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Short-Term Outlook for EU arable crops, dairy and meat markets in 2015 and 2016

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This publication presents the short term outlook for the arable crops, meat and dairy markets in the EU for 2014-2016. The report is based on analysis of market experts within the Directorate-General for Agriculture and Rural Development of the European Commission. Information and data available until 15 June 2015 have been used. Next issue will be published in autumn 2015.

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

HIGHLIGHTS

- Strong EU exports thanks to good EU competitiveness in spite of the Russian import ban.
- 2015 EU milk deliveries expected 1% above last calendar year, as quotas expire.
- The 2014/2015 cereal marketing year closes with record exports and stock replenishment supported by a best ever production. Next harvest expected to be also above average.
- Further increase in all EU meat supplies in 2015, after the recovery in 2014.

In the dairy sector, despite quota expiry, milk deliveries are expected up by just 1% in 2015. In some Member States milk production increased strongly from 1st April 2015, while in other countries milk prices are not providing sufficient incentive. With the continuation of the Russian import ban, more milk is channelled into SMP and butter and less in cheese.

2014/2015 marketing year closes with a record production at 329 million tonnes of cereals (14% above average) and exports estimated close to 60% above average. The final stock-to-use ratio forecast, all cereals included, is at 18% at the end of the period (against 13% in 2013/2014). Oilseed production reached 35 million tonnes in 2014/2015 exceeding the previous harvest by more than 12%. New cereal harvest for 2015 is forecast for the third year in a row at higher than average levels (+6%).

Pig meat production is expected to increase further in 2015 driven by the low feed prices and a slightly higher breeding sows herd. Poultry meat production continues its steady development. Cow herd developments and export opportunities will drive EU beef production up in 2015. Relatively good prices and favourable forage conditions support an increasing herd and production in the sheep sector. This extra meat on the market translates in an increase of the EU per capita consumption by 1.4% or almost 1 kg in 2015, after the strong recovery already observed in 2014.

1. MACROECONOMIC OUTLOOK¹

Steady worldwide economic growth supporting domestic demand...

World economic growth is expected at a steady rate of 2.6% in 2015 and 3.3% in 2016 though with uneven developments across countries and regions.

Driven by robust internal demand, the EU economy could grow by about 2% p.a. over the outlook period with all Member States expected to register positive developments (except Cyprus and probably Greece in the wake of debt crisis). Major EU economies are expected to contribute to this growth among which Germany (around 2% p.a), France (by 1.1% in 2015 and 1.7% in 2016), Spain (2.8% and 2.6%), the United Kingdom (2.6% and 2.4%) and Italy (with a modest rate of 0.6% in 2015 and a stronger 1.4% in 2016). Lower oil prices and a stronger US dollar against euro that considerably improved EU competitiveness on the world market represent two of the main reasons for this growth.

In the US, the economic growth forecast is at 2% and 3% in 2015 and 2016 respectively. The appreciation of the dollar is expected to limit US competitiveness on the world market. In addition, the higher income is supporting domestic demand and this translates into a decrease of export potential and higher imports (especially of some agricultural products such as beef or dairy).

Economic growth in China is expected to be quite strong at 6% per year, though lower than it used to be in the past and the rate of increase could be surpassed by India (+8% per year). The Japanese economy was relatively stable in 2014 and is expected to grow by around 1% per year in the next two years.

... except in South America, Russia and Ukraine

The economic crises in Brazil and Argentina (growth in Argentina is projected to be slightly less negative than in Brazil, -0.8% compared to -1.4% in 2015) reduced their internal consumption and their currencies exchange rates against the US dollar. These two countries are major world meat exporters and, provided that they have surplus supplies, the currency depreciation can help them become more competitive on the global market. The economic situation is expected to pick up slowly in 2016 in both countries while the currency depreciation is expected to continue.

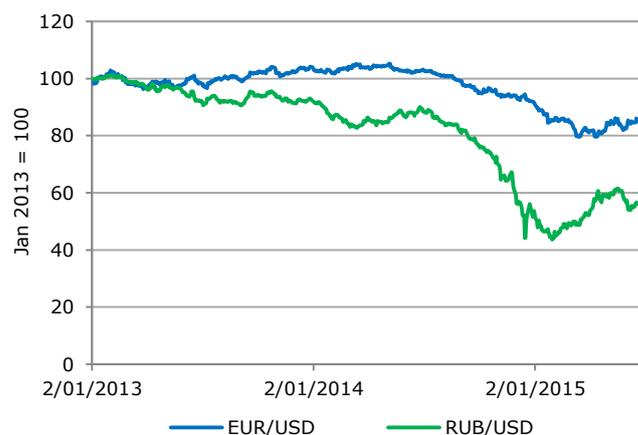
The ongoing geopolitical tensions between Russia and Ukraine are driving both the economic performance

and currency further down and consequently, the GDP might decline by 4% and 10% respectively in 2015 and continue declining in 2016 by 1% and 4%. After a strong depreciation against the US dollar in 2015 (over 30%), the Russian Rouble could continue weakening in 2016, though at a slower rate than in 2015. This deterioration of the Russian economic situation implies that, even if the import ban would be removed, trade would not resume to previous levels.

Major currencies depreciation towards US dollar to continue

Driven by a combination of factors (related to economic growth, oil price, macro-economic policies, geopolitical tensions, etc.), major currency depreciation against the US dollar is continuing. The weakening of the euro against the US dollar is expected to last throughout 2015 helping strengthening competitiveness of EU firms on the world market. At an average of 1.08 EUR/USD for 2015, the euro is forecast 19% below last year. The outlook for 2016 suggests that the EU currency will be relatively stable at 1.07 EUR/USD.

Graph 1 Exchange rate in the EU and Russia versus US dollar



Source: European Central Bank and Central Bank of Russia

Oil price expected to remain at low levels

Following the sharp fall at the end of last year, in 2015 the Brent crude oil price is expected to stabilise at 59 USD/bbl, 40% lower than in 2014. This development is driven by higher supply relative to consumption and as a result of geopolitical tensions between main oil suppliers.

This is good news for oil importing countries and for energy intensive sectors, like agriculture, as oil is an important component of production costs. However, revenues of exporting countries, relying mainly on the oil economy, are decreasing reducing their ability to buy processed products like Algeria for dairy powders (see the dairy chapter). In 2016, the oil price is forecast to average 66 USD/bbl.

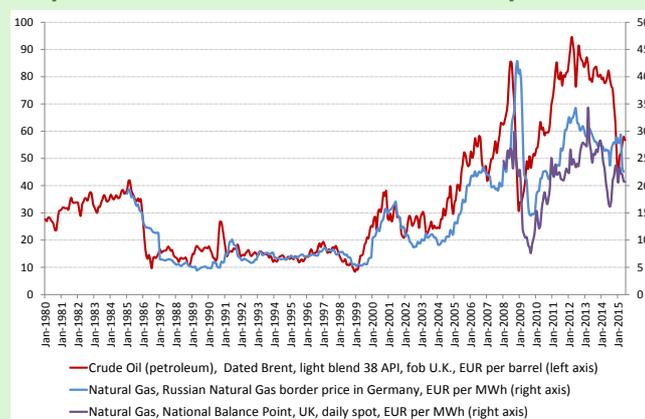
¹ Based on IHS (cut-off date 15th of June 2015) and DG Economic and Financial Affairs' Spring Forecast (5th of May 2015).

Why are EU fertilizer prices still high? Part 2

In the Winter Short-term outlook report, we looked at the limited impact of the oil price decline on fertilizer prices. We concluded that EU prices for nitrogen fertilizers are mainly linked to natural gas (main production cost) rather than to oil prices.

A closer look at natural gas price developments relative to oil prices shows that, in particular for the Russian gas, there is a time lag between oil and natural gas price movements. This is clearly visible in the 2008 price spike. Furthermore, the different price developments for natural gas of Russian origin (supplying mainly the Centre-East Europe, and mainly indexed on oil price) compared to the one from the North Sea (supplying North-Western EU Member States).

Graph 2 Crude Oil and main Natural Gas prices



Source: IMF and DG Economic and Financial Affairs

The graph shows also that the average price of Russian gas decreased only in the recent months (-20% in April 2015 compared to the previous month). Prices of Russian natural gas remain however close to last year's levels. On the other hand the price of gas from Norway and other North Sea suppliers in recent years showed a different development, almost completely disconnected from oil prices.

Because of partial substitution between energy sources, lower oil prices should ultimately lead to lower natural gas prices, even though past developments indicate that this may take time and can be partially transmitted. Since natural gas is the main input to produce nitrogenous fertilizers in the EU, this should lead over time to lower production costs for the EU fertilizers industry and ultimately lower fertilizers prices.

2. ARABLE CROPS**2014/2015 best ever EU harvest**

The cereal production figure for 2014/2015 marketing year is now consolidated at a record level of 329 million tonnes. The figure is 14% above the 5 year trimmed average and 8% higher than the previous year. The area increased only slightly by 0.6% but yields by 7.5%, boosted by exceptional climatic conditions especially during summer. The main contributions to the increase in production are soft wheat (+10%) and maize (+17%). Soft wheat reaches a record of 149 million tonnes with increases in all the major producing countries; France +1.7% (37.5 million tonnes), Germany +11% (27.7 million tonnes), the United Kingdom +39% (16.6 million tonnes) recovering from a previous bad year and Poland +23% (11.6 million tonnes). By contrast durum wheat production declined by about 5% mainly due to reduction in area in Spain (-14%) and France (-15%).

Maize production increased by 11 million tonnes to 78 million tonnes, allowing the EU to reach self-sufficiency (103%) with strong contributions from France (+23%), Hungary (+36%) and Italy (+12%) mainly due to yield improvements. Barley production declined slightly (-1%), mainly due to a 2.4% decrease in areas.

Larger availabilities support strong exports, feed use and stocks

At the end of the 2014/2015 marketing year the EU cereal net exports are estimated at 32.0 million tonnes, i.e. 8 million tonnes more than the previous year. Exports are estimated to reach a record level of 47.5 million tonnes, boosted by a competitive exchange rate with 31.5 million tonnes of wheat (48% higher than average) and 11 million tonnes of barley (70% higher than average). Maize imports decreased by 6.0 million tonnes.

Official trade data, from July 2014 up to April 2015 show a strong increase of extra-EU wheat export from Germany (5 million tonnes against an average of 3), Romania (3.7 against an average of 1) and Poland (2.5 against 0.3 on average), while French exports are stable at their usual high level (8.5 million tonnes). Wheat exports destinations were the traditional ones; Algeria (+31%), Egypt (+101%, from 1.8 to 3.7 million tonnes), Iran (+94%), Saudi Arabia (+189%) and Morocco (+15%).

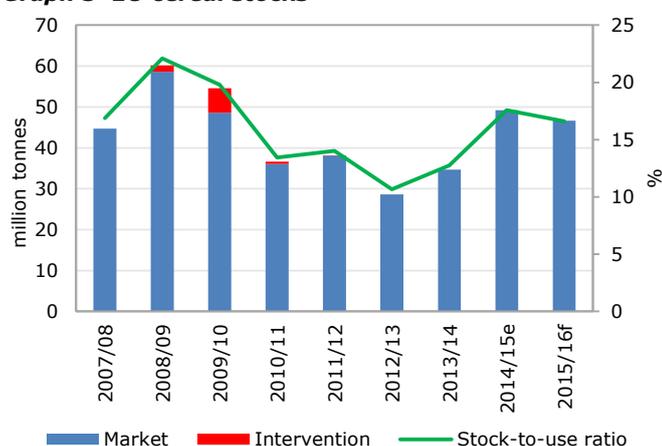
Barley exports increased significantly to traditional Middle East destinations (for instance, up to April, Saudi Arabia +28%, Jordan +65%) and as a new market, shipments to China were up from 155 000 tonnes to 1.8 million tonnes.

As for imports, the autonomous tariff rate quotas for wheat and maize for Ukraine of about respectively 1 million and 140 000 tonnes were completely filled while the one for barley (250 000 tonnes) was only used at 6.5%.

Animal feed use is estimated at a higher volume than in 2013/2014 (+5% at 172.5 million tonnes) supported mainly by increases in animal production and livestock numbers and low cereal prices, with a substantial contribution of wheat (feed use up by 22%).

The final stock-to-use ratio for all cereals at the end of the period is forecast at 18% (against 13% in 2013/2014), 11% for soft wheat, 16% for barley and 30% for maize. Stocks were replenished substantially however the stock-to-use ratio remains below the exceptional level of 2008/2009 and 2009/2010.

Graph 3 EU cereal stocks



Source: DG Agriculture and Rural Development

Good prospects for 2015/2016 world cereal harvest

The recent reports of the International Grain Council (IGC), the USDA and FAO-AMIS see a 2015/2016 world cereal production decreasing from the previous record year (-2.3% for IGC, -0.8% for the USDA and -1.6% for FAO-AMIS) but still above average. In the IGC analysis, because of an increasing food and industry consumption the final wheat stocks are expected to go down slightly by 0.9% for the world (but to increase for the main major exporters by 1.1%) while maize stocks are projected to decline by 6.7% bringing the stock-to-use ratio from 20% to a still 'comfortable' 19%.

2015/2016 EU harvest above average

First projections for the 2015/2016 marketing year anticipate a cereal harvest at 307 million tonnes, which is 6% above average and 7% below the 2014/2015 record. First estimates show a reduction in areas of about 0.8%, mainly due to lower market

prices, and driven by a 1.3% decline in soft wheat sowings, 4.4% for maize and 7.6% for triticale whilst more hectares are projected for barley (+1.7%), rye (+6.3%) and oats (+2.3).

Overall yields are expected to return to more normal levels. The production reduction compared to last year is projected for all cereals with the exception of durum wheat (+3.7%). Durum wheat areas (+4.2%) at the time of sowings were fostered by better prices compared to the previous year and by the introduction of voluntary coupled support in some regions. However, a slight reduction in yields is expected (-0.6%), due to adverse climatic conditions (dry and hot spells) in southern Spain (Andalucia) and southern Italy (Puglia).

Map 1 Areas of concern – winter and spring crops



Source: Mars-Bulletin Crop Monitoring in Europe 23(6)
<http://mars.jrc.ec.europa.eu/mars/Bulletins-Publications>

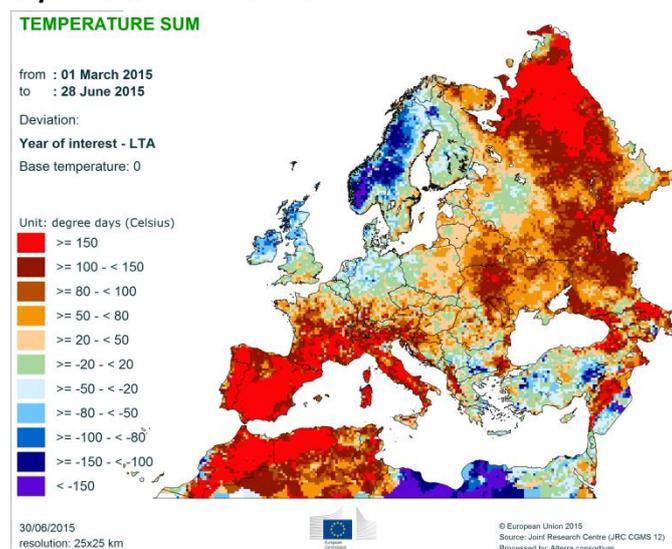
Favourable weather with the exception of Spain

Up to June, climatic conditions were generally favourable. No significant late frost events were recorded in spring and heat waves were limited mainly to Spain and the Balkan areas. However, at the end of June persisting dry conditions and an abnormal heat wave occurred in the EU. This might have affected wheat and barley at grain filling stages in central and western EU, possibly affecting cereals yield potential.

In the Iberian peninsula straw cereals, especially in southern and central areas have been suffering from the joint effect of dryness and hot temperatures. A cross-cutting region including some areas in central and northern EU (see Map 1) remains of concern for drier than normal conditions which implies low levels of soil moisture available to plants. Some rain is needed in the next weeks in this area to refill moisture and keep the yield potential during grain filling stage.

Since March temperatures have remained within normal ranges with the exception of the most western areas (Iberian peninsula; western France) and Italy. Rain was in general scarce in the Iberian Peninsula, southern France, central Germany and western Poland, while excessive in Italy, eastern EU and Balkan areas. June brought some beneficial rains in Spain and western France, but remained dry in central Germany.

Map 2 Temperature sum – differences with average over March-June period. Excess of temperatures are depicted in the reddish areas



Source: Mars-Bulletin Crop Monitoring in Europe 23(6)
<http://mars.jrc.ec.europa.eu/mars/Bulletins-Publications>

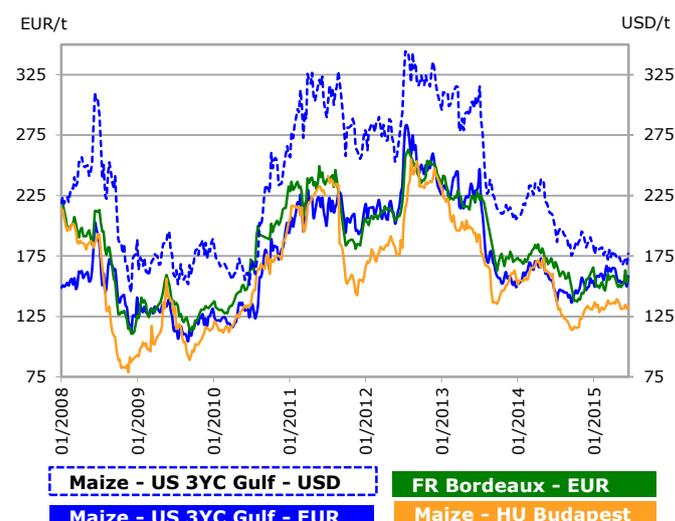
Maize plantings were achieved between April and May in normal-to-favourable conditions all over the main producing areas with the exception of Bulgaria where sowings were delayed by excessive rain.

Firm market prices driven by strong demand and weather concerns

Despite abundant availabilities, wheat prices remain relatively firm at EU and international levels due to strong export demand and weather concerns in the US (excessive moisture in Hard Red Winter Wheat areas), Canada (dry conditions in wheat plains) and Western Europe (dry Iberian peninsula). Soft wheat delivered Rouen was quoted on 23 June at 180 EUR/t (80% above intervention price) or 201 USD/t, comparable levels to last year. This compares to quotations of US Soft Red Winter Wheat oscillating around 216 USD/t. The competitive difference is mainly due to a favourable exchange EUR/USD rate.

EU Maize (Bordeaux) was quoted on the same date at 156 EUR/t, slightly below US maize price that continued its declining trend reaching now 177 USD/t (158 EUR/t) for US FOB Gulf (Yellow Corn class 3 contract).

Graph 4 EU and US maize prices



Source: DG Agriculture and Rural Development and USDA

Favourable prospects for the oilseeds markets

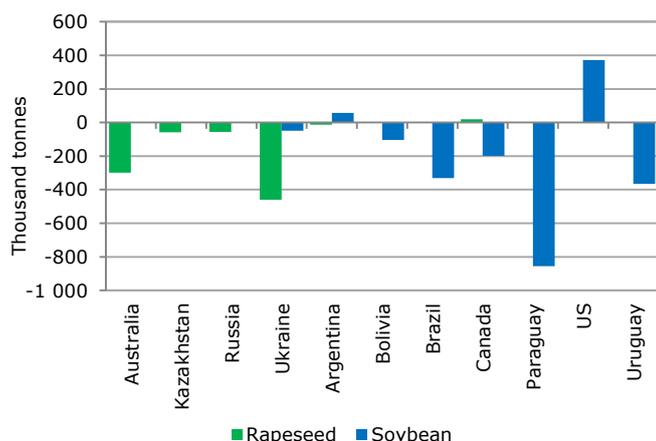
The combination of two consecutive years of record oilseed production, in 2014/2015 and as anticipated in 2015/2016, due to excellent growing conditions, together with a stagnating biodiesel demand due to low oil prices, lead to world stock replenishment and lower prices.

Reduced imports in 2014/2015 due to record EU production

The 35 million tonnes EU domestic oilseed production in 2014/2015 marketing year exceeded the good harvest in the previous year by more than 12%. This increase was fully driven by higher yields (+15%) due to favourable growing conditions, while the overall planted area decreased (-2%). EU rapeseed area remained stable though. For sunflower seed, the higher yield did not compensate for the strong area decrease and production declined slightly (-1.4%). Due to the excellent 2014 harvest, the EU oilseed self-sufficiency rate increased from 67% in 2013/2014 to 74% in 2014/2015.

The record EU rapeseed production and low soybean crushing margins leads to an anticipated considerable reduction in imports of soybeans (-11%), sunflower seed (-23%) and especially rapeseed (-25%) in 2014/2015. Main affected oilseed exporters are Brazil and Paraguay for soybeans and Ukraine and Australia for rapeseed (Graph 5). Paraguay was able to offset part of its lost market share by increased soymeal exports to the EU. Argentina and the US were able to expand their soybean exports to the EU, but in the US at the expense of their soymeal and soybean oil exports to the EU.

Graph 5 Difference in rapeseed and soybean EU imports in July 2014–April 2015 versus July 2013–April 2014



Source: DG Agriculture and Rural Development based on Eurostat

Meal imports are projected to remain largely stable in 2014/2015. Total domestic use, driven by low prices and expanding meat and dairy production, increased both for oilseeds and meals. The favourable growing conditions in key exporting countries (especially Ukraine) and the comparatively low EU production led to an increase in sunflower meal imports, while meals from EU grown rapeseed and sunflower seed substituted a part of the soybean meal domestic use.

In line with the contracting biodiesel demand linked to low oil prices, EU domestic vegetable oil use is expected to stagnate. The large oilseed (and hence oil) production in the EU reduced imports of palm oil (mainly from Malaysia, Indonesia and Thailand), rapeseed oil (from Russia and Canada) and soybean oil (from the US). The lower EU sunflower seed production and good harvests abroad on the other hand strongly increased sunflower oil imports.

Lower yields expected in 2015/2016

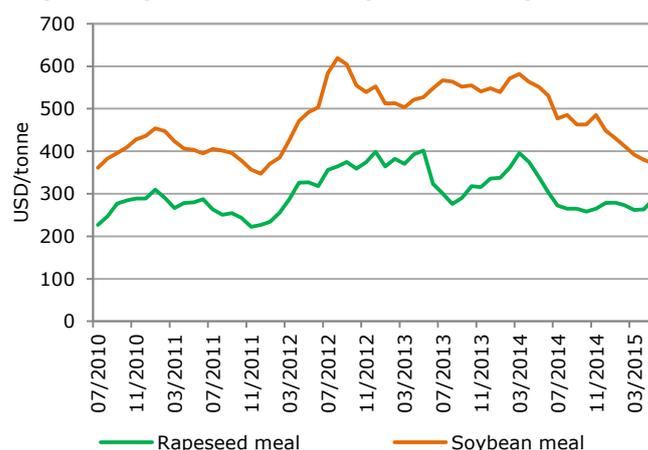
World oilseed production in 2015/2016 is projected at 532 million tonnes, slightly below last year's record of 536 million tonnes (USDA), due to a combination of increased plantings (e.g. in Brazil and the US) and/or higher than average yields (e.g. in Argentina). As a consequence, the already high stocks are expected to increase further to a record stock-to-use ratio exceeding 30%. Meteorologists recently raised the probability of an upcoming *El Niño* event, which might affect the current production in certain areas (mainly negatively in the region around India, Thailand, Indonesia and Australia, affecting a.o. palm oil and rapeseed production).

In the EU, total oilseed planted area is expected to equal last year's (11.5 million ha), but among the crops an increase in sunflower and linseed plantings is expected, at the expense of rapeseed and soybeans. Yield estimates indicate a decline of 8.5% compared to 2014/2015, mainly for soybeans (-15%) and

rapeseed (-10%), which will affect total production. Rapeseed yield is affected by drier than normal conditions, particularly in Germany and France (Map 1). 2015/2016 might however remain the second best production year with little over 32 million tonnes of oilseeds produced domestically. In addition, a bumper soybean crop harvest is expected in Brazil and Argentina, together with high plantings in the US due to the favourable soybeans versus maize margin projected, therefore world production and stocks will continue to be large, offering opportunities for the EU meat and dairy sector to benefit from lower feed costs.

By contrast, a tighter production of rapeseed is expected worldwide, both in the EU and abroad (amongst others related to the drought in Australia and Canada, and lower plantings in Ukraine, according to the IGC Grain market report of June 2015). Therefore, the large spread between soymeal and rapeseed meal prices is currently decreasing to below 100 USD/t (Graph 6), which might trigger increased soymeal imports into the EU.

Graph 6 Soybean meal and rapeseed meal prices



Source: FAO price monitor, Rapeseed meal (34%, Hamburg, f.o.b. ex-mill) and Soybean meal (44-45%, Hamburg, f.o.b. ex-mill)

Rising EU protein crop area in 2014 and 2015

For protein crops, the area increased in 2014/2015 by 13% compared to the historically low area of 2013/2014 while yields remained stable. Lower yields for lupins in Poland (main producer) and for field peas in Spain were compensated by higher yields for broad beans in Italy and especially the United Kingdom (main producer). With 14 Member States opting for voluntary coupled support for protein crops in order to help maintaining production, plantings in 2015/2016 further increased marginally (+1%). Due to lower yield forecasts compared to the previous year (-5%), total production is however expected to decrease.

Exceptionally high EU sugar production in 2014/2015

2014/2015 is confirmed to be an exceptional year for EU sugar production. EU sugar beet production increased by 6% compared to 2013/2014 driven by both a 3% area increase and a 3% yield increase. Moreover excellent weather conditions in the later part of the growing season led to high levels of sugar in the root. This resulted in an estimated production of just over 19 million tonnes of white sugar, an increase of 16% compared to 2013/2014 and significantly more than the quota of 13.4 million tonnes.

EU prices seem to stabilize around 417 EUR/t (April price), a low level compared to the average price of 2013/2014 of 587 EUR/t. However, both the EU and the world price, around 340 EUR/t, are under a continuous pressure following a good world harvest, a strong devaluation of the Brazilian Real and decreased oil prices.

As a consequence of the high sugar supply and lower prices, imports into the EU are expected to be reduced by 17% to 3 million tonnes. Given that the imports from specific TRQs decreased more than EPA-EBA imports the share of EPA-EBA in the import mix increases. Following the rather stable domestic use of sugar, and despite lower imports the expectation is that 2014/2015 marketing year will end with very high stock levels in the EU of almost 3.5 million tonnes compared to 2.4 million tonnes in 2013/2014 (stocks include carry forward, see methodology section for further details).

Strong reduction in sugar beet seeding in 2015

Sugar beet seeding for 2015/2016 is reduced significantly as agreed between farmers and manufacturers, given the sizeable ending stocks in 2014/2015 and the low prices at the time of seeding. The area is forecasted to contract by about 13% compared to 2014/2015.

The weather had been rather favourable so far leading to good yield prospects (+5% compared to 2014/2015 based on the latest yield prospects from JRC MARS AGRI4CAST, this can change in the coming weeks if current drought period continues) partially compensating the area effect. The resulting sugar beet production is expected to decline by about 9%, to a level comparable to the 2013/2014 season. Assuming sugar content levels at a historic average we forecast a sugar production at 16.1 million tonnes, a decrease of about 17% compared to the current campaign.

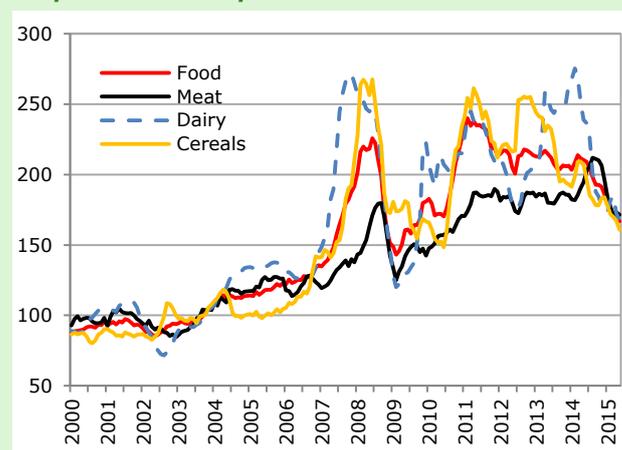
Imports are expected to increase to the higher historic level because of some recovery in EU prices. Exports of EU sugar are stable for 2015/2016 in line with the WTO limits.

General decrease in food prices

After spiking in recent years, food prices, as measured by the FAO Food Price Index, keep on decreasing and in May 2015 they reached their lowest level since September 2009. At 167 points, the FAO food price index was 21% below last year. However, it remains well above the pre-2007 prices. Most of the decline comes from cereals, dairy products and more recently meat, while oils and sugar price indices increased recently.

This index is calculated using various international reference prices. Worth to be noted is that despite the record harvests, EU cereal prices kept rather firm in euro terms supported by strong demand, while US maize and wheat prices were declining in US dollar terms. In addition, for meat the picture is quite contrasted by regions and sectors: pig and poultry meat prices declined in Brazil, while EU and US markets were oriented upwards. In addition, beef prices are rather stable in the EU while increasing fast in the US.

Graph 7 FAO food price indices



Source: FAO, <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>

This strong decline in agricultural prices results in slightly lower food prices for consumers. In the first quarter of 2015, on average in the EU-28, consumer prices were 0.7% below the same quarter in 2014. This reduction is superior to the general decline in prices (-0.3% over the same period). Food prices at consumer level declined by more than 2% in Poland, the Baltic countries, badly hit by the Russian import ban, but also Ireland and the United Kingdom. Interestingly, the strongest general price decline was not recorded in these countries except for Poland and Lithuania, but in Greece, Bulgaria and Spain.

Consumer prices for milk and cheese have declined the most (-1.1% on average in the EU), ahead of meat (-0.8%) and bread and cereals (-0.1%) prices, illustrating once more that the share of raw agricultural material is the lowest in bread. Consumer prices dropped by more than 3% in Latvia, the United Kingdom and Finland for milk and cheese and in Bulgaria and Poland for meat.

3. DAIRY

Butter and SMP prices stabilising

At the beginning of the year EU commodity prices were increasing together with world prices, but the recovery did not last and prices started declining again in March, with the seasonal increase in EU and US milk production while in New Zealand the expected drought did not materialise, in a context of lower Chinese demand compared to 2014 exceptional levels.

The decline in prices has recently halted for Skimmed Milk Powder (SMP), butter and Cheddar, but Gouda, Edam, whole milk powder (WMP) and whey prices are still oriented downwards. By mid-June, SMP European average price at 180 EUR/100 kg was around 40% lower than last year and only 6% above intervention price. WMP EU price at around 240 EUR/100 kg was close to 30% below last year. Pressure on protein prices is bigger than on the fat market: demand from the US and Japan together with sustained demand in other parts of the world are supporting butter prices. By mid-June, EU butter price, at 313 EUR/t was only 11% below last year (40% above intervention price). Cheddar, Edam and Gouda prices are around 20% below last year.

Further milk price downward adjustment

Milk prices paid to the farmers declined in the second half of 2014 and beginning of this year. The reduction in milk prices had slowed down since February but in May, it decreased by 2.6% compared to April. The EU average milk price, at 30.48 EUR/100 kg in May, was 19% below the previous year. There are significant differences between Member States, the strongest decreases compared to last year, can be observed in the Baltic countries, where the milk price is below 25 EUR/100 kg. By contrast, there are other countries where the reduction in May compared to last year was limited to around 15%: in Finland, Italy, Austria, the United Kingdom, Portugal, France and Poland. Nonetheless, in the latter three countries milk prices were below 30 EUR/100 kg.

In June, based on the milk price estimates communicated to the European Commission, the EU average milk price could equal the May price. However, some further milk price cuts are to be expected in some Member States.

1% increase expected in 2015 EU milk deliveries, as quotas expire

Despite lower milk prices, EU milk deliveries in 2015 are expected nearly 1% above 2014. It means that after the 1.2% decrease observed in the first three months of the year, until quota expiry. EU milk collection could increase by 1.6% compared to last year, in the remaining months of the year. However, very different developments can be observed in the

different Member States, with a few countries where milk collection increased strongly from the first day after quota expiry, while in other countries no such development is observed.

In the first quarter of 2015, the decrease in deliveries compared to 2014 was particularly noticeable in Cyprus, Ireland, Estonia, Belgium, Austria, the Netherlands, Latvia, Italy, Germany and Denmark. Most (but not all) of these Member States were at risk of exceeding quota (Member States were granted the possibility under Regulation EC (No) 2015/517 of 26 March 2015 to allow affected farmers to pay the surplus levy over a three year period). In other Member States like France, with deliveries well below quota, the decrease resulted more from adjustment to market and price developments. In the United Kingdom, a slowdown in milk deliveries was also noticeable.

By contrast, farmers in other Member States continued to substantially increase their deliveries despite low milk prices: Hungary, the Czech Republic, Slovakia, Slovenia and Portugal. Milk collection rose in Lithuania and Finland too, despite the Russian import ban. Some production adjustment due to price signals might occur eventually later in the year in these countries but 2015 is nevertheless expected to show significant production increases in these countries.

Map 3 2015/2014 change in milk deliveries forecast



Source: DG Agriculture and Rural Development own elaboration

Since 1st April 2015, despite prevailing price levels, milk collection surged in some of the Member States previously limited in their expansion by the quota: Ireland, Austria, Luxembourg, Poland and Spain (by order of magnitude) and since May in the Netherlands. Farmers had adopted different strategies to reduce deliveries prior to quota expiry. For many a priority was not to damage the herd potential in order to expand rapidly production as of the 1st April 2015. Among other possibilities, farmers ended cows' lactation period earlier and postponed the calving season.

Poland is an interesting case, because despite a huge increase in cow slaughterings (35% higher since April 2014, year-on-year), rather low milk prices and the quota overshoot, the milk production slowdown in the first quarter of 2015 has been limited and in April production surged rapidly (+4.2% compared to 2014).

The increase in herd was scheduled by farmers ahead of milk quota expiry, having in mind long-term opportunities on the world market: in December 2014, the number of dairy cows in the EU-15 was close to 1% higher compared to 2013, with significant increases recorded particularly in Ireland (+4.2%) and the United Kingdom (+3.6%).

Very good forage conditions (see Map 4) contributed also to milk production expansion in the last months, particularly in countries where cows are mainly grass-fed.

By contrast, in Germany and France (close to 40% of EU milk collection) monthly deliveries reached last year levels only at the end of May and no strong increase is expected given price developments so that in 2015 milk collection should not exceed 2014. In Belgium and Sweden, 2015 milk deliveries could be lower than in 2014. Similarly, limited increases are expected in the United Kingdom and Italy. In Spain, difficulties to find processors willing to process milk, especially in Galicia, might lead to downwards adjustments of milk deliveries by the end of the year.

In 2016, milk collection might increase by not more than 1%, again assuming a continuation of the Russian import ban: a faster growth of world supply compared to demand might delay the expected rebound in farm milk prices.

More milk channelled into SMP and butter

For the dairy sector, the continuation of the Russian import ban translates mainly into lower exports of cheese despite a strong re-direction of trade to other destinations. The additional milk is channelled into SMP and butter.

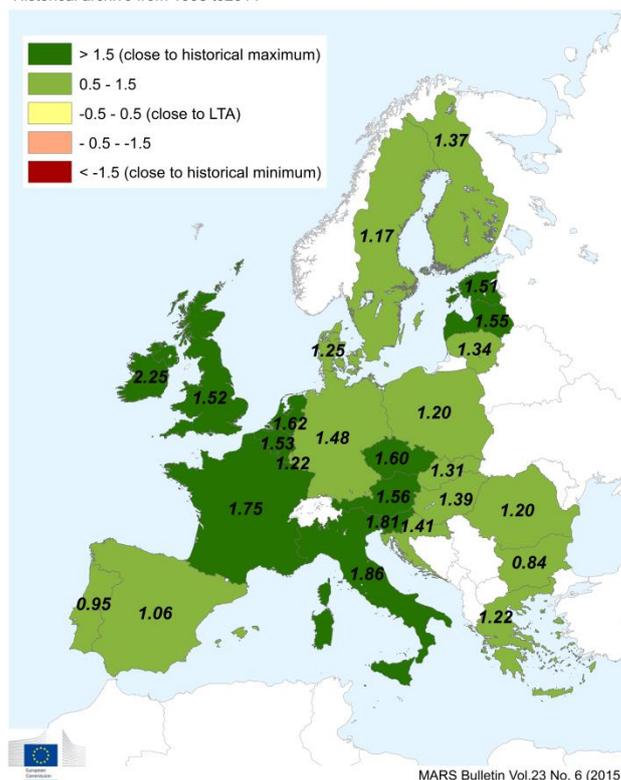
Therefore, in 2015, SMP production is expected to increase by close to 8%. While between January and April, milk collection was still below last year,

additional milk was channelled to SMP production (+1.3%) driven by export markets. This orientation is expected to be strengthened with increasing milk collection in the remaining months of 2015, while growth in cheese production is expected to remain limited.

Map 4 Above average pasture productivity throughout the EU

Relative index of pasture productivity

Period of analysis: 1st March - 10 June 2015
Index based on GIO smoothed NDVI 10-day product.
Historical archive from 1998 to 2014



Note: an index above 0 indicates an above long term average (LTA) grassland productivity

Source: Mars-Bulletin Crop Monitoring in Europe 23(6)
<http://mars.jrc.ec.europa.eu/mars/Bulletins-Publications>

EU SMP is competitive on the world market, supported by a depreciated euro against the US dollar. In the first four months of the year exports increased strongly to Egypt, Pakistan, Japan, Philippines, Bangladesh, Vietnam, Thailand and Mexico, while exports to Algeria, the main destination, decreased by 26%. Lower oil revenues in oil producing countries may complicate the picture. Exports to China declined also substantially (by close to 50% compared to the exceptional increase in the previous year) affecting particularly Germany and France while New Zealand is the only country that managed to maintain its shipments towards this destination.

For the whole 2015 year, SMP exports are expected to reach close to 760 000 tonnes, 17% above last year because favourable export conditions observed in the first four months of the year are expected to continue the whole year.

With the increase in supply, SMP stocks might accumulate in the next months, but they are expected at the same level as last year by December 2015. At the end of April 2015, SMP stocks under the private storage aid scheme, were limited to 14 000 tonnes.

As mentioned above, the fat market is doing well and butter exports are expected to increase by close to 10% in 2015 despite the Russian import ban. A 9% increase was already observed in the first four months of the year, with higher shipments mainly to Egypt, Saudi Arabia and the US. The EU and New Zealand are benefiting most from the US shortage in butter.

Butter production is expected to increase by close to 3% in 2015 compared to 2014. Exports, although dynamic, are not the main driving factor of this expansion: they represent less than 7% of production. It is domestic use, in particular for industrial use, e.g. in bakery, which is supporting the market and limiting stock accumulation. At the end of April 2015, butter stocks under the private storage aid scheme, at 50 000 tonnes, reflect the seasonal increase in production.

Higher domestic use of dairy products

In 2015, it is also domestic use which is driving a slightly increasing cheese production, expected 0.5% higher than in 2015. With declining cheese prices and a recovery in economic growth, the per capita cheese consumption could increase by 1.7% in 2015, from 17.1 to 17.4 kg/capita.

On the contrary, the loss of the Russian outlet, still affects cheese trade despite a strong increase in exports towards other destinations by close to 25% over the first 4 months of the year. Strong increases were recorded to the US, Japan and South Korea. In the US, growing domestic demand is driving higher imports. End of 2014, Japan changed its standard for *Listeria monocytogenes* reflecting the current international standard applied also in the EU, bringing further opportunities for EU cheeses on this market. Further to the free trade agreement signed between the EU and South Korea, export opportunities increase steadily with the stepwise increase in South Korean TRQs.

In 2015, WMP production could increase by 3% compared to 2014, despite the 15% lower production observed between January and April. In the first months of 2014, WMP production had been exceptionally high, but production had started declining strongly in June. Production might therefore balance over the year, mainly driven by a dynamic domestic industrial use. Exports could nevertheless increase by a small 2% in 2015, after a 10% decrease observed between January and April mainly because of a strong decline of shipments to Algeria, Angola, Nigeria and China while exports increased significantly to Oman and Saudi Arabia. With declining prices, WMP

could also become more attractive than Fat Filled Milk Powders (milk powders where the dairy fat is replaced by vegetable fat); this could lead to some additional exports.

On the fresh dairy market, drinking milk consumption is oriented downwards while the consumption of cream is steadily increasing. Therefore, fresh dairy consumption could remain stable at best in 2015, while a small increase in exports (+5%) could drive an increase in production limited though to 0.4%. On the export side, while at the end of 2014, exports of liquid milk to Belarus compensated for the loss of the Russian outlet, in 2015 exports to Belarus remained very limited so far. However, shipments to China increased by 14% (much less than New Zealand exports though, at +50%, over the first five months of the year, and less than Australia which doubled its shipments).

4. MEAT

Cow herd development impacts the beef market

In 2014, the total cow herd in the EU regained its level of 2010. The structure of this herd has changed significantly. According to the livestock survey of December 2014, the beef herd is now 290 000 heads smaller than in 2010 while the dairy herd increased by the same number. It confirms the fact that EU beef meat production will rely even more on the dairy herd in the future. The shift of suckler to milk cows at EU level hides different developments at Member State level, as certain Member States like France and Spain increased both their dairy and suckler cow herd.

EU beef production² statistics for 2014 have been recently revised upwards and production is now estimated 2.5% above 2013 (previously 2.1%). The increase of beef meat production in 2014 was the most significant in Poland (+77 000 tonnes), Ireland (+64 000 tonnes) and the United Kingdom (+30 000 tonnes).

EU beef production in the first quarter of 2015 shows an increase by 4.8% year-on-year. This is partially related to the continuing culling of dairy cows, especially in Poland and Italy but also, Estonia, Austria, Latvia and Luxembourg to limit the milk quota overshoot. On the other hand, Spanish beef production increased by 9.3% over the same period, coming from cows (+12%) as well as bulls (+17%), which may indicate a first effect of their larger beef herd.

In 2015, total EU beef production could further increase by 1.4%, as EU production capacity has risen and the impact of the herd changes is lagged in time

² The EU net beef production is revised for Italy based on Eurostat 2013 and ISMEA information on registers because of break in time series and adjusted for on farm slaughtering in Romania.

due to the longer production cycle. Therefore, a potential increase of 0.6% in beef production is also foreseen in 2016. Some further culling of dairy cows is reported in the first months of 2015 but this will not continue during the remaining part of the year. Additionally, prospects for internal and external beef demand stay quite positive.

Increase in EU export potential of bovine meat and live animals

In 2014 meat export volumes increased strongly (by 29% or 46 000 tonnes). This is mainly due to increased exports to Hong Kong, Western Balkans and the Philippines (new market). After the Russian import ban, the EU beef was directed to new markets. By the end of 2014, the export of meat to Turkey seemed to take off, in spite of some administrative issues (BSE certificates), but the first months of 2015 again show very little trade. First quarter of 2015 shows an increase of 18% in exports, especially to Norway and the Philippines. With the Russian import ban still in place throughout 2015, EU exports in 2015 are expected to reach 225 000 tonnes, a 8.5% increase compared to 2014.

Exports of live cattle were higher in 2014 than in 2013 (+5.3%), representing more than one third of the volume of bovine exports. Lebanon remained the main destination for live animals (+45%). The first months of 2015 show an increase of 35% in live exports year-on-year. The re-opening of the Turkish market since last year confirms clearly the large opportunities while the local beef prices are relatively high. However, the exact level of exports to Turkey remains an uncertainty. Lebanon stays the main destination and probably serves as a hub for other destinations in the Middle East. Therefore, live exports are expected to further expand in 2015 to a level equivalent to 149 000 tonnes.

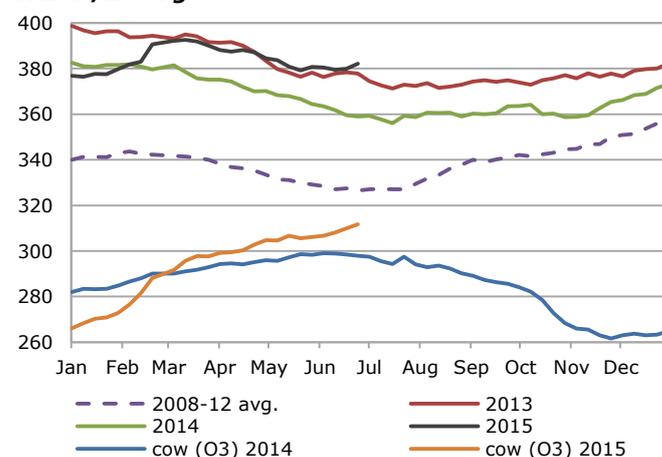
In 2014, EU beef imports from Argentina declined due to their internal policy restricting exports to limit consumer prices increase, while Australia and Brazil increased their supply to the EU market (+21% and +3% respectively), despite the focus of Australia to cover the strong US demand. The export potential of Australia is expected to be reduced in 2015 due to a decapitalisation of its cow herd. Brazil might take over its share as exports to Russia have not taken off as expected and internal demand is lower due to the economic situation. The role of Argentina on the international beef market may depend on the outcome of the elections in October this year and their potential impact on the trade policy. The recent FTA between Australia and China may have some effect but probably only in the longer run. As a result, EU beef imports should stay rather stable in 2015.

After a recovery from July 2014 till March 2015, EU beef prices started to follow their seasonal decline but remain currently above 2014 prices and the 2008-2012 average (see Graph 8). The EU beef price

reached 380 EUR/100 kg by June 2015. Even though the slaughterings of cows and heifers increased in the first quarter, the price of cows started to increase again in January 2015 up to 360 EUR/100kg in May. World prices are to remain high because of tight supply, a temporary drop in the Australian production potential and high demand in the US and Asia. At the same time, the US beef herd shows first signs of recapitalisation, possibly inducing a shortage in the short term but an increased production potential in the longer run.

In 2014 the higher beef availability on the EU domestic market allowed for a recovery in consumption to 10.5 kg/capita (in retail weight). This is expected to continue but the rising beef price could limit the upward move to reach 10.6 kg/capita in 2015 and 10.7 kg/capita in 2016.

Graph 8 EU price for adult male (R3) and cows (O3), in EUR/100 kg



Source: DG Agriculture and Rural Development

Recovery in pig meat production

Lower feed prices and a slightly higher breeding sow herd after seven years of decline set the scene for a further increase in 2015 production after the recovery a year earlier. Despite the depressed meat prices at the beginning of the year (for example, at 130 EUR/100 kg c.w., prices were in January 2015 18% below the 2010-2014 average), slaughterings went exceptionally up by 5.6% in the first quarter of 2015 compared to the same period of last year. This production increase was indeed planned while prices were still well oriented (until September 2014) as illustrated by the higher number of piglets recorded in December 2014 (+2.5% compared to December 2013).

All main producing Member States contributed to this increase. The most remarkable growths were recorded in Spain (+11.7%) driven by the strong increase in total pig numbers (in particular, for breeding sows: +5%) and in Poland (+6.6%) where by contrast the number of breeding sows remained unchanged. Given the decline in carcass weight recorded in Poland in the

first quarter (-2.4%), this production growth might come from an increase in the number of piglets per sow while piglet imports remain strong. Higher production was recorded also in the other major pig meat producers: Denmark, Germany, the Netherlands, Belgium, France and the United Kingdom. The average carcass weights increased in the EU-15 by 1.2% while they dropped in the EU-N13 by 1.4% (mainly because of Poland).

In spite of the cheaper feed, some pig producers might be confronted with financial difficulties as the prices for meat do not always cover their production costs, therefore a slowdown in net production increase is expected for the remaining part of 2015 (+1.8% in April-December 2015 against the same period in 2014). This might limit the overall 2015 annual increase in production to around 3% year-on-year and in 2016 to 0.9%.

Increased production, lower meat prices, a weaker euro and a strong demand from Asia constitute several advantages the EU pig meat exporting companies have benefited and that prompted EU pig meat exports at higher level than in 2014. During the first four months of 2015, EU pig meat exports grew by around 4% because of increased shipments towards Philippines, China, the US and Singapore. In South Korea³, lower production as result of Foot and Mouth Disease and Porcine Epidemic Diarrhoea virus (PEDv) outbreaks increased import demand by more than 30% (January-May 2015 against the same period of last year) with better priced EU meat overtaking volumes coming from the US. Smaller volumes exported to Japan suggest that the country has started recovering from the 2014 PEDv episode.

Worth noting that the 12% increase in total EU exports (excluding Russia) more than compensated for the fall of exports to Russia. As Russia is continuously encouraging its domestic production and currently imports mainly from Brazil because of the sanitary ban imposed on EU pig meat, the EU exports towards this destination are not expected to resume significantly even if the August 2014 import ban would be lifted. All in all, EU pig meat exports could keep on increasing driven by strong global demand, increased competitiveness on the world market due to a depreciated euro against the US dollar and an expected lower supply in Brazil, one of the EU competitors in Asia, to close the 2015 year with almost 140 000 tonnes more exports than in 2014. For 2016, EU exports could continue their increase given the prospects of a higher domestic production, dynamic global demand and relatively stable internal consumption.

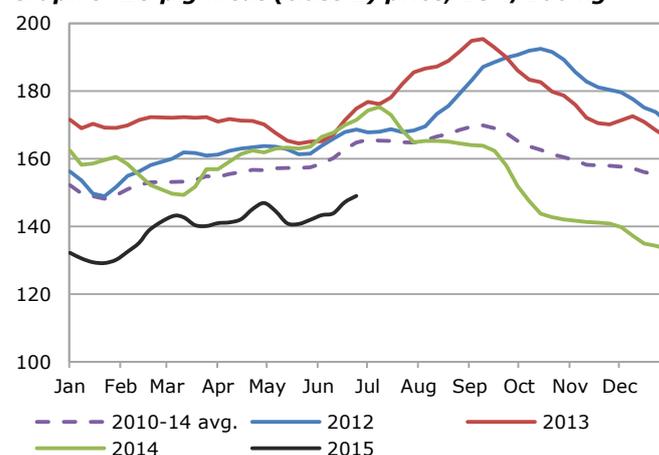
³ South Korea opened a higher TRQ in the framework of the EU-South Korea Free Trade Agreement.

Firming EU pig meat prices, but still below average

In spite of the small quantities (64 000 tonnes or 0.5% of the EU production), the private storage scheme opened in March 2015 might have helped prices to stabilise. Following the seasonal trend pig meat prices dropped in the beginning of the year, recovered in the following months, fell again in May but increased in June; yet, at 153 EUR/100 kg c.w., they are still 4% below the 2010-2014 average.

The recovery in 2014 pig meat production allowed for an increase of consumption by 1 kg per capita in the EU. Prospects of increased production and a limited export growth could keep prices at a level encouraging a further consumption growth to reach 32.7 kg per capita in 2015 compared to 2014 and stay stable next year.

Graph 9 EU pig meat (class E) price, EUR/100 kg



Source: DG Agriculture and Rural Development

Steady increase in poultry meat production

As in the pig sector, low feed prices support a further production growth in 2015. In January-March 2015, net production increased by 4% compared to the same period of 2014 out of which Poland is the biggest contributor (+16%), followed by Spain (+8%), France (+4%) and Germany (+2%).

Throughout 2015, the increase in poultry meat production could reach around 2% or 240 000 tonnes more compared to 2014 and the increase could continue into 2016 as well, provided that no major market disturbances (diseases, higher feed costs, etc.) would occur.

The avian flu in the US in commercial turkey and laying hens farms together with a stronger US dollar are expected to dampen the US presence on the world market and to give the EU the opportunity to supply more in certain Asian and African markets, such as Hong-Kong or Angola where the EU presence was limited by competition with the US.

EU poultry meat exports in the first four months of 2015 already expanded by more than 5%. The Philippines, Benin and Ghana represent a few of the destinations that contributed to more than compensating the loss of the Russian market. Even if the Russian market would reopen earlier than assumed, trade would not resume at similar levels as in the past due to an expected higher Russian domestic production and the deterioration of its economic situation.

Throughout 2015 exports might grow by more than 6% driven by the strong demand from some Asian and African countries. The anti-dumping measures taken by South Africa against several EU companies and its support to domestic industry resulted into lower volumes going to this destination. The overall 2016 EU export growth is expected to be limited to 25 000 tonnes when compared to 2015 as the US might come back on the world market and Brazil gain more market access in China (China lifted the embargo on Brazilian meat) and Saudi Arabia (pending accreditation for new plants).

EU poultry meat imports in the first four months of 2015 declined by 8%; volumes coming from Brazil showed a strong decline (-20%) as the economic downturn affects beef meat sales to the benefit of cheaper meats like poultry and as Brazil reoriented its exports to other destinations (China). The Thai imports came back to normal after the low shipments in 2014 (as a result of political tensions and a reorientation to closer destinations). The increase, already visible in the first months of 2015, might limit the fall in overall imports to 3% for the whole year.

Poultry meat prices have been relatively stable during the last months moving within the narrow band of 185–190 EUR/100 kg c.w. and above the historical 5 year average. After the strong increase in 2014, per capita consumption is expected to increase at a slower pace to 22.2 kg and 22.5 kg c.w. in 2015 and 2016 respectively.

EU sheep meat production continues to increase in 2015

In 2014, EU gross production of sheep and goat meat increased by 2.5%⁴, reversing the long-term trend of the previous years. Even though significant drops were recorded for Spain (-6 600 tonnes) and Italy (-10 000 tonnes, affected by Blue Tongue), they were more than compensated by production increases in some other countries, especially the United Kingdom (+8 000 tonnes) and Romania (+31 200 tonnes). According to the latest Eurostat figures, on farm

⁴ The challenge in estimating sheep and goat meat production is linked to the important share of 'on farm slaughterings' in total production (on average accounting for 18% for sheep and 28% for goats; this share is even higher in some Member States as in Romania, Greece and Portugal). This figure is usually the most revised and it might change the total production trend from negative to positive.

slaughterings of both sheep and goat in Romania increased drastically by 64% and 67% respectively compared to last year.

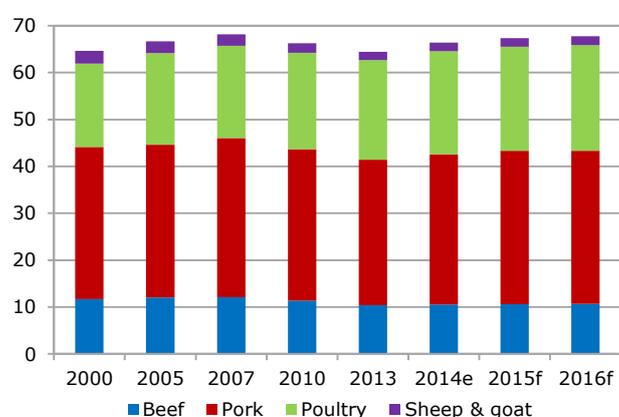
Recovery in meat consumption⁵

It is often expected that in developed countries and in particular in the EU, meat consumption will decline in the coming years mainly because of a change in consumption patterns, consumers tending to consume less meat for a number of reasons related to health, diet or ethics (environment, welfare, climate, waste reduction...). In addition, in 2013 when the meat consumption reached a very low level (at 64.5 kg per capita in retail weight), many had in mind the economic crisis as main explaining factor.

However, during economic crises, consumers try to keep on eating the same level of meat while choosing cheaper meat, like poultry, or cheaper cuts. This is confirmed by a France Agrimer report on meat consumption, concluding that during the economic downturn consumption of beef goes down but poultry goes up together with some processed pig meat products.

In the end, meat availability, and their impact on prices, remain so far the major driving factor of total meat consumption developments in the EU. The year 2013 corresponds indeed to a low in production levels of pig meat (further to the implementation of new welfare rules for sows) and beef (as a result of herd developments) and neither imports nor higher poultry production compensated for this loss. On the contrary, as soon as supply grows again, like in 2014, it supports domestic consumption. In 2014, per capita consumption is estimated to have gained 2 kg compared to 2013. In 2015 and 2016, with an expected higher meat production while the Russian market could remain closed, a further increase in meat consumption is expected to bring overall meat consumption closer to the 2007 record level.

Graph 10 Total meat consumption in the EU (kg per capita)



Source: DG Agriculture and Rural Development

⁵ The figures on consumption refer to apparent consumption, i.e. they are calculated following a balance approach: production + imports – exports.

In 2015, the combination of favourable prices and good forage conditions should keep incentives to production. Furthermore the implementation of the voluntary coupled support for sheep and goat in many Member States should help maintaining the interest in sheep and goat farming. The available statistics on slaughtering from January till March 2015 are not very representative as the day of Easter (March/April) can significantly bias the comparison between years.

On the other hand, the December 2014 livestock survey reveals that the sheep flock in the EU increased by 1.1% compared to 2013, representing almost 1 million heads extra. Bigger increases in herd size were reported in the United Kingdom (+ 1 million heads) and Romania (+270 000 heads), while flocks are decreasing in Spain (-140 000 heads), Greece (-100 000 heads) and some other smaller producing Member States. Moreover, the sheep meat production in Italy should be able to recover at least part of its losses from 2013-2014 linked to blue tongue. Therefore, overall EU production in 2015 is expected to improve by close to 2%.

In 2014, tight availabilities in New Zealand and reorientation of its exports towards China led to lower exports into the EU (-12 700 tonnes). Since Australia, Argentina or Iceland did not compensate for this decline in New Zealand exports to the EU, overall EU import declined by 6% compared to 2013. In the first four months of 2015, imports from New Zealand increased by 5.6%. The existing TRQs are currently around 30% under-filled. Nevertheless imports are expected to increase modestly in 2015.

Heavy lamb carcass prices continued to increase until April 2015 (575 EUR/100 kg), largely above 2012-2014 prices. This year, the decline in prices started earlier than in 2013-2014 but stays at an average level for the time of the year (520 EUR/kg). Light lamb carcass prices increased almost the whole year 2014, reaching a peak above 650 EUR/100 kg in December 2014, followed by a declining trend in the first months of 2015, before regaining the price levels of 2012-2014.

Depending on available supply the level of per capita consumption will slightly increase in 2015 and 2016 (1.9 kg/capita).

5. UNCERTAINTIES

The forecasts were elaborated based on the Spring Forecast for the EU by the European Commission's Directorate-General for Economic and Financial Affairs, however the spill over effects of the Greek debt crisis could change the picture.

The EUR/USD exchange rate is key to EU competitiveness on world markets and export performance might be affected by significant changes in the exchange rate.

In addition, the recent heat wave could imply a reduction in the EU agricultural production forecast. Heat waves during summer can accelerate last part of straw cereals growth determining an anticipated and not regular maturity; when extreme (more than 30°C for more than 3-5 consecutive days) can create scalding effects (grain voiding) during grain filling period. Persistent dry conditions can affect summer crops like maize and sugar beet when non-irrigated. In addition, early autumn weather is key to determine the sugar content of beets, now still based on the historical trend.

Moreover, it remains to be seen if the announced *El Niño* event will materialise and how it could affect world prices.

6. STATISTICAL ANNEX

ARABLE CROPS

Table 6.1 EU cereal, oilseed and protein crop area ('000 ha)

	EU-28					% variation			
	2011	2012	2013	2014e	2015f	14/13	14 vs 5-year av.*	15/14	15 vs 5-year av.*
Common wheat	23 749	23 243	23 372	24 425	24 112	4.5	5.2	-1.3	2.8
Durum	2 504	2 598	2 420	2 306	2 403	-4.7	-12.6	4.2	-4.1
Rye	2 240	2 360	2 607	2 105	2 237	-19.3	-13.2	6.3	-2.8
Barley	11 924	12 490	12 714	12 404	12 617	-2.4	-0.6	1.7	2.0
Oats	2 694	2 663	2 664	2 544	2 603	-4.5	-5.7	2.3	-2.7
Maize	9 308	9 864	9 692	9 679	9 252	-0.1	4.9	-4.4	-3.2
Triticale	2 600	2 425	2 687	2 908	2 686	8.2	8.9	-7.6	0.6
Sorghum	116	118	144	154	141	6.6	31.2	-8.5	11.2
Others	1 675	1 801	1 525	1 669	1 647	9.5	0.0	-1.3	1.0
Cereals	56 809	57 563	57 823	58 192	57 698	0.6	1.4	-0.8	0.5
Rapeseed	6 727	6 203	6 704	6 715	6 610	0.2	1.0	-1.6	-1.6
Sunflower	4 344	4 238	4 575	4 183	4 292	-8.6	0.4	2.6	0.9
Soybeans	449	430	466	567	543	21.5	30.3	-4.2	21.0
Linseed	92	85	73	77	83	5.4	-7.6	7.8	-1.7
Oilseeds	11 612	10 956	11 818	11 542	11 528	-2.3	2.0	-0.1	0.1
Field peas	690	508	445	488	505	9.6	-13.8	3.4	-10.2
Broad beans	414	348	363	403	387	11.0	0.3	-3.8	-1.5
Lupines	93	84	56	82	89	45.6	-3.0	9.0	3.4
Protein crops	1 197	940	864	972	981	12.6	-7.1	0.9	-5.4
Sugar beet	1 646	1 661	1 580	1 631	1 418	3.2	0.4	-13.1	-12.9
Total	71 265	71 120	72 086	72 337	71 625	0.3	1.8	-1.0	0.2

*The 5-year average is a trimmed average in all tables.

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

	EU-28					% variation			
	2011	2012	2013	2014e	2015f	14/13	14 vs 5-year av.*	15/14	15 vs 5-year av.*
Common wheat	5.53	5.41	5.83	6.14	5.85	5.4	9.9	-4.7	3.8
Durum	3.36	3.24	3.35	3.34	3.33	-0.2	3.0	-0.6	0.5
Rye	3.06	3.70	3.95	4.23	3.81	7.2	19.5	-10.0	3.6
Barley	4.36	4.40	4.81	4.90	4.65	1.9	11.1	-5.1	2.7
Oats	2.94	2.98	3.15	3.08	3.08	-2.2	4.8	0.1	2.8
Maize	7.59	6.06	6.89	8.07	7.43	17.1	15.3	-7.9	2.9
Triticale	3.90	4.17	4.27	4.53	4.27	6.2	10.4	-5.8	3.4
Sorghum	5.85	4.19	5.04	5.97	5.68	18.5	13.8	-4.9	4.4
Others	2.71	2.90	2.84	2.83	2.81	-0.1	0.4	-0.8	-0.4
Cereals	5.15	4.89	5.32	5.71	5.37	7.4	12.5	-5.9	4.0
Rapeseed	2.85	3.10	3.13	3.62	3.28	15.6	18.7	-9.2	7.7
Sunflower	1.98	1.68	2.00	2.16	2.09	7.8	15.1	-3.5	7.1
Soybeans	2.79	2.22	2.61	3.26	2.78	24.9	19.9	-14.7	1.0
Linseed	1.71	1.57	1.85	1.85	1.65	0.1	10.9	-10.8	-3.4
Oilseeds	2.52	2.51	2.66	3.06	2.80	14.8	18.8	-8.4	8.8
Field peas	2.28	2.31	2.78	2.64	2.60	-5.1	2.6	-1.5	0.9
Broad beans	2.82	2.93	2.84	3.19	2.91	12.4	11.5	-8.8	1.7
Lupines	1.40	1.53	2.25	1.57	1.56	-30.0	6.1	-0.7	1.5
Protein crops	2.40	2.47	2.77	2.78	2.63	0.2	5.0	-5.4	-0.7
Sugar beet	76.01	69.12	69.03	70.89	74.17	2.7	1.5	4.6	6.4

Table 6.3 EU cereal, oilseed and protein crop production ('000 t)

	EU-28					% variation			
	2011	2012	2013	2014e	2015f	14/13	14 vs 5-year av.*	15/14	15 vs 5-year av.*
Common wheat	131 228	125 793	136 151	149 929	141 050	10.1	15.5	-5.9	7.1
Durum	8 409	8 407	8 103	7 711	7 993	-4.8	-9.4	3.7	-3.8
Rye	6 860	8 740	10 296	8 908	8 525	-13.5	1.2	-4.3	0.5
Barley	51 990	54 989	61 129	60 760	58 630	-0.6	7.7	-3.5	4.2
Oats	7 913	7 938	8 394	7 838	8 024	-6.6	-3.0	2.4	1.6
Maize	70 620	59 816	66 751	78 079	68 736	17.0	25.5	-12.0	4.6
Triticale	10 144	10 105	11 465	13 170	11 458	14.9	22.1	-13.0	6.2
Sorghum	679	496	728	920	800	26.3	43.2	-13.0	17.4
Others	4 540	5 227	4 328	4 730	4 632	9.3	1.9	-2.1	2.2
Cereals	292 384	281 513	307 343	332 043	309 849	8.0	14.3	-6.7	5.5
Rapeseed	19 199	19 239	20 972	24 290	21 703	15.8	19.8	-10.7	7.0
Sunflower	8 608	7 132	9 166	9 038	8 952	-1.4	19.1	-0.9	8.4
Soybeans	1 254	958	1 218	1 849	1 511	51.7	63.4	-18.3	22.9
Linseed	156	134	135	143	137	5.5	0.5	-3.8	-5.2
Oilseeds	29 218	27 462	31 492	35 319	32 303	12.2	20.6	-8.5	8.0
Field peas	1 574	1 172	1 238	1 287	1 311	4.0	-6.4	1.9	-4.1
Broad beans	1 167	1 019	1 029	1 284	1 126	24.8	7.2	-12.3	-2.9
Lupines	131	129	127	129	140	1.9	0.1	8.2	7.7
Protein crops	2 872	2 319	2 394	2 700	2 577	12.8	0.2	-4.6	-3.0
Sugar beet	125 135	114 830	109 096	115 647	108 106	6.0	2.2	-6.5	-4.5

Table 6.4 EU overall cereal balance sheet (million t)

	EU-27		EU-28			% variation vs. 14/15
	2011/12	2012/13	2013/14	2014/15e	2015/16f	
Beginning stocks	36.6	38.2	28.6	34.7	49.2	41.9
Gross production	289.6	278.8	307.3	332.0	309.8	-6.7
Usable production	286.9	276.2	304.5	329.1	307.0	-6.7
Imports	14.4	16.9	19.2	15.1	14.6	-3.6
Availabilities	337.8	331.2	352.4	378.9	370.8	-2.1
Total domestic uses	272.2	268.8	272.0	280.0	281.1	0.4
- Human	65.4	65.5	65.7	65.7	66.1	0.5
- Seed	9.7	9.7	9.7	9.6	9.6	0.0
- Industrial	30.1	30.4	31.8	32.1	32.3	0.6
<i>o.w. bioethanol</i>	9.1	9.5	10.7	11.0	11.2	1.8
- Animal feed	167.0	163.2	164.9	172.5	173.1	0.3
Losses (excl on-farm)	2.2	2.2	2.2	2.2	2.2	0.0
Exports	25.2	31.6	43.5	47.5	40.8	-14.0
Total uses	299.7	302.6	317.7	329.7	324.1	-1.7
End stocks	38.2	28.6	34.7	49.2	46.7	-5.2
- Market	38.1	28.6	34.7	49.2	46.7	-5.2
- Intervention	0.1	0.0	0.0	0.0	0.0	-
Self-sufficiency rate %	105	103	112	118	109	-7.1

Table 6.5 EU-28 cereal balance sheet 2015/2016 (forecast) (million t)

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-28
Beginning stocks (01.07.2014)	12.7	7.8	0.9	22.5	1.1	0.4	1.5	1.1	1.1	49.2
Gross production	141.1	58.6	8.0	68.7	8.5	0.8	8.0	11.5	4.6	309.8
Usable production	139.9	58.1	7.9	68.4	8.3	0.7	7.9	11.3	4.4	307.0
Import ¹	3.0	0.1	1.8	9.2	0.1	0.2	0.0	0.0	0.1	14.6
Total availabilities	155.7	66.1	10.6	100.2	9.5	1.3	9.4	12.3	5.6	370.8
Total domestic use	114.8	49.0	8.7	76.8	8.4	0.9	6.5	12.1	4.0	281.1
- Human	48.0	0.4	8.1	5.0	3.0	0.2	1.2	0.1	0.3	66.1
- Seed	4.7	2.3	0.4	0.5	0.5	0.0	0.5	0.5	0.3	9.6
- Industrial	10.6	9.3	0.1	10.0	1.5	0.0	0.1	0.6	0.1	32.3
<i>o.w. bioethanol</i>	4.5	0.7		4.7	0.8			0.5		11.2
- Animal feed	51.5	37.1	0.1	61.3	3.4	0.7	4.8	11.0	3.2	173.1
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	27.3	9.2	1.2	2.8	0.2	0.0	0.2	0.0	0.0	40.8
Total use	142.9	58.6	9.9	80.2	8.6	0.9	6.8	12.2	4.0	324.1
End stocks (30.06.2015)	12.8	7.5	0.7	20.0	0.9	0.4	2.7	0.1	1.6	46.6
- Market	12.8	7.5	0.7	20.0	0.9	0.4	2.7	0.1	1.6	46.6
- Intervention	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in stocks	0.0	-0.4	-0.2	-2.5	-0.2	0.1	1.2	-1.0	0.5	-2.6
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	119	91	89	99	80	122	93	111	109

¹ Grains equivalent (grain, groats and flour).

Note: estimated export quantities for all wheat = 28.3 million t, for coarse grains = 11.5 million t.

Table 6.6 EU-28 cereal balance sheet 2014/2015 (estimate) (million t)

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-28
Beginning stocks (01.07.2013)	9.1	7.2	0.3	15.3	1.1	0.2	0.6	0.6	0.3	34.7
Gross production	149.9	60.8	7.7	78.1	8.9	0.9	7.8	13.2	4.7	332.0
Usable production	148.8	60.2	7.6	77.8	8.7	0.8	7.7	13.0	4.5	329.1
Import ¹	2.8	0.1	2.8	9.0	0.1	0.2	0.0	0.0	0.1	15.1
Total availabilities	160.7	67.5	10.8	102.0	9.9	1.2	8.3	13.6	4.9	378.9
Total domestic use	115.5	48.3	8.7	75.4	8.5	0.8	6.6	12.4	3.7	280.0
- Human	48.0	0.4	8.1	5.0	3.0	0.2	1.1	0.1	0.0	65.7
- Seed	4.7	2.3	0.4	0.5	0.5	0.0	0.5	0.5	0.3	9.6
- Industrial	10.5	9.3	0.1	10.0	1.5	0.0	0.1	0.6	0.1	32.1
<i>o.w. bioethanol</i>	4.4	0.7		4.7	0.8			0.5		11.0
- Animal feed	52.4	36.4	0.1	60.0	3.5	0.6	4.9	11.3	3.3	172.5
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	31.5	11.0	1.1	3.5	0.2	0.0	0.2	0.0	0.0	47.5
Total use	147.9	59.7	9.8	79.5	8.8	0.8	6.8	12.5	3.8	329.7
End stocks (30.06.2014)	12.7	7.8	0.9	22.5	1.1	0.4	1.5	1.1	1.1	49.2
- Market	12.7	7.8	0.9	22.5	1.1	0.4	1.5	1.1	1.1	49.2
- Intervention	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in stocks	3.6	0.6	0.6	7.3	0.0	0.2	0.9	0.5	0.8	14.5
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 %	129	125	88	103	103	105	117	104	120	118

¹ Grains equivalent (grain, groats and flour).

Note: estimated export quantities for all wheat = 32.0 million t, for coarse grains = 12.3 million t.

Table 6.7 EU-28 cereal balance sheet 2013/2014 (million t)

	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EU-27
Beginning stocks (01.07.2012)	9.3	4.2	0.1	13.1	0.5	0.0	0.6	0.6	0.3	28.6
Gross production	136.2	61.1	8.1	66.8	10.3	0.7	8.4	11.5	4.3	307.3
Usable production	135.1	60.6	8.0	66.5	10.1	0.6	8.3	11.3	4.1	304.5
Import ¹	1.8	0.0	1.9	15.0	0.1	0.2	0.0	0.0	0.1	19.2
Total availabilities	146.2	64.9	10.0	94.6	10.7	0.8	8.9	11.8	4.5	352.3
Total domestic use	106.2	48.5	8.5	75.6	9.3	0.7	7.9	11.1	4.1	272.0
- Human	48.0	0.4	7.9	4.9	3.0	0.2	1.1	0.1	0.0	65.7
- Seed	4.7	2.3	0.4	0.5	0.5	0.0	0.5	0.5	0.3	9.7
- Industrial	10.5	9.3	0.1	9.6	1.5	0.0	0.1	0.6	0.1	31.8
<i>o.w. bioethanol</i>	4.4	0.7		4.3	0.8			0.5		10.7
- Animal feed	42.9	36.6	0.1	60.6	4.3	0.5	6.2	10.0	3.7	164.9
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	30.0	8.8	1.1	3.1	0.2	0.0	0.3	0.0	0.0	43.5
Total use	137.1	57.7	9.7	79.3	9.6	0.7	8.3	11.2	4.2	317.7
End stocks (30.06.2013)	9.1	7.2	0.3	15.3	1.1	0.2	0.6	0.6	0.3	34.7
- Market	9.1	7.2	0.3	15.3	1.1	0.2	0.6	0.6	0.3	34.7
- Intervention	0.0	0.0		0.0						0.0
Change in stocks	-0.2	3.0	0.2	2.2	0.6	0.1	0.0	0.0	0.0	6.0
Change in public stocks	0.0	0.0		0.0						0.0
Self-sufficiency rate %	127	125	94	88	108	93	105	101	98	112

¹ Grains equivalent (grain, groats and flour).

Note: estimated export quantities for all wheat = 31.1 million t, for coarse grains = 12.4 million t.

Table 6.8 EU-28 oilseeds balance sheets (million t)

	EU-28					% variation			
	2011/12	2012/13	2013/14e	2014/15f	2015/16f	14/15 vs 13/14	% 5-yr.av.	15/16 vs 14/15	% 5-yr.av.
Production	29.1	27.3	31.4	35.2	32.2	12.2	20.8	-8.6	8.1
Rape	19.2	19.2	21.0	24.3	21.7	15.8	19.8	-10.7	7.0
Soybean	1.3	1.0	1.2	1.8	1.5	51.7	63.4	-18.3	22.9
Sunflower	8.6	7.1	9.2	9.0	9.0	-1.4	19.1	-0.9	8.4
Total domestic use	43.9	44.0	46.7	47.8	48.7	2.3	8.6	1.9	8.3
Rape	22.8	23.1	23.8	25.6	25.1	7.7	10.2	-1.8	7.6
<i>of which crushing</i>	21.7	22.2	23.0	24.7	24.3	7.2	10.3	-1.8	7.7
Soybean	13.1	13.7	14.5	13.4	14.9	-7.9	-2.9	11.7	8.5
<i>of which crushing</i>	11.8	12.5	13.2	12.1	13.6	-8.1	-2.4	11.9	8.9
Sunflower	8.0	7.2	8.4	8.8	8.6	4.9	20.3	-2.1	9.9
<i>of which crushing</i>	7.1	6.3	7.6	7.9	7.7	4.9	22.7	-2.9	10.2
Imports	16.0	16.0	17.4	14.9	16.6	-14.1	-6.9	11.6	3.9
Rape	3.8	3.4	3.5	2.6	3.2	-25.4	-17.7	21.2	-0.2
Soybean	11.9	12.4	13.5	12.0	13.2	-10.9	-5.5	9.7	5.6
Sunflower	0.3	0.2	0.3	0.3	0.3	-23.3	-17.2	4.9	-4.7
Exports	0.9	0.6	1.1	1.3	1.0	22.1	50.9	-23.6	9.9
Rape	0.1	0.1	0.3	0.6	0.3	106.4	232.4	-45.3	50.3
Soybean	0.1	0.1	0.1	0.1	0.1	89.8	49.6	-17.5	4.8
Sunflower	0.7	0.4	0.7	0.6	0.6	-15.8	-0.9	-3.7	0.5
End stocks	3.7	2.4	3.3	4.3	3.3	28.8	23.8	-22.0	-4.8
Rape	1.5	0.9	1.3	2.0	1.4	53.8	41.2	-30.0	-1.2
Soybean	1.3	0.9	1.0	1.4	1.1	40.0	16.7	-22.6	-9.7
Sunflower	0.9	0.7	1.0	0.9	0.8	-15.0	13.3	-2.0	2.0
Self-suff. rate %	66	62	67	74	66				

Table 6.9 EU oilmeals balance sheets (million t)

	EU-28					% variation			
	2011/12	2012/13	2013/14e	2014/15f	2015/16f	14/15 vs 13/14	% 5-yr.av.	15/16 vs 14/15	% 5-yr.av.
Production	25.6	26.0	27.7	28.0	28.8	1.1	8.1	2.7	8.2
Rape	12.4	12.7	13.1	14.1	13.8	7.2	10.3	-1.8	7.7
Soybean	9.3	9.8	10.4	9.6	10.7	-8.1	-2.4	11.9	8.9
Sunflower	3.9	3.5	4.2	4.4	4.2	4.9	22.7	-2.9	10.2
Total domestic use	49.3	46.0	48.9	49.5	49.7	1.2	1.7	0.4	0.9
Rape	12.3	12.8	13.2	14.1	13.9	6.8	10.5	-1.4	7.8
Soybean	29.8	26.1	28.5	27.9	28.3	-2.4	-4.9	1.5	-1.6
Sunflower	7.2	7.1	7.1	7.5	7.5	5.6	14.9	-0.4	5.0
Imports	24.9	21.1	22.1	22.4	21.9	1.6	-2.5	-2.4	-4.6
Rape	0.2	0.4	0.5	0.4	0.4	-1.6	51.9	-2.0	19.3
Soybean	21.3	17.0	18.5	18.6	18.0	0.4	-7.2	-2.9	-7.3
Sunflower	3.4	3.7	3.1	3.4	3.4	9.2	17.0	0.0	3.3
Exports	1.2	1.1	0.9	1.0	1.0	18.1	7.8	-3.6	-1.5
Rape	0.3	0.3	0.4	0.4	0.3	12.7	51.7	-14.8	13.3
Soybean	0.8	0.7	0.3	0.3	0.5	4.5	-40.1	34.0	-14.1
Sunflower	0.1	0.1	0.2	0.3	0.2	54.1	142.6	-34.1	27.0
End stocks	0.6	0.6	0.7	0.6	0.6	-7.7	9.1	2.8	5.7
Rape	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Soybean	0.4	0.5	0.5	0.5	0.5	-10.0	12.5	3.7	7.7
Sunflower	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Self-suff. rate %	52	56	57	57	58				

Table 6.10 EU vegetable oils balance sheets (million t)

	EU-28					% variation			
	2011/12	2012/13	2013/14e	2014/15f	2015/16f	14/15 vs 13/14	% 5-yr.av.	15/16 vs 14/15	% 5-yr.av.
Production	14.3	14.2	15.3	15.9	15.9	4.1	11.5	0.1	9.0
Rape	8.9	9.1	9.4	10.1	9.9	7.2	10.3	-1.8	7.7
Soybean	2.4	2.5	2.6	2.4	2.7	-8.1	-2.4	11.9	8.9
Sunflower	3.0	2.6	3.2	3.3	3.2	4.9	22.7	-2.9	10.2
Palm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total domestic use	20.5	20.1	21.9	21.9	22.4	-0.1	6.2	2.2	7.2
Rape	9.3	8.9	9.4	9.8	9.9	4.3	4.9	0.7	5.6
Soybean	2.3	1.7	2.1	1.8	2.1	-12.8	-21.3	13.1	-0.3
Sunflower	3.7	3.5	3.7	3.9	4.0	5.2	9.7	1.7	9.4
Palm	5.2	6.0	6.7	6.4	6.5	-5.0	15.1	1.8	10.8
Imports	7.4	7.6	8.4	8.3	8.1	-1.2	10.4	-2.3	4.1
Rape	0.6	0.2	0.3	0.3	0.3	-15.6	-39.0	0.9	-27.1
Soybean	0.5	0.3	0.3	0.3	0.3	-20.6	-40.0	8.1	-23.6
Sunflower	0.9	1.1	0.9	1.1	1.0	22.8	14.7	-6.3	5.5
Palm	5.4	6.1	6.9	6.7	6.5	-2.6	18.2	-2.2	8.2
Exports	1.2	1.8	1.6	1.9	1.8	15.3	45.5	-4.9	13.5
Rape	0.2	0.5	0.3	0.4	0.4	26.5	55.1	-0.6	25.0
Soybean	0.6	1.0	0.8	0.9	0.9	9.0	45.6	1.7	18.2
Sunflower	0.2	0.2	0.3	0.4	0.3	24.1	116.2	-22.1	28.9
Palm	0.2	0.1	0.1	0.2	0.1	7.2	-0.6	-6.8	-11.4
End stocks	1.2	1.1	1.2	1.5	1.2	29.3	30.4	-16.2	5.6
Rape	0.4	0.4	0.4	0.6	0.5	37.5	37.5	-18.2	8.0
Soybean	0.1	0.2	0.2	0.2	0.2	-21.7	20.5	7.8	18.8
Sunflower	0.3	0.3	0.3	0.3	0.3	32.0	32.0	-16.2	10.7
Palm	0.4	0.3	0.3	0.5	0.4	50.0	35.0	-22.2	-4.5
Self-suff. rate %	70	71	70	72	71				

SUGAR BALANCE

Table 6.11 Sugar beet production and white sugar balance in the EU (million t white sugar equivalent)

	EU-27		2013/14	EU-28		% variation vs. 14/15
	2011/12	2012/13		2014/15e	2015/16f	
Sugar beet production (million t)	124.0	113.9	109.1	115.6	105.2	-9.0%
Beginning stocks	1.2	2.4	3.2	2.4	3.4	42.7%
White sugar production	18.7	17.4	16.7	19.4	16.1	-17.0%
Imports	3.6	3.9	3.7	3.0	3.8	24.8%
Availabilities	23.5	23.6	23.6	24.8	23.3	-6.1%
Total domestic uses white sugar	19.1	18.9	19.7	19.9	19.4	-2.5%
- Human	17.0	16.6	17.6	17.7	17.2	-2.7%
- Industrial	2.1	2.3	2.0	2.2	2.1	-0.3%
<i>o.w. bioethanol</i>	1.5	1.5	1.2	1.4	1.4	2.9%
Exports	2.1	1.5	1.5	1.5	1.5	0.0%
Total uses	21.1	20.5	21.2	21.4	20.9	-2.3%
End stocks	2.4	3.2	2.4	3.4	2.4	-29.8%
- Market	2.4	3.2	2.4	3.4	2.4	-29.8%
- Intervention	0.0	0.0	0.0	0.0	0.0	0.0%
Self-sufficiency rate %	98	92	85	97	83	-14.9%

MILK AND DAIRY PRODUCTS

Table 6.12 Milk supply and utilisation in the EU-28

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
Dairy cows (million heads)¹	23.1	23.0	23.3	23.4	23.3	23.1	-0.1	1.0	0.4	-0.3	-0.7
of which EU-15	17.4	17.6	17.8	18.0	18.0	17.9	0.8	1.6	0.8	0.0	-0.5
of which EU-N13	5.6	5.5	5.4	5.4	5.3	5.2	-2.7	-0.9	-1.0	-1.5	-1.5
Milk yield (kg/dairy cow)²	6 444	6 472	6 478	6 719	6 803	6 921	0.4	0.1	3.7	1.2	1.7
of which EU-15	7 119	7 059	7 033	7 267	7 331	7 447	-0.8	-0.4	3.3	0.9	1.6
of which EU-N13	4 362	4 594	4 660	4 888	5 013	5 121	5.3	1.4	4.9	2.5	2.2
Milk production (million t)	151.9	152.2	153.8	160.0	161.4	163.0	0.2	1.1	4.0	0.9	1.0
of which EU-15	124.1	124.1	125.6	130.9	132.0	133.4	0.0	1.2	4.2	0.9	1.1
of which EU-N13	27.8	28.1	28.2	29.1	29.4	29.6	1.1	0.4	3.2	1.0	0.6
Feed use (million t)	3.5	3.5	3.6	3.6	3.6	3.7	-0.8	2.2	0.6	1.4	1.4
On farm use and direct sales (mio t)	8.7	8.6	9.0	8.8	8.9	8.9	-1.3	4.2	-2.6	1.2	0.7
Delivered to dairies (million t)	139.6	140.0	141.2	147.6	148.9	150.4	0.3	0.9	4.5	0.9	1.0
of which EU-15	120.4	120.0	121.4	126.6	127.6	128.9	-0.3	1.1	4.3	0.8	1.0
of which EU-N13	19.2	20.0	19.9	21.1	21.3	21.5	4.2	-0.7	6.0	1.3	1.0
Delivery ratio (%)³	91.9	92.0	91.8	92.3	92.3	92.3	0.1	-0.2	0.5	0.0	0.0
of which EU-15	97.0	96.7	96.6	96.7	96.6	96.6	-0.3	-0.1	0.1	-0.1	-0.1
of which EU-N13	69.2	71.3	70.5	72.4	72.6	72.9	3.1	-1.1	2.7	0.3	0.4
Fat content of milk (%)	4.03	4.04	4.04	4.00	4.02	4.02	0.2	-0.1	-0.9	0.3	0.0
Protein content of milk (%)	3.37	3.37	3.37	3.38	3.38	3.38	0.1	-0.1	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 dairy cow production per dairy cows (dairy cows represent around 99.7% of EU total production).

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

Table 6.13 EU-28 fresh dairy products market balance ('000 tonnes)

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
Production	46 800	46 717	47 063	47 296	47 496	47 697	-0.2	0.7	0.5	0.4	0.4
of which Drinking Milk	31 855	31 787	31 994	32 122	32 186	32 218	-0.2	0.6	0.4	0.2	0.1
of which Cream	2 419	2 508	2 584	2 714	2 877	2 963	3.7	3.0	5.0	6.0	3.0
of which Acidified Milk	8 201	8 130	8 144	8 063	8 047	8 127	-0.9	0.2	-1.0	-0.2	1.0
of which Other Fresh Products ²	4 325	4 293	4 341	4 398	4 387	4 389	-0.8	1.1	1.3	-0.2	0.1
of which EU-15	40 560	40 439	40 674	40 837	40 960	41 082	-0.3	0.6	0.4	0.3	0.3
of which EU-N13	6 240	6 278	6 389	6 459	6 537	6 615	0.6	1.8	1.1	1.2	1.2
Imports (extra EU)	44	42	28	16	12	10	-5.2	-32.9	-44.7	-20.0	-20.0
Exports (extra EU)	399	532	577	729	765	880	33.5	8.3	26.4	5.0	15.0
Domestic use¹	46 445	46 227	46 515	46 583	46 743	46 828	-0.5	0.6	0.1	0.3	0.2
p.c. consumption (kg)	91.8	91.1	91.5	91.5	91.5	91.5	-0.7	0.5	-0.1	0.1	-0.1
Self-sufficiency rate (%)	101	101	101	102	102	102					

¹ Domestic use includes stock changes.

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

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

Table 6.14 EU-28 cheese market balance ('000 tonnes)

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
Production (in dairies)	9 061	9 277	9 308	9 373	9 418	9 534	2.4	0.3	0.7	0.5	1.2
of which from pure cow's milk	8 381	8 551	8 592	8 651	8 692	8 804	2.0	0.5	0.7	0.5	1.3
of which from other milk ¹	680	727	715	722	726	730	6.9	-1.6	1.0	0.5	0.5
EU-15 (in dairies)	7 807	7 947	7 960	8 009	8 028	8 119	1.8	0.2	0.6	0.2	1.1
EU-N13 (in dairies)	1 254	1 330	1 348	1 364	1 390	1 415	6.1	1.4	1.2	2.0	1.8
Processed cheese impact ²	330	325	357	366	372	378	-1.5	9.8	2.5	1.5	1.7
Total production	9 391	9 603	9 665	9 739	9 789	9 912	2.3	0.6	0.8	0.5	1.2
Imports (extra EU)³	75	78	75	76	76	76	4.2	-4.4	2.3	0.0	0.0
Exports (extra EU)	673	768	787	721	678	711	14.1	2.5	-8.4	-6.0	5.0
Total domestic use⁴	8 793	8 913	8 953	9 095	9 188	9 277	1.4	0.4	1.6	1.0	1.0
Stock changes	0	0	0	60	- 20	- 20					
Processing use	296	287	310	323	329	333	-3.1	8.1	4.2	1.7	1.2
Human consumption	8 497	8 626	8 643	8 711	8 880	8 964	1.5	0.2	0.8	1.9	0.9
of which EU-15	7 266	7 359	7 365	7 397	7 534	7 580	1.3	0.1	0.4	1.8	0.6
of which EU-N13	1 232	1 268	1 278	1 314	1 346	1 384	2.9	0.8	2.9	2.4	2.8
p.c. consumption (kg)	16.8	17.0	17.0	17.1	17.4	17.5	1.3	0.0	0.6	1.7	0.7
Self-sufficiency rate (%)	107	108	108	107	107	107					

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 6.15 EU-28 whole milk powder market balance ('000 tonnes)

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
Production	691	672	728	793	818	847	-2.7	8.3	8.9	3.2	3.6
of which EU-15	631	608	664	697	718	743	-3.7	9.2	5.1	3.0	3.5
of which EU-N13	59	64	64	95	100	104	7.6	0.2	48.6	5.0	4.0
Imports	2	3	3	1	1	1	52.2	27.0	-61.1	0.0	0.0
Exports	388	386	374	389	397	409	-0.5	-3.0	3.9	2.0	3.0
Domestic Use¹	304	288	357	405	423	440	-5.2	23.7	13.5	4.4	4.1
Self-sufficiency rate (%)	227	233	204	196	193	193					

¹ Domestic use includes stock changes.

Table 6.16 EU-28 skimmed milk powder market balance ('000 tonnes)

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
Production	1 096	1 109	1 101	1 392	1 501	1 527	1.2	-0.7	26.4	7.8	1.8
Imports (extra EU)	0	2	5	2	5	5					
Exports (extra EU)	516	520	407	646	756	794	0.9	-21.8	58.9	17.0	5.0
Domestic use¹	689	685	699	730	749	756	-0.5	2.0	4.4	2.6	0.9
Ending stocks	157	62	62	80	80	62					
Private (industry)	107	62	62	80	80	62					
Public (intervention)	50	0	0	0	0	0					
Stock changes	- 108	- 95	0	18	0	- 18					
Self-sufficiency rate (%)	159	162	157	191	200	202					

¹ Domestic use includes stock changes.

Table 6.17 EU-28 butter market balance ('000 tonnes)

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
Production	2 110	2 153	2 137	2 220	2 282	2 287	2.1	-0.8	3.9	2.8	0.2
of which EU-15	1 888	1 909	1 891	1 963	2 014	2 018	1.1	-1.0	3.8	2.6	0.2
of which EU-N13	222	244	246	258	268	269	10.0	0.7	4.8	4.0	0.5
Imports	34	29	21	26	26	26	-15.0	-28.4	24.6	0.0	0.0
Exports	124	124	116	137	150	163	0.1	-6.2	17.7	9.6	9.0
Domestic use¹	1 991	2 038	2 041	2 084	2 153	2 160	2.4	0.2	2.1	3.3	0.3
p.c. consumption (kg)	3.9	4.0	4.0	4.1	4.2	4.2	2.1	0.0	1.9	3.0	0.1
Ending stocks	80	100	100	125	130	120					
Private	80	100	100	125	130	120					
Public (intervention)	0	0	0	0	0	0					
Stock changes	29	21	0	25	5	- 10					
Self-sufficiency rate (%)	106	106	105	107	106	106					

Note: Data refer to butter, butter oil and other yellow fat products expressed in butter equivalent. Figures on imports and exports do not include inward/outward processing.

¹ Domestic use includes stock changes.

MEAT

Table 6.18 EU-28 overall meat balance ('000 tonnes carcass weight equivalent)

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
Gross Indigenous Production	44 573	44 007	43 559	44 732	45 757	46 226	-1.3	-1.0	2.7	2.3	1.0
Live Imports	1	1	1	2	2	2					
Live Exports	240	232	179	197	232	247	-3.6	-22.8	10.3	17.7	6.4
Net Production	44 334	43 777	43 381	44 536	45 527	45 981	-1.3	-0.9	2.7	2.2	1.0
<i>EU-15</i>	37 188	36 674	36 335	36 926	37 623	37 868	-1.4	-0.9	1.6	1.9	0.7
<i>EU-N13</i>	7 146	7 103	7 046	7 611	7 904	8 113	-0.6	-0.8	8.0	3.9	2.6
Meat Imports	1 357	1 326	1 311	1 326	1 291	1 346	-2.3	-1.1	1.1	-2.6	4.3
Meat Exports	3 783	3 702	3 698	3 507	3 748	3 944	-2.1	-0.1	-5.2	6.9	5.2
Consumption	41 909	41 401	40 994	42 355	43 070	43 383	-1.2	-1.0	3.3	1.7	0.7
Population (mio)	506	507	507	509	510	511	0.2	0.1	0.3	0.2	0.2
Per Capita Consumption¹ (kg)	66.0	65.1	64.5	66.4	67.4	67.7	-1.3	-1.0	3.0	1.4	0.6
Self-sufficiency rate %	106	106	106	106	106	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 both poultry meat and sheep and goat meat.

Table 6.19 EU-28 beef/veal market balance ('000 tonnes carcass weight equivalent)

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
Gross Indigenous Production	8 199	7 867	7 496	7 684	7 824	7 881	-4.0	-4.7	2.5	1.8	0.7
Live Imports	0	0	0	0	0	0					
Live Exports	147	159	109	114	149	164	7.8	-31.6	5.3	30.0	10.0
Net Production	8 052	7 708	7 388	7 570	7 675	7 718	-4.3	-4.2	2.5	1.4	0.6
<i>EU-15</i>	7 245	6 950	6 681	6 763	6 851	6 885	-4.1	-3.9	1.2	1.3	0.5
<i>EU-N13</i>	806	758	707	807	825	833	-5.9	-6.8	14.2	2.2	1.0
Meat Imports	286	275	304	307	295	302	-4.1	10.6	1.2	-4.0	2.3
Meat Exports	327	210	161	207	225	232	-35.8	-23.4	28.5	8.5	3.5
Consumption	8 011	7 773	7 530	7 670	7 746	7 787	-3.0	-3.1	1.9	1.0	0.5
Per Capita Consumption¹ (kg)	11.1	10.7	10.4	10.5	10.6	10.7	-3.2	-3.2	1.5	0.8	0.3
<i>Share in total meat cons. (%)</i>	19.1	18.8	18.4	18.1	18.0	18.0					
Self-sufficiency rate (%)	102	101	100	100	101	101					

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

Table 6.20 EU-28 pig meat market balance ('000 tonnes carcass weight equivalent)

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
Gross Indigenous Production	23 055	22 554	22 385	22 831	23 459	23 662	-2.2	-0.8	2.0	2.7	0.9
Live Imports	0	0	0	0	0	0					
Live Exports	62	36	26	36	36	36	-42.4	-27.3	36.2	1.0	0.0
Net Production	22 993	22 518	22 359	22 796	23 423	23 627	-2.1	-0.7	2.0	2.8	0.9
<i>EU-15</i>	19 438	19 127	19 055	19 282	19 801	19 940	-1.6	-0.4	1.2	2.7	0.7
<i>EU-N13</i>	3 556	3 391	3 304	3 514	3 622	3 687	-4.6	-2.6	6.4	3.1	1.8
Meat Imports	18	19	16	15	15	15	9.9	-19.4	-7.6	2.0	4.0
Meat Exports	2 151	2 154	2 201	1 918	2 055	2 219	0.1	2.2	-12.9	7.1	8.0
Consumption	20 860	20 384	20 173	20 892	21 383	21 423	-2.3	-1.0	3.6	2.3	0.2
Per Capita Consumption¹ (kg)	32.2	31.4	31.0	32.0	32.7	32.7	-2.5	-1.2	3.2	2.1	0.0
<i>Share in total meat cons. (%)</i>	49.8	49.2	49.2	49.3	49.6	49.4					
Self-sufficiency rate (%)	111	111	111	109	110	110					

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

Table 6.21 EU-28 poultry meat market balance ('000 tonnes carcass weight equivalent)

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
Gross Indigenous Production	12 357	12 658	12 761	13 278	13 518	13 722	2.4	0.8	4.0	1.8	1.5
Live Imports	1	1	1	1	1	1					
Live Exports	9	10	10	11	11	11	16.9	2.4	5.7	0.9	0.0
Net Production	12 350	12 649	12 752	13 268	13 509	13 712	2.4	0.8	4.0	1.8	1.5
<i>EU-15</i>	9 655	9 782	9 797	10 090	10 171	10 240	1.3	0.2	3.0	0.8	0.7
<i>EU-N13</i>	2 694	2 867	2 955	3 178	3 338	3 472	6.4	3.1	7.5	5.0	4.0
Meat Imports	831	841	791	816	791	837	1.3	-5.9	3.1	-3.0	5.8
Meat Exports	1 290	1 313	1 300	1 350	1 435	1 460	1.8	-1.0	3.8	6.4	1.7
Consumption	11 891	12 177	12 243	12 734	12 865	13 089	2.4	0.5	4.0	1.0	1.7
Per Capita Consumption¹ (kg)	20.7	21.2	21.2	22.0	22.2	22.5	2.2	0.4	3.7	0.8	1.5
<i>Share in total meat cons. (%)</i>	28.4	29.4	29.8	30.0	29.9	30.2					
Self-sufficiency rate (%)	104	104	104	104	105	105					

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

Table 6.22 EU-28 sheep and goat meat market balance ('000 tonnes carcass weight equivalent)

	EU-28						% variation				
	2011	2012	2013	2014e	2015f	2016f	12/11	13/12	14/13	15/14	16/15
Gross Indigenous Production	962	928	917	939	956	961	-3.5	-1.2	2.4	1.8	0.5
Live Imports	0	0	0	0	0	0					
Live Exports	22	27	34	36	37	37	23.0	26.1	7.7	0.3	0.0
Net Production	940	901	883	903	919	924	-4.1	-2.0	2.2	1.9	0.5
<i>of which on-farm slaughterings</i>	149	140	124	152	143	144	-6.0	-11.8	22.8	-5.7	0.5
<i>EU-15</i>	849	815	803	791	800	803	-4.1	-1.5	-1.4	1.2	0.3
<i>EU-N13</i>	91	86	81	112	119	121	-4.6	-6.9	38.7	6.5	2.0
Meat Imports	222	190	200	188	190	192	-14.3	5.0	-6.0	1.0	1.0
Meat Exports	15	25	36	32	33	33	63.5	48.0	-12.0	2.0	0.0
Consumption	1 147	1 067	1 047	1 059	1 077	1 083	-7.0	-1.9	1.1	1.7	0.6
Per Capita Consumption¹ (kg)	2.0	1.9	1.8	1.8	1.9	1.9	-7.2	-2.0	0.8	1.5	0.4
<i>Share in total meat cons. (%)</i>	2.7	2.6	2.6	2.5	2.5	2.5					
Self-sufficiency rate (%)	84	87	88	89	89	89					

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

7. METHODOLOGY

This outlook takes into account the most recent macroeconomic information and the domestic and international market developments and expectations. Data is subject to retrospective review.

The balance sheets refer to five calendar years for meat and dairy and five marketing years for crops (July/June). Crop marketing years start with the harvest. Thus, area, yield and production figures of crops refer to the year of harvest.

Sources

- Eurostat
 - Agricultural production yearly for historical data and monthly data for previous and current year for meat and dairy production.
 - Farm livestock survey.
 - Gross Indigenous Production (GIP) forecast for meat.
 - Early estimates for crop products.
- Comext database (extra-EU trade statistics).

Production projections for current and next year are based, depending on the sector, on Eurostat monthly data, official estimates of ministries or national statistical institutes, and on the Crop Monitoring and Yield Forecasting projections (JRC MARS AGRI4CAST⁶), in the case of cereals; on expert forecasts for Gross Indigenous Production (in heads) sent by Member States (MS) to Eurostat in the case of meat; on monthly milk deliveries for dairy.

The projected external trade figures are derived from the latest monthly data available by applying trends and annual profiles as well as from trade licences and import quotas, when applicable.

Arable crops

Crop areas: For MS in which data is not yet available, a percentage variation is estimated on the basis of those MS which communicated data or area is estimated through the trimmed average of the last five marketing years or assuming no changes compared to the previous year.

Yields: MS estimates or AGRI4CAST projections are used if available. If these data are not available, preferably the yield trend from 2000 to the present is retained, otherwise the trimmed average of the last five marketing years is used.

Trade: Cereal trade figures include cereals as such, plus flour and groats (in cereal equivalent). In the former editions of the Short Term Outlook maize trade

included additional processed products. This has been revised backward and the balance is closed via an adjustment of the processing demand.

Balance sheets are based on a marketing year starting with the harvest: July/June for cereals and Oct/Sept for sugar.

Cereals: Human consumption, seed use and other industrial use is based on historic relations regarding population and planted area in the relevant marketing year. Feed use is based on calculations with FeedMod, an in-house model for feed ration optimisation. Projections are based on information about the ethanol production development. Stocks are closing the balance for cereals⁷. Intervention stocks equal official figures of the Directorate-General for Agriculture and Rural Development for the past and estimates based on past experience for the current marketing year, if applicable.

Oilseeds: The balance sheets include rape, soybean and sunflower seed meal and oil, plus palm oil. Stock data represent own estimates based on expert judgement and market information. Thus, the balances close on the domestic use. A coefficient is used to determine the share of oilseeds used in the crushing industry. These crushing coefficients range from 93% to 97% for rapeseed, 89-92% for soybeans and 85-90% 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 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.

Sugar: The balance sheet includes both sugar beet and white sugar. For sugar beet the procedure is similar to the other arable crops. The link with white sugar production is made through the white sugar production as notified under the Common Market Organisation (CMO) for sugar. The presented balances do only consider white sugar (e.g. no isoglucose or products containing sugar) and take into account sugar beet production outside of the quota. Industrial and biofuel use is based on historical data and projections based on information about ethanol production development. Stocks are taken from Member States notifications when they become available and therefore the balance closes over human consumption. When Member State information on stocks is not yet available or for the projections they are closing the balance. The reported stocks include carry-forward sugar.

⁶ <http://mars.jrc.ec.europa.eu/mars/About-us/AGRI4CAST/Crop-Monitoring-and-Yield-Forecasting>

⁷ For all crops this refers to a situation as of end-June, which may differ from other balances, e.g. IGC for maize, USDA for corn.

Meat

The meat balance sheets cover the beef, pig, poultry, sheep and goat meat categories. Trade data is divided into live animals and meat products ('fresh and chilled', 'frozen', 'salted' and 'prepared'). The offal and fat categories are excluded (with the exception of pork lard). All data is expressed in carcass weight equivalent⁸.

Production estimates for the year 2014 are based on annual and monthly data on slaughtering. Projections for the years 2015 and 2016 are based on the available livestock numbers, Member States expert forecast, on the expectations as regards implementation of new welfare rules in the pig sector, on the trends in livestock numbers and meat consumption patterns.

Net production refers to data on slaughtering taking place in the registered slaughterhouses as well as in other establishments. The other slaughterings are subject to constant reviews; therefore, data on the net production might be sensitive to these changes.

GIP is calculated as net production plus live exports minus live imports. Consumption is calculated as a residual, i.e. sum of production plus imports less exports plus stock change.

Milk and dairy products

The commodity balance sheets cover production of dairy products taking place in dairy processing plants

⁸ Carcasses of bovine animals, pigs, sheep, goats and poultry are defined at point 3 ('carcass weight' at point 4) of Annex I of Regulation (EC) No 1165/2008 concerning livestock and meat statistics. For more details as regards the conversion coefficients of product weight into carcass weight equivalent please refer to the Eurostat document ASA/TE/F/655.

Glossary

EU-15 includes EU Member States in 2003: Belgium, Denmark, Germany, Ireland, Greece, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom.

EU-N12 includes the Members States that joined the EU in 2004: the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia, and in 2007: Bulgaria and Romania.

EU-N13 includes EU-N12 plus Croatia, which joined the EU the 1st July 2013.

EU-27 includes EU-15 plus EU-N12, i.e. the European Union between 2007 and 2013.

EU-28 includes EU-15 plus EU-N13, i.e. the European Union since 2013.

Data

Balance sheets for the EU and production figures at Member State level are available on Europa (http://ec.europa.eu/agriculture/markets-and-prices/short-term-outlook/index_en.htm)

and so far do not include on-farm production⁹. Production of EU-28 total dairy products and in particular for SMP and WMP are estimated, where necessary since the concentration in the dairy processing industry has resulted in an increasing number of Member States not publishing their milk (monthly) production statistics due to confidentiality.

Milk production estimates for year 2013 are based on most recent annual milk deliveries. Estimates for the years 2014 and projections for 2015 and 2016 are based on the available monthly statistics, on price expectations, on the trends stemming from the medium term projections and on consumption patterns. Assumptions are made on the dairy herd and cow milk yield, milk demand for direct sales, feed and on-farm use, and milk fat and protein content developments.

Milk uses for dairy products are balanced with availabilities of total milk fat and proteins through a 'residual approach'. Market forecasts are first made for milk deliveries and the production of dairy products. The forecast production figures are then converted into protein and fat equivalents and subtracted from the available dairy fat and protein of the milk delivered.

In the dairy products balances, consumption is calculated as a residual, i.e. sum of production plus imports less exports plus stock change. Knowledge of private (commercial) stocks and consumption levels is incomplete or lacking for most dairy products. The developments in domestic use may hide considerable changes in private (industry/trade) stocks.

⁹ Milk statistics for the EU-N12 on-farm production of butter, cheese and other products has only recently become complete and has yet to be validated.

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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