 15 June 2018), FAO World Food Price Index and World Bank Commodity Markets and Global Economic Outlook.

² Organisation of the Petroleum Exporting Countries.

2. ARABLE CROPS

CEREALS

Market developments in the EU

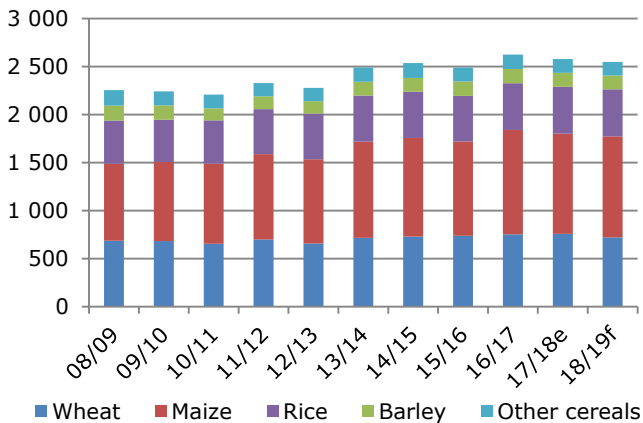
	2017/2018	2018/2019
Production	↑ +3.5%	↓ -7.4%
Exports	↓ -12%	↓ -4.0%
Imports	↑ +26%	↓ -5.6%
Consumption	↑ +0.5%	↑ +0.2%

Compared with previous season

World cereal production down slightly, demand strengthening

According to the International Grain Council (IGC, 27 September 2018), **global cereal production** in 2018/2019 is expected to fall slightly, to 2 072 million t (-1.4 % from last year), due to adverse weather conditions in key growing regions. This is mainly due to a drop in wheat output, notably in the EU, partly offset by increased plantings in North America.

Graph 3: World cereal production (million t)



Source: DG Agriculture and Rural Development, based on IGC

After five consecutive record harvests, global **wheat** production is expected to shrink by 6 % compared with last year, to a six-year low. Weather conditions hampered the development of the crop in the EU, where most of the decrease took place. Despite a slight decline in feed use, demand for wheat will remain strong in 2018/2019, due to growth in food use. Global demand is expected to exceed production for the first time in six years.

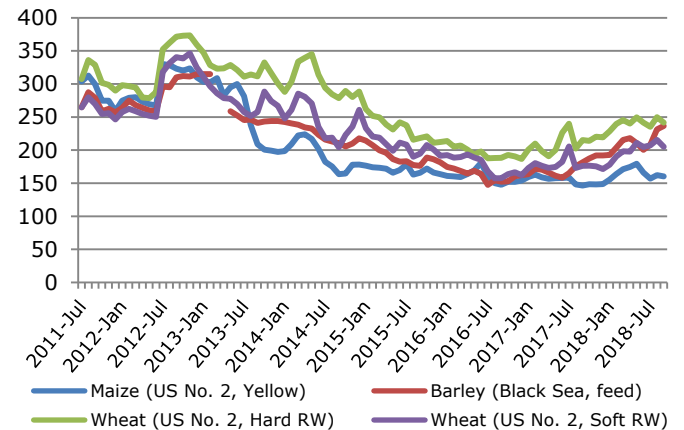
Maize output is expected to increase slightly compared with last year (+2 %) to 1 064 million t due

to favourable conditions, possibly resulting in high output in the USA and Ukraine in particular. Global demand for maize is projected at a new record of 1 105 million t, exceeding production for the second year in a row.

World **barley** production should stabilise at 140 million t, a 4 % decrease from last year. On the other hand, global maize output is expected to increase slightly, to 1 064 million t. **Rice** production is also expected to increase, to a record 491 million t.

After a rise in the summer, due to concerns about EU and Black Sea cereal production, **world prices** stabilised or declined, thanks *inter alia* to better prospects for wheat production in the USA and strong export competition from Russia. The maize price remains stable, below wheat and barley prices. **World stocks** are still ample, though tightening for the second year in a row.

Graph 4: World monthly prices for cereals (USD/t)



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

EU production down in 2018/2019

The latest estimates indicate that the EU cereal harvest will be significantly less than forecast because of the drought. At close to 285 million t, EU production is expected to be 5 % down compared with the last campaign and over 8 % below the last five-year trimmed average.³

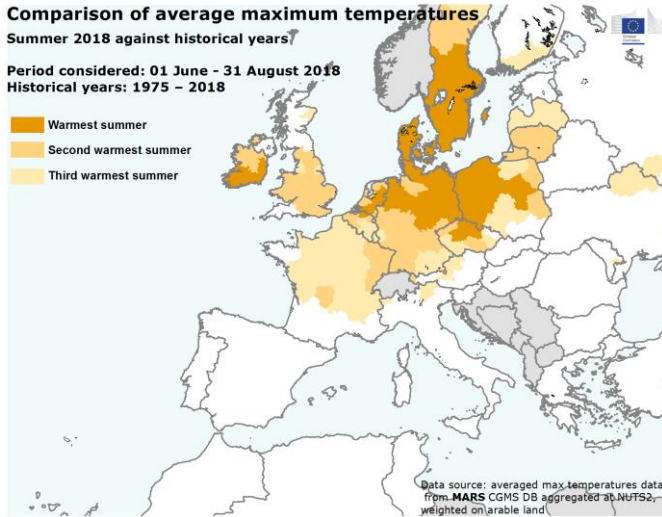
Overall, **EU cereal area** declined slightly compared with last year (-0.6 %). Wet conditions in autumn 2017 hampered seedings of winter crops in the north of the EU. Winter wheat and barley areas decreased by more than 3 % compared with the previous year and triticale plantings declined by 8 %. The decline in winter crop area was counter-balanced by an increase of spring and summer crop area, despite delayed sowings in March due to cold and wet conditions.

Continuous high temperatures in the northern part of Europe were a major concern for farmers, especially

³ Average of last five years minus highest and lowest values.

in Germany, Poland, Scandinavia and the Baltic states. Several heatwaves hit the western part of the EU, including Belgium, the Netherlands, the UK and Ireland.

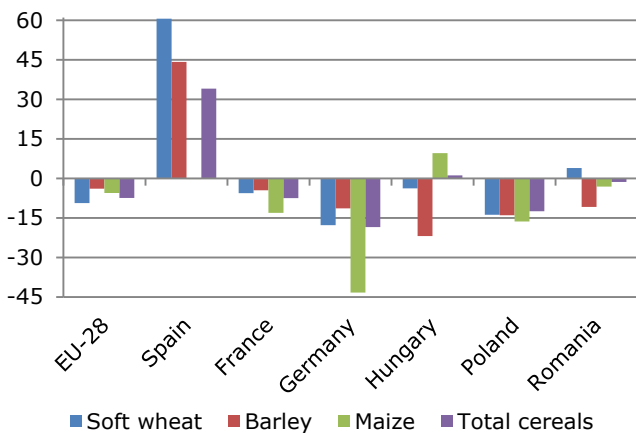
Map 1: Average maximum temperatures in the EU from June to August



Source: Mars-Bulletin crop monitoring in Europe 26(9); <http://mars.jrc.ec.europa.eu/mars/Bulletins-Publications>

The **wheat** harvest was severely affected by hot and dry weather conditions from May to July that negatively impacted plant development. The EU harvest is estimated at 129 million t, a six-year low (-9 % compared with last year). Particularly, the drought in northern and central-eastern EU affected the crop at the crucial stage of grain-filling, starting late June. Record high temperatures were noted in some regions in Germany, Poland, the Netherlands and Belgium. Harvests were down in Germany (-18 %) and Poland (-14 %), and also in Latvia (-33 %) and Lithuania (-29 %).

Graph 5: Yearly change in EU cereal production, 2018/2019 (%)



Source: DG Agriculture and Rural Development

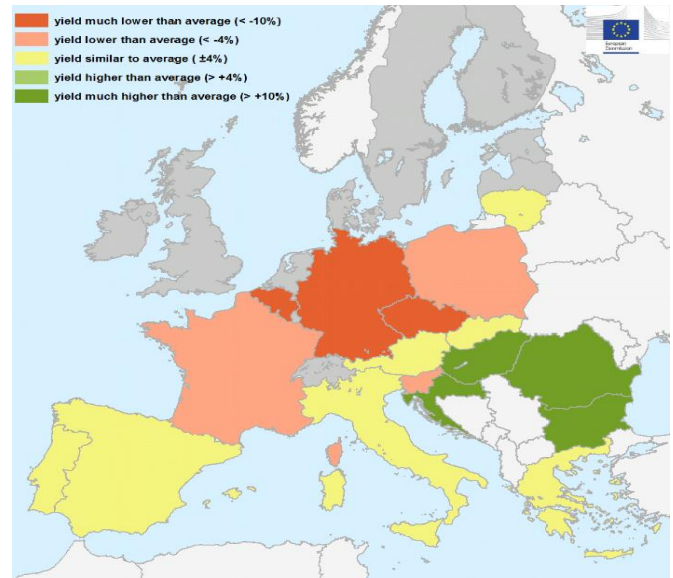
The **durum wheat** harvest reached 8.6 million t, 8 % down on last year. France and Greece experienced significant drops (-14 % and -40 % respectively),

while Italy and Spain increased their total output by 2.2 % and 1.6 % to 4.3 and 1.2 million t.

Barley output was also negatively impacted by the dry conditions, but less so than wheat. It reached 57 million t (-4 % compared with last year). Winter barley suffered from the hot conditions (-11 %), on top of decreased area, while the output of spring barley increased compared with last year (+4 %), largely due to the bumper harvest in Spain (+15 % against the five-year average).

The **grain maize** harvest is expected to be down (-6 %) on last year's, at 62.1 million t. This is mainly due to expected declines in France and Romania, the two main producing countries. After a bumper harvest last year, Romania's maize output is still well above the last five-year average (+27 %). At this stage, uncertainty remains as to the potential shift of grain maize towards green maize to compensate for the lack of roughage in northern Europe.

Map 2: Yield forecast for grain maize, 2018/2019



Source: Mars-Bulletin crop monitoring in Europe 26(9); <http://mars.jrc.ec.europa.eu/mars/Bulletins-Publications>

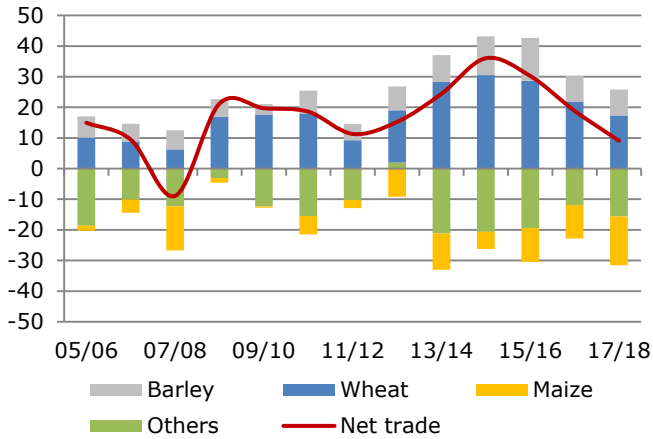
Other cereals, such as rye and triticale, were also hit by the difficult weather conditions. The rye harvest is expected to reach 6.3 million t (-13 % against the five-year average), while the triticale crop should reach 9.6 million t (-16 %).

EU cereal prices peaked in August, remaining higher than last year (around +50 EUR/t for wheat and +60 EUR/t for barley), and should continue to follow world prices. Nevertheless, with less availability in the EU, price developments will depend on the export capacity of neighbouring trading partners (e.g. around the Black Sea).

EU cereals net trade declined further in the 2017/2018 marketing year (ending in June to 9 million t). Exports fell for the third consecutive year,

to a five-year low of 34 million t. Imports were 33 % above the last five-year average.

Graph 6: EU cereals net trade (million t)



Source: DG Agriculture and Rural Development

The drop in cereals **exports** is mainly due to a 15 % decline in soft wheat shipments, as compared with the year before, to 21.3 million t; this is 25 % below the five-year average. This deteriorating export performance could be a consequence of the loss of market share in 2016/2017 due to a low EU harvest in a context of ample global supplies. EU exporters were unable to recover in 2017/2018, due to fierce competition from the Black Sea region. Russia, in particular, had an excellent harvest in 2017/2018 and managed to reach foreign markets at a very competitive price. This weighed heavily on global prices, which stabilised at a rather low level.

The increase in EU **imports** in 2017/2018 was driven by maize, for which imports surged by 31 % year-on-year to an unprecedented 17.8 million t. This was due to exports from Brazil to Spain (in the first half of the year) and from Ukraine for feed purposes. Following the low harvest in Spain for maize, but also for other cereals (wheat, barley and oats), the feed industry had to adjust to the increasing number of cattle and pigs. The rise in EU imports of sorghum (+250 000 t) and rye (+42 000 t) also contributed to the overall increase.

According to customs surveillance data for the 2018/2019 marketing year, the trend is continuing, with low exports of wheat and barley in July-August compared with last year. On the import side, wheat and maize are following an upward trend.

OILSEEDS

Market developments in the EU

	2017/2018	2018/2019
Production	↑ +12%	↓ -7.8%
Exports	↑ +12%	↓ -3.8%
Imports	↓ -2.4%	↑ +5.6%
Consumption	↑ +5.6%	↓ -2.8%

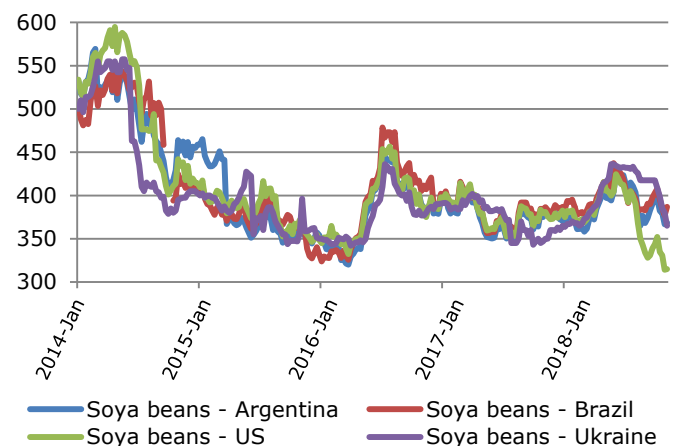
Compared with previous season

Record world oilseed production expected

In 2018/2019, the **global oilseed harvest** is expected to increase from the already high level of the previous season. The USDA expects it to reach 605 million t, due to bumper harvests of soya beans and sunflower seed. World production of rapeseed should decline, due to a drop in major producing countries such as the EU, China and Canada.

The **soya bean** harvest should increase significantly in the USA (+4 %) and Argentina (+44 %), thanks to good weather conditions and increased acreage respectively. A very competitive price for US soya beans has prevailed due to ample availabilities of US soya beans on the world market, following retaliation tariffs from China. With ample global supplies and a potential decrease of Chinese imports, trade should nevertheless strengthen for other countries and crushing is expected to increase worldwide. Farmers' sowing decisions in the coming months will also be affected by recent tax increases for agricultural commodities in Argentina and prevailing export prices.

Graph 7: International prices for soya beans (USD/t)



Source: DG Agriculture and Rural Development, based on IGC

EU production down

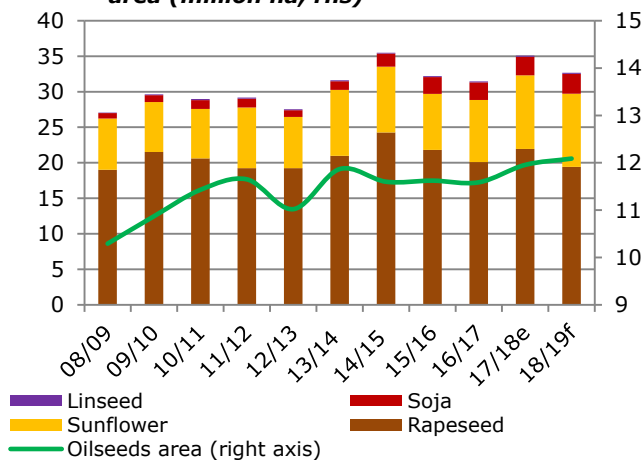
In 2018/2019, EU **oilseed** production is estimated at 32.2 million t, 1.8 % down on the last five-year average. The drop is mainly due to a decline in rapeseed and (to a lesser extent) sunflower seed production, while soya bean production should increase. Oilseed acreage has increased (+3 % compared with the average), so yields are expected to be the main factor in the decrease: they should be 5 % lower than average.

EU **rapeseed** production stabilised at just below 20 million t, a 9 % decrease compared with the average. This is due to bad weather conditions at the beginning of the season and hot temperatures in the spring, which hindered plant development and negatively impacted yields (-12 % compared with last year). Most producing countries were hit by the continuous heat, in particular Germany (-14 %), France (-11 %) and Poland (-18 %). Romania was affected less (-9 %) and the UK only slightly (-2 %).

Sunflower production is expected to fall to 9.7 million t (6 % less than the previous season, still 7 % above average), mainly due to less harvested area across the EU. Production in Romania and France is expected to decline significantly, to 2.7 and 1.2 million t respectively. On the other hand, Bulgaria and Hungary are expecting a bigger harvest and to contribute more than 40 % of total EU production.

The **soya bean** harvest is set to increase by 7 %, to 2.8 million t. Italy's output should increase strongly, to 1.2 million t (+16 % compared with last year), thanks to average, but still good, yields. Despite the increased acreage in France (+149 000 ha), lower yields should result in a smaller harvest, of around 400 000 t.

Graph 8: EU oilseed production (million t, lhs) and area (million ha, rhs)



Source: DG Agriculture and Rural Development

Note: lhs (left handside), rhs (right handside)

Final figures for **EU oilseed trade** in 2017/2018 show imports slightly down on the previous season, at 18.6 million t. Imports were still above the five-year average for rapeseed (+15 %) and soya beans (+3.6 %) mainly coming from the USA and imports of soya bean meals rose by 2 %.

For the current marketing year (2018/2019), global soya bean trade is expected to strengthen, with ample supplies and a competitive US price. According to customs data (10 September 2018), EU imports were up by 10 % compared with last year in July-August, while meal imports were less dynamic. Bigger crushing margins may boost EU soya meal production. The impact of China's retaliatory import tariffs on US soya beans, if these are kept in place throughout the marketing year, will be a crucial variable to watch. As regards rapeseed trade, EU imports are expected to strengthen due to the lower harvest.

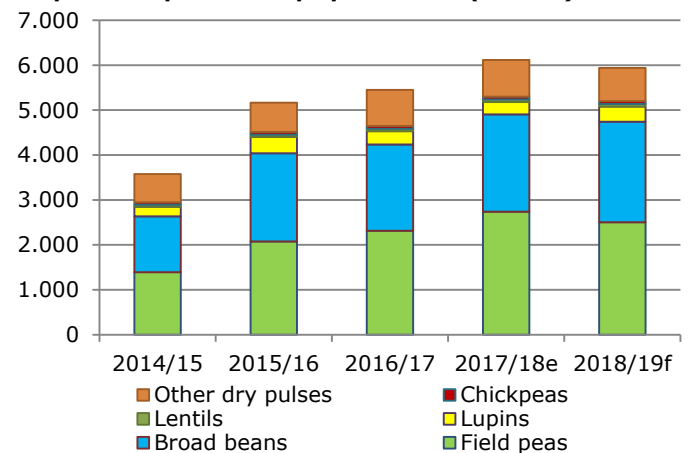
PROTEIN CROPS

Lower production of protein crops in 2018/2019

Total areas sown to **protein crops** (field peas, broad beans and lupins) decreased in 2018/2019, particularly for field peas (-9 % compared with last year) and somewhat less for broad beans (-4 %), following the difficult sowing conditions in March. This resulted in a decline in production to just over 5 million t. Field pea production is expected to be 2.5 million t (10 % down from the previous year). Despite smaller area, broad bean production increased compared with last year, to 2.2 million t (+3 %). Lupin production rose to 338 000 t.

Overall, 2018/2019 protein crops production has been affected by lower area and adverse sowing conditions, rather than a decline in yields.

Graph 9: EU protein crops production (1 000 t)



Source: DG Agriculture and Rural Development, based on FAOSTAT

SUGAR

Market developments in the EU

	2017/2018	2018/2019
Production	↑ +26%	↓ -9.3%
Exports	↑ +149%	↓ -20%
Imports	↓ -46%	→ +0.0%
Consumption	↑ +5.6%	→ +0.0%

Compared with previous season

Quota abolition prompts record production in 2017/2018

The 2017/2018 marketing year (now coming to a close) has been characterised by significant shifts resulting from the abolition of EU production quotas.

Beet production reached 142 million t, a level never reached in the past 15 years and 27 % above the last five-year trimmed average. Drivers behind the exceptional harvest are the 17 % increase in area to 1.75 million ha and unprecedentedly high yields of 81.6 t/ha (13 % above the five-year average). EU sugar production reached 21.1 million t, 26 % more than in 2016/2017.

The end of production quotas also meant the lifting of the WTO restriction on exports. The additional availability boosted exports significantly, to an estimated 3.3 million t (+149 % compared with the five-year average). At the same time, due to lower domestic prices, imports fell to an estimated 1.3 million t, just over half the average in previous years.

World sugar surplus keeps prices down

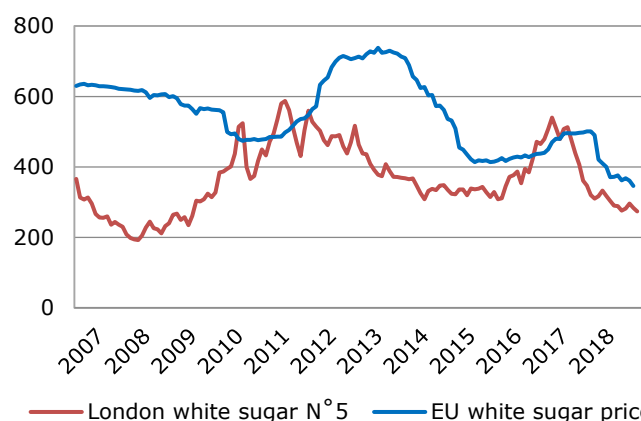
World sugar production in 2017/2018 is now estimated at 185 million t, i.e. above the 176 million t consumption level (ISO). The excess supply has put severe pressure on world prices, which have fallen steadily over the last two years from a peak of EUR 540/t in October 2016 to EUR 274/t in August 2018, the lowest level since 2007. In July 2018, the EU price was EUR 346/t, compared with a world price of EUR 284/t.

Hot summer lowers EU sugar beet production forecast for 2018/2019

The EU sugar beet area for 2018/2019 is estimated to contract only slightly, by 29 000 ha (-1.7 %), with a lower area forecast in Croatia, Austria and Poland. Two-to-three year contracts do not allow for

significant changes in area and price signals came in too late to influence sowing decisions for this marketing year.

Graph 10: World and EU white sugar prices (EUR/t)

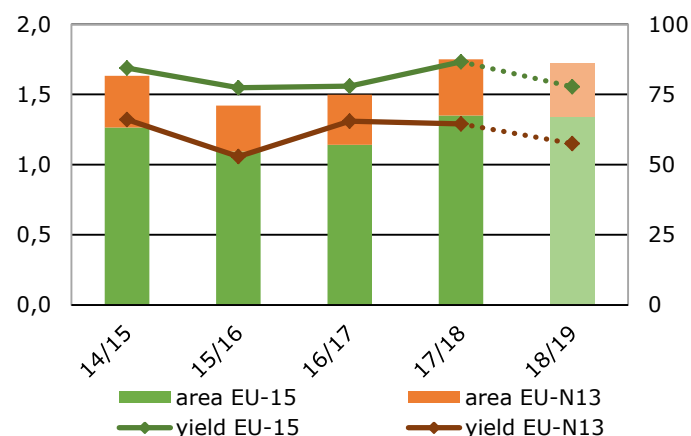


Source: DG Agriculture and Rural Development, based on the London Exchange and the European Central Bank

In early spring 2018, delayed planting due to bad weather raised some concerns, but this was partly offset in the warm months that followed. However, the prolonged drought over the summer significantly affected the growth of beet in most of the EU and the rainfall at the end of August allowed crops to recover to a limited extent only. While the beet campaign started in a number of countries in early September, some producers (e.g. in the UK) postponed it to October to give crops more time to mature.

The average beet yield for 2018/2019 is forecast at 73.3 t/ha, well below the yield in the previous marketing year and 3 % below the five-year average. This would put 2018/2019 beet production at 126.2 million t.

Graph 11: Sugar beet area (million ha, lhs) and yield (t/ha, rhs)



Source: DG Agriculture and Rural Development, based on Eurostat and JRC MARS AGRI4CAST

Sugar content is forecast to be slightly higher than in previous years, thanks to the warm, sunny weather. This remains to be confirmed in the coming months (there is a risk of sugar content losses in the event of extreme temperatures during storage).

Sugar production is forecast at 19.2 million t, i.e. 9 % lower than in the previous marketing year, but still 8 % above the five-year average. Little change is expected in imports, while the lower availability on the EU market and the low world sugar prices could translate into lower exports.

Lower world production forecast in 2018/2019

After the record level in 2017/2018, world sugar production is also forecast lower in 2018/2019. This could relieve some pressure on the world market, although the forecast world surplus remains high, at 6.7 million t (ISO).

Very dry weather conditions led to a smaller harvest in Brazil, but had a positive impact on sugar content. More important is the significant redirection of the cane crop to ethanol production following the government's RenovaBio program.⁴ In mid-September, only 36.5 % of the cane had been directed to sugar production, as compared with 48.5 % at the same time in the previous marketing year. This could translate into 2018/2019 sugar production being 20 % down on the 41.5 million t in 2017/2018.

Thanks to policy support,⁵ India further increased its sugar cane area for 2018/2019. With production forecast at almost 37 million t, India could overtake Brazil as the world's largest sugar producer. Many uncertainties remain, in particular as to whether accumulated stocks will be used for ethanol production or released on the world market⁶.

Reductions in sugar production are forecast in Thailand and Pakistan, where lower prices delayed planting decisions and led to a partial switch to other crops.

Further cuts in sugar production in 2019/2020?

The time gap between price signals and production decisions means that historically low EU sugar prices in 2017/2018 will probably impact production in 2019/2020. We have already seen first indications of a planned reduction in sugar beet area. For example, Royal Cosun (Netherlands) announced its intention to reduce the harvest by 10-15 %. In the UK, British Sugar announced that it would be offering only annual contracts from 2019/2020 onwards. Similarly, at global level, more cane producers will be tempted to switch to other crops.

⁴ The program promotes the expansion of biofuel demand, a.o. through a minimum ethanol blending target of 30 % and a minimum fuel ethanol share of 40 % in 2022.

⁵ India introduced production subsidies to sugar cane growers to help sugar mills to pay the state minimum price to cane farmers in a context of low world sugar prices.

⁶ The Indian government has recently increased the state advisory price for ethanol from sugar cane. It also proposes introducing a transport subsidy on exported sugar.

3. SPECIALISED CROPS

APPLES

Market developments in the EU

	2017/18	2018/19
Production	↓ -20%	↑ +28%
Exports	↓ -43%	↑ +98%
Imports	↑ +59%	↓ -41%
Consumption	↓ -5.9%	↗ +4.2%

Compared with previous season, for fresh and processing

High production of apples in 2018

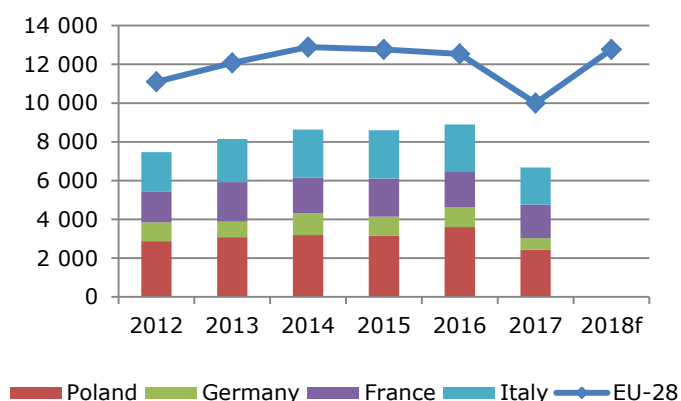
EU apple production is expected to rise by 28 % in 2018/2019 compared with last year, to 12.8 million t (+2 % compared with the last five-year average). Production was low in 2017/2018, due to hailstorms and cold spells in April and May 2017, but weather conditions have been very favourable for apple production this spring, driving 2018/2019 production upwards, and this prompted higher forecasts earlier in the year. Over the summer, however, production in Germany, Denmark, Sweden, the Baltic states and some parts of France and Italy was affected by drought or other climatic events, such as localised hailstorms.

The weather conditions have also affected the quality of production. As a result, it is expected that more apples will go into processing (+54 % compared with last year; +10 % compared with the last five-year average). In addition, the proportion that cannot be processed ('waste and feed') is expected to increase slightly.

Apple exports expected to increase

Due to the lower supply, the EU **exported** only 734 000 t of fresh apples and 503 000 t of processed apples⁷ in 2017/2018, which was a significant drop from 2016/2017 (-50 % and -29 % respectively). The increase in production in 2018/2019 will drive apple exports up again. However, fresh apple exports are likely to reach average levels only, while exports of processed apples are expected to increase significantly (+49 % compared with the last five-year average), thanks to the healthy supply of apples for processing.

⁷ In fresh apple equivalent

Graph 12: EU production of apples for fresh consumption (1 000 t)

Source: DG Agriculture and Rural Development, based on Eurostat

By contrast, EU **imports** of fresh and processed apples in 2017/2018 (551 000 t and 1.5 million t respectively) increased significantly compared with 2016/2017 (+27 % and +74 %), driven by the shortage of supplies on the EU market. Imports are expected to fall again in 2018/2019 (by 27 % and 47 % respectively), due to the large supply.

Consumption expected to recover

In 2017/2018, EU apple **consumption** fell more significantly than in previous years. Apart from a general declining trend, this was driven by higher-than-usual prices and low availabilities. For example, prices for Gala apples in the four main producing countries increased by 20 % (Italy) to 120 % (Germany) compared with 2016/2017. For the Golden variety, increases ranged from 27 % (France) to 120 % (Germany) over the same period.

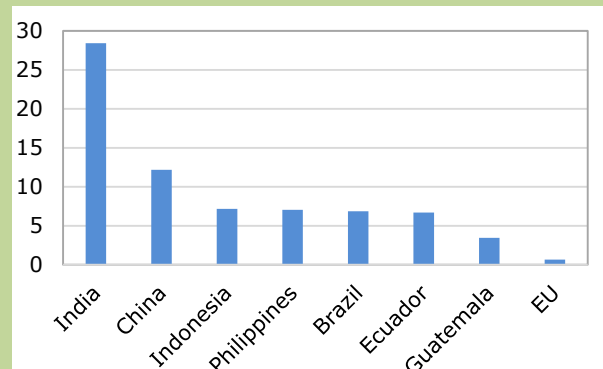
In 2018/2019, consumption is expected to increase by 2 % compared with last year, but it should still be below average (-1 %).

BANANAS

EU consumption of bananas dynamic as imports from Latin America grow

EU banana production is stable and represents a very small proportion (under 1 %, i.e. around 0.6 million t) of the expanding world production of close to 120 million t. It is located predominantly in the EU's outermost regions, e.g. the Canary Islands, Martinique, Guadeloupe and Madeira.

Graph 13: Banana production, 2012-2016 average (million t)



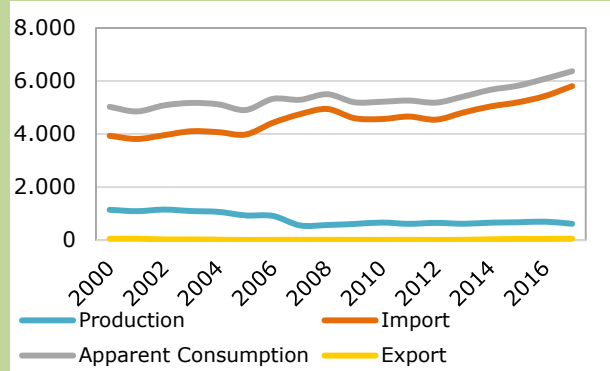
Source: DG Agriculture and Rural Development, based on FAOSTAT

World trade in bananas amounts to around 17 million t, just under 15 % of world production. It has been increasing steadily in recent years, by around 2 % per year.

The EU and the USA account for over 50 % of world imports, the rest being imported by Asian countries (Japan, China and South Korea), Russia and other non-producing countries such as Canada and Argentina. China and Russia have seen particularly strong import growth in recent years. Five countries (Ecuador, the Philippines, Costa Rica, Guatemala and Colombia) are responsible for over 80 % of world exports, but growing proportions are being exported by other Latin American countries.

EU imports (close to 6 million t in 2017) have grown by around 3 % a year in the last 10 years and by 5 % a year since 2012, following the lowering of EU tariffs under the WTO's Geneva banana agreement. A large proportion (over 80 %) of EU imports comes from Latin America, principally Ecuador, Colombia and Costa Rica (over 1 million t each), while the ACP countries have a share of around 20 % (three main exporting countries: Dominican Republic, Ivory Coast and Cameroon, with around 300 000 t each). With stable EU production and minimal re-exports, this results in dynamic consumption of bananas.

Graph 14: EU balance sheet for bananas (1 000 t)

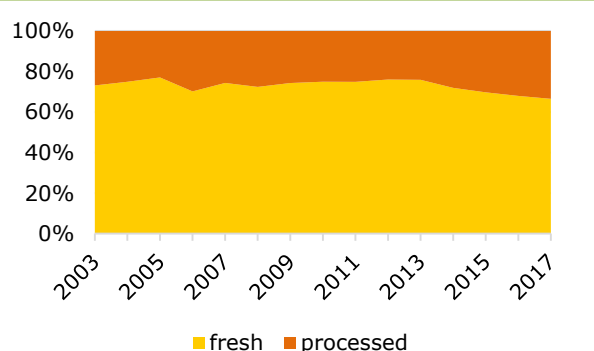


Source: DG Agriculture and Rural Development

Average sales of bananas to **consumers** have grown steadily in the past 15 years, from 7.7 kg per capita a year in 2003 to 8.4 kg in 2017 (+0.6 % a year on average). Sweden and Spain are the two Member States with the highest consumption levels of fresh bananas (12 kg per capita a year), followed by Germany (over 10 kg), while consumption is below 6 kg in central eastern European countries and below 2 kg in Romania and Bulgaria. In most eastern European countries, consumption has grown strongly in the last five years, as also in France and Germany (over +2 % a year).

The use of bananas by the **processing industry** (baby food, mixed juices and smoothies, etc.) has increased even more, with average double-digit growth in the EU (+12 %) in the last five years, both for domestic use and for exports as processed food. As a result, 'other uses' of bananas accounted for close to 35 % of domestic consumption of bananas in the EU in 2017 (as against 25 % 10 years ago).

Graph 15: EU consumption of fresh and processed bananas (%)



Source: DG Agriculture and Rural Development from Euromonitor

OLIVE OIL

Market developments in the EU

	2017/2018	2018/2019
Production	↑ +24%	↗ +2.9%
Exports	↘ -0.5%	↑ +6.4%
Imports	↑ +83%	↓ -40%
Consumption	↑ +19%	↘ -2.5%

Compared with previous season

High world production in 2017/2018 pushed prices down

EU **production** of olive oil in the 2017/2018 campaign, which has just ended,⁸ is 24 % higher than in the previous season, which was badly affected by adverse weather, and 18 % higher than the last five-year average.⁹ The strongest recovery was seen in Italy (+135 %, 429 000 t), followed by Portugal (+94 %, 135 000 t) and Greece (+77 %, 346 000 t). On the other hand, Spain's production dropped by 3 %.

Ample supply on the world market pushed **prices** down. In the period to August, average EU producer prices for virgin olive oil dropped by 10 % compared with the last campaign, to EUR 277/100 kg, but they are still 12 % above the last five-year average.

Slowdown of EU exports

Despite the drop in prices, EU **exports** continue to lag behind last year's level (-1 %, from October to July). To some extent, this is due to the significant available quantities on the market outside the EU. For example, in July EU exports to the USA, the biggest EU export market, were almost 29 000 t below last year's level (-15 % year-on-year).

At the same time, exports from Tunisia and Turkey to the USA increased markedly (+178 % and +83 % respectively), more than compensating for the decline in US imports from the EU. Besides abundant supply, lower production costs and good quality¹⁰ could be considered the main driving forces of the expansion of Tunisian exports.

Despite growing shipments to Brazil (+48 %), Australia (+8 %) and Canada (+13 %), EU exports are likely to reach only 555 000 t for the whole campaign (-1 % compared with last year).

⁸ The olive campaign runs from 1 October to 30 September.

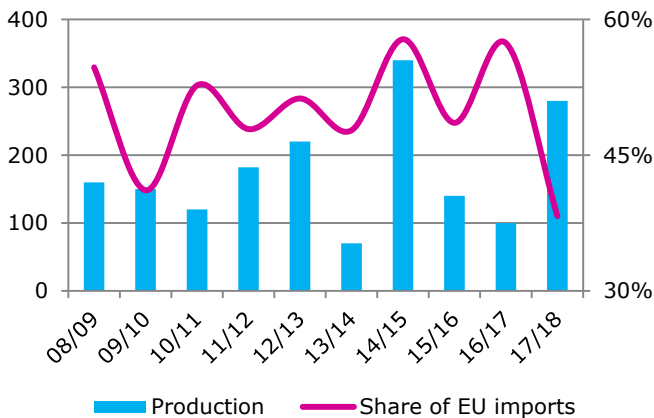
⁹ Calculated as a trimmed average.

¹⁰ Due to the hot climate, pests are rare and there is less of a need for pesticides.

EU imports and consumption up

Despite the good harvest, EU olive oil **imports** continue to grow. In the period to July, they had already doubled compared with the same period last year. Tunisia is the EU's main supplier, with a 70 % share (including inward processing). In the past, it exported around 45-55 % of its total production to the EU. The proportion is likely to be less this year, due to the good EU harvest and Tunisia's increased shipments to other countries, but the EU is still expected to import around 166 000 t, well above (+46 %) the last five-year average.

Graph 16: Tunisian production (1 000 t) and share of EU imports



Note: EU imports from October until July

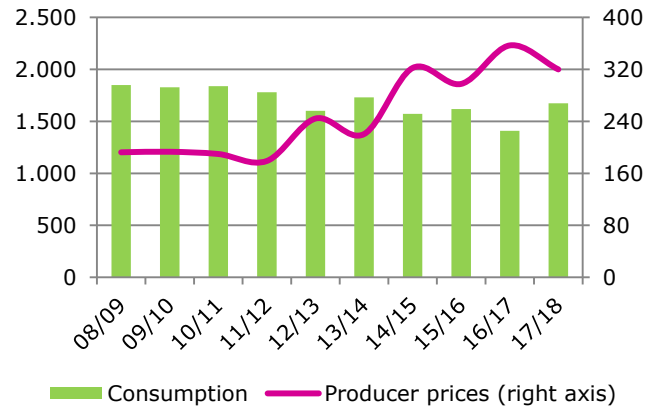
Source: DG Agriculture and Rural Development, based on COI and Comext

This will result in higher availabilities on the EU market in the current campaign. However, not all imports will be consumed domestically, as those imported under the inward processing arrangements will be re-exported. From the beginning of the campaign until July, more than three times as much olive oil was imported under inward processing than in the same period last year. On the other hand, 'normal' imports (i.e. not for re-export) grew by +32 %.

This will result in an overall **consumption** recovery in the 2017/2018 campaign (5 % above the last five-year average), due also to consumer responsiveness to the lower prices (as seen in the past).

Stocks are likely to recover significantly, to 430 000 t (8 % above the last five-year average).

Graph 17: EU consumption (1 000 t, lhs) and average annual producer price (EUR/100 kg, rhs)



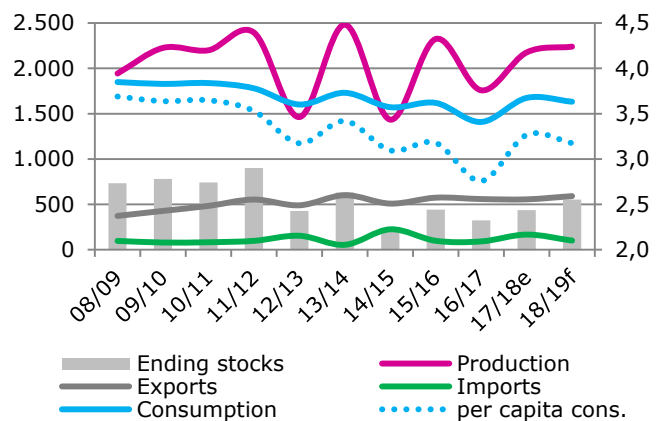
Note: The 2017 price is an average of October–August prices.
Source: DG Agriculture and Rural Development, based on COI and Comext

Expectations for 2018/2019

Production in the **next campaign** is estimated at 2.2 million t (+2 % year-on-year), mainly driven by a recovery in Spain (to an estimated 1.6 million t) and sustained production in Portugal (130 000 t). In Italy, bad weather (especially spring frosts and short but intense rains in the summer) and the incidence of *Xylocopa* in the Salento region could severely restrict production, to 270 000 t (down by a third year-on-year). A drop of 30 % is also expected in Greece, bringing production down to 240 000 t.

EU exports could strengthen in the next campaign (+6 % year-on-year) and return to trend, given the main competitors' lower availabilities after a good campaign this year, and EU exporters' promotion activities on Asian markets. Increased production may mean that the EU imports up to 40 % less.

Graph 18: Balance sheet for EU olive oil supply (1 000 t, lhs) and per capita consumption (kg, rhs)




Source: DG Agriculture and Rural Development, based on Comext, COI and Member State notifications

4. DAIRY

MILK

Market developments in the EU

	2018	2019
		
Milk collection	↗ +0.8%	↗ +0.9%
Dairy herd	↘ -0.3%	↘ -0.4%

Compared with previous year

Summer drought slowing down milk production

In the period to July, EU **milk collection** was almost 2 % higher than last year. However, exceptionally dry and warm conditions over most of the summer in central and northern Germany, Benelux and north-eastern France had a severe impact on grassland growth and forage production. Pasture productivity since July in these countries has been the lowest for 20 years. By contrast, damp conditions favoured grass growth in the main grassland areas of Poland. In addition, precipitation at the end of the summer allowed the grass to recover in Ireland.

In Germany and France, the drop in collection as a result of the drought lasted a few weeks only (in August) and milk production is now back to last year's level. Nevertheless, in the second half of the year, EU-28 collection is expected to be 0.3 % down on last year, when weather conditions were good, as farmers may face a lack of forage. This could limit the overall annual increase to 0.8 % compared with 2017.

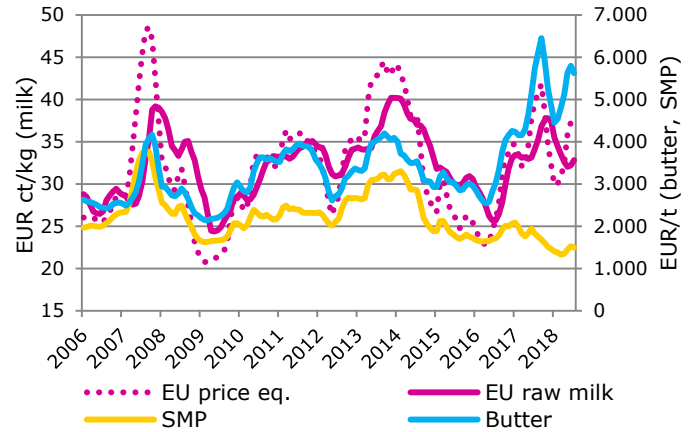
Production in the second half of the year will probably be determined by precipitation and the existence and duration of mild autumn temperatures. Farmers may use compound feed to compensate for the shortage of forage, but this will depend on the margins offered. Nevertheless, as regards the main milk-producing countries, production is expected to be higher than last year in Germany, Belgium, Italy, Poland and Spain, with sustained growth of around 2-3 %. On the other hand, collection is likely to be below last year's in Ireland and (mostly because of requirements to reduce phosphate emissions) in the Netherlands.

The forage shortage may have an impact at the beginning of next season. However, given the sustained demand for EU dairy products, while possible weather disruption remains unpredictable, milk collection could grow in 2019, by 0.9 %.

Higher prices for skimmed milk powder (SMP) and more stable butter prices helped the **EU milk price equivalent** up to EUR 36/100 kg in July. The **EU raw milk price** is correlated with ingredient price developments with a delay of a few weeks. In July, it

was over EUR 33/100 kg, 5 % down year-on-year. Given the seasonal pattern, it could increase slightly by the end of the year. Nevertheless, margins may remain stretched, due to increased production costs (not only for animal feed, but also for energy).

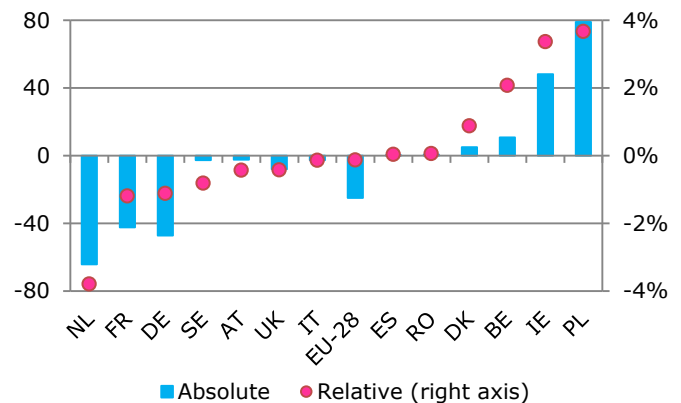
Graph 19: EU monthly dairy prices



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

Small decline in dairy cow herd

Graph 20: Change in number of dairy cows



Source: DG Agriculture and Rural Development, based on Eurostat May-June livestock survey

Due to the lack of fodder, some farmers have brought cow **slaughterings** forward, which has resulted in shorter lactation periods. In the first half of 2018, for which we have consolidated figures, cow slaughterings increased by 1 %¹¹ only, but over the summer they increased further. At the same time, slaughterings of heifers continued to rise. In the period to June, there were 6 % more than last year, hinting at a lower replacement rate of dairy cows. The latest Eurostat **livestock survey** (May-June)¹² indicates a 0.1 % drop in dairy cow numbers compared with the same period last year. The dairy herd continued to grow (by

¹¹ This applies to both suckler and dairy cows.

¹² The Member States that report in the May-June survey (Austria, Belgium, Denmark, Germany, Spain, France, Ireland, Italy, Netherlands, Poland, Romania, Sweden and the UK) account for around 90 % of the EU dairy herd.

around 3 %) in Ireland and Poland. The number of dairy cows dropped most in the Netherlands, by 4 %, largely due to increased slaughterings due to the obligation to reduce phosphate emissions.

As a result of the low forage availability, milk **yield** is expected to increase at a lower rate than last year (+1 %).

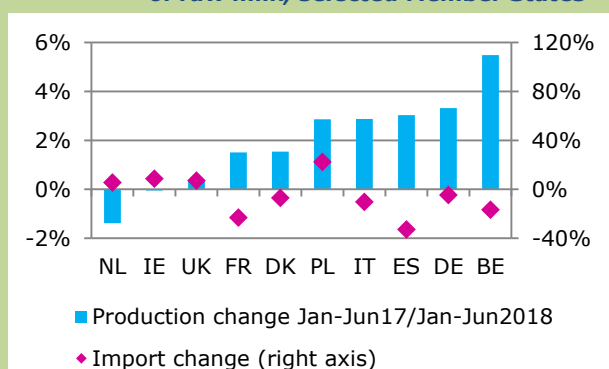
Milk collection affecting imports of raw milk

The reduced milk collection in some Member States stimulates imports of raw milk from neighbouring Member States to fill processing capacities and satisfy industrial and consumption demand.

In the Netherlands, milk production declined by nearly 2 % in the first half of the year (because of restrictions on phosphate emissions), but this did not lead to a significant change in the production of dairy products. In particular, production of butter and cheese, the Netherlands' two main dairy products, continued to grow compared with last year. In the period to June, the production of butter was up by 3.7 % and cheese by 2.5 %. The extra imports of raw milk in the first half of 2018 (+5 %) are mainly (81 %) from Belgium.

Ireland, which suffered colder and then drier-than-usual weather conditions in the spring and over the summer, imported 9 % more milk from the UK, most likely from Northern Ireland. By contrast, big milk-producing Member States, which saw production recover compared with last year (e.g. Germany, France), imported less in January-June than in the same period last year. In Belgium, Italy and Spain, significant production growth meant that there was less of a need for additional imports of raw milk.

Graph 21: Changes in milk production and import of raw milk, selected Member States



Source: DG Agriculture and Rural Development, based on Eurostat

DAIRY PRODUCTS

Market developments in the EU

	2018	2019
Production	➡ +0.3%	➡ +0.6%
Exports	➡ -0.1%	➡ +4.5%
Imports	⬆ +12%	➡ +0%
Consumption	➡ +0.3%	➡ +0.7%

Compared with previous year, in milk equivalent

Slowdown in world dairy export growth

In the period to July 2018, **world dairy exports** expanded by 3 %, resulting in total shipments of 34 million t milk equivalent.¹³ EU shipments decreased by almost 2 %, while New Zealand's remained stable. The USA maintained its strong growth (+20 %), but in absolute value US trade remains lower than the EU's and New Zealand's. It is the first time in the last five-year period that EU exports decreased in January-July. Nevertheless, the EU remained the world's leading dairy exporter.

In 2018, **demand** for EU dairy products is expected to stay relatively stable at home and abroad. The EU's position on the world market will depend on its **main competitors' production** performance, and on global demand.

As regards the former, US milk production growth is expected to slow down. Farmers' margins are being squeezed by low milk prices, forcing them to sell off cows. This is seen as a consequence of the tariffs imposed on US exports, in particular this summer by China, Mexico and Canada. The result is that milk production exceeds the shrinking demand. In July, China's tariffs on US exports of various dairy products resulted in an overall decline of 12 % in traded volume (milk equivalent). Whey, which makes up around 85 % of US exports, accounted for 80 % of the drop.

Production in New Zealand is expected to increase compared with last year. Delayed calving at the beginning of the season will drive milk production growth in the coming months, in a context of generally favourable weather conditions.

¹³ Based on exports from the EU, the USA, New Zealand, Argentina, Australia, Uruguay and Belarus of cheese, SMP, WMP, butter, fresh dairy products and whey, using the following coefficients: 3.58 for cheese, 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.

In Australia, production is reduced by the combined effect of drought, which complicates the sourcing of hay, and higher costs for farm inputs.

On the demand side, after several years of rapid expansion, Chinese imports in January-July recorded the lowest growth for three years (+4 %, as compared with +22 % in 2016 and +17 % in 2017). Quantities of EU exports to China in the same period also grew less (+0.5 % compared with +6 % last year). Nevertheless, quality products (which remain the leading segments in the export product mix) are on the rise. In the period to July, infant formula exports grew by 30 % and cheese by 6 %.

EU cheese production offers good returns

Although cheese prices are below last year's levels, **cheese** processing still offers the best returns. EU cheese prices rose from the beginning of the year, especially for cheddar (+7 % from January) and edam (+8 %) and remained relatively stable from the end of May, with cheddar reaching EUR 3 350/t in mid-September.

The increased milk collection in the first seven months of 2018 resulted in 2 % growth in EU cheese **production** compared with last year. Despite an expected drop in collection in the rest of the year, cheese production is expected to keep on growing, by 2 % overall, as domestic and world demand remain strong. On the EU market, **consumption** is expected to grow by 1 %, driven mainly by industrial use, but also by retail sales in southern Europe.

In January-July, EU cheese **exports** were relatively stable compared with last year. As regards the main destinations, increasing quantities went to Japan (+13 %) and Switzerland (+4 %). Shipments to Algeria and Lebanon also increased (+5 % and +8 % respectively).

On the back of a steady upward trend in Japan and other growing export markets, EU cheese exports could grow in the second half of the year; overall EU exports are expected to grow by 1.5 % in 2018.

Significant SMP stock release

In the period to July, EU **SMP production** grew by close to 3 % compared with the same period last year, supported by higher milk supply. In mid-September, the SMP price was EUR 1 580/t, over 13 % higher than in January. It had been increasing since April and levelled out at EUR 1 630/t at the beginning of September, still 19 % below the last five-year trimmed average.

In the first seven months of the year, EU **exports** decreased by 1 %.¹⁴ Nevertheless, exports to the Middle East (which includes some of the EU's main export destinations) grew significantly. Exports to Algeria (+16 %) and Egypt (+66 %) grew the most. By contrast, exports to the main Asian markets (Indonesia, Philippines, Vietnam) continued to fall. Those to some other markets (e.g. China) improved slightly, but still remained below last year's levels. Given the recent trends, EU exports are expected to grow by just 2 % for the whole year.

With the upcoming seasonal slowdown in milk collection, overall SMP production growth in 2018 is expected to be only slightly above last year's level, partly as a result of the lower protein content of milk and higher processing demand for other protein-based products with strong export potential (infant formula, fat-filled powders).

So far, despite the production increase in a context of stable exports, around 141 000 t of SMP have been sold from **intervention stocks**. As a working hypothesis, moderate production growth, a 2 % increase in exports and 4 % more domestic use would allow the release of an additional 24 000 t. In this scenario, private stocks could increase to 155 000 t, while intervention stocks would decline to 211 000 t.

WMP market 'cannibalised' by other protein-based dairy products

Since the beginning of the year, EU **production** of whole milk powder (**WMP**) has continued to decrease: in July, it was more than 5 % below last year's level. General trends on the protein market suggest further growth in the production of other products that make better use of dairy proteins, e.g. cheese, and particularly infant formula and fat-filled powder. The latter is based on vegetable fat and the high butter price is another incentive to produce/buy it rather than WMP. In addition, the EU is facing competition from New Zealand and South America, the main WMP exporters.

As a result, in January-July shipments from the EU were 13 % lower than in the same period last year. It is likely that this trend will continue and EU exports will decline by 10 % this year. Therefore, WMP production is likely to decrease by over 6 %.

Butter market remains undersupplied

Despite a 2 % rise in EU milk production in the first seven months of 2018, EU **butter production** increased by 1 % only, notably because milk fat content is currently around 1 % below last year. The butter market therefore remains undersupplied, leading to high prices, which peaked at EUR 5 800/t in

¹⁴ Comext revised its trade figures in September, due to corrections made by the Netherlands.

June but then declined to stabilise at EUR 5 600/t in mid-September (53 % above the last five-year average).

In January-July, EU **exports** dropped sharply (-14 %) compared with the same period last year, because of short supply and high prices. With respect to **import** sources, Ukraine is growing steadily, representing 51 % of EU butter imports in January-July, followed by New Zealand, which accounted for 34 %.

Given the slowdown in milk collection growth, it is likely that the recovery in EU butter production will be lower than expected at the beginning of the year. In the end, production could be close to last year's level. In order to satisfy domestic needs, imports are likely to increase to at least 7 million t (quantities allocated under preferential import quotas), while exports are expected to fall (-5 %).

Exports of yogurt up

The ongoing drop in EU **drinking milk** exports (-2 % in January-July compared with the same period last year) and the decreasing trend in EU domestic consumption of drinking milk will probably restrict production further (-0.8 %). In January-July, it was 1.2 % below last year's level.

Yogurt production is recording cumulative growth of 0.6 %. This is strongly driven by expanding exports, which were 21 % higher in the period to July than in the same period last year. This will also lead to a further production increase next year. EU **cream** production is affected by the lower fat content of milk; in January-July it was slightly below last year's level (-0.6 %), but it will probably stabilise in the second part of the year. Exports in the period to July remained at last year's level, with potential to grow further. In total, exports of fresh dairy products are expected to be 2 % above last year's level.

Higher dairy production and exports in 2019

In **2019**, EU production of dairy products is expected to increase by 0.7 % (milk equivalent), driven mainly by cheese (+1.5 %). Growth is also expected in cream and butter production (around 1 %) and for SMP, but on a smaller scale (+0.3 %). In the case of liquid milk, production will probably continue to decline (-1 %). Demand for European dairy products is expected to remain strong, resulting in increased domestic use (+0.8 %) and exports (+4 %).

5. MEAT

BEEF

Market developments in the EU

	2018	2019
Production	 +1.6%	 -0.1%
Exports	 -8.0%	 -2.0%
Imports	 +6.0%	 +2.0%
Consumption	 +1.8%	 -0.2%

Compared with previous year, net production and meat trade

EU beef production up in 2018

According to the May-June 2018 livestock survey, the **total cow herd** in the reporting Member States¹⁵ was 0.6 % smaller than a year before. Most Member States, now including Poland, reduced their suckler cow herd (by 1.5 % or 130 000 heads). However, Spain and Sweden, recently joined by the Netherlands and Italy, continued to expand their herds. The dairy cow herd declined, by 270 000 heads. The sector is restructuring in some Member States, with notable declines registered in Germany, France and the Netherlands. On the other hand, Poland and Ireland continued to expand their dairy herd, and Belgium started to do so. Overall, the total reproductive bovine herd in the EU has contracted by 625 000 heads in two years.

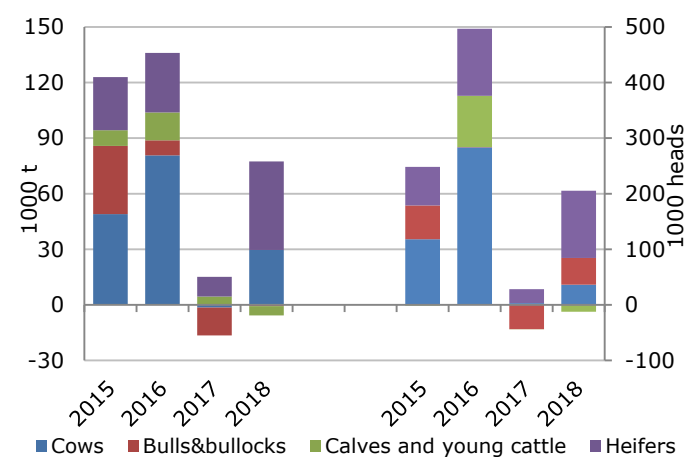
Beyond structural adjustments, changes in EU beef production are also explained by short-term effects, such as the recent drought in many Member States and the lack of grass, leading farmers to bring forward the slaughtering of breeding animals. As a result, net beef production in the EU increased in the first half of 2018 by 1.9 % year-on-year. The growth was mainly attributable to slaughterings of cows and heifers. The proportion accounted for by adult males was stable, with lower carcass weight but more slaughterings.

EU net **beef production** is expected to increase in 2018 (+1.6 %) and to stagnate in 2019. This is significantly above previous expectations, as it includes higher slaughterings due to drought and the significant reduction in the beef herds in France, the UK, Italy and Austria. From September onwards, slaughterings are expected to slow down, due to recent rainfall and more favourable pasture

¹⁵ The Member States that report in the May-June survey (Belgium, Denmark, Germany, Ireland, Spain, France, Italy, the Netherlands, Austria, Poland, Romania, Sweden and the UK) account for 85-90 % of the EU's bovine livestock.

conditions. Still, winter slaughterings may increase, due to a shortage of forage (silage or dried fodder).

Graph 22: Year-on-year changes in EU beef slaughterings by category in the first half of the year



Source: DG Agriculture and Rural Development, based on Eurostat

EU beef exports down

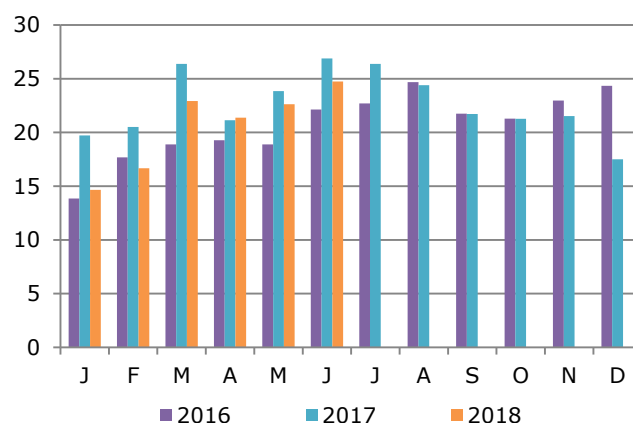
EU **exports of live bovine animals** in the first half of 2018 were 11 % higher than a year before. The EU's key partners are in the Mediterranean area. Turkey, the main (and expanding) export destination, absorbed nearly a third of EU live bovine exports. Libya, Lebanon and Israel also remained key destinations, though buying fewer animals. By contrast, EU exports to Morocco and Tunisia increased and those to Algeria more than doubled, as the country exempted live animals (unlike meat products) from its import ban. However, live exports are expected to weaken significantly in the second half of 2018, restricting growth for the year to 1.5 %. This is due to the macro-economic situation in Turkey (high inflation and devaluation of the Turkish lira) and expected competition from other exporters, such as Uruguay and Brazil. Live exports are expected to stabilise in 2019.

EU **beef exports** were 11 % lower in the first half of 2018, but that is compared with exceptionally strong exports in the first half of 2017. Among key EU partners, only exports to Turkey and Israel grew significantly (Turkey kept its border open, unlike in the first half of previous years). Morocco and Tunisia became emerging destinations (doubling their imports). Exports to other key destinations, such as Bosnia and Herzegovina, Switzerland, Algeria (which bans imports of meat, but not live animals), Hong Kong, Norway and the Philippines fell significantly (by 20-60 %).

EU beef exports in 2018 as a whole are expected to be 8 % lower than in 2017, returning to the 2016 level. There is reduced potential for expansion, *inter alia* in Turkey, where much will depend on the economic situation. Key world players (the USA,

Australia, New Zealand and Brazil) are exporting more to traditional EU export markets (Hong Kong, Israel, Switzerland and the Philippines) and are expected to continue putting pressure on the world market in 2018. The export downturn should level out somewhat in 2019 (-2 %), as EU shipments (mainly of low-value cuts) to smaller markets start to grow and access to certain (niche) markets opens up again.

Graph 23: EU monthly beef exports (1 000 t)



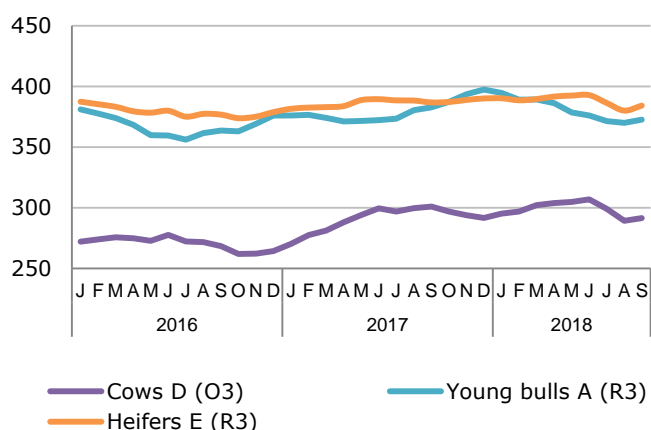
Source: DG Agriculture and Rural Development, based on Eurostat

Higher EU beef imports than a year ago

EU **beef imports** were 12 % higher in the first half of 2018 than in the same period in 2017. For 2018 as a whole, 6 % growth is expected. South American countries became most dominant on EU markets (accounting for nearly 80 % of imports); they were led by Brazil and Argentina, while imports from Uruguay declined. The rise in imports from Australia softened, as its exporters found other market opportunities in Asia. EU imports from the USA declined sharply (-10 %), as US traders significantly diversified their destination portfolio around the world. EU imports are expected to slow down in the second half of 2018 and in 2019, but key partners will continue to export to the EU, especially if prices remain attractive compared with other destinations.

Prices down from recent peaks

Beef prices declined strongly in August 2018, but started to recover in September. The EU price for young bulls fell from a December 2017 peak to below EUR 370/100 kg in August. The price of cows (category O3) and heifers started to fall later in June (below EUR 280/100 kg and EUR 390/100 kg respectively), in line with increased slaughterings. EU prices started to rise in September, marking seasonal developments, but they remain lower than a year ago. Overall, downward pressure on prices is to be expected, due to ample domestic and world supply and higher EU imports.


Graph 24: EU monthly price for certain categories of bovine animal (EUR/100 kg)

Source: DG Agriculture and Rural Development

Apparent **consumption of beef** in the EU (in a balance-sheet approach, i.e. production plus imports minus exports) is expected to increase moderately to 11 kg *per capita* (retail weight) in 2018 (+1.8 %). This reflects higher domestic supply, backed by solid imports and declining exports.

SHEEP

Market developments in the EU

	2018	2019
		
Production	📉 -1.2%	📈 +1.0%
Exports	📉 -15%	📈 +2%
Imports	📈 +1%	📈 +2.0%
Consumption	📉 -0.5%	📈 +0.9%

Compared with previous year, net production and meat trade

EU sheepmeat production down slightly in 2018

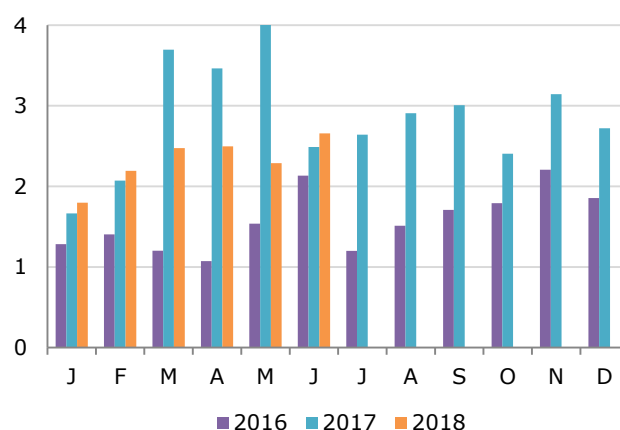
Net **sheep and goat meat production** in the EU fell in the first half of 2018, by 3.5 % year-on-year. None of the key EU producers reached the high of Easter 2017. Only Spain registered higher half-year slaughterings, while the number of ewes put to the ram stabilised in 2017. In Ireland and Romania, the high number of ewes put to the ram and the carry-over from 2017 did not lead to an increase in slaughterings. In Ireland and the UK, production has been tempered by a cold and wet spring, followed by a hot, dry summer, which affected grass availability and lambing rates (higher mortality). In Romania, the high number of ewes put to the ram and the carry-over from 2017 translated into sustained intra-EU export of live animals, except in the Easter period. Thanks to some recovery in the UK, net sheepmeat

production is expected to contract less (-1.2 %) in 2018 and recover slightly in 2019.

Exports back to 2016 levels

EU **exports of live sheep** in the first half of 2018 were 16 % lower than in the same period in 2017, and for 2018 as a whole they are expected to decline by 20 %. This drop can be mainly attributed to fewer shipments to two key destinations (Jordan and Libya, which cut imports from the EU by more than half), seemingly due to importers' liquidity problems. Exports diverted partly to three other key Mediterranean partners (Lebanon, Turkey and Israel) and other minor destinations, while part was traded within the EU. Exports are expected to decline in 2019 too, if the problems in Libya and Jordan persist.

Sheep and goat meat exports were 20 % lower in the first half of 2018 than in the same period in 2017 and for 2018 as a whole they are expected to be 15 % lower, returning to the 2016 level. As with live animals, key EU exporters such as Spain, Romania, Ireland and the UK did not manage to repeat the growth of last year, especially in March-May. Their exports to the key Middle East destinations of Jordan, UAE, Qatar and Libya were down compared with an excellent second quarter of 2017. Hong Kong and Switzerland, where the drops were smaller, are now the EU's top two partners. Given the fall in EU production and harsh competition from Australia (and to a lesser extent from New Zealand), exports are expected to decline significantly in 2018 and stabilise in 2019, despite the current increases in world prices.

Graph 25: EU exports of sheep and goat meat (1000 t)

Source: DG Agriculture and Rural Development, based on Eurostat

Imports stable in 2018-2019

EU **sheepmeat imports** in the first half of 2018 were comparable with the same period in 2017, and are expected to remain stable in 2018 overall. New Zealand's overall export expansion has stopped since 2016 and its exports to the EU do not seem to be increasing any further, for several reasons:

A smaller lambing crop is expected for the 2018/2019 season, as the sheep herd is unlikely to grow. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), implemented since March this year, supports a shift of exports away from the EU to Asian-Pacific markets, mainly China. The appreciation of the NZ dollar against sterling and the euro has made competition with EU lamb slightly tougher.

However, the UK, New Zealand's most important market, imported more lamb/mutton in the second quarter to compensate for tight domestic supplies. New Zealand still accounts for over 80 % of EU imports and the EU remains its second export destination after China. Australia, the second biggest exporter to the EU, fills its EU tariff-rate quota (TRQ) year after year, but this represents less than 10 % of all EU sheepmeat TRQs. A tight world market is reflected in price increases in Australia and New Zealand, in particular from April, closing the gap with EU heavy lamb prices. Imports are expected to stay broadly stable in 2018 and 2019.








Lamb prices follow seasonal downward trend

Heavy lamb prices in the EU have stabilised since July at EUR 470/100 kg, as supply and demand have come into balance. This is in line with seasonal developments, with a drop following a drastic rise above previous years' average levels (around EUR 630/100 kg in April and May). **Light lamb prices** have been below average levels, except in the Easter months, but have trended upward since June, to EUR 575/100 kg in September.

EU sheepmeat **consumption** is expected to remain stable (1.7 kg *per capita*) in 2018, after a 2 % drop in 2017. This will be linked to changes in production and imports, and somewhat tempered by lower exports. Consumption may pick up again once EU supplies recover and prices moderate.

PIGMEAT

Market developments in the EU

	2018	2019
Production	 +1.5%	 -1.0%
Exports	 +2.5%	 -5.0%
Consumption	 +1.2%	 -0.7%

Compared with previous year, net production and meat trade

Pig herd expansion halts

After two years of contraction, the EU **breeding-pig herd** expanded in 2017, following price rises since mid-2016. In 2018, prices are considerably lower and the latest (May-June 2018) livestock survey already shows the trend reversing in the main producing countries covered¹⁶ (compared with the December 2017 survey). Significant reductions in sow numbers were registered in Romania (-70 000 heads), Poland (-37 000) and Germany (-47 000), partly offset by growth in Spain (+57 000) and Italy (+26 000). The case of Poland is particularly relevant, as its herd had been growing consistently since 2015. Overall, the herd in the countries in question declined by 0.7 %.

Nevertheless, the herd reductions are not yet having an impact on production figures. In the first half of 2018, EU **pigmeat production** rose by 3.7 %, driven by considerable increases in Spain (+8 %), Poland (+9 %), the Netherlands (+6 %) and Denmark (+4 %). By the end of the year, growth should moderate year-on-year, for an expected total increase of 1.5 %. Production is expected to decline in 2019 (-1 %), as the reduction in herd size feeds through.

Uncertain world pork trade

Global pork trade could face significant shift in trade flows in the second half of 2018, due to trade tensions and the possible impact of African swine fever (ASF), which is spreading quickly in China, the main world producer and importer, and has affected some EU Member States (see text box).

The USA imposed tariffs on steel and aluminium imports from China (in March) and from Mexico and the EU (in June). In retaliation, China raised tariffs on US pork by 25 % in April and an additional 25 % in July, while Mexico has imposed a lower tariff (10 % in June, 20 % since July). According to the USDA, while total US exports grew by 9 % in January-July year-on-year, shipments to China fell significantly (-17 %) and those to Mexico slightly (-1 %). The EU has begun to export frozen pork to Mexico, but volumes are still small. On the other hand, in view of Russia's ongoing ban on its exports, Brazil directed substantially more to China, where they competed directly with EU pork.

China remained the main destination for EU pork **exports**, accounting for 35 % in the first seven months of 2018, followed by Japan with 12 %. Shipments to China were relatively stable in that period, at around 110 000 t a month, but fell by 2 % year-on-year. More significant was the drop in exports to Hong Kong (-36 %), although this was offset by increased exports to other destinations, e.g. South

¹⁶ Belgium, Denmark, Germany, Ireland, Spain, Italy, Hungary, the Netherlands, Austria, Poland, Romania, Sweden and the UK, which account for 85 % of the EU pork livestock. France is also included in the survey but data is not available yet.

Korea (+16 %), the Philippines (+11 %), the USA (+14 %), Ukraine (+34 %) and Vietnam (+33 %). Overall, EU exports grew by 1 %, with a 3 % increase for pigmeat and a 4 % decline for offal. EU pigmeat exports are expected to grow by 2.5 % over the year and decline in 2019 as production contracts.

African swine fever: state of play

African swine fever (ASF) is a viral infectious disease with a high mortality rate that affects domestic and wild pigs. It does not affect humans or any other animal species. It can be transmitted via direct animal contact or dissemination of contaminated food (e.g. sausages or uncooked meat). It is endemic in Africa, where warthogs carry the virus asymptotically. In Europe, there have been several outbreaks since 1957 and the disease has been endemic in Sardinia since 1978. The current epidemic started in Georgia in 2007 and reached Ukraine via Russia in 2012. By 2014, it was present in the Baltic states and Poland, spreading to the Czech Republic and Romania in 2017.

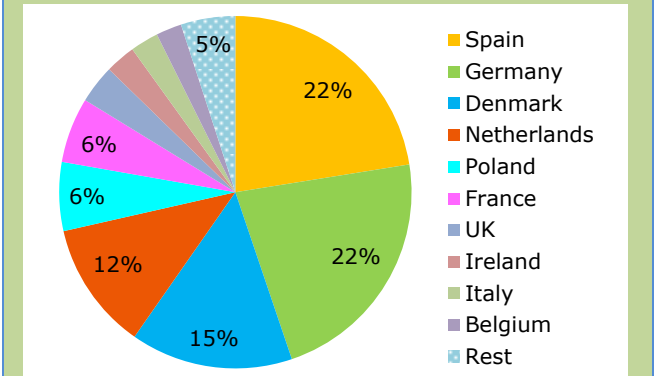
In May 2018, several infected wild boars were found in Hungary, one case was detected in a Bulgarian backyard farm at the end of August and a few infected wild boars were found in the south of Belgium in mid-September (the first cases of this episode in western Europe). New cases in domestic pigs were also detected in Latvia, Lithuania, Poland and Romania. In the case of Romania, many outbreaks have been detected this year, mostly in backyard farms, but also in larger commercial farms. As a result, more than 300 000 pigs have been culled so far in 2018, which will impact Romania’s pigmeat output. In Estonia, Hungary, the Czech Republic and Belgium, there have been no cases in commercial farms so far.

The EU has harmonised veterinary legislation on ASF preparedness, control, diagnosis and regionalisation, fully in line with international standards. It has also developed a strategy to fight the spread of the disease. To minimise the damage from ASF and prevent other countries from imposing unjustified or disproportionate trade restrictions on EU pigs and pig products, the EU applies the internationally recognised, science-based veterinary principle of regionalisation. Whenever an outbreak is confirmed, the EU, together with the Member State concerned, designates a disease-free area from which trade can take place safely and an infected area subject to trade restrictions.

ASF may have an immediate effect on trade, as the most recent outbreak in wild boar in Belgium has shown. Some of the EU’s trade partners do not recognise the regionalisation principle and 13 countries have suspended pork imports from Belgium; these include some of the main markets for EU pork: China, Japan, South Korea, the Philippines and Australia. As a result, Belgian

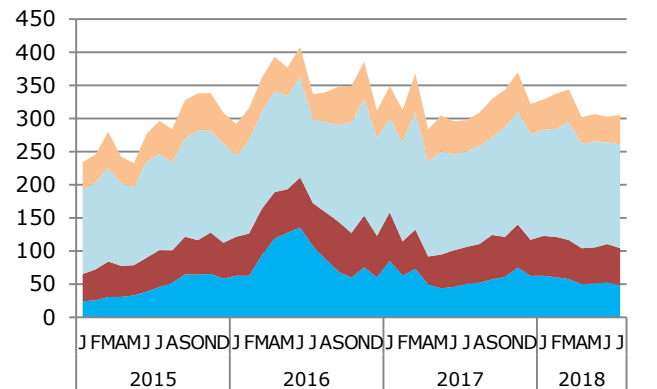
exporters will have to find new destinations for 60 % of their pigmeat exports, which account for 3 % of the country’s production. The overall impact on EU trade is still limited, but the situation could change if ASF spreads to other major producing countries.

Graph 26: EU pork exports by origin, January-July 2018



Note: by volume (meat in carcass weight, offal in product weight)
Source: DG Agriculture and Rural Development, based on Eurostat

Graph 27: EU pork exports (1 000 t, meat in carcass weight, offal in product weight)

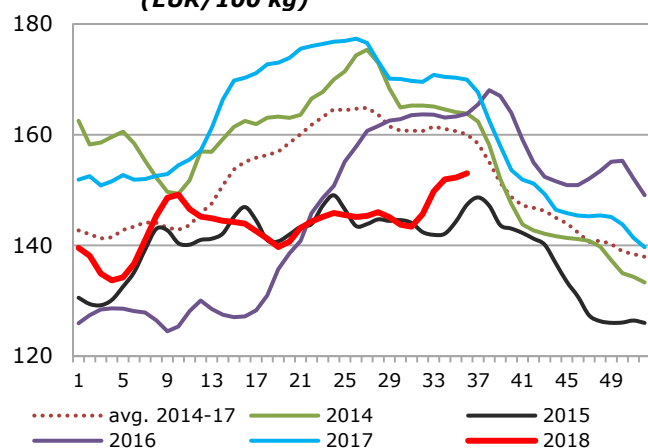


Source: DG Agriculture and Rural Development, based on Eurostat

Low pigmeat prices in 2018

EU pigmeat prices were below the last four-year average in January-August 2018 (-7 %), remaining around EUR 145/100 kg between March and mid-August, when they rose as supply tightened after the very hot summer slowed animal growth and delayed slaughtering.

Prices will remain under pressure, as production is still expected to increase by the end of the year, while much will depend on trade developments in the face of current uncertainties. Additional pressure will come from the historically low prices for exports from the EU’s main competitors (USA, Brazil and Canada).

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

Source: DG Agriculture and Rural Development

The **piglet price** hovered around the last four-year average until May, when it began a sharp seasonal decline to well below average levels, partly pushed by low pigmeat prices, which have discouraged fatteners. Only at the end of the summer did the decrease come to a halt, at around EUR 37 (23 % below last year's level).

EU **consumption** of pigmeat is expected to grow in 2018, to 32.5 kg *per capita*, as production grows more than exports, and decline in 2019, to 32.3 kg *per capita*, as production adjusts to price signals.

POULTRY

Market developments in the EU

	2018	2019
Production	↗ +2.2%	→ +0.2%
Exports	↗ +2.5%	↗ +1.0%
Imports	↘ -3%	↗ +10.0%
Consumption	↗ +1.6%	→ +0.4%

Compared with previous year, net production and meat trade

EU poultry production up

In the first half of 2018, **EU poultry meat production** was expected to grow year-on-year, given the impact of bird flu the previous winter. However, growth was higher than expected (+4 %), driven by a reduction in imports from Brazil, which kept EU prices higher than in the previous two years. Current production levels are expected to continue for the rest of the year. Taking into account the (already high) output in the second half of 2017, growth for the year is expected to be slightly above 2 %. In

2019, production could stabilise, but this will depend on the timing of a complete resumption of trade with Brazil.

In the first six months of 2018, poultry production rose in all the main producing Member States, with the exception of Italy, where it was down by 4 %. Output grew substantially in Bulgaria (+21 %), Hungary (+15 %), Romania (+9 %) and Poland (+8 %), France (+7 %), Germany (+6 %) and Spain (+4 %).

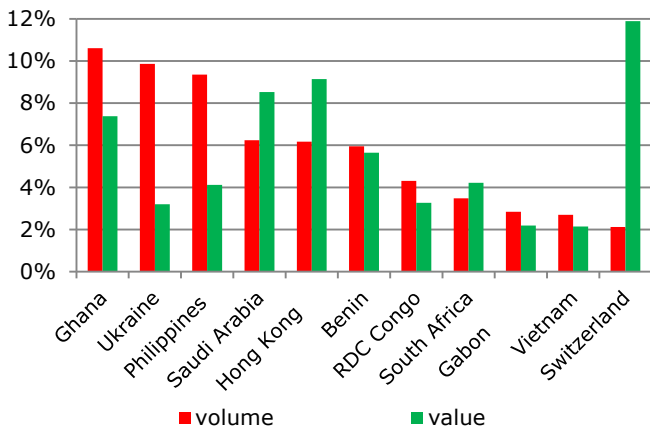
Production of ducks continues to grow faster than other species, driven by significant growth in Hungary, Poland, France and Spain. EU duck production in the first half of 2018 was 54 % higher than the limited production of 2017, which was impacted by severe bird flu epidemics, but also 26 % above the same period in 2016.

EU exports up, imports down

EU poultry meat exports kept growing in 2018, pushed by higher global demand and EU production. Between January and July, the EU shipped 46 500 t more than the previous year (+5 % in volume, +2 % in value). Exporters continued to show flexibility and offset drops in shipments to one country by shipments to others. In the same period, the main destinations for EU poultry (in volume terms) remained Ghana (11 % share), Ukraine (10 %) and the Philippines (9 %), with substantial increases in exports to all three destinations (+11 700 t, +18 300 t and +27 000 t respectively). Exports to Vietnam, Guinea and RDC Congo also increased significantly (+5 200 t, +4 600 t and +4 000 t). Exports to other relevant partners declined: South Africa (-19 000 t), which has restricted imports from the EU to around 4 000 t a month since July 2017, due to nationwide animal health measures against the majority of EU exporting countries, Benin (-15 800 t), Hong Kong (-10 400 t) and Liberia (-9 300 t). In value terms, Switzerland is now the main destination for EU poultry, with a 12 % share (only 2 % in volume), followed by Hong Kong and Saudi Arabia, with 9 % each. For the year as a whole, export volumes are expected to grow by just 2.5 %, as high exports were registered in the second half of 2017. In 2019, export growth will probably slow down.

EU poultry meat imports from Brazil have been facing difficulties, due to animal health issues since the Brazilian meat scandal of March 2017. Also, in May 2018 the EU rescinded 20 Brazilian plants' authorisations to export poultry to the EU over concerns on *Salmonella* checks. As a result, imports from Brazil fell by 38 % (-93 500 t) year-on-year in the first seven months of 2018. While Thailand (+16 700 t), Ukraine (+34 300 t) and Chile (+11 800 t) took up part of the slack, overall imports declined by 6 % over that period (-29 400 t).

Graph 29: Distribution of EU poultry meat export by main destination, January-July 2018



Source: DG Agriculture and Rural Development, based on Eurostat

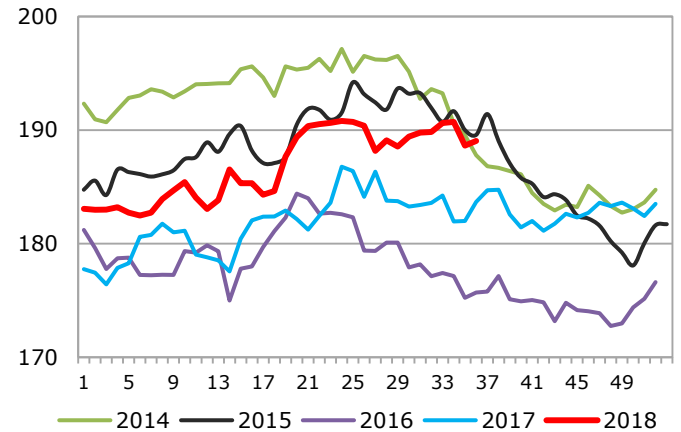
Thailand now accounts for the biggest share of EU imports (40 % in January-July), but this share is unlikely to increase further, since it practically fills its TRQs each quarter. Ukraine has doubled its import share (to 17 %); it continues to fill its TRQ for poultry meat cuts and preparations (75 % fill rate in the period to September), has made greater use of its TRQ for whole birds (59 % fill rate to September) and has substantially increased shipments via liberalised tariff lines (around 5 000 t a month in May-August). Brazil's share in EU imports dropped to 34 %, compared with 50 % in 2017. For the year as a whole,

EU imports are expected to fall by 3 %, given already lower imports in the second half of 2017. In 2019, they are likely to resume growth, if issues with Brazil are resolved.

Prices up from past two years

In 2018, EU broiler prices have been above the level of the past two years, holding at around EUR 190/100 kg since May.

Graph 30: Weekly EU broiler prices (EUR/100 kg)



Source: DG Agriculture and Rural Development

EU *per capita* consumption is expected to rise to 24.1 kg in 2018 and to 24.2 kg in 2019.



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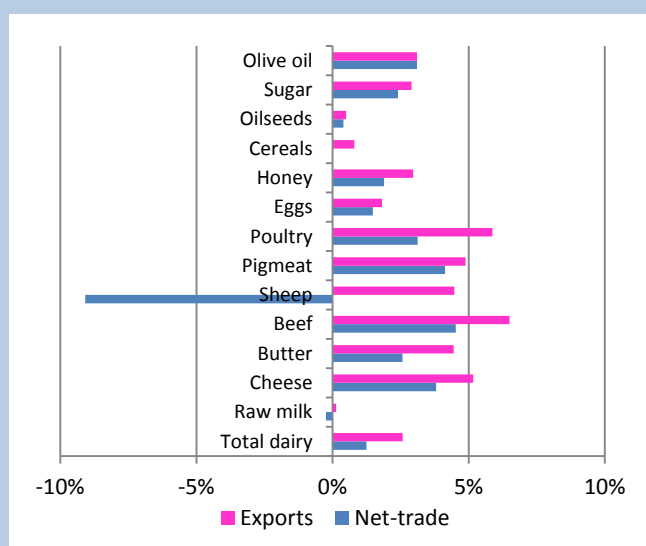
UK SPECIAL

BREXIT

EU-27 – UK trade relationship

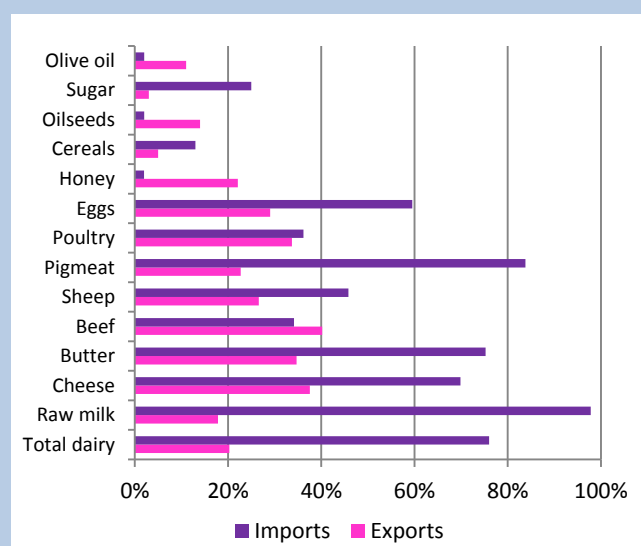
On 30 March 2019, the UK will leave the EU and become a third country. While the EU is working hard to reach an orderly withdrawal, the UK's withdrawal will undoubtedly cause disruption. The EU agricultural sector is an example of an integrated single market where raw agricultural and processed products are widely exchanged between Member States. The UK is no exception and for many products the UK imports a substantial amount of agricultural goods from the other EU Member States. The following graphs show the share of trade with the UK in EU-27 production and/or trade. Higher than average trade occurs for cheese (and to a lesser extent butter and raw milk), beef, sheep meat, pig meat and poultry, rice, olive oil. Also wine and some fruits and vegetables see substantial exports to the UK.

Graph 1 EU-27 trade with the UK in EU-27 production (average 2013-2017)



Source: DG Agriculture and Rural Development

Graph 2 UK in EU-27 trade (average 2013-2017)



Source: DG Agriculture and Rural Development

For sheep meat, contrary to many other sectors, the EU-27 is a net-importer, although part of these imports from the UK corresponds to meat coming from Oceania. The EU-27 is also a net-importer of raw milk. This trade takes place mainly with Ireland, where in 2017, net-imports from the UK accounted for 9 % of Irish production, a substantial share of Irish processing capacity.

Besides the importance of the UK as a meat trade partner in terms of volume exchanged, higher value than average cuts are shipped to the UK. The EU-27 sells also significant numbers of chicks and piglets to the UK.

In the rice sector, although it is difficult to distinguish in trade figures the rice produced in Europe from the rice only milled in Europe, the UK is an importer of EU specialty rice, for instance risotto or paella rice.

Brexit will be felt less in those sectors where there is product differentiation (e.g. quality products) or for those where the EU is the main world producer (e.g. olive oil).

Some Member States are more exposed than others. In Ireland, the neighbour country to the UK, over 50 % of beef and pigmeat exports are directed to the UK. But also Danish and German cheese and meat sectors are concerned, French, Belgian and Italian cheese, Dutch and Polish meat, Spanish and Dutch fruit and vegetables. Animal derived products are especially sensitive given the sanitary and phito-sanitary regulations and controls.

Most of the above mentioned sectors have been already affected by recent market disruptions (e.g. Russian import ban, milk crisis, African Swine Fever, etc.). Brexit-related disruptions would add to the difficult market situation.

It is also important to notice however that an orderly UK withdrawal would include a transition period until the end of 2020, which would limit market impact in the short term.

6. STATISTICAL ANNEX

ARABLE CROPS

Table 6.1: EU-28 cereal, oilseed and protein crop area (1 000 ha)

	EU-28					% variation			
	2014	2015	2016	2017e	2018f	17/16	17 vs 5-year av.*	18/17	18 vs 5-year av.*
Common wheat	24 419	24 325	24 250	23 394	22 915	-3.5	-2.5	-2.0	-4.5
Durum	2 295	2 436	2 765	2 688	2 491	-2.8	8.6	-7.3	-0.6
Rye	2 163	1 964	1 923	1 972	1 953	2.5	-8.9	-1.0	-3.9
Barley	12 434	12 219	12 301	12 044	12 529	-2.1	-2.7	4.0	1.9
Oats	2 546	2 526	2 611	2 679	2 767	2.6	2.7	3.3	6.1
Maize	9 615	9 256	8 548	8 368	8 205	-2.1	-12.4	-1.9	-10.2
Triticale	2 952	3 117	2 912	2 761	2 544	-5.2	-3.9	-7.9	-11.5
Sorghum	158	139	123	138	148	12.0	1.4	7.5	5.2
Others	1 341	1 297	1 320	1 435	1 595	8.8	4.7	11.1	16.8
Cereals	57 923	57 279	56 754	55 478	55 147	-2.2	-3.5	-0.6	-3.6
Rapeseed	6 714	6 467	6 533	6 698	6 857	2.5	1.9	2.4	3.1
Sunflower	4 266	4 197	4 138	4 225	4 227	2.1	-0.8	0.1	-0.1
Soya beans	569	893	832	951	931	14.3	52.8	-2.1	21.8
Linseed	50	66	84	82	74	-2.5	26.6	-9.8	4.5
Oilseeds	11 599	11 623	11 587	11 955	12 088	3.2	3.0	1.1	3.4
Field peas	532	744	913	1 025	932	12.2	70.7	-9.1	27.7
Broad beans	394	624	655	704	675	7.4	53.4	-4.0	21.1
Lupines	119	258	179	165	199	-7.9	25.5	21.0	29.3
Protein crops	1 045	1 626	1 747	1 893	1 807	8.4	56.8	-4.6	22.7
Sugar beet	1 632	1 420	1 499	1 750	1 721	16.8	11.5	-1.7	9.6
Total	72 199	71 949	71 587	71 077	70 763	-0.7	-1.1	-0.4	-1.5

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

Table 6.2: EU-28 cereal, oilseed and protein crop yields (t/ha)

	EU-28					% variation			
	2014	2015	2016	2017e	2018f	17/16	17 vs 5-year av.*	18/17	18 vs 5-year av.*
Common wheat	6.1	6.3	5.6	6.1	5.7	9.9	4.8	-7.4	-6.0
Durum	3.4	3.4	3.5	3.5	3.5	-0.1	3.2	-0.7	1.1
Rye	4.2	4.0	3.9	3.7	3.3	-2.7	-4.4	-12.1	-16.0
Barley	4.9	5.1	4.9	4.9	4.5	0.8	0.3	-7.6	-7.6
Oats	3.1	3.0	3.1	3.1	2.8	-1.4	0.5	-7.3	-7.5
Maize	8.1	6.4	7.4	7.9	7.6	6.5	14.2	-3.6	2.8
Triticale	4.5	4.1	4.1	4.2	3.9	4.6	3.1	-9.2	-7.8
Sorghum	5.9	5.2	5.4	5.4	5.4	-0.1	4.4	0.2	1.8
Others	3.0	2.7	2.7	2.9	2.9	8.2	4.8	-2.9	1.4
Cereals	5.7	5.5	5.3	5.6	5.2	5.9	4.0	-6.8	-4.9
Rapeseed	3.6	3.4	3.1	3.3	2.9	6.5	2.4	-12.2	-11.7
Sunflower	2.2	1.9	2.1	2.5	2.3	16.1	22.7	-6.4	9.5
Soya beans	3.2	2.7	3.0	2.8	3.0	-7.2	0.5	9.0	7.6
Linseed	2.3	1.9	1.7	1.9	2.1	7.1	-8.3	14.1	8.3
Oilseeds	3.1	2.8	2.7	2.9	2.7	8.1	8.1	-8.7	-4.6
Field peas	2.6	2.8	2.5	2.7	2.7	6.1	1.9	-1.2	-1.3
Broad beans	3.2	3.1	2.9	3.1	3.3	5.1	2.6	7.5	8.6
Lupines	1.8	1.4	1.6	1.7	1.7	0.3	3.7	2.7	4.1
Protein crops	2.7	2.7	2.6	2.7	2.8	5.9	3.2	1.9	3.4
Sugar beet	80.3	71.7	75.0	81.6	73.3	8.8	13.4	-10.2	-3.1

Table 6.3: EU-28 cereal, oilseed and protein crop gross production (1 000 t)

	EU-28					% variation			
	2014	2015	2016	2017e	2018f	17/16	17 vs 5-year av.*	18/17	18 vs 5-year av.*
Common wheat	149 684	152 516	134 963	143 111	129 745	6.0	2.0	-9.3	-9.3
Durum	7 704	8 389	9 672	9 396	8 648	-2.9	13.4	-8.0	0.4
Rye	9 048	7 796	7 406	7 388	6 427	-0.2	-13.3	-13.0	-20.5
Barley	60 728	61 931	59 951	59 145	56 858	-1.3	-2.4	-3.9	-6.2
Oats	7 767	7 585	8 138	8 231	7 879	1.1	3.6	-4.3	-2.1
Maize	77 961	59 287	63 084	65 753	62 136	4.2	4.0	-5.5	-4.8
Triticale	13 224	12 785	11 829	11 731	9 821	-0.8	-2.7	-16.3	-18.9
Sorghum	930	720	669	749	807	12.0	6.1	7.7	10.1
Others	3 999	3 453	3 584	4 219	4 554	17.7	8.8	7.9	17.4
Cereals	331 044	314 461	299 296	309 723	286 873	3.5	0.9	-7.4	-7.6
Rapeseed	24 267	21 814	20 106	21 953	19 722	9.2	4.7	-10.2	-8.6
Sunflower	9 274	7 882	8 739	10 356	9 703	18.5	20.0	-6.3	6.7
Soya beans	1 835	2 371	2 477	2 628	2 804	6.1	45.4	6.7	25.8
Linseed	115	128	146	153	157	4.4	16.2	2.9	15.4
Oilseeds	35 491	32 195	31 468	35 090	32 385	11.5	10.5	-7.7	-1.8
Field peas	1 394	2 077	2 314	2 756	2 477	19.1	74.0	-10.1	28.5
Broad beans	1 248	1 962	1 922	2 169	2 240	12.9	55.3	3.2	30.9
Lupines	209	364	294	272	338	-7.6	24.2	24.2	30.7
Protein crops	2 851	4 402	4 531	5 198	5 055	14.7	60.6	-2.8	28.7
Sugar beet	131 022	101 872	112 404	142 787	126 153	27.0	27.7	-11.6	7.4

Table 6.4: EU-28 overall cereals balance sheet (million t)

	EU-28					% variation 18/19 v 17/18
	2014/15	2015/16	2016/17	2017/18f	2018/19f	
Beginning stocks	37.7	48.2	46.2	40.5	53.4	31.8
Gross production	331.0	314.5	299.3	309.7	286.9	-7.4
Usable production	328.1	311.7	296.7	307.0	284.3	-7.4
Imports	15.6	20.6	19.4	24.4	23.0	-5.6
Availabilities	381.3	380.5	362.3	371.9	360.8	-3.0
Total domestic uses	279.3	281.2	281.3	282.8	283.4	0.2
— Human	65.0	65.1	65.4	66.2	66.3	0.2
— Seed	9.6	9.6	9.6	9.3	9.3	0.0
— Industrial	32.7	33.1	33.4	34.0	33.6	-1.1
<i>o.w. bioethanol</i>	11.5	12.0	12.2	12.6	12.6	0.4
— Animal feed	172.0	173.4	172.9	173.2	174.1	0.5
Losses (excl on-farm)	2.2	2.2	2.2	2.2	2.2	0.0
Exports	51.7	50.8	38.2	33.5	32.2	-4.0
Total uses	333.1	334.3	321.7	318.5	317.8	-0.2
End stocks	48.2	46.2	40.5	53.4	43.0	-19.5
— Market	48.2	46.2	40.5	53.4	43.0	-19.5
— Intervention	0.0	0.0	0.0	0.0	0.0	0.0
Self-sufficiency rate %	117.5	110.8	105.5	108.6	100.3	0.0

Table 6.5: EU-28 cereals balance sheet 2018/2019 (forecast) (million t)

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-28
Beginning stocks (1.7.2018)	18.1	4.8	2.9	24.1	0.6	0.4	0.4	1.2	1.0	53.4
Gross production	129.7	56.9	8.6	62.1	6.4	0.8	7.9	9.8	4.6	286.9
Usable production	128.7	56.4	8.6	61.9	6.3	0.8	7.8	9.6	4.3	284.3
Import ¹	4.0	0.5	2.1	16.0	0.2	0.2	0.0	0.0	0.2	23.0
Total availabilities	150.8	61.7	13.5	102.0	7.0	1.3	8.2	10.8	5.5	360.8
Total domestic use	117.9	48.6	9.7	77.2	6.5	0.9	7.7	10.5	4.4	283.4
– Human	48.1	0.4	8.1	5.4	3.0	0.2	1.2	0.1	0.0	66.3
– Seed	4.8	2.1	0.5	0.4	0.4	0.0	0.4	0.5	0.1	9.3
– Industrial	10.8	9.1	0.1	11.7	1.3	0.0	0.1	0.4	0.1	33.6
<i>o.w. bioethanol</i>	4.7	0.4	0.0	6.5	0.7	0.0	0.0	0.3	0.0	12.7
– Animal feed	54.2	37.0	1.0	59.7	1.8	0.7	6.0	9.5	4.3	174.1
Losses (excl on-farm)	0.9	0.4	0.0	0.6	0.1	0.0	0.1	0.1	0.0	2.2
Export ¹	20.0	8.0	1.2	2.7	0.1	0.0	0.2	0.0	0.0	32.2
Total use	138.8	57.0	10.9	80.5	6.7	0.9	7.9	10.6	4.5	317.8
End stocks (30.6.2019)	12.0	4.7	2.7	21.5	0.3	0.4	0.3	0.1	1.0	43.0
– Market	12.0	4.7	2.7	21.5	0.3	0.4	0.3	0.1	1.0	43.0
– Intervention	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in stocks	-6.1	-0.1	-0.2	-2.6	-0.3	0.1	-0.1	-1.0	0.0	-10.4
Change in public stocks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-sufficiency rate %	109.2	116.1	88.7	80.1	96.6	87.6	101.8	91.3	97.6	100.3

¹ 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 6.6: EU-28 cereal balance sheet 2017/2018 (million t)

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-28
Beginning stocks (01.07.2017)	10.2	5.6	2.9	17.4	0.7	0.1	0.5	1.7	1.5	40.5
Gross production	143.1	59.1	9.4	65.8	7.4	0.7	8.2	11.7	4.2	309.7
Usable production	142.0	58.6	9.3	65.5	7.2	0.7	8.1	11.5	4.0	307.0
Import ¹	4.0	0.5	1.5	17.8	0.1	0.4	0.0	0.0	0.2	24.4
Total availabilities	156.1	64.8	13.7	100.6	8.0	1.2	8.6	13.2	5.7	371.9
Total domestic use	115.8	50.6	9.6	74.1	7.2	0.9	7.9	11.9	4.7	282.8
– Human	48.0	0.4	8.0	5.4	3.1	0.2	1.1	0.1	0.0	66.2
– Seed	4.8	2.1	0.5	0.4	0.4	0.0	0.4	0.5	0.1	9.3
– Industrial	10.8	9.1	0.1	11.7	1.7	0.0	0.1	0.4	0.1	34.0
<i>o.w. bioethanol</i>	4.7	0.4	0.0	6.2	1.0	0.0	0.0	0.3	0.0	12.6
– Animal feed	52.2	39.0	1.0	56.6	2.1	0.7	6.2	10.9	4.5	173.2
Losses (excl on-farm)	0.9	0.4	0.0	0.6	0.1	0.0	0.1	0.1	0.0	2.2
Export ¹	21.3	9.0	1.1	1.8	0.1	0.0	0.2	0.0	0.0	33.5
Total use	138.0	59.9	10.8	76.6	7.4	0.9	8.2	12.0	4.7	318.5
End stocks (30.06.2018)	18.1	4.8	2.9	24.1	0.6	0.4	0.4	1.2	1.0	53.4
– Market	18.1	4.8	2.9	24.1	0.6	0.4	0.4	1.2	1.0	53.4
– Intervention	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in stocks	7.9	-0.8	0.0	6.7	-0.1	0.2	0.0	-0.5	-0.6	12.9
Change in public stocks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-sufficiency rate %	122.6	116.0	96.6	88.4	99.9	81.4	103.1	96.3	85.6	108.6

¹ 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 6.7: EU-28 cereal balance sheet 2016/2017 (million t)

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-28
Beginning stocks (1.7.2016)	14.7	7.7	2.4	13.7	1.0	0.2	1.6	2.3	2.7	46.2
Gross production	135.0	60.0	9.7	63.1	7.4	0.7	8.1	11.8	3.6	299.3
Usable production	133.9	59.4	9.6	62.8	7.2	0.6	8.0	11.6	3.4	296.7
Import ¹	3.3	0.4	1.7	13.6	0.0	0.2	0.0	0.0	0.2	19.4
Total availabilities	151.9	67.5	13.7	90.1	8.2	1.0	9.7	13.8	6.2	362.2
Total domestic use	115.6	52.8	9.4	69.5	7.4	0.9	9.0	12.1	4.7	281.3
– Human	47.8	0.4	8.0	4.8	3.0	0.2	1.1	0.1	0.0	65.4
– Seed	5.0	2.2	0.5	0.4	0.4	0.0	0.4	0.6	0.1	9.6
– Industrial	10.5	9.0	0.1	11.5	1.6	0.0	0.1	0.4	0.1	33.4
<i>o.w. bioethanol</i>	4.5	0.4	0.0	6.0	0.9	0.0	0.0	0.3	0.0	12.2
– Animal feed	52.4	41.2	0.8	52.8	2.3	0.7	7.3	11.0	4.5	172.9
Losses (excl on-farm)	0.9	0.4	0.0	0.6	0.1	0.0	0.1	0.1	0.0	2.2
Export ¹	25.2	8.7	1.4	2.7	0.1	0.0	0.1	0.0	0.0	38.2
Total use	141.7	61.9	10.8	72.8	7.5	0.9	9.2	12.2	4.7	321.7
End stocks (30.6.2017)	10.2	5.6	2.9	17.4	0.7	0.1	0.5	1.7	1.5	40.5
– Market	10.2	5.6	2.9	17.4	0.7	0.1	0.5	1.7	1.5	40.5
– Intervention	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in stocks	-4.5	-2.0	0.4	3.6	-0.3	-0.1	-1.1	-0.6	-1.2	-5.7
Change in public stocks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-sufficiency rate %	115.8	112.7	101.7	90.4	98.0	71.8	89.6	96.1	72.8	105.5

¹ 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 6.8: EU-28 oilseeds balance sheet (million t)

	EU-28					% variation			
	2014/15	2015/16	2016/17e	2017/18f	2018/19f	17/18 vs 16/17	% 5-yr. av.	18/19 vs 17/18	% 5-yr. av.
Production	35.4	32.1	31.3	34.9	32.2	11.5	10.5	-7.8	-1.8
Rapeseed	24.3	21.8	20.1	22.0	19.7	9.2	4.7	-10.2	-8.6
Soya beans	1.8	2.4	2.5	2.6	2.8	6.1	45.4	6.7	25.8
Sunflower	9.3	7.9	8.7	10.4	9.7	18.5	20.0	-6.3	6.7
Total domestic use	49.3	50.0	49.6	52.4	50.9	5.6	7.2	-2.8	2.6
Rapeseed	25.9	24.9	24.1	25.8	23.6	7.1	5.7	-8.5	-5.4
<i>of which crushing</i>	25.0	24.1	23.3	24.9	22.8	6.9	5.4	-8.5	-5.6
Soya beans	14.4	17.1	16.5	16.3	17.7	-0.8	7.5	8.3	11.7
<i>of which crushing</i>	12.9	15.2	14.7	14.6	15.8	-1.0	7.2	8.3	11.4
Sunflower	9.0	8.1	9.0	10.3	9.6	13.5	19.2	-6.2	7.7
<i>of which crushing</i>	7.9	7.0	8.0	9.1	8.6	14.7	20.6	-6.2	8.5
Imports	15.8	18.7	19.1	18.6	19.6	-2.4	6.9	5.6	7.5
Rapeseed	2.3	3.5	4.2	4.0	4.2	-5.3	15.4	5.0	14.4
Soya beans	13.2	14.8	14.1	14.1	15.0	0.3	3.6	6.4	7.8
Sunflower	0.3	0.5	0.8	0.5	0.4	-35.7	41.1	-12.7	0.0
Exports	1.3	0.9	0.9	1.0	1.0	11.9	7.7	-3.8	-2.0
Rapeseed	0.6	0.3	0.3	0.1	0.3	-57.7	-57.3	134.1	0.0
Soya beans	0.1	0.1	0.2	0.3	0.2	49.7	152.7	-48.9	0.0
Sunflower	0.6	0.4	0.4	0.6	0.5	47.8	27.0	-12.3	0.0
End stocks	3.2	3.1	2.9	3.0	3.0	4.2	7.0	-1.2	0.0
Rapeseed	1.1	1.1	1.0	1.1	1.1	2.7	4.9	0.3	1.6
Soya beans	1.4	1.4	1.2	1.3	1.3	8.7	14.4	-2.0	0.0
Sunflower	0.7	0.6	0.7	0.7	0.6	-1.7	-2.5	-2.3	-4.9
Self-sufficiency rate %	71.8	64.1	63.2	66.7	63.3				

Table 6.9: EU-28 oilmeals balance sheet (million t)

	EU-28					% variation			
	2014/15	2015/16	2016/17e	2017/18f	2018/19f	18/19 vs 17/18	% 5-yr.av.	17/18 vs 16/17	% 5-yr.av.
Production	28.8	29.6	29.3	30.7	30.2	4.9	7.0	-1.8	3.2
Rapeseed	14.3	13.7	13.3	14.2	13.0	6.9	5.4	-8.5	-5.6
Soya beans	10.2	12.0	11.6	11.5	12.5	-1.0	7.2	8.3	11.4
Sunflower	4.3	3.8	4.4	5.0	4.7	14.7	20.6	-6.2	8.5
Total domestic use	50.0	52.4	50.4	52.1	51.9	3.4	4.4	-0.5	2.0
Rapeseed	14.3	13.7	13.0	13.9	12.9	7.3	4.1	-7.3	-5.7
Soya beans	28.4	31.9	29.7	29.9	31.2	0.8	3.4	4.2	5.9
Sunflower	7.3	6.8	7.8	8.3	7.8	7.1	15.7	-6.0	5.2
Imports	22.3	23.8	22.2	22.7	22.7	2.3	2.3	0.2	1.5
Rapeseed	0.5	0.4	0.2	0.2	0.4	-17.6	-57.7	100.0	0.0
Soya beans	18.6	20.2	18.3	18.8	19.0	2.7	1.9	1.1	2.0
Sunflower	3.2	3.2	3.7	3.7	3.4	1.2	9.9	-9.0	0.0
Exports	1.0	1.0	1.1	1.3	1.0	18.8	22.3	-18.6	-0.4
Rapeseed	0.4	0.5	0.5	0.5	0.4	-11.9	8.5	-1.2	0.0
Soya beans	0.3	0.3	0.3	0.4	0.3	44.8	25.9	-20.6	0.0
Sunflower	0.3	0.2	0.3	0.4	0.3	50.8	79.9	-36.0	0.0
End stocks	0.5	0.5	0.5	0.5	0.5	2.3	0.0	-0.4	0.0
Rapeseed	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Soya beans	0.4	0.4	0.3	0.3	0.3	3.3	0.0	-0.5	0.0
Sunflower	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Self-sufficiency rate %	57.5	56.5	58.1	58.9	58.1				

Table 6.10: EU-28 vegetable oils balance sheet (million t)

	EU-28					% variation			
	2014/15	2015/16	2016/17e	2017/18f	2018/19f	18/19 vs 17/18	% 5-yr. av.	17/18 vs 16/17	% 5-yr. av.
Production	16.1	15.8	15.8	16.9	16.1	7.1	7.7	-5.1	0.9
Rapeseed	10.3	9.9	9.5	10.2	9.3	6.9	5.4	-8.5	-5.6
Soya beans	2.6	3.0	2.9	2.9	3.2	-1.0	7.2	8.3	11.4
Sunflower	3.3	2.9	3.3	3.8	3.6	14.7	20.6	-6.2	8.5
Palm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total domestic use	22.7	23.1	22.8	24.6	23.1	7.6	9.1	-5.8	1.1
Rapeseed	10.2	9.7	9.3	10.1	9.2	8.0	6.2	-8.5	-5.3
Soya beans	1.9	2.4	2.3	2.4	2.6	5.2	15.1	4.9	12.1
Sunflower	3.9	3.9	4.5	5.1	4.5	12.6	32.0	-11.4	9.4
Palm	6.7	7.0	6.6	6.9	6.8	4.4	3.8	-1.5	0.7
Imports	8.5	9.0	8.9	9.3	8.8	4.1	7.8	-4.6	0.5
Rapeseed	0.3	0.2	0.2	0.2	0.2	4.4	-29.2	30.8	0.0
Soya beans	0.3	0.3	0.3	0.3	0.3	2.8	0.0	2.1	0.0
Sunflower	1.0	1.4	1.7	1.7	1.3	1.6	50.5	-21.3	0.0
Palm	6.9	7.1	6.8	7.1	7.0	4.8	3.3	-1.7	0.0
Exports	1.9	1.8	1.9	1.7	1.8	-10.9	-10.0	8.1	0.9
Rapeseed	0.4	0.4	0.3	0.3	0.3	-12.8	-14.5	11.9	0.0
Soya beans	0.9	1.0	0.9	0.8	0.9	-15.7	-18.1	16.8	0.0
Sunflower	0.4	0.4	0.5	0.5	0.4	-1.2	18.0	-7.1	0.0
Palm	0.2	0.1	0.2	0.1	0.1	-6.5	0.0	2.4	0.0
End stocks	1.6	1.5	1.5	1.5	1.5	-0.4	0.0	-0.5	-1.1
Rapeseed	0.6	0.6	0.6	0.6	0.6	-1.4	0.0	-0.5	-1.4
Soya beans	0.2	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0
Sunflower	0.3	0.3	0.3	0.3	0.3	-4.9	0.0	-0.7	-3.0
Palm	0.5	0.5	0.5	0.5	0.5	3.5	5.4	-0.6	0.0
Self-sufficiency rate %	71.0	68.6	69.3	69.0	69.5				

Table 6.11: EU-28 protein crops balance sheet (1 000 t)

	EU-28					% variation			
	2014/15	2015/16	2016/17e	2017/18e	2018/19f	17/18 vs 16/17	% 5-yr. av.	18/19 vs 17/18	% 5-yr. av.
Production	3 576	5 165	5 451	6 061	5 938	11%	10%	-2%	8%
Field peas	1 391	2 077	2 314	2 737	2 502	18%	19%	-9%	9%
Broad beans	1 244	1 962	1 922	2 136	2 239	11%	6%	5%	12%
Lentils	48	50	53	59	56	10%	10%	-4%	5%
Lupins	209	364	294	250	339	-15%	-15%	36%	15%
Chickpeas	57	60	64	65	62	2%	5%	-4%	0%
Other dry pulses	626	652	804	815	739	1%	11%	-9%	1%
Total domestic use	4 069	5 058	5 330	6 324	6 014	19%	16%	-5%	10%
Field peas	1 441	1 630	1 716	2 386	2 074	39%	32%	-13%	15%
Broad beans	987	1 487	1 547	1 776	1 871	15%	11%	5%	17%
Lentils	236	247	282	287	292	2%	6%	2%	8%
Lupins	283	453	442	457	457	3%	1%	0%	1%
Chickpeas	183	199	200	201	203	1%	1%	1%	2%
Other dry pulses	940	1 042	1 144	1 216	1 117	6%	10%	-8%	1%
Imports	1 040	987	1 099	1 384	1 137	26%	27%	-18%	4%
Field peas	165	56	132	299	148	126%	102%	-50%	0%
Broad beans	10	9	10	10	10	-5%	0%	0%	0%
Lentils	194	200	234	232	241	-1%	5%	4%	8%
Lupins	74	89	148	208	119	40%	75%	-43%	0%
Chickpeas	129	146	147	166	150	13%	12%	-10%	2%
Other dry pulses	469	486	427	469	469	10%	0%	0%	0%
Exports	547	1 094	1 221	1 122	1 060	-8%	3%	-5%	-3%
Field peas	115	503	731	650	576	-11%	13%	-11%	0%
Broad beans	267	484	386	370	378	-4%	-2%	2%	0%
Lentils	6	4	5	4	5	-32%	-23%	30%	0%
Lupins	0	0	0	0	0	-70%	-66%	196%	0%
Chickpeas	3	7	11	30	9	159%	214%	-68%	0%
Other dry pulses	155	96	88	68	92	-22%	-25%	34%	0%
End stocks	-	-	-	-	-				

SUGAR**Table 6.12: EU-28 sugar beet production and white sugar balance (million t white sugar equivalent)**

						% variation	
	2014/2015	2015/2016	2016/2017	2017/2018e	2018/2019f	17/16	18/17
Beginning stocks	2.6	4.0	1.9	2.2	2.7	14.3	22.5
White sugar production	19.5	14.9	16.8	21.1	19.2	25.6	-9.3
Imports	2.7	2.9	2.4	1.3	1.3	-46.3	0.0
Availabilities	24.8	21.8	21.2	24.6	23.2	16.3	-6.0
Total domestic uses white sugar	19.4	18.5	17.7	18.6	18.6	5.6	0.0
— Human	16.8	16.6	16.1	16.5	16.5	2.3	0.0
<i>o.w. net exports in processed products</i>	<i>0.8</i>	<i>0.9</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.1</i>	<i>0.5</i>
— Industrial	2.6	1.9	1.5	2.2	2.2	39.9	0.0
<i>o.w. bioethanol</i>	<i>1.7</i>	<i>1.1</i>	<i>0.8</i>	<i>1.4</i>	<i>1.4</i>	<i>73.7</i>	<i>0.0</i>
Exports	1.4	1.4	1.3	3.3	2.6	148.8	-20.3
Total uses	20.8	19.9	19.0	21.9	21.3	15.6	-3.0
End stocks	4.0	1.9	2.2	2.7	1.9	22.5	-29.6
Self-sufficiency rate %	100%	81%	95%	113%	103%	0.0	0.0
Sugar beet production for sugar	124.7	94.0	106.1	136.5	121.2	28.7	-11.3

OLIVE OIL**Table 6.13: EU-28 olive oil balance sheet (1 000 t)**

	EU-28					% variation	
	2014/2015	2015/2016	2016/2017	2017/2018e	2018/2019f	18/19 vs 17/18	% 5-yr.av.
Production	1 435	2 324	1 758	2 176	2255	2.9	10.1
Total domestic use	1 572	1 619	1 409	1 674	1 632	-2.5	2.0
Imports	225	98	91	166	100	-39.8	-20.9
Exports	508	573	558	555	590	6.4	5.6
End stocks	211	441	323	435	568	26.9	35.4
Self-sufficiency rate %	91	144	125	130	138	5.6	8.4

APPLES**Table 6.14: EU-28 apples balance sheet (1 000 t)**

	2014	2015	2016	2017	2018f	17/16	% variation		
							% 5-yr.av.	18/17	% 5-yr.av.
Gross production	12 896	12 768	12 540	9 999	12 767	-20.3%	0.9 %	27.7%	2.5%
Losses and feed use	835	831	798	638	884	-20.1%	-2.9 %	38.6%	8.5%
EU usable production	12 061	11 937	11 741	9 362	11 883	-20.3%	1.2 %	26.9%	2.0%
EU production for processing	4 139	3 601	3 728	2 600	4 013	-30.3%	4.1 %	54.4%	10.5%
Exports (processing)	1 154	595	710	503	900	-29.2%	40.7 %	78.9%	49.4%
Imports (processing)	869	982	902	1 570	843	74.1%	-6.6 %	-46.3%	-14.5%
Consumption (processing)	3 854	3 988	3 920	3 667	3 956	-6.5%	0.0 %	7.9%	0.9%
per capita (kg)	7.6	7.8	7.7	7.2	7.7	-6.5%	-0.6 %	7.6%	0.1%
EU production for fresh consumption	7 922	8 336	8 013	6 762	7 870	-15.6%	2.6 %	16.4%	-0.1%
Exports (fresh)	1 782	1 585	1 476	737	1 557	-50.1%	-7.4 %	111.3%	0.1%
Imports (fresh)	401	451	428	551	401	28.7%	-16.6 %	-27.3%	-15.9%
Consumption (fresh)	6 541	7 201	6 965	6 576	6 714	-5.6%	5.4 %	2.1%	-0.4%
per capita (kg)	12.9	14.1	13.6	12.8	13.1	-5.9%	4.6 %	1.9%	-1.2%

MILK AND DAIRY PRODUCTS

Table 6.15: EU-28 milk supply and utilisation

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Dairy cows (million heads)¹	23.3	23.4	23.3	23.1	23.0	22.9	0.2	-0.3	-1.0	-0.3	-0.4
of which EU-15	17.9	18.1	18.1	17.9	17.9	17.8	1.2	-0.1	-1.0	-0.3	-0.2
of which EU-N13	5.4	5.2	5.2	5.1	5.1	5.1	-3.1	-1.1	-1.1	-0.1	-1.0
Milk yield (kg/dairy cow)²	6 737	6 861	6 894	7 082	7 151	7 237	1.9	0.5	2.7	1.0	1.2
of which EU-15	7 272	7 358	7 374	7 568	7 636	7 712	1.2	0.2	2.6	0.9	1.0
of which EU-N13	4 951	5 134	5 209	5 376	5 452	5 561	3.7	1.5	3.2	1.4	2.0
Milk production (million t)	159.7	162.9	162.9	165.6	166.6	167.9	2.0	0.0	1.7	0.6	0.7
of which EU-15	130.7	133.8	133.9	136.0	136.8	137.8	2.4	0.1	1.6	0.6	0.8
of which EU-N13	29.0	29.2	29.0	29.6	29.8	30.0	0.5	-0.5	1.9	0.8	0.7
Feed use (million t)	3.7	3.4	3.5	3.4	3.4	3.3	-6.3	1.8	-1.9	-1.8	-1.0
On farm use and direct sales (mio t)	7.2	6.7	6.0	5.9	5.8	5.6	-6.5	-10.3	-1.8	-2.1	-2.9
Delivered to dairies (million t)	148.9	152.8	153.4	156.3	157.5	158.9	2.6	0.4	1.9	0.8	0.9
of which EU-15	127.4	130.9	131.2	133.4	134.2	135.3	2.8	0.2	1.7	0.6	0.8
of which EU-N13	21.5	21.9	22.2	22.9	23.3	23.6	1.8	1.4	3.1	1.6	1.6
Delivery ratio (%)³	93.2	93.8	94.2	94.4	94.5	94.7	0.6	0.4	0.2	0.2	0.2
of which EU-15	97.5	97.9	98.0	98.1	98.1	98.1	0.4	0.1	0.1	0.0	0.0
of which EU-N13	74.1	75.1	76.5	77.4	78.0	78.7	1.3	1.9	1.2	0.8	0.9
Fat content of milk (%)	3.99	4.01	4.07	4.06	4.04	4.04	0.4	1.5	-0.2	-0.5	0.2
Protein content of milk (%)	3.36	3.37	3.38	3.39	3.39	3.39	0.3	0.2	0.3	0.1	0.0

¹ Dairy cow numbers refer to the end of the year (historical figures from the December cattle survey).

² Milk yield is production per dairy cow (dairy cows represent around 99.7 % of total EU production).

³ Delivery ratio is milk delivered to dairies per total production.

Table 6.16: EU-28 fresh dairy products market balance (1 000 t)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Production	46 480	46 809	46 290	46 237	46 096	45 912	0.7	-1.1	-0.1	-0.3	-0.4
of which drinking milk	31 366	31 275	30 703	30 585	30 340	30 098	-0.3	-1.8	-0.4	-0.8	-0.8
of which cream	2 639	2 741	2 750	2 781	2 795	2 825	3.9	0.3	1.1	0.5	1.1
of which acidified milk	7 967	8 056	7 954	7 945	8 024	8 055	1.1	-1.3	-0.1	1.0	0.4
of which other fresh products ²	4 509	4 738	4 882	4 926	4 937	4 934	5.1	3.1	0.9	0.2	-0.1
of which EU-15	40 058	40 194	39 639	39 443	39 167	38 844	0.3	-1.4	-0.5	-0.7	-0.8
of which EU-N13	6 422	6 615	6 651	6 793	6 929	7 068	3.0	0.5	2.1	2.0	2.0
Imports (extra EU)	19	12	14	26	26	26	-36	19	78	0	0
Exports (extra EU)	810	962	1 168	1 134	1 156	1 156	19	21	-3	2	0
Domestic use¹	45 689	45 859	45 136	45 129	44 966	44 781	0.4	-1.6	0.0	-0.4	-0.4
p.c. consumption (kg)	90.3	90.5	88.8	88.6	88.1	87.6	0.2	-1.8	-0.3	-0.6	-0.6
Self-sufficiency rate (%)	102	102	103	102	103	103					

¹ Domestic use includes stock changes.

² Includes buttermilk, drinks with milk base and other fresh commodities.

Note: The import and export figures refer to total trade, i.e. including inward processing.

Table 6.17: EU-28 cheese market balance (1 000 t)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Production (in dairies)	9 208	9 533	9 692	9 865	10 064	10 228	3.5	1.7	1.8	2.0	1.6
of which from pure cow's milk	8 473	8 691	8 832	8 977	9 160	9 309	2.6	1.6	1.6	2.0	1.6
of which from other milk ¹	735	842	860	887	905	919	14.6	2.1	3.2	1.9	1.6
EU-15 (in dairies)	7 838	8 105	8 198	8 310	8 475	8 606	3.4	1.1	1.4	2.0	1.5
EU-N13 (in dairies)	1 370	1 428	1 494	1 554	1 590	1 622	4.2	4.6	4.1	2.3	2.0
Processed cheese impact ²	346	333	333	352	352	349	-3.8	0.0	5.9	0.0	-0.8
Total production	9 554	9 866	10 024	10 217	10 416	10 577	3.3	1.6	1.9	2.0	1.5
Imports (extra EU)³	77	61	71	60	60	60	-20	15.0	-15.6	1.0	0.0
Exports (extra EU)	721	719	800	830	842	859	-0.3	11.3	3.7	1.5	2.0
Total domestic use	8 864	9 179	9 355	9 505	9 614	9 779	3.5	1.9	1.6	1.1	1.7
Stock changes	45	30	- 60	- 59	20	0	0.0	0.0	0.0	0.0	0.0
Processing use	303	292	287	307	307	304	-3.4	-1.7	6.9	0.0	-0.9
Human consumption	8 562	8 887	9 067	9 198	9 307	9 474	3.8	2.0	1.4	1.2	1.8
of which EU-15	7 254	7 492	7 584	7 673	7 732	7 832	3.3	1.2	1.2	0.8	1.3
of which EU-N13	1 308	1 395	1 483	1 525	1 575	1 642	6.6	6.3	2.8	3.2	4.3
p.c. consumption (kg)	16.9	17.5	17.8	18.1	18.2	18.5	3.6	1.8	1.2	1.0	1.6
Self-sufficiency rate (%)	108	107	107	107	108	108					

¹ Other milk includes goat, ewe and buffalo milk.

² Processed cheese impact includes production and net exports of processed cheese.

³ Imports and exports include processed cheese.

Table 6.18: EU-28 whole milk powder market balance (1 000 t)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Production	756	676	730	776	727	723	-10.5	7.9	6.3	-6.2	-0.6
of which EU-15	695	624	682	732	688	685	-10.1	9.3	7.3	-6.0	-0.5
of which EU-N13	61	52	47	44	39	38	-15.3	-9.1	-7.8	-10.0	-3.0
Imports	1	4	6	2	2	2	181	44	-72	0	0
Exports	390	400	381	394	354	353	2.7	-4.7	3.2	-10.0	-0.5
Domestic use¹	368	280	354	384	375	372	-23.8	26.5	8.3	-2.3	-0.8
Self-sufficiency rate (%)	206	242	206	202	194	194					

¹ Domestic use includes stock changes.

Table 6.19: EU-28 skimmed milk powder market balance (1 000 t)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Production	1 457	1 537	1 569	1 530	1 536	1 540	5.5	1.6	-2.1	0.4	0.3
of which EU-15	1 235	1 324	1 351	1 328	1 334	1 338	7.2	1.5	-1.1	0.4	0.3
of which EU-N13	222	213	218	202	203	203	-3.9	2.4	-7.7	0.4	0.0
Imports (extra EU)	2	3	4	2	2	2	50	8	-33	0	0
Exports (extra EU)	648	692	575	781	800	896	6.8	-17	36	2	12
Domestic use	722	740	776	797	829	858	2.5	4.0	3.6	4.0	3.5
Ending stocks	170	279	501	456	366	156					
Private (industry)	170	250	150	80	155	155					
Public (intervention)	0	29	351	376	211	0					
Stock changes	90	109	222	- 45	- 90	- 211					
Self-sufficiency rate (%)	202	208	202	192	185	180					

Table 6.20: EU-28 butter market balance (1 000 t)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Production	2 239	2 309	2 339	2 331	2 332	2 353	3.1	1.3	-0.4	0.1	0.9
of which EU-15	1 978	2 032	2 041	2 028	2 028	2 044	2.7	0.4	-0.6	0.0	0.8
of which EU-N13	261	277	299	303	304	309	6.3	7.8	1.3	0.5	1.5
Imports	25	3	3	3	8	8	-90	14	1	178	0
Exports	135	172	206	168	160	160	27	20	-19	-5	0
Domestic use	2 100	2 130	2 156	2 176	2 186	2 202	1.4	1.2	0.9	0.5	0.7
p.c. consumption (kg)	4.2	4.2	4.2	4.3	4.3	4.3	1.2	1.0	0.7	0.2	0.6
Ending stocks	125	135	115	106	100	100					
Private	125	135	115	105	100	100					
Public (intervention)	0	0	0	1	0	0					
Stock changes	30	10	- 20	- 10	- 5	0					
Self-sufficiency rate (%)	107	108	109	107	107	107					

Note: Data refer to butter, butter oil and other yellow fat products expressed in butter equivalent. Import and export figures do not include inward/outward processing.

MEAT

Table 6.21: EU-28 overall meat balance (1 000 t carcass weight equivalent)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Gross indigenous production	44 599	46 002	47 371	47 273	48 064	47 848	3.1	3.0	-0.2	1.7	-0.5
Live imports	2	2	2	2	3	3	0.0	0.0	0.0	0.0	0.0
Live exports	197	247	291	310	308	312	25.2	17.8	6.6	-0.6	1.2
Net production	44 403	45 757	47 083	46 965	47 759	47 539	3.0	2.9	-0.2	1.7	-0.5
of which EU-15	36 898	37 827	38 704	38 445	38 899	38 718	2.5	2.3	-0.7	1.2	-0.5
of which EU-N13	7 505	7 930	8 379	8 520	8 860	8 821	5.7	5.7	1.7	4.0	-0.4
Meat imports	1 332	1 368	1 402	1 262	1 258	1 347	2.7	2.4	-10.0	-0.3	7.1
Meat exports	3 553	3 837	4 629	4 414	4 490	4 370	8.0	20.6	-4.6	1.7	-2.7
Consumption	42 182	43 288	43 855	43 813	44 527	44 517	2.6	1.3	-0.1	1.6	0.0
Population (million)	507.8	509.5	510.9	512.3	513.5	514.6	0.3	0.3	0.3	0.2	0.2
per capita consumption¹ (kg)	66.3	67.9	68.6	68.4	69.3	69.2	2.4	1.1	-0.4	1.4	-0.2
Self-sufficiency rate %	106	106	108	108	108	107					

¹ 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 poultry meat, and sheep and goat meat.

Table 6.22: EU-28 beef/veal market balance (1 000 t carcass weight equivalent)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Gross indigenous production	7 655	7 835	8 070	8 107	8 236	8 232	2.3	3.0	0.5	1.6	-0.1
Live imports	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Live exports	114	178	219	238	242	244	56.1	23.0	8.9	1.5	1.0
Net production	7 541	7 657	7 852	7 869	7 994	7 987	1.5	2.5	0.2	1.6	-0.1
of which EU-15	6 751	6 819	6 974	6 931	7 028	7 007	1.0	2.3	-0.6	1.4	-0.3
of which EU-N13	790	838	878	937	966	980	6.1	4.8	6.8	3.0	1.5
Meat imports	308	300	304	285	302	309	-2.6	1.4	-6.2	6.0	2.0
Meat exports	208	211	249	271	250	245	1.6	17.8	9.1	-8.0	-2.0
Consumption	7 641	7 746	7 907	7 883	8 047	8 051	1.4	2.1	-0.3	2.1	0.1
per capita consumption¹ (kg)	10.5	10.6	10.8	10.8	11.0	11.0	1.0	1.8	-0.6	1.8	-0.2
Share in total meat cons. (%)	18.1	17.9	18.0	18.0	18.1	18.1					
Self-sufficiency rate (%)	100	101	102	103	102	102					

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

Table 6.23: EU-28 pigmeat market balance (1 000 t carcass weight equivalent)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Gross indigenous production	22 772	23 464	23 884	23 668	24 031	23 788	3.0	1.8	-0.9	1.5	-1.0
Live imports	0	0	0	0	0	0					
Live exports	35	21	10	13	17	20	-41.9	-51.9	29.8	30.0	20.0
Net production	22 737	23 443	23 875	23 655	24 015	23 768	3.1	1.8	-0.9	1.5	-1.0
of which EU-15	19 278	19 903	20 261	20 050	20 290	20 148	3.2	1.8	-1.0	1.2	-0.7
of which EU-N13	3 459	3 540	3 614	3 606	3 725	3 620	2.4	2.1	-0.2	3.3	-2.8
Meat imports	14	11	12	14	15	19	-19.6	6.1	16.6	10.0	20.0
Meat exports	1 948	2 218	2 814	2 567	2 631	2 500	13.9	26.8	-8.8	2.5	-5.0
Consumption	20 803	21 236	21 073	21 102	21 399	21 287	2.1	-0.8	0.1	1.4	-0.5
<i>per capita consumption¹ (kg)</i>	32.0	32.5	32.2	32.1	32.5	32.3	1.7	-1.0	-0.1	1.2	-0.7
<i>Share in total meat cons. (%)</i>	49.3	49.1	48.1	48.2	48.1	47.8					
Self-sufficiency rate (%)	109	110	113	112	112	112					

¹ In retail weight. Coefficient to transform carcass weight into retail weight is 0.78 for pigmeat.

Table 6.24: EU-28 poultry meat market balance (1 000 t carcass weight equivalent)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Gross indigenous production	13 273	13 797	14 503	14 576	14 896	14 920	3.9	5.1	0.5	2.2	0.2
Live imports	1	1	2	2	2	2	0.0	0.0	0.0	0.0	0.0
Live exports	11	10	10	8	9	9	-6.2	-7.6	-12.5	10.0	0.0
Net production	13 263	13 787	14 495	14 570	14 889	14 913	4.0	5.1	0.5	2.2	0.2
of which EU-15	10 091	10 318	10 691	10 677	10 800	10 774	2.3	3.6	-0.1	1.2	-0.2
of which EU-N13	3 172	3 470	3 803	3 893	4 089	4 140	9.4	9.6	2.4	5.0	1.2
Meat imports	821	855	882	789	766	842	4.1	3.2	-10.5	-3.0	10.0
Meat exports	1 365	1 388	1 548	1 542	1 580	1 596	1.7	11.5	-0.4	2.5	1.0
Consumption	12 719	13 254	13 829	13 817	14 074	14 160	4.2	4.3	-0.1	1.9	0.6
<i>per capita consumption¹ (kg)</i>	22.0	22.9	23.8	23.7	24.1	24.2	3.9	4.1	-0.4	1.6	0.4
<i>Share in total meat cons. (%)</i>	30.2	30.6	31.5	31.5	31.6	31.8					
Self-sufficiency rate (%)	104	104	105	105	106	105					

¹ In retail weight. Coefficient to transform carcass weight into retail weight is 0.88 for poultry meat.

Table 6.25: EU-28 sheep and goat meat market balance (1 000 t carcass weight equivalent)

	EU-28						% variation				
	2014	2015	2016	2017e	2018f	2019f	15/14	16/15	17/16	18/17	19/18
Gross indigenous production	899	907	914	922	902	908	0.9	0.8	0.9	-2.2	0.7
Live imports	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Live exports	36	38	52	50	40	38	3.6	38.4	-3.7	-20.0	-5.0
Net production	863	869	862	872	862	870	0.8	-0.8	1.1	-1.2	1.0
<i>of which on-farm slaughterings</i>	110	101	103	99	98	99	-8.3	2.4	-4.5	-0.5	1.1
of which EU-15	778	787	778	788	781	788	1.1	-1.2	1.3	-0.9	1.0
of which EU-N13	84	82	84	84	81	81	-2.6	2.1	0.0	-3.5	0.5
Meat imports	189	202	203	173	175	178	7.3	0.4	-14.9	1.0	2.0
Meat exports	32	20	19	34	29	30	-38.1	-4.7	80.7	-15.0	2.0
Consumption	1 019	1 052	1 046	1 010	1 007	1 018	3.2	-0.5	-3.4	-0.3	1.1
per capita consumption¹ (kg)	1.8	1.8	1.8	1.7	1.7	1.7	2.8	-0.8	-3.7	-0.5	0.9
<i>Share in total meat cons. (%)</i>	2.4	2.4	2.4	2.3	2.3	2.3					
Self-sufficiency rate (%)	88	86	87	91	90	89					

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

Table 6.26: Share of EU-28 exports in volume by destination (%)

		Cereals	Soft wheat	Barley	Meat, offal, live	Beef*	Pork*	Poultry*	Infant food	Dairy products	Cheese curd	SMP/WMP	Whey powder	Olive oil	Wine
China	2007	0	0	1	3	0	4	1	6	6	0	1	25	2	2
	2017	1	0	3	22	1	36	0	42	14	2	8	29	7	17
	2018 Jan-Jul	3	0	9	21	1	35	0	46	14	2	9	30	5	13
ASEAN	2007	2	1	4	4	1	4	5	12	14	1	15	32	1	2
	2017	2	1	7	10	8	10	13	3	18	3	20	42	2	2
	2018 Jan-Jul	2	1	5	12	5	12	16	2	18	3	20	40	2	2
North Africa	2007	36	55	13	0	4	0	0	11	13	6	26	3	0	0
	2017	28	33	14	2	10	0	1	8	11	7	22	2	1	1
	2018 Jan-Jul	30	39	15	2	14	0	0	8	13	9	23	3	1	2
Other Africa	2007	19	27	9	12	8	7	23	7	11	2	22	3	2	12
	2017	23	30	10	15	16	5	40	5	10	3	13	3	3	8
	2018 Jan-Jul	21	27	11	16	16	5	39	4	9	3	12	3	3	7
Middle East	2007	20	2	45	6	6	1	17	24	16	11	20	2	2	1
	2017	27	21	45	6	15	1	11	13	15	17	18	3	3	1
	2018 Jan-Jul	30	24	42	5	15	1	10	12	16	16	20	3	3	1
NAFTA	2007	0	0	0	3	0	4	0	4	8	24	2	1	50	37
	2017	1	0	2	3	1	5	0	2	7	20	4	1	45	35
	2018 Jan-Jul	1	0	3	4	1	6	0	2	5	18	0	1	42	40

Note: * meat, offal and live animals

Source: Comext-Eurostat

Table 6.26 group definitions:

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

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

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

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

NAFTA: Canada, Mexico and USA.

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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