

# Meat MO Economic Board

3 October 2017

- o The 5<sup>th</sup> meeting of the Economic Board of the Meat Market Observatory (Meat MO) took place on 3 October 2017, with the participation of experts from the various steps in the meat supply chain.
- o The exchange of views on the pigmeat and beef and veal market situation was based on factual presentations by DG AGRI (see Annexes I and II).
- o For pigmeat, the discussions showed that the sector has benefitted from high prices but these have started to decline. Good export performance contributed to the recovery of producers' price and a re-balancing of the market.
- o Nevertheless, the sector is concerned by its high dependence on exports to China and the forecasted increase in the production. Moreover, on the export markets the competitiveness of the EU sector is declining due to lower prices from other origins. Another source of concern is the risks related to animal health.
- o CLITRAVI provided a presentation on the medium term potential for EU companies for the export of meat products to the Chinese market (see Annex III).
- o For beef and veal, discussions showed that the EU beef market is regaining its balance after two difficult years. Despite the improvement of prices, specialised beef producers still suffer financial difficulties due to a low level of income.
- o Positive aspects are relatively low feed costs and good export performance, with exports of live bovines remaining essential for the internal market balance.
- o Experts from the Wageningen University presented the results of a study (see Annex IV) commissioned by the European Parliament on the current structure and prospects of the EU Bovine Meat Sector. The study highlights, amongst others, two main structural characteristics of the sector: the low level of income and the high dependence on CAP support.
- o A major matter of concern for both sectors is the current evolution of meat consumption patterns. Existing data indicate a significant decline. On this aspect, Eurocommerce provided a presentation (see Annex V) on trends in sales of meat products from a retail perspective and an expert from the Swedish Board of Agriculture delivered a presentation (see Annex VI) on the calculation and communication of meat consumption in Sweden.
- o Brexit and the impact of possible future FTAs, in particular Mercosur, remain the matters of concern for both sectors as they create most 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 respective EU sectors.
- o UECBV provided a presentation on the index developed to monitor prices of pork cuts on a weekly basis (see Annex VII).
- o The next meeting of the Meat MO Economic Board is scheduled for 6 March 2018 (tentative date).