



MEAT MARKET REVIEW

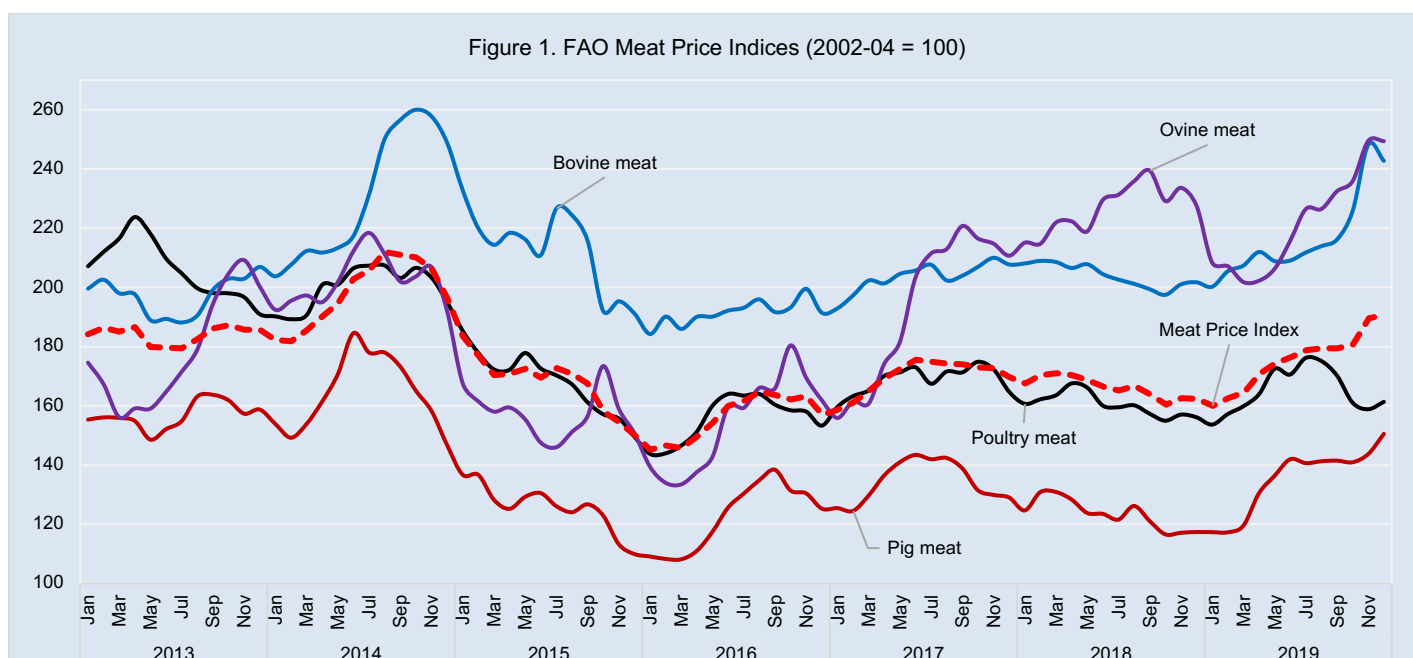
Overview of global meat market developments in 2019

Highlights

- Meat prices rebounded in 2019 following a fall in 2018.
- Prices for pig meat rose the most in 2019, followed by bovine and poultry meat, but ovine meat eased from their highs.
- Global meat production fell by 1.0 percent after two decades of steady growth in 2019, as pig meat production plummeted, only partially compensated by increases across all other meat complexes, especially poultry.
- Global meat exports rose by 6.8 percent – the fastest year-on-year expansion since 2012.

International meat prices, measured by the FAO Meat Price Index, averaged 175.7 in 2019, an increase of 9.4 points (5.6 percent) from 2018, rebounding from a 2.3 percent decline registered in 2018. The tightening of markets characterized the global meat sector in 2019, as pig meat production plummeted because of the large loss of pig herd due to the African Swine Fever (ASF) in China and parts of East Asia. In China, pig meat output fell by as much as 21 percent in and in Viet Nam by 15 percent,

the two largest pig meat producing countries in the world. Although the output of other meat types, especially poultry, increased, it was inadequate to fill the gap created by the fall in pig output. This, in turn, created a meat deficit in East Asia with a parallel spike in import demand. Many meat producing countries responded by increasing meat output and exports, but combined global exports were still far below the required level to fill the deficit, causing international meat prices to rise.



The tight market conditions that emerged out of the ASF crisis prevailed almost throughout 2019, except for some months between July and October. From February to

June, international meat prices kept rising on average by 1.9 percent per month, with pig and poultry meat prices rising the most. Bovine meat was not an exception, but its

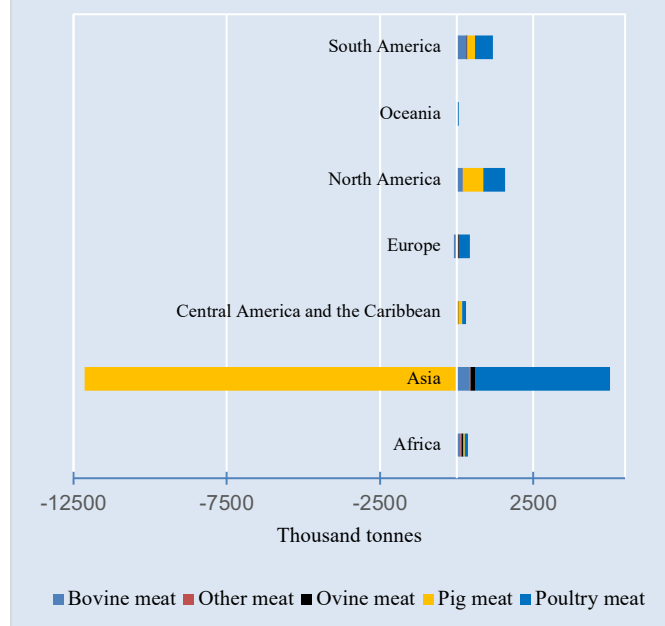
prices were checked in balance by increased supplies from Oceania. Ovine meat prices also increased, albeit moderately, because of elevated export supplies from drought-stricken Oceania, where farmers chose to increase culling to take advantage of the then prevailing high prices and to avoid financial fallout from high feed costs. From July to October, prices eased somewhat, reflecting abundant supplies from key exporters such as Brazil. Ovine meat prices, which hitherto were rising moderately, picked up steam, as Oceania's supplies began retreating from their highs. In November and December, overall meat prices moved sharply higher again, pressured by increased import orders from China in preparation for the Lunar calendar celebrations. Persisted meat deficit in China added further pressure. Meanwhile, export availabilities were limited in key exporting regions, such as the European Union, where internal demand for meat rose in view of the year-end festivities.

Across meat products, pig meat prices registered the sharpest increase in 2019 over 2018, followed by bovine and poultry meat. By contrast, ovine meat prices declined in 2019 from its high average value prevailed in 2018.

World meat output in 2019 fell by 1.0 percent from 2018 to 338.8 million tonnes (in carcase weight equivalent). The drop was principally caused by a 9.2 percent decline in global pig meat production, as the African Swine Fever (ASF) decimated pig herd in East Asia, especially China, the world's largest pig meat producer. In response, key meat producers in the world expanded output in other meat complexes, especially poultry, benefitting from a shorter production cycle, partially compensating for the pig meat shortfall.

Across countries, **China** recorded an 8.8 percent decline in overall meat production (equivalent to 7.8 million tonnes), as pig meat output plummeted by 21 percent, but offset by increases in other sectors, mostly poultry. However, significant meat output expansions were recorded in the **United States of America, Brazil, India, Mexico, the Russian Federation, Canada and Argentina**. Sharp increase in import demand was a principle motive behind these expansions in meat output.

Figure 2. Change in meat production between 2018 and 2019

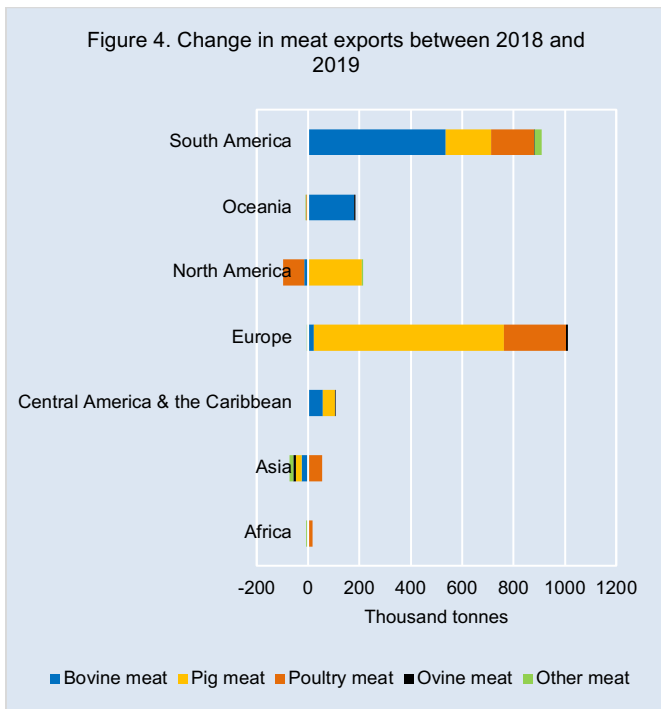
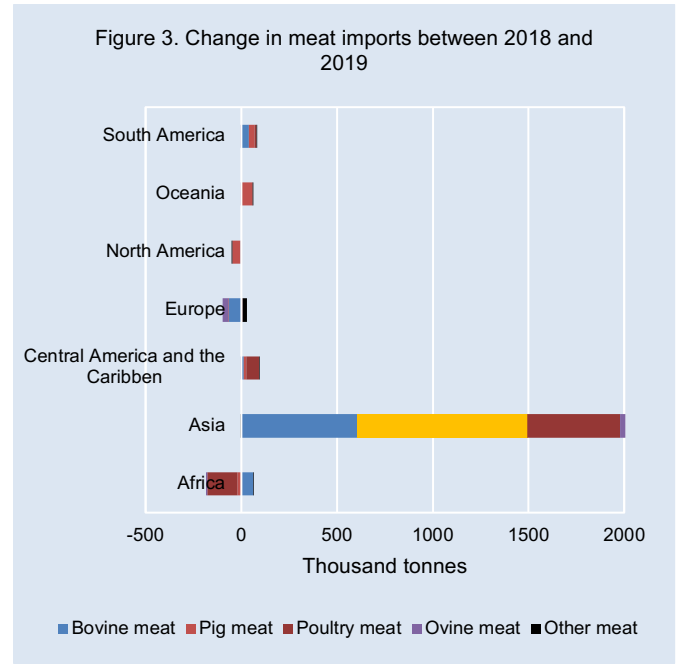


Brazil was a large beneficiary of the ASF-driven meat deficit in 2019. Brazil had favourable conditions to increase meat output, especially the availability of slaughter-ready livestock and competitive inputs costs. Moreover, in effort to secure meat supplies, China expedited approving meat export licenses for several meat processing plants, enabling Brazil to ship record volumes of meat products. Brazil also cleared a major hurdle to supply meat to Saudi Arabia by complying with strict regulations related to halal certificate requirements. The **Russian Federation** too increased meat output, responding to rising import demand from neighbouring countries such as Kazakhstan, Ukraine and Belarus, but also from Japan, Mongolia and China, despite limited growth in internal demand. **Canada** expanded meat output, benefitting from new trade agreements with the United States of America, Japan and Mexico, among others. Strong export prices and local financial pressure encouraged producers in **Argentina** to cull herds, contributing to higher meat output in that country. However, in the **European Union**, meat output remained stable, as reduction in herd numbers was offset by a rise in carcase weight.

World meat exports expanded by 6.8 percent to 36 million tonnes in 2019, with the largest growth registered for pig meat, followed by bovine and poultry meats. Ovine meat exports, which accounts for only 3 percent of global trade, remained stable, as a rise in exports from **Australia** was offset by a decline from **New Zealand**. The two

countries accounted for 86 percent of global ovine meat exports in 2019.

Induced by the large meat deficit, **China** imported 37 percent more meat in 2019 (around 2 million tonnes) than in 2018, with increased purchases across all meat categories. By contrast, several countries, especially **Angola, Viet Nam, Iraq, the Russian Federation, South Africa, Saudi Arabia** and the **United States of America**, curtailed their meat imports, underpinned by increases in domestic production, concerns over animal diseases, issues related to meat certificate requirements or a combination thereof. Much of the increased shipments in 2019 originated in the **European Union, Brazil, Argentina, Australia, Mexico, Ukraine** and **Thailand**. Despite an increase in meat output, trade disputes dampened export expansion from the **United States of America** – world’s second large meat producer.



Statistical Appendix

1. FAO meat price indices

Year	Sub-indices				FAO Meat Price Index
	Bovine meat	Ovine meat	Pig meat	Poultry meat	2002-2004=100
2010	165	158	138	179	158
2011	191	232	153	206	183
2012	195	205	153	201	182
2013	197	178	157	206	184
2014	231	202	164	200	198
2015	213	157	126	168	168
2016	191	154	123	156	156
2017	204	194	135	169	170
2018	204	227	124	160	166
2019	217	222	135	165	176
2019 Monthly					
January	200	208	117	154	160
February	205	207	117	157	163
March	207	202	120	160	164
April	212	202	131	164	171
May	209	206	136	173	174
June	209	216	142	171	176
July	212	226	141	176	179
August	214	226	141	175	180
September	216	232	142	170	180
October	226	236	141	161	181
November	248	249	144	159	190
December	243	249	151	161	191

The FAO Meat Price Indices consist of 2 poultry meat product quotations (the average weighted by assumed fixed trade weights), 3 bovine meat product quotations (average weighted by assumed fixed trade weights), 3 pigmeat product quotations (average weighted by assumed fixed trade weights), 1 ovine meat product quotation (average weighted by assumed fixed trade weights): the four meat group average prices are weighted by world average export trade shares for 2002/2004.

2. Meat production and international trade

Total meat statistics

(includes "Other Meat"; 000 tonnes, carcass weight equivalent)

	Production		Imports		Exports		Utilization	
	2018	2019	2018	2019	2018	2019	2018	2019
Asia	143495	136354	17577	19576	4692	4675	156350	151177
China	88105	80340	5485	7496	637	603	92973	87233
India	7454	7747	1	2	1472	1451	5984	6297
Indonesia	3597	3696	214	259	6	6	3804	3948
Iran (Islamic Republic of)	3086	3141	197	151	56	53	3227	3239
Japan	4016	4074	3687	3726	19	18	7696	7724
Republic of Korea	2500	2568	1493	1490	42	59	3862	3941
Malaysia	2114	2136	342	321	68	70	2389	2386
Pakistan	3870	3999	3	3	57	62	3816	3941
Philippines	3642	3694	628	624	6	7	4264	4311
Saudi Arabia	762	781	866	827	78	87	1550	1521
Singapore	125	124	367	362	56	35	436	451
Thailand	2933	3012	32	29	1304	1371	1669	1709
Turkey	3668	3687	66	8	531	535	3222	3161
Viet Nam	5228	4845	1024	956	30	19	6222	5782
Africa	20150	20518	3060	2941	258	266	22952	23193
Algeria	806	810	66	68	2	2	871	877
Angola	262	265	630	518	-	-	893	784
Egypt	2152	2210	304	353	8	4	2448	2558
Nigeria	1451	1449	2	3	1	1	1453	1451
South Africa	3241	3309	641	600	137	135	3745	3775
Central America & the Caribbean	10159	10455	3507	3597	725	829	12941	13223
Cuba	349	352	361	368	-	-	709	720
Mexico	7051	7314	2231	2288	473	565	8810	9036
South America	45955	47147	1160	1236	8903	9814	38212	38569
Argentina	5930	6114	85	63	748	1072	5268	5105
Brazil	29341	30244	58	54	6942	7493	22458	22805
Chile	1510	1517	548	607	376	432	1682	1693
Colombia	2711	2805	230	268	28	25	2913	3048
Uruguay	662	627	79	103	439	438	302	292
North America	51797	53375	2931	2885	9828	9944	44889	46243
Canada	4927	5113	740	731	1927	1991	3729	3850
United States of America	46870	48262	2178	2141	7901	7953	41146	42379
Europe	63930	64269	3005	2937	6259	7265	60688	59934
Belarus	1193	1169	58	63	428	412	823	819
EU	47985	48007	1439	1405	5014	5907	44411	43505
Russian Federation	10629	10849	819	778	323	387	11138	11233
Ukraine	2383	2490	172	171	385	464	2171	2197
Oceania	6685	6709	507	566	3138	3315	4054	3961
Australia	4656	4647	247	297	2101	2277	2802	2667
New Zealand	1453	1481	82	86	1033	1034	501	533
World	342171	338828	31746	33738	33803	36108	340086	336300
LIFDC	26943	27096	2425	2401	1704	1668	27663	27829
LDC	14128	14278	1605	1576	41	40	15692	15814

Note: Following FAO definitions and data conventions, meat production refers to carcass weight. The data presented in this report include official, non-official and estimates at the time of writing the report.

Bovine meat statistics
(000 tonnes, carcass weight equivalent)

	Production		Imports		Exports		Utilization	
	2018	2019	2018	2019	2018	2019	2018	2019
Asia	18497	18898	5969	6571	1800	1778	22690	23688
China	6455	6685	2017	2726	63	65	8429	9346
India	2610	2649	-	-	1445	1429	1165	1220
Indonesia	563	565	208	254	-	1	770	819
Iran (Islamic Republic of)	463	482	159	128	3	3	620	607
Japan	475	470	842	857	5	6	1300	1322
Republic of Korea	279	286	524	561	4	4	796	840
Malaysia	51	52	201	190	9	9	243	233
Pakistan	1934	1955	1	1	48	52	1887	1904
Philippines	311	309	175	167	2	3	483	473
Africa	7080	7201	575	637	93	89	7562	7749
Algeria	153	152	64	66	-	-	217	218
Angola	105	104	131	125	-	-	236	229
Egypt	721	737	238	290	1	1	959	1026
South Africa	1003	995	21	20	53	49	971	966
Central America & the Caribbean	2758	2811	405	418	474	531	2689	2698
Mexico	1981	2030	225	222	274	318	1932	1934
South America	16135	16460	422	462	3312	3848	13245	13074
Argentina	3066	3137	18	16	524	776	2560	2377
Brazil	9900	10200	45	42	1989	2279	7955	7962
Chile	201	212	296	333	12	23	485	522
Colombia	768	765	6	7	24	24	751	748
Uruguay	590	556	21	42	417	417	194	182
North America	13521	13721	1569	1565	1957	1941	13122	13364
Canada	1265	1340	259	232	467	516	1049	1065
United States of America	12256	12381	1306	1330	1490	1426	12071	12296
Europe	10647	10557	955	890	728	750	10875	10697
EU	7974	7886	336	318	384	429	7925	7775
Russian Federation	1608	1622	462	406	46	49	2024	1979
Ukraine	359	345	3	4	50	42	312	306
Oceania	2912	2960	51	52	2091	2272	871	741
Australia	2219	2228	14	14	1514	1672	719	570
New Zealand	677	718	12	14	575	597	114	135
World	71550	72609	9946	10596	10455	11210	71054	72011
LIFDC	9163	9318	898	727	1605	1587	8456	8458
LDC	4801	4857	206	222	17	12	4990	5067

Ovine meat statistics
(000 tonnes, carcass weight equivalent)

	Production		Imports		Exports		Utilization	
	2018	2019	2018	2019	2018	2019	2018	2019
Asia	9287	9431	685	712	42	33	9930	10110
Bangladesh	228	230	-	-	-	-	228	230
China	4753	4867	348	417	-	-	5100	5283
India	734	731	-	-	19	16	716	715
Iran (Islamic Republic of)	414	415	38	23	0	0	452	438
Pakistan	516	521	-	-	3	4	513	517
Saudi Arabia	121	123	35	23	3	1	154	145
Turkey	432	434	-	-	-	-	432	434
Africa	3409	3476	23	18	29	29	3402	3466
Algeria	344	346	-	-	-	-	344	346
Nigeria	391	388	-	-	-	-	391	389
South Africa	162	163	7	4	1	1	169	166
Sudan	383	388	-	-	2	2	381	386
Central America & the Caribbean	130	132	17	15	0	1	146	146
Mexico	103	104	8	7	-	1	110	110
South America	319	327	8	6	20	22	306	311
Brazil	130	133	8	5	-	-	138	138
North America	97	96	146	150	4	4	239	242
United States of America	81	80	125	127	4	4	202	203
Europe	1282	1300	152	121	46	54	1387	1368
EU	918	927	141	112	25	33	1034	1006
Russian Federation	224	227	3	3	12	12	214	217
Oceania	1233	1224	31	31	901	906	363	349
Australia	760	754	1	1	493	515	268	240
New Zealand	473	470	3	3	409	392	66	81
World	15756	15986	1062	1053	1044	1048	15773	15991
LIFDC	3855	3917	7	6	45	42	3816	3881
LDC	2566	2629	3	3	19	16	2550	2616

Pig meat statistics
(000 tonnes, carcass weight equivalent)

	Production		Imports		Exports		Utilization	
	2018	2019	2018	2019	2018	2019	2018	2019
Asia	66691	54548	4690	5581	200	177	71115	59852
China	54987	43447	1924	2886	105	83	56806	46250
India	296	295	1	1	1	1	296	295
Indonesia	327	325	4	1	-	-	331	326
Japan	1284	1279	1487	1505	4	3	2781	2727
Republic of Korea	1329	1364	761	703	2	2	2008	2019
Malaysia	186	185	33	26	6	5	213	206
Philippines	1873	1854	163	125	2	2	2034	1978
Thailand	999	1002	1	1	25	34	975	969
Viet Nam	3816	3233	20	50	25	15	3811	3268
Africa	1590	1621	366	346	28	30	1928	1938
Madagascar	65	66	-	-	-	-	66	66
Nigeria	284	285	1	1	-	-	285	286
South Africa	265	280	45	36	24	26	286	291
Uganda	129	132	1	1	-	-	130	132
Central America & the Caribbean	2080	2191	1274	1286	208	256	3146	3221
Cuba	231	234	22	18	-	-	253	252
Mexico	1503	1603	1006	1016	186	236	2322	2383
South America	6168	6424	365	393	1010	1188	5522	5629
Argentina	621	629	53	40	8	9	665	661
Brazil	3788	4000	2	3	804	950	2986	3052
Chile	521	517	99	136	190	223	430	430
Colombia	336	370	128	139	2	-	462	509
North America	14085	14755	849	809	3834	4043	11105	11471
Canada	2142	2213	263	278	1285	1295	1127	1185
United States of America	11943	12542	582	527	2549	2749	9973	10281
Europe	29707	29711	366	372	3064	3802	27010	26281
Belarus	397	368	24	29	46	32	376	366
EU	24075	23906	16	19	2915	3635	21176	20290
Russian Federation	3744	3943	113	125	64	97	3793	3971
Serbia	313	307	52	46	21	20	344	332
Ukraine	703	715	36	31	3	3	736	743
Oceania	567	541	307	362	44	36	830	867
Australia	417	392	217	271	42	34	593	629
Papua New Guinea	81	81	7	7	-	-	88	88
World	120888	109792	8217	9150	8388	9532	120654	109260
LIFDC	5246	4677	179	227	29	18	5396	4886
LDC	2196	2176	254	234	1	1	2449	2409

Poultry meat statistics
(000 tonnes, carcass weight equivalent)

	Production		Imports		Exports		Utilization	
	2018	2019	2018	2019	2018	2019	2018	2019
Asia	46396	50809	6127	6611	2454	2509	50081	54936
China	20117	23516	1134	1415	453	441	20797	24490
India	3616	3873	-	-	7	6	3610	3868
Indonesia	2588	2689	-	-	2	2	2586	2687
Iran (Islamic Republic of)	2199	2233	-	1	52	48	2147	2186
Japan	2250	2318	1325	1331	10	10	3575	3636
Republic of Korea	885	912	186	204	37	52	1029	1053
Kuwait	61	65	150	143	8	9	203	198
Malaysia	1873	1895	72	73	52	56	1893	1913
Saudi Arabia	554	570	652	618	37	47	1169	1140
Singapore	107	105	172	180	15	18	264	267
Thailand	1780	1853	2	3	1136	1212	655	682
Turkey	2229	2209	6	1	502	498	1733	1712
Yemen	180	176	89	119	-	-	269	295
Africa	6082	6189	2085	1925	92	106	8075	8008
Angola	27	28	329	255	-	-	356	283
South Africa	1762	1822	567	540	55	57	2274	2305
Central America & the Caribbean	5084	5215	1776	1843	39	38	6820	7019
Cuba	25	25	286	295	-	-	311	320
Mexico	3377	3488	990	1041	10	9	4357	4520
South America	23190	23790	365	375	4427	4593	19128	19572
Argentina	2115	2221	14	5	194	265	1935	1961
Brazil	15498	15885	3	5	4050	4133	11451	11758
Chile	766	765	152	139	167	180	752	724
North America	23773	24480	354	350	4017	3934	20106	20853
Canada	1474	1512	195	197	164	166	1497	1542
United States of America	22298	22967	154	147	3853	3769	18603	19304
Europe	21217	21568	1299	1297	2376	2619	20152	20240
EU	14492	14723	736	718	1650	1773	13577	13668
Russian Federation	4543	4529	228	233	198	228	4584	4528
Ukraine	1287	1395	134	136	331	417	1089	1114
Oceania	1514	1523	114	118	81	81	1548	1560
Australia	1235	1250	15	11	44	49	1206	1212
New Zealand	232	223	1	1	37	31	196	193
World	127256	133575	12121	12518	13486	13880	125911	132189
LIFDC	6802	7271	1333	1430	10	9	8125	8693
LDC	3606	3637	1138	1110	2	9	4742	4738

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Contact:

Meat Market Review
Trade and Markets Division (EST)
Food and Agriculture Organization of the United Nations
Viale delle Terme di Caracalla
00153 Rome, Italy
Email: Meat-Moderator@fao.org - [Forum on national and international markets for livestock and meat products](http://www.fao.org/forums/default.asp?x=1&y=1)

For comments and queries on this report, please contact:

Upali.GalketiAratchilage@fao.org
Emanuele.Marocco@fao.org