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IMS Elections @ World Meat Congress

The IMS General Assembly was held in Maastricht, The Netherlands on Wednesday 11 October 2023. The IMS Board of Directors and the IMS Executive Council were elected. The President and Vice-Presidents of the IMS as well as the Chairpersons of the IMS Committees were also appointed at the General Assembly.

BOARD OF DIRECTORS

The Board of Directors has the duty: "to properly represent the views and aspirations of the several regions of the world. To this effect, the members of the Board shall keep close contact with the Executive Council … Members of the Board shall be elected for a term of four years, with one half of these directors being elected for two years at the first election in order that 8-15 directors are elected every two years" (IMS Statutes).

However, Executive Council noted (meeting 17 July 2023) that the particular circumstances due to the COVID-19 pandemic have had the following consequences:

- it has not been possible to have an in-person meeting of the General Assembly since 2018 (travel restrictions vastly different depending on country/region)
- an unusually large number of positions in the IMS Board of Directors have become vacant due to retirements, or exit from the industry

Many nominations have been put forward for elections to Board of Directors in 2023, more than 15 as stipulated in the IMS Statutes. A number of nominations have also been put forward from IMS countries/regions that have not recently been represented in the Board of Directors.

Executive Council considered this situation to be very positive sign that members are committed to IMS. Therefore, Executive Council decided, on an exceptional basis, to exceed the maximum 15 nominations for 2023 so that all vacancies in both terms (to 2025 and to 2027) could be filled to the maximum of 30 positions (as permitted in the IMS Statutes).

The following have been elected to IMS Board of Directors in Maastricht, for the term 2023-2027:

Angel Rossi, Sociedad Rural Argentina (SRA), Argentina

Paula Sodré Queiroz, Instituto Mato-Grossense da Carne (IMAC), Brazil

Fernando Sampaio, Associaçao Brasileira das Indústrias Exportadoras de Carnes (ABIEC), Brazil

John Masswohl, Canadian Cattle Association (CCA), Canada

Chen Wei, China Meat Association (CMA), China

Augusto Beltran, Fedegan, Colombia

Knud Buhl, Danske Slagterier, Denmark

Barbara Negron, INSCA, Egypt (Global)

Philip Carroll, Bord Bia, Meat Industry Ireland, and Dawn Meats, Ireland

François Tomei, Assocarni, Italy

Clara Fossato, UNICEB, Italy

Victor Ochoa, Granjas Carroll de México, Mexico

Laurens Hoedemaker, Centrale Organisatie voor de Vleessector (COV), The Netherlands

Sam McIvor, Beef + Lamb New Zealand, New Zealand

Trine Thorkildsen, Matprat, Norway

Courtney Knupp, National Pork Board (NPB), USA

Maria Zieba, National Pork Producers Council (NPPC), USA

Erin Borror, United States Meat Export Federation (USMEF), USA

Julie Anna Potts, North American Meat Institue (NAMI), USA

Kent Bacus, National Cattlemen's Beef Association (NCBA), USA

Marina Fourie, Red Meat Industry Services (RMIS), South Africa

Alvaro Pereira, Instituto Nacional des Carnes (INAC), Uruguay

EXECUTIVE COUNCIL

An Executive Council, comprising the President, two Vice-Presidents and 5-7 members will be responsible for the direction and administration of the IMS. Its members will be selected from among the members of the Board of Directors and appointed by the Assembly. They will remain in office for two years or until the next meeting of the General Assembly.

President and Vice-Presidents

"The General Assembly will appoint the Chairman of the Board of Directors who will be at the same time the President of the IMS (OPIC/OIV) and two Vice-Presidents" (IMS Statutes)

General Assembly elected the following to Executive Council for the term 2023-2025 :

Juan José Grigera Naón	IPCVA, Argentina (*President*)
Chen Wei	China Meat Association (CMA), China (*vice-President*)
John Masswohl	Canadian Cattle Association (CCA), Canada (*vice-President*)
Irfan Allana	All India Buffalo and Sheep Meat Exporters Association, India
Laurens Hoedemaker	Centrale Organisatie voor de Vleessector (COV), Netherlands
Alvaro Pereira	Instituto Nacional de Carnes (INAC), Uruguay
Dan Halstrom	US Meat Export Federation (USMEF), USA
Kent Bacus	National Cattlemen's Beef Association (NCBA), USA
Trine Thorkildsen	Norwegian Egg and Meat Council (Matprat), Norway

SPECIES COMMITTEES

The Species Committee Chairpersons are appointed by the General Assembly. The chairpersons appointed in Maastricht are:

Beef:	Kent Bacus, National Cattlemen's Beef Association (NCBA), USA
Pigmeat:	Position vacant, nominations sought
Sheepmeat:	Emmanuel Coste, Interbev Ovins, France
Veal:	to be dissolved

OPERATIONAL COMMITTEES

The Operational Committees are appointed by the General Assembly. The chairpersons appointed in Maastricht are:

Sustainable Meat:	Juan José Grigera Naón, Instituto de Promoción de la Carne Vacuna Argentina (IPCVA), Argentina
Animal Welfare:	Position vacant, nominations sought
Human Nutrition/Health:	Trine Thorkildsen, Norwegian Egg and Meat Council (MatPrat), Norway
Marketing:	Courtney Knupp, National Pork Board (NPB), USA
Economics:	Erin Borror, United States Meat Export Federation (USMEF), USA
Science & Technology:	Lars Hinrichsen, Danish Meat Research Institute, Denmark

WMC GIRA Meat Market Outlook

The World Meat Congress took place on 11 and 12 October in Maastricht, Netherlands' oldest city - famous as the 'birthplace of the Euro'. This was the first Meat Congress for 5 years and delegates welcomed the opportunity to meet up again after a long gap.

On the evening of 10 October, IMS members had presentations on the global meat market situation and outlook from the GIRA team. In the past, there have been meetings of the various species committees for IMS members to hear reports; however, on this occasion, the format was changed with the presentations being given between courses of a dinner in the magnificent setting of the Rebelle, a former 17th Century Augustinian church on the banks of the river Meuse.

Delegates welcomed the new format, which created an atmosphere of greater informality and a chance to relax and meet up with the wider IMS membership. This first report will provide a summary of the key aspects covered in the presentations on this first evening. Subsequent reports in Newsletters will tackle the subject matter of the main Congress sessions.

Major Challenges facing Meat Industries

Presentations were given by Richard Brown, GIRA Director and Rupert Claxton, GIRA Meat Director. The meat industry is facing an increasing number of challenges at the present time especially for those engaged in international trade; these included the implications of the Russian war with Ukraine and consequential geopolitical pressures, increased energy costs, a squeeze on consumer demand and greater societal demands on the industry.

Challenges to the meat industries of Europe have been arguably greater than for most other parts of the world with the EU Green Deal and its Farm to Fork policy has been of particular concern. An example of this has been the advocation of a move towards 25% of EU production being organic despite many having questioned the practicality of this proposal. In some northern European countries there is strong pressure to move to more costly sustainable livestock systems and adopt enhanced animal welfare legislation.

World Meat Consumption Continuing to Increase

Turning to market trends, GIRA is predicting that world meat consumption will continue to rise despite the downward trend in the 2018 – 2020 period when pig production in China fell sharply due to African Swine Fever (ASF). Overall consumption is currently estimated to have recovered to levels higher than in 2018 and is forecast to rise further by 2027. However, much of that increase is likely to be in poultrymeat consumption although small rises are expected for all of the red meat categories as well.

Trends in meat consumption per head were encouraging with GIRA's calculation of the compound aggregate growth rates (CAGR) showing a world per capita consumption rise of 0.3% per annum in the decade up to 2021. Increases of above 1% were shown for India, Japan and Asia (other than China and Japan). EU showed a figure of 0.1% - with a decline since 2018 - and Sub-Saharan Africa -0.5%. The US with the highest consumption per head in the major countries shown still managed an impressive rise of 0.9% over the period.

Global trade trends were particularly striking with strong growth in meat for the eight years till 2019. By contrast, there was very little growth in the following 4 years to 2023 and although there is forecast to be a stronger rise in the period up to 2027, it is at a slower rate than in the 2010-2019 period.

Overall Meat Conclusions:

- Although there was a recovery from the COVID-19 related recession in global GDP levels, disposable incomes in real terms have been declining with a consequential impact on consumer confidence and purchasing power
- Costs of production have risen significantly. Although feed costs have decreased in the last 12 months from record levels, other costs, notably energy and labour, are still adding to cost pressures
- Higher inflation is also squeezing margins for most sectors of the industry and passing on these costs to consumers is challenging due to the cost of living pressures in many countries
- Normally in times when economic growth is low or negligible, there is a rise in unemployment and good access to labour. In many advanced economies, however, this has not yet been the case and labour shortages for meat packing and processing plants have been reported particularly in Europe and North America
- The Chinese economy is not improving as much as expected – due partly to the slow recovery from its zero-Covid policy. It continues to have a pivotal role in the global meat economy and exporters to China are concerned to discover that it is gradually becoming less import reliant
- The 'anti-meat' lobby

continues to be a challenge particularly in European countries.

- Finally, the pressure on livestock industries to move towards net-zero has resulted in challenging policy examinations in some countries.

Market Trends for Pork

Turning to the pork sector, Chinese production had become marginally profitable in recent weeks due to lower feed costs and some small rise in pig prices; consequently, 2023 production levels are expected to be well up on last year's levels. Brazilian production also continues to rise. However, there was a loss-making situation in the US in the first half of 2023 which resulted in a drop in the breeding herd although production continues to increase gradually because of rising productivity.

Confidence remains low in most EU countries although production is now profitable once more. The mid-year census figures show reductions in EU pig numbers in all the major pig producing countries with the exception of Spain. Breeding sow numbers in Germany, Denmark and France showed reductions of 7%, 6% and 3% respectively. In Spain, now the major EU pig producing country, the breeding herd had risen by 2%.

In relation to trade, there is a concern for major exporting countries putting too much emphasis on exports to the Chinese market. US exports which have a lower dependency on the Chinese market are forecast to be well up in the current year. Brazilian exports are also expected to rise. However, European exports are expected to be down by a fifth. Exporters also report that they are getting low prices for pig offal products. Imports into China in the third quarter of 2023 have been at similar levels to a year ago but prices are low; there is increased interest in substituting cheaper poultrymeat for pork in some products.

Conclusions for the Pork Sector:

- The pig industries in most major producing countries are benefitting from the reduced feed costs although pork price trends vary significantly in different countries
- ASF remains as a 'spectre'; although outbreaks are now being better managed in Asian markets.
- There are structural challenges which are inhibiting future long-term investment in the industry.
- Overall economic recovery in China is of major importance
- The animal welfare and sustainability challenges are going to add cost and this could limit production growth in the longer-term

Market Trends for Beef

Global beef production levels in 2023 are at similar levels to last year despite relatively high price levels. For individual countries, production levels are influenced by the different phases of their respective beef cycles. Production levels in Brazil, Australia and China are increasing in 2023 whereas there are significant reductions in the US (-5%) and in Europe (-3%), leading to a remarkable divergence in producer price between the US and Australia at the extremes.

World beef trade has increased with higher volumes being imported into the US market; there is also further import growth into China and other Asian markets, which are now expected to account for over 40% of all beef imports in 2023, despite the fact that prices in China are reducing. The biggest growth in export volumes has been from Australia and India.

Increasing Beef Consumption in China and MENA

Demand for beef has been generally positive although consumption levels have been constrained by high prices in most of the major markets. A very small growth in global consumption is expected over the next few years although significant further increases are expected in China and the MENA countries. Although the overall world beef price has remained relatively strong, there have been divergent price levels in the major producing countries. Whereas US and EU prices have been at relatively high levels, Chinese prices have been dragged down by the weak economy; Australian prices have reduced sharply from their 2022 record level due to the surge in production arising from 3 years of abundant forage coinciding with weaker domestic and export demand, and a new phase of de-stocking in anticipation of the drought effects from another El Nino. That Australian export push coinciding with weaker demand and higher Brazilian production has undermined prices there too.

Overall, it is thought that price levels may have peaked in 2023 although the US futures market suggests that US prices will continue to remain strong into 2024. Hide prices declined significantly from early 2015 to 2020 due to reduced leather demand; although there was some price recovery in 2021 there has been further weakening since then and current prices are less than one third the levels of 2014/2015, which has undermined 'drop' values.

Questions Covering a Wide Range of Subjects

In the questions and discussion which followed the presentations, there were points made about:

- The implication of policies in different countries for reducing net carbon emissions

- The reasons for the different beef price trends in Australia and the US
- The expectations of economic recovery in China and its implications
- The extent of chicken meat being substituted for pork in some Chinese products
- The reasons for Chinese pork production increasing despite the lack of profitability
- An explanation of why Spain has increased its pork production in contrast to the situation in other major EU pork producing countries
- The extent of increasing offal (also known as organ meat) demand in Asian countries
- Finally, the importance of food security issues.

Guillaume Roué, IMS President, concluded the evening by thanking Richard Brown and Rupert Claxton for their presentations and indicated how encouraged he was with the good participation from the IMS delegates.

Bob Bansback
IMS Advisory Committee

Valuing, Not Fighting, Change

In the tradition-bound U.S. meat industry, change is afoot.

It may be coming too fast for some and too slow for others, but the U.S. meat industry, and the nation's food industry in general, is moving forward in the areas of social and environmental responsibilities. Last month, Hormel Foods completed a major solar-power installation at its Jennie-O poultry subsidiary operation in Montevideo, Minn. Tyson Foods has expanded its fleet of autonomous driver-less trucks for short-haul deliveries. And on the grocery front, both the city government of Chicago and Goodwill Industries are exploring opening their own supermarkets in "food desert" neighborhoods.

Coupled with longtime social and environmental efforts by companies such as Maple Leaf Foods in Canada and Cargill in the U.S., the trend reveals a significant change in posture in an industry that has long been criticized by environmental activists. Indeed, last year the North American Meat Institute reported that more than 80 per cent of its meat-company members have respective commitments to reduce greenhouse gas (GHG) emissions.

Indeed, the group has advocated sustainability for its members for several years, going back to 2009. When its 2022 report was released, NAMI CEO Julie Anna Potts commented, "The Meat Institute's first-ever continuous improvement report is a game changer for transparency in the sector - setting transparent baselines that will allow us to measure progress and verify our sector's contributions to global goals."

An Exponential Increase

An earlier report, released in 2019 by FMI, noted that consumer interest and demand for sustainability is "exponentially increasing" when it comes to purchasing meat, and the industry is responding. "To meat industry communities, sustainability initiatives comprise not only environmental considerations, but also social and economic effects.

The NAMI initiative focuses on driving continuous improvement toward environmental, animal welfare, food safety, labor and human rights, and health and wellness goals over the next decade. Individual companies have also made their own commitments. Cargill, for example, announced BeefUp Sustainability, a commitment to reduce greenhouse gas emissions across its North American beef supply chain. Cargill is just one of many companies releasing sustainability initiatives to the public to drive continuous improvement efforts in key sustainability areas."

Beef Up Sustainability is an element of what Cargill describes as its commitment to "work to protect animal welfare, the environment and people – from the workers who interact with cattle to consumers who eat our beef products. And we're committed to leveraging our connections across the entire North American beef supply chain to drive even greater progress in sustainability." Specifically, the BeefUp initiative is aimed at achieving a 30 per cent greenhouse gas (GHG) reduction across Cargill's North American beef supply chain by 2030 (measured on a per pound of product basis from a 2017 baseline). "We are advocating for collective action to tackle climate change head on," the company states. "Working with dedicated partners, we are taking decisive steps, identifying practical, scalable solutions to secure a healthy, sustainable future for us all."

Statements like these are, to be frank, radical compared to

where the industry was on environmental and social issues just two or three decades ago. So what has changed?

New Consumer Attitudes

In short, consumer attitudes. A 2021 survey by the Wunderman Thompson consultancy titled "Regeneration Rising" found that more than eight in 10 (86 per cent) consumers expect businesses to help solve global climate and social justice issues. The poll also revealed that the majority of shoppers have held brands to a higher bar since the pandemic and are actively rethinking the way they spend and live in order to reduce their footprint on the planet. Moreover, the expectation isn't limited to American shoppers.

"Consumers around the world are demanding far more action on the part of businesses and brands when it comes to tackling climate change and social inequality," sums up the Wunderman report on its survey, which also revealed that 88 per cent of surveyed consumers stated that sustainability should be considered a standard business practice, while 82 per cent agreed that companies must put people and the planet before their profits.

Where are these expectations coming from? Consumers' own lives, it turns out. People are now more committed to sustainability in their lifestyles than ever before, with a huge majority of survey participants – 94 per cent – saying they are making at least some effort to live more sustainably. Of that figure, 46 per cent say they are "doing all they can" to reduce their footprint on the planet. That percentage is up seven points from 2018 to 2021.

Numbers like these drive change. Retailers took notice. Way back in 2009 Walmart, the largest food retailer in the U.S., announced that all of its suppliers must develop comprehensive programs to promote sustainability and transparency – or else contemplate a future without Walmart as a customer. Even earlier, Joel Makower's 1990 book "The Green Consumer" identified a new attitude among consumers that would influence buying and lifestyle choices.

"The first thing a company needs to do is understand its environmental footprint – not just within the four walls of its operation but in the entire chain it's operating in, from how the raw materials for a company's products are produced to the landfill products and packaging eventually goes into," he told the World Wide Food Expo a few years ago. "Then it needs to determine what it can control – the low-hanging fruit. But what the leading companies are doing beyond that is asking, 'How do we stay competitive in a world where sustainability is not just a standard from a customer but a guiding principle in the marketplace? How do we remake our company to reflect this new reality?'"

These years later, it's clear the meat industry has recognized not just the need to be part of that change but the value in it.

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

WOAH Statement on ASF vaccines

The World Organisation for Animal Health (WOAH) has released a statement on ASF vaccines: https://www.woah.org/en/african-swine-fever-woah-warns-veterinary-authorities-and-pig-industry-of-risk-from-use-of-sub-standard-vaccines%e2%80%af/

WOAH has also circulated proposed draft standards for ASF vaccines in the Sep 23 meeting report of the Biological Standards Commission (Annex 16, page 196) for Member comments. The draft standards were developed as part of a consultancy project, with inputs sought from the research community and key opinion leaders from the regulatory sector. Further information on the background may be found in Appendix 1 (page 213 of the report).

WOAH requests that any members wishing to submit feedback on the proposed standards may do so either through their national Delegate to the WOAH or through the IMS (through our Cooperation Agreement). Kindly note that the commenting period will close on 7 December 2023.