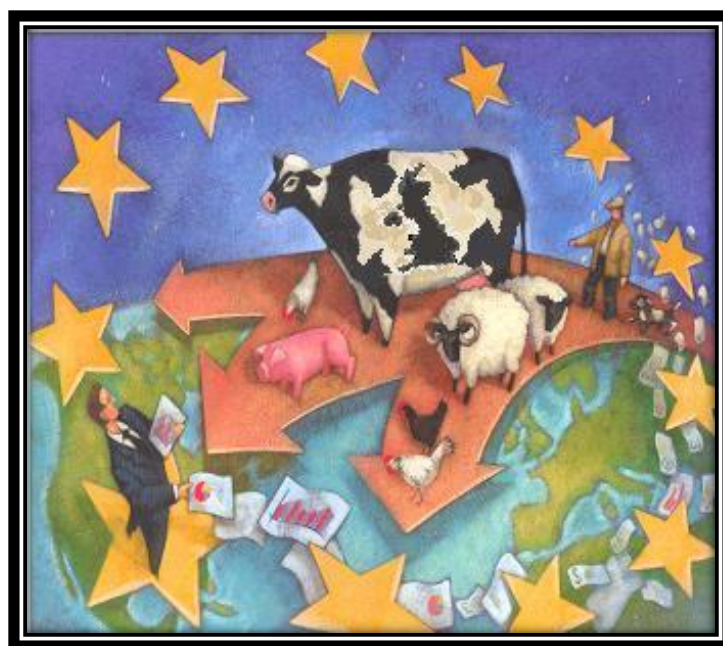


2016 EU and UK FAPRI Baseline Briefing Book



Material in this publication is based on collaborative research by the Agri-Food and Biosciences Institute and the University of Missouri.

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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 2016 Baseline projections that are presented here are generated as part of the FAPRI-UK project. The FAPRI-UK Baseline projections are generated annually and provide a medium-term outlook for the UK agricultural sector. This includes specific projections over a ten year period for agricultural activity, production, trade, prices and consumption. The Baseline projections provide an insight into emerging issues and market directions based on the continuation of current policy. In addition, the Baseline is used as a point of comparison for impact analyses that estimate changes in production, prices and other key variables that would result from changes in policy or other exogenous factors. Following a period of stakeholder consultation the Baseline projections were finalised in April 2016.

The UK model captures the dynamic interrelationships among the variables affecting supply and demand in the main agricultural sectors of England, Wales, Scotland and Northern Ireland. The model consists of a system of equations covering the dairy, beef, sheep, pigs, poultry, wheat, barley, oats, rapeseed and biofuel sectors. The UK model is embedded within an EU-wide modelling system (EU-GOLD model) and thereby takes account of interactions among the agricultural sectors in regional, EU and world markets.

In generating the 2016 Baseline, the complete modelling system was simulated 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 2016 remain in place for the duration of the projection period (2015 to 2025). 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. Since the Baseline is based on the continuation of current trade policies it does not incorporate the outcome of potential trade agreements such as under the World Trade Organization (WTO) or Transatlantic Trade and Investment Partnership (TTIP). Once agreed these will be incorporated within future baselines. In addition, the 2016 Baseline was finalised prior to the “Brexit” referendum and therefore does *not* incorporate a post-Brexit and post-CAP farm policy for the UK. It should be acknowledged that the macroeconomic environment has changed significantly since the referendum, particularly with regards to exchange rates. The Baseline will be updated in the autumn to reflect changes in the macroeconomic environment for the purposes of scenario analysis.

The baseline projections presented here are single annual point estimates for prices, livestock numbers etc, which are based on specific underlying conditions. A stochastic analysis incorporating uncertainty in the future paths of key variables, including macro-economic conditions and crop yields, will be undertaken later in the year. This provides a range of alternative market outcomes, reflecting the uncertainty of agricultural commodity markets.

The 2016 Baseline

This Baseline was simulated in Spring 2016 using data that were 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 are taken from EUROSTAT, European Commission, *Strategie Grains*, *COCERAL*, and the USDA’s PS and D database from that available early in 2016. For the most part, the figures for 2015 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 2015 and 2025.

The world prices that are used here are generated from the results of the FAPRI-MU 2016 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

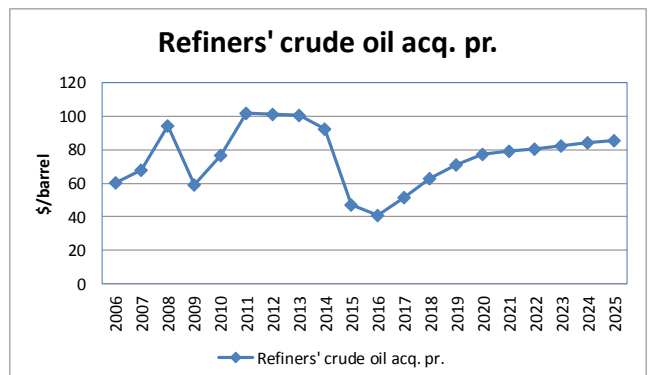
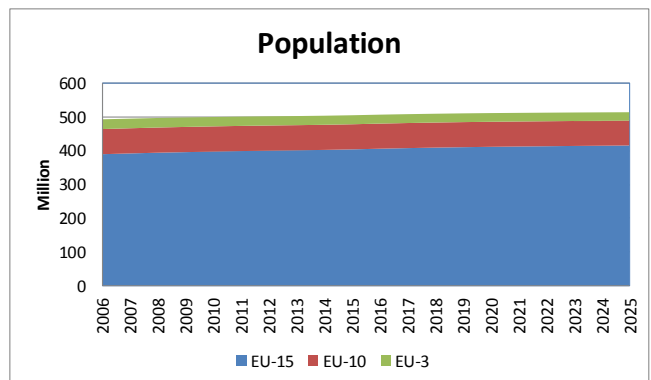
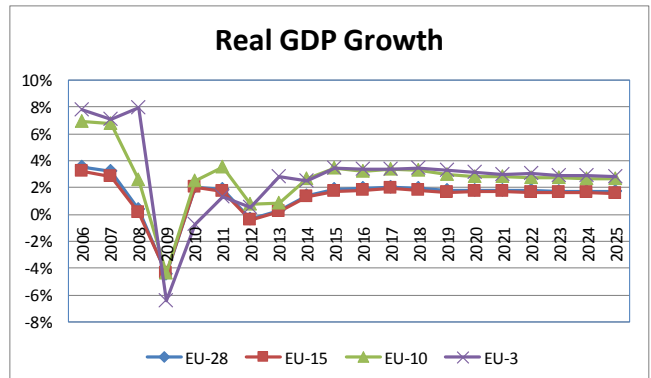
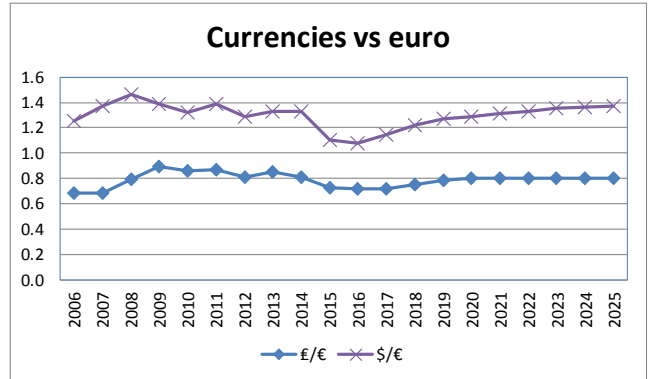
The macroeconomic projections used here are from IHS Global Insight produced in December 2015, with some adjustments where markets have moved significantly#. They are independent of the agricultural sector projections in the Baseline.

There has been significant uncertainty in the macroeconomy globally as a result of the "Brexit" referendum in the UK. The exchange rates here were determined before the vote took place. For 2016, a \$/euro exchange rate of 1.08 is used and thereafter the euro was projected by IHS Global Insight to strengthen to \$1.37 by 2025. Within this Baseline it is projected that the UK£ remains strong against the euro in the short-term, but weakens in the long-term.

In the EU, recovery from the recession has been slow, with significant challenges remaining in many countries. Growth for the EU-28 is projected to grow slightly in 2016 to 1.96% before falling to just under 2% for the projection years.

The EU population is projected to grow by 9 million people from 2015 to 2025. Almost all of this increase comes from the EU-15, with France and the UK projected to grow significantly. Brexit, should it occur, is likely to influence population composition within the EU.

After a decade of high growth, biofuels production and consumption globally has stabilised. Part of the reason for this is the steep drop in oil prices. In the early years of the projection the FAPRI-MU outlook follows the recovery projected by IHS Global Insight. After 2020 though, oil prices are held constant in real terms.



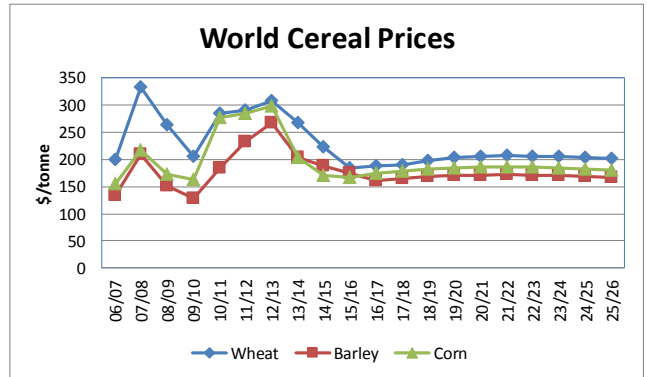
Adjustments were made in March, pre-UK referendum.

Macroeconomic Assumptions

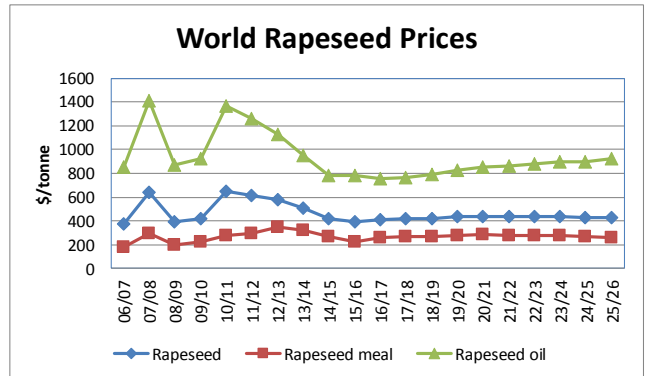
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Real GDP Growth											
EU-28	1.90%	1.96%	2.06%	1.94%	1.77%	1.82%	1.81%	1.77%	1.73%	1.72%	1.68%
France	1.14%	1.24%	1.50%	1.34%	1.24%	1.40%	1.36%	1.32%	1.41%	1.41%	1.35%
Germany	1.54%	1.98%	1.96%	1.73%	1.51%	1.67%	1.71%	1.66%	1.58%	1.58%	1.48%
Italy	0.67%	0.98%	0.92%	0.93%	0.91%	0.82%	0.89%	0.81%	0.84%	0.80%	0.87%
UK	2.37%	2.37%	2.51%	2.40%	2.20%	2.28%	2.29%	2.20%	2.15%	2.09%	2.09%
Poland	3.49%	3.84%	3.58%	3.44%	3.08%	2.98%	2.92%	2.85%	2.82%	2.81%	2.80%
Hungary	2.75%	2.40%	2.73%	2.99%	2.79%	2.72%	2.87%	2.65%	2.64%	2.65%	2.86%
Inflation (GDP Deflator)											
EU-28	1.14%	1.28%	1.77%	1.81%	1.86%	1.82%	1.75%	1.70%	1.72%	1.72%	1.70%
France	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
Germany	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%
Italy	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%
UK	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%
Poland	-0.42%	1.04%	2.81%	0.99%	1.51%	1.75%	1.70%	1.68%	2.06%	2.08%	1.96%
Hungary	1.87%	2.74%	4.17%	3.57%	2.00%	1.93%	2.10%	2.27%	2.39%	2.32%	2.22%
Exchange Rate											
\$/euro	1.11	1.08	1.14	1.22	1.27	1.29	1.31	1.33	1.35	1.36	1.37
UK pounds/euro	0.72	0.72	0.72	0.75	0.79	0.80	0.80	0.80	0.80	0.80	0.80
Zloty/euro	4.18	4.23	3.98	3.78	3.65	3.56	3.51	3.41	3.40	3.42	3.43
Florint/euro	310	325	321	327	333	338	341	343	344	344	344
Population											
	million										
EU-28	505.2	507.0	508.5	509.7	510.8	511.6	512.3	512.9	513.4	513.8	514.2
EU-15	404.2	406.2	407.9	409.4	410.7	411.8	412.7	413.5	414.3	415.0	415.8
France	64.5	64.9	65.2	65.5	65.8	66.1	66.4	66.7	66.9	67.2	67.5
Germany	83.0	83.9	84.6	85.0	85.2	85.3	85.3	85.2	85.2	85.1	85.0
Italy	61.1	61.2	61.3	61.3	61.4	61.4	61.4	61.4	61.4	61.4	61.3
UK	65.1	65.6	66.0	66.5	66.9	67.4	67.8	68.2	68.7	69.0	69.4
EU-10	74.4	74.3	74.3	74.2	74.2	74.1	74.1	74.0	73.9	73.7	73.6
Poland	38.6	38.6	38.6	38.5	38.5	38.4	38.3	38.2	38.1	38.0	37.9
Hungary	9.8	9.8	9.8	9.8	9.7	9.7	9.7	9.7	9.7	9.7	9.6
EU-3	26.7	26.5	26.3	26.1	25.9	25.7	25.6	25.4	25.2	25.0	24.8
	US dollars per barrel										
Refiners' crude oil acq. pr.	47.4	41.1	51.6	62.9	70.8	77.3	78.9	80.6	82.3	83.9	85.6

World Commodity Prices

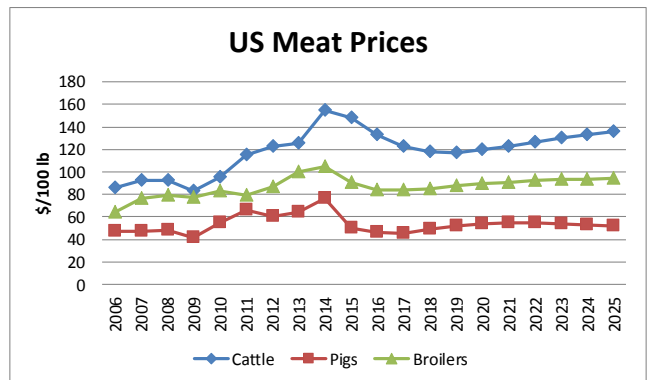
Prices for cereals peaked in 07/08 and rose again with widespread drought in the US in 2012. Since then prices have fallen significantly in response to expanding production. In the baseline prices are projected to rise slightly in the medium term before falling back to \$200/tonne for wheat and \$180/tonne for maize.



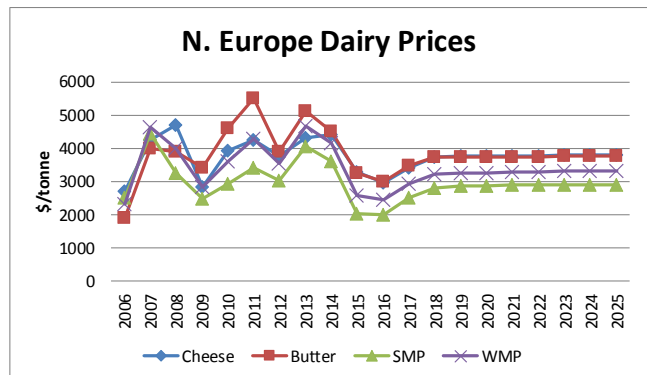
Oilseed prices have also fallen from their peak. In the projection period they follow the same path as cereal prices, which partially reflects the oil price assumptions. The oil price impacts the oilseed products in different ways. Increasing oil prices pull up vegetable oil prices. This in turn increases oilseed production and crush which has a negative impact on meal prices.



At present U.S. meat prices are used as “world prices” for the livestock sector in the EU model. High feed prices and disease issues tightened production and resulted in an increase in meat prices, peaking in 2014. It has not taken long for the meat sector to recover production levels as a result of the decrease in feed costs and prices in the livestock sector have fallen too.



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 response in the U.S. and EU caused by the high margins and the ending of quotas. Prices look to stay low in the short term and some recovery is projected, but a sustained return to the highest prices of the next decade is not expected.



World Commodity Prices

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
World prices in dollars											
	U.S. dollars per tonne										
HRW wheat, U.S. Gulf	184.7	188.5	189.9	198.6	203.2	205.6	206.7	205.3	204.9	203.2	201.5
Barley, Canadian feed	173.9	161.2	164.8	168.7	170.2	171.1	172.1	171.4	170.1	168.6	166.1
Maize, U.S. Gulf	167.8	174.8	178.7	182.9	184.5	185.6	186.5	185.9	184.5	182.8	180.0
Rapeseed, Hamburg	395.5	409.7	420.7	422.7	433.6	438.8	441.0	440.9	438.0	432.5	429.1
Rape meal, Hamburg	221.9	257.5	272.6	272.5	280.8	282.9	281.9	279.1	274.2	271.7	262.4
Rape oil, Hamburg	783	752	763	791	830	850	860	876	895	901	925
Sun seed, Lower Rhine	443.4	433.3	430.2	436.1	448.5	453.8	457.7	457.3	453.7	449.2	444.8
Sun meal, Rotterdam	215.9	234.5	245.7	250.9	258.9	259.2	261.3	257.6	250.0	244.9	238.2
Sun oil, NW Europe	844	803	808	826	863	876	886	904	913	931	954
Soybeans, Rotterdam	366.5	389.3	394.5	410.4	419.2	425.0	425.4	424.8	423.2	419.1	416.2
Soy meal, Rotterdam	305.9	345.4	364.7	363.5	371.6	372.5	375.7	372.9	367.4	364.3	354.2
Soy oil, Rotterdam	778	697	709	731	770	788	798	809	829	838	869
Sugar, Caribbean	318.4	356.8	351.1	358.9	353.8	357.7	360.2	359.6	359.1	358.0	356.5
	U.S. dollars per 100 pounds										
Steers, Nebraska	148.1	133.2	122.7	118.1	116.9	119.7	122.9	126.6	130.2	133.3	135.7
Hogs, U.S. 51-52% lean	50.2	46.4	45.6	48.7	51.7	54.2	55.2	55.0	53.8	52.9	52.1
Broilers, U.S. 12-city	90.5	84.3	84.2	85.1	87.4	89.3	90.7	92.1	93.1	93.7	94.2
Lamb, Australian saleyard	125.2	112.5	103.7	99.8	98.7	101.1	103.9	107.0	110.0	112.6	114.7
	U.S. dollars per tonne										
Cheese, FOB N. Europe	3,285	2,963	3,420	3,748	3,758	3,769	3,785	3,782	3,793	3,800	3,806
Butter, FOB N. Europe	3,239	3,007	3,467	3,738	3,742	3,741	3,744	3,750	3,756	3,753	3,754
SMP, FOB N. Europe	2,018	1,987	2,527	2,805	2,861	2,868	2,893	2,907	2,910	2,910	2,910
WMP, FOB N. Europe	2,566	2,460	2,947	3,218	3,252	3,259	3,281	3,294	3,307	3,308	3,308
	U.S. dollars per gallon										
Ethanol, Brazil anhydrous	1.88	1.92	1.97	2.03	2.08	2.08	2.07	2.07	2.07	2.06	2.05
Biodiesel, US	2.84	3.47	3.38	3.47	3.55	3.63	3.66	3.68	3.72	3.77	3.83
World prices in euro											
	euro per tonne										
HRW wheat, U.S. Gulf	167.0	175.3	166.3	162.8	160.3	159.3	157.8	154.3	151.8	148.8	147.0
CWAD durum, Canada	175.7	184.3	174.9	171.2	168.6	167.6	165.9	162.3	159.6	156.5	154.6
Barley, U.S. Portland	157.3	149.9	144.3	138.2	134.3	132.6	131.3	128.9	126.0	123.5	121.2
Maize, U.S. Gulf	151.8	162.6	156.5	149.9	145.6	143.8	142.4	139.7	136.6	133.9	131.4
Rapeseed, Hamburg	357.7	381.0	368.5	346.4	342.1	340.1	336.6	331.4	324.4	316.9	313.1
Rape meal, Hamburg	200.7	239.5	238.7	223.3	221.6	219.2	215.1	209.8	203.1	199.1	191.5
Rape oil, Hamburg	708.2	699.3	668.0	648.1	654.7	659.1	656.5	658.3	662.5	659.7	675.2
Sun seed, Lower Rhine	401.0	403.0	376.7	357.4	353.9	351.7	349.3	343.8	336.0	329.1	324.6
Sun meal, Rotterdam	195.3	218.1	215.2	205.6	204.3	200.9	199.4	193.6	185.1	179.4	173.8
Sun oil, NW Europe	763.8	746.9	707.3	676.6	680.9	678.6	676.2	679.9	676.3	682.2	696.5
Soybeans, Rotterdam	331.5	362.0	345.5	336.3	330.8	329.4	324.7	319.3	313.4	307.1	303.7
Soy meal, Rotterdam	276.7	321.2	319.4	297.9	293.2	288.7	286.7	280.3	272.1	266.9	258.5
Soy oil, Rotterdam	704.1	648.6	621.2	598.7	607.4	610.9	608.8	608.5	614.3	614.1	633.8
	euro per 100 kg										
Steers, Nebraska	295.4	273.0	236.9	213.3	203.3	204.5	206.8	209.8	212.6	215.2	218.3
Hogs, U.S. 51-52% lean	100.2	95.1	88.1	88.0	90.0	92.6	92.8	91.1	87.9	85.4	83.9
Broilers, U.S. 12-city	180.5	172.9	162.5	153.7	152.0	152.6	152.5	152.6	152.0	151.3	151.5
Cheese, FOB N. Europe	297.1	275.6	299.5	307.1	296.5	292.1	288.8	284.3	280.9	278.4	277.7
Butter, FOB N. Europe	293.0	279.7	303.6	306.3	295.2	290.0	285.7	281.9	278.1	275.0	273.9
SMP, FOB N. Europe	182.5	184.8	221.3	229.9	225.7	222.2	220.8	218.5	215.5	213.2	212.4
WMP, FOB N. Europe	232.1	228.8	258.1	263.7	256.6	252.6	250.4	247.6	244.9	242.3	241.4

EU-28 Biofuels

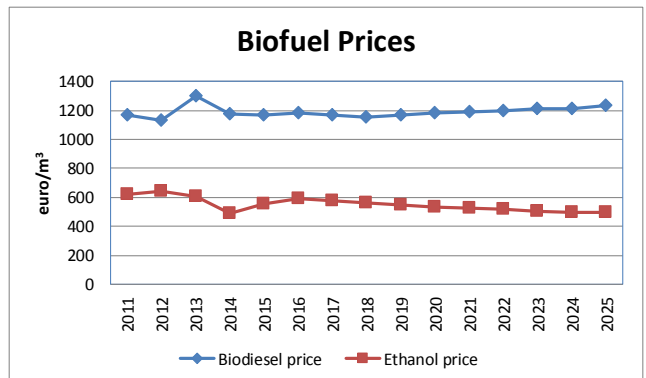
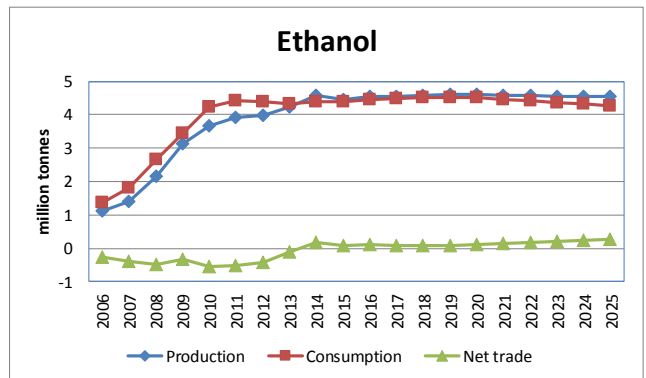
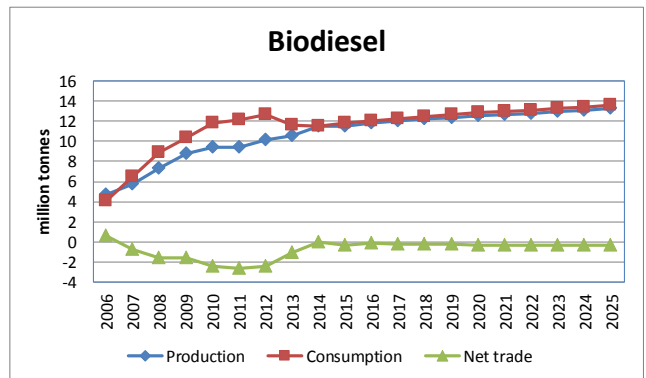
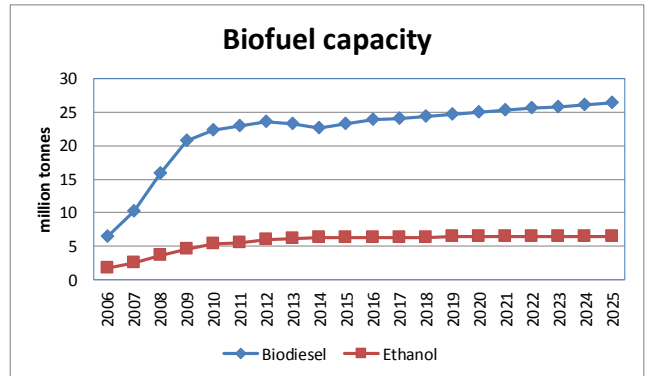
The rapid growth in the biofuels industry in the EU has slowed in recent years. Unless there is a renewed policy effort to boost biofuels use there is unlikely to be significant addition of biofuels capacity, particularly given there already exists excess capacity (especially for biodiesel).

It is clear that attaining 10 percent of transport fuels from first generation fuels is not economically or politically feasible. Little expansion in the percentage of transport fuel from these biofuels is expected. The future of “second generation” fuels is less certain, and depends on technological advancement.

Although fuel use is projected to increase as incomes and populations rise, the increase is not enough to require large additional volumes of biofuels. In fact towards the end of the projection period ethanol consumption falls as a result of the expansion of diesel consuming vehicles. There is some increase in biodiesel use.

In the outlook imports are projected as being largely stable. In practice the level and composition of imports are highly dependent on the implementation of policy such as sustainability requirements.

Biofuel prices track input prices. Over time, therefore, biodiesel prices rise slightly as vegetable oil prices trend upwards, while ethanol prices follow the crop prices and drift downwards in the latter years of the projection period.



EU-28 Biofuels

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Biodiesel	thousand tonnes										
Production	11,528	11,870	12,026	12,211	12,372	12,564	12,695	12,817	12,943	13,088	13,240
Capacity	23,224	23,841	24,048	24,435	24,740	25,017	25,288	25,551	25,836	26,142	26,435
Utilization	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Consumption	11,874	12,039	12,254	12,465	12,652	12,851	12,992	13,128	13,268	13,414	13,572
Net trade	-346	-170	-228	-254	-280	-288	-298	-311	-324	-325	-333
	euro/m3										
Biodiesel price	1,170	1,183	1,166	1,156	1,170	1,184	1,189	1,198	1,209	1,213	1,234
Bioethanol	thousand tonnes										
Production	4,456	4,561	4,561	4,575	4,593	4,607	4,588	4,577	4,561	4,544	4,535
Capacity	6,231	6,233	6,239	6,314	6,397	6,443	6,460	6,452	6,427	6,397	6,366
Utilization	72%	73%	73%	72%	72%	72%	71%	71%	71%	71%	71%
Consumption	4,376	4,460	4,483	4,500	4,500	4,500	4,454	4,407	4,359	4,312	4,258
Net trade	80	101	78	74	93	107	134	170	202	231	277
	euro/m3										
Ethanol price	556	594	577	559	546	536	526	516	507	498	493
	million tonnes, oil equivalent										
Total transport fuel use	296.2	297.7	298.9	299.9	300.8	302.0	303.4	304.7	306.2	307.6	309.0
% transport from biofuels	4.56%	4.61%	4.66%	4.71%	4.75%	4.79%	4.80%	4.81%	4.82%	4.83%	4.84%
EU biofuel production in gallons											
Biodiesel	3,804	3,917	3,969	4,030	4,083	4,146	4,189	4,230	4,271	4,319	4,369
Ethanol	995	1,019	1,019	1,022	1,026	1,029	1,025	1,022	1,019	1,015	1,013

Crop Sector

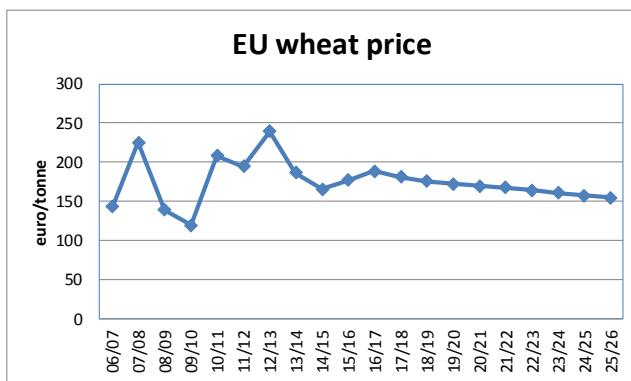
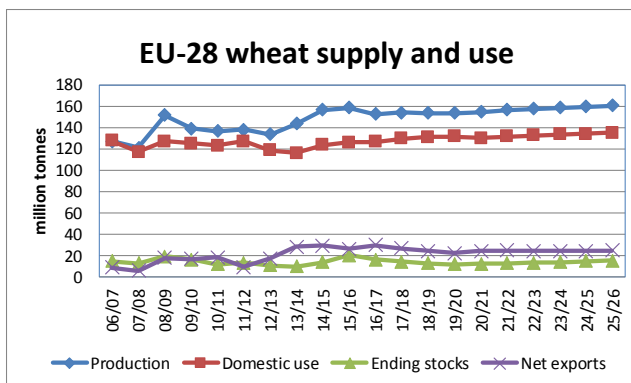
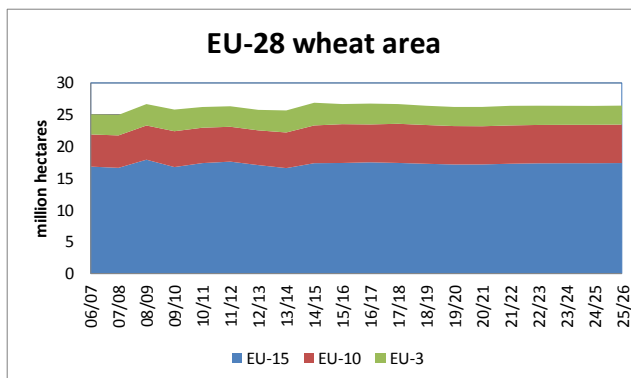
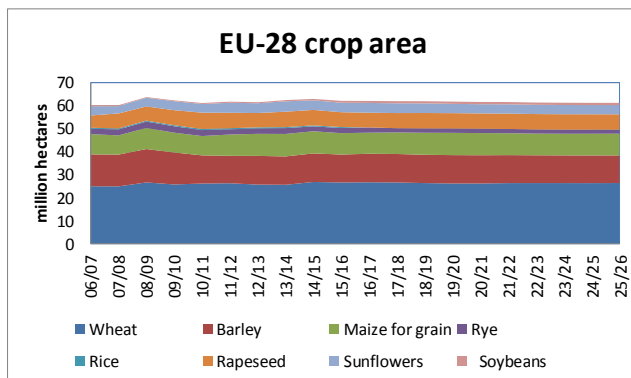
EU-28 Wheat

Strong increases in barley and wheat area in 2016 offset a small fall in maize area to leave area cropped for the three major grains up in 2016. Oilseed area is also projected to be up in 2016. In the near term plantings for 2017 are likely to be determined by world prices but also the euro/\$ exchange rate, which has the potential to be volatile. In these projections a short term weakening of the dollar helps competitiveness in the short term, but a strengthening over the latter part of the projection period has a negative impact on prices.

Wheat area has been relatively high for the EU-28 as a whole in recent years. In 2016 harvested area is projected to expand by about 80,000 hectares relative to 2015, to 26.75 million hectares. Area is projected to fall slightly in 2017, and then to gradually follow the downward movement in crop prices, resulting in around 26.4 million hectares at the end of the projection period.

A small reduction in wheat yields means that production is projected to drop in 2016 to 152 million tonnes. Over time increasing yields pull up production. Despite the drop in production in 2016 high wheat area means production is enough to supply feed requirements and healthy exports. Exports fall as the euro strengthens, but remain high over the projection period, with net exports of over 24 million tonnes.

This baseline was finalised in spring 2016 and prices will be subject to variation due to weather in particular. In general we would expect that on average prices will be below their peaks of 07/08 or post U.S. 2012 drought.



EU-28 Wheat

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26
EU-28	thousand hectares										
Area harvested	26,669	26,747	26,670	26,402	26,215	26,217	26,392	26,411	26,398	26,381	26,424
	tonnes/hectare										
Yield	5.95	5.69	5.77	5.82	5.86	5.90	5.93	5.96	6.00	6.03	6.07
	million tonnes										
Production	158.6	152.2	154.0	153.6	153.6	154.6	156.4	157.5	158.3	159.2	160.3
Beginning stocks	13.7	20.2	16.4	14.3	12.6	12.1	12.3	12.8	13.4	14.0	14.7
Imports	6.3	6.7	6.8	7.0	7.0	6.9	6.9	7.0	7.0	7.0	7.0
Total supply	178.6	179.1	177.2	174.8	173.2	173.5	175.6	177.2	178.7	180.2	182.1
Domestic use	125.9	126.4	129.5	130.9	131.6	130.0	131.2	132.5	133.4	134.2	134.9
Feed	57.0	58.2	60.4	61.1	61.4	59.4	60.2	61.2	61.7	62.1	62.5
Fuel	3.4	3.5	3.7	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Other	65.5	64.7	65.4	66.0	66.4	66.8	67.2	67.6	67.9	68.3	68.6
Exports	32.5	36.4	33.4	31.3	29.4	31.3	31.6	31.3	31.3	31.3	31.8
Ending stocks	20.2	16.4	14.3	12.6	12.1	12.3	12.8	13.4	14.0	14.7	15.4
Net exports	26.2	29.6	26.6	24.3	22.4	24.4	24.7	24.3	24.3	24.3	24.7
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	177.3	188.4	180.7	175.5	172.5	169.5	167.5	164.1	160.8	157.5	154.7
Area harvested	thousand hectares										
EU-15	17,377	17,482	17,383	17,251	17,140	17,148	17,258	17,322	17,339	17,340	17,365
EU-10	6,121	5,972	6,176	6,115	6,056	6,021	6,039	6,055	6,058	6,056	6,071
EU-3	3,173	3,293	3,110	3,036	3,019	3,048	3,095	3,034	3,001	2,985	2,987
Yield	tonnes/hectare										
EU-15	6.61	6.34	6.44	6.47	6.50	6.53	6.55	6.57	6.60	6.63	6.65
EU-10	5.07	4.77	4.85	4.90	4.96	5.03	5.08	5.14	5.19	5.25	5.31
EU-3	5.07	3.88	3.91	3.95	3.99	4.03	4.07	4.12	4.15	4.19	4.22
Production	million tonnes										
EU-15	114.8	110.9	111.9	111.6	111.5	112.0	113.1	113.9	114.4	114.9	115.5
EU-10	31.1	28.5	30.0	30.0	30.1	30.3	30.7	31.1	31.5	31.8	32.2
EU-3	12.8	12.8	12.2	12.0	12.0	12.3	12.6	12.5	12.5	12.5	12.6

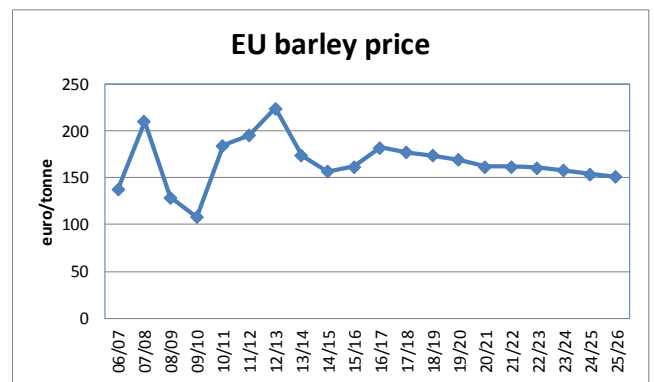
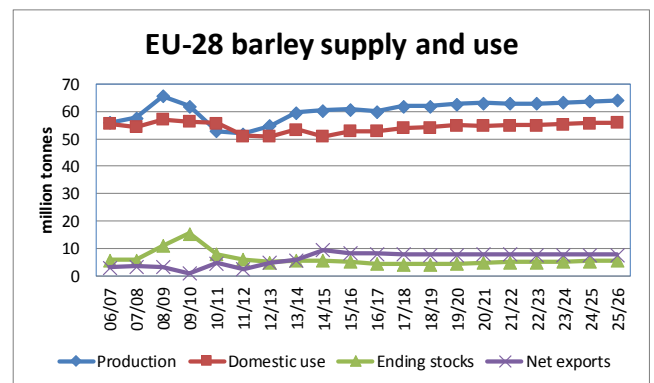
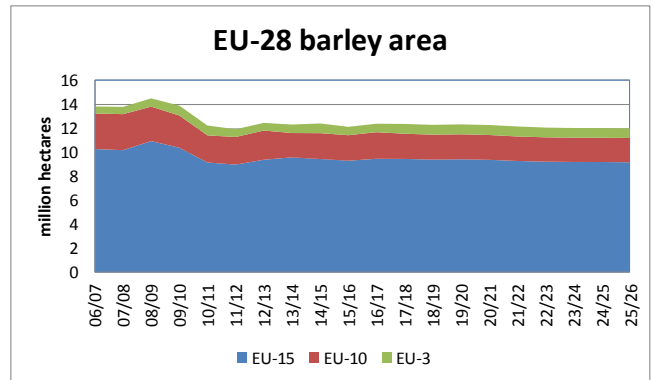
EU-28 Barley

Barley area in the EU had been experiencing a long run downward trend and saw an acceleration of this between 2008 and 2011. Bioenergy played a role in this shift through both the expansion in rapeseed area and the increase in biogas from maize (particularly in Germany). In 2016 favourable weather at planting is projected to increase area from 12.1 million hectares in 2015 to 12.4 million hectares. Thereafter, a downward trend in prices contributes to a reduction of area to just over 12 million hectares.

Yields are projected to fall slightly in 2016 leaving production down around 700,000 tonnes. The weak euro means that net exports are projected to stay high at over 8 million tonnes for 2016, but falling slightly in the projections as the euro strengthens.

Yields are projected to increase over time, with the extra grain used internally as feed as the livestock sectors grow and there is a small increase in stocks.

Prices follow the path of exchange rates and world prices, with a short run weakening of the euro helping in the near term but with long run prices on average falling in the longer term to around 150 euros/tonne.



EU-28 Barley

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26
	thousand hectares										
Area harvested	12,131	12,391	12,371	12,295	12,335	12,282	12,161	12,067	12,031	12,026	12,004
	tonnes/hectare										
Yield	5.01	4.85	5.01	5.05	5.09	5.14	5.18	5.22	5.26	5.30	5.34
	million tonnes										
Production	60.8	60.1	62.0	62.0	62.8	63.1	63.0	63.0	63.3	63.7	64.1
Beginning stocks	5.6	5.2	4.3	4.3	4.3	4.5	4.8	4.9	5.1	5.2	5.4
Imports	0.3	0.0	0.1	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2
Total supply	66.8	65.3	66.4	66.5	67.3	67.7	67.9	68.1	68.6	69.1	69.7
Domestic use	53.0	52.9	54.1	54.2	54.9	54.8	54.9	55.1	55.4	55.7	56.1
Feed	37.5	37.1	38.1	38.0	38.5	38.2	38.4	38.5	38.8	39.1	39.4
Fuel	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other	15.3	15.5	15.8	16.0	16.1	16.3	16.3	16.3	16.3	16.4	16.4
Exports	8.6	8.1	8.1	7.9	7.9	8.1	8.0	8.0	8.0	8.0	8.0
Ending stocks	5.2	4.3	4.3	4.3	4.5	4.8	4.9	5.1	5.2	5.4	5.6
Net exports	8.3	8.1	8.0	7.8	7.7	8.0	7.9	7.8	7.8	7.8	7.8
	euro per tonne, July-June										
Market price	162.0	182.5	177.2	173.7	169.5	162.2	162.0	160.7	157.7	154.3	151.3
Area harvested	thousand hectares										
EU-15	9,300	9,460	9,449	9,390	9,417	9,373	9,277	9,219	9,197	9,191	9,168
EU-10	2,131	2,221	2,105	2,086	2,088	2,074	2,049	2,033	2,027	2,028	2,029
EU-3	700	710	817	819	830	834	835	814	808	807	808
Yield	tonnes/hectare										
EU-15	5.31	5.15	5.36	5.39	5.43	5.48	5.53	5.56	5.60	5.64	5.68
EU-10	4.21	4.04	4.10	4.14	4.18	4.23	4.27	4.31	4.35	4.39	4.43
EU-3	3.56	3.39	3.40	3.44	3.48	3.52	3.56	3.60	3.64	3.67	3.70
Production	million tonnes										
EU-15	49.37	48.70	50.62	50.58	51.18	51.41	51.28	51.30	51.52	51.84	52.08
EU-10	8.97	8.98	8.63	8.63	8.73	8.77	8.76	8.77	8.82	8.90	8.98
EU-3	2.49	2.41	2.78	2.82	2.89	2.94	2.97	2.94	2.94	2.96	2.99

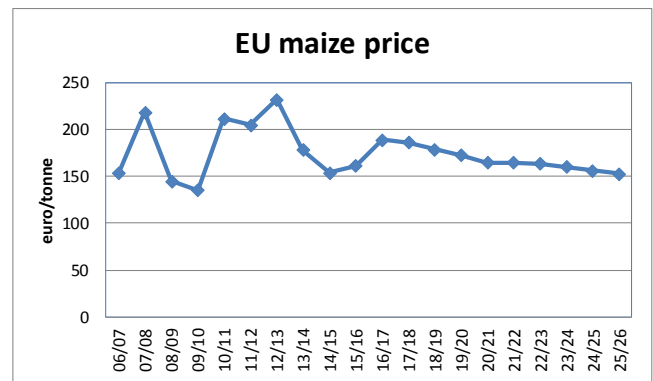
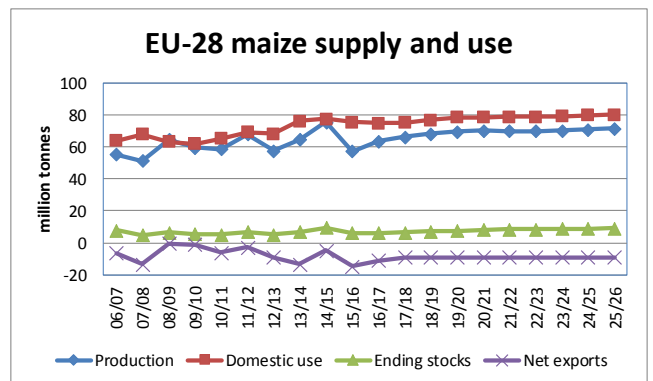
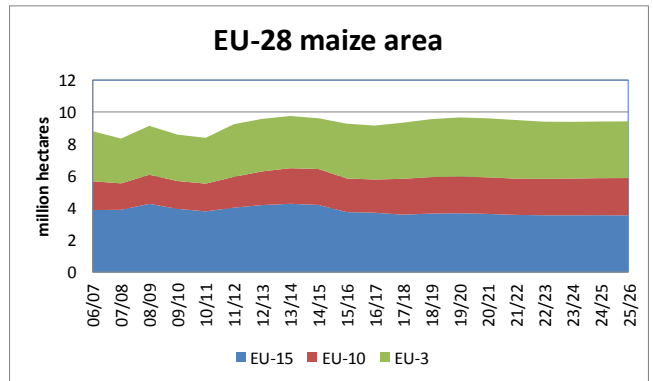
EU-28 Maize

Maize area has fluctuated over the last decade, to a large extent as a result of weather. The areas that are presented in this report are harvested area, and are therefore more variable than planted area being impacted by the weather which for maize usually means drought in southern Europe. Maize area for the EU grew in response to the high prices available as a result of the 2012 drought. But weather and a reduction in prices has reduced maize area. Less than 9.2 million hectares is projected to be harvested in 2016. Better weather is expected to increase maize area in the longer term, settling at close to 9.4 million hectares in the projection.

Despite the reduction in area in 2016, the potential recovery from drought means that projected yields are up, with production up 6.5 million tonnes. Production climbs to 70 million tonnes in the latter part of the projection. Feed use grows to 60 million tonnes.

The average level of imports of maize has grown over the last decade. Actual levels are highly variable reflecting the weather's impact on EU area and yield. Imports are projected to fall in 2016/17 as production rises, and in the longer term net imports are projected to average around 9 million tonnes.

Prices follow the path of the other cereals, falling over time to 150 euro per tonne. The recent experience of the maize sector shows how variability can mean that projections are likely to deviate from reality in any given year, as world prices, exchange rates, and weather in the EU vary.



EU-28 Maize

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	
					thousand hectares							
Area harvested	9,290	9,170	9,355	9,574	9,681	9,624	9,520	9,414	9,405	9,425	9,433	
					tonnes/hectare							
Yield	6.17	6.96	7.08	7.13	7.20	7.29	7.35	7.42	7.48	7.53	7.58	
					million tonnes							
Production	57.3	63.8	66.3	68.3	69.7	70.1	69.9	69.9	70.3	71.0	71.5	
Beginning stocks	9.4	6.0	6.3	6.6	7.2	7.6	8.1	8.4	8.5	8.7	8.9	
Imports	16.0	12.4	10.5	10.6	10.6	10.4	10.5	10.5	10.5	10.5	10.5	
Total supply	82.7	82.2	83.1	85.5	87.4	88.2	88.5	88.7	89.4	90.2	90.9	
Domestic use	75.5	74.8	75.2	77.1	78.5	78.7	78.8	78.9	79.3	79.9	80.4	
Feed	57.5	57.5	57.5	58.9	60.0	59.9	59.9	59.9	60.2	60.6	61.0	
Fuel	5.2	5.1	5.2	5.4	5.5	5.5	5.5	5.5	5.4	5.4	5.4	
Other	12.8	12.2	12.4	12.8	13.0	13.3	13.4	13.5	13.7	13.8	14.0	
Exports	1.1	1.2	1.2	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	
Ending stocks	6.0	6.3	6.6	7.2	7.6	8.1	8.4	8.5	8.7	8.9	9.2	
Net exports	-14.9	-11.3	-9.3	-9.3	-9.3	-9.1	-9.1	-9.2	-9.2	-9.1	-9.1	
					euro per tonne, July-June							
Market price	161.6	189.2	186.4	178.7	172.8	165.0	165.0	163.7	160.4	156.4	153.0	
Area harvested					thousand hectares							
EU-15	3,750	3,710	3,588	3,659	3,679	3,637	3,574	3,552	3,552	3,555	3,546	
EU-10	2,110	2,080	2,248	2,285	2,302	2,291	2,275	2,286	2,303	2,321	2,337	
EU-3	3,430	3,380	3,518	3,630	3,700	3,696	3,671	3,577	3,551	3,549	3,549	
Yield					tonnes/hectare							
EU-15	8.66	9.45	10.24	10.32	10.43	10.55	10.64	10.69	10.74	10.80	10.87	
EU-10	5.46	6.59	6.43	6.50	6.60	6.71	6.81	6.88	6.95	7.03	7.12	
EU-3	3.88	4.45	4.28	4.32	4.37	4.43	4.47	4.52	4.55	4.57	4.59	
Production					million tonnes							
EU-15	32.5	35.1	36.7	37.8	38.4	38.4	38.0	38.0	38.2	38.4	38.6	
EU-10	11.5	13.7	14.5	14.8	15.2	15.4	15.5	15.7	16.0	16.3	16.6	
EU-3	13.3	15.0	15.1	15.7	16.2	16.4	16.4	16.2	16.1	16.2	16.3	

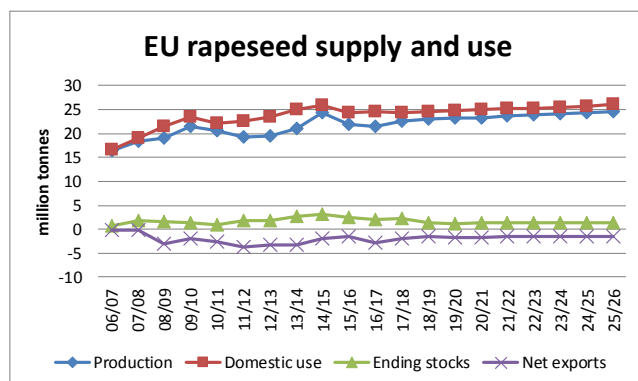
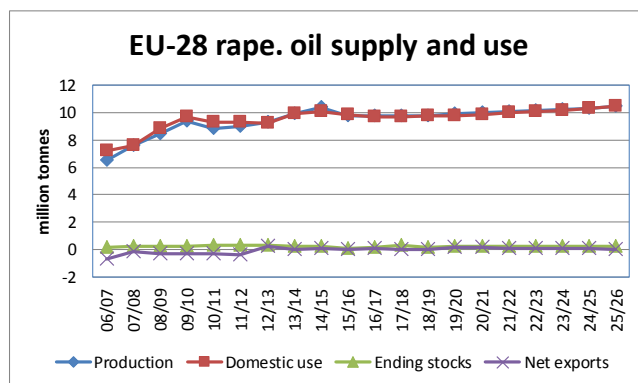
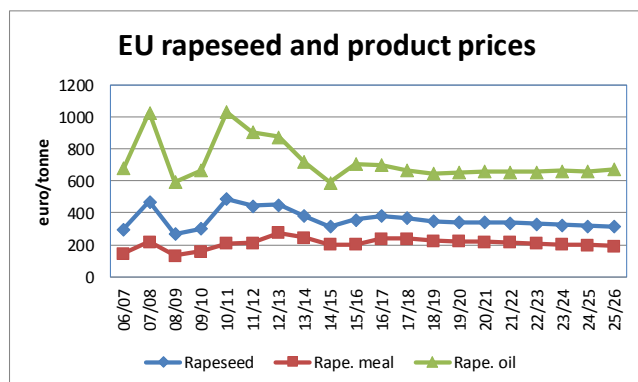
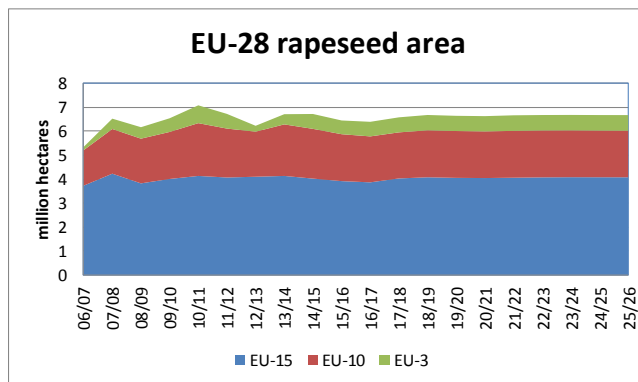
EU-28 Rapeseed and Products

The biofuel boom in the EU resulted in a decade of expansion in rapeseed area. As the demand for biodiesel from vegetable oil in the EU (and the U.S.) has levelled off so has rapeseed area. Rapeseed area is projected to be less than 6.4 million hectares in 2016, a reduction of 56 thousand hectares on 2015. The long term projection is for a small recovery in rapeseed area to 6.7 million hectares, but this is below its peak. It is difficult to predict how seed restrictions could impact area in the longer term.

When oil prices were close to \$100 a barrel they provided a floor to vegetable oil prices. As oil prices fell, so did the rapeseed oil price. A weakening of the euro helps prices in the near term, but in the longer term higher oil prices are offset by a stronger euro. Meal prices follow the global cereals market. The rapeseed price reflects oil and meal prices, and in the long term averages just less than 400 euro/tonne.

Significant increases in rapeseed oil use are unlikely. The use of biodiesel has stalled, and a shift to biodiesel from other sources means that although there is an increase in biodiesel use in the baseline this does not come from rapeseed oil.

Crush grows a little over the projection period, keeping pace with the increase in production. Net imports of rapeseed are therefore a little below the average of recent years, at around 1.5 million tonnes in the projections.

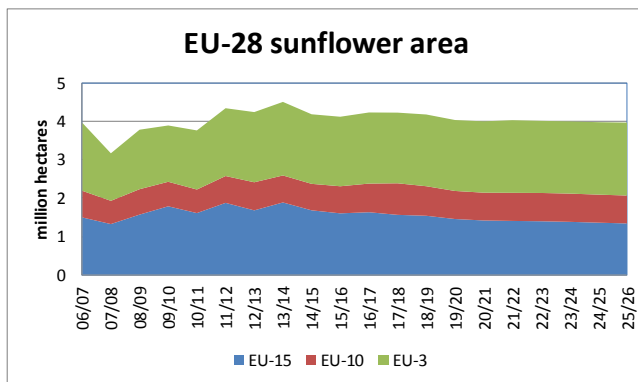


EU-28 Rapeseed and Products

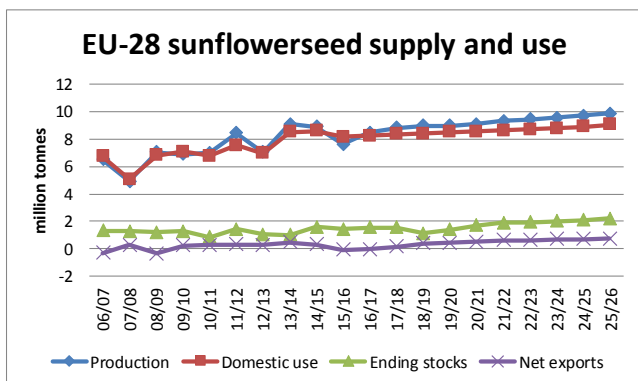
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26
Rapeseed											
	thousand hectares										
Area harvested	6,450	6,394	6,581	6,679	6,644	6,631	6,666	6,677	6,681	6,675	6,674
	tonnes/hectare										
Yield	3.40	3.35	3.43	3.46	3.49	3.52	3.55	3.58	3.62	3.65	3.68
	thousand tonnes										
Production	21,922	21,427	22,591	23,101	23,190	23,351	23,662	23,927	24,158	24,351	24,558
Beginning stocks	2,277	1,277	1,150	1,259	1,337	1,360	1,381	1,409	1,441	1,474	1,504
Imports	1,828	3,121	2,160	1,710	1,826	1,897	1,725	1,629	1,634	1,653	1,710
Total supply	26,027	25,826	25,901	26,069	26,353	26,608	26,768	26,965	27,233	27,478	27,771
Domestic use	24,450	24,484	24,449	24,540	24,803	25,040	25,172	25,338	25,575	25,792	26,063
Crush	23,500	23,534	23,497	23,585	23,848	24,084	24,215	24,380	24,615	24,831	25,101
Other	66	65	65	66	66	67	67	68	68	68	69
Exports	300	192	192	192	190	188	187	186	184	182	181
Ending stocks	2,502	2,075	2,277	1,277	1,150	1,259	1,337	1,360	1,381	1,409	1,441
Net exports	-1,528	-2,929	-1,967	-1,518	-1,636	-1,709	-1,538	-1,443	-1,450	-1,471	-1,530
	euro per tonne, marketing year basis										
Hamburg price	357.7	381.0	368.5	346.4	342.1	340.1	336.6	331.4	324.4	316.9	313.1
Rapeseed Meal											
	thousand tonnes										
Production	13,513	13,460	13,414	13,471	13,640	13,793	13,877	13,981	14,131	14,270	14,441
Beginning stocks	222	235	109	109	114	117	120	123	126	131	134
Imports	450	411	413	413	415	415	416	417	418	420	422
Total supply	14,185	14,106	13,936	13,993	14,169	14,326	14,414	14,522	14,676	14,821	14,998
Domestic use	13,650	13,744	13,571	13,621	13,792	13,950	14,034	14,136	14,285	14,424	14,594
Exports	300	254	257	258	259	256	257	259	260	262	265
Ending stocks	89	215	222	235	109	109	114	117	120	123	126
Net exports	-150	-158	-156	-155	-155	-160	-159	-159	-158	-158	-157
	euro per tonne, marketing year basis										
Hamburg price	201	239	239	223	222	219	215	210	203	199	192
Rapeseed Oil											
	thousand tonnes										
Production	9,753	9,751	9,728	9,770	9,886	9,990	10,047	10,118	10,219	10,313	10,428
Beginning stocks	332	180	195	201	207	212	217	220	222	226	230
Imports	270	100	100	100	100	100	100	100	100	100	100
Total supply	10,355	10,031	10,023	10,071	10,193	10,303	10,364	10,437	10,541	10,639	10,759
Domestic use	9,875	9,661	9,713	9,750	9,741	9,862	9,969	10,064	10,153	10,271	10,430
Fuel	6,281	5,991	5,895	5,795	5,754	5,765	5,759	5,751	5,746	5,779	5,812
Exports	300	190	108	114	240	224	176	151	162	138	96
Ending stocks	110	131	332	180	195	201	207	212	217	220	222
Net exports	30	90	8	14	140	124	76	51	62	38	-4
	euro per tonne, marketing year basis										
Hamburg price	708	699	668	648	655	659	656	658	663	660	675

EU-28 Sunflower and Products

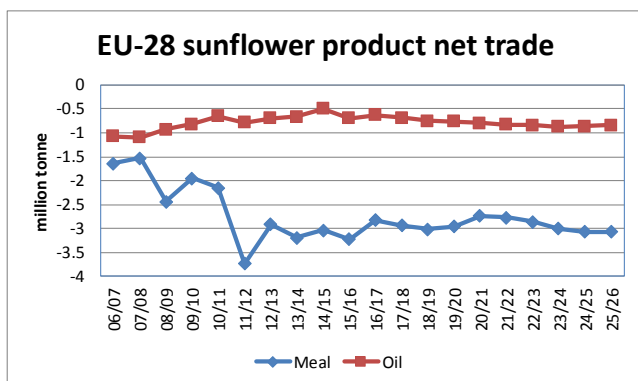
Sunflowerseed area has increased over the last decade reflecting good returns for oilseeds in general. Much of this expansion has occurred in the three newest member states. Sunflower area is projected to be up over 100,000 hectares in 2016 to 4.24 million hectares. Area is maintained at this level in the short term, before falling back slightly as prices fall over the projection period.



Better yields in 2016 are projected to lead to an increase in production of over 850,000 tonnes. Increasing yield projections results in sunflowerseed production in the EU growing to almost 10 million tonnes. Crush expands to absorb this extra production and the EU becomes a small net exporter of sunflowerseed.



Increases in crush result in more production of sunflower meal and sunflower oil. The expanding EU meat sector increases demand for meal and net trade is flat at around 3 million tonnes. Sunflower oil consumption increases as EU population and incomes rise, matching the increase in sunflower oil production.

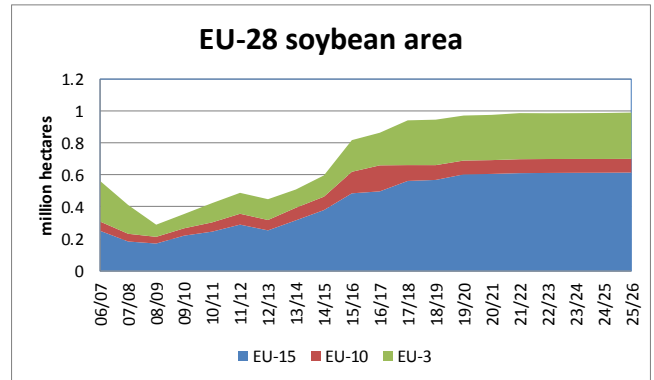


EU-28 Sunflower and Products

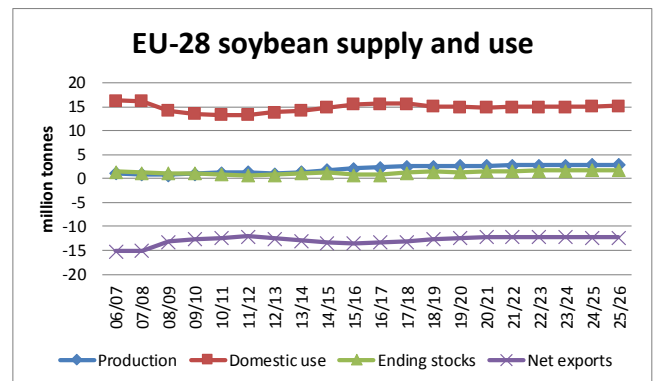
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26
Sunflowerseed											
	thousand hectares										
Area harvested	4,125	4,236	4,232	4,184	4,040	4,004	4,035	4,018	4,002	3,982	3,972
	tonnes/hectare										
Yield	1.85	2.00	2.08	2.15	2.22	2.28	2.31	2.35	2.39	2.44	2.48
	thousand tonnes										
Production	7,627	8,486	8,821	8,980	8,979	9,110	9,325	9,440	9,576	9,714	9,869
Beginning stocks	1,534	1,104	1,371	1,688	1,879	1,932	1,993	2,094	2,197	2,308	2,412
Imports	230	314	131	100	100	100	100	100	100	100	100
Total supply	9,391	9,904	10,322	10,768	10,958	11,143	11,419	11,634	11,873	12,121	12,382
Domestic use	8,160	8,251	8,356	8,409	8,501	8,563	8,623	8,711	8,787	8,902	9,050
Crush	7,200	7,280	7,366	7,403	7,481	7,531	7,577	7,652	7,714	7,815	7,950
Other	66	65	65	66	66	67	67	68	68	68	69
Exports	127	282	279	480	525	586	702	726	778	806	817
Ending stocks	1,422	1,544	1,534	1,104	1,371	1,688	1,879	1,932	1,993	2,094	2,197
Net exports	-103	-32	148	380	425	486	602	626	678	706	717
	euro per tonne, marketing year basis										
Lower Rhine price	401	403	377	357	354	352	349	344	336	329	325
Sunflower meal											
	thousand tonnes										
Production	3,915	4,089	4,142	4,164	4,213	4,244	4,274	4,321	4,361	4,425	4,510
Beginning stocks	153	123	119	125	131	135	139	142	148	153	159
Imports	3,400	2,825	2,938	3,012	2,961	2,735	2,768	2,858	3,003	3,068	3,068
Total supply	7,468	7,037	7,199	7,301	7,305	7,114	7,181	7,321	7,511	7,646	7,737
Domestic use	7,165	6,913	7,069	7,166	7,165	6,970	7,034	7,169	7,353	7,482	7,566
Exports	180	5	5	5	5	5	5	5	5	5	5
Ending stocks	198	153	123	119	125	131	135	139	142	148	153
Net exports	-3,220	-2,820	-2,933	-3,007	-2,956	-2,730	-2,763	-2,853	-2,998	-3,063	-3,063
	euro per tonne, marketing year basis										
Rotterdam price	195	218	215	206	204	201	199	194	185	179	174
Sunflower oil											
Production	3,000	3,151	3,200	3,221	3,264	3,291	3,316	3,356	3,389	3,444	3,516
Beginning stocks	170	120	124	139	150	157	162	167	173	179	186
Imports	1,000	753	807	866	877	912	940	948	981	968	950
Total supply	4,170	4,024	4,130	4,226	4,291	4,359	4,418	4,471	4,543	4,591	4,653
Domestic use	3,750	3,779	3,874	3,961	4,020	4,085	4,141	4,189	4,257	4,298	4,352
Exports	300	121	118	115	114	112	110	109	107	106	105
Ending stocks	255	170	120	124	139	150	157	162	167	173	179
Net exports	-700	-632	-689	-751	-763	-800	-830	-839	-873	-862	-845
	euro per tonne, marketing year basis										
Northwest Europe price	764	747	707	677	681	679	676	680	676	682	697

EU-28 Soybean and Products

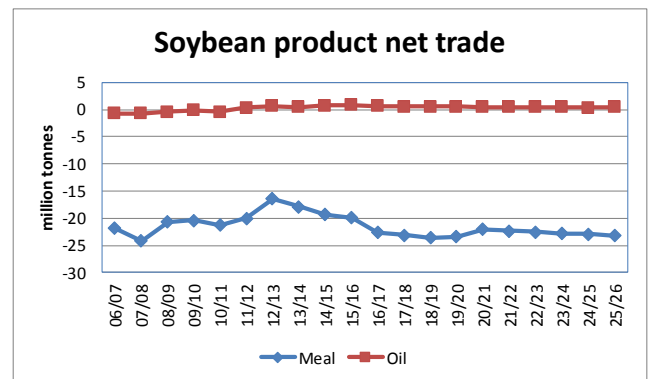
After many years of decline, soybean area has grown steadily over the last decade. In recent years the rate of growth has increased as a result of many countries taking advantage of an additional protein crop payment option under the most recent reform of the CAP. For most crops CAP reform has had a limited impact on area at an aggregate EU-28 level, but this is not the case for soybeans.



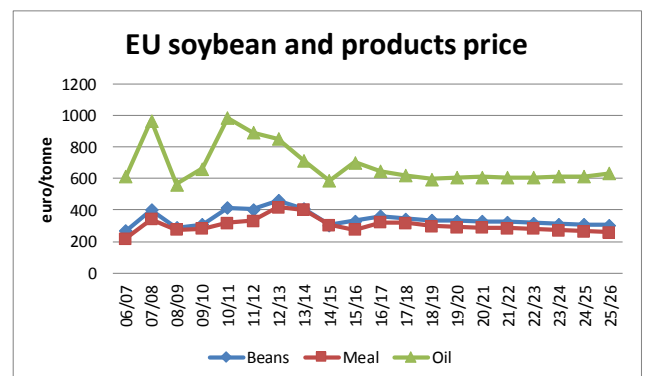
Soybean area is projected to be up just less than 50,000 hectares in 2016. It is difficult to project the path of area going forward. It is not just the protein crop payment that has increased soybean area, as it started to expand before its introduction, and it would have been higher had more seed been available. On the other hand, yields have been disappointing in some of the new areas. Here we project a further increase in 2017, followed by an expansion at a slower rate, reaching nearly a million hectares in 2025.



Soybean production increases as area expands, although it still accounts for a relatively small amount of the domestic market, with most soybeans still needing to be imported. Net imports of soybeans are constant at around 12.3 million tonnes.



The EU also remains a large net importer of soybean meal through the projection period. Soybean oil has not played a large role in the biodiesel sector. Increases in consumption come from food uses and are modest over the projections.



EU-28 Soybean and Products

15/16 16/17 17/18 18/19 19/20 20/21 21/22 22/23 23/24 24/25 25/26

Soybeans

	thousand hectares										
Area harvested	818	865	942	947	972	977	987	987	987	988	991
	tonnes/hectare										
Yield	2.65	2.75	2.69	2.72	2.75	2.78	2.81	2.84	2.86	2.89	2.92
	thousand tonnes										
Production	2,171	2,378	2,533	2,572	2,677	2,716	2,770	2,797	2,827	2,857	2,892
Beginning stocks	1,268	1,409	1,364	1,520	1,582	1,661	1,691	1,732	1,767	1,802	1,838
Imports	13,600	13,235	13,221	12,607	12,408	12,210	12,210	12,206	12,212	12,271	12,289
Total supply	17,039	17,021	17,118	16,699	16,667	16,587	16,672	16,736	16,806	16,931	17,018
Domestic use	15,530	15,652	15,593	15,112	15,001	14,891	14,934	14,964	14,999	15,088	15,147
Crush	14,700	14,827	14,758	14,271	14,155	14,042	14,081	14,107	14,137	14,222	14,277
Other	66	65	65	66	66	67	67	68	68	68	69
Exports	100	5	5	5	5	5	5	5	5	5	5
Ending stocks	792	828	1,268	1,409	1,364	1,520	1,582	1,661	1,691	1,732	1,767
Net exports	-13,500	-13,230	-13,216	-12,602	-12,403	-12,205	-12,205	-12,201	-12,207	-12,266	-12,284

	euro per tonne, marketing year basis										
Rotterdam price	332	362	346	336	331	329	325	319	313	307	304

Soybean meal

	thousand tonnes										
Production	11,615	11,716	11,661	11,275	11,183	11,093	11,125	11,145	11,169	11,236	11,280
Beginning stocks	278	301	255	257	267	272	277	285	296	310	323
Imports	20,300	23,052	23,534	24,022	23,826	22,538	22,737	22,991	23,221	23,312	23,578
Total supply	32,193	35,069	35,450	35,554	35,277	33,904	34,139	34,421	34,686	34,858	35,180
Domestic use	31,492	34,334	34,725	34,824	34,542	33,151	33,383	33,662	33,925	34,093	34,405
Exports	400	480	469	463	463	476	471	462	451	443	438
Ending stocks	170	278	301	255	257	267	272	277	285	296	310
Net exports	-19,900	-22,573	-23,065	-23,559	-23,364	-22,063	-22,266	-22,529	-22,770	-22,869	-23,140

	euro per tonne, marketing year basis										
Rotterdam price	277	321	319	298	293	289	287	280	272	267	258

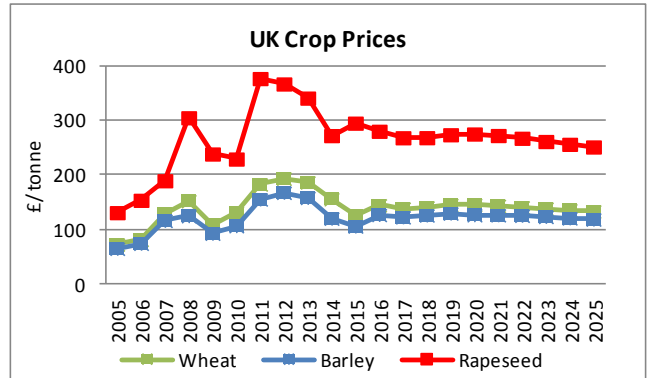
Soybean oil

	thousand tonnes										
Production	2,795	2,818	2,805	2,712	2,690	2,669	2,676	2,681	2,687	2,703	2,713
Beginning stocks	259	254	265	270	268	266	264	266	267	268	270
Imports	150	0	0	0	0	0	0	0	0	0	0
Total supply	3,204	3,072	3,070	2,982	2,958	2,934	2,940	2,947	2,954	2,971	2,983
Domestic use	2,000	2,107	2,214	2,161	2,178	2,197	2,228	2,256	2,269	2,298	2,301
Fuel	703	824	835	847	859	871	879	888	897	907	913
Exports	950	700	586	553	515	473	446	424	417	403	414
Ending stocks	339	259	254	265	270	268	266	264	266	267	268
Net exports	800	700	586	553	515	473	446	424	417	403	414

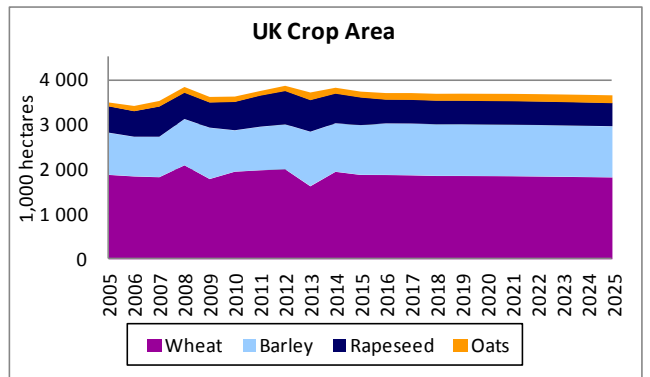
	euro per tonne, marketing year basis										
Rotterdam price	704	649	621	599	607	611	609	608	614	614	634

UK Crops

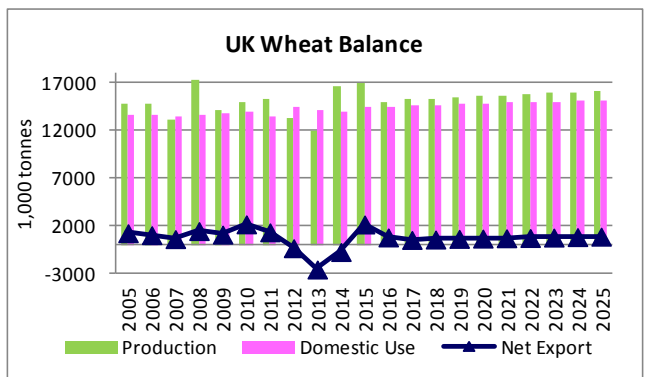
Crop prices in the EU recovered slightly in 2015 compared to 2014. However, due to the weakening of euro against sterling, wheat and barley prices in sterling were lower in 2015 compared to 2014. EU crop prices strengthen further in 2016, but then gradually decline during the rest of the projection period. Due to exchange rate projections (euro weakens against the UK pound in the short-term but recovers in the long-term) UK crop prices follow a different path, remaining flat in the near term before tailing off slightly in the latter years. At the end of projection period, the wheat price is projected to be around £133 per tonne, barley £118 per tonne and rapeseed about £252 per tonne.



There are small shifts among crop areas as the CAP crop diversification requirement starts to take effect. The area of rapeseed is further affected by a new regulation on the seed treatment of the crop. As for the UK as a whole, wheat area in 2015 is 4% lower than the previous year, while barley area is 3% higher. Area of rapeseed falls by 7.1% compared to the previous year. Over the projection period, wheat area declines by 3% to 1812 thousand hectares in 2025. Barley area is relatively stable over the projection period. In contrast, rapeseed area is projected to fall significantly in 2016 (by more than 10%) and shows a modest further decline during the remainder of the projection period.

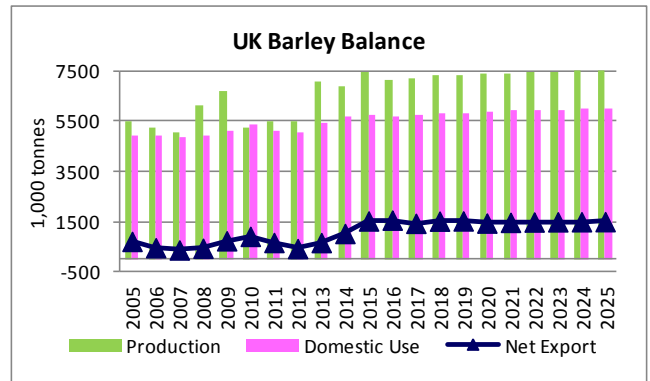


Wheat production is 2% higher in 2015 than in the previous year, as the 6% increase in wheat yield outweighs the decline in area. During the rest of the projection period, it is assumed that normal weather conditions apply and therefore wheat yield is projected to be smaller in 2016 than in 2015, at just over 8 tonnes per hectare.

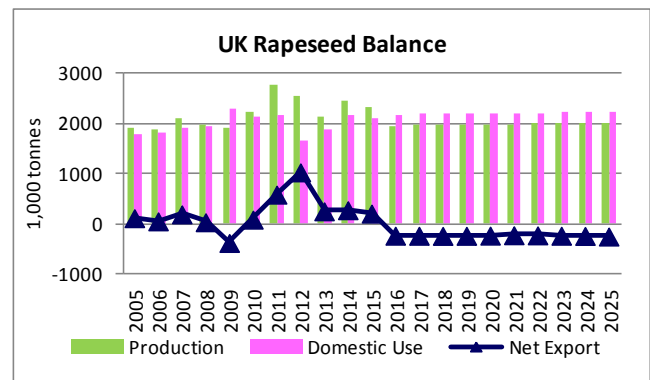


UK Crops (Cont.)

Wheat yield is projected to increase by 10% to nearly 8.9 tonnes per hectare in 2025. UK wheat production is projected to be just above 16,000 thousand tonnes at the end of projection period. Total domestic use of wheat increases slowly due to increasing food and feed use underpinned by population growth. The UK remains a wheat net exporter. However, the margins between import and export are small and the future trade position of UK wheat hinges on a number of uncertainties, such as yield growth.



With higher yield and area, barley production is 7% higher in 2015 compared to 2014. Between 2016 and 2025 barley yield is projected to increase by 7% and production reaches 7520 thousand tonnes. Throughout the projection period, there is a surplus in barley for export.



UK rapeseed production is 6% lower in 2015 compared to the previous year due to the large fall in area. As mentioned earlier, the decline in area reflects the implementation of new regulations. In addition, throughout the projection period the rapeseed price remains significantly below recent highs (well below £300 per tonne). As a result, production is projected to be just below 2000 thousand tonnes. A small amount of import is needed to meet domestic demand.

UK Wheat

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
UK															
	thousand hectares														
Area harvested	1,969	1,992	1,615	1,936	1,867	1,865	1,857	1,844	1,844	1,841	1,838	1,832	1,825	1,818	1,812
	thousand tonnes														
Production	15,257	13,261	11,921	16,606	16,892	14,973	15,233	15,324	15,464	15,575	15,693	15,794	15,887	15,974	16,058
Domestic use	13,513	14,392	14,044	13,926	14,534	14,428	14,591	14,691	14,764	14,833	14,910	14,982	15,031	15,069	15,109
Net Export	1,385	-282	-2,517	-681	2,210	849	587	629	700	729	763	790	835	885	930
	£/100 kg														
Prices	18.3	19.3	18.6	15.6	12.5	14.5	13.8	14.1	14.5	14.5	14.4	14.1	13.8	13.6	13.3
Area Harvested															
	thousand hectares														
England	1,817	1,856	1,505	1,797	1,724	1,723	1,715	1,704	1,704	1,702	1,698	1,693	1,687	1,680	1,674
Wales	26	26	15	21	25	25	25	25	25	25	25	25	25	25	25
Scotland	115	101	87	109	109	109	108	106	106	106	106	106	105	105	104
Northern Ireland	12	9	8	8	8	8	8	8	8	8	8	8	8	8	8
Yield															
	tonnes/hectare														
England	7.7	6.7	7.4	8.6	9.0	8.0	8.2	8.3	8.4	8.5	8.5	8.6	8.7	8.8	8.9
Wales	7.5	5.8	6.5	7.6	8.0	7.1	7.3	7.4	7.4	7.5	7.6	7.6	7.7	7.8	7.9
Scotland	8.3	6.7	7.5	9.1	9.6	8.5	8.4	8.5	8.6	8.7	8.7	8.8	8.9	8.9	9.0
Northern Ireland	7.8	6.0	7.3	7.5	8.0	7.1	7.1	7.2	7.2	7.3	7.3	7.4	7.4	7.5	7.6
Production															
	thousand tonnes														
England	14,040	12,383	11,111	15,389	15,583	13,812	14,076	14,169	14,303	14,407	14,516	14,610	14,698	14,780	14,859
Wales	193	148	99	164	199	182	184	185	187	189	191	193	194	196	197
Scotland	957	673	653	989	1,044	920	914	910	914	919	926	930	934	937	940
Northern Ireland	90	56	58	64	66	59	59	59	60	60	60	61	61	61	61

UK Barley

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
UK	thousand hectares														
Area harvested	970	1,002	1,213	1,080	1,109	1,148	1,153	1,152	1,153	1,150	1,149	1,147	1,145	1,142	1,138
	thousand tonnes														
Production	5,494	5,522	7,092	6,911	7,426	7,109	7,232	7,299	7,351	7,369	7,404	7,439	7,473	7,499	7,520
Domestic use	5,112	5,055	5,405	5,702	5,741	5,714	5,755	5,787	5,833	5,903	5,925	5,940	5,961	5,982	6,002
Net Export	671	428	668	1,030	1,529	1,563	1,435	1,523	1,531	1,446	1,473	1,488	1,495	1,498	1,502
	£/100 kg														
Prices	15.5	16.7	15.8	12.0	10.6	12.7	12.2	12.6	12.9	12.6	12.6	12.5	12.3	12.1	11.8
Area Harvested	thousand hectares														
England	615	623	828	709	761	797	799	798	800	799	798	797	796	795	793
Wales	23	22	20	21	18	17	17	17	17	17	17	17	17	17	17
Scotland	308	332	339	327	307	311	313	313	313	311	311	310	309	307	306
Northern Ireland	24	26	26	24	23	23	23	23	23	23	23	23	23	23	23
Yield	tonnes/hectare														
England	5.6	5.7	5.9	6.5	6.8	6.3	6.4	6.4	6.5	6.5	6.5	6.6	6.6	6.7	6.7
Wales	5.7	4.9	5.6	5.6	5.8	5.4	5.5	5.6	5.6	5.6	5.6	5.7	5.7	5.7	5.8
Scotland	6.1	5.2	5.9	6.3	6.6	6.1	6.2	6.2	6.2	6.3	6.3	6.3	6.4	6.4	6.4
Northern Ireland	5.7	5.0	5.4	5.8	6.0	5.6	5.6	5.7	5.7	5.7	5.7	5.8	5.8	5.8	5.8
Production	thousand tonnes														
England	3,428	3,565	4,844	4,583	5,143	4,982	5,077	5,128	5,170	5,191	5,220	5,249	5,279	5,303	5,325
Wales	130	106	115	116	104	94	96	97	97	98	98	98	99	99	99
Scotland	1,867	1,723	1,994	2,076	2,039	1,904	1,928	1,943	1,952	1,949	1,954	1,959	1,963	1,965	1,964
Northern Ireland	138	127	140	136	139	129	131	131	132	132	132	132	133	132	132

UK Rapeseed

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	thousand hectares														
Area harvested	705	756	715	675	626	539	539	533	532	532	532	531	529	526	524
	tonnes/hectare														
Yield	3.9	3.4	3.0	3.6	3.7	3.6	3.6	3.7	3.7	3.7	3.7	3.8	3.8	3.8	3.8
	thousand tonnes														
Production	2,758	2,557	2,128	2,460	2,307	1,949	1,967	1,958	1,964	1,972	1,984	1,992	1,995	1,997	1,999
Domestic use	2,164	1,658	1,867	2,176	2,094	2,175	2,191	2,186	2,191	2,195	2,199	2,209	2,219	2,226	2,240
Net Export	595	1,039	262	284	216	-224	-226	-228	-227	-223	-215	-217	-225	-229	-241
	£/100 kg														
Price	37.7	36.7	34.1	27.2	29.5	28.0	26.8	26.9	27.4	27.5	27.3	26.8	26.2	25.6	25.2

Dairy Sector

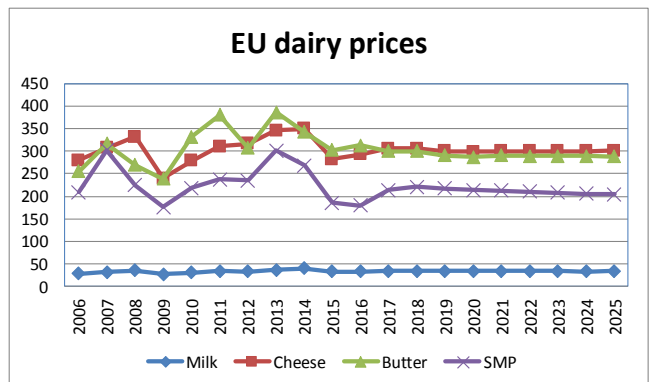
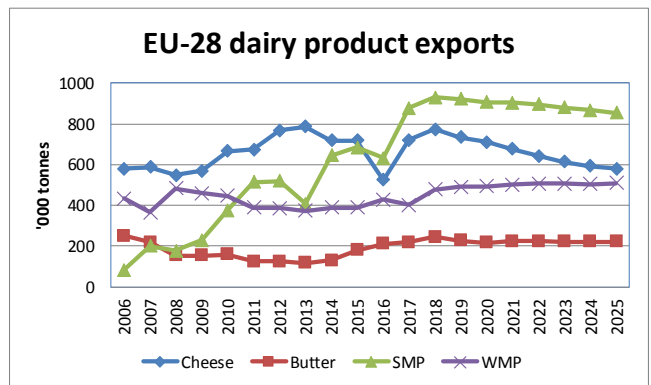
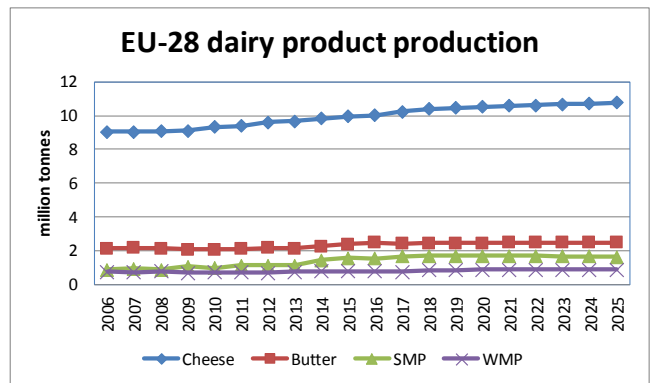
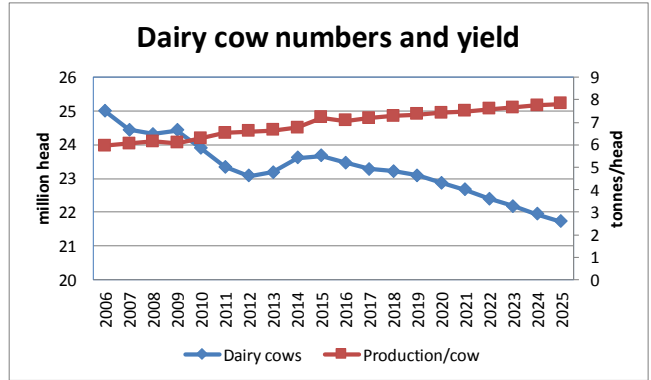
EU-28 Dairy

The elimination of dairy quotas in the EU, coupled with a collapse in world prices has resulted in a period of uncertainty for the EU dairy market. Milk production in the EU has expanded more rapidly than previous projections from FAPRI-MU had anticipated, particularly given the poor price outlook. This increase in production is partly responsible for the low prices that prevail at the time of writing, in conjunction with strong output from some other major milk producing regions and a fall in demand from China.

EU milk production is projected to grow further through 2020 as the industry continues to restructure. This is dependent on a recovery of global prices in the medium term. If the EU (and the U.S.) continue to expand production faster than demand global prices could stay depressed.

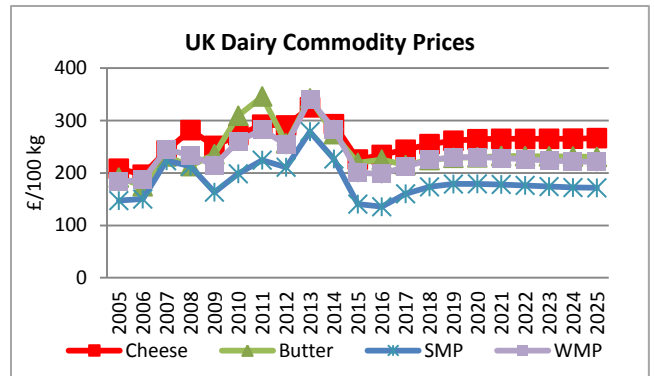
The EU is expected to see increases in income and population growth, which increases demand for dairy products. Despite this the EU will need to export dairy products to the global market. In the baseline it is assumed that the Russian market opens for EU products and this implicitly absorbs some of the increase in butter and SMP production.

At a global level dairy prices are projected to recover a little, but not on average to their peaks. In reality there is likely to be high levels of volatility with some years at near 2009 levels and some at 2014 levels. The euro/\$ exchange rate will also impact volatility in the EU market. A strengthening euro in the projections results in flat projections for EU prices after a near term recovery.

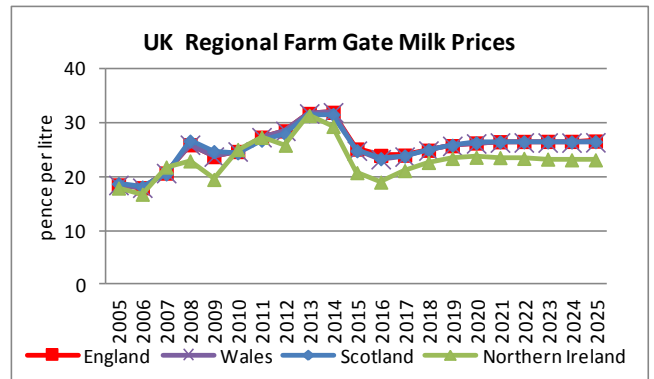


UK Dairy

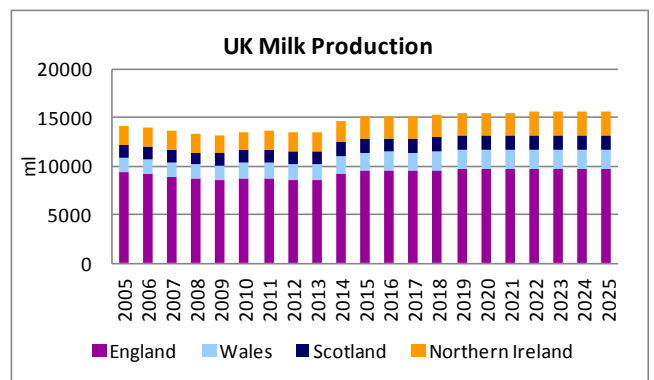
Dairy commodity prices in the UK showed even more marked decreases than EU prices in 2015 due to exchange rate movements. It is projected that commodity prices in the UK remain depressed in 2016 in line with EU prices, prior to showing a modest recovery in the medium term. It is however important to acknowledge the volatility and resulting uncertainty in the dairy sector.



The decline in commodity prices in 2015 had a depressing impact on producer milk prices in the UK in 2015. The negative impact was greater in Northern Ireland compared to Great Britain due to the greater dependence on commodity markets in the former. This resulted in the widening of the gap between NI and GB producer milk prices. It is projected that this gap widens further in 2016, prior to narrowing in subsequent years as commodity markets recover. Nevertheless, the gap does not close completely since commodity prices do not reach pre-2015 levels.

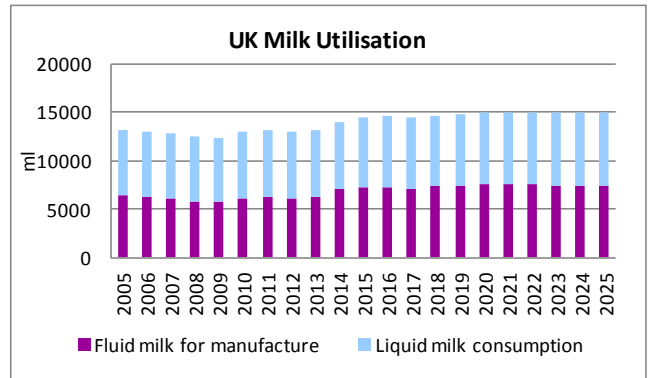


Despite the decline in producer milk prices having a marked downward impact on dairy margins, UK milk production expanded by 3% in 2015 compared to 2014. This partly reflected good grazing conditions, an expansion in dairy cow numbers in preceding years when the market environment was more favourable and a need to generate cash flow from milk prices. As milk prices recover it is projected that UK milk production expands by 3% between 2015 and 2025. The expansion is fairly modest with producer milk prices remaining below 30ppl.



UK Dairy

UK milk for manufacture increased in 2015 as the expansion in total milk production exceeded liquid milk consumption. However, UK milk for manufacture remains fairly stable for the remainder of the projection period, with the growth in liquid milk consumption – reflecting the underlying projected growth in UK population – offsetting the modest increase in milk production. Note that at the individual country level, more milk is available for manufacture in Scotland and Northern Ireland as the projected growth in population is less marked in these countries compared to England.

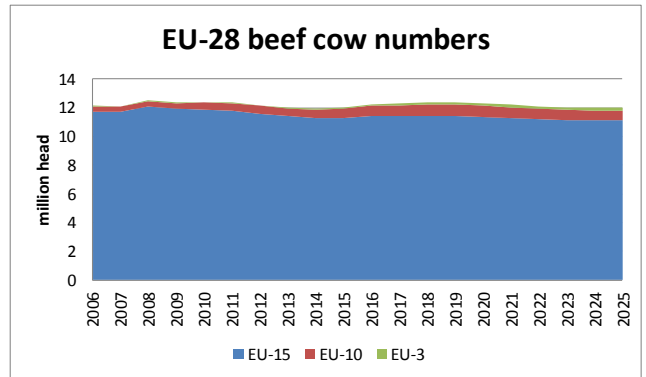


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	thousand heads														
Dairy cows	1,783	1,786	1,817	1,883	1,918	1,926	1,886	1,894	1,899	1,895	1,887	1,876	1,864	1,852	1,841
	ml														
Milk Production	13,672	13,451	13,541	14,656	15,048	15,136	15,080	15,266	15,413	15,486	15,522	15,530	15,529	15,526	15,525
	thousand tonnes														
Cheese															
Production	395	397	388	429	434	444	445	455	464	468	468	466	463	461	458
Domestic use	685	715	731	751	771	773	775	777	780	786	792	799	807	813	819
Net export	-290	-319	-343	-335	-338	-329	-323	-321	-316	-318	-325	-333	-343	-352	-361
	ppl, £/100kg														
Butter															
Production	130	145	145	139	131	131	128	130	132	133	133	133	133	133	133
Domestic use	194	211	206	185	191	190	195	193	193	194	195	196	198	199	200
Net export	-64	-66	-61	-44	-59	-59	-67	-63	-61	-62	-62	-63	-64	-65	-67
Prices															
Farm gate milk (EN)	27.3	28.5	31.7	31.9	25.1	23.9	24.0	24.9	25.7	26.2	26.5	26.5	26.5	26.5	26.6
Cheese	292.0	290.6	325.2	293.0	225.6	234.3	244.2	255.0	261.4	264.3	265.0	264.9	265.1	265.4	266.4
Butter	345.9	256.6	342.1	274.0	219.2	225.4	214.9	224.6	228.9	229.8	232.4	232.0	231.8	231.4	230.5
SMP	224.4	210.9	278.9	226.7	140.6	135.5	160.2	173.5	178.8	179.3	178.1	176.3	174.0	172.2	171.6
WMP	282.9	253.5	340.0	283.6	200.2	198.0	212.3	225.0	229.9	230.4	228.4	226.1	223.9	221.7	220.9

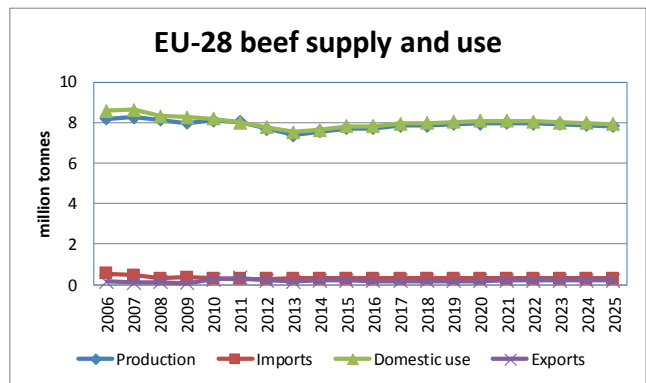
Livestock Sector

EU-28 Cattle and Beef

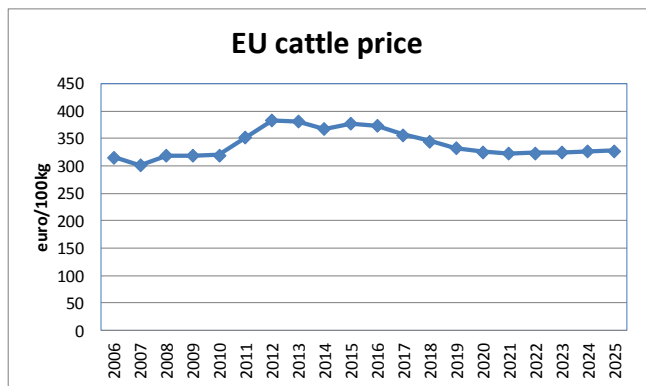
High feed prices from 2012-2014 contributed to strong beef markets. As feed prices have fallen this has put pressure on meat prices, particularly in the U.S. where meat output has expanded rapidly. In the EU beef cow numbers are projected to be stable in the near term with a slight fall in the latter part of the projection period as beef prices fall as a result of increased beef from the dairy herd and the strong euro.



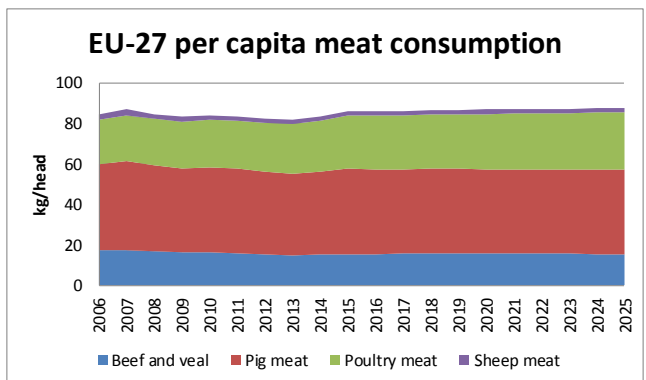
The latest CAP reforms included the option for countries to recouple their payments. Many countries have chosen to use these payments to support beef cows, especially in marginal areas and this is likely to support numbers, although it is not clear in many cases how these schemes will operate in practice.



Increasing incomes in the EU has a positive impact on beef consumption, but an aging population is likely to have the opposite impact. Combined with the increase in beef availability, the aging population results in a reduction in prices over the production period.



Trade in beef remains a small part of the overall market.

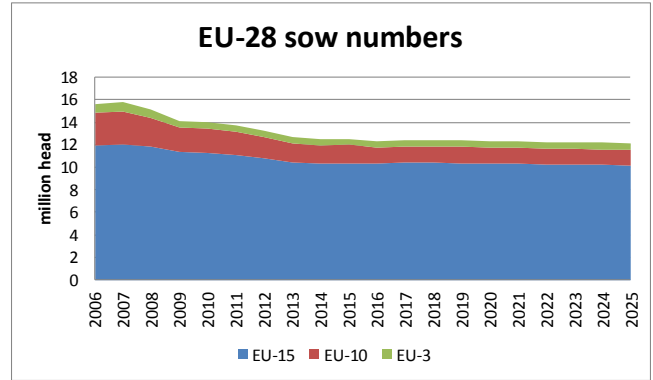


EU-28 Cattle and Beef

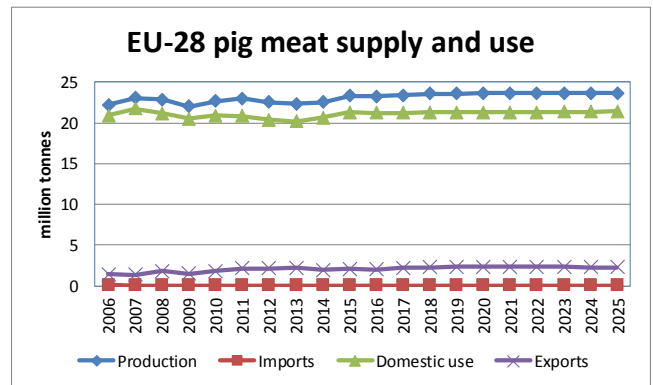
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Cattle	million head										
Beginning inventories	88.4	89.1	90.4	91.2	91.9	92.2	92.2	92.0	91.5	91.1	90.6
Dairy cows	23.6	23.7	23.4	23.2	23.2	23.0	22.8	22.6	22.3	22.1	21.9
EU-15	18.2	17.4	18.2	18.1	18.1	18.0	17.9	17.7	17.6	17.4	17.2
EU-10	3.7	3.6	3.6	3.5	3.5	3.4	3.3	3.2	3.2	3.1	3.0
EU-3	1.6	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Suckler cows	12.0	12.2	12.3	12.4	12.4	12.3	12.2	12.1	12.0	12.0	12.0
EU-15	11.3	11.4	11.4	11.4	11.4	11.3	11.3	11.2	11.1	11.1	11.1
EU-10	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7
EU-3	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Cattle slaughter	26.8	26.9	27.5	27.5	27.8	27.9	28.0	27.9	27.7	27.5	27.4
Slaughter weight	288.1	286.5	285.0	285.3	284.9	285.0	285.0	285.3	285.4	285.8	285.9
Beef and veal	thousand tonnes										
Production	7,719	7,715	7,836	7,858	7,925	7,963	7,979	7,949	7,917	7,870	7,833
Non-EU imports	300	300	300	300	300	300	300	300	300	300	300
Domestic use	7,812	7,829	7,945	7,982	8,043	8,072	8,080	8,048	8,013	7,967	7,927
Non-EU exports	207	185	189	173	179	187	196	199	201	202	204
Stock change	0	1	3	3	3	3	3	2	2	2	2
Beef and veal	kilograms per capita, cwe										
Beef and veal	15.5	15.4	15.6	15.7	15.7	15.8	15.8	15.7	15.6	15.5	15.4
Young cattle R3	euro per 100 kilograms										
Young cattle R3	377.2	373.7	356.8	345.8	333.0	326.3	322.6	323.7	324.8	327.1	328.3

EU-28 Pigs, Pork and Poultry Meat

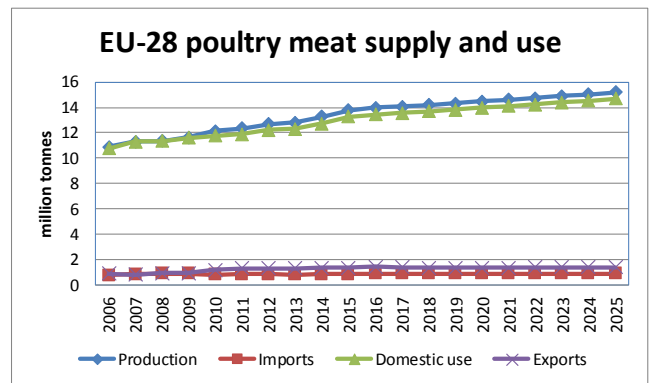
EU-28 sow numbers have fallen significantly over the last decade as the industry restructured and responded to restrictions on production methods and high feed costs. Given the current relatively low feed prices are projected to continue, the drop in sow numbers is projected to stop. Sow numbers level off at around 12 million head over the projection.



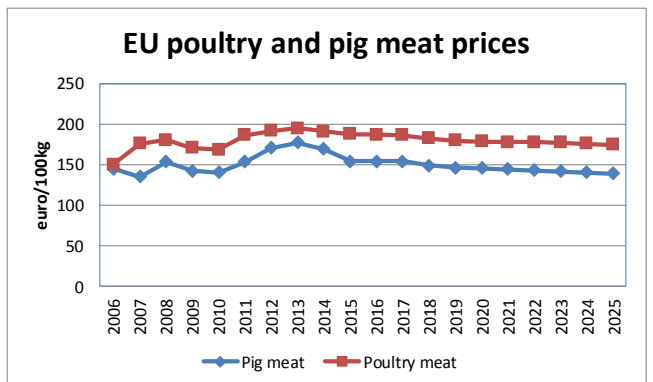
As the sow herd has fallen, productivity has improved. This is projected to continue and pork production rises slowly. Most of this extra pork is consumed in the EU-28 where incomes and population are rising. There is a small increase in exports. The euro is projected to strengthen in the long term, but it is assumed that access to the Russian market resumes. Pig meat prices follow feed prices in the longer term trending downwards slightly.



Poultry meat production is also expected to expand in the EU-28, although at a slower rate than over the last decade. Part of the reason for this is a slow down in the expansion of poultry consumption. A strengthening euro also impacts EU competitiveness.



Poultry prices are projected to fall from their recent high levels although they remain above 170 euro/tonne over the projections.



EU-28 Pigs, Pork and Poultry Meat

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Pigs	million head										
Beginning inventories	148.3	148.9	149.0	150.3	150.6	150.6	150.5	150.5	150.3	150.1	150.0
Sows	12.5	12.3	12.4	12.4	12.4	12.3	12.3	12.3	12.2	12.2	12.2
EU-15	10.4	10.3	10.4	10.4	10.4	10.3	10.3	10.3	10.2	10.2	10.2
EU-10	1.6	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.4
EU-3	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Pig slaughter	262.0	262.0	263.3	264.8	265.2	265.1	265.1	264.9	264.5	264.3	264.2
Slaughter weight	89.1	88.8	88.9	89.0	89.0	89.1	89.2	89.3	89.4	89.5	89.6
Pig meat											
Production	23,354	23,258	23,417	23,567	23,605	23,627	23,643	23,652	23,651	23,660	23,680
Non-EU imports	10	10	10	10	10	10	10	10	10	10	10
Domestic use	21,291	21,259	21,210	21,314	21,306	21,285	21,288	21,312	21,343	21,376	21,404
Non-EU exports	2,074	2,004	2,210	2,249	2,298	2,344	2,358	2,343	2,310	2,287	2,278
Stock change	0	4	7	15	12	8	8	7	8	8	8
Pig meat	kilograms per capita, cwe										
Pig meat	42.1	41.9	41.7	41.8	41.7	41.6	41.6	41.6	41.6	41.6	41.6
Pig meat reference	euro per 100 kilograms										
Pig meat reference	153.8	154.1	154.0	149.1	146.5	145.5	144.4	143.2	141.8	140.3	138.7
Poultry meat											
Production	13,757	13,982	14,051	14,188	14,314	14,466	14,590	14,731	14,885	15,042	15,199
Non-EU imports	852	855	859	862	861	861	861	860	860	860	860
Domestic use	13,258	13,423	13,551	13,706	13,833	13,972	14,094	14,230	14,380	14,533	14,682
Non-EU exports	1,351	1,414	1,359	1,332	1,338	1,350	1,353	1,357	1,360	1,364	1,372
Stock change	0	5	6	7	4	5	4	4	5	5	5
Poultry meat	kilograms per capita, cwe										
Poultry meat	26.2	26.5	26.6	26.9	27.1	27.3	27.5	27.7	28.0	28.3	28.6
Chicken price	euro per 100 kilograms										
Chicken price	187.7	186.7	186.3	182.1	179.5	178.2	178.0	177.7	176.7	175.6	174.6

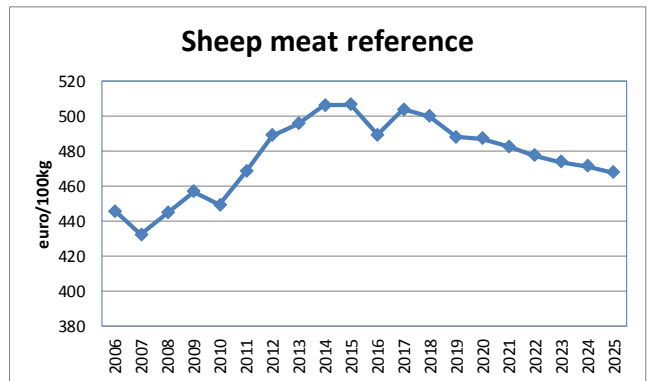
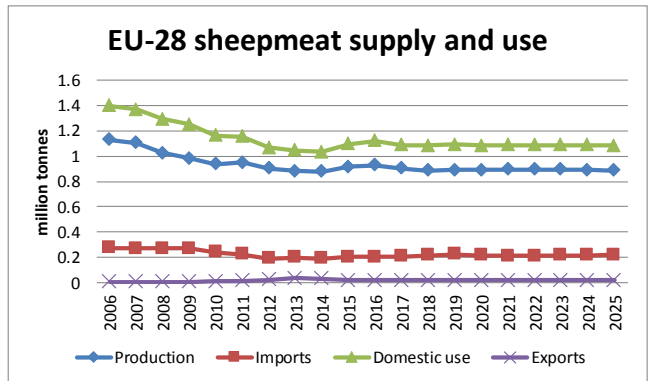
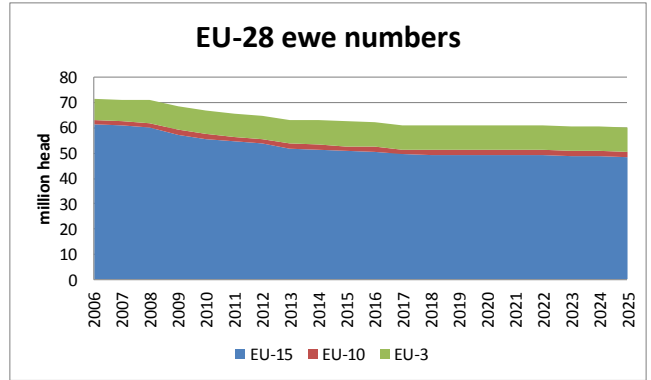
EU-28 Sheep and Sheep Meat

The size of the ewe flock has contracted dramatically over the last decade, with almost all of the adjustment occurring in the EU-15. Some additional ewes in the newest three member states lead to a small increase in the size of the flock in 2015 and 2016. In the longer term ewe numbers continue their downward trend, reaching 60 million by 2025. It is likely that countries will use schemes to recouple payments in the sheep sector and this could keep breeding herd numbers up, especially in marginal areas.

The recent increase in ewe numbers in the short term increases sheepmeat production, and prices adjust to balance the market. In the longer term stagnant demand sees prices falling.

No changes in trade agreements are included in the projections that are presented in this report. For the sheep sector this means that imports are prevented from increasing significantly and the price is determined by the domestic market.

In practice over this projection period there could be new trade agreements that are negotiated that could have significant impacts on markets beyond that which is shown here.



EU-28 Sheep and Sheep Meat

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sheep	million head										
Beginning inventories	85.2	87.1	86.3	85.5	85.4	85.3	85.3	85.1	84.7	84.3	83.9
Ewes	62.6	62.4	61.2	60.9	61.0	61.0	61.0	60.9	60.6	60.4	60.2
EU-15	50.9	50.6	49.5	49.3	49.3	49.3	49.4	49.2	49.0	48.8	48.6
EU-10	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	2.0	2.0	2.0
EU-3	9.8	9.9	9.8	9.8	9.8	9.7	9.7	9.7	9.7	9.6	9.6
Sheep slaughter	54.0	54.5	53.3	52.4	52.4	52.3	52.5	52.6	52.3	52.0	51.8
	kilograms per head										
Slaughter weight	17.0	17.1	16.9	16.9	17.0	17.0	17.0	17.0	17.1	17.1	17.1
Sheep meat											
Production	915	929	902	887	888	888	895	896	894	889	886
Non-EU imports	202	201	207	216	223	217	211	213	215	217	219
Domestic use	1,097	1,120	1,088	1,083	1,092	1,085	1,086	1,089	1,088	1,086	1,085
Non-EU exports	20	20	20	20	20	20	20	20	20	20	20
Stock change	0	0	0	0	0	0	0	0	0	0	0
	kilograms per capita, cwe										
Sheep meat	2.17	2.21	2.14	2.12	2.14	2.12	2.12	2.12	2.12	2.11	2.11
	euro per 100 kilograms										
Sheep meat price	506.7	489.5	504.0	500.1	488.2	487.2	482.9	477.6	474.0	471.6	467.8

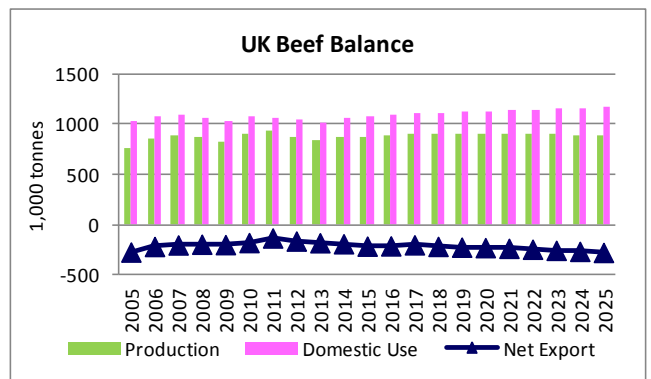
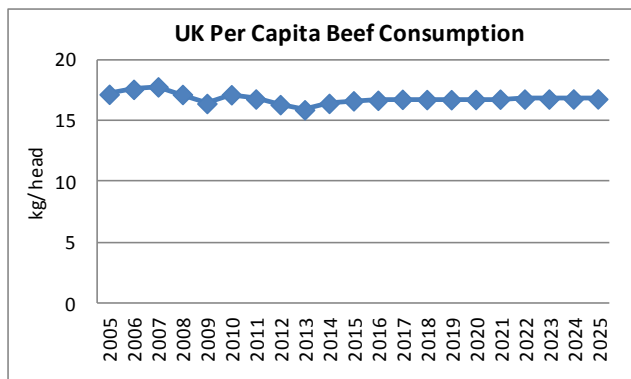
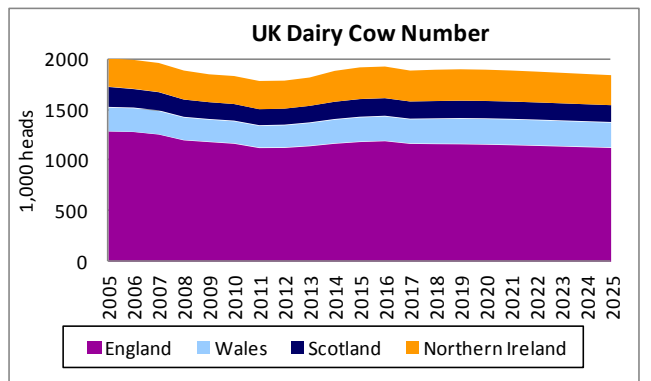
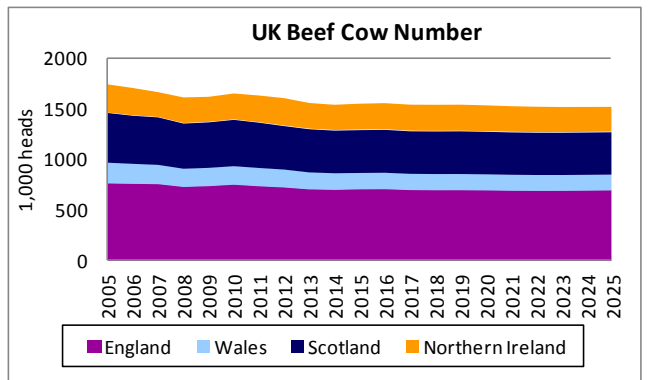
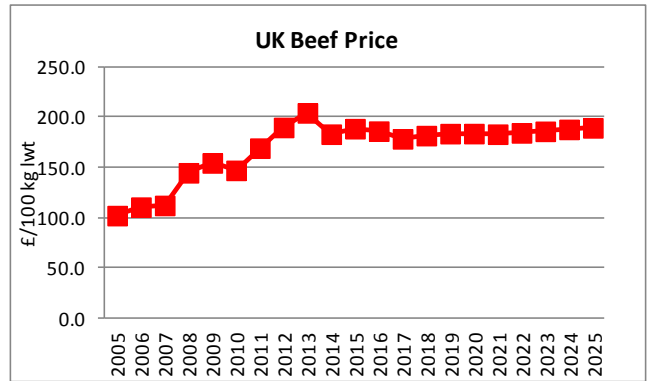
UK Cattle and Beef

Despite the strengthening of the UK pound against the Euro, the UK beef price increased slightly in 2015. It is projected that the UK beef price decreases slightly in the near term in line with EU prices, but increases relatively to EU prices from 2018 as the UK pound weakens against the euro.

UK beef and dairy cow numbers increased slightly in 2015 (1% and 2% respectively). However, both cow herds decrease in the projection period. Beef margins remain low resulting in a 2% decrease in beef cow numbers between 2015 and 2025, while dairy cow numbers decline by 4% over the same period in response to an increase in milk yield (7% between 2015 and 2025).

UK beef production exhibits a small increase in the near term in response to recent increases the total cow numbers. However, production declines in the latter part of the projection period as over time the decline in cow numbers has a downward impact on slaughterings.

Per capita beef consumption remains fairly stable during the projection period. Nonetheless, the projected increase in population leads to an increase in total beef consumption (increases by 8% between 2015 and 2025). As a result, it is projected that the gap between consumption and production widens and net exports decline.

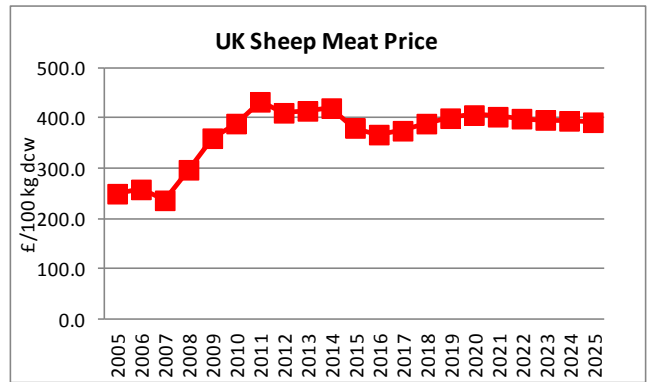


UK Cattle and Beef

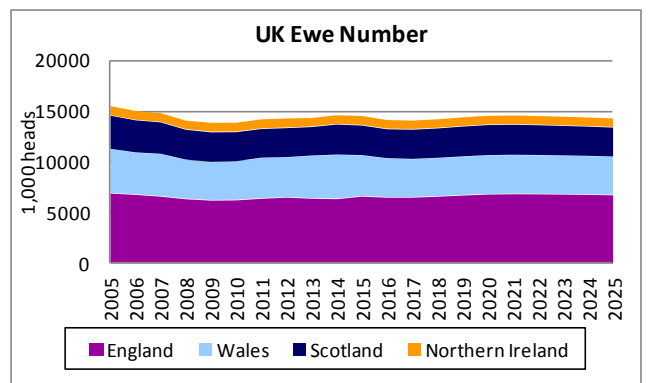
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Cattle															
Suckler cows	thousand heads														
England	730	718	699	695	700	701	693	691	691	689	686	685	685	687	689
Wales	181	177	168	164	162	162	160	160	160	159	157	157	156	156	156
Scotland	450	431	429	423	425	426	422	423	424	422	421	420	419	420	420
Northern Ireland	269	276	258	254	260	262	262	262	262	260	257	255	253	251	249
Dairy Cows	thousand heads														
England	1,122	1,123	1,139	1,164	1,181	1,189	1,163	1,161	1,159	1,155	1,150	1,143	1,137	1,130	1,123
Wales	218	222	229	238	244	246	243	249	253	254	254	253	252	250	249
Scotland	162	163	167	174	178	177	174	175	175	175	174	173	172	171	170
Northern Ireland	281	278	282	306	314	314	307	311	312	310	308	306	303	301	298
Total Cattle	9,687	9,749	9,682	9,693	9,783	9,858	9,858	9,852	9,855	9,849	9,827	9,795	9,759	9,724	9,691
Beef and veal															
Production	thousand tonnes														
Domestic use	931	877	840	871	869	883	906	897	896	899	901	900	897	893	889
Net export	1,062	1,040	1,019	1,061	1,083	1,094	1,107	1,113	1,120	1,128	1,137	1,144	1,152	1,159	1,166
	-132	-163	-180	-190	-214	-211	-201	-217	-224	-229	-236	-245	-256	-266	-277
Price (€N)	€/100kg, liveweight														
	169	190	204	183	189	186	179	182	184	184	183	185	186	188	190

UK Sheep and Sheep Meat

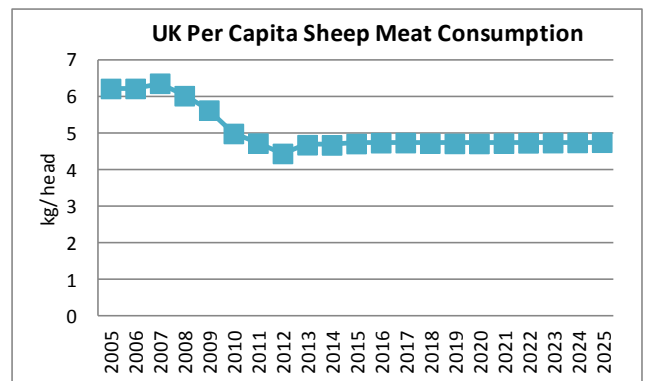
The euro-sterling exchange rate had a downward impact on the UK sheepmeat price in 2015. It is projected that the UK sheepmeat prices remains depressed in the near term, prior to increasing in the medium term as sterling weakens against the euro. In the latter part of the projection period, UK sheepmeat prices fall slightly, following the trend of EU sheepmeat prices.



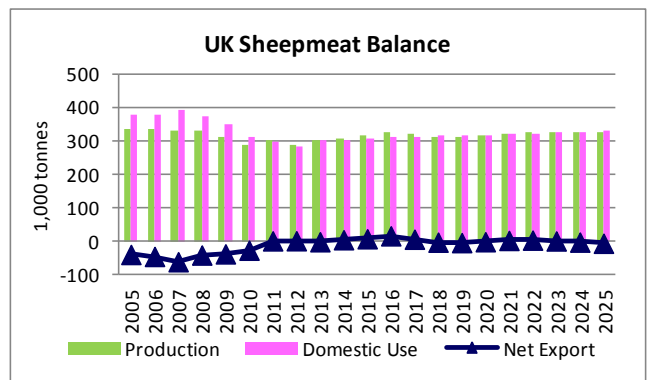
In line with the changes in sheepmeat prices, ewe numbers in the UK are projected to decrease in the near term, prior to gradually recovering from 2018. Overall, projected ewe numbers are 2% lower in 2025 compared to 2015.



Sheepmeat production increased in 2015 compared to 2014, partly due to the carryover of lambs from the previous year. It is projected that production increases further in 2016, with an improvement in lamb productivity and an increase in culled slaughterings, which had been lower than normal in recent years. During the remainder of the projection period sheepmeat production follows a similar trajectory to ewe numbers.



Per capita consumption increased slightly in 2015 in response to the lower sheepmeat price. It is projected that per capita sheepmeat consumption remains reasonably stable over the projection period, but total UK sheepmeat consumption rises due to the increase in underlying population. Projected net exports remain fairly flat during the projection period.



UK Sheep and Sheep Meat

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sheep															
Ewes	thousand heads														
England	6,384	6,501	6,393	6,346	6,599	6,494	6,495	6,589	6,702	6,801	6,833	6,823	6,799	6,771	6,731
Wales	3,988	3,923	4,197	4,342	4,034	3,827	3,753	3,765	3,799	3,830	3,834	3,820	3,803	3,784	3,759
Scotland	2,900	2,939	2,882	3,039	2,995	2,927	2,957	2,978	3,018	3,044	3,039	3,015	2,989	2,963	2,929
Northern Ireland	927	922	865	890	918	877	864	868	877	884	885	882	878	874	868
Total sheep	22,007	23,029	22,027	22,687	22,759	22,513	22,283	22,413	22,697	22,968	23,079	23,040	22,939	22,822	22,669
Sheep meat															
	thousand tonnes														
Production	301	286	300	307	315	327	319	312	312	317	323	327	327	325	324
Domestic use	299	283	300	302	307	311	313	314	316	318	320	323	325	327	330
Net export	2	2	-1	5	8	17	7	-2	-4	-1	3	4	1	-2	-6
	£/100kg, deadweight														
Price (GB)	433	411	415	420	381	368	375	390	400	407	403	399	397	395	392

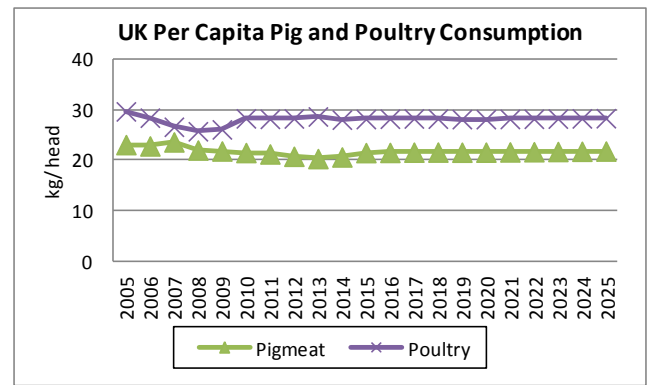
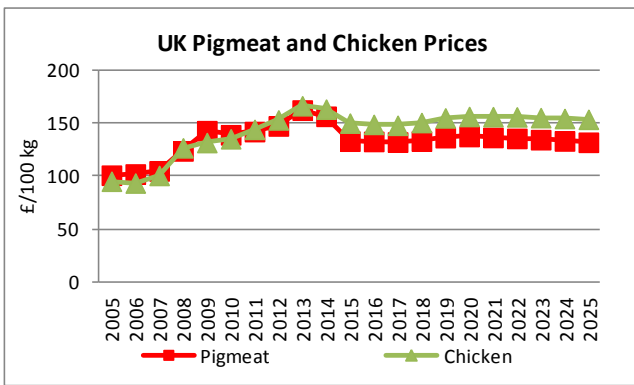
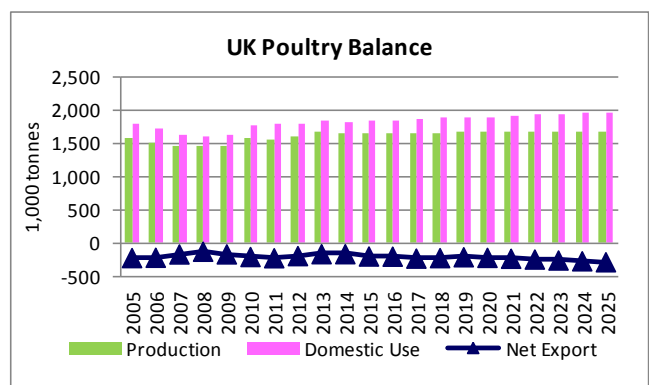
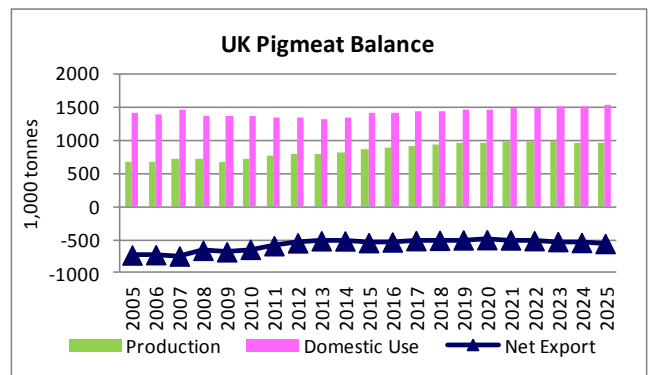
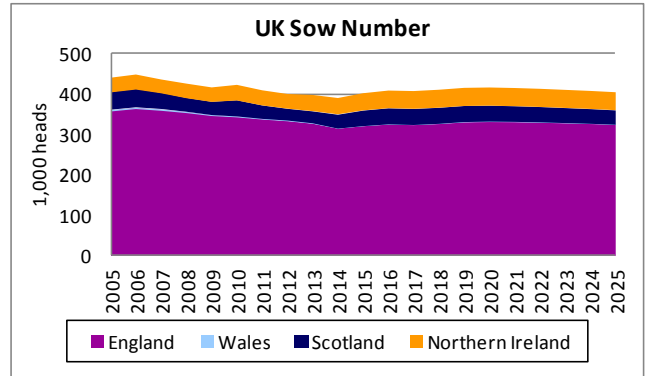
UK Pigs, Pork and Poultry Meat

The UK pigmeat price fell markedly in 2015 (minus 15% compared to 2014). Again, the price decline in the UK was exacerbated by exchange rate movements. While the EU price remains flat, it is projected that the UK price exhibits a small increase in the medium term due to the UK pound weakening against the euro. Projected input costs also increase in the medium term and thus the increase in sow numbers over the entire projection period is small.

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. Overall, the UK poultry price increases by 2% between 2015 and 2025. There is a corresponding similar increase in UK poultry production over the same period.

Per capita pigmeat consumption increased in 2015 in response to the significant decline in own price. It is projected that per capita pigmeat and poultry consumption remains stable for the remainder of the projection period. Nevertheless, 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.



UK Pigs, Pork and Poultry Meat

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Pigs															
Sows	thousand heads														
England	337	332	326	313	319	323	322	325	329	330	330	328	327	325	323
Wales	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Scotland	32	28	28	33	37	38	38	38	38	38	37	37	36	35	34
Northern Ireland	38	37	41	41	43	44	44	45	45	46	46	45	45	45	45
Pig meat															
Production	759	781	791	820	861	883	916	932	946	960	968	969	968	965	962
Domestic Use	1,347	1,327	1,306	1,337	1,403	1,416	1,429	1,440	1,448	1,458	1,470	1,482	1,495	1,506	1,518
Net Export	-589	-546	-515	-517	-543	-533	-513	-508	-502	-498	-503	-513	-527	-541	-556
Pig meat Price	142	147	162	156	133	133	132	133	136	137	136	136	134	133	132
Poultry meat															
	thousand tonnes														
Production	1,559	1,609	1,662	1,648	1,644	1,650	1,638	1,653	1,672	1,676	1,678	1,680	1,682	1,683	1,683
Domestic use	1,784	1,802	1,838	1,812	1,834	1,851	1,867	1,878	1,885	1,897	1,911	1,925	1,940	1,954	1,968
Net export	-225	-193	-164	-164	-199	-202	-231	-223	-210	-220	-233	-244	-259	-271	-286
£/100kg															
Chicken Price	193	184	196	178	160	159	158	161	167	169	169	168	167	166	165