



## Meat MO Economic Board

**25 October 2021**

- o The 17th meeting of the Economic Board of the Meat Market Observatory (Meat MO) took place on 25 October 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 the relatively good market situation with high prices, limited offer and a good demand. However, the substantial increase in input costs, in particularly for feed and fertilisers, is putting pressure on farmers margins, in particular in the grain-finished system. Uncertainty is also due to possible new sanitary restrictions that could lead to reclosing foodservices.
- o The Meat MO also noted that the beef sector export performance in the first half of the year was positive, while imports have substantially decreased. Beef imports are mainly directed to foodservices.
- o The Meat MO also stressed that exports will become even more important for the sector in the future and that the Commission should do more to improve access to third country markets.
- o For pigmeat, the Meat MO noted that EU production is high while pigmeat prices are on a downward trajectory, decreasing now for 4 months in a row. Participants expressed concerns about high prices of raw materials. The sector is traditionally not depending on support, and the experts did not call for market measures. Nevertheless, participants highlighted the effect of the low price period on the restructuration of the sector. There are clear signals of production expansion in Southern Member States and decline in Northern Europe.
- o The discussion touched as well upon international trade. Especially the high dependency on exports to China impacts the sector when Chinese demand decreases.
- o The Meat MO also highlighted the need for high level missions for promoting pigmeat in 3rd countries.
- o A matter of concern for the meat sector remains the 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 in 4 Member States (see Annex III).
- o Due to the Covid-19 pandemic, grocery spending and household consumption of meat is at an all time high and evolving towards a "new normal". Consumer behaviour goes both towards uptrading and downtrading of meat products. Consumers shift to more healthy, sustainable and local production and increasingly demand for organically certified products.
- 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 increased input costs, African Swine Fever, international trade and Brexit, the post-COVID-19 situation, and other events of the kind pose for the immediate future.
- o The next meeting of the Meat MO Economic Board is scheduled for 23 February 2022 (tbc).