



EU Meat Market Observatory

4 June 2024

- o The 25th meeting of the EU Meat Market Observatory (Meat MO) took place on 4 June 2024, with the participation of experts from the meat supply chain.
- o The European Commission presented the most recent pigmeat as well as beef and veal market data. (Annexes 1 and 2).
- o On pigmeat, EU pig carcass prices have been stable in recent weeks, with minor fluctuations. Piglet prices are trending down. Both continue to be above the historical average of the last five years. Early 2024 saw an increase in pig production compared to last year, following a downward production trend in the EU over recent years, with significant reductions in 2022 and 2023. Pigmeat exports have decreased to China and Japan. In contrast, shipments to the Philippines, South Korea and Vietnam have increased, along with a slight rise in exports to the UK. Overall, the export volume has decreased, affecting the EU's market presence.
- o Participants expressed concerns about EU trade with China, cereal prices and deforestation rules.
- o On beef, the Meat MO confirmed the herd reduction in 2023 as indicated by the Eurostat survey of December 2023. EU production showed a significant increase in 2 the first months of 2024 while prices remain stable at a high level. High prices of live animals are putting producer margins under pressure. Overall, trade remained active in the first months of 2024 and the EU trade balance remains largely positive.
- o The Meat MO acknowledged stability on the EU beef market but expressed concerns at the discouragement and disengagement of producers in a context of uncertainty about EU policies that could impact the sector.
- o ISMEA, the Italian Institute of Services for the Agricultural Food Market, provided a presentation on pig production costs in Italy (Annex 3). In Italy, the main production specialization of pig farms is fattening heavy pigs (160- 176 kg) for the production of PDO products (mainly cured hams). The pig production cost is calculated considering the needs of all the production inputs necessary to complete the fattening cycle (approximately 180 days) from the purchase of the 30 kg piglet to the 170kg pig sold to slaughterhouses. All inputs are valued at market prices from ISMEA's price network. In 2023 pig production costs amounted to 1,97 €/kg live weight, + 3% compared to 2022. Feed is the main component, representing more than half of total costs; it decreased by 13% in 2023. Piglets are purchased at 30 kg and fattened for 6/7 months and account for 41% of total costs (+31% in 2023).
- 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). Inflation has decreased in Europe over the last few months but remains higher than pre-inflation level. Amidst prices which are rising less rapidly, after a long period of downtrading some consumers are choosing to occasionally spend more when buying food, especially for considerations linked to health. While overall domestic consumption of meat is still going down, the decrease in volumes in the second part of 2023 was more limited. The hospitality sector has also well recovered from the COVID crisis. Data from early 2024 seem to indicate further volume decreases for meat sales, although some categories of products (e.g. poultry) are faring better than others.