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Press Release

EU grain area stable but producers hit by low prices and high costs

Initial Copa and Cogeca EU-28 cereal and oilseeds estimates released today show the grain area to be quite stable this year, but producers are being hit by extreme weather events, low market prices and high production costs, creating uncertainty about the final figures.

Chairman of the Cereals Working Party Max Schulman said “The area under cereals in 2018 is expected to be 1.4% down on last year’s level, reaching 54.9 million hectares, with a 2% production drop. But this figure could change significantly as producers across Europe have been affected by adverse weather conditions, ranging from severe drought in Portugal and Spain to floods in parts of Northern Europe”. “Supply far outweighs demand for the sixth consecutive year, causing market prices to be below production costs. Costs must be cut and duties on fertilizer imports removed”, added Schulman.

Vice Chairman of Copa and Cogeca Oilseeds Working Party Mike Hambly said that this year’s EU-28 oilseeds area remains quite stable seeing a 0.2% fall, reaching 11.78 million hectares, but prices are low, also due to large global supply and big stocks. He urged the Commission to act as soon as possible and register biodiesel imports from Argentina and implement countervailing duty on biodiesel imports originating from Argentina.

“The area under protein crops remains also quite stable at 1.1 million hectares, down 0.4%, but cuts were seen in some countries in view of the plant protection product ban on Ecological focus Areas (EFAs)”, added Hambly. With the EU facing a deficit in protein crop supply, he supported the EU Commission initiative to present a report on the EU protein crop strategy by the end of the year, underlining their clear environmental benefits in terms of reducing greenhouse gas emissions, benefiting biodiversity and improving soil quality.

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