



EU Meat Market Observatory

2 March 2023

- o The 21th meeting of the EU Meat Market Observatory (Meat MO) took place on 2 March 2023, with the participation of experts from the meat supply chain.
- o The exchange of views on the pigmeat, beef and veal market situation was based on the Commission's factual presentations (see Annexes 1 and 2).
- o For pigmeat, the Meat MO noted that there is a decrease in the pig population, particularly in the reproductive population. There is also a sustained decrease in production in the EU, including in the main producing Member States. The experts expect production to further decrease.
- o Pig carcase prices as well as piglet prices continue at a very high level and are trending upwards. Nevertheless, participants expressed concerns regarding the rising costs of producers' raw materials. They indicated as well uncertainty as to what extent high pig prices can be passed on to the industry, and whether consumers could still afford price increases. Uncertainty over animal welfare requirements is an issue for farmers.
- o On international trade, the Meat MO noted decreased pigmeat exports, mainly to China, while demand in other third countries improved. The EU remains the main exporter in the global market, while China is still the main importer.
- o For the beef market, the Meat MO highlighted the exceptional high price situation sustained by decreasing supply mainly due to a herd reduction. High prices allow to partly cope with the increase in input costs. However, the cost increase for feed and fertilisers is putting pressure on farmers' margins, in particular in the grain-finished system. Animals are slaughtered at a lower weight due to high costs for proper finishing that makes it difficult to reach the usual final weight.
- o High inflation is affecting demand and consumption is decreasing in many Member States.
- o The Meat MO also stressed that EU imports are increasing at a worrying trend and that high internal prices and low EU supply is favouring third country suppliers.
- o ISMEA, the Italian Institute of Services for the Agricultural Food Market, provided a presentation on the methodology applied for monitoring beef production costs, which includes sampling, and the actual calculation of costs of production (Annex 3). Given the magnitude of the rise in input prices in beef cattle farms, the current high output prices just allow farmers to cover their costs.
- o Eurocommerce presented trends in sales of meat products and the evolution of meat consumption patterns in the EU from a retail perspective (Annex 4). Sales of meat went down due to factors such as high food inflation and growing price sensitivity among consumers in addition to changing meat consumption habits.
- o UECBV showed price developments of pork cuts and evolution of slaughter in 2023 in 4 countries (Annex 5).
- o The Commission presented a comparison of meat consumption data using different methodologies as a follow up to previous estimations done in 2019 (Annex 6). New available data from the Global Dietary Database allows to test the discrepancy of different estimations from real consumption assessed by surveys.
- o The next meeting of the Meat MO is scheduled for 6 June 2023 (tbc).