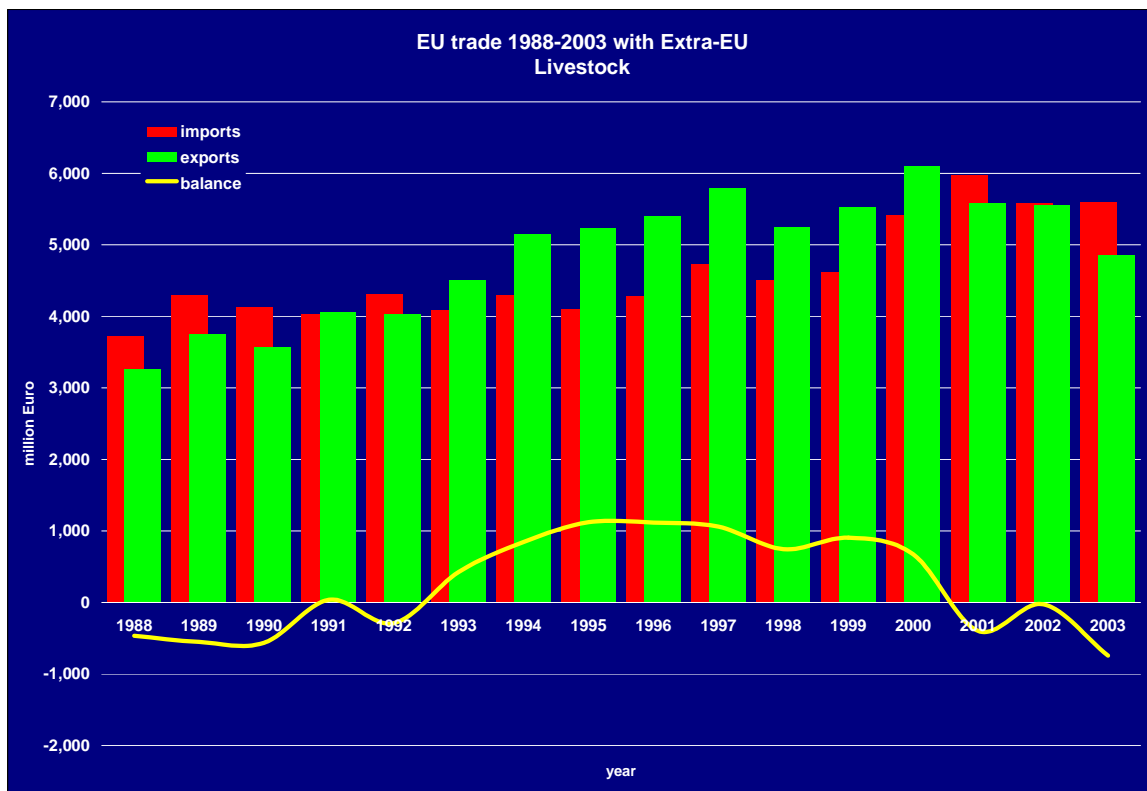


BEEF, VEAL, PIGS, SHEEP, POULTRY

Introduction

EU15 trade in Livestock (beef and veal, pigs, sheep, poultry) is relatively balanced with a deficit of 0.7 bn Euro in 2003 resulting from imports worth 5.6 bn Euro and exports worth 4.9 bn. This corresponds to the longterm trend of small deficits/surpluses which result directly from the Common Market Organisation applicable to the Livestock sector.



This market organisation aims at stabilisation of the markets through harmonisation of internal EU production to expected EU demand (stabilisation of the market). External trade is used as an outlet for production surpluses and/or as a source for production deficits and is in general relatively low compared to production levels.

Trade statistics at this level hide the rather volatile character of the Livestock sector. Apart from the cyclical pattern that characterises the sector the various subsectors have been hit by animal diseases (BSE, Foot and mouth disease, Avian flu) as well as by extreme weather conditions. To a certain extent the negative effects of such shocks to one part of the system are offset in other sectors, e.g. through product substitution.

EU15 imports – main partners

Brazil has become the main supplier of Livestock to the EU with a market share of 21%. These imports concern mainly beef and poultry meat. From number two supplier New Zealand the EU imports mainly sheep meat and from number three, Hungary, mainly poultry and pigmeat. Imports from the United Arab Emirates concern live horses.

EU15 Beef, veal, pigs, sheep, poultry imports: main trade partners

Partner	EU15 imports				EU15 exports	
	million Euro		% of total		million Euro	
	1995	2003	1995	2003	1995	2003
Extra-EU15	4,106	5,601	100%	100%	5,229	4,857
Brazil	408	1,189	10%	21%	26	23
New Zealand	601	891	15%	16%	5	4
Hungary	437	516	11%	9%	66	90
Poland	275	514	7%	9%	202	130
Argentina	526	379	13%	7%	34	5
Thailand	47	354	1%	6%	11	10
USA	431	260	11%	5%	293	536
China	305	176	7%	3%	37	88
Australia	123	142	3%	3%	11	83
U.A.Emirates	20	138	0%	2%	125	137
Other	933	1,042	23%	19%	4,421	3,751

Livestock imports more than doubled over the period 1995-2003 to the benefit of Brazil and Thailand (poultry), but also to the benefit of a number of Candidate countries. Remarkable losers are the US (hormones) and China.

EU15 exports – main partners

Japan is the major destination of EU exports with a share of 19% followed by Russia and the US. The Arabian countries are also important customers: three of them (UAE, Lebanon, Saudi Arabia) figure in the top 10.

EU15 Beef, veal, pigs, sheep, poultry exports: main trade partners

Partner	EU15 exports				EU15 imports	
	million Euro		% of total		million Euro	
	1995	2003	1995	2003	1995	2003
Extra-EU15	5,229	4,857	100%	100%	4,106	5,601
Japan	799	921	15%	19%	3	8
Russia	739	603	14%	12%	4	5
USA	293	536	6%	11%	431	260
Switzerland	212	255	4%	5%	39	31
Hong Kong	99	151	2%	3%	5	9
U.A.Emirates	125	137	2%	3%	20	138
Poland	202	130	4%	3%	275	514
Lebanon	94	120	2%	2%	9	20
Saudi Arabia	198	113	4%	2%	0	0
Czech Rep.	72	93	1%	2%	52	56
Other	2,397	1,798	46%	37%	3,267	4,559

Compared to 1995 total EU15 exports remained more or less stable in value terms. Growth of significance was recorded in exports to the US and Japan.