MeatNews

INFORMATION MAGAZINE
OF THE BELGIAN
MEAT SUPPLIERS

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WORLDWIDE TRADE ROSE BY

3,5%

IN 2017

Will the European meat eater become **a dying breed**?

Environment, health and animal welfare are very relevant topics in our media. Consumer concerns about meat are rising. Social pressure against meat consumption is ramped up. The US, Canada, Central & South America and Northern Asia follow suit in Europe's slipstream.

The consumption of pork and beef is shrinking in Belgium and other Western European countries. Vegetarianism and flexitarianism are on the rise. These "believers" have a clear mission: to render the world carnivore free. They strive to prove through the media, and in particular social media, that meat consumption is unhealthy, unnecessary and unethical.

And since the time of fasting has arrived, it sounds as if consumers are increasingly turning their backs on meat.

Is this really true? In Europe, the consumption of pork and beef per capita has been falling for a number of years. This relative decline in meat consumption is undeniable. It is an unmistakable long term trend. Will the European meat eater become a dying breed? It would seem so - if it weren't for the fact that the consumption of poultry has increased simultaneously, representing a first rise on this trend.

And unlike the perception, the figures clearly indicate what has, in actual fact, been measured: the total meat consumption in Europe is on the increase. The absolute consumption of poultry and pork is growing. Yes, pork too, thanks to our Eastern European pork eaters. Only the consumption of beef is sliding back.

LUCKILY, FOOD CULTURES ON THIS PLANET ARE EXTREMELY DIVERSE

A better economy, a recovery in buying power and a growing population represent the driving force behind this development.
John Doe is of the opinion "Erst kommt das Fressen, und dann kommt die Moral." ("First comes the food, then come the ethics")

The demand for meat is increasing worldwide, even because demographics are on the increase.

As meat production is undergoing continuous development, there is a healthy demand and profitability is in a good economic cycle. However, there are some threats that may jeopardize this growth.

Europe, the second largest meat producer in the world, exports its production surpluses which is mostly pork and, to a much lesser extent, beef. This diametrically opposes what is fashionable: to only consume what is produced locally. Some want to abandon the intensive agricultural path. And admittedly, there are many areas for improvement in modern production and marketing.

But one forgets too easily that modern consumers are quite picky, and don't eat all that they are offered. Luckily, food cultures on this planet are extremely diverse and so, for instance, the Chinese will eat edible offal which we turn our backs on. Or the sustainable consumption of precious proteins...

And in terms of the environment, claiming that you should only produce what you need is a negation of basic economics. In this logic you shouldn't be allowed to produce machines or cars for export as this can be harmful to the environment. In addition, a high-performance agricultural economy also generates employment, added value and prosperity.

Last but not least, food shortage and famine were a scourge for all European populations for centuries. This resulted in the migrations of entire peoples which, by the way, meant the end of the Roman Empire. Since the European Union there has been a cornucopia of food products. Granted, with its excesses. But again, the bucolic agricultural practices of the 19th century, with horse and cart, is not the answer to the challenge of feeding the planet.

Happy reading!

René Maillard

AB Register vzw has officially been launched

The Belpork, Belplume and IKM Flanders quality systems have established the joint structure AB Register vzw to make their activity of antibiotic reduction even more efficient. Collectively, they strive to have the highest number of registrations and utmost reductions of antibiotic use in the livestock sector.

Belpork started with the antibiotic monitoring system 'AB Register' in 2014. The Association thus charted antibiotic use in pig farms and passed on this information to the pig farmers and their veterinarians. The cross-sectoral cooperation between Belplume and Belpork was established in 2016. Last year, the dairy sector (IKM Flanders) also joined this cooperation. In other words, the AB Register has outgrown Belpork and thus became a separate association without lucrative purpose.

Meat in 2017

PRODUCTION - TRADE - CONSUMPTION

Global world production on the increase

Meat production profitability has received a little boost with the strong demand for meat products worldwide. In addition, low feed costs and better climatic conditions have also helped productivity take a leap. On the other hand , different animal diseases (bird flu in poultry and African swine fever in the pig sector) represent the inevitable challenges and, on top of that, restructuring is taking place on production side in different parts of the world.

Pork

An improved productivity has led to a rise in pork production, while in China this sector has renovated itself after a cyclical decline. There is a shift underway in China, from traditional to modern industrial pig farming. This goes hand in hand with a stronger focus on food safety and the environment. Optimism in the sector in North America has led to large-scaled capacity expansion. Stocks in Europe have dropped, but the unexpected price increase due to a greater Chinese demand ensured that some farmers have delayed their withdrawal, while other farmers have ramped up their investments. Russia, in turn, garnered the benefits of years of state aid and protectionist policies, so the question now arises as to whether the increased offer will be absorbed by the market or not.

With a more productive livestock, heavier carcases and the expansion of capacity, combined with vertical integration, exports will become a key element in the future development of the industry. International competition is rising and protectionist measures are being implemented.

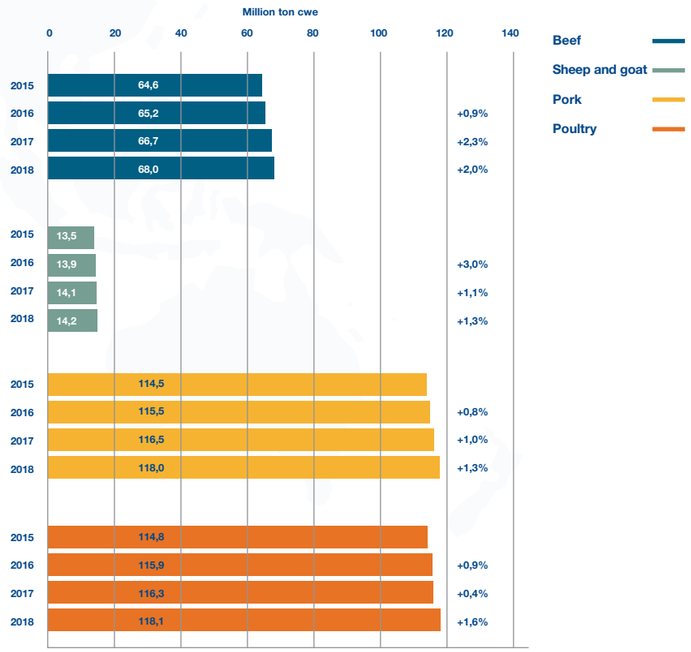
Beef

Worldwide production of beef rose by 2.3% in 2017. It is expected that this growth will slow down in 2018, and will even drop over the next few years. High livestock prices stimulate more slaughtering, and good grazing conditions with low forage prices have lead to an increase in weight in North and South America. However, prices will start to decline, so 2018 may be a turning point in the Americas. In Australia, after a 2-year fall, production is on the rise again due to increased carcass weights following improved grazing conditions. Production has also increased in Europe, among others, as a result of increased slaughtering of dairy cows and a growing carcass weight. However, stagnation is expected in 2018.

The growth in beef production is limited to a number of countries and varies greatly from region to region. The increase is mainly seen in the southern hemisphere.

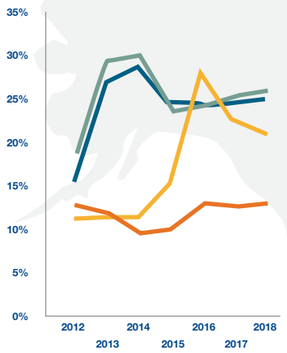
+2,3%
in 2017

Global meat production 2015-2018f (source GIRA)



Significant increase in the trade of all types of meat

The market again experienced a big boost in 2017 due to a rise in consumption and production of meat. The global increase in 2017 was 3.5%, and the trade in all types of meat grew.



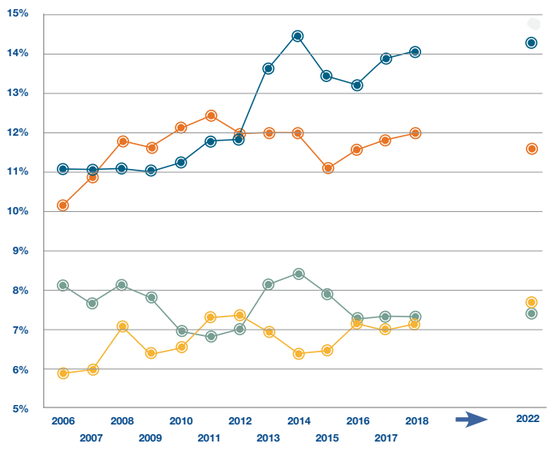
CN share (+ HK) in world imports, 2012-2018f (source GIRA)

- Beef
- Poultry
- Pork
- Sheep and goat

Despite a record rise in pork in 2016, trade rose by 1.5% even in 2017. The increase of beef, poultry, and sheep and goat meat totalled 4.8%, 4% and 1.9% respectively. Except for pork, the export share of production for all types of meat also increased.

China vs. world imports: large but volatile share

China's share in world imports remains very high, despite the decrease in pork. This import position is however accompanied by major volatility risks for the rest of the world, especially for pork.



Export share of production, 2006 - 2022 f (source GIRA)

Pork

Growing exports from South and North America

The 1.5% rise in trade figures for pork is partly due to increased export by large pork producers. In addition, countries such as Japan and South Korea, who have always imported great quantities, imported even more in 2017. As far as export is concerned, we noticed an increase in Canada, the United States, Mexico and Chile compared to 2016.

Limited EU role

The European Union shows a striking reduction. The export of European pork fell by 13% compared to 2016. This is mainly due to a drop in exports to China following the record year in 2016. On the Asian market, the EU has to contend with competition from the US and Canada. In addition, there are only a limited number of alternative markets for lard, previously intended for Russia. Exports to sub-Saharan Africa are however on the rise, albeit at low prices.

Beef

The trade figures for beef increased by 4.8% in 2017. Brazil, India and Australia have long been the main net exporters. China remains the leading importer of beef.

Strong demand in Asia and MENA countries

One of the reasons for the rise in trade is the strong demand in almost all of Asia. For example, China imported 6% more than in 2016. In 2017, the country mainly opted for beef from Australia, Uruguay and Brazil. Japan also imported significantly more than in 2016, being 18%. The Japanese prefer meat from the US, Australia and Canada.

The countries in the MENA region (Middle East & North Africa) imported 6% more compared to 2016. This has mainly to do with a shortage of supply and a production that can't keep up the growing demand.

Growing exports from the EU, the American continent and Australia

The export of beef increased in both North and South America, as well as in the EU, India and Australia.

European Union

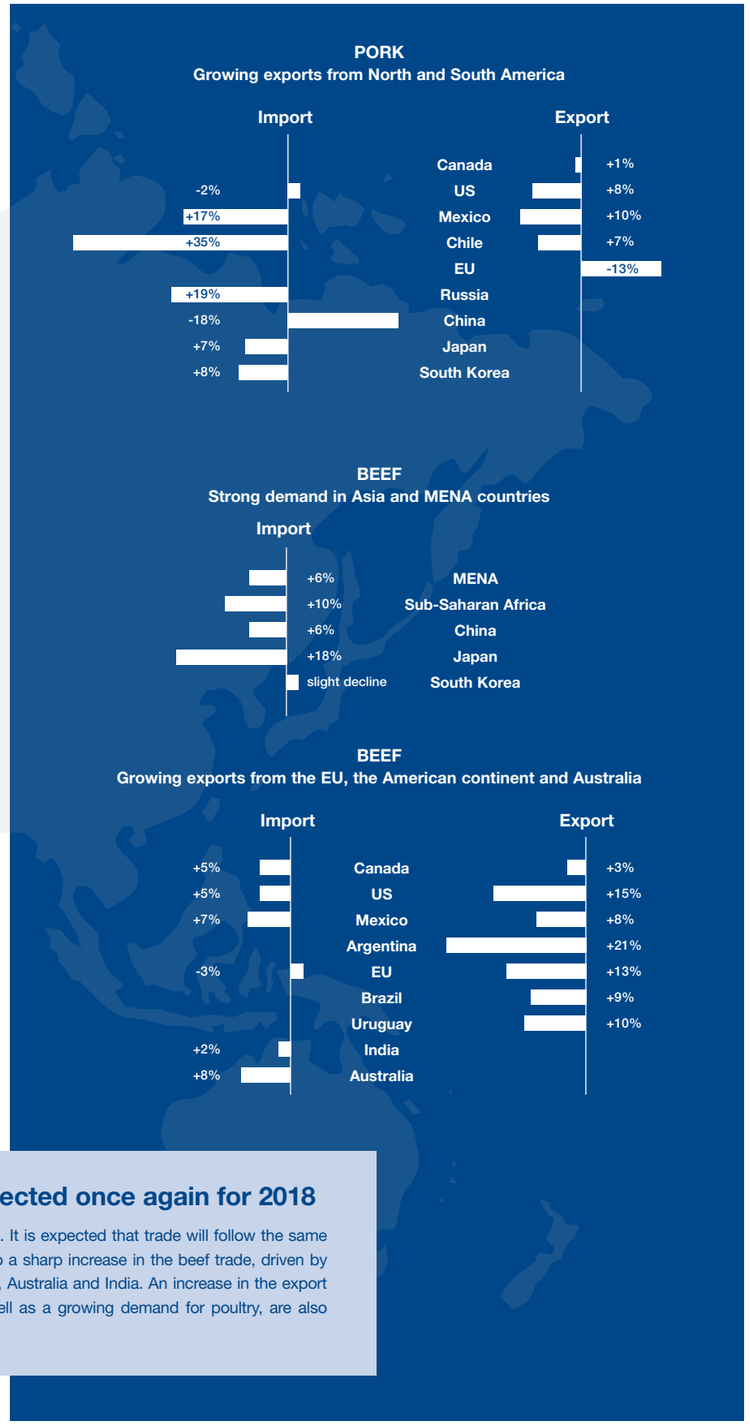
Exports from the EU increased significantly with a 13% rise. MENA represents an important growth market, and a few Asian markets such as Hong Kong and the Philippines also moved up in the tables. Thanks to its proximity, the live export of cattle to Turkey is also on the rise.

America

Canada and the United States are doing well on the Asian market. The US remains the main beef supplier for Mexico. Despite the Carne Fraca scandal, Brazilian exports also increased by 9%. The country managed to absorb the reduced exports to the EU through higher exports to Russia and the MENA countries, among others.

Australia

Australia could also export more again, recovering after the limited supply in 2016. Australian meat went mainly to North America, China and Japan.



Increasing trade figures expected once again for 2018

Expectations for 2018 are once again optimistic. It is expected that trade will follow the same growth trend as in 2017. This is partly thanks to a sharp increase in the beef trade, driven by growing exports from North and South America, Australia and India. An increase in the export of pork from Europe and North America, as well as a growing demand for poultry, are also expected.

Global meat consumption on the increase

EUROPE

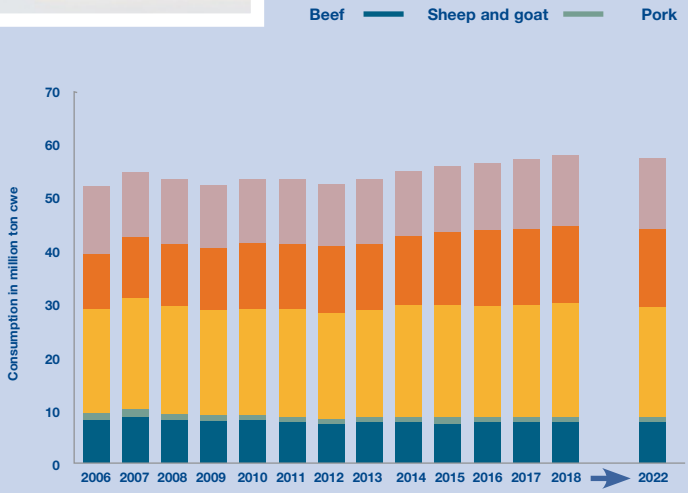
The total meat consumption in Europe is rising. Pork and poultry collectively represent 80% of the total meat consumption and their share is growing. It is expected that meat consumption will still be rising slightly in 2018, mainly owing to poultry, and that it will then start to stagnate. This increase is primarily due to better economic conditions, population growth (affected by immigration), increasing supply and falling prices. However, it is expected that growth will stagnate within a few years, because the market will be saturated and there is a mounting concern around meat and health, with the exception of poultry and fish, whose consumption will continue to rise moderately.

Relative consumption

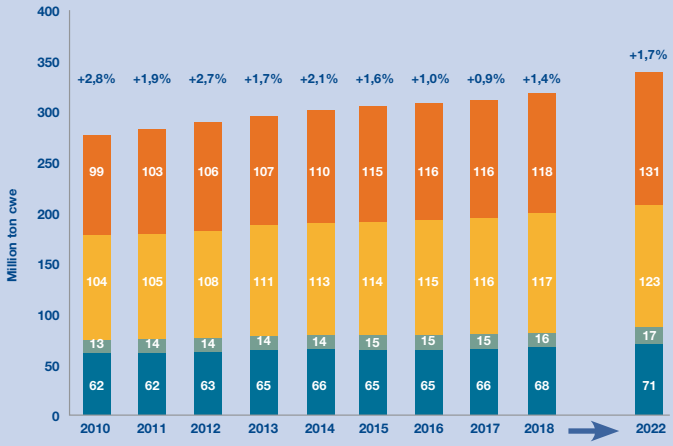
The consumption of pork compared to total meat consumption is declining in Europe. In 2017, pork represented just over 47% of the total meat consumption in this continent, while that was still 51% in 2000. The relative price of pork is also falling after a short flare-up in 2017, which is also reflected in the price of pork. For beef, the downwards trend, after a big drop in recent years, will continue to be about 18% of the total consumption. The relative price however rose by around 170%.

WORLD

World meat consumption increased slightly by 0.9% compared to 2016, reaching 313 million tons CWE. On a global level, the increase in poultry consumption was only a modest 0.4% due to supply problems and health issues concerning HPAI in China. On the other hand, the consumption of pork increased by 1%, with widespread growth and few drops. Beef consumption in turn increased the most by 1.7%, especially in the US and China. For 2018 it is expected that global meat consumption will increase further, again with beef at the lead, followed by poultry and pork. However, China ensures that the total meat consumption growth remains inhibited, both in 2017 and in 2018.



EU meat consumption 2006 - 2022f (source GIRA)



World consumption of meat, 2010-2022f (source GIRA)

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