



Global Meat Demand and Supply

“Where is the meat?”

September 18, 2008



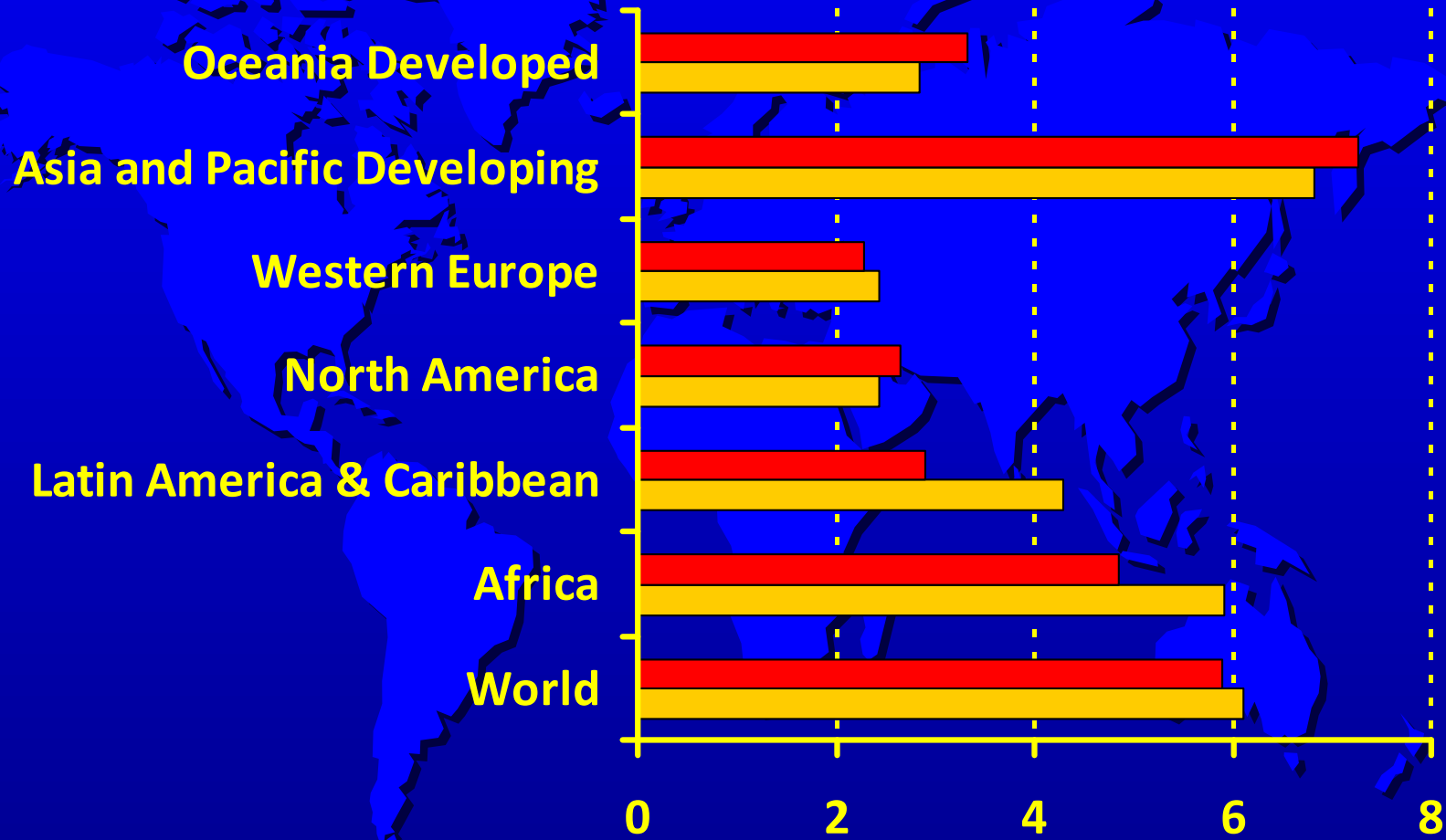
Trade and Markets Division

OECD – FAO Outlook: Main assumptions

- Robust growth in emerging economies.
- Population growth slowing
- Low Inflation sustained
 - US dollar strengthens against most other currencies
- Trade policies remain as agreed in the URAA
- Domestic policies continue as legislated
 - bioenergy mandates, policy
- Normal crop yields - grow at trend rates
- World oil prices remain high



Income growth prospects may be the best in decades...

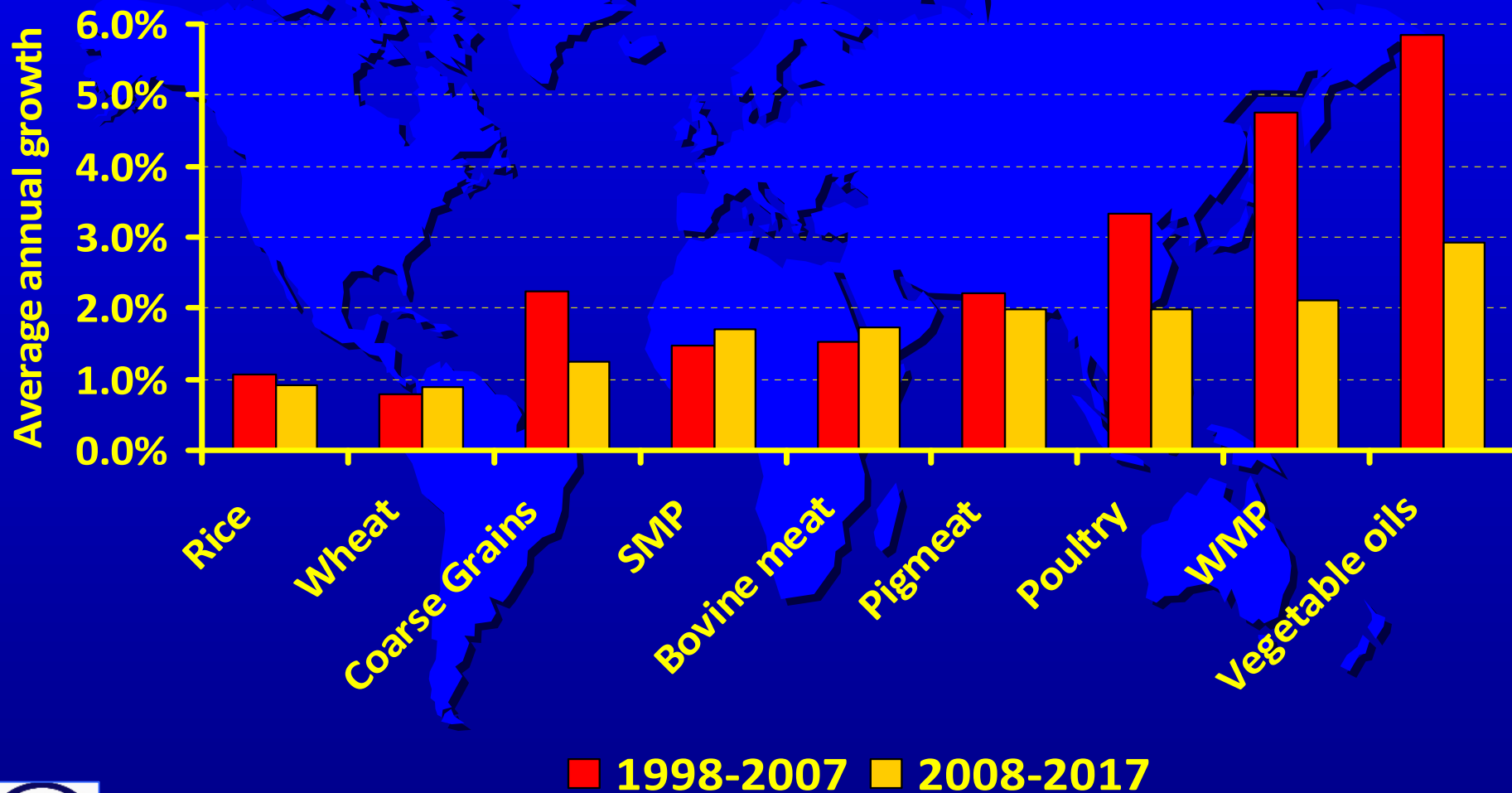


P.a. average growth rate

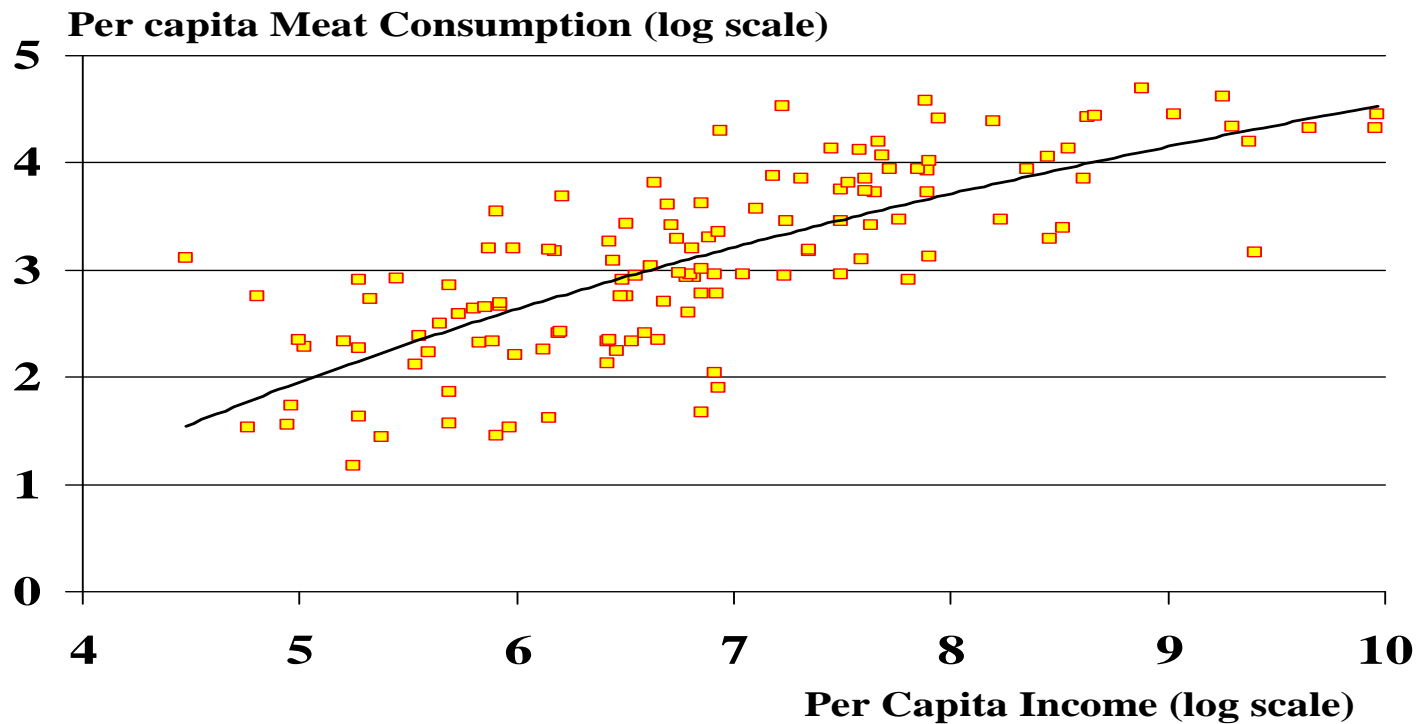
■ 2008 - 2017 ■ 1998 - 2007



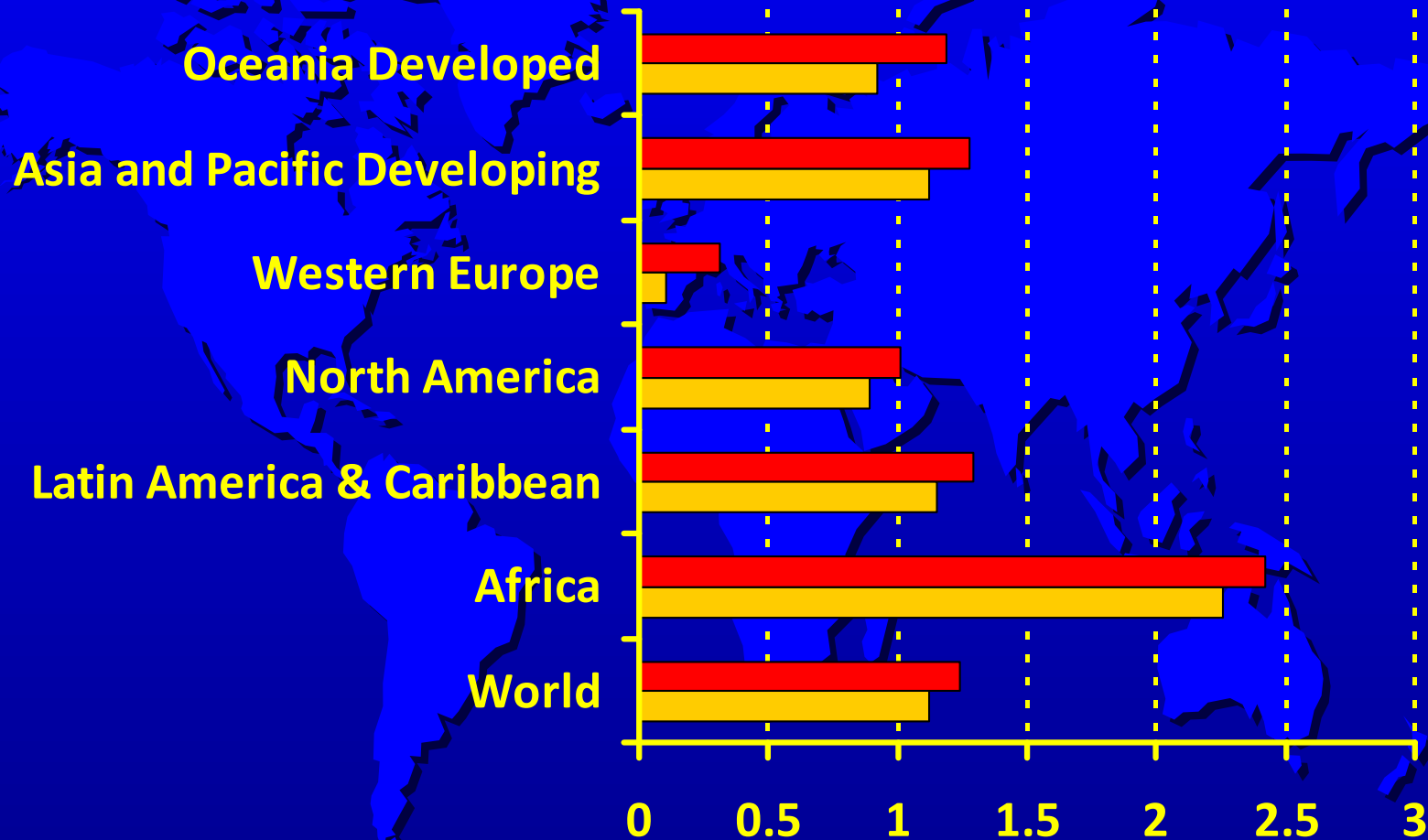
World consumption growth slows: income sensitive products grow most



Relationship between Income and Per Capita Meat Consumption



General slow down in population growth

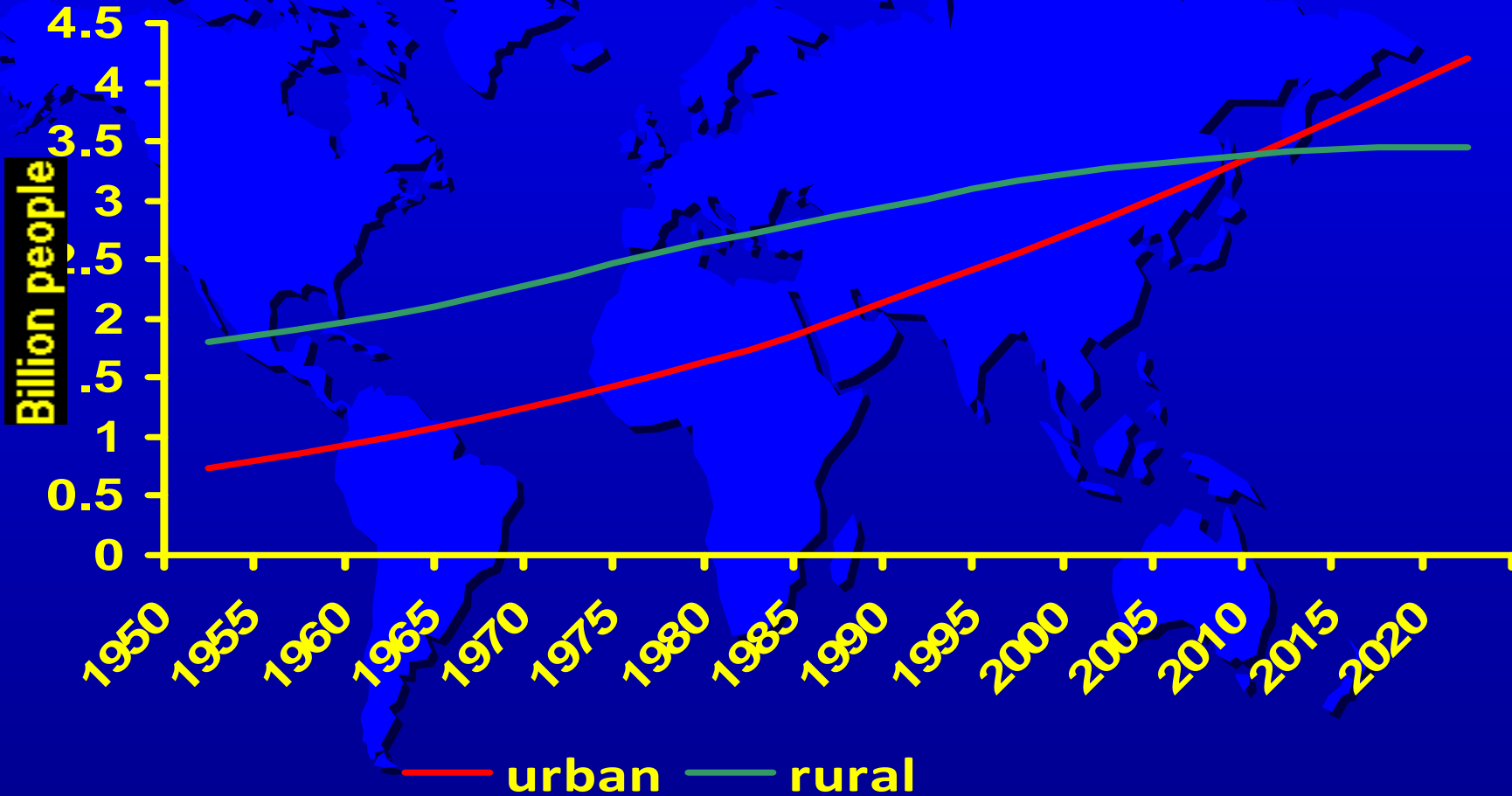


P.a. average growth rate

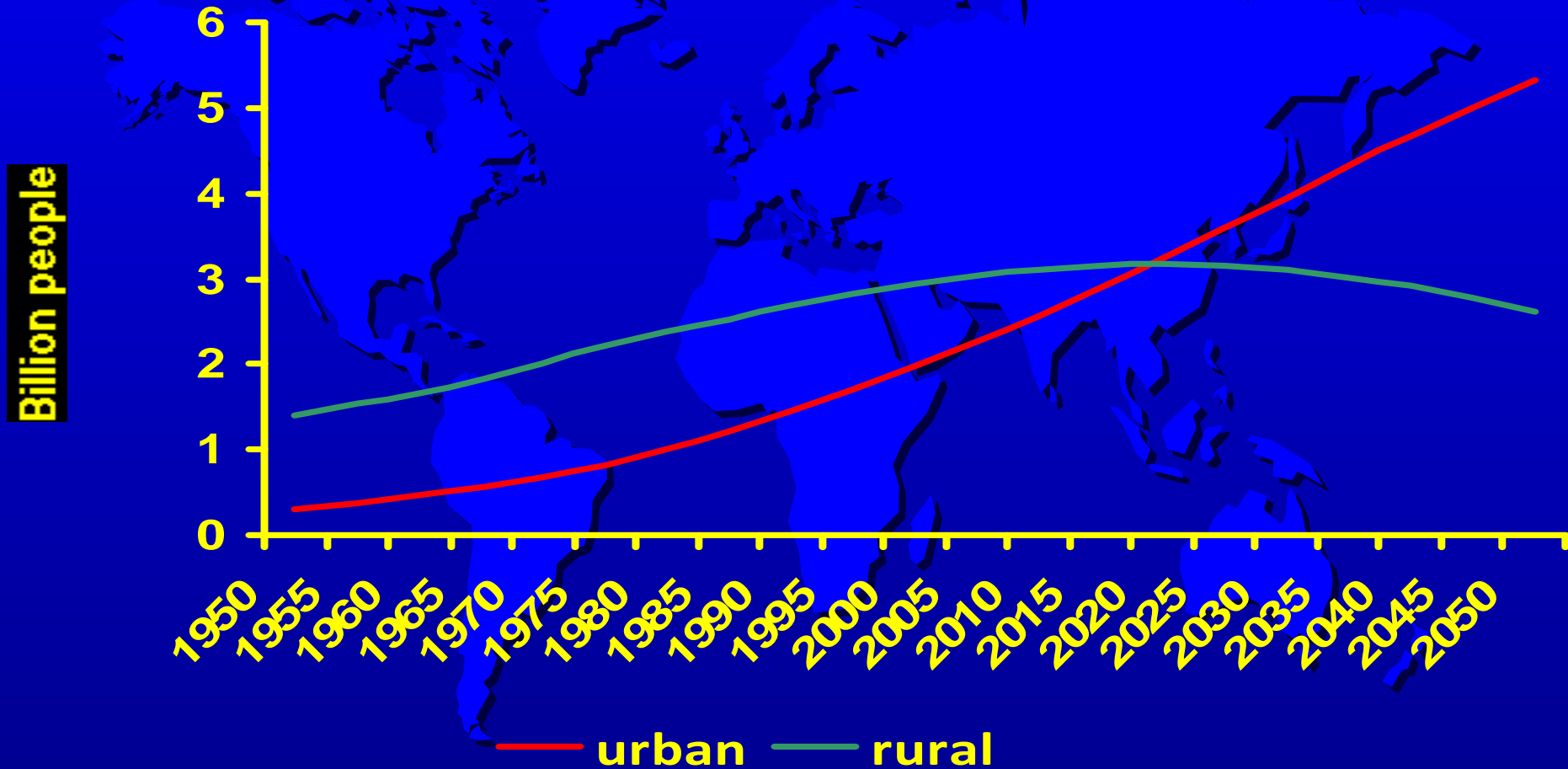
■ 2008 - 2017 ■ 1998 - 2007



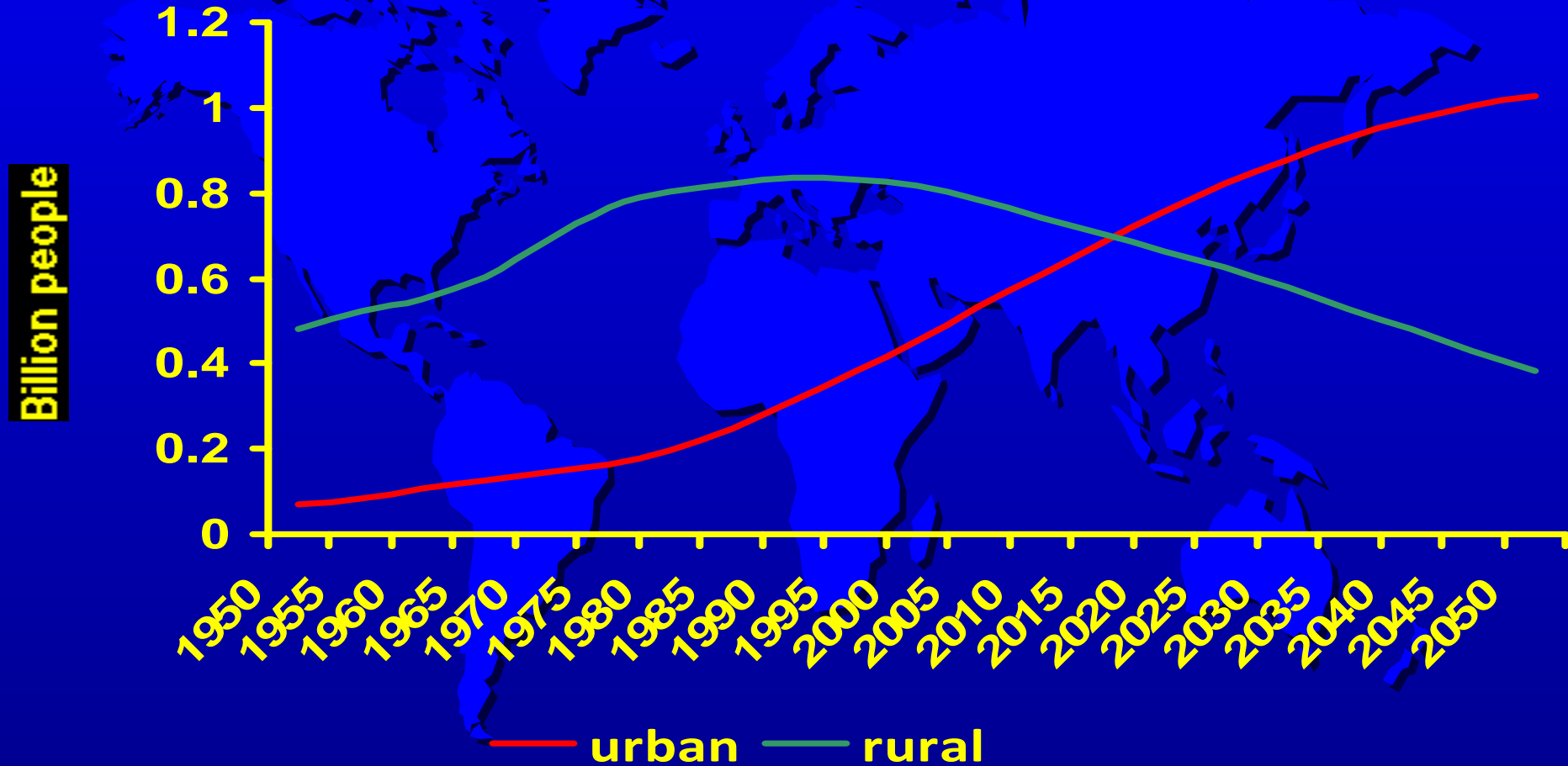
But World Urbanization continues



Developing Urban and Rural Population (1950-2050)

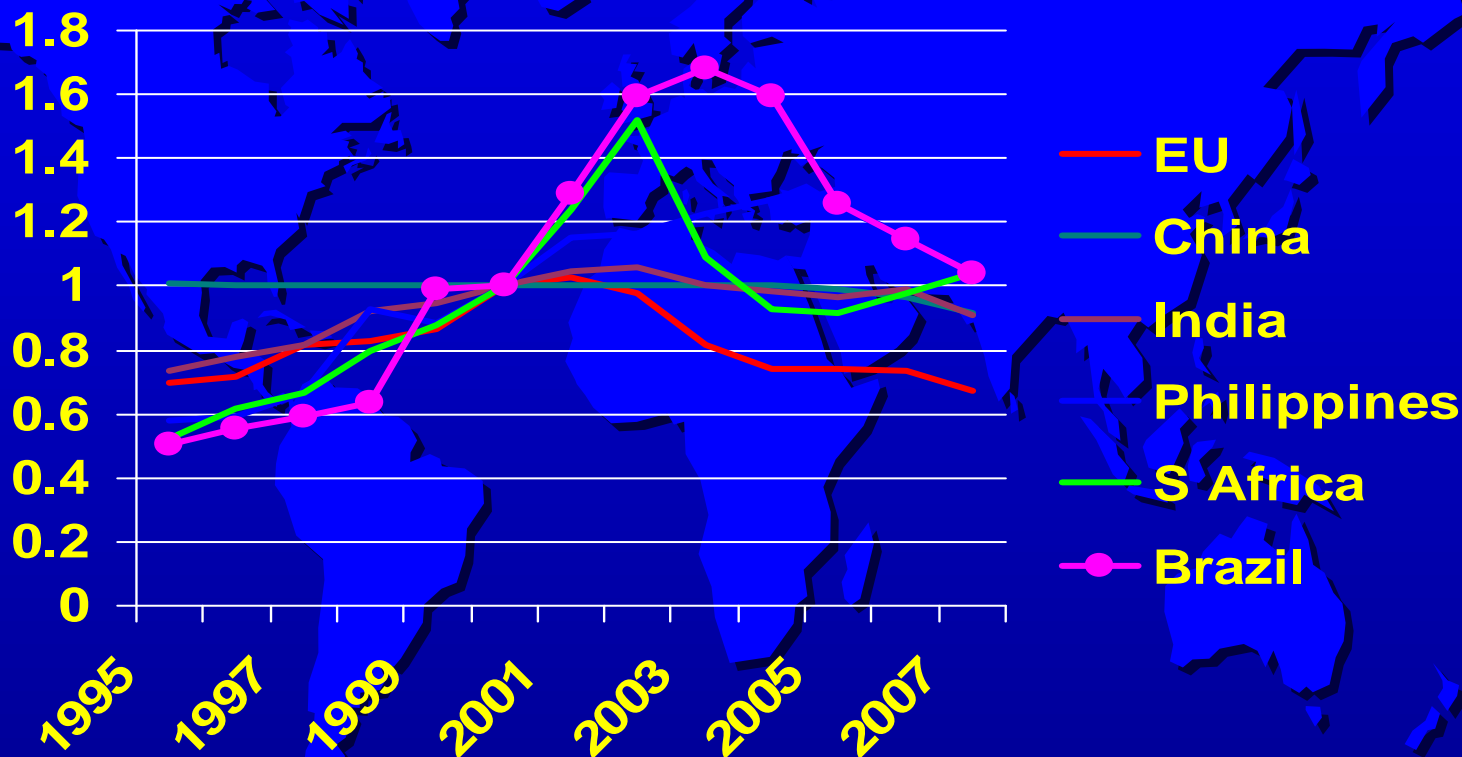


China Urban and Rural Population (1950-2050)



Exchange rates

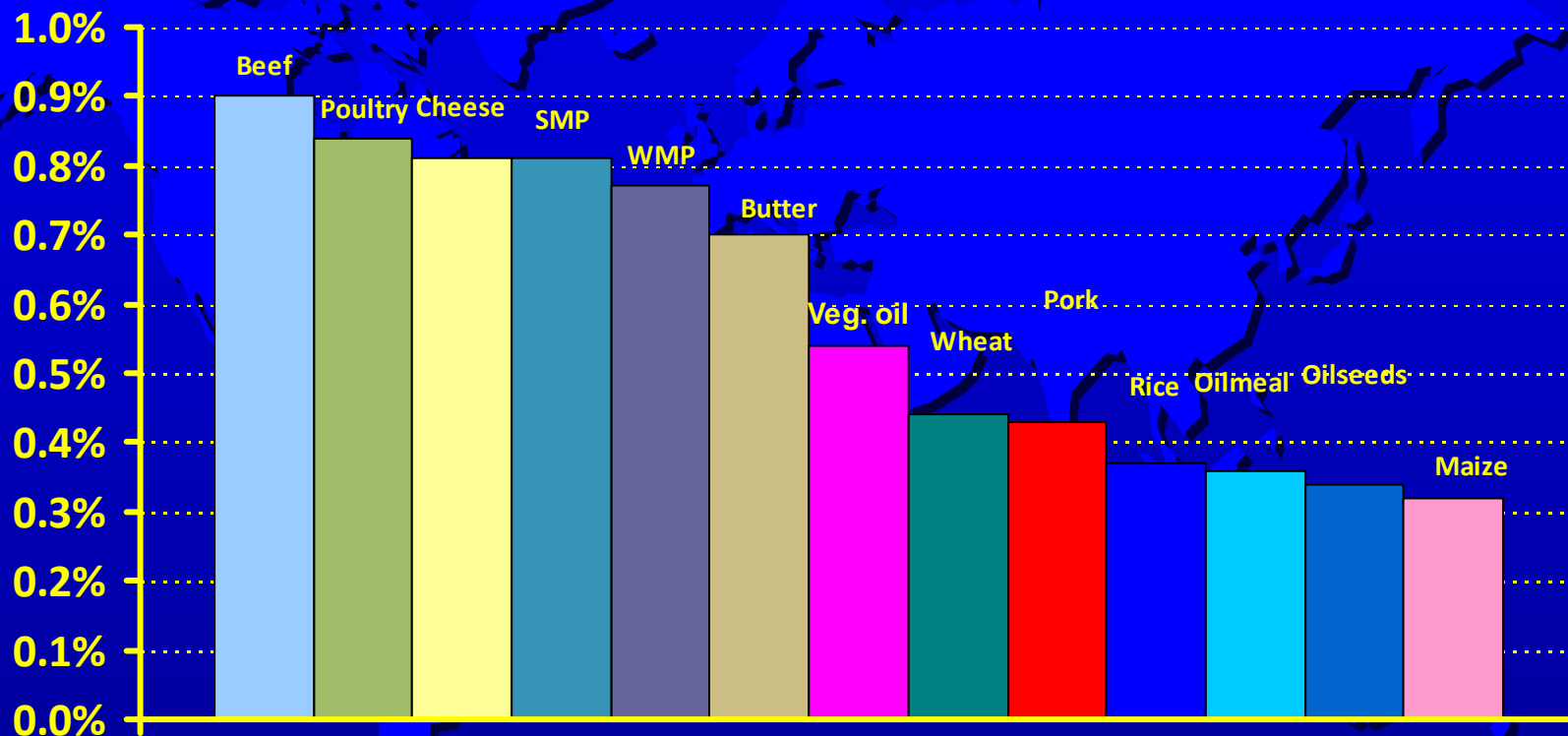
Wide swings in USD



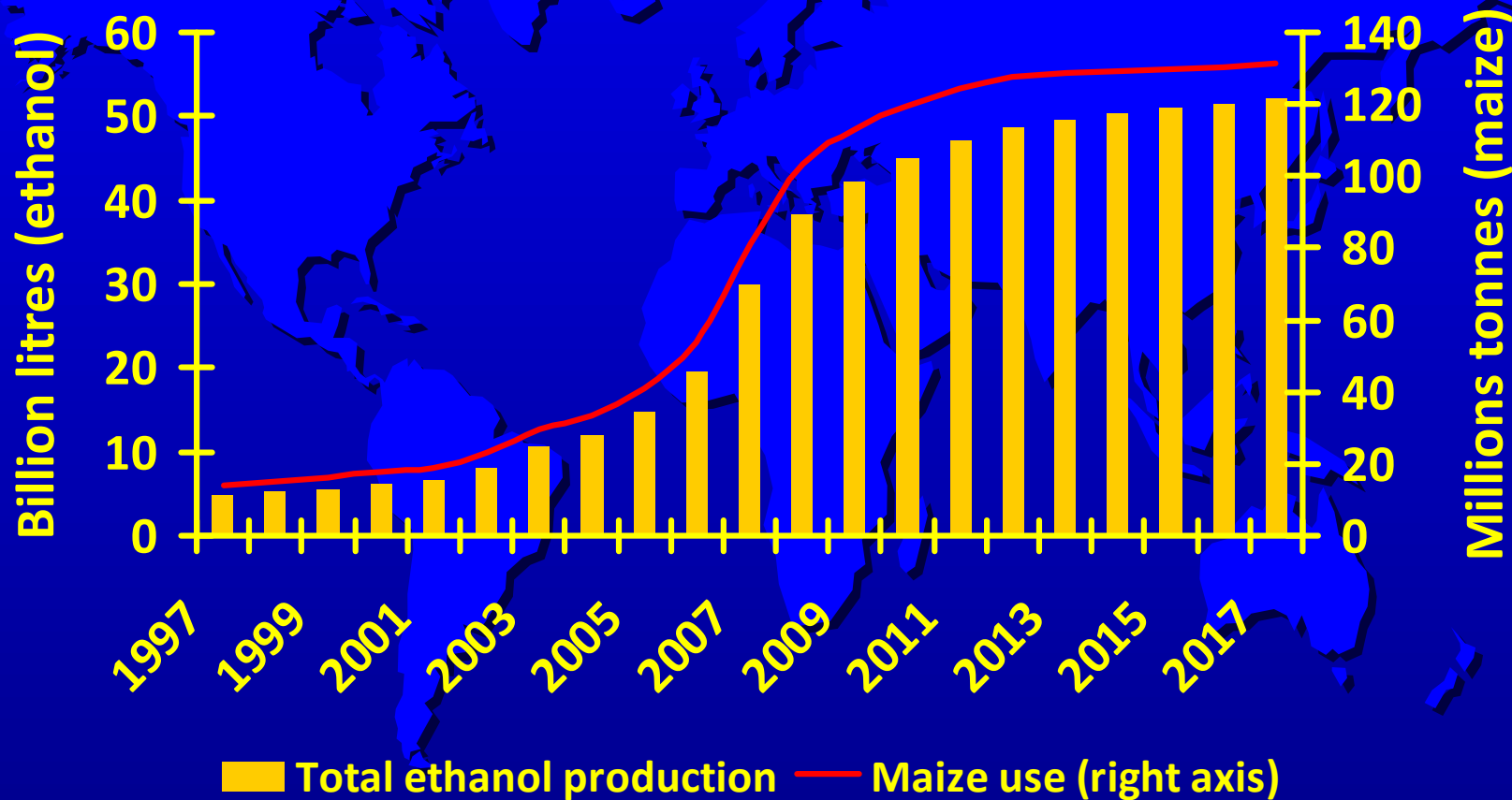
Indices = 1 in 2000



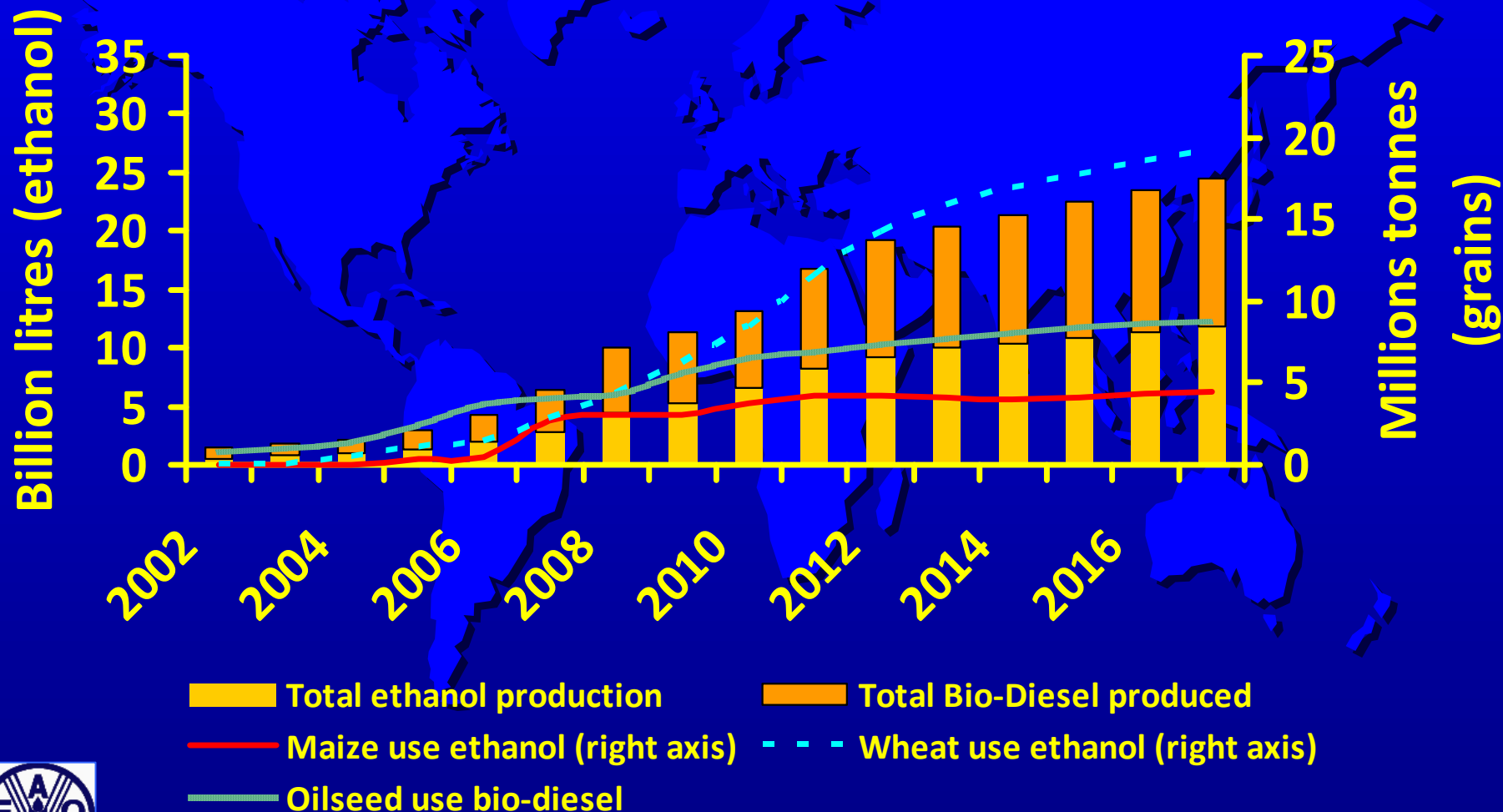
Impact on commodity prices of a 1 % USD depreciation against all currencies



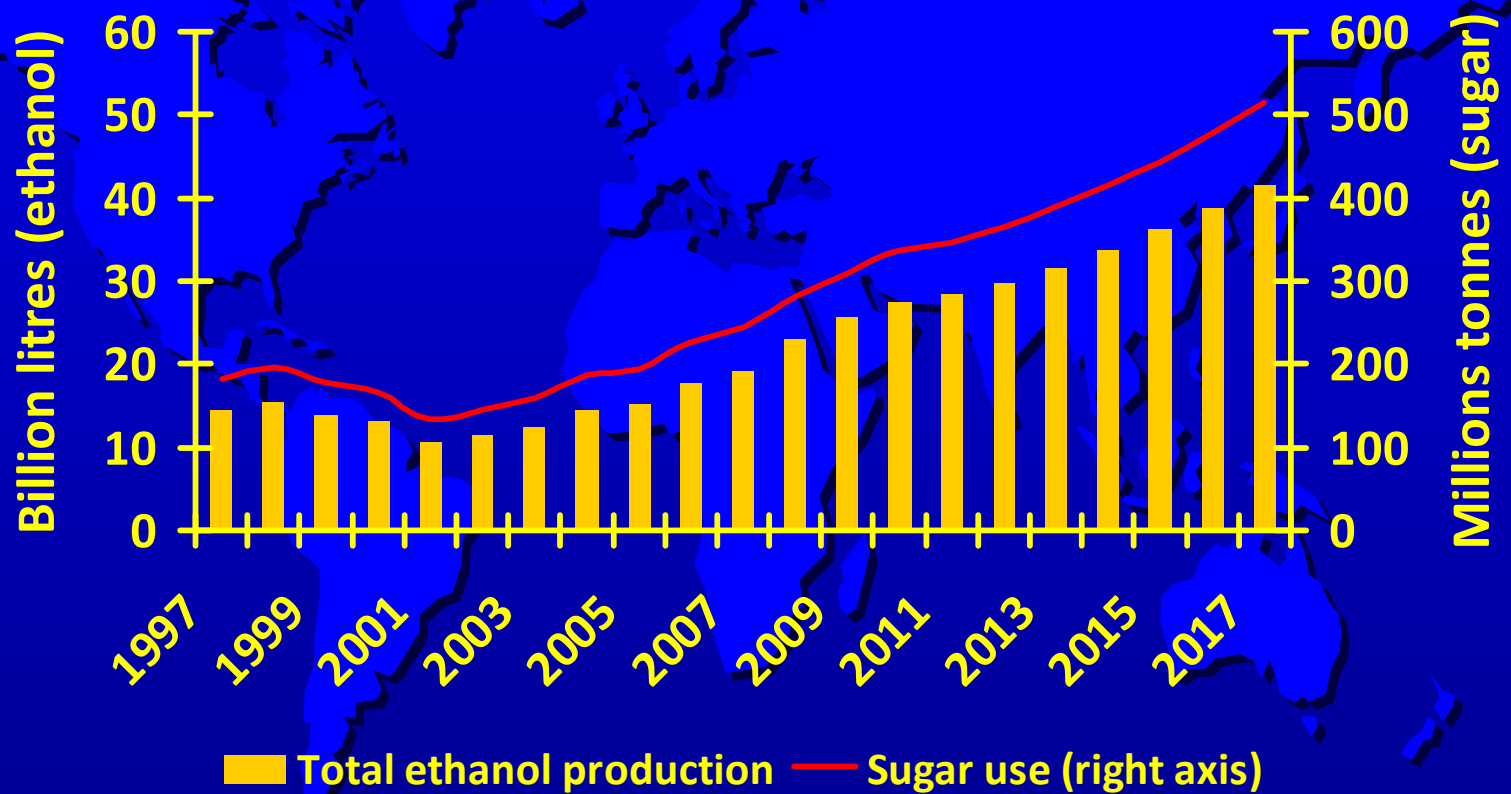
Biofuel production and feedstock use increase by 75% and 60% respectively in US



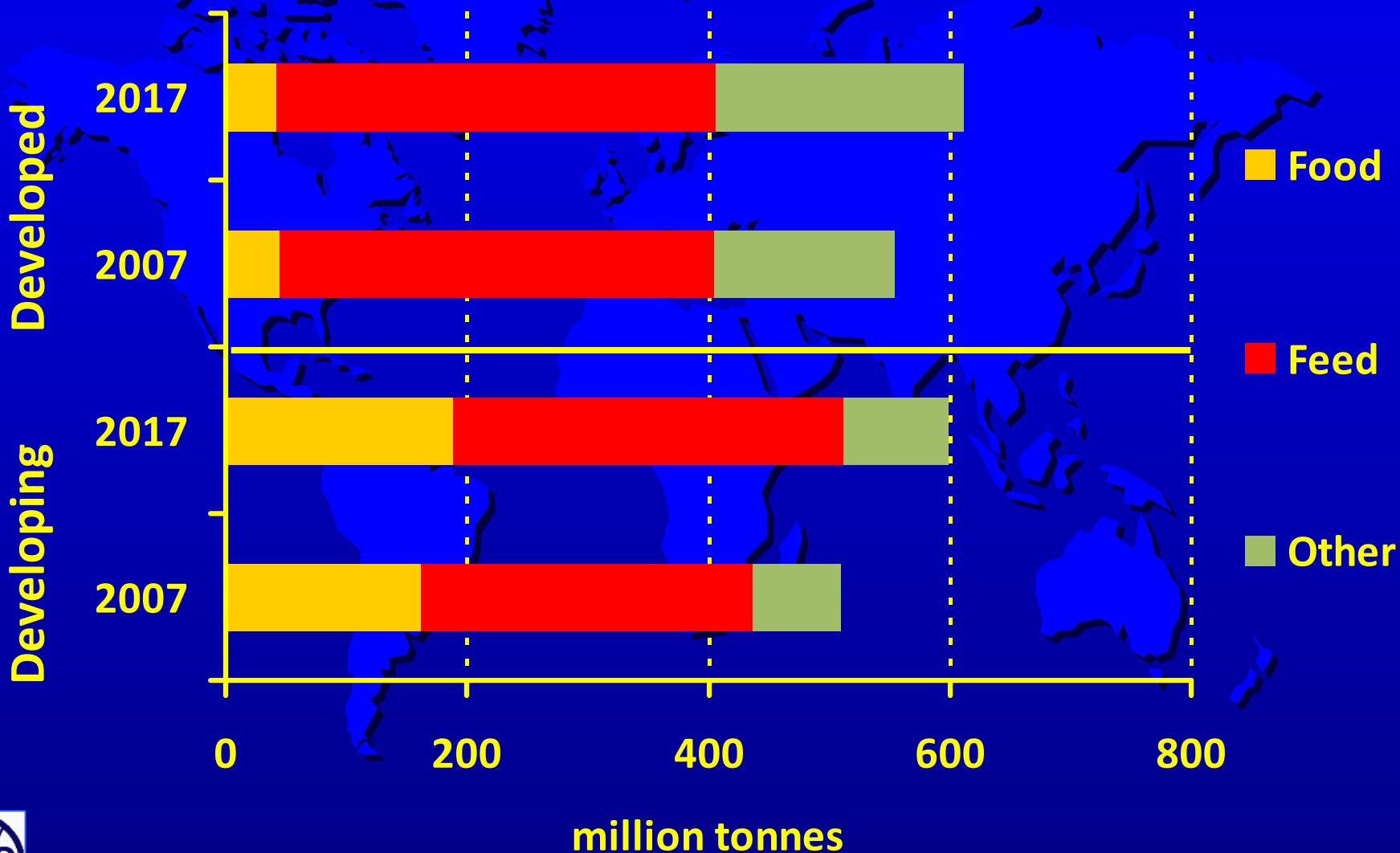
Biofuel production and feedstock use increase in EU is also dramatic



Biofuel production and feedstock use is projected to double in Brazil



...while ethanol production pushes coarse grain demand up



Policy issues relevant to livestock sector development

Protectionism/Liberalization: Multinational and Regional Trade Agreement

Policies on bio-fuels

Changing Sanitary and Quality Standards

Animal Welfare Rules

Environmental regulations

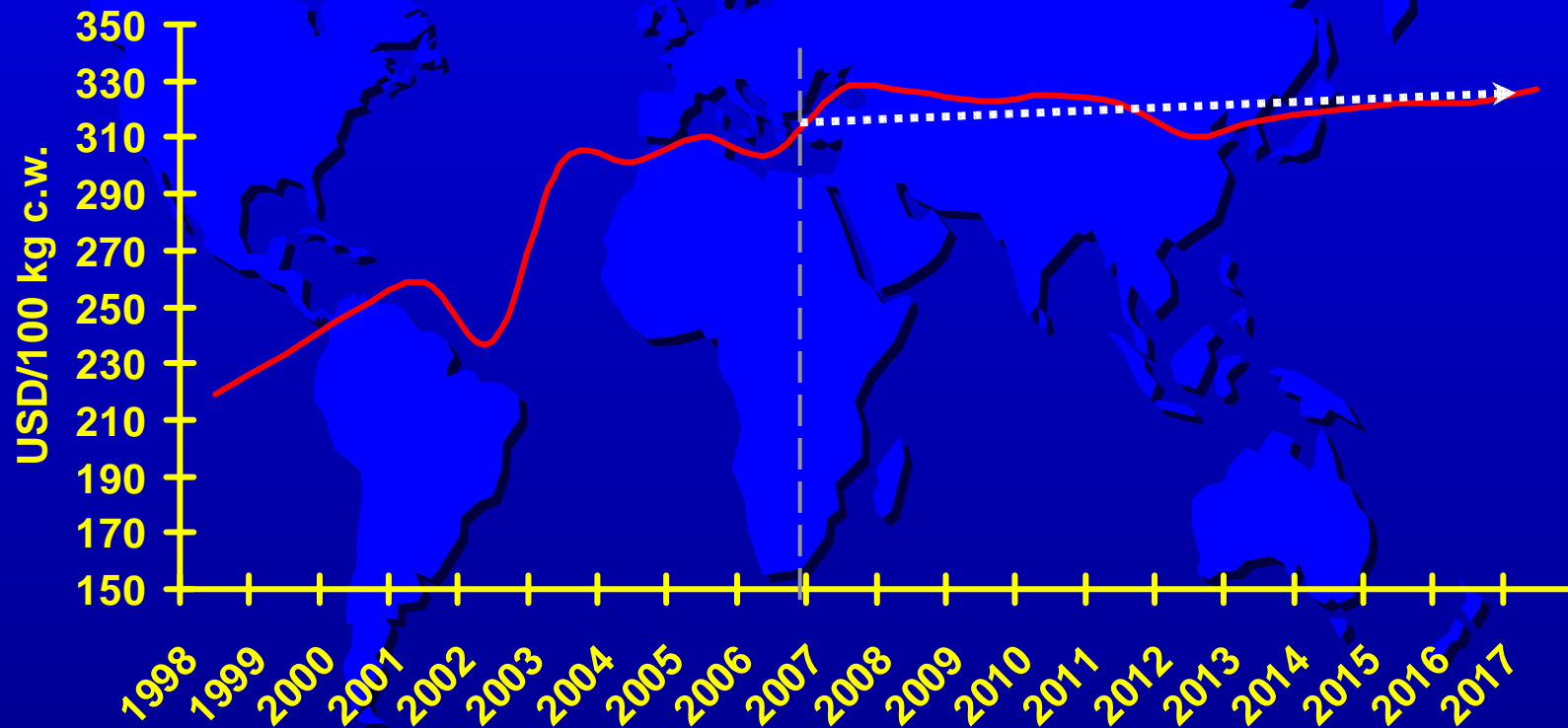
Policy measures for animal disease controls

Market Access: to local and international markets

Animal identification/traceability



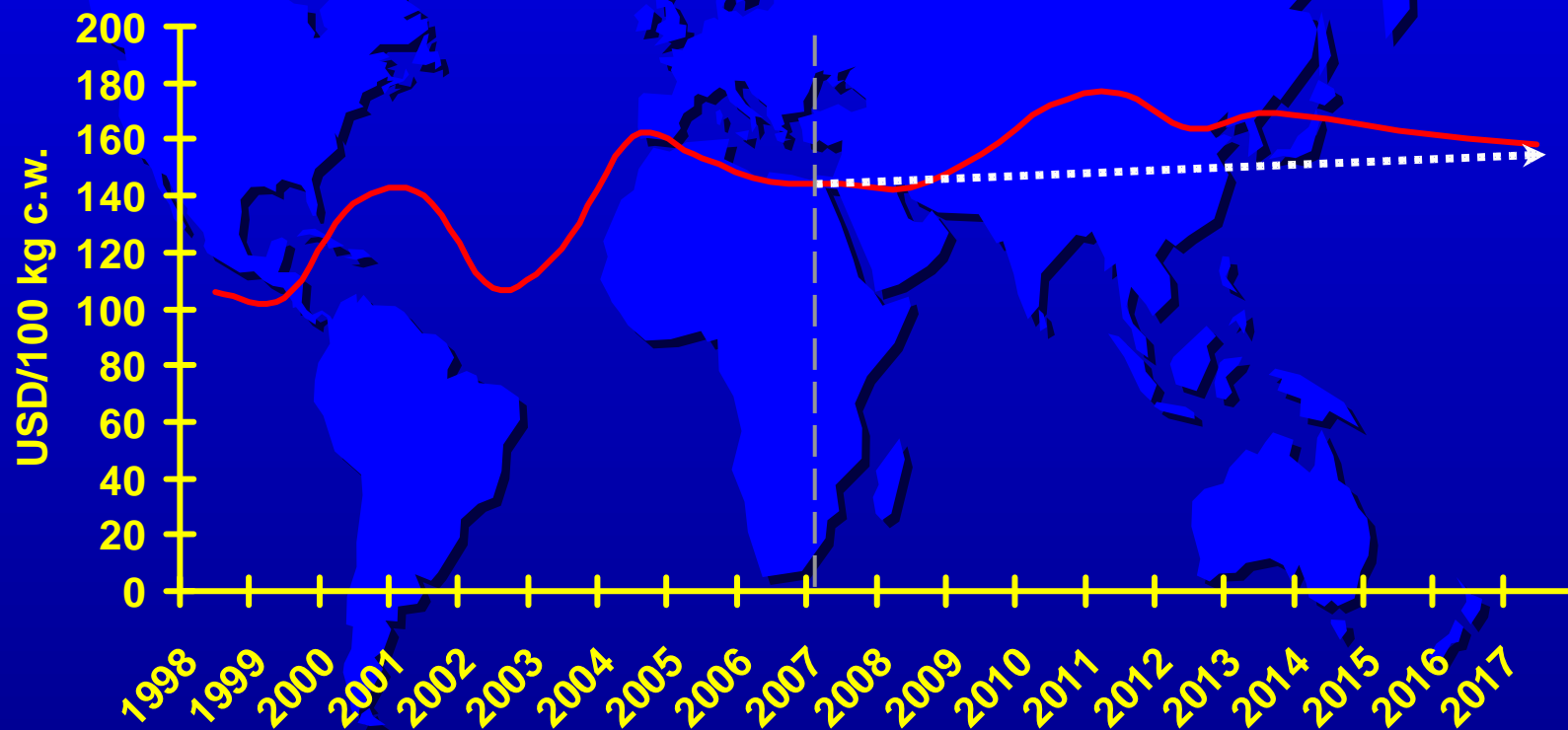
Pacific beef market indicative price to remain high until 2017...



— Pacific market price (USA)



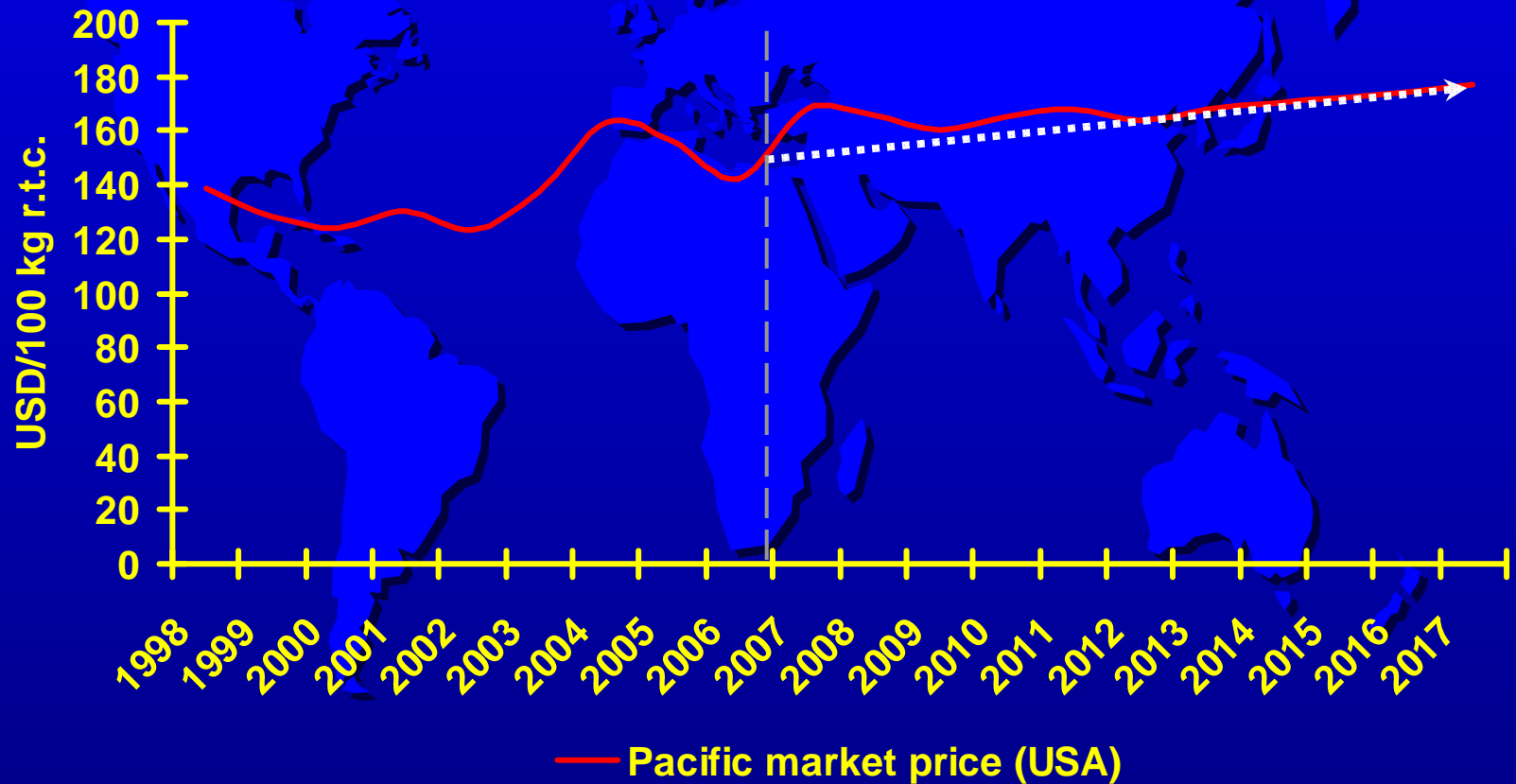
Pacific pork market prices to continue its cyclical path



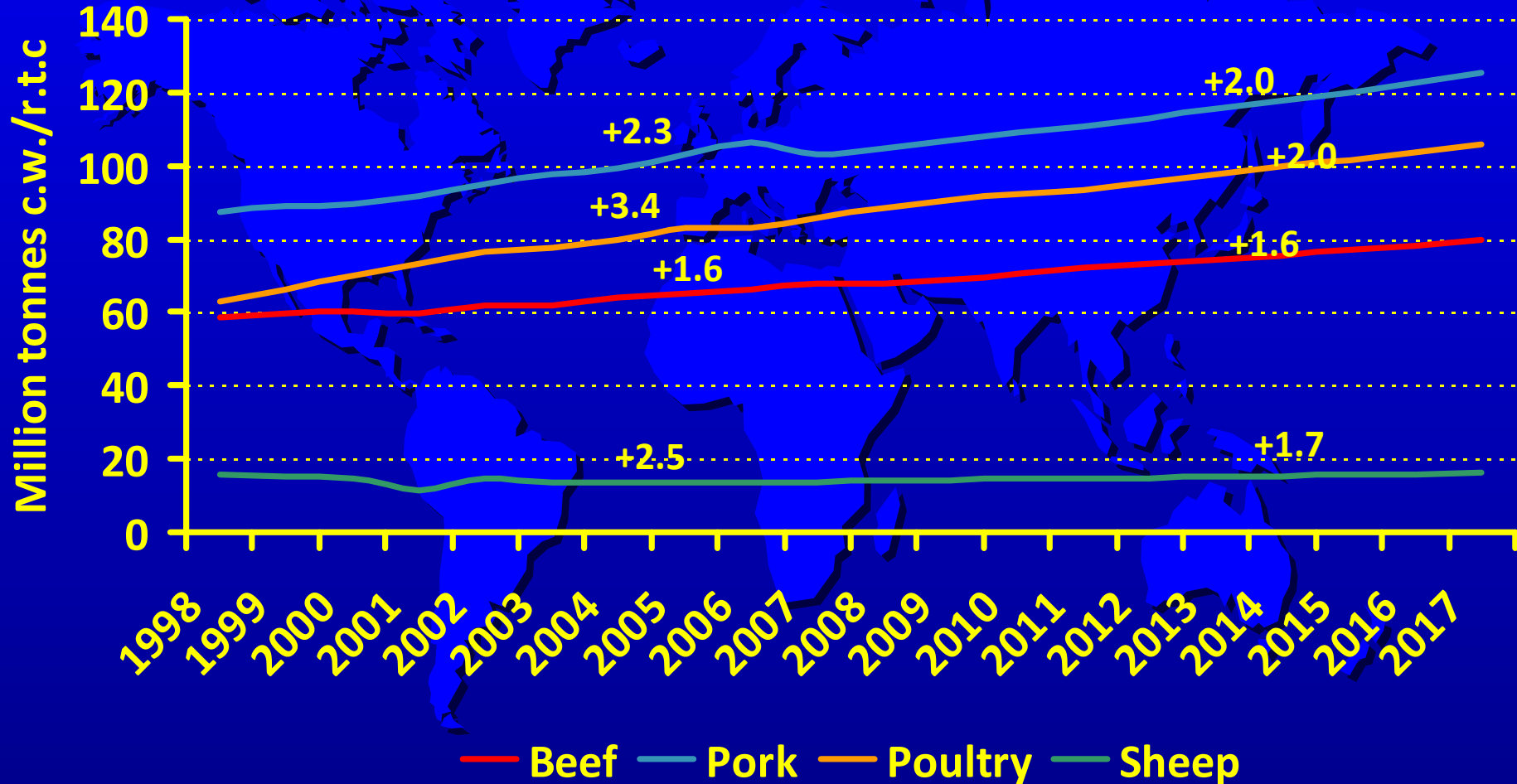
— Pacific market price (USA)



Poultry market prices continue to increase driven by demand and high feed costs...

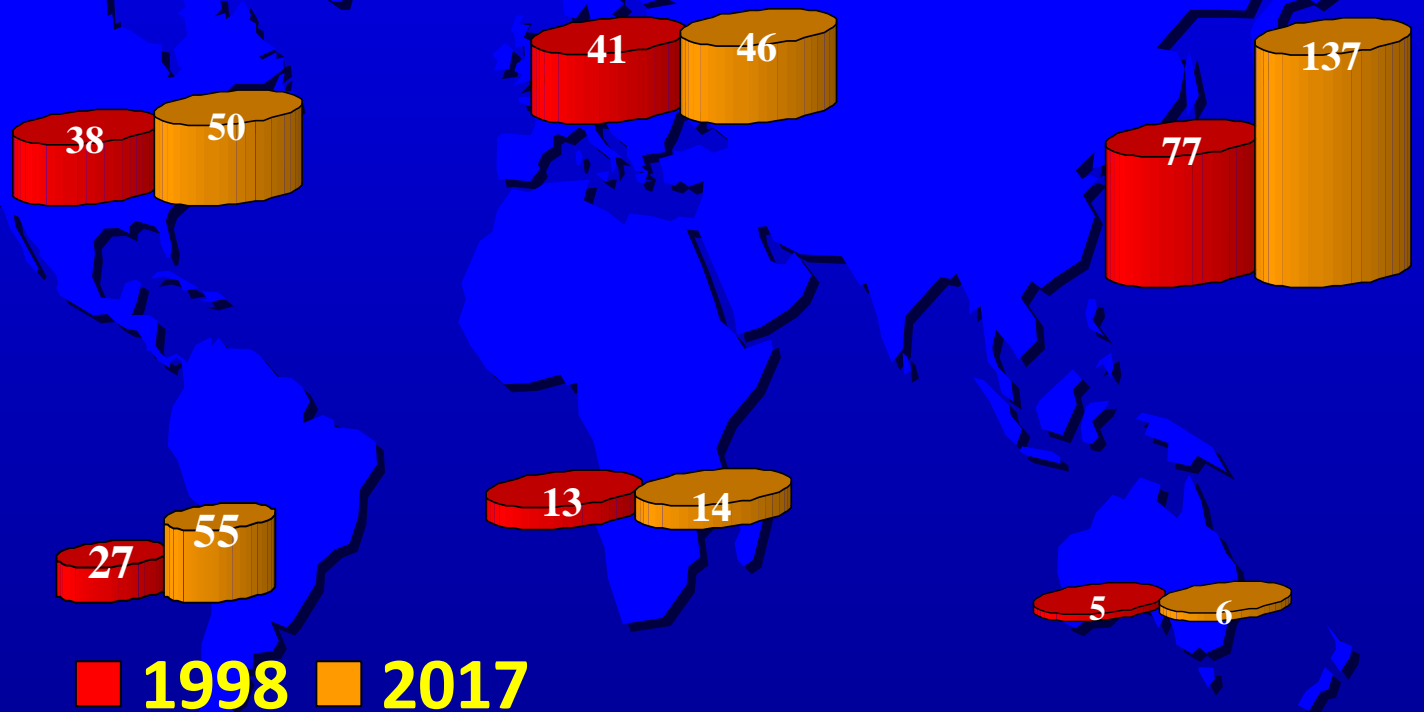


Despite high feed costs, world production continues to grow



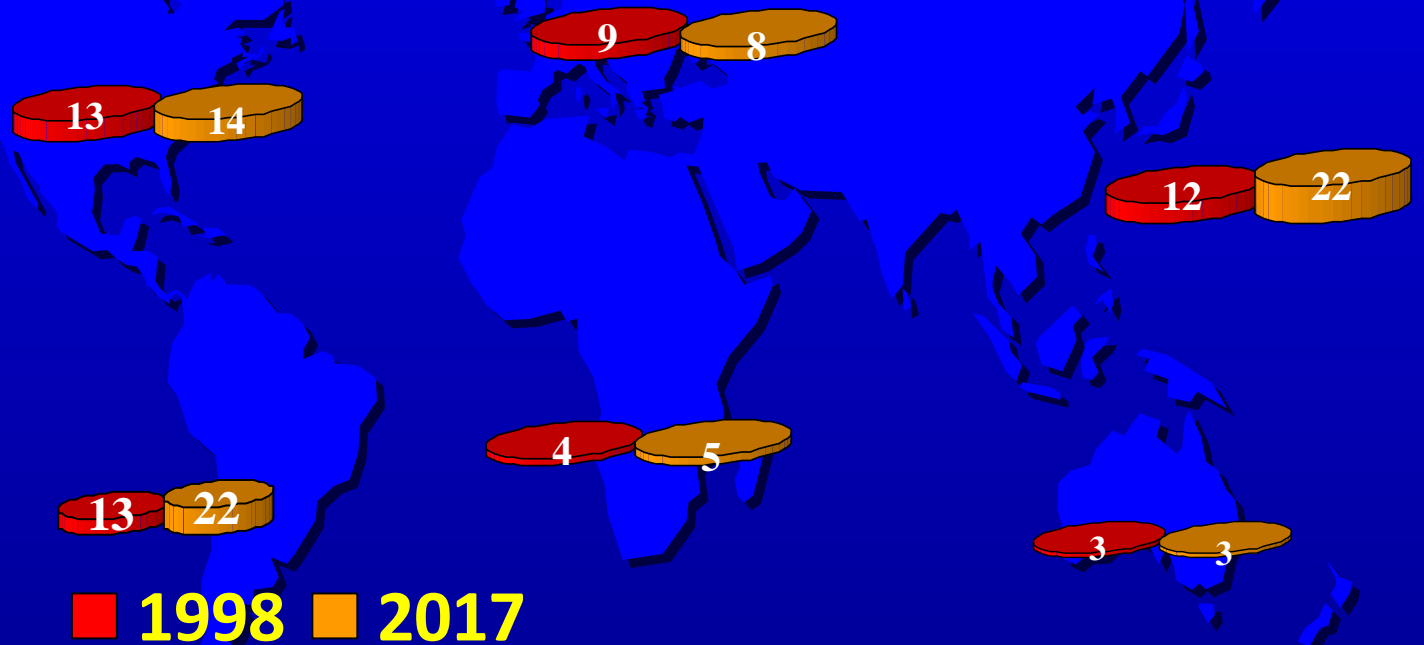
World Meat Production

(million tonnes c.w.)



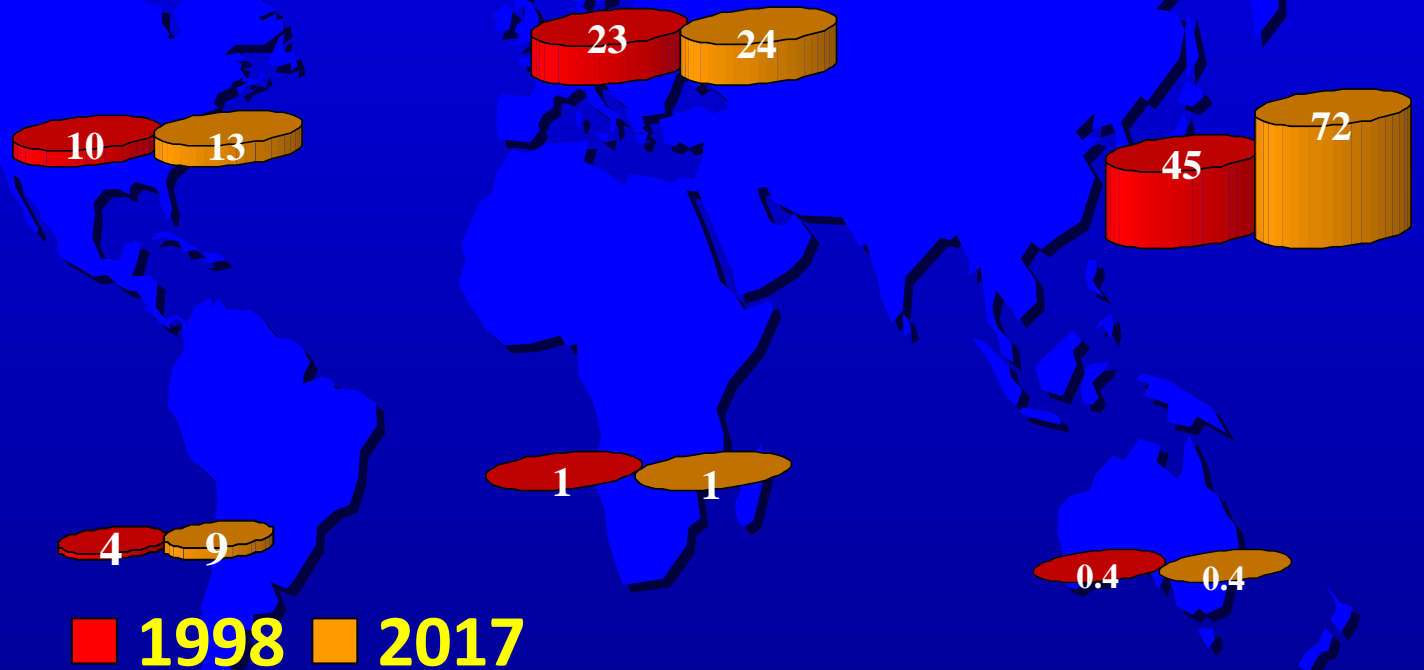
World Beef Production

(million tonnes c.w.)



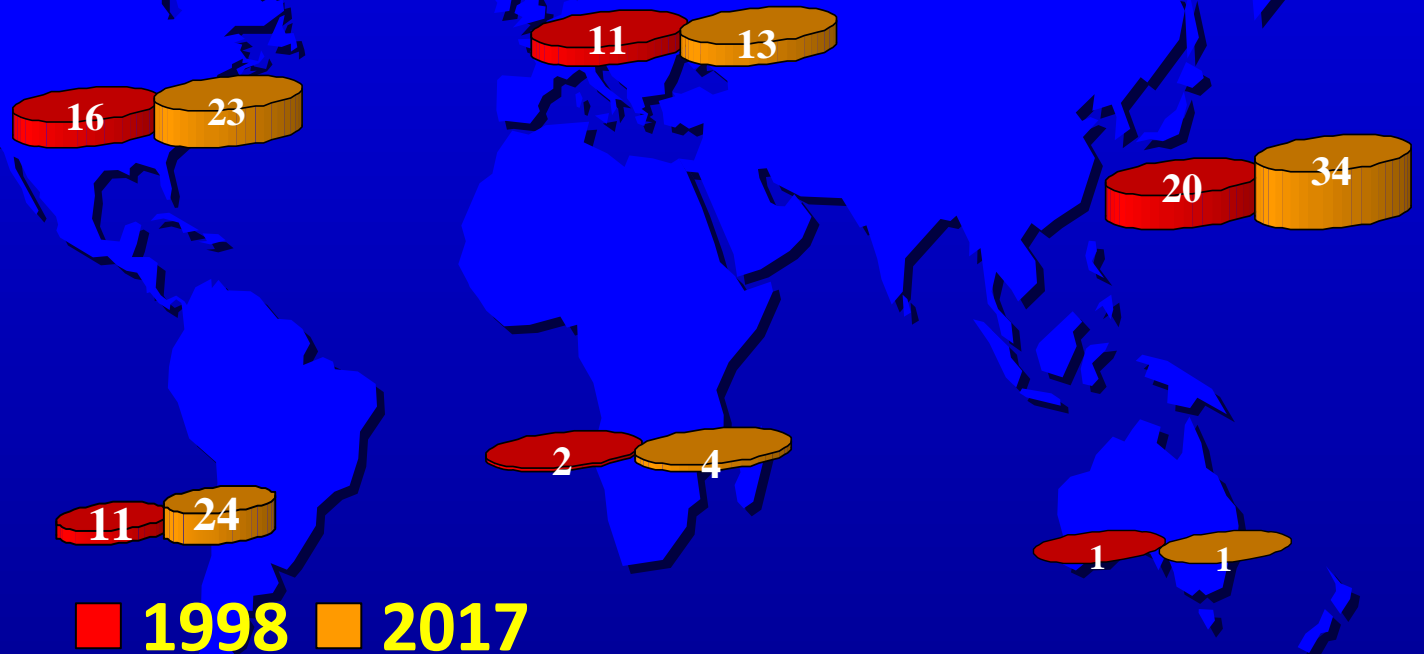
World Pork Production

(million tonnes c.w.)

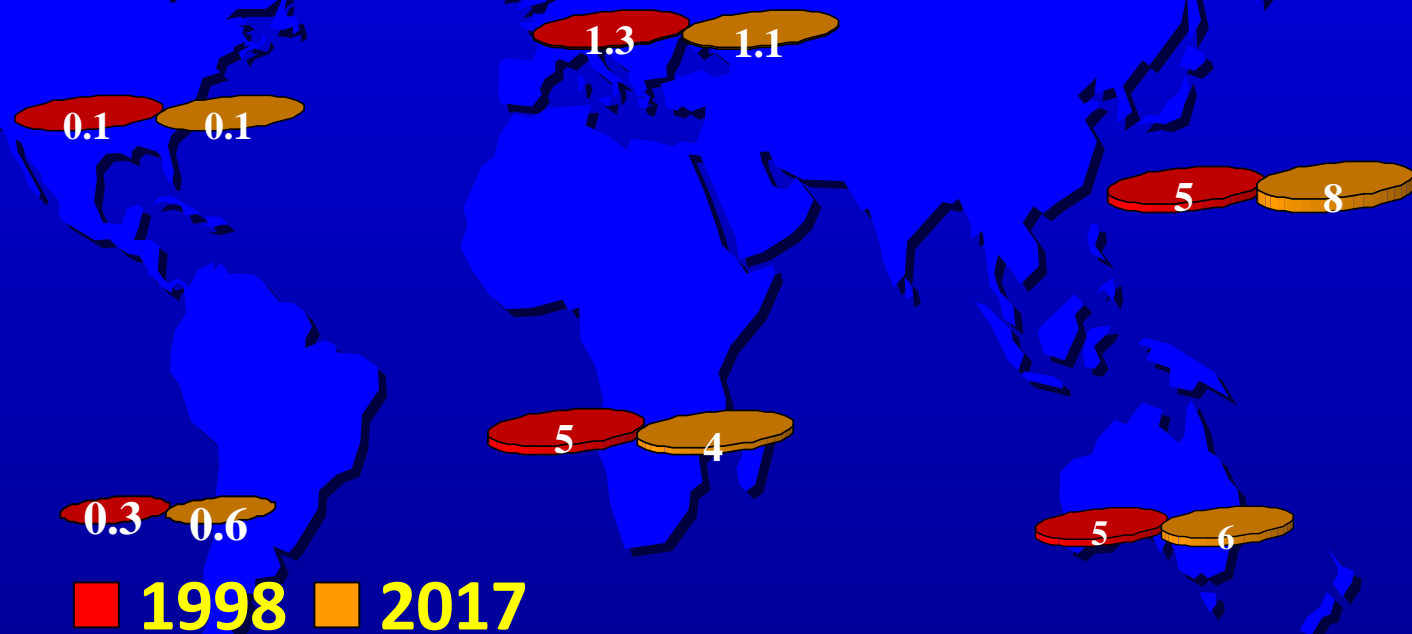


World Poultry Production

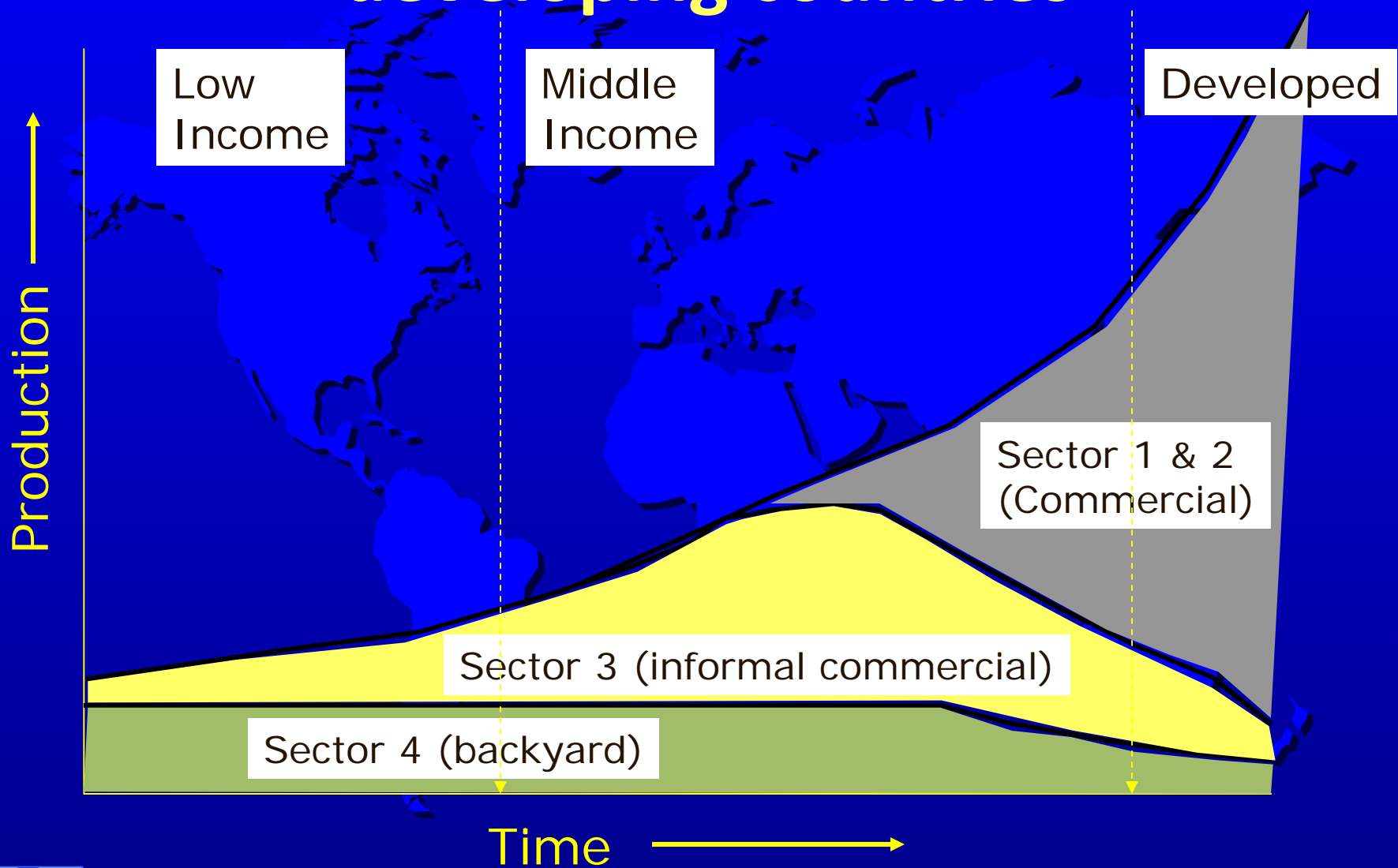
(million tonnes r.t.c.)



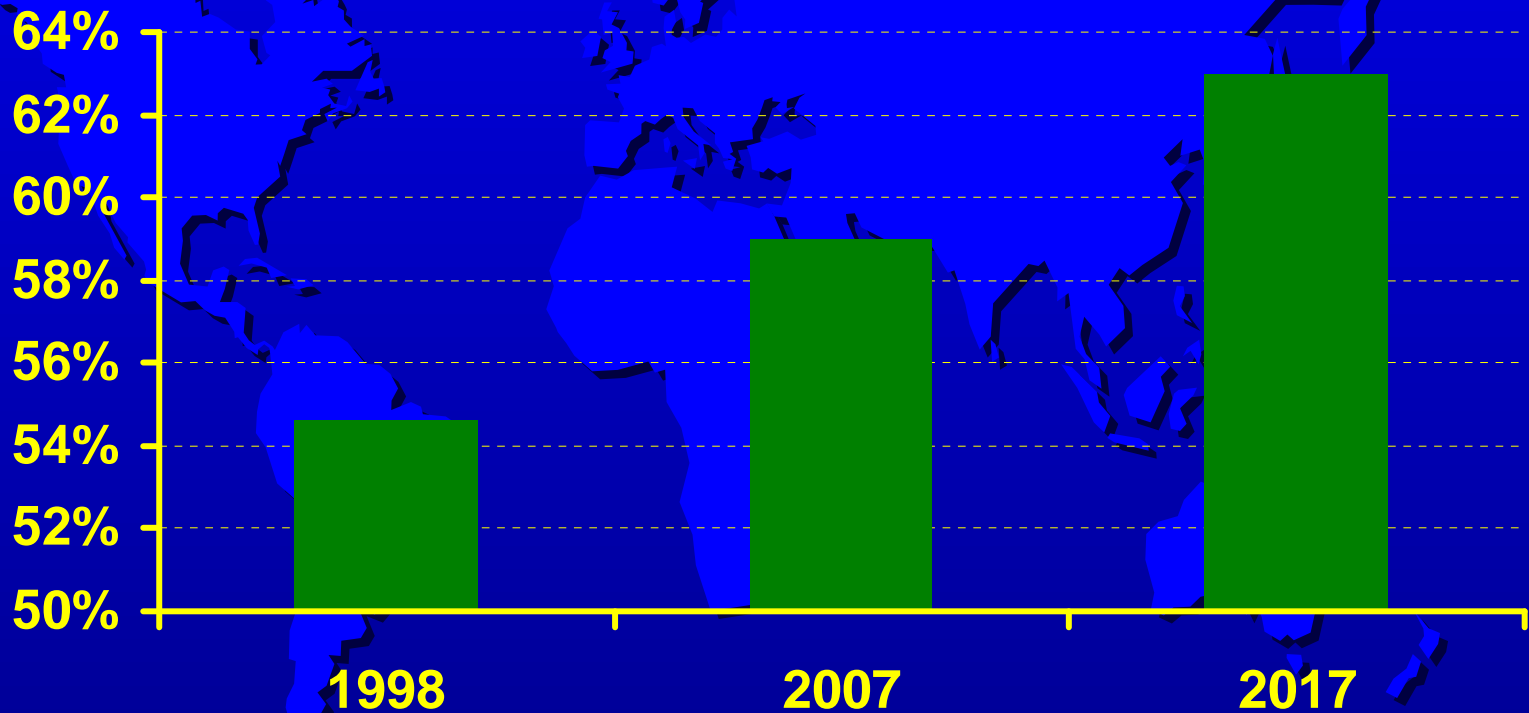
World Sheep meat Production (million tonnes)



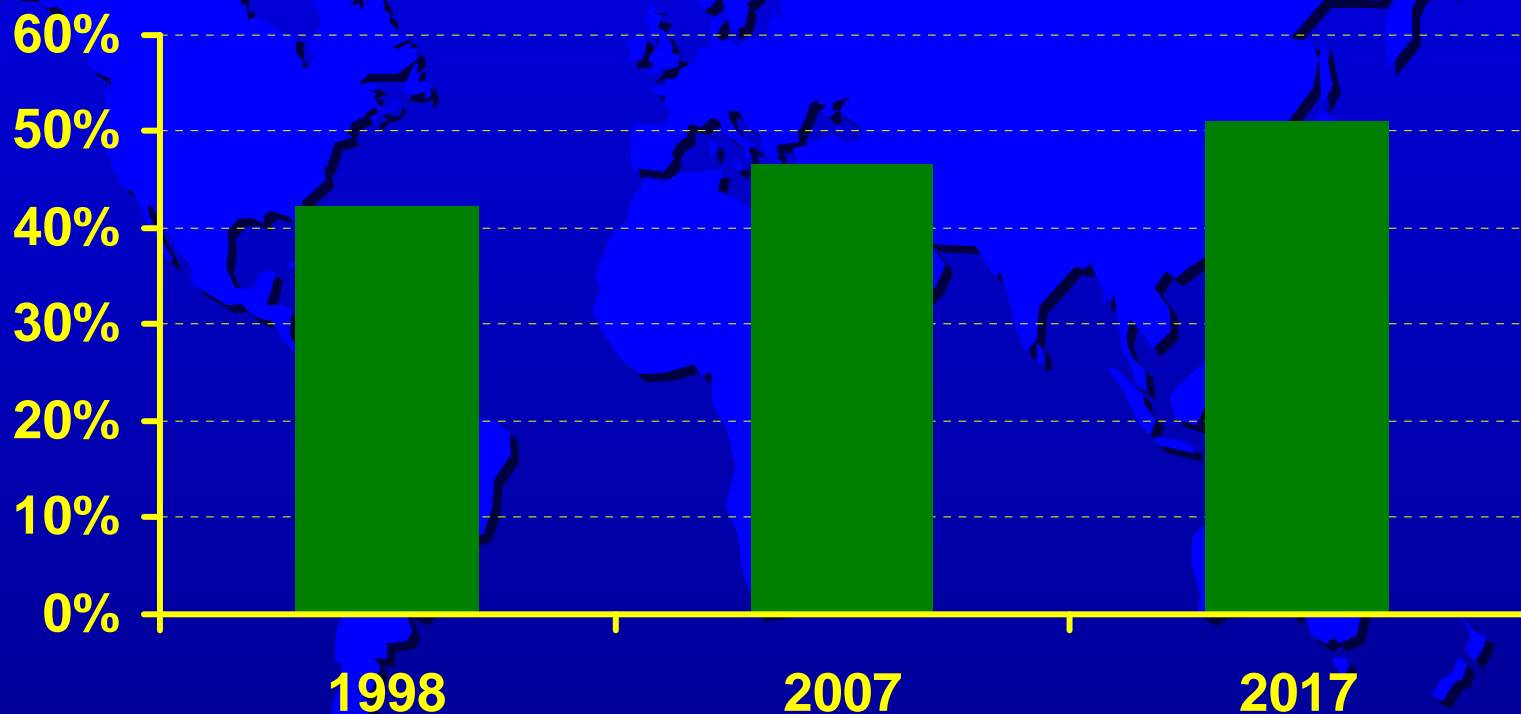
Meat sector development in developing countries



Developing countries share of world meat production increase but...



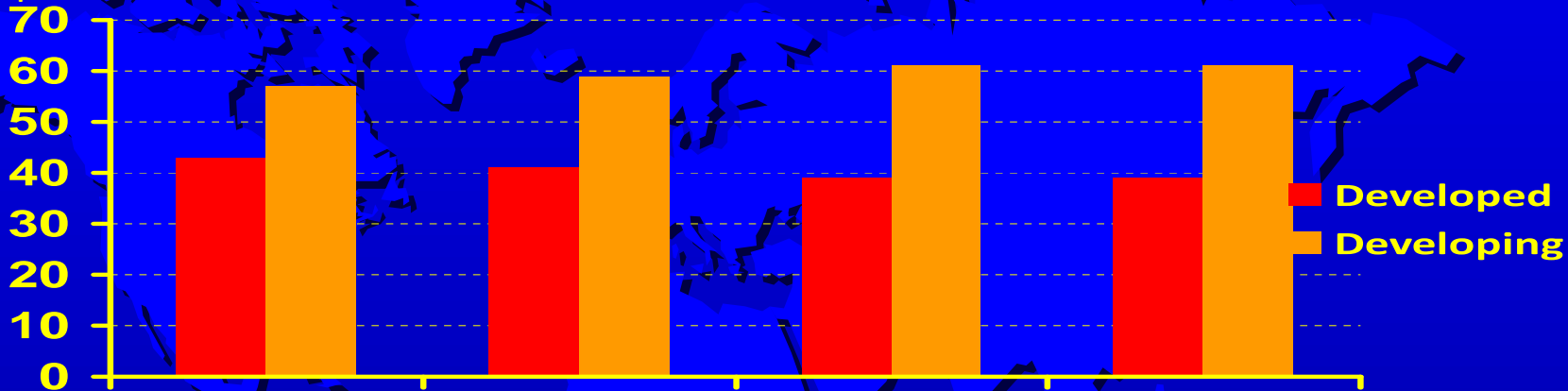
... their share of world meat imports also increases



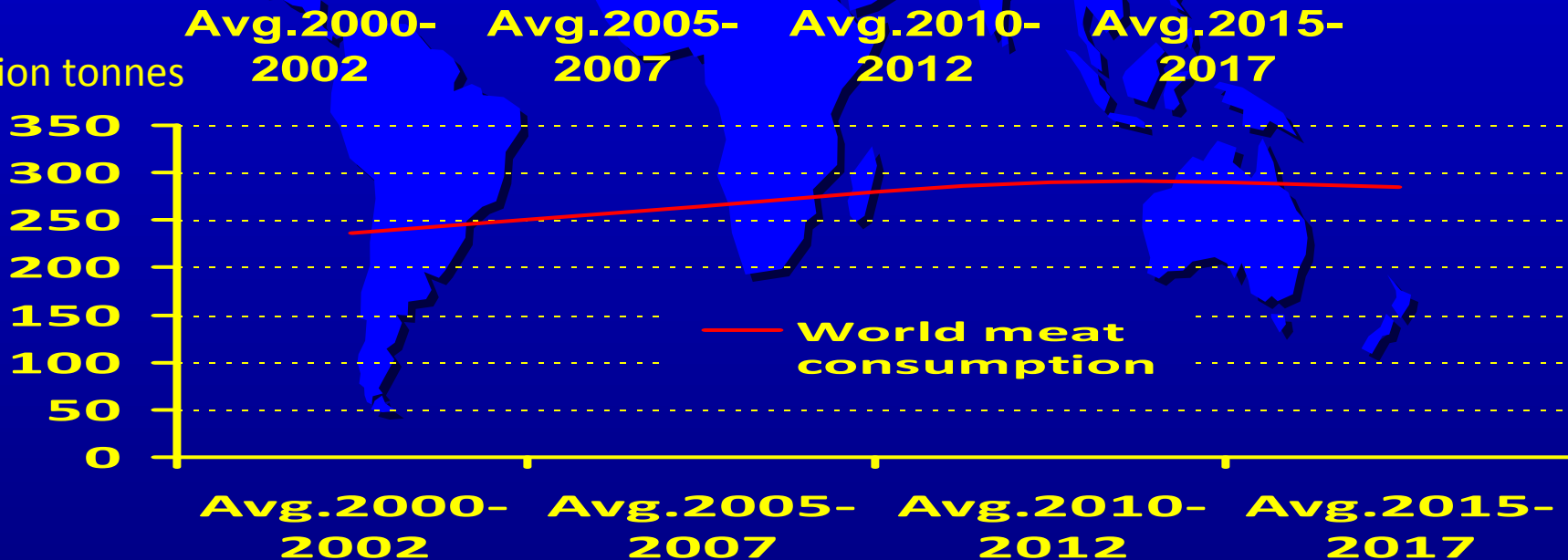
Outlook projections:

Meat consumption

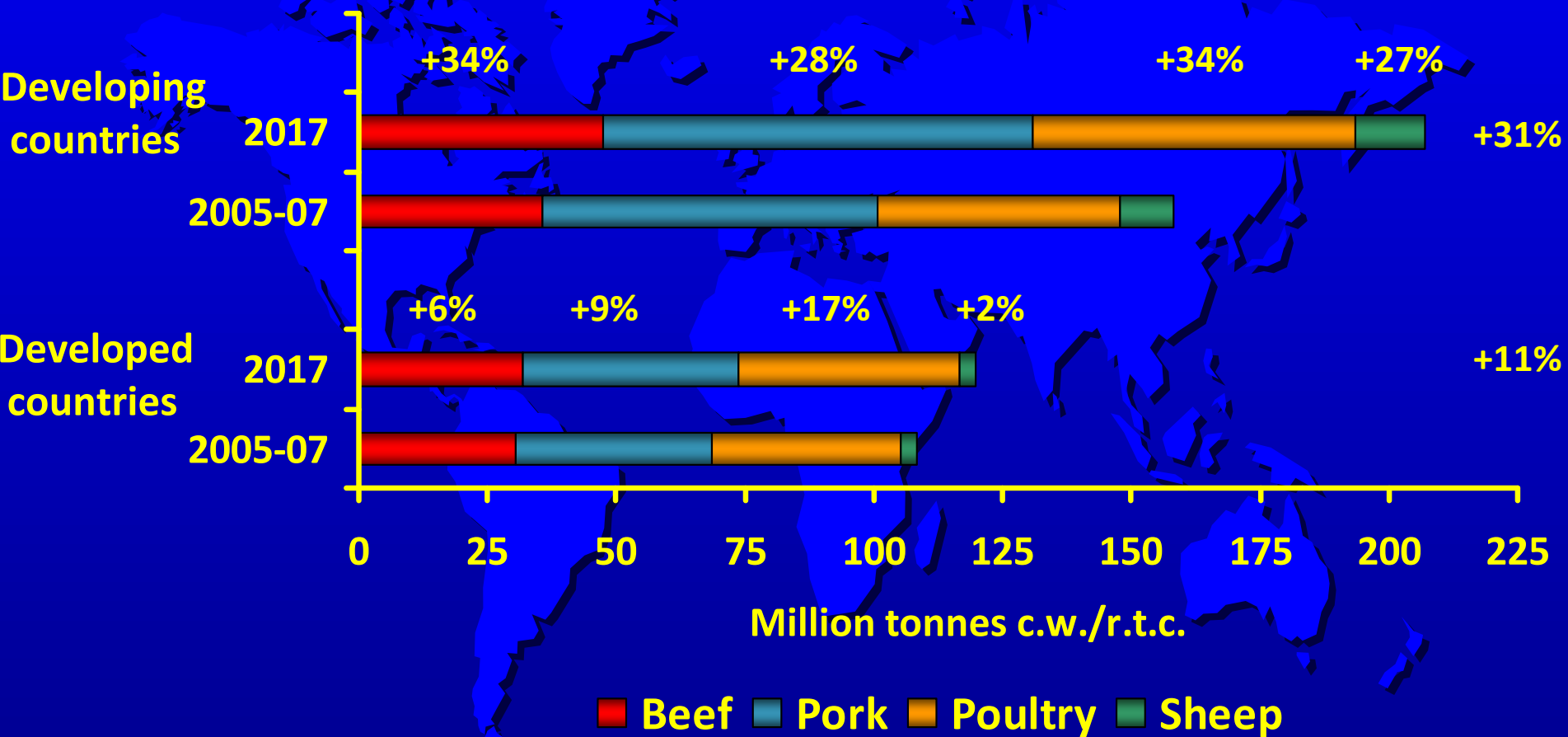
Share in global meat consumption %



Million tonnes

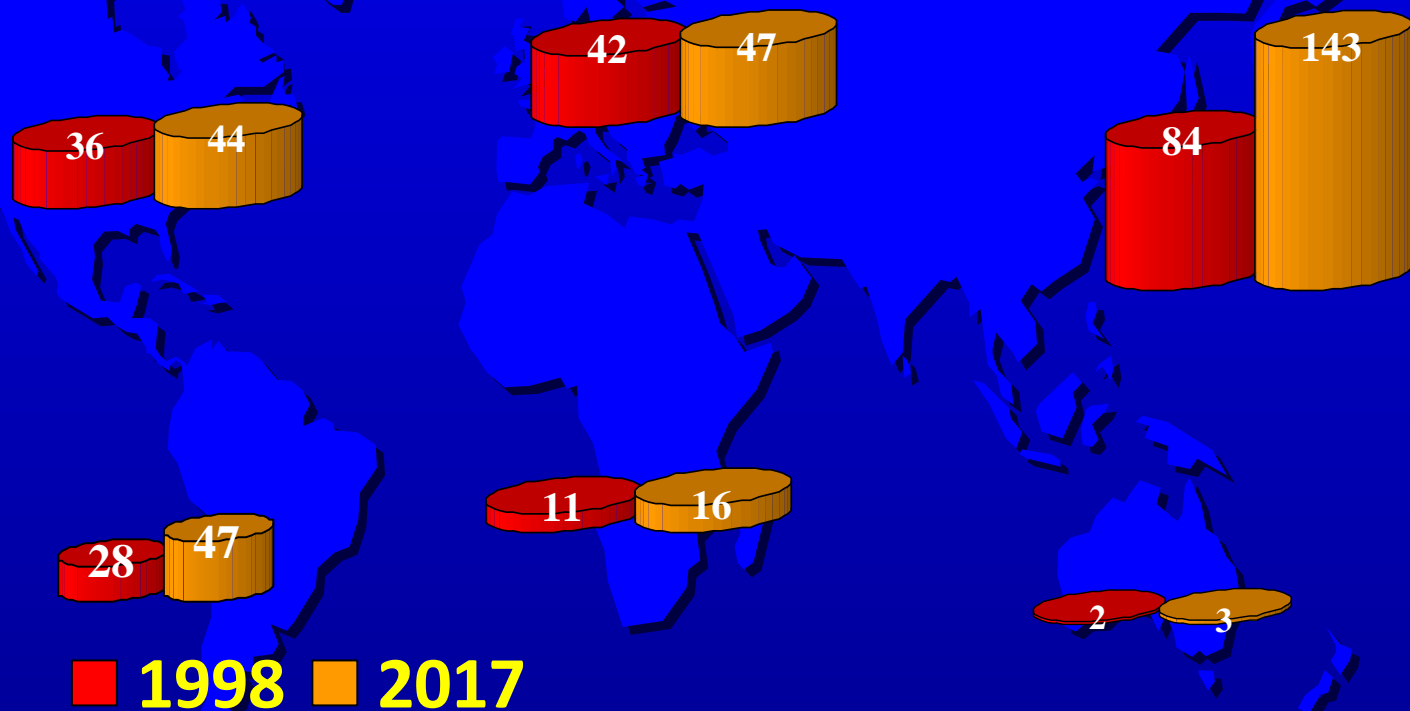


Driven by economic growth, meat consumption grows especially in developing countries...



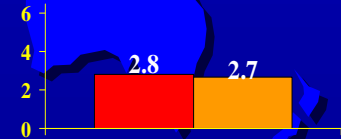
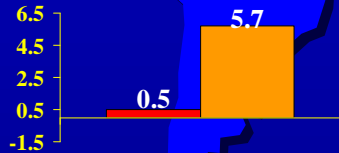
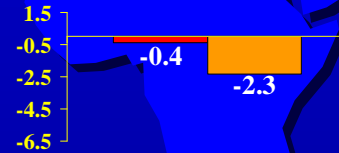
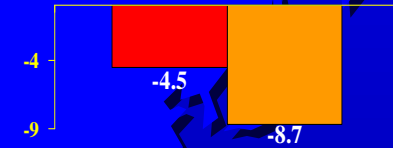
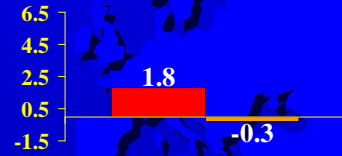
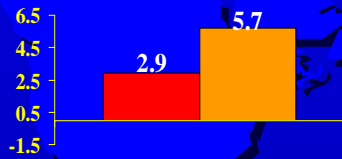
World Meat Consumption

(million tonnes c.w.)



World Meat Net Trade

(million tonnes c.w.)



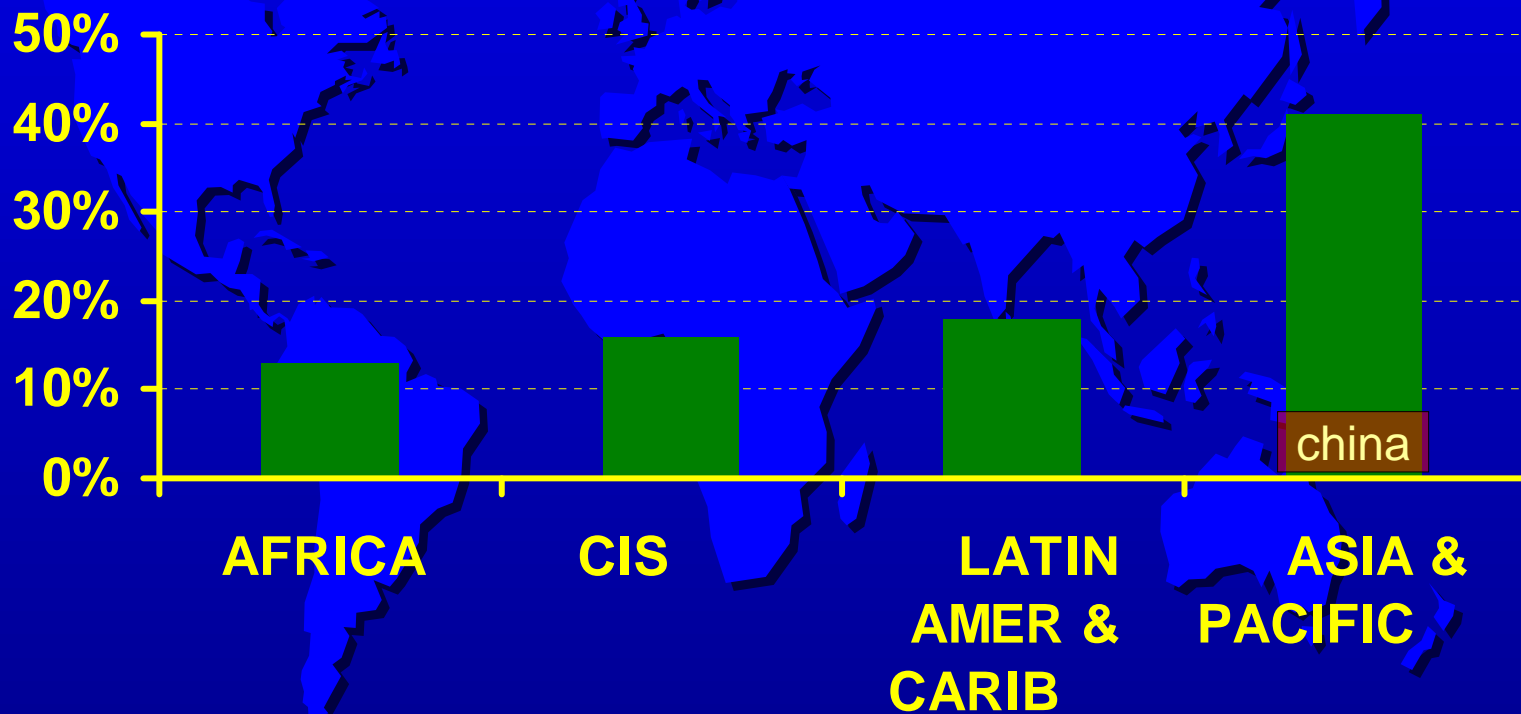
1998

2017

..total trade up 24% over 2007, 84% over 1998



Increased imports will mostly be to Asia and Pacific region (2008-2017)

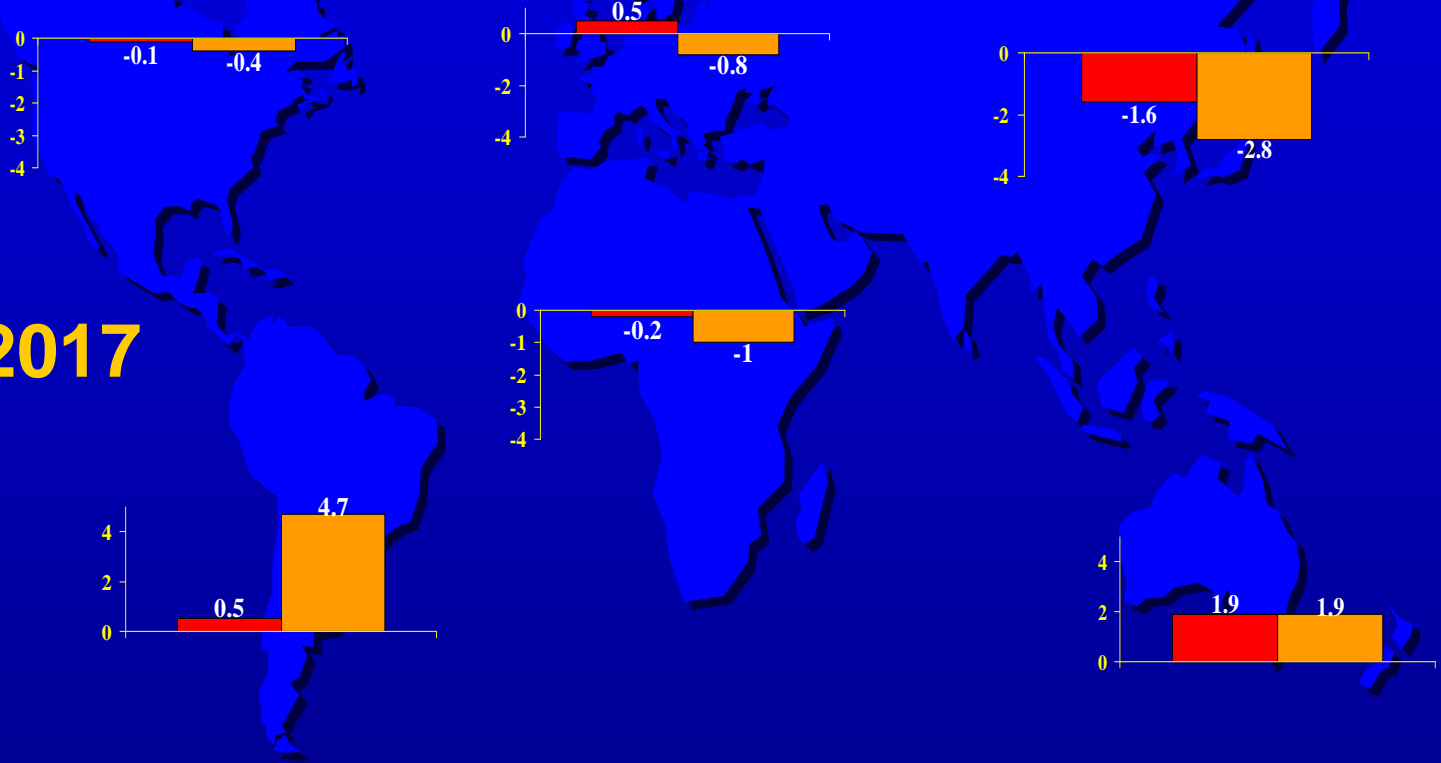


World Beef Net Trade

(million tonnes c.w.)

1998

2017



..total trade up 27% over 2007, 67% over 1998

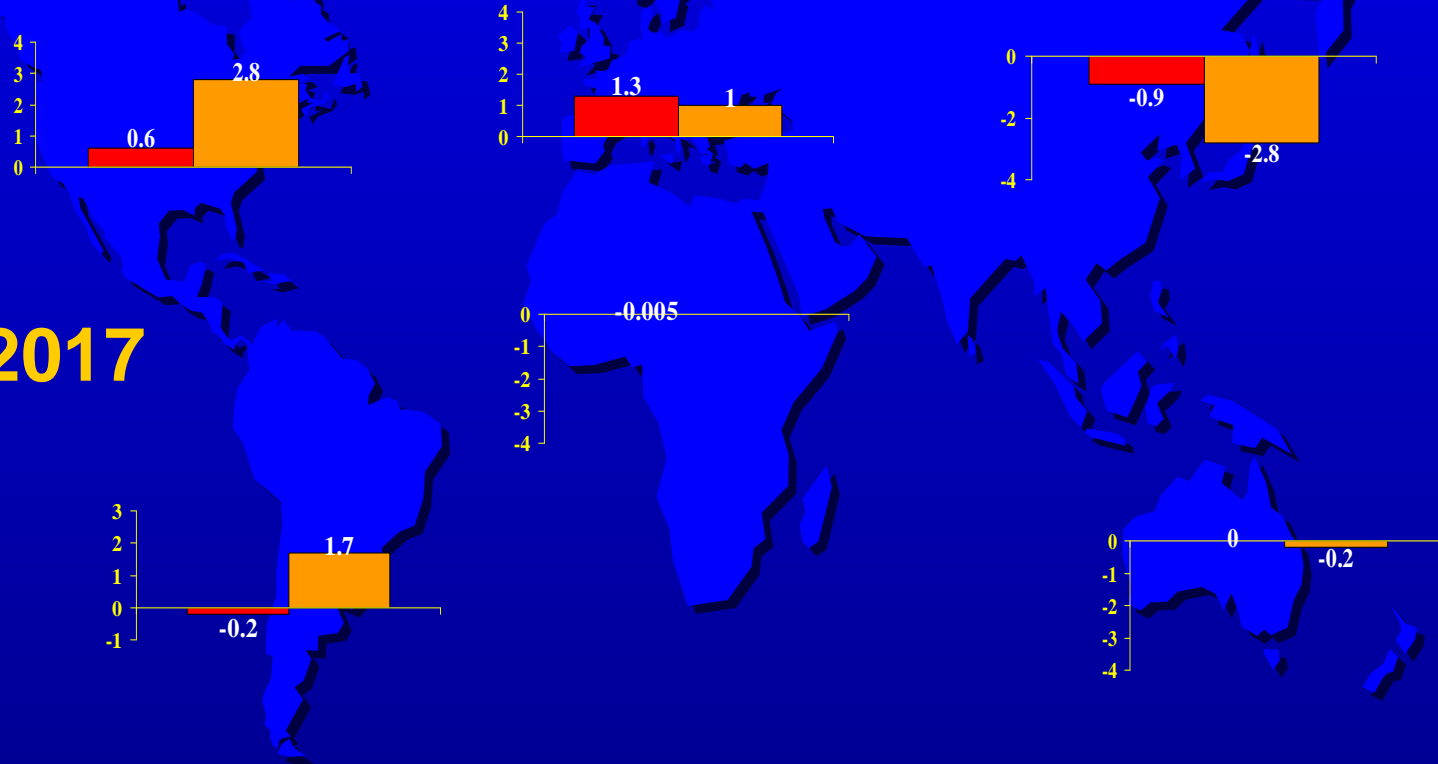


World Pork Net Trade

(million tonnes c.w.)

1998

2017



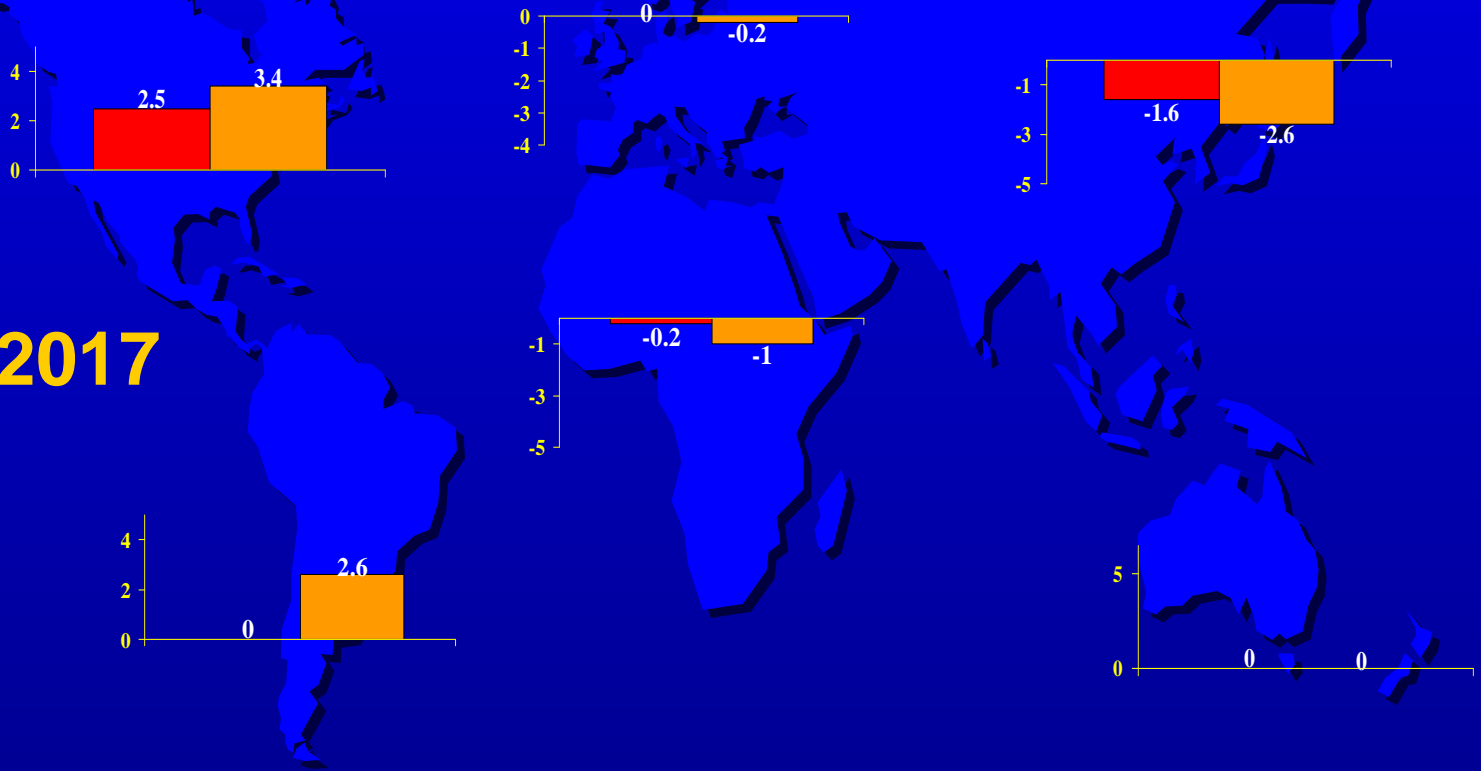
..total trade up 33% over 2007, 134 % over 1998



World Poultry Net Trade (million tonnes c.w.)

1998

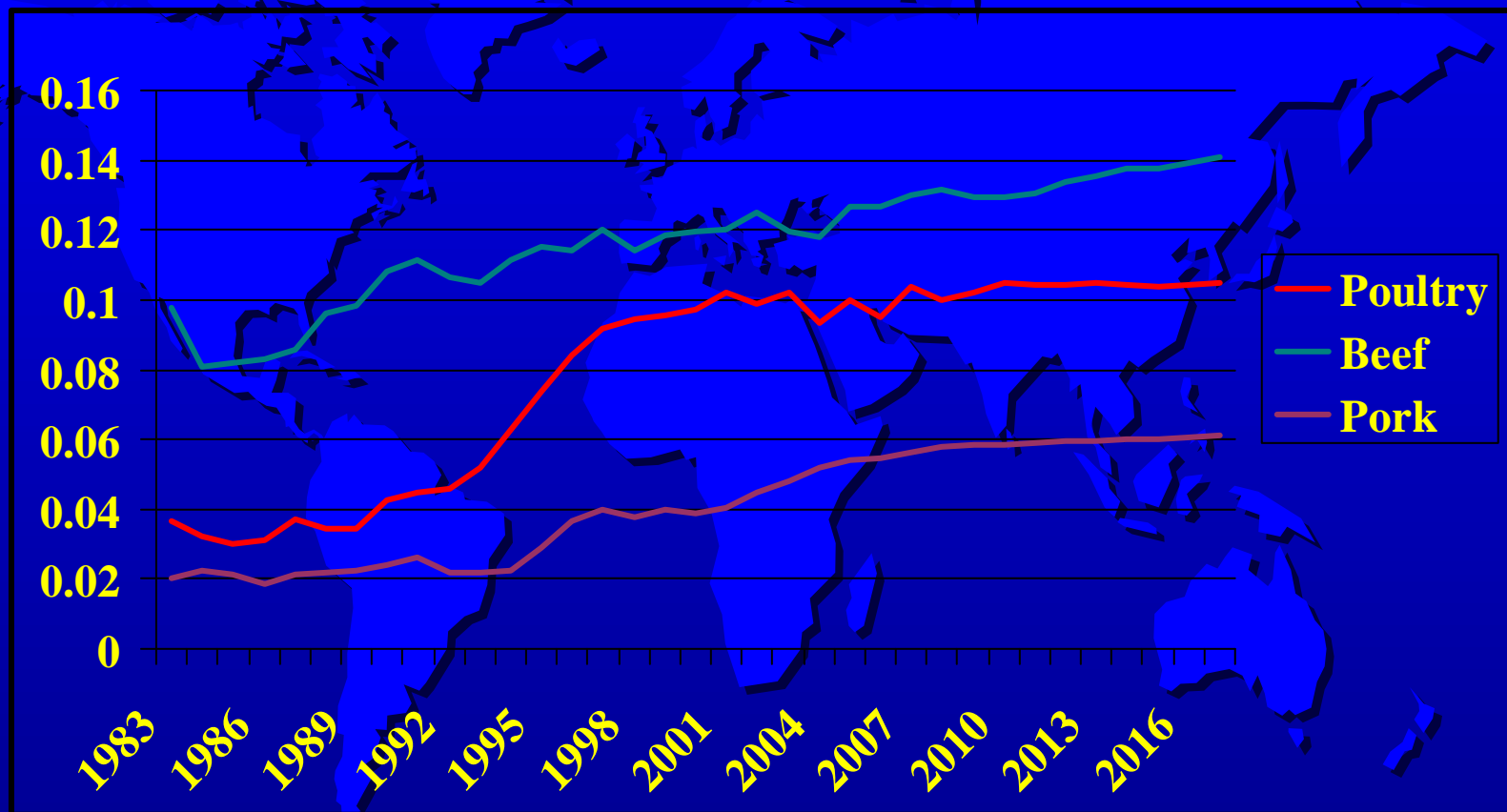
2017



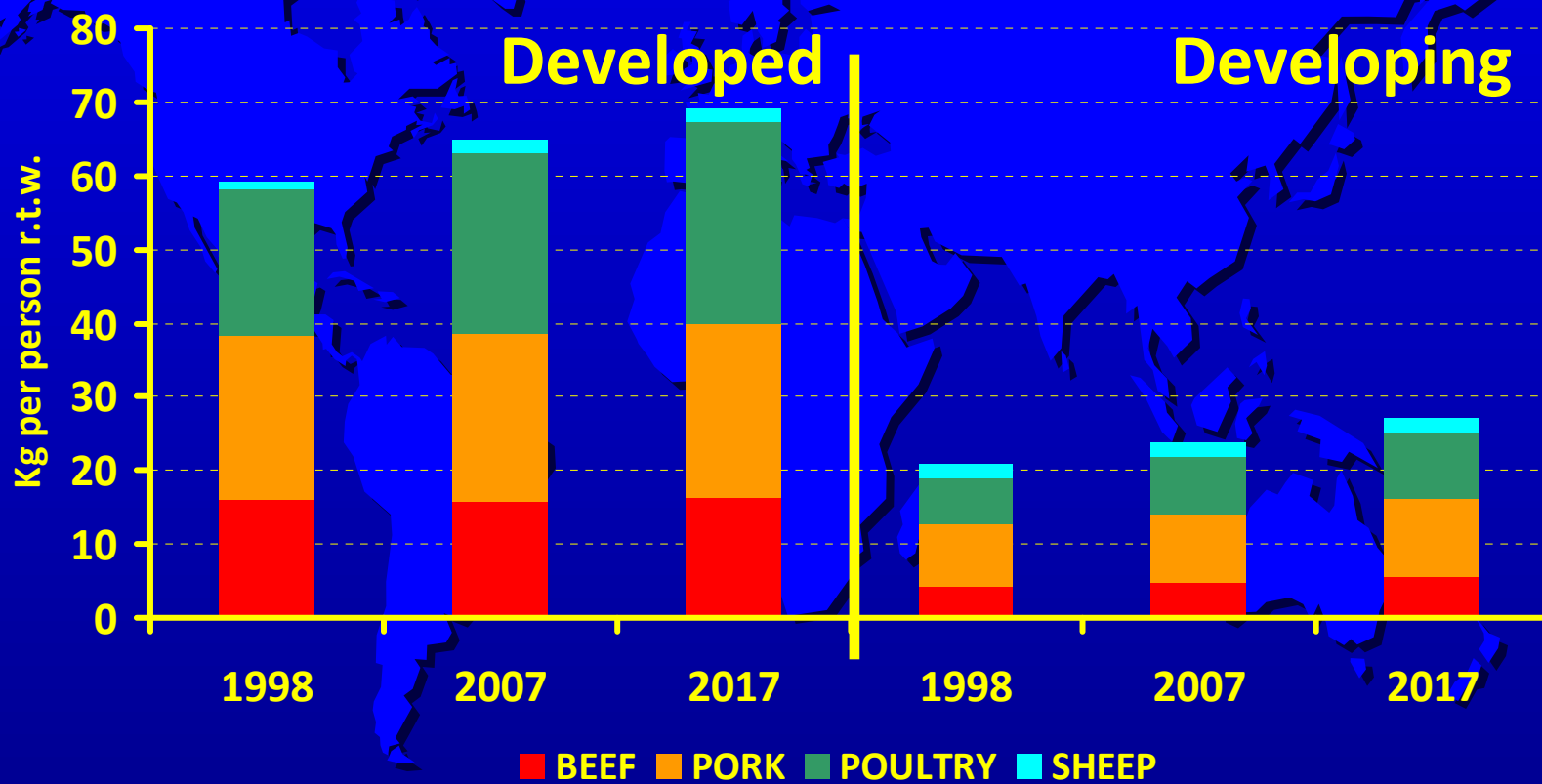
..total trade up 25% over 2007, 87% over 1998



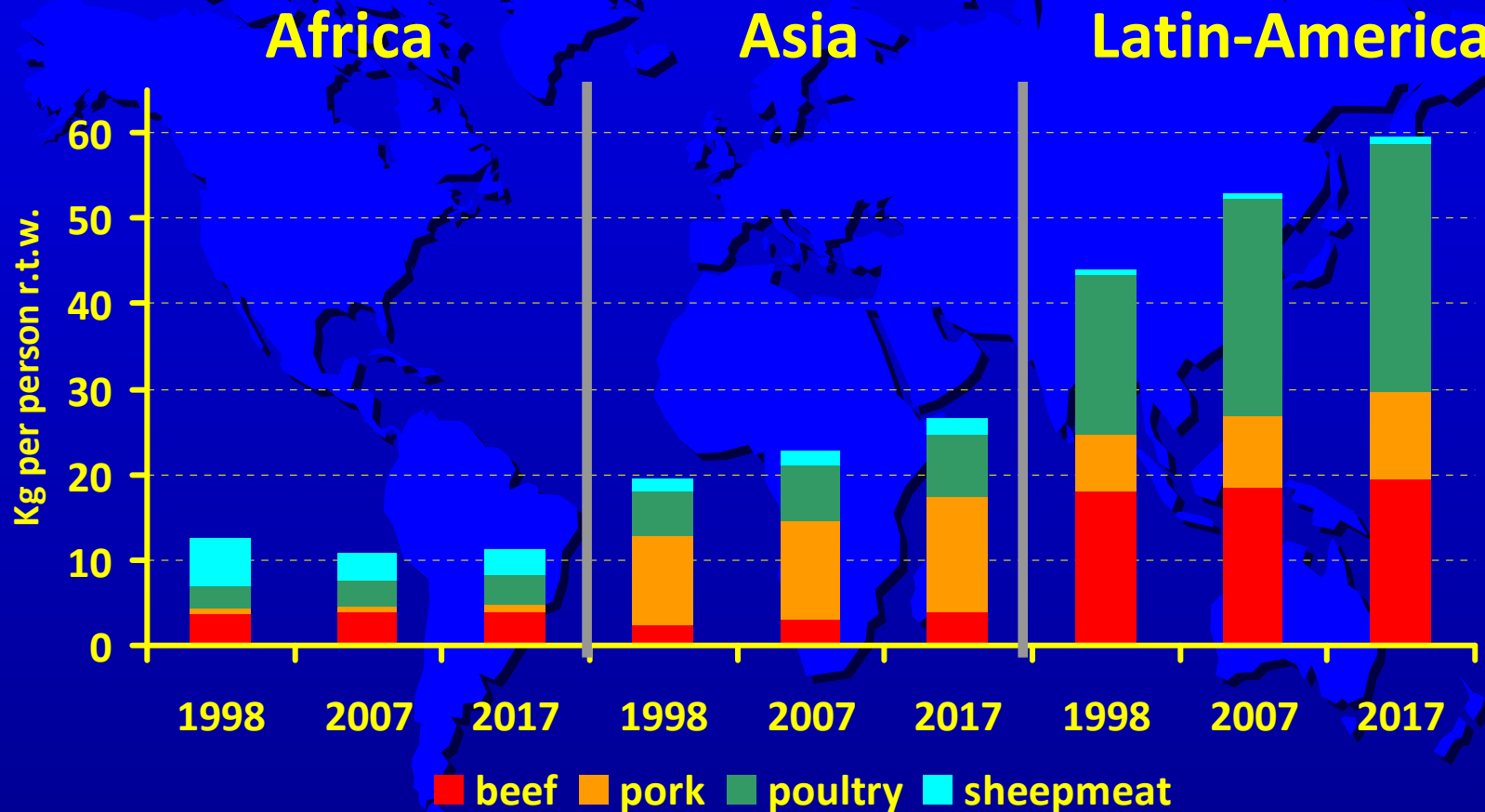
Global trade in proportion to production grows



Per capita meat consumption gaps between developed and developing countries



Per capita meat consumption gaps between developing regions



Where is the meat?

- *Meat consumption will continue as one of the fastest growing food commodities. Potential in developing countries is high*
- *Changing production structures in developing countries will affect market competition and penetration.*
- *Environment, animal welfare and food safety concerns will affect growth in all countries.*
- *Meat trade will grow in proportion of production. Trade environment has high potential but uncertainty abounds.*
- *Animal disease and health will highly condition international market development*

