

Developing markets to drive meat market growth

Global Industry Analysts' new global report on the fresh and processed meat market says that the global meat market is projected to cross 296 million tons by 2018. This will be driven by increasing consumption in emerging markets such as Asia-Pacific, and Latin America. This expansion mainly depends on urbanisation, but efficient logistics have a significant influence ensuring a good expanding supply of meat to consumers through developing retail outlets.

Mushrooming hypermarkets and supermarkets are increasing meat retailing, which in turn is increasing demand. Highly developed slaughter facilities, improved disease control measures, better management policies and improved genetics resulting in better meat represent other growth factors.

Major share of global output

Developed countries together hold a major share in the global meat production. Expansion in the two largest segments, pig meat and poultry, is expected to trigger a nominal growth in the overall meat production in 2012.

However, the meat processing industries in developed countries is poised to stagger, due to rising production in developing countries, and the resultant slow down in trade expansion.

Developed countries are expected to lose international market shares to developing countries, such as India and Brazil, owing to the limited supply in developed exporting countries. Despite the decline witnessed in pork meat production during 2011, the segment is expected to witness positive growth this year.

However, the tightening up of restrictions in trade is expected to tame down imports and exports. On the other hand, beef production stumbled, owing to lacklustre profits, high production costs, and shift to alternative use of land i.e. from pasture acreage to grain production or other non-farm uses. However, the growing popularity



A Thai approach to meat retailing.

of poultry is set to trigger positive productivity in the overall meat segment over the coming years.

A significant portion of the global meat trade is concentrated in a few major markets. Reduction or slowdown in meat consumption even in one region has a direct impact on global competition.

Meat in developed nations is the largest segment of the food industry. Leading cattle producing countries are India, the US, Brazil, Argentina and China. China, the European Union, Brazil, Russia, Vietnam, Canada, and Japan are the top producers of swine.

Leading meat importing countries include the US, UK, Japan, and Germany. The top meat exporters are Argentina, Australia, Denmark and the Netherlands.

The global fresh and processed meat market is classified into four main segments, namely, pork, lamb and goat, beef and veal, and poultry. The rise in population, growing urbanisation, and recovery from the attack of dreadful diseases, is poised to increase production and consumption of meat across the world.

Though vegetarianism is the current fad in the West; Asia, where the green revolution began, is turning to meat. Rising tendencies to ape the West and an increase in disposable income are the two major factors influencing this trend.

The increasing demand for quality meat is primarily met by factory farming or industrial

animal operations. As such, processed meat and fast food are replacing traditional meals. However, personal health concerns and the mad cow scare led to a boost in the growth of vegetarianism in Europe and North America.

Ethnic influences

Global meat consumption is also governed by ethnic influences and tastes vary from region to region. For instance some religious sects in Asia forbid spiritual followers from consuming any meat. Even in meat consuming communities, consumption varies by ethnic and

religious concerns. For instance, Hindus in India shun consumption of beef owing to religious beliefs.

On the other hand, Asians and Hispanics are the largest consumers of goat meat and are influencing consumption patterns in North America. Animal slaughter in many countries is increasingly being governed by tradition and custom, thanks to the increasing spread of Muslim populations across the globe. Previously only communities with dense Muslim population regulated animal slaughter by religious laws known as Halal.

However, the increasing demand and consumption of Halal products amid consumers of all religions, has bound global slaughter houses and processed meat producer to abide with Islamic guidelines.

Halal certification, which indicates that meat has been processed and prepared as per Islamic conventions, is a mandated criterion to gain entry into Muslim markets, particularly to regions such as Middle East, Malaysia, and Indonesia.

As stated in this new market report, pork constitutes the largest meat segment. However, rising reluctance from some nations on consuming pork, due to both to its link with the H1N1 virus and cultural issues, is projected to move the segment on a sluggish pace.

Driven by affordability, the poultry segment is projected to register the fastest growth among all meat segments. ■