International Meat Secretariat

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Report From World Meat Congress – Day 1

'Meeting Society and Consumer' was the underlying theme of the World Meat Congress held at Maastricht's Exhibition & Congress Centre (MECC).



Following the preliminary Market Outlook session for IMS members, which was reported in last month's Newsletter 656, congress delegates were clearly pleased to attend the start of the main Congress sessions. The event was hosted jointly by the Dutch Meat Producers' Association (COV) together with the IMS.

'Meat should be seen as the Solution not the Problem'

In opening the Congress ***Guillaume Roué***, IMS President, welcomed delegates and addressed some of the current challenges facing the industry. These included ***economic factors*** and the need for meat businesses to be profitable and competitive in the world trading environment; ***animal welfare*** challenges with consumers becoming more questioning and regulations more demanding; the vital ***environment*** and ***climate change*** issues that society required businesses to address; and the area of ***health*** and ***nutrition***.

He recognised that although the livestock and meat situation varied in the many parts of the world represented by the delegates at the Congress, we all needed to work closely together at this time, when the world was facing a number of geo-political pressures as well as greater unrest and conflict. He also stressed that in relation to the challenges he had highlighted, meat should not be seen as the problem but ***the solution***.

Laurence Hoedemaker, President of COV, also welcomed everyone present. As the representative of the Dutch hosts, he hoped that everyone would derive benefit from the Congress programme. He reminded delegates that one of the ways that Netherlands had become famous was for its agri-food model which involved the effective integration of Science (particularly through Wageningen University), Government and Business all working together.

The Importance of Animal Protein in Balanced Diets

Professor Luc van Loon is Professor of Nutrition and Exercise at Maastricht University and he specialises in the area of skeletal muscle metabolism. He has been looking at some of the implications of diets with increased proportions of plant-based proteins as a percentage of total dietary protein, at the expense of animal-based protein. His research indicates that the consumption of a defined amount of protein in the form of plant-based whole foods generally requires a greater quantity of food in both weight and calorific content to be consumed, compared with an equivalent amount of protein from a high-quality animal-based protein source.

One key implication from this is that consumption of ***whole-foods containing beef*** increases muscle protein synthesis rates to a greater extent when compared to the ingestion of iso-nitrogenous isocaloric whole-foods plant-based meal. Future research in this area is likely to be important in the current situation where societal pressure is encouraging more consumption of plant-based foods at the expense of meat and other animal-based food.

China's Annual Meat Consumption Now Exceeds 100 million Tonnes

Chen Wei is Secretary General of the China Meat Association (CMA), which now has nearly 6,500 member companies. He reminded delegates that China was the largest producer in the world for pork, poultry, sheepmeat and the third largest producer of beef after the US and Brazil; furthermore, annual meat consumption in China is now in excess of 100 million tonnes and meat consumption per head currently amounts to 71kg - compared to 61kg in 2012 and 12 kg as recently as 1980.

The priority for China in the next few years, however, was ***to increase the quality of the meat consumed***. The shares of beef, sheepmeat and poultrymeat in total

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meat consumption were likely to rise at the expense of pork in the next 10 to 15 years. Nevertheless, pork would still account for between 50 and 55% of all meat eaten by Chinese consumers.

Importance of Imports of Edible Animal By-products

Self -sufficiency rates for pork were settling at about 95%, whereas for beef and lamb rates were generally closer to 85%. In relation to trade, China had imported at least six million tonnes of meat each year since 2019. Chen Wei highlighted the importance of the Chinese market for edible animal by-products, which accounted for about a quarter of total meat imports; the authorities planned to introduce new hygienic standards for processing edible livestock and poultry by-products, and this is expected to increase the imports of these categories.

'There should be a World Meat Day'

Chen Wei highlighted the main challenges facing the Chinese meat and livestock sector as:

- Animal diseases – notably African Swine Fever
- Climate change and extreme weather
- Geopolitical factors
- Labour shortages and rising costs
- Environmental Protection
- Vegetarianism
- Critical Public Opinion
- Cultivated Meat

Amongst his concluding comments, Chen Wei proposed that there should in future be a World Meat Day. In addition to this, other objectives for the CMA included establishing:

- A working mechanism for responding to public opinion
- A working mechanism for improved information sharing
- Further encouragement for scientific and technological progress

Importance of Global Economic Trends.

Karl Skold is the Chief Agricultural Economist for JBS. He indicated that economic growth had risen more than expected in many advanced economies in recent months and this had helped maintain meat demand, particularly for beef. Although ***overall inflation*** had impacted negatively on purchasing power, this was declining steadily, although consumer ***food inflation*** was continuing to inhibit expenditure growth.

Looking ahead, there would be pressure on consumer budgets and this was bound to have an influence on meat demand. In the coming year, 'energy-rich' countries, notably those in the Middle East and Canada, would 'do better' than countries such as the US, China and Japan, which were more dependent on global energy prices. On the positive side, the prospects of generally better harvests were likely to reduce feed costs although much depended on future climatic factors.

Pork Exports Reverting back to 2019 Levels

In relation to **pork**, the reduction in imports into China since 2020 has contributed towards lower production levels for three out of the four major exporters - the US, the EU and Canada - since 2021. Brazil, by contrast, had steadily expanded its output due to favourable producer margins resulting from reduced feed costs and strong domestic demand. In

Figure 1. Meat Consumption In China

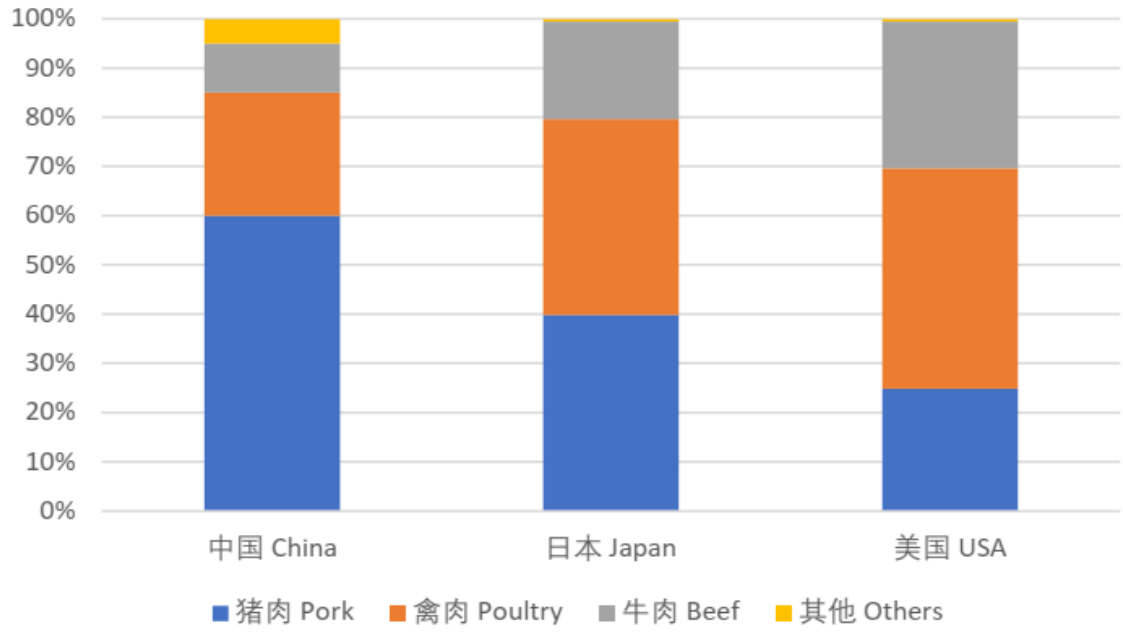
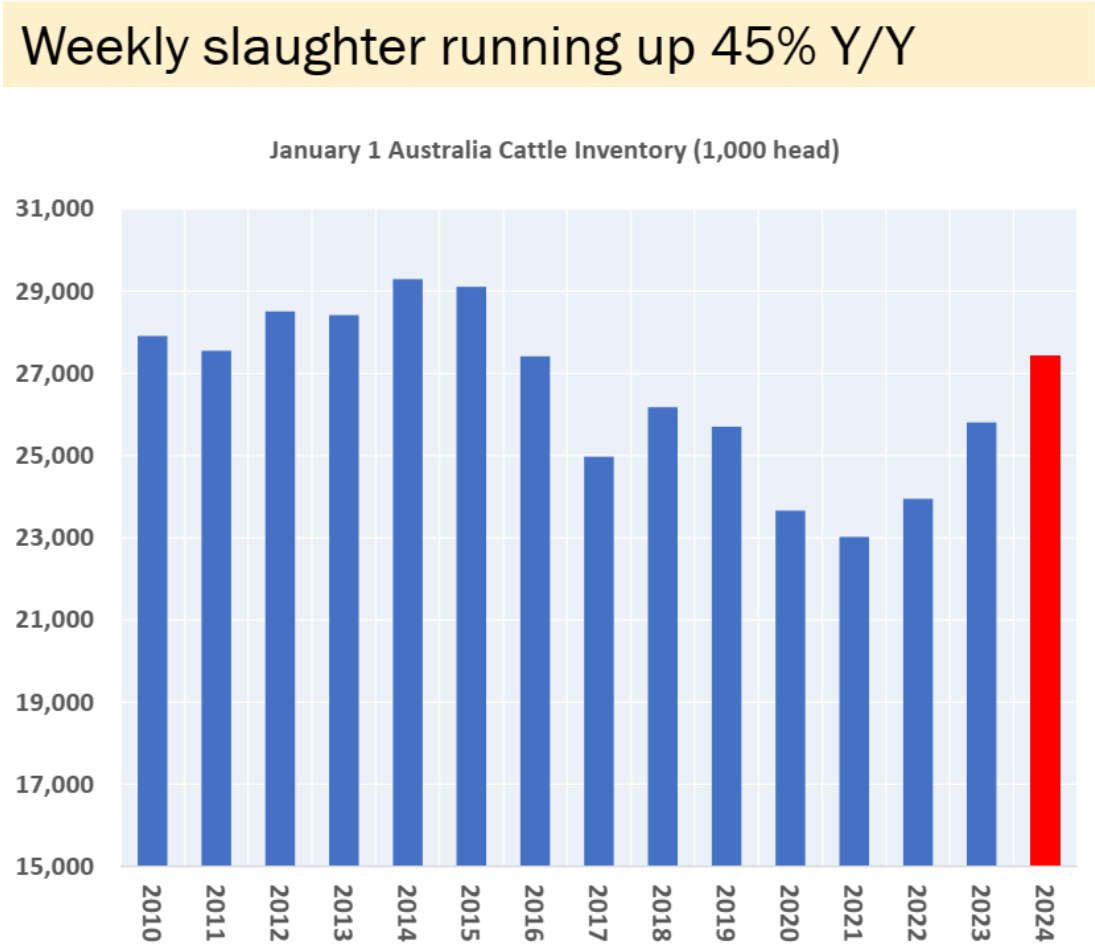


Figure 2. Australia Recovers



overall terms, global pigmeat exports were steadily reverting to the lower 2019 levels.

Weather Continues to be a Key Determinant of Beef Production

Cattle price trends have varied greatly among major producing countries depending on which stage of the production cycle they have reached. However, a major determinant of production remained the weather – particularly in North America and Australia. In North America there was a more profitable situation at the moment, but prices were declining in Australia.

Price reductions were also occurring in Brazil with lower beef production forecast for 2024. In Australia, by contrast, beef production is increasing and is forecast to recover to the higher 2016 levels next year. Despite the likelihood of overall beef production in 2024 reducing in most major beef exporting countries, mainly due to lower volumes in Argentina, Canada, Brazil and the US, strong growth is forecast for Australia.

Spain now comfortably the largest EU Pork Exporter

Ignasi Pons, the Secretary General of FECIC, the Spanish Business Federation of Meat and Meat Industries, talked about the Spanish meat industry in the context of European and global developments. He explained that as a Federation they have more recently specialised in providing advanced technical services on quality, food safety and export development. Spain has become an increasingly important participant in the world meat scene due to the rapid growth in its pork exports and currently is easily the largest pork exporting country in the EU. He explained that pork consumption in Spain for both fresh and processed products had declined in recent years, partly as a consequence of the significant growth in pork export demand up to 2021.

Looking to the future he indicated that major challenges for the Spanish meat sector were:

- Increased consumer concerns about animal welfare
- Climate change and related environmental issues
- Animal disease threats – particularly African Swine Fever
- The poor image of meat amongst younger Spanish consumers

Despite this, recent research on Spanish consumers had shown that meat featured in 95% of consumer food shopping baskets. Other findings showed that 32% of consumers wished to know the country of origin of their

Figure 3. Aspects of Consumer Concern



meat and that was the major factor influencing purchasing decisions.

Vitally Important Global Societal Role for LIvestock

Professor Peer Ederer is the founder and director of GOALSciences, the Global Observatory of Accurate Livestock Sciences, which has the mission to research and communicate scientific evidence about the role of animals in the global food system.

He emphasised the importance of the call from the Dublin Declaration for scientific evidence to be the basis for policy on livestock.

In his paper at the Dublin Conference in 2022 he had highlighted that global livestock production accounted for 40% of agricultural GDP with the overall sector valued at $1.8 trillion in 2022, with meat accounting for two thirds of this total. Moreover, this understated the overall importance of livestock in global society with its vital roles in all kinds of other ways such as its contribution to biodiversity and ecosystems services.

In summary, he emphasised that meat played *'a leading role in achieving a prosperous and sustainable future both economically and environmentally while contributing much to the livelihoods and social well-being of citizens across the globe in many dimensions'*.

Some Progress had been Made in Addressing Important Issues

In his presentation, he pointed to the classical framework for thinking about the state of the industry starting with 1. *'Purpose and vision'* and progressing through 2. *'Must-win battles'*, 3. *'Strategic initiatives'* 4. *'Enablers'* and finally to 5. *'Foundation, people structure and processes'*.

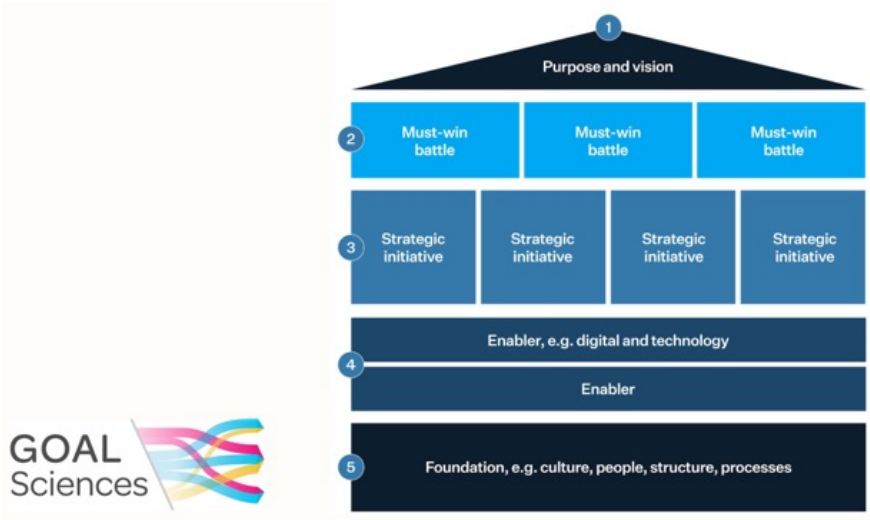
He indicated that good progress had been made with the first and fifth areas, helped by the impetus from the Dublin Declaration which had been signed by 1165 scientists. However, he was concerned about the slow progress in other areas and gave two examples of 'battles' that had not been won, with one of these involving a project sponsored by both the EU and the Dutch Government.

Successful Starting Day for the Congress

At the end of a stimulating first day, the hosts arranged a reception for delegates which gave a chance to meet up with old acquaintances and make new business contacts. Following this, there was a chance to enjoy an evening meal in one of the high-class restaurants in Maastricht. The MECC Exhibition Centre had provided excellent facilities for the Congress with outstanding auditoriums and meeting rooms with plenty of space for informal gatherings.

Bob Bansback, IMS Advisory Committee

Figure 4. A Classical Framework for Thinking about the Industry



Where's the 2023 Farm Bill?

It's big — huge, in fact — and expensive and vital to America's food industry, yet hardly anyone's talking about it. Has Congress forgotten 2023 is a Farm Bill year?

The National Cattlemen's Beef Association (NCBA) describes the importance of the Farm Bill to meat producers: "The Farm Bill is vitally important for U.S. cattlemen and women. A strong Farm Bill must include a robust voluntary conservation title to protect important programs like the Environmental Quality Incentives Program (EQIP), which have been very successful in helping producers do even more to protect our natural resources, maintain policies that strengthen our current risk management and disaster programs, as well as maintain our important animal health programs such as the National Animal Vaccine and Veterinary Countermeasures Bank (NAVVCB)."

At the U.S. Meat Export Federation's Annual Conference in early November, USMEF chair Dean Meyer, a livestock and grain producer from Rock Rapids, Iowa, highlighted the need for progress crafting a new Farm Bill and reauthorizing agricultural appropriations, including programs critical to the U.S. meat and livestock industries.

"Protecting the U.S. livestock herd from foreign animal diseases is one such need, and Meyer drove this point home by noting that December 2023 marks the 20th anniversary of the first BSE case in the United States. This incident prompted most international markets to halt imports of U.S. beef, with some countries remaining closed for several years," stated USMEF in a release.

"We've got one shot every five years to hold together the most critical industry in the U.S.," recently commented Rep. Kat Cammack, a Republican from Florida who is a member of the House Agriculture Committee.

First There is a Bill, Then There is No Bill, Then There Is

Yet even an avid reader of the news might've missed that a new Farm Bill was under discussion at all, even though 60 Republican members of the House urged, in a letter to Speaker of the House Mike Johnson, that a new Farm Bill get passed. The contentious battles this fall in the House of Representatives over whether and how the federal government shall be funded were so noisy that almost no one outside of special interests noticed that the Farm Bill, a soup-to-nuts package of agricultural and food policies and budget priorities, is set to expire at the end of last September.

Without a new Farm Bill passed by Congress — these bills are renegotiated every five years or so; the most recent Farm Bill was passed by Congress in 2018 — the stipulations of the previous Farm Bill remain in place.

In fact, that's what happened in mid-November of this year, when the House passed a continuing resolution to keep the government temporarily funded. The resolution included an extension for the 2018 Farm Bill through 2024 — in short, punting down-field (to use an American football analogy).

The National Cattlemen's Beef Association praised the decision: "NCBA is thankful for Congress passing legislation extending critical programs that farmers and ranchers across the country depend on. These extensions give much needed certainty to cattle producers and NCBA will continue engaging with Congress and the Biden Administration as they work to deliver a long-term Farm Bill, as well as a clean reauthorization of Livestock Mandatory Reporting," said NCBA President Todd Wilkinson, a South Dakota cattle producer.

A statement released by the four leaders of the House and Senate committees on agriculture following the extension's passage states: "As negotiations on funding the government progress, we were able to come together to avoid a lapse in funding for critical agricultural programs and provide certainty to producers. This extension is in no way a substitute for passing a five-year Farm Bill and we remain committed to working together to get it done next year."

That last comment, at least, is good news, because much has changed since 2018. High food inflation continues to bedevil American consumers. The market presence of lab-grown meat and meat alternatives has increased exponentially; what should the government do about them? The drive for more locally produced food is growing, which in turn means that demand for government support for local good production is growing.

Worries about climate change, including the impact of large-scale animal production on the atmosphere, are also increasing. And new trade agreements impacting agricultural goods, including meat, are in place. The 2018 Farm Bill cost an estimated US$700 billion; the next Farm Bill will likely be the

first US$1 trillion Farm Bill.

The Politics of Feeding the Hungry

Moreover, partisanship in Congress has grown only more bitter and divisive over the past five years, with government food assistance to the poor, which is covered by the Farm Bill, being a particularly sharp arguing point. Those battles are understandable, though, as approximately 80 per cent of total Farm Bill spending goes to the Supplemental Nutrition Assistant Program (SNAP, still often called "food stamps") and similar nutrition-assistance programs.

"The Farm Bill… impacts access to nutritious food for the millions of people in the United States facing hunger, observed Feeding America, which belongs to a nationwide network of food banks, food pantries, and community organizations that serve to feed the hungry. "As grocery prices rise and supply chain disruptions continue, lawmakers must come together to pass a bipartisan 2023 Farm Bill that supports food banks and the people they serve."

Fortunately for the U.S. meat industry, its interests in the Farm Bill are typically limited to two uncontroversial areas: subsidies for feed crops, which impact feed prices and thus the cost of raising livestock, and trade. But battles over Farm Bill elements such as SNAP often delay passage of the Bill as a whole, meaning that even out-of-the-spotlight programs such as support for trade get hung up by politics. Hence USMEF Chair Meyer's plea that Congress negotiate and pass a new Farm Bill sooner rather than later.

The Biden Administration's Shift

To date, the Biden Administration has been largely quiet about what its wish-list might be for the meat elements of a new Farm Bill. According to Will Snell, an agricultural economist at the University of Kentucky, the agricultural policy focus by President Biden and Secretary of Agriculture Tom Vilsack has "somewhat shifted away from traditional Farm Bill safety net programs to new programs supporting sustainability, climate change, and additional non-traditional sources of farm revenues (e.g., local foods, value-added, expanded meat processing, climate-smart ag practices, biobased economy products) which the administration argues will provide increased opportunities for small to medium-sized farmers."

Snell notes that Secretary Vilsack "has been on tour this year claiming that U.S. ag policy needs to diversify income support. He wants to change the mindset of 'you have to get big or get out.' He constantly points out that while U.S. agriculture established a record high net farm income in 2022, the majority of farms lost money and depend primarily on off-farm income to support their farming operation."

"Producing the food that fills Americans' dinner tables is no easy task," Sen. John Thune, Republican from South Dakota and a member of the Senate Agriculture Committee, said on the floor of the Senate this past summer. "And we owe the men and women who do this important work the certainty that the programs they depend on will be there for them. I hope that leaders in both houses of Congress will put passing the 2023 Farm Bill at the top of our to-do list."

Well, make that next year's to-do list.

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



Peace on Earth, Good Will Toward Humanity