



**F E F A C**

**+0.8% IN EU COMPOUND FEED PRODUCTION  
IN 2018  
A SLIGHT DECREASE EXPECTED IN 2019**

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**Compound feed production estimates for 2018**

The industrial compound feed production for farmed animals<sup>1</sup> in the EU-28<sup>2</sup> in 2018 reached an estimated level of 161 mio. t, i.e. 0.8% more than in 2017, according to data provided by FEFAC members.

As regards cattle feed, 2018 was affected more than usual by weather conditions, with exceptional drought and heat wave in particular during late spring/summer in North-Western Europe which severely impacted forage production. This has resulted in a significant increase in the compound feed demand although not dramatic as the effect may become visible in early 2019 when stocks of forages are further diminished. Farmers in certain countries have also brought forward the sending of cows to slaughter, which not only lowered the milk production but also the feed demand. All in all, the demand for cattle feed in 2018 is estimated 2.5% higher than in 2017.

Concerning poultry feed production, the overall production increased by 1%, mostly driven by the development of poultry production in Poland with a growth of more than 5% for the fourth year in a row and recovery of the French poultry sector after last year's drop pursuant to AI outbreak. The good trend in poultry exports and sharp reduction of imports from Brazil especially also contributed to support a positive momentum for the EU poultry sector and, therefore, an increased demand for commercial feed. EU poultry feed production remains the leading segment of EU industrial compound feed production, well ahead of pig feed.

On the pig feed side, the setback recorded in 2016 and 2017 was confirmed in 2018 (-1%), despite an increase in pork production: the drop in pork prices in the second half of 2018 lead to a sharp reduction of sows in a number of countries. In addition, the rather good cereal harvest on the Iberian Peninsula favoured on farm use.

(mio.t)	<b>2017</b>	<b>2018</b>	<b>%Var 2018/2017</b>
<b>Cattle feed</b>	45	46	+2
<b>Pig feed</b>	51.5	51	-1
<b>Poultry feed</b>	55	55.5	+1
<b>Total</b>	160	161.5	+0.8

<sup>1</sup> From 2016 on, FEFAC no longer includes dry petfood production in its statistics, considering that a large part of the production was missing in national statistics.

<sup>2</sup> Greece, Malta and Luxembourg excluded

For the fifth year in a row, Poland was the best performing country, with annual growth of total compound feed production of +5.5%, boosted equally by the demand for poultry, pig and dairy feed. Among the largest compound feed producing countries, France and Italy maintained their production of compound feed, whereas Spain, the Netherlands and Germany recorded a drop around -1%/-1.5% and UK increased its production by almost 4%. Germany strengthened its position as leading EU country in terms of total compound feed production, ahead of Spain and France.

The final estimate and detailed breakdown of the 2018 figures (including national estimates) will be issued in June 2019 in the margins of the FEFAC Annual General Meeting.

### **Market Outlook for 2019**

FEFAC market experts are rather pessimistic concerning industrial compound feed production in 2019. Although an increase may still be expected during the first months of 2019, the demand for cattle feed has been at a rather high level over the last 3 years, boosted by the withdrawal of dairy quotas that triggered a higher demand for efficient commercial feed, although limited by restrictions on phosphorous emissions. Assuming normal forage growing conditions, the demand for cattle feed would decrease by 2%. Concerning the pig sector, the reduction in the number of sows is set to continue in the first half of 2019, with the additional pressure of welfare standards in certain countries. This is expected to weigh on the demand for pig feed and a reduction of the demand for compound feed of 0.5% can be anticipated. The future evolution of the demand for poultry feed in 2019 will be mostly conditioned by international trade and in particular the capacity of Brazil to recover its leading position on the global market. In case the EU can maintain its export levels as well as rely on a still growing internal consumption, a 1% growth in poultry feed can be expected. Overall, this would lead to a moderate 0.5% decrease in compound feed production in 2019 vs. 2018.

A number of parameters will evidently affect this outlook: the evolution of outbreaks of Avian Influenza and African Swine Fever will be decisive, in particular in terms of preserving EU export capacities. The possible impact of Brexit is difficult to foresee but a no-deal Brexit is likely to deeply affect trade in livestock products and, therefore, the feed demand.

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

1. FEFAC, the European Compound Feed Manufacturers' Federation, represents 23 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 100,000 persons on app. 3,500 production sites often in rural areas, which offer few employment opportunities.
2. Farm animals in the EU-28 consume an estimated 490 million tonnes of feed a year, of which about 30% are produced by the compound feed manufacturers. Turnover of the European compound feed industry 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).