



EU Agricultural Outlook

Trade opportunities for the agri-food products

Brussels 31 January 2018

#AgriOutlook

Agriculture
and Rural
Development



Introducing the Agricultural Outlook 2017-2030

What is the Agricultural Outlook?

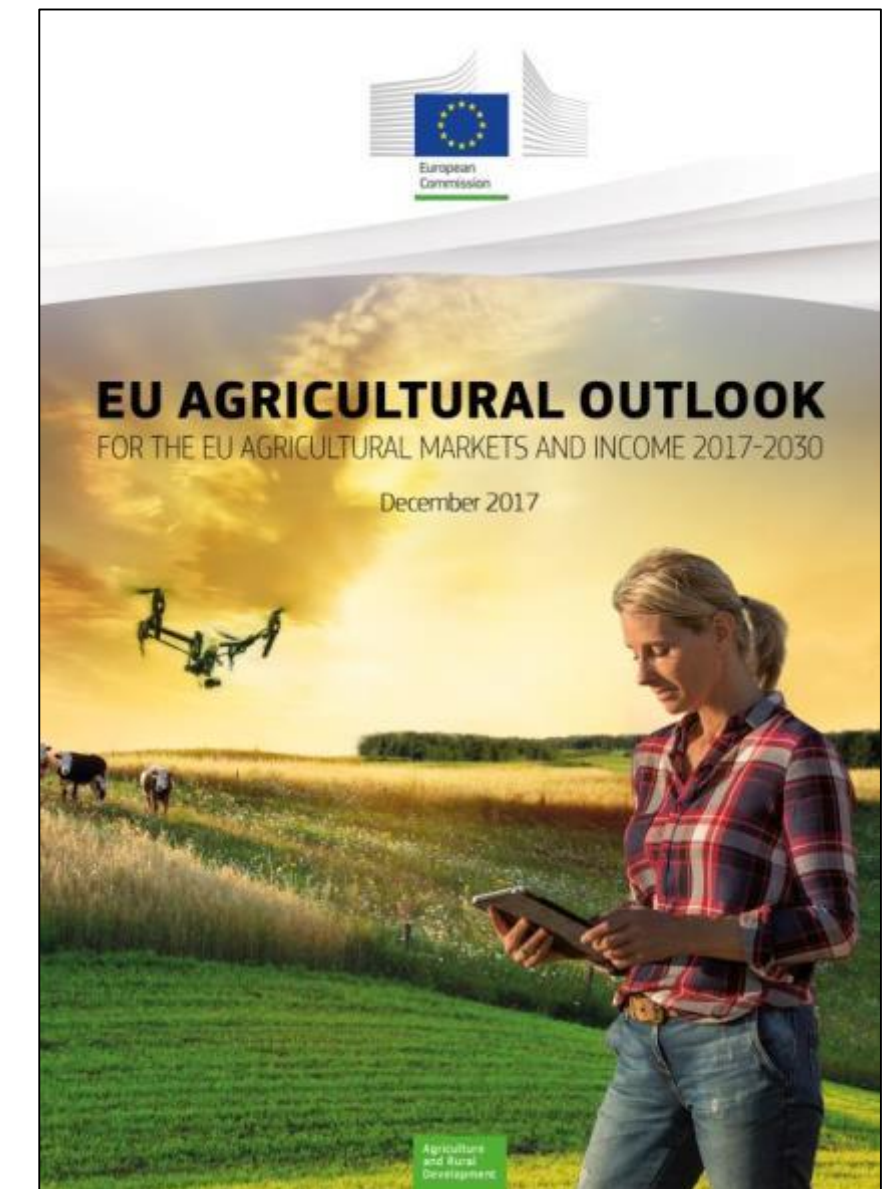
- Medium/long-term projections of agricultural markets and income, with focus on the EU
- Not as a forecast of what the future will be, but a description of what may happen under a specific set of assumptions, which at the time of making the projections were judged plausible
- Main commodities covered: grains, meats, dairy, biofuels, sugar as well as olive oil, wine and selected fruit and vegetables
- Results in terms of supply balance sheets (production, consumption, imports, exports, stocks) and prices
- Joint effort AGRI-JRC



Introducing the Agricultural Outlook 2017-2030

Why doing an EU Agricultural Outlook?

- To better understand markets and their dynamics
- To identify key issues for market and policy developments
- To have a benchmark for assessing the medium-term impact of future market and policy issues



Anticipating production trends starts by understanding consumers' demands

More consumers want food that:

- is produced in a sustainable way
- is healthy
- protects the environment
- helps fighting climate change
- respects the animals
- is fair to farmers
- is produced locally...

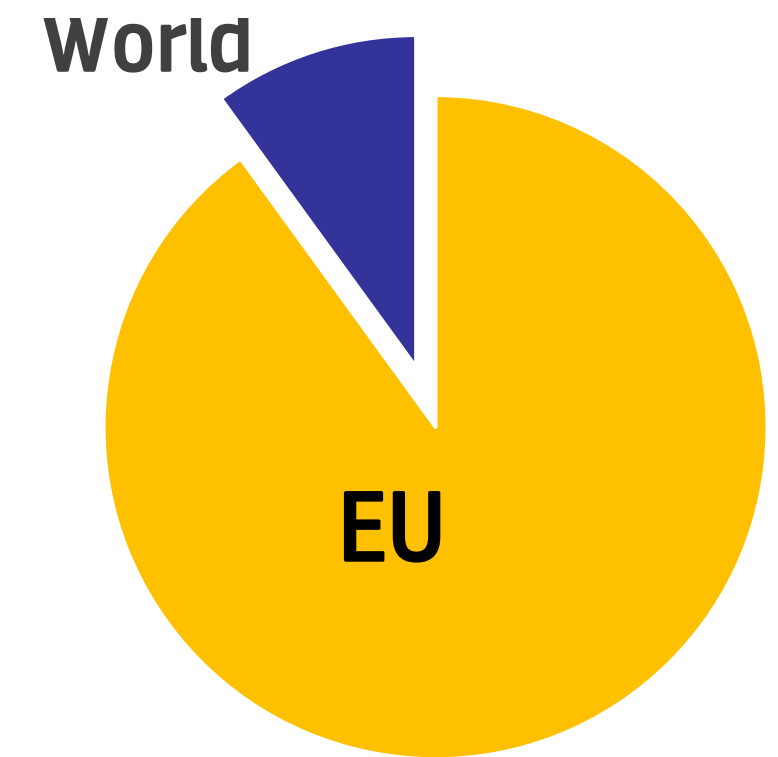
- ➡ Can EU agriculture respond to this challenge?
- ➡ How can the EU turn this challenge into an opportunity?
- ➡ What impact for market outlook?



Who eats EU agricultural products?

EU remains the main market for EU agricultural products

- Around 90% consumed by the more than half billion European consumers
- But only small growth in population and per-capita food consumption



Around the world

- Growing demand for food, mostly due to population growth (although growth rates faltering) and income growth
- Often this demand growth not met by increase in their domestic production
- The EU is well placed to grasp these market opportunities



An increase in global import demand lower than in the last decade

Import demand growth

- Meat: +500 000 t per year
- Dairy products: +1 Mt per year

Main importers

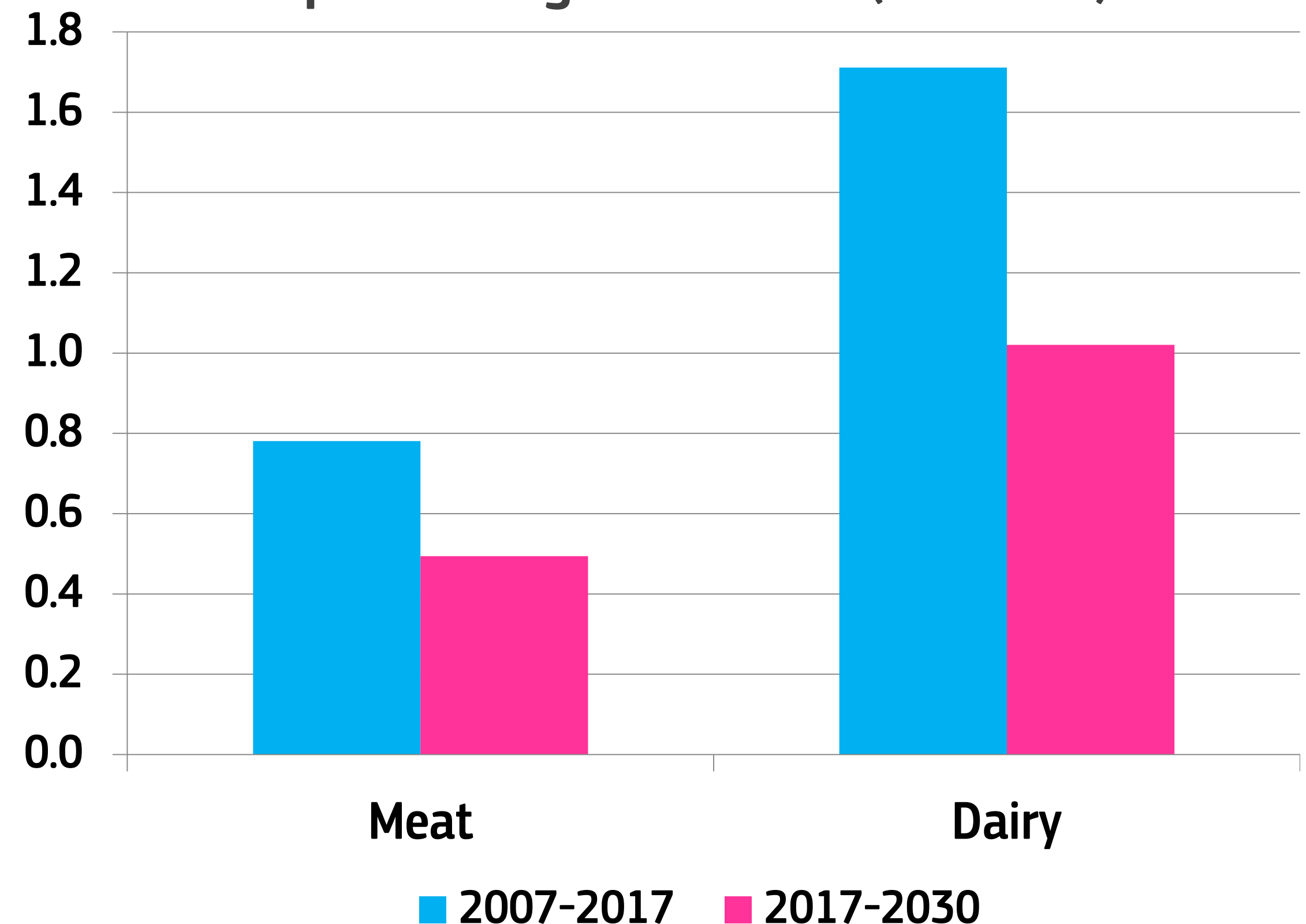
- China, South East Asia and Africa

Towards more

- Value added products
- Technical products



Average annual increase in dairy and meat products global trade (million t)

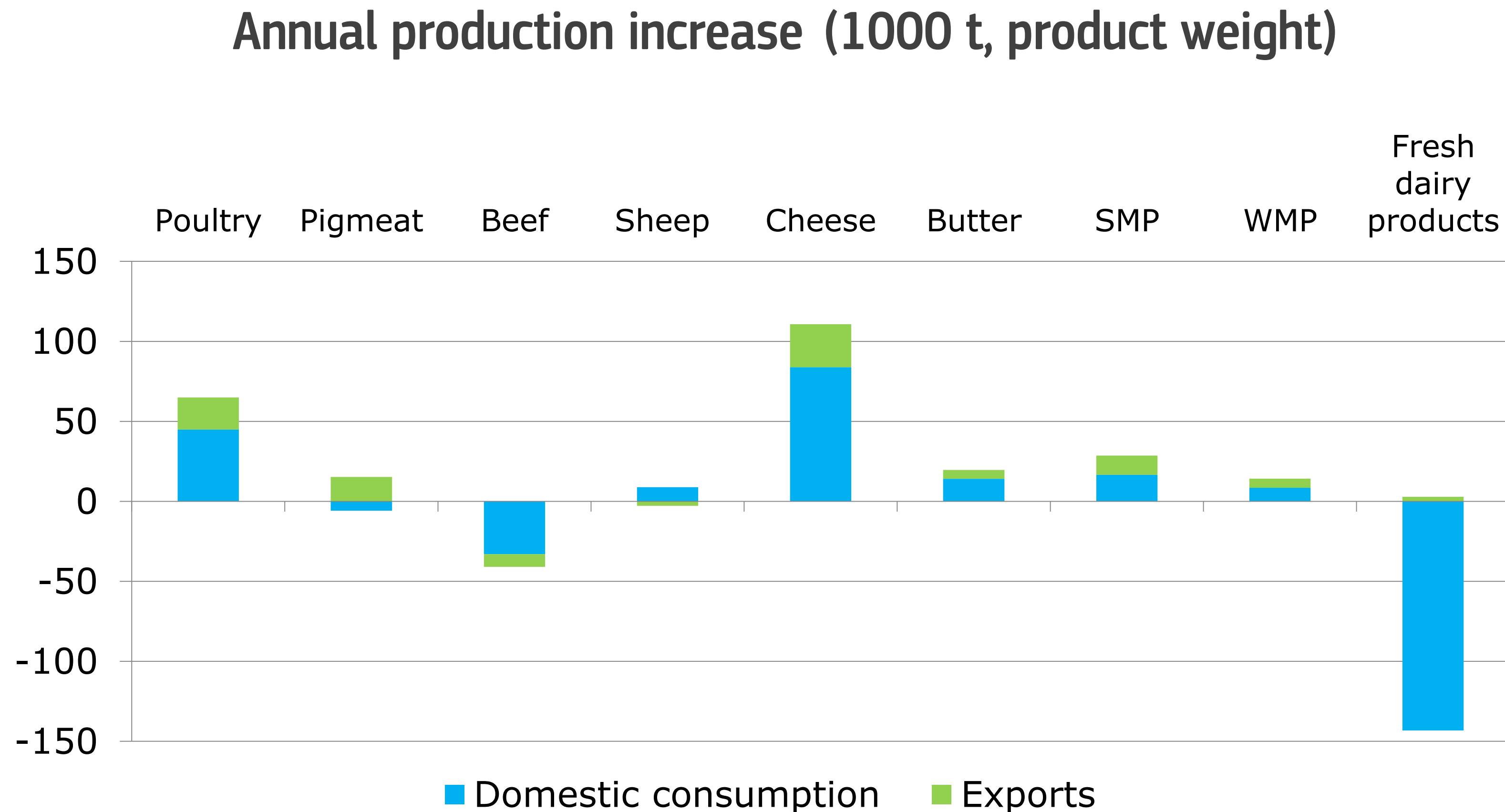


Note: Milk equivalent for dairy products, methodology accounting for all components of milk, coefficients used: 3.58 for cheese, 6.57 for butter, 7.57 for SMP and 7.56 for WMP

The EU domestic market main driver of EU production growth

Stable meat production
47.5 Mt in 2030

Moderate increase in milk
production:
182 Mt in 2030, +18 Mt in
13 years

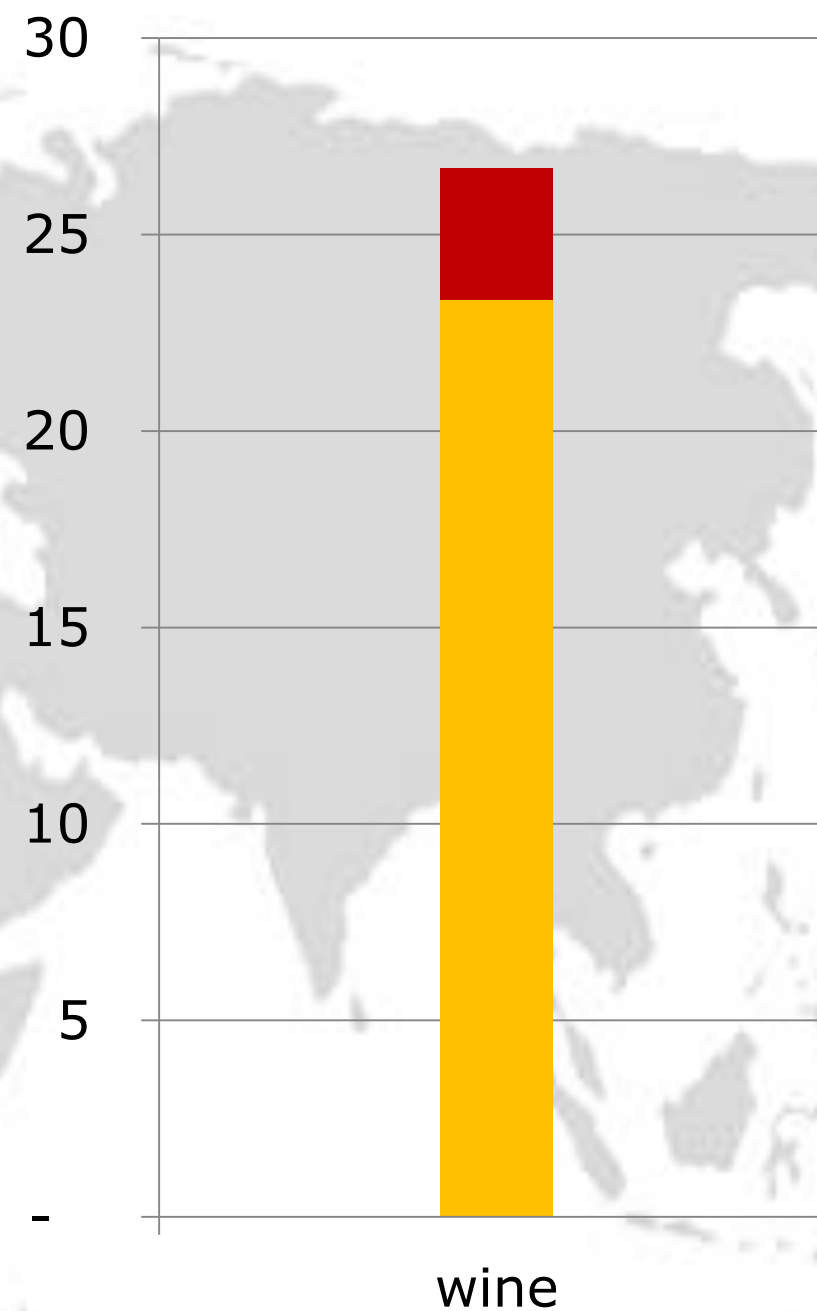
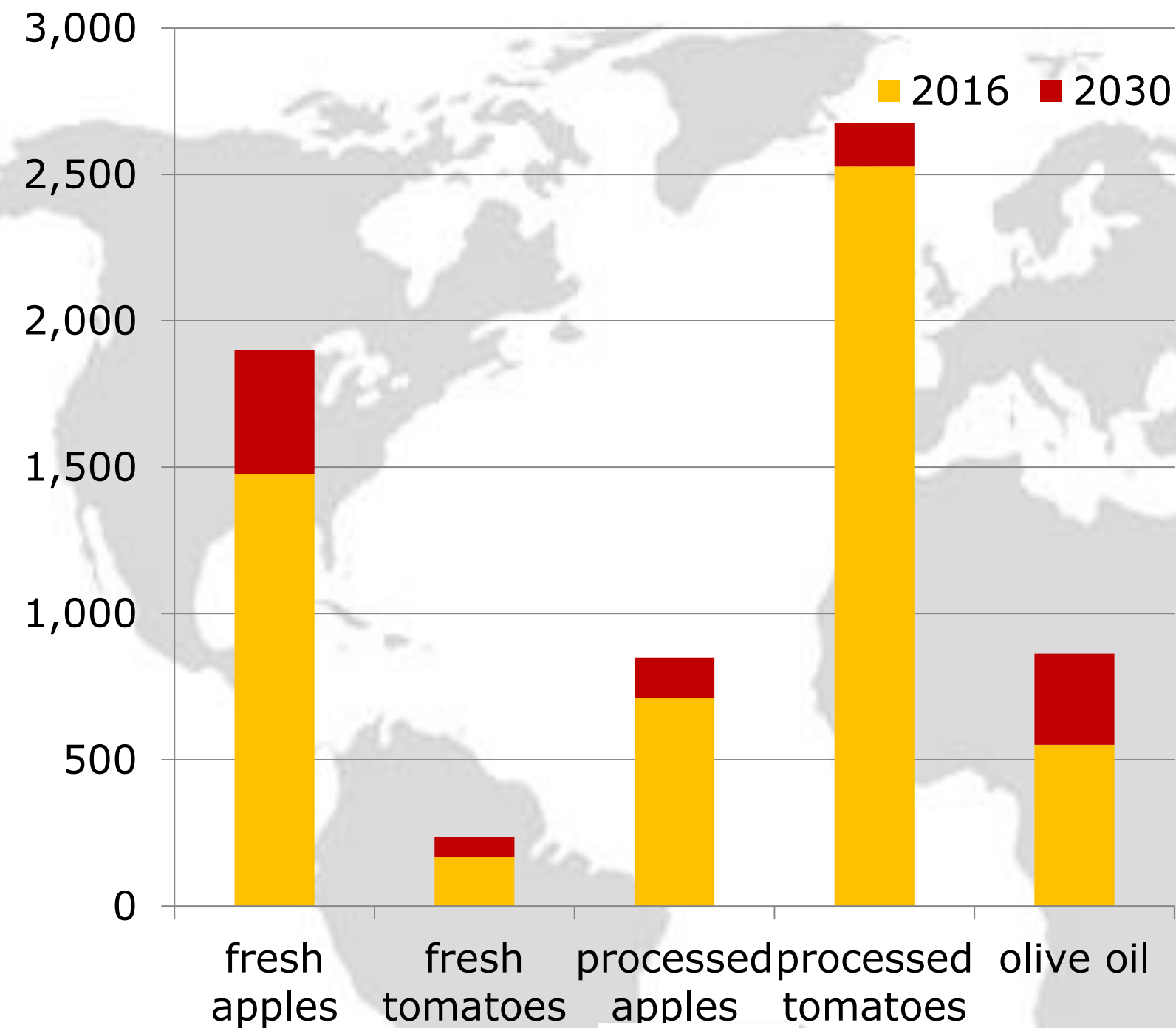


Growing world import demand

1 000 t

EU export

million hl



- **Population growth**
- **Income increase**
- **Lifestyle**
- **Quality products**



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Big uncertainties for the future



Will the Russian import ban continue?

Assumed to continue until end 2018

Only gradual and partial recovery of EU exports to Russia



What will be the impact of Brexit?

As outcome of negotiation not known

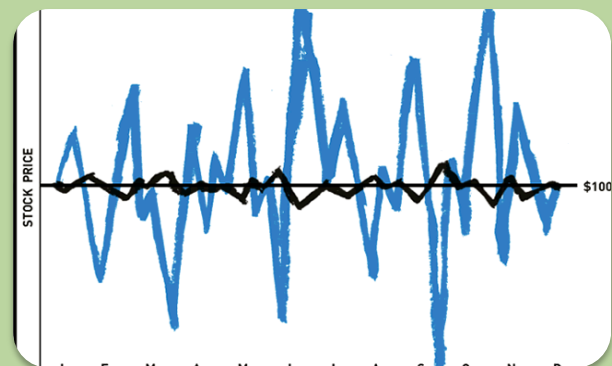
Outlook for EU28 includes the United Kingdom



What will be the impact of future trade agreements?

The outlook does not include future agreements

Nor those recently concluded but not yet ratified



Will prices be more or less volatile?

The outlook assumes average weather and stable macroeconomic environment

However JRC assess the impact of past yield and macroeconomic variability

And many more: the outlook is used to assess the impact of different assumptions



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Thank you

Agricultural Outlook

https://ec.europa.eu/agriculture/markets-and-prices/medium-term-outlook_en

Markets briefs

https://ec.europa.eu/agriculture/markets-and-prices/market-briefs_en

CAP reform

https://ec.europa.eu/agriculture/future-cap_en



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