



## Meat and Meat products Price and Trade Update

### Meat and Meat products

#### Price and Trade Update: December 2015<sup>1</sup>

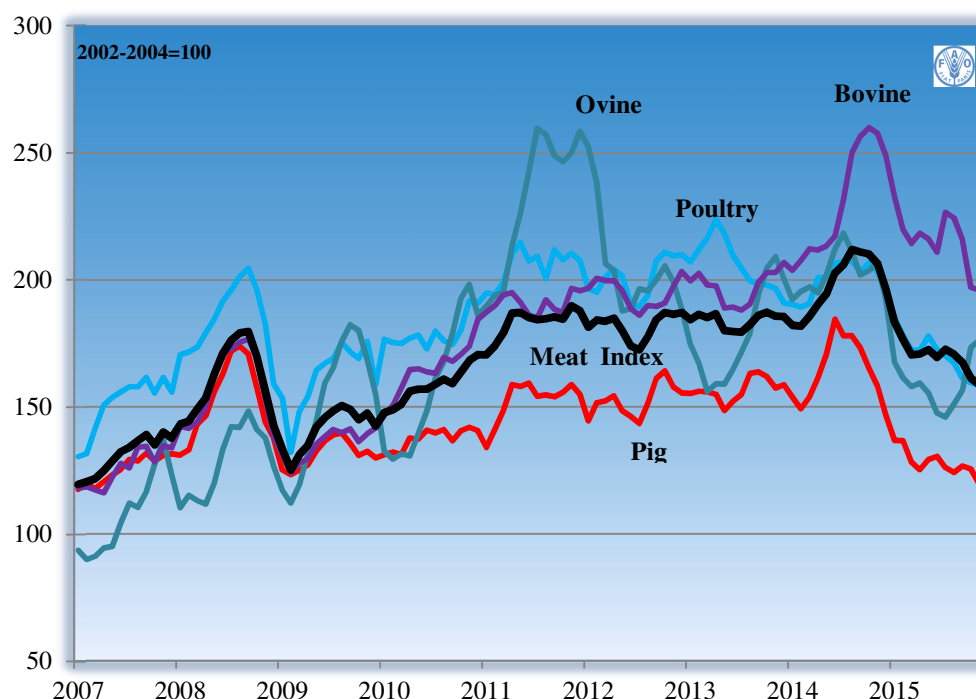
##### Prices fall during second half of 2015

The FAO Meat Price Index\* averaged 158.6 points in November, down 2.6 points (1.6 percent) from its October value. After moving within a narrow range between March and August, prices subsequently declined. Compared to a year earlier, November prices were down 23 percent overall, the main categories of meat all declined by a similar amount (22-25 percent), while ovine meat fell by 15 percent.

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<sup>1</sup> The *Meat and Meat Products: Price and Trade Update* is prepared by the meat and dairy section of the Trade and Markets Division, FAO. The present issue covers developments up to the end of **November 2015**.

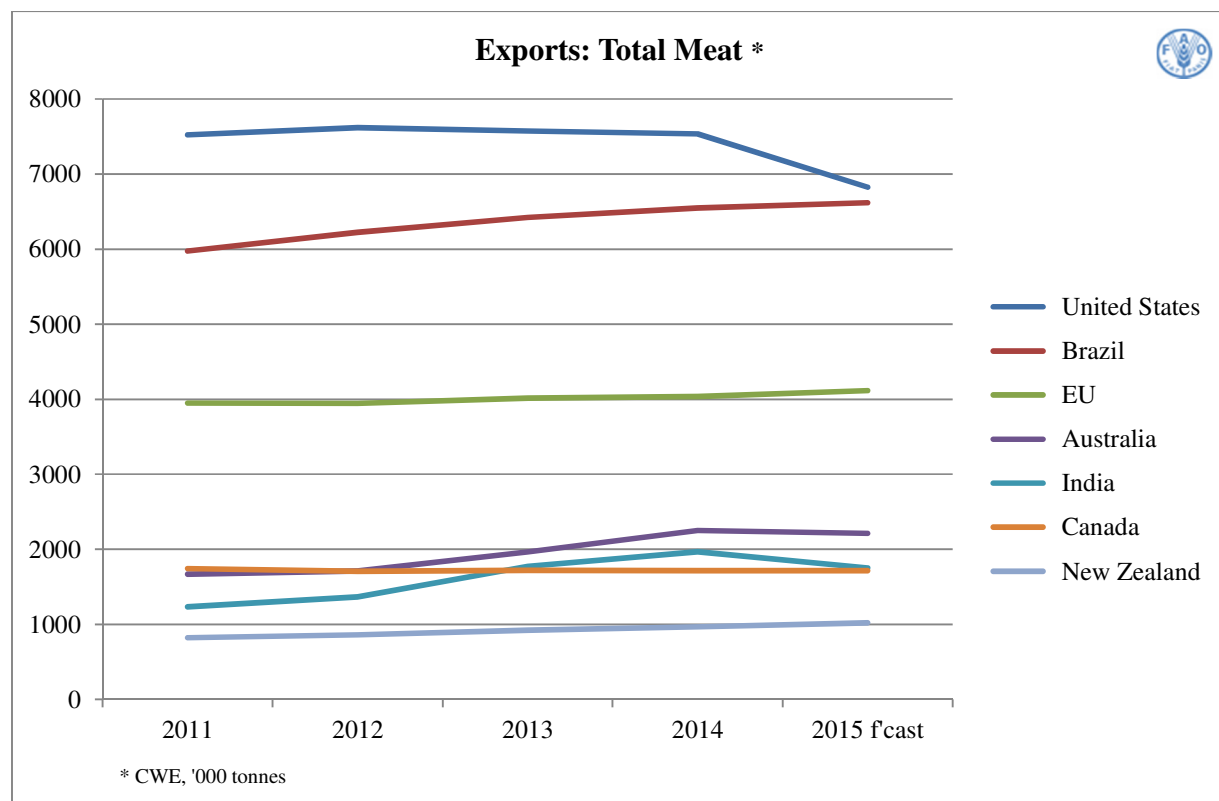
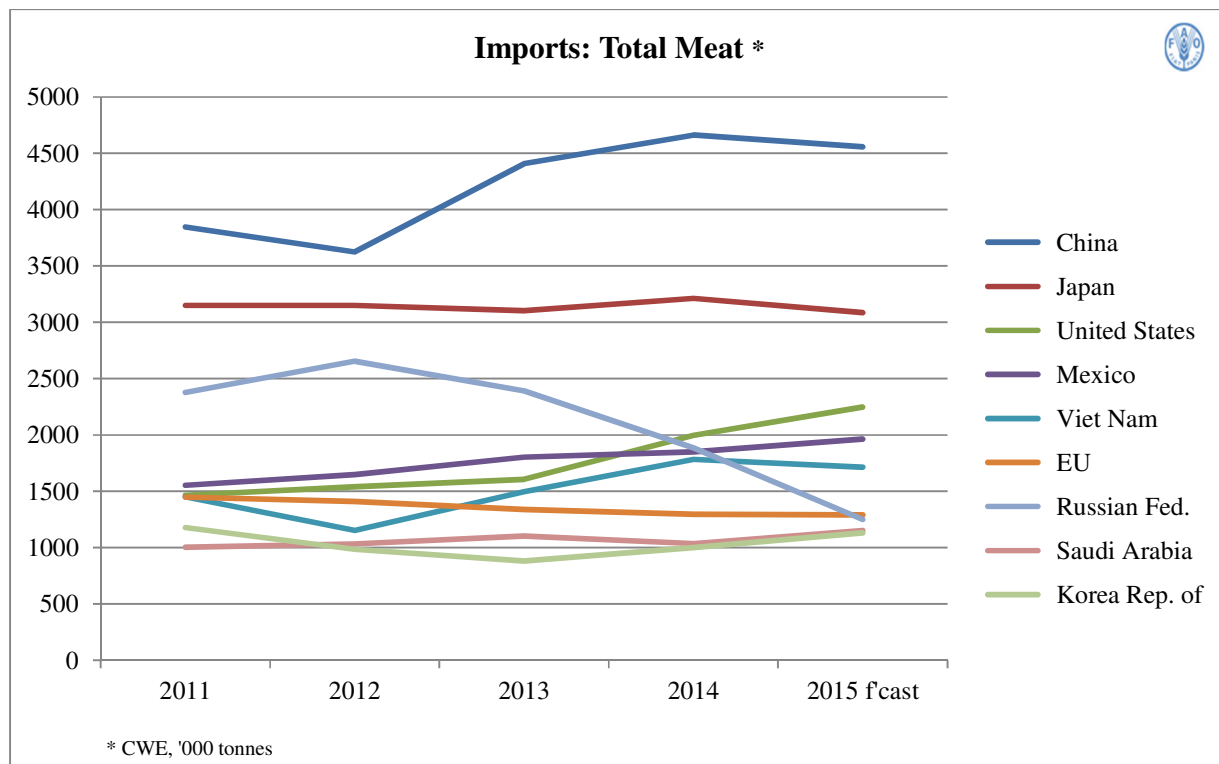
## FAO Price Indices: Meat and Meat Products



### Trade Outlook: Overview

Global meat trade is forecast to drop in 2015, by 2.6 percent to 29.9 million tonnes. This would represent a marked reversal from the 3 percent growth recorded last year and the first decline since 2009. All the categories of meat covered by the Index are expected to decrease, except pigmeat. Anticipated changes in levels of trade are: pigmeat (+2.4 percent), poultry (-3.6 percent), bovine meat (-4.5 percent) and ovine meat (-6.2 percent).

While demand for meat remains firm in many of importing countries, the overall direction of trade has been particularly influenced a drop in purchases by the **Russian Federation** and **Angola**, and to a lesser extent **Japan**, **China** and **Vietnam**. On the other hand, the **United States** is anticipated to record a substantial increase in imports, along with the **Republic of Korea**, **Saudi Arabia**, **Mexico** and **South Africa**. For exporting countries, a projected decline of 9.4 percent in meat exports by the **United States** is also forecast to be accompanied by lower levels of sales by **India**, **China** and **Argentina**. Conversely, **Thailand**, the **EU**, **Brazil**, **New Zealand**, **Chile** and **South Africa** are projected to increase meat exports.



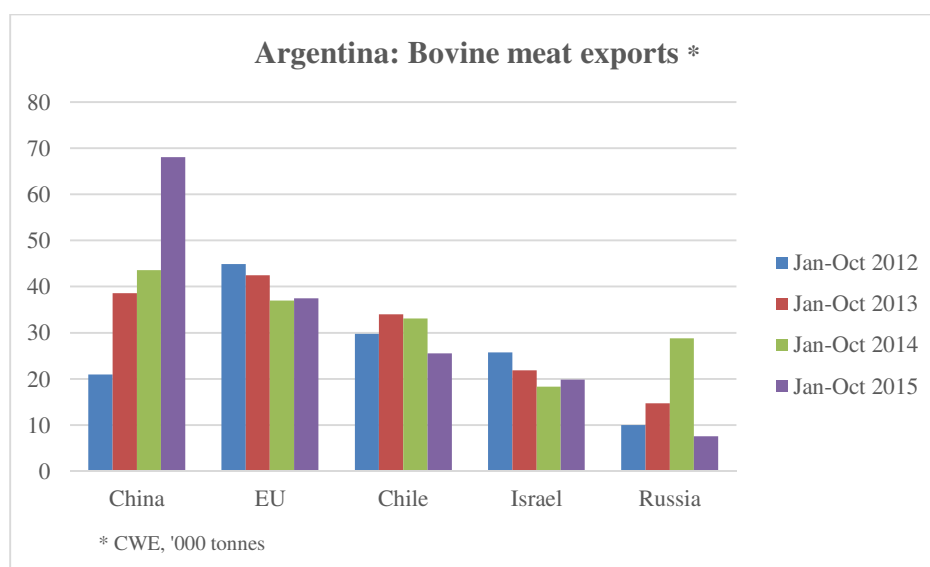
	Imports: Total Meat				Exports: Total Meat				
	'000 tonnes (CWE)				'000 tonnes (CWE)				
	2013	2014	2015	Change	2013	2014	2015	Change	
		<i>prelim.</i>	<i>f'cast</i>	2015 over 2014 (%)		<i>prelim.</i>	<i>f'cast</i>	2015 over 2014 (%)	
<b>World</b>	<b>28942</b>	<b>29653</b>	<b>29081</b>	<b>-1.9</b>	<b>World</b>	<b>29673</b>	<b>30644</b>	<b>29854</b>	<b>-2.6</b>
China	4407	4663	4558	-2.3	United States	7572	7535	6826	-9.4
Japan	3102	3214	3084	-4.0	Brazil	6423	6546	6620	1.1
United States	1608	1995	2249	12.7	EU	4016	4037	4116	2.0
Mexico	1802	1848	1964	6.2	Australia	1965	2251	2215	-1.6
Viet Nam	1495	1783	1714	-3.9	India	1774	1966	1752	-10.9
EU	1338	1296	1290	-0.4	Canada	1720	1717	1716	0.0
Russian Fed.	2393	1885	1250	-33.7	New Zealand	923	968	1021	5.4
Saudi Arabia	1102	1036	1152	11.1	Thailand	800	851	973	14.3
Korea Rep. of	881	1002	1131	12.8	China	714	730	624	-14.5
Canada	776	769	799	3.9	Argentina	602	562	491	-12.5

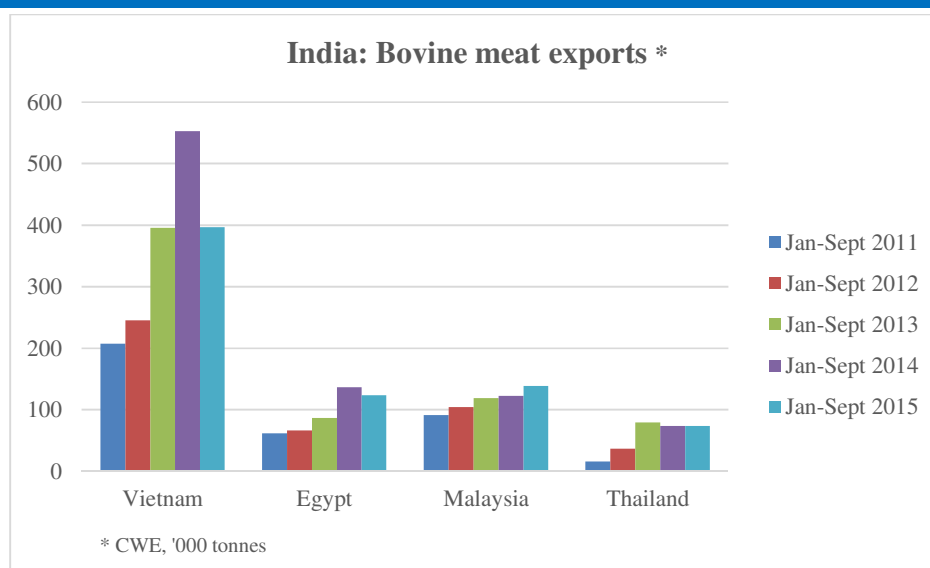
### **Bovine Meat: Trade set of fall**

World trade in bovine meat in 2015 is anticipated fall by 4.5 percent to 9.2 million tonnes, the first decline since 2009. Supply limitation is the principal factor behind the anticipated fall-off, stemming from herd rebuilding, combined with sharply reduced import demand by the **Russian Federation** and **Vietnam**.

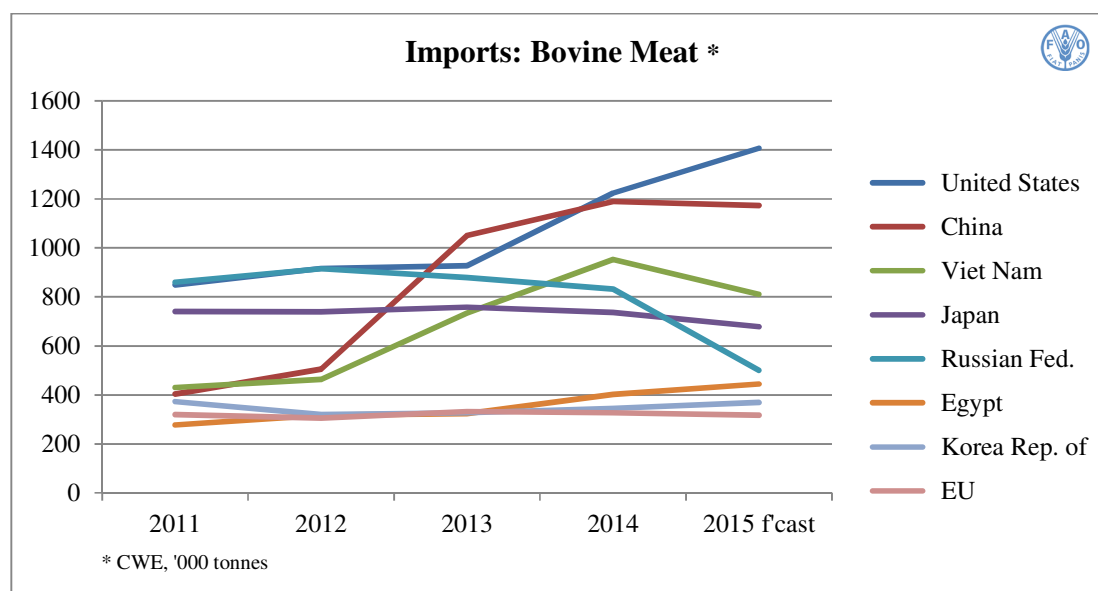
After beginning the year on a strong note, a shortage of supply in **Australia**, as a result of much higher levels of shipments since 2013 depleting the size of the national herd, is expected to result in overall exports for 2015 being little changed from last year. The fall-off in Australia's trade during the second-half of the year was also accompanied by reduced import demand in its main market – the United States. Meanwhile, sales by the other principal exporting countries, **India**, **Brazil** and the **United States**, are projected to be down in 2015. Exports by India are predicted to drop by 11 percent, mainly as a result of a substantial curtailment of shipments to Vietnam, its main market. Also, Brazil is forecast to cut shipments abroad, due to limited supplies of replacement calves and sustained domestic demand for beef. Similarly, herd rebuilding and strong domestic demand have curbed shipments by the United States. Exports by the **EU**, **Belarus**, **Paraguay** and **Nicaragua** are also forecast to be lower in 2015. Meanwhile, a number of middle-range exporting countries are expected to see an increase in sales including **New**

**Zealand, Mexico, Canada, South Africa, Uruguay and Argentina.** In the case of New Zealand, a reduced rate of retention within the dairy herd, caused by lower milk payouts, combined with drought-related herd culling at the beginning of the year, has contributed to increased supplies, while for Mexico and Canada, strong demand from the United States has stimulated trade. In Argentina, the opening of access to China (rather than only Hong Kong, SAR) for frozen, bone-less bovine meat meant that China became its second most important market in 2014, a situation which continued in 2015. In the context of limited growth in Argentina's bovine meat exports overall, the rise in sales to China has been achieved via reduced shipments to the Russian Federation and Chile. In the case of Chile, Paraguay has re-established itself as the principal source of supply, after access to the market was closed in 2012 following two cases of foot-and-mouth disease. **Uruguay** has also seen its bovine meat exports to China grow substantially – sales up to October were 90 higher than the same period in 2014 – and at the same time recorded a sharp fall in shipments to the Russian Federation.





A projected reduction in imports of 40 percent by the **Russian Federation** and 15 percent by **Vietnam**, combined with reduced purchases by Angola, Japan, Venezuela, the Islamic Republic of Iran, Chile and Mexico, are the principal elements behind lower demand for bovine meat in 2015. Additionally, after registering substantial growth for a number of years, shipments to **China** are projected to be little changed in 2015, as are those to the **EU**. Conversely, imports by the **United States** are forecast to be 15 percent higher, in response to limited domestic supply, due to herd rebuilding, and assisted by a strong US dollar. Higher levels of purchases are also anticipated for **Egypt**, **Malaysia**, the **Republic of Korea**, the **Philippines** and **Canada**.

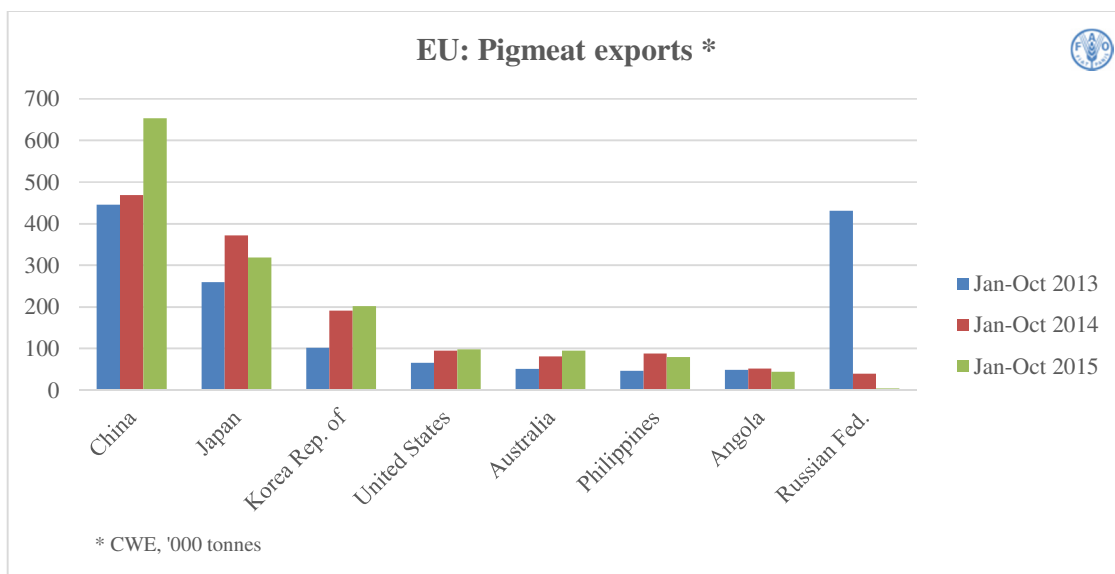
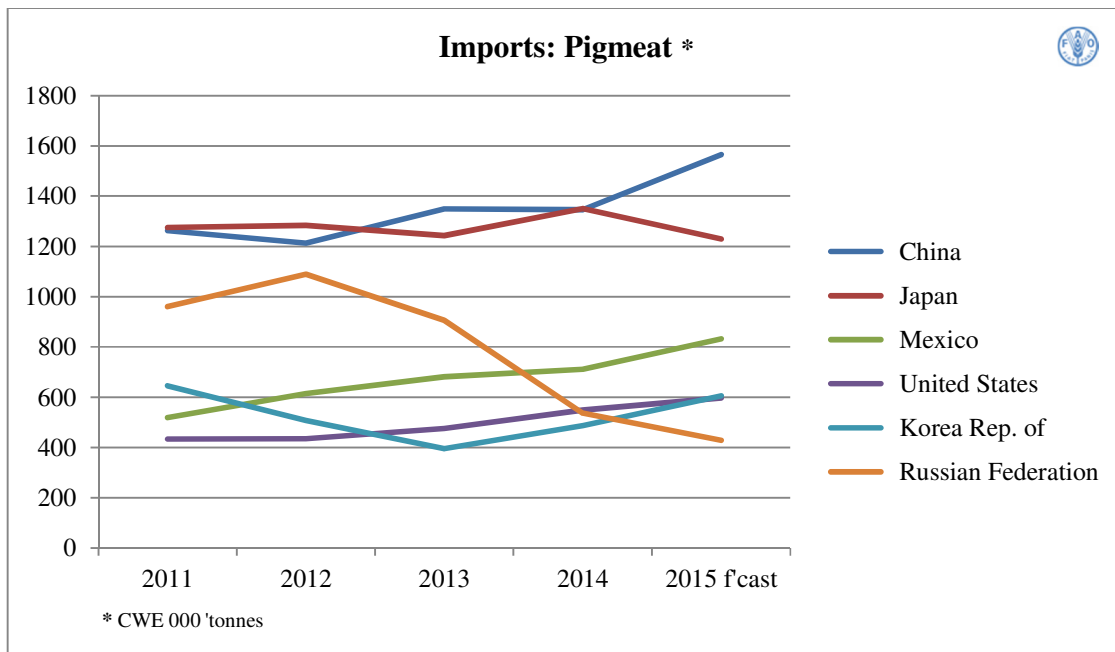


	Imports: Bovine meat				Exports: Bovine meat				
	'000 tonnes (CWE)				'000 tonnes (CWE)				
	2013	2014	2015	Change	2013	2014	2015	Change	
		<i>prelim.</i>	<i>f'cast</i>	2015over 2014 (%)		<i>prelim.</i>	<i>f'cast</i>	2015over 2014 (%)	
<b>World</b>	<b>8379</b>	<b>9185</b>	<b>8632</b>	<b>-6.0</b>	<b>World</b>	<b>8912</b>	<b>9607</b>	<b>9174</b>	<b>-4.5</b>
United States	927	1224	1407	15.0	India	1747	1933	1721	-11.0
China	1051	1189	1172	-1.4	Australia	1446	1680	1688	0.5
Vietnam	734	953	810	-15.0	Brazil	1767	1839	1651	-10.2
Japan	758	737	679	-7.8	United States	1226	1218	1084	-11.0
Russian Fed.	880	833	500	-40.0	New Zealand	483	526	584	11.0
Egypt	324	402	445	10.5	Canada	305	343	357	4.0
Korea Rep. of	327	346	369	6.7	Paraguay	302	360	350	-2.8
EU	332	327	317	-3.1	Uruguay	324	312	324	4.0
Canada	281	280	285	1.8	EU (28)	283	315	292	-7.3
Malaysia	184	193	232	19.9	Argentina	204	215	222	3.0
Chile	228	224	180	-19.8					

### Pigmeat: Trade recovers

Trade in pigmeat in 2015 is expected to grow by 2.4 percent in 2015, after having retreated by 4.3 percent over the previous two years, to reach 7.2 million tonnes. Lower prices have stimulated trade: November 2015 average export prices were 25 percent below a year earlier. The major factor behind the resumption of growth has been a surge in imports by **China**, especially during the second-half of the year, and significantly increased import demand in **Mexico** and the **Republic of Korea**. Imports by the **United States**, **Australia** and **South Africa** have also grown. The upwards surge in demand have been more than sufficient to counterbalance declining imports by **Japan**, the **Russian Federation**, **Vietnam**, **Angola**, the **Philippines** and the **Ukraine**.

In response to rising demand, exports by most of the main exporting countries are projected to grow for the year. The **EU**, which is the main pigmeat exporter, with a world market share of 33 percent, could see sales rise by 7 percent, with those of **Brazil** and the **United States** may also increase substantially. In the case of the EU, exporters adjusted to import bans imposed by the Russian Federation in 2014 by seeking alternative markets, in particular in *Asia*, but also in *Africa*, *Oceania* and *North America*. Conversely, Brazil, which was not subject to the ban, has experienced a substantial rise in exports to the Russian Federation this year – up 29 percent for the year to November. Increased exports are also forecast for the **Ukraine** and **Chile**. Meanwhile, limited domestic supplies have meant that exports by **China** were down 35 percent for the year until October. Sales by **Belarus** have also dropped significantly, down 60 percent for the year to October, as a result of animal health related trade prohibitions, relating to the presence of African swine fever, imposed by the Russian Federation, its main market.



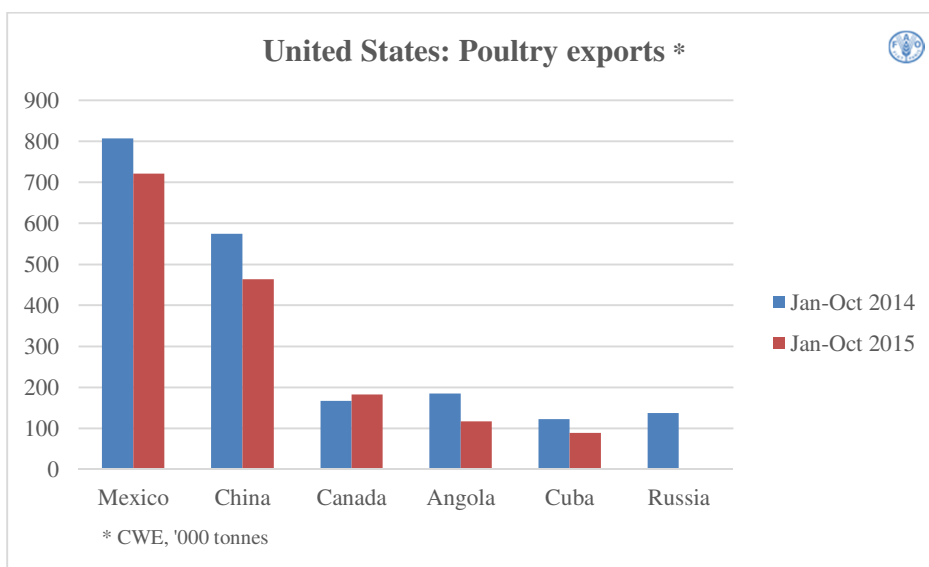
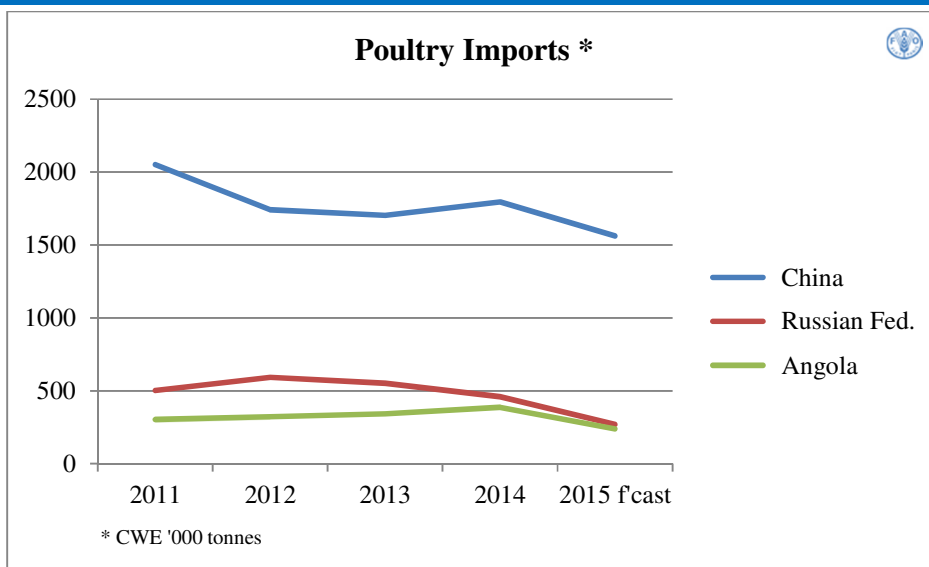


	Imports: Pigmeat meat				Exports: Pigmeat meat				
	'000 tonnes (CWE)				'000 tonnes (CWE)				
	2013	2014	2015	Change 2015over 2014 (%)	2013	2014	2015	Change 2015over 2014 (%)	
		<i>prelim.</i>	<i>f'cast</i>			<i>prelim.</i>	<i>f'cast</i>		
<b>World</b>	<b>7176</b>	<b>6942</b>	<b>7101</b>	<b>2.3</b>	<b>World</b>	<b>7119</b>	<b>7006</b>	<b>7174</b>	<b>2.4</b>
China	1349	1346	1566	16.3	EU	2288	2222	2377	7.0
Japan	1243	1351	1229	-9.0	United States	2173	2127	2170	2.0
Mexico	682	711	832	17.0	Canada	1205	1176	1165	-1.0
United States	475	548	597	8.9	Brazil	651	646	698	8.0
Korea Rep. of	395	486	605	24.4	Chile	158	157	170	8.6
Russian Fed.	906	536	428	-20.1	China	169	200	130	-34.7
					Mexico	121	127	127	-0.2

### Poultry: Trade set to decline

Trade in poultry in 2015 is expected to decline by 3.6 percent to 12.3 million tonnes. This would represent the first fall since 2009. Falling imports by **China**, the **Russian Federation**, **Angola**, **Iraq** and **Benin** are anticipated to be the main factor behind the drop in trade in 2015 – combined with import limitations imposed by many countries on poultry from the United States, due to the presence of HPAI in some parts of the country. The magnitude of the decrease, especially in the first three above mentioned countries, will outweigh growth in a number of markets including **Vietnam**, **Saudi Arabia**, **South Africa**, **Japan**, the **United Arab Emirates** and **Mexico**. Elsewhere, imports by the **EU** are expected to remain unchanged.

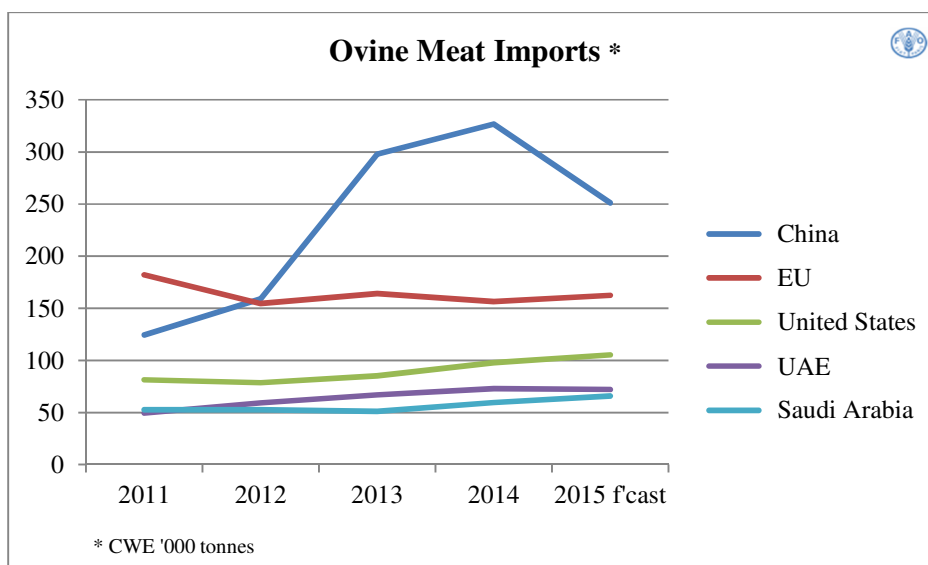
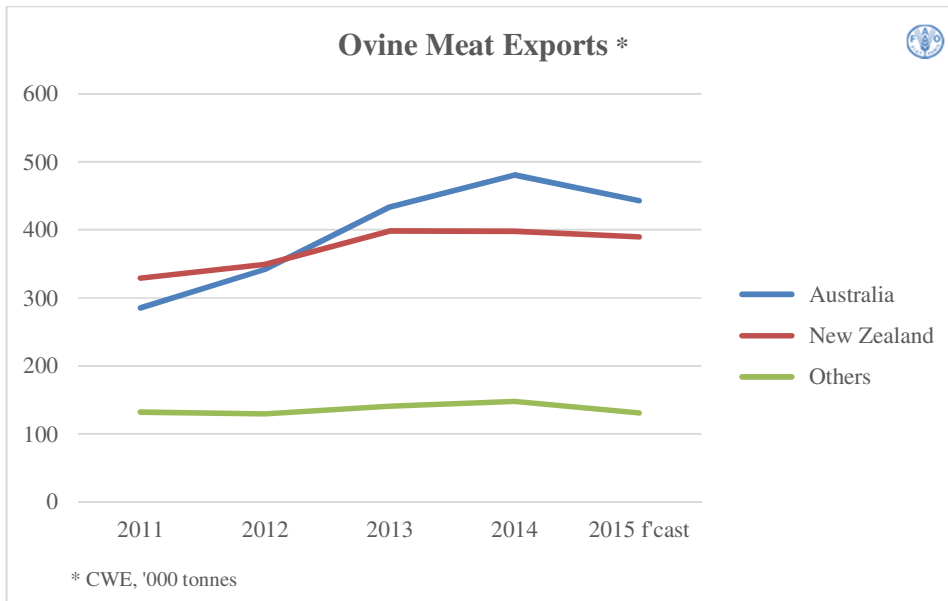
The three leading poultry exporters, **Brazil**, the **United States** and the **EU**, have seen little variation in sales in recent years. This situation is anticipated to change for the United States in 2015, as HPAI outbreaks have caused importers to look for alternative sources of supply. Exports by the United States for the year as a whole are projected to fall by over 15 percent. Some of the United States' main markets have introduced trade bans only on poultry originating from US states affected by the disease (or affected counties within these states), while still allowing imports from the rest of the country. Reduced competition from the United States is expected to lead to growth in exports by **Brazil**, particularly to the Middle East, and **Thailand**, especially to Japan. Elsewhere, exports by **Chile**, **Belarus** and **South Africa** also projected to rise, while those of the **Ukraine** may remain unchanged. Conversely, **Argentina**, which has also seen substantial export growth in recent years, has experienced a large drop in sales to Venezuela, its principal market, which is forecast to cause 2015's exports to fall by a quarter, overall. Shipments by the EU are projected to be lower, as increased opportunities for sales within its internal market have absorbed supplies, with those of **China** and **Turkey** are also expected to decline.



	<b>Imports: Poultry meat</b>				<b>Exports: Poultry meat</b>				
	'000 tonnes (CWE)				'000 tonnes (CWE)				
	2013	2014	2015	Change	2013	2014	2015	Change	
		<i>prelim.</i>	<i>f'cast</i>	2015over 2014 (%)		<i>prelim.</i>	<i>f'cast</i>	2015over 2014 (%)	
<b>World</b>	<b>12154</b>	<b>12223</b>	<b>12105</b>	<b>-1.0</b>	<b>World</b>	<b>12402</b>	<b>12741</b>	<b>12280</b>	<b>-3.6</b>
China	1704	1795	1562	-12.9	Brazil	3981	4037	4246	5.2
Japan	1066	1089	1141	4.8	United States	4150	4168	3551	-14.8
Mexico	848	889	929	4.5	EU	1331	1389	1347	-3.0
Saudi Arabia	887	810	923	14.0	Thailand	734	773	889	14.9
Viet Nam	603	642	802	25.1	China	469	471	436	-7.5
EU	725	697	697	0.0	Turkey	373	415	356	-14.0
South Africa	390	394	452	14.8	Argentina	363	311	235	-24.5
UAE	361	378	423	11.9					
Iraq	438	445	402	-9.6					
Russian Fed.	551	460	270	-41.2					

### **Ovine Meat: Trade decline anticipated**

World trade in ovine meat is forecast to contract by 6.2 percent in 2015, to 963 000 tonnes, principally reflecting reduced shipments from **Australia**, the **EU**, **Uruguay** and **New Zealand**. The two major exporters, Australia and New Zealand, have both entered a phase of flock restocking, following reductions caused by extended periods of dry weather. As a result of the process, Australia is expected to see exports fall by 8 percent, while New Zealand could record a 2 percent drop. In the case of EU, exports for the year up to October were over 40 percent below the same period in 2015, mainly as a result of reduced sales to China (Hong Kong, SAR). Comparing the same period, shipments by Uruguay were down 50 percent, due to reduced sales to Brazil and China. Constrained world export availabilities have limited import flows to **China**, the main market. Elsewhere, the **United States**, **Saudi Arabia**, the **EU**, **Malaysia** and **Jordan** are forecast to increase imports.



	<b>Imports: Ovine meat</b>				<b>Exports: Ovine meat</b>				
	'000 tonnes (CWE)				'000 tonnes (CWE)				
	2013	2014	2015	Change	2013	2014	2015	Change	
		<i>prelim.</i>	<i>f'cast</i>	2015over 2014 (%)		<i>prelim.</i>	<i>f'cast</i>	2015over 2014 (%)	
<b>World</b>	<b>945</b>	<b>1015</b>	<b>958</b>	<b>-5.6</b>	<b>World</b>	<b>973</b>	<b>1027</b>	<b>963</b>	<b>-6.2</b>
China	298	327	251	-23.1	Australia	434	481	443	-8.0
EU	164	156	162	3.8	New Zealand	399	398	390	-2.0
United States	85	98	105	7.8	India	20	23	22	-3.7
UAE	67	73	72	-1.1	EU (28)	31	28	18	-37.0
Saudi Arabia	51	60	66	10.2					
Malaysia	25	31	37	18.5					

For comments or queries please use the following email contact: [Michael.Griffin@fao.org](mailto:Michael.Griffin@fao.org)  
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 Meat and Meat Products: price and trade update  
 Trade and Markets Division  
 Food and Agriculture Organization of the United Nations