

The **FAO Meat Market Monitor** reports major developments affecting world meat markets. Its main objectives are to review the latest movements of the major meat products prices, and to highlight news and events that shape their markets. It is available in English only, and distributed among subscribers of the Meat and Livestock Market Network (MLMN)

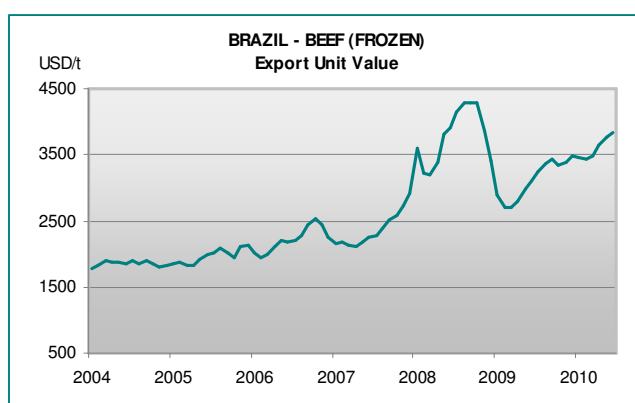
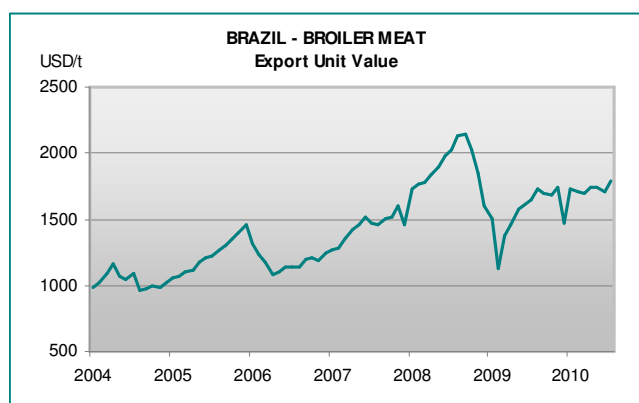
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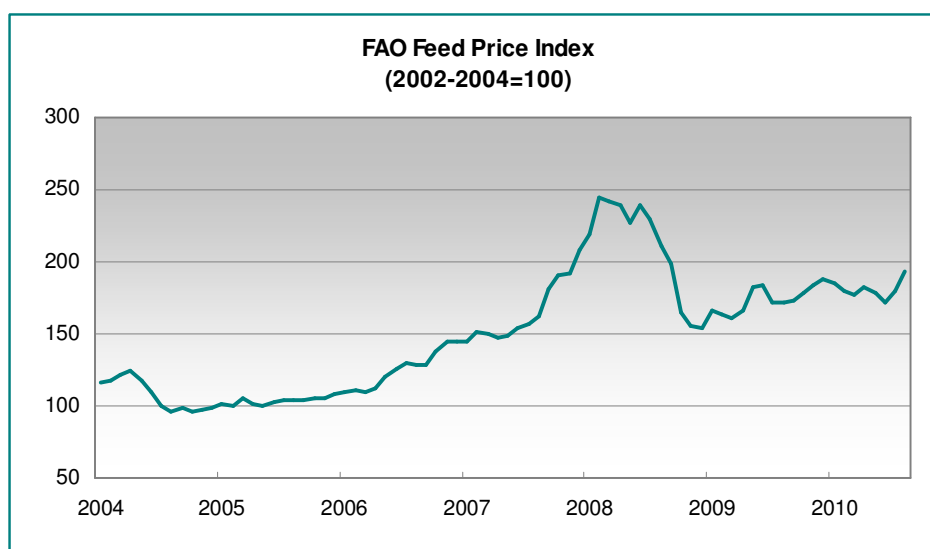
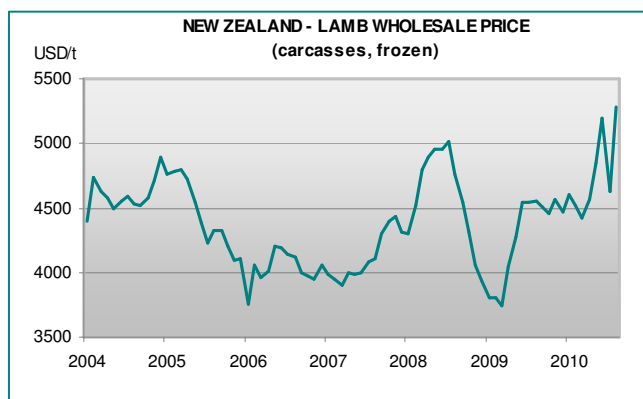
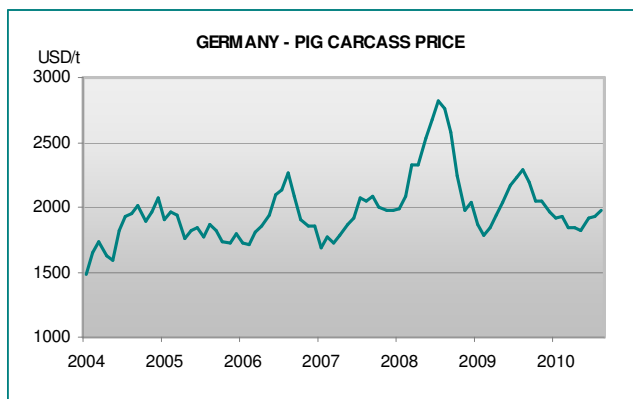
Market Situation

International meat prices strengthened in the first half of 2010, notably those of meats obtained in long production cycles, such as beef and sheep meat. Export unit values for Brazilian frozen deboned beef rose in August for their 18th consecutive month, and in July reached US\$ 3880 per tonne, a value only 10 per cent below the August 2008 peak of the recent soaring food prices episode. Likewise, lamb export prices have climbed steadily for the past 18 months, with wholesale prices of NZ carcasses quoted US\$ 5202 per tonne in July, the highest level in the decade. World prices of pig and poultry meats have remained relatively stable so far this year, but at relatively high levels.

The high international prices of red meats observed reflect the combined effect of a tight supply in large exporting countries and a sustained demand from emerging economies in Asia, the Near East and Europe. Reduced cattle herds and sheep flocks in South America and Oceania, but also in North America, are constraining the capacity of suppliers to respond to the prevailing favourable prices. In addition, and in light of the high prices prevailing, farmers are retaining animals rather than culling, in order to expand their herd numbers, a strategy that is also contributing to tightening supplies. Although the poultry and pig meat markets are now in relative balance, future price rises are not to be discounted given the current escalation of feed costs.

Feed prices have stayed persistently high so far this year, and in recent months have shown a renewed strength. In Denmark, not only the world's largest pigmeat exporter but also a country where feed costs account for two thirds of variable pigmeat production costs, farmers have expressed concern about the rise in feed grain prices. The FAO feed price index rose by 8 and 14 percent July and August, mostly a response from traders to an anticipated fall in cereal production in the Russian Federation, where drought has affected crops. The government has restricted cereal exports, but this may not be sufficient to guarantee sufficient feed supplies for animal production in the second half of the year. Given the tightness of world export supplies, a meat production shortfall in the Russian Federation would likely push international meat prices further up in the coming months.





Selected News

Argentina: According to the Cámara de la Industria y el Comercio de Carnes y Derivados de la República Argentina (CICCRA), beef exports were down year on year 44 percent in volume terms in the first half of the year. <http://www.sudesteagropecuario.com.ar/archives/14968>

Australia: Export beef demand continues to show signs of improving, assisted by larger volumes to Japan, Russia and Indonesia, with total shipments for the month up 5% year-on-year. <http://www.mla.com.au/Prices-and-markets/Trends-and-analysis>.

International: The World Meat Council will meet in Argentina from 26-29 September. In addition to analyzing the current market situation and medium term trends in world meat markets, the meeting will debate and propose sustainable animal production methods <http://www.congresomundialdelacarne2010.com/home.php>

Belarus: Government plans to enhance its current poultry development programme and double poultry meat production and expand exports by 2015 (August). www.worldpoultry.net/news

China/Denmark: China opens more doors to the world's largest pigmeat exporter, Danish Crown.

www.thepigsite.com/swinenews/24598

Ireland: Russia lifts Irish BSE restrictions (August). www.insideireland.ie/index.cfm/section/news/ext/irelandbse001/category/1077

Japan: Declares end to foot and mouth epidemic (August). www.msnbc.msn.com/id/38875774

Russian Federation: Russia's Federal Service for Veterinary and Phytosanitary Monitoring, Rosselkhoznadzor, imposes restrictions on meat imports from Brazilian, US, Argentinean and Polish plants (September). en.rian.ru/russia/20100908/160509048.html

US/Russian Federation: Pilgrim's Pride resumes poultry exports to the Russian Federation (September). www.worldpoultry.net/news

United States: Export trade booming for livestock and poultry (August).

www.ers.usda.gov/Publications/LDP/2010/08Aug/ldpm194.pdf

Zimbabwe: Controversy over Zimbabwe's ban of South Africa's GMO chicken imports (August). www.talkzimbabwe.com

Brazil: Brazilian exports of frozen deboned beef were up 8 percent in the first seven months of 2010 relative to the same period of last year, totaling some 540 000 tonnes, and up 35 percent in value terms. Exports of frozen chicken parts were also up by 2 percent in volume (1 117 000 tonnes) and 20 percent in value terms. Frozen pigmeat exports, however, were down 8 per cent in volume terms, at 230 000 tonnes, but up 14 percent in value terms. <http://aliceweb.desenvolvimento.gov.br/>

European Union: The Rapid Alert System for Food and Feed (RASFF) provides food and feed control authorities with an effective tool to exchange information about measures taken responding to serious risks detected in relation to food or feed. Learn more, and stay alert, here: http://ec.europa.eu/food/food/rapidalert/rasff_video_en.htm

Indonesia: the government has imposed restrictions on the importation of live cattle as part of a strategy to promote the production of domestic beef. This measure is expected to affect Australia, its main supplier of live animals.

Thailand: Strong poultry demand from Asia and new wave of investments give a boost to the industry. Export volumes in the first half of the year were up by more than 8 percent relative to the same period in 2009. <http://www.worldpoultry.net/news/growth-for-thai-livestock-firms-7867.html>

News from FAO

Food Price Index: Surging wheat prices drove international food prices up five percent last month in the biggest month-on-month increase since November 2009. <http://www.fao.org/news/story/en/item/45006/icode/>

Pakistan: According to preliminary estimates of the Ministry of Livestock and Dairy Development, nearly 1.2 million large and small livestock and over 6 million poultry have died in Sindh, Punjab, Balochistan, Khyber Pakhtunkhwa (KPK) and Gilgit-Baltistan. Follow the latest updates here: http://www.fao.org/emergencies/country_information/list/asia/pakistanfloods/en/

FAO: The United States Agency for International Development (USAID) is renewing its support of FAO's efforts to combat highly pathogenic avian influenza (HPAI) and other emerging infectious diseases. <http://www.fao.org/news/story/en/item/44684/icode/>

Global Animal Disease Information System: EMPRES-i website is a global animal health information system of FAO's Emergency Prevention Programme for Transboundary Animal Diseases (EMPRES), that focus on the user need to easily find and collect in one place all the information available for animal health and transboundary animal diseases (TADs). Follow the evolution of animal diseases here <http://empres-i.fao.org/empres-i/home>

Global Supply and Demand Update (1 September 2010): Expectations of higher feed use of wheat in the Russian Federation because of an extremely tight domestic barley situation. http://www.fao.org/giews/english/shortnews/GlobalSD_update_01092010.pdf

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