Latest developments in global meat markets

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2. Consumption and production
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5. Farm level results
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The project behind the data and the people

agri benchmark

agri benchmark – understanding agriculture worldwide

Target groups and relevance

Non-profit organisations

- Address global challenges with global overview and systematic expertise locally

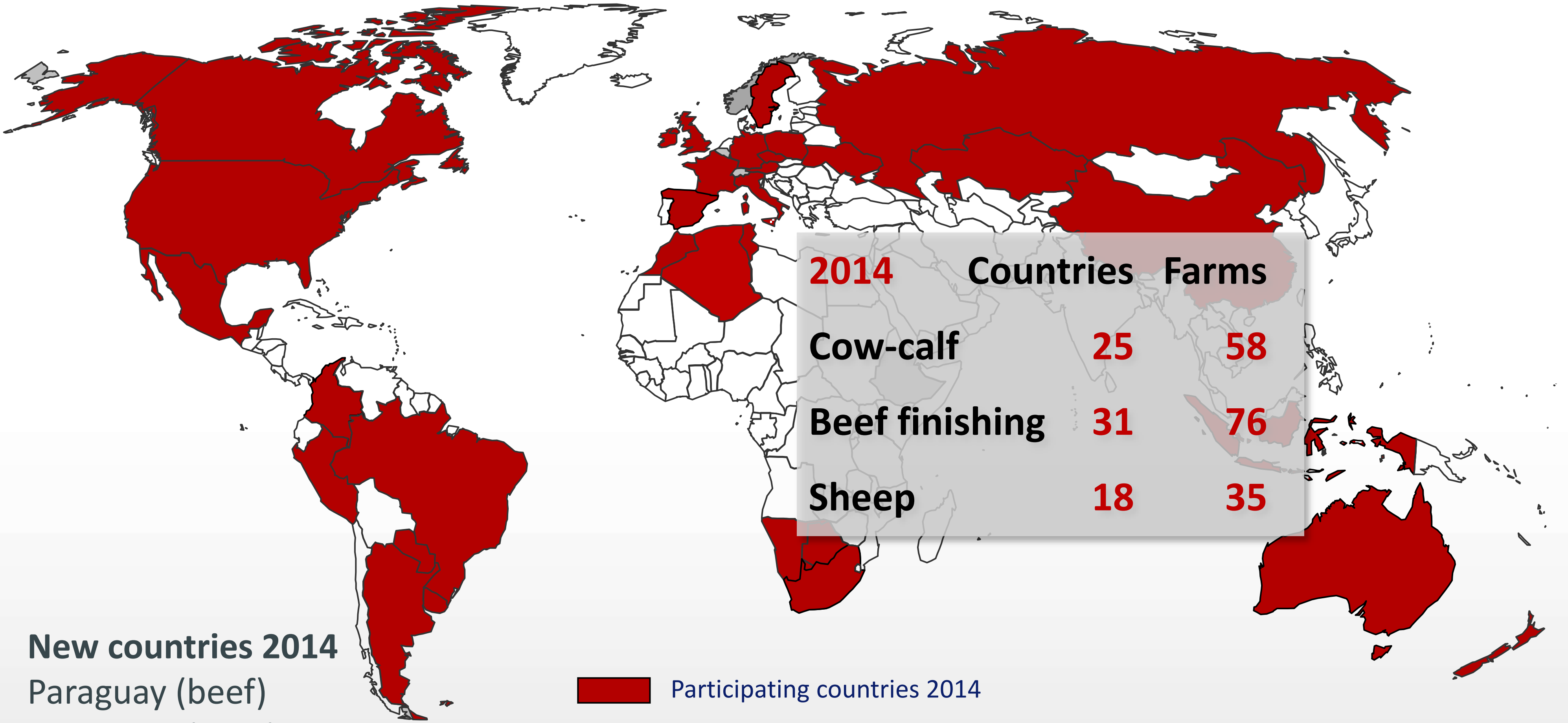
Producers and their organisations

- Align future production through benchmarking and positioning

(Agri)Businesses

- Operate successfully through in-depth understanding of markets and customers

Countries in the *agri benchmark* Network



2014	Countries	Farms
Cow-calf	25	58
Beef finishing	31	76
Sheep	18	35

New countries 2014
Paraguay (beef)
Botswana (beef)

agri benchmark – the main elements

Main supporting partner

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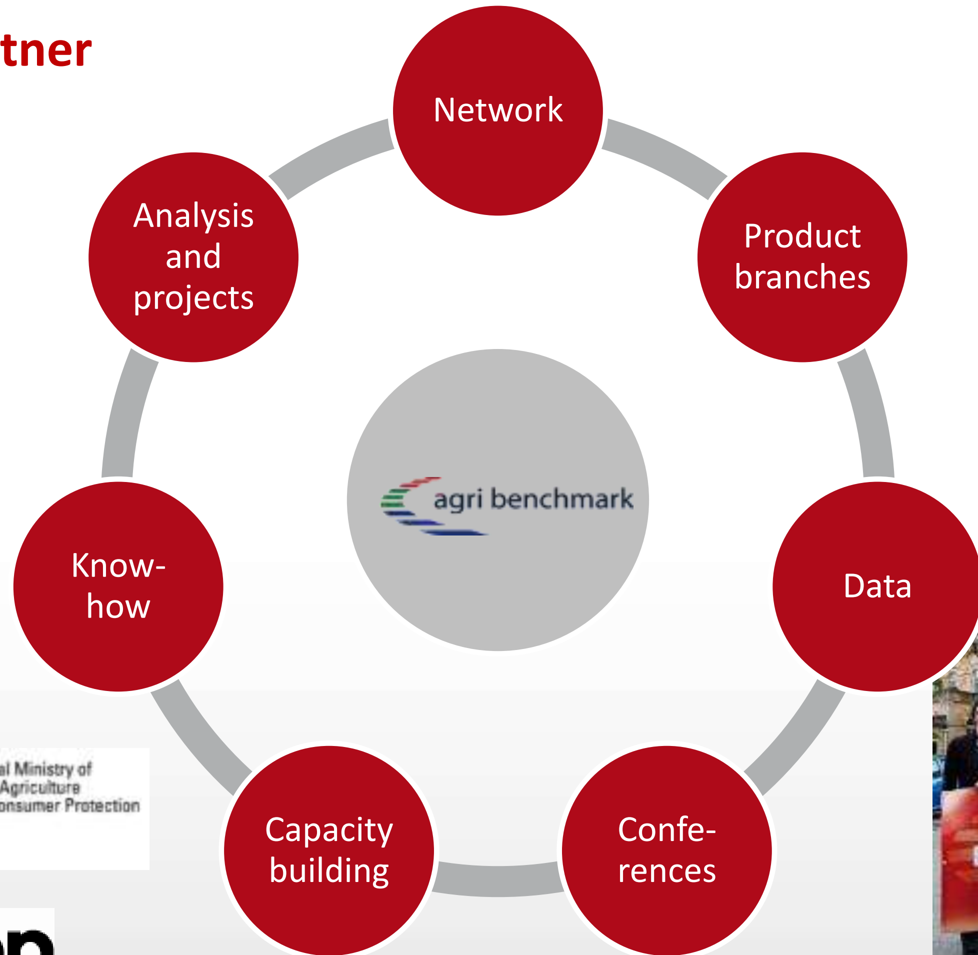
Clients

ACIAR, World Animal Protection, DLG, IMS, FAO, European Commission, MLA Meat & Livestock Australia, Federal Ministry of Food, Agriculture and Consumer Protection, OECD, ufop



Coordination

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DLG

Our research partners

Charles Sturt University

mla
MEAT & LIVESTOCK AUSTRALIA

Meat Board of Namibia

National Agricultural Marketing Council
Strategic positioning of South African Agriculture in dynamic global markets

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UNIVERSITEIT VAN DIE VRYSTAAT
YUNIVESITHI YA FREISTATA
UFS UV

ILRI
INTERNATIONAL LIVESTOCK RESEARCH INSTITUTE

DLG

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Tragsatec
Grupo Tragsa

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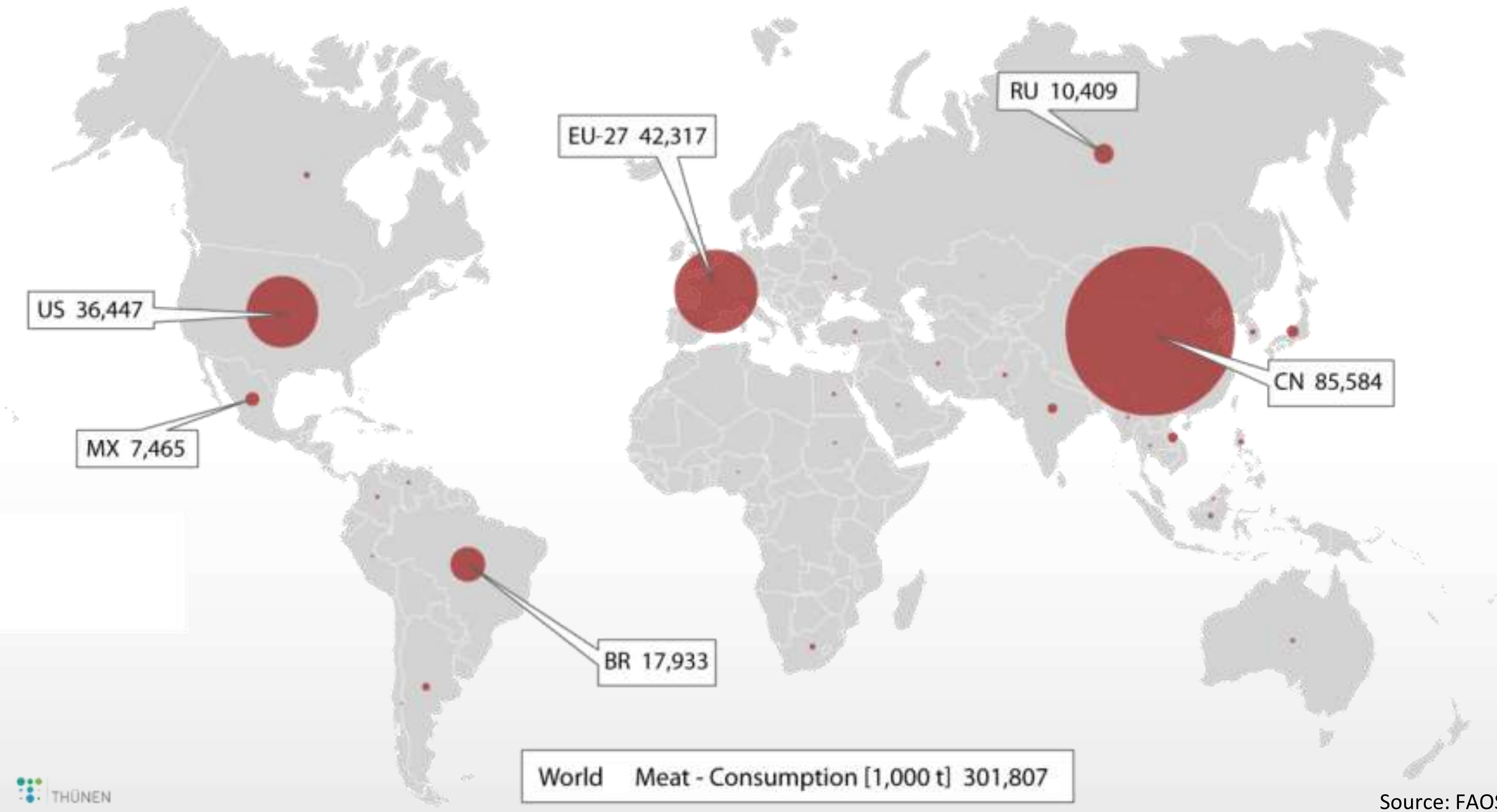
Consumption and production

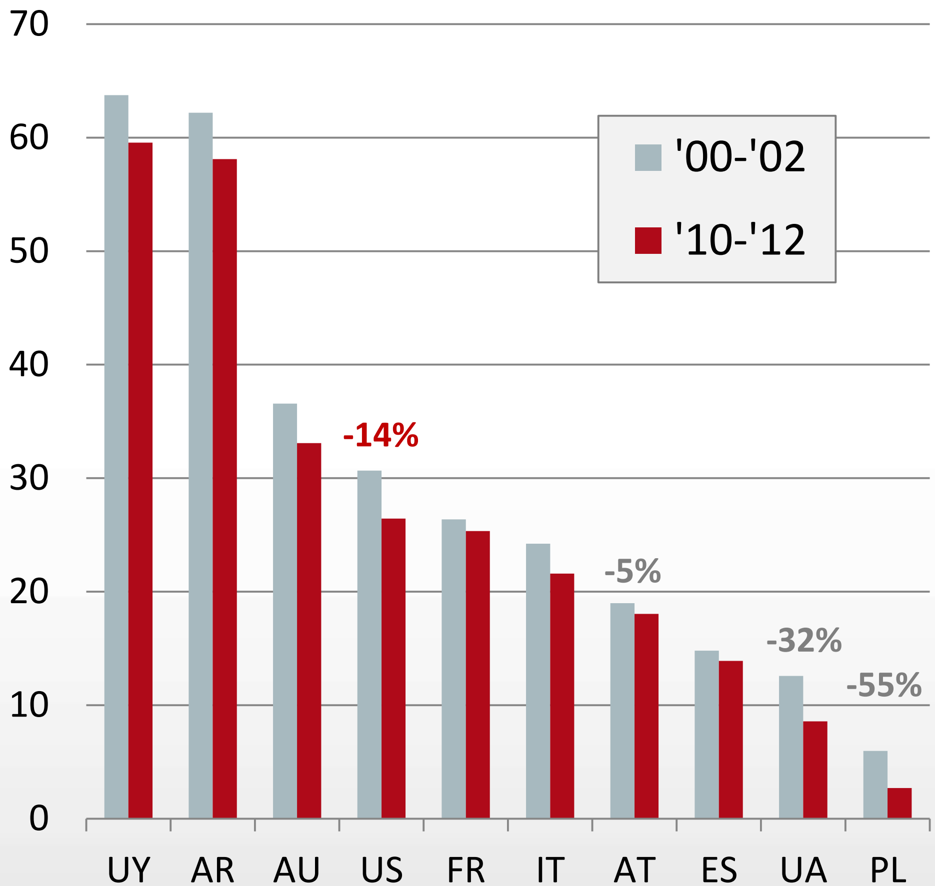
Total meat consumption 2012 (1000 tonnes)



Source: FAOStat 2013

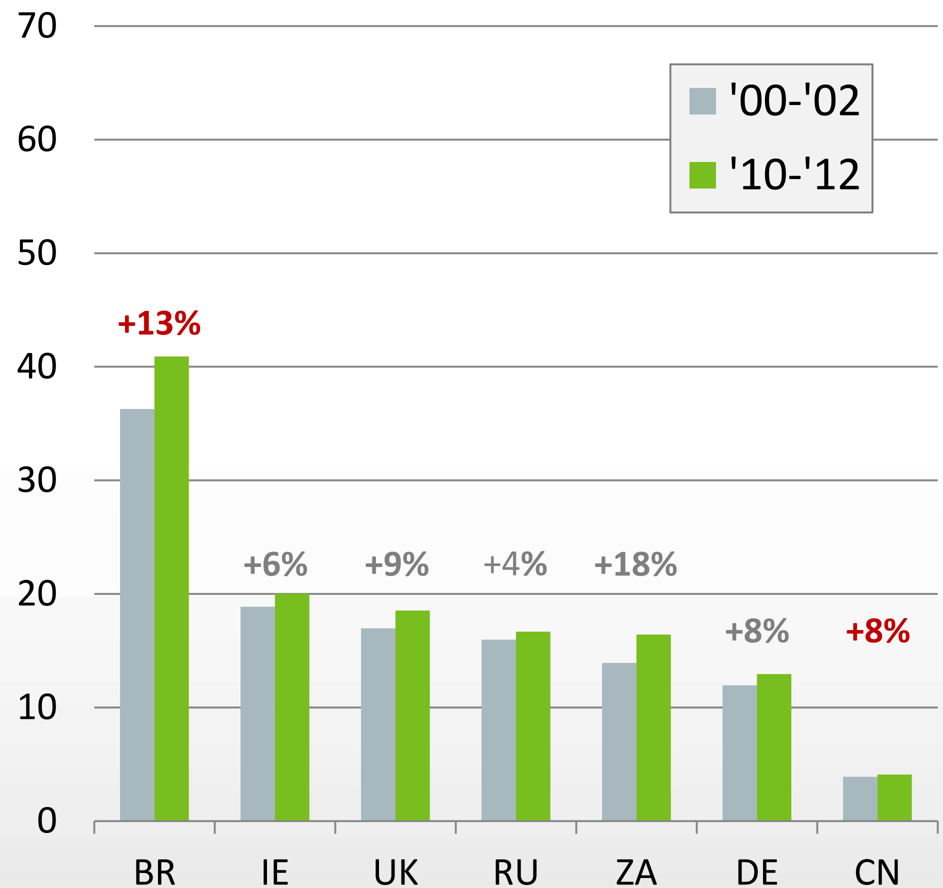
Change of per capita consumption of beef
2010-2012 vs. 2000-2002 (kg per capita and year)

Decrease

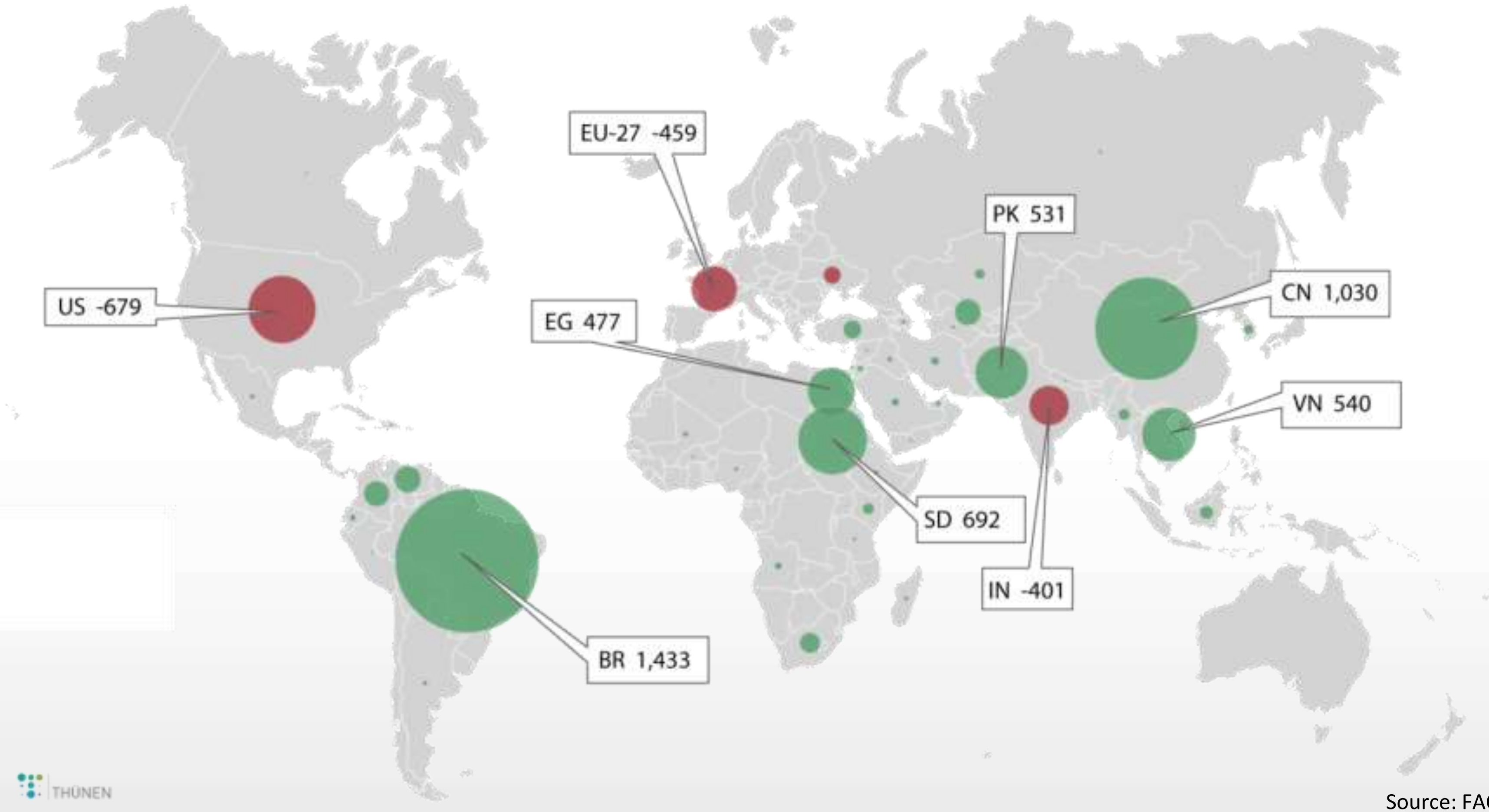


Increase

Source: *agri benchmark*, national statistics

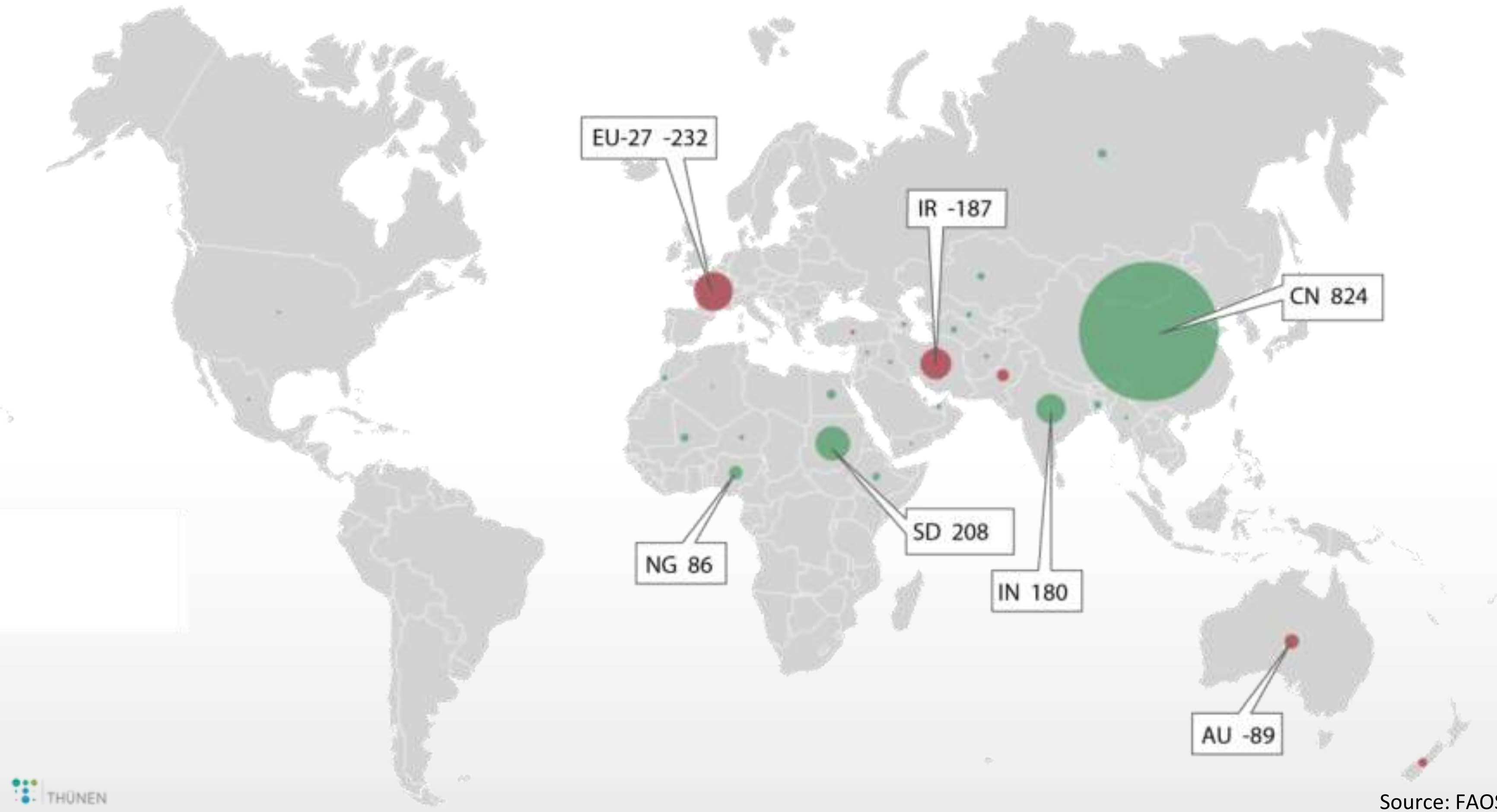


Change in beef consumption: a mixed situation - 1000 tonnes 2010 - 2012 vs. 2002-2004



Source: FAOStat 2013

China, Asia and Africa drive sheep meat consumption - change 1000 tonnes 2010 - 2012 vs. 2002 - 2004



Source: FAOStat 2013

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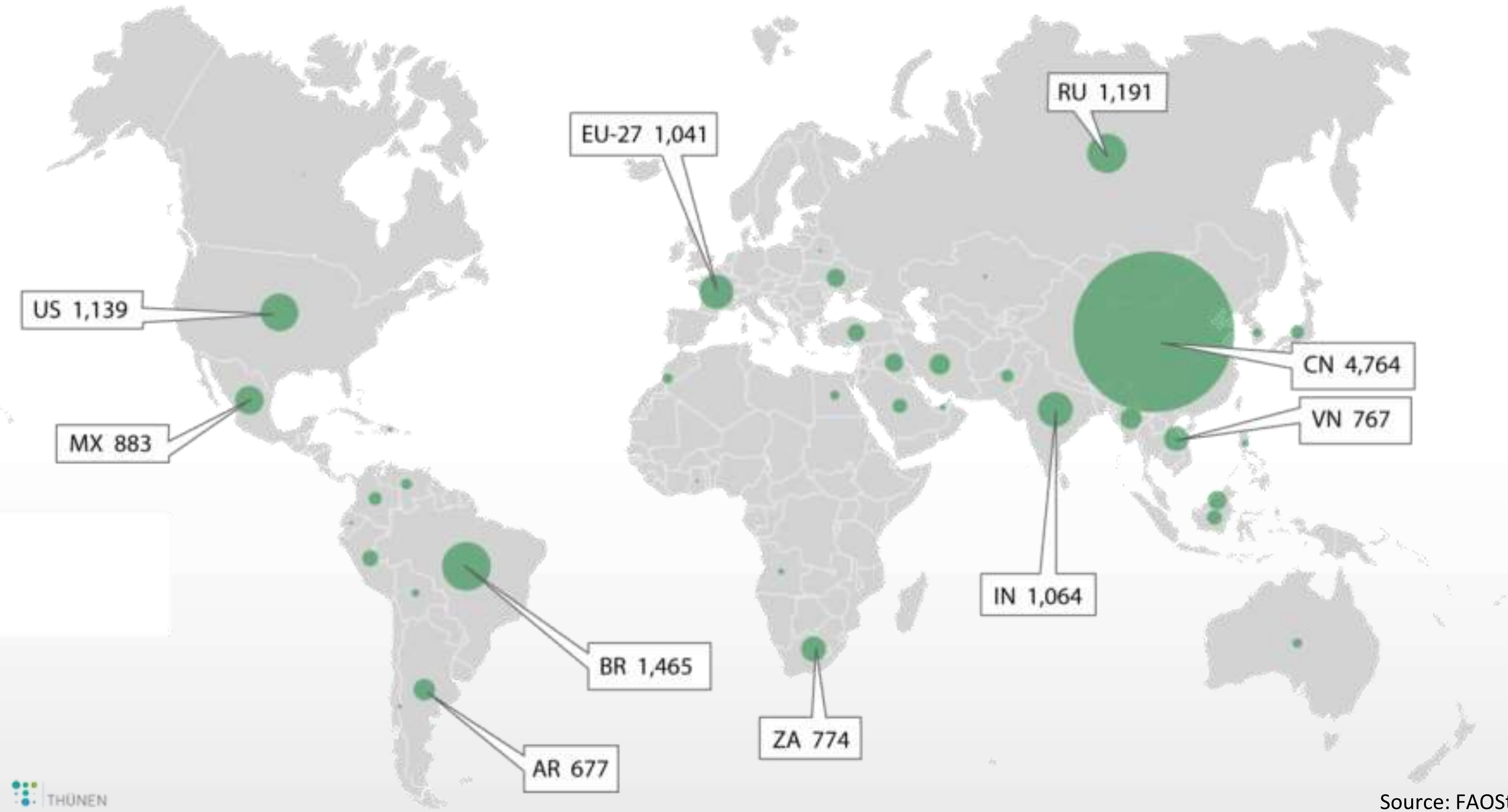
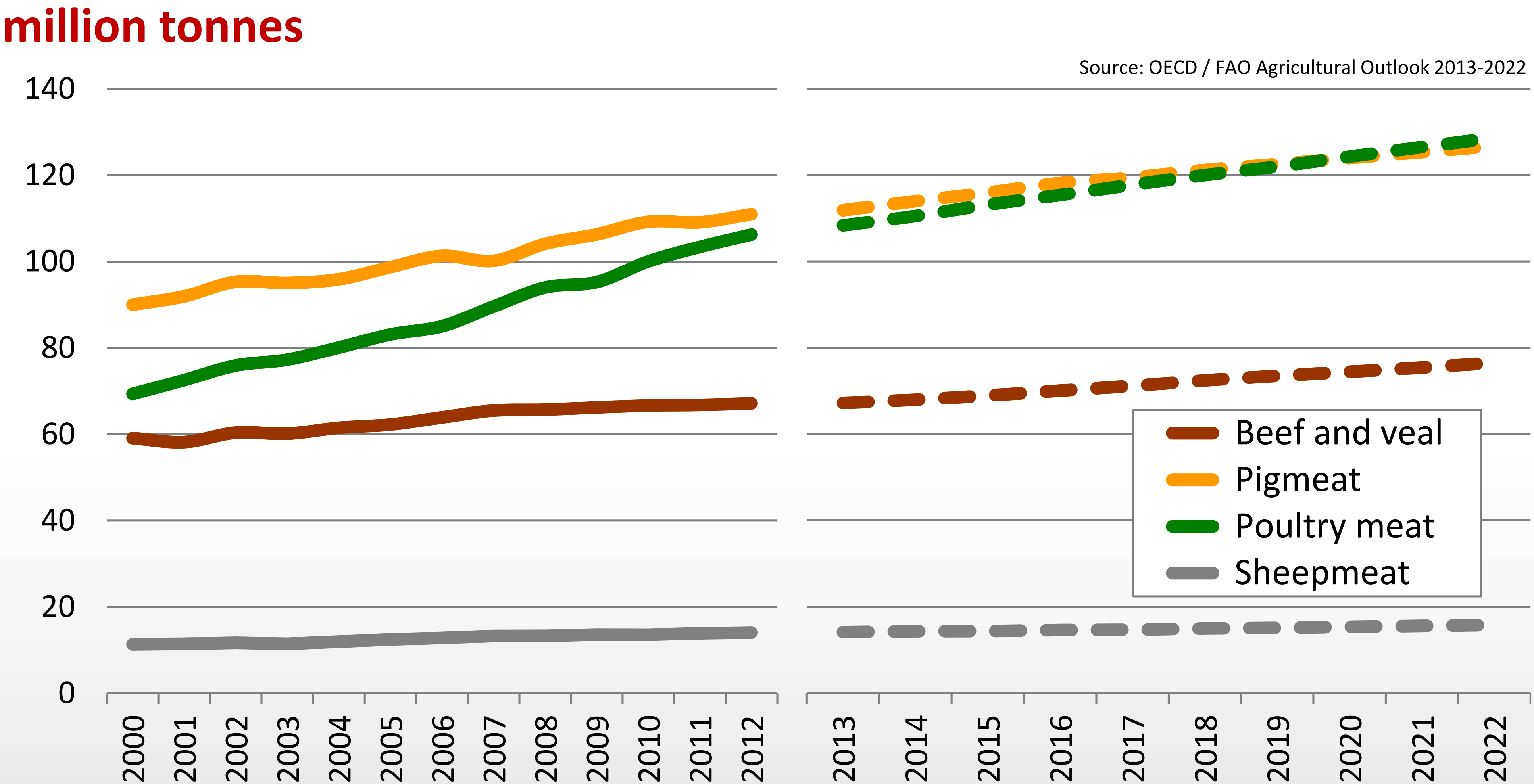
And the winner of meat consumption is: poultry!
- change (1000 tonnes) 2002 - 2004 vs. 2010 - 2012



Source: FAOStat 2013

OECD / FAO global meat production projections



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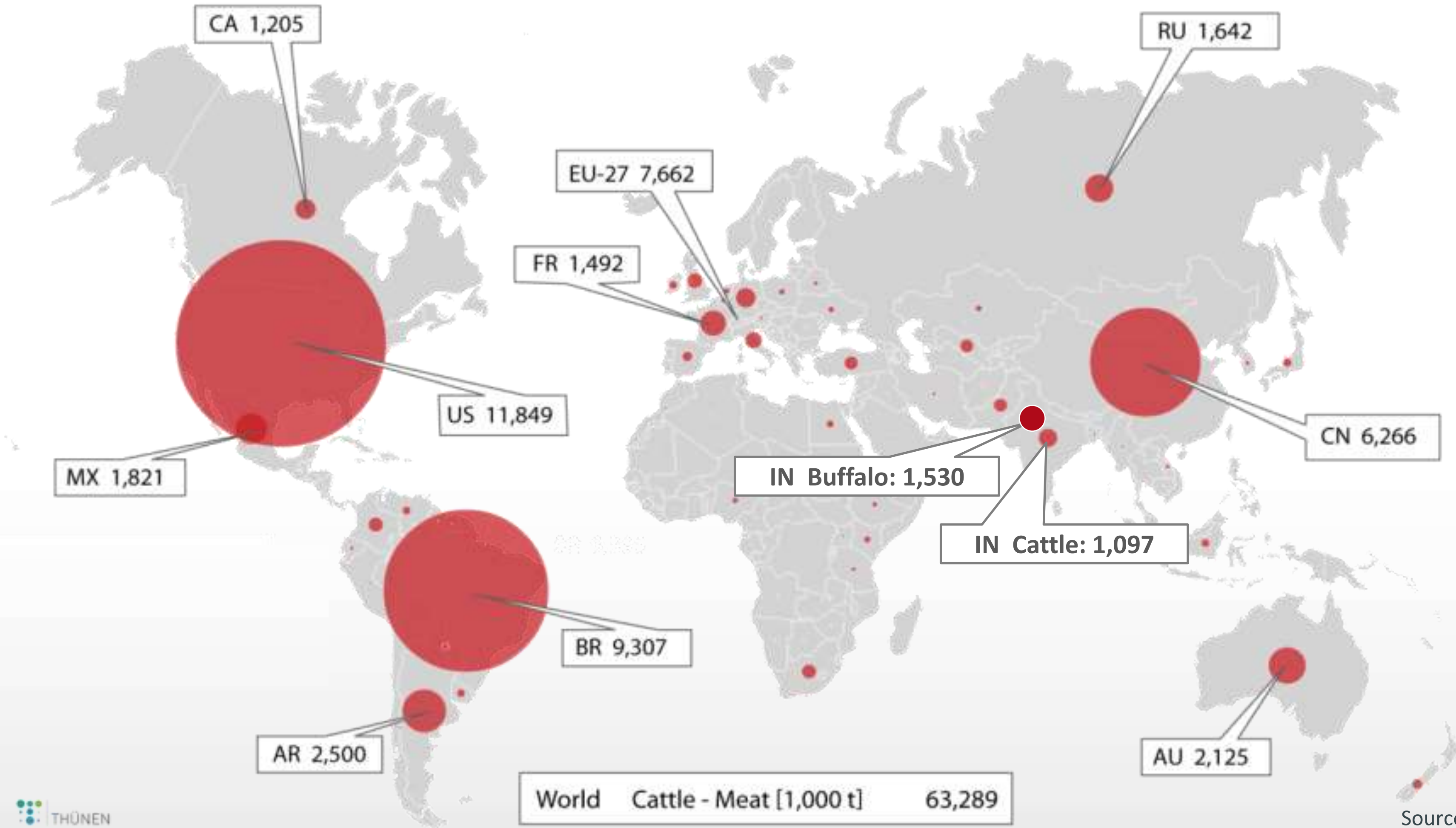
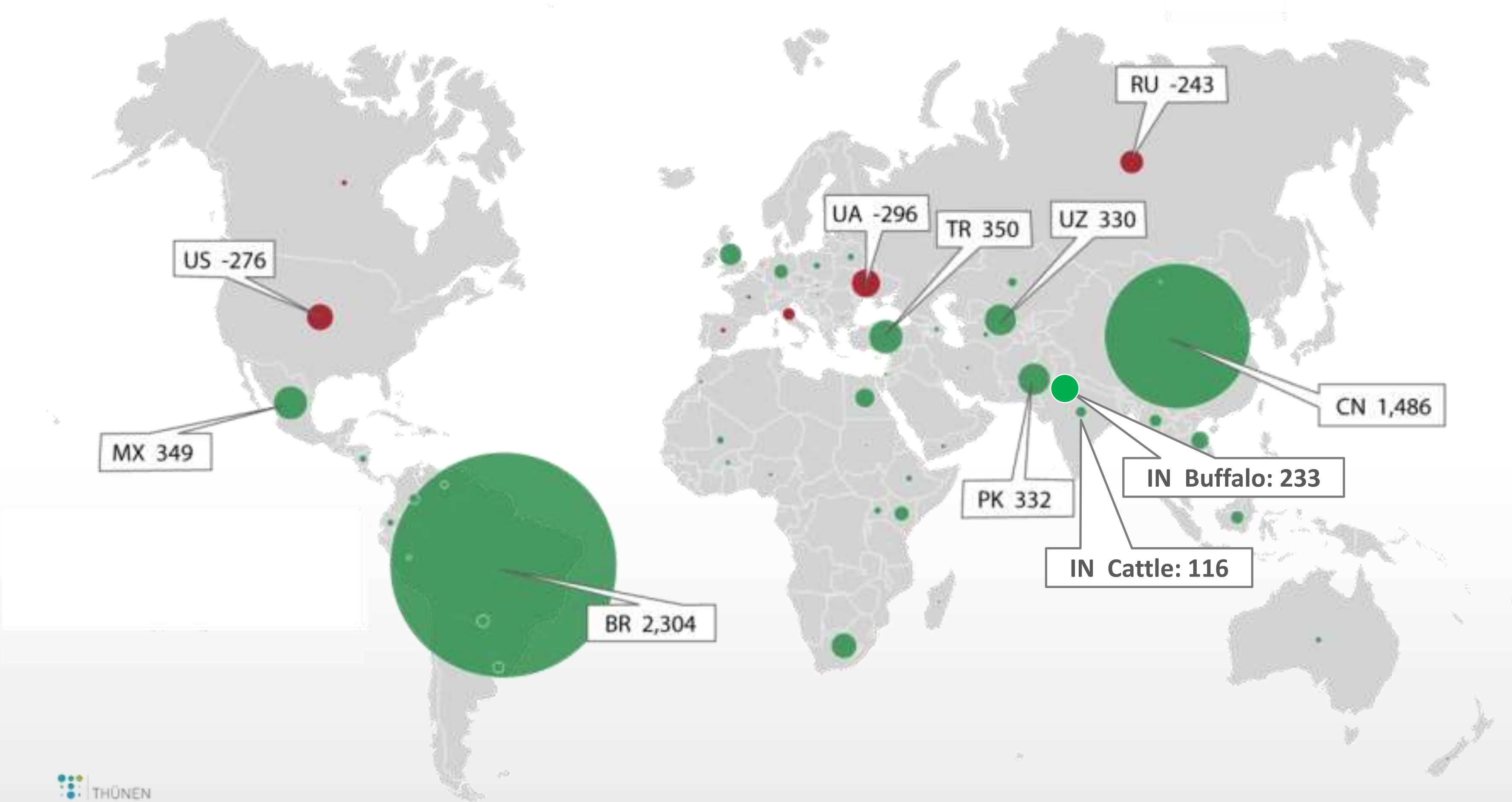
US remains biggest beef producer in 2012 ('000 t)



Source: FAOStat 2014

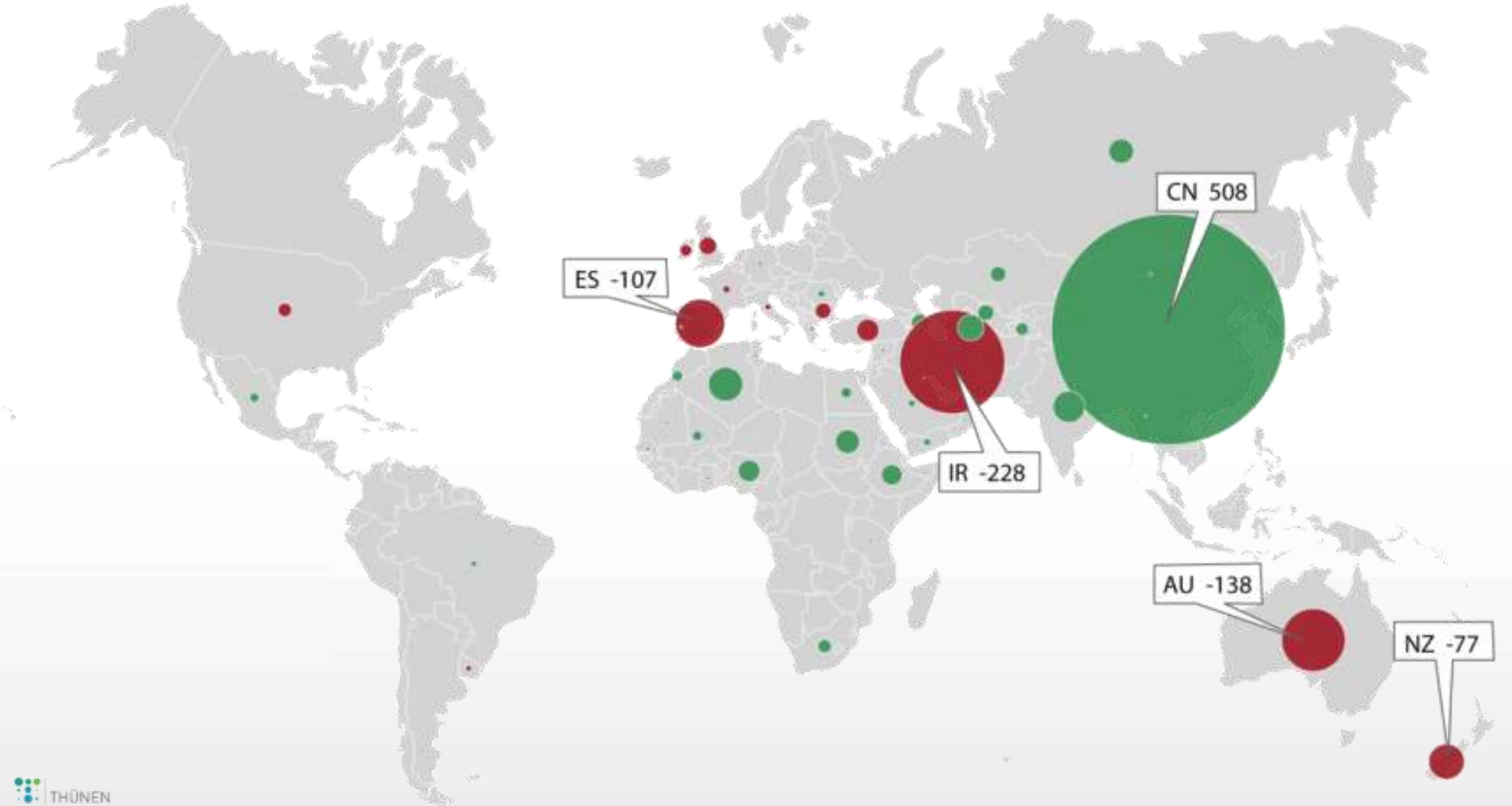
Data for Sudan at FAOStat 2014 where change, value (1,000 t) for 2010 = 343, value for 2011 = 345., value for 2012 = 358

Brazil and China driving beef production ('000 t) - change 2010-2012 vs. 2000-2002



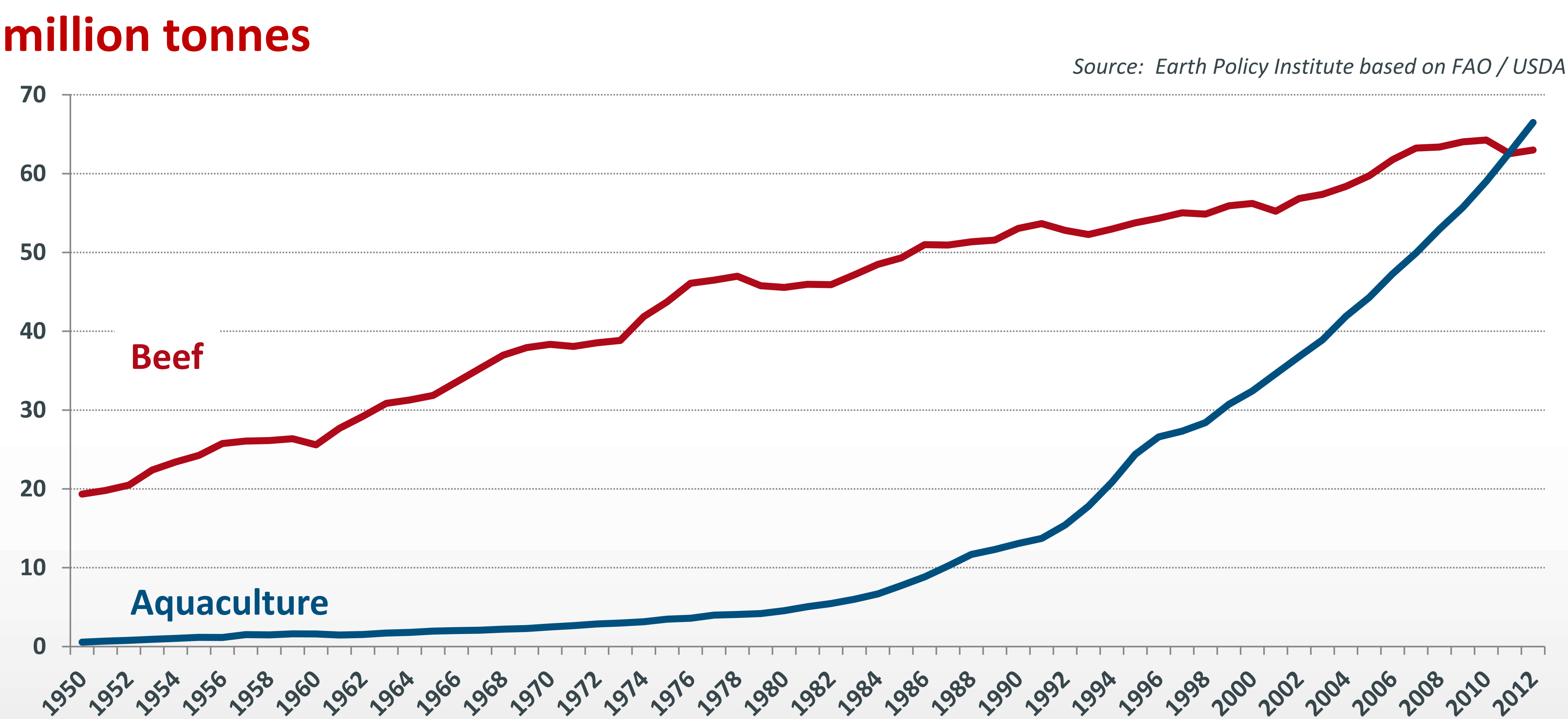
Source: FAOStat 2014, own calculations

China dominates sheep production and expansion (‘000 t) - change 2010-2012 vs. 2000-2002



Source: FAOStat 2014, own calculations

Aquaculture overtook beef in 2012



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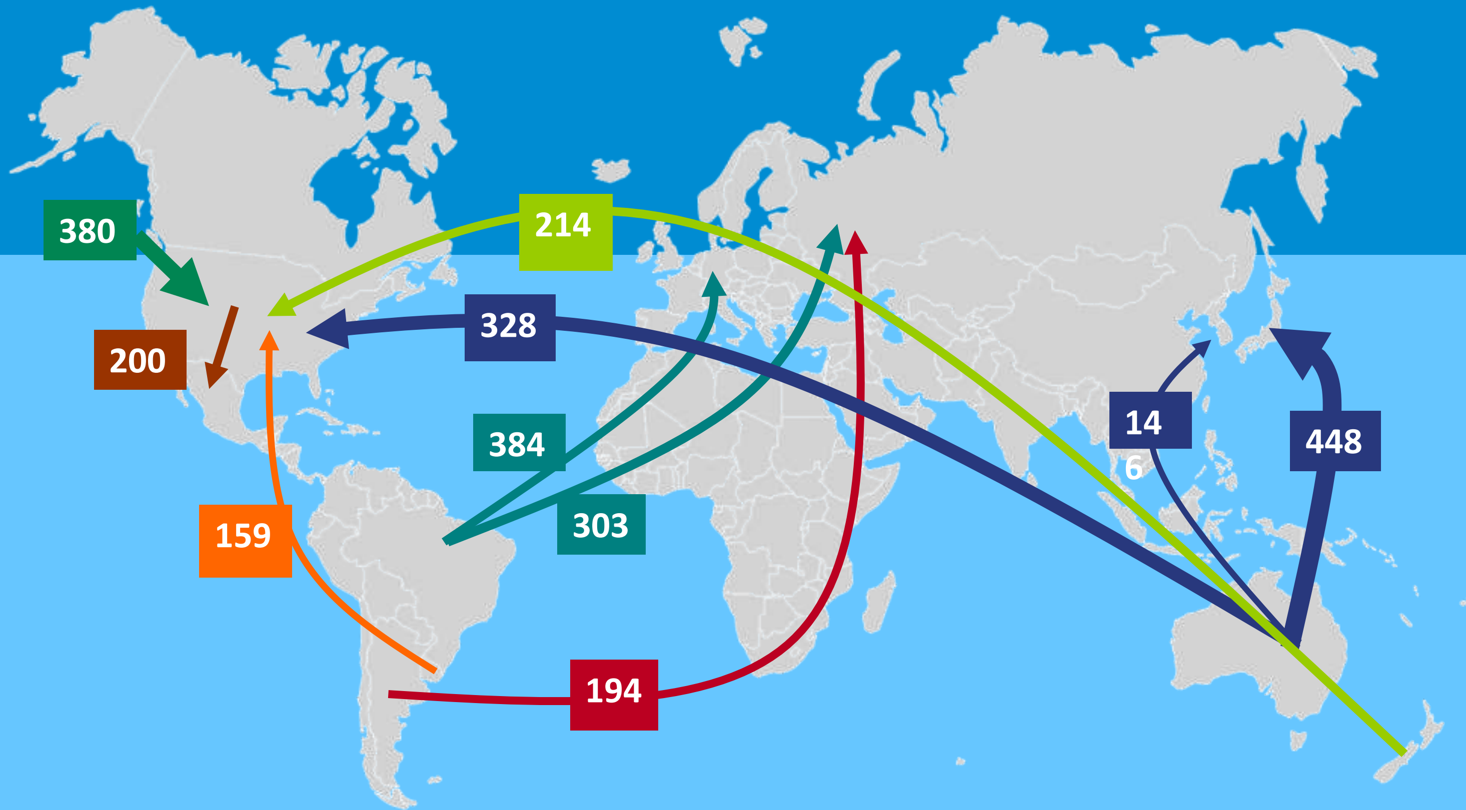
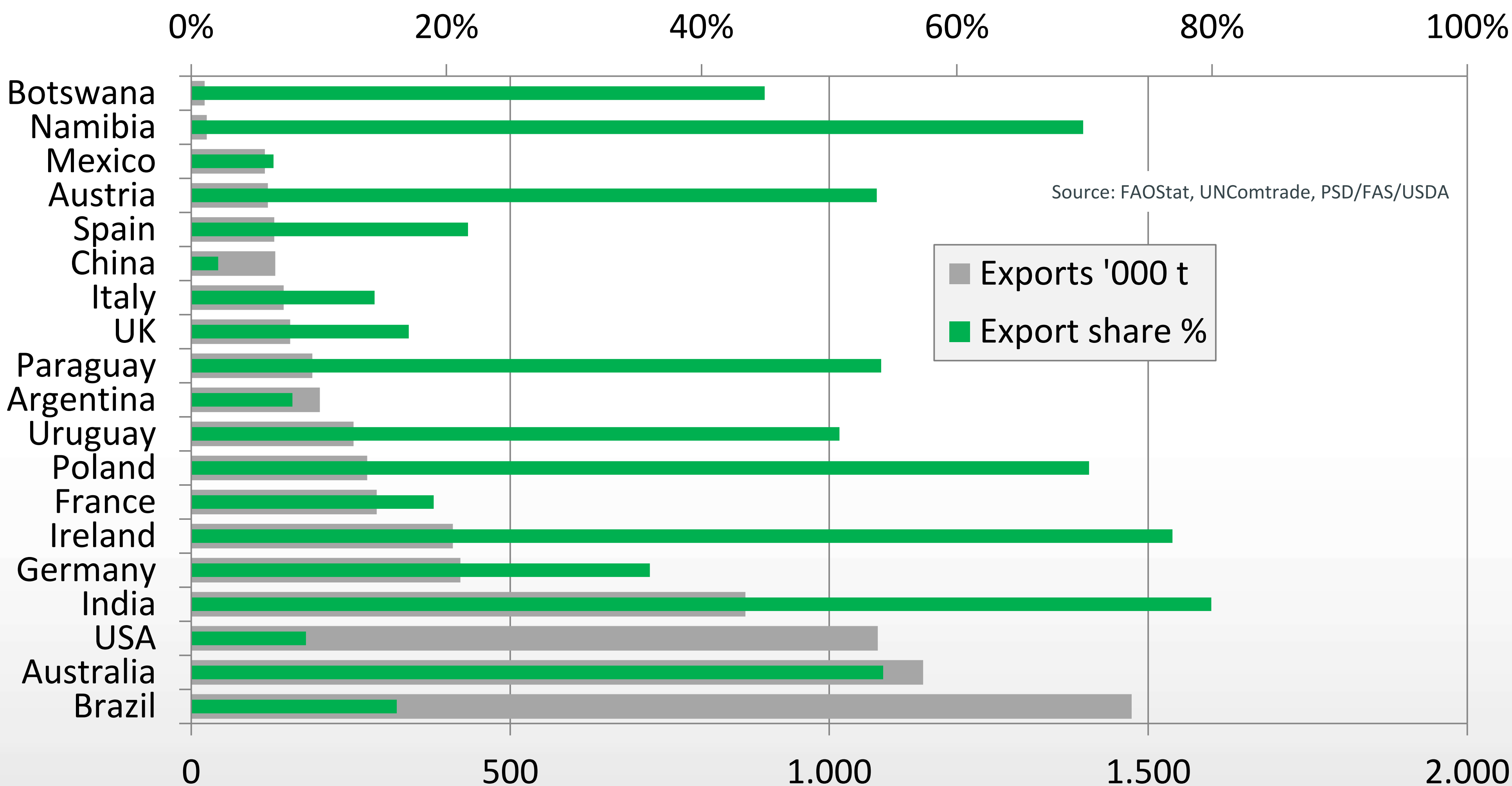
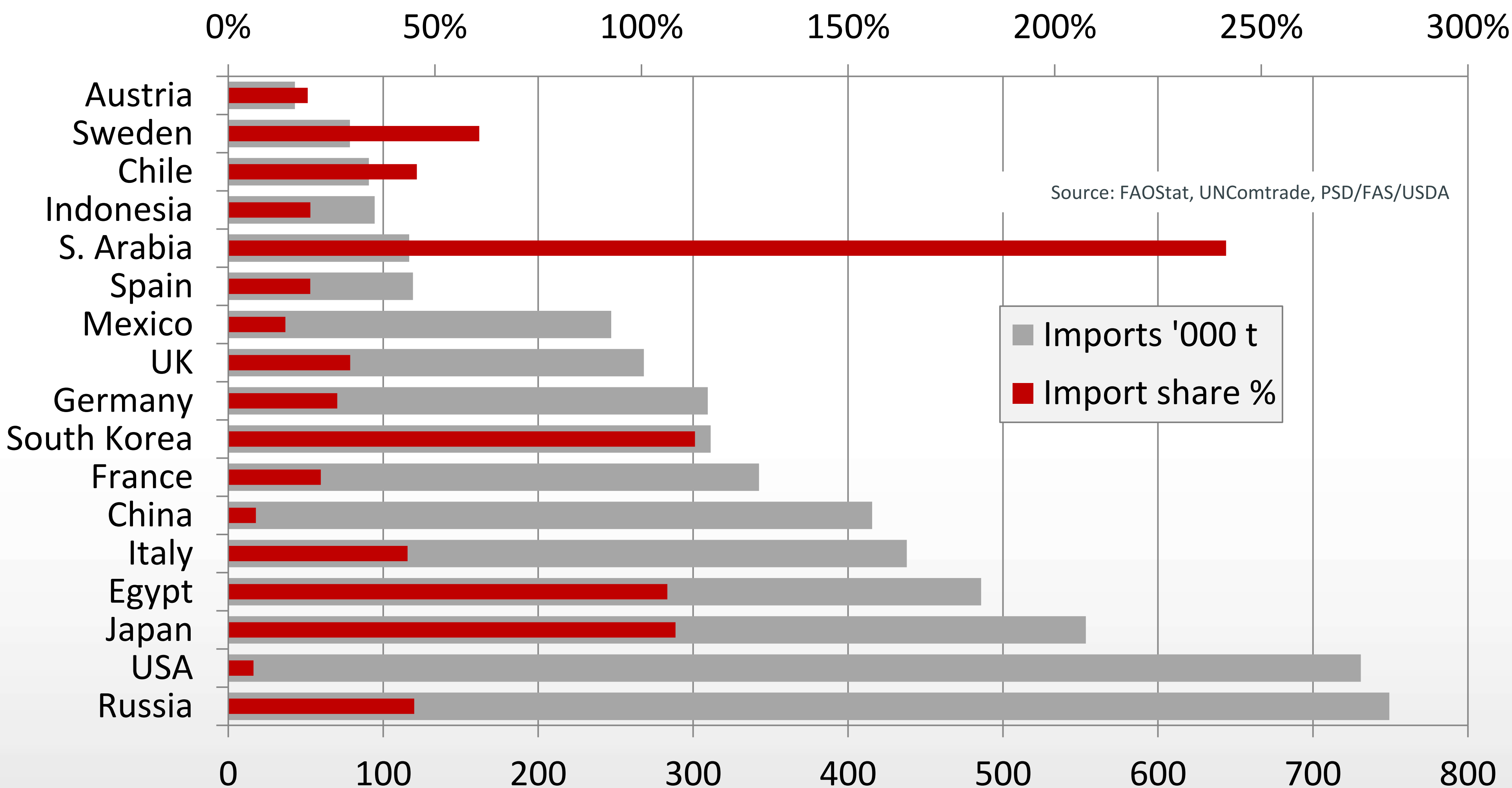
Trade



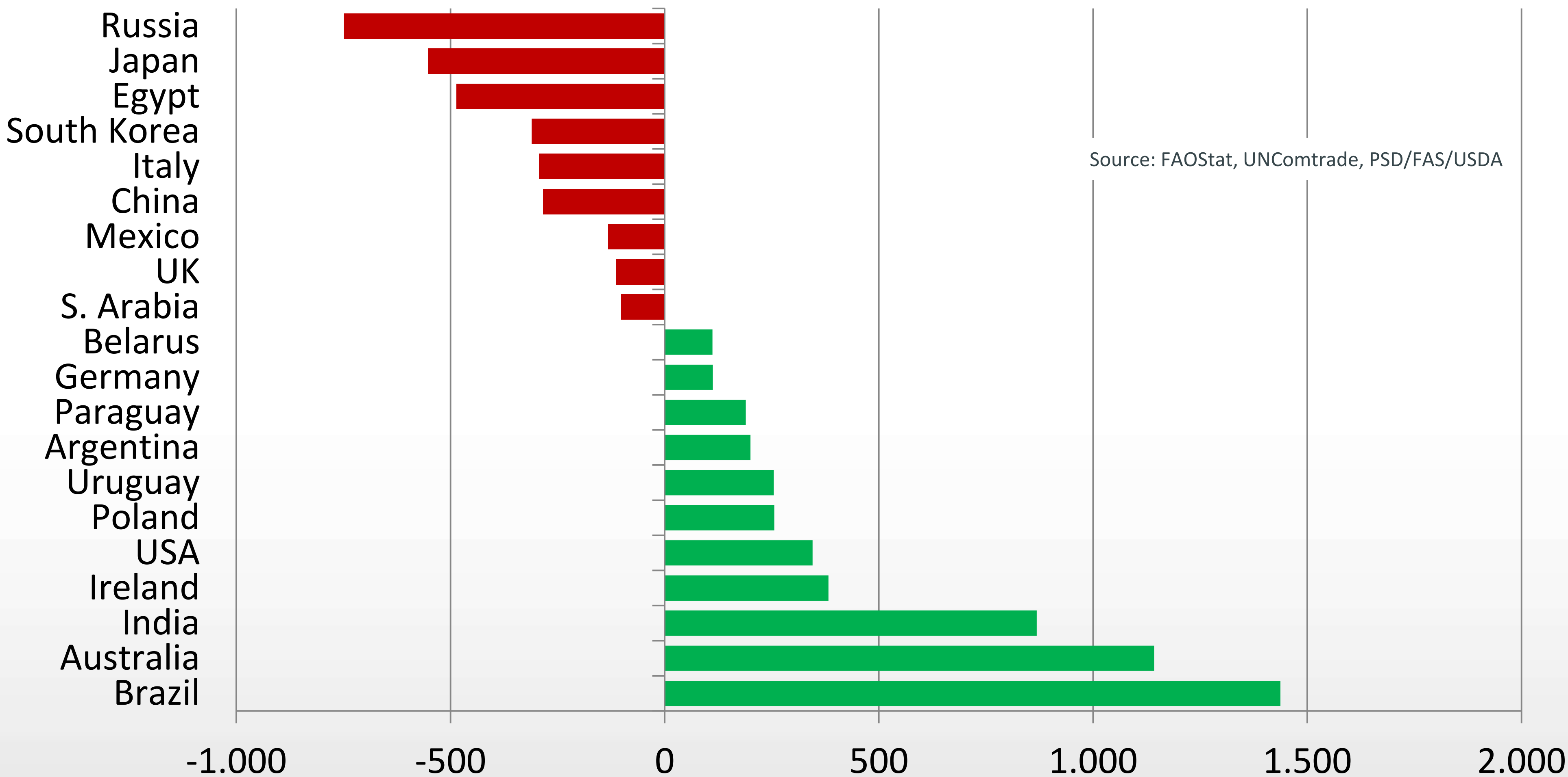
Beef export volumes ('000 t) ≠ export shares (export in % of production) – average 2010-2012



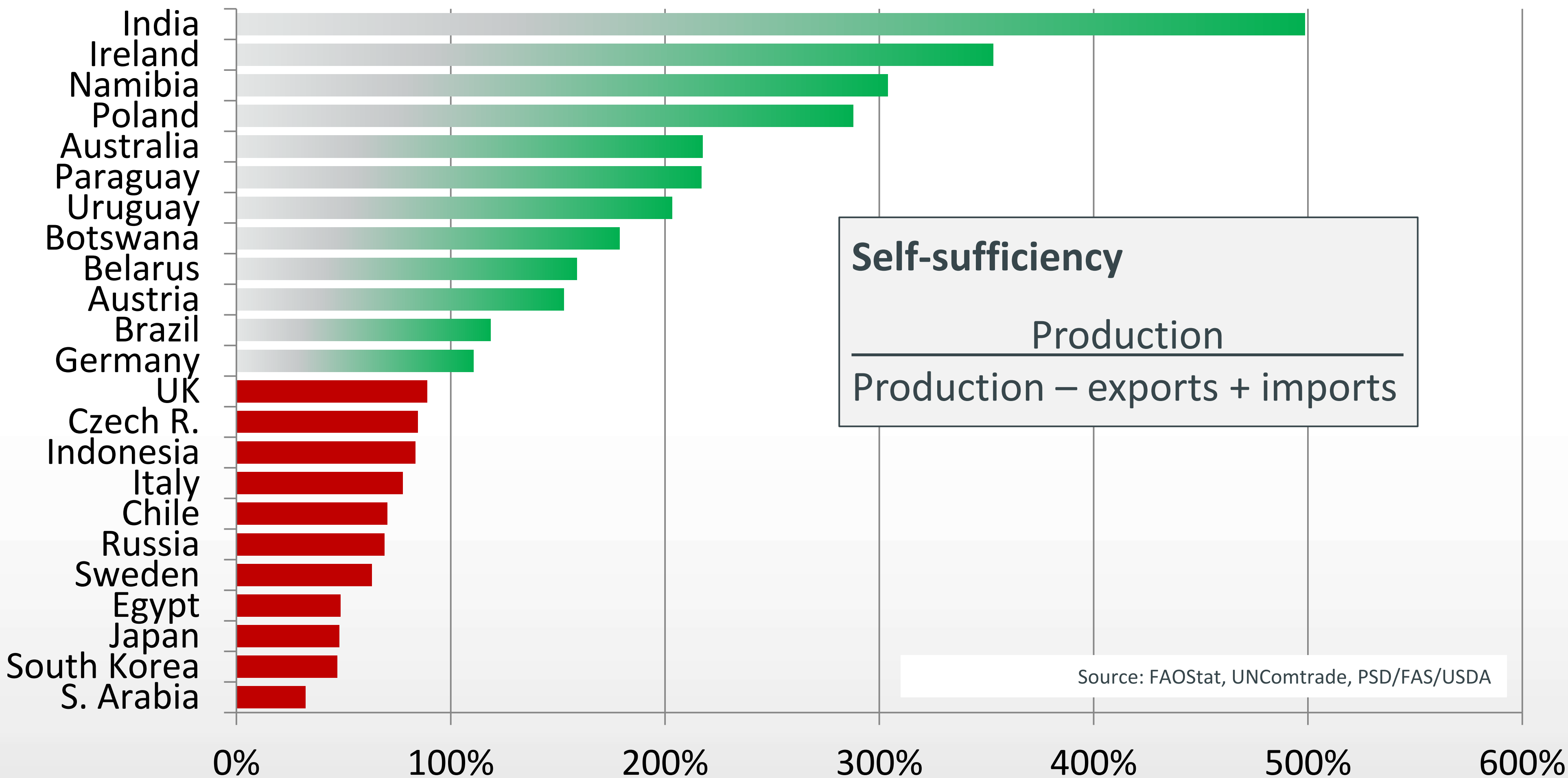
Beef import volumes (‘000 t) ≠ import shares (import in % of production) – average 2010-2012



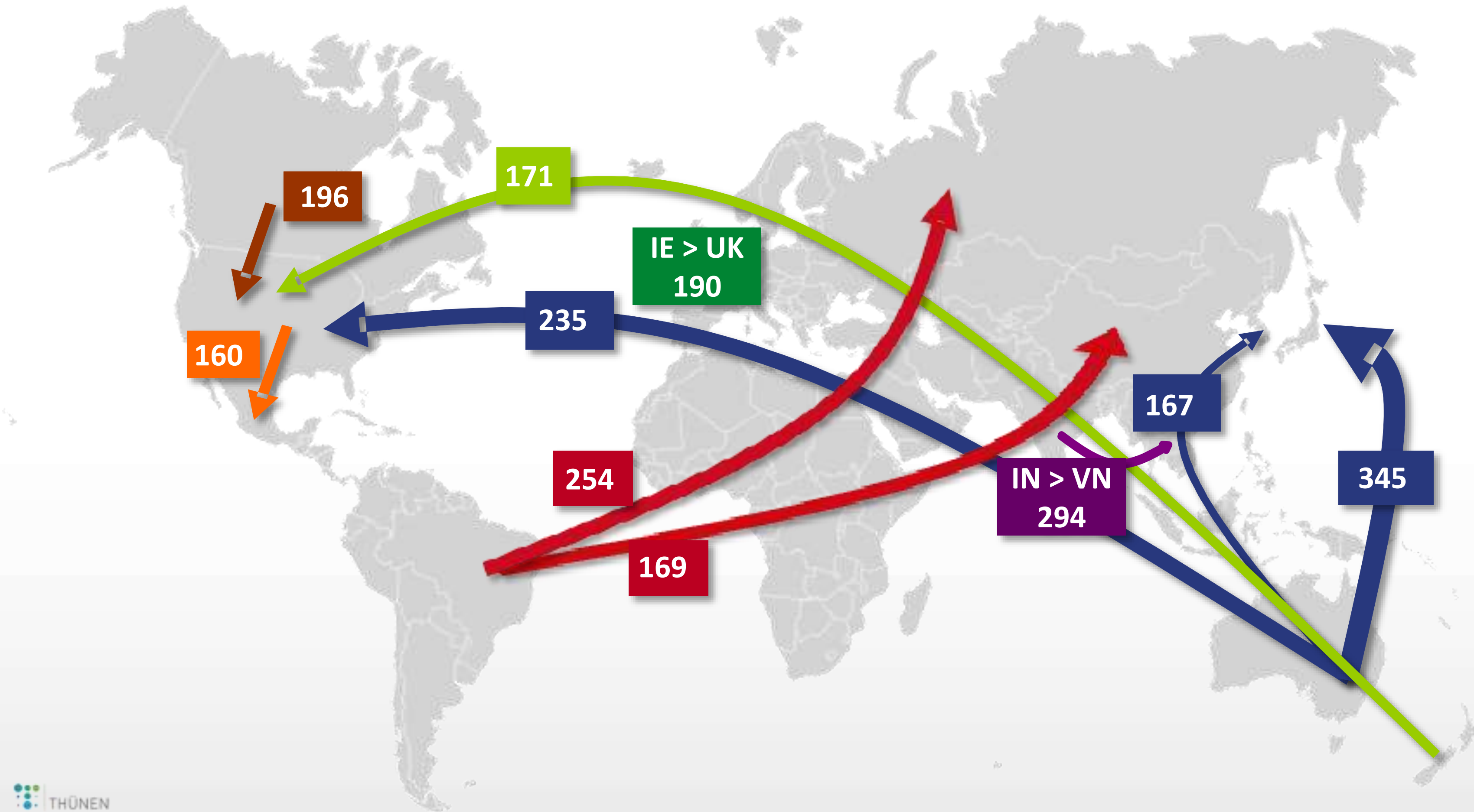
Beef trade balances (exports - imports) ('000 t) – average 2010-2012



Self-sufficiency of beef – average 2010-2012



Top 10 beef trade flows 2012 ('000 tons)



Source: UNComtrade 2014

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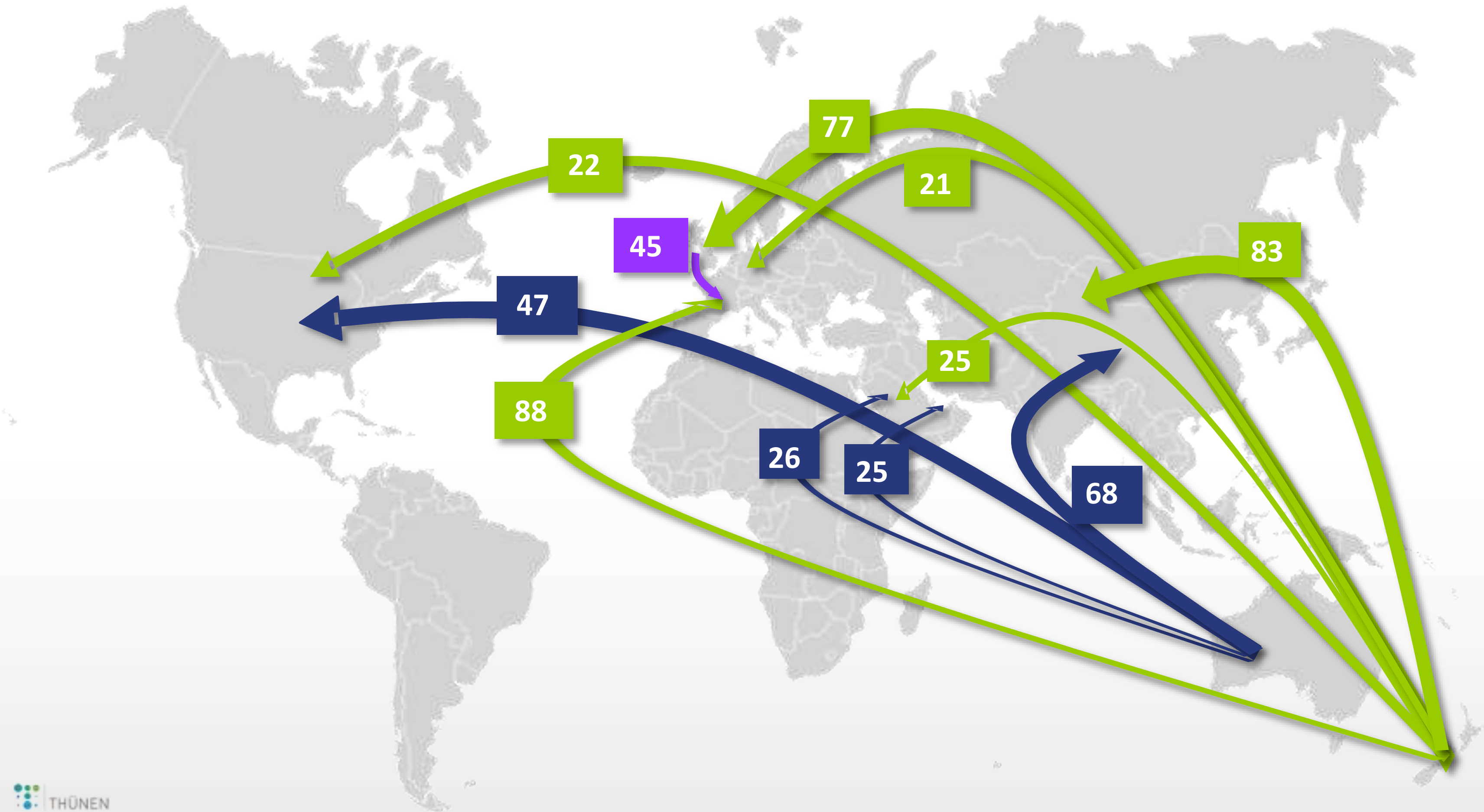
Top 10 sheep trade flows 2012 ('000 tons)

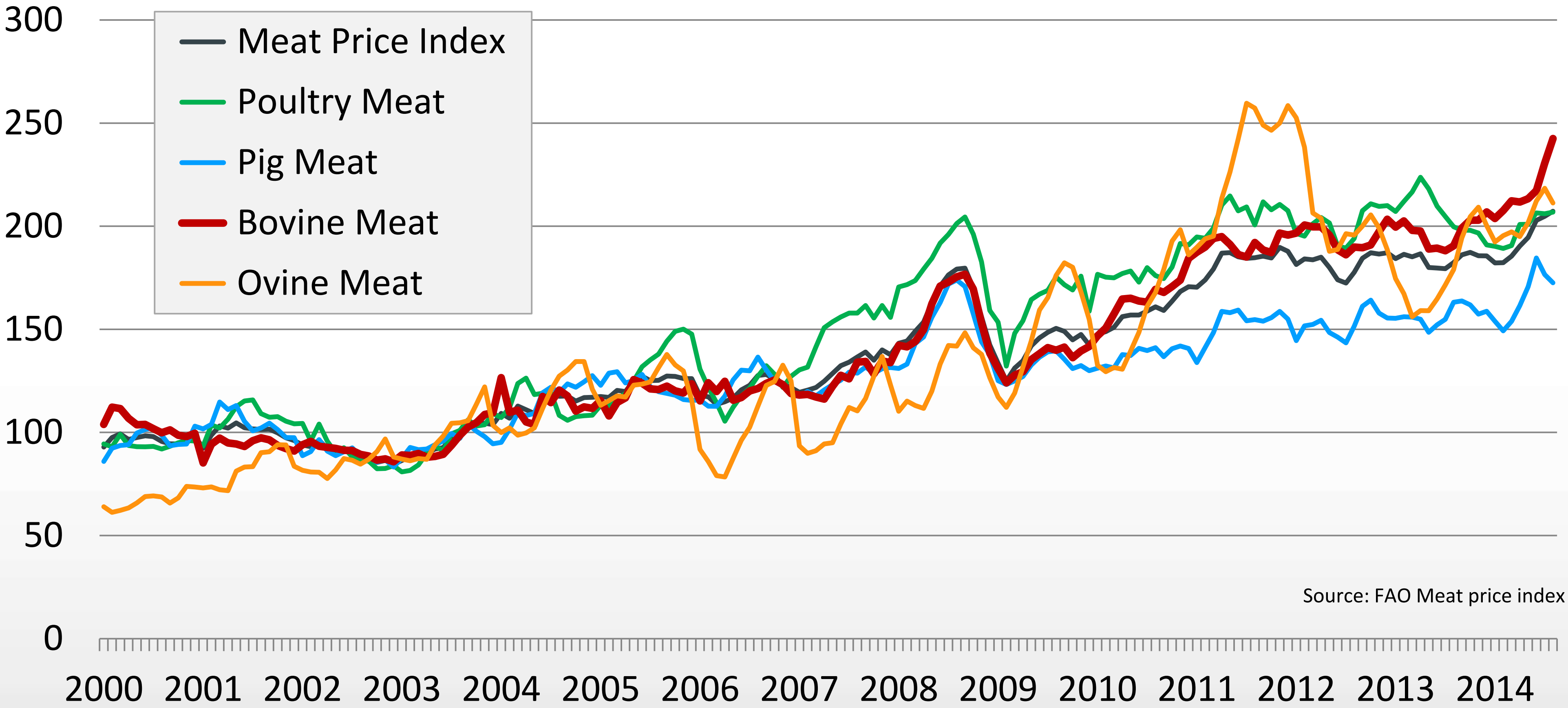


Source: UNComtrade 2014

Prices

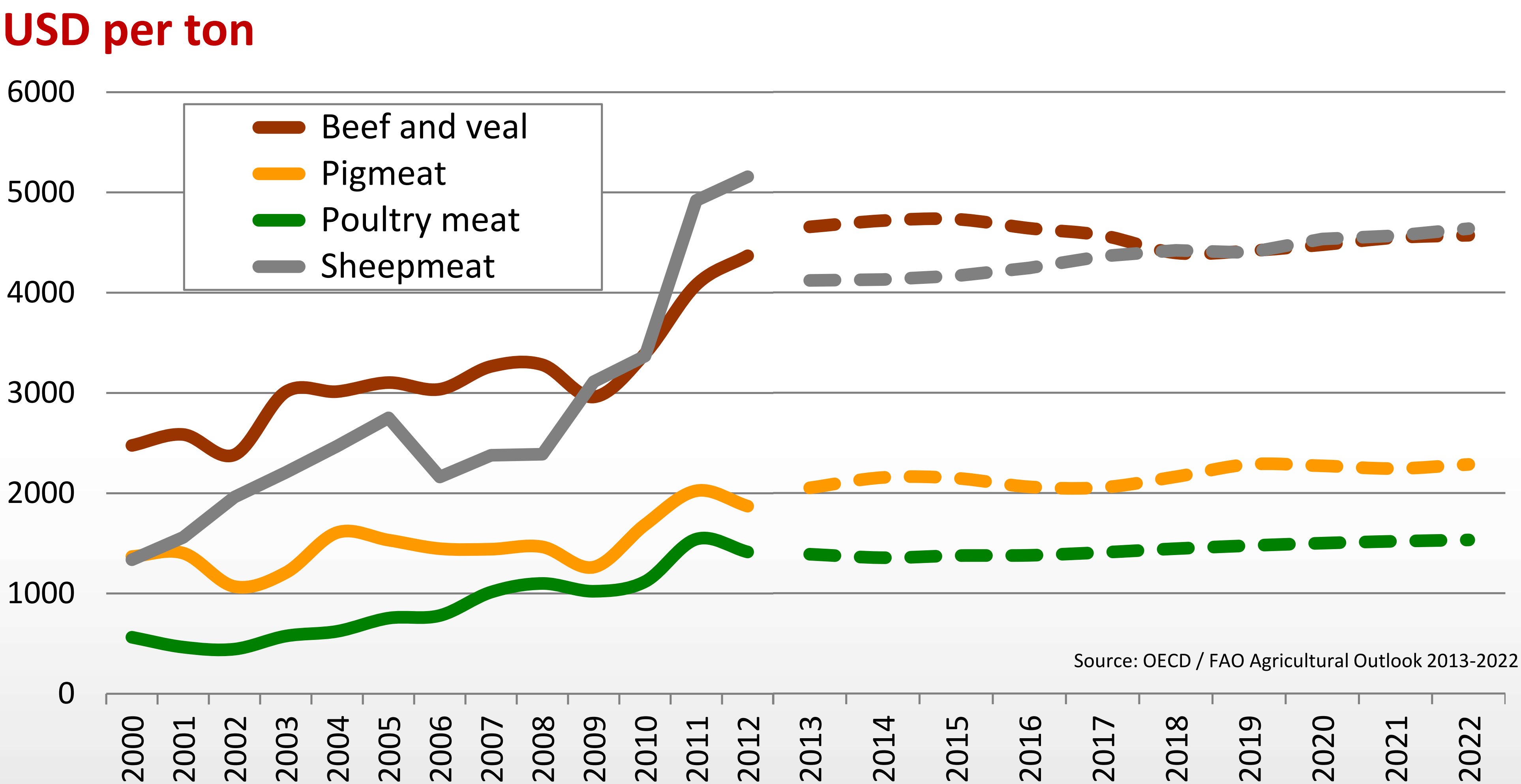
FAO global meat price index

Index based on USD per ton prices



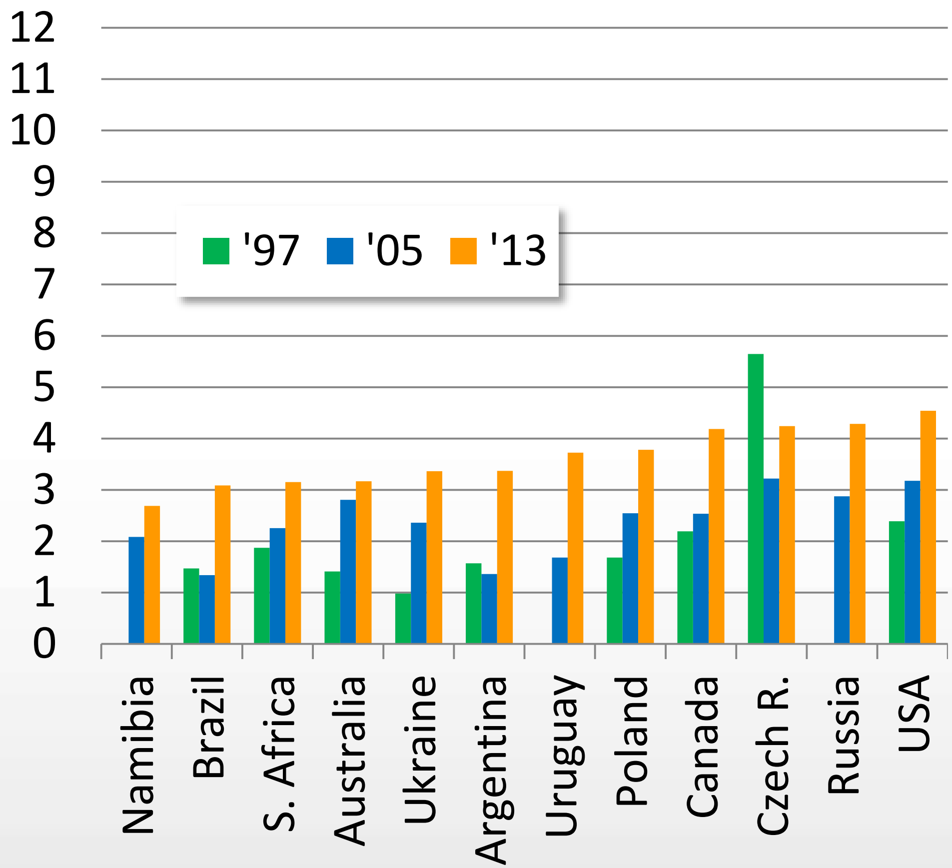
Source: FAO Meat price index

OECD / FAO global meat price projections

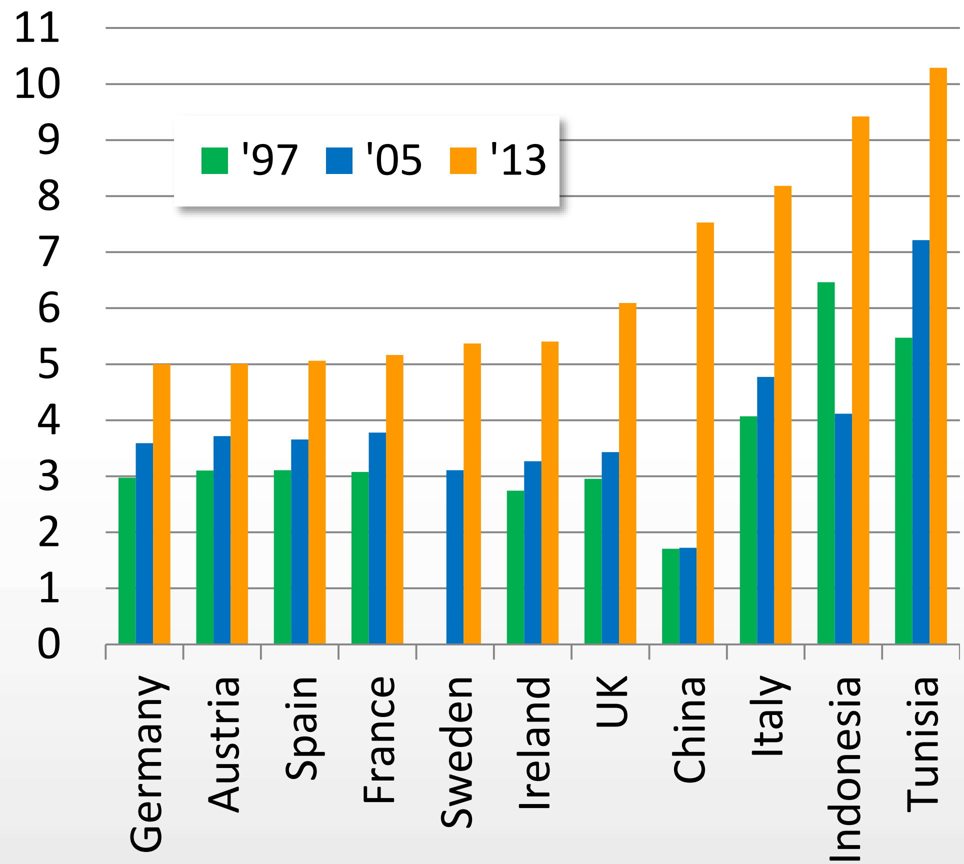


Beef prices rising (1997, 2005 and 2013)

Less than USD 5.00 per kg CW in 2013



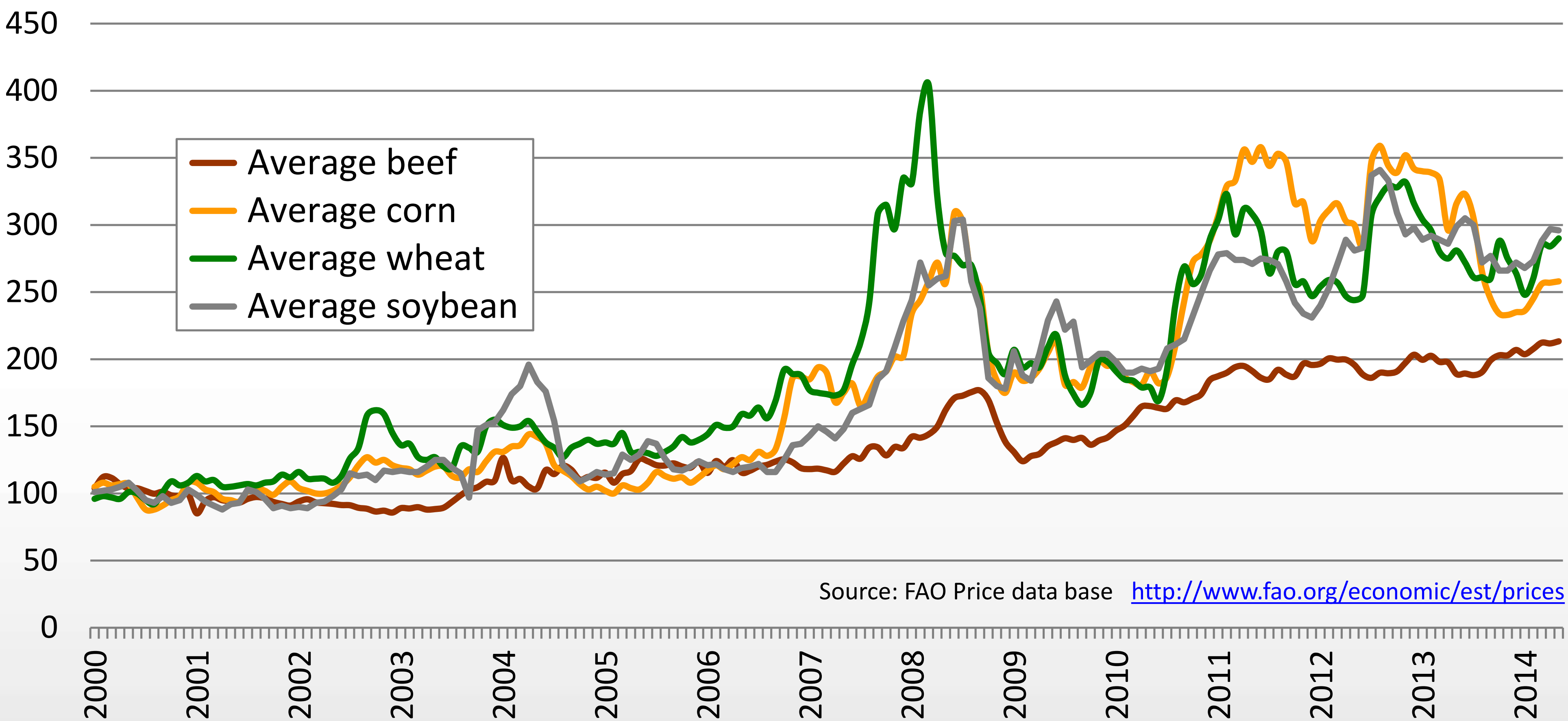
USD 5.00 and higher per kg CW in 2013



Source: *agri benchmark*, national statistics

Plant products with higher increase and more volatile than beef

Index year 2000 = 100



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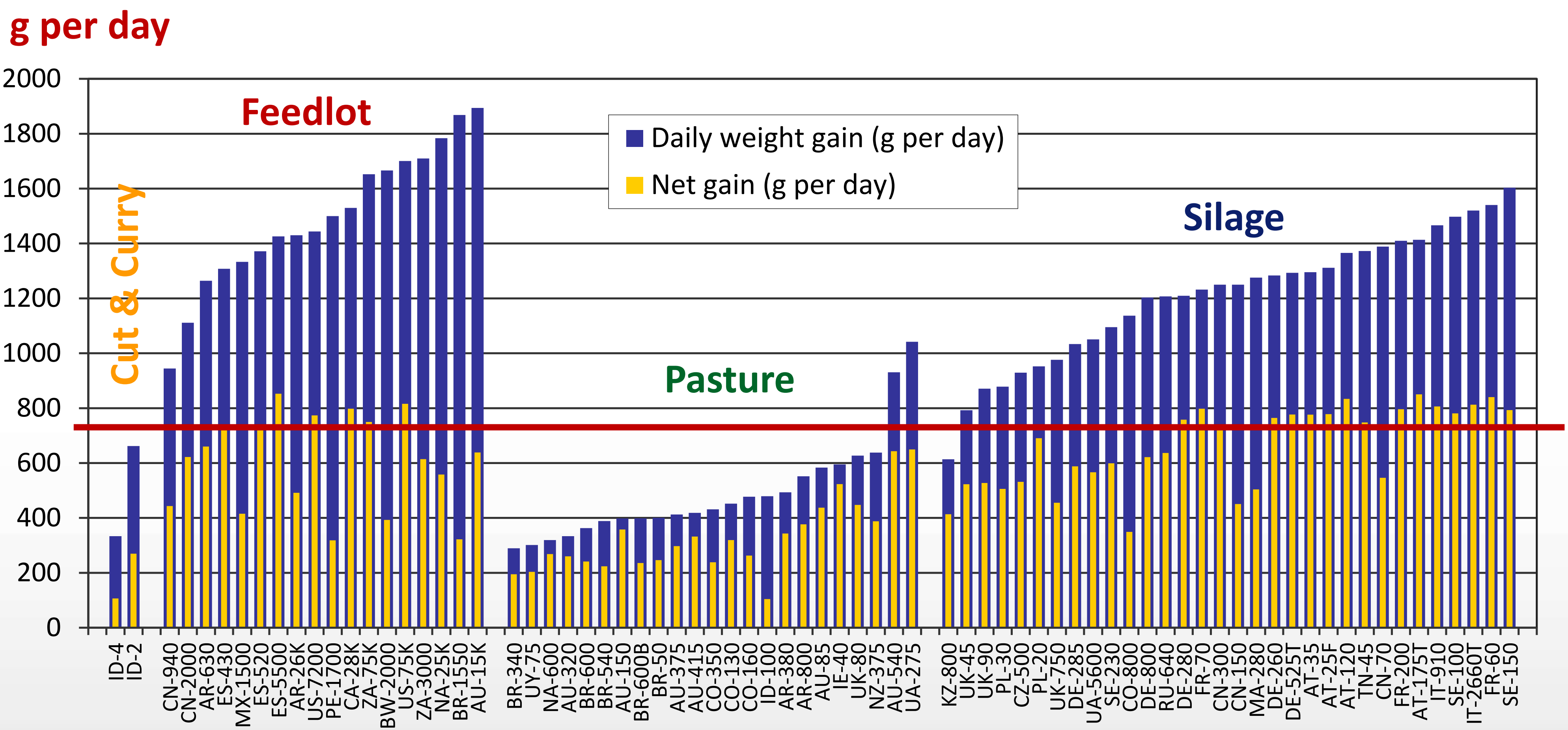
Farm level results

Production systems in beef finishing

	Feed % in dry matter	Management/ Housing	Extent of purchase feed
 **Pasture**	> 30% pasture	Outdoor year round or part of the year	Low
 **Silage**	> 30% silage and other forages	Closed or semi-open barns with slatted floors and/or straw bedding	Medium
 **Feedlot**	> 50% grains and other energy feed	Confined, large, open pens, partially with sun-covers	High
 **Cut & Carry**	> 30% freshly cut grass & other vegetation	Mix of pens and grazing of paths and paddies	Low

Daily weight gain and net gain by production system
(net gain = carcass weight divided by age at slaughter)



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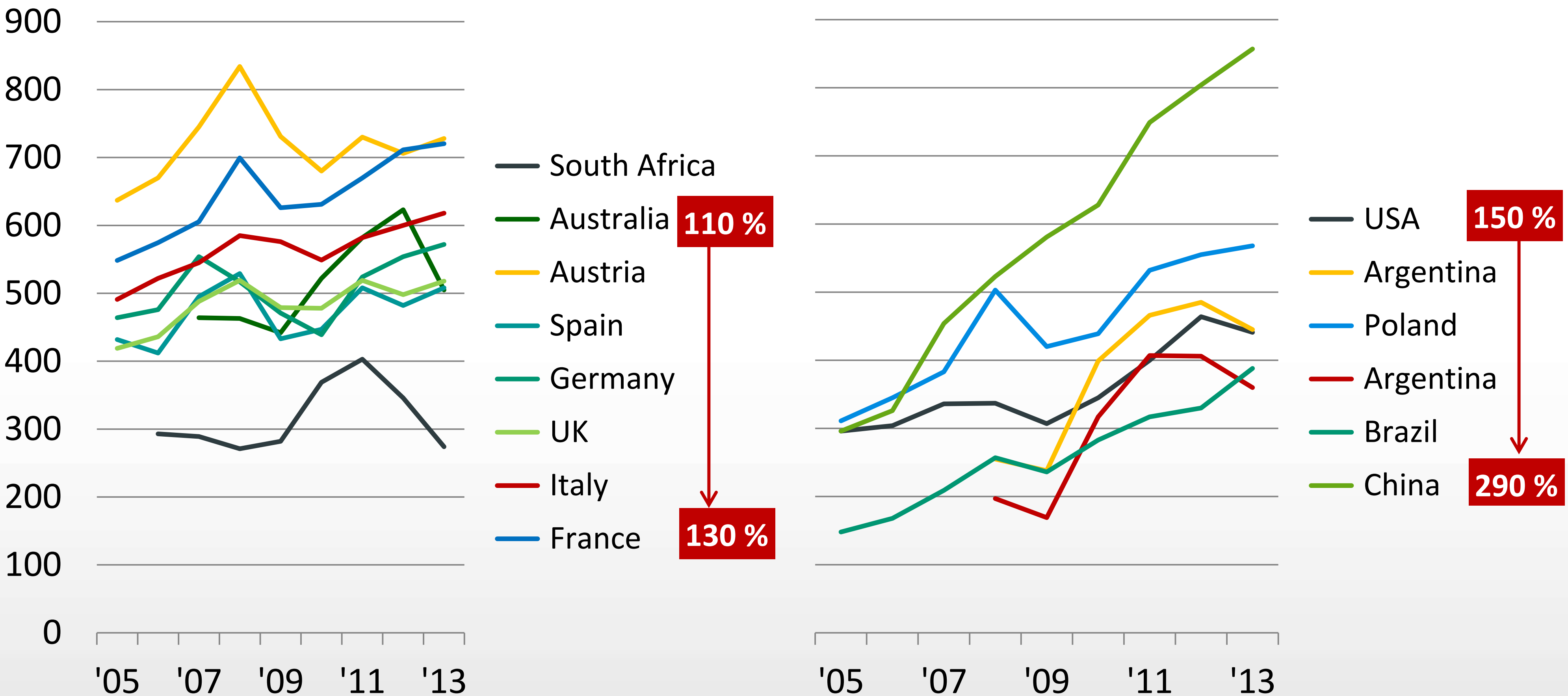
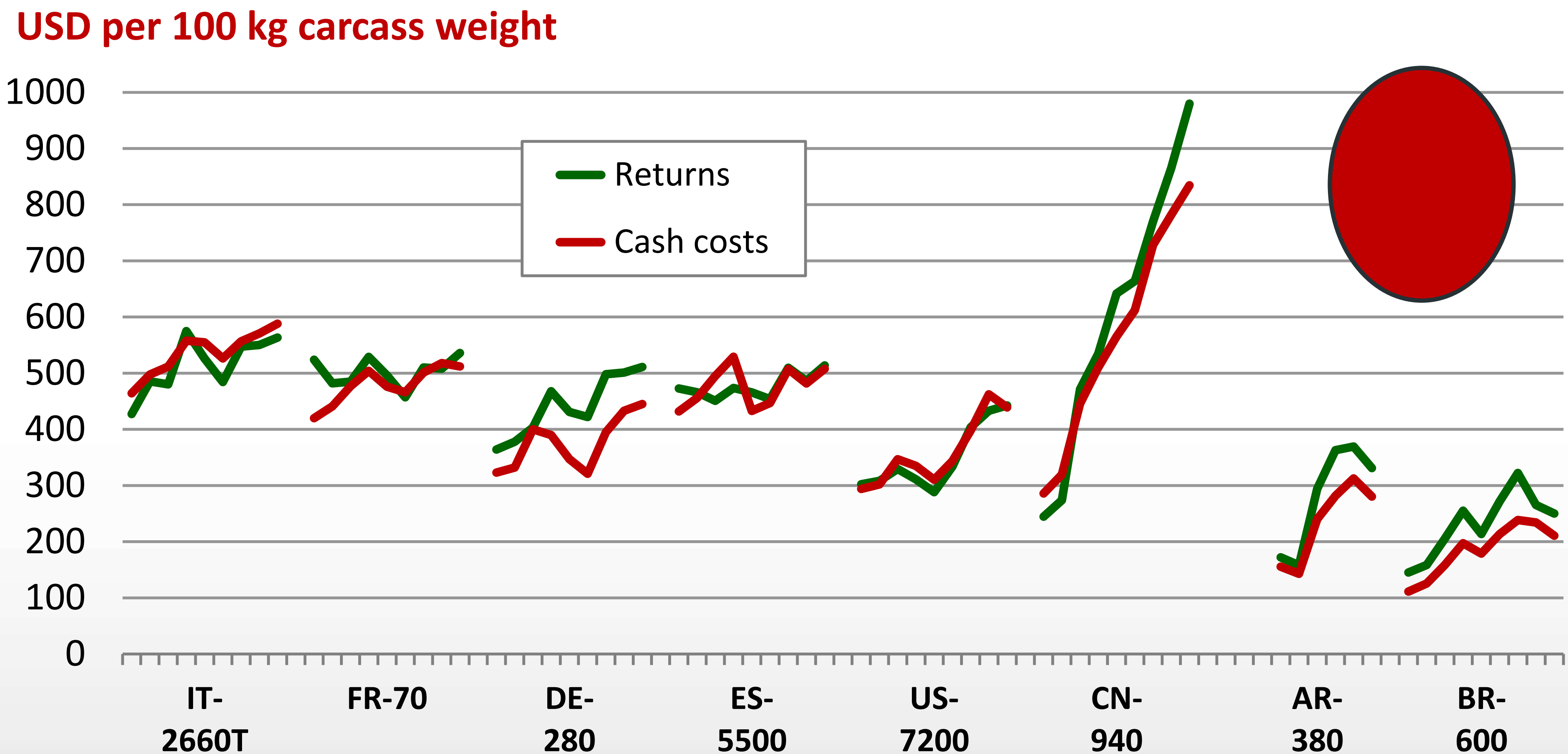
Cost developments in beef production 2005-2013

USD per 100 kg carcass weight and increase in percent

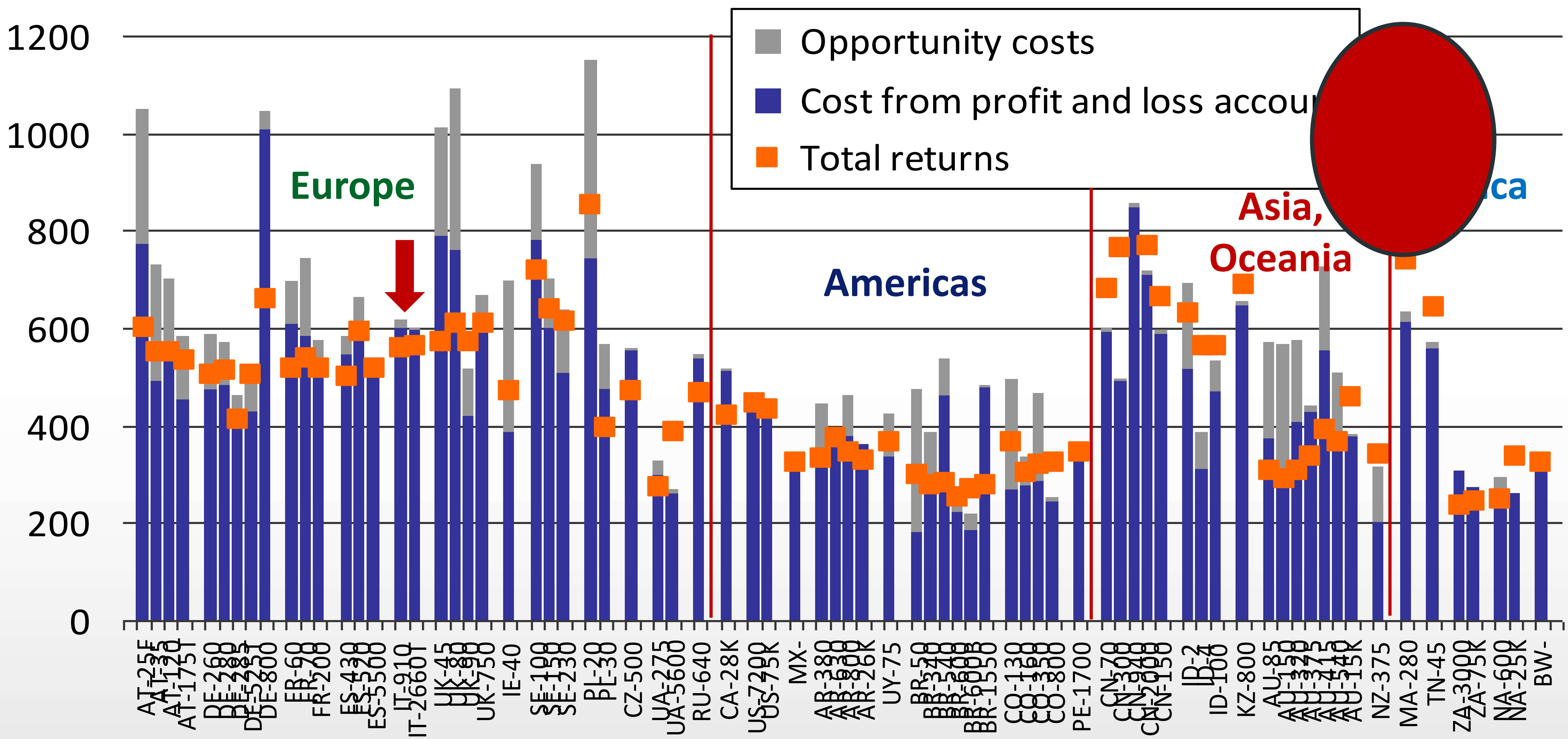


Margin over cash costs (2005-2013)



Mid-term profitable, long-term not (2013)

USD per 100 kg carcass weight



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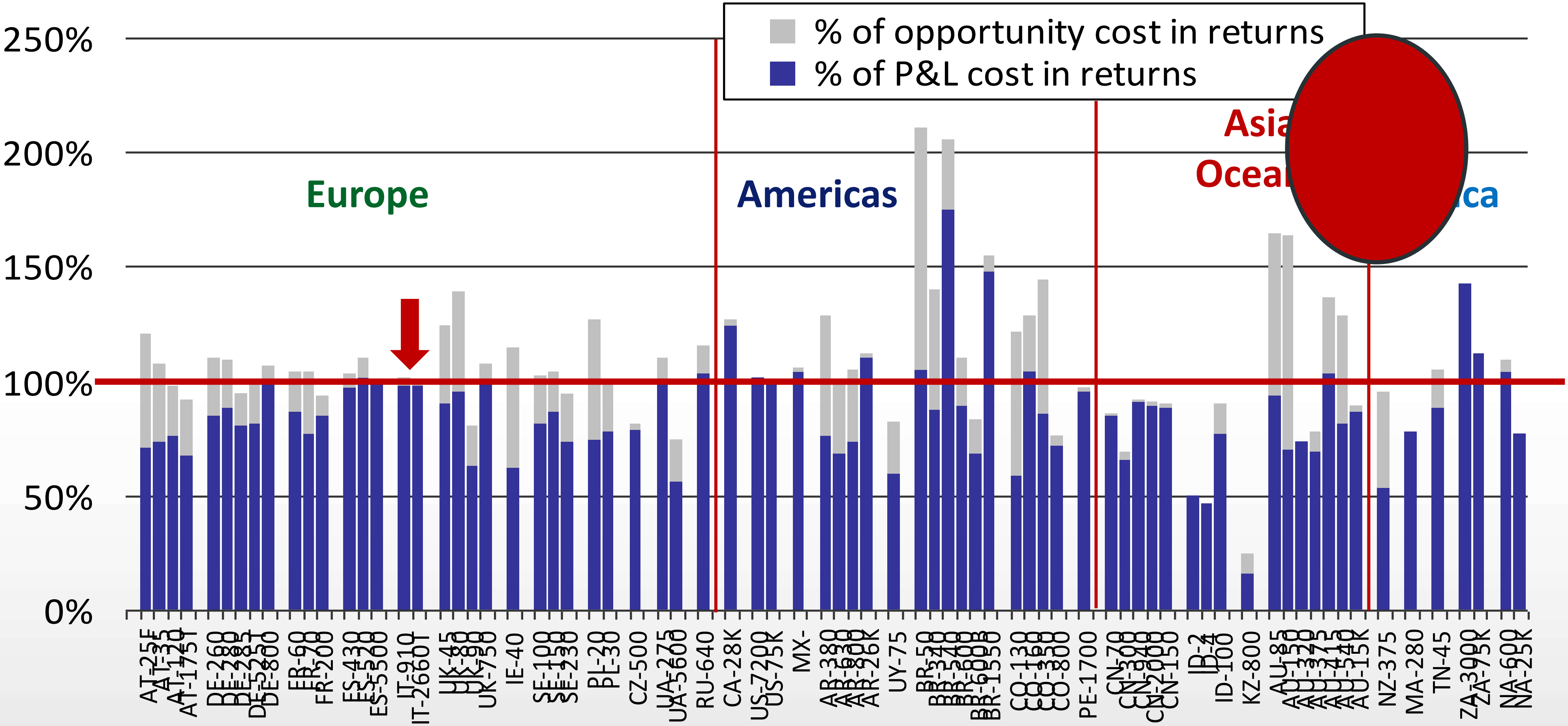
Slightly better situation on whole-farm level

Percentage of costs in total returns



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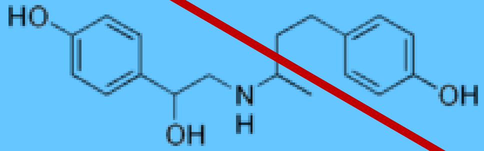
Free trade (TTIP) between the US and the EU

Zilmax

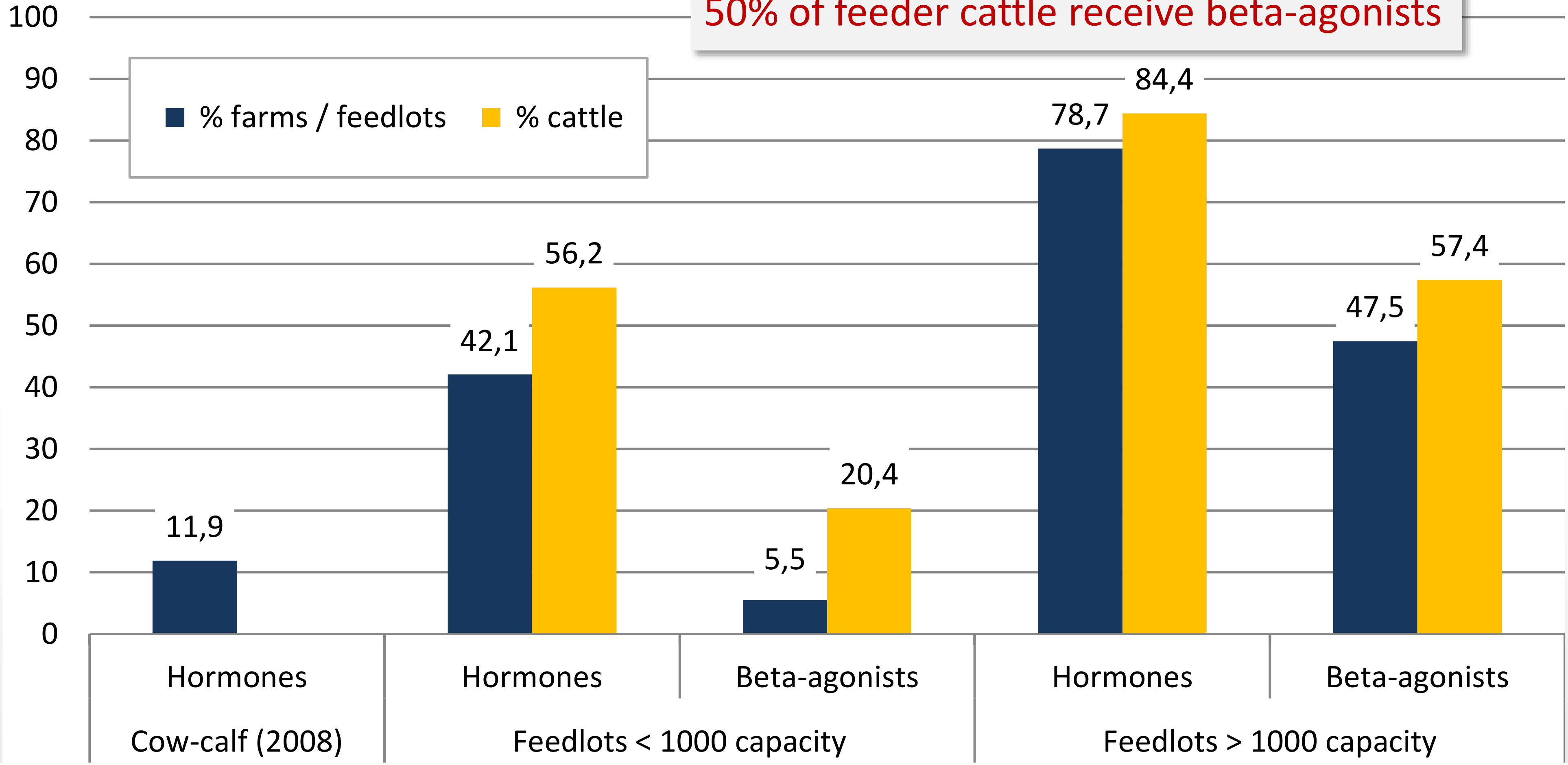
Elanco

Optaflexx



The use of hormones and beta-agonists in the US is common practice

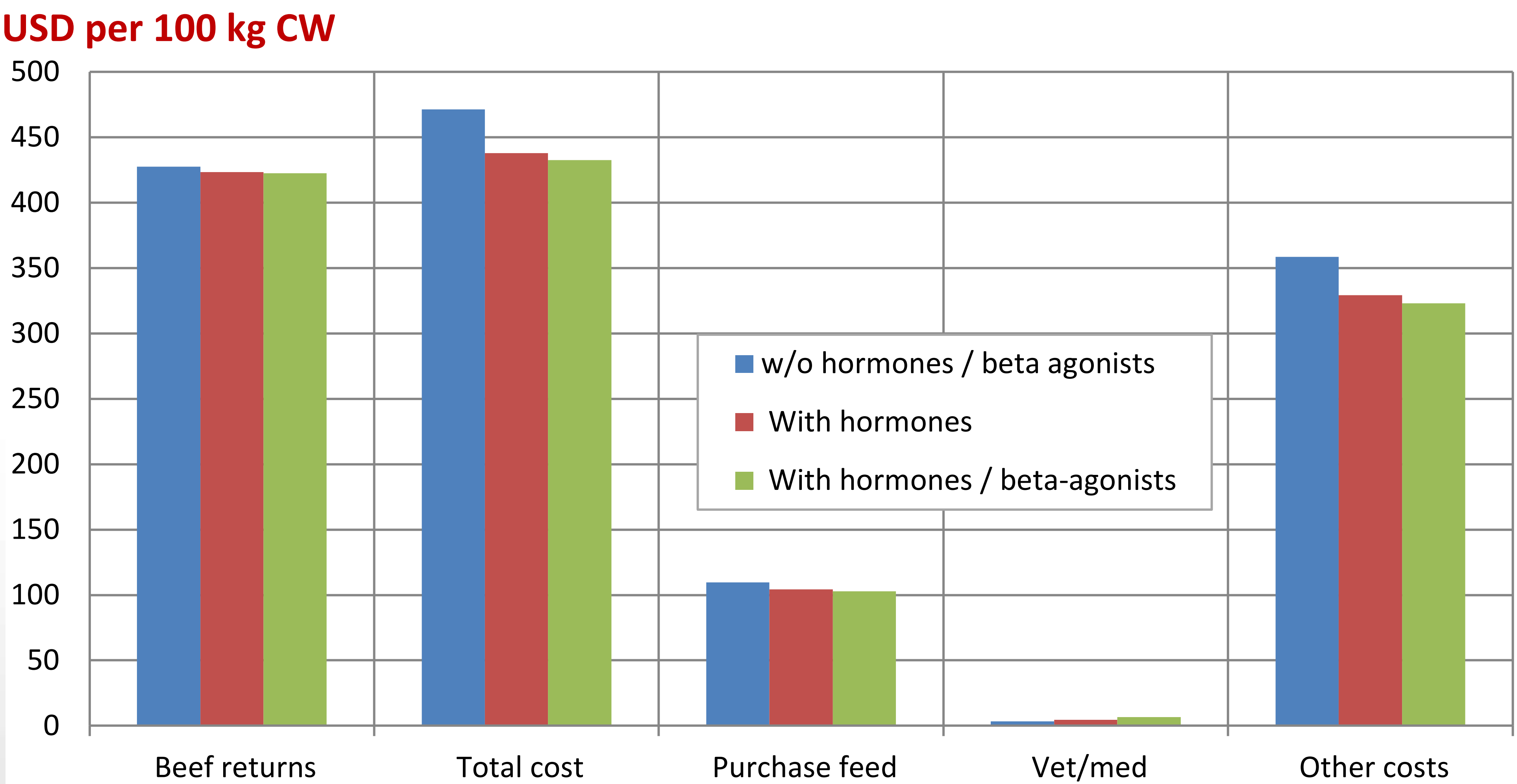
75% of feeder cattle receive hormones
50% of feeder cattle receive beta-agonists



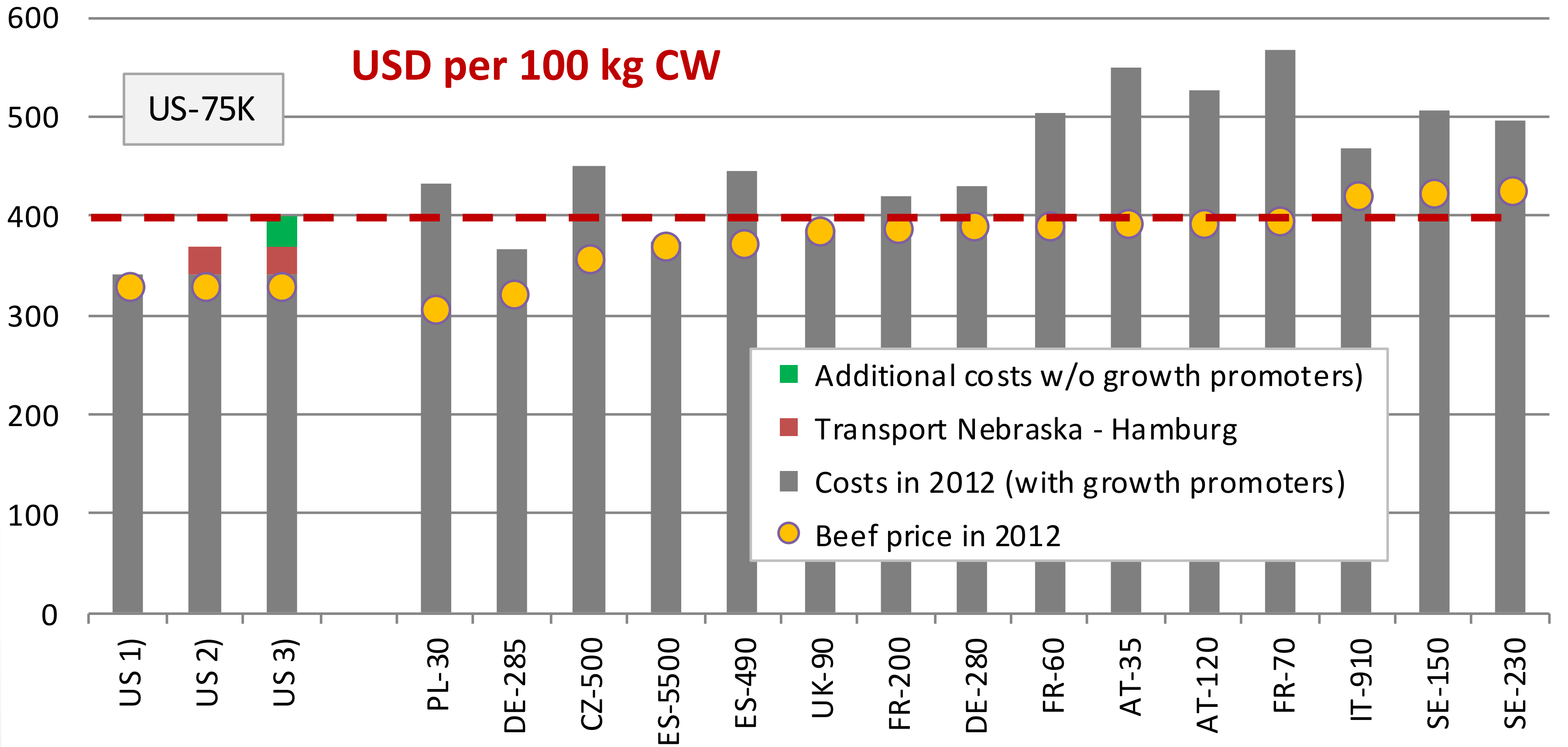
The use of hormones and beta-agonists increases productivity and carcass yields

Feedlot USA 75 000 sold	Unit	With hormones Beta-agonists	w/o hormones Beta-agonists	Percentage change
Lower feed conversion rates	Kg feed	5.9	6.9	- 15 %
Higher daily weight gain	g per day	1 650	1 350	+22 %
Higher final live weight	Kg	580	540	+ 7 %
Higher carcass yield	%	64.1	62.5	+ 3 %
Higher carcass weight	Kg	370	335	+ 9 %

The increased performance results in a cost advantage of approximately 10 percent



Reflecting transpost costs and the non-use of growth promoters brings US-cosrts close to EU price level



US 1) Total costs in 2012 (with growth promoters)

US 2) = 1) + Transport cost Nebraska - Hamburg

US 3) = 2) + Additional cost without growth promoters

Summary

- China, Asia, Africa and South America (Argentina) drive consumption
- China and Brazil drive beef production
- Rally of beef and livestock prices slowed down
- The world is getting closer in prices and costs of beef production
- Beef production is short- to mid-term profitable, long-term not
- Changes of CAP-reform leads to income losses
- Free trade EU-US not expected to have negative impacts on EU-beef production

agri benchmark – passionate about facts

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