



**Põllumajanduskoda**  
Eesti Põllumajandus-Kaubanduskoda



# Global Meat Market Outlook

Rupert Claxton

**15<sup>th</sup> November 2023**

# Who are we ?

Food & drink sector specialist, through the entire value chain



## Our 5 key sectors

**Animal Protein**      **Dairy**      **Ingredients**      **Bakery**      **Foodservice**

- Founded in 1970, Gira is based in France, near Geneva
- > 30 consultants all over the world !
- We are an industry specialist and we provide **strategic market consultancy** and **forecasting**, at every level of the food supply chain.

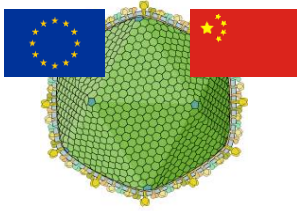
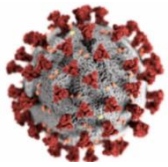
## Some of our clients:

# Major Global Issues

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# Key of issues challenging the meat industry

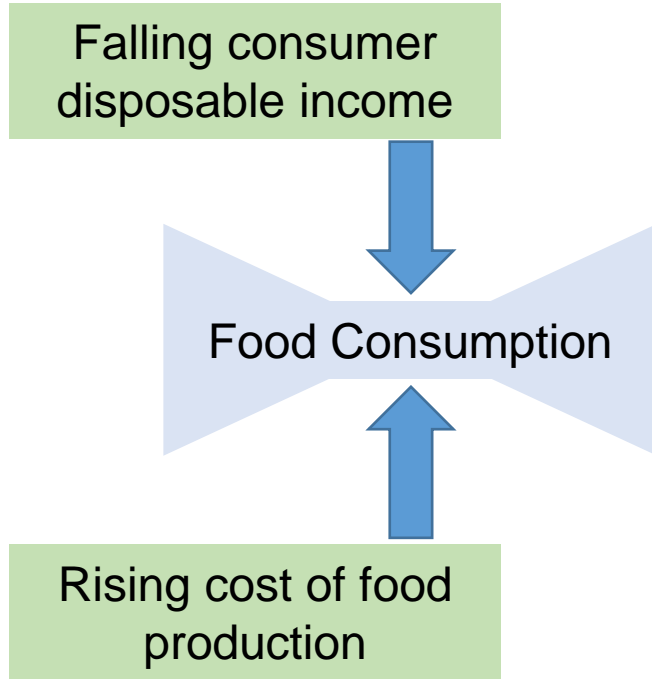
*Costs soften from 2022 highs, but remain above long term average*



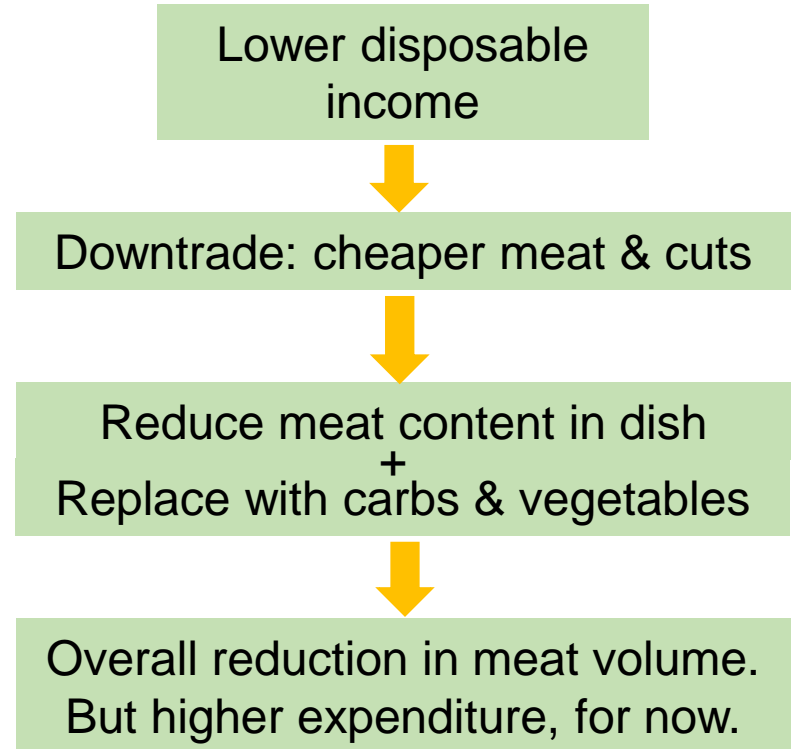
# Domestic demand: Household Inflation Squeeze ... on everything

*Cost of Living crisis (CoL): Significant impact on EU meat consumption*

## Spending Squeeze



## Mechanism for Decline: e.g. for meat





CoPs follow each other... and – largely – look the same: 4 parties with clear roles

🌿 **Scientists** → livestock role in GHG emissions

🌿 **NGOs** → reduction in meat production

🌿 **M&L industry** better organised in its lobbying efforts

- Closer ties with official delegations
- Dublin Agreement – Using science

🌿 **Politicians** are rarely ready to 'rock the boat'

- Food security – sustainability arbitrage
- Only 12 nations singled out livestock in NDCs
- EU talk of herd reductions

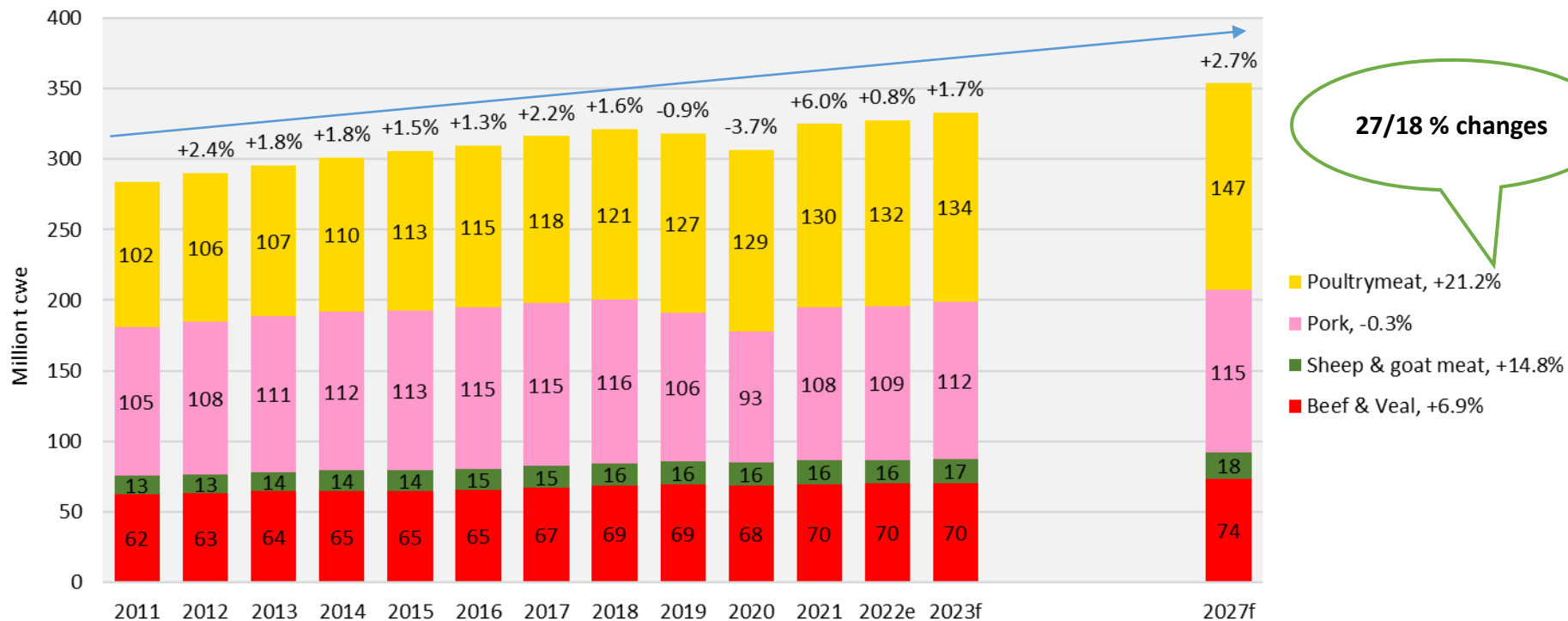
# Global Meat Market Overview

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# World meat consumption, 2011-23f & 27f

Asian ASF and other crises reinforced Py dominant share gain

## Global Meat Consumption Volumes : main species, 000t cwe

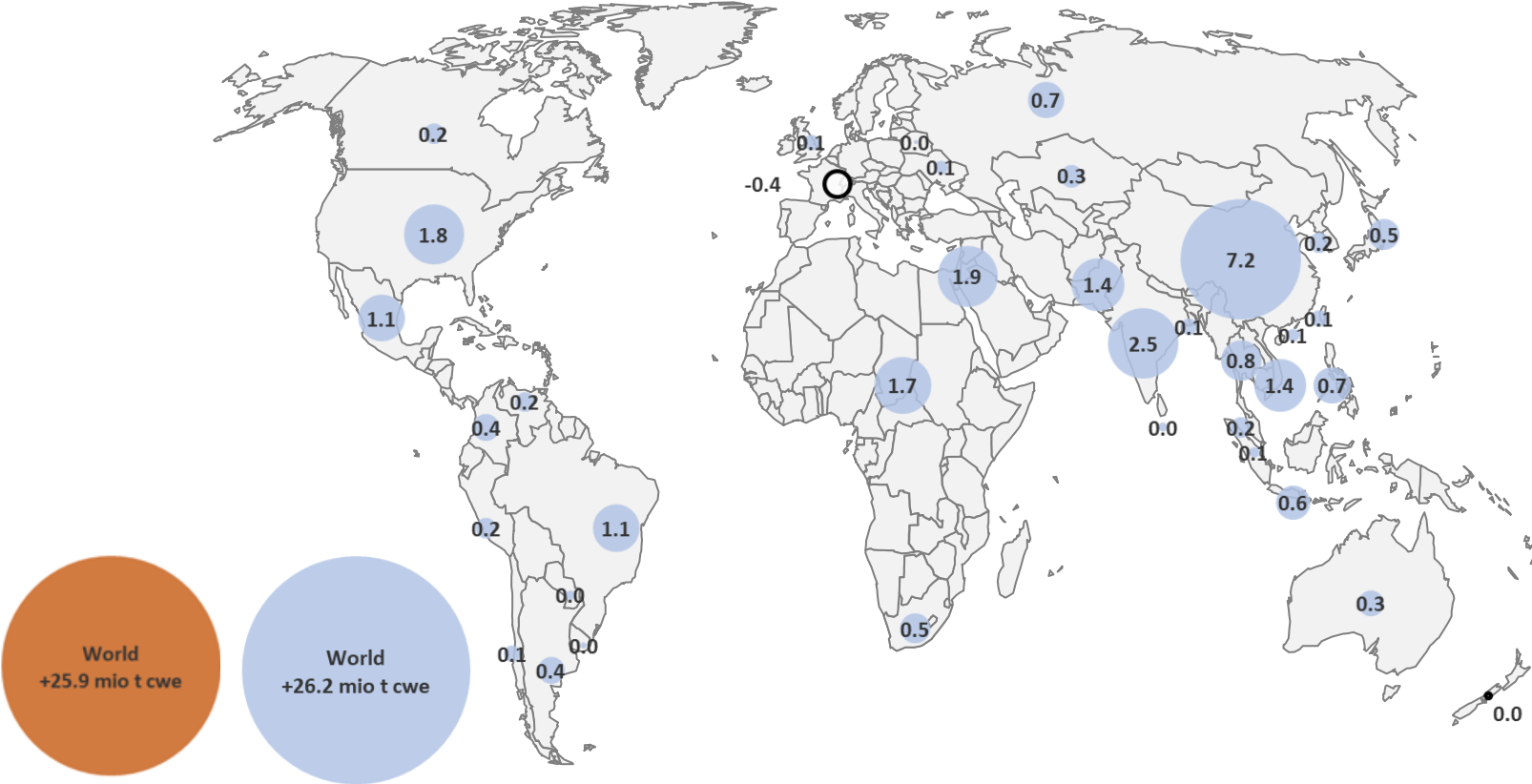


Source: Gira compilations



# Total meat consumption changes, 2022e-27f

Consumption growth still very much focussed on Asia – EU decline



Source: Gira compilations

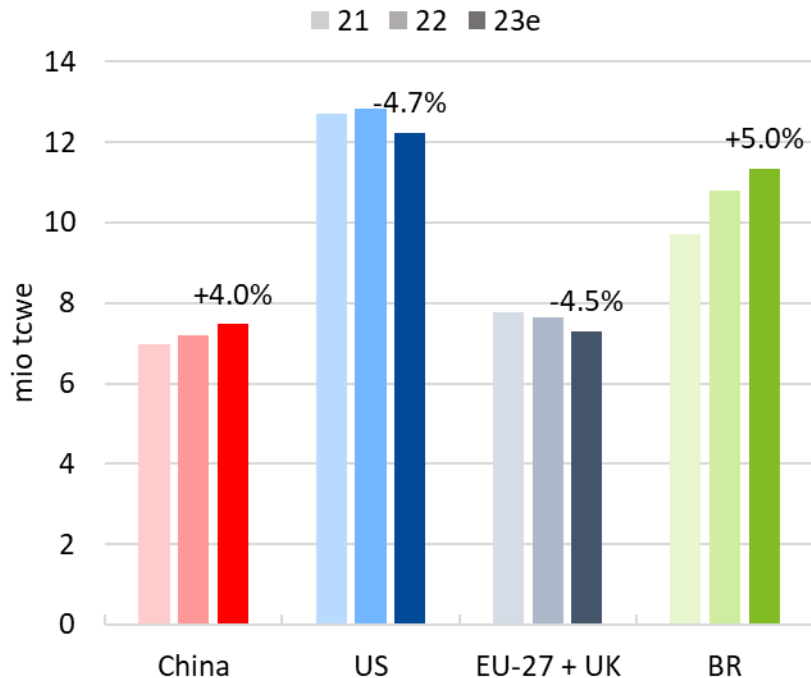
# Global Beef Outlook

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# Global Beef Outlook

*US and EU production declines for different reasons*

## Beef Production



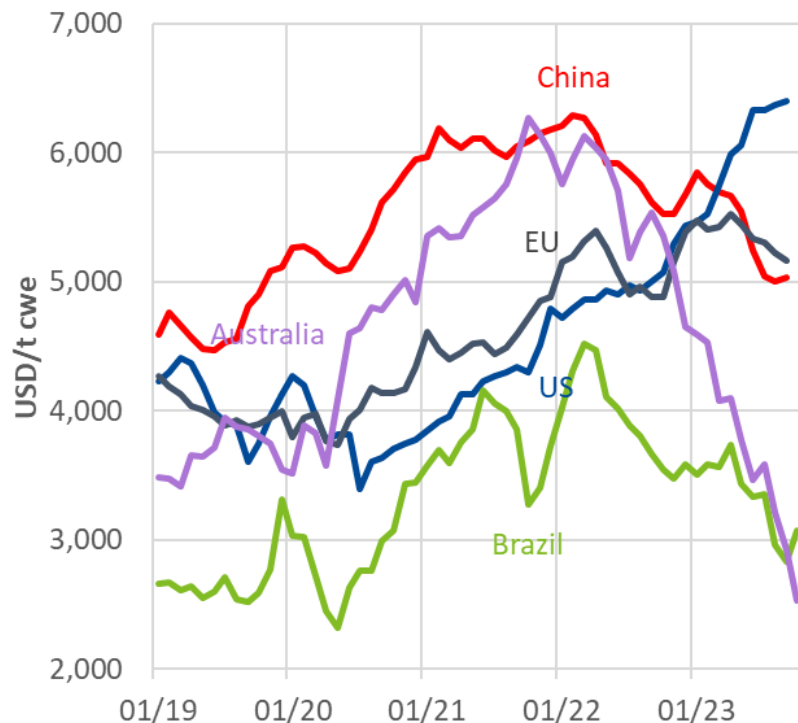
Source: Gira compilations

- US drought has driven a cow cull, leading to tight supplies of slaughter cattle in 2023-24.
- EU decline is driven by greening measures
- Brazil is near the top of its cattle cycle, with strong production growth.
- Australian production has also recovered, and prices are down as a result

# Key Beef Producer Prices

*Divergent trends based on local supply*

## Beef Prices - monthly



Source: Gira compilations

- Prices reflect local supply availability
- In EU - falling feed costs ease costs at farm level, but processing and retail margins suffer
- Consumption has held up well for an expensive protein, despite the “Cost of Living” crisis

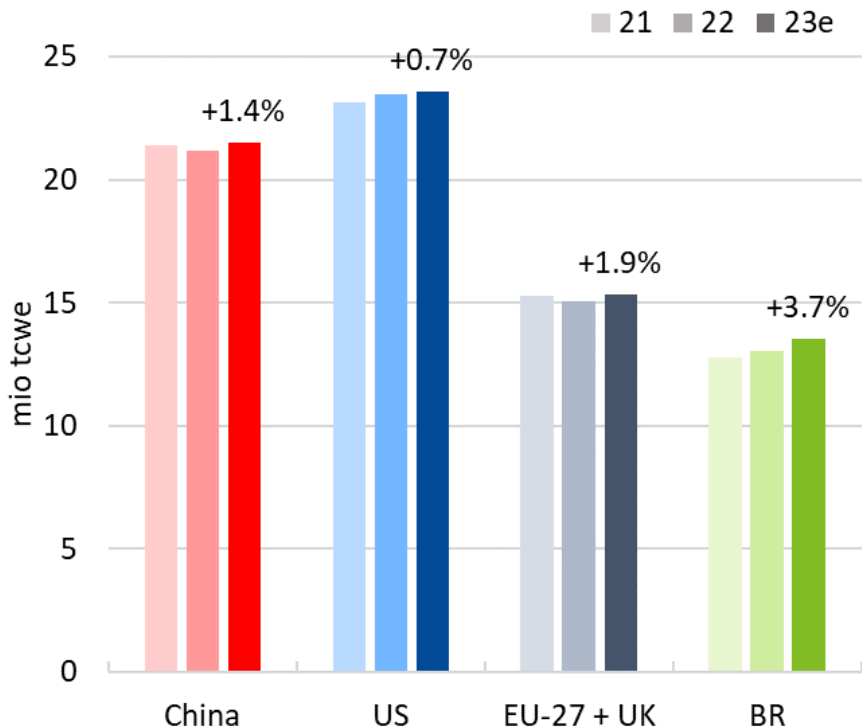
# Global Poultry Outlook

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Consumers shift to lower cost chicken

## Poultry Production

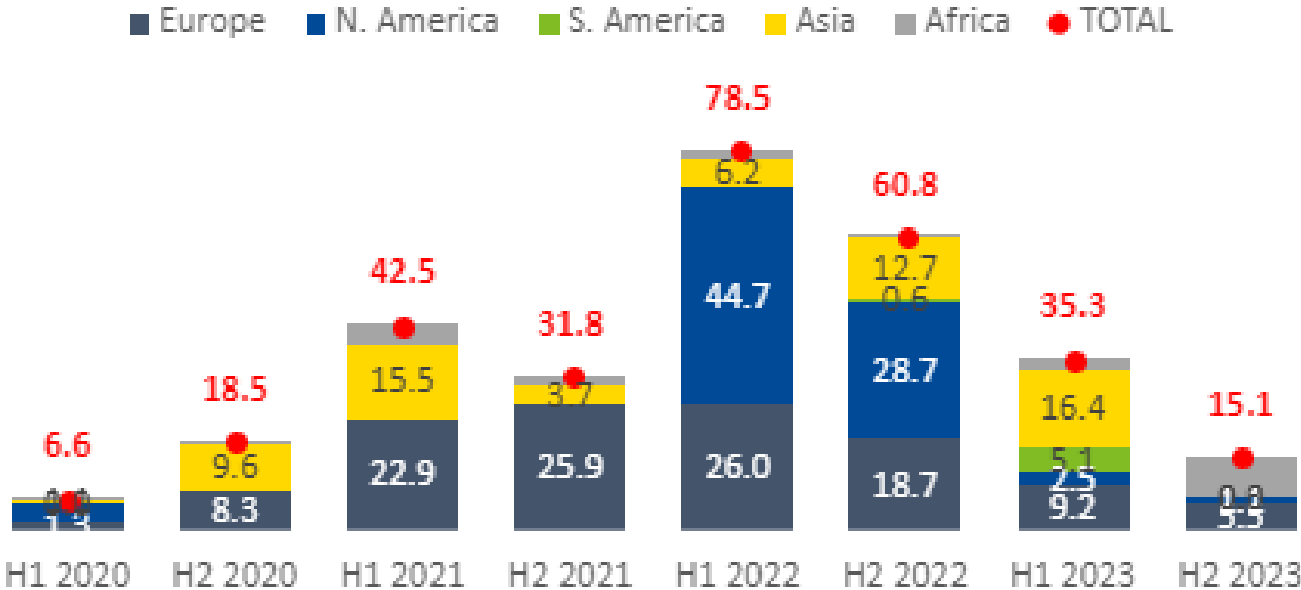


Source: Gira compilations

- The major story is HPAI – Global
  - The big unknown is timing in Brazil
  - But also production disruption in EU and US
- US production growth slowed by high feed costs + HPAI in 2022
- EU cautious recovery
- Brazil – production growth now being tempered... record exports
- Outlook – shifting regulations around HPAI likely, opportunity for more cooked.

# HPAI by Region

*Rapid spread in 2022 has slowed in 2023... but this is the key quarter*

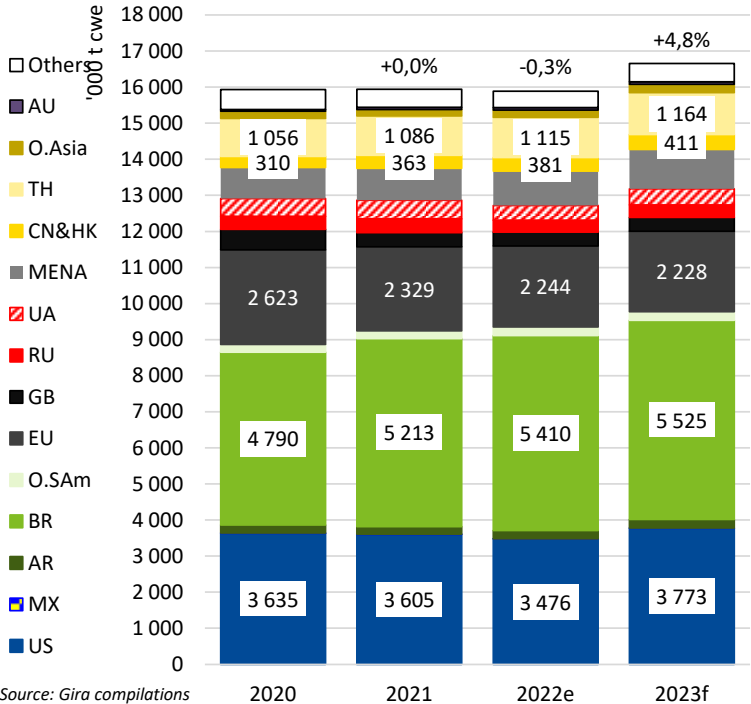


# Global poultry exporters, 2020-23f

Reduction of EU&RU export supply, steady growth from BR



## Poultrymeat exports by main countries and their destinations

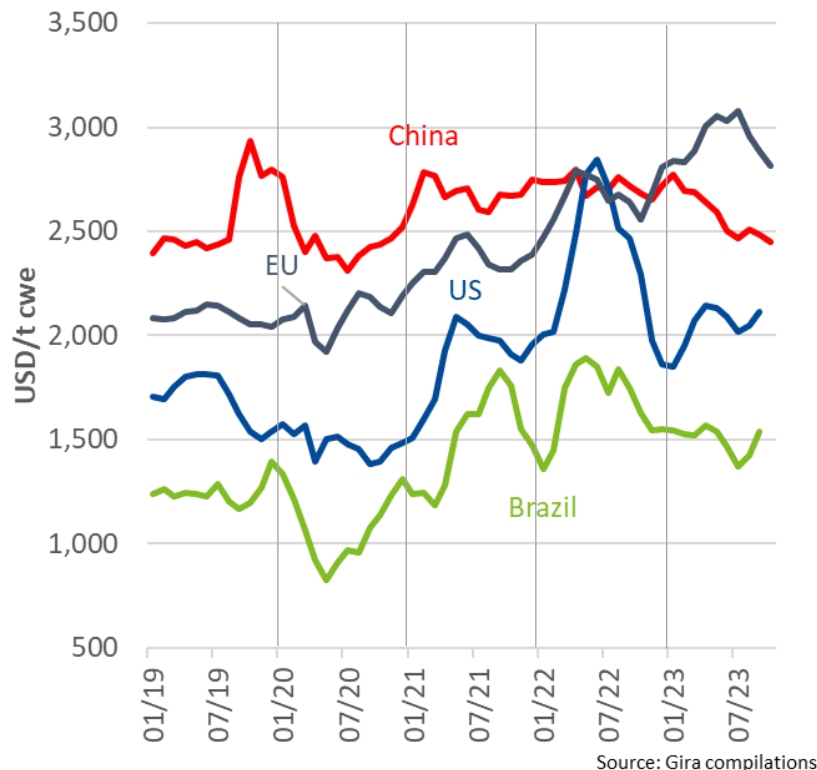




# Key Broiler Prices

*Falling input costs in 2023 contribute to falling prices*

## Poultry Prices - monthly



- Increasing fed costs throughout 2021-22 drove prices up
- Disruption to production from HPAI remains a major price driver
- Marked offset between EU and US
- Brazil has overproduced and reduced DOC placements in Aug as a result

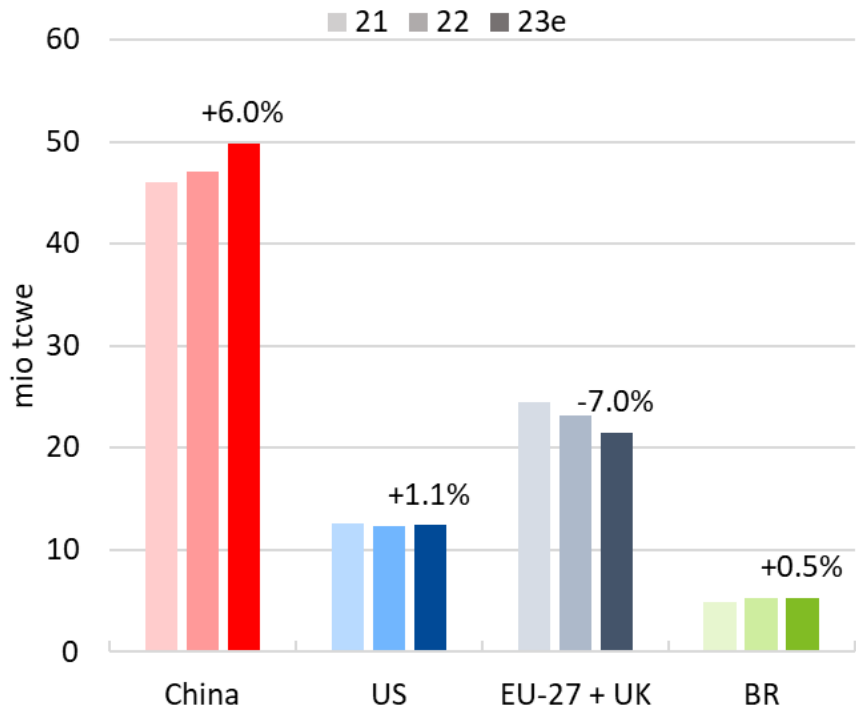
# Global Pork

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# Global Pork Market

Mixed global signals, with EU and US out of step

## Pork Production

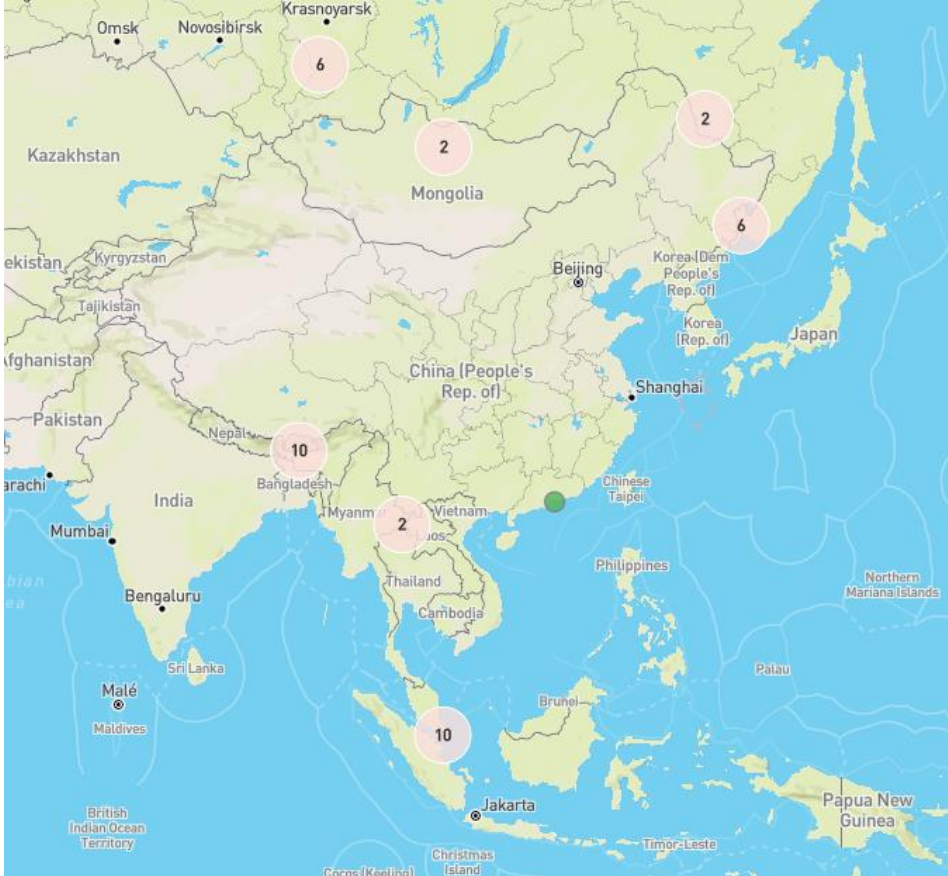
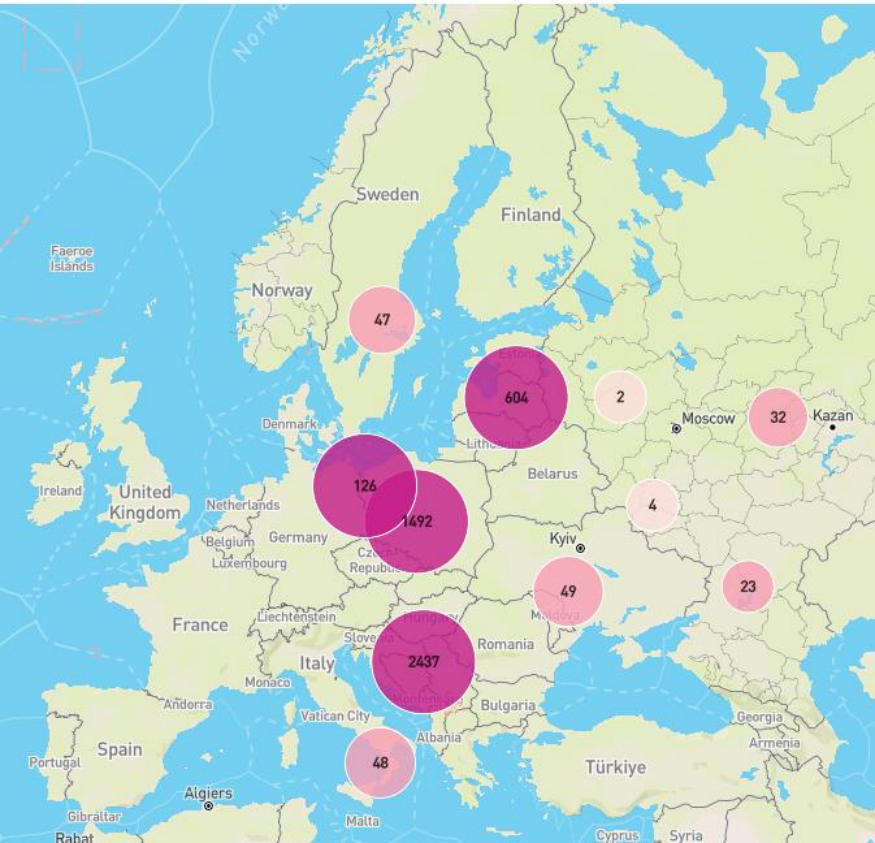


Source: Gira compilations

- Chinese demand has not recovered
  - Yet production has boomed
- US low prices 2023 led to sow cull
  - Supply side issues in 2024 – prices already rising
- EU raft of negative sentiment, prices now profitable at the farm gate, no confidence.
- Outlook – too much emphasis on exports to China!

# ASF 2022 situation (Nov. 18)

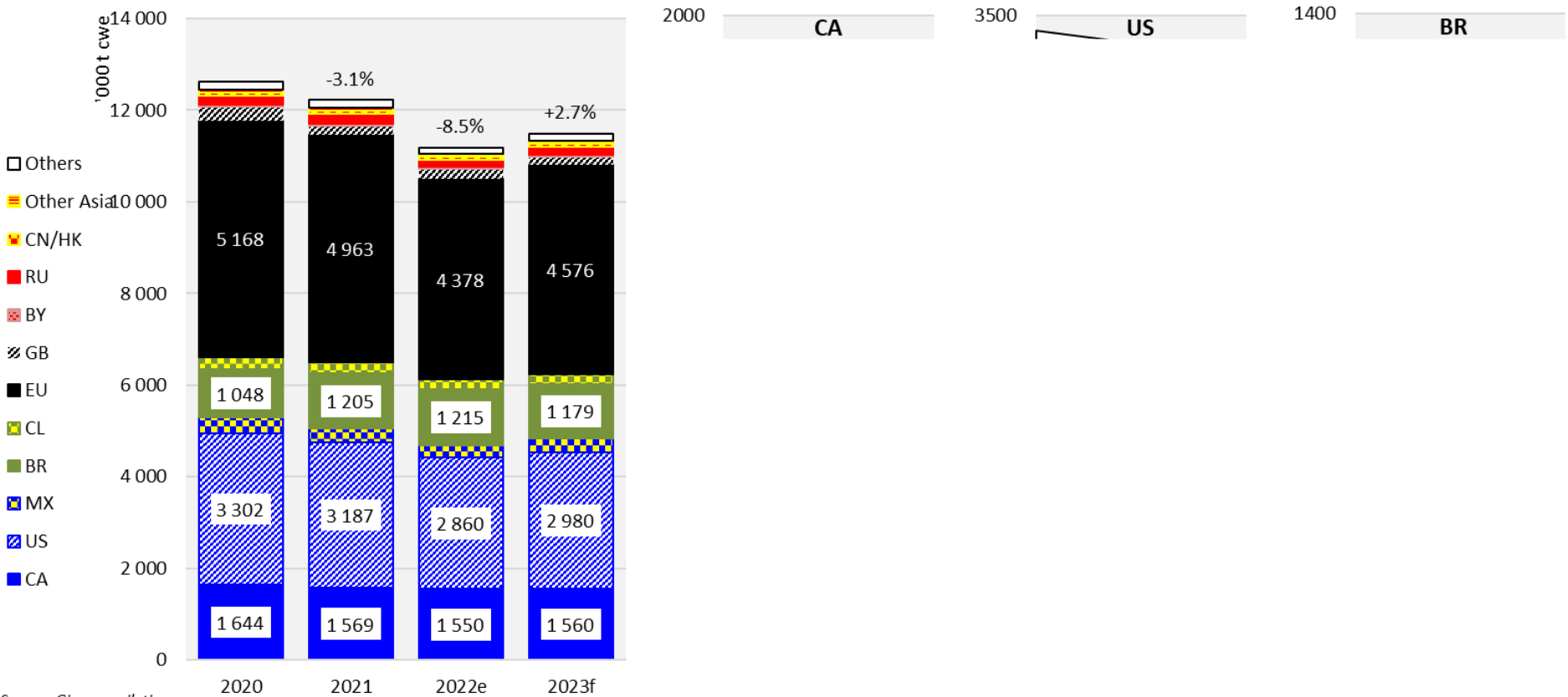
Recently spread to wild boar in Sweden, under-reported in Asia



Source: WOA-H-WAHIS – 1<sup>st</sup> Jan'23 – 31<sup>st</sup> Oct'23

# Global pork exporters, 2020-23f

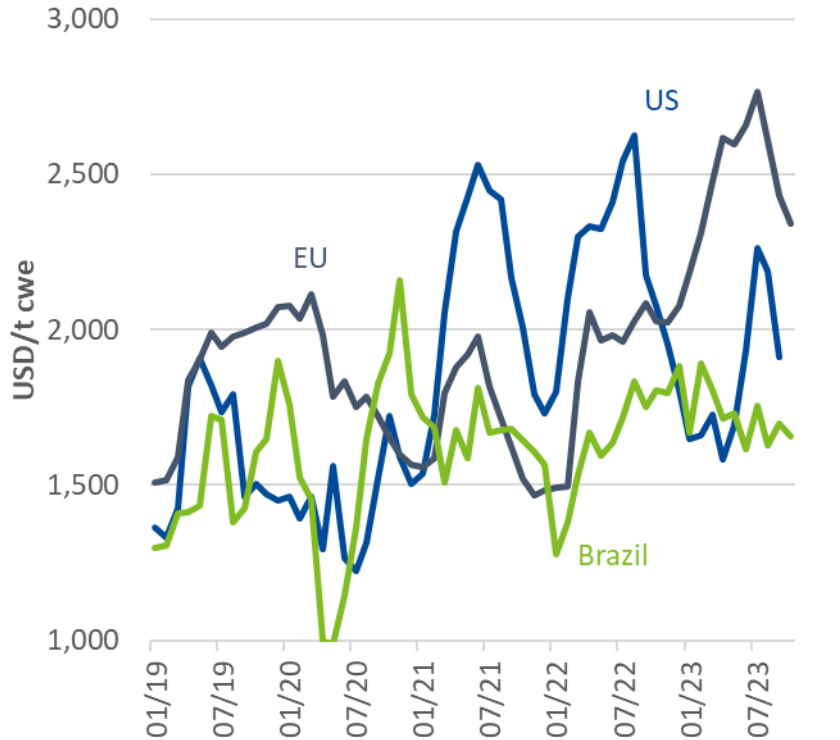
## BR gaining market share as EU is pressured



# Key Pig Prices

Falling input costs in 2023 contribute to falling prices

## Pig Prices - monthly



Source: Gira compilations

- Lack of exports to China is a major global issue in valorising carcasses
- US prices are not profitable at the farm gate... losses leading to sow cull
- EU prices have fallen back as feed costs drop... but remain profitable
- Brazil is still aggressively priced

## Final Thoughts

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*2023 costs easing, but demand weak as consumers pinched*

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- ✔ **Cost Inflation** - has eased since 1H23, but is still a serious issue,
  - 2024 feed costs at risk from El Nino + US Biofuel mandates
- ✔ **EU greening** - is already adding cost to meat production, will depress production in mid-term
  - Cost to be born by industry, not consumers
- ✔ **Consolidation** at both farm and slaughtering levels in Eastern Europe as industry chases margins and efficiency.
- ✔ **Meat alternatives** are not a short-term issue but are long-term challenge
- ✔ **Perspective** - Global industry has faced high costs and squeezed disposable incomes before



**Thank you for your attention**

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