

# World Meat Congress

*The recently held WMC in Brisbane, Australia, drew together a large number of livestock and meat business heads to discuss trends in the industry and how best to meet the increasing demands for meat from a growing and richer world population .*

By Graeme Goodsir



**T**his important two-day event won high praise from many of the 700 delegates and partners who came from 34 countries to review the Australian and world meat scenes. Australia and the US seem the only nations to date to have hosted two World Meat Congresses (the other US hosting was in Denver in 1995, when Philip Seng and USMEF gave added impetus to the growth, recognition and prestige of the International Meat Secretariat). It is noteworthy that Philip Seng went on to become President of IMS from 1997 to 2004, and he was presented last month with the IMS Distinguished Service Award for his outstanding services.

This latest World Congress was convened at Brisbane, Queensland, on 27-29 April by Meat & Livestock Australia (or MLA, which is the successor body to AMLC), under auspices of the International Meat Secretariat, based in Paris. It also was the first of a trio of international events for livestock producers, many of whom went north a week later to Rockhampton (on the Central Queensland coast) to attend a huge Beef 2006 Exposition which many attendees

described as “tremendous”. The third of these three events was held on 13 May in Seoul, South Korea, when some 300 participants from 83 countries took part in a World Farmers Congress held by International Federation of Agricultural Producers (IFAP), to discuss food security, environmental issues, food safety and farm trade negotiations. All of those subjects got equally intense attention at Brisbane.

## Grand event

The overall organisation was splendid, including some appended tours in Australia and New Zealand that were offered to delegates seeking broader insights. Beforehand, the Australian Meat Industry Council held its annual meeting near the Congress venue (scaled-down this year from a Convention to a Mini-Conference) and earlier it gave strong support to MLA’s World Congress organising committee in preparing a truly global agenda, plus three nights of entertainment featuring Australian culture, with a lot of loud music of varying kinds.

Total attendance of registrants plus their partners was near 700 (reportedly

surpassed only by the Berlin Congress in 2000), with 35 countries represented. National industry organisations and livestock producer groups from many nations were there in big numbers (showing keen interest in the future global outlook), but relatively few meat processing companies were visible. One notable exception was the President of Nippon Ham group in Japan (Yoshikyo Fujii), who gave an excellent detailed presentation on Saturday morning of his giant company’s growth and strategy in three countries: Japan, plus Australia (beef cattle operations on King Island, including Wagyu cattle breeding, plus feedlots elsewhere and having achieved No. 3 national rating as beef packers), and US (pork operations) and elsewhere. Another exception was the chairman of Denmark’s Bacon and Meat Council (Dr. Bent Claudi Lassen) presenting a detailed profile of current industry technology, consolidation structure and commercial workings.

Only one prominent meat retailer came (two were invited to speak, but Whole Foods Market, from the US, sent regrets). Wal-Mart’s UK group had the podium all to itself in discussing retail

# earns high praise



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trends (Wal-Mart was also the sole supermarket appearing at the AMI convention in Chicago last October, where it conducted its own large daily seminars on “How to do business with Wal-Mart”). Countering Wal-Mart cost and pricing strategies is becoming a worldwide challenge to many supermarket chains and other food retailers.

## Subject coverage

At this latest World Meat Congress, the morning sessions on Friday (about likely consumer attitudes to year 2020) and on Saturday (about future commercial trends in various nations) were both outstanding reviews, covering many regions, including positive trends in China, but omitting serious reference to meat industry gloom in the US, where distorted BSE trading rules have caused financial losses for beef packers for nearly two years, while enriching US cattle producers at the dire expense of Canadian producers, who were on course to seek compensation of a further CAD2bn of government financial aid.

Animal welfare was an important issue

in the Congress agenda, with numerous speakers urging unity in strategies for addressing anti-meat activists, a number of whom demonstrated noisily outside the Brisbane Convention Centre during the course of the Congress and also near an outdoor Congress social event on Friday night in South Bank park. The protesting elements were considered a threat as large numbers of police and security officials were on inside-outside duty for duration of the Congress.

## Bulls and bears

The business mood at the Congress seemed two-dimensional - the southern hemisphere countries were mostly bullish (as noted in some country comments in text box) while North America and EU were facing many problems. Big world news items that reverberated the week prior to the Congress included Russia temporarily suspending chicken imports (from all sources, intensifying world supply back-ups, amid bird-flu scares hurting consumer demand in many nations) and Tyson Foods (No. 1 US meat processor) reporting a record

quarterly loss of USD127mn. And yet the competitive impact of chicken to red meats was never discussed on-stage, an apparent serious agenda omission.

Another agenda omission was the undermining relevance of “free trade agreement” initiatives (made mostly by US in recent years) to the stalled WTO talks, which most nations want to see resolved. A seasoned speaker representing the EU asserted that “the US has done nothing to date [in the agricultural context] to help bring the WTO talks to fruition,” while Australia and Cairns group members likewise reciprocated (predictably) by criticising the EU for its stubbornness.

## Friendly manners

Away from the podium, however, everybody was very friendly. In typical Australian fashion, the socialising aspect featured morning tea, lunch and afternoon tea in sumptuous proportions (on a stand-up buffet-style basis to rub shoulders, literally), with plenty of exercise in the form of long walks between the Congress Hall and the complex

trade exhibit area where all the refreshments were served and where good ambience fostered extensive education and networking around the many manned booths.

## Full programme

A summary of the three-day Congress programme was as follows: Thursday was fully taken up by IMS in-house committee sessions covering the three main livestock species (beef, pork and sheep meats) followed by a large-scale welcome reception that evening in the same Convention Centre, featuring diverse meat treats (including goat dishes) and other nationally-popular foods.

The Friday morning session attempted to project trends to the year 2020: what will consumers be seeking, and what will communities be “expecting from livestock-meat industries?” The UK Walmart speaker was joined by others from Australia (two research scientists discussing eating qualities and nutrition factors), China and Brazil, under the lively chairmanship of Professor David Hughes from UK. The afternoon session pursued

the same two themes, with two corporate speakers from the US (Gary Johnson of McDonald's Corporation) and the Netherlands (Henny WA Swinkels from the Van Drie calf-raising group, including environmental issues) plus two New Zealand speakers (Bill Garland on environment, Dr David Bayvel on animal welfare) and Dr Lasson from Denmark. Evening entertainment at South Bank Park (beside an artificial beach) had a cultural theme, including barbecue foods, aboriginal dancing and music (with a didgeridoo) plus some amazing displays of whip-cracking.

The Saturday morning session followed on from the first day, with a theme “Can we meet those needs?” with outstanding speakers from Uruguay (Roberto Platero), France (Laurent Spanghero), Argentina (Angus cattle producer Horacio La Valle), America (USMEF President Philip Seng, whose skilful paper said “Building Demand Requires Self-Analysis”) and Australia (David Palmer, newly-appointed CEO of host group Meat and Livestock Australia, who gave a passionate summary of the

Australian industry's dramatic progress and its ongoing investment needs) - all presented under the spirited chairmanship of Gordon Arnold from Rabobank in USA - which was also a sponsor of the Congress.

The afternoon session concluded with the traditional discussion-debate about trade policy, in which there are always rival factions presenting disparate viewpoints. On this occasion a three-person panel with USDA links (with two of them now stationed with OIE and FAO, Dr Alex Thiermann and Nancy Morgan, respectively, plus Lloyd Day who administers USDA's Agricultural Marketing Service agency) discussed trade policy issues, but failed to broach the conflicts posed by the US in pursuing many bilateral free trade agreements. They were followed by two traditional sparring partners, Dr Lars Hoelgaard from the EU Agriculture Commission and Dr Peter Barnard, Economic Planning Manager with Meat & Livestock Australia.

The concluding social event was an overbooked Gala Dinner at a historic

## Some footnotes

If you desire some evidence of the current irrepressible exuberance in South American countries, consider the following reports that were in "circulation" near the time of World Meat Congress being held in Brisbane.

■ **Uruguay:** The outstanding speaker Roberto Vázquez Platero eloquently described Uruguay's upmarket beef industry enjoying unprecedented demand from Russia and EU, even surpassing the advantage of having access to the lucrative US import market through Uruguay's freedom from FMD. This has been exacerbated by the absence of Argentine beef from international trade in recent months. The average fob price of beef exports from Uruguay had risen from USD1,640 per metric ton in January-February

of 2006 to USD1,940 in April.

■ **Brazil:** This country (despite facing bans in some import countries) exported 75,560 mt of beef in April this year. This was 20% below year-ago level, but the average price was nevertheless up 17.6%.

■ **Argentina:** The government has temporarily prohibited most beef exports in an attempt to put a lid on rising food price inflation. Beef prices dropped slightly in April (to the relief of government officials) as slaughtering was curtailed. Some meat packers suspended operations due to the beef export ban, with the government compensating idle workers for lost wages. Beef export licences may gradually start returning in the near future. In the meantime cattle producers aren't hurting

noticeably, despite a lot of complaining about government interference in the marketplace.

In North America, by contrast, average US retail prices for beef and pork are currently at a three-year low and chicken prices are at a four-year low. No. 1 meat and poultry firm Tyson Foods recently announced a record loss of USD127mn for its second quarter, blaming oversupply of protein foods. Smithfield Foods has also said oversupply will soon hurt its pork operations. In past years, most meat packers used to welcome oversupply of raw materials as a sure way to increase profits, but apparently this is not the case in North America today. Unlike in South America, sales have now become an unusually hard part of the US protein business.



*Yoshikyo Fujii, president of Nippon Ham group in Japan, gave a presentation of his company's growth and strategy in 3 countries: Japan, Australia and US.*

golf club at St Lucia, where guests were bussed along a scenic route near the Brisbane River.

### Overview

In summary, the bullishness of southern hemisphere countries was manifested in several different ways. Australia, as host country, was riding high with record



*IMS President Patrick "Paddy" Moore welcomed delegates to the 16<sup>th</sup> World Meat Congress, held in Brisbane, Australia at the end of April.*

*Photos: MLA*

exports of beef, sheepmeat and goatmeat (all three meats were so served in sumptuous recipes during the Congress, plus pork) to its three jealously-guarded markets with exacting FMD and meat-hygiene rules: top-rated Japan, followed by North America and South Korea. This top-tier animal health and trading status is likewise shared by New Zealand.

There was loud applause for excellent reviews of beef industry upsurges in Brazil, Uruguay, Argentina, Chile (an upcoming import-export trader of meats, helped by ground floor access to key markets due to shrewdly-won free trade agreements and animal health status) and Paraguay. Even Argentina (where the government recently prohibited beef exports to put a lid on domestic food price inflation) shared in the euphoria when a highly esteemed French speaker answered a hypothetical question about how best to advise your son, if he inherited a fortune by saying "I would tell him to invest in Argentina and raise Angus cattle!"

Finally, the other big southern hemisphere contingent from South African industry groups waxed euphoric about their enthusiasm to host the next World Meat Congress, which will be held in Cape Town in 2008. **MI**