

2015

EU and UK FAPRI Baseline Briefing Book



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Any opinion, findings, conclusions, or recommendations expressed in this publication are those of the authors and do not necessarily reflect the view of the funding sources.

Foreword

The Baseline projections that are presented here are generated as part of the FAPRI-UK and FAPRI-Ireland projects. The EU-GOLD model was simulated along with the models of the UK and Ireland using exogenous projections of macroeconomic variables by IHS Global Insight and under assumptions of normal weather. It is assumed that policies that were agreed before February 2015 remain in place for the duration of the projection period (2014 to 2024). The Baseline therefore incorporates post-2013 reforms of CAP, including the phased introduction of flat rate payments, greening measures and the provision of coupled payments within some Member States. Uruguay Round trade rules remain in place. **The Baseline serves as a yardstick against which to compare future policy scenarios and as such should not be interpreted as a forecast.** No attempt is made to incorporate the outcome of potential trade agreements such as under the World Trade Organisation (WTO) or Transatlantic Trade and Investment Partnership (TTIP).

Producing a set of projections such as this may seem at odds with the volatility that has been observed in commodity markets in recent years. The authors do not believe that commodity markets will evolve along the smooth paths that are presented here, rather that these represent an average of those different outcomes. A stochastic analysis incorporating volatile markets will be undertaken later in the year.

The EU-GOLD model has several different country break outs (France, Germany, Ireland, Italy, UK, rest of EU-15, Poland, Hungary, rest of NMS-10 and 3 recently integrated states from the south east of the EU (Romania, Bulgaria and Croatia). The UK model consists of sub-models for England, Wales, Scotland and Northern Ireland. In this publication, projections are presented for the EU-28 as a whole and the UK.

The 2015 Baseline

This Baseline was simulated in Spring 2015 using data that was available at that time. Macroeconomic projections are from IHS Global Insight from December as this was when the FAPRI-MU baseline was undertaken which provides the world prices. Historical data for biofuels are from *Strategie Grains* and Renewable Transport Fuel Obligation (RTFO) Statistics by Department of Transport (UK). Agricultural sector data is taken from EUROSTAT, European Commission, *Strategie Grains*, *COCERAL*, and the USDA's PS and D database from that available early in 2015. For the most part the figures for 2014 are projections as official statistics were not available at the time of generating the baseline. Where possible these have been calibrated based on available information. Unless otherwise stated, comparisons during the projection period are made between 2014 and 2024.

The world prices that are used here are generated from the results of the FAPRI-MU 2015 Outlook (available on the FAPRI-MU website) updated for recent developments. The full suite of global models is not used for this update and where world prices have not been generated by the models assumptions have been made and the key relationships between commodities retained.

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Macroeconomic Assumptions

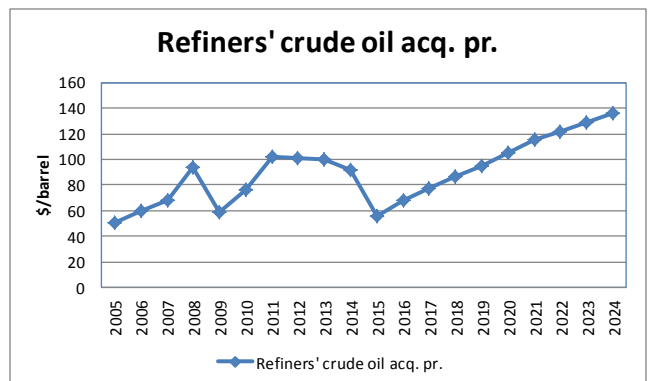
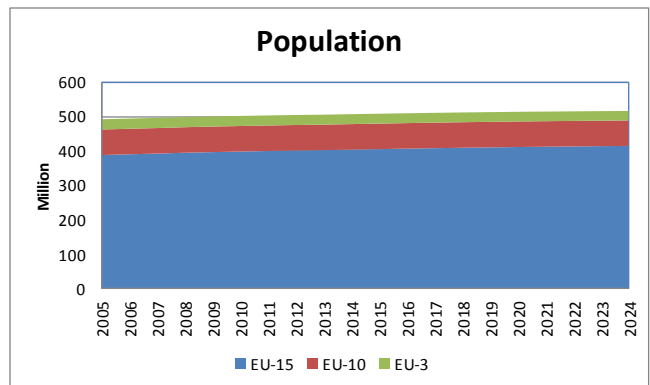
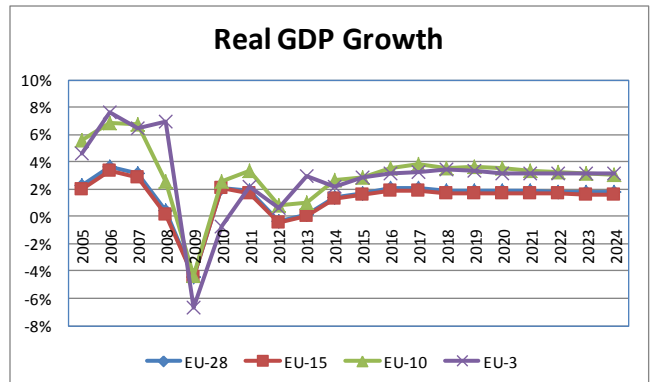
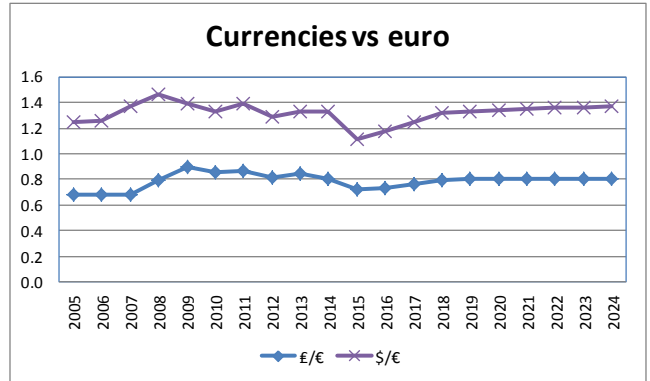
The macroeconomic projections used here are from IHS Global Insight produced in December 2015 with some adjustments where markets have moved significantly. They are independent of the agricultural sector projections in the Baseline.

The euro has depreciated strongly since the beginning of 2015. The average level from this year is uncertain, but in the Baseline the level has been set at \$1.11/euro. Long run IHS projection is for the euro to be closer to \$1.40. Several different baselines for the EU agricultural sector are available, from OECD, European Commission, and USDA for example and it is important to consider different assumptions over the path of the euro when comparing these.

Income growth for the EU has been slow. Here, low levels of growth for the EU-28 in 2012 and 2014 are followed by a recovery in growth. It takes until 2016 for EU-28 growth rates to exceed 2 percent and they stay close to this level for the rest of the projection.

The EU population is projected to grow by over 9 million people from 2014 to 2024. Almost all of this increase comes from the EU-15, with France and the UK projected to grow significantly (5% and 7% respectively).

The development of a biofuels sector has complicated the relationship between energy prices and agricultural markets. IHS Global Insight projects that prices will recover gradually from their current low levels. Oil prices end the period close to \$140/barrel.



Macroeconomic Assumptions

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Real GDP Growth											
EU-28	1.40%	1.74%	2.08%	2.06%	1.92%	1.86%	1.88%	1.90%	1.82%	1.80%	1.77%
France	0.40%	0.95%	1.46%	1.68%	1.51%	1.40%	1.42%	1.40%	1.37%	1.44%	1.45%
Germany	1.51%	1.65%	1.94%	1.81%	1.56%	1.53%	1.70%	1.77%	1.64%	1.56%	1.56%
Italy	-0.40%	0.54%	0.84%	0.88%	0.91%	0.90%	0.79%	0.92%	0.85%	0.89%	0.82%
UK	3.01%	2.60%	2.83%	2.46%	2.30%	2.28%	2.28%	2.30%	2.21%	2.16%	2.10%
Poland	3.32%	3.21%	3.83%	4.17%	3.98%	3.78%	3.86%	3.75%	3.60%	3.46%	3.36%
Hungary	3.23%	2.46%	2.66%	3.44%	1.50%	3.51%	3.15%	2.97%	2.94%	2.93%	2.84%
Inflation (GDP Deflator)											
EU-28	1.03%	0.88%	1.58%	1.86%	1.92%	1.93%	1.92%	1.88%	1.82%	1.84%	1.85%
France	0.70%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%
Germany	1.75%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%
Italy	0.32%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%
UK	1.93%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%
Poland	0.25%	-0.83%	1.54%	2.45%	2.30%	2.17%	2.19%	2.22%	2.17%	2.14%	2.13%
Hungary	3.91%	4.58%	4.12%	4.22%	2.18%	3.34%	3.19%	3.05%	2.87%	2.68%	2.61%
Exchange Rate											
\$/euro	1.33	1.11	1.18	1.25	1.32	1.33	1.34	1.35	1.36	1.36	1.37
UK pounds/euro	0.81	0.72	0.74	0.76	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Zloty/euro	4.18	4.18	3.76	3.75	3.51	3.43	3.43	3.43	3.43	3.43	3.43
Florint/euro	308	308	308	308	334	337	340	343	344	345	346
Population											
	million										
EU-28	506.3	507.6	508.9	510.1	511.2	512.2	513.1	513.8	514.5	515.1	515.6
EU-15	403.4	404.9	406.3	407.6	408.8	409.9	410.9	411.9	412.7	413.5	414.2
France	64.2	64.5	64.9	65.2	65.5	65.8	66.1	66.4	66.7	66.9	67.2
Germany	82.3	82.5	82.6	82.7	82.8	82.8	82.7	82.6	82.5	82.4	82.2
Italy	61.1	61.1	61.2	61.3	61.3	61.4	61.4	61.4	61.4	61.4	61.4
UK	64.5	64.9	65.4	65.8	66.3	66.7	67.1	67.6	68.0	68.4	68.8
EU-10	74.0	74.1	74.1	74.1	74.1	74.1	74.1	74.1	74.0	74.0	73.9
Poland	38.2	38.2	38.2	38.2	38.2	38.2	38.2	38.1	38.1	38.0	38.0
Hungary	9.9	9.9	9.9	9.9	9.9	9.8	9.8	9.8	9.8	9.8	9.8
EU-3	28.8	28.7	28.6	28.4	28.3	28.2	28.1	27.9	27.8	27.6	27.5
Refiners' crude oil acq. pr.											
	US dollars per barrel										
Refiners' crude oil acq. pr.	91.5	55.7	68.2	77.3	86.2	94.9	105.6	115.6	121.7	128.5	136.2

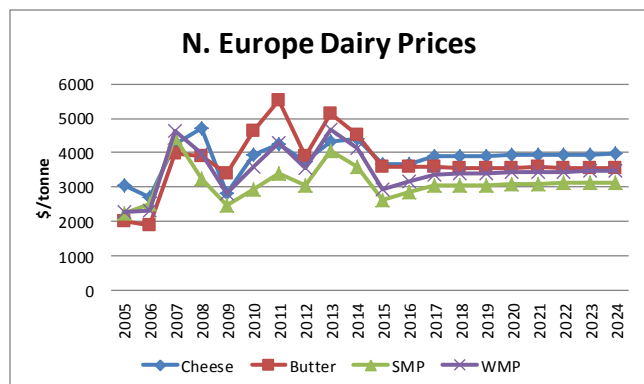
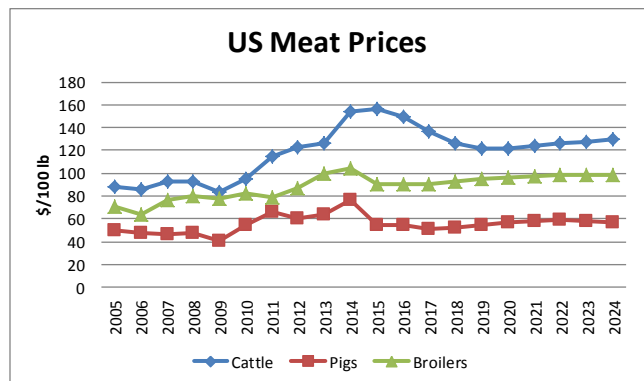
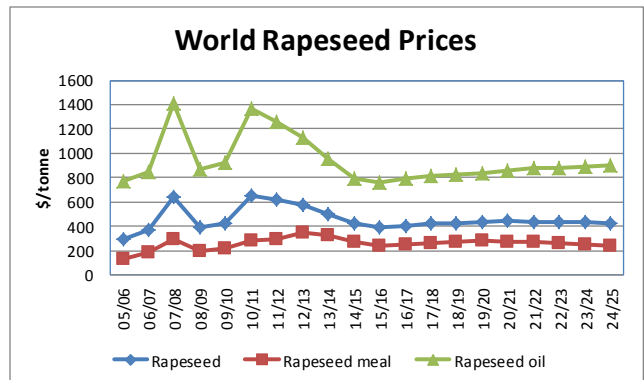
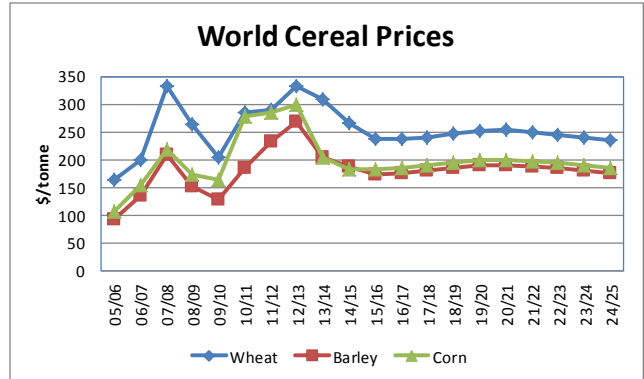
World Commodity Prices

Drought in the U.S. pushed crop prices in 2012/13 to record levels. Since then better harvests both in the U.S. and globally have pushed down prices. Cereals prices recover slightly in the short run, and remain at close to \$200/tonne for maize and barley, and \$250 for the hard red winter wheat price.

Oilseed prices follow the path of cereal prices, settling at a level that is above historical averages but below recent peaks. The rapeseed price is projected to be close to \$400/tonne. Vegetable oil prices are projected to follow the path of fossil fuel prices, and increase steadily over the period. The increase in vegetable oil price spurs crushing, pushing down meal prices (with a negative impact on cereal prices).

At present U.S. meat prices are used as “world prices” for the livestock sector in the U.S. model. The peaks in feed prices as a result of the drought in the U.S. hit margins in the livestock sector. Disease issues in the pork sector also impacted production and pushed up prices. The reduction in feed prices and a recovery in pig numbers has lead to pork and poultry prices falling. Turnaround in the beef sector will take longer, with prices projected to stay high in the U.S. for the next three years.

Dairy prices have been extremely volatile in recent years, not only in the level of prices but in the relationships between the prices of different products. 2014 started with high prices boosted by strong Chinese demand, but when purchases slowed prices fell, aided by strong production caused by the high margins. Average dairy prices are projected to recover in late 2015 and further in 2016, then plateau at a level close to the average of recent years, and well above those experienced historically due to strong demand in world markets.



World Commodity Prices

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
World prices in dollars											
	U.S. dollars per tonne										
HRW wheat, U.S. Gulf	267.0	237.0	238.2	239.3	246.9	251.9	253.8	249.9	245.4	240.0	235.6
Barley, Canadian feed	188.0	173.9	176.6	181.2	186.4	189.0	189.4	188.5	185.2	181.2	176.3
Maize, U.S. Gulf	181.9	182.5	185.3	190.2	195.7	198.3	198.8	197.8	194.3	190.2	185.1
Rapeseed, Hamburg	419.2	394.2	407.5	419.1	428.9	438.7	442.8	439.2	433.7	432.1	427.0
Rape meal, Hamburg	267.0	244.8	247.3	258.6	270.7	278.4	274.3	268.3	259.5	252.6	242.9
Rape oil, Hamburg	795	765	790	812	830	832	859	877	885	892	900
Sun seed, Lower Rhine	441.8	417.6	425.1	442.7	456.6	461.5	465.5	462.0	456.1	448.3	444.0
Sun meal, Rotterdam	281.3	223.9	225.0	236.3	250.7	253.9	248.1	242.3	233.9	225.7	215.1
Sun oil, NW Europe	851	819	834	856	871	874	904	922	929	933	944
Soybeans, Rotterdam	439.8	419.0	438.7	459.8	471.1	474.2	479.2	475.7	471.3	469.4	465.6
Soy meal, Rotterdam	436.1	388.5	389.1	401.1	414.5	421.3	418.8	412.7	401.9	396.7	387.8
Soy oil, Rotterdam	815	770	805	827	847	844	876	897	904	909	916
Sugar, Caribbean	373.2	318.4	356.8	351.1	358.9	353.8	357.7	360.2	359.6	359.1	358.0
	U.S. dollars per 100 pounds										
Steers, Nebraska	154.6	155.9	149.8	136.5	126.6	122.0	121.6	123.6	126.1	127.9	129.3
Hogs, U.S. 51-52% lean	76.0	55.0	54.7	51.6	52.4	54.6	57.0	58.6	59.0	58.2	57.4
Broilers, U.S. 12-city	104.9	90.0	90.5	90.5	92.3	94.6	96.7	97.9	98.5	98.6	98.8
Lamb, Australian saleyard	130.6	130.6	130.6	130.6	130.6	130.6	130.6	130.6	130.6	130.6	130.6
	U.S. dollars per tonne										
Cheese, FOB N. Europe	4,405	3,678	3,680	3,893	3,907	3,913	3,926	3,938	3,946	3,955	3,964
Butter, FOB N. Europe	4,500	3,611	3,580	3,584	3,571	3,569	3,570	3,577	3,570	3,569	3,569
SMP, FOB N. Europe	3,596	2,628	2,858	3,048	3,061	3,073	3,087	3,101	3,113	3,133	3,138
WMP, FOB N. Europe	4,146	2,953	3,185	3,378	3,409	3,418	3,430	3,446	3,459	3,477	3,481
	U.S. dollars per gallon										
Ethanol, Brazil anhydrous	2.12	1.98	2.02	2.07	2.16	2.25	2.26	2.27	2.27	2.27	2.29
Biodiesel, US	3.47	3.04	3.22	3.36	3.47	3.49	3.51	3.63	3.68	3.71	3.74
World prices in euro											
	euro per tonne										
HRW wheat, U.S. Gulf	201.1	213.3	202.4	191.5	187.2	189.1	188.8	184.7	180.8	176.2	172.5
CWAD durum, Canada	211.5	224.3	212.9	201.4	196.8	198.9	198.6	194.3	190.1	185.3	181.4
Barley, U.S. Portland	141.6	156.5	150.1	144.9	141.3	141.9	141.0	139.3	136.4	133.1	129.1
Maize, U.S. Gulf	137.1	164.3	157.5	152.1	148.3	148.9	148.0	146.2	143.2	139.7	135.5
Rapeseed, Hamburg	315.9	354.8	346.4	335.3	325.1	329.4	329.4	324.7	319.5	317.4	312.6
Rape meal, Hamburg	201.2	220.3	210.2	206.8	205.2	209.0	204.1	198.4	191.2	185.5	177.8
Rape oil, Hamburg	599.3	688.1	671.2	649.6	629.4	624.8	639.2	648.7	651.7	655.3	658.8
Sun seed, Lower Rhine	332.9	375.9	361.3	354.2	346.1	346.5	346.3	341.6	336.0	329.2	325.1
Sun meal, Rotterdam	211.9	201.5	191.3	189.1	190.0	190.6	184.6	179.1	172.4	165.7	157.5
Sun oil, NW Europe	641.0	737.0	708.9	684.7	660.4	656.5	672.4	681.3	684.4	685.4	691.4
Soybeans, Rotterdam	331.4	377.1	372.9	367.8	357.1	356.0	356.6	351.7	347.2	344.7	340.9
Soy meal, Rotterdam	328.6	349.7	330.8	320.9	314.2	316.3	311.6	305.1	296.1	291.3	283.9
Soy oil, Rotterdam	613.8	692.6	684.3	661.3	641.6	633.5	651.7	662.8	665.8	667.4	670.9
	euro per 100 kg										
Steers, Nebraska	256.7	309.2	280.7	240.7	211.5	201.9	199.4	201.4	204.9	207.0	208.7
Hogs, U.S. 51-52% lean	126.3	109.1	102.5	91.1	87.6	90.4	93.5	95.5	95.8	94.2	92.7
Broilers, U.S. 12-city	174.2	178.6	169.6	159.6	154.2	156.7	158.6	159.6	160.1	159.7	159.5
Cheese, FOB N. Europe	331.9	331.0	312.8	311.4	296.1	293.8	292.1	291.1	290.8	290.5	290.2
Butter, FOB N. Europe	339.1	324.9	304.3	286.7	270.7	268.0	265.6	264.5	263.0	262.1	261.3
SMP, FOB N. Europe	270.9	236.5	242.9	243.8	232.0	230.7	229.7	229.3	229.4	230.1	229.8
WMP, FOB N. Europe	312.4	265.8	270.7	270.2	258.4	256.6	255.2	254.7	254.8	255.3	254.8

EU-Biofuels

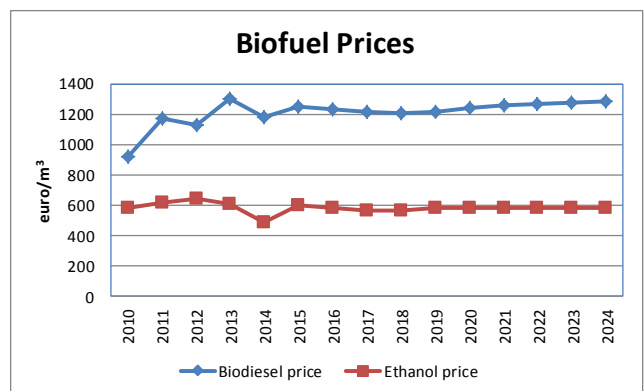
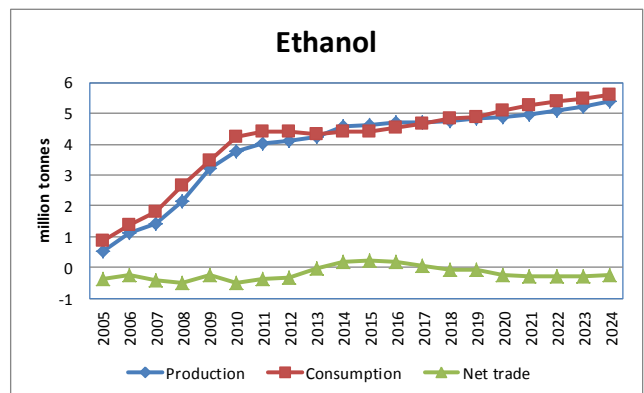
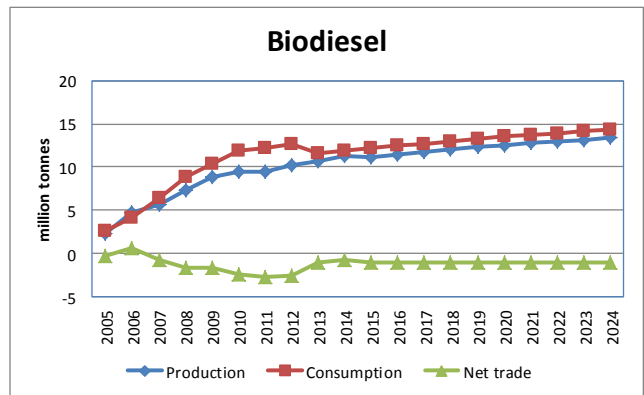
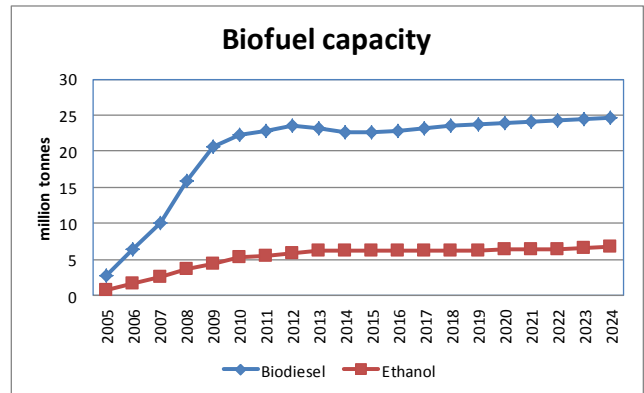
After a decade of rapid growth in the biofuel sector the industry has stagnated in recent years. High raw material prices depressed margins for producers. There is also uncertainty regarding the future of policy, especially in relation to “first generation” biofuels. In this climate there is projected to be little additional biofuel capacity added.

As in previous baselines it is not assumed that all of the targeted renewable fuel use has come from first generation fuels. As before, a simplifying assumption is made regarding the level of demand for biofuels. The combination of member state mandates is assumed to lead to a total EU consumption of between 5 and 5.5 percent of total transport fuel consumption.

Consumption of both biodiesel and ethanol are projected to rise due to a small increase in transport fuel use as economies recover and populations grow, and oil prices rise.

Trade patterns will depend on the implementation of policy, in particular the sustainability requirements of ethanol from different raw materials. Here imports are projected as being largely stable.

Biofuel prices themselves are largely expected to track raw material prices, which have decreased recently and are expected to rise slightly in the projections.



EU-Biofuels

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Biodiesel	thousand tonnes										
Production	11,246	11,174	11,485	11,667	12,009	12,273	12,526	12,757	12,952	13,150	13,359
Capacity	22,693	22,581	22,778	23,224	23,521	23,706	23,865	24,025	24,193	24,394	24,622
Utilization	50%	49%	50%	50%	51%	52%	52%	53%	54%	54%	54%
Consumption	11,887	12,134	12,434	12,618	12,970	13,240	13,512	13,737	13,932	14,133	14,346
Net trade	-641	-960	-949	-951	-961	-967	-986	-980	-980	-983	-987
	euro/m3										
Biodiesel price	1,178	1,246	1,233	1,217	1,209	1,214	1,237	1,254	1,265	1,276	1,286
Bioethanol	thousand tonnes										
Production	4,597	4,598	4,704	4,691	4,737	4,814	4,864	4,964	5,070	5,207	5,372
Capacity	6,164	6,266	6,266	6,266	6,287	6,301	6,331	6,406	6,496	6,614	6,757
Utilization	75%	73%	75%	75%	75%	76%	77%	77%	78%	79%	80%
Consumption	4,426	4,391	4,542	4,656	4,814	4,888	5,090	5,262	5,370	5,488	5,614
Net trade	171	207	162	36	-77	-74	-226	-298	-301	-281	-242
	euro/m3										
Ethanol price	486	599	579	563	563	580	583	585	582	581	581
	million tonnes, oil equivalent										
Total transport fuel use	291.3	293.6	294.7	296.1	297.2	298.3	299.4	300.5	301.7	303.0	304.3
% transport from biofuels	4.66%	4.69%	4.79%	4.85%	4.98%	5.06%	5.16%	5.25%	5.31%	5.37%	5.44%
EU biofuel production in gallons											
Biodiesel	3,711	3,687	3,790	3,850	3,963	4,050	4,133	4,210	4,274	4,339	4,408
Ethanol	1,027	1,027	1,051	1,048	1,058	1,075	1,086	1,109	1,132	1,163	1,200

Crop Sector

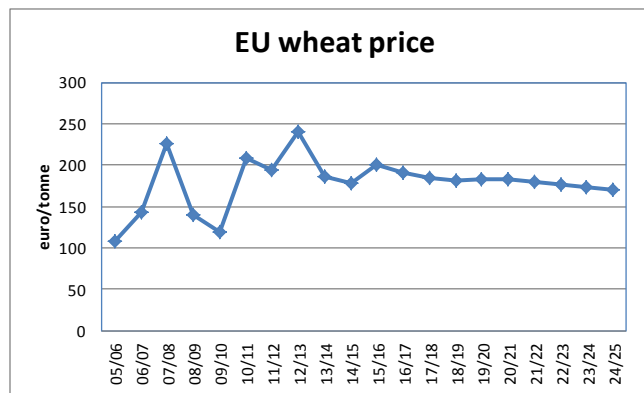
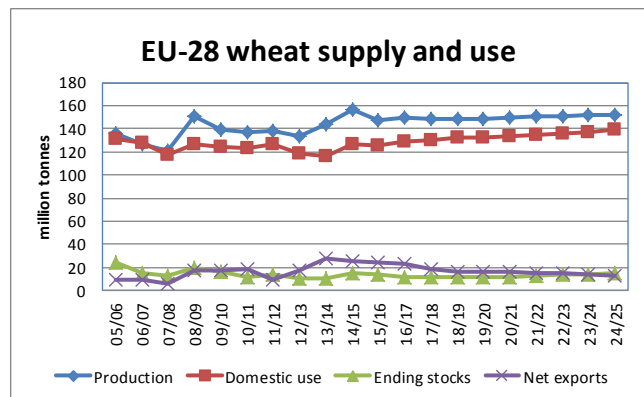
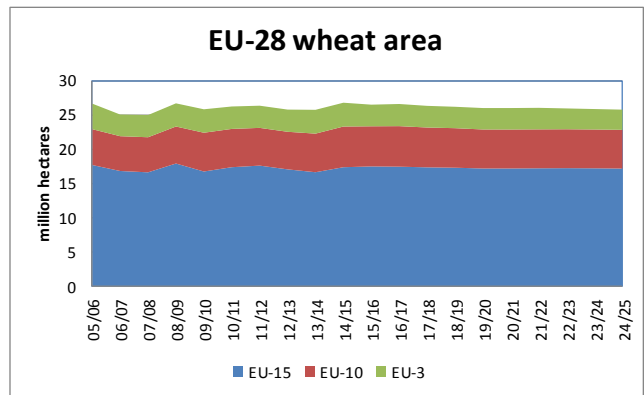
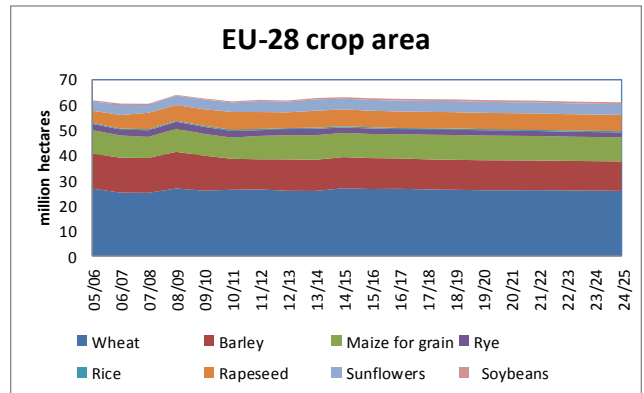
Wheat-EU

High prices and good weather boosted harvested crop areas in the EU-28 in 2014. Area of the major crops is expected to decline in 2015 as a result of the lower prices and more normal weather.

Wheat area in 2014 grew to 26.8 million hectares. Although wheat prices have not fallen as hard as other major grains harvested area is still expected to fall to 26.5 million hectares in 2015. Prolonged prices at below their peak and increasing costs are projected to mean that wheat area falls to 25.7 million hectares by 2024. Wheat yields are projected to rise slowly over the period, from 5.57 tonnes/hectare in 2015 to 5.91 tonnes/hectare in 2021.

Production is projected down significantly in 2015 at 148 million tonnes. Production rises to 152 million tonnes in 2024. But an increase in domestic use driven by increased use for ethanol and for food, coupled with a strengthening euro mean that net exports fall to 12 million tonnes in 2024. Higher incomes and population growth drive food use.

Prices within Europe follow a slightly different path to the world prices discussed above in dollar terms. The euro is expected to weaken in the short run before strengthening over the rest of the projection period. The EU average wheat farm level price (historical data is from the EU Commissions Price Monitoring Report) is about 170 euro/tonne.



Wheat-EU

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
EU-28	thousand hectares										
Area harvested	26,756	26,475	26,571	26,300	26,168	25,982	25,982	26,010	25,924	25,835	25,749
	tonnes/hectare										
Yield	5.83	5.57	5.61	5.66	5.69	5.73	5.76	5.79	5.83	5.87	5.91
	million tonnes										
Production	156.1	147.6	149.1	148.8	148.8	148.8	149.8	150.7	151.3	151.7	152.2
Beginning stocks	10.6	15.3	13.5	11.6	11.3	11.4	11.7	12.1	12.7	13.4	14.1
Imports	4.2	3.8	4.0	4.1	4.2	4.2	4.2	4.2	4.3	4.3	4.4
Total supply	170.9	166.8	166.6	164.5	164.3	164.5	165.6	167.0	168.3	169.5	170.7
Domestic use	126.2	125.0	128.4	130.6	132.2	132.6	133.2	134.5	135.9	137.3	138.7
Feed	56.5	55.6	57.9	59.4	60.3	60.4	60.5	61.4	62.2	63.1	63.8
Fuel	3.2	3.4	3.5	3.6	3.7	3.8	3.8	3.8	3.9	4.0	4.2
Other	66.5	66.1	67.0	67.6	68.2	68.5	68.9	69.3	69.8	70.3	70.7
Exports	29.4	28.2	26.6	22.6	20.6	20.2	20.3	19.7	19.0	18.1	17.1
Ending stocks	15.3	13.5	11.6	11.3	11.4	11.7	12.1	12.7	13.4	14.1	14.9
Net exports	25.2	24.3	22.6	18.5	16.4	16.0	16.2	15.5	14.7	13.7	12.7
Prices	euro per tonne, July-June										
Intervention price	101.3	101.3	101.3	101.3	101.3	101.3	101.3	101.3	101.3	101.3	101.3
Soft wheat	178.3	199.9	190.7	184.6	181.4	183.3	182.6	180.0	176.8	173.1	169.4
Area harvested	thousand hectares										
EU-15	17,355	17,470	17,435	17,338	17,284	17,169	17,173	17,199	17,217	17,196	17,159
EU-10	5,930	5,851	5,907	5,806	5,763	5,688	5,678	5,674	5,670	5,658	5,644
EU-3	3,473	3,153	3,229	3,156	3,122	3,124	3,131	3,137	3,037	2,981	2,945
Yield	tonnes/hectare										
EU-15	6.52	6.25	6.27	6.30	6.32	6.35	6.38	6.39	6.42	6.44	6.47
EU-10	5.01	4.59	4.66	4.72	4.77	4.83	4.89	4.95	5.01	5.07	5.12
EU-3	3.80	3.65	3.81	3.86	3.90	3.94	3.99	4.02	4.08	4.12	4.16
Production	million tonnes										
EU-15	113.2	109.2	109.3	109.2	109.2	109.0	109.5	110.0	110.5	110.8	111.0
EU-10	29.7	26.9	27.5	27.4	27.5	27.5	27.8	28.1	28.4	28.7	28.9
EU-3	13.2	11.5	12.3	12.2	12.2	12.3	12.5	12.6	12.4	12.3	12.3

Barley-EU

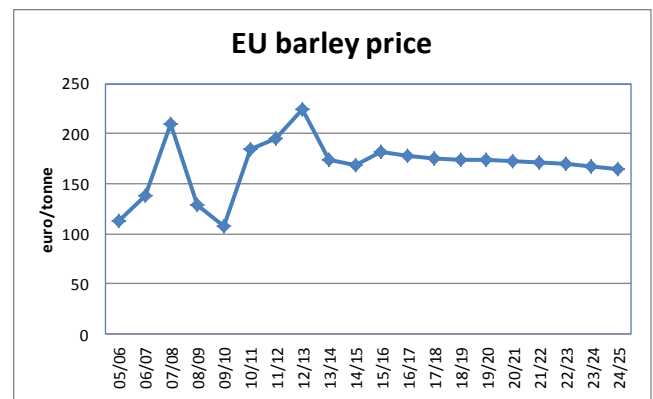
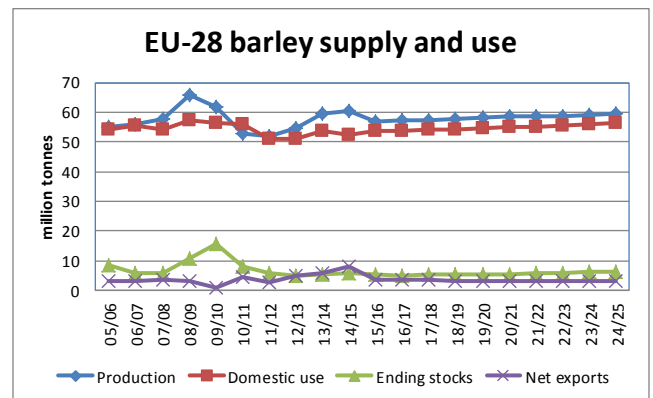
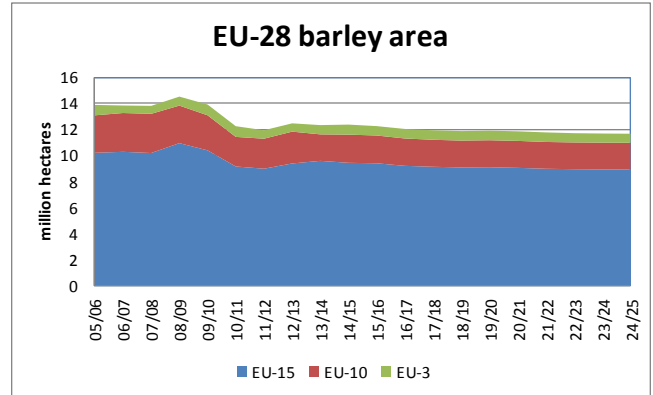
EU barley harvested area has been experiencing a long run downward trend, partly related to falling profitability relative to other cereals. This has partly been the result of increased competition from the energy sector as rapeseed area has expanded, as has maize area for use as biogas. Growth in agricultural land for energy use is expected to slow though.

In 2015 area of barley is expected to fall by almost 120 thousand hectares given lower price expectations. In the longer term area is projected to continue its long run downward trend ending the period at 11.7 million hectares, nearly 3 million hectares below its peak in 2008.

Yields for many EU countries have been stagnant in recent years. Over the period some growth in barley yields is assumed, however, with yields growing from the 4.66 tonnes/hectare expected in 2015 to 5.10 tonnes/hectare in 2024.

As with wheat, production of barley is expected to fall significantly in 2015, by 3.4 million tonnes. Although production is expected to grow by 2 million tonnes by 2024 despite the fall in area but net exports fall back to 3 million tonnes.

Barley prices follow a similar path as wheat prices, falling to 165 euro/tonne in 2024.



Barley-EU

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
	thousand hectares										
Area harvested	12,361	12,243	12,025	11,925	11,862	11,894	11,843	11,761	11,702	11,676	11,659
	tonnes/hectare										
Yield	4.89	4.66	4.77	4.82	4.86	4.90	4.94	4.98	5.02	5.06	5.10
	million tonnes										
Production	60.4	57.0	57.4	57.4	57.6	58.3	58.5	58.6	58.8	59.1	59.5
Beginning stocks	5.5	5.7	5.2	5.1	5.2	5.3	5.5	5.6	5.8	5.9	6.1
Imports	0.2	0.2	0.2	0.3	0.4	0.4	0.4	0.4	0.4	0.5	0.5
Total supply	66.1	62.8	62.8	62.8	63.1	63.9	64.3	64.5	64.9	65.5	66.1
Domestic use	52.4	53.7	53.9	54.0	54.2	54.8	55.0	55.1	55.4	55.8	56.3
Feed	36.4	38.3	38.2	38.1	38.1	38.7	38.8	38.9	39.1	39.3	39.6
Fuel	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other	15.7	15.2	15.4	15.6	15.8	15.8	15.9	16.0	16.1	16.2	16.4
Exports	8.1	3.9	3.8	3.7	3.6	3.7	3.7	3.6	3.6	3.6	3.5
Ending stocks	5.7	5.2	5.1	5.2	5.3	5.5	5.6	5.8	5.9	6.1	6.3
Net exports	7.9	3.8	3.6	3.4	3.3	3.3	3.3	3.3	3.2	3.1	3.0
	euro per tonne, July-June										
Market price	169.2	181.4	177.6	175.0	173.6	173.6	172.5	171.7	170.0	167.4	164.9
Area harvested	thousand hectares										
EU-15	9,430	9,392	9,196	9,125	9,074	9,090	9,042	8,972	8,941	8,923	8,906
EU-10	2,161	2,131	2,099	2,071	2,059	2,071	2,068	2,056	2,052	2,054	2,059
EU-3	770	720	731	729	729	733	733	732	709	699	694
Yield	tonnes/hectare										
EU-15	5.14	4.95	5.08	5.12	5.16	5.20	5.25	5.29	5.33	5.37	5.41
EU-10	4.26	3.86	3.92	3.97	4.00	4.04	4.08	4.12	4.16	4.20	4.24
EU-3	3.52	3.24	3.41	3.45	3.48	3.52	3.56	3.60	3.66	3.70	3.73
Production	million tonnes										
EU-15	48.51	46.47	46.69	46.72	46.82	47.30	47.47	47.44	47.62	47.88	48.15
EU-10	9.21	8.22	8.23	8.21	8.24	8.37	8.44	8.48	8.54	8.63	8.73
EU-3	2.71	2.33	2.49	2.51	2.54	2.58	2.61	2.64	2.59	2.58	2.59

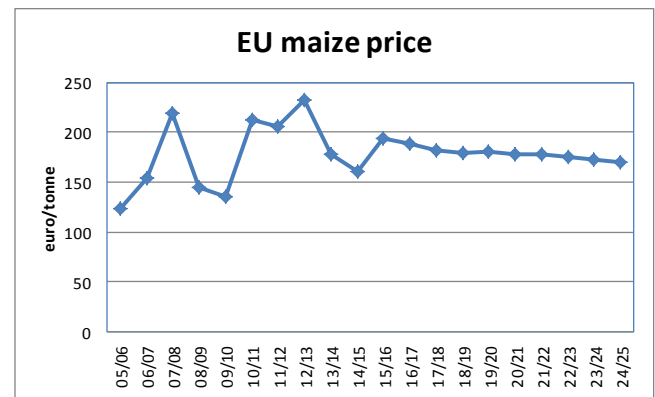
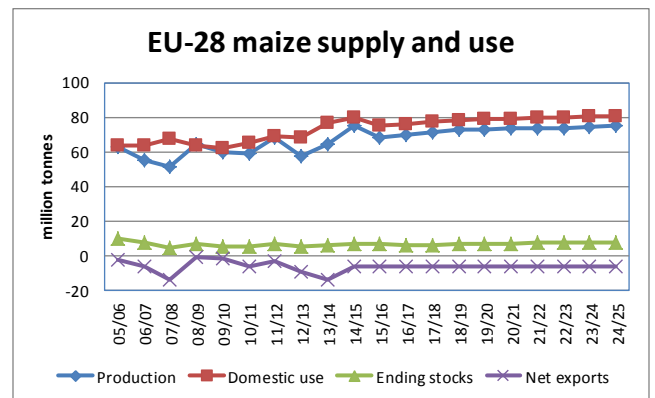
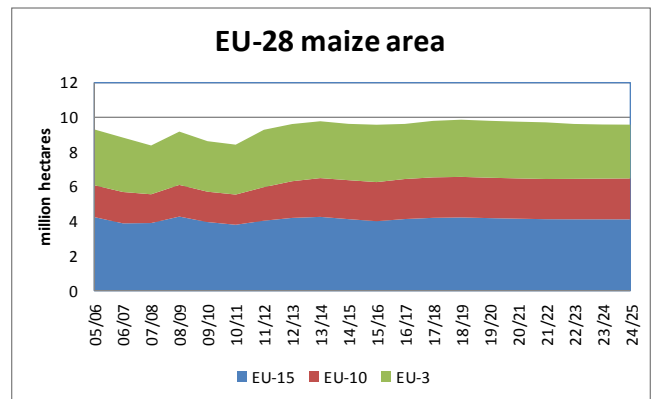
Maize-EU

After a decade where maize area for the EU-28 was below 9 million hectares for many years, maize area has increased steadily reaching 9.75 million hectares in 2013. 2014 levels were below this, and area is expected to fall again in 2015 but still reach 9.55 million hectares. Maize area is expected to remain strong and is projected to be at this level in 2024.

Maize yields show significant variability as they are impacted by drought. Yields are projected at 7.16 tonnes/hectare in 2015, rising to 7.83 tonnes in 2025. Production falls in 2015 to 68.34 million tonnes, rising to 74.8 million tonnes in 2024.

Use of maize for fuel increases and stabilizes at about 5.8 million tonnes at the end of the period. In practice the composition of raw materials in the generation of ethanol will depend on both EU sustainability requirements and their implementation at a member state level. Other domestic uses increase offsetting production increases and leaving net imports at around 6 million tonnes.

Maize prices follow the path of the other cereals, with a long run path that tracks exchange rate movements.



Maize-EU

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
	thousand hectares										
Area harvested	9,600	9,550	9,597	9,772	9,839	9,775	9,727	9,687	9,595	9,564	9,555
	tonnes/hectare										
Yield	7.81	7.16	7.26	7.33	7.38	7.46	7.54	7.60	7.69	7.76	7.83
	million tonnes										
Production	75.0	68.3	69.7	71.6	72.6	72.9	73.4	73.6	73.8	74.2	74.8
Beginning stocks	6.4	7.3	6.5	6.3	6.5	6.8	7.0	7.2	7.3	7.5	7.7
Imports	7.8	7.8	7.8	7.8	7.9	7.9	7.9	7.9	7.9	8.0	8.0
Total supply	89.2	83.4	84.0	85.7	87.0	87.6	88.2	88.6	89.0	89.7	90.5
Domestic use	79.9	75.0	75.9	77.5	78.4	78.8	79.3	79.5	79.8	80.2	80.8
Feed	62.1	58.1	58.6	59.7	60.3	60.5	60.8	60.8	60.9	61.1	61.2
Fuel	5.1	4.8	4.9	5.1	5.3	5.3	5.3	5.4	5.4	5.5	5.8
Other	12.7	12.1	12.4	12.6	12.9	13.0	13.2	13.3	13.5	13.7	13.8
Exports	2.0	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Ending stocks	7.3	6.5	6.3	6.5	6.8	7.0	7.2	7.3	7.5	7.7	7.9
Net exports	-5.8	-5.9	-6.1	-6.1	-6.1	-6.1	-6.1	-6.1	-6.1	-6.2	-6.3
	euro per tonne, July-June										
Market price	160.2	194.4	188.5	182.4	179.3	180.0	178.4	177.3	175.5	172.7	169.9
Area harvested	thousand hectares										
EU-15	4,120	4,000	4,125	4,194	4,217	4,178	4,146	4,117	4,111	4,110	4,107
EU-10	2,240	2,250	2,303	2,328	2,333	2,323	2,317	2,312	2,326	2,341	2,355
EU-3	3,240	3,300	3,169	3,250	3,289	3,274	3,264	3,258	3,158	3,114	3,093
Yield	tonnes/hectare										
EU-15	10.07	9.51	9.72	9.81	9.88	9.99	10.10	10.16	10.22	10.29	10.35
EU-10	7.47	6.78	6.75	6.84	6.91	7.01	7.12	7.20	7.28	7.36	7.45
EU-3	5.19	4.56	4.42	4.47	4.50	4.55	4.60	4.64	4.70	4.73	4.76
Production	million tonnes										
EU-15	41.5	38.0	40.1	41.2	41.7	41.7	41.9	41.8	42.0	42.3	42.5
EU-10	16.7	15.3	15.5	15.9	16.1	16.3	16.5	16.6	16.9	17.2	17.5
EU-3	16.8	15.0	14.0	14.5	14.8	14.9	15.0	15.1	14.8	14.7	14.7

Rapeseed and Products-EU

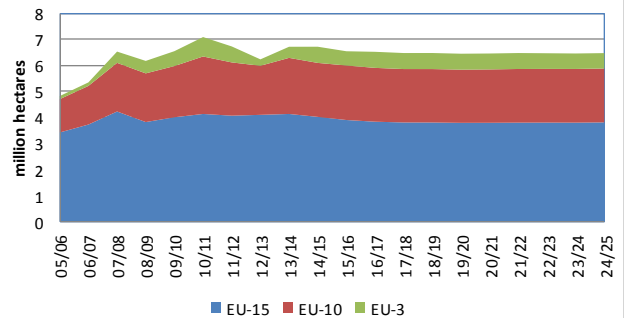
Rapeseed area expanded as demand for rapeseed oil for biodiesel grew but lately has stagnated. Given the assumptions regarding moderate growth of biodiesel production in the EU further significant growth in rapeseed area is not projected. Rapeseed area is projected to drop from 6.7 million hectares to 6.5 million hectares in 2015 and remains at this level for the duration of the projections.

As with cereals, oilseed prices in euro terms follow a different path to those in dollar terms. Rapeseed prices gradually fall back to around 320 euro/tonne, lower than in recent years but at a higher level than the historical average. Rapeseed oil prices are supported in the longer term by rising fossil fuel prices. Rapeseed meal prices drop to below 200 euro/tonne.

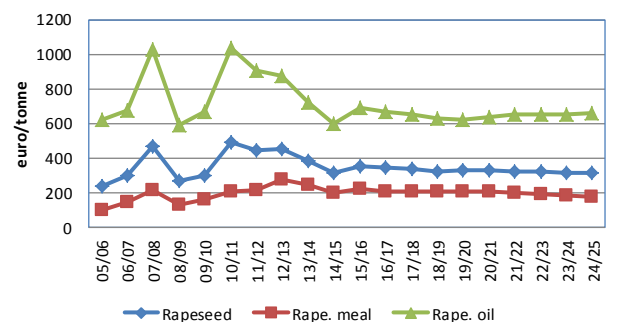
Rape oil use stagnates in the short run as biodiesel production slows but increases a little in the longer term. Much of this increased demand is sourced domestically with only a small increase in imports of rapeseed oil. Domestic production of rapeseed due to increasing yields means that imports of rapeseed only increase slightly despite higher crush levels.

The increased production of rapeseed meal that comes as a result of the increase in crush is absorbed in the domestic feed market and net trade for meal remains small.

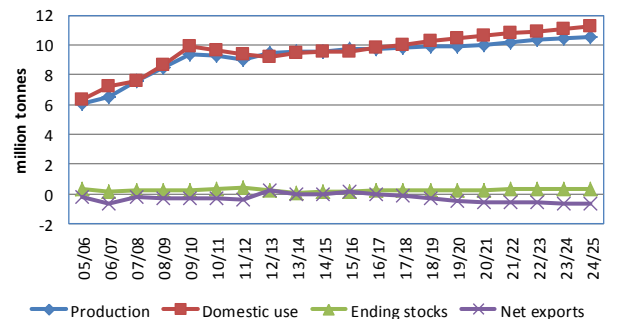
EU-28 rapeseed area



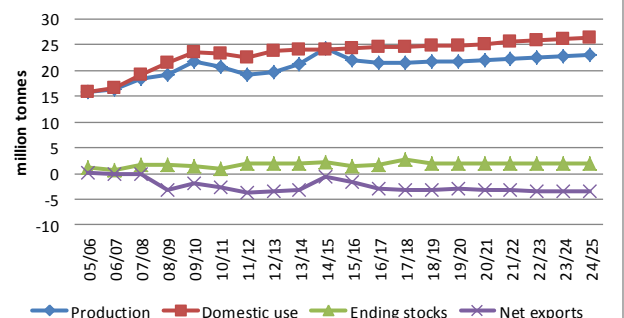
EU rapeseed and product prices



EU-28 rape. oil supply and use



EU rapeseed supply and use



Rapeseed and Products-EU

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Rapeseed											
	thousand hectares										
Area harvested	6,712	6,538	6,517	6,470	6,470	6,444	6,452	6,470	6,462	6,453	6,467
	tonnes/hectare										
Yield	3.61	3.36	3.28	3.31	3.35	3.38	3.41	3.44	3.48	3.51	3.54
	thousand tonnes										
Production	24,221	21,940	21,398	21,444	21,645	21,768	21,998	22,261	22,461	22,654	22,919
Beginning stocks	1,787	2,577	1,977	1,908	1,929	1,963	1,972	1,990	2,017	2,042	2,063
Imports	762	1,948	3,112	3,314	3,342	3,264	3,278	3,406	3,558	3,632	3,627
Total supply	26,770	26,464	26,486	26,667	26,916	26,995	27,248	27,657	28,036	28,328	28,610
Domestic use	23,997	24,294	24,384	24,546	24,763	24,834	25,071	25,456	25,812	26,085	26,341
Crush	23,017	23,319	23,407	23,566	23,781	23,852	24,088	24,471	24,826	25,098	25,353
Other	67	66	67	68	68	68	69	69	70	70	71
Exports	196	194	193	192	190	189	188	185	182	180	179
Ending stocks	2,197	1,480	1,787	2,577	1,977	1,908	1,929	1,963	1,972	1,990	2,017
Net exports	-566	-1,754	-2,919	-3,122	-3,152	-3,075	-3,090	-3,221	-3,376	-3,451	-3,449
	euro per tonne, marketing year basis										
Hamburg price	315.9	354.8	346.4	335.3	325.1	329.4	329.4	324.7	319.5	317.4	312.6
Rapeseed Meal											
	thousand tonnes										
Production	13,226	13,396	13,444	13,536	13,662	13,704	13,844	14,071	14,281	14,442	14,593
Beginning stocks	140	131	127	131	134	136	137	141	146	152	156
Imports	409	410	410	409	409	408	409	410	411	412	413
Total supply	13,774	13,937	13,982	14,077	14,205	14,248	14,389	14,622	14,838	15,006	15,163
Domestic use	13,253	13,420	13,461	13,553	13,679	13,723	13,859	14,084	14,294	14,456	14,606
Exports	390	390	390	390	389	389	389	391	393	394	396
Ending stocks	141	89	140	131	127	131	134	136	137	141	146
Net exports	-18	-20	-20	-20	-20	-20	-20	-19	-18	-18	-17
	euro per tonne, marketing year basis										
Hamburg price	201	220	210	207	205	209	204	198	191	186	178
Rapeseed Oil											
	thousand tonnes										
Production	9,593	9,721	9,759	9,825	9,912	9,941	10,036	10,192	10,335	10,445	10,548
Beginning stocks	232	272	273	280	286	293	295	298	303	309	313
Imports	100	100	100	202	373	538	616	627	633	665	714
Total supply	9,925	10,093	10,132	10,306	10,571	10,771	10,947	11,116	11,271	11,419	11,575
Domestic use	9,569	9,542	9,781	9,966	10,225	10,424	10,598	10,762	10,912	11,057	11,210
Fuel	5,975	6,033	6,106	6,185	6,283	6,354	6,415	6,459	6,493	6,527	6,807
Exports	99	278	72	55	53	52	51	51	50	49	49
Ending stocks	111	152	232	272	273	280	286	293	295	298	303
Net exports	-1	178	-28	-148	-320	-485	-564	-576	-583	-616	-666
	euro per tonne, marketing year basis										
Hamburg price	599	688	671	650	629	625	639	649	652	655	659

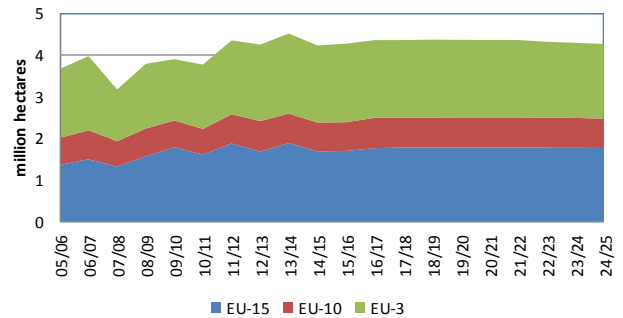
Sunflower and Products-EU

Sunflower area has been on an upward trend with area exceeding 4.2 million hectares in each of the last 4 years after spending most of the previous 10 years under 4 million hectares. Area peaked at 4.5 million hectares in 2013. Since then harvested area has fallen back. Area is expected to be up slightly on 2014 in 2015 at 4.27 million hectares. Sunflower area is expected to remain strong, expanding a little in the short run before ending the projection period at 4.26 million hectares.

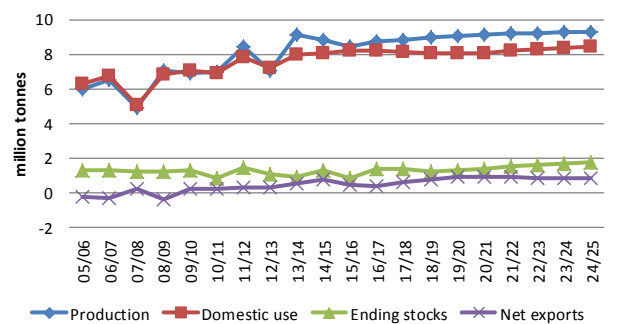
Yields increase from 1.98 tonnes/hectare to 2.18 tonnes per hectare. Growth in production slightly outstrips increases in crush and this means that net exports grow slightly.

Increased crush means that there is rising production of both meal and oil. Increasing demand for these outstrips the increase in supply and so there are small increases in net imports of both sunflower meal and oil.

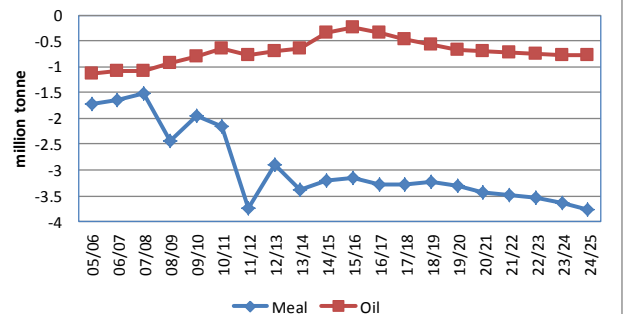
EU-28 sunflower area



EU-28 sunflowerseed supply and use



EU-28 sunflower product net trade



Sunflower and Products

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Sunflowerseed											
	thousand hectares										
Area harvested	4,225	4,268	4,353	4,355	4,364	4,360	4,355	4,357	4,314	4,289	4,262
	tonnes/hectare										
Yield	2.08	1.98	2.00	2.02	2.05	2.07	2.09	2.11	2.14	2.16	2.18
	thousand tonnes										
Production	8,807	8,463	8,720	8,817	8,935	9,026	9,114	9,214	9,220	9,264	9,300
Beginning stocks	1,400	1,383	1,216	1,337	1,412	1,497	1,581	1,669	1,769	1,847	1,928
Imports	100	100	100	100	100	100	100	100	100	100	100
Total supply	10,307	9,946	10,036	10,254	10,446	10,623	10,794	10,982	11,089	11,212	11,328
Domestic use	8,062	8,183	8,187	8,129	8,067	8,035	8,082	8,175	8,262	8,346	8,423
Crush	7,300	7,420	7,407	7,333	7,255	7,207	7,240	7,317	7,389	7,457	7,518
Other	67	66	67	68	68	68	69	69	70	70	71
Exports	861	547	513	714	883	1,008	1,044	1,039	979	937	911
Ending stocks	1,273	864	1,400	1,383	1,216	1,337	1,412	1,497	1,581	1,669	1,769
Net exports	761	447	413	614	783	908	944	939	879	837	811
	euro per tonne, marketing year basis										
Lower Rhine price	333	376	361	354	346	346	346	342	336	329	325
Sunflower meal											
	thousand tonnes										
Production	4,244	4,324	4,312	4,258	4,202	4,168	4,191	4,246	4,297	4,345	4,389
Beginning stocks	188	200	209	214	213	211	211	215	221	226	232
Imports	3,211	3,157	3,285	3,288	3,232	3,312	3,432	3,481	3,545	3,653	3,781
Total supply	7,643	7,681	7,807	7,760	7,648	7,691	7,834	7,942	8,062	8,224	8,402
Domestic use	7,438	7,467	7,588	7,542	7,431	7,476	7,614	7,716	7,831	7,987	8,159
Exports	5	5	5	5	5	5	5	5	5	5	5
Ending stocks	78	188	200	209	214	213	211	211	215	221	226
Net exports	-3,206	-3,152	-3,280	-3,283	-3,227	-3,307	-3,427	-3,476	-3,540	-3,648	-3,776
	euro per tonne, marketing year basis										
Rotterdam price	212	201	191	189	190	191	185	179	172	166	157
Sunflower oil											
Production	3,309	3,384	3,377	3,332	3,285	3,256	3,276	3,323	3,367	3,408	3,446
Beginning stocks	149	168	163	167	165	163	160	159	165	171	178
Imports	470	360	467	581	703	788	827	845	861	880	895
Total supply	3,929	3,911	4,007	4,079	4,153	4,208	4,263	4,327	4,392	4,460	4,519
Domestic use	3,635	3,622	3,717	3,793	3,872	3,932	3,989	4,050	4,110	4,173	4,228
Exports	126	126	123	120	118	116	115	113	111	110	108
Ending stocks	108	149	168	163	167	165	163	160	159	165	171
Net exports	-345	-234	-344	-460	-585	-672	-713	-732	-749	-771	-787
	euro per tonne, marketing year basis										
Northwest Europe price	641	737	709	685	660	657	672	681	684	685	691

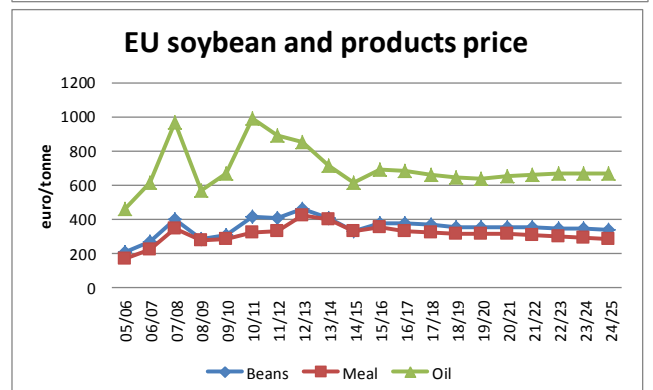
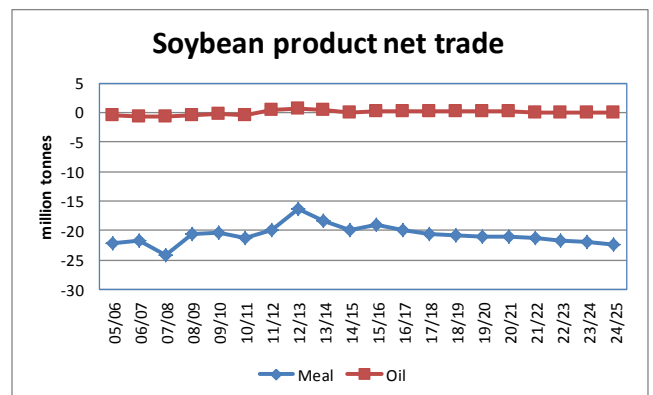
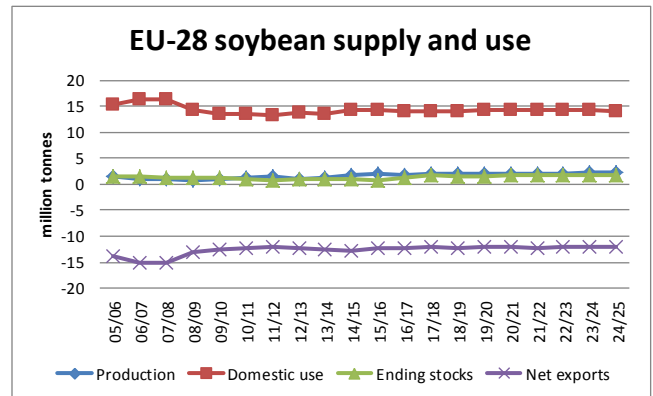
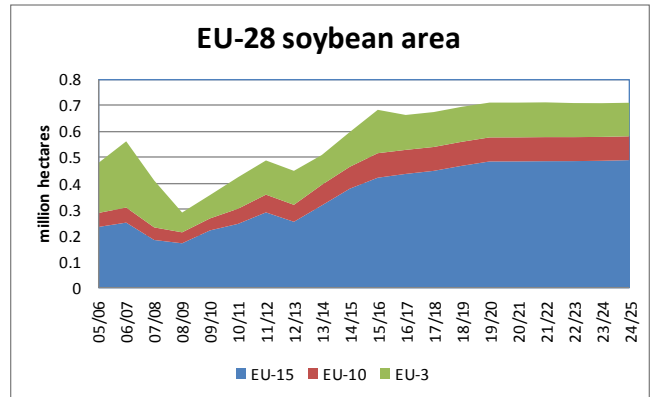
Soybean and Products

Soybean area in the EU has grown each year since 2012. Changes in the CAP that provide additional payments to soybeans mean that a large increase in area is expected in 2015, up 85 thousand hectares on 2014 levels. Area of soybeans is projected to rise higher to above 700 thousand hectares, significantly higher than the area between 2007 and 2013.

Domestic production of soybeans accounts for only a small proportion of the overall EU supply so despite the dramatic increase in area the EU remains reliant of imports. Net imports of soybeans are projected to be stable at around 12 million tonnes.

An increase in feed demand from expanding meat and dairy production, coupled with the drop in production lead to a slight increase in the net imports of soybean meal that increases from around 20 million tonnes in 2014 to over 22 million tonnes by 2025.

There is expected to be little growth in the use of soybean oil in the production of biodiesel. Growth in EU-28 consumption is met by production and therefore net imports are projected to be small.



Soybean and Products-EU

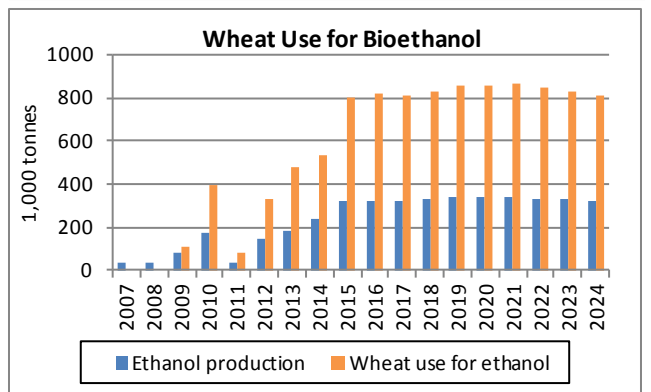
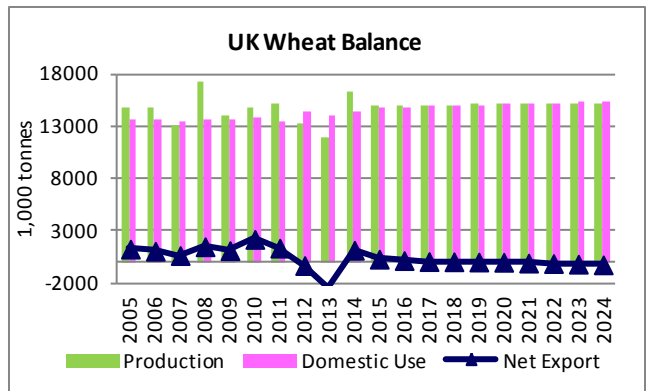
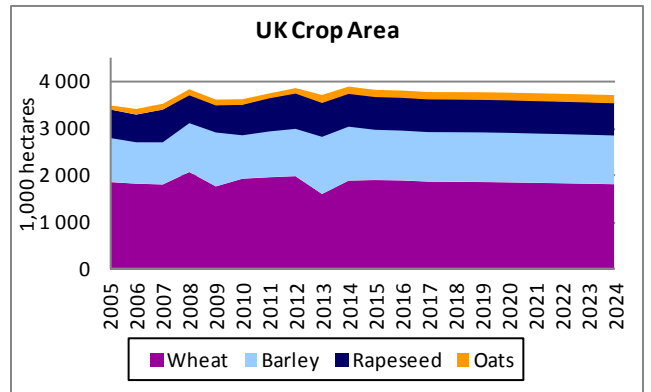
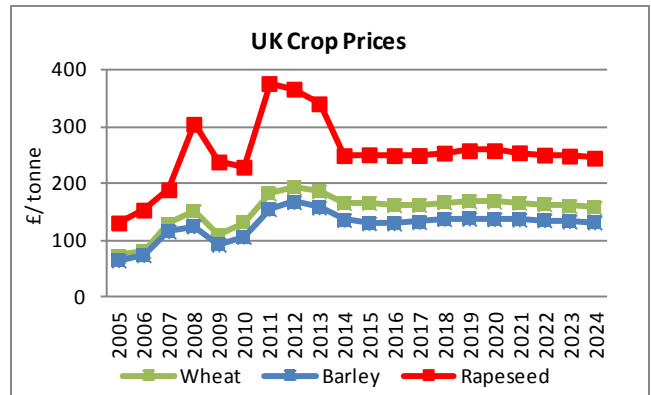
	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Soybeans											
	thousand hectares										
Area harvested	597	682	663	674	694	710	710	711	708	708	709
	tonnes/hectare										
Yield	3.03	2.80	2.80	2.84	2.87	2.90	2.93	2.96	3.00	3.03	3.06
	thousand tonnes										
Production	1,812	1,910	1,857	1,911	1,990	2,061	2,083	2,108	2,124	2,146	2,173
Beginning stocks	1,256	1,656	1,572	1,601	1,651	1,729	1,777	1,798	1,834	1,866	1,894
Imports	12,745	12,218	12,246	12,185	12,197	12,176	12,136	12,194	12,139	12,067	11,981
Total supply	15,813	15,784	15,675	15,697	15,838	15,966	15,995	16,100	16,097	16,078	16,048
Domestic use	14,152	14,207	14,069	14,041	14,104	14,184	14,192	14,261	14,226	14,179	14,116
Crush	13,179	13,253	13,111	13,078	13,134	13,210	13,215	13,280	13,241	13,191	13,124
Other	67	66	67	68	68	68	69	69	70	70	71
Exports	5	5	5	5	5	5	5	5	5	5	5
Ending stocks	1,033	792	1,256	1,656	1,572	1,601	1,651	1,729	1,777	1,798	1,834
Net exports	-12,740	-12,213	-12,241	-12,180	-12,192	-12,171	-12,131	-12,189	-12,134	-12,062	-11,976
	euro per tonne, marketing year basis										
Rotterdam price	331	377	373	368	357	356	357	352	347	345	341
Soybean meal											
	thousand tonnes										
Production	10,480	10,539	10,425	10,399	10,444	10,504	10,509	10,560	10,529	10,489	10,436
Beginning stocks	395	533	519	539	556	572	579	589	604	617	624
Imports	20,363	19,400	20,381	20,934	21,328	21,370	21,537	21,768	22,168	22,399	22,719
Total supply	31,238	30,472	31,325	31,872	32,328	32,447	32,624	32,917	33,301	33,505	33,778
Domestic use	30,259	29,510	30,348	30,877	31,310	31,425	31,600	31,884	32,261	32,466	32,737
Exports	446	444	437	440	446	443	435	430	423	415	406
Ending stocks	77	395	533	519	539	556	572	579	589	604	617
Net exports	-19,918	-18,956	-19,944	-20,494	-20,882	-20,927	-21,102	-21,338	-21,744	-21,984	-22,312
	euro per tonne, marketing year basis										
Rotterdam price	329	350	331	321	314	316	312	305	296	291	284
Soybean oil											
	thousand tonnes										
Production	2,585	2,599	2,576	2,571	2,582	2,597	2,601	2,615	2,610	2,602	2,592
Beginning stocks	121	150	140	139	144	149	153	152	152	152	152
Imports	151	67	90	90	114	147	144	150	183	220	260
Total supply	2,857	2,816	2,806	2,800	2,840	2,893	2,898	2,917	2,945	2,974	3,004
Domestic use	2,262	2,224	2,209	2,197	2,235	2,291	2,295	2,311	2,337	2,364	2,393
Fuel	724	781	798	816	837	855	871	886	900	914	916
Exports	253	259	261	264	257	250	250	250	250	250	250
Ending stocks	102	121	150	140	139	144	149	153	152	152	152
Net exports	102	192	171	173	144	103	106	100	67	30	-10
	euro per tonne, marketing year basis										
Rotterdam price	614	693	684	661	642	634	652	663	666	667	671

Crops – UK

Since harvests have been good in the EU and other major production regions in the world for 2014, crop prices are low in 2014. From 2015 onwards, under the assumption of normal weather conditions, EU prices recover first but then tail off in the rest of the projection period. Within the UK, there is little recovery of prices projected due to the significant appreciation of the GB pound against the Euro. In the second half of the projection period, the UK crop price trends tail off slightly, mirroring those of the EU. At the end of projection period, wheat price is projected to be around £158 per tonne, barley £132 per tonne and rapeseed about £245 per tonne.

Wheat area in 2014 is 18% higher than the previous year, representing an exceptional rebound from the small area in 2013. This is due to the contrasting weather conditions in the two years, *i.e.* very poor in 2013 and good in 2014. Over the projection period, wheat area declines by 4% to 1822 thousand hectares in 2024; barley and rapeseed 9% and 3% respectively to 1034 and 680 thousand hectares. This leads to a reduction of total UK crop area of approximately 5%. The percentage declines need to be treated with caution as the harvest area of the reference year, 2014, is high due to exceptionally good weather.

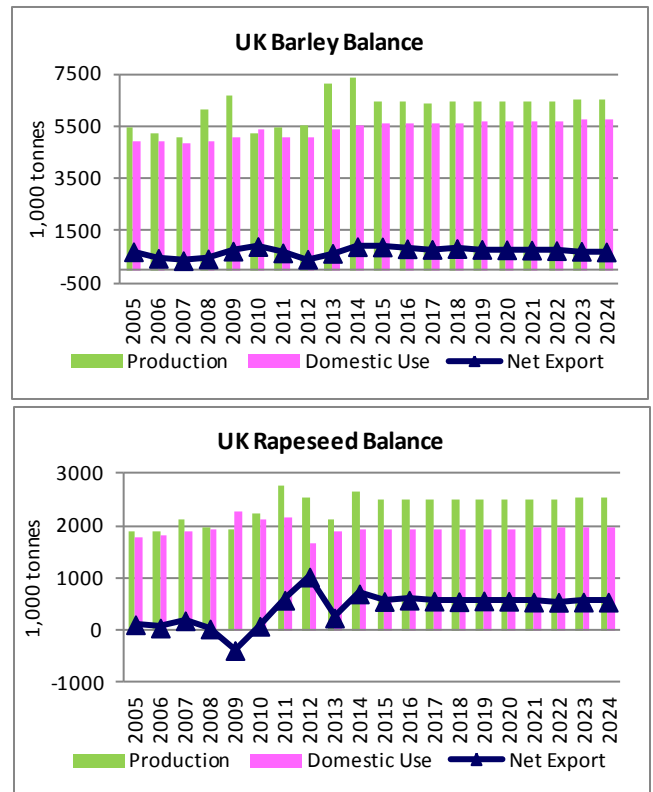
Wheat yield increases 16% in 2014 compared to the previous year and, along with increase in area, contributes to a 36% increase in production in 2014. During the rest of the projection period (2015 to 2024) it is assumed that normal weather conditions apply and the wheat yield is projected to increase by 7% to nearly 8.4 tonnes per hectare. Combining the increasing yield and declining area, UK wheat production reaches 15,258 thousand tonnes at the end of projection period. Wheat use for bioethanol is projected to be flat. Total domestic use of wheat increases slowly due to increasing food and feed use underpinned by population growth. The UK begins to see small wheat net imports from 2021. It should be noted that the future trade position of UK wheat hinges on a number of uncertainties, such as yield growth and wheat use in bioethanol.



Crops – UK (Cont.)

With smaller area (6% decline) but higher yield (9% increase), barley production is 3% higher in 2014 compared to 2013. From 2015 to 2024, the barley yield is projected to increase by 4% to near 6.3 tonnes per hectare and production reaches almost 6500 thousand tonnes. Throughout the projection period, there is a small surplus in barley for export.

Similar to wheat, UK rapeseed sees large increases in yield and production in 2014. During the rest of the projection period, rapeseed area shows a modest decline, but crop production remains over 2500 thousand tonnes.



Wheat – UK

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
UK														
	thousand hectares													
Area harvested	1,969	1,992	1,615	1,898	1,910	1,901	1,877	1,873	1,868	1,861	1,851	1,842	1,832	1,822
	thousand tonnes													
Production	15,257	13,261	11,912	16,234	14,897	15,060	15,008	15,051	15,109	15,142	15,158	15,196	15,229	15,258
Domestic use	13,513	14,386	14,024	14,459	14,734	14,832	14,919	14,986	15,056	15,106	15,196	15,273	15,366	15,459
Net Export	1,385	-282	-2,518	1,182	325	193	96	77	54	30	-48	-92	-152	-216
	£/100 kg													
Prices	18.3	19.3	18.6	16.6	16.6	16.2	16.2	16.7	16.9	16.8	16.6	16.4	16.1	15.8
Area Harvested														
	thousand hectares													
England	1,817	1,856	1,505	1,767	1,775	1,767	1,745	1,741	1,738	1,731	1,722	1,714	1,705	1,695
Wales	26	26	15	21	21	21	21	21	21	21	21	21	20	20
Scotland	115	101	87	101	104	104	101	101	100	100	99	98	97	97
Northern Ireland	12	9	8	10	10	10	10	10	10	10	10	10	10	9
Yield														
	tonnes/hectare													
England	7.7	6.7	7.4	8.6	7.8	7.9	8.0	8.0	8.1	8.1	8.2	8.3	8.3	8.4
Wales	7.5	5.8	6.5	7.5	6.9	7.0	7.0	7.0	7.1	7.1	7.1	7.2	7.2	7.3
Scotland	8.3	6.7	7.5	8.7	7.9	8.1	8.1	8.1	8.2	8.2	8.3	8.3	8.4	8.5
Northern Ireland	7.8	6.0	7.3	8.5	7.7	7.8	7.9	7.9	7.9	8.0	8.0	8.1	8.2	8.2
Production														
	thousand tonnes													
England	14,040	12,383	11,104	15,115	13,851	14,001	13,966	14,009	14,066	14,098	14,115	14,152	14,184	14,212
Wales	193	148	98	159	145	147	146	146	147	147	147	148	148	148
Scotland	957	673	651	877	825	834	819	819	820	819	818	819	819	819
Northern Ireland	90	56	58	83	77	78	77	77	77	78	78	78	78	78

Barley – UK

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
UK	thousand hectares													
Area harvested	970	1,002	1,213	1,141	1,064	1,056	1,049	1,051	1,052	1,050	1,046	1,042	1,039	1,034
	thousand tonnes													
Production	5,494	5,522	7,138	7,344	6,449	6,455	6,416	6,449	6,472	6,481	6,476	6,485	6,493	6,498
Domestic use	5,112	5,059	5,371	5,577	5,639	5,623	5,631	5,637	5,666	5,685	5,696	5,718	5,748	5,778
Net Export	671	428	654	909	899	830	806	839	805	790	777	758	733	708
	£/100 kg													
Prices	15.5	16.7	15.8	13.6	13.0	13.0	13.2	13.8	13.8	13.7	13.7	13.6	13.4	13.2
Area Harvested	thousand hectares													
England	615	623	828	754	677	672	667	668	667	665	663	661	659	657
Wales	23	22	20	23	23	22	22	22	22	22	22	22	22	22
Scotland	308	332	339	339	338	336	334	336	337	338	336	334	333	331
Northern Ireland	24	26	26	26	26	26	25	25	25	25	25	25	24	24
Yield	tonnes/hectare													
England	5.6	5.7	5.9	6.5	6.1	6.1	6.1	6.2	6.2	6.2	6.2	6.2	6.3	6.3
Wales	5.7	4.9	5.6	6.1	5.8	5.8	5.8	5.8	5.8	5.9	5.9	5.9	5.9	5.9
Scotland	6.1	5.2	5.9	6.5	6.1	6.1	6.1	6.1	6.2	6.2	6.2	6.2	6.3	6.3
Northern Ireland	5.7	5.0	5.4	5.9	5.6	5.6	5.6	5.7	5.7	5.7	5.7	5.7	5.7	5.8
Production	thousand tonnes													
England	3,428	3,565	4,883	4,864	4,117	4,134	4,102	4,115	4,123	4,122	4,120	4,125	4,129	4,132
Wales	130	106	114	139	130	131	130	130	130	130	129	129	129	129
Scotland	1,867	1,723	2,001	2,189	2,058	2,047	2,042	2,061	2,077	2,088	2,086	2,090	2,094	2,096
Northern Ireland	138	127	140	152	145	144	142	142	142	142	141	141	140	140

Rapeseed – UK

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	thousand hectares													
Area harvested	705	756	715	704	699	699	694	692	691	689	687	685	682	680
	tonnes/hectare													
Yield	3.9	3.4	3.0	3.8	3.6	3.6	3.6	3.6	3.6	3.6	3.7	3.7	3.7	3.7
	thousand tonnes													
Production	2,758	2,557	2,128	2,654	2,500	2,520	2,506	2,506	2,510	2,514	2,515	2,518	2,523	2,527
Domestic use	2,164	1,658	1,875	1,923	1,931	1,923	1,928	1,939	1,929	1,939	1,955	1,961	1,963	1,968
Net Export	595	1,039	254	716	571	596	578	567	582	575	560	556	560	558
	£/100 kg													
Prices	37.7	36.7	34.1	25.0	25.1	25.0	25.0	25.4	25.9	25.9	25.5	25.1	24.9	24.5

Dairy Sector

Dairy-EU

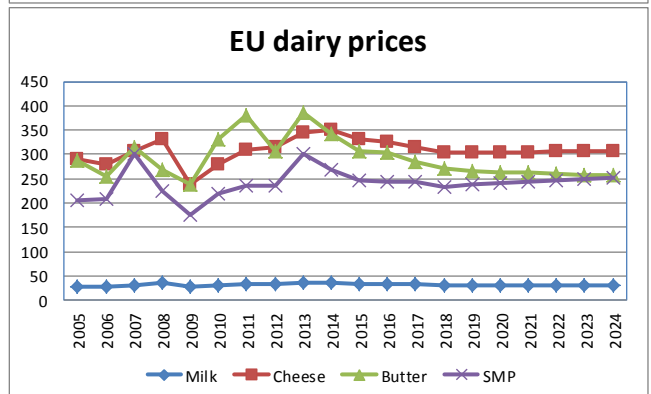
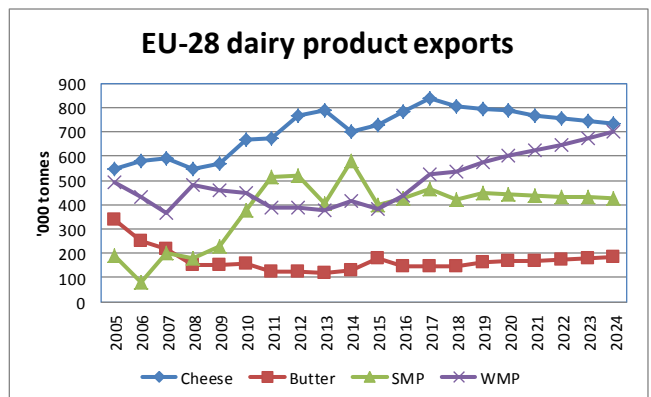
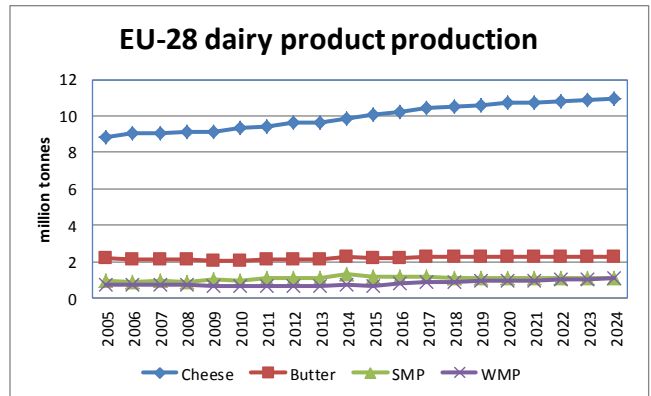
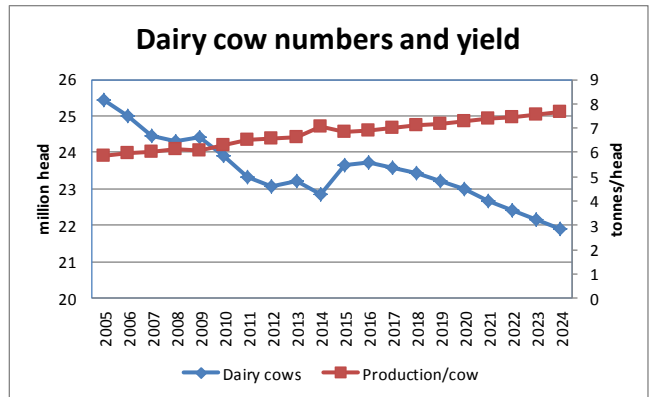
The elimination of dairy quotas is contributing to a period of uncertainty for the dairy industry. Dairy prices have been among the most volatile of the agricultural markets. Very good margins prompted a rapid increase in production in 2014. It is still unclear as to how much of that was due to the ending of quotas and how much was in response to these good margins.

Milk production is expected to have increased by at least 5 percent in 2014 over 2013 levels. The reduction in milk prices, however, is expected to slow production increases in 2015. The experience of 2014 should serve as a reminder that milk production is likely to be more volatile now that quotas are removed, and production can go up as well as down.

Milk production, and the production of products is expected to increase again after milk prices recover in 2016. Given that prices and margins are projected to be below their peaks, the production expansion is below some of the industry projections.

Milk prices are expected to average below recent peaks at around 31 euro/100 kgs. Volatility is likely to be a feature of dairy markets and in reality we would expect a wide variation around this price.

EU dairy product prices are closely linked to world dairy markets and will generally follow their movements. EU product prices are projected to be below their recent peaks but above support prices on average.



Dairy-EU

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	thousand head, end of year										
Dairy cows	22,865	23,667	23,709	23,571	23,432	23,228	23,001	22,674	22,398	22,150	21,909
Production/cow	7,067	6,865	6,904	7,027	7,108	7,194	7,279	7,377	7,468	7,554	7,641
Fluid milk											
Cow's milk production	162	162	164	166	167	167	167	167	167	167	167
Other milk production	5	5	5	5	5	5	5	5	5	5	5
Fluid consumption	46	46	46	46	46	46	45	45	45	45	44
Manufacturing use	114	115	116	118	119	120	121	121	122	122	122
Feed use, net exports	67	66	67	68	68	68	69	69	70	70	71
Cheese	thousand tonnes										
Production	9,835	10,065	10,203	10,408	10,527	10,617	10,700	10,751	10,815	10,877	10,944
Non-EU imports	79	72	74	74	76	77	78	79	80	81	82
Domestic use	9,213	9,378	9,494	9,642	9,797	9,896	9,989	10,064	10,140	10,214	10,290
Non-EU exports	701	725	780	838	803	796	788	765	754	743	736
Ending stocks	468	501	504	507	510	512	514	515	515	516	517
Butter											
Production	2,242	2,198	2,222	2,256	2,279	2,295	2,304	2,301	2,302	2,302	2,305
Non-EU imports	40	23	23	23	23	23	23	23	23	23	23
Domestic use	2,081	2,115	2,115	2,135	2,153	2,155	2,155	2,152	2,149	2,145	2,141
Non-EU exports	131	181	148	149	148	161	169	170	174	179	186
Ending stocks	170	95	76	71	71	72	74	76	77	78	80
Skim powder											
Production	1,301	1,175	1,152	1,155	1,128	1,146	1,142	1,132	1,124	1,117	1,110
Non-EU imports	2	2	2	2	2	2	2	2	2	2	2
Domestic use	702	717	721	719	724	712	708	701	695	690	685
Non-EU exports	582	396	428	464	421	447	443	438	434	431	428
Ending stocks	80	144	149	123	109	98	91	86	83	80	79
Whole powder											
Production	778	707	800	886	902	944	975	997	1,024	1,053	1,079
Non-EU imports	2	18	18	18	19	19	19	19	19	19	19
Domestic use	364	376	377	380	385	388	391	393	395	397	399
Non-EU exports	415	383	439	523	534	573	603	622	648	675	699
Ending stocks	97	63	65	66	67	69	70	70	71	71	71
Consumption	kilograms per capita										
Fluid milk	95.8	96.2	95.4	95.1	94.8	94.1	93.4	92.6	91.9	91.2	90.5
Cheese	18.6	18.8	18.9	19.1	19.4	19.5	19.6	19.7	19.8	19.9	20.0
Butter	4.4	4.5	4.5	4.5	4.6	4.5	4.5	4.5	4.5	4.5	4.5
Prices	euro per 100 kilograms										
Milk, 3.7% fat	37	33	33	32	31	31	31	31	31	31	31
Cheese market	350	330	325	316	305	304	303	305	306	307	308
Butter market	342	307	304	286	270	266	263	262	260	259	257
SMP market	268	248	244	243	232	238	240	244	247	251	253
WMP market	310	264	270	269	257	255	254	253	253	253	253
Butter intervention	229	229	229	229	229	229	229	229	229	229	229
SMP intervention	175	175	175	175	175	175	175	175	175	175	175

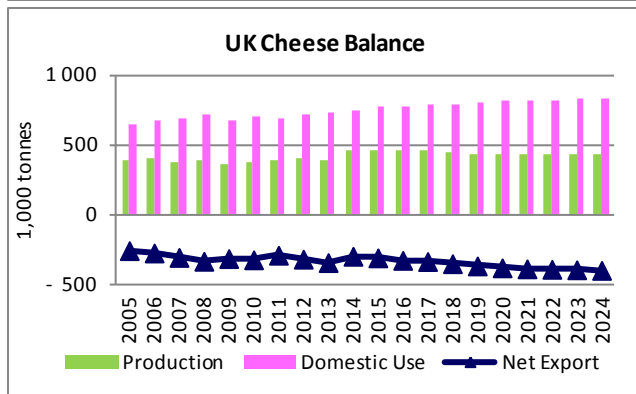
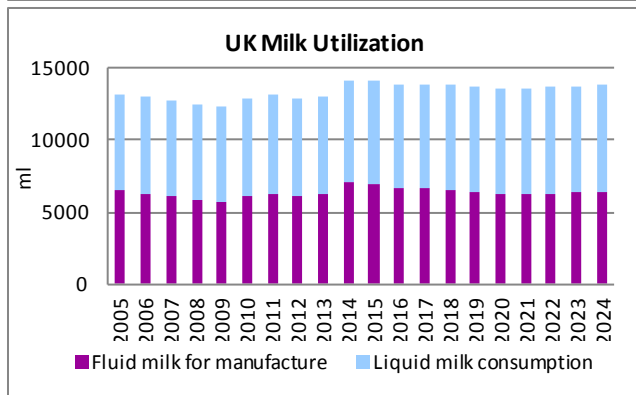
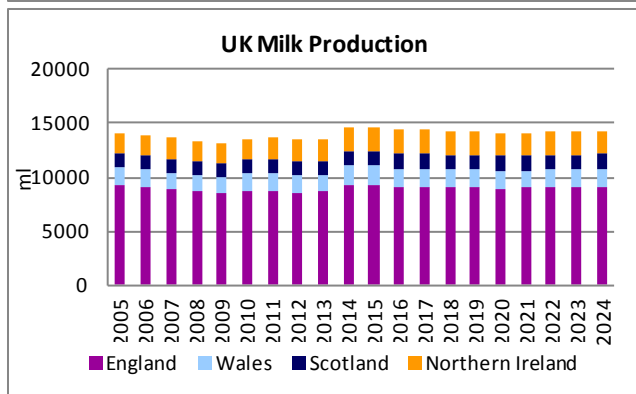
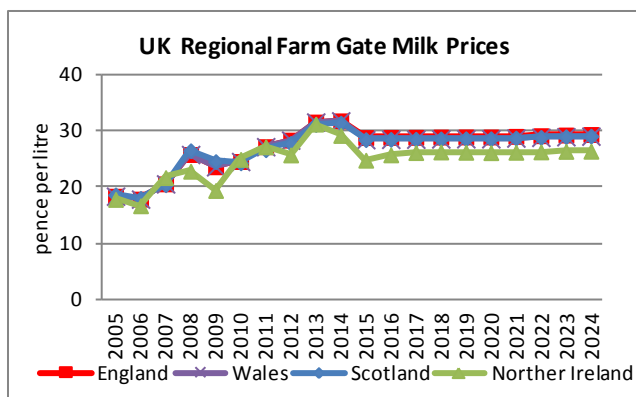
Dairy – UK

The projected producer milk prices in GB and NI vary due to differences in the proportion of milk allocated to the liquid milk market. Within GB it is projected that a relatively large share of the raw milk is used for liquid milk consumption and consequently, the projected producer milk prices in GB are less affected by commodity price changes. In contrast, the NI price is more exposed to commodity price changes since approximately 84% of raw milk is used for dairy commodity production. As a result, it is projected that the NI producer milk price falls further than elsewhere in the UK in 2015. The price impact in the UK in the early part of the projection period is exacerbated by the strong pound relative to the euro. In the latter part of the projection period, the GB producer milk price is around 29ppl and while that for NI is around 27ppl.

UK milk production showed a significant increase in 2014 (+8%), reflecting the high milk prices in the first half of the year. It is projected that milk production remains around 2014 levels for the remainder of the projection period. This is contrary to expectations by some observers that UK milk production will significantly expand further. These expectations are based on improved milk prices, which exceed projections within this modelling system. It is however important to acknowledge the volatility and resulting uncertainty in the sector.

While per capita liquid milk consumption is stable, overall UK liquid milk consumption increases over the projection period due to the underlying population growth in the UK. Projected milk available for manufacture increases in 2014 but decreases in the following years, such that by the end of the projection period available milk for manufacture is only 1% higher than in 2013.

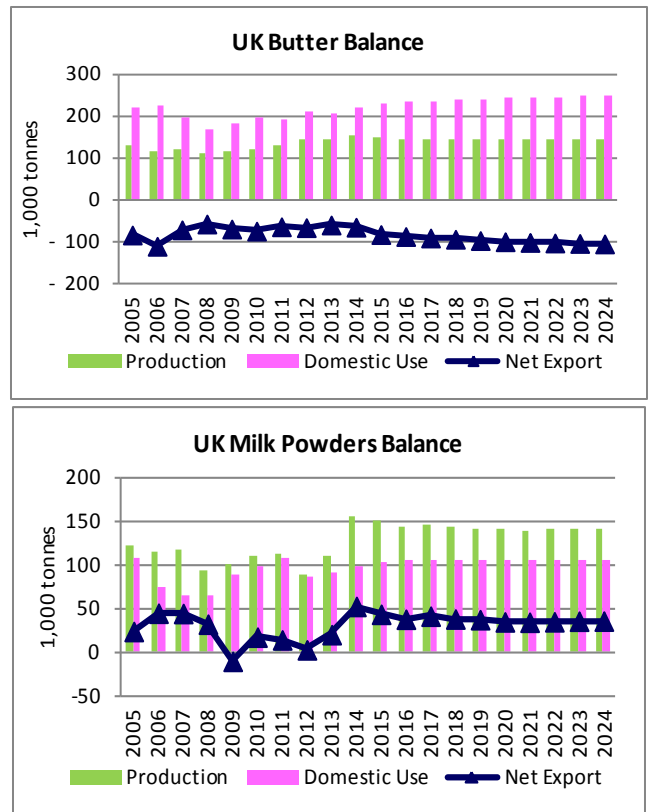
It is projected that cheese production decreases slightly by 3% between 2014 and 2024. Compared to 2013, production in 2014 represents a 13% increase. However, domestic use continues to grow and consequently, net exports fall slightly.



Dairy – UK (Cont.)

While butter increases in 2014, it is projected to fall back to around 2013 levels in the medium term. Despite a fall in per capita butter consumption, butter domestic use continues to increase due to the growth in population. This results in a further slight increase in net imports.

With higher milk availability in 2014, production of milk powders increase significantly, a large part of which is projected to be exported. Powder production in 2024 is 8% lower than 2014 but remains higher than the 2013 level.



Dairy – UK

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	thousand heads										
Dairy cows	1,783	1,786	1,817	1,884	1,899	1,839	1,812	1,791	1,766	1,747	1,737
	ml										
Milk Production	13,672	13,451	13,546	14,620	14,582	14,354	14,378	14,289	14,180	14,114	14,125
	thousand tonnes										
Cheese											
Production	395	397	388	455	466	455	454	446	437	431	430
Domestic use	685	715	731	752	774	782	790	797	804	811	818
Net export	-290	-319	-343	-298	-309	-327	-335	-351	-367	-381	-388
Butter											
Production	130	145	145	155	149	145	145	144	143	142	142
Domestic use	194	211	205	219	232	233	236	238	240	242	244
Net export	-64	-66	-60	-65	-83	-88	-91	-94	-97	-100	-102
Skim powder											
Production	64	42	56	92	92	82	82	79	79	78	79
Domestic use	86	84	71	78	84	84	84	84	84	84	84
Net export	-20	-27	-15	10	5	-2	-2	-5	-4	-6	-5
Whole powder											
Production	48	46	54	62	59	61	64	64	63	62	61
Domestic use	23	2	20	20	20	20	21	21	21	21	21
Net export	34	30	35	42	38	40	43	43	42	41	40
	ppl, £/100kg										
Prices											
Farm gate milk (EN)	27.3	28.5	31.7	31.9	28.9	29.0	29.0	29.0	29.0	29.0	29.1
Cheese	292.0	290.6	325.2	293.0	260.3	260.1	259.7	260.4	259.9	259.5	260.8
Butter	345.9	256.6	342.1	274.0	227.5	229.0	224.2	222.6	220.5	218.5	217.6
SMP	224.4	210.9	278.9	226.7	183.2	183.5	189.6	189.7	195.5	197.1	200.5
WMP	314.5	267.0	354.2	286.3	218.6	227.5	234.6	235.9	234.9	233.5	233.0

Livestock Sector

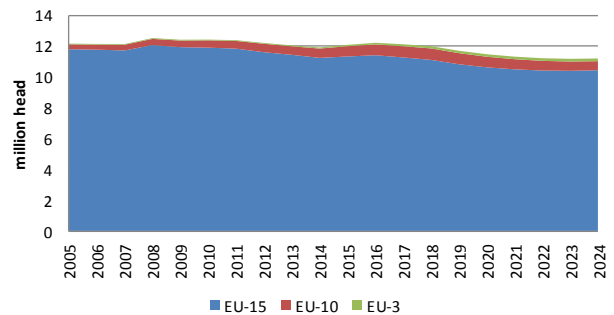
Cattle and Beef-EU

Global beef markets have been strong and this is expected to remain the case given that the supply response is slower than for pork and chicken. Lower feed prices will eventually lead to an increase in production in beef in the U.S. but this will take time.

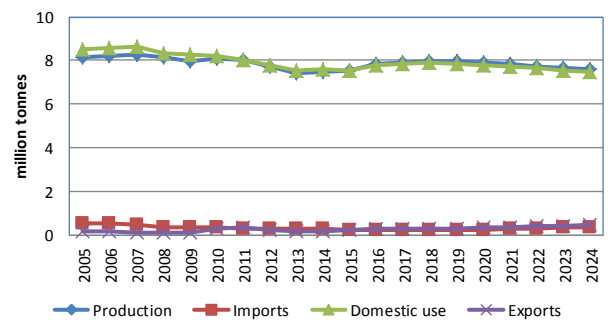
In the projections, world prices are strong in the near term and therefore import supplies remain tight. In the baseline incomes recover and population grows, which has a positive impact on demand. Offsetting this will be an ageing EU population. The elimination of dairy quotas means that there is an increase in the supply of beef from this source. The beef cow herd falls slightly as the increase in dairy beef (and the eventual drop in world prices) leads to a drop in internal EU beef price. In the longer run, costs also rise as oil prices increase.

Total meat consumption is projected to increase to 83 kg/head by 2024 from around 81 kg/head in 2014. It does not return to pre-2011 levels, however. The increase in consumption comes from poultry and pork, with sheepmeat per capita consumption static and beef consumption falling.

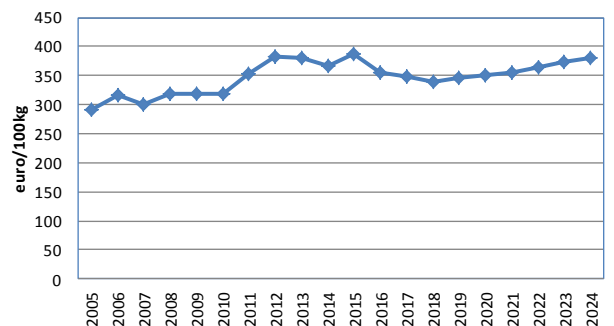
EU-28 beef cow numbers



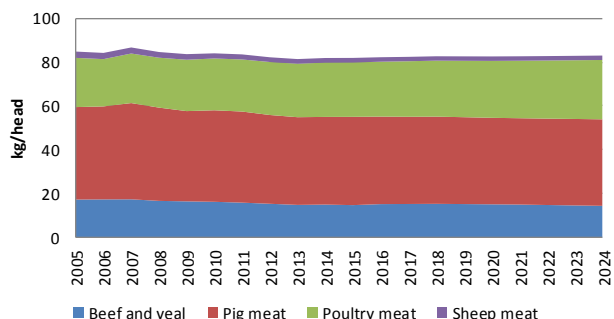
EU-28 beef supply and use



EU cattle price



EU-27 per capita meat consumption



Cattle and Beef-EU

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cattle	million head										
Beginning inventories	87.7	88.9	90.4	90.7	90.7	90.2	89.4	88.6	87.6	86.7	85.9
Dairy cows	23.5	22.9	23.9	23.6	23.5	23.4	23.1	22.9	22.6	22.3	22.1
EU-15	18.1	17.4	18.2	18.0	18.0	17.9	17.8	17.6	17.4	17.2	17.0
EU-10	3.8	3.8	3.8	3.8	3.7	3.7	3.6	3.5	3.4	3.4	3.3
EU-3	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Suckler cows	11.9	12.1	12.2	12.1	12.0	11.7	11.5	11.3	11.2	11.2	11.2
EU-15	11.2	11.3	11.4	11.3	11.1	10.8	10.6	10.5	10.4	10.4	10.4
EU-10	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6
EU-3	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Cattle slaughter	26.3	26.7	27.9	28.1	28.3	28.2	28.0	27.8	27.4	27.1	26.8
Slaughter weight	285.7	283.1	280.4	280.4	280.8	281.1	281.4	281.8	282.3	282.8	283.3
Beef and veal	thousand tonnes										
Production	7,501	7,547	7,832	7,884	7,945	7,934	7,875	7,832	7,734	7,654	7,579
Non-EU imports	299	203	203	203	203	203	248	277	309	326	345
Domestic use	7,625	7,519	7,772	7,823	7,874	7,834	7,789	7,746	7,649	7,556	7,471
Non-EU exports	175	231	260	263	274	304	334	364	394	424	454
Stock change	0	0	2	3	3	3	2	2	2	2	1
	kilograms per capita, cwe										
Beef and veal	15.1	14.8	15.3	15.3	15.4	15.3	15.2	15.1	14.9	14.7	14.5
	euro per 100 kilograms										
Young cattle R3	367.6	387.3	354.3	348.3	339.9	345.4	351.3	355.5	364.5	372.8	380.5

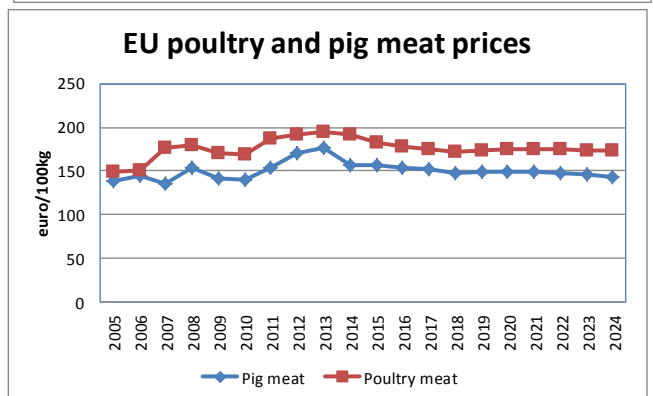
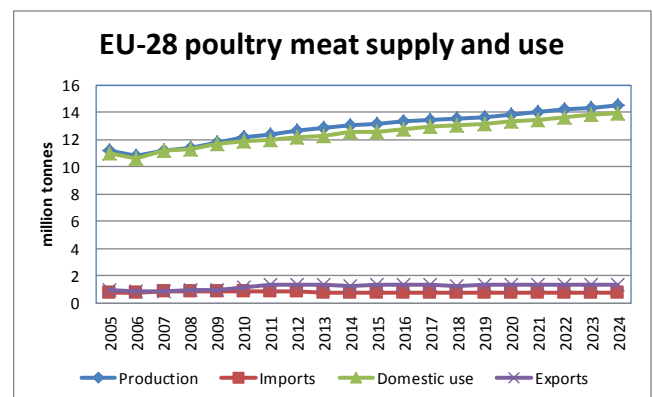
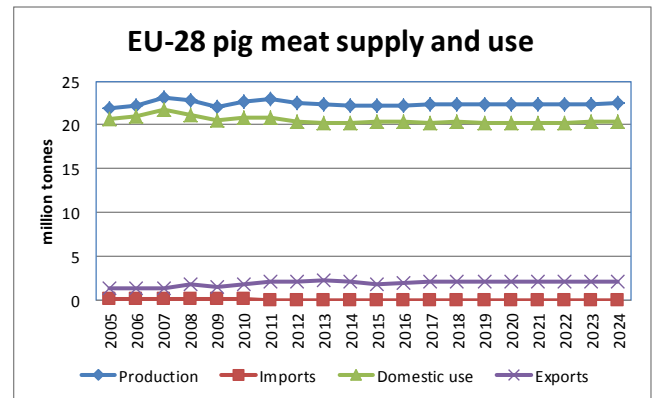
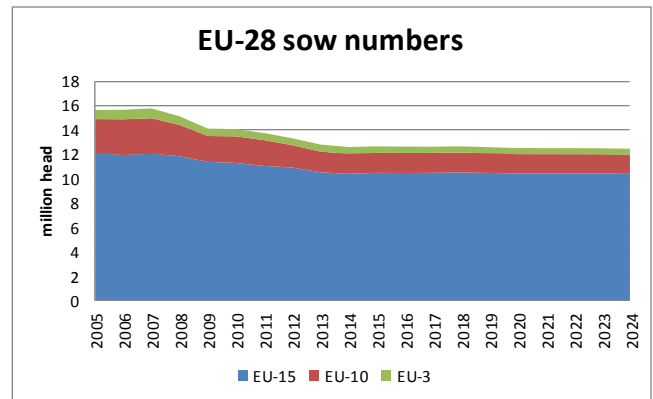
Pigs, Pork and Poultry Meat-EU

A combination of high feed prices and tougher requirements regarding animal welfare have lead to a dramatic reduction in sow numbers (3 million head) in the EU-28 over the last 10 years. Productivity increases have, however, meant that production has increased during this time. Improved margins and reduced levels of regulation induced restructuring see a stabilisation in sow numbers.

Given the flat sow numbers, productivity increases result in an increase in pork production. Domestic use is flat and so there is a projected small increase in net exports of pork, despite the strengthening euro.

Poultry production is expected to continue its increase over the projection period, increasing from 13 million tonnes in 2014 to close to 14.5 million tonnes in 2024. Domestic consumption increases as a result of lower prices, income growth and population growth. Net trade is projected to remain relatively unchanged in the projections.

Both pig meat and poultry meat prices are expected to fall in 2015 given lower feed prices. In the longer term they are projected to remain constant with EU average pork prices between 140 and 150 euro/tonne and poultry prices around 175 euro/tonne.



Pigs, Pork and Poultry Meat-EU

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Pigs											
	million head										
Beginning inventories	146.3	145.9	146.2	146.1	146.4	146.4	145.9	145.7	145.9	146.1	146.1
Sows	12.6	12.7	12.6	12.6	12.7	12.6	12.5	12.5	12.5	12.5	12.5
EU-15	10.4	10.5	10.5	10.5	10.5	10.5	10.4	10.4	10.4	10.4	10.4
EU-10	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
EU-3	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Pig slaughter	245.0	244.9	245.2	245.4	245.9	245.7	245.0	245.1	245.5	245.7	245.7
Slaughter weight	90.8	90.8	90.8	90.8	90.7	90.8	90.9	91.0	91.1	91.2	91.3
Pig meat											
Production	22,238	22,226	22,254	22,283	22,315	22,303	22,278	22,306	22,367	22,409	22,430
Non-EU imports	17	17	17	17	17	17	17	17	17	17	17
Domestic use	20,218	20,418	20,295	20,266	20,309	20,273	20,219	20,210	20,249	20,295	20,321
Non-EU exports	2,037	1,822	1,963	2,020	2,006	2,039	2,071	2,105	2,124	2,120	2,115
Stock change	0	4	14	13	16	8	5	8	10	11	10
	kilograms per capita, cwe										
Pig meat	39.9	40.2	39.9	39.7	39.7	39.6	39.4	39.3	39.4	39.4	39.4
	euro per 100 kilograms										
Pig meat reference	156.6	156.5	153.3	151.9	147.8	148.6	149.8	149.1	147.5	145.4	143.6
Poultry meat											
Production	13,039	13,176	13,292	13,430	13,545	13,669	13,828	13,991	14,162	14,323	14,491
Non-EU imports	768	762	764	768	769	769	768	768	767	767	767
Domestic use	12,526	12,575	12,722	12,907	13,039	13,160	13,307	13,459	13,622	13,779	13,940
Non-EU exports	1,281	1,351	1,334	1,293	1,277	1,282	1,289	1,299	1,307	1,311	1,317
Stock change	0	12	13	10	8	3	3	4	5	5	5
	kilograms per capita, cwe										
Poultry meat	24.7	24.8	25.0	25.3	25.5	25.7	25.9	26.2	26.5	26.8	27.0
	euro per 100 kilograms										
Chicken price	191.1	183.0	177.3	174.4	172.0	174.1	175.2	175.1	174.4	173.7	172.7

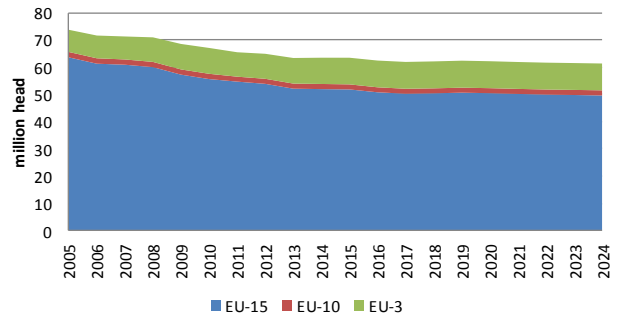
Sheep and Sheep Meat-EU

As with sow numbers, ewe numbers have also fallen dramatically within the EU. The reasons for the decline in sheep numbers are different though, with decoupling of payments playing a role, as well with the difficulties of maintaining the production system in an environment of higher labour costs.

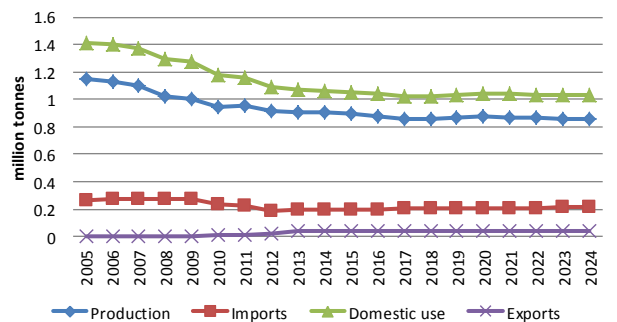
Sheep meat prices have risen significantly as a result of the reduction of production and it is projected that these price increases slow the decline in ewe numbers. Even though the reduction in prices in other meats does feed through into the sheep meat sector, prices still remain relatively high.

Consumption has fallen off in response to the high prices, but domestic use rises a little as population grows in the future and this keeps prices at a very high level despite competition from other meats, relative to history, as imports are restricted by quotas.

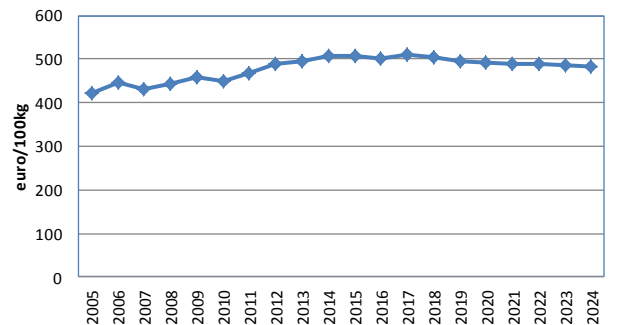
EU-28 ewe numbers



EU-28 sheepmeat supply and use



Sheep meat reference



Sheep and Sheep Meat-EU

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sheep	million head										
Beginning inventories	85.8	84.8	84.4	83.4	83.4	83.7	83.6	83.1	82.7	82.4	82.2
Ewes	63.5	63.5	62.4	61.9	62.1	62.4	62.2	61.9	61.6	61.5	61.3
EU-15	51.9	51.8	50.8	50.2	50.4	50.6	50.4	50.2	49.9	49.8	49.6
EU-10	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.9	1.9
EU-3	9.6	9.8	9.8	9.8	9.9	9.9	9.9	9.9	9.9	9.8	9.8
Sheep slaughter	53.6	52.8	52.2	50.9	50.8	51.4	51.5	51.2	50.8	50.6	50.5
	kilograms per head										
Slaughter weight	16.9	17.0	16.9	16.9	16.9	16.9	17.0	17.0	17.0	17.0	17.0
Sheep meat											
Production	908	897	880	858	857	871	874	870	865	862	860
Non-EU imports	195	198	199	203	204	204	206	208	210	212	214
Domestic use	1,063	1,052	1,040	1,021	1,021	1,036	1,040	1,038	1,036	1,035	1,035
Non-EU exports	39	39	39	39	39	39	39	39	39	39	39
Stock change	0	0	0	0	0	0	0	0	0	0	0
	kilograms per capita, cwe										
Sheep meat	2.10	2.07	2.04	2.00	2.00	2.02	2.03	2.02	2.01	2.01	2.01
	euro per 100 kilograms										
Sheep meat price	505.9	506.6	502.6	509.0	503.6	494.8	491.6	490.3	489.4	486.8	484.1

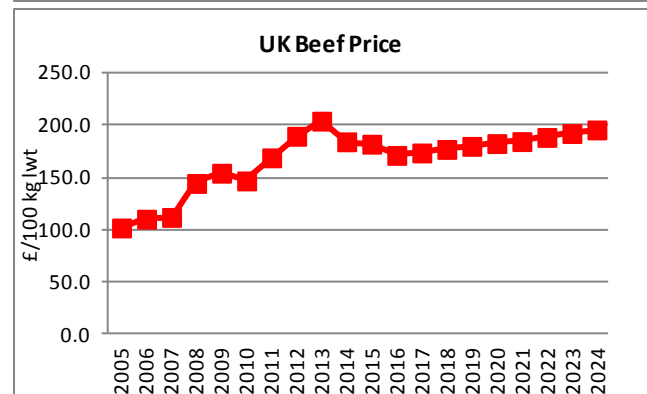
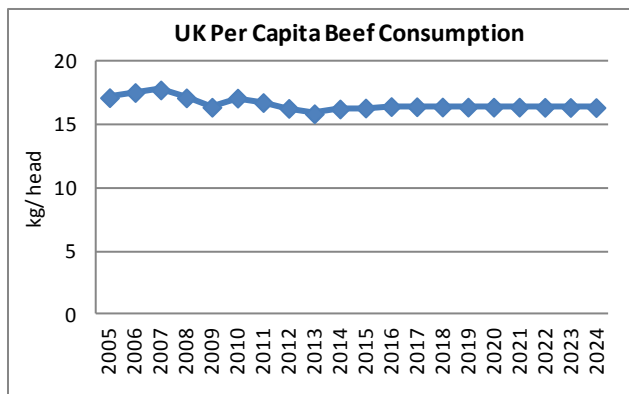
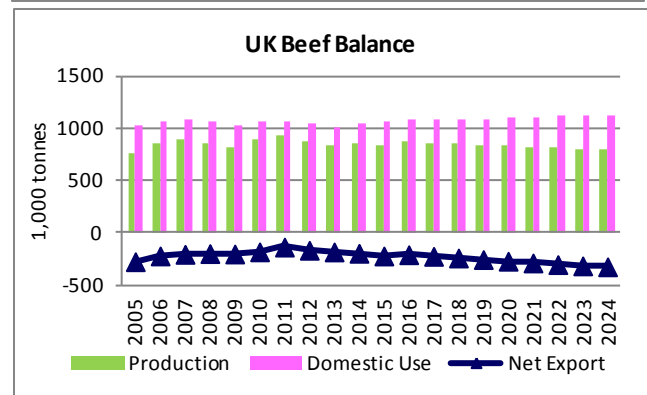
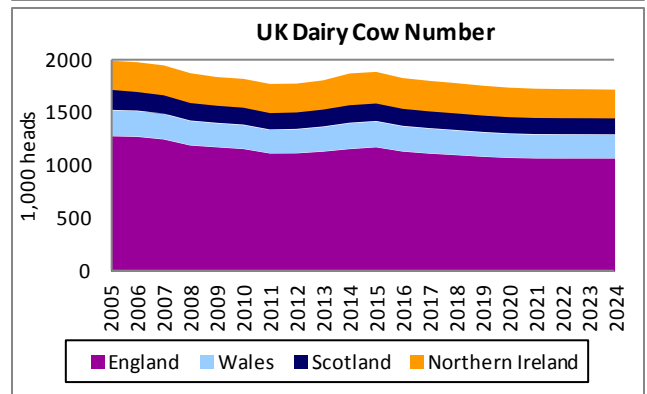
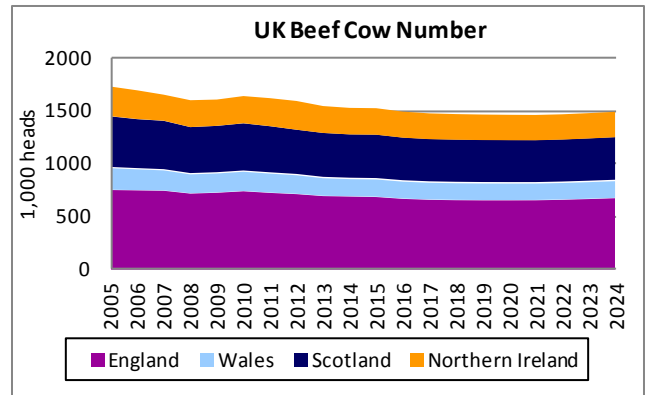
Cattle and Beef – UK

EU and UK beef prices fall in 2014, following a hike in 2013. For the early part of the projection period, the UK beef price continues to fall due to the significant appreciation of the GB pound against the Euro. In the later part of the projection period, beef prices gradually recover, reaching just below £200 per 100 kg live weight at the end of projection period.

Accordingly, it is projected that UK beef cow numbers decline over the next few years but recover in the latter part of the projection period. Overall, beef cow numbers decline by 2% between 2014 and 2024.

UK dairy cow number increase by 4% in 2014. In the remainder of the projection period, dairy cow numbers decline by 9% mainly due to an increase milk yield (8% from 2015 to 2024). The fall in cow numbers leads to a decline in UK beef production of 4% between 2015 and 2024.

Per capita beef consumption in 2014 increases slightly compared to 2013 due to the lower beef price. It remains fairly stable in the projection period. Nonetheless, the projected increase in population leads to an increase in total beef consumption over the projection period (increases by 6% between 2015 and 2024). As a result, it is projected that the gap between consumption and production widens and net exports decline.



Cattle and Beef – UK

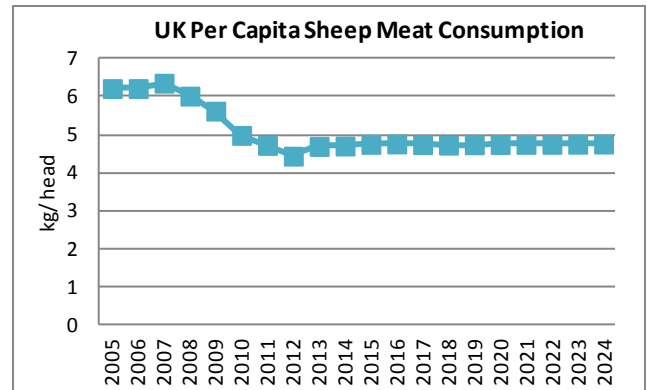
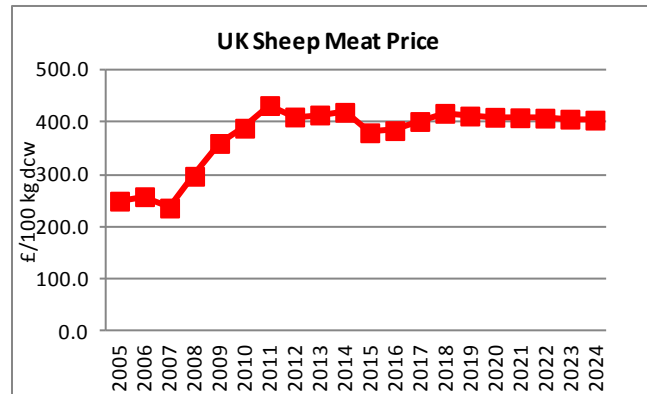
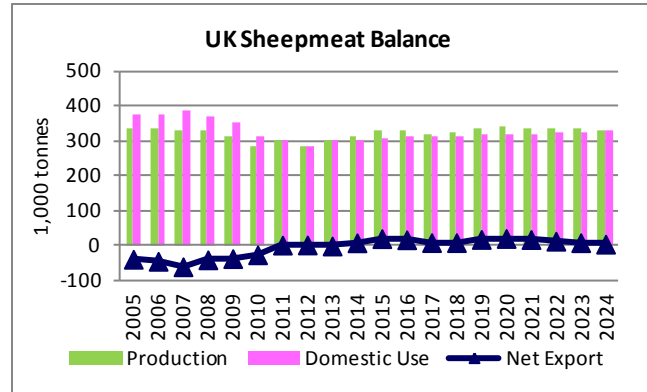
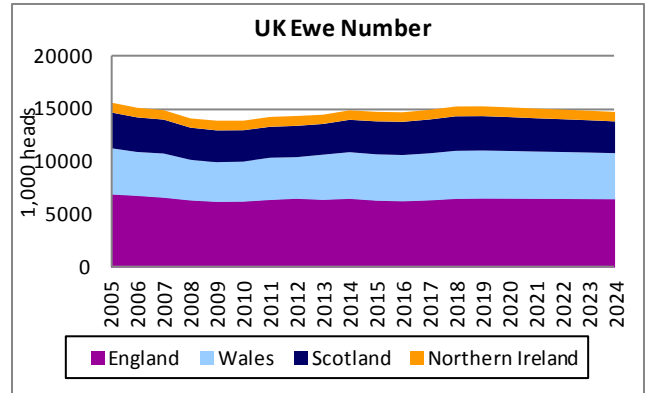
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cattle														
Suckler cows	thousand heads													
England	730	718	699	695	691	673	664	660	659	659	659	664	671	679
Wales	181	177	168	164	165	161	159	159	158	157	157	157	158	160
Scotland	450	431	429	423	424	416	413	412	411	410	409	411	413	416
Northern Ireland	269	276	258	255	255	250	247	246	245	244	243	243	243	244
Dairy Cows														
England	1,122	1,123	1,139	1,163	1,180	1,140	1,120	1,106	1,091	1,080	1,075	1,074	1,074	1,074
Wales	218	222	229	240	240	234	232	229	226	223	221	220	220	219
Scotland	162	163	167	174	174	169	166	164	162	160	159	158	158	157
Northern Ireland	281	278	282	306	305	297	295	292	288	285	282	281	279	278
Total Cattle	9,687	9,749	9,672	9,667	9,706	9,651	9,558	9,469	9,383	9,306	9,244	9,206	9,191	9,193
Beef and veal														
	thousand tonnes													
Production	931	877	842	858	844	871	862	852	844	834	825	815	809	806
Domestic use	1,062	1,040	1,019	1,050	1,062	1,077	1,083	1,089	1,096	1,102	1,109	1,115	1,121	1,127
Net export	-132	-163	-179	-192	-218	-206	-221	-237	-252	-268	-285	-300	-313	-322
£/100kg, liveweight														
Price (EN)	169	190	204	185	182	172	174	177	180	183	185	189	193	196

Sheep and Sheep Meat – UK

Similar to other sectors, the euro-sterling exchange rate has a depressing impact on sheepmeat prices in the UK in the near term. Following the weakening of pound sterling in the middle of the projection period, the UK sheepmeat price recovers. However, in the latter part of the projection period, the UK sheepmeat prices fall slightly, following the trend of the EU sheepmeat prices.

Mirroring the changes in sheepmeat prices, ewe number in the UK show a “U” shape in the near term and slightly tails off in the latter part of the projection period. Overall, projected ewe numbers in 2024 are similar to 2015. Sheepmeat production exhibits a similar trajectory over the projection period.

While per capita sheepmeat consumption remains reasonably stable over the projection period, total UK sheepmeat consumption rises due to the increase in underlying population. Projected net exports remain fairly flat during the projection period.



Sheep and Sheep Meat – UK

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021	2021	2021
Sheep														
Ewes					thousand heads									
England	6,384	6,501	6,393	6,493	6,319	6,257	6,343	6,486	6,515	6,508	6,495	6,485	6,469	6,449
Wales	3,988	3,923	4,267	4,399	4,373	4,369	4,441	4,534	4,534	4,500	4,459	4,426	4,391	4,353
Scotland	2,900	2,939	2,882	3,039	3,094	3,114	3,175	3,242	3,227	3,180	3,125	3,078	3,031	2,981
Northern Ireland	927	922	865	890	891	892	904	919	919	914	907	900	894	887
Total sheep	22,007	23,029	22,691	23,440	23,460	23,336	23,568	24,025	24,188	24,090	23,920	23,761	23,601	23,426
Sheep meat					thousand tonnes									
Production	301	286	300	312	329	328	321	322	334	339	339	336	334	332
Domestic use	299	283	301	304	309	311	312	314	316	319	321	323	325	327
Net export	2	2	-1	8	20	17	9	9	18	21	18	13	8	4
					£/100kg, deadweight									
Price (GB)	433	411	415	420	381	385	402	418	413	410	410	409	407	405

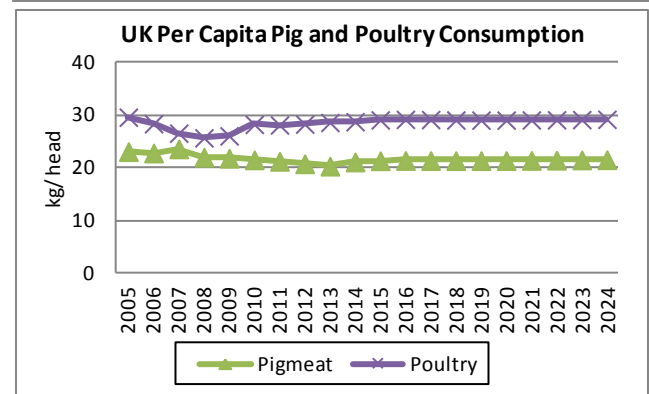
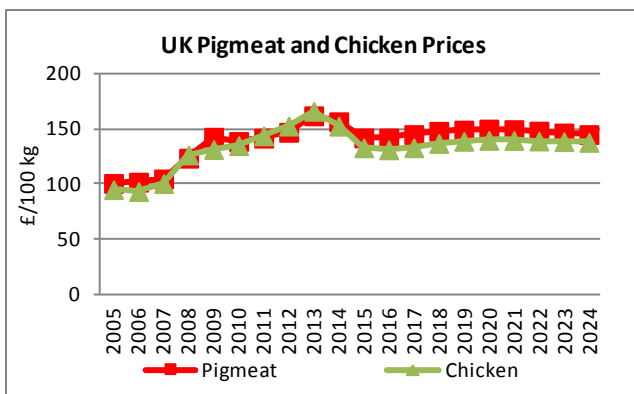
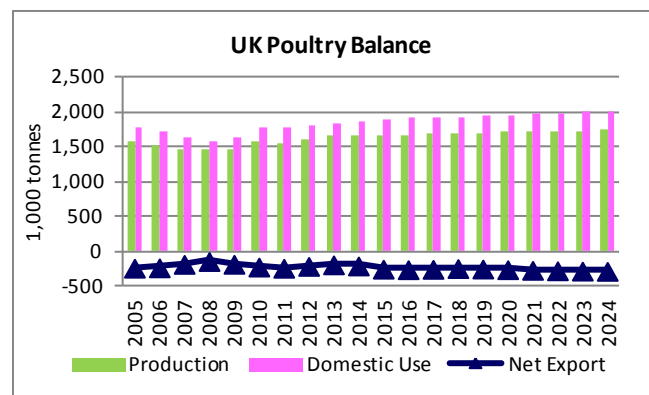
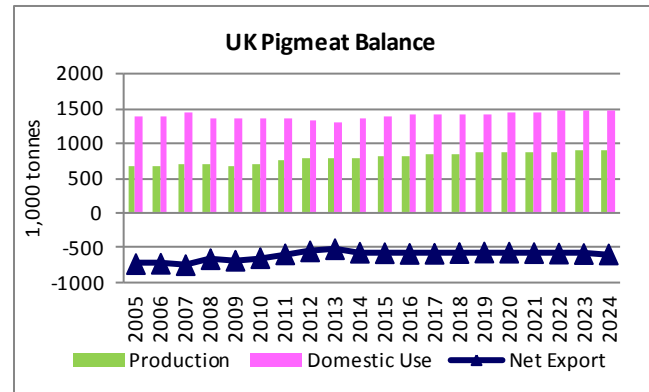
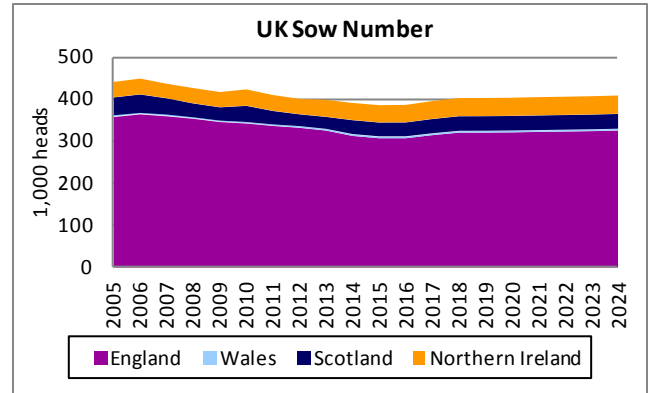
Pigs, Pork and Poultry Meat – UK

In line with the EU pigmeat price and the exchange rate projections it is projected that the UK pigmeat price falls in 2015 but recovers in 2017 and tails off at the end of the projection period. Sow number dips in the near term. In the later part of the projection period, with lower pigmeat prices but also lower crop prices, sow numbers increase slowly.

The projections allow for a gradual increase in piglets per sow over the projection period, reflecting productivity growth. This leads to an increase in UK pigmeat production.

The trend of the UK poultry prices is similar to pigmeat prices. UK poultry production increases by 4% between 2014 and 2024.

Per capita pigmeat and poultry consumption remains stable. The increase in projected population in the UK leads to overall increases in consumption. During the projection period, net exports of pigmeat remain fairly flat. For poultry meat, production growth is slightly slower than consumption growth, leading to a modest fall in net exports.



Pigs, Pork and Poultry Meat – UK

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Pigs														
Sows					thousand heads									
England	337	332	326	313	308	308	315	321	321	321	322	323	324	326
Wales	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Scotland	32	28	28	33	33	33	34	35	35	35	35	35	35	35
Northern Ireland	38	37	41	41	41	42	43	43	43	43	44	44	44	44
Pig meat														
Production	759	781	791	800	817	821	830	850	867	874	879	884	890	895
Domestic Use	1,347	1,327	1,306	1,366	1,390	1,403	1,411	1,420	1,429	1,439	1,450	1,462	1,474	1,486
Net Export	-589	-546	-515	-565	-573	-582	-581	-570	-562	-564	-571	-578	-584	-590
Pig meat Price														
	142	147	162	157	142	142	145	148	149	150	150	148	147	145
Poultry meat					thousand tonnes									
Production	1,559	1,609	1,662	1,678	1,671	1,670	1,684	1,701	1,706	1,710	1,716	1,724	1,734	1,746
Domestic use	1,784	1,807	1,838	1,859	1,894	1,913	1,924	1,932	1,942	1,955	1,969	1,984	1,999	2,014
Net export	-224	-197	-175	-191	-237	-245	-239	-228	-235	-244	-254	-260	-265	-268
					£/100kg									
Chicken Price	193	184	196	178	152	149	152	157	160	161	161	160	159	158

Greenhouse Gas Emissions from Agriculture

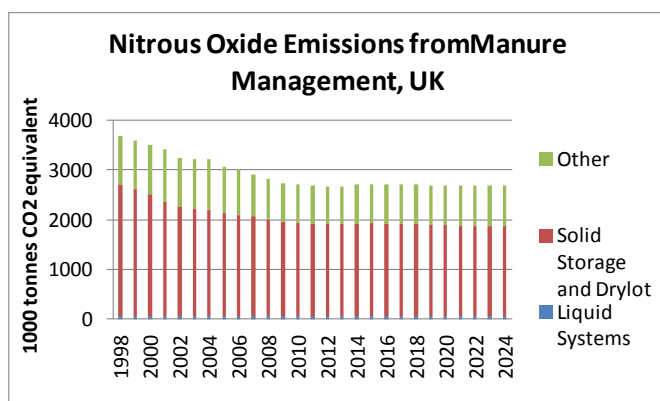
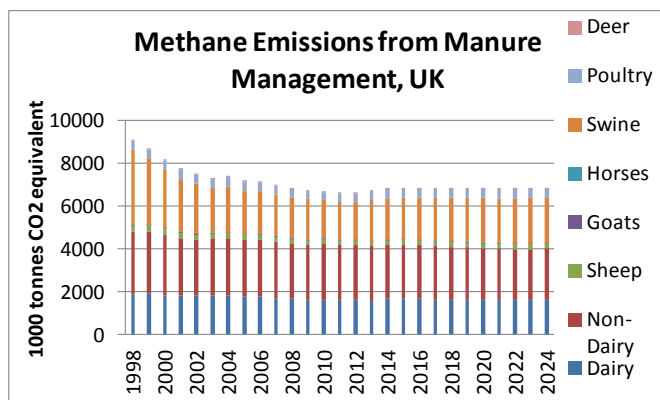
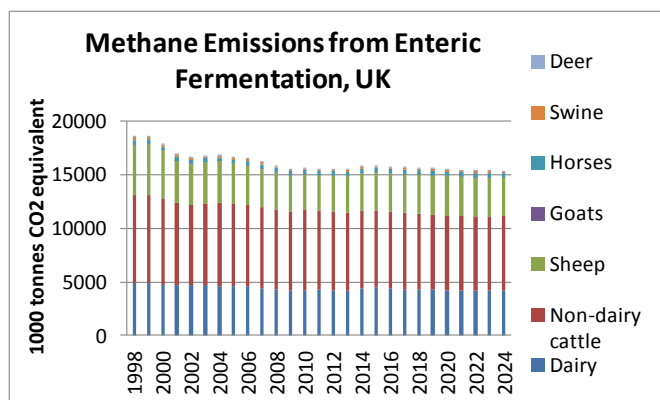
GHG Emissions from Agric. – UK

Projections from the main modelling system are used as input data for the FAPRI-UK GHG sub-model. This includes projections on animal numbers, milk yield, fat content of milk, crop areas, crop production, fertiliser price and sector return variables. These agricultural projections are converted into projections of methane and nitrous oxide emissions from agriculture using UK emission factor coefficients[#]. The latest historic data available from the UK GHG inventory is 2012 and hence this is used as a reference point in the following discussion.

Underlying the GHG projections it is assumed that current management practices continue; i.e. the projections do not incorporate the impact of mitigation strategies such as changes in feed, breeding *etc.* Thus, the Baseline projections provide an indication of the impact of agriculture activity on GHG emissions.

Projected UK methane emissions from enteric fermentation increase slightly in the short term (2013 and 2014), but decline in the latter years, such that at the end of the projection period there is little change between 2012 and 2024. Underlying these projections, emissions from the non-dairy cattle source decline, but sheep emissions increase. While dairy cow numbers are projected to decline, this is partially offset by an increase in milk yields, which has a positive impact on the methane enteric fermentation emission factor.

It is projected that methane emissions from manure management increase by 3% between 2012 and 2024. The pig sector is an important source of methane emissions from manure management and the projected increase in total pigs, partly due to a growth in piglets per sow, exerts an upward impact on emissions. Emissions from poultry also increase during the projection period.



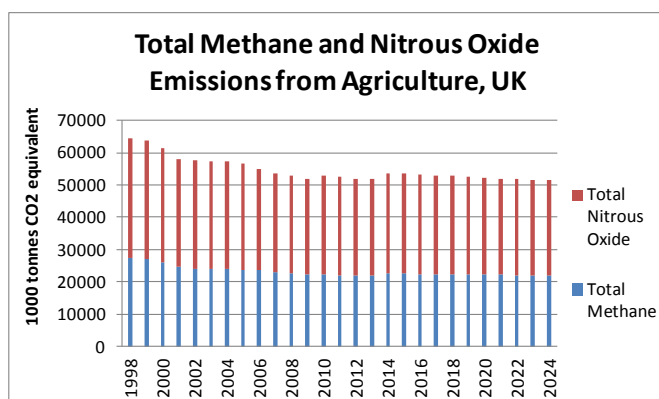
Projected nitrous oxide emissions from manure management are relatively stable. The main component of this source of nitrous oxide is 'Solid storage and dry lot'. This source shows a small decline, but this is offset by an increase in the 'Other' component due to the projected increase in poultry numbers.

[#] See the following report for more details of methodology: Patton , Moss, Zhang and Kim (2010). FAPRI-UK Greenhouse Gas Emission Modelling System for England, Wales, Scotland and Northern Ireland.

http://www.afbini.gov.uk/2010_december_greenhouse_gas_emission_modelling_system_for_england_wales_scotland_and_northern_ireland.pdf

GHG Emissions from Agric. – UK (Cont.)

Overall, total methane and nitrous oxide emissions from agriculture in the UK show a small increase between 2012 and 2015 and exhibit a downward trend in the latter years. This partly reflects nitrous oxide emissions from agricultural soils and in particular from fertilisers, which increase in the near term in response to lower fertiliser prices, but decrease in the longer run as the rising oil price exerts an upward impact on fertiliser prices.



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<i>1000 tonnes CO2 equivalent</i>														
Methane														
<i>Enteric Fermentation</i>														
Dairy	4,262	4,212	4,198	4,447	4,455	4,356	4,333	4,295	4,252	4,221	4,212	4,220	4,231	4,239
Non-dairy cattle	7,365	7,315	7,232	7,172	7,194	7,195	7,135	7,072	7,015	6,962	6,914	6,882	6,871	6,875
Sheep	3,322	3,393	3,459	3,552	3,611	3,603	3,611	3,664	3,711	3,717	3,696	3,671	3,647	3,621
Goats	10	10	11	11	11	11	11	11	11	11	11	11	11	11
Horses	387	387	387	386	386	386	386	386	386	386	386	386	386	386
Swine	140	141	154	152	154	154	156	160	163	164	165	166	167	168
Deer	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Total	15,492	15,464	15,445	15,725	15,817	15,711	15,637	15,594	15,544	15,466	15,391	15,342	15,318	15,306
<i>Manure Management</i>														
Dairy	1,651	1,632	1,605	1,700	1,703	1,665	1,657	1,643	1,626	1,614	1,611	1,614	1,618	1,621
Non-Dairy	2,566	2,549	2,520	2,500	2,507	2,508	2,487	2,465	2,445	2,426	2,410	2,399	2,395	2,396
Sheep	201	206	210	215	219	218	219	222	225	225	224	223	221	220
Goats	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Horses	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Swine	1,772	1,790	1,949	1,923	1,948	1,957	1,980	2,024	2,064	2,083	2,094	2,106	2,118	2,131
Poultry	397	391	398	415	413	410	411	415	417	419	420	422	424	427
Deer	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	6,620	6,599	6,713	6,785	6,821	6,790	6,784	6,799	6,808	6,798	6,789	6,793	6,807	6,826
Methane Total	22,112	22,063	22,158	22,510	22,638	22,501	22,421	22,393	22,353	22,265	22,180	22,136	22,125	22,132
Nitrous Oxide														
<i>Manure Management</i>														
Liquid Systems	64	64	64	67	67	66	66	66	65	65	65	65	65	65
Solid Storage and Drylot	1,852	1,849	1,853	1,852	1,861	1,857	1,848	1,841	1,834	1,825	1,817	1,812	1,812	1,814
Other	762	747	759	791	788	784	786	793	798	801	803	806	811	817
Total	2,678	2,660	2,676	2,710	2,716	2,708	2,700	2,700	2,698	2,691	2,685	2,684	2,688	2,696
<i>Agricultural Soils</i>	27,618	27,086	27,141	28,328	28,351	28,166	27,901	27,754	27,595	27,365	27,135	26,995	26,873	26,755
Nitrous Oxide Total	30,296	29,746	29,817	31,038	31,067	30,873	30,601	30,453	30,293	30,056	29,819	29,679	29,560	29,451
Total CH4 and N2O	52,407	51,809	51,976	53,548	53,705	53,374	53,022	52,846	52,646	52,321	51,999	51,814	51,685	51,583