



Meat MO Economic Board

21 June 2021

- o The 16th meeting of the Economic Board of the Meat Market Observatory (Meat MO) took place on 21 June 2021, with the participation of experts from the meat supply chain.
- o The exchange of views on the beef, veal and pigmeat market situation was based on the Commission's factual presentations (see Annexes I and II).
- o For the beef and veal market, the Meat MO highlighted that, despite a gradual recovery of the market from the Covid-19 lockdown and a certain balance reached between supply and demand, increased input costs, in particular for feed and fertilisers, are affecting producers' margins, which are in some MS lower than during the 2020 Covid-period. In that respect, the Commission will provide at the next meeting an overview of the evolution of remainders.
- o The Meat MO also noted that the beef sector export performance in spring 2021 has been maintained at 2020 levels, while imports have substantially decreased due to continuous uncertainties around the opening of foodservice.
- o For pigmeat, the Meat MO noted that prices have recovered, but participants expressed serious concerns about rising prices of raw materials. Discussions touched as well upon international trade. Especially the high dependency on exports to China impacts the sector since Chinese prices have been down and demand starts slacking.
- o The Meat MO also highlighted the need for promotion campaigns for pigmeat.
- o A matter of concern for the meat sector remains the current evolution of meat consumption patterns in the EU. In this respect, Eurocommerce provided a presentation on trends in sales of meat products from a retail perspective (see Annex III). Due to the Covid-19 pandemic, grocery spending and household consumption of meat is at an all-time high with consumer behaviour going both towards up-trading and down-trading of meat products. Consumer trends during the pandemic indicate preferences towards more healthy, sustainable and local production and increasing demand for organically certified products.
- o The French Inter-branch organisation INTERBEV presented its view on beef imports from third countries regarding different environmental, animal welfare and public health requirements and called for mirroring EU requirements on imported beef (see Annex IV). The discussion touched upon the differences in production practices in EU and non-EU countries, certification and labelling, as well as the role of the WTO and the use of tariff rate quotas.
- o The Meat MO will keep monitoring the situation and evolution of the beef and veal, and pigmeat markets paying particular attention to the challenges that the post-COVID-19 situation, increased input costs, African Swine Fever, Brexit and other events of the kind pose for the immediate future.
- o The next meeting of the Meat MO Economic Board is scheduled for 25 October 2021 (tbc).