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### **Report Highlights:**

While EU beef production is forecast to further decline in 2024 due to a structural unprofitability of the sector and mounting environmental regulations, the EU pork supply is projected to rebound in 2024. This forecast is based on the recent Eurostat December census which reports a significant expansion of the EU sow herd in 2023. The pork supply is anticipated to increase in Central Europe through improved self-sufficiency. In Western Europe, the increase will be reached by either displacing pork in the EU domestic market, building commercial stocks, or potentially increasing sales at the global market. In the short term, EU pork prices are not competitive on the world market. Nonetheless, the restructuring and improved profitability of EU swine sector is anticipated to support the sector's potential to export to third countries.

## ***Executive Summary – EU Pork Supply Is Forecast to Rebound***

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).

### **Cattle and Beef – The Herd Is Forecast to Shrink for the Eighth Successive Year in 2024.**

**Herd Size and Calf Crop:** The shrinkage of the cattle herd is most pronounced in the EU's dairy herd, which declined significantly in France and Germany. The main reasons for this decline are high input prices, local droughts, the spread of the bluetongue virus, the sluggish demand for beef, and the continuous flow of new requirements imposed by the European Commission (EC).

**Slaughter and Trade:** The declining supply of young animals is forecast to lower the slaughter level as well as the export of cattle. With the relatively stable calf crop in Central Europe and the Balkan region, exports of live cattle from these regions are forecast to remain strong.

**Beef Production:** In 2023, the lower beef production was exacerbated by lower slaughter weights, and in 2024 anticipated to be offset by higher weights at slaughter. In effect, falling feed prices are anticipated to compensate for the lower slaughter levels this year and cause a soft landing of the declining EU beef production trend.

**Beef Domestic Sales and Trade:** EU beef imports are projected to decline in 2024 due to lower food service sales, the switch to cheaper protein sources, and a lower supply from the United Kingdom, the principal beef exporter to the EU. With a lower domestic supply, EU beef exports are also forecast to fall in 2024. Poland is anticipated to expand its beef exports to EU and as third country markets, with Turkey as the main destination.

### **Swine and Pork – EU Pork Supply Is Forecast to Rebound in 2024.**

**Herd Size and Pig Crop:** The recent Eurostat December census reports an increase of the EU sow herd of 178,000 head in 2023, which indicates that the EU pig crop will likely recover this year. This expansion of the sow herd is triggered by record piglet and carcass prices combined with falling feed prices resulting in profitable margins for both fatteners and breeders. The pig crop is forecast to increase most significantly in Spain, Denmark, the Netherlands, and Poland.

**Slaughter and Trade:** While in Denmark and the Netherlands part of the additional piglet supply will be exported to other EU Member States (MSs), in Spain and Poland, most of the additional supply will be fattened and slaughtered domestically. Overall, EU slaughter is forecast to increase by 1.5 percent this year.

**Pork Production:** Combining the forecast slaughter level with slightly higher weights, total EU production is estimated to reach 21.2 MMT CWE in 2024. The production expansion is anticipated in Central Europe by increasing self-sufficiency, and in Western Europe, either by displacing pork in the EU domestic market, building commercial stocks, or potentially increasing sales at the global market. The third country export market is the driver for further growth of the EU swine sector.

Pork Domestic Sales and Trade: Despite an overall downward trend, the increased supply of pork on the domestic market is anticipated to support a recovery of consumption in Central Europe and the Balkan region. In the short term, EU pork prices are not competitive on the world market. Nonetheless, the restructuring and improved profitability of the EU swine sector is anticipated to support the sector's potential to export to third countries. If the most competitive Member States (Spain, Denmark, and the Netherlands), will increase their exportable supplies, the bulk of the export expansion will be directed to the traditional top markets (China, the United Kingdom, South Korea, the Philippines, and Japan).

## Cattle

Animal Numbers, Cattle	2022		2023		2024	
Market Year Begins	Jan 2022		Jan 2023		Jan 2024	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Total Cattle Beg. Stocks</b>	75,705	75,705	74,808	74,808	74,550	74,500
<b>Dairy Cows Beg. Stocks</b>	20,213	20,213	20,074	20,074	19,940	19,800
<b>Beef Cows Beg. Stocks</b>	10,565	10,565	10,445	10,445	10,385	10,365
<b>Production (Calf Crop)</b>	24,650	24,650	24,350	24,400	24,200	24,150
<b>Total Imports</b>	13	14	5	4	5	4
<b>Total Supply</b>	100,368	100,369	99,163	99,212	98,755	98,654
<b>Total Exports</b>	1,077	1,077	950	963	925	880
<b>Cow Slaughter</b>	10,228	10,228	9,750	9,850	9,760	9,750
<b>Calf Slaughter</b>	6,071	6,071	5,850	5,875	5,815	5,825
<b>Other Slaughter</b>	7,017	7,017	6,800	6,825	6,725	6,755
<b>Total Slaughter</b>	23,316	23,316	22,400	22,550	22,300	22,330
<b>Loss and Residual</b>	1,167	1,168	1,263	1,199	1,255	1,174
<b>Ending Inventories</b>	74,808	74,808	74,550	74,500	74,275	74,270
<b>Total Distribution</b>	100,368	100,369	99,163	99,212	98,755	98,654

(1,000 HEAD)

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

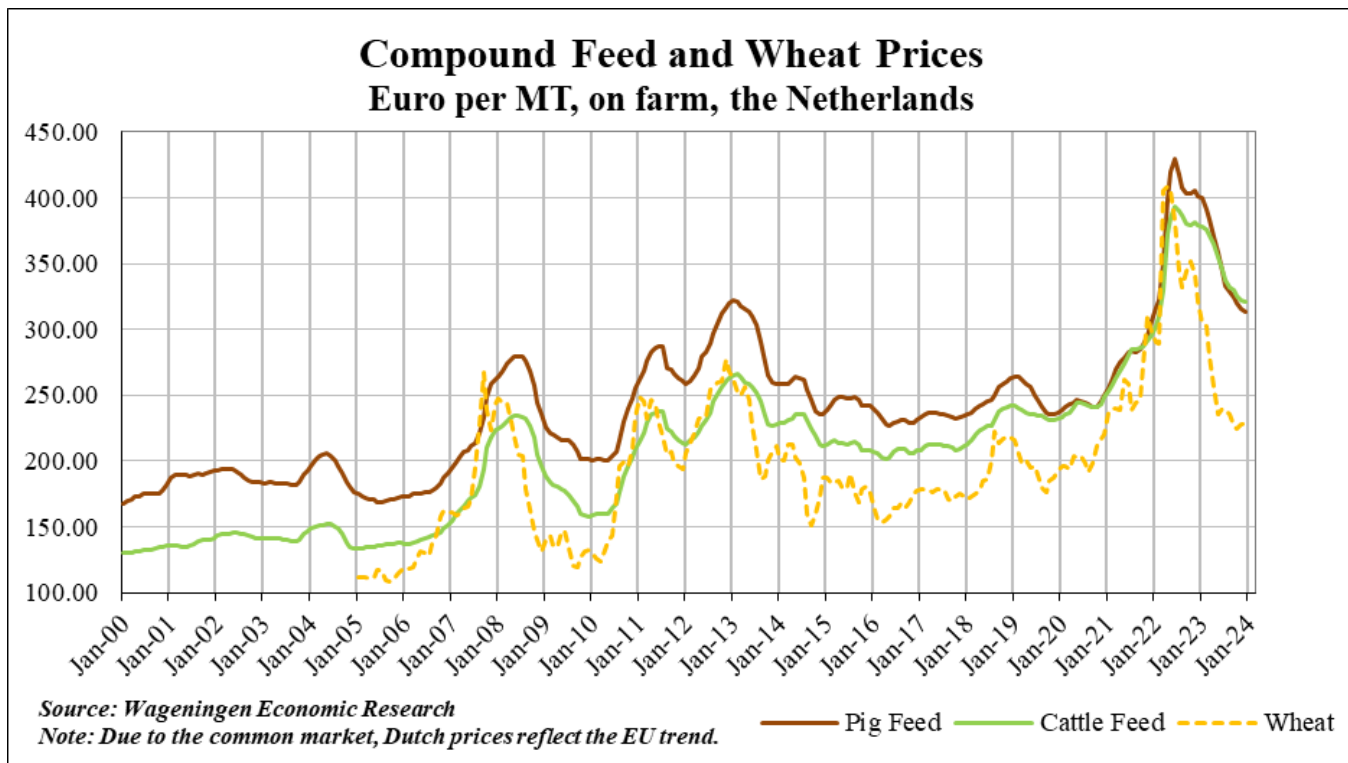
### ***The EU Cattle Herd Is Forecast to Shrink for the Eighth Successive Year in 2024.***

During 2023, the European Union's (EU) cattle herd shrunk for the seventh successive year, but the pace of decline is slowing down. In 2021, 2022, and 2023, the annual reductions in the herd, as reported by the official Eurostat December census, were -1.11 percent, -1.18 percent, and -0.41 percent. FAS EU Posts project the cattle herd contraction at -0.31 percent this year. The decline is most pronounced in the EU's dairy herd, which declined most significantly in France and Germany. Significant reductions are furthermore reported in Italy, the Netherlands, Central Europe, and the Balkan region. Exceptions are Ireland and Poland where the dairy cow herd is forecast to further grow in 2024 (see the [FAS EU Dairy Annual](#), published October 23, 2023). Throughout the EU, the dairy sector is facing slim margins due to the falling milk prices. Another factor is the spread of the bluetongue virus (BTV-3), which leads to a drop in milk yield and fertility problems. There is currently no approved vaccination against this specific type of the virus. Industry sources in Germany and the Netherlands report that a vaccine should be

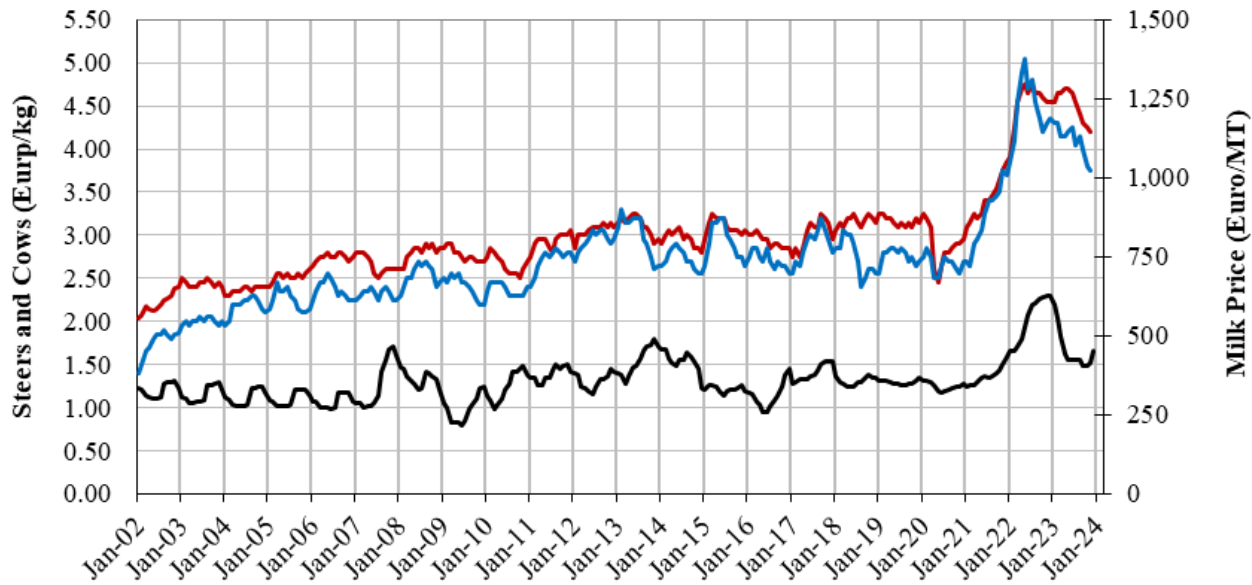
available soon, but nothing is confirmed at present. On February 22, 2024, the Dutch Ministry of Agriculture rejected the approval for a South African vaccine against BTV-3 based on concerns regarding its efficacy and production quality.

***In Central Europe a Slight Expansion of the Beef Cow Herd Is Anticipated in 2024.***

The course of the beef cow herd numbers differs between Western and Central Europe. While in Western Europe significant reductions are reported, in particular in Ireland, France, and Spain, the beef cow is stabilizing in Central Europe. This difference is mainly caused by the Common Agricultural Policy (CAP) of the EU. In most western EU Member States (MS), such as France, 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, representing a larger voting potential. This specific sector support, combined with record high carcass prices (see graph below), and recently falling feed prices (see graph below and the [FAS EU Grain and Feed Quarterly](#), published on December 5, 2023) is forecast to support a slight rebound of calf production and herd expansion in Central Europe. 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.



## Prices of Steer and Cow Carcasses, and Milk on farm, the Netherlands



Source: Wageningen Economic Research

Note: Due to the common market, Dutch prices reflect the EU trend.

— Steers — Cows — Milk Price

### ***The EU Beef Cattle Herd Is Forecast to Shrink Due to Both Market and Policy Factors.***

In Western Europe the beef cattle herd continued to decline in 2023 due to the lack of specific and structural support for the sector. The drop in the herd size is most pronounced in Spain, where the sector was hit by a severe drought, causing a shortage of fodders and forages. For more information see the GAIN Report - [Spanish Cattle Production May Decline Driven by Reduction of Exports and Drought](#), published June 5, 2023). The structural unprofitability of the beef sector has been further exacerbated by high energy prices, high interest rates, labor shortages, and the lack of successors. The fact that record high carcass prices (see graph above) have not reversed the curb of the herd contraction explains the economic viability of the sector. As earlier outlined in the [EU Livestock 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. The policies are causing farmer protests throughout the EU. Due to these market and policy factors, the total EU beef cow herd is forecast to further shrink in 2024.

### ***Due to a Falling Domestic Supply, EU Cattle Exports Are Forecast to Decline This Year.***

The exports of live cattle to third countries are an important revenue for cattle farmers in Central Europe (Czech Republic, Romania, and Hungary), the Balkan region (Croatia and Bulgaria), and the Iberian Peninsula (Spain and Portugal). Between 2015 and 2020, Turkey was the main destination for EU cattle exports. This position was taken over by Israel in 2021 and 2022. In 2023, trade flows switched, making Turkey the top destination for EU cattle exports again. Demand in Turkey led to a surge in exports to this country during January-October 2023 at the expense of other markets, such as Israel, Jordan, and Serbia. The elevated EU live cattle exports to Turkey are based on the limited domestic supply of beef.

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. With the stable calf production in Central Europe and the Balkan region, exports of live cattle from these regions are forecast to remain strong. But falling supply of young animals in Western Europe is forecast to limit the exports of live cattle to the United Kingdom and Morocco. Due to the overall decline of the supply of young animals, EU cattle exports are forecast to fall about nine percent this year. New animal welfare legislation, which is expected this or next year, has the potential to further restrict live cattle exports to third countries (for more information, see the Policy section of this report).

***The Falling Supply of Calves Will Also Result in a Lower Slaughter Level in 2024.***

With the declining supply of young animals as well EU slaughter is inevitably trending down. During 2023, total official slaughter fell by 3.4 percent. In absolute terms, the most significant reductions reported by Eurostat were in Italy, France, and Spain. In 2024, slaughter is forecast to fall or at least stabilize in almost all EU Member States. A slight increase of slaughter is forecast in Italy, which is a recovery from the drop in 2023. The lower supply of young animals will also result in a further decline of the EU cattle herd to 74.3 million animals by the end of calendar year 2024.

## Beef

Meat, Beef and Veal	2022		2023		2024	
	Jan 2022		Jan 2023		Jan 2024	
Market Year Begins	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
European Union						
<b>Slaughter (Reference)</b>	23,316	23,316	22,400	22,550	22,300	22,330
<b>Beginning Stocks</b>	0	0	0	0	0	0
<b>Production</b>	6,722	6,722	6,430	6,460	6,400	6,430
<b>Total Imports</b>	372	372	360	359	380	350
<b>Total Supply</b>	7,094	7,094	6,790	6,819	6,780	6,780
<b>Total Exports</b>	626	626	610	622	590	600
<b>Human Dom. Consumption</b>	6,468	6,468	6,180	6,197	6,190	6,180
<b>Other Use, Losses</b>	0	0	0	0	0	0
<b>Total Dom. Consumption</b>	6,468	6,468	6,180	6,197	6,190	6,180
<b>Ending Stocks</b>	0	0	0	0	0	0
<b>Total Distribution</b>	7,094	7,094	6,790	6,819	6,780	6,780

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

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

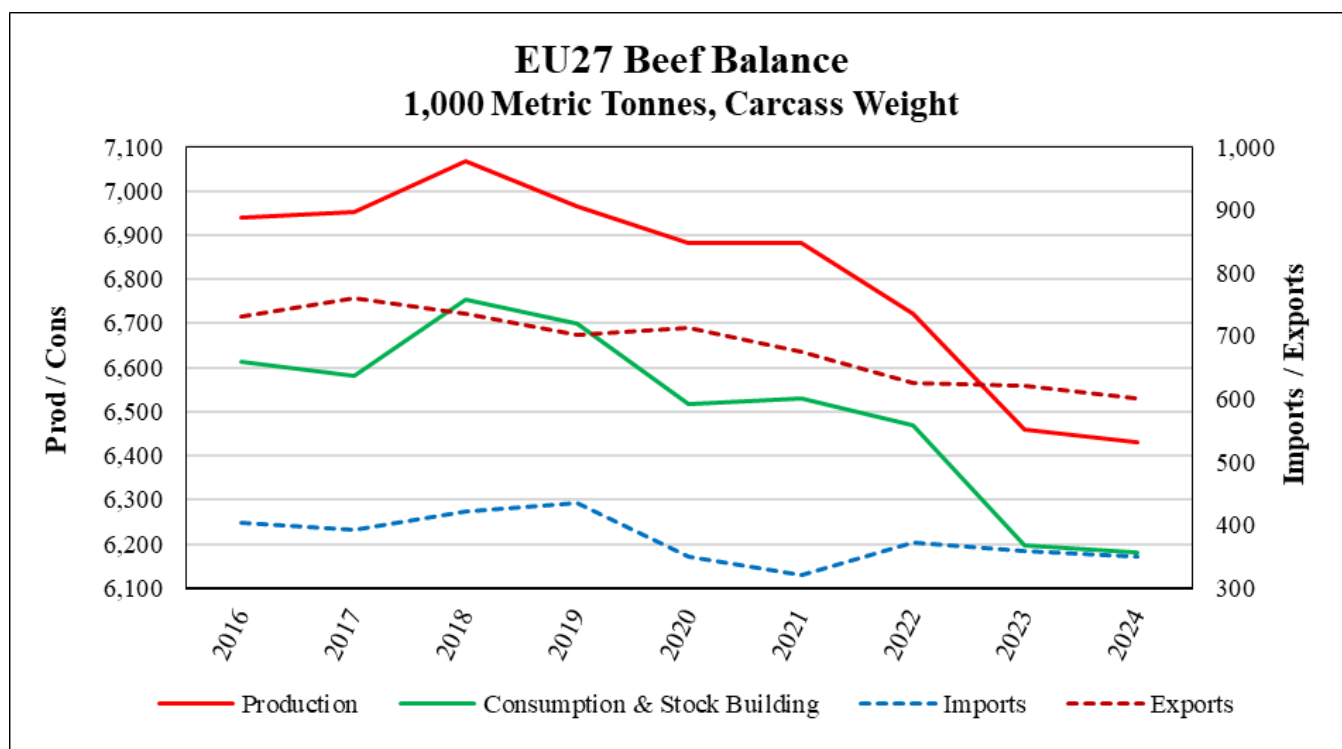
***Higher Slaughter Weights Are Forecast to Partly Outbalance the Lower Slaughter in 2024.***

Following the lower slaughter numbers, EU beef production is trending down in 2023 and 2024. In 2023, the lower production was exacerbated by lower slaughter weights, and in 2024 anticipated to be soothed by higher weights at slaughter. The main reason for the lower weights in 2023 is the high feed

price. Cattle feed prices fell from extremely high in the beginning of 2023, to just very high currently (see graph above). 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. It should further be noted that the forecast weight increase for 2024 is just a recovery from the lowest average slaughter weight reported by Eurostat since 2014. In effect, the falling feed prices are anticipated to compensate for the lower slaughter levels this year and cause a soft landing of the declining EU beef production trend. This forecast is however highly dependent on the global and EU feed and fodder supplies (for more information see the [FAS EU Grain and Feed Quarterly](#), published December 5, 2023).

***Imports Restrictions and Sluggish Demand is Impeding EU Beef Imports.***

Despite forecast increased global exportable beef supplies in 2024 (for more information see the [FAS Livestock and Poultry: World Markets and Trade](#), published January 12, 2024), EU imports are expected to decline due to multiple reasons. First of all, the EU is partially locked by import tariff quotas. Another reason for the stagnating imports is the slowdown of the EU economy which is negatively affecting the consumption of higher quality beef commonly served at high-end restaurant and steak houses. Even overall demand for beef remains sluggish due to the higher sales prices forcing low-income consumers to switch to cheaper protein sources such as poultry meat. A third factor hindering imports is the tightening supply from the United Kingdom, the principal supplier of beef to the EU.



***Due to an Overall Lower Supply, EU Beef Exports Are Forecast to Further Fall in 2024.***

The top three EU MSs exporting beef to third countries are Ireland, the Netherlands and Poland. While Irish and Dutch beef exports are forecast to decline this year due to falling supplies, Polish beef exports to third countries are forecast to increase. The price competitiveness of Polish production and lower beef availability from other EU producers are forecast to stimulate beef exports both to the EU and non-EU



markets. 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 received veterinary approval. With the overall falling EU beef production, the exportable supplies are also falling. In 2023, beef exports to Turkey partly compensated for the lost markets of the other destinations. But even if Turkish import demand would remain strong, and EU beef exports to Turkey would increase in 2024, this would be at the cost of shipments to other destinations. As a result, EU beef exports are anticipated to decline by 3.5 percent in 2024.

## Swine

Animal Numbers, Swine	2022		2023		2024	
Market Year Begins	Jan 2022		Jan 2023		Jan 2024	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Total Beginning</b>	141,681	141,681	134,410	134,410	133,875	133,578
<b>Sow Beginning Stocks</b>	10,883	10,883	10,400	10,400	10,150	10,577
<b>Production (Pig Crop)</b>	238,760	238,760	228,000	227,200	223,000	232,000
<b>Total Imports</b>	23	24	6	13	5	7
<b>Total Supply</b>	380,464	380,465	362,416	361,623	356,880	365,585
<b>Total Exports</b>	1,012	1,012	925	973	840	950
<b>Sow Slaughter</b>	4,160	4,160	4,300	3,307	4,050	3,400
<b>Other Slaughter</b>	234,869	234,869	217,800	218,293	215,950	221,600
<b>Total Slaughter</b>	239,029	239,029	222,100	221,600	220,000	225,000
<b>Loss and Residual</b>	6,013	6,014	5,516	5,472	5,240	5,285
<b>Ending Inventories</b>	134,410	134,410	133,875	133,578	130,800	134,350
<b>Total Distribution</b>	380,464	380,465	362,416	361,623	356,880	365,585

(1,000 HEAD)

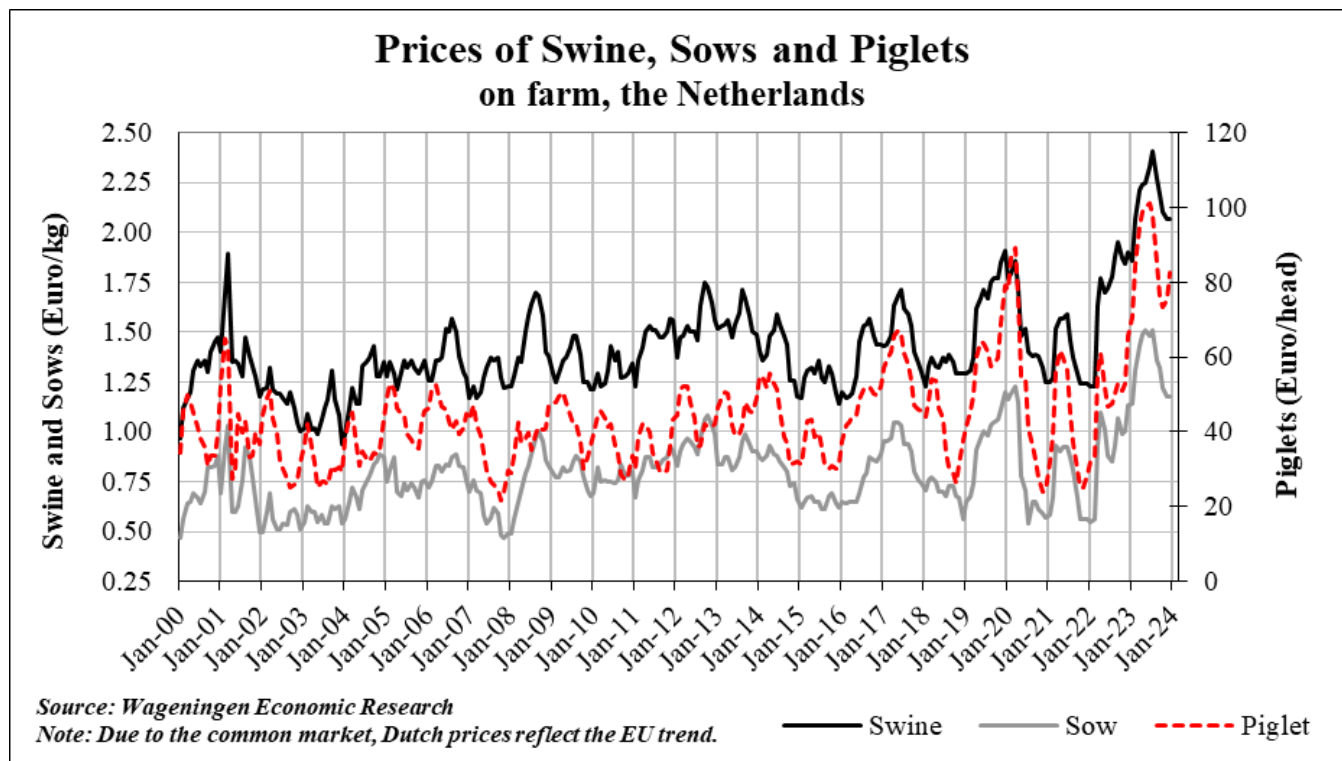
Not official USDA data. Source: Eurostat and FAS Offices. Includes backyard slaughter.

### ***High Prices and a Slow Down of the Herd Contraction Point to the Start of a New Cycle.***

During 2023, slaughter of swine in official slaughterhouses fell by 7.36 percent. Swine slaughter was cut in all 27 EU Member States. In absolute terms the most significant reductions reported by Eurostat were in the western EU Member States, and most significantly in Spain, Denmark, Germany, the Netherlands, Belgium, and France. The primary question in the EU swine sector is whether slaughter reached its low point in 2023, or if the decline will continue in 2024. The cuts made by the sector in 2022 and 2023 combined were major; the piglet production was cut by 10.6 percent, and slaughter by 12.0 percent. However, the contraction of the herd size came nearly to a standstill in 2023, which is a clear sign the swine cycle reached its low point. This is also reflected by the record prices paid for sows, piglets, and carcasses (see graph below). The further direction of EU slaughter will mainly be determined by the opportunities at the export market. The export market for EU pork is the driver for growth of the EU swine sector, which is also a distinct difference with the EU beef sector which lacks a profitable and sizeable outlet for beef in third countries. Increased supply for the EU domestic market will displace



local pork production of the less competitive producers as EU domestic pork consumption has been dwindling since 2018. A domestic oversupply of pork could also result in commercial or subsidized private stock building as earlier reported in 2021 (for more information see the Pork section of this report).



***Despite High Profits, the Dutch and Belgian Sectors Are Constraint by Nitrogen Regulations.***

The question remains if the EU swine sector has the potential to compete at the global market. The Spanish, Dutch, and Danish swine sectors are the most competitive producers in the EU, and the top three exporters to third countries. In these three EU MSs, recent positive fattening margins could serve as an incentive to expand the size of the hog herd. The income boost is based on the higher prices paid to the farmer for carcasses combined with the recent lower prices paid by the farmer for feed and energy. [Statistics](#) (Dutch language) from Wageningen University (WUR) reveal that the average Dutch swine farmer’s income rose from €124,000 in 2022 to €369,000 in 2023. The income of swine breeders rose even higher, from €58,000 in 2022 to €558,000 in 2023. This income boost is forecast to support a recovery of Dutch piglet production in 2024. However, significant and structural production expansion in the Netherlands is constrained by strict environmental regulations. The Dutch Government has two funding programs in place with a total budget of €1.5 billion to tempt intensive livestock farmers to sell out their farms, in an effort to bring the national nitrogen emissions down. For more information see, GAIN Report – [Nitrogen Report Delivered to the Dutch Government](#), published October 14, 2022. The Belgian sector will soon be able to export to China again. But 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). It should be noted that with the current improved profit margins, Dutch and Belgian swine farmers are likely to be hesitant to stop production and more eager to keep their stables occupied as long as they are operational.

***After Restructuring of the Sector, Danish Slaughter is Forecast to Slightly Rebound.***

While not as restrained by environmental regulations as the Dutch and Belgian sector, the Danish sector is relaying its focus from producing competitive volumes to producing more value-added products emphasizing on sustainability and quality, with an increased focus on the EU domestic market. For more information see the [press release](#) from Denmark's leading pork producer. In July 2023, Danish Crown closed a plant (in Sæby) which slaughters annually 2.5 million hogs and 90,000 sows. During the end of 2022, Danish Crown already lowered the capacity of two plants (Sæby and Ringsted) in Denmark (and beginning 2023 in Germany). As a result of this restructuring, Danish hog slaughter shrunk by 18.9 percent during 2023. But, similar to the Netherlands, the Danish sow herd expanded significantly in 2023 (1.34 percent), which is forecast to support a recovery of piglet production and live swine exports as well as, to a lesser extent, increase domestic slaughter in 2024.

***Based on Recent Eurostat Statistics, the Spanish Pig Crop is Forecast to Expand This Year.***

Spain, the largest pork exporter in the world in 2022 (in CWE), has proven to be the EU MS with the most export potential. But as with the Danish and Dutch sector, the Spanish swine sector has taken a step back in response to the lower demand from China. In 2023, Spanish slaughter declined by 6.5 percent. Other reasons for the downsizing of slaughter were the increased feed and energy prices, elevated interest rates, and tightening environmental, animal health, and animal welfare legislation. In addition, Porcine Reproductive and Respiratory Syndrome (PRRS) outbreaks were reported in Catalonia and Aragon. In 2023, producers improved their sanitary status management, and were able to bring PRRS outbreaks under control. The improved sanitary status is also expected to result in an improved piglet/sow ratio in 2024. For more information see the [EU Livestock & Products Annual of 2023](#), and the GAIN Report - [Spanish Swine and Pork Production Driven Down by Lower Exports and Animal Welfare Regulations](#), published September 6, 2023. While, according to the Spanish sector, this downward trend in swine and pork production may continue in 2023 and 2024, feed and energy prices have come down, and profit margins improved, making further investments and expansion of the capacity possible. Recent Eurostat statistics reveal an expansion of the Spanish sow herd in 2023 by more than five percent, which is anticipated to increase the Spanish pig crop and support domestic slaughter in 2024. The expansion of the sow herd could also point to a higher self-sufficiency of piglets, and a lower dependency on imports from Northern Europe (the Netherlands and Denmark). As discussed, additional volumes of pork will in the first and foremost, displace volumes at the domestic market. But during the past decade, the Spanish sector has heavily invested in marketing their product abroad (for more information see the Pork section of this report).

***The Restructuring of the German and French Swine Sector Is Forecast to Continue in 2024.***

The condition of the swine sector in Germany is typical for most other less competitive EU MSs sectors. The German sector suffered from African Swine Fever (ASF) outbreaks in the country's wild boar population which resulted in an import ban from China. But after sharp declines in pork production in recent years, there are signs of a slight stabilization in 2023 and 2024. The main reason for this stabilization was the high prices producers received in 2023 and start of 2024. Some industry experts believe that the exit wave of recent years was merely paused by the high prices but has not yet reached its end. 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 labelling system for fattening pigs will apply. The introduction was generally welcomed by the industry since it could contribute to more animal welfare, taking the social pressure of

hog farmers. Nonetheless, a solid funding concept for the conversion of farms is still missing and therefore farmers are still missing a real perspective. 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. Recent Eurostat statistics show a slight reduction (-0.27 percent) of the German sow herd in 2023. While the French swine sector doesn't suffer from ASF outbreaks, the industry's challenges are as structural as reported for the German sector. The French swine sector 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 (-1.99 percent) of the French sow herd in 2023.

### ***The Swine Sector in Central Europe Is Concentrating and Forecast to Increase Production.***

Despite that pork is the preferred meat, most countries in Central Europe and the Balkan region are not self-sufficient of pork. The main net pork importers in this region are Romania, Poland, the Czech Republic, Slovak Republic, and Bulgaria. Although ASF remains a prevalent feature of the swine sector in Central Europe, the outbreaks have fallen, and some MS sectors increased their investments for further commercialization of their operations to reduce the import share in the consumption. Based on this development, the Romanian pig crop production is expected to slightly increase in 2024. Because backyard farming plays an outsized role in the spread of ASF, the Romanian government approved the 'Pig Law' in April 2023, which prohibits breeding in Romanian backyard farms. Because fattening remains allowed, this law is not anticipated to have much of an effect on eradicating ASF. In contrast, Bulgarian authorities implemented legislation, which is limiting backyard farming and supporting the further commercialization of the sector. In Bulgaria the situation in the pork industry is improving, and some grain producers reportedly started to switch to pork farming.

Due to the ASF situation, the potential of the Polish swine sector was not fully utilized, hindering investments such as earlier conducted in the Polish poultry sector. For more information about the ASF situation in Poland see the GAIN Report - [Poland Waives Certain Biosecurity Requirements for Backyard Pig Farms](#), published May 19, 2023. But after two years of declining swine inventories, the Polish swine herd increased by 1.5 percent in response to improving profitability of pig production and is expected to expand further in 2024. Due to increasing imported piglet prices, organizers of the contracted pig breeding began the investments in their own production, resulting in the increased number of sows at the beginning of 2024. Despite increasing number of pigs, the number of pig farms is constantly decreasing and the market shifts towards contracted hog production. In the Czech Republic, pig farmers' farm gate prices have reached their highest level since EU accession this year. According to national 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 also expanding in the Czech Republic and Slovak Republic. In Hungary, ASF cases were notified in the country's wild boar population, but swine inventories remained free from the disease. Due a further concentration and commercialization of the Hungarian sector, production efficiency is improving, and a higher pig crop is forecast for 2024.

### ***The Higher EU Pig Crop Will Elevate the EU Slaughter Level This 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. Also, the export of piglets to other destinations, predominantly Albania, fell, most likely due to the high demand domestically, and resultant high prices quoted for the weaners. The trade of live swine however plays a minor role in the total swine balance of EU. Overall, the EU swine sector is forecast to increase its piglet supply and slaughter triggered by the profitable margins achieved. This forecast is backed by the recent Eurostat December census which reports an expansion of the sow herd by 1.7 percent in 2023. 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 2.1 percent this year. With the forecast higher piglet production and stabilizing trade, and slightly higher slaughter level of swine, the ending inventories are estimated to increase to 134.4 million animals.

## Pork

Meat, Swine	2022		2023		2024	
	Jan 2022		Jan 2023		Jan 2024	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Slaughter (Reference)</b>	239,029	239,029	222,100	221,600	220,000	225,000
<b>Beginning Stocks</b>	0	0	0	0	0	0
<b>Production</b>	22,277	22,277	20,850	20,800	20,700	21,150
<b>Total Imports</b>	121	122	105	108	100	100
<b>Total Supply</b>	22,398	22,399	20,955	20,908	20,800	21,250
<b>Total Exports</b>	4,175	4,179	3,100	3,161	3,100	3,250
<b>Human Dom. Consumption</b>	18,223	18,220	17,855	17,747	17,700	18,000
<b>Other Use, Losses</b>	0	0	0	0	0	0
<b>Total Dom. Consumption</b>	18,223	18,220	17,855	17,747	17,700	18,000
<b>Ending Stocks</b>	0	0	0	0	0	0
<b>Total Distribution</b>	22,398	22,399	20,955	20,908	20,800	21,250

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

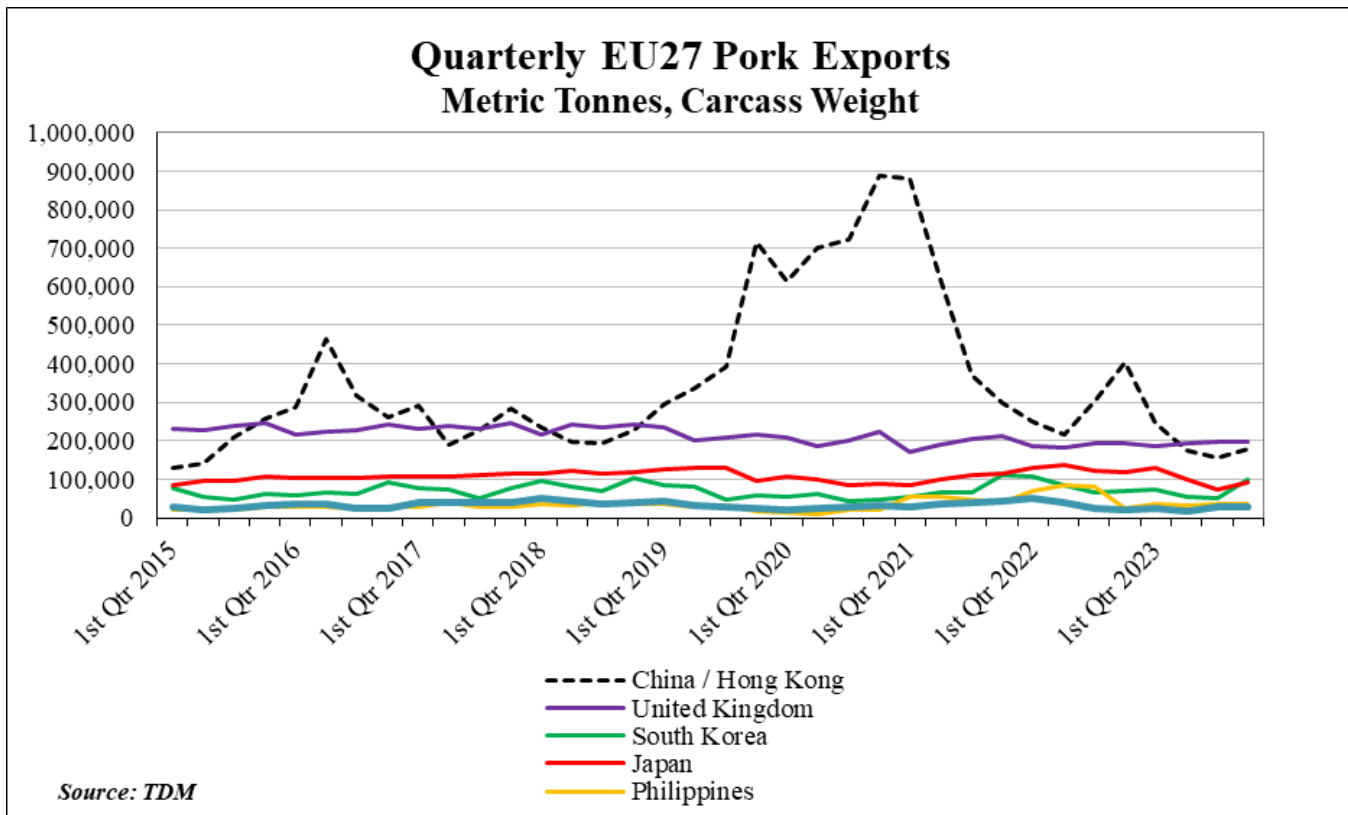
Not official USDA data. Source: Eurostat and FAS Offices. Includes backyard slaughter.

### ***With Increased Slaughter, Pork Production Is Further Supported by Higher Weights in 2024.***

In the Swine section of this report slaughter is forecast to increase this year. The direction of the final pork production also depends on the slaughter weights. In 2023, the average weight at slaughter increased 0.71 percent to 93.86 kg, which is close to the record weight reported by Eurostat in 2020. During 2023, farmers took advantage of the lower feed prices and fattened their hogs at the highest weight manageable at their farm and accepted by the slaughterers. The further development of the feed prices during this year is hard to predict. But based on the practical limitations of handling higher weights, the average slaughter weight is not anticipated to exceed the 94 kg. Combining the forecast slaughter level with slightly higher weights, total EU pork production is estimated to reach 21.15 MMT CWE in 2024. As discussed in the Swine section of this report, the production expansion is mainly anticipated in Central Europe, increasing self-sufficiency, and possibly in Spain, either displacing pork at the EU domestic market, building commercial stocks, or increasing sales at the global market.

***As EU Demand is Limited, Increased Production Will Increase the Exportable Supply.***

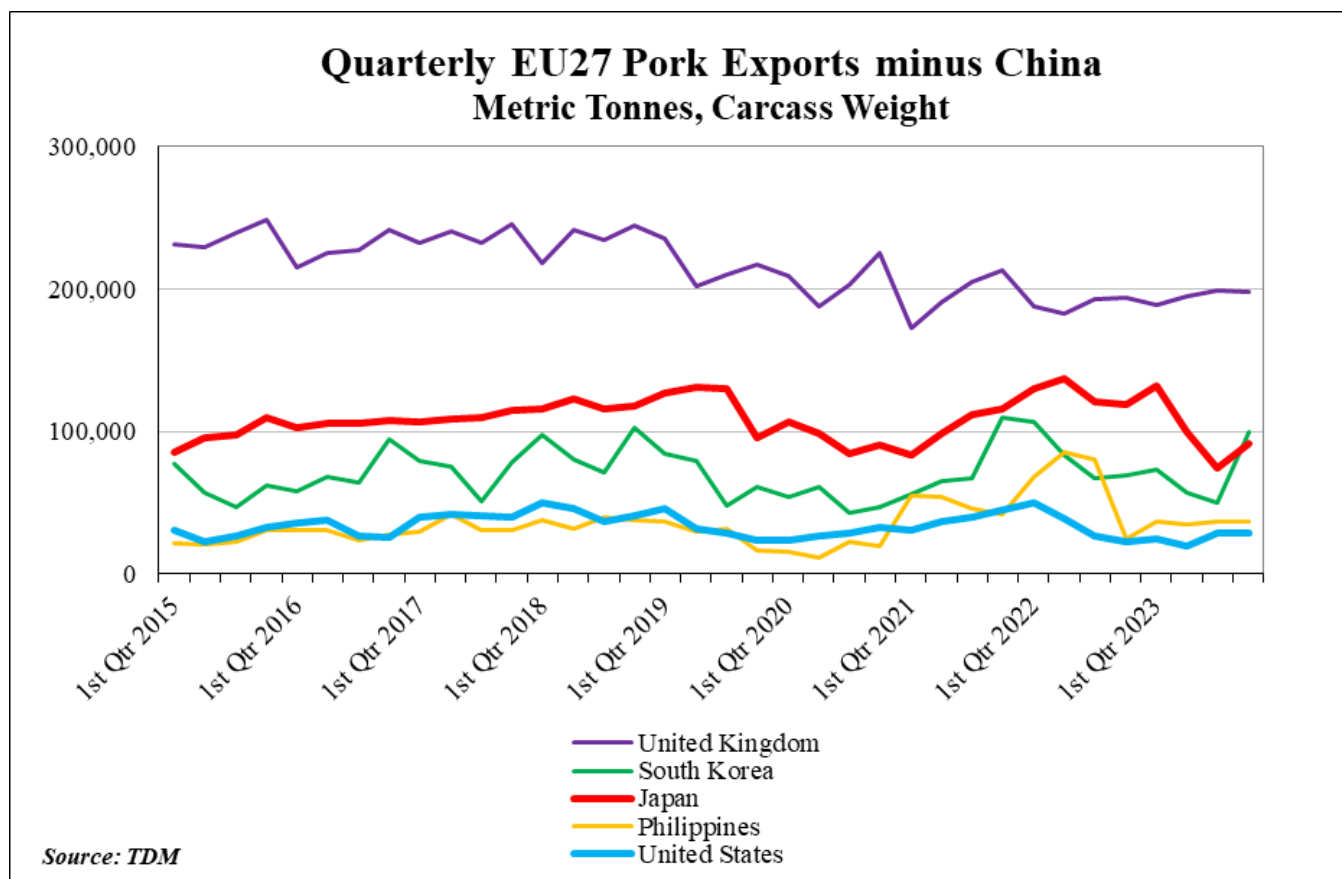
EU pork consumption has been dwindling for about fifteen years. Past peaks in the consumption line can be explained by commercial stock building during periods when the supply was not in balance with export demand. This dwindling consumption trend is based on health and convenience considerations by EU consumers who are switching from red meats to poultry. The white parts of broilers generally contain less fat than beef and pork and are more suitable for further processing. Another important factor for the consumers preference for poultry meat is the generally lower price than of most other meats. Despite this trend, the increased supply of pork in the domestic market is anticipated to support a recovery of consumption in Poland, Hungary, Bulgaria, and Greece this year. But overall, the main portion of the additional pork supply will be stocked or exported, depending on the price competitiveness of the product. While EU pork production hardly faces any competition on the domestic market due to tariffs and strict veterinary requirements imposed on imports, EU pork exports must compete with other producers such as Brazil and the United States. It should be noted that this potential oversupply of pork at the EU market could depress prices and increase its price competitiveness.



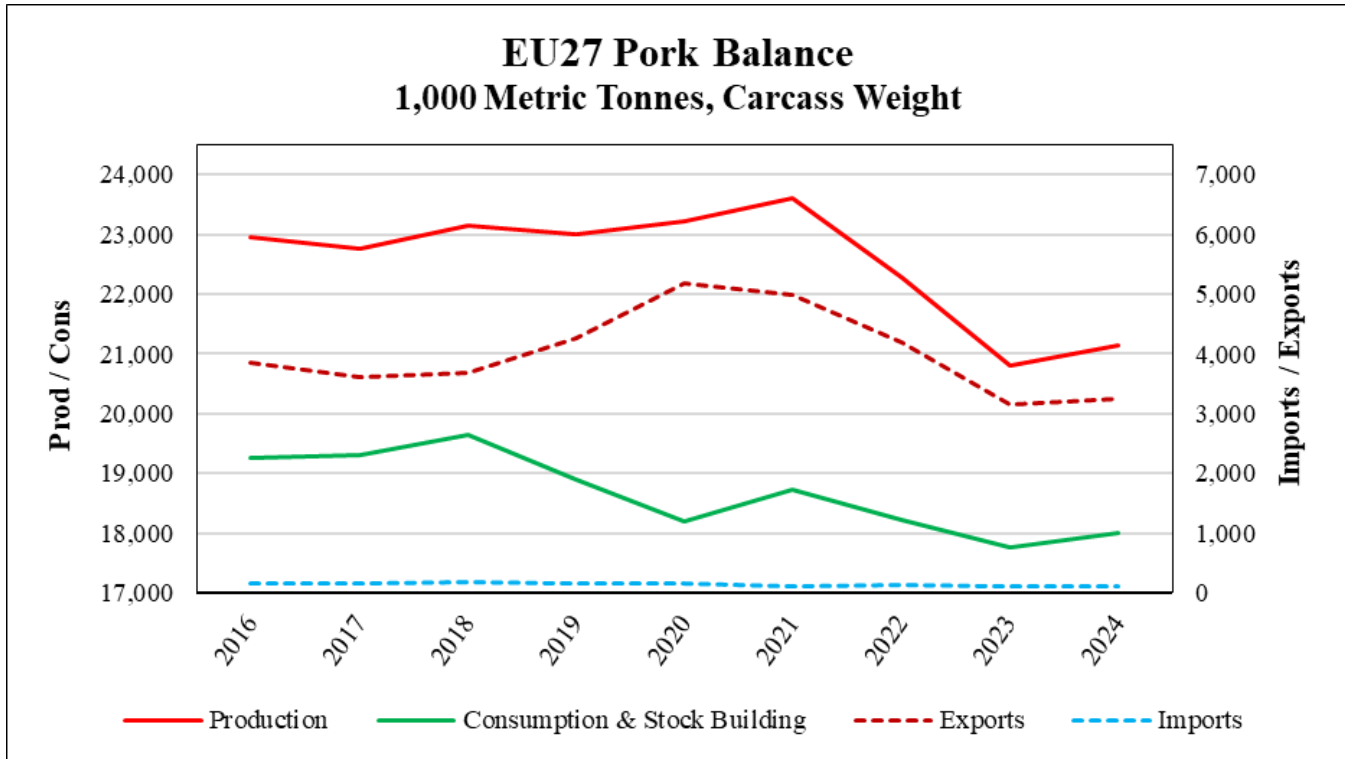
***This Year EU Pork Exports Are Forecast to Increase to the Traditional Markets.***

During 2023, EU pork exports declined by 24 percent, after reductions of 4 percent in 2021, and 16 percent in 2022. The biggest chunk of the decline was reported for exports to China (see graph above). But in 2023 exports to all top-15 destinations declined, except to the United Kingdom (mainly fresh boneless pork and bacon) and Malaysia (mainly bellies). Illustrative is that the other main pork exporters to China (Brazil, Canada, the United States, and Chile) have been able to increase their exports to China in 2023. Similar trends are reported for the other three destinations for EU pork exports: Japan, South Korea, and the Philippines. On the short term, EU pork prices are not competitive on the world market.

Furthermore, supply restrictions for many MSs, such as Germany and Poland, are still in place and noticeably restricting trade. This applies in particular to exports to Asian countries. Veterinary restrictions are hardly lifted, such as recently reported for the Belgian sector which will be able to export to China at the short term. 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 MS governments are trying to open new markets with the focus on Asian destinations, such as Singapore and Vietnam. The overall export strategy of the EU swine sector is to achieve a balanced growth by a further diversification of export markets. But if the most competitive and export oriented MSs (Spain, Denmark, and the Netherlands) will increase production and exportable supplies, the bulk of the expansion will be directed to the traditional top markets (China, the United Kingdom, South Korea, the Philippines, and Japan) for which the imports are forecast to remain strong in 2024 (see the statistics of [FAS PSD online](#)). This year, EU pork exports are forecast to slightly increase from 3.16 MMT CWE in 2023 to 3.25 MMT CWE in 2024, based on the increased exportable supplies and competitiveness.







## Policy

### Common Agricultural Policy (CAP)

The new 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.

### The Green Deal

Because the EU livestock sector is specifically identified as critical for the EU to reach its Green House 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 November 29, 2023, the EU institutions reached an agreement on the revision of the 2010 Industrial Emissions Directive. This [proposal](#) amends Directive 2010/75/EU which regulates the environmental impacts of around of Europe’s large-scale, high-pollution-risk industrial installations, and extends the scope to include the largest livestock farms in Europe, considered “agro-industrial installations”. Pig farms with more than 1,200 animals as well as farms with more than 40,000 broilers or 21,500 laying hens will fall under the scope of the new law, while cattle farms are excluded from the scope of the Directive. Farms that are in the scope need to comply to specific emissions conditions and permitting requirements. The plenary vote in the European Parliament is scheduled for March 2024.

### **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 November 27, 2023, the EU completed the political procedures ratifying the free trade agreement with New Zealand with the signature of the Council of the EU. Once the agreement has been ratified by New Zealand, it can then enter into force. This is expected to happen in the first or second quarter of 2024. The trade agreement removes all tariffs at entry into force on EU agri-food exports to New Zealand. However, this is not the case for all agri-food imports into the EU with tariffs rate quotas for some products, notably beef with a tariff rate quota of 10,000 MT 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 [here](#).

### **Animal Specific Issues**

#### *Veterinary Medicine Legislation*

On October 6, 2021, [Commission Delegated Regulation \(EU\) 2021/1760](#) was published, establishing the criteria for antimicrobials to be reserved for use by humans. The European Medicines Agency (EMA) was [mandated](#) to draft a proposal for a list of antibiotics reserved for human medicine based on these criteria. On October 8, 2021, the official controls, [Regulation \(EU\) 2021/1756](#), were published to ensure compliance with the prohibition of certain uses for antimicrobials. On January 28, 2022, the EU implemented the new framework for [Veterinary Medicine Regulation](#).

In February 2023, the EC published [Delegated Act 2023/905](#) implementing Article 118 of the Regulation imposing limitations on the use of antibiotics for animals in the EU, that will also apply to operators in third countries. On February 12, 2024, [Commission Implementing Regulation \(EU\) 2024/399](#) was published in the Official Journal and will become applicable on September 3, 2024. It will amend the model certificates for the entry into the Union of consignments of certain products of animal origin. For more information, please see GAIN Report: [Delegated Act Published for Article 118 of the EU Veterinary Medicinal Products Regulation](#).

### *New EU Animal Welfare Legislative Roadmap*

On July 5, 2021, the European Parliament's Committee of Inquiry on the Protection of Animals during Transport (ANIT), published a [report](#) about livestock transport in the EU and to third countries. The report describes patterns in the European transport of animals and possible avenues for improved animal welfare. On January 21, 2022, the public consultation ended on the EU's [Animal Welfare Inception Impact Assessment](#). This impact assessment marks the beginning of an EU revision of its animal welfare legislation, which was one of the goals of the EU's Farm to Fork (F2F) strategy. On December 7, 2023, the EC adopted the [proposal](#) of revision of the Regulation on the protection of animals during transport. For more information on animal welfare in the EU, see: [https://food.ec.europa.eu/animals/animal-welfare/evaluations-and-impact-assessment/revision-animal-welfare-legislation\\_en](https://food.ec.europa.eu/animals/animal-welfare/evaluations-and-impact-assessment/revision-animal-welfare-legislation_en)

### *African Swine Fever (ASF) Situation Update*

After its initial introduction in Poland and Lithuania in 2014, ASF continued its spread across Central European MSs. More recent information about the current ASF situation in the EU is available in the [latest map](#), imposed [zones](#), and online at: [https://ec.europa.eu/food/animals/animal-diseases/control-measures/asf\\_en](https://ec.europa.eu/food/animals/animal-diseases/control-measures/asf_en)

### *Private Storage Aid Scheme*

The EC has long resisted taking exceptional market measures for the pork market, despite repeated pleas from affected member states, but eventually a [Private Storage Aid \(PSA\) scheme](#) was opened from the end of March 2022 through the end of April. PSA contracts were concluded for some 46,000 MT with contract periods varying from 60 till 150 days of storage. The highest volumes were contracted from the Netherlands, followed by Denmark, Germany, and Spain. The PSA scheme has not yet been renewed for 2023.

### **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:

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Tania de Belder from FAS Brussels covering EU Policies, Belgium, and Luxembourg

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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

**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
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
EU	Dairy and Products Semi-annual	05/22/23

Poland	Poland Waives Certain Biosecurity Requirements for Backyard Pig Farms	05/19/23
Poland	First Polish Pig Farm Tested ASF-positive in 2023	04/19/23
Poland	Proposed Amendment to Animal Protection Rules in Poland	04/05/23
EU	Livestock and Products Semi-annual	03/03/23
EU	US Beef Imports into the EU High Quality Beef Quota Increased in 2022	03/01/23

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

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

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**Attachments:**

No Attachments