

# 2012

## 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. 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 any policy that may be introduced in the future, such as the upcoming reform of the Common Agricultural Policy (CAP), or the outcome of potential trade agreements.

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 regional and country break outs. In this publication EU-27 aggregations are presented on the whole. In some tables or graphics projections are disaggregated in EU-15, NMS-10 and NMS-2 where:

EU-15: Belgium, Denmark, Germany, Ireland, Greece, Spain, France, Italy, Luxembourg, Netherlands, Austria, Portugal, Finland, Sweden, UK.

NMS-10: Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia, Slovakia.

NMS-2: Bulgaria, Romania.

## **The 2012 Baseline**

This Baseline was simulated in Autumn 2012 using data that was available at that time. Macroeconomic projections are from IHS Global Insight from October. Historical data for biofuels is from *Strategie Grains*. Agricultural sector data is taken from EUROSTAT, European Commission, *Strategie Grains*, *COCERAL*, and the USDA's PS and D database.

The world prices that are used here are generated from the results of the FAPRI-MU August Baseline Update of the U.S. (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

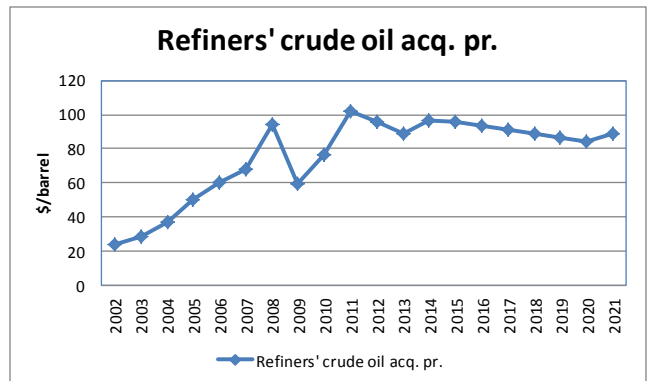
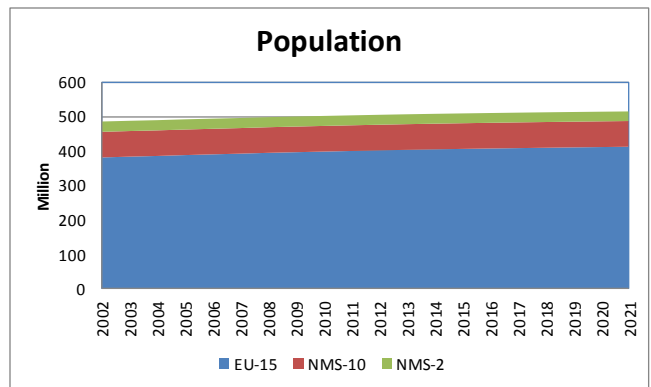
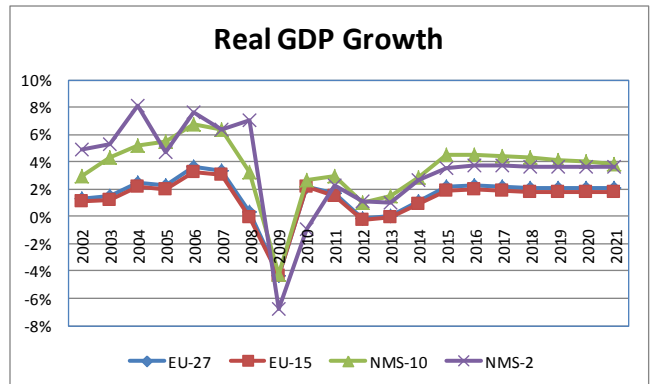
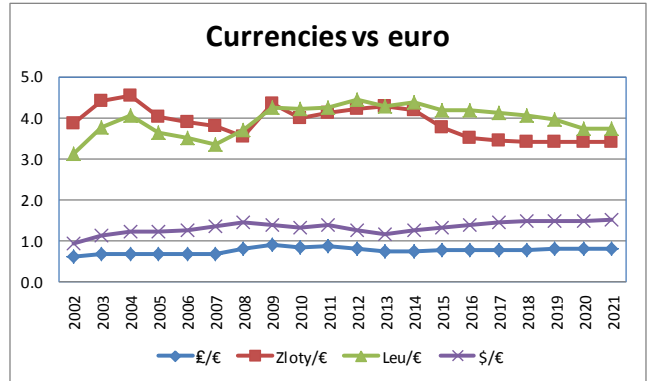
The macroeconomic projections used here are from IHS Global Insight. They are independent of the agricultural sector projections in the Baseline.

The most important macroeconomic variable for the agricultural outlook is the \$/euro exchange rate. The rate is projected at 1.27 \$/euro for 2012, the euro weakens in the short run before strengthening and ending the period at 1.50 \$/euro. At the same time it is projected that the UK pound strengthens against the euro over the projection period and thus prices quoted in euros will be lower when expressed in Sterling. 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.

The short run macroeconomic outlook for the EU is highly uncertain. Here, low levels of growth for the EU-27 in 2011 and 2012 are followed by a brief downturn. It takes until 2015 for EU 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 10 million people from 2011 to 2021. Almost all of this increase comes from the EU-15, with the UK projected to grow significantly (+8%).

As the biofuels industry has expanded the oil price has become increasingly important as a driver of agricultural markets. In these projections the oil price ranges between \$85 and \$97.

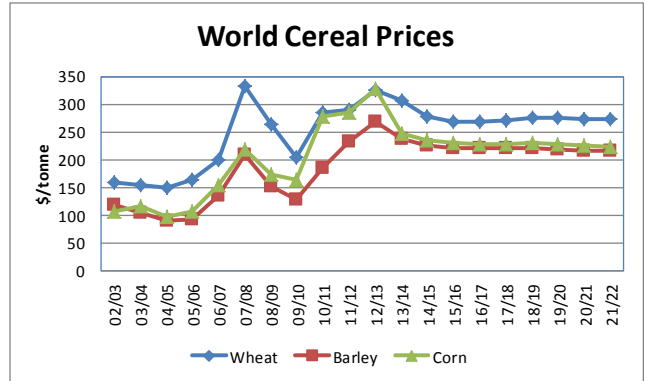


# Macroeconomic Assumptions

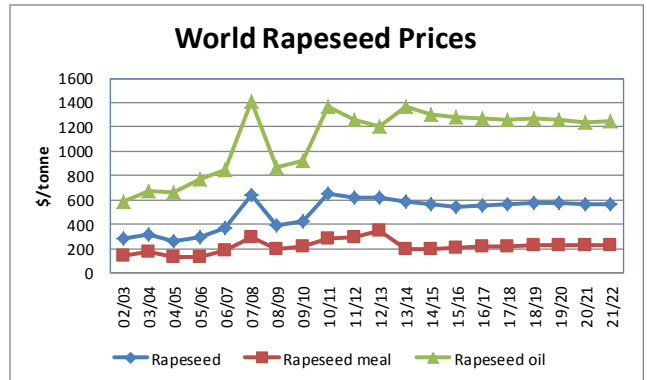
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Real GDP Growth</b>											
EU-27	1.67%	-0.15%	0.07%	1.10%	2.19%	2.26%	2.17%	2.10%	2.09%	2.07%	2.07%
France	1.70%	0.00%	-1.00%	0.54%	1.86%	2.47%	2.10%	1.88%	1.84%	1.82%	1.80%
Germany	3.10%	0.90%	0.70%	1.27%	1.61%	1.63%	1.62%	1.55%	1.63%	1.58%	1.61%
Italy	0.54%	-2.27%	-1.24%	0.00%	1.62%	1.52%	1.31%	1.32%	1.31%	1.31%	1.30%
UK	0.76%	-0.50%	0.90%	1.41%	2.62%	2.47%	2.37%	2.29%	2.25%	2.28%	2.26%
Poland	4.32%	2.12%	1.89%	2.92%	5.47%	4.84%	4.64%	4.51%	4.35%	4.29%	4.12%
Hungary	1.65%	-1.80%	-0.27%	1.44%	2.81%	3.07%	3.53%	3.51%	3.47%	3.59%	3.64%
<b>Inflation (GDP Deflator)</b>											
EU-27	1.65%	1.63%	1.73%	2.05%	2.09%	2.08%	2.06%	2.00%	1.96%	1.95%	1.91%
France	1.35%	1.48%	1.59%	1.63%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%
Germany	0.81%	1.36%	1.43%	1.33%	1.51%	1.51%	1.51%	1.51%	1.51%	1.51%	1.51%
Italy	1.30%	1.14%	0.65%	1.13%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%
UK	2.60%	2.56%	2.29%	2.38%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Poland	3.18%	1.90%	2.30%	3.33%	2.40%	2.19%	2.05%	1.88%	1.94%	2.01%	2.34%
Hungary	3.28%	4.81%	2.96%	3.61%	3.19%	3.58%	3.48%	3.37%	3.08%	2.86%	2.80%
<b>Exchange Rate</b>											
\$/euro	1.39	1.27	1.16	1.25	1.34	1.40	1.45	1.48	1.49	1.50	1.50
UK pounds/euro	0.87	0.81	0.75	0.75	0.77	0.78	0.78	0.79	0.80	0.80	0.80
Zloty/euro	4.12	4.21	4.27	4.18	3.77	3.51	3.44	3.43	3.42	3.41	3.41
Florint/euro	280	290	304	315	321	324	327	330	334	337	340
<b>Population</b>											
	million										
EU-27	502.8	504.5	506.0	507.3	508.5	509.6	510.7	511.7	512.6	513.5	514.3
EU-15	399.5	401.3	402.8	404.2	405.5	406.7	407.8	408.9	409.9	410.8	411.8
France	63.3	63.6	63.9	64.3	64.6	64.9	65.2	65.5	65.8	66.0	66.3
Germany	81.8	81.9	82.0	82.0	81.9	81.8	81.7	81.6	81.4	81.3	81.2
Italy	60.8	61.0	61.1	61.2	61.2	61.3	61.3	61.3	61.3	61.3	61.3
UK	62.7	63.2	63.8	64.3	64.8	65.3	65.8	66.2	66.7	67.2	67.6
NMS-10	74.4	74.4	74.4	74.5	74.5	74.5	74.6	74.6	74.6	74.6	74.6
Poland	38.3	38.3	38.3	38.3	38.4	38.4	38.4	38.4	38.4	38.4	38.4
Hungary	10.0	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.8	9.8	9.8
NMS-2	28.9	28.8	28.7	28.6	28.5	28.4	28.3	28.2	28.1	28.0	27.9
	US dollars per barrel										
Refiners' crude oil acq. pr.	101.8	96.0	88.6	96.6	95.7	93.6	91.3	89.1	86.9	84.6	89.2

# World Commodity Prices

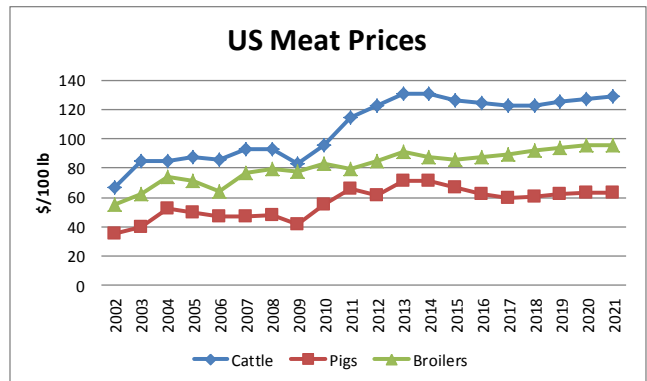
World cereal prices have been pushed to record levels mostly as a result of the drought in the mid-west of America. A return to normal weather patterns, plus an increase in global cereal area in response to these prices is expected to push down prices in the 2013/14 crop year. Maize prices are expected to fall relative to the other cereals as yields recover.



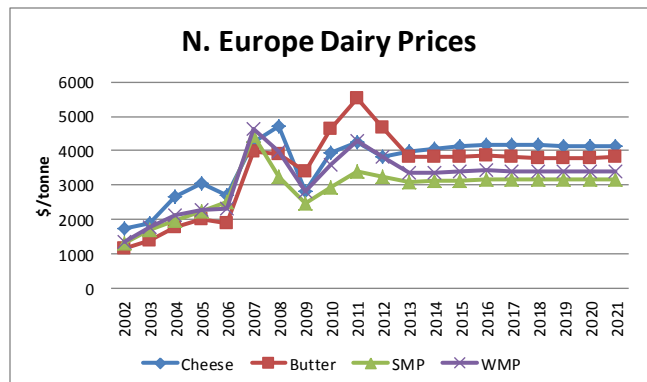
Oilseed meal prices have risen with cereal prices and have pushed up oilseed prices. Meal prices are projected to fall, bringing down oilseed prices in the 2013/14 crop year. Vegetable oil prices are expected to stay high due to demands from biodiesel. The net effect is that oilseed prices fall, with a greater fall for those with a higher meal content (soybeans).



The very high feed prices (often exacerbated by bad weather) have impacted the livestock sector around the world. In the short run some meat prices have fallen as herds are liquidated, but the impact of the high prices is likely to be felt with prices increasing in the coming years. Poultry and pork can react faster to the higher output prices and lower feed prices projected here and there prices fall back. In the longer run growing populations and increasing incomes support meat prices.



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. Dairy prices are projected to 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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>World prices in dollars</b>											
	U.S. dollars per tonne										
HRW wheat, U.S. Gulf	290.0	325.6	305.4	277.2	267.5	268.0	269.6	274.9	274.9	273.0	272.3
Barley, Canadian feed	232.9	267.7	238.2	226.0	220.6	220.0	219.8	221.1	218.2	215.8	215.7
Maize, U.S. Gulf	284.0	326.7	247.8	235.2	229.5	228.9	228.7	230.0	226.9	224.5	224.4
Rapeseed, Hamburg	618.0	622.4	591.2	565.8	546.9	553.7	560.7	572.4	573.4	570.0	570.1
Rape meal, Hamburg	294.5	345.0	201.3	200.2	208.5	215.0	220.2	227.1	229.5	230.4	229.7
Rape oil, Hamburg	1,262	1,200	1,372	1,303	1,282	1,269	1,263	1,266	1,257	1,240	1,254
Sun seed, Lower Rhine	592.2	630.0	576.8	552.0	533.6	540.2	547.0	558.5	559.4	556.1	556.2
Sun meal, Rotterdam	255.8	307.5	174.9	173.9	181.1	186.8	191.3	197.3	199.3	200.1	199.6
Sun oil, NW Europe	1,255	1,260	1,365	1,296	1,276	1,262	1,256	1,259	1,251	1,233	1,247
Soybeans, Rotterdam	565.5	582.4	491.8	482.7	491.2	497.2	503.6	514.1	514.9	511.9	512.0
Soy meal, Rotterdam	478.0	539.1	363.0	361.1	376.1	387.8	397.2	409.6	413.8	415.5	414.3
Soy oil, Rotterdam	1,246	1,125	1,355	1,287	1,266	1,253	1,247	1,250	1,241	1,224	1,238
Sugar, Caribbean	506.4	423.8	430.5	413.5	388.4	387.5	396.0	398.2	391.8	389.6	403.2
	U.S. dollars per 100 pounds										
Steers, Nebraska	114.7	122.4	130.9	131.0	126.4	124.3	122.7	122.4	125.0	127.0	128.9
Hogs, U.S. 51-52% lean	66.1	61.2	71.0	71.1	67.0	62.1	59.9	60.5	62.2	63.0	63.2
Broilers, U.S. 12-city	79.0	85.2	91.5	87.3	85.8	87.6	89.6	91.8	94.1	95.2	95.9
Lamb, Australian saleyard	224.5	223.1	239.1	235.8	227.5	223.3	221.9	223.9	229.2	232.5	234.7
	U.S. dollars per tonne										
Cheese, FOB N. Europe	4,253	3,810	3,997	4,070	4,129	4,178	4,161	4,154	4,144	4,137	4,147
Butter, FOB N. Europe	5,521	4,675	3,828	3,820	3,815	3,849	3,820	3,797	3,788	3,781	3,807
SMP, FOB N. Europe	3,407	3,243	3,079	3,123	3,151	3,176	3,167	3,167	3,162	3,156	3,155
WMP, FOB N. Europe	4,275	3,813	3,351	3,367	3,397	3,425	3,415	3,415	3,409	3,403	3,402
	U.S. dollars per gallon										
Ethanol, Brazil anhydrous	2.92	2.32	2.59	2.56	2.43	2.37	2.42	2.45	2.42	2.40	2.46
Biodiesel, US	4.81	4.60	5.07	4.86	4.80	4.77	4.78	4.82	4.82	4.80	4.90
<b>World prices in euro</b>											
	euro per tonne										
HRW wheat, U.S. Gulf	208.6	255.5	262.7	221.8	199.6	191.4	185.9	185.6	184.1	182.3	181.3
CWAD durum, Canada	354.2	347.1	356.9	301.4	271.3	260.1	252.6	252.2	250.2	247.7	246.3
Barley, U.S. Portland	167.5	210.0	204.9	180.9	164.7	157.2	151.6	149.3	146.1	144.1	143.6
Maize, U.S. Gulf	204.3	256.3	213.2	188.2	171.3	163.5	157.7	155.3	152.0	149.9	149.4
Rapeseed, Hamburg	444.5	488.3	508.5	452.7	408.2	395.5	386.7	386.4	384.0	380.6	379.6
Rape meal, Hamburg	211.8	270.6	173.1	160.2	155.6	153.6	151.9	153.3	153.7	153.8	153.0
Rape oil, Hamburg	907.4	941.4	1,179.8	1,042.7	957.1	906.4	871.1	854.7	842.1	827.8	834.7
Sun seed, Lower Rhine	425.9	494.2	496.1	441.7	398.3	385.9	377.3	377.0	374.7	371.3	370.3
Sun meal, Rotterdam	184.0	241.3	150.4	139.2	135.2	133.4	132.0	133.2	133.5	133.6	132.9
Sun oil, NW Europe	902.6	988.5	1,173.6	1,037.2	952.1	901.6	866.5	850.2	837.6	823.4	830.3
Soybeans, Rotterdam	406.7	456.9	423.0	386.3	366.6	355.2	347.3	347.1	344.9	341.8	340.9
Soy meal, Rotterdam	343.8	422.9	312.2	289.0	280.7	277.0	273.9	276.5	277.2	277.4	275.8
Soy oil, Rotterdam	896.0	882.9	1,165.0	1,029.6	945.1	895.0	860.2	844.0	831.5	817.4	824.2
	euro per 100 kg										
Steers, Nebraska	181.9	211.7	248.1	231.1	208.1	195.7	186.6	182.1	184.5	187.0	189.2
Hogs, U.S. 51-52% lean	104.8	105.8	134.6	125.4	110.2	97.8	91.1	90.1	91.8	92.8	92.7
Broilers, U.S. 12-city	125.3	147.4	173.5	154.0	141.2	138.0	136.3	136.6	138.9	140.1	140.8
Cheese, FOB N. Europe	305.9	298.9	343.8	325.7	308.2	298.5	287.0	280.4	277.6	276.3	276.1
Butter, FOB N. Europe	397.1	366.7	329.2	305.6	284.7	274.9	263.5	256.3	253.7	252.4	253.5
SMP, FOB N. Europe	245.0	254.4	264.8	249.9	235.2	226.9	218.5	213.8	211.8	210.7	210.1
WMP, FOB N. Europe	307.5	299.1	288.2	269.4	253.6	244.7	235.5	230.5	228.3	227.2	226.5

# Biofuels – EU-27

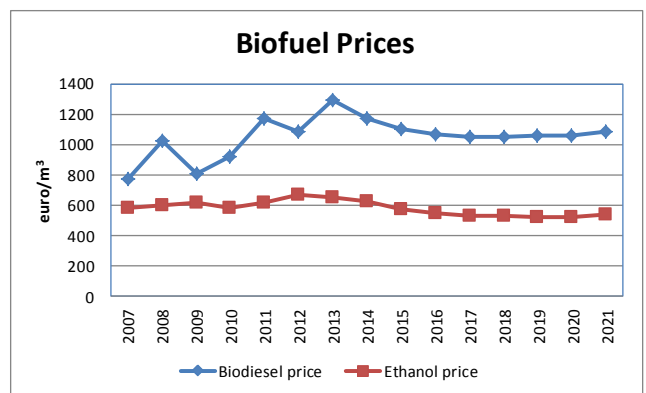
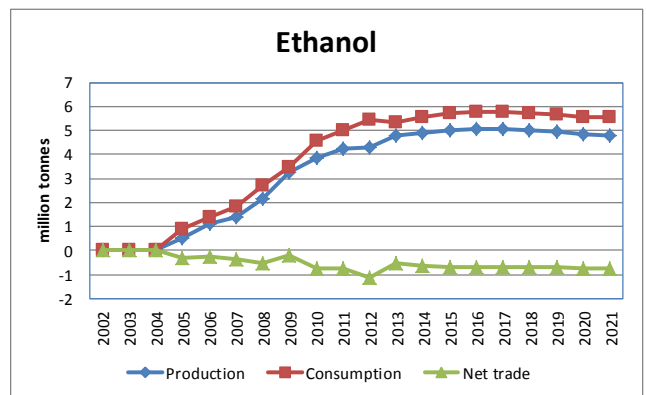
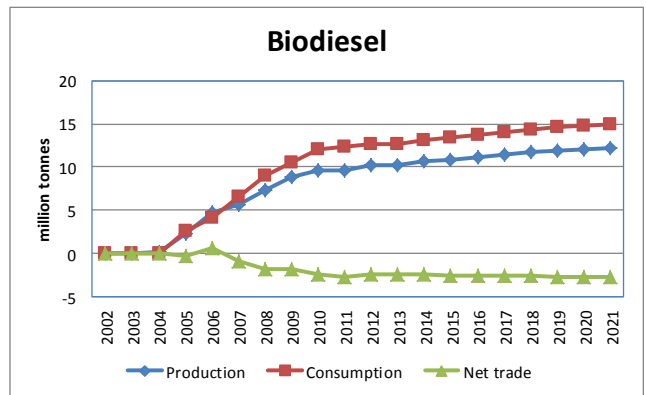
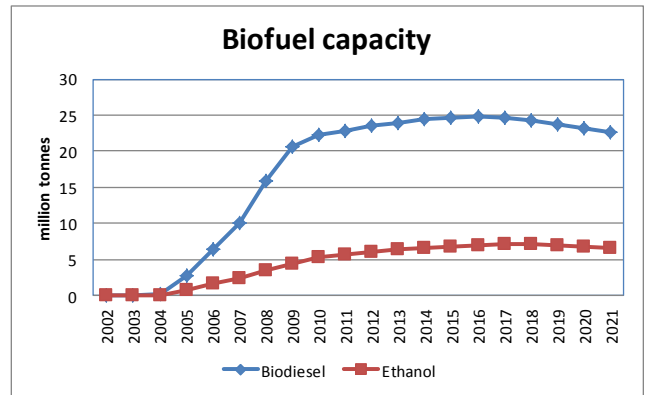
In 2012 the EU biofuels market has stagnated after nearly a decade of growth. High raw material prices depressed margins for producers. There is also uncertainty regarding the future of policy, especially in relation to “first generation” biofuels. In this climate there is projected to be little additional 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 around 5.5 percent of total consumption.

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

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, but scenarios will be undertaken in 2013 to show the impact of different policy assumptions.

Biofuel prices themselves are largely expected to track raw material prices, which are projected to fall from their current peaks.



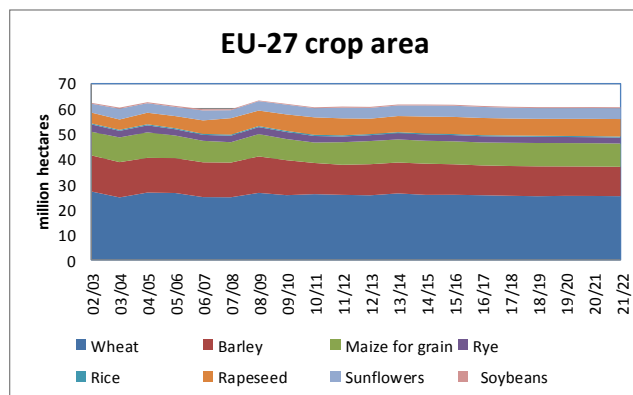
# Biofuels – EU-27

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Biodiesel</b>											
	thousand tonnes										
Production	9,613	10,257	10,268	10,623	10,873	11,152	11,424	11,684	11,948	12,059	12,245
Capacity	22,897	23,604	23,990	24,509	24,719	24,758	24,643	24,268	23,693	23,098	22,551
Utilization	42%	43%	43%	43%	44%	45%	46%	48%	50%	52%	54%
Consumption	12,348	12,686	12,605	13,037	13,348	13,674	13,983	14,276	14,584	14,728	14,919
Net trade	-2,735	-2,430	-2,337	-2,414	-2,475	-2,522	-2,559	-2,592	-2,635	-2,670	-2,674
	euro/m3										
Biodiesel price	1,169	1,085	1,291	1,174	1,105	1,070	1,050	1,050	1,059	1,062	1,087
<b>Bioethanol</b>											
	thousand tonnes										
Production	4,234	4,314	4,786	4,898	4,986	5,041	5,063	5,021	4,951	4,834	4,779
Capacity	5,609	6,067	6,436	6,568	6,756	6,965	7,085	7,070	6,944	6,757	6,574
Utilization	75%	71%	74%	75%	74%	72%	71%	71%	71%	72%	73%
Consumption	5,009	5,448	5,343	5,546	5,692	5,757	5,745	5,698	5,671	5,575	5,550
Net trade	-775	-1,134	-557	-648	-706	-717	-681	-677	-720	-741	-770
	euro/m3										
Ethanol price	621	669	651	623	573	544	531	527	526	524	539
	million tonnes, oil equivalent										
Total transport fuel use	296.8	296.1	295.1	295.4	297.3	299.7	301.8	303.6	305.5	307.3	309.0
% transport from biofuels	4.84%	5.05%	5.02%	5.19%	5.28%	5.35%	5.41%	5.45%	5.50%	5.49%	5.51%
<b>EU biofuel production in gallons</b>											
Biodiesel	3,172	3,385	3,389	3,506	3,588	3,680	3,770	3,856	3,943	3,979	4,041
Ethanol	1,915	2,041	2,100	2,191	2,293	2,366	2,413	2,427	2,415	2,415	2,415

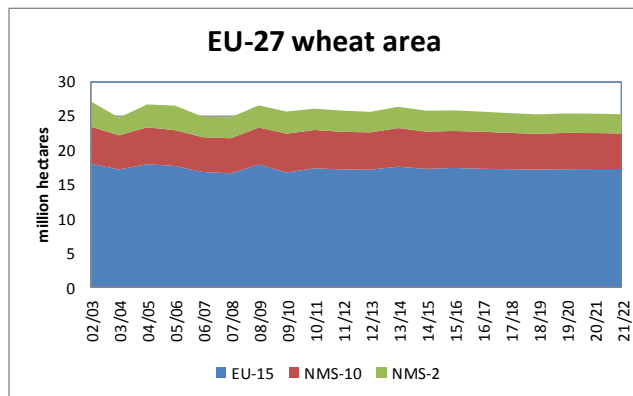
# Crop Sector

# Wheat – EU-27

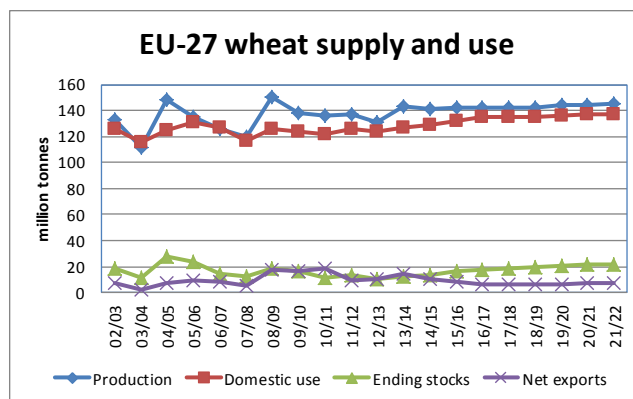
Crop areas in the EU were greatly driven by weather in 2012, with wheat and rapeseed area impacted negatively despite healthy prices while spring planted crops such as maize and barley benefited. This pattern is expected to reverse in 2013 under an assumption of normal weather patterns. High prices will ensure total area planted will remain high, but barley area in particular will decrease.



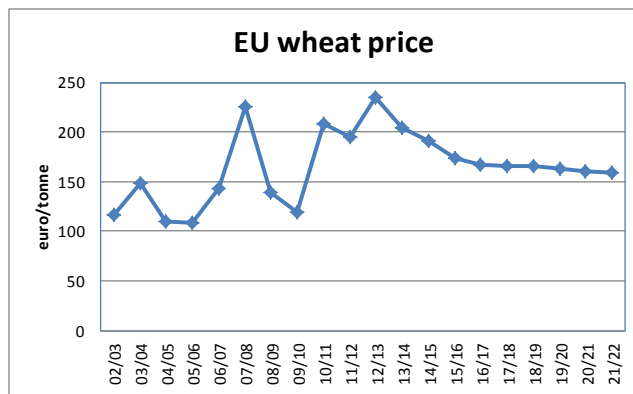
High prices for wheat at planting and a return to normal planting patterns results in a projected wheat area in 2013 of 26.3 million hectares, an increase of nearly 750 thousand hectares over 2012. thereafter a decrease in prices result in area falling back to 25.2 million hectares by the end of the period. Wheat yields are projected to rise slowly over the period, from 5.44 tonnes per hectare in 2013 to 5.76 tonnes per hectare in 2021.



Production in 2021 is projected to be 11 million tonnes above 2011 levels at the end of the period. But an increase in domestic use driven by increased use for ethanol and for food mean that net exports fall to 7 million tonnes in 2021. Higher incomes and population growth drive food use, as do lower wheat prices.



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. EU cereals prices in euros therefore do not show the sharp fall in the near term that their dollar counterparts do, but over the period drop until they level off at about 160 euro per tonne as an EU average.



# Wheat – EU-27

	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
<b>EU-27</b>	thousand hectares										
Area harvested	25,746	25,571	26,315	25,745	25,780	25,600	25,382	25,206	25,344	25,309	25,226
	tonnes/hectare										
Yield	5.32	5.12	5.44	5.48	5.53	5.56	5.61	5.65	5.68	5.72	5.76
	million tonnes										
Production	136.9	131.0	143.1	141.2	142.5	142.3	142.4	142.4	143.9	144.7	145.3
Beginning stocks	11.8	13.5	10.2	11.9	13.7	16.0	17.7	18.8	19.5	20.4	21.2
Imports	7.2	5.8	4.7	4.8	4.9	5.1	5.2	5.2	5.3	5.3	5.3
Total supply	156.0	150.3	157.9	157.9	161.1	163.4	165.2	166.4	168.8	170.4	171.7
Domestic use	126.0	124.1	127.4	129.1	131.6	134.6	135.2	135.4	136.6	137.0	137.5
Feed	57.0	54.6	56.8	57.2	58.1	60.1	60.1	60.1	61.0	61.3	61.4
Fuel	5.3	6.3	7.0	7.5	8.0	8.2	8.2	8.1	7.9	7.6	7.5
Other	63.8	63.2	63.5	64.4	65.6	66.3	66.8	67.2	67.7	68.1	68.5
Exports	16.4	16.1	18.7	15.0	13.5	11.2	11.3	11.5	11.8	12.2	12.5
Ending stocks	13.5	10.2	11.9	13.7	16.0	17.7	18.8	19.5	20.4	21.2	21.8
Net exports	9.2	10.3	14.0	10.3	8.6	6.1	6.1	6.3	6.5	6.9	7.2
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	194.8	234.6	203.9	190.9	173.1	167.3	165.4	165.4	162.7	160.2	159.7
<b>Area harvested</b>	thousand hectares										
EU-15	17,167	17,150	17,578	17,263	17,397	17,274	17,208	17,158	17,211	17,239	17,244
NMS-10	5,496	5,428	5,632	5,434	5,385	5,399	5,300	5,201	5,296	5,244	5,175
NMS-2	3,085	2,993	3,105	3,047	2,998	2,928	2,875	2,848	2,837	2,826	2,807
<b>Yield</b>	tonnes/hectare										
EU-15	5.95	5.86	6.15	6.18	6.21	6.23	6.27	6.30	6.32	6.35	6.38
NMS-10	4.23	3.97	4.35	4.42	4.48	4.52	4.58	4.64	4.69	4.75	4.81
NMS-2	4.23	2.99	3.36	3.41	3.47	3.50	3.55	3.58	3.62	3.66	3.71
<b>Production</b>	million tonnes										
EU-15	102.2	100.5	108.2	106.8	108.0	107.6	107.9	108.0	108.8	109.5	110.0
NMS-10	23.2	21.5	24.5	24.0	24.1	24.4	24.3	24.1	24.8	24.9	24.9
NMS-2	11.5	9.0	10.4	10.4	10.4	10.3	10.2	10.2	10.3	10.3	10.4

# Barley – EU-27

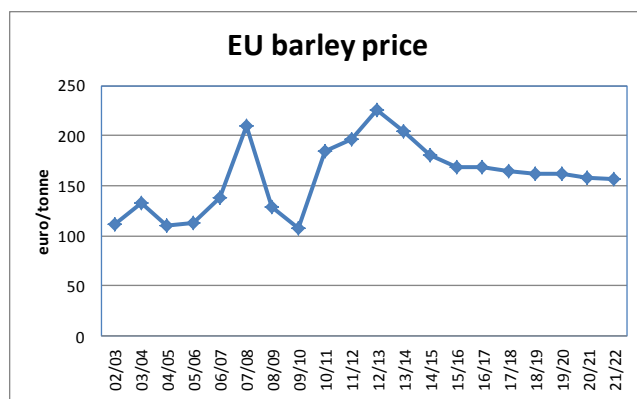
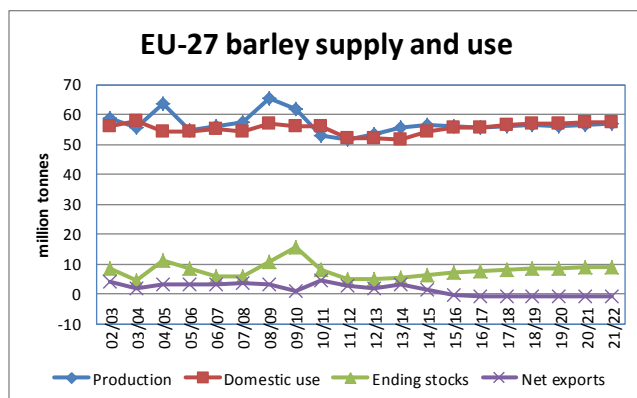
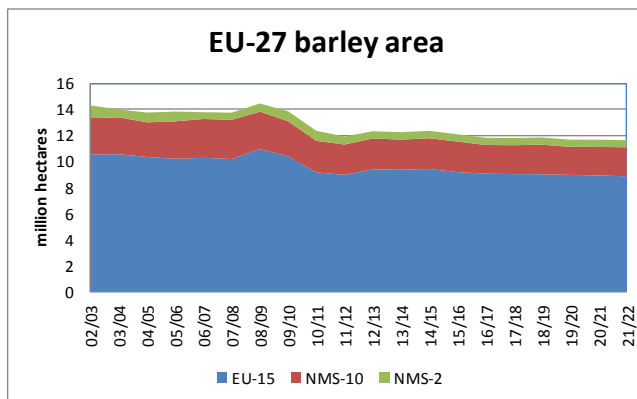
EU barley has been experiencing a long run downward trend, partly related to falling profitability relative to other cereals. In recent years it has seen increased competition from the energy sector as rapeseed area has expanded, as has maize area for use as biogas.

In 2013 area of barley is expected to fall despite the high prices experienced in 2012 (and the relatively high prices for barley in euro terms in the 2012/13 crop year) because of the weather related issues above. In the longer term area is projected to continue its long run downward trend ending the period at 11.6 million hectares, more than 700,000 hectares below its 2012 level.

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 4.55 tonnes per hectare expected in 2013 to 4.86 tonnes per hectare in 2021.

Despite the reduction in area the production of barley does increase slightly to 56.9 million tonnes, above 2012 levels, but below those of 2008 and 2009. Feed use is projected to recover to 40 million tonnes, and along with an increase in other uses the EU is projected to become a net importer of barley from 2015 onwards.

Barley prices follow follow a similar path as wheat prices, falling to just below 160 euro per tonne in 2021.



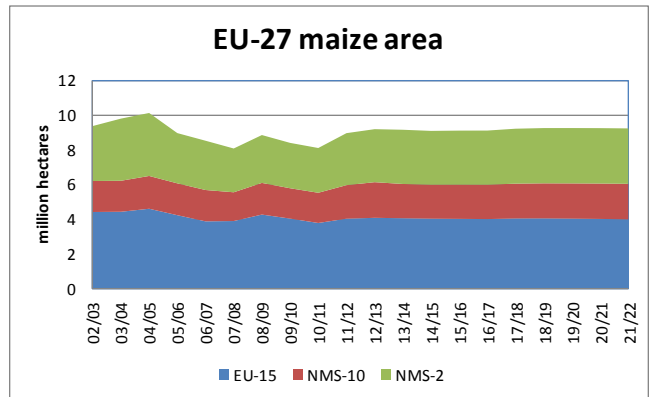
# Barley – EU-27

	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	thousand hectares										
Area harvested	11,911	12,311	12,234	12,345	12,078	11,809	11,791	11,834	11,665	11,660	11,629
	tonnes/hectare										
Yield	4.35	4.34	4.55	4.59	4.65	4.70	4.74	4.77	4.82	4.85	4.89
	million tonnes										
Production	51.8	53.5	55.6	56.7	56.1	55.6	55.9	56.5	56.2	56.6	56.9
Beginning stocks	8.0	5.1	4.8	5.4	6.4	7.3	7.7	8.1	8.4	8.6	8.8
Imports	0.4	0.3	0.3	0.3	0.5	0.7	0.8	0.8	0.9	0.9	0.9
Total supply	60.1	58.9	60.7	62.5	63.1	63.5	64.5	65.4	65.5	66.1	66.5
Domestic use	52.0	52.1	51.6	54.2	55.8	55.8	56.4	57.0	56.9	57.3	57.5
Feed	36.5	37.4	36.0	37.7	38.7	38.6	39.0	39.5	39.5	39.9	40.2
Fuel	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other	15.2	14.4	15.3	16.1	16.7	16.8	17.0	17.0	17.0	17.0	17.0
Exports	3.0	2.0	3.6	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ending stocks	5.1	4.8	5.4	6.4	7.3	7.7	8.1	8.4	8.6	8.8	9.0
Net exports	2.6	1.7	3.4	1.4	-0.5	-0.7	-0.8	-0.8	-0.9	-0.9	-0.9
	euro per tonne, July-June										
Market price	196.1	225.4	204.3	181.0	168.8	168.1	164.8	162.6	161.8	158.6	157.3
<b>Area harvested</b>	thousand hectares										
EU-15	8,970	9,380	9,362	9,417	9,176	9,060	9,020	9,015	8,961	8,922	8,853
NMS-10	2,321	2,381	2,304	2,356	2,344	2,197	2,218	2,265	2,151	2,186	2,226
NMS-2	620	550	569	572	558	552	552	554	552	551	549
<b>Yield</b>	tonnes/hectare										
EU-15	4.63	4.67	4.88	4.93	4.99	5.03	5.08	5.12	5.15	5.19	5.24
NMS-10	3.47	3.43	3.55	3.59	3.63	3.70	3.73	3.75	3.80	3.83	3.86
NMS-2	3.53	2.76	3.16	3.21	3.26	3.30	3.34	3.37	3.40	3.44	3.48
<b>Production</b>	million tonnes										
EU-15	41.53	43.79	45.66	46.41	45.79	45.62	45.84	46.11	46.17	46.33	46.35
NMS-10	8.06	8.17	8.17	8.45	8.52	8.12	8.27	8.49	8.18	8.38	8.60
NMS-2	2.19	1.52	1.80	1.83	1.82	1.82	1.84	1.86	1.88	1.90	1.91

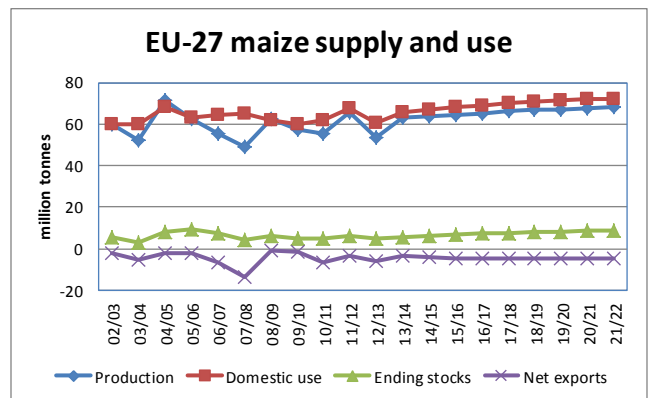


# Maize – EU-27

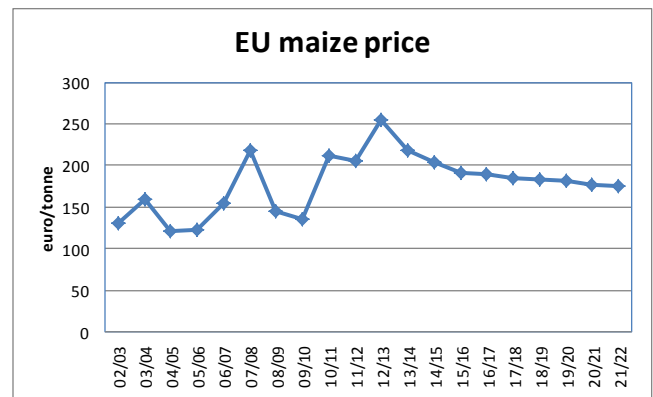
Maize harvested area has seen significant fluctuations in recent years which have been exacerbated by drought in southern Europe in recent years. Harvested area is expected to be around 9.2 million hectares for 2012 even though estimates from plantings were higher. For the projection period maize area is expected to remain in the 9.1 to 9.2 million hectare range.



As with harvested area, yields for maize have fluctuated in recent years. Yields are projected to increase to 6.9 tonnes in 2013, rising to 7.4 tonnes in 2021. Production rises to 58 million tonnes, well above the 53 million tonnes in 2012.



Use of maize for fuel increases and stabilizes at about 5 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 trade at around 4 million tonnes.



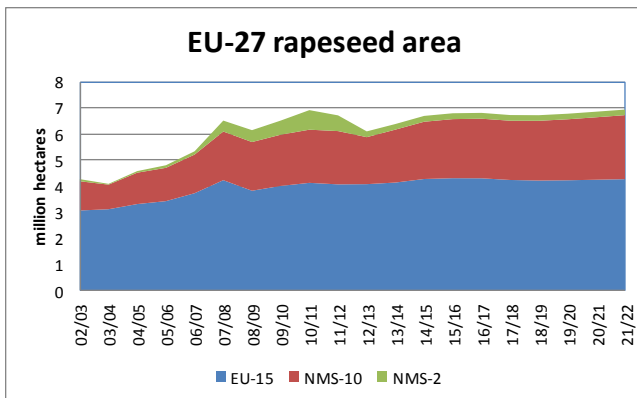
Maize prices follow the path of the other cereals, with a gradual drop of and a longer run path that tracks exchange rate movements.

# Maize – EU-27

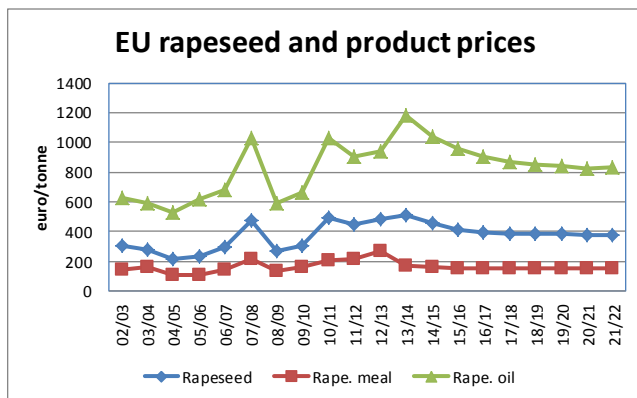
	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	thousand hectares										
Area harvested	8,950	9,180	9,146	9,080	9,097	9,099	9,206	9,242	9,244	9,239	9,223
	tonnes/hectare										
Yield	7.35	5.81	6.88	7.00	7.10	7.14	7.19	7.22	7.27	7.32	7.38
	million tonnes										
Production	65.8	53.3	62.9	63.6	64.6	64.9	66.2	66.7	67.2	67.6	68.1
Beginning stocks	4.9	6.1	5.0	5.5	6.2	6.9	7.3	7.8	8.1	8.4	8.7
Imports	6.3	6.5	4.7	4.9	5.0	5.2	5.2	5.2	5.3	5.3	5.3
Total supply	77.0	66.0	72.5	73.9	75.8	77.0	78.8	79.8	80.6	81.4	82.1
Domestic use	67.7	60.5	65.7	67.0	68.4	68.9	70.2	70.9	71.4	71.9	72.4
Feed	52.0	45.8	50.2	50.6	51.3	51.5	52.4	53.0	53.4	53.8	54.1
Fuel	3.7	4.2	4.7	4.9	5.2	5.3	5.4	5.3	5.2	5.0	4.9
Other	12.0	10.5	10.9	11.4	11.9	12.1	12.4	12.6	12.9	13.1	13.3
Exports	3.2	0.5	1.3	0.8	0.5	0.7	0.7	0.7	0.7	0.7	0.8
Ending stocks	6.1	5.0	5.5	6.2	6.9	7.3	7.8	8.1	8.4	8.7	8.9
Net exports	-3.1	-6.0	-3.3	-4.1	-4.5	-4.5	-4.5	-4.5	-4.6	-4.5	-4.5
	euro per tonne, July-June										
Market price	205.5	254.5	219.0	203.2	191.4	190.0	185.1	183.2	181.0	177.5	175.8
<b>Area harvested</b>	thousand hectares										
EU-15	4,030	4,080	4,057	4,032	4,021	4,007	4,044	4,048	4,034	4,017	3,994
NMS-10	1,930	2,050	1,970	1,954	1,969	1,978	2,002	2,015	2,026	2,035	2,042
NMS-2	2,990	3,050	3,119	3,094	3,107	3,114	3,160	3,179	3,185	3,187	3,188
<b>Yield</b>	tonnes/hectare										
EU-15	9.87	8.69	9.40	9.55	9.67	9.72	9.79	9.83	9.89	9.96	10.04
NMS-10	6.92	4.98	6.70	6.85	6.97	7.03	7.10	7.15	7.22	7.29	7.38
NMS-2	4.24	2.52	3.71	3.78	3.85	3.88	3.91	3.94	3.97	4.01	4.06
<b>Production</b>	million tonnes										
EU-15	39.8	35.5	38.1	38.5	38.9	39.0	39.6	39.8	39.9	40.0	40.1
NMS-10	13.4	10.2	13.2	13.4	13.7	13.9	14.2	14.4	14.6	14.8	15.1
NMS-2	12.7	7.7	11.6	11.7	12.0	12.1	12.4	12.5	12.6	12.8	12.9

# Rapeseed and Products – EU-27

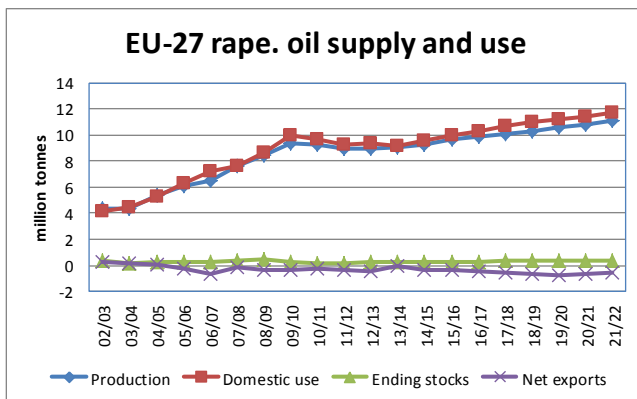
Rapeseed area expanded as demand for rapeseed oil for biodiesel grew but lately has stagnated. Given the assumptions regarding moderate growth of biodiesel production in the EU further significant growth in rapeseed area is not projected. Poor weather has seen area fall in 2012 but there is expected to be some recovery in 2013 but remains steady at just below 7 million hectares until 2021.



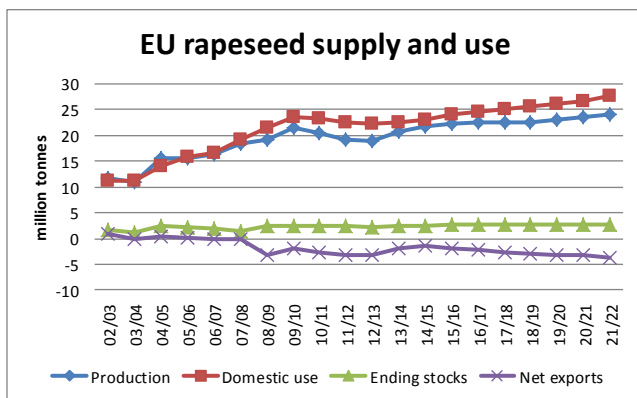
As with cereals, oilseed prices in euro terms follow a different path to those in dollar terms. Rapeseed prices gradually fall back to around 380 euro per tonne, lower than in recent years but at a higher level than the historical average. Oil prices are supported in the short run, whereas even with the exchange rate movements meal prices fall.



Rape oil use stagnates in the short run as biodiesel production slows but increases in the longer term. Much of this increased demand is sourced domestically with imports of rapeseed oil relatively static. This reflects recent experience where most of the rapeseed oil used for biodiesel production has been crushed domestically.



The slowing of the growth in rapeseed area has meant that imports of rapeseed have increased to meet this climbing demand for crush. A short run increase in area and yields sees net imports fall, and in the longer run net imports settle at around the 3 million tonne mark. Increased production of rapeseed meal as a result of the increase in crush is absorbed in the domestic feed market and net trade remains small.



# Rapeseed and Products – EU-27

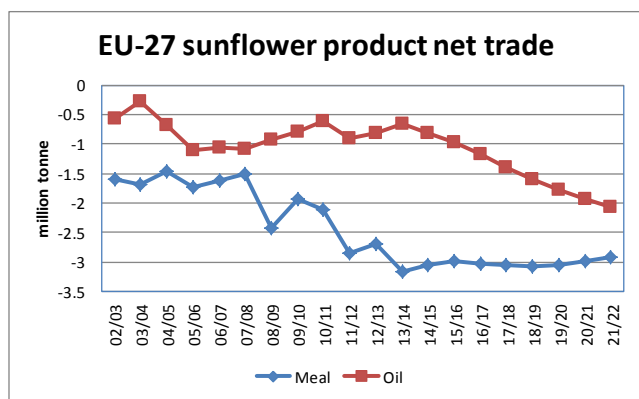
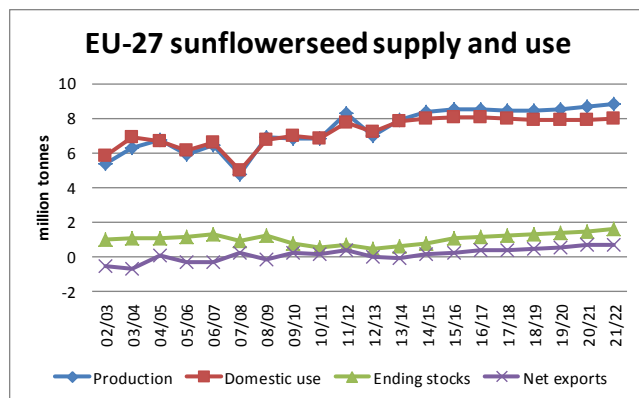
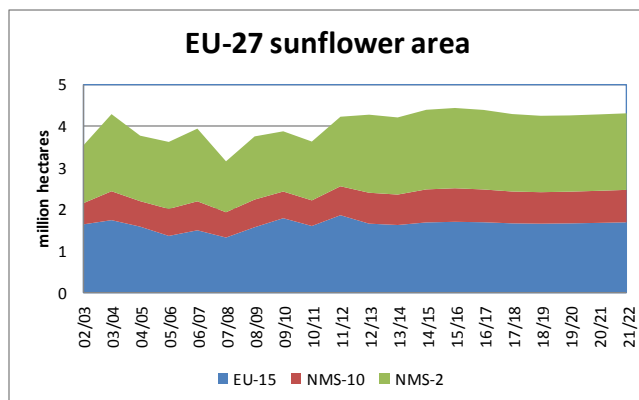
	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
<b>Rapeseed</b>											
	thousand hectares										
Area harvested	6,713	6,099	6,382	6,692	6,794	6,808	6,725	6,719	6,776	6,854	6,935
	tonnes/hectare										
Yield	2.84	3.10	3.23	3.24	3.26	3.29	3.33	3.36	3.39	3.42	3.44
	thousand tonnes										
Production	19,097	18,928	20,616	21,694	22,181	22,434	22,390	22,583	22,969	23,424	23,886
Beginning stocks	2,365	2,317	2,304	2,346	2,500	2,614	2,663	2,684	2,701	2,728	2,761
Imports	3,425	3,439	2,217	1,657	2,012	2,248	2,753	3,053	3,291	3,458	3,826
Total supply	24,887	24,685	25,138	25,696	26,694	27,296	27,806	28,320	28,961	29,610	30,473
Domestic use	22,460	22,169	22,584	22,992	23,883	24,440	24,934	25,435	26,053	26,674	27,513
Crush	21,610	21,323	21,740	22,139	23,022	23,577	24,068	24,568	25,185	25,804	26,643
Other	64	63	64	64	66	66	67	67	68	68	69
Exports	110	212	208	204	196	192	188	184	180	176	171
Ending stocks	2,317	2,304	2,346	2,500	2,614	2,663	2,684	2,701	2,728	2,761	2,789
Net exports	-3,315	-3,228	-2,010	-1,453	-1,816	-2,056	-2,565	-2,868	-3,111	-3,282	-3,655
	euro per tonne, marketing year basis										
Hamburg price	444.5	488.3	508.5	452.7	408.2	395.5	386.7	386.4	384.0	380.6	379.6
<b>Rapeseed Meal</b>											
	thousand tonnes										
Production	12,441	12,236	12,459	12,678	13,186	13,501	13,780	14,064	14,418	14,773	15,258
Beginning stocks	118	141	119	148	154	162	166	170	173	177	182
Imports	230	48	57	59	60	59	58	58	58	58	59
Total supply	12,789	12,425	12,635	12,885	13,400	13,722	14,004	14,292	14,648	15,008	15,498
Domestic use	12,363	12,237	12,408	12,652	13,160	13,480	13,760	14,046	14,399	14,756	15,240
Exports	252	69	78	79	79	77	75	73	71	70	70
Ending stocks	141	119	148	154	162	166	170	173	177	182	188
Net exports	22	21	21	20	18	17	16	15	14	12	11
	euro per tonne, marketing year basis										
Hamburg price	212	271	173	160	156	154	152	153	154	154	153
<b>Rapeseed Oil</b>											
	thousand tonnes										
Production	8,980	8,904	9,089	9,261	9,629	9,861	10,067	10,277	10,534	10,792	11,140
Beginning stocks	124	182	211	207	242	277	302	323	341	361	381
Imports	610	546	100	425	436	544	661	743	779	725	603
Total supply	9,714	9,632	9,400	9,893	10,306	10,682	11,030	11,344	11,654	11,878	12,124
Domestic use	9,282	9,379	9,125	9,595	9,975	10,328	10,657	10,953	11,245	11,451	11,676
Fuel	5,981	5,900	6,006	6,180	6,332	6,490	6,643	6,794	6,902	6,987	7,041
Exports	250	57	68	56	54	52	50	49	48	47	46
Ending stocks	182	211	207	242	277	302	323	341	361	381	402
Net exports	-360	-488	-32	-369	-382	-492	-610	-694	-731	-678	-557
	euro per tonne, marketing year basis										
Hamburg price	907	941	1,180	1,043	957	906	871	855	842	828	835

# Sunflower and Products – EU-27

Sunflower area has risen in 2011 and 2012 with area exceeding 4.2 million hectares in both years after spending most of the previous 10 years under 4 million hectares. For the projection period this area is projected to remain above 4 million hectares with a slight increase in area in Romania and Bulgaria.

With yields also increasing, production rises over the period as does domestic use. Sunflowerseed has alternated between net importer and exporter for the EU-27 but in the projections growth in production exceeds growth in crush demand and so the region becomes a net exporter.

Increased crush means that there is more meal available and so demand increases for feed use are met from domestic trade and net trade in meal remains at current levels of about 3 million tonnes. As incomes and population increases so does demand for sunflower oil whose net imports increase over the projections.

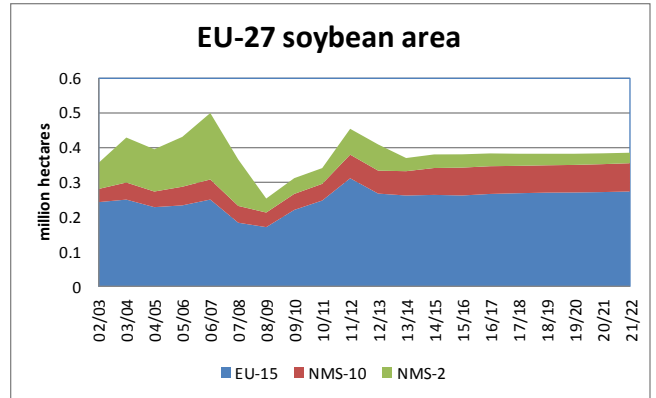


# Sunflower and Products – EU-27

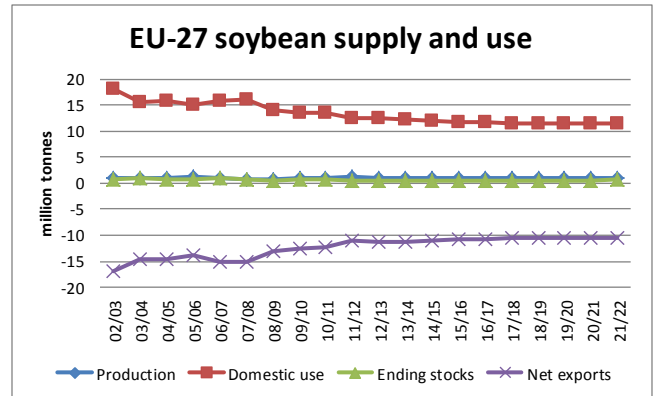
	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
<b>Sunflowerseed</b>											
	thousand hectares										
Area harvested	4,219	4,268	4,202	4,385	4,429	4,382	4,283	4,241	4,250	4,274	4,301
	tonnes/hectare										
Yield	1.96	1.64	1.88	1.90	1.92	1.94	1.97	1.99	2.01	2.03	2.05
	thousand tonnes										
Production	8,266	6,987	7,909	8,353	8,524	8,518	8,419	8,427	8,532	8,669	8,814
Beginning stocks	560	716	463	577	798	1,036	1,161	1,215	1,265	1,350	1,460
Imports	260	286	340	144	100	100	100	100	100	100	100
Total supply	9,086	7,990	8,713	9,073	9,422	9,654	9,680	9,742	9,898	10,119	10,374
Domestic use	7,750	7,223	7,858	8,002	8,077	8,024	7,951	7,900	7,890	7,902	7,990
Crush	6,960	6,444	7,073	7,196	7,250	7,180	7,091	7,026	7,001	7,000	7,073
Other	64	63	64	64	66	66	67	67	68	68	69
Exports	620	303	279	274	309	470	513	577	658	756	799
Ending stocks	716	463	577	798	1,036	1,161	1,215	1,265	1,350	1,460	1,585
Net exports	360	17	-62	130	209	370	413	477	558	656	699
	euro per tonne, marketing year basis										
Lower Rhine price	426	494	496	442	398	386	377	377	375	371	370
<b>Sunflower meal</b>											
	thousand tonnes										
Production	3,779	3,610	3,961	4,013	4,030	3,973	3,907	3,856	3,832	3,822	3,860
Beginning stocks	296	415	387	432	436	438	435	432	429	428	428
Imports	3,000	2,698	3,163	3,064	2,988	3,029	3,067	3,076	3,063	2,995	2,912
Total supply	7,075	6,723	7,512	7,510	7,454	7,440	7,409	7,364	7,324	7,246	7,200
Domestic use	6,510	6,331	7,074	7,068	7,011	7,000	6,971	6,930	6,891	6,813	6,765
Exports	150	5	5	5	5	5	5	5	5	5	5
Ending stocks	387	432	436	438	435	432	429	428	428	430	433
Net exports	-2,850	-2,693	-3,158	-3,059	-2,983	-3,024	-3,062	-3,071	-3,058	-2,990	-2,907
	euro per tonne, marketing year basis										
Rotterdam price	184	241	150	139	135	133	132	133	134	134	133
<b>Sunflower oil</b>											
Production	2,918	2,827	3,096	3,125	3,131	3,079	3,020	2,976	2,954	2,945	2,977
Beginning stocks	135	170	141	132	155	172	174	171	167	165	165
Imports	1,100	921	765	910	1,068	1,270	1,483	1,680	1,856	2,020	2,139
Total supply	4,153	3,918	4,003	4,167	4,354	4,521	4,678	4,828	4,977	5,130	5,281
Domestic use	3,793	3,664	3,760	3,906	4,081	4,249	4,412	4,570	4,724	4,880	5,031
Exports	190	113	110	106	102	98	94	91	88	85	83
Ending stocks	141	132	155	172	174	171	167	165	165	167	172
Net exports	-910	-808	-655	-804	-967	-1,173	-1,389	-1,590	-1,768	-1,935	-2,057
	euro per tonne, marketing year basis										
Northwest Europe price	903	988	1,174	1,037	952	902	866	850	838	823	830

# Soybean and Products – EU-27

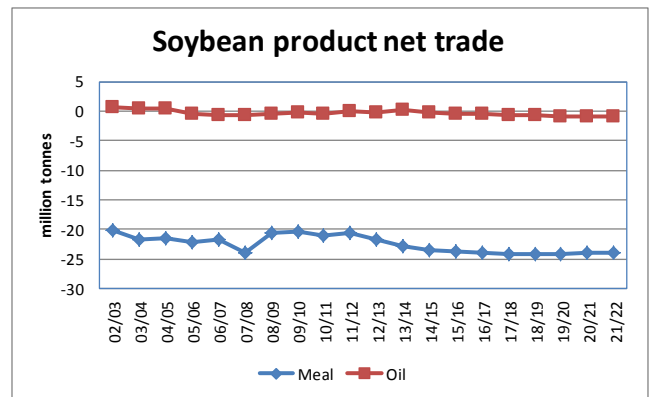
Soybean area dropped to its minimum level in 2009 but thereafter has recovered. Strong oilseed prices coupled with biofuel policies favouring the crop has seen area recovering somewhat but still remaining below its peak. In the longer term strong competition from sunflower and maize area reduce Romania and Bulgaria area and so soybean area drops slightly.



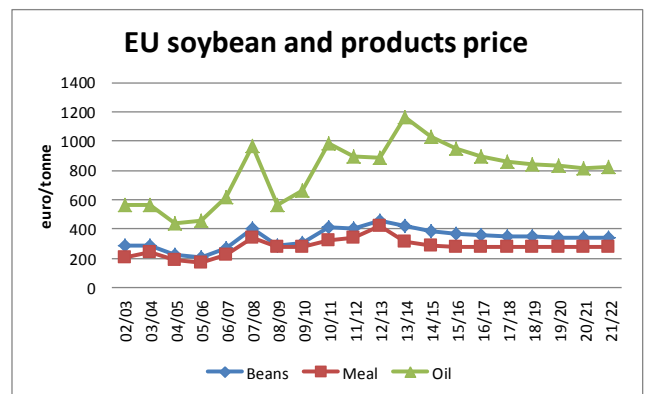
Production of soybeans remains stable at around 1 million tonnes for the projection period. Crush falls slightly, which means that net imports level off at around 10.5 million tonnes.



An increase in feed demand, coupled with the drop in production lead to a increase in the net import of soybean meal that increases slightly before leveling off at around 25 million tonnes.



Income and population increases boost vegetable oil demand and this means that imports of soybean oil climb.



# Soybean and Products – EU-27

	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
<b>Soybeans</b>											
	thousand hectares										
Area harvested	453	408	369	380	380	383	382	382	382	383	385
	tonnes/hectare										
Yield	2.91	2.35	2.56	2.56	2.56	2.59	2.61	2.63	2.64	2.65	2.67
	thousand tonnes										
Production	1,318	960	947	971	974	990	997	1,004	1,009	1,016	1,025
Beginning stocks	622	464	429	426	461	500	531	554	565	578	592
Imports	11,000	11,404	11,362	11,095	10,861	10,692	10,567	10,464	10,428	10,427	10,444
Total supply	12,939	12,828	12,738	12,491	12,296	12,181	12,095	12,022	12,002	12,021	12,061
Domestic use	12,464	12,395	12,307	12,025	11,791	11,646	11,536	11,452	11,419	11,424	11,453
Crush	11,403	11,342	11,236	10,934	10,688	10,535	10,419	10,332	10,296	10,297	10,323
Other	64	63	64	64	66	66	67	67	68	68	69
Exports	5	5	5	5	5	5	5	5	5	5	5
Ending stocks	464	429	426	461	500	531	554	565	578	592	603
Net exports	-10,995	-11,399	-11,357	-11,090	-10,856	-10,687	-10,562	-10,459	-10,423	-10,422	-10,439
	euro per tonne, marketing year basis										
Rotterdam price	407	457	423	386	367	355	347	347	345	342	341
<b>Soybean meal</b>											
	thousand tonnes										
Production	9,037	8,883	8,791	8,549	8,354	8,233	8,141	8,073	8,044	8,045	8,065
Beginning stocks	552	217	102	238	268	274	278	281	279	281	284
Imports	21,300	22,247	23,324	23,999	24,240	24,504	24,657	24,625	24,641	24,511	24,463
Total supply	30,889	31,346	32,217	32,787	32,862	33,012	33,076	32,979	32,964	32,837	32,812
Domestic use	30,022	30,736	31,525	32,064	32,129	32,275	32,333	32,236	32,218	32,081	32,046
Exports	650	508	454	455	458	459	461	464	466	472	475
Ending stocks	102	238	268	274	278	281	279	281	284	291	297
Net exports	-20,650	-21,739	-22,870	-23,544	-23,782	-24,045	-24,196	-24,161	-24,175	-24,039	-23,988
	euro per tonne, marketing year basis										
Rotterdam price	344	423	312	289	281	277	274	277	277	277	276
<b>Soybean oil</b>											
	thousand tonnes										
Production	2,096	2,310	2,322	2,271	2,223	2,201	2,179	2,170	2,164	2,169	2,174
Beginning stocks	272	208	207	159	178	193	202	208	212	214	218
Imports	530	421	86	398	611	760	893	1,004	1,098	1,192	1,240
Total supply	2,898	2,939	2,614	2,828	3,012	3,153	3,274	3,382	3,474	3,575	3,633
Domestic use	2,210	2,233	1,852	2,089	2,284	2,410	2,525	2,623	2,711	2,805	2,860
Fuel	1,100	1,080	1,099	1,131	1,159	1,188	1,216	1,244	1,263	1,279	1,289
Exports	480	250	321	273	250	250	250	250	250	250	250
Ending stocks	207	159	178	193	202	208	212	214	218	219	221
Net exports	-50	-171	235	-125	-361	-510	-643	-754	-848	-942	-990
	euro per tonne, marketing year basis										
Rotterdam price	896	883	1,165	1,030	945	895	860	844	831	817	824

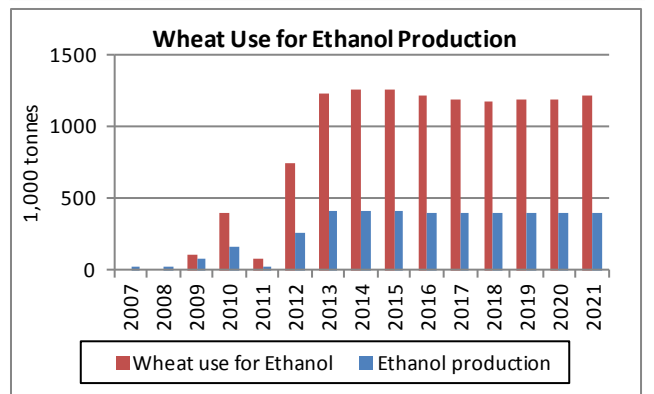
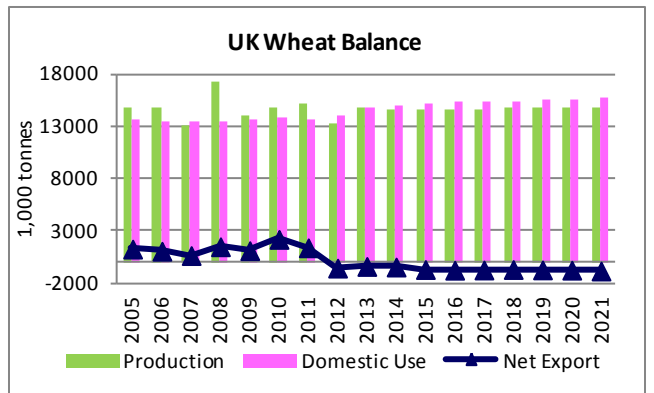
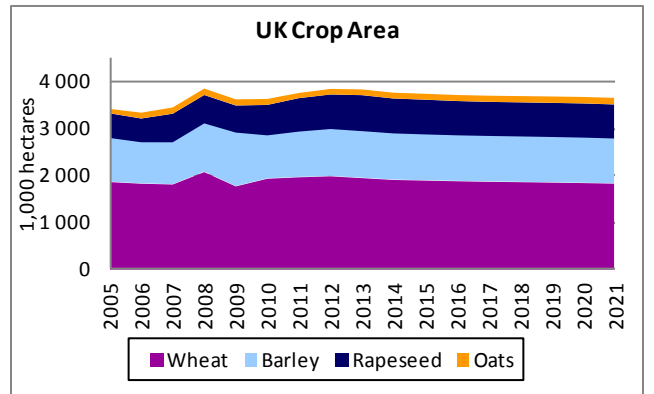
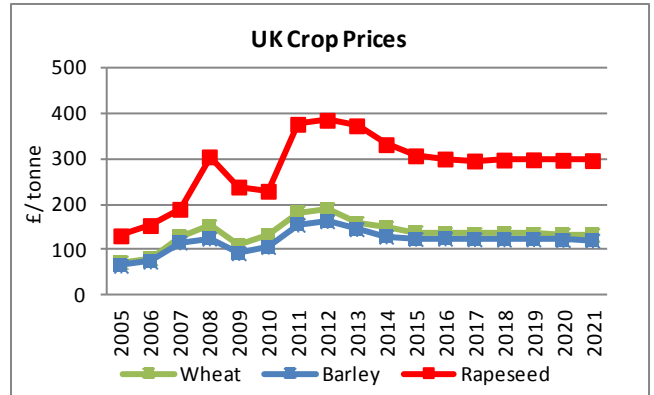


# Crops – UK

Crop prices and, as a result, harvested area are projected to be high in 2012. From 2013 onwards, under the assumption of normal weather conditions, prices gradually decline and stabilise after 2015. The decline in the UK is more marked compared to the EU due to the appreciation of the GB pound against the Euro. In the second half of the projection period, the UK wheat price stabilises at around £135 per tonne, barley £120 per tonne and rapeseed just below £300 per tonne.

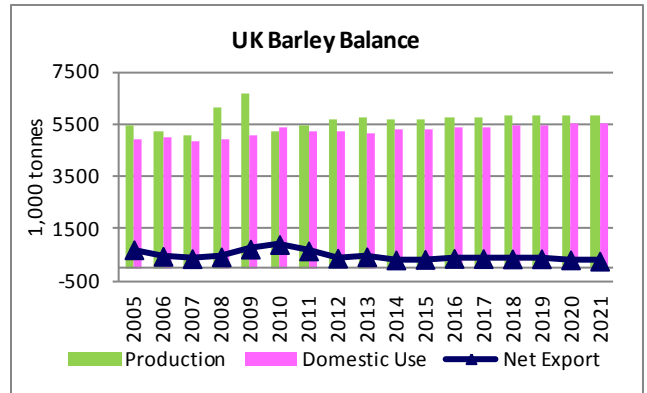
Over the projection period, wheat area declines by 6% to 1834 thousand hectares in 2021; barley and rapeseed, to a lesser degree, 4% and 2% respectively to 960 and 717 thousand hectares. This leads to a reduction of total UK crop area of approximately 5%.

Due to the adverse weather conditions wheat yield and therefore production suffer decreases of about 13% and 12% in 2012. During the rest of the projection period it is assumed that normal weather conditions apply and the wheat yield is projected to increase by 8% to 8.1 tonnes per hectare. UK wheat production reaches 14,885 thousand tonnes, which is 11.6% higher than that of 2012 but still slightly lower than 2011. UK becomes a wheat import country from 2012. Expansion of biofuel production plays a key role in the supply and demand balance.

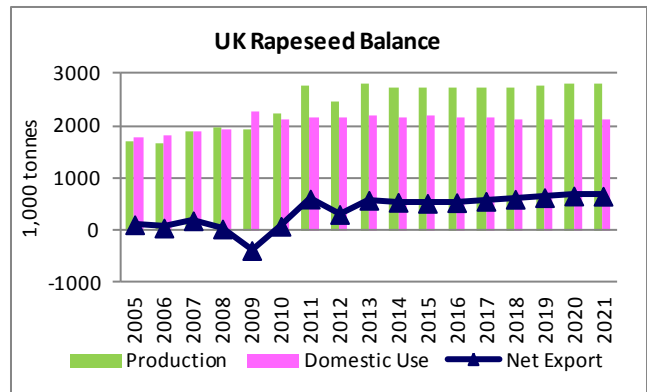


# Crops – UK (Cont.)

The wet weather has a marginal impact on barley yields in 2012. Therefore production increases by 4% in 2012 due to a higher harvested area. From 2012 to 2021, the barley yield is projected to increase by 6.5% to above 6 tonnes per hectare and production reaches the level of 5817 thousand tonnes, which is 2% higher than that of 2012. Through out the projection period, there is a small surplus in barley for export.



Similar to wheat, UK rapeseed yield and production suffer decreases of about 13% and 11% in 2012. From 2013 to 2021, during which normal weather condition is assumed, yield is projected to increase by 5% to 3.9 tonnes per hectare and production reaches the level of 2803 thousand tonnes. Domestic use remains fairly stable between 2100 to 2200 thousand tonnes.



# Wheat – UK

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>UK</b>	thousand hectares										
Area harvested	1,969	1,990	1,952	1,913	1,900	1,885	1,874	1,866	1,856	1,846	1,834
	thousand tonnes										
Production	15,257	13,335	14,738	14,552	14,541	14,571	14,636	14,730	14,806	14,870	14,885
Domestic use	13,591	14,121	14,827	14,963	15,170	15,284	15,336	15,386	15,493	15,583	15,690
Net Export	1,416	-529	-368	-426	-664	-729	-710	-663	-700	-726	-808
	£/100 kg										
Prices	18.3	19.0	15.9	14.9	13.9	13.5	13.5	13.6	13.5	13.4	13.3
<b>Area Harvested</b>	thousand hectares										
England	1,817	1,854	1,818	1,783	1,770	1,757	1,746	1,738	1,729	1,720	1,708
Wales	26	26	26	25	25	25	25	25	25	24	24
Scotland	115	101	99	97	96	95	95	95	94	94	94
Northern Ireland	12	9	9	9	8	8	8	8	8	8	8
<b>Yield</b>	tonnes/hectare										
England	7.7	6.7	7.5	7.6	7.6	7.7	7.8	7.9	7.9	8.0	8.1
Wales	7.5	6.7	7.2	7.2	7.3	7.3	7.4	7.4	7.5	7.5	7.6
Scotland	8.1	7.3	8.1	8.2	8.2	8.3	8.4	8.5	8.6	8.6	8.7
Northern Ireland	7.8	7.3	8.0	8.1	8.1	8.2	8.3	8.4	8.5	8.5	8.6
<b>Production</b>	thousand tonnes										
England	14,040	12,358	13,676	13,508	13,498	13,527	13,588	13,675	13,745	13,803	13,817
Wales	193	176	187	183	182	182	182	183	184	184	184
Scotland	933	735	804	791	793	794	797	804	810	815	815
Northern Ireland	90	66	71	70	69	68	68	68	69	69	68

# Barley – UK

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>UK</b>	thousand hectares										
Area harvested	970	1,004	997	988	980	976	974	972	969	966	960
	thousand tonnes										
Production	5,494	5,715	5,746	5,726	5,715	5,744	5,792	5,813	5,831	5,841	5,817
Domestic use	5,226	5,239	5,193	5,308	5,342	5,361	5,402	5,442	5,462	5,503	5,537
Net Export	671	392	445	324	345	383	375	365	369	326	278
	£/100 kg										
Prices	15.5	16.3	14.5	12.9	12.4	12.5	12.3	12.3	12.3	12.1	12.0
<b>Area Harvested</b>	thousand hectares										
England	615	631	624	616	609	607	605	603	601	598	595
Wales	23	23	23	23	23	22	22	22	22	22	22
Scotland	308	324	324	324	324	323	323	323	323	323	320
Northern Ireland	24	26	26	25	24	24	24	24	23	23	23
<b>Yield</b>	tonnes/hectare										
England	5.6	5.6	5.7	5.7	5.7	5.7	5.8	5.8	5.9	5.9	6.0
Wales	5.7	5.7	5.8	5.8	5.8	5.8	5.8	5.9	5.9	5.9	6.0
Scotland	5.8	5.9	6.0	6.0	6.1	6.2	6.2	6.3	6.3	6.3	6.3
Northern Ireland	5.7	5.8	5.8	5.8	5.9	5.9	5.9	6.0	6.0	6.1	6.1
<b>Production</b>	thousand tonnes										
England	3,428	3,536	3,531	3,501	3,475	3,485	3,503	3,520	3,533	3,543	3,541
Wales	130	132	134	132	130	130	130	131	131	131	130
Scotland	1,798	1,897	1,932	1,948	1,968	1,988	2,017	2,022	2,026	2,026	2,006
Northern Ireland	138	149	149	145	142	141	141	141	141	140	139

# Rapeseed – UK

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
					thousand hectares						
Area harvested	705	728	758	735	732	722	718	718	719	719	717
					tonnes/hectare						
Yield	3.9	3.4	3.7	3.7	3.7	3.8	3.8	3.8	3.9	3.9	3.9
					thousand tonnes						
Production	2,758	2,460	2,797	2,730	2,730	2,715	2,722	2,746	2,772	2,797	2,803
Domestic use	2,142	2,141	2,199	2,172	2,192	2,166	2,147	2,133	2,127	2,121	2,131
Net Export	617	322	594	555	536	549	574	613	644	676	672
					£/100 kg						
Prices	37.7	38.6	37.4	33.2	30.7	30.0	29.6	29.8	29.9	29.8	29.7

# Dairy Sector

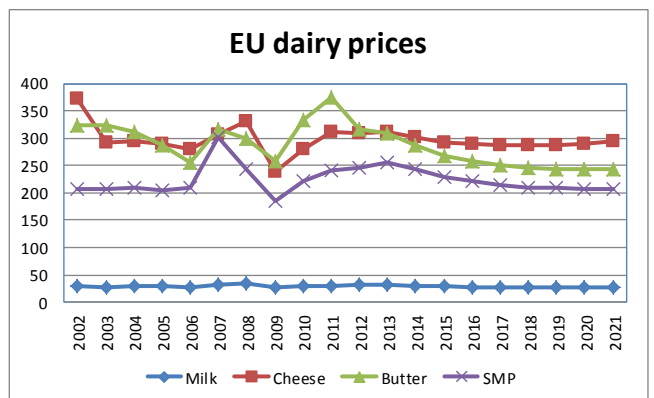
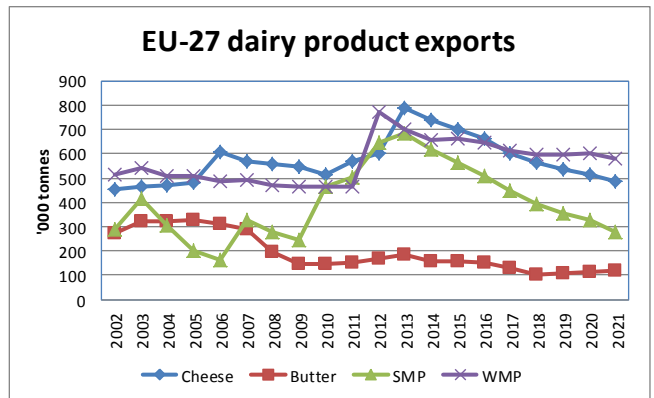
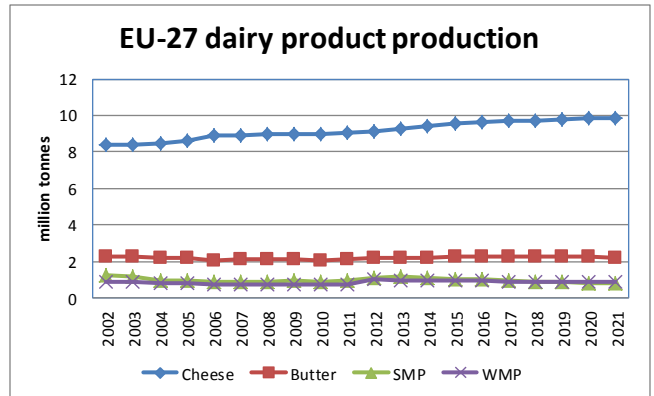
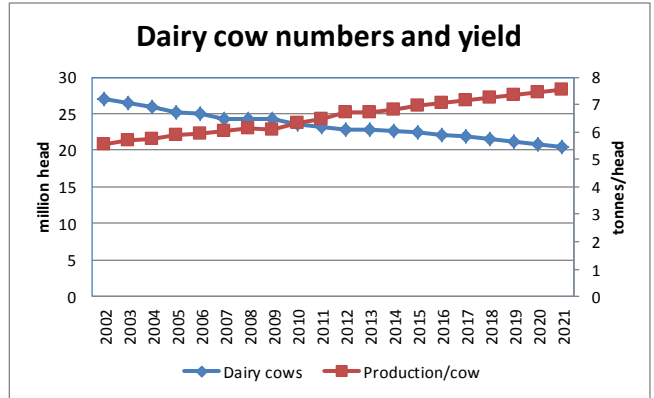
# Dairy – EU-27

The dairy sector has perhaps been subjected to the greatest amount of volatility of all the sectors in the agricultural economy in recent years. As well as exposure to the fluctuation in input costs, particularly from feed and fuel, world dairy prices have also been volatile, with the result that dairy margins have moved around dramatically. This is expected to continue into the future, but for the purposes of this baseline the model produces smooth paths for projected prices in contrast to their recent history.

Milk production is projected to expand in line with the expansion of quotas in the EU, but returns to the sector post quota removal are insufficient to produce a further increase in production which levels off thereafter. Most of this expansion of production is used for additional cheese consumption which is projected to grow with incomes and population growth. The strong euro hampers exports and pushes down internal product prices in euro terms. Exports of dairy products fall in the projection period.

Milk prices peak in 2012 before the fall in product prices push average milk prices down below 30 euro/100 kgs.

Over time changes to EU policy and increases in world prices have strengthened the link between international and internal EU product prices, increasing volatility. In the future, the flexibility afforded by the ending of quotas will likely add a greater fluctuations in production to this mix.



# Dairy – EU-27

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	thousand head, end of year										
Dairy cows	23,146	22,814	22,866	22,607	22,387	22,151	21,830	21,513	21,161	20,854	20,439
Production/cow	6,492	6,699	6,711	6,803	6,962	7,055	7,151	7,237	7,341	7,435	7,532
<b>Fluid milk</b>											
Cow's milk production	150	153	153	154	156	156	156	156	155	155	154
Milk quota	142	146	146	146	151	151	151	151	151	151	151
Other milk production	5	5	5	5	5	5	5	5	5	5	5
Fluid consumption	44	45	44	44	45	44	44	44	44	44	43
Manufacturing use	103	106	107	107	109	110	110	110	110	110	109
Feed use, net exports	64	63	64	64	66	66	67	67	68	68	69
<b>Cheese</b>	thousand tonnes										
Production	9,084	9,125	9,296	9,386	9,540	9,631	9,696	9,738	9,781	9,827	9,829
Non-EU imports	112	114	113	116	119	121	124	126	128	131	133
Domestic use	8,627	8,634	8,622	8,761	8,957	9,090	9,214	9,303	9,375	9,442	9,477
Non-EU exports	569	604	787	738	698	659	604	561	533	514	485
Ending stocks	498	499	500	502	506	508	510	511	512	513	513
<b>Butter</b>											
Production	2,103	2,204	2,222	2,231	2,256	2,265	2,263	2,258	2,254	2,253	2,235
Non-EU imports	44	44	44	44	44	44	44	44	44	44	44
Domestic use	2,034	2,092	2,094	2,117	2,142	2,152	2,164	2,168	2,167	2,164	2,158
Non-EU exports	153	170	183	158	155	153	129	102	106	116	117
Ending stocks	184	170	160	159	162	166	180	212	238	255	258
<b>Skim powder</b>											
Production	983	1,136	1,168	1,116	1,074	1,028	971	921	883	849	799
Non-EU imports	27	27	27	27	27	27	27	27	27	27	27
Domestic use	545	547	530	535	543	547	550	552	550	549	545
Non-EU exports	505	645	686	618	562	509	446	394	357	325	278
Ending stocks	147	119	99	88	84	84	86	88	91	94	97
<b>Whole powder</b>											
Production	757	1,059	994	955	967	955	927	910	910	920	903
Non-EU imports	22	15	15	15	15	16	16	16	16	16	17
Domestic use	316	300	304	310	316	321	326	329	332	335	337
Non-EU exports	463	773	703	658	664	648	615	595	594	601	582
Ending stocks	58	60	62	64	68	70	72	74	75	76	76
<b>Consumption</b>	kilograms per capita										
Fluid milk	93.0	93.4	92.7	92.4	92.4	92.1	91.7	91.1	90.4	89.8	89.0
Cheese	18.6	18.5	18.4	18.6	18.9	19.1	19.3	19.4	19.5	19.6	19.6
Butter	4.3	4.7	4.7	4.7	4.7	4.7	4.8	4.8	4.7	4.7	4.7
<b>Prices</b>	euro per 100 kilograms										
Milk, 3.7% fat	31	33	31	30	29	28	28	28	28	28	28
Cheese market	311	310	312	303	292	289	286	286	288	290	294
Butter market	376	315	309	288	268	259	250	245	244	243	244
SMP market	242	247	256	243	229	222	214	210	209	208	208
WMP market	298	286	276	258	243	234	226	221	219	218	217
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



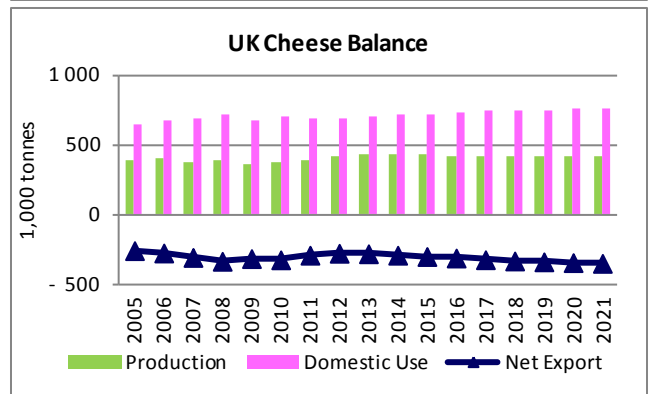
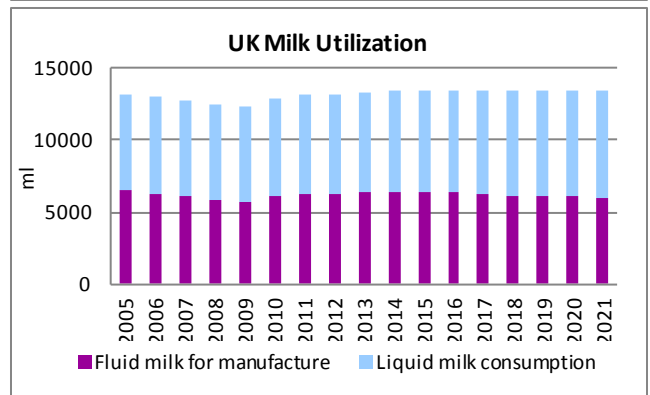
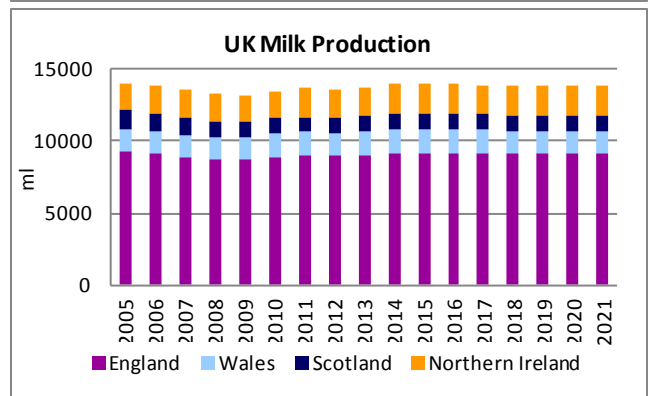
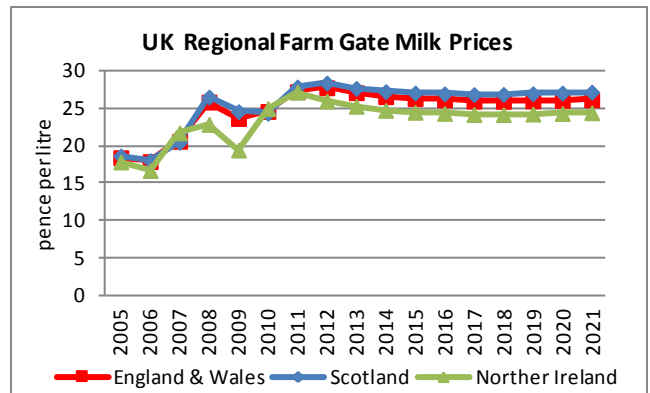
# Dairy – UK

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 83% of raw milk is used for dairy commodity production.

Projected UK milk production is marginally lower in 2012 compared to 2011. Underlying this it is projected that there is a 0.5% increase in NI and decreases of -0.4%, -1.0% and -0.6% in England, Wales and Scotland. Overall UK milk production increases in 2013 and remains relatively stable for the remainder of the projection period. The small increase in projected milk production reflects a fall in input costs, which offsets the decline in producer milk prices.

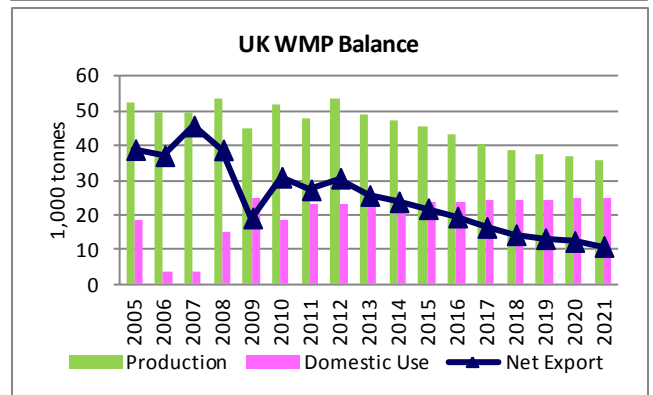
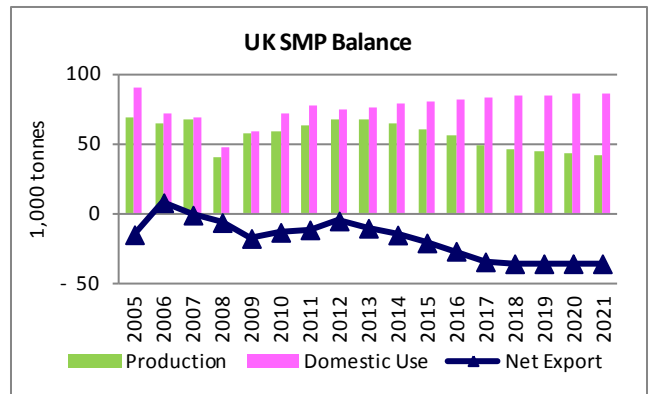
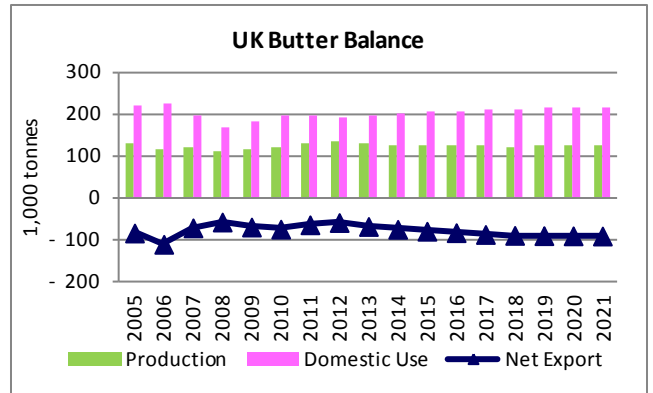
While per capita liquid milk consumption decreases slightly, overall UK liquid milk consumption increases over the projection period due to the underlying population growth in the UK. Projected milk available for manufacture increases in 2013 and 2014 but decreases slightly in the following years, such that by the end of the projection period available milk for manufacture decreases by 3% between 2011 and 2021.

It is projected that cheese production increases over the projection period (+5% between 2011 and 2021) due to an improvement in the relative return for cheese compared to the other dairy commodities (despite the decline in absolute price). Domestic use continues to grow and consequently, net exports fall slightly.



# Dairy – UK (Cont.)

Projected UK butter production remains stable over the projection period (no change between 2011 and 2021), while SMP and WMP production decrease significantly over the projection period (-35% and -25% respectively between 2011 and 2021). SMP production decreases since more protein is allocated into liquid milk consumption and cheese production. The projected decline in powder production has a negative impact on net exports.



# Dairy – UK

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
					thousand heads						
Dairy cows	1,800	1,790	1,799	1,806	1,802	1,790	1,773	1,758	1,747	1,738	1,727
					ml						
Milk Production	13,687	13,639	13,796	13,945	13,996	13,982	13,923	13,880	13,873	13,883	13,871
<b>Cheese</b>					thousand tonnes						
Production	395	419	427	426	425	422	417	415	415	415	415
Domestic use	685	695	706	715	724	732	740	746	752	758	764
Net export	-290	-276	-280	-290	-299	-310	-322	-331	-337	-343	-348
<b>Butter</b>											
Production	130	132	128	126	125	124	123	123	123	124	125
Domestic use	194	190	196	201	205	207	210	212	214	215	216
Net export	-64	-59	-68	-75	-80	-83	-87	-90	-90	-91	-91
<b>Skim powder</b>											
Production	64	68	67	65	60	55	49	46	44	43	41
Domestic use	77	75	77	79	80	82	83	84	85	85	86
Net export	-11	-5	-10	-15	-21	-27	-34	-36	-36	-36	-36
<b>Whole powder</b>											
Production	48	54	49	47	46	43	40	39	38	37	36
Domestic use	23	23	23	24	24	24	24	24	24	25	25
Net export	27	31	26	24	22	19	16	14	13	12	11
<b>Prices</b>					ppl, £/100kg						
Farm gate milk (EN)	27.3	27.8	27.2	26.6	26.4	26.2	26.0	26.0	26.1	26.1	26.2
Cheese	292.0	279.3	267.1	261.0	258.8	258.1	257.6	259.1	261.4	263.6	266.9
Butter	345.9	271.2	251.6	237.9	230.4	226.1	221.3	219.6	219.9	220.3	221.1
SMP	224.4	215.2	208.0	196.4	190.1	185.4	180.3	178.3	178.3	178.7	178.6
WMP	314.5	283.7	257.2	242.0	234.6	229.1	223.1	220.5	220.2	220.3	219.8

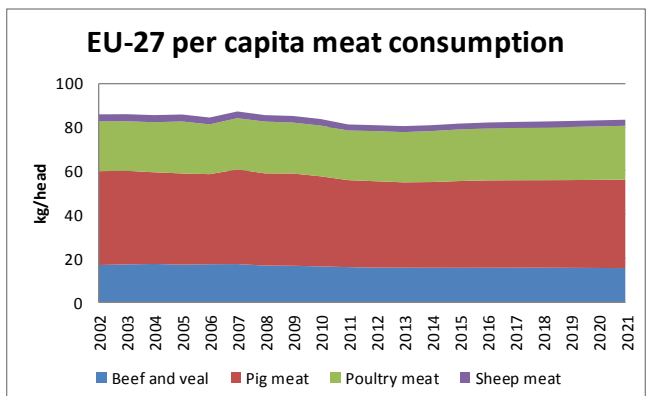
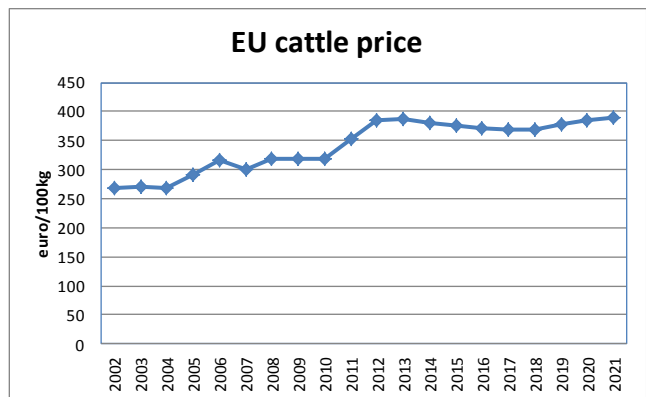
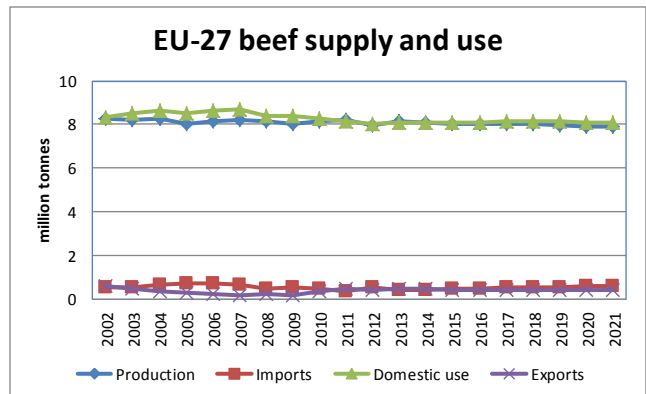
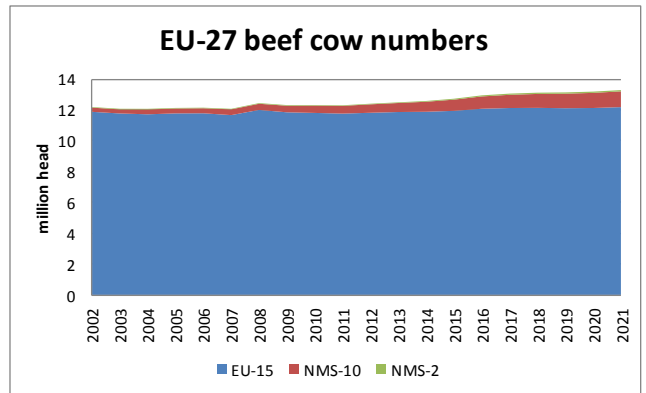
# Livestock Sector

# Cattle and Beef – EU-27

Global meat markets have been tight in recent years and this is likely to continue. In the U.S. cattle numbers have fallen as a result of the drought in the midwest that pushed up cereal prices and also cut the availability of forage. Rebuilding the U.S. herd will take time. In Brazil, beef production has had to compete with strong crop prices and the subsequent expansion in area. In the EU, a falling dairy cow herd has also constrained supplies. Beef prices in the EU have therefore risen strongly.

In the projections, world prices are strong and hinder import supplies. In the baseline incomes recover and population grows, which has a positive impact on demand, but this is offset by an ageing EU population. However, continued reductions of the dairy herd restrict supplies and keep prices strong. The beef cow herd expands in response to both these high prices and the reductions in feed costs outlined above. The EU returns to being a net importer over the projection period.

Total meat consumption is projected to increase to 83.3 kg/head by 2021 from around 81 kg/head in 2011. 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.



# Cattle and Beef – EU-27

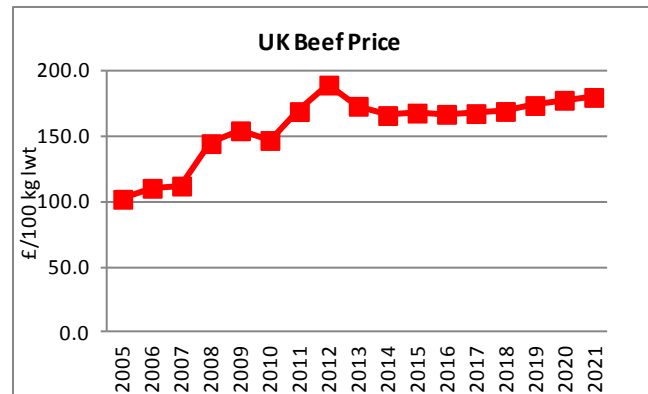
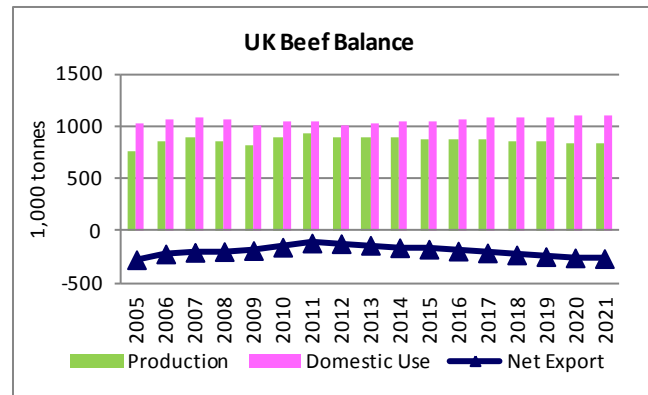
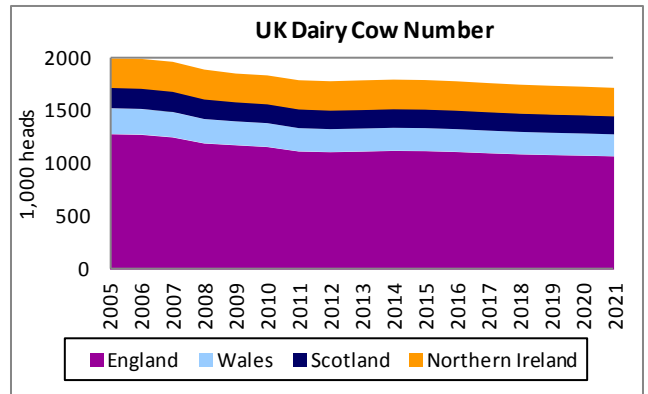
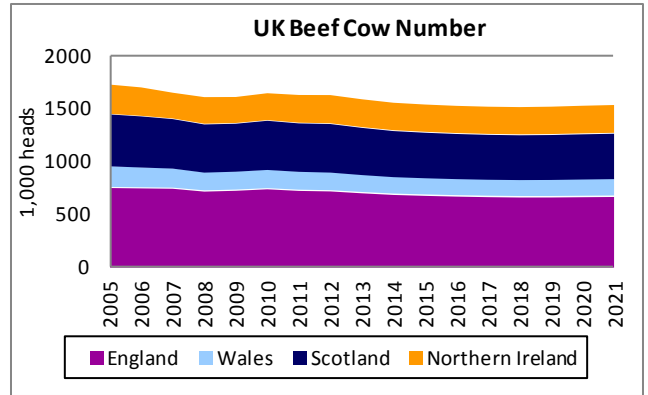
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Cattle</b>	million head										
Beginning inventories	87.5	86.2	85.7	85.1	84.5	84.1	83.7	83.2	82.5	81.9	81.3
Dairy cows	23.1	22.9	23.1	22.8	22.4	22.3	22.0	21.7	21.4	21.0	20.7
EU-15	17.6	17.5	17.4	17.2	17.0	17.0	16.8	16.6	16.4	16.2	16.0
NMS-10	4.1	4.0	4.3	4.2	4.1	4.1	4.0	3.9	3.9	3.8	3.7
NMS-2	1.5	1.5	1.4	1.4	1.4	1.3	1.2	1.1	1.1	1.0	1.0
Suckler cows	12.3	12.4	12.5	12.6	12.7	12.9	13.1	13.1	13.1	13.2	13.3
EU-15	11.8	11.8	11.9	11.9	11.9	12.1	12.1	12.1	12.1	12.1	12.2
NMS-10	0.5	0.5	0.6	0.6	0.7	0.8	0.9	0.9	0.9	1.0	1.0
NMS-2	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Cattle slaughter	28.3	27.6	28.0	27.8	27.5	27.5	27.4	27.3	27.1	26.8	26.6
Slaughter weight	290.5	288.2	289.4	291.4	292.1	292.6	293.4	294.2	295.1	296.2	296.7
<b>Beef and veal</b>	thousand tonnes										
Production	8,221	7,962	8,118	8,091	8,037	8,048	8,045	8,038	7,986	7,934	7,903
Non-EU imports	366	504	393	415	464	478	503	524	553	580	596
Domestic use	8,139	8,043	8,057	8,065	8,070	8,100	8,126	8,144	8,127	8,107	8,096
Non-EU exports	448	422	454	441	430	427	422	418	412	406	403
Stock change	0	1	1	1	0	0	0	0	0	0	0
<b>Beef and veal</b>	kilograms per capita, cwe										
Beef and veal	16.2	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.8	15.7
<b>Young cattle R3</b>	euro per 100 kilograms										
Young cattle R3	352.1	385.2	386.3	380.2	375.5	370.2	368.9	369.9	377.4	384.5	389.5

# Cattle and Beef – UK

Following an increase in the UK beef price in 2012, it is projected that beef prices in the UK fall in 2013 and 2014 since the UK pound strengthens against the euro and thus prices quoted in euros are lower when expressed in Sterling. Prices stabilise in the medium term and increase slightly in the longer run in line with EU projections.

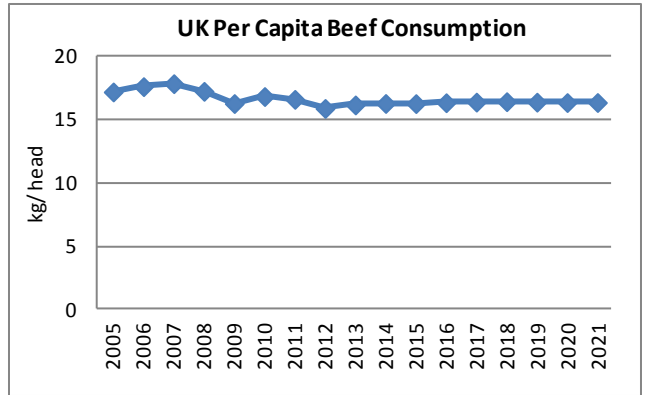
Feed costs decline in response to lower grain and oilseed meal prices. In the short-run, this is insufficient to offset the lower output price and projected UK beef cow numbers decline over the next few years. Beef cow numbers begin to recover in the latter part of the projection period as prices have a positive impact on margins. Overall, beef cow numbers decline by 6% between 2011 and 2021.

Dairy cow numbers continue to decline, falling by 4% between 2011 and 2021. The fall in cow numbers leads to a decline in production over the projection period.



# Cattle and Beef – UK (Cont.)

The high beef price in 2012 has a downward impact on per capita beef consumption in 2012. This recovers slightly in the subsequent years but remains below 2011 levels. Nonetheless, the projected increase in population leads to an increase in total beef consumption over the projection period (increases by 6% between 2011 and 2021). As a result, it is projected that the gap between consumption and production widens and net exports decline.





# Cattle and Beef – UK

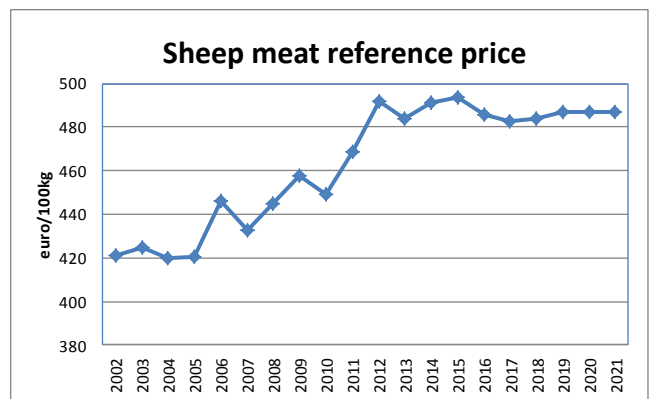
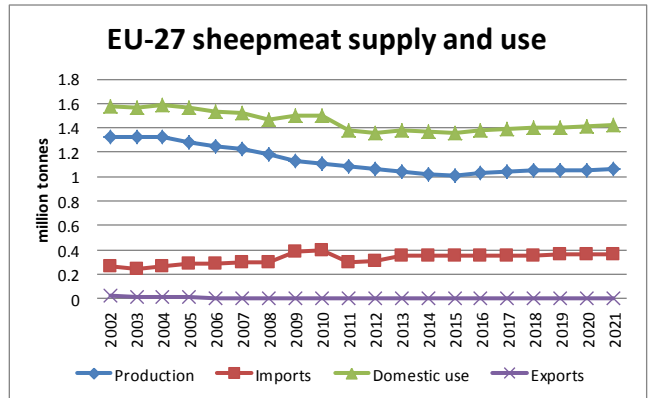
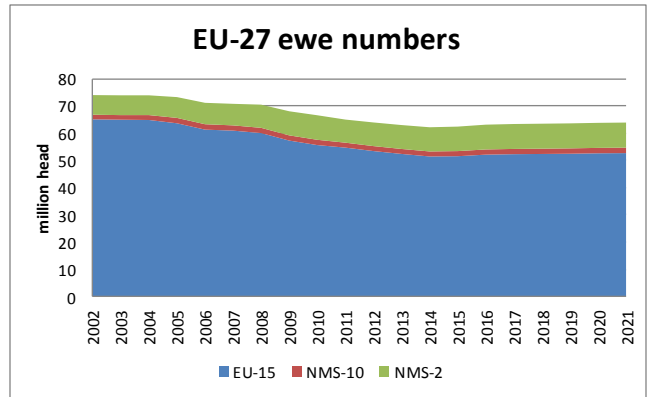
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Cattle</b>											
Suckler cows	thousand heads										
England	730	725	707	691	683	676	670	667	667	670	672
Wales	181	179	174	169	168	166	166	166	167	169	170
Scotland	460	462	448	438	433	429	426	426	427	429	431
Northern Ireland	269	274	270	266	264	264	264	264	266	268	270
Dairy Cows											
England	1,122	1,115	1,120	1,127	1,125	1,117	1,105	1,095	1,088	1,082	1,075
Wales	218	215	215	215	215	213	212	210	209	208	206
Scotland	180	178	178	179	178	177	176	174	173	172	171
Northern Ireland	281	283	285	285	284	283	281	279	277	276	274
Total Cattle	9,661	9,490	9,461	9,373	9,301	9,242	9,174	9,104	9,052	9,033	9,034
<b>Beef and veal</b>											
	thousand tonnes										
Production	931	888	899	891	885	879	873	863	852	846	847
Domestic use	1,044	1,007	1,033	1,049	1,056	1,069	1,080	1,090	1,095	1,101	1,109
Net export	-113	-119	-134	-158	-172	-190	-207	-227	-243	-255	-262
	£/100kg, liveweight										
Price (EN)	169	190	173	166	168	167	168	169	174	178	180

# Sheep and Sheep Meat – EU-27

Ewe flock numbers have also fallen dramatically in the EU over the past 10 years with much of the fall coming in the EU-15. As with the pig herd it is difficult to determine the bottom of this fall as there are a variety of factors contributing to the relative attractiveness of sheep enterprises.

In these projections the fall in sheep numbers is expected to slow but continue until 2015 when the high prices for the sector finally see some recovery in numbers. Relative to the recent decline in the flock. The increase over the projection period is very small.

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 relative to history as imports are restricted by quotas.



# Sheep and Sheep Meat – EU-27

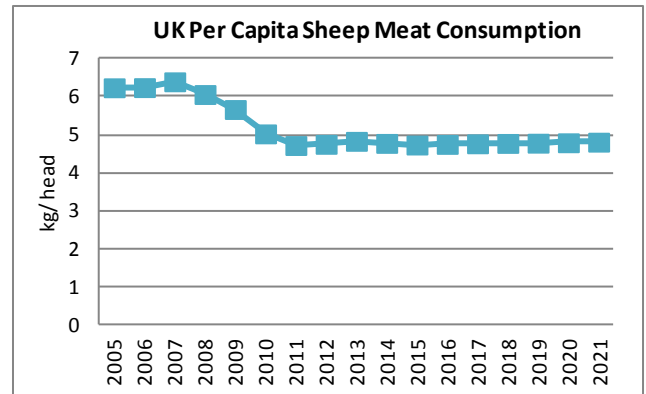
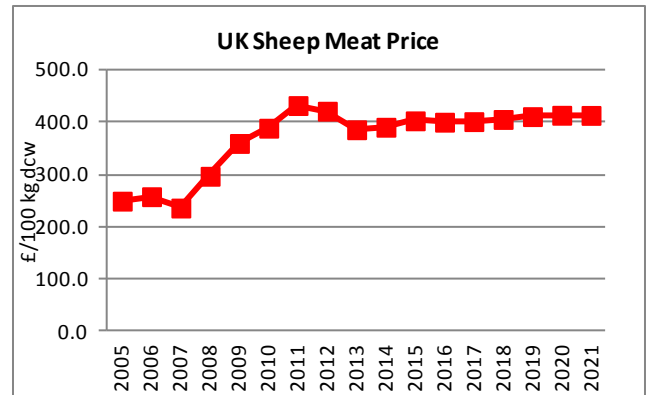
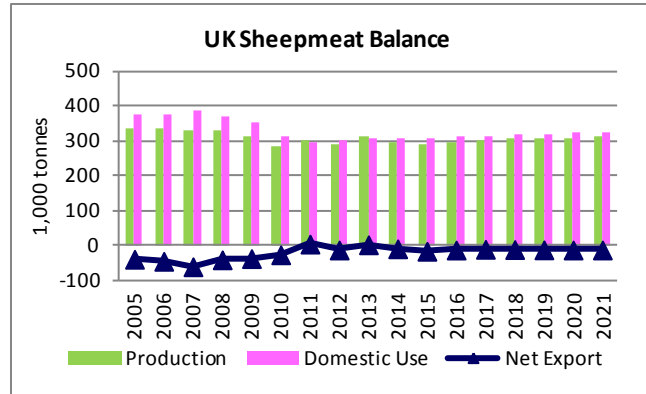
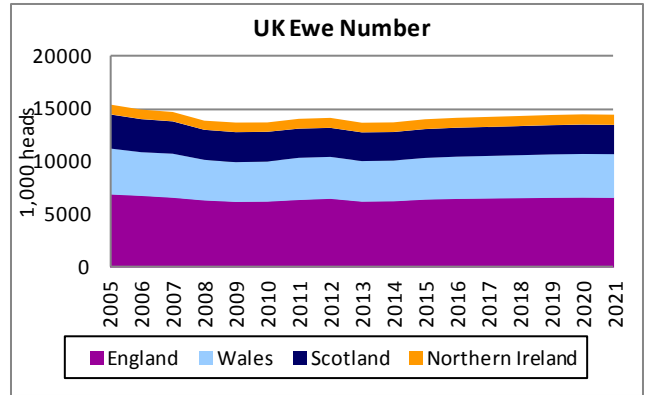
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Sheep</b>	million head										
Beginning inventories	86.7	85.6	84.1	82.7	82.5	83.2	83.5	83.6	83.6	83.7	83.8
Ewes	65.0	63.9	63.0	62.2	62.4	63.1	63.3	63.5	63.6	63.8	63.9
EU-15	54.7	53.4	52.4	51.4	51.5	52.1	52.3	52.4	52.4	52.6	52.7
NMS-10	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.9	2.0	2.0	2.0
NMS-2	8.5	8.7	8.8	8.9	9.0	9.1	9.1	9.2	9.2	9.2	9.2
Sheep slaughter	55.1	53.3	52.2	50.4	49.8	50.8	51.4	51.5	51.6	51.8	52.2
	kilograms per head										
Slaughter weight	19.8	20.0	19.9	20.2	20.3	20.3	20.3	20.3	20.4	20.4	20.4
<b>Sheep meat</b>											
Production	1,089	1,064	1,040	1,019	1,012	1,032	1,044	1,048	1,050	1,056	1,062
Non-EU imports	299	307	347	351	353	353	355	357	360	362	364
Domestic use	1,384	1,361	1,382	1,365	1,360	1,380	1,393	1,400	1,405	1,413	1,422
Non-EU exports	5	5	5	5	5	5	5	5	5	5	5
Stock change	0	0	0	0	0	0	0	0	0	0	0
	kilograms per capita, cwe										
Sheep meat	2.75	2.70	2.73	2.69	2.67	2.71	2.73	2.74	2.74	2.75	2.76
	euro per 100 kilograms										
Sheep meat price	468.6	491.8	483.6	491.5	493.9	485.4	482.6	483.9	486.8	487.2	486.9

# 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. However, the UK sheepmeat price increases slightly in the following years.

The initial decline in price is partially offset by lower input costs. In response, it is projected that ewes in the UK show a modest decline in 2013 but stabilise in 2014 and increase in the subsequent years. Overall, it is projected that ewes increase by 3% between 2011 and 2021. Sheepmeat production exhibits a similar increase 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.





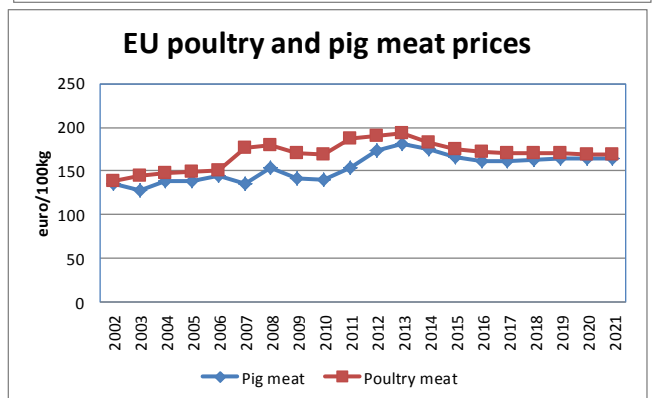
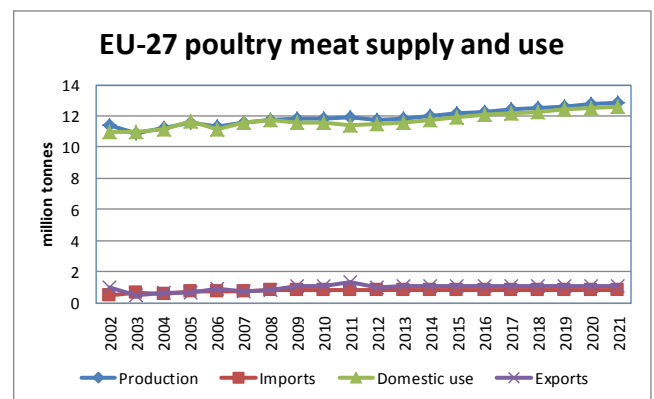
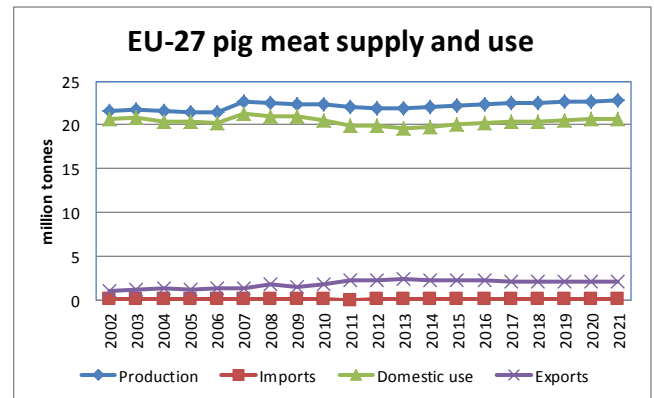
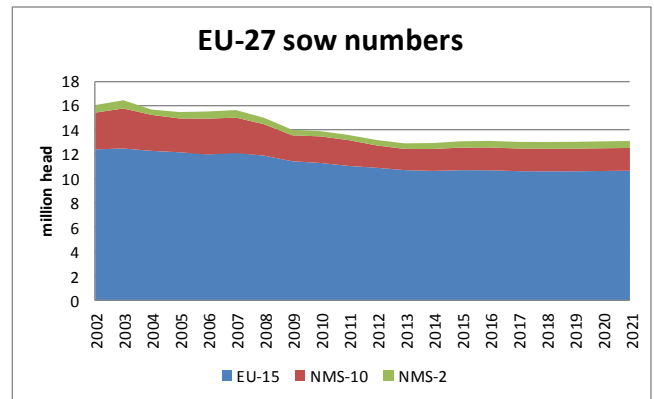
# Pigs, Pork and Poultry Meat – EU-27

A combination of high feed prices and tougher requirements regarding animal welfare have led to a dramatic reduction in sow numbers in the EU. It is an area of great uncertainty as to when and at what point this fall will stop. In the projections the sow herd is projected to flatten off in 2013 and 2014 before rising marginally thereafter, in response to higher margins as feed costs fall.

Pig meat production follows the path of sow numbers and there are expected to be some improvements in productivity over the period stabilizing production. Consumption rises marginally as a result of income and population growth. A strong world market keeps the EU as a significant net exporter over the period.

Poultry production can react the most rapidly of the meats to the reduction in feed costs that are projected, while also benefitting from the price strength from the other meats which are slower to increase production. The continuation of the upward trend in both production and consumption is expected and the EU is projected to continue to be a small net exporter of poultry meat.

Poultry meat prices are projected to follow feed prices down over the projection period, with a strengthening euro also contributing to a fall in prices. Price levels do remain at a level above 150 euros/100 kg for the duration of the period.



# Pigs, Pork and Poultry Meat – EU-27

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Pigs</b>	million head										
Beginning inventories	151.3	148.7	146.2	145.5	146.8	148.1	148.2	148.0	148.2	148.8	149.4
Sows	13.6	13.2	12.9	12.9	13.1	13.1	13.0	13.0	13.0	13.1	13.1
EU-15	11.0	10.9	10.7	10.6	10.7	10.7	10.6	10.6	10.6	10.6	10.7
NMS-10	2.1	1.8	1.7	1.8	1.9	1.9	1.9	1.9	1.9	1.9	1.9
NMS-2	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6
Pig slaughter	253.8	251.9	248.7	248.7	251.0	252.4	252.2	252.2	252.8	253.8	254.7
Slaughter weight	87.1	87.1	88.2	88.6	88.7	88.8	89.0	89.2	89.3	89.5	89.6
<b>Pig meat</b>											
Production	22,107	21,927	21,946	22,035	22,269	22,408	22,443	22,481	22,578	22,701	22,815
Non-EU imports	18	50	50	50	50	50	50	50	50	50	50
Domestic use	19,921	19,854	19,667	19,801	20,095	20,279	20,349	20,398	20,492	20,609	20,721
Non-EU exports	2,204	2,160	2,344	2,265	2,193	2,158	2,133	2,127	2,131	2,135	2,135
Stock change	0	-36	-15	19	30	21	11	6	6	8	8
Pig meat	kilograms per capita, cwe										
	39.6	39.4	38.9	39.0	39.5	39.8	39.8	39.9	40.0	40.1	40.3
Pig meat reference	euro per 100 kilograms										
	153.2	173.5	180.6	174.5	165.4	161.4	161.8	163.3	164.3	164.1	163.7
<b>Poultry meat</b>											
Production	11,899	11,747	11,852	12,042	12,204	12,299	12,407	12,507	12,623	12,741	12,843
Non-EU imports	808	805	800	809	817	822	828	832	836	841	845
Domestic use	11,375	11,520	11,586	11,781	11,955	12,061	12,176	12,282	12,396	12,514	12,617
Non-EU exports	1,332	1,033	1,064	1,053	1,048	1,049	1,050	1,053	1,058	1,063	1,066
Stock change	0	-1	1	17	18	11	8	5	5	5	5
Poultry meat	kilograms per capita, cwe										
	22.6	22.8	22.9	23.2	23.5	23.7	23.8	24.0	24.2	24.4	24.5
Chicken price	euro per 100 kilograms										
	186.5	190.8	193.2	183.2	174.6	171.4	170.3	170.2	170.3	169.5	169.0

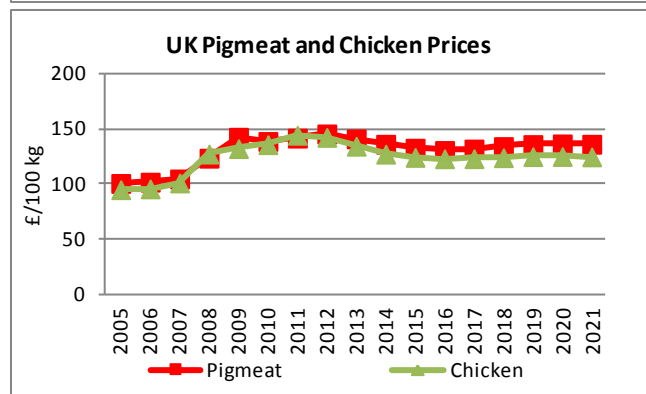
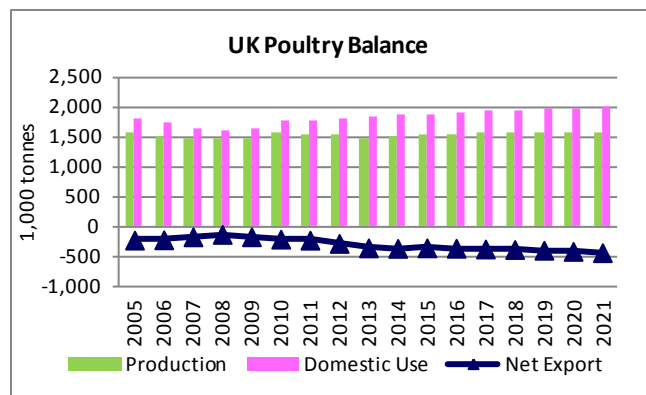
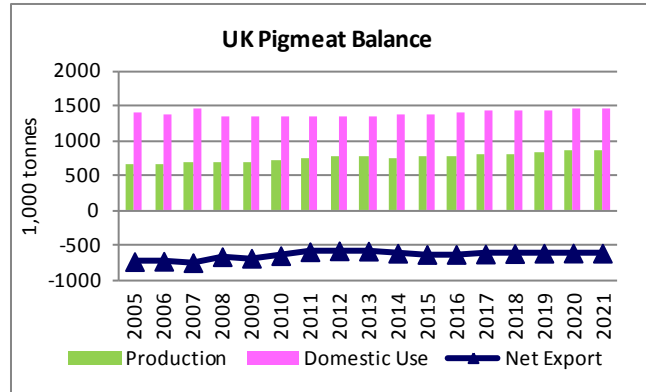
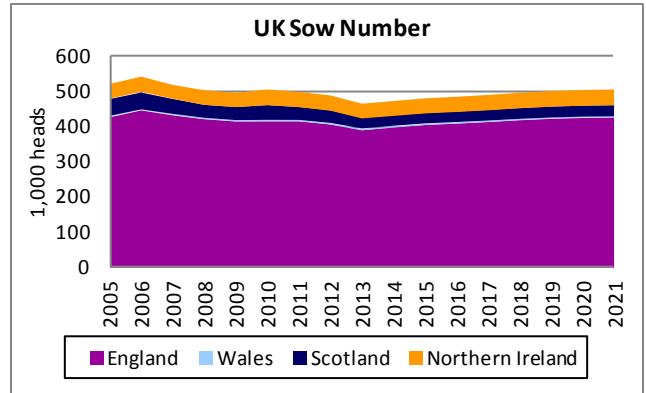
# Pigs, Pork and Poultry Meat – UK

In line with the EU pigmeat price and the exchange rate projections it is projected that the UK pigmeat price falls between 2012 and 2016 but increases slightly thereafter. Despite this price impact, it is projected that sow numbers begin to increase in 2014 due to lower input costs. It is assumed that the UK will not be affected by EU animal welfare legislation to the same extent as other EU countries due to existing legislation requirements.

The projections allow for an increase in piglets per sow over the projection period, leading to an increase in UK pigmeat production.

The projected decline in price leads to a small increase in per capita pigmeat consumption, which in combination with the increase in population in the UK, results in an overall increase in consumption. Net exports remain fairly flat during the projection period.

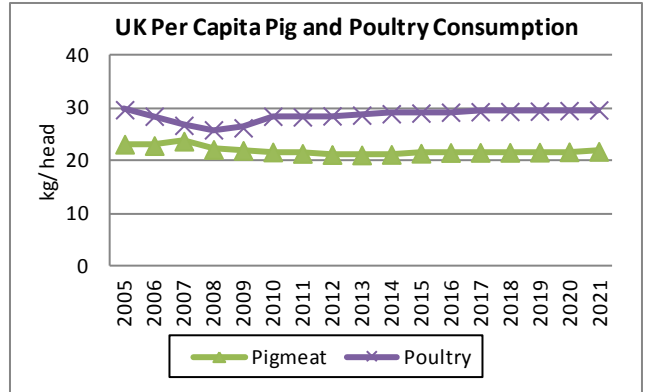
In line with the EU poultry meat price and exchange rate projections, the UK poultry price falls during the projection period (-14% between 2011 and 2021). Poultry production falls in the near term but shows an upward trend from 2014 in response to lower feed costs. Overall, UK poultry production increases by 1% between 2011 and 2021.





# Pigs, Pork and Poultry Meat – UK (Cont.)

The lower price has a positive impact on per capita poultry consumption. This, combined with the projected increase in population, has a positive impact on total poultry consumption over the projection period. The gap between production and domestic use widens during the projection period, leading to lower net exports.



# Pigs, Pork and Poultry Meat – UK

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Pigs</b>											
Sows					thousand heads						
England	415	406	390	398	405	409	413	418	422	425	426
Wales	3	3	3	3	3	3	3	3	3	3	3
Scotland	39	38	32	31	31	31	32	32	33	33	33
Northern Ireland	43	43	41	42	42	43	43	43	44	44	44
<b>Pig meat</b>											
Production	759	770	772	759	767	787	804	821	839	856	870
Domestic Use	1,347	1,344	1,350	1,368	1,393	1,413	1,424	1,435	1,448	1,463	1,478
Net Export	-588	-574	-578	-609	-626	-626	-620	-614	-609	-606	-608
Pig meat Price	142	146	141	136	133	131	132	134	136	137	136
<b>Poultry meat</b>					thousand tonnes						
Production	1,558	1,532	1,485	1,508	1,536	1,553	1,561	1,568	1,574	1,577	1,577
Domestic use	1,782	1,809	1,833	1,864	1,887	1,912	1,932	1,949	1,967	1,989	2,011
Net export	-224	-278	-353	-362	-353	-360	-372	-381	-393	-412	-434
Chicken Price					£/100kg						
	193	183	172	162	158	157	157	158	159	160	159