Global Meat Market Demand 2027f

Derived from Gira’s LTM research by:

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AHDB: Global Britain … Exploring agricultural export opportunities

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Structure of the Presentation

Macro-conclusions for an enormous and fast changing sector

- **Gira perspective** to LTM programme
  - Strong, positive, global trends … but at an uncertain time in the UK
- **2027f for global meat market**
  - Total meat consumption
  - Demand drivers
  - Supply response
- **Chinese** (& Asian) growth
- **Trade** outlook …
- **Strategic implications**

Gira's LTM report structure: (6th edition)

Gira perspective from a 2-phase project

World synthesis report

4 Major countries

- Brazil
- China
- EU
- USA

28 country profiles

- Canada
- Mexico

- Argentina
- Chile
- Colombia
- Peru
- Paraguay
- Uruguay
- Venezuela

- Belarus
- Russia
- Other CIS
- Ukraine

- MENA
- Egypt
- Iran
- Saudi Arabia
- Turkey

- SSA

- India
- Indonesia
- Japan
- Korea
- Thailand
- Vietnam
- Other Asia

- Australia
- New Zealand

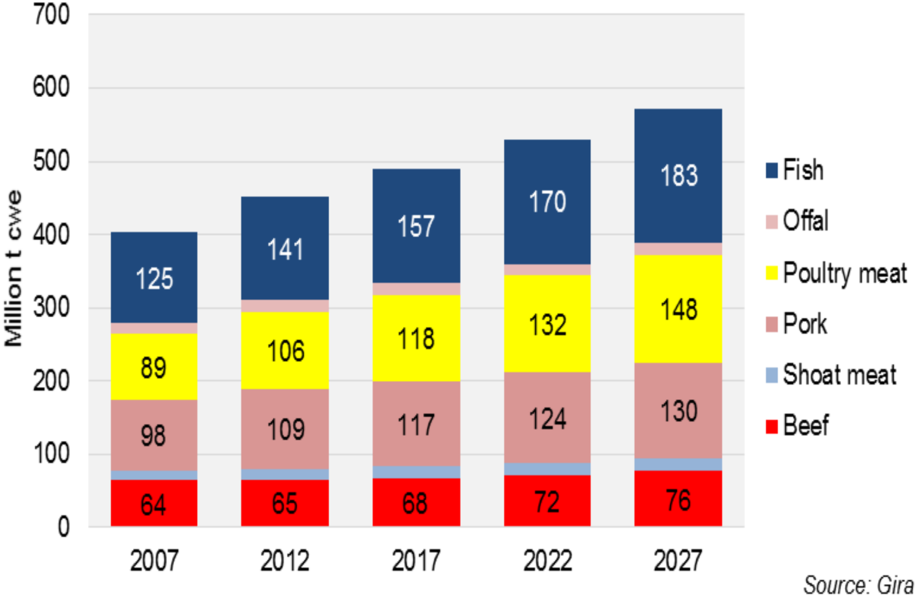
Forces for Change

- Economic assumptions
- Population dynamics
- Health & nutrition
- Animal health & food safety
- Animal welfare
- Environmental sustainability
- Government policy & regulatory change
- Feed availability & developments
- Technology
- Production costs
- Supply chain drivers

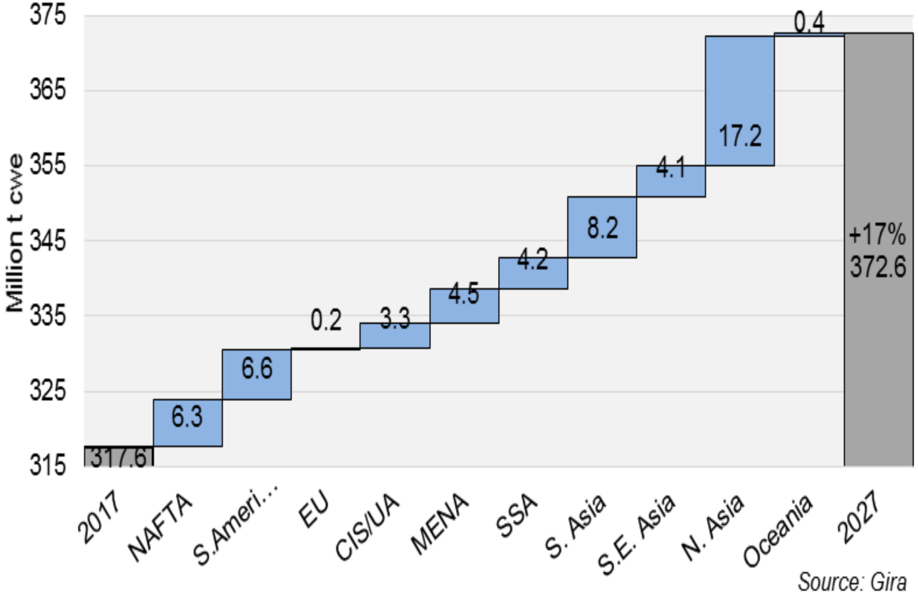
Total global meat consumption outlook

Strong rise: +55 million tonnes from 2017 to 2027

Total meat & fish consumption 2007-2027f



Meat consumption growth per region 2017-2027f



Global meat demand drivers & brakes

Strong long term demand drivers continue to outweigh the brakes

Drivers ☺

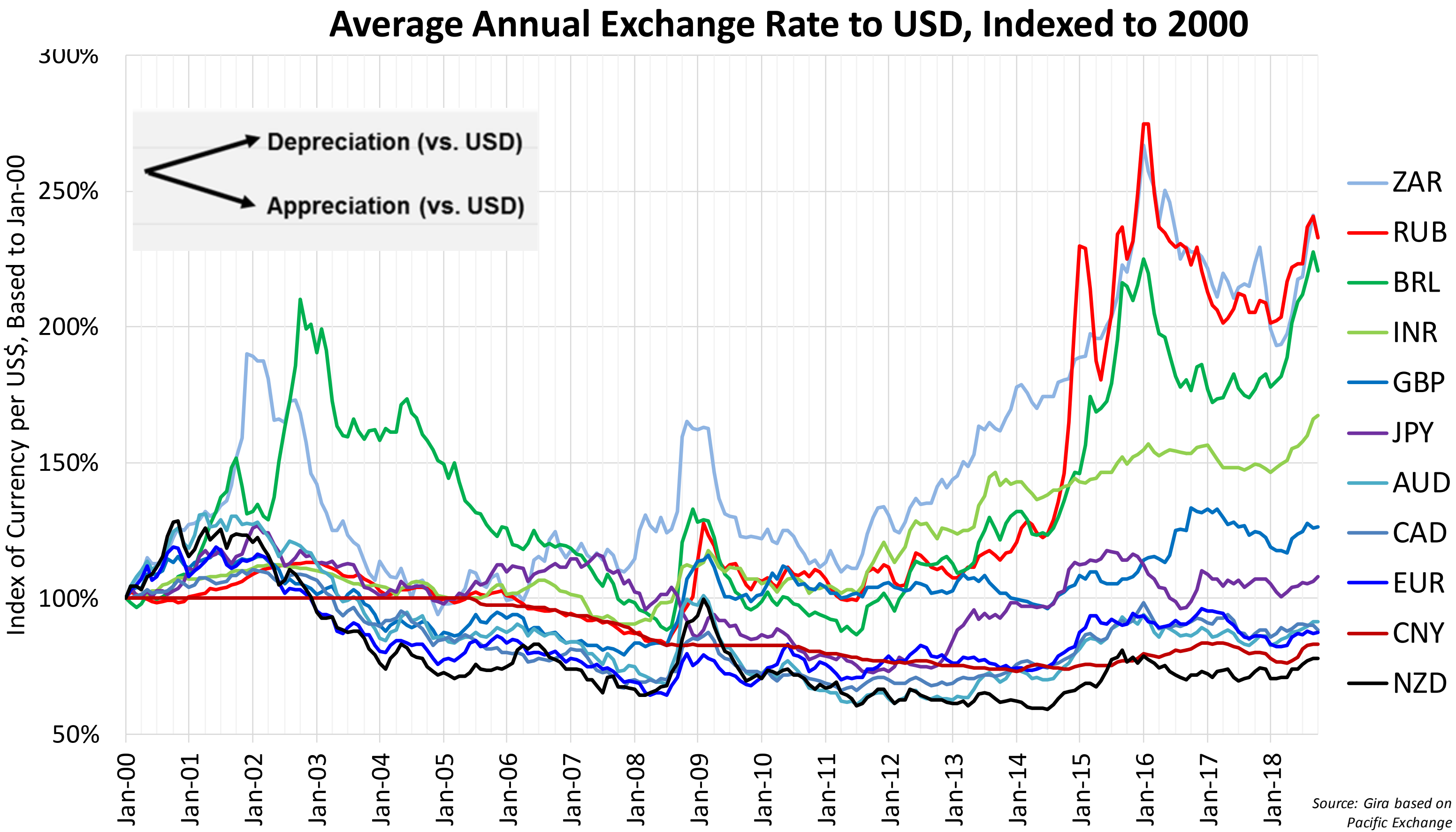
- Population growth
- Income growth
- Urbanisation
- Functionality: social & nutritional
- Pleasure: flavour etc.
- Availability & affordability
  - Enabled by supply chain productivity gains: upscaling, technology, alignment…
- Better meat marketing
  - Safety & shelf-life
  - Quality & consistency
  - Convenience & image
  - Differentiation & segmentation

Brakes ☹

- GFC and aftershocks
- Uncertainty and risk
- Price: meat perceived as expensive
- Social pressures: negative publicity & rising regulatory costs
  - Environmental – COP21 … COP24, IPCC
  - Animal welfare
  - 'Free-from' pressures
  - Health scares: obesity, cancer, CVDs, etc.
  - Localism (anti-globalisation)
- Vegetarianism & flexitarianism growing…
- Expanding range of meat alternatives
  - Most of which are plant-based
  - Highly active investment arena, with associated publicity and claims of technology breakthrough

Economics: Currency – key competitiveness factor

Relative strength of the Asian currencies

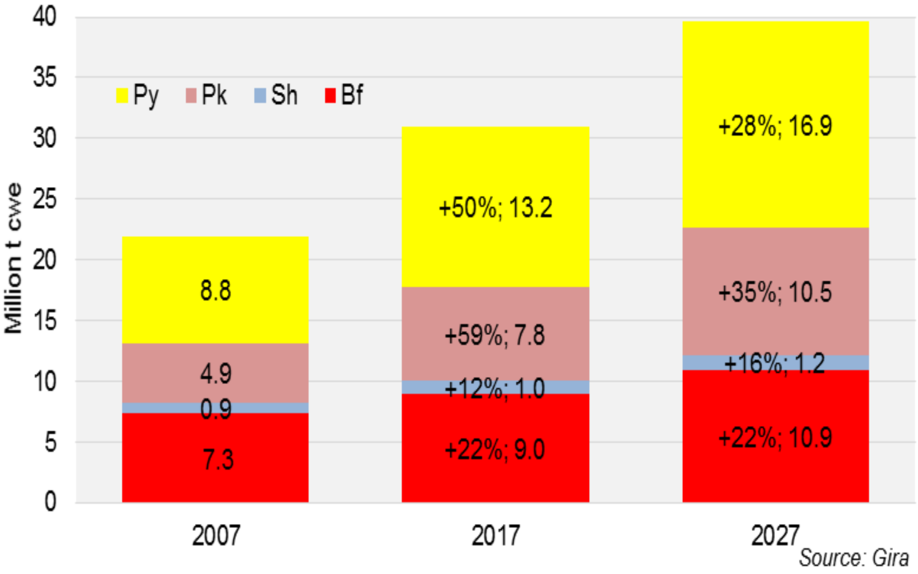


Source: Gira based on Pacific Exchange

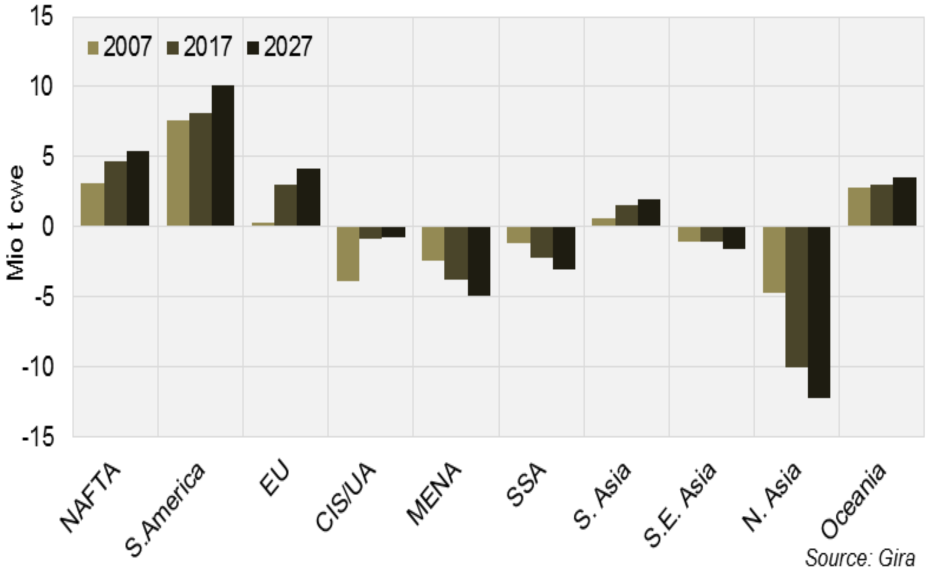
Global Meat Trade

2027 meat trade expected to near 40 mio t cwe (+8.5 mio t)

World meat trade by species 2007, 2017 & 2027f



Net meat trade by region 2007, 2017 & 2027f



Strategic implications

Dynamic & changing situation through to 2027f …

Continued global demand growth … but what benefit for UK?

- Robust further **meat consumption increases of 55m t cwe:**
  - Mainly favouring chicken … : Mainly in developing world: China, other Asia, South America, MENA … and SSA
  - … but also positive in developed world … with ever segmenting & fragmenting markets.
- **Industrialisation** of primary production.
  - Intensification, upscaling, vertical integration (or at least co-ordination), impact of new technologies
- Upscaling, consolidation and **automation of processing**
- **EU27+1 is huge meat sector: but low growth,** with many structural and regulatory constraints; increasingly overtaken by development elsewhere (Asia, N&S America etc).
- **Changing global competition (and export)**: reflecting currency, fundamental strengths, FTAs etc
  - South Americans: particularly in Bf and Py: but moderated by local industry constraints.
  - Challenged by India in Bf: commercial capacity to increase offtake if export demand (and local politics) allows.
  - US Pk and Py expansion, but less in Bf.
  - Australian growth in Sh and Bf … but rain-dependent.
  - NZ positive and ambitious: but landmass limited … and facing increased CN influence
- **Greater Chinese influence**: import management, investment
- More **impact** of **societal concerns** on meat production systems and geographic expansion
- **Brexit uncertainty**: Health & Harmony … trade policy (import & export) … and commercial strategy

This is a summary of the presentation

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