International Meat Secretariat
www.meat-ims.org | 576 | March 2017

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Codex working group on AMR: update

The 39th Session of the Codex Alimentarius Commission (CAC39), which met in Rome, Italy 27 June - 1st July 2016 agreed to:

i) Establish an Ad Hoc Intergovernmental Task Force on Antimicrobial Resistance (AMR) to be hosted by the Republic of Korea. This task force will begin work in July 2017.

ii) Establish a Physical Working Group (PWG), chaired by the United Kingdom and co-chaired by Australia and the United States. The PWG is open to Codex Members and Observers (IMS is an Observer).

iii) Request the Food and Agriculture Organisation (FAO) and the World Health Organisation (WHO) to develop a capacity development programme.

What has been the process so far?

The PWG's first meeting was held in London, U.K. from 29 November - 2 December 2016. The IMS delegation was led by Mick Sloyan (Chair of the IMS Animal Care Committee, AHDB U.K.) and included Liz Wagstrom (National Pork Producers Council, USA) and Jonathan Hirst (International Natural Sausage Casing Association, Egypt).

Meeting attendees included 38 countries and 8 official observers.

The purpose of the meeting was to:

- recommend new work on the revision of the *Code of Practice to Minimise and contain Antimicrobial Resistance (CAC/RCP 61-2005)*;
- discuss new work on the Guidance on Integrated Surveillance of Antimicrobial Resistance;
- review and revise the Terms of Reference for the Provision of Scientific Advice on Antimicrobial Resistance.

What did IMS recommend?

The IMS Animal Care Committee was asked to provide comments. In summary, the IMS Animal Care Committee recommended the following general guidance to the work of the Codex PWG, and Task Force on AMR:

- Consider management control measures for antimicrobial agents rather than simply eliminating the uses of antimicrobial agents.
- Clearly examine the challenges and consequences to animal agriculture for reduced use of antimicrobial agents.
- Maintain a scientific basis for the work performed and the recommendations delivered by the Codex working groups and the Task Force on AMR.
- Ensure transparency in all actions and include wide participation between Codex member governments and accredited observer organisations.
- Consult with stakeholders that are directly involved with the use of antimicrobial agents before AMR control strategies are finalized.
- Consult closely with the OIE while reviewing *CAC/RCP 61-2005* for relevancy, content, duplicity, and ease of current and future implementation.
- Identify and review all new scientific data regarding the risk of acquiring AMR from plant and animal-based foods.
- Identify and prioritize relative risk for foodborne AMR in order to address the best utilization of the available and often limited resources.

What was the outcome of this first meeting?

- Codex is currently focused on the impact

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of AMR on foodborne disease

- Codex are focussing on antimicrobials rather than antibiotics although some delegates used the term interchangeably. They will therefore be examining the role of disinfectants, biocides and substances like copper in addition to antibiotics.
- The scope of the work to be addressed by the Task Force should be extended to cover the use of antimicrobials in plants
- The scope of the work should be extended to include the whole food chain and not just on farm.
- A presentation from FAO sought to justify the work on AMR by blandly stating that intensive farming resulted in higher levels of antibiotics and thereby growing AMR. This view was challenged.
- Codex have a formal commitment to work with OIE and FAO in a tripartite way. While there were numerous mentions of avoiding duplication the outcome of the meeting clearly saw Codex having an opinion in the way agriculture and aquaculture should operate in the future.

IMS will continue to follow work on this important topic and provide regular updates.

IMS is an official observer and is therefore entitled to attend Codex meetings. Specialized meetings are held throughout the year (see http://www.fao.org/fao-who-codexalimentarius/meetings-reports/en/). If you would like to attend as part of the IMS delegation, or have questions, please do not hesitate to get in touch.

Mick Sloyan
Chair, IMS Animal Care Committee

IMS Human Nutrition and Health Committee elects new leadership

The strength of the IMS HNH committee lies in its ability to share intelligence, develop a consistent, global approach to health concerns linked to meat consumption, and collaborate on promoting meat as a healthy, nutrient rich food.

With recommendations for disease prevention starting to merge with those for addressing environmental sustainability and food security, there is a need to firmly establish the positive contribution red meat makes to both health and sustainability.

The HNH committee is actively engaged in:

- preparing for and managing IMS response to the World Health Organization's International Agency for Research on Cancer (IARC) evaluation of red meat and processed meat. The IARC classifications and scientific decisions are recognized worldwide and are considered authoritative scientific opinions for many government and regulatory bodies and the outcome may affect other international agencies like FAO and Codex. These determinations will be detrimental to the meat industry. These assessments will have lasting ramifications to future policy development.
- Preparing key messages for meat and cancer/sustainability/dietary guidelines
- The benefits of animal protein in the "first 1000 days" of a child's life

The HNH committee meets annually. The 2016 meeting was hosted by the Norwegian Poultry and Meat Council (Matprat) and the Norwegian Meat and Poultry Research Centre (Animalia). On this occasion, a new Chair Veronique Droulez (Meat and Livestock Australia) and co-chair Ellen Hovland (Animalia) were elected. Congratulations!

IMS Executive Council would like to recognize Mary Ann Binnie (Canadian Pork Council) for her leadership of this committee, which she has chaired since 2010. Thank you, Mary-Ann for all your contributions and for chairing memorable sessions on nutrition at the IMS World Meat Congress in Paris (June 2012) and Punta del Este (November 2016). ■

The strength of Chinese import demand is key to global meat market conditions

*The latest annual Gira Meat Club report forecasts that **Chinese meat import demand is likely to be at similar a** total volume of 6.5 million tonnes cwe to the 2016 record in the current year (to which of course can be added, the 2 million tonnes of offals … at attractive prices).*

This is good news for a world in which there is going to be greater meat supply in a period of low feed costs, yet troubled politics.

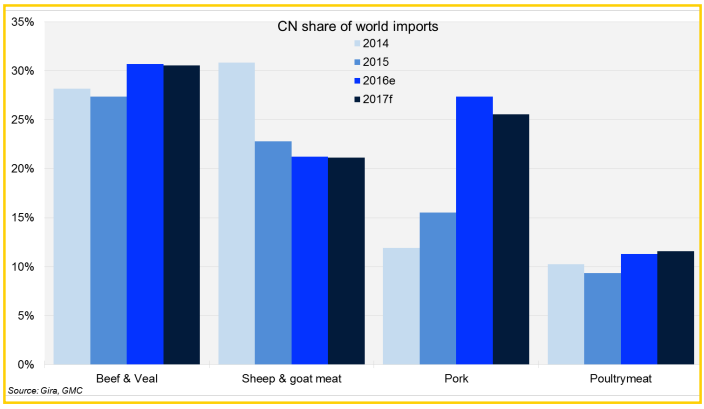
The **'star performer' has been Chinese pigmeat imports**, which doubled to > 2.1 million tonnes cwe to reach almost 30% of the inter-regional trade in pigmeat. However China actually holds a higher share of the beef trade including grey imports, (which mostly consist of Indian buffalo meat which is transhipped via Vietnam). There is a growing list of facilities (and origins) authorised for direct shipment to China, and direct market access is now clearly one of the key success factors for the biggest slaughter plants.

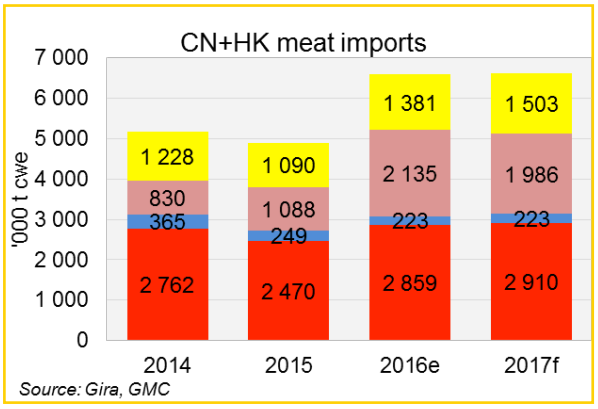
Beef imports recovered from the disappointments and disruptions of 2015 and look set for further growth this year and into the medium term, as Chinese demand continues to grow and its domestic beef production potential is limited.

It is only in sheepmeat that Chinese import volumes have decreased. However, China still holds a 20% share of world sheepmeat imports, and the decrease came after a surge in import volumes from 2012 – which was motivated by the very strong rise in Chinese sheepmeat market prices. That dramatic price rise also motivated a widespread reaction amongst Chinese farmers to grab the profit opportunity from increasing their output.

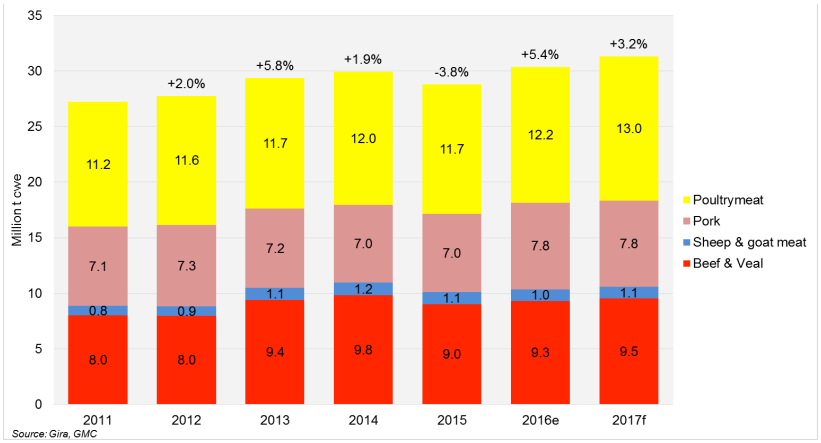
That the Chinese company, Shanghai Maling has completed on its equity injection to take 50% ownership share in New Zealand's largest red meat processor, Silver Fern Farms, can be taken as an indication of longer term sourcing strategy for the Chinese market

The recovery of Chinese import demand has been the major factor in the **2016 recovery in inter-regional trade numbers** for meat. The other Asian markets have largely also shown strong import demand again: made possible by rising demand and relatively high market prices. The volumes into the Middle East and North Africa have grown slightly to 4 million tonnes cwe – but with attrition on import prices: especially of chicken, in which there is intense competition between traders.





Inter-regional trade in world meats '000t cwe (excluding offals)

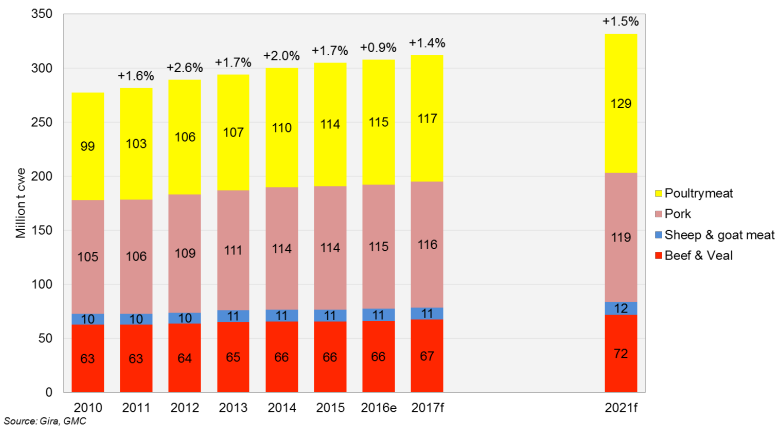


Elsewhere import demand is largely weaker: especially in Russia (still facing a troubled economy and weak currency) and the US – where meat prices have fallen from the 2014/15 peaks, as domestic supply has grown.

This recovery in meat trade volumes takes place in a context of an uncertain, and rather worrying political climate. There is a high chance of trade disruptions arising from the more provocative position taken by the new Trump Administration in the US, and its firm move way from multi-lateral Free Trade Agreements. Animal disease outbreaks are also causing trade disruptions which could worsen: of which African Swine Fever and HPAI are both worrying.

Somewhat strangely for the year ahead, the economic growth rates are slightly more positive, with global real GDP growth rate at 3.5% according to the IMF. A slight recovery in oil prices to the USD 50-60 / barrel range should help a range of economies from the Middle East, to West Africa, Russia and even Brazil. The combination of modest economic growth, low feed costs, and slightly more confidence should result in higher meat production to enable a **more solid 1.4% global consumption growth,** as indicated in the following graph.

World meat consumption 2010-2017f, 2021f



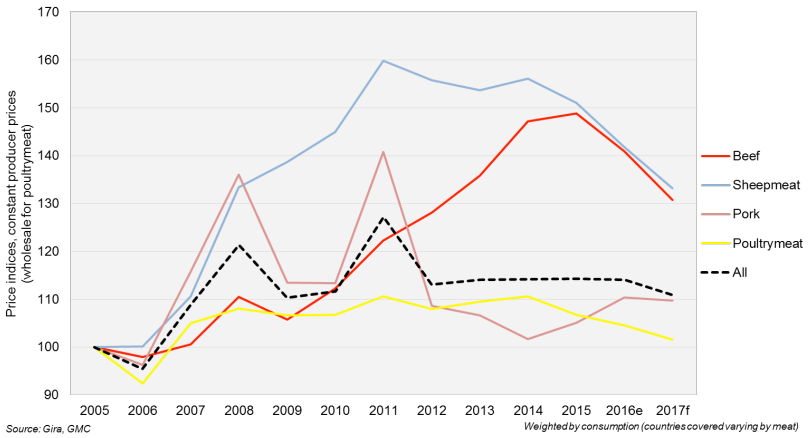
That said: the outlook is for **continued price pressure through 2017**, as indicated in the following graph, which depicts a weighted average, real price index of producer prices in local currencies. There is clearly a sharp downturn for beef and sheepmeat prices, but that fall must be seen in the context of more than a decade of robust real price rises. Chinese price developments play a major part in these global indices by nature of the size of its market. With China now taking such an important share of global import demand, what happens in China is absolutely a key driver on prices everywhere else in the world.

That is especially evident in the pigmeat market: China holds almost 50% of world consumption, and >25% share in imports. The rise in Chinese pigmeat prices during 2016 … and its import demand, has been a key factor in supporting global pigmeat prices – and this should apply to 2017 as well.

Global producer price index for meat (deflated, in local currencies, weighted)

This article is extracted

Global producer price index for meat (deflated, in local currencies, weighted)



from some of the main findings from the December 2016 Gira Meat Club: further supported by the conclusions of Gira Asia Meat Club conference in Bangkok in early March. Contact Richard Brown +44 1323 870144 for further details. ■

The Trump era begins for the meat industry

Nearly two months in, what has the U.S. meat industry learned to expect so far from the unusual, controversial Trump Administration?

For one thing, trade may have a rough time of it for a few years. The Administration's aversion to multi-lateral trade pacts such as the North American Free Trade Agreement (NAFTA) and the Trans-Pacific Partnership (TPP) is well-known and is frequently underscored by comments from the President himself. One of his earliest executive orders, issued just three days after Trump's inauguration on Jan. 20, 2017, withdrew the United States from the TPP.

Since then, he has made several comments about "significantly" renegotiating the terms of NAFTA to give more advantage to U.S. industry. He or his spokesmen have described a variety of tariff schemes intended to punish nations (or companies) exporting goods to the U.S. that, Trump believes, undercut American business.

These moves are of a part with perhaps the most famous (and infamous) sentence in Trump's inaugural address: "We assembled here today are issuing a new decree to be heard in every city, in every foreign capital, in every hall of power – from this day on a new vision will govern our land – from this day onwards it is only going to be America first – America first!"

As has been often pointed out in the IMS newsletter, the American meat industry has long been a vocal and active supporter of trade and trade deals. No wonder: last May the U.S. International Trade Commission (ITC), a bipartisan, quasi-judicial federal agency, published a report stating that U.S. beef exports could be worth an extra US$876 million if the TPP would be fully implemented.

Thus, it is not surprising that the U.S. Meat Export Federation issued a sharp statement upon the announcement of Trump's TPP executive order:

USMEF remains fully committed to our valued trading partners in the Trans-Pacific Partnership and the North American Free Trade Agreement. These countries account for more than 60 percent of U.S. red meat exports.

In some of these key markets, the U.S. red meat industry will remain

at a serious competitive disadvantage unless meaningful market access gains are realized. We urge the new administration to utilize all means available to return the United States to a competitive position, so that our industry can continue to serve this important international customer base and further expand our export opportunities.

A Labor Problem

The Administration's restrictive approach to immigration, and its sharp criticism of immigration reform, also worries the meat industry, which has relied on immigrant labor since the 19th century. (The book that transformed the industry as well as public and governmental attitudes about meat, Upton Sinclair's *The Jungle* from 1906, is largely about immigrants.) Toward the end of January, President Trump issued an executive order to suspend refugee arrivals for 120 days in order to reduce the number of refugees allowed entry into the U.S. in 2017 from 110,000 to 50,000.

According to the U.S. Census Bureau, about 35 per cent of all the meat slaughtering and processing jobs in American meat plants are held by immigrants, and of those, the Migration Policy Institute estimates that about three per cent are held by refugees. But at a single Cargill plant in Fort Morgan, Colo., 12 per cent of the employees come from East Africa alone.

In response to the executive order, North American Meat Institute CEO Barry Carpenter commented: "As the administration pursues changes to the nation's refugee policies, we hope it will give careful consideration to the ramifications policy changes like these can have on our businesses and on foreign born workers who are eager to build new lives in America through the jobs our companies can offer."

With traditionally high labor turnover due to the difficulty of the work and working conditions, U.S. meat companies often struggle to keep jobs filled. With restrictions now in place on the available refugee and immigrant labor pool, companies have had to raise wages to hang on to workers. But rising feed costs, lingering drought conditions in some parts of the country, and reduced per capita consumption has especially hurt the beef industry, which is already losing nearly US$83 per head, according to Bloomberg News. Higher wages could make the losses even worse.

As reported by Bloomberg, "Limiting refugees alone may have a 'marginal impact' on the meatpacking industry in the short term, says Randy Capps, director of research for U.S. programs at the Migration Policy Institute. Yet companies remain vulnerable to any actions that could further restrict the availability of low-skilled labor, he says: 'It is one of the industries that stands the most to lose, depending on where the administration's immigration policy goes in the future.'"

Some Bright Spots

But the new administration may not bring all bad news to the industry. Trump's selection of Sonny Perdue, the former governor of Georgia, to be Secretary of Agriculture (as of March 1, Perdue had not been confirmed by the Senate) was generally applauded by American agriculture. Zippy Duvall, president of the American Farm Bureau Federation, called Perdue a "champion" for farmers and ranchers. The Administration's plans to reform taxes, which many in agriculture see as especially burdensome, have also been welcome.

Agriculture, including the meat industry, has also been heartened by the Administration's desire to reduce environmental regulations, and the Administration's pick to head the Environmental Protection Agency, Scott Pruitt, was greeted with enthusiasm in rural America. Pruitt, when he was Attorney General for Oklahoma, often sued the EPA over what he believed was the agency's excessive regulation.

What will Trump ultimately mean for the U.S. meat industry? Perhaps Trump himself offers the best analogy. In late February he left the White House to spend an evening at the restaurant, a steakhouse, in his Washington, D.C., hotel. There, according to reports, he ordered a New York strip steak, but cooked well-done and, according to eyewitness accounts, smothered in ketchup.

So the President enjoys his beef – the industry has to like that. But well done? In ketchup? That's how good steaks are ruined.

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