

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary Public

Date: 11/17/2016

GAIN Report Number:

Lithuania

Post: Warsaw

Lithuanian livestock sector under pressure of ASF and dairy crises.

Report Categories:

Livestock and Products

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Report Highlights:

The restrictions on exports of pork caused by the outbreak of African Swine Fever (ASF) and the continuing effect of the Russian ban on imports of live swine resulted in a 4 percent decrease of swine inventories in 2015 and are expected to adversely affect swine numbers in 2016. Production of pork in 2016 is expected to decrease by 6 percent as a result of the lower swine inventories. In 2016 the reduction of dairy cattle numbers is expected to be offset by higher inventories of beef cattle.

General Information:

Swine

Production

Lithuania is the largest producer of swine among the Baltic States. In January 2016 as a result of reduced farm-gate prices for swine, inventories of swine dropped to 688,000 head and were 4 percent lower than in January 2015. Sow inventories at the beginning of 2016 amounted to 37,353 head and were also 4 percent lower than a year earlier. The decrease of farm-gate prices for swine stems from the Russian export ban on agricultural products imposed in August 2014 and from import restrictions on exports of pork caused by the outbreak of ASF in 2014. Swine inventories are expected to continue to decrease towards the end of 2016 and on into 2017 because of low farm-gate prices for swine and a governmental program to slaughter animals raised on small backyard farms in the area affected by ASF. In 2015 in Lithuania 33 percent of swine were raised on farms with up to 100 head and the remaining 66 percent in large commercial operations. In order to fight ASF, Lithuania participates in the EU's program of reduction of the wild boar population within the Common ASF Strategy established by the EU for the Baltics and Poland.

Consumption

Slaughter of swine in 2016 is expected to be 6 percent lower than a year ago because of lower inventories. In 2015 average slaughter weight of swine amounted to 105 kilograms. It is estimated that slaughter weight of swine in 2016 will be higher than in 2015 because in areas affected by outbreaks of ASF farmers have problems selling animals to slaughter plants. In 2015 average procurement price for swine amounted to U.S. \$1.14 per kilogram of live weight and was 12 percent lower than in 2014. In Lithuania there are 50 slaughter plants but 5 of them slaughter and process 90 percent of all swine.

Trade

In 2015 swine exports amounted to 290,441 head and were 7 percent lower than in 2014. Poland and Latvia were the major export destinations of swine exported from Lithuania. In the first nine months of 2016 exports of live swine increased by 7 percent in comparison to the same period of 2015 because of higher shipments to Latvia. In 2015 Lithuania exported mainly slaughter hogs while piglets amounted to 37 percent of total exports. Lithuanian imports of swine in the first nine months of 2016 amounted to 84,599 head, and were 37 percent lower than in the same period of 2015. Lithuania imports slaughter hogs from Latvia and Estonia and piglets from Denmark.

Pork

Production

In 2015 pork production amounted to 84,300 MT and was one percent lower than in the previous year. It is estimated that pork output in 2016 will be 6 percent lower than in 2015. Reduced pork output will result from lower slaughter. In 2015 the average per capita consumption of pork amounted to 50 kilograms. The share of pork in the overall meat consumption was 60 percent, two percent less than in 2014 due to continuing substitution of pork by poultry meat.

Trade

Lithuania is a net importer of pork. In 2015 imports of pork amounted to 68,868 MT. In the first nine months of 2016 imports of pork (mainly from Poland) were 7 percent lower than in the same period of 2015 because of reduced shipments from Belgium, Germany and Denmark. The decrease of imports in 2016 stems from reduced demand for exports to Russia. Although in 2015 overall exports of pork amounted to 13,390 MT and were 36 percent higher compared to the previous year, exports were still below the level of shipments prior to introduction of the Russian export ban in August 2014. However, exports to Ukraine and Georgia partly offset reduction of exports to the Russian market. In 2015 Lithuania completed a process of veterinary equivalence with the United States and became eligible to export pork and pork products to the U.S. market.

Cattle

Production

At the beginning of 2016 cattle inventories amounted to 722,602 head and were 2 percent lower than a year ago. Inventories of cattle decreased mainly due to reduction of the dairy cattle herd caused by low milk prices. The growing popularity of beef cattle production did not offset reduction of the dairy herd in 2015. In Lithuania 85 percent of cattle is raised by family farms and only 15 percent is kept by large commercial operations. Growing interest in the development of beef cattle production stems from the difficult situation on the dairy market, so farmers look for alternative or additional source of income.

Consumption

Record low farm-gate prices for milk in 2015 resulted in a higher culling rate and increase of slaughter of dairy cows. Slaughter of cattle in 2016 is expected to remain at the same level as a year ago because of increased exports of fattening cattle to Poland. It is forecast that slaughter of cattle will decrease in 2017 due to the expected improvement in the dairy sector leading to a reduced culling rate of dairy cows.

Trade

In 2015 Lithuania exported 106,957 head of cattle mainly to the Netherlands, Poland and Spain. Cattle

exports were 1 percent lower than in the previous year because of reduction of shipments to the Netherlands. It is expected that exports of cattle in 2016 will increase in comparison to the previous year because of higher demand from Poland. Imports of cattle in the first 9 months of 2016 increased by 60 percent and amounted to 8,050 head imported from Latvia and Estonia.

Beef

Production

In 2015 beef production amounted to 45,100 MT and was 12 percent higher than in 2014 because of higher slaughter of dairy cows. It is expected that in 2016 production of beef will remain at the previous year's level because of stable slaughter.

Consumption

Average per capita consumption of beef in 2015 amounted to 5 kilograms and was one kilogram higher than in 2014. Beef constitutes only 6 percent of overall meat consumption. Although the level of beef consumption remains low, there is growing interest in consumption of high quality beef, mainly from the hospitality industry.

Trade

Lithuania is a net exporter of beef. In 2015 exports of beef amounted to 29,275 MT and were 14 percent higher than in 2014. The Netherlands, Italy and Poland were the major export markets for exports of beef from Lithuania. In the first 9 months of 2016 beef exports declined by 5 percent because of lower shipments to the Netherlands. In 2015 Lithuania imported 1,172 MT of beef mainly from Poland and Latvia.

End of the Report.