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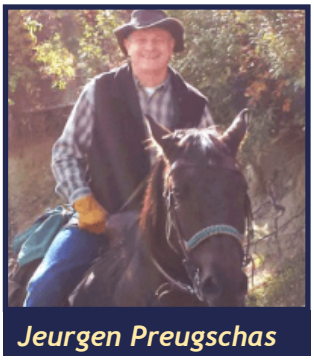
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Focus on sustainability, health, nutrition and governance on the final day of the World Meat Congress

The 21st IMS World Meat Congress was hosted by the Uruguay National Meat Institute (INAC) in Punta del Este. This report covers the final day of the congress (day 1 was reported in IMS Newsletter 574)

Session 5 Sustainability: Moderator Jeurgen Preugschas, Chair IMS Sustainable Meat Committee.



Jeurgen Preugschas

Ruaridh Petre, Executive Director of the Global Roundtable for Sustainable Beef (GRSB) highlighted some of the high-profile challenges to the meat and livestock sector, including the protests made in Australia in 2011 about the export of live cattle to Indonesia. The protestors in this case were wanting to convey to consumers a message about poor animal welfare and were not prepared to take into account the broader context of this trade. The outcome was that this hard-hitting publicity led to the immediate suspension of the trade with major adverse environmental and human consequences which had not been fully considered.

This example emphasized how important it was for the industry to establish information on all aspects of sustainable production systems - social, environmental and economic. The information required should encompass all stages of the supply chain to provide consumers with sound factual information so as to encourage 'shared values' with the industry. The key objective of GRSB work was to 'build trust through transparency'. Although telling positive stories was important, this was not enough - there was a need both to document and demonstrate genuine improvements as well as to explain in a relatively straightforward way some of the complexities of sustainability issues. Ruaridh went on to give examples of evidence on good practice from respected organizations in Ireland and Brazil.

Jeffrey Fitzpatrick-Stilwell, Senior Manager - Sustainability, McDonald's Corporation, showed how McDonald's were approaching sustainable meat sourcing. Looking at carbon footprint efficiency, 70% of their company's impact occurred in their supply chain and their associated agricultural systems with 41% related to the beef sector. In improving the sustainability of their systems, they sought to be both responsible and responsive to their consumers - and to be led by science in the changes they made. They had set themselves various targets to achieve by 2018 which included gestation-stall free pork by 2022, production systems free from any 'deforestation' and the elimination of any chicken raised with antibiotics which were important to human health.

He then proceeded to talk about the beef pilot project McDonald's were undertaking in Canada, which was further evidence of their commitment to the global beef industry. The objectives of this project were to:

- Begin purchasing a portion of their beef from verified sustainable sources in 2016
- Bring the principles and criteria of the GRSB to life in a locally relevant way
- Support and accelerate an industry-led beef sustainability framework

Berhe Tekola: Director, Animal Production and Health Division, Food and Agricultural Organization of the United Nations (FAO), complimented the Uruguayan meat industry on their achievements in sustainable livestock production. He emphasized that the challenge of sustainable production varied for different parts of the world not least

because of the varying growth rates in particular regions. Traditionally, there had been a focus on the environmental aspect of sustainable livestock production but it was important to take account of three interdependent areas: equity and growth; food security and health; natural resources and climate change.

There was likely to be a 70% increase in meat consumption resulting from population growth, the rise in incomes and urbanization; the increase would be unevenly spread with a greater rise in pig and poultry consumption than in the ruminant meats. In developing countries 60% of rural households keep livestock, with1.7 billion people partly or entirely dependent on livestock as an income source. One billion of these were poor, with 530 million being extremely poor; moreover, many of these were vulnerable to the future impact of climate change. Berhe went on to talk about the importance of food security and health issues – as well as some of the initiatives tackling natural resources and climate change. In summary, his five principles of sustainable livestock production were to:

- Increase efficiency
- Enhance livelihoods and well-being
- Protect resources
- Increase resilience
- Improve governance

Ruy Fachini Filho, President of the Rural Union of Campo Grande, Brazil talked about progress in sustainable livestock production in Brazil. In 2010, Brazil had formally submitted to the United Nations Framework Convention on Climate Change (UNFCCC) its voluntary commitment to reduce deforestation by 80% up to 2020. So far there has been a 74% reduction. It was clear that expansion in livestock was no longer dependent on deforestation; moreover, by 2030 the forecast was that grazing areas would be 161 million hectares releasing 17 million hectares for other agricultural enterprises, forests and forest restoration. Key elements involved in promoting productivity in a sustainable way had been:

- Education about livestock intensification
- Improving access to rural credit
- Providing funding to contract technical assistance
- Supporting producers to comply with environmental protection laws
- Expanding markets

Ruy is also Vice President of the Brazilian Roundtable on Sustainable Livestock (GTPS) and he described the work of this initiative, which was designed to promote the development of sustainable livestock production. It had four pillars: continuous improvement for sustainability, transparency and ethics, good agricultural and management practices and legal compliance. So far it had involved over 800 producers, farming on over 800,000 hectares with 24 local partners and 7 pilot projects in 5 Brazilian States.

Session 6 Human Health and Nutrition: Moderator Mary Ann Binnie, Chair IMS Human Nutrition and Health Committee



Mary Ann Binnie

Alison Watson, Specialist in Sustainable Food Systems, started by identifying the dilemma facing Jane, a 49-year-old mother of three children. She ate meat most days, was concerned about her health as well as that of her family and also worried about the future of the world. She was not untypical of a large number of consumers in the developed world and felt confronted with confusing and contradictory messages from the media; many of these conveyed negative themes about meat both from the point of view of it being an unhealthy component of her diet and bad for the future of the planet. Social media had also added very significantly to the volume of negative messages with the number of 'anti-meat' stories only likely to increase. The industry had to be prepared to address this challenge.

What was required was the development of a global communication strategy, which should have international as well as national and localised elements. It was essential for the industry to stop being defensive but become more proactive and avoid blaming others. Science-based approaches were key but effective communication of these was essential. It was not enough to be saying that 'meat is part of a balanced diet' which could be interpreted in so many different ways and gave no idea of how much meat should be consumed. Above all, there was a need to connect and demonstrate the positive attributes of meat across all aspects of production and consumption.

Stefano Natella, Head of Global Markets, Credit Suisse, alerted delegates to many of the flaws in some assertions from scientists in the nutrition and medical fields about the detrimental effect of meat consumption on human health. He dealt with a whole range of issues where he had looked closely at the science and evidence behind certain claims, including:

- Saturated fat causing cardiovascular conditions
- Vegetable protein being healthier than animal protein
- High consumption of meat increasing the probability of developing type 2 diabetes
- Meat consumption causing colorectal cancer

In all cases, he showed the limitations of these claims and in some examples the flaws in the research.

Evidence from an analysis of the diets of the population in the Pacific Island of Kiribati showed that although saturated fat accounted for 27% of the total energy consumption – one of the highest in the world – the number of deaths from coronary heart disease was at the exceptionally low level of 11.8 per 100,000 people. This compared with the

US diet where saturated fat was less than 12% of energy consumption levels, yet coronary heart disease deaths accounted for over 80 per 100,000. His figures for other countries also showed no evidence of causality. When looking at the comparison between animal protein and vegetable protein, data indicated that as consumption levels of animal protein increased as a percentage of total calorie levels, the incidence of cardio-vascular deaths declined. In contrast, as vegetable protein consumption levels increased, there was a rise in the number of cardiovascular deaths, probably attributable to higher consumption of trans fats. Stefano's presentation produced further questioning of 'negative meat' claims and concluded with a highly critical assessment of the International Agency for Research on Cancer's Report on the link between meat eating and colorectal cancer.

Karla Alvarez, Head of Nutrition Department at Hospital del Norte Dr. Gustavo St. Bois, Uruguay, spoke about the many nutritional benefits of Uruguayan beef – describing it as 'an ideal food' on the basis that it provides the amount and quality of proteins, lipids, vitamins and minerals that are essential for the physical and mental health of the human being. The American Council on Science and Health had also endorsed this view about American beef – regarding it as a 'highly nutritive food'. She went on to describe the factors influencing the nutritional composition of meat in general, such as the age of the animal, physical activity and feed. She advocated meat to be an essential part of a nutritionally balanced diet as it is a natural food that should be consumed at all stages of human life. This was because of the nutrient sources it contains – proteins of high biological value, essential amino acids, iron, zinc and fats.

Janet Riley, Vice President of Public Affairs, North American Meat Institute, talked about the impact of repeated negative health claims related to meat on consumers in North America. Much of the anti-meat evidence was based on correlations rather than causation and the level of risk ratios in the research findings was frequently not high enough to be used as evidence in the first place. Despite this, the media reports tended to simplify the findings by linking cause and effect. Very little publicity was given to the realistic public health concerns over the implications of *reducing or eliminating* meat consumption. Amongst essential nutrients, such as calcium, vitamin D, potassium, iron and folate, intake levels are often lower than recommended for some segments of the population and any reduction in meat consumption would result in further reductions of these.

Ending on an upbeat note, Janet listed twelve good reasons why meat and poultry should be part of a balanced diet. These included the positive role of meat as a source of iron, bioavailable nutrition, muscle maintenance, bone strength, brain function and zinc immunity.

Concluding this session, Mary Ann Binnie reported that the recent IMS Marketing Workshop had come out with a key message to bring to the Congress, which all country delegates could endorse: *the critical role of meat in the first 1000 days of life*. This was not just a major outcome from the Marketing Workshop but also an important and positive message for the Congress as a whole to endorse and publicise.

Session 7 Governance: Moderator Pablo Caputi, Knowledge Manager, Uruguay National Meat Institute (INAC)



Pablo Caputi

Federico Stanham: President, INAC, described the objectives and functioning of INAC and showed its role in supporting the development of the Uruguayan meat chain. He saw the reason for governance as being to improve coordination between parties in complex agro-industrial chains; in addition, to seek overall improvements in the functioning of the chain through research, regulation and relevant Government intervention. INAC had sought to improve conditions for the meat industry as well as providing advice to Government on policy for the sector. It was funded by a mandatory levy on all meat sales in local and export markets. In evaluating INAC's effectiveness, he identified a number of areas including, notably:

- Positioning beef from Uruguay in international markets based on production system attributes, public goods and effective exporter action
- Providing appropriate support through relevant statistical information and indicators that have been highly valued by all parties
- Managing the preferential tariff quotas in a transparent way

Jim O'Toole, Director, Bord Bia, Ireland, described how 'Origin Green' underpinned Ireland's national branding for its food products throughout the world. Ireland already had an image of 'green' and 'natural' but developing Origin Green had been an essential part of proving and validating this image. The key elements of this were to:

- Involve all parties in the journey
- Measure what matters
- Build on international standards
- Ensure that there is continuous improvement

Bord Bia had built in a raft of accreditation and independent verification procedures covering areas such as energy use, emissions, water, biodiversity and social sustainability. There were additional farm sustainability assessments showing performance information including financial data; targets were also set and collaboration with a range of organisations ensured that there

was a buy-in from all parties in the supply chain.

Martin Secco, Chief Executive Officer, Marfrig Global Foods, addressed the governance of INAC from the standpoint of his Marfrig experience. INAC was a vital part of the interface between the meat industry and Government and was entitled to comment on any regulation, law or decree relating to the meat industry in Uruguay. He described the industry 50 years ago, when INAC was formed: in those days, fore- and hindquarters were wrapped in nylon and sackcloth and carried in the holds of ships. INAC had had a major role over the years in transforming the meat industry into the outstanding position it has today. One key role he had respected over the years was the continuous dialogue it had among different parts of the meat chain, which enabled effective progress to be made. Although a major part of the industry was in foreign ownership, and initially there were concerns that these owners might 'oppose the national interest', he could assure everyone concerned that this had never been the case. Moreover, he was so impressed by the way INAC operated that he had encouraged the establishment of a similar structure in the Mato Grosso State in Brazil.

Sam McIvor, Chief Executive, Beef & Lamb New Zealand, indicated that in his previous roles he had known governance from the standpoint of business survival as well as appreciating 'the enormity of world trade and consumption'. In his current role, he described the New Zealand beef and lamb exporters as having been brought together in a spirit of 'coopetition', by which is meant fierce competitors cooperating when it was in their interest to do so. He quoted three examples relating to

1. biosecurity – in which all the livestock industries were working with Government to maintain New Zealand's high animal health status;
2. the Red Meat Profit Partnership, which was aimed to drive sustainability improvements in the industry
3. the New Zealand Market Development Strategy, which sought to secure industry-wide agreement on a longer-term beef and lamb strategy.

IMS Meat Science Prize

The IMS Meat Science Prize was presented by IMS President, Guillaume Roué to Ms Jiao Liu, from the University of Helsinki, for her research on: 'A new hypothesis explaining the influence of sarcoplasmic proteins on the water holding of myofibrils'.

In conclusion, the theme of this very successful Congress was 'Many Voices, One Melody'. The unifying spirit of the Congress was one of enthusiastic determination to make progress as an industry in the face of many challenges. It will be good to see how far we have progressed when we meet up in Dallas, Texas in 2018. Our grateful appreciation to the INAC Organising Committee!

Bob Bansback, IMS Advisory Council

Are US-EU facing new trade war over hormone treated beef?

The US and EU could be heading for a new trade war over trade in hormone treated beef.

In one of the last throws of the Obama administration, the Office of the United States Trade Representative set in motion action against what it described as the European Union's unfair trade practices that discriminate against US beef imports.

At the end of last year, the USTR, which was acting at the request of the US beef industry initiated a public hearing and called for public comments over the ban by the EU on most US beef products.

The US beef sector says that the EU ban is unfair because it is not based on sound science and discriminated again US farmers, ranchers and producers. Any action taken by the US would see the country withdraw from a memorandum of understanding that had been drawn up between the EU and US to allow a quota of non-hormone treated beef onto the EU market.

The European Commission says that the agreement for the import quota for non-hormone treated beef established in 2009 allowed 60,000 tonnes of US beef on to the EU market and changing the ban on hormone treated beef was never part of the negotiations.

However, the US Trade Ambassador Michael Froman said in a statement: "The WTO determined that the European Union's ban on US beef imports violates its international trade obligations. "The EU has failed to live up to assurances to address this issue, and it's now time to take action."

He said that the action holds the EU accountable and is an important step in encouraging the Commission to come back to the table to ensure that American ranchers have access to Europe's market and that European consumers have better access to high-quality US beef.

The US Agriculture Secretary under the Obama administration, Tom Vilsack, said: "American ranchers raise some of the best beef on the planet, but restrictive European Union policies continue to deny EU consumers access to US beef at affordable prices.

"For several years we have been asking the EU to fix an agreement that is clearly broken, despite its original promise to provide a favourable market for US beef."

However, a spokesman for the European Commission said: "The

EU has fully complied, both in the letter and in spirit, with the Memorandum of Understanding signed with the United States in 2009, establishing a hormone-free beef quota of more than 60,000 tonnes.

"The termination of this agreement and the possible application of duties on EU exports to the US would certainly constitute a most unfortunate step backward in the strong EU-US trade relations.

"Meanwhile, the EU will continue implementing the EU-US Memorandum of Understanding and stands ready to listen to any concern that the US Administration may wish to raise. The EU is committed to keep its high food safety and health standards. Only products complying with these standards will be allowed into the EU market.

"Changing the EU's ban on hormone-treated beef was never part of the negotiations with the United States for a trade agreement."

Total US beef and beef product exports average $6 billion per year. If the US reinstates retaliatory tariffs, which the World Trade Organization had approved in 1999, they could affect EU products worth a total of $116.8 million.

In 2008, the WTO confirmed that the US still had the right to impose trade measures until the EU beef dispute was resolved.

In January 2009, USTR decided to change the list of products subject to additional duties, but it delayed implementing the sanctions to allow further negotiations with the EU to resolve the dispute.

In May 2009, the United States and the EU signed an MOU under which the EU agreed to create a new duty-free quota for imports of specially-produced beef.

Since 2009, in exchange for the elimination of increased US tariffs on EU imports, the MOU has provided an opportunity for US producers to export additional beef to the EU market.

However, the US beef industry has claimed it has been prevented from gaining the intended benefits from the MOU because of increased imports under the duty-free quota from non-US suppliers and the US Trade Representative was obliged to discuss the issue again once the request had been made by the beef sector.

If the fresh sanctions are introduced, the punitive tariffs will cover more than 80 different meat, dairy, fruit, vegetable and other products ranging from different cuts of beef, pork, lamb, chicken, turkey, offal, sausages and hams to soups, confectionery, fruits and tomatoes.

The meetings to discuss the proposals have been set for the early part of 2017, although the change in administration could alter the schedule.

Chris Harris
Agriculture and Food Journalist

A big new push toward sustainability by U.S. meat firms

Smithfield Foods just gave the U.S. meat industry's environmental efforts a big boost.

But first, Smithfield, the largest pork processor and hog producer in the world, made an extraordinary statement. It said it estimates that its meat processing and livestock production facilities produce as much carbon dioxide annually as five coal-burning power plants. Carbon dioxide is a powerful greenhouse gas and a significant contributor, scientists believe, to climate change. The U.S. Environmental Protection Agency calculates that 8 per cent of total U.S. greenhouse gas emissions in 2014 were carbon dioxide, or CO_2.

The extent to which the U.S. meat industry contributes to this CO_2 buildup remains open to debate. While industry critics and advocates throw scientific studies at each other trying to prove this or that point, the industry itself has demonstrated a commitment to sustainability that grows stronger each year.

The Proactive Approach

Smithfield, however, took a different approach: proactivity. On Dec. 5 of last year, the company announced that by 2025, it would reduce its "absolute" greenhouse gas emissions by 25 per cent. "When achieved, this goal will reduce emissions by more than 4 million metric tons, equivalent to removing 900,000 cars from the road," the company stated in its announcement. Smithfield, which is headquartered in Smithfield, Va., is collaborating with the University of Minnesota's NorthStar Institute for Sustainable Enterprise as well as the Environmental Defense Fund (EDF) to benchmark and then reach its goal.

"We are proud to lead the industry and set another first by launching an endeavor that is both environmentally beneficial and economically feasible," said Kenneth Sullivan, president and chief executive officer of Smithfield Foods. "While we will have unique challenges meeting this goal as the world's largest pork processor and hog producer, our size and scale also means that, if successful, we can make a significant, positive impact. Our mission is to produce 'Good food. Responsibly.' This announcement is yet another acknowledgement of our commitment to doing just that."

This commitment, according to Smithfield, will be made across the company's supply chain as well as at company-owned farms and processing facilities and throughout Smithfield's extensive transportation network. For example, in its grain supply chain, Smithfield is collaborating with EDF "to improve fertilizer efficiency and soil health, which will reduce nitrous oxide emissions from grain farms," stated the company. On its hog production farms, Smithfield "will incorporate renewable energy and reuse projects that utilize technology such as anaerobic digesters and lagoon covers," which it will install on "at least" 30 per cent of its company-owned farms. The its meat processing plants, Smithfield "will continue to improve energy efficiency through refrigeration, boiler and other equipment upgrades," and it will be "optimizing its logistics network to better manage its animal and product transportation while reducing fuel consumption and carbon emissions."

Not the Only One

Smithfield is not the only U.S. meat company trying be more competitive by addressing sustainability in terms of the environment and natural resources. As noted in late December at the *Agri-Pulse* website, "Hormel Foods, as part of the Ceres-World Wildlife Fund Ag Water Challenge, recently committed to developing a comprehensive water stewardship policy by setting water management expectations that go beyond regulatory compliance for its major suppliers, contract animal growers, and feed suppliers — a meat industry first."

According to Brooke Barton, senior program director of water and food programs at Ceres, a nonprofit organization that works with major corporations to address sustainability issues, some of these new efforts are the result of devastating flooding the followed Hurricane Matthew, which causes extensive damage across the southeastern United States as well as the Caribbean. The damage included flooding of manure lagoons in North Carolina. Letters from 45 institutional investors were sent to the chief executive officers of four of the largest companies in the U.S. meat industry, "asking them to address climate change and water pollution risks associated with the feeding, slaughtering and processing of livestock," writes Barton in *Agri-Pulse*. The letters followed an earlier shareholder push in which 40 institutional investors, representing a reported US$1.25 trillion, asked 16 multinational food companies to respond to the material risks of industrial animal production and their plans for diversifying their product mix to include more sustainable plant-based alternatives.

But the industry didn't come around on sustainability just yesterday, it needs to be noted. In 2007 beef and pork processor Cargill, Inc., joined Smithfield Foods as a member of the Chicago Climate Exchange (CCX), and that same year Tyson Foods established a new partnership with oil giant ConocoPhillips to turn animal fat into renewable diesel fuel. As reported in the *IMS Newsletter* in April 2007, "The new efforts aren't just nods to environmentalism -- a few acres, say, of corn behind the plant for processing into ethanol. They comprise a new way to make money on the new green market, a new cash stream that savvy meat companies will find tempting and perhaps even essential."

Just So Much Greenwash?

Skeptics — and there are many — say all these efforts and plans and commitments amount to little more than "greenwashing," a feel-good approach that will actually do little to improve environmental conditions. A set of "sustainability principles and criteria" released in 2014 by the Global Roundtable on Sustainable Beef, a coalition including McDonalds Corp., was slammed in a letter signed by 23 environmental groups as "nothing more than an industry-led attempt to greenwash conventional beef production at a time when real, measurable, and verifiable change is so desperately needed.'"

Perhaps. But there's little question that when sustainability projects are effective, they not only help the environment but also the bottom line. Smithfield began tracking cost savings from its sustainability programs in 2004, and found gains of US$18 million in the first year. According to Cheryl Baldwin, vice president of consulting for Pure Strategies, a sustainability consulting firm, since 2004 Smithfield has saved more than US$581 million just from its sustainability efforts.

"This trend will only continue as multinational corporations look to organic or bio-based products as key enablers for fulfilling internal sustainability road maps," says Victor Oh, an analyst with Lux Research, as reported by *Environmental Leader*, an online publication. "Multinationals are also preparing for a future generation of consumers that are starting to select brands based on how the products were made and where the material were sourced from."

"At the end of the day, producing more, truly sustainable protein (animal-based or otherwise) will be essential if we want to feed nine billion people without ruining the planet," writes Brooke Barton in *Agri-Pulse*. "The question is whether companies - and their shareholders - can move quickly enough to meet the challenge."

Steve Bjerklie, Contributing Editor, *Meat & Poultry* Magazine; correspondent, *The Economist*