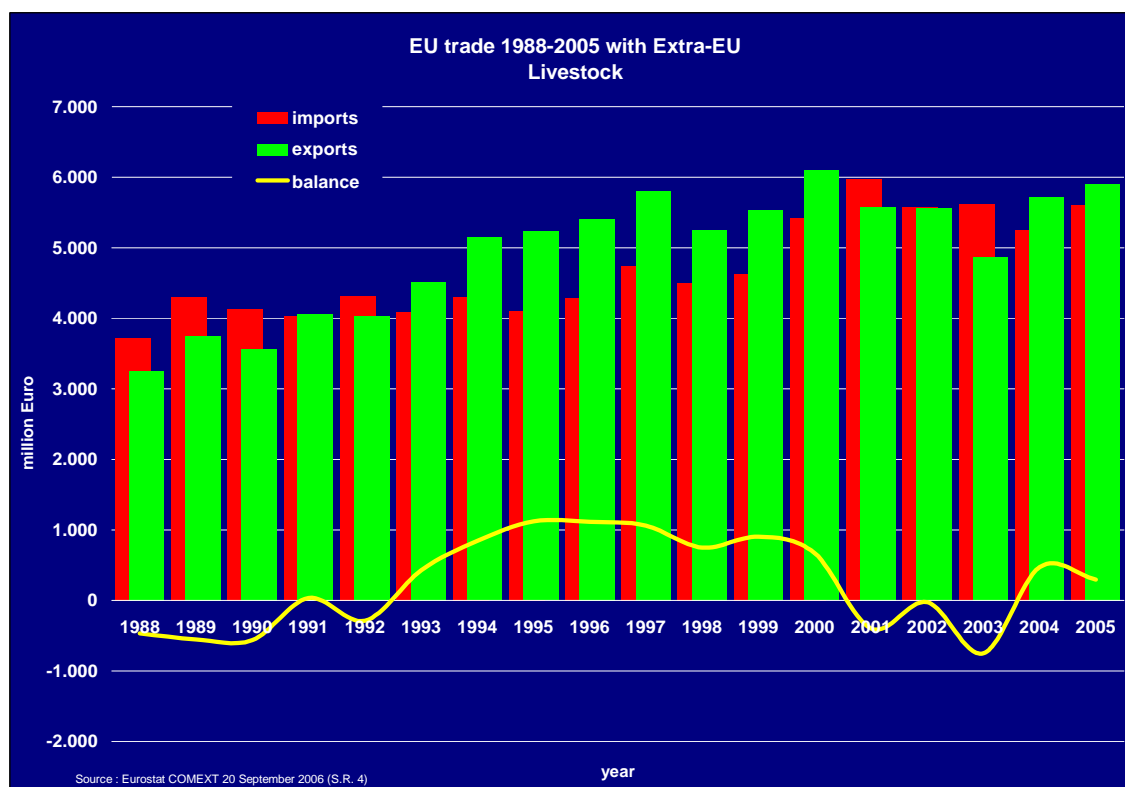


Livestock - Beef, Veal, Pigs, Sheep, Poultry

Introduction

EU trade in livestock (beef and veal, pigs, sheep, poultry) is relatively balanced with a surplus of €0,3 billion in 2005 resulting from imports worth €5,6 billion and exports worth €5,9 billion. This corresponds to a long-term trend of small deficits or surpluses which result directly from the operation of the Common Market Organisations applicable to the livestock sector.



These market organisations aim at stabilising markets by matching internal EU production to expected EU demand. External trade is used to dispose of production surpluses or to make up for production deficits and is in general relatively low compared to production levels.

Trade statistics at this level of aggregation hide the rather volatile character of the livestock sector. Apart from the cyclical pattern that characterises the sector, the various sub-sectors have been hit by animal diseases (BSE, Foot and Mouth Disease, Avian Flu etc.) as well as by extreme weather conditions. To a certain extent, though, the negative effects of shocks to one sector are offset in other sectors through product substitution.

EU Livestock trade with Extra-EU by category

	EU imports				EU exports				Trade balance		
	€ mln			% total	€ mln			% total	€ mln		
	1995	2004	2005	2005	1995	2004	2005	2005	1995	2004	2005
Bovine meat	1.021	1.358	1.440	26%	1.124	370	331	6%	103	-988	-1.109
Pork meat	47	88	47	1%	1.624	2.510	2.540	43%	1.577	2.422	2.493
Sheep & goat meat	528	955	1.087	19%	21	20	19	0%	-507	-935	-1.067
Poultry meat	557	1.083	1.220	22%	783	833	826	14%	226	-250	-394
Other Livestock	1.953	1.766	1.810	32%	1.677	1.992	2.184	37%	-276	226	374
Total Livestock	4.106	5.251	5.603	100%	5.229	5.726	5.900	100%	1.122	475	297

Bovine meat

The characteristics of the beef trade have changed significantly in the last decade. In 1995, the EU still recorded a small trade surplus of around €100 million whereas in 2005 a deficit was recorded of no less than €1,1 billion. This deficit is the result of steadily growing imports and falling exports. The latter is the combined effect of a relatively unfavourable exchange rate, cuts in export refunds, favourable domestic prices and lower net production.

Bovine meat trade by trade partner

Main trade partners	EU imports				Avg annual growth	Main trade partners	EU exports				Avg annual growth
	million Euro		% of total				million Euro		% of total		
	1995	2005	1995	2005			1995	2005	1995	2005	
Extra-EU	1.021	1.440	100%	100%	3,5%	Extra-EU	1.124	331	100%	100%	-11,5%
Brazil	247	790	24%	55%	12,3%	Russia	247	151	22%	46%	-4,8%
Argentina	405	389	40%	27%	-0,4%	Angola	6	16	1%	5%	9,5%
Uruguay	72	104	7%	7%	3,8%	Switzerland	12	15	1%	5%	2,6%
Namibia	34	45	3%	3%	2,9%	For.Jrep.Mac	1	15	0%	4%	29,8%
Australia	30	37	3%	3%	2,0%	Tunisia	7	13	1%	4%	7,1%
Rest	235	77	23%	5%	-10,6%	Rest	851	121	76%	37%	-17,7%

Source : Eurostat COMEXT 20 September 2006 (S.R. 4)

Mercosur is the main source for beef imports. Brazil alone accounts for 55% of total EU beef imports followed by Argentina (27%) and Uruguay (7%). As far as EU exports are concerned, Russia remains the EU's best customer, accounting for some €150 million in 2005.

Pig meat

Total EU25 imports of pig meat amounted to some €47 million in 2005, an amount equal to EU15 imports in 1995. Exports reached a level of €2,5 billion. Japan absorbed 35% of EU pig meat exports followed by Russia with 14%. As a whole, the sector generated a trade surplus of €2,5 billion.

Pig meat trade by trade partner

Main trade partners	EU imports				Avg annual growth	Main trade partners	EU exports				Avg annual growth
	million Euro		% of total				million Euro		% of total		
	1995	2005	1995	2005			1995	2005	1995	2005	
Extra-EU	47	47	100%	100%	-0,1%	Extra-EU	1.624	2.540	100%	100%	4,6%
Usa	2	17	5%	37%	22,1%	Japan	689	892	42%	35%	2,6%
Chile	0	11	0%	24%	122,6%	Russia	225	346	14%	14%	4,4%
Australia	8	10	17%	22%	2,4%	Usa	172	268	11%	11%	4,6%
Norway	0	4	0%	8%	39,6%	Romania	5	223	0%	9%	47,4%
Japan	0	1	0%	3%		South Korea	53	214	3%	8%	15,0%
Rest	37	3	78%	7%	-21,6%	Rest	481	596	30%	23%	2,2%

Source : Eurostat COMEXT 20 September 2006 (S.R. 4)

Poultry meat

Brazil is the most important supplier of poultry meat with a market share of around 60%, followed by Thailand which accounts for 25% of poultry meat imports.

Poultry meat trade by trade partner

Main trade partners	EU imports				Avg annual growth	Main trade partners	EU exports				Avg annual growth
	million Euro		% of total				million Euro		% of total		
	1995	2005	1995	2005			1995	2005	1995	2005	
Extra-EU	557	1.220	100%	100%	8,2%	Extra-EU	783	826	100%	100%	0,5%
Brazil	90	731	16%	60%	23,3%	Russia	127	124	16%	15%	-0,3%
Thailand	46	305	8%	25%	20,9%	Switzerland	54	101	7%	12%	6,4%
Bulgaria	22	60	4%	5%	10,5%	Saudi Arabia	113	85	14%	10%	-2,8%
Chile	5	45	1%	4%	24,2%	Hong Kong	56	38	7%	5%	-3,7%
Argentina	2	28	0%	2%	28,3%	Benin	8	35	1%	4%	15,8%
Rest	392	51	70%	4%	-18,4%	Rest	425	443	54%	54%	0,4%

Source : Eurostat COMEXT 20 September 2006 (S.R. 4)

EU poultry meat exports (total €30 million in 2005) are well spread over many countries. Russia and Switzerland are the main customers followed by Saudi Arabia. Overall, a trade deficit of around €400 million was recorded for poultry meat in 2005.

Sheep and goat meat

Total imports of sheep and goat meat into the EU amounted to €1,1 billion in 2005. New Zealand is the main supplier with a market share of 83% followed at a distance by Australia. Exports are virtually non-existent.

Sheep & goat meat trade by trade partner

Main trade partners	EU imports				Avg annual growth	Main trade partners	EU exports				Avg annual growth
	million Euro		% of total				million Euro		% of total		
	1995	2005	1995	2005			1995	2005	1995	2005	
Extra-EU	528	1.087	100%	100%	7,5%	Extra-EU	21	19	100%	100%	-0,7%
New Zealand	462	899	88%	83%	6,9%	Switzerland	11	9	52%	49%	-1,2%
Australia	41	81	8%	7%	6,9%	Tunisia	0	2	0%	10%	
Bulgaria	4	29	1%	3%	20,6%	Andorra	1	2	3%	8%	8,7%
Argentina	3	23	0%	2%	24,1%	Norway	0	1	2%	4%	8,5%
Uruguay	9	17	2%	2%	7,0%	Russia	1	1	3%	3%	-2,0%
Rest	9	38	2%	4%	16,0%	Rest	8	5	40%	26%	-5,0%

Source : Eurostat COMEXT 20 September 2006 (S.R. 4)