



# Short Term Outlook

## for arable crop, meat and dairy markets



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### INTRODUCTION

This publication presents a short term outlook for arable crop, meat and dairy markets in the EU. The report is based on reflections of market experts within the Directorate General for Agriculture and Rural Development of the European Commission. The views expressed are purely those of the authors and may not in any circumstances be regarded as stating an official position of the European Commission. Information and data available until 15 September 2011 have been taken into account.

EU agricultural markets are strongly affected by the macroeconomic outlook. For cereals, the EU usable production in 2011/2012 is expected to remain largely unchanged at around 275 mio t as an area decrease by 1.1% is met by an increase of 1.0% in yields. In consequence, cereal markets tend to remain relatively tight in the EU and a further reduction in stocks can be expected. Oilseeds continue to gain share in EU arable land use but growing conditions are expected to curb usable production by 2.2% to about 28 mio t. The overall EU meat market in 2010 was characterised by an increase in production (2.4%) and a recovery in EU net trade position. Production continues to increase in 2011, but is expected to decrease slightly, by -0.3% in 2012. Overall EU meat consumption in 2012 is likely to remain at the level of 2010. Total EU milk production is forecast to reach 151 mio t in 2011 and remain similar in 2012.

### 1. MACROECONOMIC OUTLOOK<sup>1</sup>

Latest projections (Global Insight – 15 September 2011 and Ameco 13 May 2011) depict a mixed picture on world and European economies over the outlook period with a steady, albeit fragile growth in GDP, a slow reduction in the unemployment rate, an increase in population as well as a moderate inflation and higher oil prices.

<sup>1</sup> Sources of data: DG ECFIN (Ameco database), Eurostat, IHS- Global Insight.

#### World economic outlook

Total world population is expected to grow further although slowly by +1% p.a. in 2011 and 2012 so that to reach 7 billion inhabitants.

Global GDP growth is projected at around 3% p.a. in 2011 and 2012, ranging from 3.8% and 4% in Russia, 1.5% and 1.8% in the US to 9% and 8% in China.

The unemployment at world level would stay at around 8% showing a slightly declining trend.

World inflation is expected to remain moderate during the outlook period, at 4% in 2011 and at 3% in 2012.

In 2011 most currencies are expected to appreciate further against the US Dollar, Argentina and Ukraine being among the important countries (relevant both in terms of EU import and export potential) to have their currencies depreciated against the US Dollar by -5% and a slight -0.4%, respectively. In 2012, the Argentinean peso (-6%), Australian dollar (-3%) and Brazilian real (-4%) are expected to depreciate while the Chinese renminbi to appreciate by 6% against the US Dollar.

The price of crude oil<sup>2</sup> is expected to increase in 2011 to around 102 USD/barrel (+35% against 2010) and to 107 USD/barrel in 2012.

### **EU economic outlook**

EU population is projected to increase further in 2011 and 2012 at an annual rate of +0.2% both in 2011 (503 million inhabitants) and 2012 (504 million inhabitants), with a slightly higher growth of 0.3% expected in the EU-15 and a decline of around -0.1% in the EU-12.

The GDP growth registered in 2010 is projected to continue in 2011 and 2012 (at around +2% p.a.), where EU-12 growth is expected to be higher than that of the EU-15, both in 2011 and 2012 (3.2% and 3.5% against 1.8% in both years for EU-15).

Modest decrease for unemployment is expected by the end of 2011 when it would reach 9.5% out of the civilian labour force (22.9 million people) and 9.1% by 2012 (22 million people); EU-15 unemployment would decline at a lower pace in both years (-0.1% and -2.5%) than in EU-12 (-4.2% and -7.4%). EU overall inflation would situate at 3% in 2011 and retreat to 2% in 2012.

The exchange rate USD/EUR is expected at 1.41 in 2011 and at 1.40 in 2012.

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<sup>2</sup> World, Price of Crude Oil - Refiners' Imports Average.

## **2. ARABLE CROPS**

The marketing year 2010/2011 led to a sharp reduction in EU cereal stocks by 17 mio t, caused by a lower usable production of 275.2 mio t and considerable net exports of 18.5 mio t. Combined with tight world supplies this supported higher cereal prices.

EU usable cereal production in 2011/2012 is expected to remain largely unchanged at 274.8 mio t as an area decrease by 1.1% is met by an increase of 1.0% in yields. In consequence, cereal markets tend to remain tight in the EU and a further reduction in stocks can be expected. Oilseeds continue to gain share in EU arable land use but growing conditions are expected to curb usable production by 2.2% to 28.1 mio t.

### **Cereals - 2010/2011 marketing year**

The area cultivated under cereals in 2010/2011 has reached 56.2 mio ha, another decrease by 3.9% in comparison with 2009/2010. Average yields of 5.0 t/ha led to a production volume estimated at almost 277.8 mio t.

Given cereal imports of 13.3 mio t, the level of cereal availabilities – taking into account carry-over of stocks - would be at 343.0 mio t. Domestic demand would amount to 271.9 mio t, with animal feed at a reduced 167.5 mio t and bioethanol utilisation at 9.1 mio t. Total cereal exports are projected at 31.8 mio t. On the basis of these estimates, total cereal ending stocks would decrease by 17.3 mio t to 37.1 mio t. Intervention stocks are reduced by 5.4 mio t and the remainder of 0.6 mio t is committed to the "most deprived persons" programme.

### **Cereals – forecasts for the 2011/2012 marketing year**

For the 2011 harvest, weather conditions resulted in reduced autumn plantings in the North and increased winter kill compared with the previous years. Conditions in the Mediterranean region have been mostly favourable, whereas warmer and dryer weather for most of April and May curbed the

production potential in core cereal regions. Improved weather conditions allowed for maintenance of average yields, whereas wet harvesting conditions heavily impacted on yields and quality around the Baltic Sea.

The area cultivated under cereals is forecast to decrease by a further 1.1% in comparison with 2010/2011 to reach 55.6 mio ha. The area under soft wheat is projected at an unchanged 23.1 mio ha and the maize area increase by 6.8% to 8.7 mio ha. This area combined with yield estimates would lead to a harvested cereal production of about 277.4 mio t, down by 0.2% from last year.

EU exports are expected to decline considerably to 21.8 mio t. Total domestic use is expected to be slightly curbed due to the prevailing high prices by 0.6 mio t to 271.3 mio t, of which 166.6 mio t for animal feed and 9.1 mio t for the production of bioethanol. On the basis of these forecasts, ending stocks would decrease by 6.5 mio t to reach 30.6 mio t, with no remaining intervention stocks.

### Oilseeds

EU oilseed areas have reached 11.0 mio ha in 2010/2011, another 0.2 mio ha higher than the previous high in 2009/2010. Total oilseed production would stand at 28.7 mio t, down by 2.1% from the record harvest in 2009/2010. Protein crop production increased by 1.9% to 2.9 mio t.

EU-27 oilseed area 2011/2012 is forecast at 11.4 mio ha (+3.4%). Total oilseed production would reach 28.1 mio t (-2.2%). Protein crop production would decline by 1.6% to 2.8 mio t.

## 3. MEAT

The **overall EU meat market** in 2010 was characterised by an increase in production (2.4%) and a recovery in EU net trade position. For the first time since 2003, the EU became a net exporter of beef (including live animal and meat products). Production continues to increase in 2011, but is expected to decrease slightly, by -0.3% in 2012. Overall EU meat consumption in 2012 is likely to remain at the level of 2010, driven by the slightly improved

(albeit fragile) economic situation. Poultry demand would remain on an upswing while beef consumption is expected to decline further. Both meat import and export trade volumes remain largely unchanged in total terms (+/- 15-20%), although there will continue to be shifts in origin/destination naturally according to relative prices.

Production related uncertainties would mainly originate from rising production and investment costs and their financing, from a limited sectoral adjustment capacity with respect to market volatility, and from animal health related issues. Prices for energy and protein feed components and other essential feed ingredients have been increasing since 2010 and are expected to remain at elevated levels.

### Beef and Veal

For the last four years the beef/veal herd decreased continuously, for dairy cows even minus 3.6%. Production is expected to increase slightly (1.3%) in 2011 at a higher slaughtering weight and driven by the dynamic on exports. As a result of the overall herd decrease and the increase on slaughtering in 2011 it is expected that production decreases by 2% in 2012. Internal EU prices for all beef categories remain stable at a higher level than previous years from the beginning of 2011 with a minor decline in June-July and an increasing trend in August-September. In 2010 and 2011 beef exports increased exponential namely those of fresh and frozen meat. Major part of such increases was due to exports to Turkey and Russia. On the other hand export of live animals regained only slightly and exports of tinned beef are almost negligible. After the sharp increase in beef exports in 2010 and in 2011, it is assumed that the live exports would decrease by 5% and the meat exports by 29.6% in 2012. The overall and per-capita consumption of beef/veal would decrease slightly until 2012.

### Pig Meat

The pig meat sector is facing a critical time since the autumn of 2010 due to the surge in feed prices, which has severely affected profitability. Aid for private storage was

introduced for a period of three weeks in February 2011 to stabilise the pig market when the already difficult market situation worsened by a dioxin incident in Germany. For 2011, production is expected to grow slowly (+1.7%) and then to remain stable in 2012. According to the available trade data until the end of August 2011, meat exports could exceed 2010 volumes by 13.4%. In particular exports to South Korea and China/Hong Kong performed very well, increasingly also in the area of higher value cuts. However, pigmeat exports may fall slightly in 2012 (by 4.3%). EU pigmeat imports are expected to decrease further, with -30.5% and -24% in 2011 and 2012 than in 2010. From 2010 onwards, consumption of pigmeat (absolute and per capita) will increase slightly by 0.6% in 2011 and by 0.5% in 2012.

#### **Poultry Meat**

After a 2.4% increase in 2010, EU poultry meat production is expected to remain at the same level in 2011 and increase again slightly (0.6%) in 2012, mainly triggered by a higher EU domestic demand. World demand for poultry meat is growing which will benefit EU poultry meat exports to third countries. It is expected that poultry meat exports will increase by 18.8% in 2011 and decrease by 1.6% in 2012. Chicken is expected to continue benefiting from its "cheapest meat" image and overall EU poultry meat consumption is expected to increase slightly (by 0.8%) in 2012.

#### **Sheep and Goat Meat**

EU sheep and goat meat production is forecasted to continue falling in 2011 and 2012 by -0.8% and 2.4% respectively. Meat imports decreased by 10% in 2011 but it would increase slightly due to New Zealand's recovery from the 2008/2009 drought and poor lambing years. The per capita consumption is expected to decrease slightly, by 3.2% in 2011 and to increase by 0.7% in 2012.

### **4. MILK AND DAIRY PRODUCTS**

#### **Milk production and deliveries to dairies**

After an estimated increase by 1.1% in 2010, EU cow milk deliveries to dairies are forecast

to increase by 2% in 2011 and a further 0.3% in 2012. Total EU milk production is forecast to reach almost 150.8 mio t in 2011 and consolidate at 151 mio t in 2012. This is achieved thanks to a continuous increase in milk yields both in the EU-15 and in the EU-12, while the herd continues to contract. The 2011 forecast is based on the trend observed in the period January-July 2011, where milk deliveries registered a 2-3% positive gap month after month, except for May and June when the drought in the Northern part of the EU dampened the upsurge in milk production compared to the same months of 2010. Assuming that Member States that are producing their full quota will tend to avoid large volumes of excess production, delivery growth should ease back over the later part of the quota season.

#### **Dairy commodities**

In light of a 0.6% increase in cheese production in the first 7 months of 2011, total cheese production for the year is forecast to increase by 1%, in line with a forecast positive trend in cheese exports as well as in domestic consumption. The positive export forecast is based on sustained demand from the main cheese importers (Russia, Japan, the US, etc.) and the positive domestic consumption forecast derives from the existing room for per capita consumption growth in the EU-12.

Given the positive production figures registered so far for fermented milk, drinking milk and even more so for cream, total fresh dairy production is forecast to increase by 0.7% in both 2011 and 2012, in line with the forecast increase in domestic consumption where those products continue to benefit from dynamic consumer demand.

The contraction in whole milk powder (WMP) production is forecast to continue in 2011 and 2012, although at a slower pace (- 0.1%). EU WMP exports are forecast to continue declining despite the increasing world demand, led by China, since exports would continue to be more competitive from Oceania (mainly New Zealand).

Skimmed Milk Powder (SMP) production is forecast to increase by 9% in 2011 and by a further 4% in 2012, driven by continuous growth in exports (already +33% in the first 7 months of 2011) while a domestic use is expected to stay stable. China is gradually becoming an important player in world SMP imports with a level now comparable with the traditional SMP imports of Algeria. SMP intervention stocks built up in 2009 are expected to be completely sold out by the end of 2012 through a combination of sales by open tender and release under the most deprived person's scheme.

Total butter/butteroil production is forecast to increase by 1.2% in 2011 and by a further 1% in 2012. Imports are declining due to unprecedented high prices on the world market driven by continued firm demand on the world market, but EU exports remain uncompetitive (apart from Russia) given the existing price gap between EU and world quotations.

## **Uncertainties**

The dairy outlook is subject to a number of uncertainties linked to the general macroeconomic environment - in particular concerns regarding economic growth in the EU-27 and important dairy importing economies - weather conditions, commodity market developments and major third country suppliers.

While the global market situation has been rather favourable over 2010 and the first 7 months of 2011, expectations for the outlook period very much depend on the extent of increased milk production both in the EU and in the main supplying countries (New Zealand, Australia, the US, etc.) and the sustainability of strong demand on the world market led by China and other countries of South-East Asia as well as by the Near and Middle East.

## BALANCE SHEET TABLES

## 1. ARABLE CROPS

Table 1.1: EU 27 cereal, oilseed and protein crop area

Area ('000ha)	2007	2008	2009	2010	2011	% vs 2010	% 5-yr.av.
Common wheat	22,003	23,436	22,819	23,008	23,110	0.4	2.2
Durum	2,794	3,084	2,816	2,837	2,474	-12.8	-14.3
Rye	2,579	2,756	2,784	2,588	2,343	-9.5	-11.3
Barley	13,736	14,480	13,912	12,313	11,910	-3.3	-13.7
Oats	3,018	2,996	2,900	2,689	2,636	-2.0	-10.4
Maize	8,067	8,856	8,389	8,183	8,738	6.8	4.5
Triticale	2,518	2,672	2,878	2,632	2,495	-5.2	-4.3
Sorghum	99	96	116	117	109	-6.9	2.1
Others	1,967	1,871	1,793	1,834	1,740	-5.1	-8.0
<b>Cereals</b>	<b>56,780</b>	<b>60,247</b>	<b>58,405</b>	<b>56,201</b>	<b>55,555</b>	<b>-1.1</b>	<b>-3.2</b>
Rapeseed	6,510	6,138	6,499	6,869	6,743	-1.8	5.6
Sunflower	3,368	3,753	3,896	3,688	4,187	13.5	10.8
Soja	366	237	301	367	381	3.8	10.5
Linseed	70	52	74	101	88	-12.3	8.4
<b>Oilseeds</b>	<b>10,313</b>	<b>10,180</b>	<b>10,770</b>	<b>11,025</b>	<b>11,399</b>	<b>3.4</b>	<b>9.4</b>
Field peas	561	398	499	697	670	-3.9	15.4
Broad beans	334	335	425	500	397	-20.7	-2.2
Lupins	90	67	76	66	63	-5.0	-19.0
<b>Protein crops</b>	<b>986</b>	<b>800</b>	<b>1,000</b>	<b>1,263</b>	<b>1,130</b>	<b>-10.6</b>	<b>5.5</b>
<b>Total</b>	<b>68,078</b>	<b>71,227</b>	<b>70,176</b>	<b>68,489</b>	<b>68,084</b>	<b>-0.6</b>	<b>-1.2</b>

Table 1.2: EU 27 cereal, oilseed and protein crop yields

Yield (t/ha)	2007	2008	2009	2010	2011	% vs 2010	% 5-yr.av.
Common wheat	5.08	6.00	5.67	5.54	5.51	-0.5	-0.2
Durum	2.94	3.26	3.10	3.14	3.12	-0.8	0.6
Rye	2.97	3.37	3.55	3.01	3.01	0.1	-3.4
Barley	4.22	4.52	4.46	4.32	4.31	-0.2	-0.5
Oats	2.93	2.97	2.91	2.72	2.96	8.8	3.7
Maize	6.02	7.15	6.89	7.01	6.99	-0.4	2.7
Triticale	3.82	4.13	4.19	3.90	3.91	0.4	-1.0
Sorghum	5.31	5.36	5.28	5.31	5.16	-2.7	-3.0
Others	2.73	2.55	2.83	2.67	2.72	1.9	2.6
Rapeseed	2.83	3.08	3.29	2.98	2.82	-5.5	-6.9
Sunflower	1.42	1.89	1.78	1.90	1.88	-1.0	4.2
Soja	2.08	2.74	2.78	2.89	2.76	-4.5	4.1
Linseed	1.32	1.36	1.72	1.53	1.54	0.3	9.0
Field peas	2.36	2.69	2.63	2.08	2.40	15.2	-6.5
Broad beans	2.53	3.15	3.30	2.70	2.88	6.8	2.6
Lupins	1.35	1.30	1.40	1.15	1.24	8.3	-4.0

**Table 1.3: EU 27 cereal, oilseed and protein crop production**

Production ('000 t)	2007	2008	2009	2010	2011	% vs 2010	% 5-yr.av.
Common wheat	111,771	140,544	129,475	127,528	127,394	-0.1	2.1
Durum	8,221	10,052	8,720	8,922	7,719	-13.5	-13.8
Rye	7,655	9,290	9,871	7,786	7,056	-9.4	-14.4
Barley	57,975	65,463	62,033	53,176	51,331	-3.5	-12.5
Oats	8,842	8,896	8,425	7,303	7,790	6.7	-6.8
Maize	48,551	63,356	57,841	57,400	61,078	6.4	7.4
Triticale	9,625	11,027	12,054	10,255	9,754	-4.9	-5.3
Sorghum	523	516	610	620	561	-9.5	-0.9
Others	5,377	4,778	5,071	4,894	4,733	-3.3	-3.7
<b>Cereals</b>	<b>258,539</b>	<b>313,923</b>	<b>294,101</b>	<b>277,884</b>	<b>277,416</b>	<b>-0.2</b>	<b>-0.7</b>
Rapeseed	18,444	18,926	21,395	20,482	19,007	-7.2	-1.4
Sunflower	4,792	7,099	6,946	6,991	7,859	12.4	13.6
Soja	762	650	838	1,059	1,050	-0.9	18.5
Linseed	93	71	127	155	136	-12.0	9.1
<b>Oilseeds</b>	<b>24,091</b>	<b>26,746</b>	<b>29,306</b>	<b>28,687</b>	<b>28,052</b>	<b>-2.2</b>	<b>5.5</b>
Field peas	1,327	1,073	1,312	1,450	1,605	10.7	17.8
Broad beans	845	1,053	1,401	1,349	1,143	-15.2	-4.3
Lupins	122	87	107	76	78	2.9	-23.0
<b>Protein crops</b>	<b>2,294</b>	<b>2,213</b>	<b>2,821</b>	<b>2,874</b>	<b>2,827</b>	<b>-1.6</b>	<b>6.2</b>
<b>Total</b>	<b>284,923</b>	<b>342,881</b>	<b>326,227</b>	<b>309,445</b>	<b>308,295</b>	<b>-0.4</b>	<b>-0.5</b>

Note: 5-year average refers to trimmed averages

**Table 1.4: EU overall cereal market balance, 2007/08 – 2011/12**

Total grains	million tonnes					percentage change	
	2007/2008	2008/2009	2009/2010	2010/2011e	2011/2012f	% vs 10/11	% 5-yr.av.
Beginning stocks	46.8	44.7	60.3	54.5	37.1	-31.8	-30.9
<i>for information: Gross production</i>	258.5	313.9	294.1	277.9	277.4	-0.2	-0.7
Usable production	256.0	311.1	291.4	275.2	274.8	-0.2	-0.7
Imports	28.3	12.3	8.0	13.3	14.0	5.5	13.4
<b>Availabilities</b>	<b>331.2</b>	<b>368.0</b>	<b>359.7</b>	<b>343.0</b>	<b>325.9</b>	<b>-5.0</b>	<b>-5.8</b>
Total domestic uses	264.7	272.3	275.6	271.9	271.3	-0.2	0.6
- Human	64.2	64.6	64.9	65.1	65.4	0.4	1.3
- Seed	10.5	10.2	9.8	9.6	9.6	0.0	-3.6
- Industrial	23.8	26.7	28.3	29.6	29.6	0.0	12.7
o.w. bioethanol/biofuel	3.3	6.2	7.8	9.1	9.1	0.0	57.8
- Animal feed	166.2	170.8	172.6	167.5	166.6	-0.5	-1.1
Losses (excl on-farm)	2.2	2.2	2.2	2.2	2.2	0.0	0.0
Exports	19.5	33.3	27.4	31.8	21.8	-31.4	-18.6
<b>Total uses</b>	<b>286.5</b>	<b>307.8</b>	<b>305.2</b>	<b>305.9</b>	<b>295.3</b>	<b>-3.5</b>	<b>-1.5</b>
End stocks	44.7	60.3	54.5	37.1	30.6	-17.5	-37.0
- Market	44.7	58.7	48.5	36.6	30.6		
- Intervention	0.0	1.6	6.0	0.6	0.0		

Note: 5-year average refers to trimmed averages

**Table 1.5: EU cereal market balance, 2011/12 (forecast)**

EU-27	Cereals balance sheet (million tonnes):									(Mio t) EUR 27
	2011/2012 forecast									
	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	
Beginning stocks (01.07.2011)	10.1	11.4	0.5	11.8	0.6	0.2	1.2	1.0	0.2	37.1
<i>for information: Gross production</i>	127.4	51.3	7.7	61.1	7.1	0.6	7.8	9.8	4.7	277.4
Usable production	126.4	50.9	7.6	60.8	6.9	0.5	7.7	9.6	4.5	274.8
Import (1)	5.8	0.2	2.2	5.0	0.0	0.6	0.0	0.0	0.2	14.0
<b>Total availabilities</b>	<b>142.3</b>	<b>62.5</b>	<b>10.4</b>	<b>77.6</b>	<b>7.4</b>	<b>1.3</b>	<b>8.8</b>	<b>10.6</b>	<b>4.9</b>	<b>325.9</b>
Total domestic use	116.4	51.6	9.0	64.2	6.8	1.2	7.7	9.9	4.4	271.3
- Human	47.8	0.4	8.0	4.8	3.0	0.2	1.1	0.1	0.0	65.4
- Seed	4.7	2.2	0.5	0.4	0.5	0.0	0.5	0.5	0.3	9.6
- Industrial	10.6	9.2	0.1	7.6	1.3	0.0	0.1	0.6	0.1	29.6
o.w. bioethanol/biofuel	4.6	0.7		2.7	0.6			0.5		9.1
- Animal feed	53.2	39.9	0.4	51.3	2.0	1.0	6.0	8.8	4.0	166.6
Losses (excl on-farm)	0.9	0.4	0.1	0.6	0.1	0.0	0.1	0.1	0.0	2.2
Export (1)	15.0	4.0	0.8	1.8	0.1	0.0	0.1	0.0	0.0	21.8
<b>Total use</b>	<b>132.3</b>	<b>56.0</b>	<b>9.9</b>	<b>66.6</b>	<b>7.0</b>	<b>1.2</b>	<b>7.9</b>	<b>10.0</b>	<b>4.5</b>	<b>295.3</b>
End stocks (30.06.2012)	10.0	6.5	0.5	11.1	0.4	0.1	1.0	0.6	0.4	30.6
Market	10.0	6.5	0.5	11.1	0.4	0.1	1.0	0.6	0.4	30.6
Intervention	0.0	0.0		0.0						0.0
Change in stocks	-0.1	-4.9	-0.1	-0.8	-0.1	-0.1	-0.2	-0.5	0.2	-6.5
Change in public stocks	0.0	-0.5		0.0						-0.6
(1) Grains equivalent (grain + groats and flour). Durum wheat: semolina included. Maize: processed products and animal feed included.										
estimated export quantities										
Wheat incl. durum 15.8 Mio t										
Coarse grains 6.0 Mio t										

**Table 1.6: EU cereal market balance, 2010/11 (estimated)**

EU-27	Cereals balance sheet (million tonnes):									(Mio t) EUR 27
	2010/2011 estimate									
	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	
Beginning stocks (01.07.2010)	14.9	18.4	1.2	14.7	1.3	0.4	1.5	1.4	0.6	54.5
<i>for information: Gross production</i>	127.5	53.2	8.9	57.4	7.8	0.6	7.3	10.3	4.9	277.9
Usable production	126.5	52.7	8.8	57.2	7.6	0.5	7.2	10.1	4.6	275.2
Import (1)	2.4	0.2	2.0	7.5	0.0	0.9	0.0	0.0	0.1	13.3
<b>Total availabilities</b>	<b>143.9</b>	<b>71.3</b>	<b>12.0</b>	<b>79.4</b>	<b>8.9</b>	<b>1.9</b>	<b>8.7</b>	<b>11.5</b>	<b>5.3</b>	<b>343.0</b>
Total domestic use	112.8	51.8	9.4	65.2	8.2	1.7	7.4	10.3	5.0	271.9
- Human	47.1	0.4	8.5	4.8	3.0	0.2	1.1	0.1	0.0	65.1
- Seed	4.7	2.2	0.5	0.4	0.5	0.0	0.5	0.5	0.3	9.6
- Industrial	10.1	9.0	0.1	8.1	1.6	0.0	0.1	0.5	0.1	29.6
o.w. bioethanol/biofuel	4.1	0.5		3.2	0.9			0.4		9.1
- Animal feed	50.8	40.3	0.3	51.9	3.1	1.5	5.7	9.3	4.6	167.5
Losses (excl on-farm)	0.9	0.4	0.1	0.6	0.1	0.0	0.1	0.1	0.0	2.2
Export (1)	20.1	7.6	2.1	1.8	0.1	0.0	0.1	0.0	0.0	31.8
<b>Total use</b>	<b>133.8</b>	<b>59.9</b>	<b>11.5</b>	<b>67.6</b>	<b>8.4</b>	<b>1.7</b>	<b>7.6</b>	<b>10.4</b>	<b>5.1</b>	<b>305.9</b>
End stocks (30.06.2011)	10.1	11.4	0.5	11.8	0.6	0.2	1.2	1.0	0.2	37.1
Market	10.1	10.9	0.5	11.8	0.6	0.2	1.2	1.0	0.2	36.6
Intervention	0.0	0.5		0.0						0.6
Change in stocks	-4.8	-7.0	-0.6	-2.9	-0.8	-0.2	-0.3	-0.4	-0.3	-17.3
Change in public stocks	-0.2	-5.0		-0.2						-5.4
(1) Grains equivalent (grain + groats and flour). Durum wheat: semolina included. Maize: processed products and animal feed included.										
estimated export quantities										
Wheat incl. durum 22.1 Mio t										
Coarse grains 9.6 Mio t										



**Table 1.7: EU cereal market balance, 2009/10**

EU-27	Cereals balance sheet (million tonnes):									(Mio t) EUR 27
	2009/2010									
	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	
Beginning stocks (01.07.2009)	22.4	14.1	1.2	17.8	0.8	0.6	1.6	1.0	0.6	60.3
<i>for information: Gross production</i>	<i>129.5</i>	<i>62.0</i>	<i>8.7</i>	<i>57.8</i>	<i>9.9</i>	<i>0.6</i>	<i>8.4</i>	<i>12.1</i>	<i>5.1</i>	<i>294.1</i>
Usable production	128.5	61.5	8.6	57.6	9.7	0.5	8.3	11.9	4.8	291.4
Import (1)	3.1	0.1	2.2	2.4	0.0	0.1	0.0	0.0	0.1	8.0
<b>Total availabilities</b>	<b>154.0</b>	<b>75.8</b>	<b>12.0</b>	<b>77.8</b>	<b>10.5</b>	<b>1.2</b>	<b>9.9</b>	<b>12.9</b>	<b>5.5</b>	<b>359.7</b>
Total domestic use	117.8	53.4	9.7	60.4	9.0	0.8	8.1	11.4	5.0	275.6
- Human	47.0	0.4	8.5	4.8	3.0	0.2	1.1	0.1	0.0	64.9
- Seed	4.7	2.2	0.6	0.4	0.5	0.0	0.5	0.5	0.3	9.8
- Industrial	9.9	8.9	0.1	7.2	1.6	0.0	0.1	0.4	0.1	28.3
o.w. bioethanol/biofuel	3.9	0.4		2.3	0.9			0.3		7.8
- Animal feed	56.2	41.9	0.6	48.1	3.9	0.6	6.4	10.4	4.5	172.6
Losses (excl on-farm)	0.9	0.4	0.1	0.6	0.1	0.0	0.1	0.1	0.0	2.2
Export (1)	20.4	3.6	1.1	2.1	0.1	0.0	0.2	0.0	0.0	27.4
<b>Total use</b>	<b>139.1</b>	<b>57.3</b>	<b>10.8</b>	<b>63.1</b>	<b>9.2</b>	<b>0.8</b>	<b>8.4</b>	<b>11.5</b>	<b>5.0</b>	<b>305.2</b>
End stocks (30.06.2010)	14.9	18.4	1.2	14.7	1.3	0.4	1.5	1.4	0.6	54.5
Market	14.7	12.9	1.2	14.5	1.3	0.4	1.5	1.4	0.6	48.5
Intervention	0.3	5.5		0.2						6.0
Change in stocks	-7.5	4.3	-0.1	-3.1	0.5	-0.2	-0.1	0.4	0.0	-5.8
Change in public stocks	0.2	4.6		-0.4						4.4
(1) Grains equivalent (grain + groats and flour). Durum wheat: semolina included. Maize: processed products and animal feed included.										
estimated export quantities										
Wheat incl. durum 21.4 Mio t										
Coarse grains 6.0 Mio t										

**Table 1.8: EU oilseed balance sheets**

Oilseeds (mio. t)	2007/08	2008/09	2009/10	2010/11e	2011/12f	% vs 10/11	% 5-yr.av.
<b>Production</b>	<b>24.0</b>	<b>26.7</b>	<b>29.2</b>	<b>28.5</b>	<b>27.9</b>	<b>-2.2</b>	<b>5.5</b>
Rape	18.4	18.9	21.4	20.5	19.0	-7.2	-1.4
Soybean	0.8	0.7	0.8	1.1	1.0	-0.9	18.5
Sunflower	4.8	7.1	6.9	7.0	7.9	12.4	13.6
<b>Total domestic use</b>	<b>40.7</b>	<b>42.3</b>	<b>43.2</b>	<b>44.1</b>	<b>43.7</b>	<b>-0.9</b>	<b>3.9</b>
Rape	19.2	21.4	23.5	23.1	22.1	-4.3	3.9
<i>of which crushing</i>	<i>18.5</i>	<i>20.5</i>	<i>22.9</i>	<i>22.3</i>	<i>21.3</i>	<i>-4.5</i>	<i>4.3</i>
Soybean	16.6	14.0	13.0	14.1	14.0	-0.8	-4.0
<i>of which crushing</i>	<i>14.8</i>	<i>12.9</i>	<i>12.6</i>	<i>13.1</i>	<i>12.9</i>	<i>-1.8</i>	<i>-4.3</i>
Sunflower	4.9	6.9	6.7	6.9	7.7	10.6	13.9
<i>of which crushing</i>	<i>4.3</i>	<i>5.9</i>	<i>5.9</i>	<i>6.2</i>	<i>6.8</i>	<i>10.8</i>	<i>15.5</i>
<b>Imports</b>	<b>16.4</b>	<b>17.4</b>	<b>15.1</b>	<b>15.8</b>	<b>16.3</b>	<b>3.5</b>	<b>2.3</b>
Rape	0.7	3.4	2.1	2.6	3.0	16.7	67.8
Soybean	15.4	13.5	12.6	12.8	13.0	1.5	-4.8
Sunflower	0.3	0.6	0.3	0.4	0.3	-19.0	-29.7
<b>Exports</b>	<b>0.9</b>	<b>0.4</b>	<b>0.9</b>	<b>0.7</b>	<b>0.8</b>	<b>2.1</b>	<b>-11.3</b>
Rape	0.4	0.1	0.2	0.2	0.2	1.7	32.9
Soybean	0.0	0.0	0.0	0.1	0.1	-3.6	21.4
Sunflower	0.5	0.3	0.7	0.5	0.5	2.9	-9.6
<b>End stocks</b>	<b>2.1</b>	<b>3.5</b>	<b>3.6</b>	<b>3.1</b>	<b>2.8</b>	<b>-8.2</b>	<b>-14.7</b>
Rape	0.8	1.6	1.5	1.3	1.0	-20.0	-25.0
Soybean	1.0	1.1	1.5	1.2	1.2	0.0	-5.3
Sunflower	0.3	0.8	0.7	0.6	0.6	0.0	0.0

Meals (mio. t)	2007/08	2008/09	2009/10	2010/11e	2011/12f	% vs 10/11	% 5-yr.av.
<b>Production</b>	<b>24.6</b>	<b>25.1</b>	<b>26.3</b>	<b>26.5</b>	<b>26.1</b>	<b>-1.5</b>	<b>2.9</b>
Rape	10.5	11.7	13.1	12.7	12.1	-4.5	4.3
Soybean	11.7	10.2	10.0	10.4	10.2	-1.8	-4.3
Sunflower	2.4	3.2	3.3	3.4	3.7	10.8	15.5
<b>Total domestic use</b>	<b>49.7</b>	<b>48.7</b>	<b>48.1</b>	<b>49.6</b>	<b>49.3</b>	<b>-0.6</b>	<b>1.1</b>
Rape	10.5	11.7	13.0	12.7	12.1	-4.3	4.6
Soybean	35.5	31.6	29.7	31.5	31.5	0.1	-1.3
Sunflower	3.8	5.4	5.4	5.4	5.7	4.1	8.5
<b>Imports</b>	<b>25.9</b>	<b>24.3</b>	<b>22.5</b>	<b>24.2</b>	<b>24.0</b>	<b>-0.9</b>	<b>-1.2</b>
Rape	0.1	0.2	0.1	0.2	0.2	-10.1	45.5
Soybean	24.3	21.9	20.1	21.8	21.8	-0.1	-1.1
Sunflower	1.5	2.2	2.2	2.2	2.0	-8.4	-4.0
<b>Exports</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.9</b>	<b>0.7</b>	<b>-26.5</b>	<b>-7.9</b>
Rape	0.2	0.2	0.2	0.3	0.2	-20.5	7.5
Soybean	0.4	0.4	0.5	0.6	0.4	-27.5	-16.3
Sunflower	0.1	0.1	0.1	0.1	0.1	-34.2	-13.9
<b>End stocks</b>	<b>0.6</b>	<b>0.7</b>	<b>0.6</b>	<b>0.7</b>	<b>0.7</b>	<b>0.0</b>	<b>7.7</b>
Rape	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Soybean	0.5	0.6	0.5	0.6	0.6	0.0	10.0
Sunflower	0.1	0.1	0.1	0.1	0.1	0.0	0.0

Vegetable oils (mio. t)	2007/08	2008/09	2009/10	2010/11e	2011/12f	% vs 10/11	% 5-yr.av.
<b>Production</b>	<b>12.3</b>	<b>13.5</b>	<b>14.4</b>	<b>14.4</b>	<b>14.2</b>	<b>-1.3</b>	<b>5.9</b>
Rape	7.6	8.4	9.4	9.1	8.7	-4.5	4.3
Soybean	3.0	2.6	2.5	2.6	2.6	-1.8	-4.3
Sunflower	1.8	2.5	2.5	2.6	2.9	10.8	15.5
Palm	0.0	0.0	0.0	0.0	0.0		
<b>Total domestic use</b>	<b>18.5</b>	<b>20.2</b>	<b>21.2</b>	<b>20.4</b>	<b>20.9</b>	<b>2.5</b>	<b>6.1</b>
Rape	7.6	8.6	9.8	9.4	9.2	-1.7	7.7
Soybean	3.6	3.2	2.6	3.0	3.0	-0.7	-7.8
Sunflower	2.9	3.3	3.5	3.2	3.8	20.2	15.9
Palm	4.4	5.1	5.4	4.8	4.9	0.7	2.0
<b>Imports</b>	<b>7.0</b>	<b>7.8</b>	<b>7.4</b>	<b>7.1</b>	<b>7.5</b>	<b>5.4</b>	<b>4.0</b>
Rape	0.3	0.5	0.4	0.5	0.6	22.9	30.2
Soybean	1.0	1.0	0.5	0.9	0.8	-6.3	-14.9
Sunflower	1.2	1.1	1.0	0.8	1.1	34.3	2.6
Palm	4.5	5.3	5.5	5.0	5.0	0.9	1.3
<b>Exports</b>	<b>0.8</b>	<b>0.8</b>	<b>0.7</b>	<b>1.0</b>	<b>0.7</b>	<b>-25.0</b>	<b>-1.9</b>
Rape	0.1	0.1	0.1	0.2	0.1	-43.8	-8.2
Soybean	0.3	0.4	0.4	0.4	0.4	-18.5	-4.6
Sunflower	0.1	0.1	0.1	0.2	0.1	-21.4	-5.8
Palm	0.2	0.1	0.1	0.2	0.2	-21.6	2.8
<b>End stocks</b>	<b>1.0</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>0.0</b>	<b>7.5</b>
Rape	0.4	0.5	0.4	0.5	0.5	0.0	8.0
Soybean	0.2	0.2	0.2	0.2	0.2	0.0	0.0
Sunflower	0.2	0.4	0.2	0.3	0.3	0.0	7.1
Palm	0.2	0.3	0.4	0.3	0.3	0.0	12.5

## 2. MEAT BALANCE SHEET

**Table 2.1: EU 27 overall meat balance sheet**

EU-27 Overall meat balance									
	000 t carcass weight					% variation			
	2008	2009	2010	2011	2012	09/08	10/09	11/10	12/11
Gross Indigenous Production	43,337	42,663	43,699	44,228	44,101	-1.6	2.4	1.2	-0.3
Live Imports	1	2	1	2	1	43.8	-48.3	60.2	-11.3
Live Exports	137	191	213	258	235	39.5	11.4	21.2	-8.7
Net Production	43,202	42,474	43,488	43,972	43,867	-1.7	2.4	1.1	-0.2
of which EU-15	36,131	35,675	36,763	37,002	36,907	-1.3	3.0	0.6	-0.3
of which EU-12	7,072	6,798	6,724	6,969	6,960	-3.9	-1.1	3.6	-0.1
Meat Imports	1,493	1,518	1,366	1,308	1,359	1.7	-10.0	-4.2	3.8
Meat Exports	2,833	2,609	3,303	3,875	3,655	-7.9	26.6	17.3	-5.7
Stock changes	-100	0	0	0	0				
Consumption	41,962	41,383	41,551	41,405	41,563	-1.4	0.4	-0.4	0.4
Population (mio)	495	500	501	502	503	1.0	0.2	0.2	0.2
of which EU-15	392	397	398	399	400	1.3	0.3	0.3	0.3
of which EU-12	103	103	103	103	103	0.0	0.0	0.0	0.0
Per Capita Consumption (kg)	85	83	83	82	83	-2.4	0.2	-0.5	0.2
Ending stocks	0	0	0	0	0				

**Table 2.2: EU 27 beef and veal balance sheet**

EU-27 beef/veal market balance									
	000 t carcass weight					% variation			
	2008	2009	2010	2011	2012	09/08	10/09	11/10	12/11
Gross Indigenous Production	8,127	7,988	8,228	8,371	8,203	-1.7	3.0	1.7	-2.0
Live Imports	1	1	0	0	0	37.7	-88.1	16.4	-2.7
Live Exports	51	61	116	150	143	19.6	90.4	29.6	-5.0
Net Production	8,077	7,929	8,113	8,222	8,061	-1.8	2.3	1.3	-2.0
of which EU-15	7,227	7,105	7,297	7,413	7,271	-1.7	2.7	1.6	-1.9
of which EU-12	850	823	815	809	790	-3.2	-1.0	-0.7	-2.4
Meat Imports	309	359	319	286	307	16.3	-11.1	-10.5	7.3
Meat Exports	132	91	255	355	250	-30.7	178.3	39.4	-29.6
Stock changes (public)	0	0	0	0	0				
Consumption	8,254	8,196	8,177	8,152	8,118	-0.7	-0.2	-0.3	-0.4
Population (mio)	495	500	501	502	503	1.0	0.2	0.2	0.2
of which EU-15	392	397	398	399	400	1.3	0.3	0.3	0.3
of which EU-12	103	103	103	103	103	0.0	0.0	0.0	0.0
Per Capita Consumption (kg)	17	16	16	16	16	-1.7	-0.4	-0.5	-0.6
Ending stocks (public)	0	0	0	0	0				

**Table 2.3: EU 27 pigmeat meat balance sheet**

EU-27 pigmeat market balance									
	000 t carcass weight					% variation			
	2008	2009	2010	2011	2012	09/08	10/09	11/10	12/11
<b>Gross Indigenous Production</b>	<b>22,676</b>	<b>22,063</b>	<b>22,603</b>	<b>22,986</b>	<b>22,976</b>	-2.7	2.4	1.7	0.0
Live Imports	0	0	0	0	0	70.3	-10.8	-71.1	-63.0
Live Exports	77	120	78	79	66	55.1	-34.9	1.1	-16.9
<b>Net Production</b>	<b>22,599</b>	<b>21,944</b>	<b>22,525</b>	<b>22,907</b>	<b>22,911</b>	-2.9	2.6	1.7	0.0
<i>of which EU-15</i>	19,029	18,623	19,248	19,366	19,366	-2.1	3.4	0.6	0.0
<i>of which EU-12</i>	3,571	3,321	3,277	3,541	3,545	-7.0	-1.3	8.1	0.1
<b>Meat Imports</b>	<b>50</b>	<b>39</b>	<b>29</b>	<b>20</b>	<b>22</b>	-22.8	-25.4	-30.5	8.0
<b>Meat Exports</b>	<b>1,798</b>	<b>1,569</b>	<b>1,876</b>	<b>2,127</b>	<b>2,035</b>	-12.7	19.5	13.4	-4.3
<b>Stock changes (private storage)</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>Consumption</b>	<b>20,951</b>	<b>20,413</b>	<b>20,678</b>	<b>20,800</b>	<b>20,898</b>	-2.6	1.3	0.6	0.5
<b>Population (mio)</b>	<b>495</b>	<b>500</b>	<b>501</b>	<b>502</b>	<b>503</b>	1.0	0.2	0.2	0.2
<i>of which EU-15</i>	392	397	398	399	400	1.3	0.3	0.3	0.3
<i>of which EU-12</i>	103	103	103	103	103	0.0	0.0	0.0	0.0
<b>Per Capita Consumption (kg)</b>	<b>42</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>42</b>	-3.5	1.1	0.4	0.3
<b>Ending stocks (private storage)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>				

**Table 2.3: EU 27 poultry meat balance sheet**

EU-27 poultrymeat market balance									
	000 t carcass weight					% variation			
	2008	2009	2010	2011	2012	09/08	10/09	11/10	12/11
<b>Gross Indigenous Production</b>	<b>11,581</b>	<b>11,691</b>	<b>11,975</b>	<b>11,975</b>	<b>12,049</b>	0.9	2.4	0.0	0.6
<i>of which EU-15</i>	9,014	9,131	9,434	9,434	9,500	1.3	3.3	0.0	0.7
<i>of which EU-12</i>	2,567	2,560	2,541	2,541	2,549	-0.3	-0.7	0.0	0.3
<b>Live Imports</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	55.7	87.4	10.0	-2.3
<b>Live Exports</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>9</b>	16.9	23.4	11.0	2.3
<b>Net Production</b>	<b>11,576</b>	<b>11,685</b>	<b>11,967</b>	<b>11,967</b>	<b>12,041</b>	0.9	2.4	0.0	0.6
<b>Meat Imports</b>	<b>864</b>	<b>849</b>	<b>779</b>	<b>787</b>	<b>785</b>	-1.8	-8.3	1.1	-0.2
<b>Meat Exports</b>	<b>898</b>	<b>940</b>	<b>1,159</b>	<b>1,377</b>	<b>1,356</b>	4.8	23.3	18.8	-1.6
<b>Consumption</b>	<b>11,548</b>	<b>11,599</b>	<b>11,594</b>	<b>11,385</b>	<b>11,478</b>	0.4	0.0	-1.8	0.8
<b>Population (mio)</b>	<b>495</b>	<b>500</b>	<b>501</b>	<b>502</b>	<b>503</b>	1.0	0.2	0.2	0.2
<i>of which EU-15</i>	392	397	398	399	400	1.3	0.3	0.3	0.3
<i>of which EU-12</i>	103	103	103	103	103	0.0	0.0	0.0	0.0
<b>Per Capita Consumption (kg)</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	-0.6	-0.2	-2.0	0.6
<i>Offal included in production, trade and consumption. Consumption calculated on the basis of gross indigenous production.</i>									

**Table 2.4: EU 27 sheep and goat meat balance sheet**

EU-27 sheep and goatmeat market balance									
	000 t carcass weight					% variation			
	2008	2009	2010	2011	2012	09/08	10/09	11/10	12/11
<b>Gross Indigenous Production</b>	<b>948</b>	<b>914</b>	<b>886</b>	<b>888</b>	<b>865</b>	-3.6	-3.1	0.2	-2.6
Live Imports	0	0	0	0	0	47.2	-23.9	90.0	-75.0
Live Exports	3	4	11	20	18	19.9	190.8	82.5	-8.6
<b>Net Production</b>	<b>945</b>	<b>910</b>	<b>875</b>	<b>868</b>	<b>847</b>	-3.7	-3.9	-0.8	-2.4
of which EU-15	861	816	784	790	770	-5.3	-3.9	0.8	-2.5
of which EU-12	84	95	91	78	77	12.6	-3.8	-14.3	-1.9
<b>Meat Imports</b>	<b>270</b>	<b>271</b>	<b>239</b>	<b>215</b>	<b>245</b>	0.6	-11.9	-10.0	13.8
<b>Meat Exports</b>	<b>6</b>	<b>8</b>	<b>13</b>	<b>16</b>	<b>14</b>	36.1	70.5	17.7	-8.3
<b>Consumption</b>	<b>1,209</b>	<b>1,174</b>	<b>1,101</b>	<b>1,068</b>	<b>1,078</b>	-2.9	-6.2	-3.0	0.9
<b>Population (mio)</b>	<b>495</b>	<b>500</b>	<b>501</b>	<b>502</b>	<b>503</b>	1.0	0.2	0.2	0.2
of which EU-15	392	397	398	399	400	1.3	0.3	0.3	0.3
of which EU-12	103	103	103	103	103	0.0	0.0	0.0	0.0
<b>Per Capita Consumption (kg)</b>	<b>2.4</b>	<b>2.3</b>	<b>2.2</b>	<b>2.1</b>	<b>2.1</b>	-3.9	-6.4	-3.2	0.7

### 3. MILK AND DAIRY PRODUCTS BALANCE SHEET

**Table 3.1: EU 27 milk supply and utilisation**

Milk supply and utilisation in the EU-27, 2008-2012									
	000 tons					% variation			
	2008	2009	2010e	2011f	2012f	09/08	10/09	11/10	12/11
<b>Dairy cows (mio heads)1</b>	<b>24.2</b>	<b>23.7</b>	<b>23.1</b>	<b>22.9</b>	<b>22.6</b>	-2.2	-2.4	-1.1	-1.4
of which EU-15	18.1	17.8	17.6	17.5	17.4	-1.5	-1.3	-0.5	-0.8
of which EU-12	6.1	5.9	5.5	5.4	5.2	-4.3	-5.6	-3.0	-3.2
<b>Milk yield (kg/dairy cow)2</b>	<b>5,919</b>	<b>6,078</b>	<b>6,261</b>	<b>6,394</b>	<b>6,505</b>	2.7	3.0	2.1	1.7
of which EU-15	6,582	6,713	6,885	7,057	7,128	2.0	2.6	2.5	1.0
of which EU-12	3,967	4,152	4,282	4,419	4,561	4.7	3.1	3.2	3.2
<b>Milk production (mio t)</b>	<b>148.5</b>	<b>147.6</b>	<b>148.4</b>	<b>150.8</b>	<b>151.0</b>	-0.6	0.5	1.6	0.1
of which EU-15	120.2	119.8	121.3	123.8	124.0	-0.3	1.2	2.0	0.2
of which EU-12	28.4	27.8	27.0	27.1	27.0	-2.1	-2.7	0.1	-0.1
Feed use (mio t)	3.7	3.7	3.6	3.5	3.5	-0.8	-3.6	-0.9	-0.8
On farm use and direct sales (mio t)	10.4	10.7	10.1	9.9	9.8	2.5	-5.8	-2.3	-1.0
<b>Delivered to dairies (mio t)</b>	<b>134.4</b>	<b>133.2</b>	<b>134.7</b>	<b>137.4</b>	<b>137.8</b>	-0.8	1.1	2.0	0.3
of which EU-15	115.6	114.7	116.6	119.2	119.5	-0.8	1.7	2.2	0.2
of which EU-12	18.8	18.5	18.1	18.2	18.3	-1.3	-2.4	0.8	0.4
<b>Delivery ratio (in %)3</b>	<b>90.5</b>	<b>90.2</b>	<b>90.8</b>	<b>91.1</b>	<b>91.2</b>	-0.2	0.6	0.4	0.1
of which EU-15	96.2	95.7	96.1	96.3	96.4	-0.5	0.4	0.2	0.0
of which EU-12	66.2	66.7	66.9	67.4	67.7	0.8	0.3	0.7	0.4
Fat content of milk (in %)	4.04	4.04	4.04	4.04	4.04	-0.1	0.2	-0.2	0.0
Protein content of milk (in %)	3.36	3.36	3.37	3.37	3.37	-0.1	0.4	0.0	0.0

1 Dairy cow numbers refer to the end of the year (historical figures from the December cattle survey)  
2 Milk yield is dairy cow production per dairy cows (dairy cows represent around 99.7% of EU-25 total production)  
3 Delivery ratio is milk delivered to dairies per total production

**Table 3.2: EU 27 cheese balance sheet**

Cheese market balance for the EU-27, 2008-2012									
	2008	2009	000 tons			% variation			
			2010e	2011f	2012f	09/08	10/09	11/10	12/11
Production (in dairies)	8,689	8,685	8,708	8,797	8,893	0.0	0.3	1.0	1.1
of which from pure cow's milk	8,115	8,143	8,168	8,262	8,361	0.3	0.3	1.1	1.2
of which from other milk <sup>1</sup>	574	543	539	536	532	-5.5	-0.6	-0.7	-0.6
EU-15 (in dairies)	7,524	7,510	7,524	7,613	7,676	-0.2	0.2	1.2	0.8
EU-12 (in dairies)	1,164	1,175	1,183	1,184	1,217	0.9	0.7	0.1	2.8
Processed cheese impact <sup>2</sup>	245	241	240	238	237	-1.7	-0.6	-0.6	-0.6
<b>Total production</b>	<b>8,934</b>	<b>8,926</b>	<b>8,947</b>	<b>9,036</b>	<b>9,130</b>	<b>-0.1</b>	<b>0.2</b>	<b>1.0</b>	<b>1.0</b>
<b>Imports (extra EU-27)<sup>3</sup></b>	<b>84</b>	<b>84</b>	<b>84</b>	<b>84</b>	<b>84</b>	<b>-0.9</b>	<b>-0.1</b>	<b>0.3</b>	<b>0.0</b>
<b>Exports (extra EU-27)</b>	<b>555</b>	<b>578</b>	<b>676</b>	<b>696</b>	<b>715</b>	<b>4.2</b>	<b>16.9</b>	<b>3.0</b>	<b>2.8</b>
<b>Total domestic use<sup>4</sup></b>	<b>8,464</b>	<b>8,432</b>	<b>8,355</b>	<b>8,423</b>	<b>8,498</b>	<b>-0.4</b>	<b>-0.9</b>	<b>0.8</b>	<b>0.9</b>
Processing use	223	222	221	222	224	-0.3	-0.5	0.8	0.8
Human consumption	8,241	8,210	8,135	8,201	8,274	-0.4	-0.9	0.8	0.9
p.c. consumption (kg)	16.6	16.5	16.3	16.4	16.4	-0.8	-1.3	0.5	0.5

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  
4 Total domestic use includes stock changes

**Table 3.3: EU 27 fresh dairy products balance sheet**

Fresh dairy products market balance for the EU-27, 2008-2012									
	2008	2009	000 tons			% variation			
			2010e	2011f	2012f	09/08	10/09	11/10	12/11
<b>Production</b>	<b>46,351</b>	<b>46,056</b>	<b>46,592</b>	<b>46,918</b>	<b>47,265</b>	<b>-0.6</b>	<b>1.2</b>	<b>0.7</b>	<b>0.7</b>
of which Drinking Milk	31,799	31,411	31,599	31,646	31,684	-1.2	0.6	0.2	0.1
of which Cream	2,376	2,383	2,436	2,448	2,472	0.3	2.2	0.5	1.0
of which Acidified Milk	7,852	7,959	8,174	8,338	8,546	1.4	2.7	2.0	2.5
of which Other Fresh Products	4,324	4,303	4,383	4,486	4,562	-0.5	1.9	2.4	1.7
of which EU-15	40,790	40,269	40,773	41,065	41,265	-1.3	1.3	0.7	0.5
of which EU-12	5,561	5,786	5,819	5,853	6,000	4.0	0.6	0.6	2.5
<b>Imports (extra EU-27)</b>	<b>13</b>	<b>24</b>	<b>12</b>	<b>14</b>	<b>15</b>	<b>81.7</b>	<b>-48.9</b>	<b>12.0</b>	<b>6.0</b>
<b>Exports (extra EU-27)</b>	<b>256</b>	<b>254</b>	<b>318</b>	<b>350</b>	<b>367</b>	<b>-0.8</b>	<b>25.3</b>	<b>10.0</b>	<b>5.0</b>
<b>Consumption<sup>1</sup></b>	<b>46,109</b>	<b>45,827</b>	<b>46,286</b>	<b>46,583</b>	<b>46,913</b>	<b>-0.6</b>	<b>1.0</b>	<b>0.6</b>	<b>0.7</b>
p.c. consumption (kg)	93.7	92.9	93.7	94.2	94.8	-0.8	0.9	0.5	0.6

1 Consumption includes stock changes  
Note: The figures on imports and exports are referring to total trade, i.e. including inward processing.

**Table 3.4: EU 27 whole milk powder balance sheet**

Whole milk powder market balance for the EU-27, 2008-2012									
	000 tons					% variation			
	2008	2009	2010e	2011f	2012f	09/08	10/09	11/10	12/11
<b>Production</b>	<b>808</b>	<b>762</b>	<b>757</b>	<b>756</b>	<b>756</b>	<b>-5.6</b>	<b>-0.7</b>	<b>-0.1</b>	<b>-0.1</b>
of which EU-15	723	703	703	703	702	-2.9	0.1	-0.1	-0.1
of which EU-12	84	60	54	54	54	-29.3	-9.8	-0.4	0.5
<b>Imports (extra EU-27)</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>-4.6</b>	<b>136.1</b>	<b>-57.6</b>	<b>-3.2</b>
<b>Exports (extra EU-27)</b>	<b>482</b>	<b>459</b>	<b>442</b>	<b>419</b>	<b>398</b>	<b>-4.8</b>	<b>-3.7</b>	<b>-5.0</b>	<b>-5.0</b>
<b>Domestic Use<sup>1</sup></b>	<b>327</b>	<b>305</b>	<b>318</b>	<b>338</b>	<b>358</b>	<b>-6.8</b>	<b>4.3</b>	<b>6.3</b>	<b>6.1</b>

1 Domestic use includes stock changes

**Table 3.5: EU 27 skimmed milk powder balance sheet**

Skimmed milk powder market balance for the EU-27, 2008-2012									
	000 tons					% variation			
	2008	2009	2010e	2011f	2012f	09/08	10/09	11/10	12/11
<b>Production</b>	<b>835</b>	<b>941</b>	<b>904</b>	<b>985</b>	<b>1,024</b>	<b>12.8</b>	<b>-4.0</b>	<b>9.0</b>	<b>4.0</b>
<b>Imports (extra EU-27)</b>	<b>8</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>-21.0</b>	<b>-36.8</b>	<b>-60.0</b>	<b>0.0</b>
<b>Exports (extra EU-27)</b>	<b>179</b>	<b>231</b>	<b>378</b>	<b>484</b>	<b>490</b>	<b>29.1</b>	<b>63.4</b>	<b>28.0</b>	<b>1.4</b>
<b>Consumption</b>	<b>618</b>	<b>611</b>	<b>599</b>	<b>599</b>	<b>564</b>	<b>-1.1</b>	<b>-2.1</b>	<b>0.0</b>	<b>-5.9</b>
<b>Ending stocks</b>	<b>173</b>	<b>278</b>	<b>209</b>	<b>113</b>	<b>85</b>				
Private (industry)	173	20	20	60	85				
Public (intervention)	0	258	189	53	0				
<b>Stock changes</b>	<b>45</b>	<b>105</b>	<b>-69</b>	<b>-96</b>	<b>-28</b>				

**Table 3.6: EU 27 butter balance sheet**

Butter market balance for the EU-27, 2008-2012									
	000 tons					% variation			
	2008	2009	2010e	2011f	2012f	09/08	10/09	11/10	12/11
<b>Production</b>	<b>2,198</b>	<b>2,137</b>	<b>2,078</b>	<b>2,103</b>	<b>2,124</b>	<b>-2.8</b>	<b>-2.8</b>	<b>1.2</b>	<b>1.0</b>
<b>Imports (extra EU-27)</b>	<b>52</b>	<b>56</b>	<b>34</b>	<b>28</b>	<b>28</b>	<b>7.8</b>	<b>-39.7</b>	<b>-17.3</b>	<b>0.0</b>
<b>Exports (extra EU-27)</b>	<b>154</b>	<b>152</b>	<b>157</b>	<b>145</b>	<b>145</b>	<b>-1.5</b>	<b>3.8</b>	<b>-8.0</b>	<b>-0.1</b>
<b>Consumption</b>	<b>2,056</b>	<b>2,047</b>	<b>2,030</b>	<b>2,006</b>	<b>2,002</b>	<b>-0.4</b>	<b>-0.8</b>	<b>-1.2</b>	<b>-0.2</b>
p.c. consumption (kg)	4.1	4.1	4.1	4.0	4.0	-0.8	-1.2	-1.6	-0.5
<b>Ending stocks</b>	<b>120</b>	<b>115</b>	<b>40</b>	<b>20</b>	<b>25</b>				
Private	120	38	38	20	25				
Public (intervention)	0	77	2	0	0				
<b>Stock changes</b>	<b>40</b>	<b>-5</b>	<b>-75</b>	<b>-20</b>	<b>5</b>				

Note: Figures on imports and exports do not include inward processing.

## METHODOLOGY

### 1. ARABLE CROPS

#### Areas

Official estimates (originating from Ministries or national statistical institutes) are available for most crops and Member States. For Member States which did not (yet) provide data, we apply the weighted average % of variation calculated for the Member States which communicated data, except when the available data still concerns a minority of Member States in the EU. In that case the trimmed average of the last five marketing years is used.

#### Yields

The following method is applied:

- Use of Member State estimates if available,
- Use of AGRI4CAST projections for soft and durum wheat, barley, grain maize, rapeseed and sunflower,

If these data are not available, the following method is used:

- If the yield trend 1993-present is statistically significant (F-test, t-student) it is retained (if there are obvious outliers in the time series they are excluded from the regressions), otherwise:
- Trimmed average of the last five marketing years.

#### Balance Sheets

**The balance sheets are based on marketing year (July-June)** starting with the harvest, in contrast to agronomic years which start with the seeding.

**Trade figures** are based on Comext for extra-EU trade. Trade data of the current and next marketing years are based on trade licenses

and previous averages and take account of TRQ regimes for imports.

**Estimates of cereal use:** levels of feedstock for ethanol production are projections for both 2010/2011 and 2011/2012. For previous marketing years, feedstock is assessed with the use of the ethyl-alcohol balance sheets communicated by the Member States to AGRI (as per Commission Regulation 2336/2003). Human consumption, seed use and other industrial use is based on historic relations regarding population and planted area in the consecutive marketing year. Feed use is based on calculations with FeedMod, a DG AGRI model for feed ration optimisation.

**Stocks** are closing the balance for cereals. Intervention stocks equal official DG AGRI figures for the past and estimations based on past experience for the current marketing year - if applicable.

**The three oilseed balance sheets** include rape, soybean and sunflower seed, meal and oil, plus palm oil. Stock data represents own estimates based on expert judgement and market information; consumption closes the balance. A coefficient is used to determine the share of oilseeds used in the crushing industry. These coefficients are 96% for rapeseed, 93% for soybeans and 89% for sunflower seed. The balance sheets are interlinked as oilseeds are crushed into meals and oils on the basis of processing coefficients, used to determine the percentage of meals and oils obtained from oilseeds in the crushing process. These processing coefficients equal are 57% for rape meal, 79% for soybean meal and 55% for sunflower meal and 41% for rape oil, 20% for soybean oil and 42% for sunflower oil.

### 2. MEAT

The meat balance sheets cover the period from 2008 to 2012 (calendar years) and include the following categories: beef, pig, poultry, sheep and goat, including live and



meat production and trade, in thousands of tonnes of carcass weight.

**Production data** for the 2008-2010 period comes from EUROSTAT,<sup>3</sup> and **trade data** (live and meat exports, imports) from the COMEXT<sup>4</sup> database.

The 2011 and 2012 forecasts are based on the most recent macroeconomic and market developments and expectations. In particular:

- Latest animal herd and Gross Indigenous Production forecast figures (EUROSTAT);
- Latest monthly trade data and trends;
- Analysis of agricultural policy environment;
- Result of trend analysis from economic modelling tools.

**Gross Indigenous Production** is calculated as net production plus live exports minus live imports.

**The consumption** is calculated as residual: Net production plus meat imports minus meat export. The **per capita consumption** is the consumption divided by the population.

**Trade data** comprises the "live animals", "fresh and chilled", "frozen", "salted" and "prepared" meat products. The offal and fat categories are excluded (with the exception of pork lard).

### 3. MILK AND DAIRY PRODUCTS

The section is **based on statistics available until September 2011**. Production and trade statistics for 2010 are estimated from monthly data. The 2011-2012 forecasts are based on the most recent macroeconomic and market developments and expectations, and have been established applying trends and annual profiles, provided that uses for dairy products are balanced with availabilities of total milk fat and proteins. In particular, the milk production forecast for 2011-2012 is based on the following:

- most recent monthly milk delivery and milk price patterns;
- expectation on farm gate milk price;
- assumed dairy herd and cow milk yield developments,
- assumed milk demand for direct sales, feed and on-farm use;
- assumed milk fat and protein content developments;
- 'normal' weather conditions;
- sound macroeconomic outlook;
- positive world market developments.

The method used for ensuring that milk uses for dairy products are balanced with availabilities of total milk fat and proteins is based on a 'residual approach' for butter and SMP. As such, market forecasts are first made for milk deliveries and the production of dairy products for which monthly production figures are available. The forecasted production figures are then converted into protein and fat equivalents using coefficients established from Eurostat data, and subtracted from the available dairy fat and protein of the milk delivered, giving the residual fat and protein equivalents of butter and SMP. The two products are then converted into product weight. The resulting annual production for butter and SMP is compared against the available monthly production figures.

Therefore, when evaluating the possible future developments for butter and SMP, one must consider the expectations for the other elements on the production side, as a reduction in the assumed level of milk deliveries and/or increase in production of other dairy products would automatically result in a reduction of butter and/or SMP production and vice-versa.

Important caveats remain to be made on the availability and quality of milk statistics:

- **Little is known about the levels of private (commercial) stocks and consumption**, making it difficult to assess market developments, in particular for cheese and WMP. For these products, the developments in domestic use may hide considerable changes in private (industry/trade) stocks.

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<sup>3</sup><http://epp.eurostat.ec.europa.eu/portal/page/portal/agriculture/data/database>

<sup>4</sup>[http://comext.eurostat.ec.europa.eu/comm/eurostat/comext/application\\_en\\_s8.htm](http://comext.eurostat.ec.europa.eu/comm/eurostat/comext/application_en_s8.htm)

- Confidential data: concentration in the dairy processing industry has resulted in an **increasing number of Member States not publishing their milk production statistics** (most notably monthly production statistics), making it impossible to calculate an EU total and in particular for SMP, WMP, concentrated milk and casein.
- Milk statistics for the EU-10 and EU-2 on-farm production of butter, cheese and other products has only recently become complete and has yet to be validated. For this reason the commodity balance sheets only cover production of dairy products taking place in dairy processing plants and so far do not include on-farm production.

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**Note:** The Short Term Outlook Report for arable crops, meat and dairy markets is issued by the Outlook Groups of DG AGRI and can be found on the web site <http://ec.europa.eu/agriculture/analysis/markets>. Next edition is foreseen for the mid of February 2012

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