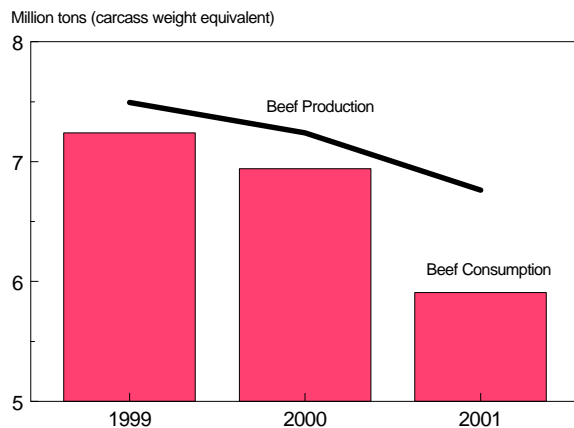




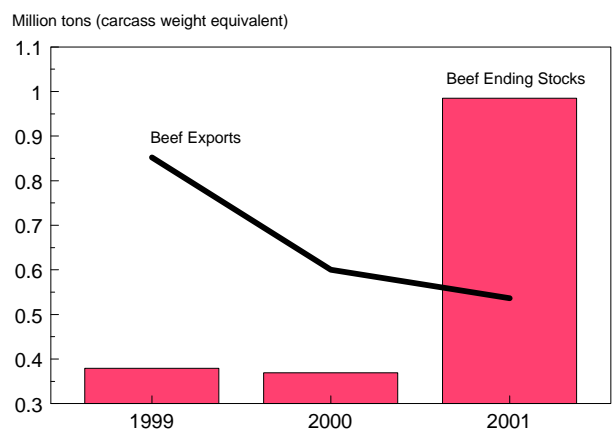
# Livestock and Poultry: World Markets and Trade

## EU Consumers Eat Less Beef Due to Food Safety Concerns

Decreased EU Beef Consumption for 2001 is Forecast to Outstrip Production Declines Due to BSE...



....Forcing the EU to Build Beef Ending Stocks as Export Markets Contract



The cattle and beef situation in the European Union has changed significantly due to increased detection of Bovine Spongiform Encephalopathy (BSE) and heightened consumer fears. In the past weeks, foot and mouth disease (FMD) in the United Kingdom and France has exacerbated the situation in the EU, though the full magnitude of this contagious disease has yet to be determined.

For 2001, EU beef production is forecast to decline nearly 7 percent from the previous year. Beef consumption is forecast to plummet 15 percent as consumers reduce their beef intake and shift their preferences to pork (up by nearly 1%) and poultry (up 3%). Beef exports for 2001 are forecast to fall 37 percent from two years ago as an increasing number of countries restrict the import of meat, animals, and animal products from the EU.

With the anticipated decrease in beef consumption and exports, beef ending stocks are expected to jump sharply. The growth in stocks will be affected by cattle removal policies currently being considered by the EU.