



Meat MO Economic Board

6 March 2018

- o The 6th meeting of the Economic Board of the Meat Market Observatory (Meat MO) took place on 6 March 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 DG AGRI (see Annexes I and II).
- o For beef and veal, discussions showed that the EU beef market has regained its balance in 2017 after two difficult years. The moderation of production was the main reason for such regained balance and had a positive effect on prices. The situation remains reasonably positive but changes in demand patterns, more focused in processed meat than in primal cuts, may be leading to price convergence towards lower levels.
- o Despite the balanced market, specialised beef producers still report financial difficulties due to a low level of income. Such a situation is leading to the destocking of the suckler cows herd in certain Member States. Positive aspects are the still reasonable feed costs and the good export performance, with exports of live bovines remaining essential for the internal market balance.
- o For pigmeat, discussions showed that after a price decline following the reduction of exports to China prices have increased again and the market remains also balanced.
- o Nevertheless, the sector is concerned by a forecast increase in production and risks related to animal health which could compromise EU exports in a moment where the market balance is fragile.
- o The Commission provided a presentation on a methodology for the estimation of beef and veal production and consumption patterns in the EU (see Annex III). Such a methodology could also be used for other meats. Experts provided a positive feedback and considered it as a potential useful tool for market analysis.
- o Matters of concern for both sectors are the future evolution of feed prices and its potential negative impact on production costs and the current evolution of meat consumption patterns. Existing data indicate an overall decline. On this aspect, Eurocommerce provided a presentation (see Annex IV) on trends in sales of meat products from a retail perspective.
- o UECBV provided a presentation on the possible impact of a hard Brexit in the EU meat sector (see Annex V).
- o Brexit remains a matter of extreme concern for both sectors as it creates serious uncertainties on the evolution of the respective markets. Experts unanimously pointed to developments in this area as essential in shaping the future of the EU sector and stressed the urgent need for appropriate preparedness.
- o The next meeting of the Meat MO Economic Board is scheduled for 12 June 2018.