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Prepared By: Bob Flach, Sophie Bolla, and Kristýna Spácilová

Approved By: Laura Geller

Report Highlights:

Both EU beef and pork production, as well as exports, are forecast to temporarily increase this year. Beef production will increase because of high carcass and beef prices combined with an overall dim outlook for the sector, incentivizing farmers to slaughter their cattle. A major outlet for the elevated beef production is Turkey. Pork production will increase as a result of an ample supply of piglets combined with low feed prices. Domestic and export outlets for the additional pork production are limited, and as a consequence, prices are forecast to fall resulting in a lower production of pork next year.

Executive Summary – EU Beef and Pork Production Will Peak This Year.

Cattle and Beef – EU Beef Production Is Forecast to Temporarily Increase in 2024.

Herd Size and Calf Crop: Due to a dim economic outlook and mounting regulations, the EU herd size and calf crop are forecast to shrink for the ninth successive year in 2025. The cut is forecast to take place in mainly Western Europe. In Central Europe, both the dairy and beef cow herds are stabilizing combined with a concentration and commercialization of the sector.

Slaughter and Trade: This year, slaughter is forecast to accelerate caused by relatively high prices for steer and cow carcasses. Another factor in mainly Western Europe is the outbreaks of the Bluetongue Virus (type BTV-3) and Epizootic Hemorrhagic Disease (EHD). Due to a smaller herd size and calf crop, slaughter is projected to decline next year. EU cattle exports are dropping because of significantly lower shipments to Turkey.

Beef Production: A hike in slaughter and elevated carcass weights are forecast to increase EU beef production by 2.2 percent in 2024. Assuming stable weights at slaughter, EU beef production is projected to decline by 1.5 percent in 2025.

Beef Domestic Sales and Trade: Despite the increased production, the EU beef market remains tight, as imports continue to shrink, and exports surge. The EU's main export market for cattle, Turkey, is shifting from importing cattle to importing beef. As a result, beef exports are forecast to increase by more than ten percent this year and remain at a relatively high level next year.

Swine and Pork – Similar to Beef, Pork Production Will Temporarily Recover in 2024.

Herd Size and Pig Crop: In 2023, EU piglet production reached a record low, while feed prices fell, and the demand for piglets rose. Record piglet prices tempted breeders to expand their sow stock during 2023. Because of the larger sow herd at the start of this year, the pig crop will rebound in 2024. This cycle is anticipated to reach a new record low in 2025.

Slaughter and Trade: In line with the pig crop trend, slaughter is forecast to increase by 0.9 percent this year and anticipated to fall by 1.7 percent next year. The trade of live swine plays a minor role in the total swine balance of EU.

Pork Production: This year, EU pork production is reinforced by higher weights at slaughter. EU pork production is forecast to increase by 2.0 in 2024 and decline by 1.7 in 2025. An additional volume of pork is mainly projected to be produced in Spain, destined for exports to EU and third country markets, and in Central Europe, most consumed domestically.

Pork Domestic Sales and Trade: EU Pork consumption is slightly increasing in Central and Southern Europe. However, both domestic consumption and exports will not be able to absorb the increased supply. The oversupply of pork is anticipated to increase competition and lower prices. These lower prices could improve the competitiveness of EU pork at the global market.

Cattle

Animal Numbers, Cattle	2023		2024		2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2025	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stocks	74,808	74,808	73,841	73,745	0	72,280
Dairy Cows Beg. Stocks	20,073	20,074	19,729	19,913	0	19,650
Beef Cows Beg. Stocks	10,445	10,445	10,285	10,319	0	10,235
Production (Calf Crop)	23,800	23,720	23,650	23,480	0	23,300
Total Imports	4	4	6	6	0	5
Total Supply	98,612	98,532	97,497	97,231	0	95,585
Total Exports	964	965	880	850	0	835
Cow Slaughter	9,850	9,902	9,775	10,380	0	10,300
Calf Slaughter	5,875	5,874	5,875	5,850	0	5,815
Other Slaughter	6,825	6,747	6,930	6,570	0	6,335
Total Slaughter	22,550	22,523	22,580	22,800	0	22,450
Loss and Residual	1,257	1,299	852	1,301	0	1,250
Ending Inventories	73,841	73,745	73,185	72,280	0	71,050
Total Distribution	98,612	98,532	97,497	97,231	0	95,585

(1,000 HEAD)

Not official USDA data. Source: Eurostat and FAS Offices. Includes backyard slaughter.

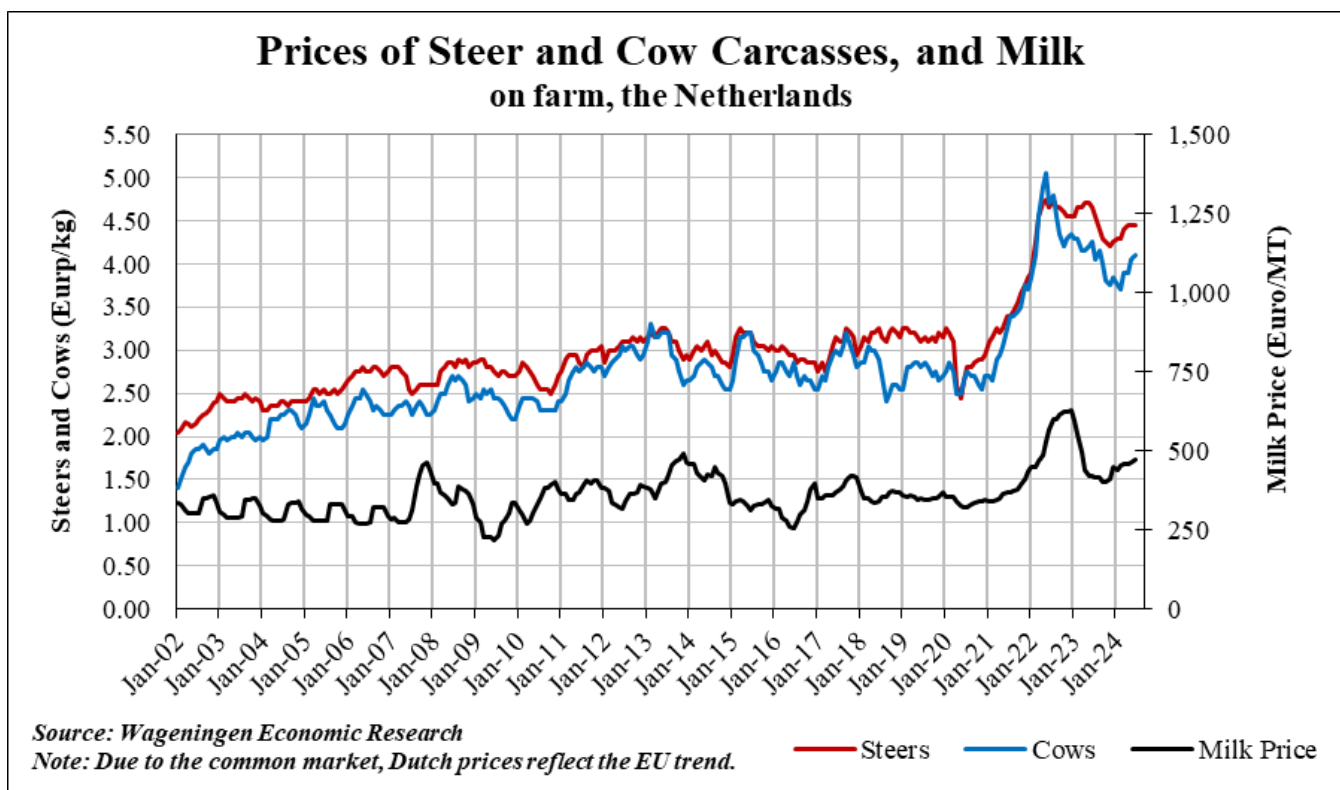
EU Cattle Slaughter Rose Due to High Carcass Prices Combined with a Dim Outlook

In the [Semi-annual](#), the contraction of the cattle herd was anticipated to slow down in 2024. In the Annual, this forecast is adjusted to an acceleration of the contraction based on elevated official slaughter during the first half of the year (+2.07 percent). Cattle slaughter rose most significantly in Poland, Italy, Spain, Germany, Belgium, the Netherlands, and Ireland. In these EU Member States, except for Poland, elevated slaughter is caused by relatively high prices for steer and cow carcasses (see graph below) in combination with an overall dim outlook for dairy and beef farming. Eurostat statistics report that EU cow slaughter increased by 4.93 percent during the first half of this year. In contrast, calf slaughter declined by 1.59 percent during the first half of this year, in line with the lower calf crop.

The Dairy Sector Struggles with Environmental Regulations and Disease Outbreaks

Throughout the EU, the dairy sector is facing slim margins due to high input costs and relatively low milk prices. The milk price peaked in 2022 (see graph below), dropped in 2023, after which it only partially recovered this year. At the same time, is the sector in Western Europe facing multiple production limiting factors related to restrictive environmental regulations and disease outbreaks (for more information see [Dairy and Products Semi-annual](#), published on May 22, 2024). In the Netherlands, the loss of the EU derogation to spread a surplus of manure on pastures prompted farmers to slaughter a part of their dairy cow herd (for more information see the GAIN report - [Dutch Loss of Manure Derogation](#), published on June 6, 2024). In Ireland, a reduction in applicability of the nitrate derogation has led to a cut in the beef herd in favor of maintaining the dairy herd.

Another factor is the outbreaks of the Bluetongue Virus (type BTV-3) in mainly Northwestern Europe (Northern France, the Netherlands, Belgium, Germany, and recently Denmark) and Epizootic Hemorrhagic Disease (EHD) in mainly Spain and France. While the symptoms of BTV and EHD are commonly mild in dairy cows, infections often cause a temporarily drop in milk yield, fertility problems, and elevated mortality rates. This is in line with the relatively low calf / cow ratio and high loss ratio in 2023, and forecast in 2024 and 2025, compared to the level realized in 2022. For more information see the GAIN report - [Bluetongue Disease Outbreak in the Netherlands Despite Vaccinations - Impacting Sheep and Dairy Sector](#), published on August 22, 2024. In addition to the factors above, wet conditions during the spring and early summer of 2024, forced farmers to keep their cattle indoors for a longer period, which negatively affected the local fodder production in Northwestern Europe. During 2024, the most significant reductions of the dairy cow herd are forecast in France, Germany, the Netherlands, and Belgium.



Mounting Requirements Are Causing Uncertainties in the Beef Sector

While beef and carcass prices have soared since 2021 (see graph above), the structural unprofitability of the beef sector has been further exacerbated by high energy prices, high interest rates, labor shortages, and the lack of generational successors for the farm. As earlier outlined in the [Semi-annual](#), new EU regulations are creating investment uncertainties for farmers, especially those related to the Green Deal, the Veterinary Medicine Legislation, and the new EU Animal Welfare Legislative Roadmap (for more information see the Policy section of this report). The continuous flow of new requirements imposed by the European Commission (EC) are requiring financial investments and a change of farm management, pressing profit margins even further. Pressure is not only exerted by the EC but also by private actors. In Germany, for instance several big retailers are participating in a voluntary five-stage standardized farming method labeling scheme and have announced that they will consequently source their meat and

animal products from farms fulfilling the requirements of the higher stages. One of them is Lidl which [declared](#) to source the entire range of fresh beef and milk from German farms that adhere at least to level three of the five-level animal husbandry system by the end of 2024. As a result of the mounting requirements, there is considerable insecurity among cattle farmers. Due to these market and policy factors, the total EU beef cow herd is forecast to further shrink in 2024. The most significant reductions are forecast in France, Spain, and Ireland.

Supported by the CAP, the Cattle Herds are Stabilizing in Central Europe

The trend of the dairy and beef cow herd numbers differ between Western and Central Europe. While in Western Europe significant reductions are reported, both the dairy and beef cow herds are stabilizing in Central Europe. This difference is mainly caused by the Common Agricultural Policy (CAP) of the EU. In most western EU Member States, the farmer's income is pre-dominantly based on the farmed hectares. While in Central Europe, CAP support is provided specifically to small cattle farmers. The economic and policy climate for cattle farming is particularly positive in Poland. The Polish dairy sector is restructuring and further building its dairy herd, phasing out the less efficient and older cows. While the Polish beef sector is benefitting from the increased beef prices, and the improving demand in EU as well as non-EU markets. To fulfill this demand, the sector is sourcing cattle from the Baltic region, Czechia and Slovakia, to be slaughtered in Poland. Both the restructuring of the dairy herd as well as the slaughter of imported cattle has boosted Polish slaughter by 21.0 percent during the first half of 2024.

Another trend reported in this region is the switch from dairy to beef production, driven by the generally higher investment and labor intensity of dairy farming. At the same time, the popularity of local dual breeds (dairy and beef) is noticeable, due to its flexibility in adapting to market conditions and longer productive period. In Romania for instance the beef cow number is forecast to steadily increase in 2024 and 2025, driven by the challenges in marketing milk and improving export beef markets. A similar trend is reported in the Balkan region, such as Croatia, Bulgaria, and Greece. The overall trend reported in Central Europe is the further commercialization and concentration of the sector with lower backyard slaughter and increased efficiency (for more information see the GAIN report - [Bulgarian Livestock and Products Market Update](#), published on July 26, 2024).

Turkey Is Shifting from Cattle to Beef Imports

Exports of live cattle to third countries are an important revenue for cattle farmers in Central Europe (such as Czechia, Romania, and Hungary), the Balkan region (mainly Croatia and Bulgaria), and the Iberian Peninsula (Spain and Portugal). During the first half year, EU cattle exports fell by 23 percent with a significant reduction in the shipments to Turkey, while exports to the non-EU Balkan region increased. With the stable calf production in Central Europe and the EU Balkan region, exports of live cattle to the non-EU Balkan region are anticipated to remain strong. Live cattle exports to Turkey are subject to stricter EU animal welfare regulations as well as new Turkish sourcing policies. In January 2024, the Turkish government established an import quota for feeder cattle at 600,000 head (725,000 head in 2023). This number may be increased during the year as determined by the Ministry of Agriculture and Forestry and the Turkish Milk and Meat Board (ESK) depending on market conditions. For more information see the FAS GAIN report [Turkish Government Establishes Feeder Cattle Quota for 2024](#), published January 30, 2024. At the same time EU beef exports to Turkey are soaring (for more information see the Beef section of this report). Due to the overall decline of the supply of young animals, EU cattle exports are forecast to fall about twelve percent this year. New animal welfare

legislation, which is expected this year or next, has the potential to further restrict live cattle exports to third countries (for more information, see the Policy section of this report).

Albeit Declining, Slaughter is Forecast to Remain at a High Level in 2025

As stated in the first paragraph and discussed in the following paragraphs, EU slaughter accelerated during the first half of this year. As the policy and market conditions are not anticipated to change in a more positive direction, slaughter is forecast to remain at a relatively high level, causing the EU cattle herd to further shrink. The EU ending inventories are forecast to fall by 2.0 percent in 2024, and by 1.7 percent in 2025. In absolute terms, the most significant reductions are forecast in Germany, France, Spain, and the Netherlands.

Beef

Meat, Beef and Veal	2023		2024		2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2025	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	22,550	22,523	22,580	22,800	0	22,450
Beginning Stocks	0	0	0	0	0	0
Production	6,460	6,461	6,500	6,600	0	6,500
Total Imports	362	363	350	350	0	345
Total Supply	6,822	6,824	6,850	6,950	0	6,845
Total Exports	622	619	690	700	0	660
Human Dom. Consumption	6,200	6,205	6,160	6,250	0	6,185
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	6,200	6,205	6,160	6,250	0	6,185
Ending Stocks	0	0	0	0	0	0
Total Distribution	6,822	6,824	6,850	6,950	0	6,845

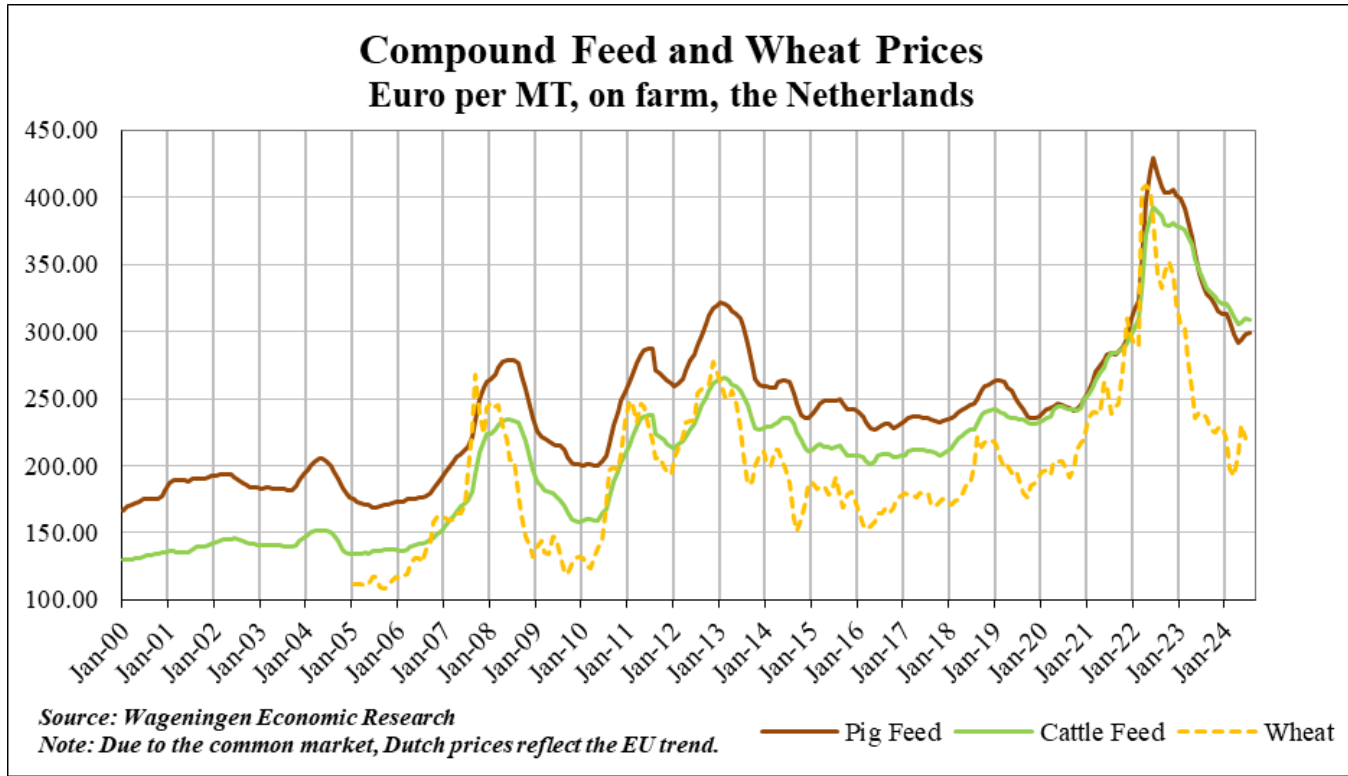
(1,000 HEAD), (1,000 MT CWE)

Not official USDA data. Source: Eurostat and FAS Offices. Includes backyard slaughter.

EU Beef Production Will Hike by Two Percent in 2024

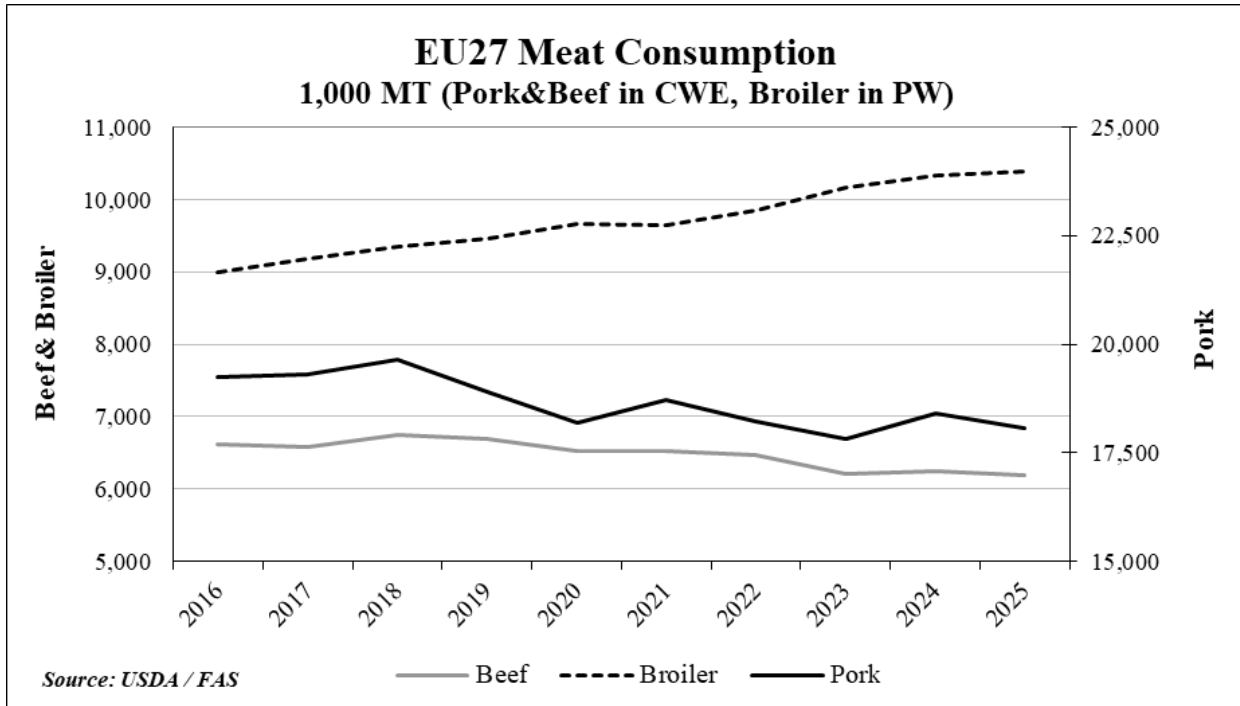
Based on elevated slaughter and higher carcass weights (+0.92 percent reported by Eurostat during the first 6 months of 2024), EU beef production is forecast to increase by about 2.2 percent in 2024. The heavier weights at slaughter are caused by the higher share of cows relative to calves slaughtered (see Cattle section). Another important factor is the falling feed and fodder prices (see graph below) combined with improving carcass prices which inclined farmers to fatten their animals at a higher weight for slaughter. While there is no strong correlation between feed prices and weights at slaughter, peak feed and fodder prices do have an effect, as earlier reported in 2008, 2012 and 2013. Exceptions are the lower weights reported in Hungary, Romania, and Bulgaria where feed and fodder availability were negatively affected by droughts and heat waves. Assuming unchanging pasture conditions and feed availability (see the [EU Grain and Feed Quarterly](#), published August 5, 2024), carcass weights are forecast to remain at this level throughout this year and next. In absolute terms beef production is anticipated to increase most significantly in Italy, Poland, Germany, the Netherlands, Belgium, and

Ireland. As discussed in the Cattle section, the elevated beef production is coupled with a shrinkage of the cattle herd, except for the situation in Poland. The acceleration of slaughter this year is anticipated to be followed by a lower availability of animals for slaughter next year. In line with steady slaughter weights and falling slaughter, EU beef production is projected to decline by about 1.5 percent in 2025. In absolute terms, the most significant cuts are forecast in France and Germany.



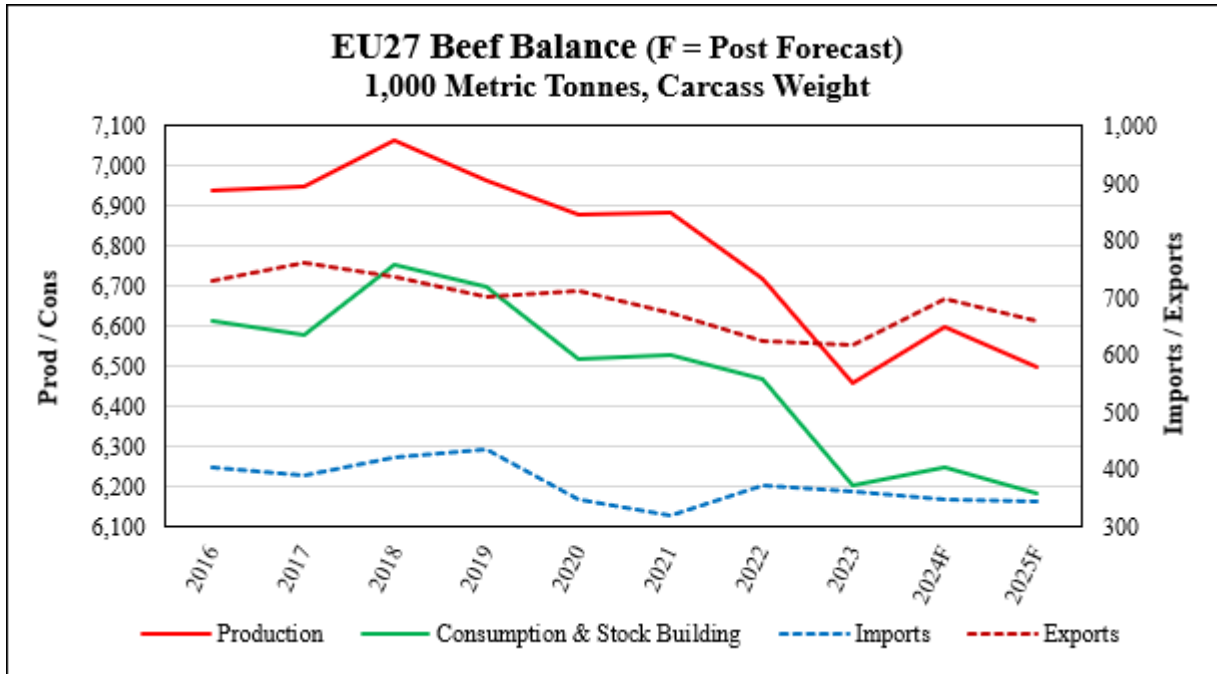
The Supply of Beef at the EU Market is Tight with High Prices

The elevated carcass and beef prices indicate a tight supply of beef at the EU market. This constrained supply is a result of shrinking domestic production (from 2018 until the start of 2024), a slight recovery of demand, wading imports, and recently surging exports. During the first half of 2024, EU beef imports decreased by 3.4 percent, with significant lower imports from Brazil. The lower imports are predominantly a result of tariffs imposed on EU beef imports combined with a tighter supply at the world market. The EU Deforestation-free Supply Chain Regulation (EUDR) could further limit the imports of beef from third countries (see Policy section), in particular Brazil. At the same time EU demand for beef slightly increasing, mainly in the countries with a strong revival of the tourist sector such as Spain, Croatia, and Greece. In Germany, household beef consumption is reportedly picking up possibly due to soaring pork prices, which tend consumers to choose the lower quality beef, such as minced beef, instead of pork cuts and sausages. According to beef importers, demand for higher quality beef, commonly served at high-end restaurant and steak houses, remains sluggish and is not recovering from the food service lockdowns during the corona outbreaks. Improvement of the demand for beef is not anticipated to persist in 2025. Falling domestic production and restrained imports are forecast to keep prices at a high level and suppress retail as well as food service sales.



Turkey Switched from Live Cattle Imports to Beef Imports from Mainly Poland

During the first half of 2024, EU beef exports rose by 14 percent, with a significant increase of shipments to Turkey, and to a lesser extent to Algeria. Since the start of this year, Turkey switched from live cattle imports to beef imports, of which the latter are sourced from mainly Poland (see Cattle section). These beef exports to Turkey are attracted by the high prices at the Turkish domestic market (see the GAIN report - [2024-2028 Livestock Roadmap Overview](#), published July 12, 2024). This boost of EU beef exports is further supported by the elevated EU slaughter during the first half this year, most pronounced in Poland. Private stocks built during the first half this year are forecast to support exports to Turkey and other destinations during the second half of this year. In 2025, EU beef exports are projected to decline following lower exportable supplies. Even though the main exporting EU Member States (Poland, Ireland, and the Netherlands) remain active in marketing their beef in third countries such as Vietnam, Algeria, Singapore, China, and the United States. While the main growth market for Polish beef is anticipated to be Turkey, export expansion is also foreseen to other third countries, such as China and Vietnam for which Poland recently received veterinary approval. Ireland reports increased exports to Asia, in particular the Philippines and Hong Kong. Dutch exports to third country markets are stagnating, partly due to improving demand for beef and veal on the EU market, in particular from Germany.



Swine

Animal Numbers, Swine	2023		2024		2025	
	Jan 2023		Jan 2024		Jan 2025	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Beginning Stocks	134,410	134,410	132,961	132,856	0	132,700
Sow Beginning Stocks	10,400	10,400	10,532	10,512	0	10,200
Production (Pig Crop)	226,900	226,950	232,000	231,000	0	225,000
Total Imports	13	13	13	12	0	12
Total Supply	361,323	361,373	364,974	363,868	0	357,712
Total Exports	977	977	1,000	1,400	0	1,350
Sow Slaughter	3,307	3,373	3,400	3,350	0	3,300
Other Slaughter	218,493	218,541	221,600	220,450	0	216,700
Total Slaughter	221,800	221,914	225,000	223,800	0	220,000
Loss and Residual	5,585	5,626	5,318	5,968	0	5,462
Ending Inventories	132,961	132,856	133,656	132,700	0	130,900
Total Distribution	361,323	361,373	364,974	363,868	0	357,712

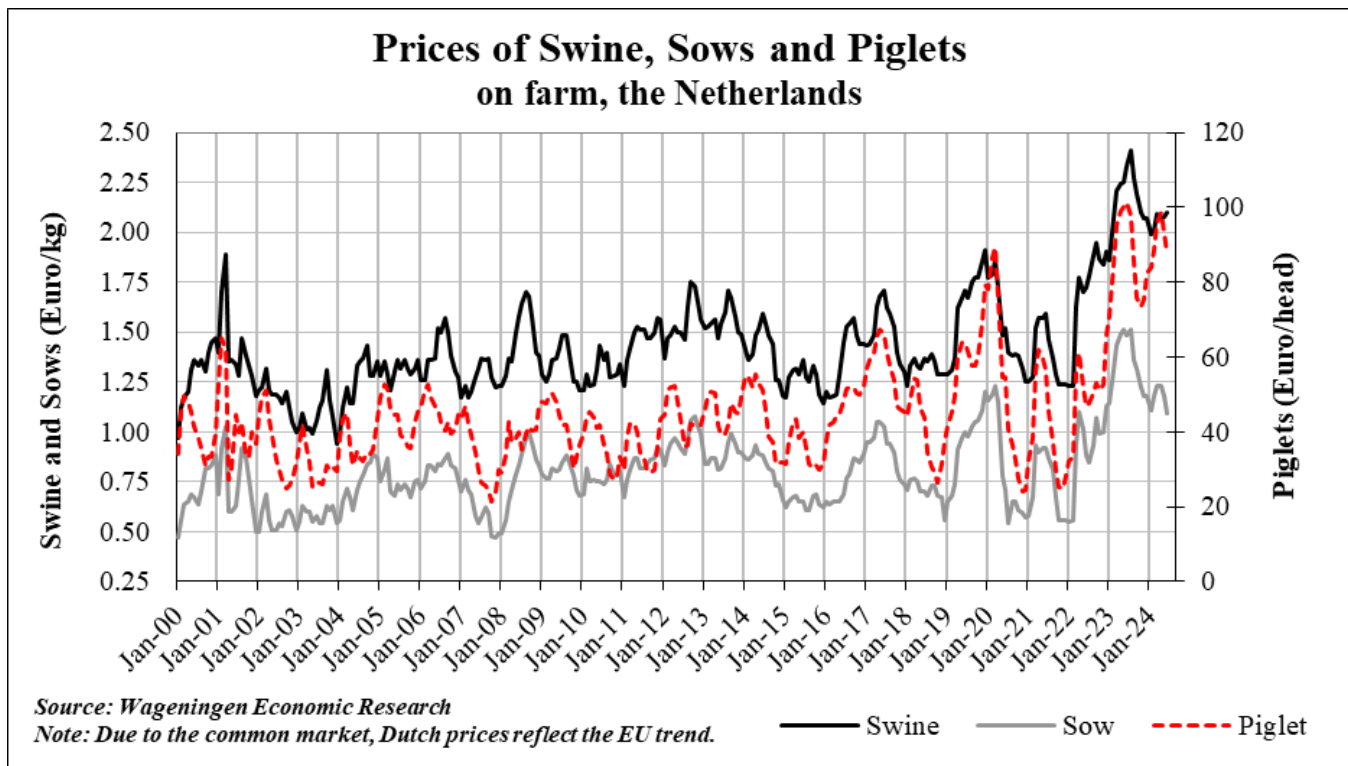
(1,000 HEAD)

Not official USDA data. Source: Eurostat and FAS Offices. Includes backyard slaughter.

The EU Swine Cycle Reached a Low Last Year, After Which Slaughter Increased this Year

In 2023, piglet production, swine slaughter and inventories reached a record low (for more information see the [Semi-annual](#)). However, the reduced supply of piglets combined with plummeting feed prices

(see graph above) buoyed piglet prices which incentivized breeders to retain their sows. During 2023, the sow herd grew most significantly in Spain, Poland, the Netherlands, Denmark, and Bulgaria. The larger inventories of sows supported an increase of piglet production since the last quarter of 2023 and an increase of slaughter from the second quarter of this year (assuming a seven-months life cycle of swine). During the first half of 2024, Eurostat statistics report a slight increase of official slaughter by +0.11 percent, with in absolute terms the most significant increases in Poland and Hungary. For the whole year, the EU slaughter is forecast to increase by 0.9 percent.



In Central Europe, the Swine Sector is Modernizing, Improving Efficiency

The situation in Poland and Hungary represents the general market condition in Central Europe which is characterized by further commercialization and contraction of the sector with increased efficiency, profitability, and farm-level control of the African Swine Fever (ASF) outbreaks. The swine sector in Central Europe is further supported by local demand, as pork is the traditional choice of meat, such as reported in Czechia, where the swine sector is stabilizing. According to the Czech Pig Breeders' Association, slaughter hog prices were above production costs for the first time in a long time. Based on these positive profit margins, piglet production and swine inventories are expanding in both Czechia and Slovakia. Another contributing factor is the generally lower feed prices this year in Central Europe (see the [EU Grain and Feed Quarterly](#), published August 5, 2024). The recovery is most pronounced in Poland where the improved ASF situation allowed for rebuilding sow inventories from 593,000 to 663,000 head during 2023, which resulted in elevated official hog slaughter by 7.0 percent during the first half of 2024. In Hungary, the downward trend in the number of pigs stopped in 2023 partly because of EU co-financed farm modernization support programs. As a result, there has been a strong concentration in the industry. During the first half of 2024, Hungarian slaughter increased by 6.9 percent. By percentage, the revival has been most pronounced in Bulgaria. Bulgarian sow inventories expanded from 60,000 to 80,000 head during 2023, which resulted in elevated official slaughter by 8.5

percent during the first half of 2024. These increases are related to a lack of ASF outbreaks and higher private investments in the sector. The number of pig farms, however, declined due to ongoing consolidation and commercialization (for more information see the GAIN report - [Bulgarian Livestock and Products Market Update](#), published on July 26, 2024). In Romania, however, the swine herd continues its decline. ASF remains a risk-factor for any potential plan for investment or a hog-farm expansion, although the situation has improved in terms of both number of outbreaks and the size of the ASF-positive farms. The government of Romania has implemented a funding program to enhance the breeding farms capacity to increase the number of delivered piglets with the goal of reducing piglet import needs.

Despite Better Margins, the German, Austrian, and French Sector Continue to Struggle

Besides slaughter in Central European countries, slaughter also increased in Germany during the first half of 2024 (+0.2 percent) after steep declines in recent years. Due to the current favorable prices for hogs and relatively low feed prices, pig farming is profitable again and fatteners can currently achieve an adequate income in Germany. Despite the current improved economic situation, pig farming is not expected to experience a great comeback in Germany. This is also reflected in the continuing decline in the number of pig farms. The main reasons for this are the reduced consumer demand, uncertain political framework conditions, and demographic challenges such as aging farmers population, and the absence of farm successors and skilled workers. In addition, German farmers continue to face major challenges due to ever-increasing demands from consumers and new legal requirements regarding animal welfare and transportation. As of 2025, a new mandatory national livestock labeling system for fattening pigs will apply (for more information see the GAIN report - [New Mandatory Animal Husbandry Labeling Law](#), published on September 26, 2023). According to a [survey](#) (German language) conducted by the ISN, almost a third of German sow farmers is planning to phase out sows in the next five to ten years. Another [survey](#) revealed the German pig farmers' strong motivation to join a pig farming exit scheme. In Austria, a new animal welfare law came into force in the beginning of 2023. The law includes a ban of fully slatted floors in new barns and a total ban as of 2039. FAS post reports limited investments due to an overall uncertainty about the new regulations. During 2023, the Austrian sow herd declined by 2.3 percent. While the French swine sector doesn't suffer from ASF outbreaks, the industry's challenges are as structural as reported for the German sector. After years of decline and restructuring, the French swine sector still lacks the efficiency of the Spanish, Dutch, and Danish sector. The 2024 situation is likely to continue to be problematic for the French swine sector with declining production, relatively low prices, while at the same time production costs such as energy are anticipated to remain high. The recent Eurostat December census reports a significant reduction (-2.0 percent) of the French sow herd in 2023.

The Spanish Sector Significantly Expanded Its Sow Herd

Since 2021, the Spanish sector has taken over the German sector as the largest pork producer in the EU. Spanish swine farmers achieve positive margins, and the swine sector generally considered as one of the most efficient ones in the EU, based on its concentration and vertical integration. Furthermore, because the Porcine Reproductive and Respiratory Syndrome (PRRS) outbreak is more under control in sow farms, piglet production is expected to increase this year, reducing the need for piglet imports. During 2023, the Spanish sow herd increased by four percent, to by far the largest sow herd in the EU (2.76 million head). However, the [Royal Decree 159/2023](#) (in Spanish language only) implementation, which is scheduled to enter into force on March 9, 2025, is a wild card. Among other aspects, this Royal Decree establishes the minimum area required for swine depending on their live weight (excluding sows and gilts).

An Oversupply of Pork Is Forecast to Increase Competition and Lower Prices

While the [average EU carcass price](#) is still well above the five-year average, it is currently lower than the level achieved in 2023. With the elevated slaughter and pork production, and constrained domestic and export demand (see Pork section), competition in the EU market is forecast to increase during the remainder of this year and next year. An oversupply of pork will likely suppress carcass prices and tempt farmers to terminate their production. Such a restructuring is anticipated to be in the countries with the least competitive sectors (small commercial and backyard farming in Central Europe) and/or most pressing environmental and animal welfare regulations (Northwestern Europe in particular the Netherlands, Belgium, Germany, and Austria). As currently an overcapacity of slaughter exists in the Netherlands, Belgium, and Germany, and meat companies compete for the supply, carcass prices have remained at a relatively high level in this region. But if the supply of hogs decreases, a restructuring and contraction of the slaughter sector will be inevitable, forcing farmers to further reduce their production or stop.

Production in the Netherlands is constrained by strict environmental regulations (for more information see the GAIN report - [Nitrogen Report Delivered to the Dutch Government](#), published on October 14, 2022). The Dutch Government has two funding programs in place, whose [budget](#) (Dutch language) has recently been increased from €1.475 billion to €2.922 billion to tempt intensive livestock farmers to sell out their farms, in an effort to bring the national nitrogen emissions down. Currently, 1,300 livestock farms have applied for the funding, but it remains unsure how many will eventually take part and stop. Comparable with the Dutch sector, the Belgian swine sector faces restrictions on their nitrogen emissions. On January 24, 2024, the Flemish regional government (the region with the most swine) agreed to its [nitrogen emission plans](#) (Dutch language), although not supported by the Belgian Farmers Association (Boerenbond). The two most likely candidates to benefit from the fierce competition are Spain (see paragraph above) and Denmark. While not as restrained by environmental regulations as the Dutch and Belgian sector, the Danish sector is relaying its focus on breeding and producing more value-added pork products emphasizing on sustainability and quality, with an increased focus on the EU domestic market. During 2022 and 2023, the Danish sector restructured its slaughter capacity, reducing it from about 18.5 million to 15.0 million head per year (for more information see the [Semi-annual report](#)). But the sow herd expanded significantly in 2023 (+1.34 percent), which is forecast to support a recovery of piglet production and live swine exports in 2024.

The Lower Prices Are Projected to Press the Pig Crop and Slaughter Next Year

Due to a further segregation of markets, the import of live swine *from* (predominantly piglets) as well as the export *to* (hogs) the United Kingdom decreased during 2023. This trend is forecast to continue during 2024. This year, the export of piglets to other destinations, predominantly the Balkan region, increased most likely due to the improved pork demand by the tourist sector. The trade of live swine however plays a minor role in the total swine balance of the EU. Overall, the EU swine sector is forecast to increase its piglet supply and slaughter triggered by the profitable margins achieved during 2023 and the first half of 2024. The larger breeding stock at the start of 2024 combined with an anticipated improved fertility, results in a projected increase of the pig crop by 1.8 percent this year. With the forecast higher piglet production, stabilizing trade, and higher slaughter level of swine, the ending inventories are estimated to slightly decline to 132.7 million animals. As discussed, during the remainder of this year and next year, competition is forecast to grow. Therefore, the breeding stock is

projected to shrink, the piglet production and slaughter to be cut by respectively about 2.6 and 1.7 percent, and the ending inventories to fall to about 130.9 million head in 2025.

Pork

Meat, Swine	2023		2024		2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2025	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	221,800	221,914	225,000	223,800	0	220,000
Beginning Stocks	0	0	0	0	0	0
Production	20,800	20,829	21,150	21,250	0	20,900
Total Imports	108	108	100	110	0	110
Total Supply	20,908	20,937	21,250	21,360	0	21,010
Total Exports	3,126	3,126	3,150	3,000	0	2,950
Human Dom. Consumption	17,782	17,811	18,100	18,360	0	18,060
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	17,782	17,811	18,100	18,360	0	18,060
Ending Stocks	0	0	0	0	0	0
Total Distribution	20,908	20,937	21,250	21,360	0	21,010

(1000 HEAD), (1000 MT CWE)

Not official USDA data. Source: Eurostat and FAS Offices. Includes backyard slaughter.

This Year, EU Pork Production Is Reinforced by Higher Weights at Slaughter

As discussed in the Swine section, EU slaughter is projected to increase by 0.9 percent during 2024. The recovery of slaughter is reinforced by heavier weights at slaughter. According to Eurostat statistics, weights at official slaughter increased by 1.5 percent during the first half of year. Farmers fattened their hogs at the highest weight manageable at their farm and accepted by the slaughterers in response to falling feed prices as well as sustained high carcass prices. Overall, EU pork production is projected to increase by 2.0 percent this year. As discussed in the Swine section of this report, the production expansion is mainly anticipated in Central Europe and in Spain. The additional volume of pork produced, will have to find a destination at either the domestic or export market.

EU Pork Consumption Is Slightly Increasing in Central and Southern Europe

In the long term, EU pork consumption has been declining, but has shown hikes during periods of elevated production (see graph below). The dwindling consumption trend is based on health and convenience considerations by EU consumers who are switching from red meats to poultry (see graph in the Beef section). It should be noted that pork is still the preferred meat in the EU. In 2023, EU consumption of pork, chicken meat, and beef was respectively 17.8 MMT CWE, 10.0 MMT PWE, and 6.2 MMT CWE. Despite pork consumption trends down, the increased supply of pork in the domestic market is anticipated to support a recovery of consumption in Central Europe (Poland, Czechia, Slovakia, Hungary, Bulgaria, and Romania), where pork is a key part of the cuisine. Local elevated production in Central Europe has pushed prices to a lower level and pork loins have reportedly even come down to a lower level than reported for chicken filets. It should also be taken in account that

despite pork being the preferred meat in Central Europe, the region has a deficit of pork, and an increase of production is commonly absorbed by the domestic market. Pork consumption is also projected to increase in countries with a sizable tourist sector, namely Greece, Spain, and Portugal, while remaining steady in Italy.

The EU Swine Sector Is Forecast to Regain Its Competitiveness at the Global Market

Another channel for the elevated pork supply are exports to third markets. However, during the first half of the year, EU pork exports declined by 7.5 percent, with significantly lower sales to China (-27.0 percent). On the other hand, export sales expanded to South Korea, the Philippines, and the United States. As Chinese consumers' demand is not foreseen to recover, import demand in China is not forecast to grow (for more information the GAIN report – [China Livestock and Products Annual](#), published August 19, 2024). In addition, China started an anti-dumping investigation on imports from Danish Crown, Vion, and Litera Meat. The Danish, Dutch, and Spanish sector is confident dumping is not taking place but fears the issue could be subject to a trade war between China and the EU stemming from increased EU import duties on Chinese electrical vehicles. While EU pork exports to China have dropped significantly since 2021, the EU swine sector still heavily depends on the Chinese market for the exports of shoulders (HS02032219 with an export market share of 73 percent), frozen hams (HS02032211 with 79 percent), and non-muscle parts of the carcass (HS0206 with 55 percent, not under the scope of this report). While the EU swine sector has always seen the high dependency on China as a risk, and tried to diversify, alternative markets are limited. Concluding, EU exports to the Chinese market are not anticipated to recover during the second half of this year or next year. However, exports to other destinations could expand, assuming a price correction and regained competitiveness of the EU swine sector on the global market.

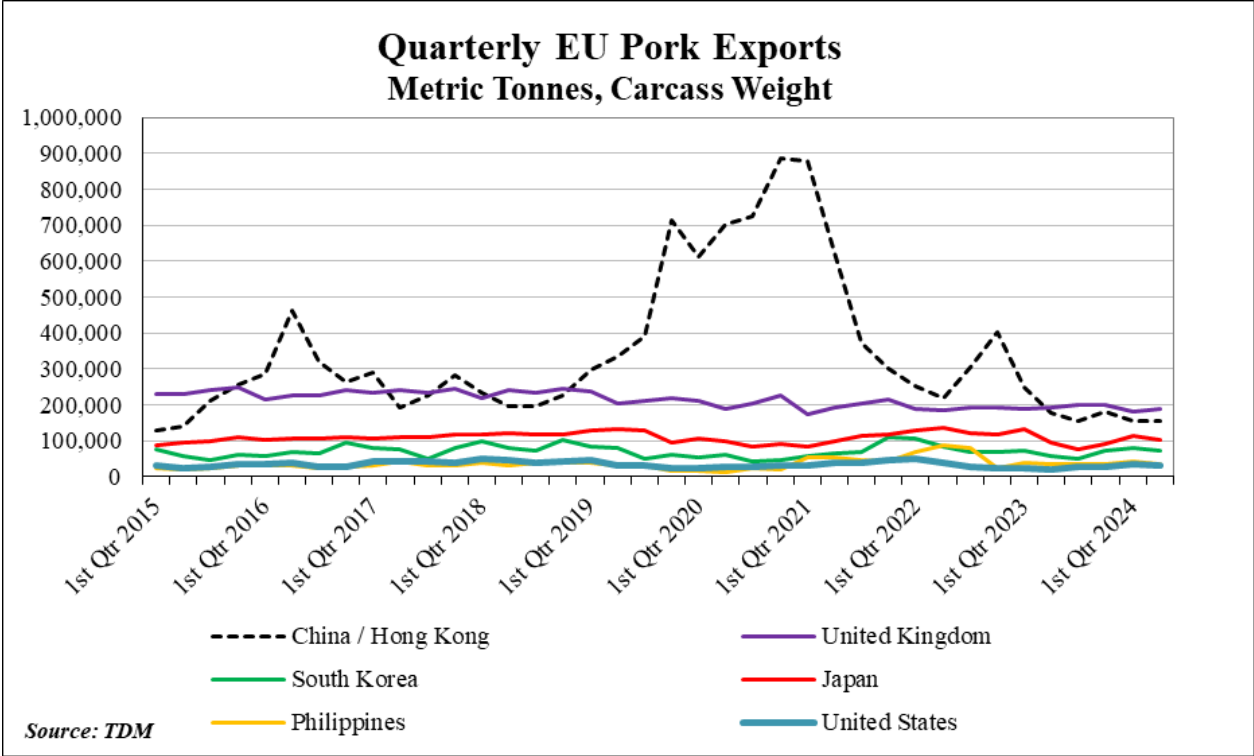
The EU Swine Sector Is Forecast to Regain Its Competitiveness at the Global Market

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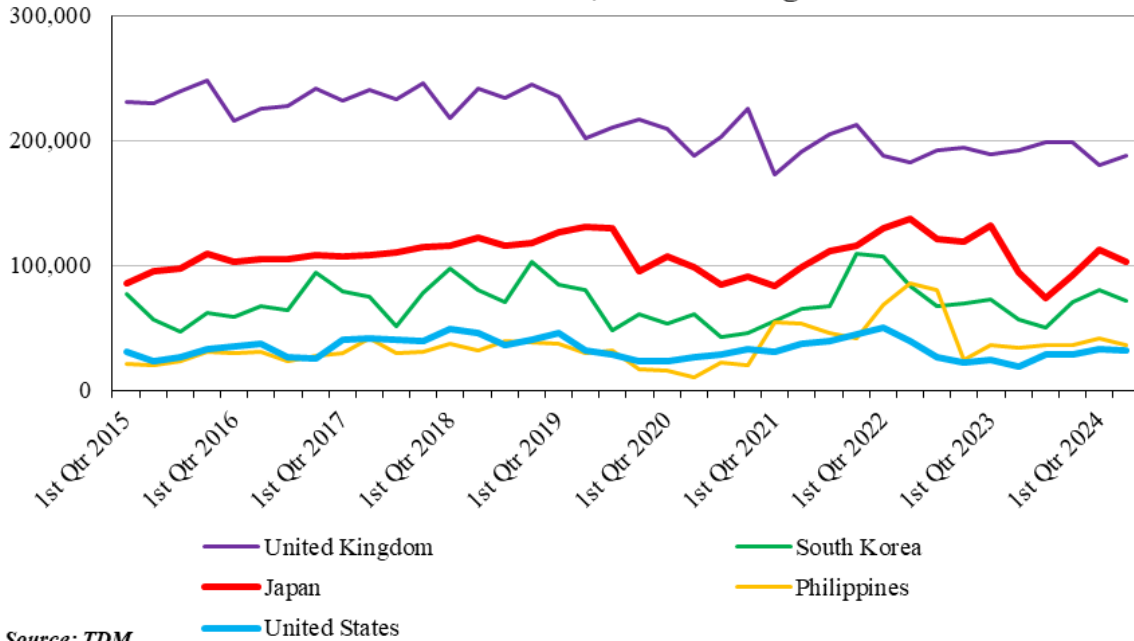
The EU Is Anticipated to Sustain Its Position at the Global Market Next Year

Candidates for export expansion are the United Kingdom, South Korea, the Philippines, Vietnam, and the United States. The United Kingdom is a likely market to expand sales, as it is the closest sizable

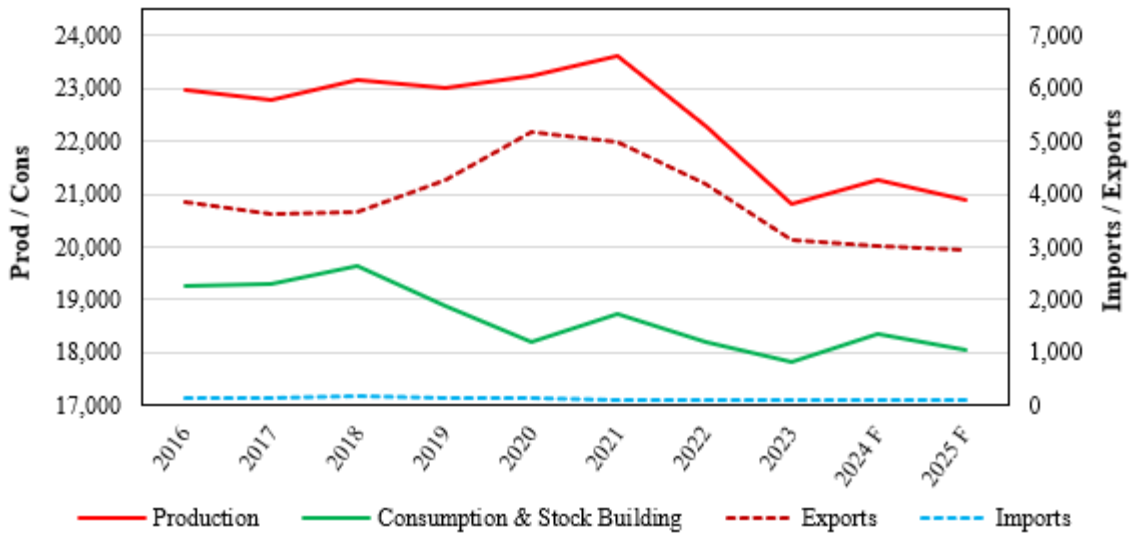
export market for the EU. The main items shipped to the United Kingdom are fresh boneless pork and bacon. South Korea, the Philippines, and Vietnam could possibly source more pork from the EU because of ASF outbreaks in these countries. During the first half of 2024, EU pork exports rose most significantly to the United States, by nearly fifty percent. The main reason for this is the implementation of the Proposition 12 regulation in California requiring that animals are given more humane living conditions, including increased space and freedom of movement. Some EU producers benefitted from this animal welfare requirement by introducing specific production concepts (such as the [Good Farming Balance](#) of Vion). Overall, the loss of exports to the Chinese market are not anticipated to be balanced by sales to alternative markets, and this year's exports are forecast to decline by about four percent, a reduction of about 125,000 MT CWE of pork compared 2023. The additional volume of pork produced this year combined with the loss of exports is forecast to increase domestic consumption by about 550,000 MT CWE of pork, which likely includes a significant volume of private stock building. This surplus of pork will likely depress carcass prices, and lower slaughter and pork production next year. Based on lower exportable supplies, EU pork exports are forecast to slightly fall from 3.0 MMT CWE in 2024 to 2.95 MMT CWE in 2025. Supply restrictions for many EU Member States with ASF outbreaks, such as Germany and Poland, are still in place and noticeably restricting trade. This applies in particular to exports to Asian countries. Nonetheless, in the long term the restructuring and improved profitability of EU swine sector is anticipated to support the sector's potential to export to third countries. Company and sector representatives, veterinary authorities, and national governments are trying to open new markets with the focus on Asia.



Quarterly EU Pork Exports minus China Metric Tonnes, Carcass Weight



EU27 Pork Balance (F = Post Forecast) 1,000 Metric Tonnes, Carcass Weight



Policy

Common Agricultural Policy (CAP)

The new EU's Common Agricultural Policy (CAP) for 2023-2027 was [adopted](#) on December 2, 2021, and published in the Official Journal on December 6, 2021. EU Member States (MS) were requested to submit so-called [Strategic Plans](#), incorporating MS specific goals and initiatives, by the end of 2021. By December 2022, all national strategic plans were approved by the European Commission (EC). The 'new' CAP is being implemented since January 1, 2023.

In March 2024, following weeks of farmer protests across the EU demanding less administrative burden and better prices, the EC published a legislative proposal to amend certain provisions of the CAP. The EC acknowledged that the first year of implementation of the current CAP made clear that adjustments are necessary to ensure effective implementation of the National Strategic Plans and reduce red tape. The updates to the CAP were adopted in May 2024 and published as [Regulation 2024/1468](#). For more information, please see GAIN Report: [EU Commission Proposes Common Agricultural Policy Revisions Following Farmer Protests](#).

The Green Deal

On December 11, 2019, the EC announced the [European Green Deal](#). With the Green Deal, the EU aims to be carbon neutral by 2050. Because the EU livestock sector is specifically identified as critical for the EU to reach its greenhouse gas (GHG) emission reduction targets, the EC commissioned an external [Study on the Future of EU Livestock](#) that was published in October 2020.

Deforestation-free supply chains

As part of the Green Deal, the EC adopted [Regulation 2023/1115](#) aimed to prevent products causing deforestation entering the EU market. The proposal targets products which are identified by the EC as the main drivers of deforestation including cattle, raw hides and skins of cattle and leather. To sell any of the covered products in the EU or export them from the EU, business operators will be required to provide extensive information about the product's origins, including the precise location(s) and general time of production. The requirements for economic operators will start on December 30, 2024. The Regulation establishes a country benchmarking system through which the EC will assess the risk that countries, or parts thereof, produce relevant commodities and products that contribute to deforestation. Products sourced from standard- or high-risk origins must comply with additional risk assessment and mitigation procedures. For more information, please see GAIN Report: [European Institutions Finalize Deforestation-Free Supply Chain Regulation](#).

Industrial Emission proposal

On March 15, 2024, the European Parliament adopted the revision of the Industrial Emissions Directive (IED). The revised Directive awaits publication in the EU Official Journal. The new text amends [Directive 2010/75/EU](#) which regulates the environmental impacts of large-scale, high-pollution-risk industrial installations, and extends the scope to include the largest livestock farms in the EU, considered "agro-industrial installations." Farms in the scope need to comply to specific emissions

conditions and permitting requirements. The updated Directive will apply to pig farms with more than 350 livestock units (LSU), poultry farms with more than 300 LSU for laying hens, and 280 LSU for broilers. Cattle farming is not included in the IED’s scope.

Trade/Tariffs

EU Free Trade Agreements (FTAs)

The EU is negotiating and has implemented several FTAs with other countries and regions, which include concessions on oilseeds. Additional information is available on the website of the EC at: <https://ec.europa.eu/trade/policy/countries-and-regions/negotiations-and-agreements/>

On May 1, 2024, the [EU’s FTA with New Zealand](#) entered into force. The trade agreement removes all tariffs on EU agri-food exports to New Zealand. However, this is not the case for all agri-food imports into the EU with tariff rate quotas for some products, notably beef with a tariff rate quota of 10,000 MT Product Weight Equivalent (PWE) to be imported with reduced duty of 7.5 percent. This volume will be gradually phased in over seven years from the entry into force of the agreement. This is limited only to high quality grass-fed beef. More information about the agreement can be found at the EC's website with [FTAs](#).

Updated U.S.-EU Beef Deal

In the spring of 2019, the United States and the EU concluded an updated agreement modifying the Memorandum of Understanding (MOU) on High Quality Beef (HQB). Under the new regime, 18,500 MT PWE of hormone-free raised beef is reserved for the United States, increasing to 35,000 MT PWE in year seven under the new agreement. The U.S. specific quota rose to 27,800 MT PWE in calendar year 2023, however, the U.S. exported 14,324 MT PWE to the EU, which is only 5 percent up from 13,476 MT PWE in 2022. Using 51 percent of the quota means that 13,673 MT PWE of the U.S. HQB quota went unused, estimated at over \$259 million of lost export opportunity. For 2024, the HQB quota increased to 30,200 MT PWE.

U.S. HQB Exports to the EU (Product Weight)			
<i>Period</i>	<i>Available quota</i>	<i>EU import</i>	<i>Unused quota</i>
Quarter 1	6,950 MT	3,088 MT	3,862 MT
Quarter 2	6,950 MT	3,996MT	2,954 MT
Quarter 3	6,950 MT	3,721 MT	3,229 MT
Quarter 4	6,950 MT	3,519 MT	3,431 MT
Total 2023	27,800 MT	14,324 MT	13,476 MT
Quarter 1	7,550 MT	3,133 MT	4,563 MT
Quarter 2	7,550 MT	2,046 MT*	5,504 MT
Quarter 3	7,550 MT	-	-
Quarter 4	7,550 MT	-	-
Total 2024	30,200 MT	5,179 MT	9,921 MT

*April, May only

Veterinary Medicinal Products Regulation (VMP Regulation)

On October 8, 2021, the EU published [Regulation \(EU\) 2021/1756](#) concerning official controls to ensure compliance with the prohibition on the use of certain antimicrobials. The Regulation is central to achieve the [Farm to Fork Strategy](#) target to reduce overall EU sales of antimicrobials by 50 percent for farmed animals and in aquaculture by 2030, through concrete measures such as banning the preventive use of antibiotics in groups of animals. On October 6, 2021, [Commission Delegated Regulation \(EU\) 2021/1760](#) was adopted (supplementing 2019/6) and establishing the criteria for antimicrobials to be reserved for use by humans. On January 28, 2022, the EU implemented the new framework for the [Regulation \(EU\) 2019/6](#) on Veterinary Medicinal Products (VMPs). The main objectives of the legislation are to:

- establish a modern, innovative and fit for purpose legal framework for VMPs,
- provide incentives to stimulate innovation for VMPs and increase their availability,
- strengthen the EU's efforts to fight antimicrobial resistance.

On July 20, 2022, the EC adopted [Implementing Regulation \(EU\) 2022/1255](#) that provided a list of antimicrobials reserved for human medicine. In February 2023, the EC adopted [Delegated Act 2023/905](#) implementing Article 118 of the Veterinary Medicinal Products Regulation imposing limitations on the use of antimicrobials for animals exported from third countries into the EU.

On February 12, 2024, [Commission Implementing Regulation \(EU\) 2024/399](#) was published in the Official Journal amending model certificates for the entry into the EU of consignments of certain products of animal origin and certain categories of animals. The new models will be implemented by the respective exporting countries. On June 28, 2024, the EU notified to the WTO's Committee on Sanitary and Phytosanitary Measures ([G/SPS/N/EU/778](#)) about the upcoming publication of a third-country list for compliance with Article 118 of Regulation (EU) 2019/6 on veterinary medicinal products. The final date for comments was August 27, 2024. The regulation will take effect 20 days after its publication in the Official Journal of the EU, with implementation starting on September 3, 2026. It is important to note that the EU is requiring the two additional animal health attestations to be included on the health certificates by September 3, 2024, yet not requiring the new attestations to be attested until the actual implementation of the VMP Regulation. Between these two dates, trading partners are permitted to either delete or cross out the new attestations.

New EU Animal Welfare Legislation (AW)

The EC announced its intention to revise the animal welfare legislation as part of the Farm to Fork Strategy in May 2020. On December 7, 2023, the EC published a proposal on [the protection of animals during transport](#). This proposal includes requirements for animals imported from third countries into the EU, necessitating additional training for inspectors, transporters, veterinarians. As such it may potentially increase the administrative and financial burden across the entire process. Please note that this proposal is still going through the legislative process. More information can be found in GAIN Report: [European Union: EU Proposes New Regulation on Animal Welfare During Transportation](#) .

African Swine Fever (ASF) Situation Update

African Swine Fever (ASF) was initially discovered in Lithuania and Poland in 2014. ASF has continued to spread across EU MSs. Since 2014, the EU implemented several special control measures, including zoning to tackle the disease. For the most recent list of initiatives taken or supported by the EC please see the following [table](#) of the EC.

As of the first half of 2024, there were several outbreaks across the EU MSs:

- ASF in domestic pigs: Bulgaria (1), Germany (2), Greece (3), Croatia (1), Latvia (4), Lithuania (5), Poland (22) and Romania (93).
- ASF in wild boar: Bulgaria (93), Czech Republic (26), Germany (174), Estonia (10), Greece (16), Croatia (38), Hungary (239), Italy (1054), Lithuania (333), Latvia (425), Poland (1043), Romania (102), Slovakia (91).

More information about the current ASF situation in the EU is available online at the:

- Animal disease information system (ADIS): <https://webgate.ec.europa.eu/tracesnt/adis/public/notification>
- EU ASF website: https://ec.europa.eu/food/animals/animal-diseases/control-measures/asf_en

Due to the spread of ASF to more MSs, the lingering impact of restrictions imposed by COVID-19, and the Russian invasion of Ukraine, the EC decided to grant a Private Storage Aid (PSA) scheme for pigmeat in March 2022. PSA contracts were concluded for some 46,000 MT PWE of pigmeat with contract periods varying from 60 to 150 days of storage. The highest volumes were contracted from the Netherlands, followed by Denmark, Germany, and Spain. The PSA scheme was not renewed for 2023 and 2024.

DISCLAIMER

The numbers in the PSDs in this report are not official USDA numbers, but they result from a collaborative effort by FAS EU offices to consolidate PSDs from all 27 EU Member States.

This report is the result of collaboration among the following EU FAS colleagues:

Xavier Audran from FAS Paris covering France
Tania de Belder from FAS Brussels covering EU Policies, Belgium, and Luxembourg
Ornella Bettini from FAS Rome covering Italy
Mila Boshnakova from FAS Sofia covering Bulgaria
Monica Dobrescu from FAS Bucharest covering Romania
Dimosthenis Faniadis from FAS Rome covering Greece
Bob Flach from FAS The Hague covering the Netherlands and Nordic countries
Jana Fischer from FAS Prague covering the Czech Republic and Slovak Republic
Anna Galica from FAS Warsaw covering Poland, Estonia, Latvia, and Lithuania
Gellert Golya from FAS Budapest covering Hungary and Slovenia
Steve Knight from FAS London covering Ireland
Roswitha Krautgartner from FAS Vienna covering Austria
Andreja Misir from FAS Zagreb covering Croatia

Antonia Rudolf from FAS Berlin covering Germany
Marta Guerrero from FAS Madrid covering Portugal and Spain

Note: Effective January 1, 2021, the United Kingdom (UK) completed its departure from the European Union (EU). In this report, if not otherwise indicated, the term EU refers to the current EU27 (without the UK).

Conversion Rates: As a result of continuous efforts to improve data reliability, the “New Post” trade forecasts in this report reflect new conversion rates. Historical data revisions (from 2005 onward) were published in April 2020 in the PSD database (<http://www.fas.usda.gov/psdonline>).

Technical Note: The definition of Carcass Weight Equivalent/Product Weight Equivalent remains the same. All quantities (beef and pork) are reported in Carcass Weight Equivalent (CWE) unless otherwise noted as Product Weight Equivalent (PWE). CWE is the weight of an animal after slaughter and removal of internal organs, head, and skin. PWE is the actual weight of the meat product exported.

ABBREVIATIONS

EC: European Commission
EU: All twenty-seven Member States of the European Union.
MS: An EU Member State

Recent Livestock Related [GAIN Reports](#) from FAS Posts in Europe:

Country	Title	Date
Netherlands	Bluetongue Disease Outbreak Impacting Sheep and Dairy Sector Despite Vaccine	08/22/24
Bulgaria	Livestock and Products Market Update	07/26/24
Netherlands	Dutch Loss of Manure Derogation	06/06/24
EU	Dairy and Products Semi-annual	05/22/24
EU	Livestock and Products Semi-annual	03/06/24
Czech Rep.	FAS Prague Showcases American Food Products During Thanksgiving Celebration	01/12/24
Bulgaria	Direct Versus Indirect Trade - Bulgaria's Hidden Market for US Ag Exports	12/21/23
Germany	New Mandatory Animal Husbandry Labeling Law	09/26/23
Sweden	First Case of African Swine Fever Found in Wild Boars in Sweden	09/22/23
EU	Livestock and Products Annual	09/15/23
Spain	Spanish Swine and Pork Production Driven Down by Lower Exports and Animal Welfare Regulations	09/09/23
Bosnia and Herzegovina	Veterinary Authorities Report First Outbreak of ASF in Bosnia and Herzegovina	07/06/23
Spain	Spanish Cattle Production May Decline Driven by Reduction of Exports and Drought	06/05/23

These GAIN Reports, and more, can be downloaded from the FAS website:

<https://gain.fas.usda.gov/#/search>

- For additional livestock market-related information, please contact:

Bob Flach (FAS/The Hague)

Phone: +31 70 310 2303

E-mail: agthehague@usda.gov

- For additional livestock policy-related information, please contact:

Tania de Belder (FAS/Brussels U.S. Mission to the EU)

Phone: +32 2 811 5562

E-mail: aguseubrussels@usda.gov

Attachments:

No Attachments