



## Meat MO Economic Board

14 June 2019

- o The 11th meeting of the Economic Board of the Meat Market Observatory (Meat MO) took place on 14 June 2019, with the participation of experts from the various steps in the meat supply chain.
- o The Expert Group based its exchange of views on the beef and veal and pigmeat market situation on factual presentations from 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 postponing of a possible hard Brexit loosens some tension on the markets; however, prices for almost all categories, except for cows, remain under pressure. Reduced production and good trade balance in the first four months of the year did not prove sufficient for prices to catch up after the negative trend registered in the second half of 2018.
- o An analysis was carried out on possible cross subsidization of out of quota by in quota import. Out of quota imports are mainly due to the high competitiveness of suppliers on the international markets.
- o For pigmeat, discussions showed that while there is an optimism in the market after the recovery of the sector, the pig meat processing industry is expressing concerns on the increasing price of raw material.
- o EU pig meat prices have been consistently increasing since the beginning of the year. Production data up to March 2019 show a decrease in pig slaughter. Producer's margins are improving due to strong increase in pig prices and stable production costs.
- o African Swine Fever in both the EU and Asia remains a challenge the sector continues to face, any further spreading within the EU could have a severe impact on the sector.
- o While Chinese import demand is growing, volumes remain uncertain as consumers might switch to eating more poultry and beef. The importance of the regionalisation concept was again highlighted.
- o A discussion took place around the expansion of the meat substitute: opinions were expressed in favour of definitions used in the meat sector (e.g. burger) to be reserved for meat products, as proposed by the Agricultural Committee of the European Parliament, similar to what happens for dairy terms.
- o A matter of concern for the Expert Group remains the current evolution of meat consumption patterns in the European Union. In this respect, Eurocommerce (see Annex III) provided a presentation on trends in sales of meat products from a retail perspective and UECBV on price development of meat cuts (see Annex IV).
- o The Commission presented its initiative on market transparency with a particular focus on recording prices and production data in the meat supply chain.
- o The Commission presented the latest state of play of the methodology proposed to estimate the bovine and pig production and consumption in the EU taking into account the outcome of an ad-hoc expert group that took place on 2nd April 2019. Based on the developed methodology it is intended to present an estimation of meat available for consumption at the next Meat Market Observatory meeting.
- o The next meeting of the Meat MO Economic Board will take place on in October 2019<sup>1</sup>.

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<sup>1</sup> Provisional date