



## Developing a higher demand

CHANGES in diet driven by economic improvement among hundreds of millions of people in developing countries is driving an international 'livestock revolution' which will strongly influence global meat trade over the next 15 years.

This point was raised by respected international economist Dr Chris Delgado during an address to livestock scientists attending a recent conference in Queensland.

Dr Delgado, director of the International Livestock Research Institute's program on livestock, co-wrote an important 20-year forecast on likely changes in global supply and demand for meat products in 1995.

Developing countries, particularly those in the Asian region, would be at the centre of the livestock revolution, Dr Delgado suggested.

"Meat consumption in developing countries has grown three times as fast as in developed nations over the past 30 years, and by 2020, developing countries will consume 72 million tonnes more meat than they did in 2002-03. This dwarfs developed country-increases over the same period of 9mt."

A recently as 1983, developing countries, despite representing 79 percent of the world's population, consumed only 36pc of world meat production. But there had been a steady shift since then, accounting for 57pc of total consumption by 2003.

# Language promotes trade

## Key to future trade

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AN important international committee charged with progressing global language standards to simplify and streamline global meat trade will meet during Brisbane's 2006 World Meat Congress week.

Convening formally for the first time in its 15-year history outside its headquarters in Geneva, Switzerland, will be the United Nations Economic Commission for Europe (UNECE) specialised committee for standardisation of meat.

The UNECE's principal goal is to promote greater economic integration of its member countries. One of the mechanisms designed to help achieve this is a forum for governments to develop internationally harmonised agricultural product standards.

- These standards are designed to:
- Facilitate fair international trade and prevent technical barriers to trade.
  - Define a common trading language for sellers and buyers.
  - Promote high quality, sustainable production.
  - Create market transparency for buyers and consumers.

UNECE began work on standards for perishable products in 1949, and today almost 100 internationally harmonised, commercial quality sets of standards have been developed for different agricultural products. These range from fresh fruit and vegetables to dried produce, potatoes, eggs and egg products, meat and cut flowers.

The working party on agricultural quality standards is the UNECE sub-committee responsible for drawing up harmonised commercial quality standards for perishable produce. These standards are designed to be

indicative of commercial trading practice. Within this structure are various commodity-specific committees, including the specialised committee on standardisation of meat, which sets international standards for meat items.

Traditionally, meat cuts and names have varied from country to country, which not only causes confusion, but can also create unnecessary trade barriers.

Recently, the UNECE through its working party on agriculture standards completed a new Sheepmeat Standard for carcasses and cuts. All major sheepmeat producing and exporting countries, including Australia (AUS-Meat) and New Zealand (AFFCO) participated in the development process. The new sheepmeat standard will be officially approved during the upcoming Brisbane meeting.

Both Australia and New Zealand were acknowledged for their special contribution to the development of the standard.

Separate standards for goatmeat, pork, veal, livestock and offal are either under way, or in preliminary discussion phase.

The Sheepmeat Standard launch comes five years after the UNECE international standard for beef carcasses and cuts was launched in 2001. Again, Australia played a major role in publishing the first edition and a revised edition in 2004, which involved 30 member countries.

Chairman of the UNECE specialised committee, Barry Carpenter from the US, said the new UNECE standards, once widely in the trade, would facilitate the fair international trade of beef and sheepmeat products and prevent technical barriers to trade.

"It also promises to improve producers' profitability and encourage the production of

high quality products, as well as protecting the interests of consumers worldwide," he said.

Ian King, chief executive of Australia's red meat language body, AUS-Meat, who is vice-chairman of the specialised committee, said that in addition to providing a clearer language between buyer and seller, the standardisation of the trading language allowed the meat industry to adopt modern data transfer methods and to streamline the flow of information and product throughout the supply chain.

The committee members include the international numbering agency GS1 Australia and GS1 International based in Brussels since the Standards include codification using a global language for electronic data interchange and data carriers (bar coding symbols, for example) to enable electronic reading wherever required in the trading process. The trace back/trace forward mechanisms are linked to enable traceability from farm to retail outlets worldwide.

"This is of major importance to both exporters and importers and provides a lynchpin to securing market access as government regulators worldwide seek more information relative to country-of-origin and production history," Mr King said.

"It is therefore imperative that the standards and language offer practical solutions - hence the importance of industry working with governments to deliver fully harmonised standards that will be adopted by trading partners," he said.

Uptake of the international beef standards is gradually gathering pace, with countries like Uruguay, Brazil, Lithuania, Russia, Poland, France, Australia and New Zealand now embracing the system.

assumed the position of Japan's leading supplier of chicken meat. Reduced demand for chicken in other major markets such as the EU will also have a flow-on effect especially to the demand for pigmeat.

A major uncertainty facing international beef markets concerns the lasting impacts of the BSE crisis on US exports. Negotiated protocols for Japanese imports restricts US exports to beef from cattle 20 months of age and younger - which should prove highly restrictive. The discovery of material in a shipment during January, that contravened the agreement, could exclude the US until early 2007. But how competitive will they be when they re-enter these markets?

US demand for beef has been strong - which is likely to continue as population and income grows strongly. Despite a massive drop in exports after the BSE scare, imports have continued to rise through 2004 into 2005. Uruguay has been exporting large quantities to the US while paying a 26pc penalty tariff - a reflection of high US cattle prices. While not conclusive, the future competitiveness of the US in key beef import market is questionable.

China's emergence both as a producer and consumer of meat products is the major change likely to take place in global meat markets in the foreseeable future. The increases in pigmeat production will continue through improved breeding, better feed conversion and investment in slaughter facilities. China has the potential to be a major pigmeat exporter. It already has made forays into exports, but with a more mature domestic pigmeat market, consumption is less likely to increase than beef consumption as incomes grow. If productivity increases continue, this could drive increases in exports.



## Proud hosts of the UNECE SPECIALIZED SECTION ON STANDARDIZATION OF MEAT 15th Session - April 19-24, 2006

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