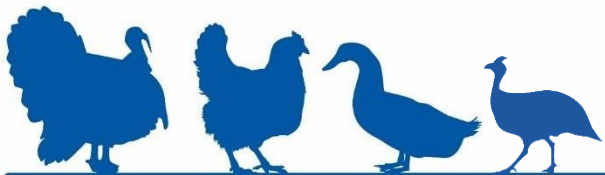


**A quarter of chicken filets consumed in EU come from third countries : are additional imports quota really necessary ?**



Comagri hearing – 18<sup>th</sup> November 2019

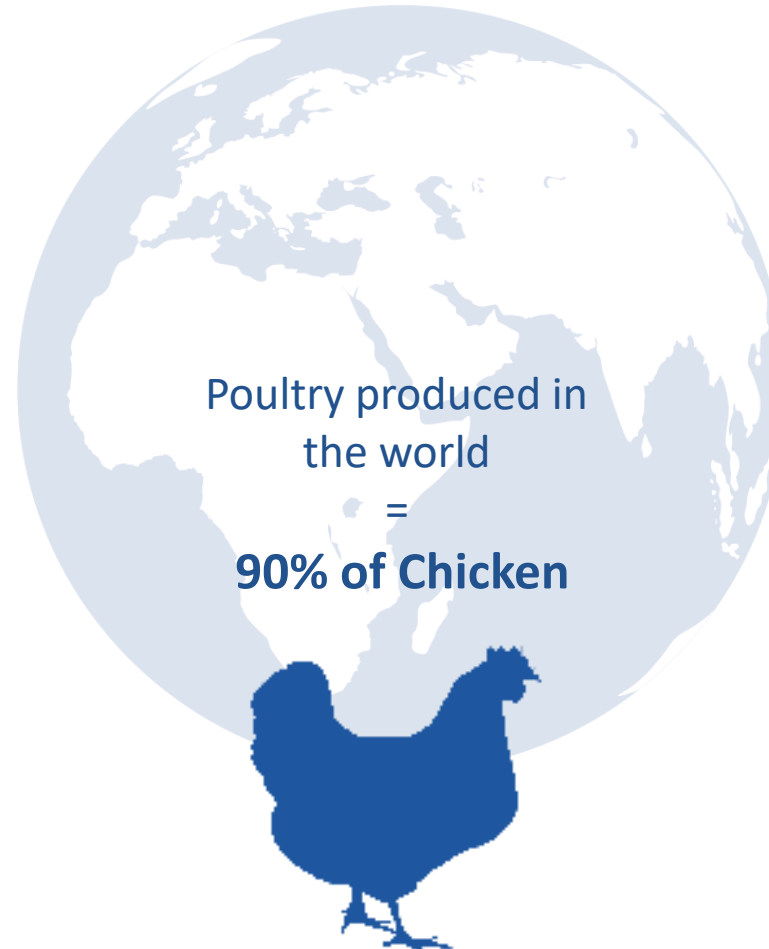
# Poultry meat : the most produced meat in the world

## Poultry : **Number one meat in the world**

- **120 millions tons**

## **Compared to :**

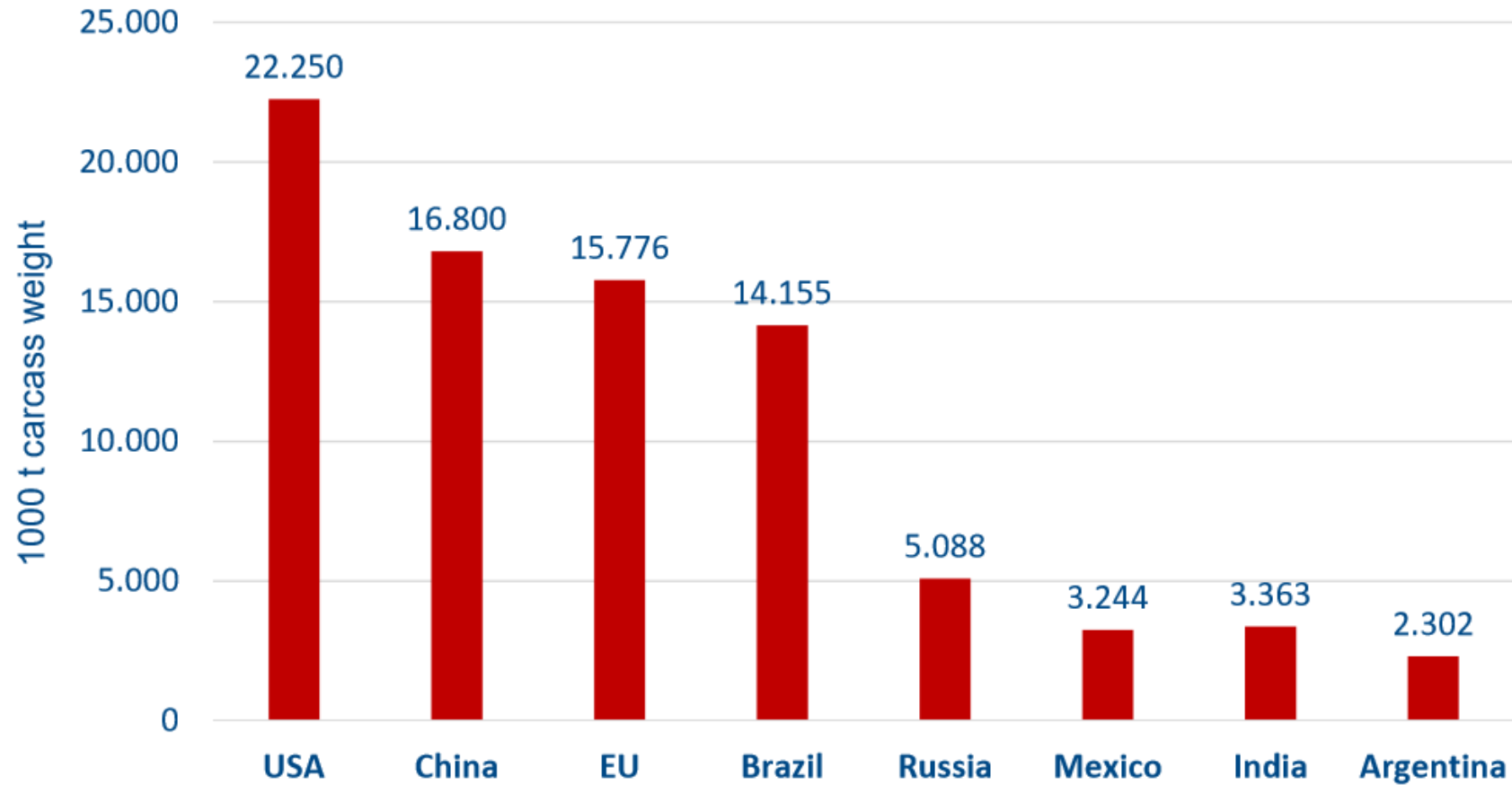
- 119 Mt of pork meat
- 70 Mt of beef meat
- 15 Mt of sheep meat



## Poultry : **highest growth of all meats**

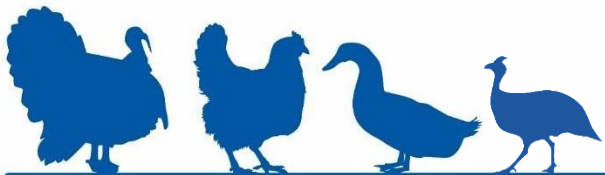
- **+ 3,4 % average annual growth** since beginning of 2000's
- + 1,6 % for pork meat
- +1,5 % for sheep meat
- +1 % for beef meat

# Main producers of Poultry

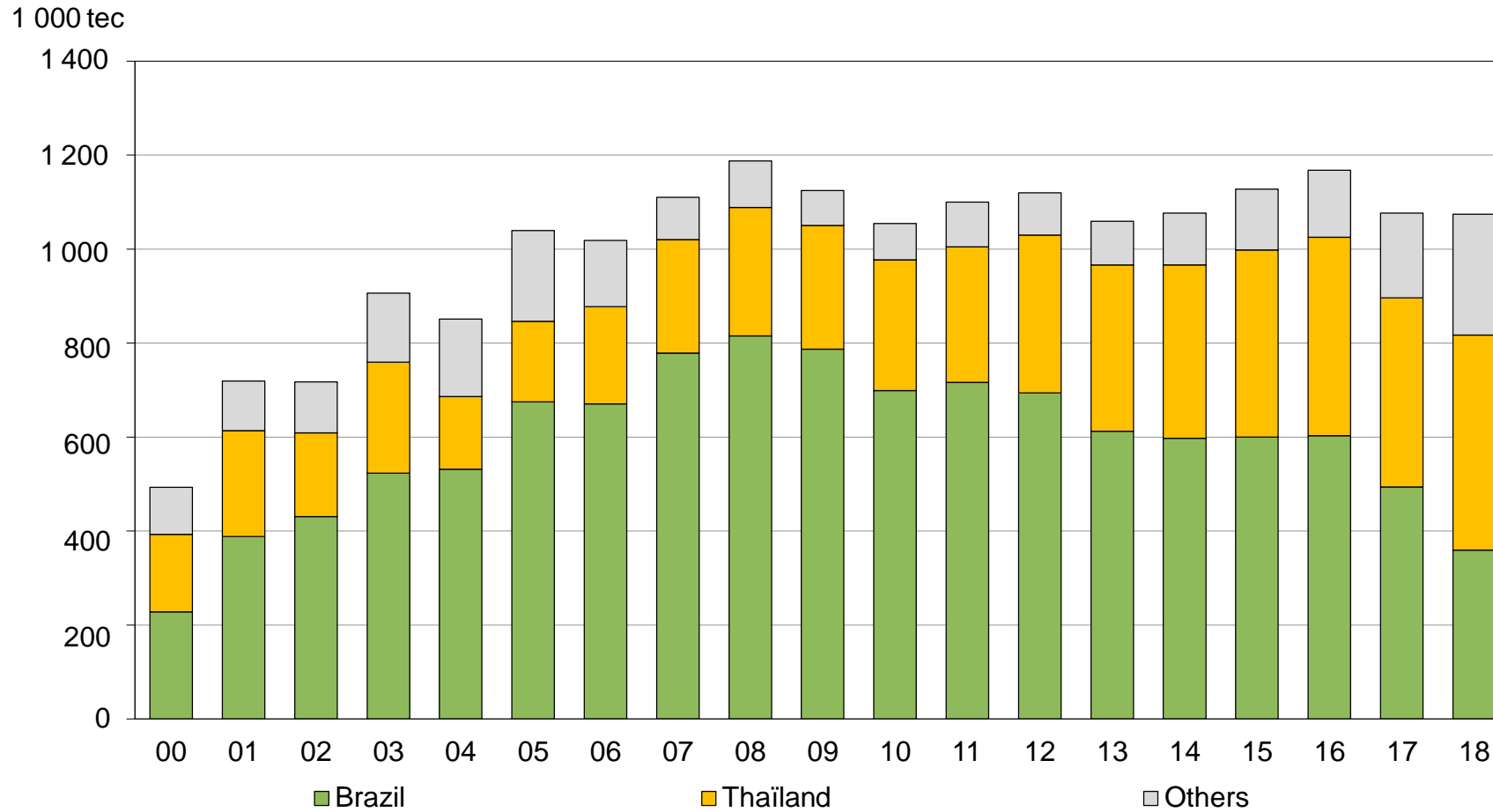


Sources: MEG according to EU Commission, national data, FAO and EUROSTAT.

# MERCOSUR : MAJOR RISKS



# Poultry imports in EU

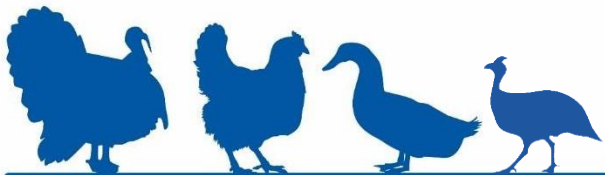
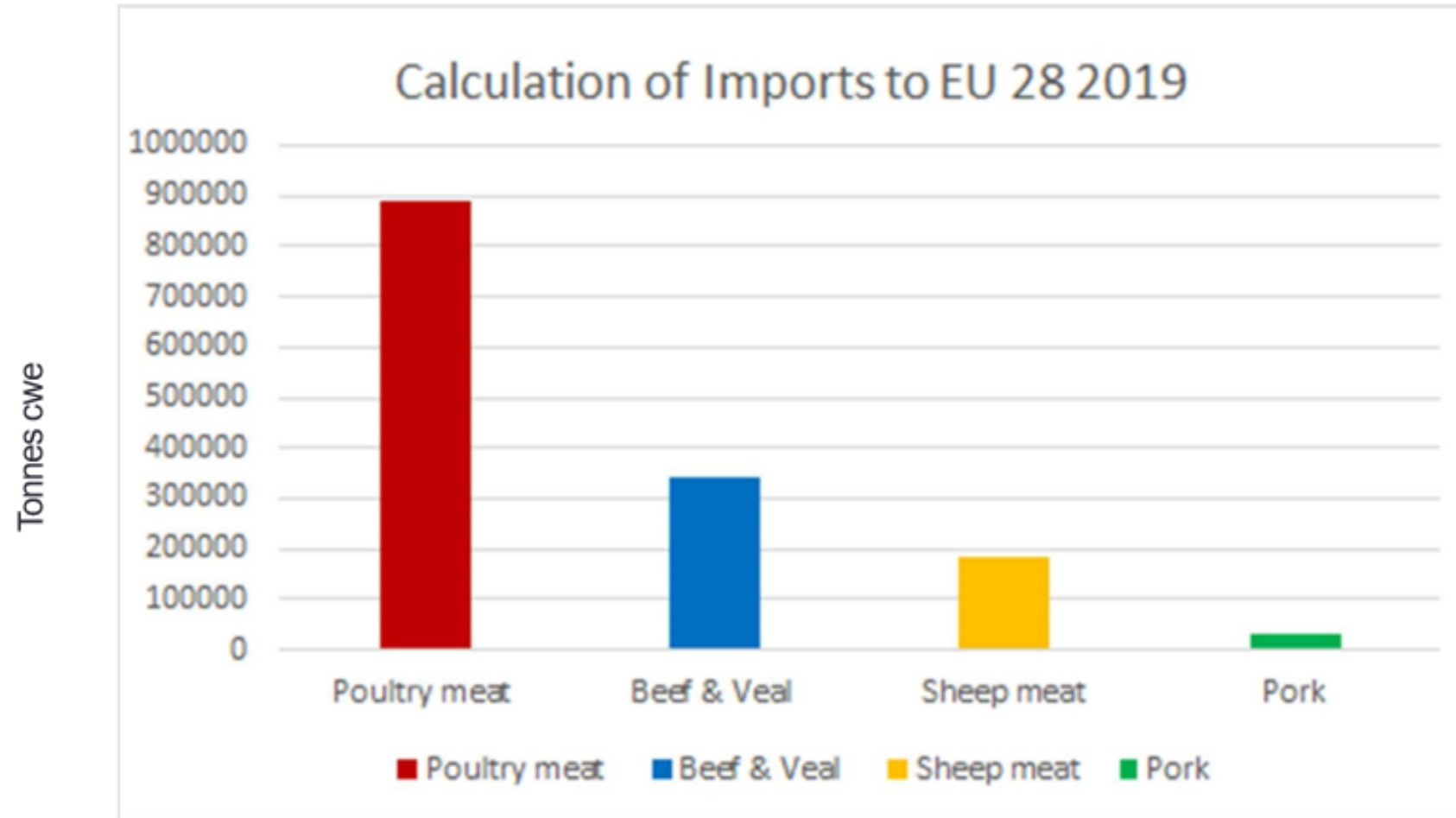


**Brazil | 1<sup>st</sup> exporter to EU during the 1st semester of 2019**

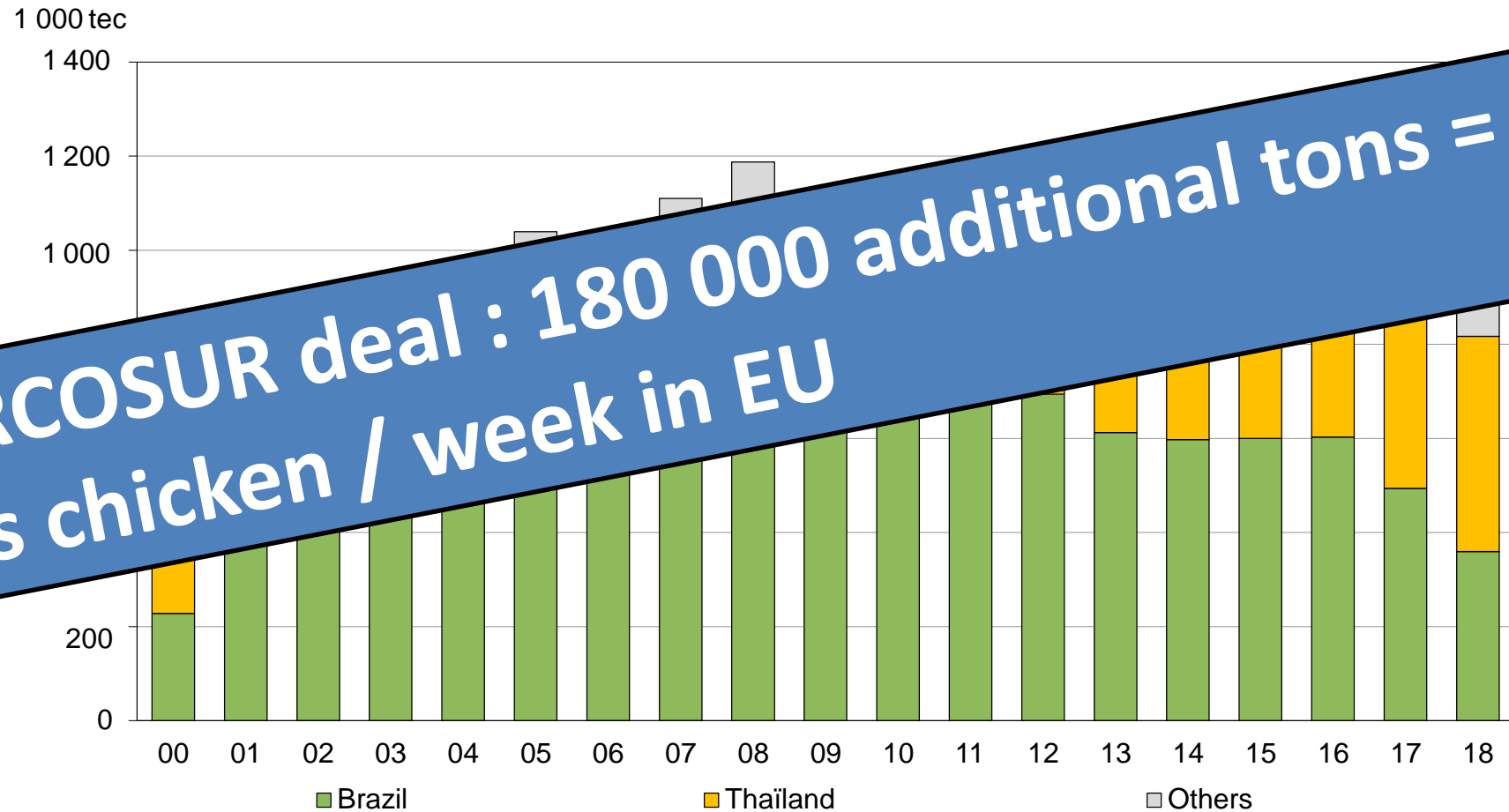
Source : ITAVI from Eurostat



# Poultry imports in EU



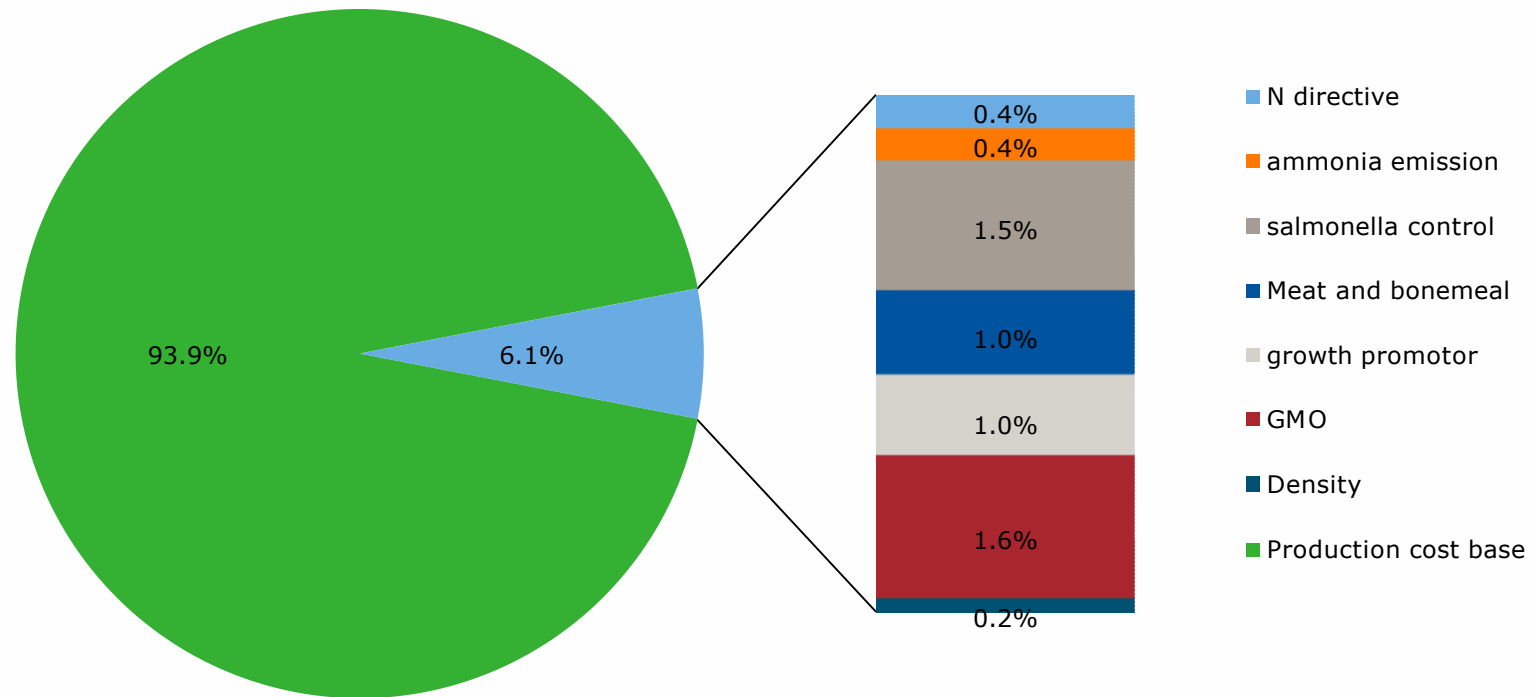
# MERCOSUR | 180 000 additionnal tons !



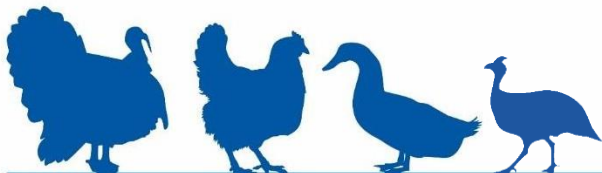
Source : ITAVI from Eurostat



# Costs related to EU Legislation at farm level



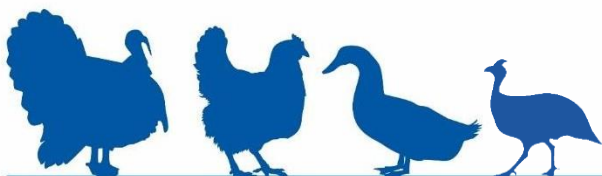
Cost of legislation are 5 eurocents per kg Live Weight  
Share in total costs is 6.1%  
Difference between countries



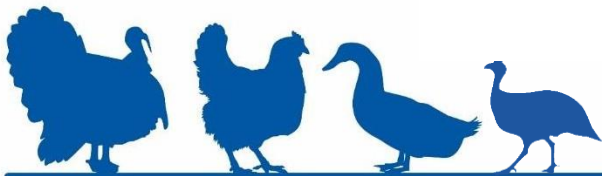
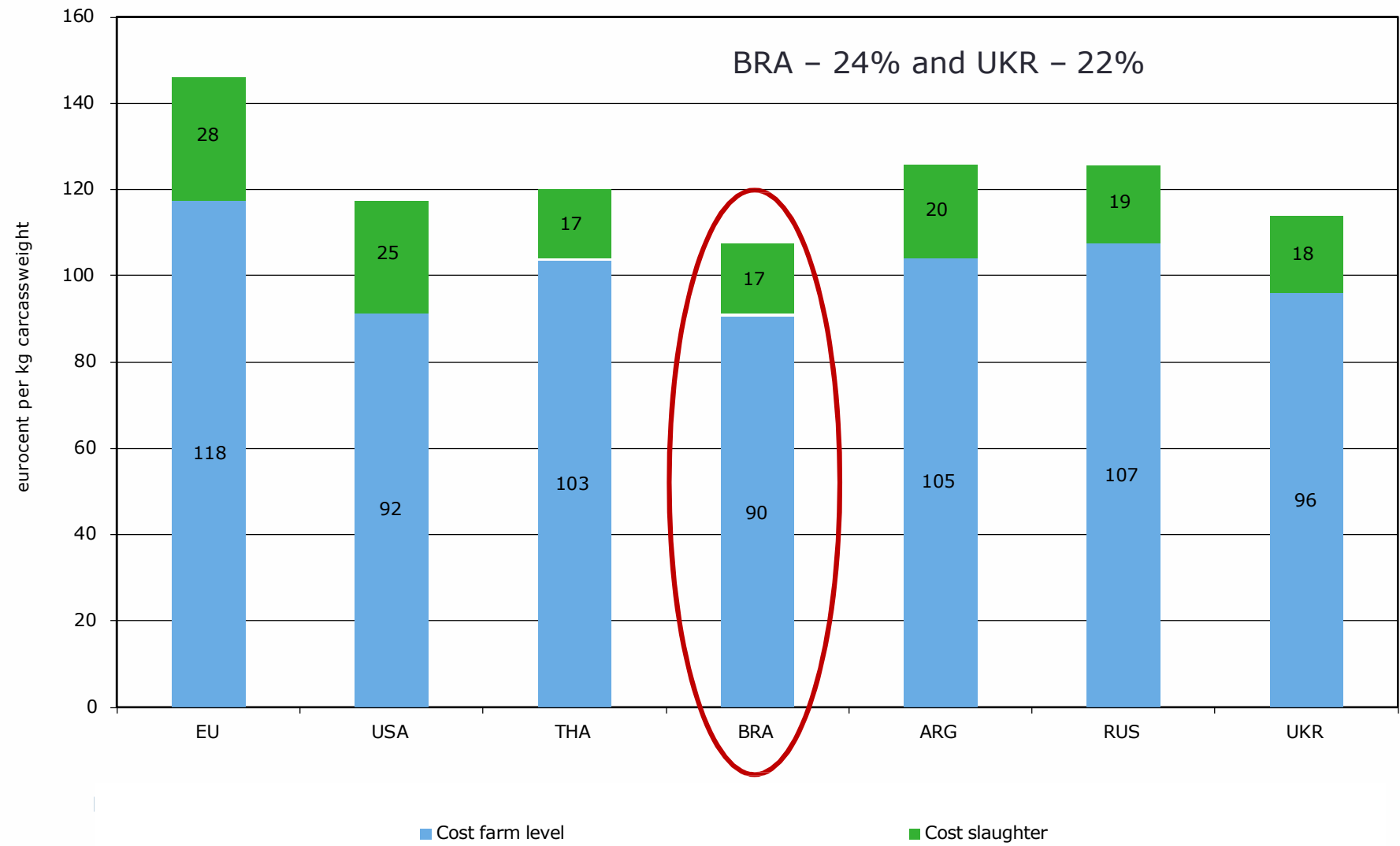


# Legislation in third country (BRA, ARG, THA, USA)

Topic	Political and Societal interest	Regulation in place	Situation in current practice
<b>Environment:</b>			
Manure disposal	Medium	Differs *	Manure revenue
Ammonia emission	Low	No	No measures
<b>Food safety:</b>			
Salmonella	Medium	Differs **	Limited action
Meat and bone meal	Low	No	MBM is used
antibiotics	Differs	Differs **	Common use AGP
GMO	Low	No	All GMOs are used
<b>Animal welfare:</b>			
Stocking density	Low	No	Low densities



# Production costs broilers in 2017

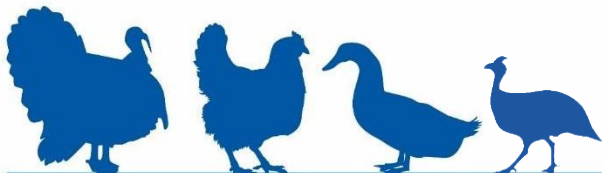


# Creation of huge Brazilian champions → Giant export oriented companies



50 to 80 000 tons of exports from Brazil coming outside TRQs

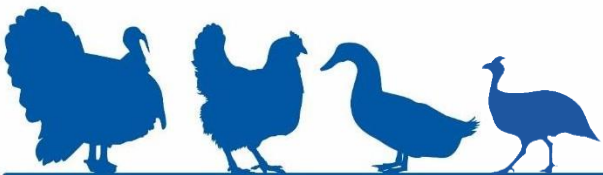
→ Giant export oriented companies could take advantage of the TRQs to displace additional volume



# The fraud scandal : is brazil a fair player in global meat trade ?

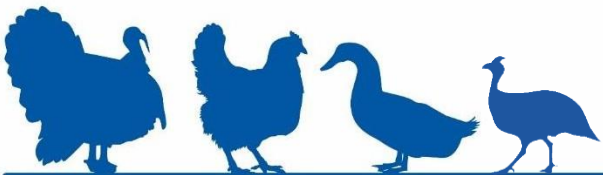
## Operation **Weak Flesh**:

- BRF and JBS were accused of having paid Brazilian inspectors to look the other way / allow
  - **Rotten** meat to be sold
  - Dates of **expiration** to be altered
  - **Disguised** meat of poor quality
- Without police operation: contaminated meat would have reached EU
- Highlight serious **issue with controls of imported meat**



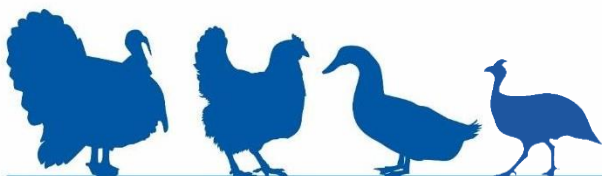
# The fraud scandal : is brazil a fair player in global meat trade ?

- EU audit in BR slaughterhouses May 2017:  
**Critical deficiencies highlighted in Brazilian production**
- Reinforced checks at the EU border led to:
  - A LOT of Brazilian meat consignments rejected due to salmonella contamination in poultry meat (RASSF)
  - Highest European recalls in 15 years down to Brazilian Poultry
- Massive decrease of BR imports of poultry meat in the EU in 2017 and 2018

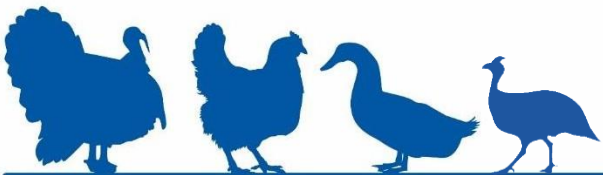


# Result of the Mercosur negotiations on poultry meat are incomprehensible

- COM intended to offer 90.000 additional T to Mercosur but in the very last minute the offer was **raised to 180.000 T**
- Consequences: Brazilians will be able to export more out of quota quantities and will **become price setters** of the file market in the EU
- **Hard to understand** that BR gets this big reward of 180.000 T after fraud...

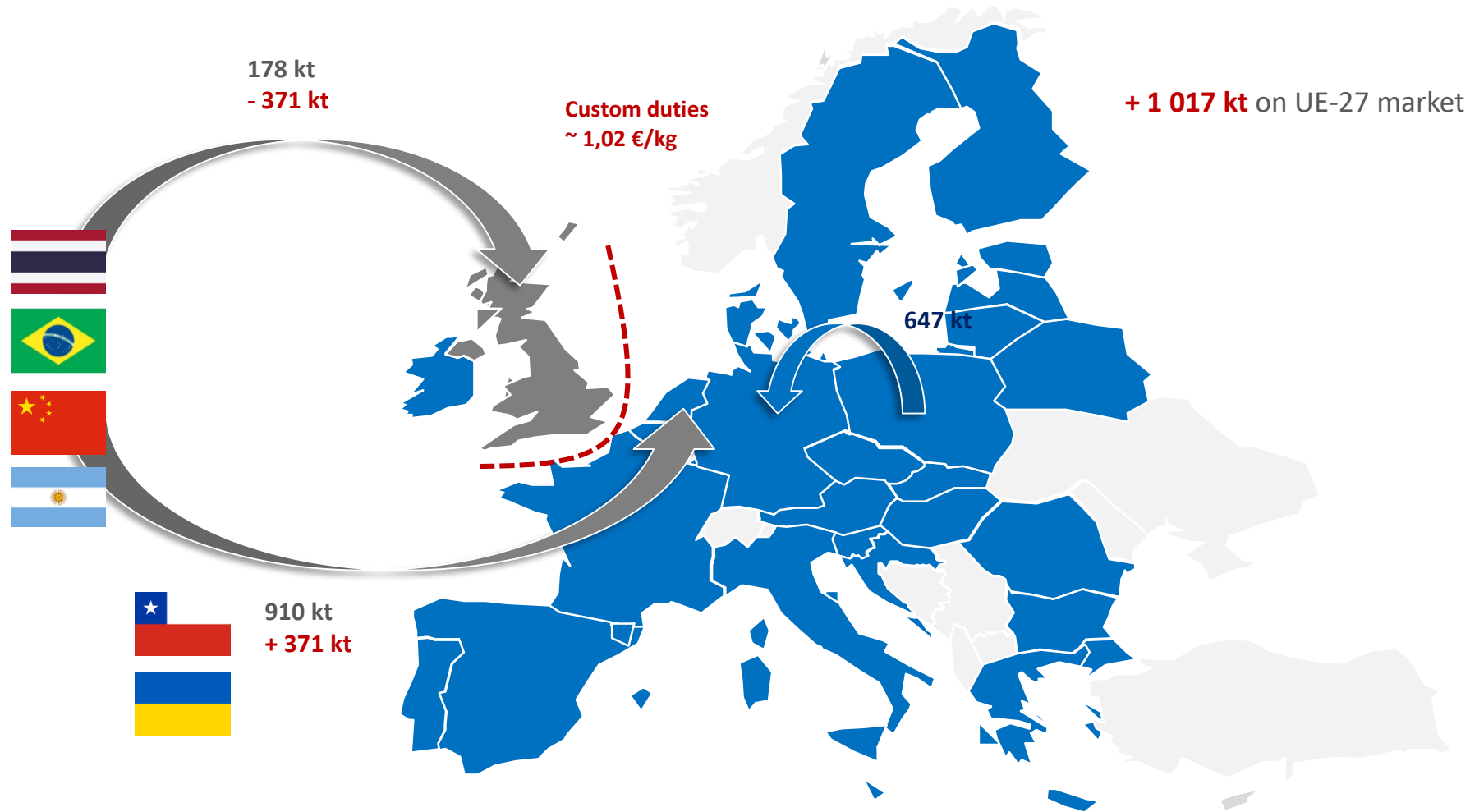


**But Mercosur is not everything...it's  
just one more ball at the foot of the EU  
poultry sector...**



# EU poultry trade after Brexit

Average volumes on 2013-2018

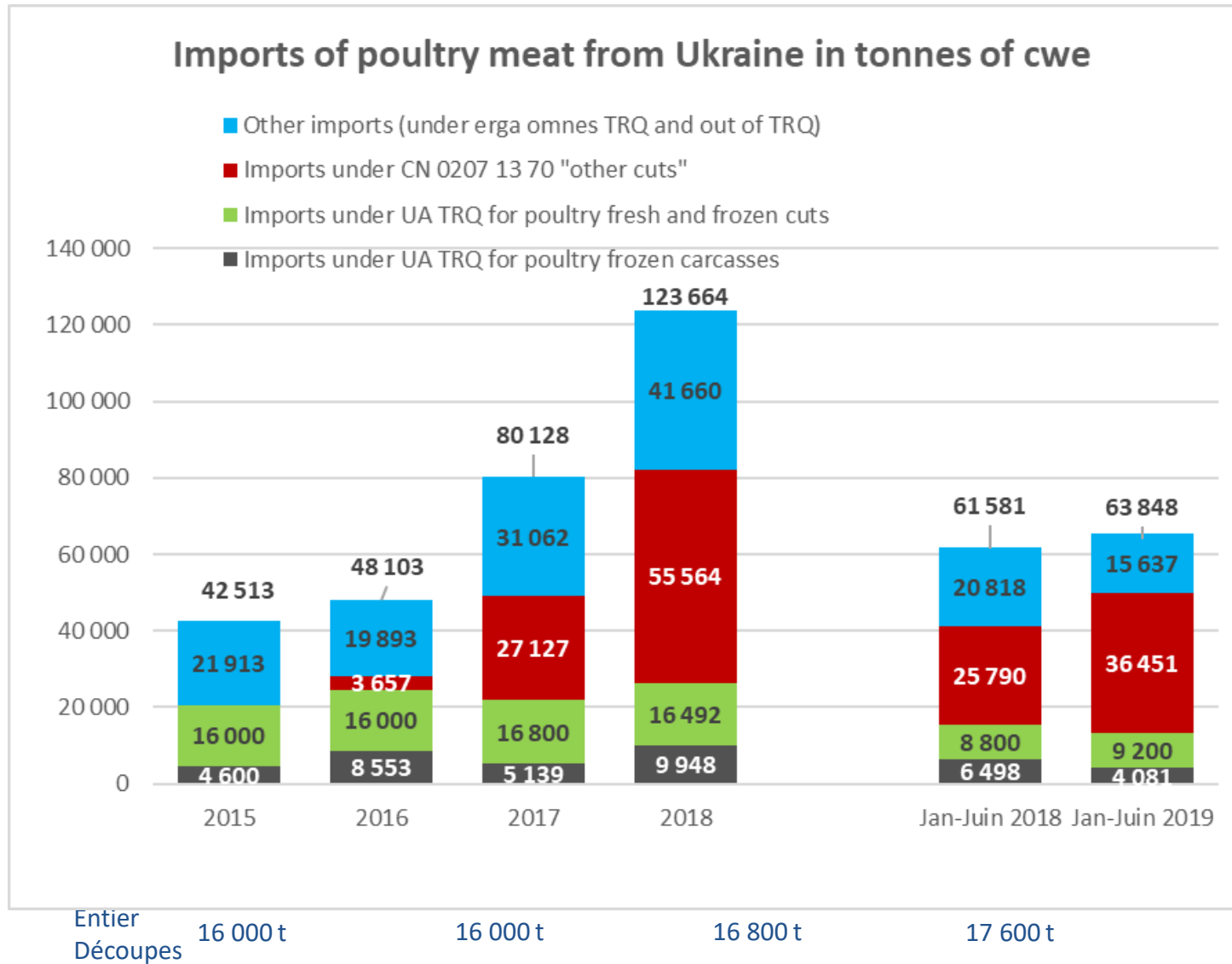


Source : ITAVI from Eurostat et EU Commission





# Ukraine | Out of quotas exports growth

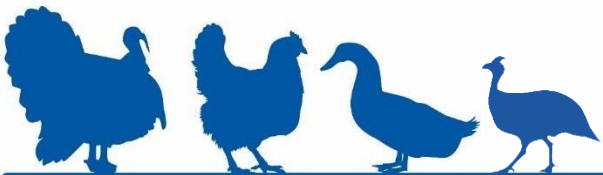


Source : DG-Agri

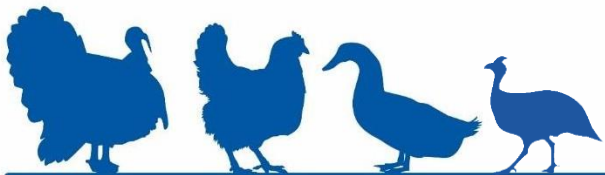


**→ If EU-MERCOSUR DEAL IS RATIFIED**  
**CLOSE TO 1,2 MILLION TONS OF CHICKEN MEAT**  
**COULD BE IMPORTED TO EU-27, THE EQUIVALENT OF FRENCH**  
**PRODUCTION**

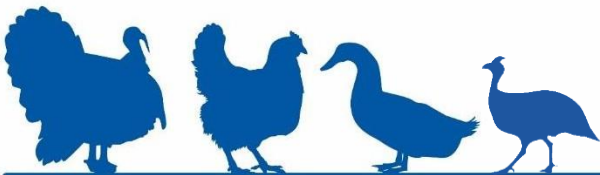
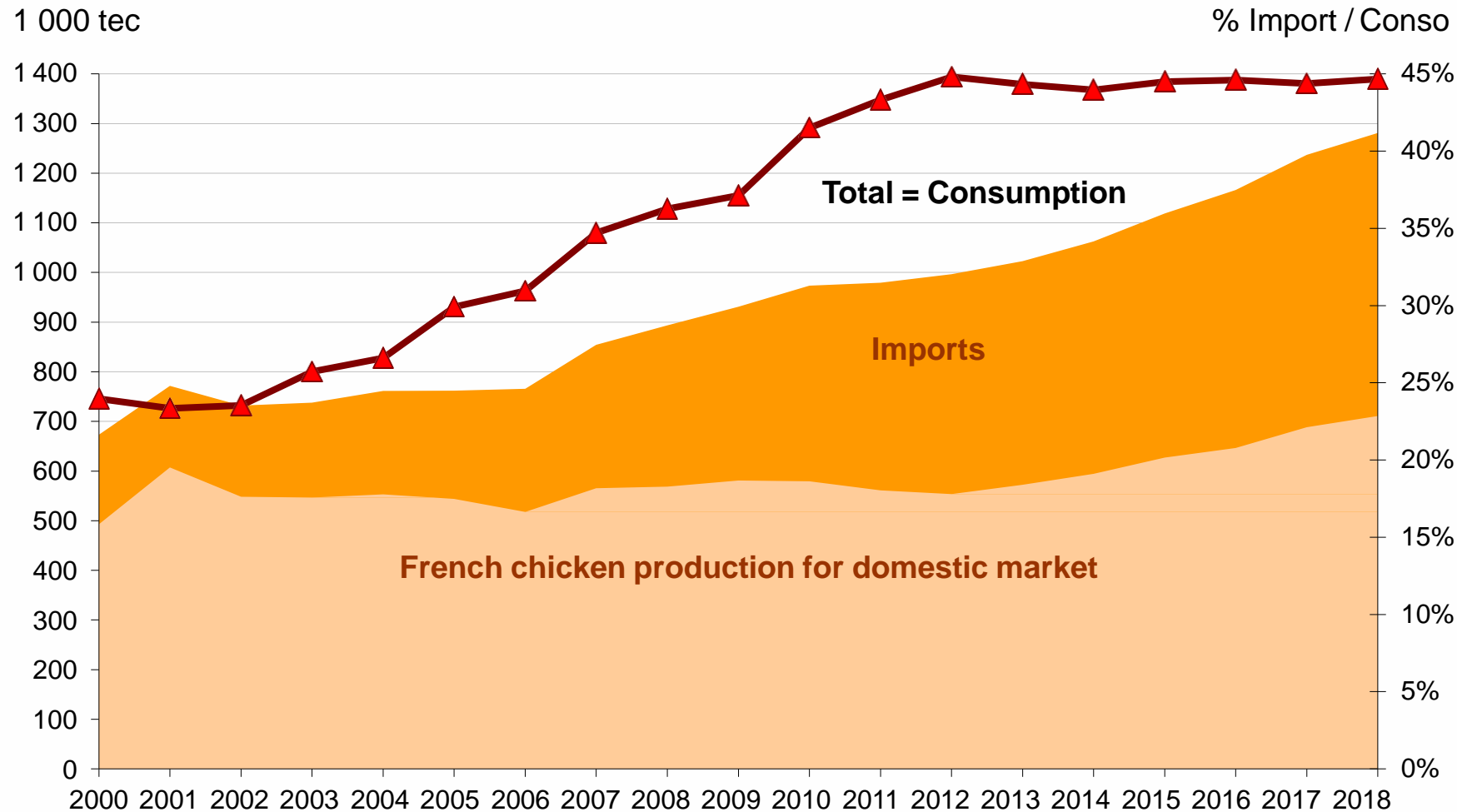
**→ IN CASE OF A HARD-BREXIT,**  
**FRANCE COULD BE THE STATE MEMBER MUST BE THE MOST**  
**AFFECTED MEMBER STATE**



# Impact of imports on the french broilers production



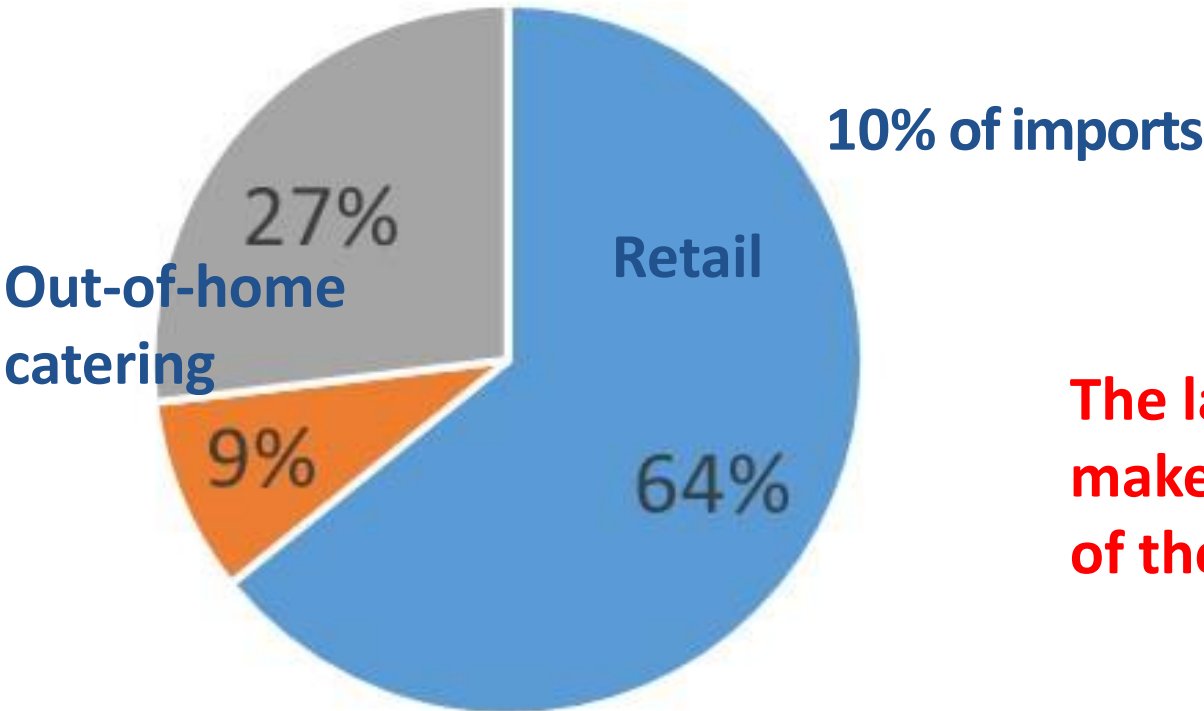
# Weight of imports in the french consumption



Source : ITAVI from SSP and Customs

# French consumption of poultry

80% of imports in out-of-home catering



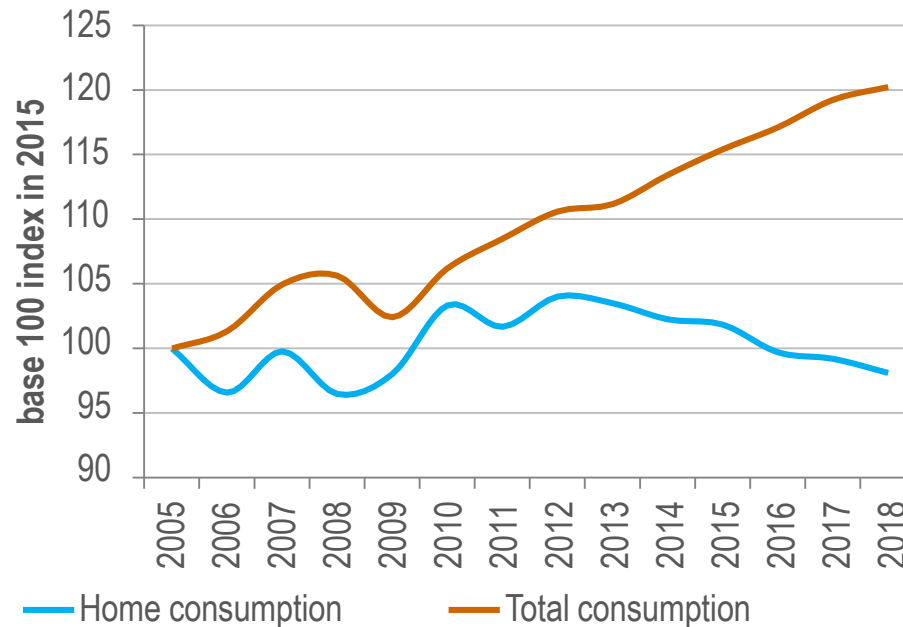
The lack of labelling of origin makes very difficult the choice of the consumers.

60% of imports for processed foods



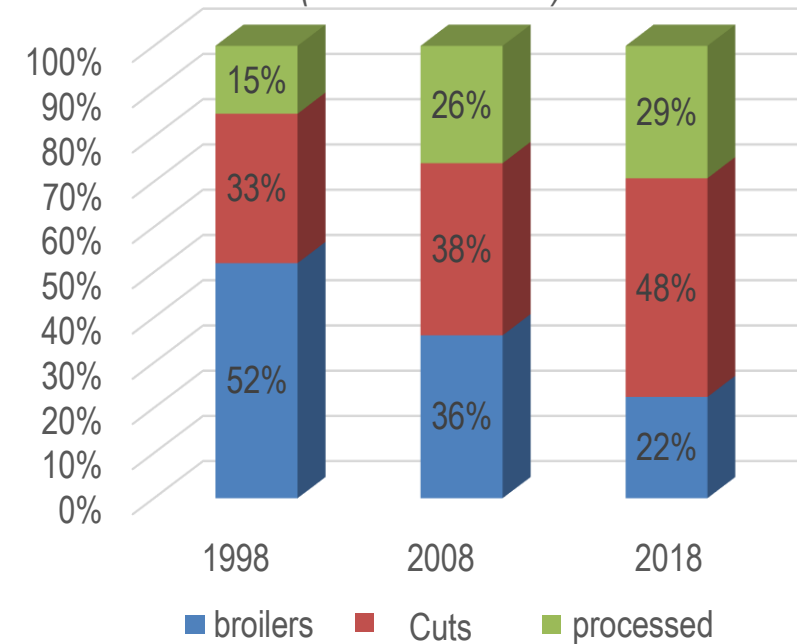
# Growth of the out-of-home catering and processed foods consumption

Compared evolution of home consumption and total consumption in France



segmentation of chicken household purchases

(total distribution)



## AND study, 2016, Imports flow analysis of poultry in France

- 65 % of out-of-home needs in chicken meat is imported
- 73 % of processed food from chicken meat produced by industry is imported



***THANKS FOR YOUR ATTENTION***

