The Sustainable Transition of the EU Livestock and Dairy Sectors
Andrea Porcella Capkovicova, Team Leader of EU Agricultural Outlook
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Why EU animal production is transitioning?
EU agriculture at a turning point...

Increasing productivity has led to increasing surpluses...

... while GHG emissions are not increasing since 2010

EU food system is a globally trusted provider of safe, nutritious and high-quality food

Why is the EU agriculture changing and under what conditions?
Challenges and opportunities ahead

- **Climate change** and more frequent extreme weather events
- Habits, expectations and preferences of **EU consumers** are changing
- **Changing macroeconomic environment**
- **EU farming system** continues evolving
Climate change and more frequent extreme weather events

A flooded pig farm and surrounding fields in the town of Lugo on May 18, after heavy rains caused flooding across Italy’s northern Emilia Romagna region.

Cattle in parched fields in Tinténiac, north-west France.
Habits, expectations and preferences of EU consumers are changing
### Changing macroeconomic environment

<table>
<thead>
<tr>
<th>Year</th>
<th>Per capita apparent meat consumption (kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>60</td>
</tr>
<tr>
<td>2006</td>
<td>62</td>
</tr>
<tr>
<td>2007</td>
<td>64</td>
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<tr>
<td>2008</td>
<td>66</td>
</tr>
<tr>
<td>2009</td>
<td>68</td>
</tr>
<tr>
<td>2010</td>
<td>70</td>
</tr>
</tbody>
</table>

#### Annual growth of world population

- **World**: 0.5%
- **EU**: 0%
- **US**: 1%
- **China**: 2%
- **India**: 2.5%
- **Africa**: 3%

**Source**: The Armed Conflict Location & Event Data Project

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### The World at War in 2023

Countries in which armed clashes between state forces and/or rebels were reported in 2023*

*As of April 28
EU farming system continues evolving

Number of farms (million)

- 2010: 12
- 2016: 8
- 2020: 4
What are signs of this transition?
Meat production subject to environmental and societal concerns

*all graphs are either taken or based on data presented in EU Agricultural Outlook report: https://agriculture.ec.europa.eu/document/download/a353812c-733e-4ee9-aed6-43f8f44ca7f4_en?filename=agricultural-outlook-2023-report_en_0.pdf
EU milk production at a turning point and headed towards increasing sustainability

Milk production developments

<table>
<thead>
<tr>
<th>Milk production</th>
<th>Yields</th>
<th>Cows</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-2023</td>
<td>-1.1%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>2023-2035</td>
<td>1.8%</td>
<td>-0.7%</td>
</tr>
</tbody>
</table>

Production of dairy products

- Cheese
- Butter
- SMP
- WMP
- Whey powders

Annual growth

*Sizes of bubbles correspond to production in 2021-2023*
What about GHG emissions?

- **Reduced consumption**
- **Substitution of inputs with a lower impact**
- **Synergies achieved through integrated processes**

![Graph showing GHGs from EU agriculture by animal and crop production](chart)

*GHGs from EU agriculture by animal and crop production (million t of CO2 eq.)*

- **Adopting innovative technologies and processes**
- **Increasing efficiency in the use of resources**
- **Increasing feed conversion efficiency**

*Only based on direct emission factors such as herd size*
EU consumption of animal products shows some maturity

**Meat per capita consumption**

- **EU**
- **US**
- **China**
- **Sub-Saharan Africa**
- **other Asia**

**Annual growth of consumption**

- Kg per capita growth
- Annual growth of consumption

**Dairy per capita consumption**

- **EU**
- **US**
- **China**
- **Sub-Saharan Africa**
- **other Asia**

*Sizes of bubbles correspond to per capita consumption in 2021-2023*

** other Asia represent Asian countries except China and Japan
Differentiation of demand reflects consumer habits and concerns

**Per capita meat consumption (kg)**

- Sheepmeat: 10.6, 10.2, 9.5
- Poultry: 33.6, 31.8, 29.7
- Pigmeat: 20.1, 23.7, 24.9
- Beef: 24.9, 24.9, 24.9

**Per capita consumption of dairy products (kg of milk equivalent)**

- Other dairy products: 27, 31, 31
- Whey powders: 9, 17, 17
- Whole milk powder: 27, 31, 31
- Skimmed milk powder: 6, 10, 10
- Butter: 5, 9, 9
- Cheese: 62, 65, 65
- Other fresh products: 5, 9, 9
- Yoghurt: 14
- Drinking milk: 67, 77, 80
- Cream: 47, 17, 17
- Drilling milk: 14
What about animal protein consumption?

Share of animal proteins by source

- Beef and veal
- Pigmeat
- Poultry
- Dairy products
- Sheep
- Eggs
- Other animal

2021-2023:
- Beef and veal: 16%
- Pigmeat: 6%
- Poultry: 34%
- Dairy products: 1%
- Sheep: 14%
- Eggs: 1%
- Other animal: 19%

2035:
- Beef and veal: 15%
- Pigmeat: 7%
- Poultry: 37%
- Dairy products: 1%
- Sheep: 16%
- Eggs: 16%
- Other animal: 10%
EU continues meeting global animal protein demand
EU dairy sector remains the top global player

Global dairy exports – by products and exporters

- EU
  - 2035
  - 2023

- New Zealand
  - 2035
  - 2023

- US
  - 2035
  - 2023

- Other
  - 2035
  - 2023

EU exports of dairy products (million t of milk eq.)

- Cheese
- Butter
- SMP
- WMP
- Whey powders
- Fresh dairy products

- 2013
- 2023
- 2035

Cheese: 0% 50% 100%
Butter: 0% 50% 100%
SMP: 0% 50% 100%
WMP: 0% 50% 100%
Whey powders: 0% 50% 100%
Fresh dairy products: 0% 50% 100%
Where to contact us: andrea.porcella-capkovicova@ec.europa.eu