

European Commission
Directorate-General for Agriculture

PROSPECTS FOR
AGRICULTURAL MARKETS
2001 – 2008

July 2001

NOTE TO THE USERS

The medium-term perspectives presented in this publication consist of a set of market projections elaborated on the basis of specific assumptions regarding macro-economic conditions, the agricultural and trade policy environment, weather conditions and international market developments. They are not intended to constitute a forecast of what the future will be, but instead a description of what may happen under a specific set of assumptions and circumstances, which at the time of projections were judged plausible. As such, they should be seen as an analytical tool for medium-term market and policy issues, not as a short-term forecasting tool for monitoring market developments and addressing short-term market issues.

This report is based on the statistical information available in May 2001.

Table of contents

Foreword	7
List of acronyms and abbreviations	8
Executive summary	9
Chapter I	Prospects for agricultural markets in the European Union
1.	Introduction and macro-economic environment 25
1.1	Introduction 25
1.2	The macro-economic environment 25
2.	Arable crops 27
2.1	Cereals 27
2.1.1	Supply 27
2.1.2	Internal demand 32
2.1.3	External trade 36
2.1.4	Balance sheet 38
2.2.	Oilseeds 41
2.3	Uncertainties 43
3.	Meat and livestock 45
3.1	Beef and veal 45
3.2	Pig meat 51
3.3	Poultry 52
3.4	Sheep and goat 54
3.5	Overall meat consumption 55
4.	Milk and dairy products 56
4.1	Milk production, deliveries and dairy herd 56
4.2	Dairy products 58
4.2.1	Cheese 58

4.2.2	Butter	60
4.2.3	Skimmed milk powder	61
	Methodological annex	63
Chapter II	Prospects for agricultural markets in the candidate countries from Central and Eastern Europe	
1.	Introduction	75
2.	Economic outlook	76
3.	Cereals and oilseeds	76
3.1	Cereals	77
3.2	Oilseeds	79
4.	Milk and dairy products	81
5.	Beef and veal	84
6.	Pig meat	85
7.	Poultry meat	86
8.	Sheep and goat meat	86
9.	Total meat consumption	87
10.	Conclusion	87
	Statistical annex	88
Chapter III	Prospects for world agricultural markets	
1.	Introduction	95
2.	Overview of main trends	95
2.1	Overview per sector	96
2.2	Underlying factors	100
3.	Prospects per sector	104
3.1	Cereals	105
3.2	Oilseeds and oilseed products	113

3.2.1	Oilseeds and oilseed meals	113
3.2.2	Vegetable oils	118
3.3	Meat	120
3.3.1	Beef and veal	121
3.3.2	Pig meat	124
3.3.3	Poultry	126
3.4	Milk and dairy products	128
3.4.1	Milk production	129
3.4.2	Dairy products	130
3.4.3	Dairy prices	133
4.	Key issues	134
4.1	Economic prospects	134
4.2	Growth potential in agricultural supply	135
4.3	Policy and trade environment	136
	References	137
	Statistical annex	138

Foreword

The Directorate-General for Agriculture of the European Commission has published in recent years an overview of market trends and medium-term projections of supply and demand for the main agricultural commodities. This publication provides a picture of the likely developments of agricultural markets up to 2008, based on a certain number of assumptions and on the statistical information available in May 2001.

This report contains three chapters. The first chapter centres on the market prospects by the year 2008 within the EU and covers the following products: cereals, oilseeds, meat, milk and the main dairy products. Chapter II provides a description of the likely prospects of agricultural markets in the ten Central and Eastern European Countries, which are candidates for accession to the EU. Finally, a presentation of the medium and long-term prospects of agricultural world markets, established by different international organisations and institutes, is given in chapter III.

List of acronyms and abbreviations

BSE	Bovine Spongiform Encephalopathy
CAP	Common Agricultural Policy
cap.	Capita
CEECs	Central and Eastern European Countries
Cwe	Carcass weight equivalent
DG AGRI	Directorate-General for Agriculture
EU	European Union
EUROSTAT	Statistical Office of the European Communities
FAIR	Federal Agriculture Improvement and Reform (US)
FAO	Food and Agriculture Organisation of the United Nations
FAPRI	Food and Agricultural Policy Research Institute
FMD	Foot-and-Mouth Disease
FSU	Former Soviet Union
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
ha	Hectare
IGC	International Grain Council
IMF	International Monetary Fund
kg	Kilogram
LFA	Less Favoured Areas
lw	Live weight
mio	Million
OECD	Organisation for Economic Co-operation and Development
OTMS	Over Thirty Months Scheme
SAPARD	Special Accession Programme for Agricultural and Rural development
SMP	Skimmed Milk Powder
SRM	Specific Risk Material
t	Metric tonne
URAA	Uruguay Round Agreement on Agriculture
US	United States of America
USDA	United States Department of Agriculture
WMP	Whole Milk Powder
WTO	World Trade Organisation