

## Meat MO Economic Board

**23 February 2022**

- o The 18th meeting of the Economic Board of the Meat Market Observatory (Meat MO) took place on 23 February 2022, 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 market, the Meat MO highlighted the exceptional high prices situation sustained by decreasing supply, good demand and limited imports. The substantial increase in input costs, in particular for feed and fertilisers, is putting pressure on farmers' margins, in particular in the grain-finished system.
- o The Meat MO also noted that the beef sector export performance in 2021 was positive, while imports have substantially decreased for the second year in a row. Participants 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 The Meat MO expressed concerns in relation to the evolution of the Ukraine situation that could impact the EU in terms of reducing feed availability thus worsening the current situation.
- o For pigmeat, the Meat MO noted that EU production is high and heavily concentrated in a small number of Member States. Prices remained constant in the last weeks. International trade was also discussed, in particular dependence on pigmeat exports to China where Chinese demand decreases and on imports of raw materials. The sector is traditionally not depending on support, and experts did not call for market measures.
- o Participants highlighted the threat from African Swine Fever and the need for regionalisation agreements with third countries. They expressed concerns related to current low prices, the risk of declining self-sufficiency in production in some Member States and animal welfare requirements. The discussion also touched upon the opportunities of niche markets such as organic pigmeat.
- o The EC informed the Meat MO about the setting up of a European Pigmeat Reflection Group in the form of joint meetings of the Civil Dialogue Group for Animal Products (Section Pigmeat) and of the CMO Expert Group (Section Animal Products). The kick-off meeting will take place on 10 March.
- o The French Institut de L'Elevage provided a presentation on the costs of raw materials and its impact on meat production (Annex III). Transport costs, energy prices, fertiliser prices, grain and oilseeds prices are surging. Growing input costs heavily weigh on livestock production and throughout the supply chain, which is not always reflected in producer prices or transmitted to the consumer.
- o A matter of concern for the meat sector remains the evolution of meat consumption patterns in the EU. In this respect, Clitravi provided a presentation from the processing sector's perspective (Annex IV), Eurocommerce showed trends in sales of meat products in 6 Member States from a retail perspective (Annex V) and UECBV addressed price developments of meat cuts focusing on pork (Annex VI). Due to the Covid-19 pandemic, grocery spending and household consumption of meat boomed in 2020 but fell back in 2021. Consumer behaviour trends towards a decrease in meat consumption but focusing more on convenience, quality and environmentally friendly meat. Consumers also shift to more plant-based meat substitutes.
- o Participants also highlighted the need for promotion programmes for meat.
- o The next meeting of the Meat MO Economic Board is scheduled for 8 June 2022 (tbc).