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Belgium-Luxembourg

Livestock and Products

Semi-Annual

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Report Highlights:
After the dioxin crisis (EURO 500 million), the Belgian livestock sector is hit by the BSE crisis (Approx EURO 250 million). Since the recent BSE crisis, beef exports decreased significantly due to reduced demand by the exports markets. The Belgian pork sector is restricted by Belgian environmental regulations.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Cattle, Beef and Veal
During the last decade, Belgian cattle numbers have fluctuated between 3.0 and 3.5 million animals. Over the past several years the beef and veal sector has been negatively affected by: the BSE crisis in the UK in 1996, the dioxin crisis in Belgium in 1999, and the current BSE crisis in the EU.

In 1999/2000, Belgian cattle stocks and the number of cattle farmers declined. The dioxin crisis, and the lack of a consistent food safety policy are the main reasons. Beef and veal imports have more than doubled in the last decade, while Belgian live cattle exports rose, especially to The Netherlands, where slaughterhouses had spare capacity. The BSE scare in France, also helped decrease Belgian slaughter and beef production. By the end of 2000, exports decreased significantly due to reduced demand, mainly from France, Germany and Italy, and due to bans on EU meat in third countries. Usually, about 60 percent of Belgian beef and veal production is exported.

Swine and Pork
During the last two years Belgian pig stocks declined by about 4 and 3 percent, respectively, the largest decline in decades. The size of the swine stock strongly depends on governmental measures to restrict manure production. In December 2000, the Flemish government agreed to further reduce pig stocks by buying pigs. Like domestic beef consumption, pork consumption suffered from both food safety crises and high prices. Belgian live pig exports to The Netherlands surged, probably due to Dutch slaughterhouses paying higher premiums to use their excess capacity. In 1999, Belgian trade in pork slowed down. During January - September 2000, however, Belgian pork exports recovered and farm income showed an upward trend for both the breeding and the fattening sectors.

Policy & Marketing
After the dioxin crisis, which cost Belgium nearly EURO 500 million in 1999, and the BSE crisis in 2000, which cost about EURO 250 million, the Belgian government is seriously reorganizing its veterinary and food safety infrastructure. The government recently established a Federal Agency for Food Safety, which is now the umbrella organization for the Belgian inspection services. Greater transparency is emphasized and more authority and greater autonomy has been delegated to the inspection services by policies. In the long run, these measures are expected to holster consumer confidence, which is currently precarious.

Conversion rates:
1997 EURO 1.00 = US$ 1.16**, 1998** EURO 1.00 = US$ 1.08, **1999** EURO 1.00 = US$ 1.06
2000 EURO 1.00 = US$ 0.92, **2000**, average December EURO 1.00 = US$ 0.89
1997 US$ 1.00 = Dfl. 34.60**, 1998** US$ 1.00 = Dfl. 37.17, **1999** US$ 1.00 = Dfl. 37.90
2000 US$ 1.00 = Dfl. 43.76, **2000**, average December US$ 1.00 = Dfl. 45.23

Acronyms used in Report	
Dutch	**English**
BDBH = Belgische Dienst voor de Buitenlandse Handel (Office Belge du Commerce Extérieur)	Belgian Office for External Trade
CLE = Centrum voor Lanbouweconomie	Centrum for Economics and Agriculture
CODA = Centrum voor Onderzoek in de Diergeneeskunde en de Agrochemie	Center for Veterinary and Agrochemical Research
FAVV = Federaal Agentschap voor Voedselveiligheid	Federal Agency for Food Safety
IVK = Instituut voor Veterinaire Keuring	Institute for Veterinary Inspection
MAP = Mest Actie Plan	Manure Action Plan
NIS = Nationaal Instituut voor Statistiek	National Institute for Statistics

Cattle, Beef & Veal

Production

PSD Table						
Country	Belgium-Luxembourg					
Commodity	Animal Numbers, Cattle				(1000 HEAD)	
	Revised	**1999**	**Preliminary**	**2000**	**Forecast**	**2001**
	Old	**New**	**Old**	**New**	**Old**	**New**
Market Year Begin		**01/1999**		**01/2000**		**01/2001**
Total Cattle Beg. Stks	3,186	3,186	3,085	3,288	3,125	3,245
Dairy Cows Beg. Stocks	632	680	619	665	620	641
Beef Cows Beg. Stocks	488	514	502	528	490	538
Production (Calf Crop)	1,139	1,164	1,215	1,215	1,170	1,200
Intra EC Imports	83	83	100	70	100	75
Other Imports	0	0	0	0	0	0
TOTAL Imports	83	83	100	70	100	75
TOTAL SUPPLY	**4,408**	**4,433**	**4,400**	**4,573**	**4,395**	**4,520**
Intra EC Exports	330	330	300	400	300	300
Other Exports	0	0	0	0	0	0
TOTAL Exports	330	330	300	400	300	300
Cow Slaughter	262	268	260	266	255	275
Calf Slaughter	268	273	265	285	260	285
Other Slaughter	283	299	275	290	260	290
Total Slaughter	813	840	800	841	775	850
Loss	180	180	175	87	170	220
Ending Inventories	3,085	3,288	3,125	3,245	3,150	3,150
TOTAL DISTRIBUTION	**4,408**	**4,638**	**4,400**	**4,573**	**4,395**	**4,520**
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

PSD Note: The figures of the production, slaughter and consumption are derived from the supply demand table of the Ministry of Trade and Agriculture. The Belgian Foreign Trade Board (BDBH) is the source of the trade of live animals. The National Institute of Statistics (NIS) is the source of the animal stock. As from 1999, figures of Luxembourg stock, production and consumption are added to the PSD.

PSD Table						
Country	Belgium-Luxembourg					
Commodity	Meat, Beef and Veal			(1000 MT CWE)(1000 HEAD)		
	Revised	**1999**	**Preliminary**	**2000**	**Forecast**	**2001**
	Old	**New**	**Old**	**New**	**Old**	**New**
Market Year Begin		**01/1999**		**01/2000**		**01/2001**
Slaughter (Reference)	813	840	800	841	775	850
Beginning Stocks	1	1	1	0	0	10
Production	273	282	269	282	260	285
Intra EC Imports	34	40	30	42	27	28
Other Imports	9	8	7	6	10	15
TOTAL Imports	43	48	37	48	37	43
TOTAL SUPPLY	**317**	**331**	**307**	**330**	**297**	**338**
Intra EC Exports	98	99	90	110	83	100
Other Exports	12	12	12	10	10	5
TOTAL Exports	110	111	102	120	93	105
Human Dom. Consumption	206	220	205	200	204	210
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	206	220	205	200	204	210
Ending Stocks	1	0	0	10	0	23
TOTAL DISTRIBUTION	**317**	**331**	**307**	**330**	**297**	**338**
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

PSD Note: The figures of the production, trade, slaughter and consumption are derived from the supply demand table of the Ministry of Trade and Agriculture. The National Institute of Statistics (NIS) is the source of the animal stock. As from 1999, figures of Luxembourg stock, production and consumption are added to the PSD.

Belgium & Luxembourg - Cattle - December Livestock Census (1,000 Head)							
	1998		1999		May 2000*		2000
	Lux	Belgium	Lux	Belgium	Lux	Belgium	(1998=100)
Cattle Total	**209**	**3,186**	**203**	**3,085**	**200**	**3,045**	**96**
of which:							
Cattle of less than 1 year:							
- to be slaughtered as calves	2	163	2	163	2	162	99
- other male bovines	19	253	19	246	19	284)	112
- other female bovines	35	448	33	442	32	503	112
Cattle from 1 to less than 2 years:							
- male bovines	14	161	15	158	15	176	109
- female for slaughter	3	56	3	53	3	37	66
- heifers replacing cows in production	29	417	28	420	28	405	97
bovines of 2 years and more:							
- males	5	38	4	38	4	43	113
- heifers replacing cows in production	20	212	20	212	20	226	107
- dairy cows	48	632	46	619	45	596	94
- suckling cows	26	488	26	502	26	512	105
- female for slaughter and other	8	117	7	118	7	100	85

*Census May 2000 Source Belgium: NIS (National Institute of Statistics) Source Luxembourg: STATEC

During the last decade, the total Belgian cattle herd ranged between 3.1 - 3.4 million animals. The number of dairy cows showed a continuous decline since the introduction of the milk quota in 1984. In 1984, more then a million dairy cows were counted, but the Belgian stock is currently reduced to about 650,000 head. The beef and veal sector was hit by the BSE crisis in 1996. Since 1997, prices recovered but did not reach the level before the crisis. During May 1999 - May 2000, the Belgian cattle stock declined by 1.4 percent while the number of cattle farmers declined by 3.4 percent. The Belgian Farmers Association mentioned the dioxin crisis, bureaucracy and the lack of a consistent agricultural policy as the main reason for the decline. Until the new BSE crisis at the end of 2000, a minor increase, or at least stabilization, of the beef and veal production was expected as a result of a normal 5-year cycle of prices and farmers income.

Belgium & Luxembourg : Bovine Slaughter
(1,000 Head)

	1997		1998*		1999*		2000**	
	Belgium	Lux	Belgium	Lux	Belgium	Lux	Belgium	Lux
Steers	13	2	12	2	6	2	5	2
Bulls	316	8	289	8	231	10	225	8
Cows	324	7	276	6	262	6	260	6
Heifers	61	6	50	7	45	5	40	5
Calves	319	4	311	5	268	5	280	5
Total	1,035	27	923	26	813	28	815	26

*Update ** Estimation Source Belgium: NIS (National Institute of Statistics) Source Luxembourg: STATEC

Since 1993, the Belgian bovine slaughter number has steadily declined. The slaughter number fell from 1,062,000 in 1997 to 813,000 head in 1999. In June 1999, a month after the dioxin contamination was revealed, the slaughtering of cattle and pigs decreased 30 percent and 50 percent, respectively. The recent BSE scare in the EU also had a significant effect on Belgian slaughter and beef production. During December 2000, at the height of the BSE crisis in the EU, slaughter was reportedly down by 20 to 25 percent. The Belgian government is, in contrast to the Dutch and French government, not funding the destruction of slaughter offal, which have to be destroyed as a result of the ban on meat and bone meal (MBM). As a result, higher slaughter costs in Belgium could lead to the slaughtering of Belgian cattle and pigs in Dutch and French slaughterhouses. In 2000, the bovine slaughter number remained nearly unchanged at 815,000 head, mainly due to an increase of the number of calves slaughtered.

Consumption

Belgium: Per Capita Consumption of Beef and Veal
Kilos per inhabitant

	1997*	1998*	1999*	2000**
Beef & Veal	21.3	21.3	20.2	19.3

*Update **Estimation Source: CLE (Center for Economics and Agriculture)

Over the past five years, the Belgian per capita consumption of beef and veal showed a slight downwards trend but it has been more stable than the per capita consumption of pork and poultry. During 1999 and 2000, however, consumption decreased, most likely due to the dioxin and BSE crisis.

Trade

Belgian imports of live cattle fell from 256,000 in 1994 to 83,000 head in 1999, while in the last decade, exports of live animals stabilized around 300,000 head. Belgian trade figures of live cattle during January - September 2000 revealed a further decline of imports but exports of live cattle significantly increased, especially to The Netherlands. The increased Dutch imports of Belgian cattle can be explained by the need for more cattle for of the Dutch slaughterhouses. While the domestic production of beef and veal declined since 1993, the import of beef and veal has increased from 20,000 MT in 1991 to about 50,000 MT in 1999 and 2000. Exports of beef and veal remained relatively stable but dropped in 1998 by 21 percent to 127,000 MT. During 1999, exports further declined to 110,000 MT. During the first nine months of 2000, however, Belgian beef and veal exports showed a slight recovery but the BSE scare in France and the EU again lowered Belgian slaughter and beef production. By the end of 2000, exports were much lower especially to France, Germany and Italy, and some third countries with bans on EU beef. Generally, about 60 percent of Belgian beef supply is exported.

Trade Matrices

Trade Matrices Note: Source of the trade figures of live animals is the Belgian Foreign Trade Board (BDBH). The figures of the trade of meat are derived from the supply demand table of National Institute of Statistics (NIS) and STATEC. Trade figures are considered as the least reliable, and in the PSD adjusted to other figures.

Import Trade Matrix					
Country	Belgium-Luxembourg		Units:	1,000 Head	
Commodity	Animal Numbers, Cattle		Partial Begin	January	
			Partial End	September	
Imports for:	**1998**	**1999**	**2000**	**1999**	**2000**
	Full	**Full**	**Full Forecast**	**Partial**	**Partial**
U.S.	0	0	0	0	0
Others					
EU	125	83	70	64	54
France	58	21	17	17	11
Netherlands	23	16	15	11	12
Germany	43	28	18	21	16
Other EU	1	17	20	15	15
Total for Others	125	83	70	64	54
Others not Listed	0	0	0	0	0
Grand Total	125	83	70	64	54

Export Trade Matrix					
Country	Belgium-Luxembourg		Units:	1,000 Head	
Commodity	Animal Numbers, Cattle		Partial Begin	January	
			Partial End	September	
Exports for:	**1998**	**1999**	**2000**	**1999**	**2000**
	Full	**Full**	**Full Forecast**	**Partial**	**Partial**
U.S.	0	0	0	0	0
Others					
EU	275	330	400	235	287
France	53	61	50	44	38
Netherlands	187	208	270	147	199
Germany	12	16	15	11	12
Italy	20	26	35	17	27
Spain	3	2	2	2	1
Other EU	0	17	28	4	10
Total for Others	275	330	400	235	287
Others not Listed	0	0	0	0	0
Grand Total	275	330	400	235	287

Import Trade Matrix					

Country	Belgium-Luxembourg		Units:	1,000 MT PWE	
Commodity	Meat, Beef and Veal		Partial Begin	January	
			Partial End	September	
Imports for:	**1998**	**1999**	**2000**	**1999**	**2000**
	Full	**Full**	**Full Forecast**	**Partial**	**Partial**
U.S.	0	0	0	0	0
Others					
EU	22	29	30	22	23
France	8	11	10	8	8
Netherlands	8	9	10	7	7
Germany	2	3	4	2	3
Italy	0	1	0	1	0
U.K.	0	0	0	0	0
Ireland	1	1	1	1	1
Spain	2	1	1	1	1
Other EU	1	3	4	2	3
Argentina	1	1	1	1	1
Total for Others	23	30	31	23	24
Others not Listed	1	4	4	2	1
Grand Total	24	34	35	25	25

Export Trade Matrix					
Country	Belgium-Luxembourg		Units:	1,000 MT PWE	
Commodity	Meat, Beef and Veal		Partial Begin	January	
			Partial End	September	
Exports for:	**1998**	**1999**	**2000**	**1999**	**2000**
	Full	**Full**	**Full Forecast**	**Partial**	**Partial**
U.S.	0	0		0	0
Others					
EU	92	85	95	63	72
France	25	23	24	17	18
Netherlands	32	30	35	22	27
Germany	9	12	12	8	10
Italy	1	10	10	8	8
U.K.	14	1		1	1
Greece	8	4	4	3	3
Spain	3	3	3	2	2
Other EU	0	2	7	2	3
Total for Others	92	85	95	63	72
Others not Listed	21	10	10	7	8
Grand Total	113	95	105	70	80

Prices

In 1996, the Belgian beef and veal sector was hit by the BSE crisis. During 1997 and 1998, prices of better qualities beef and veal improved, while prices of lower qualities remained at a low level as a result of the economic troubles in Russia and price competition with other meat, suitable for processing to meat products. In the middle of 1999, prices declined due to the dioxin crisis. During 1999/2000, prices recovered until the recent BSE crisis. By the end of 2000, Belgian slaughter and exports were reduced and prices tumbled by 25 percent. The price decline for low quality cattle, mainly destined to the meat processing industry, was less significant.

Cattle, producer prices in Dutch Guilders
per kilo live weight

	The Netherlands			Change		Belgium			Change
	1998	**1999**	**2000**			**1998**	**1999**	**2000**	
January	2.67	2.12	2.27	7.4%		2.80	4.30	4.04	-6.2%
February	2.65	2.20	2.33	6.0%		2.74	4.27	4.05	-5.3%
March	2.65	2.23	2.36	5.8%		2.70	4.20	4.09	-2.7%
April	2.66	2.26	2.43	7.9%		2.74	4.17	4.10	-1.6%
May	2.71	2.33	2.56	9.7%		2.90	4.24	4.12	-2.9%
June	2.74	2.43	2.57	5.7%		2.93	4.20	4.15	-1.2%
July	2.73	2.37	2.61	10.4%		2.92	4.06	4.18	3.1%
August	2.72	2.34	2.63	12.4%		2.90	3.99	4.23	6.0%
September	2.62	2.35	2.62	11.5%		2.80	3.94	4.26	8.1%
October	2.48	2.30	2.57	11.9%		2.80	3.92	4.18	6.7%
November	2.39	2.25	2.41	6.9%		2.71	3.96	4.06	2.6%
December	2.39	2.24	2.22	-0.8%		2.69	4.00	3.81	-4.6%

Source: Dutch Product Board for Livestock, Meat and Eggs Note : 1998 and 1999 Belgian prices for live, mature cattle are not comparable because of an EU change in weighing coefficients.

Swine & Pork

Production

PSD Table						
Country	Belgium-Luxembourg					
Commodity	Animal Numbers, Swine				(1000 HEAD)	
	Revised	**1999**	**Preliminary**	**2000**	**Forecast**	**2001**
	Old	**New**	**Old**	**New**	**Old**	**New**
Market Year Begin		**01/1999**		**01/2000**		**01/2001**
TOTAL Beginning Stocks	7,632	7,632	7,322	7,406	7,400	7,211
Sow Beginning Stocks	730	788	720	729	700	702
Production (Pig Crop)	11,632	12,900	11,540	11,932	11,150	11,000
Intra EC Imports	903	903	1,000	900	900	900
Other Imports	0	0	0	0	0	0
TOTAL Imports	903	903	1,000	900	900	900
TOTAL SUPPLY	**20,167**	**21,435**	**19,862**	**20,238**	**19,450**	**19,111**
Intra EC Exports	1,091	1,141	1,040	900	950	1,000
Other Exports	1	1	0	0	0	0
TOTAL Exports	1,092	1,142	1,040	900	950	1,000
Sow Slaughter	0	0	0	0	0	0
OTHER SLAUGHTER	10,608	11,823	10,500	11,105	9,900	10,000
Total Slaughter	10,608	11,823	10,500	11,105	9,900	10,000
Loss	1,145	1,145	922	822	1,000	911
Ending Inventories	7,322	7,406	7,400	7,211	7,600	7,200
TOTAL DISTRIBUTION	**20,167**	**21,516**	**19,862**	**20,038**	**19,450**	**19,111**
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

PSD Note: The figures of the production, slaughter and consumption are derived from the supply demand table of the Ministry of Trade and Agriculture. The Belgian Foreign Trade Board (BDBH) is the source of the trade of live animals. The National Institute of Statistics (NIS) is the source of the animal stock. As from 1999, figures of Luxembourg stock, production and consumption are added to the PSD.

PSD Table						
Country	Belgium-Luxembourg					
Commodity	Meat, Swine			(1000 MT CWE)(1000 HEAD)		
	Revised	**1999**	**Preliminary**	**2000**	**Forecast**	**2001**
	Old	**New**	**Old**	**New**	**Old**	**New**
Market Year Begin		**01/1999**		**01/2000**		**01/2001**
Slaughter (Reference)	10,608	11,823	10,500	11,105	9,900	10,000
Beginning Stocks	2	0	8	96	0	26
Production	977	1,105	987	1,035	910	932
Intra EC Imports	97	109	100	70	105	105
Other Imports	0	0	2	0	2	2
TOTAL Imports	97	109	102	70	107	107
TOTAL SUPPLY	**1,076**	**1,214**	**1,097**	**1,201**	**1,017**	**1,065**
Intra EC Exports	527	581	550	650	500	525
Other Exports	47	47	47	25	25	25
TOTAL Exports	574	628	597	675	525	550
Human Dom. Consumption	494	490	500	500	492	490
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	494	490	500	500	492	490
Ending Stocks	8	96	0	26	0	25
TOTAL DISTRIBUTION	**1,076**	**1,214**	**1,097**	**1,201**	**1,017**	**1,065**
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

PSD Note: The figures of the production, trade, slaughter and consumption are derived from the supply demand table of the Ministry of Trade and Agriculture. The National Institute of Statistics (NIS) is the source of the animal stock. As from 1999, figures of Luxembourg stock, production and consumption are added to the PSD.

Belgium & Luxembourg - Swine - December Livestock Census
(1,000 Head)

	1998		1999		August 2000*		2000
	Belgium	Lux	Belgium	Lux	Belgium	Lux	(1998=100)
Total Number of Pigs	7,632	77	7,322	84	7,127	85	93
of which:							
piglets of less than 20 kilos	2,221	28	1,979	31	2,006	32	90
pigs of 20 to less than 50 kilos	1,816	14	1,778	16	1,654	17	91
pigs for fattening - 50 kilos and more:	2,792	26	2,822	28	2,762	30	99
pigs for breeding - 50 kilos and more:							
- boars	16	.3	14	.3	12	.3	75
- sows, bred	584	7	543	7	518	7	89
- sows, unbred	194	3	177	2	175	2	90
other	8	n.a.	10	n.a.	n.a.	n.a.	n.a.

*Census August 2000 Source Belgium: NIS (National Institute of Statistics) Source Luxembourg: STATEC

The total number of pigs in Belgium showed an almost continuous growth during the last decades. As a result of the swine fever outbreak in The Netherlands in 1996, the Belgian pig population increased the following year by 246,000, to 7,436,000 head, and pork production increased by 20,000 MT, to 1,048,000 MT. However, during 1999, the Belgian pig stock decreased by about 4 percent and the production of pork declined 10,000 MT. The census of May and August 2000 revealed that the decline of the pig stock has continued. During the last two years, the number of bred sows declined more than ten percent and it is expected that the pig production will decline considerably during 2000/2001. The size of the swine stock strongly depends on governmental measures against nitrate emissions, as imposed by the EU legislation. On a long term basis manure is a serious limiting factor for pork production. The manure problem is especially strong in Flanders (the Northern and Dutch speaking part of Belgium) where the most of intensive production is located. The only possible solution, according to the government, is to reduce the stock and, if feasible, treat the of manure. Currently, methods of treatment are being examined and developed. During May 1999 - May 2000, the Belgian pig stock declined by 4.4 percent. During the same period, the number of cattle farmers declined 5.9 percent. The Belgian Farmers Association mentioned the dioxin crisis, bureaucracy and the lack of a consistent agricultural policy as the primary reason for the decline.

Belgium & Luxembourg - Slaughter figures x 1,000 Head						
	1998		1999		2000	
	Belgium	Lux	Belgium	Lux	Belgium	Lux
1st quarter	2,761	n.a.	2,974	n.a.	*2,796	n.a.
2nd quarter	2,851	n.a.	2,331	n.a.	*2,744	n.a.
3rd quarter	2,832	n.a.	2,507	n.a.	*2,692	n.a.
4th quarter	3,045	n.a.	2,796	n.a.	**2,650	n.a.
Total for the Year	11,490	171	10,608	215	**10,880	**225

*Updated **Estimated   Source Belgium: NIS (National Institute of Statistics)   Source Luxembourg: STATEC

Affected by the dioxin crisis, at the end of May 1999, the slaughtering of cattle and pigs during June decreased 30 percent and 50 percent, respectively. The slaughter/production ratio was stable over the last ten years, with a carcass weight between 90 and 94 kg.

Consumption

Belgium: Per Capita Consumption of Pork Kilos per inhabitant					
	1996*	1997*	1998*	1999*	2000**
Pork	49.0	43.6	46.9	43.4	43.0

*Update **Estimation   Source: CLE (Centrum for Economics and Agriculture)

The Belgian per capita consumption of pork peaked in 1992, with 52.0 kg per capita per year. Pork consumption fell in 1997 (high prices) and in 1999 (dioxin crisis)and is now 43.0 kg per capita per year.

Trade

During the last decade, Belgian import of live pigs declined from about 2 million head to less than 1 million, while Belgian exports fluctuated between 0.6 and 0.8 million head. During 1999 and 2000, however, exports increased considerably, to around a million animals, especially to The Netherlands where slaughterhouses cope with overcapacity. Another factor were the low prices of Belgian live animals during the dioxin crisis, summer 1999. Belgian pork imports fluctuated the last three years around 100,000 MT per year. During 1999, Belgian trade in pork slowed down but exports recovered during January - September 2000. During 2000, farmer's income showed an upwards trend for both the breeding and the fattening.

Trade Matrices

Trade Matrices Note: Source of the trade figures of live animals is the Belgian Foreign Trade Board (BDBH). The figures of the trade of meat are derived from the supply demand table of National Institute of Statistics (NIS) and STATEC. Trade figures are considered the least reliable and adjusted to other figures in the PSD's.

Import Trade Matrix					
Country	Belgium-Luxembourg		Units:	1,000 Head	
Commodity	Animal Numbers, Swine		Partial Begin	January	
			Partial End	September	
Imports for:	**1998**	**1999**	**2000**	**1999**	**2000**
	Full	**Full**	**Full Forecast**	**Partial**	**Partial**
U.S.	0	0	0	0	0
Others					
EU	940	954	950	685	690
France	125	65	40	52	25
Netherlands	371	525	550	374	402
Germany	413	275	300	192	217
U.K.	21	10	15	7	10
Austria	9	1	1	1	0
Denmark	1	15	4	12	2
Other EU	0	63	40	47	34
Total for Others	940	954	950	685	690
Others not Listed	0	0	0	0	0
Grand Total	940	954	950	685	690

Export Trade Matrix					
Country	Belgium-Luxembourg		Units:	1,000 Head	
Commodity	Animal Numbers, Swine		Partial Begin	January	
			Partial End	September	
Exports for:	**1998**	**1999**	**2000**	**1999**	**2000**
	Full	**Full**	**Full Forecast**	**Partial**	**Partial**
U.S.	0	0	0	0	0
Others					
EU	668	1141	900	892	743
France	91	52	45	47	37
Netherlands	129	367	425	258	356
Germany	92	285	150	277	126
Italy	335	316	200	217	160
Austria	2	13	0	7	0
Spain	15	30	15	25	11
Portugal	2	2	5	2	4
Other EU	2	75	60	59	40
Total for Others	668	1,141	900	892	743
Others not Listed	1	1	0	1	1
Grand Total	669	1,142	900	893	744

Import Trade Matrix					
Country	Belgium-Luxembourg		Units:	1,000 MT PWE	
Commodity	Meat, Swine		Partial Begin	January	
			Partial End	September	
Imports for:	**1998**	**1999**	**2000**	**1999**	**2000**
	Full	**Full**	**Full Forecast**	**Partial**	**Partial**
U.S.	0	0	0	0	0
Others					
EU	72	64	45	51	37
France	13	8	7	6	6
Netherlands	37	25	20	20	16
Germany	4	9	5	7	4
Spain	8	9	2	9	2
U.K.	4	2	2	2	2
Ireland	2	0	0	0	0
Denmark	4	4	2	3	2
Other EU	0	7	7	4	5
Total for Others	72	64	45	51	37
Others not Listed	0	1	0	0	0
Grand Total	72	65	45	51	37

Export Trade Matrix					
Country	Belgium-Luxembourg		Units:	1,000 MT PWE	
Commodity	Meat, Swine		Partial Begin	January	
			Partial End	September	
Exports for:	**1998**	**1999**	**2000**	**1999**	**2000**
	Full	**Full**	**Full Forecast**	**Partial**	**Partial**
U.S.	0	0	0	0	0
Others					
EU	510	473	500	339	374
France	54	50	50	37	39
Netherlands	34	36	50	24	35
Germany	289	282	300	200	221
Italy	85	61	50	47	40
Spain	16	9	10	6	7
U.K.	7	11	12	8	11
Greece	15	10	15	8	11
Portugal	3	2	3	1	1
Other EU	7	12	10	8	9
Total for Others	510	473	500	339	374
Others not Listed	15	24	40	21	17
Grand Total	525	497	540	360	391

Prices

In Belgium, the farm weekly income is calculated by the Bureau for Agricultural Economics (CLE). Over the last few years, the revenue of breeding and fattening of pigs showed a clear “swine-cycle”, a regular fluctuation of prices and income. The fluctuation is mainly caused by the variation in the price for piglets and slaughter hogs. During 1999, income remained low and was negatively affected by the dioxin crisis. The loss due to the dioxin crisis is estimated at about EURO 80 per sow and EURO 10 per slaughter hog. The total loss for the swine sector was about EURO 100 million. During 2000, prices for pork recovered and income currently shows an upwards trend for both the breeding and the fattening sector. For the breeding sector, the primary reason for the recovery is the increased production of piglets per sow. The income for the swine fattening increased as a result of feed costs, feed conversion (presently 3.6) and price of piglets.

Swine, producer prices in Dutch Guilders
per kilo slaughter weight.

	The Netherlands					Belgium			
	1998	**1999**	**2000**	**Change**		**1998**	**1999**	**2000**	**Change**
January	2.58	1.55	2.10	35.3%		3.05	1.98	2.33	17.3%
February	2.87	1.90	2.43	27.8%		3.26	2.24	2.60	15.9%
March	2.68	1.82	2.51	37.6%		3.11	2.21	2.72	23.0%
April	2.57	1.80	2.65	47.0%		3.01	2.17	2.90	33.7%
May	2.35	1.95	2.86	46.7%		2.77	2.33	2.91	24.8%
June	2.41	2.42	2.97	22.9%		2.82	2.18	3.19	46.4%
July	2.32	2.32	2.90	25.3%		2.68	1.94	3.18	64.3%
August	2.10	2.41	2.92	20.8%		2.50	2.31	3.18	37.6%
September	1.96	2.35	2.88	22.6%		2.37	2.39	3.15	31.9%
October	1.77	2.15	3.04	41.2%		2.14	2.35	3.27	39.4%
November	1.54	2.08	3.15	51.9%		1.88	2.34	3.35	43.0%
December	1.78	2.13	3.17	48.7%		2.24	2.49	3.37	35.5%

Source: Dutch Product Board for Livestock, Meat and Eggs

Policy & Marketing

Environment
The Flemish minister of Environment and Agriculture, Vera Dua, wants to reduce nitrate emissions to comply with EU legislation. The Minister plans to do this by reducing pig stocks, which must contribute to 25 percent reduction of the manure surplus, and treating the manure surplus reducing the surplus by 50 percent. The remaining 25 percent must be removed by improved fertilizing methods.

In March 2000, the Belgian government agreed upon a new Manure Action Plan (MAP), which combines manure quota's with levies on overproduction. At the end of September 2000, the MAP was enforced retroactively back to January 2000, causing wide spread protests from farmers. The MAP further requires treatment of 2 million cubic meters of manure in 2001. The first manure processing company in Belgium was completed in September 2000. The treatment installation is located in Zoutleeuw, and will handle the manure of 100,000 chickens and 3,000 pigs in the region. The manure is converted into methane and is used for electricity generation.

In April 2000, the Flemish Minister of Agriculture announced a subsidy of about EURO 17.5 million to reduce the pig stock. This sum was far under the request of the Belgian Farmers Association (Boerenbond) of EURO 225 million. For comparison, the Dutch government subsidies are about EURO 750 million for a reduction of about twice the amount of Belgian emissions. In mid December 2000, the Flemish government agreed on a new program of EURO 25 million per year. Subsidies of EURO 393 per sow sty and EURO 119 per slaughter hog sty are paid for closing down operations. The goal is to reduce of slaughter hogs and sow numbers by nearly 10 percent. If a farmer participates, he is obliged to sell his whole farm. If the program is successful, it will be extended through 2002 and 2003. Piglets are not part of the program. Currently a large number of piglets are imported, which makes the Flemish farms sensitive to diseases.

Dioxin Crisis
The Belgian government calculates the costs of the dioxin crisis at EURO 465 million (EURO 300 million for the Ministry of Public Health, and EURO 165 million for the Ministry of Agriculture). Freddy Willockx was appointed by the Belgian government after the dioxin crisis as an intermediary with the EC. Freddy Willockx estimates the effect on the Belgian Gross Domestic Product at minus 0.2 percent. The Belgian Farmers Association mentioned the dioxin crisis, as one of the main reasons for the decline of the cattle, swine and poultry stock.

Bse Crisis
The Belgian Farmers Association (Boerenbond) estimates the number of cattle to be tested in Belgium at about 400,000 head per year of which about 280,000 head are older than 30 months. Belgian farmers organizations, Boerenbond and others, argued that the laboratories are not prepared to start the increased BSE testing frequency and are demanding financial support from the Belgian Ministry of Health. Other sources, argued that Belgium has a sufficient number of qualified laboratories and testing capacity as a result of the dioxin crisis in 1999. The Belgian Minister of Agriculture, Jaak Gabriëls, does not want to destroy cattle which are tested and free of BSE, and will try to prevent healthy animals from being destroyed.

In addition, the new measures imposed by the EC are expected to replace about 100,000 MT of meat and bone meal (MBM) with vegetable proteins in compound feeds. The Belgian Minister of Agriculture, Jaak Gabriëls, commented that Belgium does not have sufficient capacity to burn the MBM It is expected that about 80,000 MT of MBM will accumulate during the first half of 2001, in addition to 20,000 MT of MBM which is stored since the dioxin crisis in Belgium. So far, no alternative for the MBM, or more efficient disposal method has been found.

The total costs of the harmonized BSE measures are estimated between EURO 250 million (government estimate) and EURO 375 million (sector estimate). The costs of the intensified BSE testing program is estimated at EURO 13 million and it will be paid by the federal government. The MBM ban will cost about EURO 250 million (sector estimation). The Belgian government is discussing a tax on meat to pay the destruction of slaughter offal.

Veterinary Situation

The BSE crisis hit the Belgian sector just after it recovered from the dioxin crisis in 1999. The first half of 2000, meat exports reached the level of before the dioxin crisis. Furthermore, no bankruptcies were reported despite only 10 percent of the costs originated from the dioxin crisis were subsidized by the government. After the dioxin crisis and BSE crisis, the Belgian government is seriously reorganizing the veterinary and food safety infrastructure. The main institutes are: the Institute for Veterinary Inspection (IVK) and newly established Federal Agency for Food Safety (FAVV), the umbrella organization for the Belgian inspection services. The IVK developed a traceability system called Beltrace, which is applied with Sanitel, a Belgian traceability system implemented during the late eighties. The Belgian meat sector also developed a quality assurance system for pork, (Certus), and beef, (Meritus). As from September 2000, the EC required beef labeling with the slaughterhouse name. In January 2002, the EC will additionally require beef label to have the country of birth and production.

A study conducted by the Center for Veterinary and Agrochemical Research (CODA), and paid for by the Belgian Ministry of Agriculture revealed that 30 percent of the Belgian pig stock appeared to be infected with salmonella. In 1998/1999, 1,700 pig farms were inspected by the CODA, and a third of the samples were found positive. Mid December 2000, the Belgian Minister of Agriculture, Jaak Gabriëls, commented that the Federal Agency for Food Safety (FAVV) will start a closer investigation.