The 2018 EU Agricultural Outlook Conference

THE FUTURE OF FOOD AND FARMING

FOOD FOR THOUGHT

EU agricultural outlook for meat and dairy

Brussels, 6 – 7 December 2018
Meat and dairy consumption pushed down

By societal demands

Main reasons why people are planning to eat less meat within the next five years in Europe as of 2017

- Negative health effects: 40%
- Animal welfare: 17%
- Expense: 14%
- Negative environmental effects: 12%
- Less common in social circle: 6%
- Other reasons: 12%

Note: Europe; 2017; 13 000 European consumers
Source: ING
How much liquid milk is consumed in Europe in 2018?

1. **Less than 30 liters/capita per year**
2. **30 to 60 liters/capita per year**
3. **60 to 100 liters/capita per year**
4. **More than 100 liters/capita per year**
Meat and dairy consumption pushed down by the development of alternative products...

Nevertheless shares of alternative products remain small

- **4%** of cow’s milk sales

Source: Euromonitor
But actual impact on total consumption still small

Lower meat consumption but higher EU domestic use of dairy products

- Smoothened decline in liquid milk consumption
- Use of cheese keeps growing
- + 0.9 million t of milk domestically used yearly

- Dependent on availabilities
- Shift towards more processed meat
- Preference for quality over quantity
Other challenges for the livestock sector

Sustainability requirements stimulate actions... and impact production (de)localisation

To mitigate GHG emissions
To reduce ammonia emissions
To reduce nitrogen leakage and phosphates

and stimulate efficiency increase

Cow’s milk yield (kg/cow)

- EU-28
- EU-15
- EU-N13

2006 2018 2030
Global trade expansion but lower

EU leading position on world pigmeat and dairy products market

Average annual increase in meat and dairy global import demand 2018 - 2030 (million t)

- Dairy: 0.6 (2006-2018), 0.95 (2018-2030)

Share of EU on world exports in 2030 (%)

- Beef and veal: 3
- Sheep and goat meat: 4
- Pigmeat: 30
- Poultry: 11
- Cheese: 40
- Butter: 23
- SMP: 31
- WMP: 13
- Whey powder: 46

Value added products
Technical ingredients
Adoption of Western cuisine
Lower production growth expected

Less beef and pigmeat, more milk and poultry

➔ modest increase in milk production
  + 16 Mt to 182 million t
  in 12 years

➔ meat production slightly declining
  - 0.3 Mt to 48 million t c.w.e.
  in 12 years
Challenges can become opportunities

Focusing on differentiated products and value creation

Organic production
- 10% of dairy production in 2030
- More complex in meat sector

GM-free fed products

Locally-produced

Pasture-based products