International Meat Secretariat

www.meat-ims.org | 664 | July 2024

CONTENTS

- Secretary General update
- Beef Australia and International Collaborations
- Highlights from the 77th Annual Reciprocal Meat Conference
- IMS Economics Webinar Provides Updates on the Trading Situation for Mexican Pork and New Zealand Beef and Lamb; also, Latest News from WOAH

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Secretary General update

In the June edition 663 I reported that the Paris Olympic Committee was promoting meat-free meals for attendees in the catering for the Games.

https://www.reuters.com/sports/paris-olympics-menu-more-french-more-local-less-meat-2024-04-18/

To express our concern on this poorly conceived position on behalf of IMS members, Chair of the Human Nutrition and Health Committee Trine Thorkildsen of MATPRAT Norway prepared the following reply which has since been sent to the Chair of the Olympics Committee from IMS President Juan José Grigera Naón - I would encourage members to also reach out to the Paris Committee to express similar views.



Trine Thorkildsen

IMS statement to Paris 2024 Food Vision and its commitment to halving the amount of animal-sourced foods

I write as President of the International Meat Secretariat (IMS) which is a membership organisation based in Paris and representing a large part of the global red meat sector: Home - IMS (meat-ims.org)

I note with interest that as organisers of both the Olympics and Paralympics you have taken a strong and ambitious position on environmental and social responsibility which is highly laudable and IMS applauds the focus on sustainability in the planned menu for the festival of sport and human excellence. What is clear



Dr. Phil Hadley

is that with the emerging environmental issues the world is up against, every sector has to contribute to moving towards a more sustainable future, including food production and consumption. However, France's commitment to at least halving the amount of animal-sourced foods (compared to the 2021 charter) for environment benefit is at best a misguided approach given the role they play in maintaining healthy diets from sustainable food system. It sends a very negative message to the public demonising meat and other animal-sourced food as bad for the environment and unhealthy, while also not supporting French farmers and sustainable farming more broadly. We do however recognise your efforts and commitments to utilise wider cuts of meat to minimise food waste.

Red meat is a nutrient dense food which contains a whole array of vitamins and minerals vital to the human body and it is especially worth mentioning iron and zinc contained within meat. Globally more than 1 in 10 people suffer from iron deficiency. In addition to its role in oxygen transportation in

Diary dates

16-18th September- IMS Human Nutrition and Health workshop, Milan

19-23rd October- SIAL Paris: SIAL Paris 2024: celebrating 60 years of global food innovation excellence!

22-23rd October- IMS Economics Workshop, Paris

24th October- IMS members/ Committee meetings, Paris

11-24 November- UNFCC COP29, 2024 UN Climate Change Conference Baku - November 2024 | UNFCCC

27-31st October 2025- World Meat Congress, hosted by IMAC, Brazil

the blood, iron also plays a role in neurodevelopment, growth and in the immune system. Zinc is needed in more than 300 enzymes within the human body. Iron as well as zinc found in red meat are more readily absorbed than the same minerals found in plant-based foods. Animal-sourced foods are also an important source of high-quality proteins. Unbalanced diets deficient in protein, both in terms of amount as well as quality, will over time affect health. Proteins are needed to maintain muscle mass, for us to perform at our best physically and become stronger, particularly relevant to sporting endeavour. The collagen fibre in the skeleton also needs a supply of protein for its continued renewal and supporting healthy bones and bone structure.

Animal-sourced foods play an important role in healthy nutritious diets for spectators, and more importantly for the athletes at the Paris Olympics. High-performing athletes have increased needs for several nutrients that these food groups are important sources of.

IMS supports the initiative to increase the amount of fruits and vegetables as well as whole grains in catering meals at the Paris Olympics. However, its commitment to halving the amount of meat and other animal-sourced foods sends a simplistic message to the public that these food groups do not play important roles in our diet. Different food groups have different nutritional properties and complement each other. On the other hand, as there are some products within the animal-sourced foods categories that you should consume less often than others as part of a healthy diet, there are also choices within the plant-based food categories that one should restrict consumption of. To pit animal-sourced and plant-based against each other is therefore too simplistic and unfortunately impairs the credibility of this Olympics commitment.

In addition to the role of animal-sourced foods in diets, it is crucial to also recognize the essential role of livestock within a sustainable food system.

Well maintained livestock production systems contribute positively to ecosystem services. They ensure nutrients from crop by-products are returned to the soil, help maintain biodiversity, promote carbon sequestration, and protect landscapes from degradation and wildfires. Grazing can enhance soil health and increase its carbon storage capacity. These benefits are rarely considered, leading to an incomplete picture of livestock's environmental impact.

Further, livestock is important for converting inedible biomass into high-quality protein and other vital nutrients. They may utilize rangelands that are unsuitable for crop production, by-products from plant-based production and cereals of lower quality. Livestock is also a crucial part of the French and European food-system, providing food security and cultural value for the population, as well as economic stability for farmers. The number of French products with Designated EU Protection (PDO, PGI and TSG) highlights that regional and tradition importance.

The focus on a plant-exclusive diet often highlights the environmental impact of livestock, e.g. greenhouse gas emissions and land use. However, these impacts can be mitigated through sustainable farming practices. Solely focusing on the negative effects of livestock will make this transition more challenging for the farmers and industry, which are continuously working on improving the production.

It's also crucial to note that not all plant-based foods are environmentally benign; many require significant inputs of water, energy, and chemicals. Hence, regarding sustainability, the goal should be to promote best practices and limit harm, independent of whether the foods and meals are of plant- or animal-based origin.

In the transition towards more sustainable food systems, a holistic and balanced approach that leverages the strengths of both plant and animal agriculture is essential. It is crucial to recognize the important role of livestock in creating a more circular and nutritionally adequate food system with higher resilience. Encouraging sustainable livestock farming, as part of a combined plant- and animal-based food production system, is more effective than communicating plant-based foods as more sustainable than animal-sourced foods.

The livestock sector will continue being an important part of circular and resilient food systems around the world, whilst continue improving its practices as part of the solution for a more sustainable future.

I trust you will find these comments valuable and I wish you every success in delivering a world-class event.

I recently did an interview for UK/EU-focused Meat Management trade magazine which gave the opportunity to highlight the role of IMS and the forthcoming World Meat Congress as well as the work of the committees and influencing role with key policy organisations. **Meat Management**

The Economics Committee met virtually in June with a detailed report in this edition and the Beef Committee, under the leadership of new Chair Kent Bacus of the US National Cattlemen's Beef Association, also met. We heard a welcome from the President and John Masswohl, Canadian Cattle Association and former Chair, outlined the previous history of the Committee. Kents Chief Veterinary colleague, Dr Kathy Simmons, then gave a review of the recent WOAH General Assembly and the latest position on the HPAI challenge in the US dairy cattle herd. Dr Simmons stated the consumption remains robust and that USDA has recently confirmed they remain confident in the

safety of beef. Finally, Economics Chair, Erin Borror of the US Meat Export Federation, discussed the current trade situation including price fluctuation, global logistic disruption and the economic state of some key trade regions.

In its global review of meat production in 2023, the FAO has recently published its findings which confirm that broadly prices dropped across the species with the exception of pork and overall production rose 1.5% in 2023 to 371 million tonnes (CWE). For the full report see:

https://openknowledge.fao.org/server/api/core/bitstreams/ae4eb1ec-613d-478c-8361-c9bdba1df559/content

The Codex Committee on Food Import and Export Inspection and Certification Systems (CCFICS27) will host a meeting 16/09/24 to 20/09/24. The meeting will cover emerging issues, guidance on the standardization of sanitary controls and the appeals process for rejected products.

For further information and the full agenda, please refer to the meeting's webpage in the Codex website. Contact me directly to discuss participation as an IMS member.

For a newly published paper exploring Planetary Health Diet Index and mortality risk, see: https://www.sciencedirect.com/science/article/abs/pii/S0002916524003897?via%3Dihub

and a further paper on health risk factors that includes red and processed meat:

Global burden and strength of evidence for 88 risk factors in 204 countries and 811 subnational locations, 1990-2021: a systematic analysis for the Global Burden of Disease Study 2021 (thelancet.com)

The US Defense Department has launched a fund to support research on alternative proteins valued at up to US$2 million per project on a 50/50 funding basis with projects expected to last a maximum of two years.

https://www.alt-meat.net/us-defense-department-fund-alt-protein-projects

BioMADE, a public-private bio-manufacturing consortium sponsored by the US Department of Defense, has released a call for alternative protein projects.

The Sustainable Logistics for Advanced Manufacturing (SLAM) Project Call seeks proposals for collaborative projects that address one of five innovation focus areas, including sustainable food production, converting waste streams into bio-products and lowering resource requirements for food processing. The solicitation specifically calls out nutrient-dense foods made via fermentation and novel cultivated protein methods.

IMS member, NCBA, has responded directly criticizing the use of tax dollars to support alternative protein research:

https://www.ncba.org/ncba-news/news-releases/news/details/38239/cattle-producers-condemn-feeding-our-military-lab-grown-meat

As we head towards COP 29 in Baku, Azerbaijan 11-22nd November 2024, more information is now available via: https://unfccc.int/cop29

As the New Zealand Government delivers on its pledge to take agriculture out of its Emissions Trading Scheme (ETS); https://www.beehive.govt.nz/release/agriculture-come-out-ets, IMS member Beef and Lamb New Zealand have welcomed the news but still have raised concerns: https://beeflambnz.com/news/removal-agriculture-ets-positive-some-concerns-remain.

And while NZ backtracks, Denmark is set to become the first country to "levy" a carbon tax on agriculture

https://www.ft.com/content/c7a4eeaa-3a00-4132-bac3-82e1d0650c78

With the progress of the EU Deforestation Regulations (EUDR) requirements still unclear, the US has pushed back and is seeking a delay in implementation as are many other nations - this will affect a wide range of agricultural products including beef imported into the EU:

US urges EU to delay deforestation law (ft.com)

A report by WTO seeks to promote global food security and sustainable food systems through aligning SPS measures with international standards and scientific principles to facilitate safe international trade in food, animal and plant products: https://www.wto.org/english/news_e/news24_e/sps_26jun24_e.htm

UNECE will host its Meat Standardisation meeting on 28-30th August 2024: https://unece.org/info/Trade/events/wp7/ge11-32nd-2024

A recent research paper exploring the use of Meat Standards Australia (MSA) grading in Italian beef production systems involving over 3,200 cattle concludes that MSA may add value to the EU beef industry: https://www.sciencedirect.com/science/article/pii/S0309174024001529?via%3Dihub

And on a lighter note…

In a move that is to be applauded, competitive eating legend Joey "Jaws" Chestnut has been banned from the US's premier Hot Dog Eating Contest after he signed a sponsorship deal with a plant-based competitor to hosts, Nathans Famous. As described by one observer, "its like Lional Messi being excluded from the World Cup on the day he lost his Adidas deal".

https://www.bbc.co.uk/news/articles/cj7793exd15o

Beef Australia and International Collaborations

In early May, Kent Bacus had the opportunity to participate in Beef Australia, a massive agricultural trade show held every three years in Rockhampton, Queensland.

It is a five-day combination of trade shows, educational seminars, livestock shows, and entertainment that draws over 100,000 attendees from around the world. It was a collaborative effort featuring Cattle Australia, Meat & Livestock Australia, packers, processors, and representatives from the entire supply chain. It was also a great opportunity to see the latest advancements in agricultural technology, software, and artificial intelligence that addresses animal health concerns, remote worker safety, water quality and management, and transportation.

The National Cattlemen's Beef Association (NCBA) was invited to participate in multiple panel discussions on topics ranging from producer profitability and trade to animal health. For many years, NCBA has worked closely with our Australian counterparts, and it was a great opportunity for us to further collaborate on issues impacting cattle producers in both countries. It was also a great opportunity to meet with our colleagues from Beef + Lamb New Zealand, the Canadian Cattle Association, and a number of livestock producers from across Asia and the Pacific. Without question, the beef and the hospitality were top notch, and we thoroughly enjoyed the early mornings, long days, and late nights that you should expect at such an event.

The highlight of the week was the Rural Press Club Breakfast hosted by Beef Central. Over 700 representatives of the cattle sector and rural media gathered to hear remarks from NCBA President Mark Eisele and Cattle Australia President Garry Edwards, and a panel discussion moderated by Kerry Lonergan, an award-winning journalist known for the long-running program "Landline". U.S. and Australian cattle producers share many concerns on animal health, the threat of the anti-meat agenda, and the emergence of new technologies like lab-grown proteins. NCBA and Cattle Australia used this opportunity to sign a joint statement outlining these concerns and encouraging our governments to:

- Continue working together to combat foreign animal diseases (Foot-and-Mouth Disease and Lumpy Skin Disease)
- Promote sustainable cattle and beef production and recognize our positive role in land management (pushing back on the anti-meat agenda)
- Ensure science-based food safety and transparent marketing of emerging food technologies such as lab-grown / cell-cultured proteins.

The following week in Sonora, Mexico, the Confederación Nacional de Organizaciones Ganaderas and Canadian Cattle Association joined NCBA and Cattle Australia and signed the statement. This strong sign of alignment sends a clear message to our governments, and we anticipate more cattle producers will be interested in joining us as these issues increase in importance. As the saying goes, if you are not at the table, then you are on the menu. Let me know if you would like a seat at the table.



Kent Bacus, US National Cattlemen's Beef Association/ IMS Beef Committee Chair

As chair of the IMS Beef Committee, I encourage you to share your experiences and help us identify further opportunities for collaboration. There are numerous conferences and trade shows over the next year, and we want to know what is happening in your country. There are plenty of good stories to tell, but let's not wait until the next happy hour to hear yours!





Mark Eisele signing joint statement with Garry Edwards, Cattle Australia. Also, Mark and Garry being interviewed by Kerry Lonergan.

Highlights from the 77th Annual Reciprocal Meat Conference



The 77th annual Reciprocal Meat Conference (RMC) in Oklahoma City, organized by IMS member, the American Meat Science Association (AMSA), marked a record turnout of over 1000 meat scientists, students and industry professionals. Hosted by Oklahoma State University and Lopez Dorada Foods, this year's RMC showcased a blend of innovation and networking.

Pre-Conference Activities

The National Cowboy & Western Heritage Museum hosted the welcome reception, where attendees reconnected and celebrated AMSA's 60th year as an association. Pre-conference activities focused on student engagement and skill development for future scientists and problem solvers including a quiz bowl with 30 teams, research presentations, and a chef lead culinary (Iron Chef) competition. There was also a competitive processed meats evaluation led by industry experts followed by a Poultry and Shell Egg Grading session by USDA-Agricultural Marketing Service. The annual career fair showcased a record number of suppliers to the meat industry sharing their services and products while students explored career opportunities important for the development of next generation industry leaders.

Scientific Program and Keynote Speakers

The pinnacle of the RMC is the scientific and technical content. The program featured three high-impact and inspirational keynote speakers to kick off each day: Rob Sharkey, also known as SharkFarmer, Paul Davis, personal branding consultant, and Michele Payn, Cause Matters Corp., each delivered inspiring talks. Sharkey shared his story of resilience and strategic pivoting in agriculture, Davis provided insights on personal branding and leadership, and Payn emphasized the importance of effective science communication.

The winner of the AMSA International Lectureship Award, Lars Leopold Hinrichsen, Ph.D., EVP at Danish Technological Institute, DMRI presented *Less but Better - Meat as the Luxury Food of the Future* shedding light on the evolving dynamics of the meat industry and emphasizing a shift towards value over price competition.

Six concurrent scientific sessions covered topics including: Application of Growth Promotion/ Management Technologies and Their Impact on Meat Quality; Basic, Applied and Social Science Driving Development; Sustainability from Pasture to Plate; Consumer Insights, Innovation, and Product Development – Product Development Through the Lens of Retail, Foodservice, and Food Manufacturing Channels; Microbiome's Place in Meat; Reimagine Nutrition and Health.

Forty reciprocation sessions designed for small audiences and high interaction covered topics such as Salmonella quantification techniques, pork quality measurements, aquaculture-support of global meat industry, microbiome's impact on meat flavor, updates on beef and dairy cross genetics, shelf-life extension strategies for ready-to-eat products, artificial intelligence in the meat industry, strategies for educators in the classroom, and many others. The abstracts will be published soon in Meat and Muscle Biology journal.

A unique format, Tech Talks were sessions that enabled suppliers to share new developments in their organizations or products within 7 minutes. A record number of over 230 abstracts were on display in e-poster sessions throughout the meeting. The conference concluded with workshops covering communication skill development for scientists, hot topics, grant writing and teaching and education.

Philanthropy, Social Events and Recognition

RMC is about more than science and learning, attendees participated in a service project, packing snack kits for a local Ronald McDonald House Charities, reinforcing AMSA's commitment to philanthropy. The RMC always includes time for family and fun which entailed a picnic, live music and a kickball tournament, while the t-shirt auction supported university pride and scholarships. Recognizing member's contributions to the industry is a tradition with accomplishments acknowledged during an awards reception and banquet celebrating distinguished members in the meat science industry, honoring both early-career and lifetime achievers.

As the premier scientific organization for Meat Science, AMSA continues to prioritize research and data-driven decision-making. The annual RMC remains a vital forum for learning, idea exchange, and industry advancement. The next RMC will be held in Columbus, OH, from June 22-25, 2025, hosted by the Ohio State University.

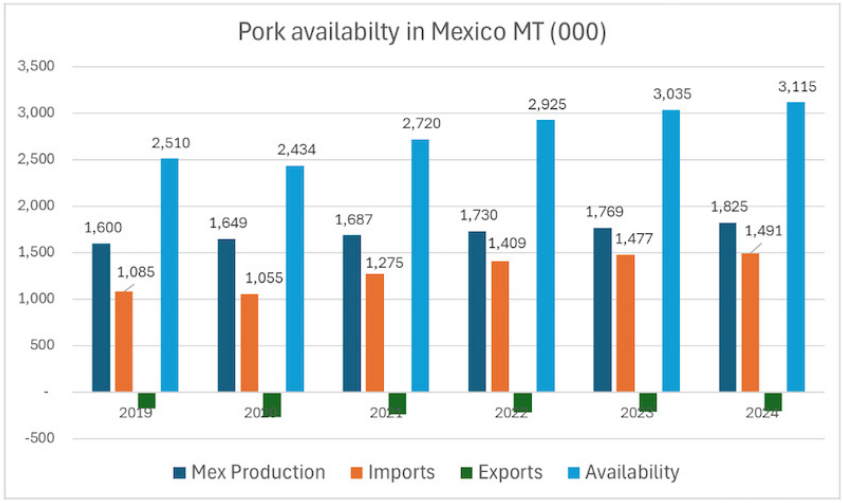


Dr Christi Calhoun, Scientific Communication Resource Officer, AMSA

IMS Economics Webinar Provides Updates on the Trading Situation for Mexican Pork and New Zealand Beef and Lamb; also, Latest News from WOAH

The 21st IMS Economics Webinar in June had presentations on Mexico's pig industry from Victor Ochoa, President of Granjas Carroll, Mexico's largest integrated pig producer/processing company, and on latest developments in New Zealand from Matthew Hadrell, Senior Agricultural Analyst from Beef+Lamb New Zealand (B+LNZ).

In both countries, domestic Government policies together with the changing international trading environment are having major impacts on their industries. According to the latest FAO Food Outlook, Mexico will overtake Japan to become the world's second largest import market for pork in 2024 after China; New Zealand in 2024 is forecast to remain the world's second largest exporter of sheepmeat after Australia and the world's fifth largest beef exporter. This was the first IMS Economics Webinar hosted by Phil Hadley, new IMS Secretary General, and IMS Economics Chair, Erin Borror, welcomed him on behalf of the webinar delegates.



Source OPORMEX and CONAFAB combined data

Mexican Pork Market Grows by 24% in Five Years

Victor Ochoa opened by emphasising the positive situation for meat in the Mexican market. Mexico's population is currently 134 million and continues to grow at the rate of around 1.5 million per year. The overall meat market is currently over 10.3 million tonnes and meat consumption per head is steadily increasing for all major meat categories. As a result of this population growth and increased meat demand, the total pork market in 2024 is estimated to rise to over 3.3 million tonnes - 24% more than in 2019.

Three Distinct Regions for Pork in Mexico

The three main regions of Mexican pork production are in the north, centre and southeast of the country. They have distinctive characteristics - the ***central*** part of the country around Mexico City and Guadalajara has a high population density (with over sixty million people) and a high per head consumption. By contrast, Sonora state in the ***north*** is sparsely populated and has low consumption levels; it is, however, strategically situated near to the US border and is the closest region to Japan - thus increasing its export opportunities. The ***southeast*** of the country has a higher population and relatively high consumption per head but is distant from central Mexico and its major export markets; despite this, some of its production goes for export. Production structures are concentrated in this region with 80% coming from one company.

Wholesale Markets Still a Major Outlet for Mexican Pork

The outlets for Mexican pork comprise four market segments. The ***wholesale*** market has the largest share at 43% and services small butchers shops, street food and small restaurants; 23% of the pork produced goes for ***processing*** which is carried out by a small number of large companies such as Sigma. A further 20% is sent to the ***major retailers*** led by Walmart, Soriana, Chedraui and La Comer, as well as to clubs. The final 14% goes to ***food service*** - including to the large numbers of tapas bars. Consumer analysis shows that whereas almost 50% of beef is consumed by the wealthiest 30% of the Mexican population only 38% of pork consumption is by these richer consumers. In terms of slaughtering plants, over 50% of pigs are slaughtered in TIF approved plants. There are, however, no contracts between producers and the slaughtering sector, with prices generally being set every week.

Mexico Only 55% Self-Sufficient in Pork

Although Mexico is only 55% self-sufficient in pork it is both a pork

importer and exporter. It is a major pork ***importing*** country with imports in 2024 expected to amount to 1.26 million tonnes; and the majority coming from the US, which is forecast to send 1.1 million tonnes in 2024. Most of the pork imported from the US is lower-priced items - legs or picnic cuts. Mexican pork ***exports*** have been declining in the past 3 years and are forecast to amount to 201,000 tonnes in 2024. Most of these exports are sent to Japan with the Keken company being the major company involved. The depreciation of the Japanese yen has adversely affected export returns in recent years.

Mexican Pork Producers Have Experienced Declining Profitability Levels

Mexican live hog prices have historically been significantly higher than those in the US; however, since 2020 the situation has been changing and prices for the two countries are likely to be more aligned in future years. As an outcome of this, profitability levels have been steadily declining in recent years particularly due to costs of production in Mexico rising faster than pork prices. Mexican feed costs have been 25% higher than those experienced by US producers as much of it has to be imported; transport and energy costs are also higher. It has lower labour costs, however, as well as some other cost advantages. In overall terms though, Mexican costs have on average been 3.7% higher than those in the US, so it is important for their producers to have a price premium over US pork if they are to remain competitive. At present 62% of the Mexican breeding herd is owned by thirteen companies, almost all of whom are family-owned with many being vertically integrated. However, Mexican pig enterprises are less productive than most other Latin American companies in terms of pigs weaned per sow per year.

Animal Welfare, Water and Security all Present Big Challenges

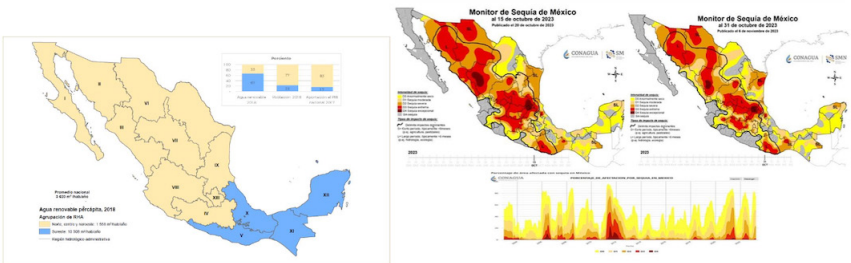
Mexico is working hard to improve ***animal welfare*** through the actions of the Mexican pig producer organisation OPORMEX which has the promotion of responsible practices to guarantee sustainability and animal welfare in pork production as one of its objectives. The Mexican Humane Society is also working with the industry to help producers change to group housing; so far, however, only one major producer has 100% group housing and only two producers self-certify some farms under the Californian Proposition 12 (Cal Prop 12) requirements. ***Water*** is also an important challenge for Mexico. There are only three thousand cubic meters of fresh water per head of population in Mexico; this compares with 9,500 cubic meters in the US (3 times as much) and 90,000 (30 times as much) cubic meters in Canada. As a result of this, water has to be used in a more economical way, particularly in the majority of the country which is currently under severe drought. At some stage, industries are likely to relocate further towards the Southeast, where water availability is better. The third growing area of concern relates to ***security*** issues.

Possible Pressure from the New Government

Finally, there are important consequence for the Mexican industry following the recent election of the new President from the Morena party, and Morena party control of the legislature – particularly the likelihood of further labour law initiatives with their associated cost implications. Also, there are concerns that the Government may continue to have a negative attitude to importing genetically modified corn. Overall, there is an underlying concern that the Government does not understand the industry. In this context, the future representational role of OPORMEX will be crucial.

In conclusion, Victor emphasised that pork production in Mexico was still profitable, but this was partly due to the USMCA (formerly NAFTA) agreement, the dynamic of which was likely to change. There was also industry concern about possible animal health problems (notably PRRS and PEDV), which could adversely influence future profitability. The outlook, however, was not all negative for the industry, as the Mexican pork market continues to grow and for example, Cal Prop 12 could open up export opportunities particularly for producers in Sonora.

Water in Mexico: a very big challenge



- There are only 3,000 cubic meters of fresh water per capita in Mexico.
- In the United States, 9,500 cubic meters per capita.
- In Canada, almost 90,000 cubic meters per capita.

Mexican Consumers more Concerned about Prices and Food Safety than Animal Welfare

In the subsequent discussion, Victor emphasised how vital it was that the Mexican pork industry remained competitive – particularly in relation to the US industry; in this context, continued access for imported GM corn was important. In addition, there was little evidence that Mexican consumers were prepared to pay a higher price for welfare-friendly pork – they were more concerned about price and food safety issues.

New Zealand Sheep Producers Currently Experiencing Low Prices

Matthew Haddrell summarised the latest market situation for New Zealand sheepmeat and beef. Currently there are around twenty-five million sheep, down 57% since 1990/91. Ninety-five percent of New Zealand's sheepmeat production is exported – 280,000 tonnes of lamb and 85,000 tonnes of mutton. In relation to cattle, there are 3.7 million beef cattle, down 18% since 1990/91 and 5.8 million dairy cattle, up 69%. Over 90% of New Zealand beef production is exported – 475,000 tonnes in total. Profitability for sheep and beef producers has been very volatile in recent years and current estimates for the 2023/24 season indicate that producer profitability is at a multi-year low, down 67% in real terms since the high returns achieved in 2021/22. In relation to farmgate price levels, lamb prices have almost returned to the lows of 2015/16, and sheep prices are already below those levels. The poor returns are mainly a reflection of the reduction in Chinese demand, higher costs and strong competition from Australia in key export markets. In addition, shipping costs are high due to Red Sea security concerns.

US Import Demand for New Zealand Beef Remains Strong

In relation to export markets, total lamb export volumes in the first 8 months of the October-September 2023/24 season were 10% up on the previous year; however, exports to China, easily the most important market, were 13% down. By contrast, exports to some other markets increased, notably to the UK (+61%) and the USA (+28%); overall the average FOB value of lamb declined by 10% with a reduction of 20% for exports to China. In relation to beef, overall export volumes in October-May 2023/24 rose by 5%. Exports to the US increased by 19% and overtook export volumes to China, which fell by 15%. Although overall the average FOB value of beef exports reduced by 3%, there was a 6% increase to the United States. There were also strong rises in the volumes sent to some smaller markets.

Lower Demand for Sheepmeat Imports into China Likely to Continue

Analysing the situation in New Zealand export markets, for **China**, the relative weakness of the Chinese economy is a key reason for the drop in import demand. This seems likely to continue in the short to medium term due to reduced foreign investment into China, particularly from North America and Europe. Other factors were the high savings rates and youth unemployment levels; also, consumer sentiment remained low and property prices were still decreasing. By contrast for the US, the import demand for beef is particularly strong. This situation is expected to remain for the next 2 or 3 years in line with the current phase of the US beef cattle cycle; virtually all beef that New Zealand exports to the US is further processed, particularly blending with US beef in the production of ground beef. US demand for racks of lamb also remains strong. In relation to the **European** market, there is a mixed situation although the economies in the EU and the UK are currently recovering slowly; moreover, the NZ-UK Free Trade Agreement[1] appears to have had a positive impact on UK beef and lamb imports from New Zealand. The volumes of New Zealand lamb exported to EU countries are currently improving with the onset of the tourist trade.

Strong Competition from Australian Export Volumes

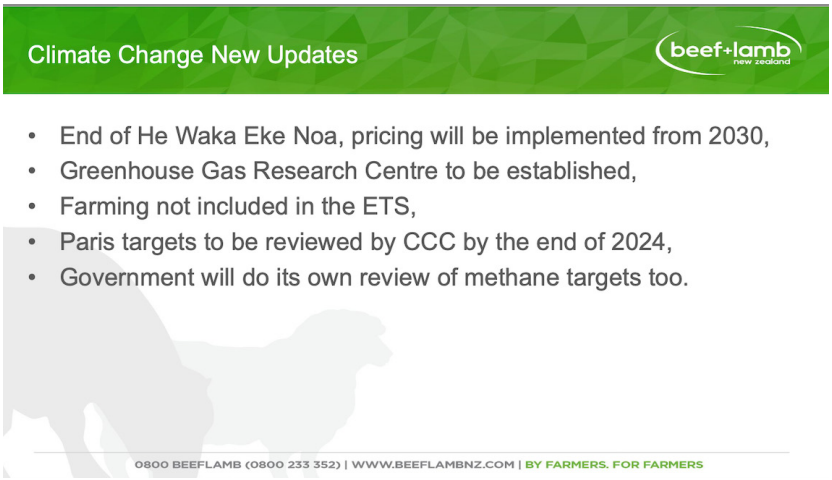
New Zealand has been encountering strong competition from **Australia** in many of its export markets. Following some favourable seasons, Australia's national sheep flock is at its highest level since 2007 and the national beef cattle herd is higher than any year since 2013 – and expected to peak in 2025. Australia exports 60-70% of its production, mostly to similar markets as New Zealand. Australia is a particularly big contributor to the reduction of sheep prices in New Zealand and competition from Australian exports is likely to remain strong in future years.



1 Which entered into force at the end of May 2023.

New Zealand Government makes Changes to Climate Change Measures

The New Zealand Government's position on Climate Change has been a challenge to sheep and beef cattle farming in recent years. Following an initial Climate Change Act in 2002, the Climate Change Response (Zero Carbon) Amendment Act (ZCA) became law under the Labour Party government of Jacinda Ardern in 2019. This provided a framework to develop and implement climate change policies in support of the Paris Agreement; it also set emissions targets and established the independent Climate Change Commission (CCC). At the end of 2023, however, there was a change of Government with a three-party coalition led by the National Party taking over from the Labour-Green government and changes in the climate change policies began. In particular, the primary sector climate action partnership (He Waka Eke Noa), which was established to design a system of pricing to reduce emissions, was disbanded and the pricing of emissions delayed until 2030. Agriculture was taken out of the New Zealand Emissions Trading Scheme (ETS), and the New Zealand Agricultural Greenhouse Gas Research Centre was scaled up.[2] Finally, the review of targets will not only be carried out by the CCC but the government initiated an independent review of the biogenic methane science and targets for consistency with no additional warming from agriculture emissions.[3]



In the subsequent discussion, which involved both Matthew Haddrell and Andrew Burtt, Chief Economist of B+LNZ, the following points emerged:

- The reason that more New Zealand lamb exports were not being diverted to higher-priced European markets was essentially due to the different cuts demanded in Europe compared to demand from China, which was for cheaper cuts, notably lamb flaps.
- The livestock sector is still on target to reduce its emissions in line with target levels and B+LNZ will be advocating that a price is unnecessary to reduce emissions.
- The gap between New Zealand farmgate prices for lamb and the FOB value has widened due to additional costs for the NZ processors and exporters – particularly higher interest, labour and shipping costs.

New WOAH Director General Appointed

At the end of the Webinar Phil Hadley, IMS Secretary General, gave a brief summary of some of the key points emerging from the WOAH World Assembly which had taken place at the end of May. Dr Emmanuelle Soubeyran from France was elected as the new Director General of WOAH. She has provisionally agreed to speak to those participants attending the IMS Committee Meetings on October 24 in Paris about her priorities for WOAH in the immediate future. Other key points of importance from the WOAH Assembly were:

- Global concerns about the spread of African Swine Fever, with seven new countries reporting cases in 2023 compared with the previous year.
- A discussion on the increased spread of vector-borne diseases linked to climate change.
- A revised standard that had been agreed for animal welfare at slaughter.



Dr. Emmanuelle Soubeyran, WOAH Director General

IMS Economics Workshop in October – Registration Necessary!

In closing, Erin Borror encouraged participants to sign up for participation in the IMS Economics Workshop in Paris on October 22 and 23. It was advisable to book hotels as early as possible.

You are most welcome to join the Economics Committee and attend future webinars. If you would like to do so, please contact the Chair, Erin Borror: eborror@usmef.org

Bob Bansback
IMS Advisory Committee



2 https://www.beehive.govt.nz/release/agriculture-come-out-ets

3 https://www.beehive.govt.nz/release/independent-panel-review-methane-science-and-targets-appointed