

The Current trends in breeding ewe numbers and meat production within the EU

This paper examines the current trends in breeding ewe numbers and meat production within the countries that make up the European Union (EU).

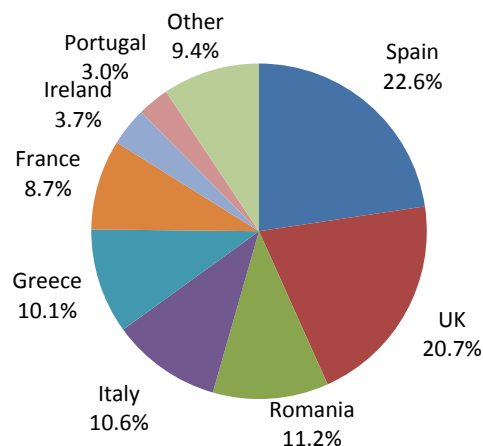
Currently there are 27 member states that make the EU (known as the EU-27). The sheep breeding flock varies greatly within the EU-27 with Spain having the largest (15.416 million breeding ewes) and Luxembourg having the smallest flock (5,000). 2008 data shows that there were 68.118 million breeding sheep within the EU-27, a decline of 3.3% on 2007 figures.

Breeding sheep numbers

The EU-27 can be split into four differing categories with regards to breeding sheep numbers. Spain and the UK have the largest flocks (UK flock stands at 14.1million); combined the two nations account for more than 43% of the total EU breeding flock. Romania, Italy, Greece and France have the next largest breeding flocks with 7.6 million, 7.2 million, 6.9 million and 5.9 million, respectively. Only five other nations within the EU-27 have sheep breeding flocks of greater than a million (in descending order Ireland, Portugal, Germany, Bulgaria and the Netherlands). The remaining 16 nations have a combined breeding flock of 2.6 million. See *Table A1 in the Appendix for complete table of EU-27 breeding ewe numbers, 2004-08.*

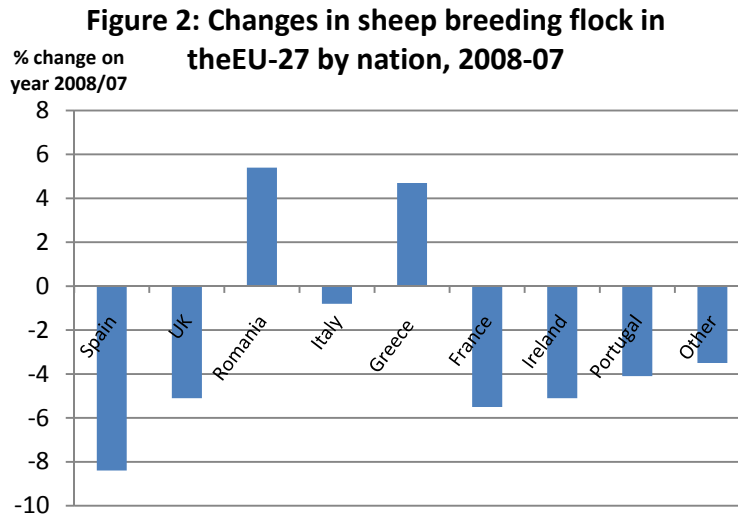
Figure 1 gives a graphical representation of the structure of the EU-27 breeding ewe flock with regards to the differing nations.

Figure 1: Share of EU-27 breeding ewe flock by nation, 2008



Since the additional 12 nations joined the EU in 2004 the breeding flock has steadily declined from 73 million to its current level of 68 million. Of the main eight sheep populated nations it is only Romania's breeding flock that increased between 2004 and 2008, the breeding flock increased by 1.4 million over this time, an increase of 22.7%. During the same time period the Spanish and UK breeding flock fell by 10.3 and 12.8% respectively, while the biggest decrease happened in Ireland where their breeding flock fell by more than a quarter from 3.469 million to 2.527 million between 2004 and 2008.

Therefore, the general trend over the last year is for breeding flock numbers to decrease. Of the 27 member states only six nations increased their flock size during the 2007/08 time period. For nations with over 2 million breeding flock only Romania and Greece, with increases of 5.4% and 4.7%, respectively, bucked the trend of falling numbers. In the last year Spain's breeding flock decreased by the largest number and percentage with a decline of 1.4 million ewes (8.4%), the French, UK, Irish and Portuguese breeding flock fell by 5.5, 5.1, 5.1 and 4.1%, respectively.

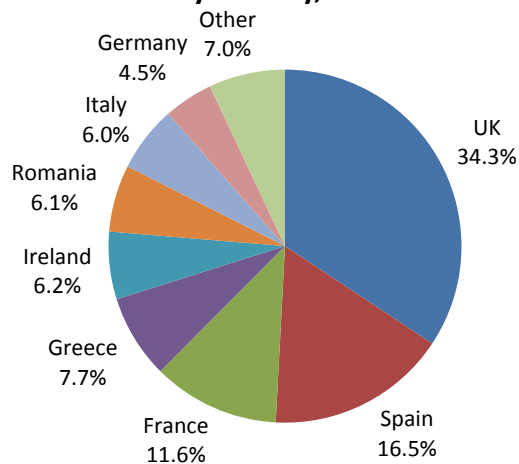


Production

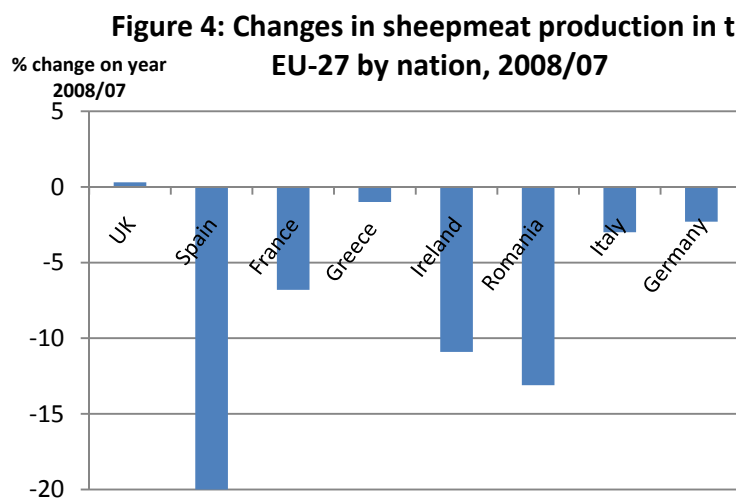
Although Spain had the highest breeding flock in the EU-27 during 2008, the UK produced the most sheepmeat with 324,000 tonnes. this accounted for 34.3% of total sheepmeat produced in the EU during the year. Spain contributed 16.5% to the total EU sheepmeat production.

Figure 3 shows the breakdown of sheepmeat production in the EU-27 during 2008. See *Table A2 for complete Table of sheepmeat production, 2004-08.*

Figure 3: Share of sheepmeat production in EU-27 by country, 2008



Of the eight largest sheepmeat producing nations in the EU-27 it was only the UK who increased their production in 2008 compared with 2007. There was an increase of 900 tonnes in production. The reason for this could be attributed to the impact of the 2007 foot and mouth outbreak where a number of sheep and lambs entered the food chain later than they would have normally. Sheepmeat production for the UK for 2008 compared to 2006 had declined by 1.3 percent or 4,500 tonnes. Spain had the largest decline in production in the 12 month period between 2007 and 2008, with a 20% reduction. Romania and Ireland also had considerable declines in production, with figures falling by 13.1 and 10.9%, respectively.



UK Imports and Exports

Of the EU-27 nations the Irish Republic imported most sheepmeat into the UK in 2008 with 7,100 tonnes. This accounted for 6.4% of the total UK sheepmeat imports. Spain imported 3,300 tonnes and France 1,400 tonnes. The largest importer of sheepmeat into the UK is New Zealand who account for 74% of total UK sheepmeat imports.

Table 1: UK sheepmeat imports

	2006	2007	2008
	('000 tonnes, product weight)		
Total sheepmeat	113.8	114.0	111.7
Of which from:			
New Zealand	83.4	84.7	82.9
Australia	13.5	12.7	12.4
Irish Republic	6.5	7.5	7.1
Spain	2.5	2.7	3.3
France	2.2	1.4	1.4

Source: EU data –Intrastat, Non-EU data – HM Revenue & Customs

In 2008 the UK exported 86,800 tonnes of sheepmeat, this figure was 26% greater than in 2007. Again, this is due to the F+M outbreak of 2007 which severely affected exporting ability. Almost 70% of the sheepmeat exported in 2007 went to France. In descending order the UK exported 6,800, 5,800, 4,600 and 4,300 tonnes to Belgium, Ireland, Germany and Italy respectively.

Table 2: UK sheepmeat exports

	2006	2007	2008
	('000 tonnes, product weight)		
Total sheepmeat	87.1	68.8	86.8
Of which to:			
France	61.5	50.3	86.8
Belgium	8.7	5.9	6.8
Irish Republic	3.0	3.6	5.8
Germany	3.8	3.0	4.6
Italy	5.5	3.0	4.3
Netherlands	0.9	0.8	1.1

Source: Intrastat

Future patterns

Currently a number of national governments are looking for ways of halting the steady decline in their flock numbers. For example the French Minister for Agriculture announced in March of this year that they were re-distributing their economical support for agriculture from their Single Farm Payment budget. The announcement was aimed to strengthen France's fragile production systems and give new support to livestock producers. The support will be in the shape of €135 million redistribution every year per sheep and goat which with current numbers equates to a payment of €21 per ewe from 2010 onwards.

In Ireland, Agriculture Minister Brendan Smith announced in March 2009 that unused funds from the Single Farm Payment national reserve would be paid to hill sheep farmers in December 2009. It is reported that from this support some 14,000 farmers will receive the Uplands Sheep Payment, giving each a payment of just over €500 each, again it is hoped that this announcement will discourage producers from continuing to leave the sheep industry.

In the UK or Devolved Administrations there has been no announcement with regards to additional support for the sheep industry. Whilst it is expected that the current high prices received by producers in the market place could mean that there will be a lessening of farmers leaving the sheep industry in the near future, it is anticipated that the introduction of compulsory Electronic Identification (EID) in January 2010 will lead to a reduction in the overall breeding flock.

In 2013 there is scheduled to be further CAP reform conducted by the EU and so any policy changes could have a serious effect on the number and make-up of the EU flock thereafter.

Appendix

Table A1. Breeding ewe numbers for EU-27 nations, 2004-2008

('000 head)	2004	2005	2006	2007	2008
Austria	217	217	204	229	217
Belgium	109	109	109	109	109(a)
Bulgaria	1,436	1,397	1,387	1,292	1,245
Cyprus	194	186	181	189	184
Czech Republic	64	54	54	60	60(a)
Denmark	77	72	76	76	76(a)
Estonia	30	34	41	53	45
Finland	50	54	55	56	58
France	6,749	6,649	6,463	6,273	5,931
Germany	1,595	1,505	1,466	1,392	1,373
Greece	6,972	6,389	6,589	6,591	6,904
Hungary	1,088	1,082	1,030	977	964
Ireland	3,469	3,209	2,932	2,663	2,527
Italy	7,255	7,007	7,305	7,265	7,210
Latvia	23	26	26	32	41
Lithuania	14	19	22	24	28
Luxembourg	5	6	5	5	5
Malta	10	11	9	11	11
Netherlands	1,275	1,300	1,320	1,285	1,160
Poland	201	213	207	211	188
Portugal	2,313	2,345	2,253	2,163	2,075
Romania	6,192	6,451	6,526	7,207	7,597
Slovakia	266	269	266	276	276
Slovenia	84	90	89	91	95
Spain	17,184	16,756	16,954	16,831	15,416
Sweden	201	216	231	247	247
United Kingdom	16,152	15,466	14,964	14,841	14,077
EU - 27	73,226	71,128	70,764	70,450	68,118(a)

(a) estimate

Source: Eurostat

Table A2. Sheepmeat production for EU-27 nations, 2004 - 2008

('000 tonnes)	2004	2005	2006 (a)	2007	2008
Austria	6.9	6.5	-	-	7.5
Belgium	3.3	3.3	1.4	1.3	1.2
Bulgaria				15.4	15.7
Cyprus	2.7	2.6	3.0	3.1	3.3
Czech Republic	0.8	1.3	1.5	1.5	1.7
Denmark	1.7	1.7	1.7	1.8	1.6
Estonia	0.3	0.3	0.5	0.6	0.5
Finland	0.6	0.6	0.6	0.7	0.8
France	124.8	121.6	121.4	118.6	110.5
Germany	48.4	49.2	43.4	43.9	42.9
Greece	82.7	77.5	75.4	73.4	72.7
Hungary	1.2	0.9	0.9	0.7	0.9
Ireland	71.8	73.3	70.3	65.9	58.7
Italy	59.3	58.6	58.9	59.1	57.3
Latvia	-	0.4	0.4	0.4	0.6
Lithuania	0.2	0.2	0.3	0.5	0.5
Luxembourg	0.1	0.1	0.1	0.1	0.0
Malta	0.0	0.0	0.0	-	0.0
Netherlands	14.8	13.5	15.5	16.1	13.6
Poland	1.8	1.0	1.1	1.1	1.4
Portugal	11.1	11.1	11.8	12.5	11.4
Romania				67.1	58.3
Slovakia	0.8	1.3	0.9	0.9	1.0
Slovenia	0.1	0.1	0.1	0.1	0.1
Spain	231.5	224.1	214.2	196.2	157.0
Sweden	3.8	4.1	4.2	4.6	4.5
United Kingdom	314.3	331.5	330.1	324.7	325.6
EU - 27				1010.4	949.3

(a)AHDB estimate for Italy, Netherlands and Austria

Source: Eurostat