THE MEAT SECTOR IN THE EUROPEAN UNION

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Introduction. The meat sector is one of the most important in European Union (EU) agriculture. Together the four main meat types - beef and veal, pigmeat, poultrymeat, and sheepmeat/goatmeat - account for one quarter of the total value of agricultural production. Half of all EU farms have livestock. Some 90 % of farmers with ruminant animals (cattle, sheep and goats) are specialist livestock producers. Meat is a major source of protein and constitutes an important part of the European diet. EU policies in the meat sector are designed to encourage the production of safe, nutritious and affordable meats. Recent changes to the common agricultural policy (CAP) underline these aims. Policies are geared increasingly towards meeting the needs of consumers, livestock producers and the environment in a balanced way. Meat has long formed an important part of the European diet, providing a high quality source for European consumers' protein requirements. Energy is also derived via the fat content of meat. Other constituents such as A and B vitamins, iron, phosphorus and zinc also contribute to good health. The so-called 'red meats' (beef/veal and sheepmeat/goatmeat) and 'white meats' (pigmeat and poultrymeat) offer a variety of positive properties and a choice of tastes and textures [3]. In addition, meat is a very versatile culinary product and has become a vital element of European cuisine and culture. Due to a diversity of species, traditions of livestock production and terrain the EU has a wide variety of livestock types and meat products derived from them. Thus, in addition to contributing to the basic food needs of the population, livestock and meat producers have developed many renowned products that add special and local flavour to the meal. Meats and meat products are major beneficiaries of the EU's quality mark schemes and great efforts have been made by the meat production chain to improve the quality of products as well as their labelling and marketing.

Research results. This EU sector consists of farmers, farmer cooperatives, abattoirs, and companies involved in various aspects of distribution and marketing of meat. There are many types of livestock farm and farmer [4, p. 272]. This diversity means that, while livestock farming is distributed across the whole EU, there are areas that specialise in one or more types of meat production. Marketing methods also vary greatly across the EU. In some cases there is a tradition of selling livestock via live animal markets while in others selling is mostly direct to abattoirs. Animals often move more than once during their lives as rearers sell on to other farmers who finish the animals ready for the meat market. Processing is in the hands of the farm cooperative sector in some regions while in others private companies predominate. In the poultrymeat sector integrated production - ownership of feed, bird production and meat processing by single companies – is quite common [8].

The meat sector has long used marketing standards to encourage producers to improve their products, particularly in the poultrymeat sector where the CAP’s role has been less evident. Marketing standards have been the main means by which producers have been persuaded to improve the quality and safety of their products, and the information that is provided to consumers. The main aims of EU marketing standards are to establish minimum harmonised standards to facilitate trade, within the EU and in trade with third countries, and to ensure EU consumers are provided with good quality fresh and frozen meat produced to a common, high standard. A variety of EU rules are in place.

The beef industry is an important part of the European agriculture and agro-food industry. It can be briefly described through several indicators, put together in a scheme presenting the marketing chain (fig. 1).

With 1.2 million breeding farms (including dairy farms) and 313,000 employees in the slaughtering industry (including the pig meat industry), one can estimate that the beef marketing chain provides approximatively one million direct jobs in the EU-28 (retailing industry not taken into account). In 2013, the EU-28 bovine livestock herd numbered 87.6 million animals, out of which 40% were cows [1, p. 277].

Two thirds of the cow herd were dairy cows and the other third was constituted of suckler cows. Seven Member States account for 75% of the total herd (France, Germany, the United Kingdom, Spain, Poland, Italy and Ireland) [6]. The EU-28 net production of beef and veal totalled 25.3 million heads, or 7.3 million tonnes carcass weight equivalent (cwe). Eight Member States accounted for 83% of the production: France, Germany, Italy, the United Kingdom, Spain, Ireland, the Netherlands (with nearly 60% of Dutch production consisting of veal and meat from young cattle) and Poland [2, p. 19].

According to Eurostat figures, the beef and veal net production decreased by 12% in the EU-28 between 2000 and 2013. The EU-15 beef and veal production was down 16% from 1995 to 2013. Only Spain and Ireland experienced an increase in production over the period. The increase actually took place until 1999 for Ireland and until 2005 for Spain, driven essentially by the increase of their suckler herd. Polish production rose from 2005 to 2011, but it has been decreasing since then. This evolution can be explained by the fluctuations in commercial opportunities in the EU market, as a large part of the Polish production is shipped to other Member States [5, p. 28].

In environmental terms the sector can show that it is meeting the public’s requirements. Farms with grazed livestock (mainly cattle, sheep and goats) have shaped the environment in many regions of the EU. In order that potential environmental damage, for example from over-grazing, can be avoided farmers are being encouraged to farm more ‘extensively’ (i.e. by reducing the number of animals per hectare of land). Making compliance with environmental standards a condition of eligibility for CAP direct aids (‘crosscompliance’) is a central element of recent CAP reforms [7]. Where production involves high concentrations of animals in housed conditions, as in the white meats sector (but also in some beef and veal and sheep production systems) the challenges are different. Here animal waste disposal is a problem due to the environmental threat posed by run-off into water courses for example. In some EU regions the problem of manure and slurry disposal has grown and measures have had to be taken to reduce the numbers of animals farmers may keep. In many areas there are strict national or regional laws on the storing of manure and on spreading it. There is an EU regulatory framework for the minimization of pollution from farming activities.

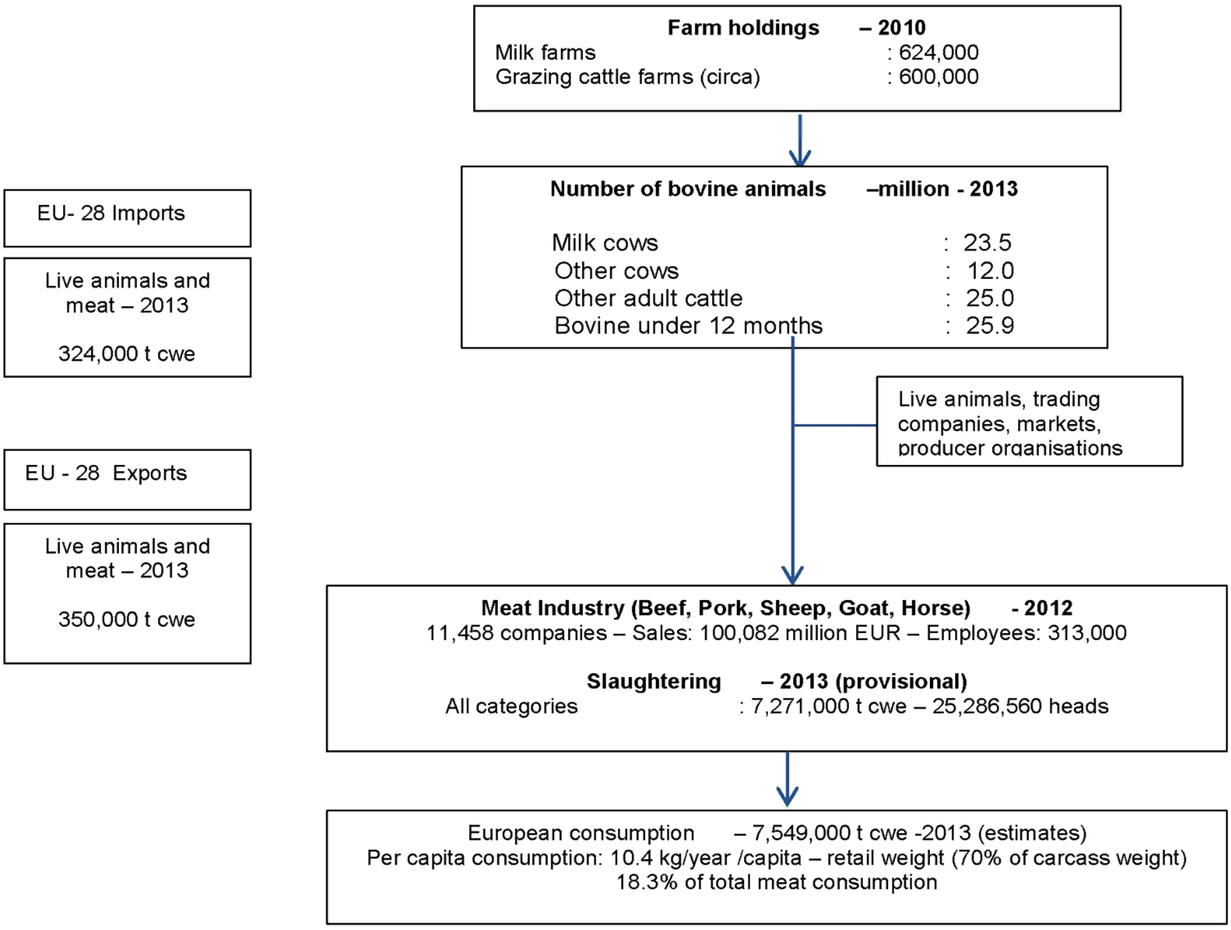

Figure 1. The EU beef marketing chain

Sources: [2, p.30]

Animal welfare, among both housed and grazed animals, is a major issue for farmers and the public. The EU has a number of animal welfare laws and codes, enforced by national authorities. The CAP reform includes the linking payment of EU direct aids to farmers to their performance in meeting animal welfare goals. The EU is responding in other ways to calls from civil society and the European Parliament for animal welfare to be given priority. For example export refunds paid on live cattle are to be scaled down. A new regulation significantly reduces the number of cases where such subsidies can be claimed. The aim is to discourage unnecessary transport of live animals over long distances, in the interests of welfare. Tighter rules on veterinary controls in third countries to ensure that welfare standards are respected, including sanctions for non-compliance, will follow.

A number of food safety problems have been linked to the quality of prepared animal feeds purchased by farmers. Again the EU has acted to tighten the regulations on animal feed in order to reduce the risk of feed being the catalyst for disease outbreaks. These regulatory efforts continue. Existing EU legislation on animal feed includes: rules on the marketing and labelling of feed materials, of compound feedingstuffs, of feedingstuffs intended for particular nutritional purposes, of bioproteins and of genetically modified feed; rules on authorisation, marketing and labelling of feed additives; rules on undesirable substances in feedingstuffs (mycotoxins, heavy metals etc.); rules on approval and registration of animal feed producing establishments; and rules on official inspections in animal nutrition.

Conclusions. 1. CAP policies relating to meat have evolved over many years and are increasingly focused on improving the quality of the product, on giving farmers confidence in their future income prospects and on encouraging more environmentally-sustainable farming practices. A number of market support and other mechanisms are used. In a competitive food market it is essential that farmers and the rest of the meat production chain aim to sell the best quality products and to inform consumers of the value of those products.

2. The approval of Ukraine meat companies for export to the EU has been postponed for an indefinite period, as the state budget has no money to go through all the procedures necessary. Inspection of Ukrainian meat companies would cost a lot of money, and the budget cannot provide this amount for this issue. It is now projected that the same approval for meat exports will not take place before 2016. The inspections had already take place in the some company of dairy industry. Market participants say approving Ukraine companies to supply meat to the EU would bolster Ukraine's meat industry significantly, as companies would also be able to supply products to a number of destinations outside Europe that recognize European safety standards. These inspections mean approved companies will receive special identification codes, granting them the right to conduct export supplies to the EU [9]. But these codes also open the door to a huge number of third country markets that recognize Europe's security standards.

3. In April last year, the EU took an unprecedented step, unilaterally opening its markets to Ukrainian goods. But since then, our exports to the EU have only risen 2.6%. The majority of these exports are raw materials, and there are almost no finished products. No matter how much preference is given, this will not guarantee that Ukrainian goods will conquer any EU market if they are uncompetitive. Meanwhile, Ukraine has already received permission to export poultry to the EU and the market has been growing almost every month since the third quarter of 2014, when permission was granted.

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