



F E F A C

+1.8% 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 animals¹ in the EU-28² in 2018 reached an estimated level of 163.3 mio. t, i.e. 1.8% higher than in 2017, according to data provided by FEFAC members.

As regards cattle feed, 2018 results were affected by adverse weather conditions. There were exceptional drought and heat waves, in particular during late spring/summer in North-Western Europe, which severely impacted forage production. This led to a significant but not dramatic increase in the compound feed demand in certain regions, as the effect became more visible at the end of winter 2019 when forage stocks reached their lowest point. Farmers in certain countries have also reverted to early culling of cows, which, together with heat stress, lowered milk production but also the feed demand. All in all, the demand for cattle feed in 2018 was 3.8% higher than in 2017.

Concerning poultry feed production, the overall production increased by 1.7%, mostly driven by the development of poultry production in Finland, Czech Republic and Poland recording a growth of app. 5%. In certain countries like Germany, the demand for laying hens feed dropped dramatically (-4%). In France, the positive result (+1.7%) was to a large extent linked to recovery of the duck feed market (+14%) after a sharp decrease over the last two years due to Avian Influenza restrictions.

The positive trend in poultry exports and sharp reduction of imports from Brazil 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, production remained stable in 2018, although Spain set another production record (10.7 mio. t), and several Central European countries (Hungary, Poland, Slovakia, Bulgaria, Croatia) enjoyed growth by 3.5% and higher. On the opposite, a number of North Western European countries (The Netherlands, France, Denmark) have seen their production of pig feed fall by 2-3%.

¹ 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.

² 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 the Netherlands and Germany recorded a drop of around -0.5%/-1.8%. Spain increased its production by 1.8%, while the UK saw an increase by almost 4%. Germany maintained its position as leading EU country in terms of total compound feed production, just ahead of Spain followed by France.

Detailed country figures are included in the [annex](#).

Market outlook for 2019

FEFAC market experts provide a cautious 2019 market forecast. Although an increase in cattle feed production could still be seen during the first months of 2019, the demand has been at a rather high level for the last 3 years, boosted by the abolishment of dairy quotas and difficult weather conditions that triggered a higher demand for efficient commercial feed. With the present restrictions on phosphorous emissions in certain countries and assuming normal forage growing conditions this year, the demand for cattle feed could, therefore, decrease by 2%. Concerning the pig sector, the reduction in the number of sows is set to continue in the first half of 2019, reflecting the additional pressure of welfare standards in certain countries. This is expected to weigh on the demand for pig feed with an anticipated reduction of 0.5%. The future 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, while relying on growing internal consumption, a 0.5% growth in poultry feed can be expected. Overall, this would lead to a moderate 0.9% 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 may have a critical adverse impact, in particular in terms of preserving EU export capacities. The possible impact of Brexit is difficult to foresee but a no-deal Brexit outcome 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) or please contact Alexander Döring, Secretary General Tel. +32-2-285.00.50, Fax +32-2-230.57.22, e-mail: fefac@fefac.eu.