International Meat Secretariat

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IMS World Meat Congress 2023 Maastricht

After many years of absence imposed by Covid-19 restrictions, we can finally meet again at the IMS World Meat Congress (WMC2023), 10-12 October 2023 in Maastricht, the Netherlands.

The Congress is being organized by the Dutch Meat Producers Association (COV) in cooperation with the International Meat Secretariat (IMS).

Meeting Society and Consumer

The theme of this year's Congress is *Meeting Society and Consumer*. The diverse parts of the Congress will focus on the various challenges that the meat sector is facing in all parts of the world as well as on the opportunities that can be seized when understanding what society and consumers expect of their high quality and nutritious food.

Meat is in the center of many societal concerns. WMC2023 will provide all participants a unique opportunity for contributing to bridging different viewpoints and witnessing actual solutions for these interesting social and economic challenges. This edition will strongly focus on the sustainable production of meat since this is at the heart of societal and consumers concerns.

Maastricht, the host city

The stylish city of Maastricht is centrally located between several major European meat producing countries (Germany, Denmark, Belgium, France and the Netherlands) and is easily accessible for the international traveler, as the large international airports of Amsterdam, Brussels and Dusseldorf are relatively close by. It is also very close to Cologne, Germany where just before the Anuga food fair will take place. This makes it interesting for international visitors to combine the Anuga fair with the World Meat Congress 2023.

Further details can be found at the congress website www.wmc2023maastricht.com

IMS Marketing Workshop

The 12th IMS Marketing Workshop is being hosted by Bord Bia-The Irish Food Board in Dublin, Ireland from 4-6 October 2023. It will be a return to "face to face" after the "virtual" Marketing Workshop, hosted by Australian Pork, in Spring 2021.

Since 1997 the Marketing Workshops, hosted on 4 Continents, have brought together the international meat marketing community to share common experiences of marketing and communications to domestic and international audiences on a wide range of topics.

Historically topics have included advertising and communications campaigns, evaluation, human health, sustainability, quality schemes and crisis management. Always topical and relevant.

The format is simple. Delegates are

encouraged to deliver short presentations, within topic areas, followed by informed discussion. Occasionally external, relevant, quality presenters are brought in to add other perspectives, and lead discussion, on selected issues/topics.

The topic areas which are being developed for Dublin are:

- Session 1 Marketing in a Recession
- Session 2 Barriers to Meat Consumption
- Session 3 Growth and Potential of Meat Consumption in the Developing World

The workshop dates have been agreed as they are immediately before ANUGA, in Cologne, hopefully helping with travel costs for those attending both events.

Full details will be provided in the coming weeks including details of external speakers, delegate fees and accommodation options. In the meantime, should you require any more information please contact: mark.zieg@bordbia.ie

Record costs impact on the global meat industry

Having been forced by Covid-19 to be remote-only for the past two years, the Gira Meat Club (GMC) returned to a physical gathering in Geneva in early December 2022 for its 47th annual meeting.

That is just one tiny indicator of *some* return to normality after the massive disruption to both meat demand and the supply chain caused by the pandemic. However, **Covid after-effects are far reaching and longstanding.** For the immediate year ahead, the key questions are:

- How will the Chinese market respond to the dramatic shift from the zero-Covid policy adopted by its government?

- How will consumer demand for meat react to the 'squeeze' of lower disposable income forced by dramatically higher levels of general inflation, and to the increase of meat prices (caused by tight supply, in turn forced by sharp increases in production costs)?

- How much further will animal health issues disrupt well-established trade flows? Bovine Spongiform Encephalopathy (BSE), African Swine Fever (ASF) and Highly Pathogenic Avian Influenza (HPAI) are all causing costly problems currently, and could get worse unless politicians take a much more reasoned approach to these events.

The rapid spread of Covid in China in the second half of 2022, which in part forced the policy change of the Chinese Government, has predictably multiplied further but to a declining severity. Travel for the Chinese New Year celebrations in January 2023 was some 30% higher than 2022, and the likelihood is that its economy will bounce as consumers return to a less restricted life … with a lot of enthusiasm, and plentiful personal liquidity after three grim years.

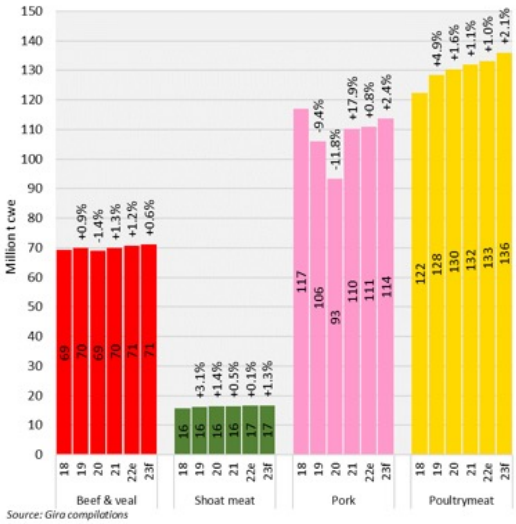
That will be good for meat demand, which in turn will support a meat price uplift, and stronger import demand as the year progresses. The meat will be channelled through a modern supply chain which is very rapidly replacing the once dominant wet markets for meat specifically, and fresh food in general.

Chinese prices have real upside potential this year with that likely demand recovery, compounded by recent news of much higher rates of pig mortality again, being caused by ASF. Yet again, changes in China have a profound impact on the meat market conditions in the rest of the world, especially as European pork production is still in sharp decline due to the dramatic losses borne by producers through 2021-22 and ever rising environmental and societal constraints.

The impact of recent loss-making in the pig sector is reflected in the modest global production growth forecast for 2023 shown in the figure.

Meantime, **global poultry production growth has been constrained** by the impact of HPAI and the high feed and energy costs through 2022. Yet again the worst effects of these combined negatives have been felt in Europe, especially in France, Hungary and the UK. HPAI has persisted in Europe and North

Global meat production 2018-2023f



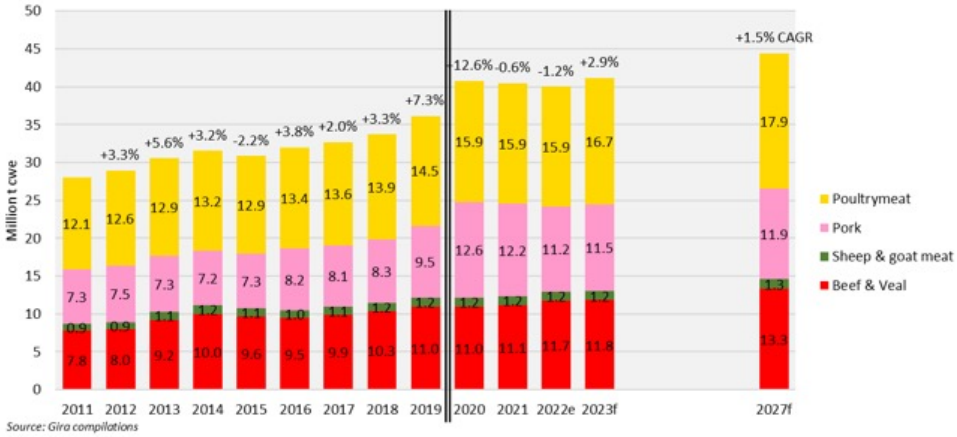
America through the seasonal wild bird migrations in 2022 and into 1Q23, and there is a strong likelihood of more incidence into northern Europe during the 1Q23 spring migration.

The incidence of HPAI through central America, down the Pacific coast and into Argentina and Uruguay over the last few weeks is a major concern … especially for the massive Brazilian poultry industry with a significant part of its 5 mio t p.a. exports being vulnerable to trade restrictions. This would cause a price crash in Brazil and serious disruption to the global poultry market. It would also undermine the GMC world trade forecast shown below, which indicates a more robust 3% annual volume growth, after the disappointing last 3 years in which the Covid pandemic has undermined foodservice demand, and the more international supply chain which services it. Retail channel cannibalisation of foodservice has generally been of greater benefit to domestic suppliers through this period.

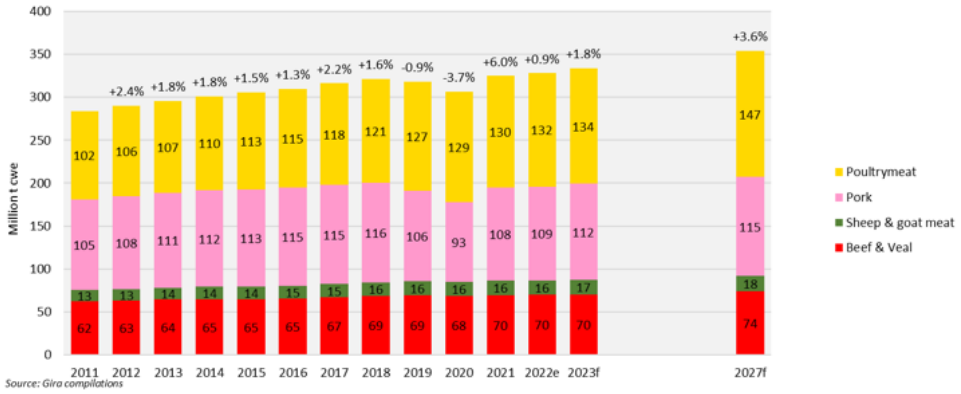
Conversely, Gira forecasts an uptick in global pigmeat trade in 2023, with a revival in Chinese import demand being the driver for this. *[NB. The 2020 leap in trade volumes is a 'Brexit illusion' caused by the EU27 trade with UK now being treated as 3rd country trade rather than intra-EU trade (which is excluded from this graph). Gira had expected much stronger global growth in 2020/21 due to the Asian pork shortage, but this was much reduced due to the lower meat demand caused by the negative economic impact of the pandemic].*

That combined pandemic demand effect and ASF supply effect is shown in the reduced global consumption of 2020, from which there has been a strong recovery as Chinese pork supply rebounded. 2022 was characterised by strong meat demand worldwide: although consumption was curbed by supply issues, producer prices rose strongly for a second successive year. Consumption growth should recover in 2023 as meat prices soften from peak

World meat trade (excl. intra-EU) 2011-2027f



World meat consumption 2011-2027f



2022 levels, but will be restrained by the squeeze on discretionary spending caused by widespread consumer price inflation in other sectors.

Medium term consumption growth rates are expected to be higher as production costs ease back from the peak 2022 levels hopefully aided by resolution of the war in Ukraine, and as demand recovers from the pandemic.

Richard Brown: summarised from the Gira Meat Club, January 2023

Good News in New "Power of Meat" Report

Meat sales in U.S. supermarkets have returned to pre-pandemic levels, while value, price, and convenience remain top priorities for shoppers as they peruse the meat case.

These are some of the key findings revealed in the 18th annual "Power of Meat" report, compiled jointly by the Food Industry Association (FMI) and the North American Meat Institute (NAMI) and released in early March of this year. Other key points include: case-ready products reaching their highest level of acceptance while full-service meat departments remain a reputation-enhancer for supermarkets; a strong meat department drives higher traffic throughout the store; and YouTube has become the go-to source for meal ideas.

Released at the Annual Meat Conference held in Dallas, Texas, the Power of Meat report documents that meat remains the most dominant perimeter department in American supermarkets, with US$87.1 billion in annual sales and 98.3 per cent household penetration, and with nearly 50 shopping trips per year. As sales reached record levels, up 5.7 per cent versus a year ago, retailers continued to move more meat volume than before the pandemic. Product quality and appearance were the top drivers of purchase decisions, followed by price-per-pound and total package cost. Beef, including ground beef, remains the largest species seller in the meat department, followed by chicken.

While cost, price, and value were of critical importance to shoppers in last year's inflation-driven economy,

the report found that meat fared well, all things considered. “We all know that in 2022, the headlines were all taken by inflation — not just in our category but in grocery shopping and life altogether,” said Marie Roerink, a principal at 210 Analytics, a retail consultancy, in presenting the report at the conference. “All-in-all, the meat department had an increase of prices of 8.5 per cent that was actually less than that of total food and beverages.”

Non-Traditional Channels

But supermarkets are facing increased competition from other retail channels, the report found. “The very first time we did this study in 2006, 95 per cent of people shopped at a primary store — so a store where they spend the majority of their dollars — and that is down to 76 per cent. So it means the dollar is more widely distributed now than it was 18 years ago,” said Roerink.

The shifts in channel choices mean shifts in meat-dollar distribution: Data from the IRI consultancy show that demographic and inflationary forces resulted in a loss of share for traditional grocery from 42.8 per cent of meat and poultry sales in 2019 to 40.3 per cent in 2022, with supercenters, clubs and online outlets all gaining market share, especially among members of the so-called millennial generation, according to the Power of Meat. “Online meat sales grew on better conversion and more frequent orders.”

While consumers remain value-conscious, just 16 per cent of shoppers report cooking more meatless meals to save money, according to the report. “To save money, a large majority of consumers (76 per cent) report they made changes to the amount, type, cut, and/or brand of meat they purchase or changed where they shop,” the report states. “Consumers’ top strategies to save money include buying only the amount needed (42 per cent), looking for coupons (35 per cent), and stocking up when meat is on sale (35 per cent).” Shoppers are also cooking more at home, with home-prepared dinners returning to 2018 levels, the report found. Americans prepare between four and five dinners (4.6) at home during a typical week, 87 per cent of which (four per week) contain a portion of meat or poultry.

“The research tells us that we’re seeing a more price-conscious shopper, but we’re also witnessing shoppers seeking ‘simple pleasures’ and that’s one area among others where the meat department can delight,” Rick Stein, vice president of fresh foods for FMI, commented at the Meat Conference. “For example, shoppers concerned about food prices might opt to splurge on an at-home date-night meal. Food retailers can best serve today’s shoppers by emphasizing value-added meat options and catering to shoppers with meal solutions.”

Full Service, Please – When I Want It

The Power of Meat also found that while 70 per cent of shoppers value a full-service meat counter, their usage is reserved for special cuts, amounts, occasions, asking for advice, and buying premium beef cuts such as prime rib. Nearly half of supermarket shoppers, 47 per cent, are interested in a meat associate roaming the meat case area for cut-to-order assistance or tips. At the same time, manufacturer and private brands are now preferred by 63 per cent of shoppers when buying fresh meat and poultry and by 70 per cent for processed items such as lunch meat and sausage.

Challenges remain. While 71 per cent of shoppers believe meat/poultry belong in the diet, a third are trying to reduce their consumption, mostly due to cost (52 per cent), followed distantly by health concerns. Cultured meat continues to be met with caution, with plant-based meat alternatives sales and engagement down double digits, but blends grew in consumer interest.

“Meat continues to meet the needs of American

families, across a wide range of priorities and preferences," said Julie Anna Potts, president and CEO of NAMI. "Shoppers count on meat for quality, taste, convenience, and value, and the meat sector is taking action through the Protein PACT" — a partnership of NAMI, the U.S. Meat Export Federation, the National Pork Producers Association, and several livestock organizations — "to ensure they can feel confident about doing so for generations to come."

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

IMS Calendar of Events 2023

Please visit our events page for more details: https://www.meat-ims.org/page-events/

18-23 April	China International Meat Industry Week, Qingdao, China
2 June	Animal Care and Sustainable Meat Committees, Paris (IMS HQ), France
5-6 October	Marketing Workshop hosted by Bord Bia, Dublin, Ireland
10-12 October	World Meat Congress, Maastricht, The Netherlands https://www.wmc2023maastricht.com/
15-18 October	Nutrition and Health Workshop hosted by the Danish Agriculture & Food Council, Copenhagen, Denmark