



**THE DIFFICULTIES OF THE EU LIVESTOCK  
AFFECTED EU COMPOUND FEED PRODUCTION  
IN 2014  
VS 2013 (-0.6%)**

**SIMILAR TREND EXPECTED IN 2015 IN A  
CHALLENGING ECONOMIC ENVIRONMENT FOR  
THE FEED AND MEAT SECTORS**

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**Compound feed production estimates for 2014**

The compound feed production in the EU-28<sup>1</sup> in 2014 reached an estimated level of 153.6 mio. t, i.e. 0.6% less than in 2013, according to data provided by FEFAC members.

While pig feed and cattle feed production dropped by resp. 1.0% and 1.5%, poultry feed has seen its volume of production grow by +0.6. As a consequence, poultry feed consolidated its position of leading segment of EU compound feed production now well ahead of pig feed.

The most important factor having impacted feed production in 2014 is certainly the Russian ban that started already in February 2014 as far as pigmeat is concerned and put additional pressure on farmers, especially pig and dairy farmers. The good availability of forages due to favourable weather conditions and the sharp drop in dairy prices affected significantly the demand for compound feed for dairy cows, which did not benefit at all from the 5% increase in milk deliveries in 2014.

Poland has been among the largest producing countries the only one performing rather well, with annual growth of almost +7%, while Germany remained stable and France, Spain, Italy, UK and The Netherlands saw their production fall by 0.7 to 1.9%.

Germany strengthened its position as leading EU country in terms of total compound feed production before France and Spain shoulder to shoulder.

The final estimate and detailed breakdown of the 2014 results will be presented on the occasion of the 58<sup>th</sup> FEFAC General Assembly on 10 June 2015 in Cologne.

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<sup>1</sup> Greece, Malta and Luxembourg excluded

## **Market Outlook for 2015**

FEFAC market experts foresee a stabilisation in poultry feed production, a further reduction in pig feed production (-1%) and a more significant reduction in cattle feed if the dairy market does not recover quickly (-1.5%). Overall, this would lead to a 0.5% decrease in compound feed production in 2015 vs. 2014.

A number of changes will intervene in 2015: the entry into application of the CAP, with the application of the greening measures that may affect the supply of grains and oilseeds, but also the end of the milk quota. The ongoing negotiations with Russia on sanitary aspects, if concluded positively, could reactivate exports of certain pig products to Russia and alleviate the pressure on the pigmeat market.

Feed quotations have been on the downward trend in 2013 and 2014 and the good global 2014 grain and oilseed harvest is expected to maintain this trend in the beginning of 2015. The South American soya harvest looks also promising. However, prudence is required, in particular as regards the EU grain harvest 2015.

### **Notes to the editor:**

1. FEFAC, the European Compound Feed Manufacturers' Federation, represents 24 national Associations in 23 EU Member States as well as Associations in Switzerland, Turkey, Serbia, Russia and Norway with observer/associate member status. The European compound feed industry employs over 110,000 persons on app. 4,000 production sites often in rural areas, which offer few employment opportunities.
2. Farm animals in the EU-28 consume an estimated 480 million tonnes of feed a year, of which about 30% are produced by the compound feed manufacturers. Turnover of the European compound feed industry in 2014 is estimated at € 50 billion.
3. For more information see our web site ([www.fefac.eu](http://www.fefac.eu)) or please contact Alexander Döring, Secretary General Tel. +32-2-285.00.50, Fax +32-2-230.57.22, e-mail: [fefac@fefac.eu](mailto:fefac@fefac.eu).