

# Irish Beef in a Global Market

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# Major Topics Covered in a selective global update

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**1) Global Meat Market Overview**

**2) Global Beef Overview**

**3) Irish Focus**

**4) China**

**5) Final Thoughts**

# Global Meat Market Overview

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# Key of issues challenging the meat industry

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

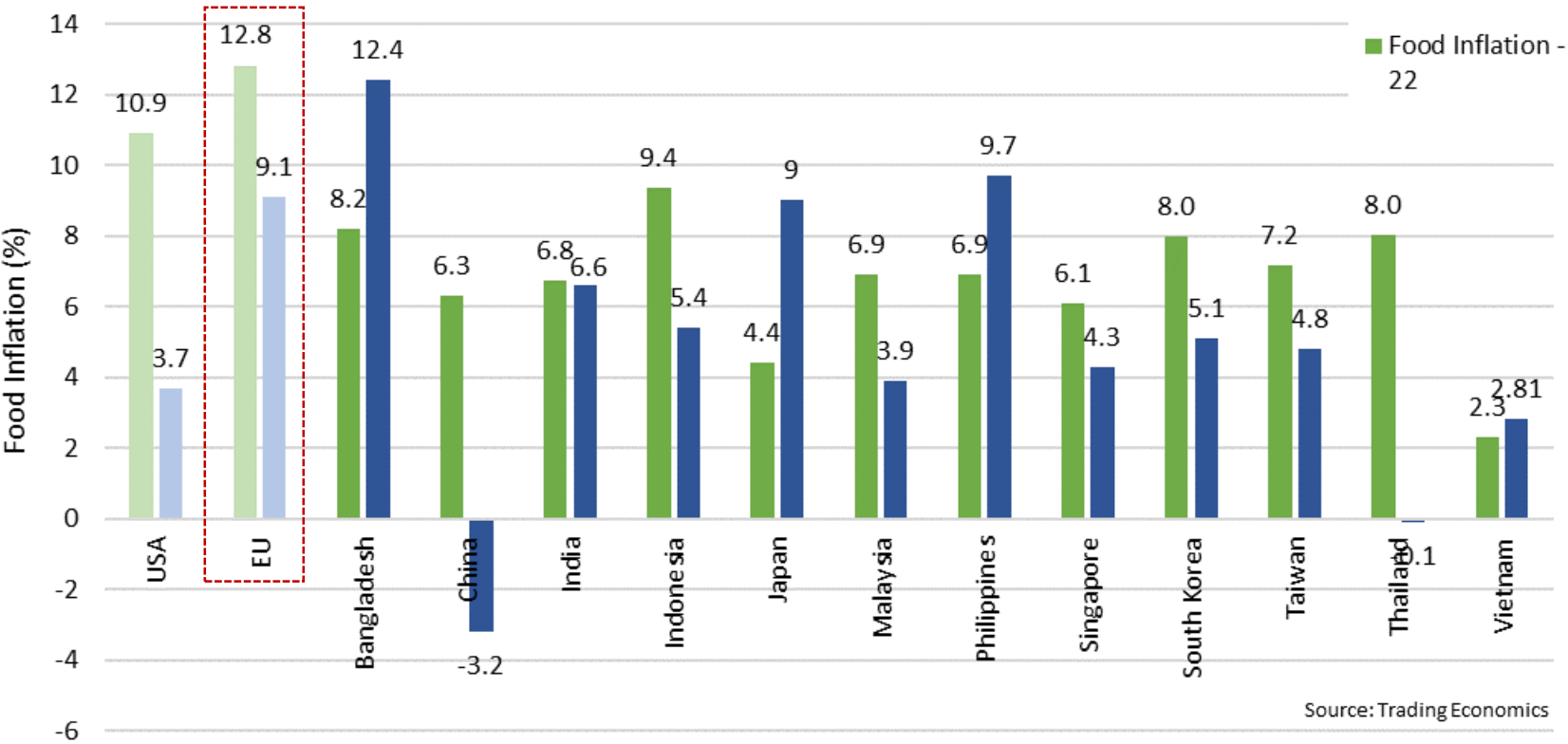


# Food Inflation

*Has fallen in most markets in 2023 – but risen in JP + PH (also BD +VN)*



Food Inflation – 2022 vs 2023



# Sustainability

## COP28 – finally discussing food production



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**

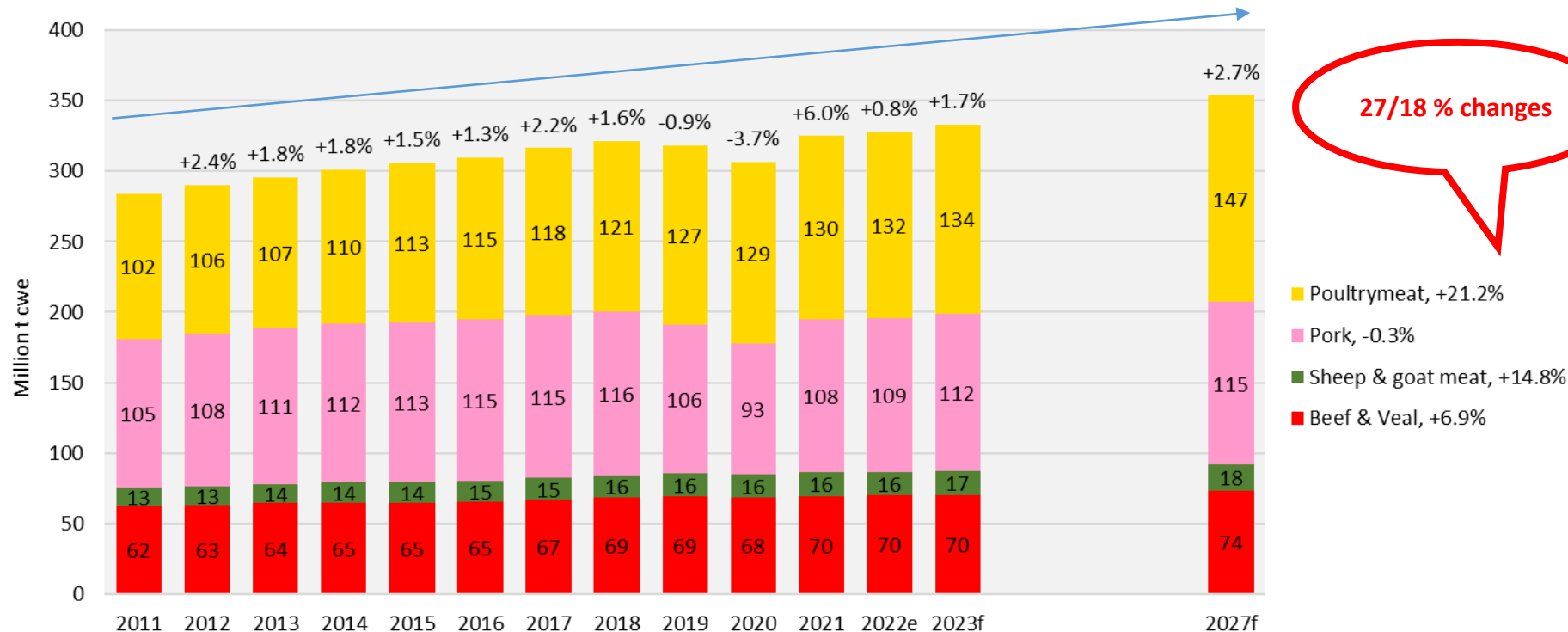
➤ **Politicians** are rarely ready to 'rock the boat'

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

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

*Asian ASF and other crises reinforced Py dominant share gain*

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



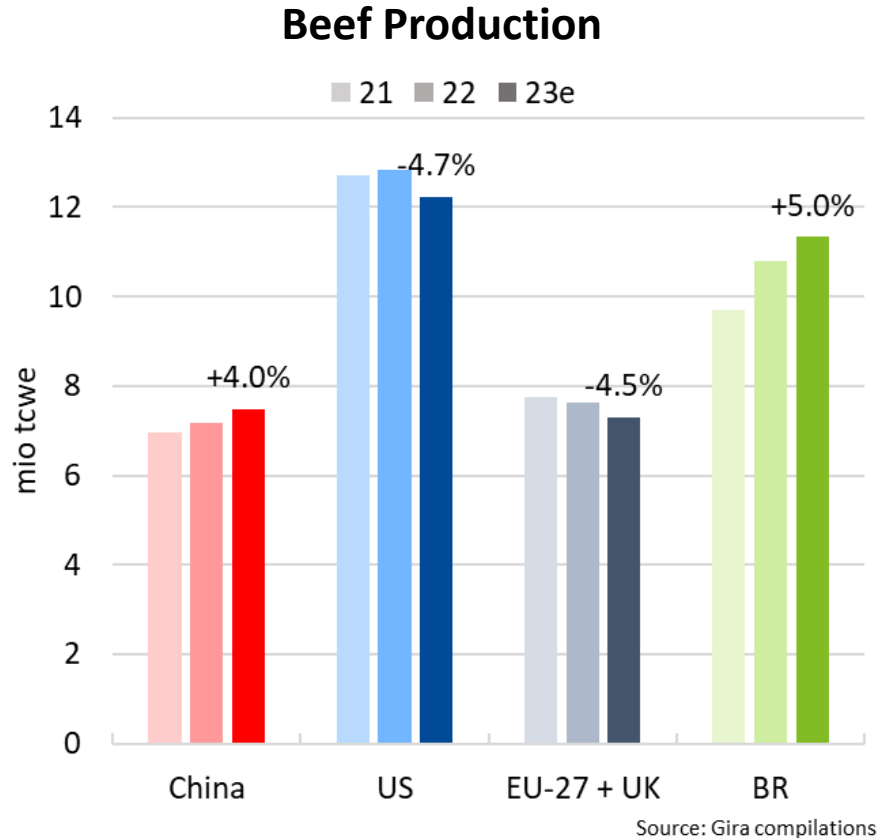
## Global Beef Overview

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# Global Beef Outlook

*US production in decline as drought impact bites*

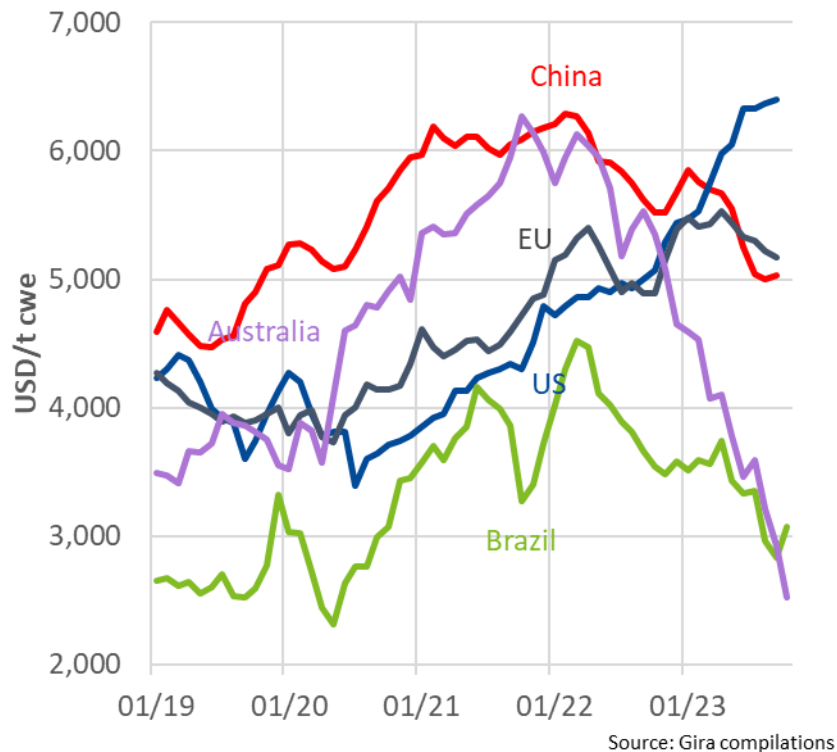


- US decline is the major story of 2023
  - Drought in 2021-22 has eased in 2023
  - Cow cull in 2022 has slowed but not ended
  - Resulting in less slaughter cattle in 2023-24
- EU decline is long term trend
  - Significant dairy base declines further
  - Increased sustainability measures
- Brazil near peak in production cycle
- China's growth does not displace imports
  - But economy weakens import pull
- Outlook 2024 – US will be short. China remains weak

# Beef Prices

*Australian price decline is the key story*

## Cattle Producer Prices - Monthly



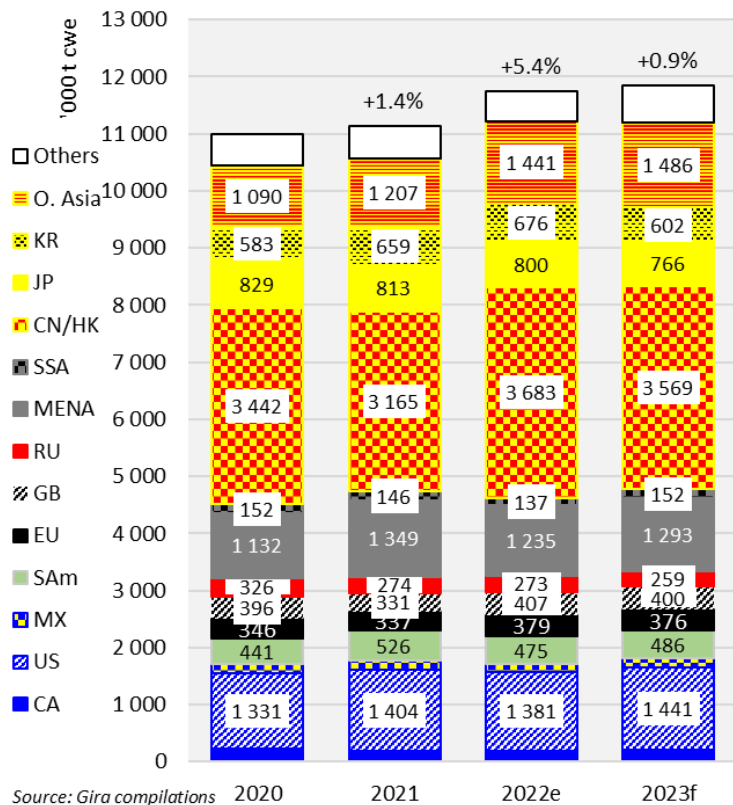
- Australian price decline due to two factors
  - Result of restocking following drought
  - Weak demand from China – lower prices
- Brazilian price depressed by AU
- US price increase reflects tight supply of slaughter cattle
- EU price has been remarkably strong given weak beef demand
  - Retails given up margin to maintain price point

# World beef & veal importers, 2020-23f

## Asian import 'pull', especially that of China

Beef & Veal importers: and ....

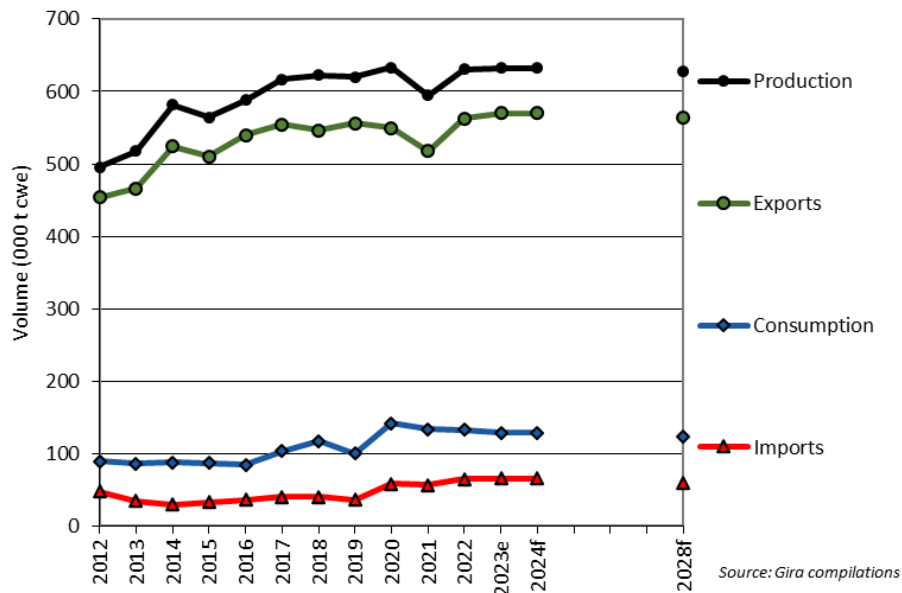
... their suppliers '000t cwe



## Irish Focus

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### Irish Beef Balance Table

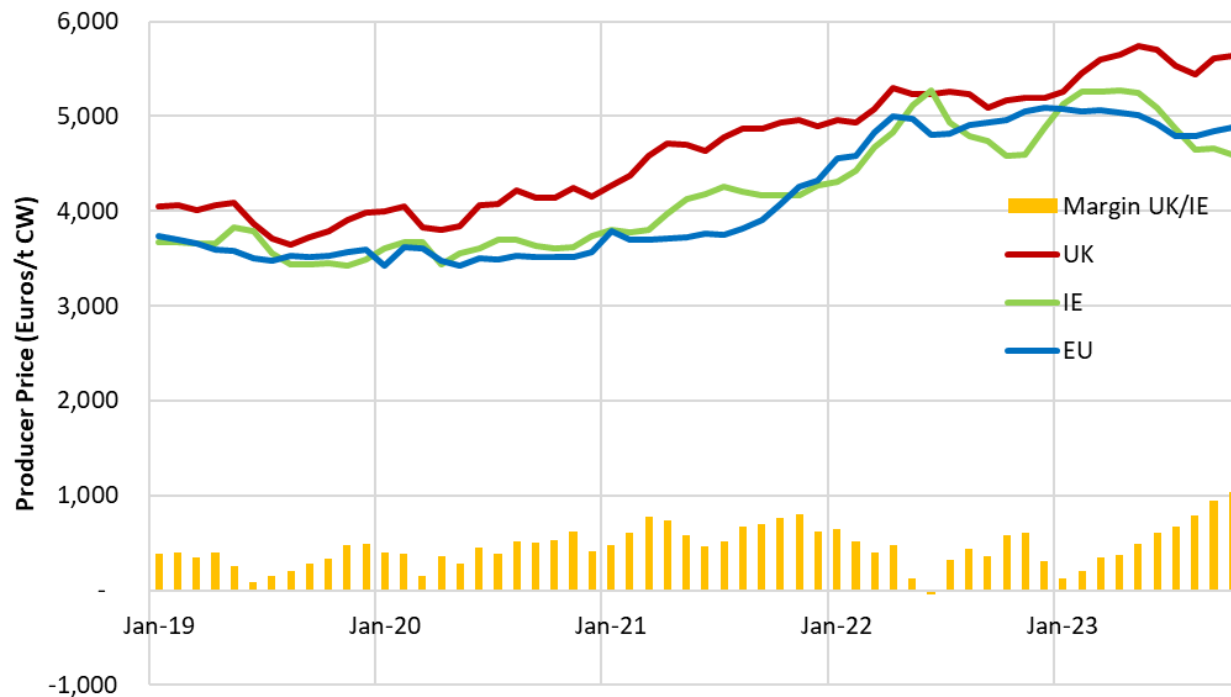


- Discussion on sustainability in EU27 is reflected in Irish outlook
  - Greening measures will lead to an overall reduction in cattle
- Production decline reflects negative pressure on herds, despite efficiency gains
- Consumption losses are balanced by exports

# EU / IE / UK Beef Prices

*UK price has separated from EU / IE price trend*

## Beef Producer Price



Source: Gira Compilations - to Oct'23

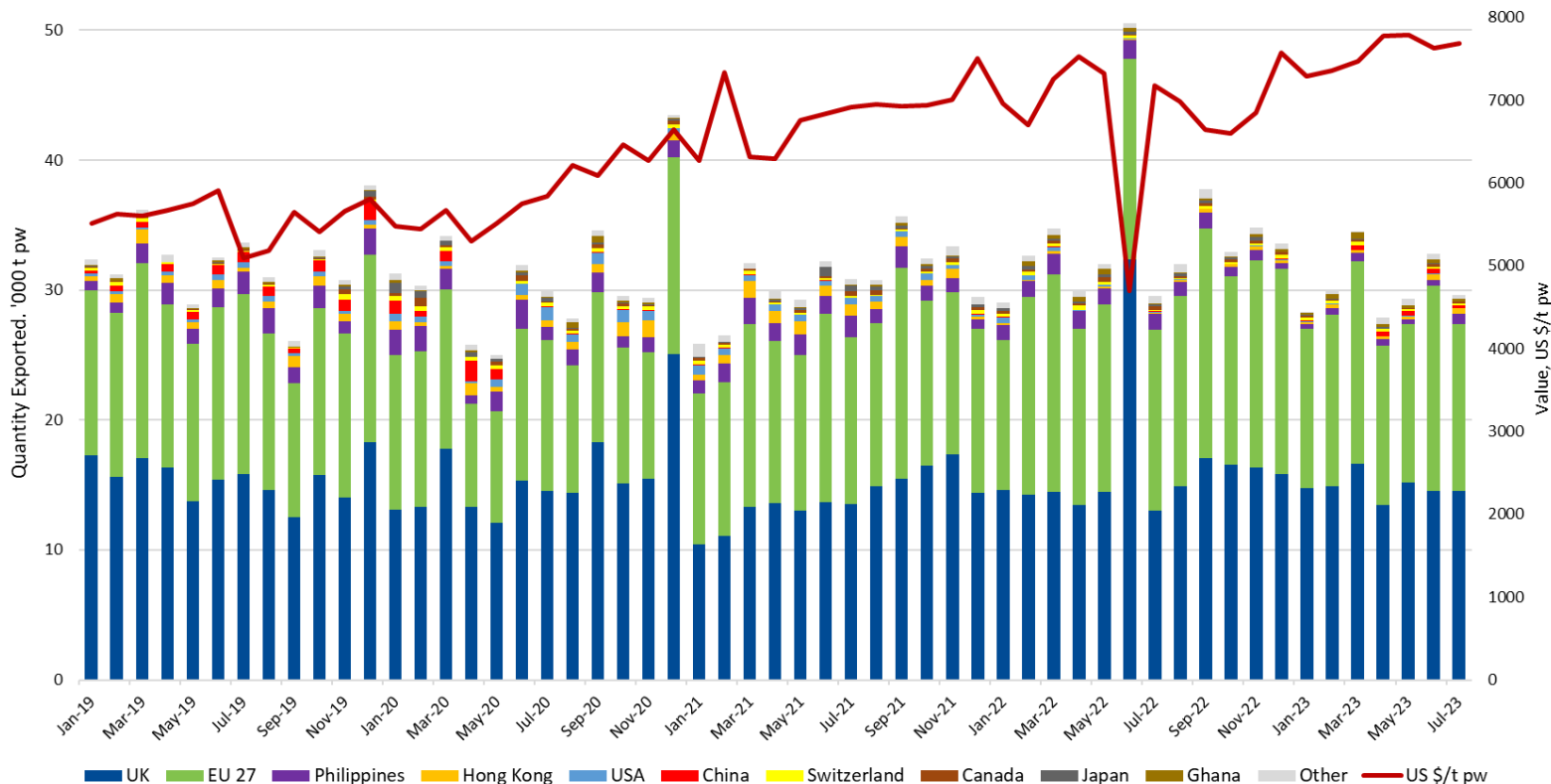
- Price suggests a genuine shortage of slaughter cattle in UK
- EU prices more realistic reflection of demand
- IE exposed to export demand

# Irish Beef Exports

*UK volumes marginally up on 2022, but EU27 have dipped slightly*



## Irish Beef Exports – Monthly Jan'19-Jul'23

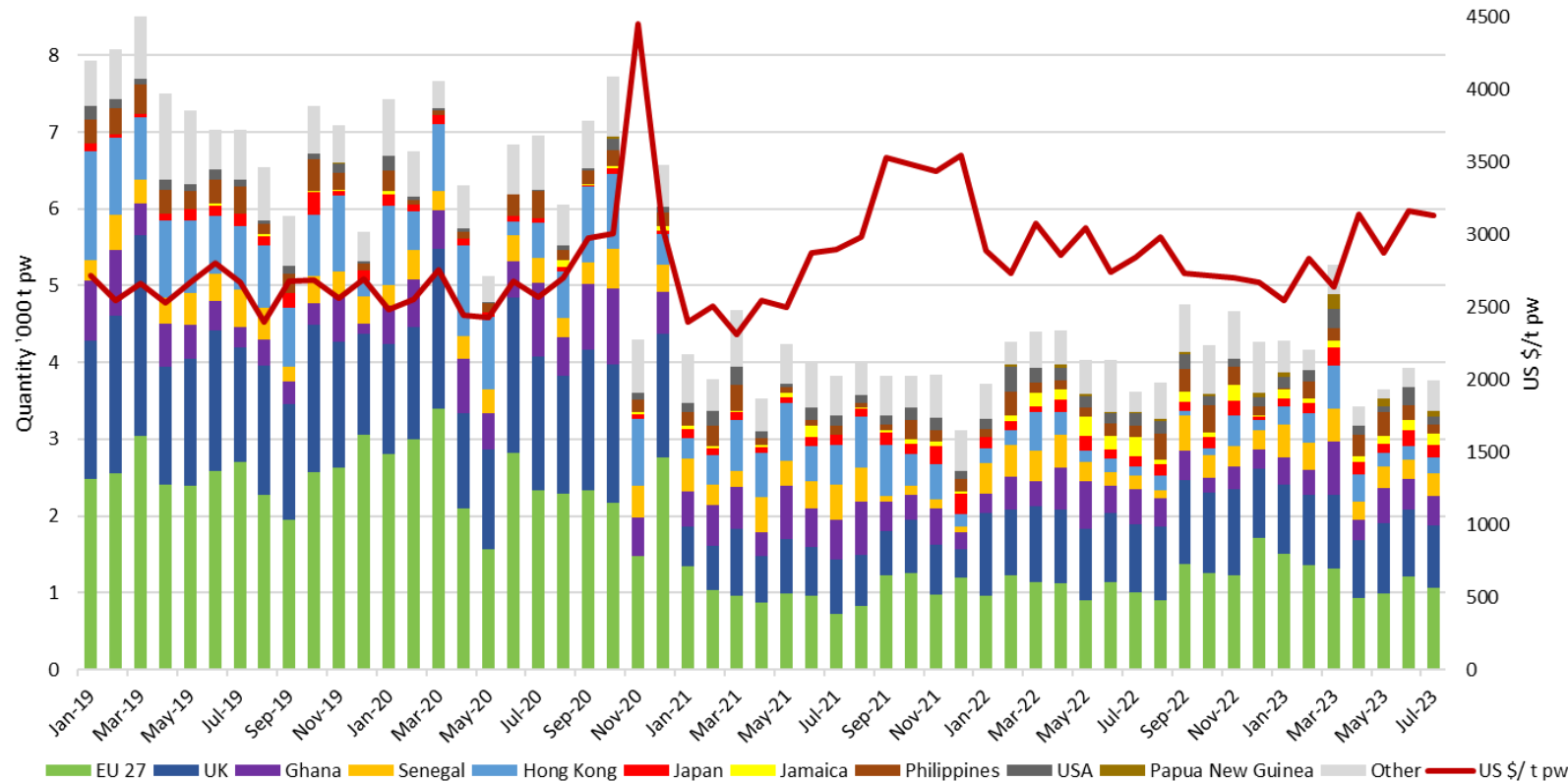


# Irish Beef Offal Exports

Volumes remain suppressed to key trade partners



Irish Beef Exports – Monthly Jan'19-Jul'23





China

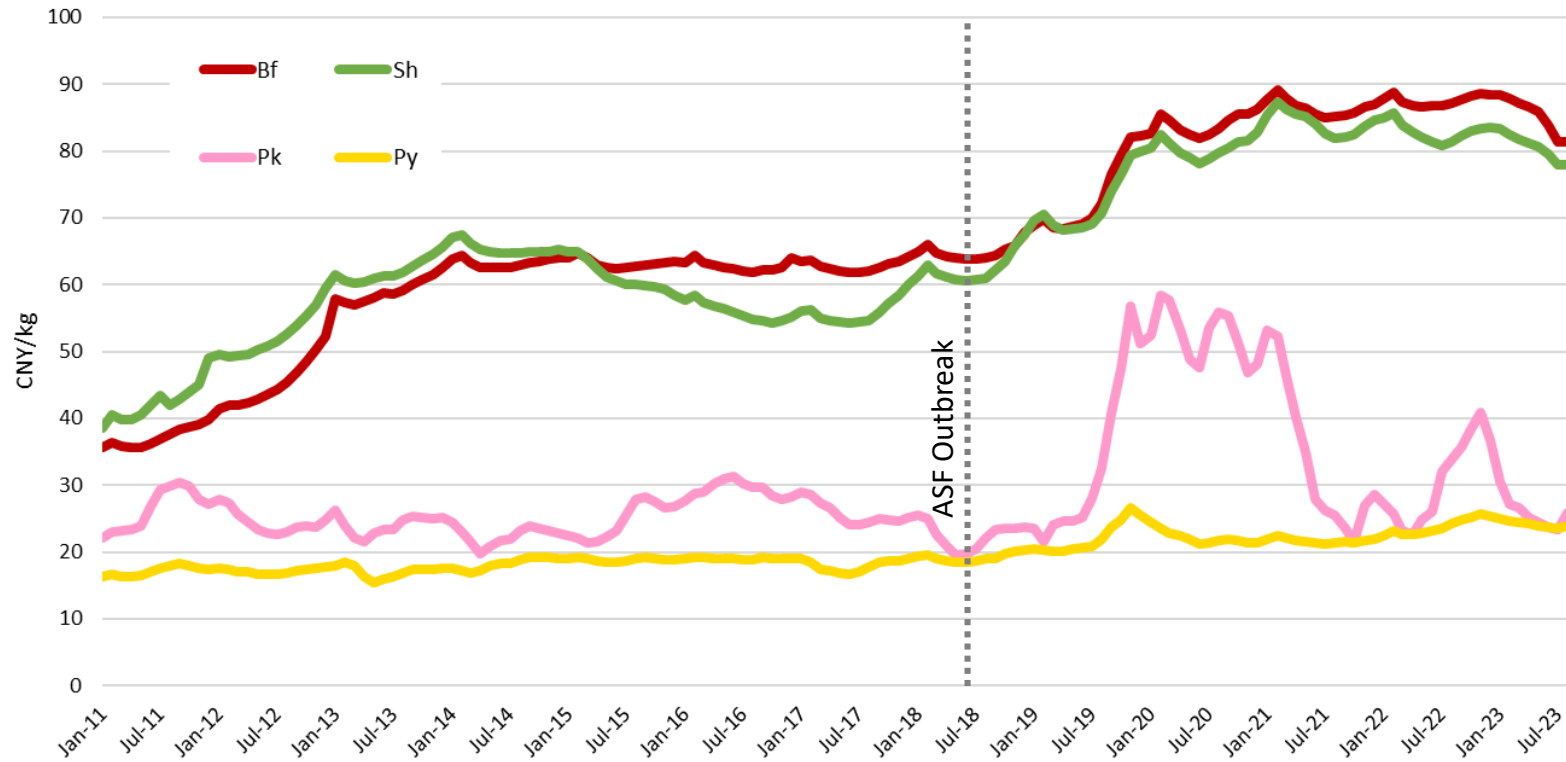
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# Comparative Prices

*Chicken benefits from the pork price*



Comparative meat prices, 2011 - Aug 2023

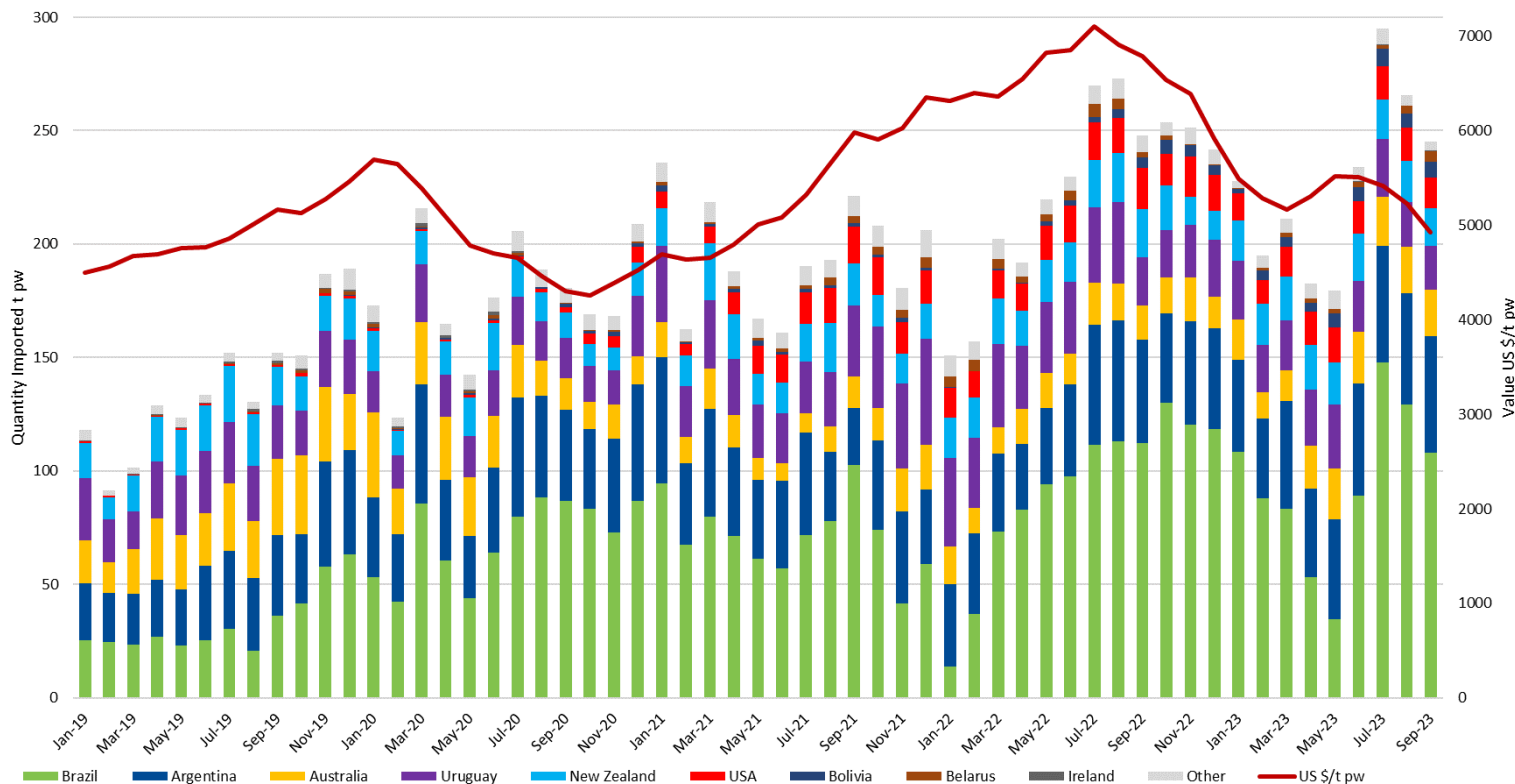


Source: Gira, based on MARA

# China Beef Imports

*Demand for imports rises ... but at lower prices*

## Monthly China Direct Beef Imports by Origin, 2019-Sept 2022



## Final Thoughts

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# Final Thoughts

*UK Beef market will remain the key market!*



- ✓ Current short-term impact of cost of living has not killed beef consumption
  - But retailers have struggled to pass costs on, with margin destruction in processing and retail
- ✓ EU27 wide regulation of the environmental impact of agriculture will further reduce cattle herds – likely beyond the loss of demand
- ✓ EU milk price is off 2022 highs, leading to a cow cull in mid'23
  - → less calves in 2024 → less beef in 2025
- ✓ UK prices are out of step with EU, pointing to a shortage of slaughter animals in the UK
  - Will drive import demand in 2024 – beyond normal market conditions
- ✓ Despite the headwinds in beef, demand is still good, and consumers still like the product!

**Thank you for your attention**

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