



Meat MO Economic Board

25 June 2018

- o The 7th meeting of the Economic Board of the Meat Market Observatory (Meat MO) took place on 25 June 2018, with the participation of experts from the various steps in the meat supply chain.
- o The exchange of views on the beef and veal and pigmeat market situation was based on factual presentations by the Commission (see Annexes I and II).
- o For beef and veal, discussions showed that the EU beef market remains in a fragile balance. The increase in production in the first half of 2018 is putting pressure on prices. Specialised beef producers in certain Member States remain in financial difficulties due to a structural low level of income.
- o Positive aspects are a certain increase in the demand, due to the improved economic situation, and the good export performance. New market outlets are being open and exports of live bovines remain essential for the internal market balance.
- o The Commission provided information on the apportionment of meat tariff rate quotas included in the WTO schedule of the Union following the Brexit. Brexit remains a matter of extreme concern for both sectors as it creates serious uncertainties on the evolution of the respective markets.
- o For pigmeat, discussions showed an extended pessimism across the sector in relation to the market situation. Concerns are focused on the increase in the production, the declining demand and the reduction of exports to a major outlet like China. The price evolution is worrying and can lead to a market unbalance in the coming months. UECBV provided a presentation on pigmeat cuts prices and their evolution (see Annex III).
- o The risks related to animal health remain also as a major concern for the sector. The African swine fever evolution is, according to the sector, threatening EU exports in a moment where the market balance is very fragile.
- o A Matter of concern for both sectors is the current evolution of meat consumption patterns. Existing data indicate an overall decline. The sector stressed the importance of an appropriate monitoring and study of the European consumers' behaviour in order to better meet their demands. On this aspect, Eurocommerce provided a presentation (see Annex IV) on trends in sales of meat products from a retail perspective.
- o The Commission provided information on the Market Transparency Initiative (See Annex V). The member organisations expressed support to the initiative.
- o The Commission provided a presentation on a methodology for the estimation of beef and veal and pigmeat production and consumption patterns in the EU and preliminary results on beef and veal (see Annex VI).
- o The next meeting of the Meat MO Economic Board is scheduled for 2 October 2018.