



The YEMCo Conference was sponsored by:



YEMCo visited the Rotterdam port, the largest in Europe and the fourth largest in the world. It has been the gateway to Europe for the last half century. The pivot point of numerous, key trade streams, in and out of Europe. Rotterdam can reach 80% of European consumers within 24 hours. For the first time in its 8 year history – YEMCo visited a port and focused on import of meats into the EU.

For photos of the event, click [here](#)

YEMCo Conference - RESULTS, MINUTES, PHOTOS -



Globalization in Meat Trade -From current developments towards the future-

FRIDAY 13 NOVEMBER 2009 – PROFESSIONAL VISITS Inc. Visit to the busiest port in the world



Early in the morning, the group visited Van Hessen BV, market leaders in the distribution of casings to the sausage industry. Van Hessen sells natural casings to sausage makers around the globe and also distributes artificial casings in the Benelux. Founded in 1902, Van Hessen BV maintains offices and operate sfactories in the Netherlands, the United States, the United Kingdom, the Czech Republic, Mexico, China, New Zealand, Canada, Italy, Spain, France, Poland and Australia. Additionally, Van Hessen does business in numerous other countries across the globe, including Brazil, Chile, South Africa, Japan and Russia. The Van Hessen group is constantly innovating and exploring new ways to supply their products to sausage makers worldwide and maximize sausage makers' production efficiency.

www.vanhessen.com

Next, the group visited B&S, which is not only the main supplier to ships chandlers worldwide, but also supplies meat and other products to airlines, airline-caterers, hotels and supermarkets globally. B&S is an international wholesaler and distributor of food & beverages, bonded products and luxury items in a host of markets. B&S operates on a global scale, as a one-source-supplier of single-item shipments and mixed loads. The company aims to be the preferred partner for niche markets around the globe, which need consumer goods delivered to the right place at the right time.



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There are 4 business units which are specialists in serving niche markets: B&S Bosman Global, B&S Paul Global, B&S Köpcke Global and B&S Global Cruise Supply. <http://www.bosmanglobal.com/>.

At B&S, a series of presentations & discussions took place under the theme of “Meat imports – from the vessel to the supermarket”. The aim was to show participants the complexity of meat imports and to prepare them for the visits to the port later on.

- ❖ Presentation: Introduction to the busiest harbor in the world!
Given by the Rotterdam Port Authority
<http://www.portofrotterdam.com/en/home/>
- ❖ Presentation: Meat arriving at the European Container Terminal <http://www.ect.nl>
- ❖ Presentation: Meat Inspections in Rotterdam Harbor
Given by the Food & Consumer Product Safety Authority (VWA) <http://www.vwa.nl>
- ❖ Presentation: Storage and distribution of meat products – the role of a global supplier – Given by Bosman Global Supply



There was ample opportunity to ask questions and debate after each session and with all presenters.

This meeting was followed by a visit to a Border Inspection Post and Eurofrigo B.V. Eurofrigo is one of the world's great refrigeration organisations. Eurofrigo serves a series of key roles in the cold product distribution chain into and out of Europe, to and from producer, consumer or intermediary. All kinds of temperature-controlled products are stored like meat from Australia, New Zealand, South America, the United States and Canada. <http://www.eurofrigo.nl/>

To experience the harbour in action and to better understand how it operates, the participants then took part in a Boat Trip to experience one of the world's largest ports in all its glory on the Spido Boat <http://www.spido.nl/>. This was an important opportunity to discuss the impressions of the first day and engage in active networking.

Intensive discussions and networking continued at the Wereldmuseum where dinner was served looking out the skyline of Rotterdam and the famous harbour and bridge <http://www.wereldmuseum.nl>.

wereldmuseumrotterdam **Former Museum of Ethnology**

the skyline of Rotterdam
and the famous harbour

SATURDAY 14 NOVEMBER 2009 – CONFERENCE DAY

Globalization in Meat Trade -From current developments towards the future-

The Chairwoman of YEMCo welcomed participants to the seminar day of the winter conference of YEMCo. She thanked the organizers and the sponsors of this conference, without whom the conference could not have taken place. YEMCo depends on sponsorship in order to reduce the participation costs and allow for experts of the meat industry to join us and advise YEMCo.

The entire conference was translated from and into English and French.

Welcome words were heard from J.H.G. (Jos) Goebbels, Chairman of the Dutch Meat Association (COV). The Dutch Meat Association represents the interests of employers in the Dutch meat and meat processing industry, a sector that employs some 10,000 people. He identified 4 key challenges in the meat industry over the next years: Profitability, Sustainability, Cooperation and what he calls “Be good and tell it”.

Economic sustainability is fundamental: Meat production needs to be profitable, employment needs to be ensured. In this context, we need to revisit the image of our product: Meat needs to be treated with more value from how it is treated today by supermarkets: You cannot have a paradox situation whereby even cat food is higher priced than meat. This sends the wrong messages to the consumer and devalues our product. We cannot accept this.

Environmental sustainability is the next big challenge and this will not go away: We need to be much more pro-active, not stick the head in the sand and wait for it to pass! Policy pressures are mounting everywhere. Moreover, climate change is now being linked incorrectly to animal welfare which further complicates the issue. COV is pro-active and advocates to get rid of the reactive positioning within the meat industry: “We produce a product which most of the consumers like, not only for health reasons as a great source of protein but also because it is a nice and tasty product”, Mr. Goebbels said. COV wishes to bring about a balance on the different issues through a newly dedicated website (www.vlees.nl).

All this cannot be done without cooperation: We are competitors, we cannot change that. But there are so many areas where we have to work together. The consumer likes meat and it is our duty to produce it in a safe and sustainable way. Therefore the concept for the meat industry must be based around 3Ps: People, Profit and Planet.



TOPIC 1: Globalization in Meat Trade – From current developments towards the future

A presentation was made by Nan Dirk Mulder (Food & Agribusiness, Research & Advisory) from Rabobank. Rabobank is a leading food and agribank – internationally. Mr. Mulder addressed the fast changing global market for meat, looked at the concentration within the meat industry, analyzed the impact of the economic crisis and gave tips for how to benefit from the globalization.



Over the next decades, there will be vast changes in the global market, world meat demand is growing rapidly, and this represents a huge challenge for the entire world as the meat needs to be produced somewhere. The main growth will be in Asia, but the major producers and the necessary machinery is elsewhere. The importance of trade within the meat production is growing; soon about 10% of all meat production is involved in international trade! Traded meat is currently growing faster than locally produced meat. Why? Well, the cost of production varies, that is an important factor: Americas are up to 40% cheaper than the rest of the world. As the

important traded meats increase, the global key challenges for the future are also increasing and require an answer: volatility and environmental sustainability. The sustainability issue is of highest importance: Governments now advise consumers to reduce meat consumption. Supermarkets are developing plans to reduce waste, e.g. be carbon neutral by 2012 etc. All these factors will affect you as a meat business. Some companies now introduce a sustainability product index and giants begin to rate all suppliers with the aim to rate companies from an environmental point of view. Even Greenpeace called such initiatives “significant to influence the behavior of suppliers”.

Mr. Mulder also looked at the consolidated global meat industry. The ranking of the world largest companies changes all the time – the industry is in movement. More than 50% of all these companies come now from South America but China and Asia are also on the rise. Tyson and JBS, Chargrill, Smithfield are still leading – FOR NOW! Where is Europe? Europe is very small in comparison to the “huge protein power houses”. Brazilian and U.S. companies drive the global consolidation process in the meat industry. Companies are getting larger as retailers also become bigger and larger volumes are needed to be supplied. Also, your bargaining power, research and development capacities grow with expansion. In economic crisis, you also mitigate your risk as you go international and invest in different proteins.

The biggest impact of the economic crisis for the meat industry is a weak meat demand and the low level of investment. There has been a trading down in meat demand, from premium to quick service restaurant. Consumers move to cheaper species.

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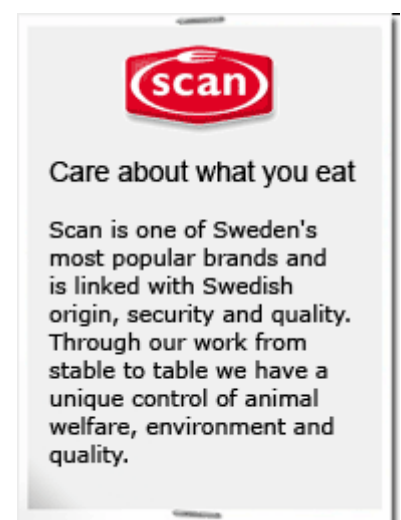
What is needed in the European meat industry in the future? Where will YOU be whilst these large changes take place? You have to reconsider where you will be in the next years. How to use the 500 million consumer market in Europe? But we really utilize the opportunities in the market. In Romania labor costs are still low and high-demand market is also available. Yet, still this is not used. Many companies still are focused on a single market, a single meat! You must follow the global story. We must move towards a pan-European, integrated market. But all growth plans need a key strategic plan! 4 possible key strategic directions are: low price, preferred supplier shops, specialized produces, and branded products.

Mr. Mulder then presented 8 golden rules in the meat industry of which the most important is the need to manage the demand and the supply side and by being focused. There are also good opportunities for niche players.

The Questions & Answers session was a guided discussion with the audience, facilitated by Jean-Luc Mériaux, Secretary General of YEMCo / UECBV. Questions asked related to the difference between quality and quantity of meat, growth in demand in India and the difficulties to develop a market in India. Other questions related to the cost of production. Mr. Mulder explained that especially the issue of feed and labor costs as well as legislation makes the difference between South America and North America with respect to costs of production. There was a question on insurance and trade financing - a key problem in the financial crisis as well as the use of agricultural land, will there be a competition between food and feed? Mr. Mulder believes that over the next decades, 1/3 is used for animal protein, 1/3 used for other foods and 1/3 for biofuels. What about global food production? The buying of land, the renting of land in Africa and Latin America of emerging markets is becoming an issue: Countries have become pro-active and are investing in order to feed their population. But, if countries have to secure their supply, why not companies? The same might apply! What is the solution in Russia and Ukraine with production? He was positive about developments in Russia and Ukraine. There was also a question about the balance of the supply chain.

TOPIC 2: Climate Change and Future Constrains in the Meat Industry

There was a presentation by the environmental expert at SCAN, Mr. Olov Osmark from the Swedish Meat Industry. SCAN undertakes wide-ranging environmental work throughout the whole group, in everything from farming via its own industrial units to distribution to customers and consumers. "To find out the total environmental impact that we and our products have, we were the first company in the industry to implement LCAs on both pork and beef. These studies form the basis of the group's overall environmental targets, together with the environmental investigations conducted at our production plants," says Scan's Environmental Manager Olov Osmark. "We use as great a proportion of recycled material as practically possible in our packaging, and our transport vehicles are powered by a blend of diesel and RME where we have our own fuel supplies. These are just a few of the measures that SCAN has undertaken to improve the environment." SCAN will continue work at group level to improve the environmental management systems and to process the results from the LCAs that have been completed." The idea is that we will be able in a simple way to describe the environmental impact of the meat from breeding to consumption, so that consumers can make sensible choices," says Olov Osmark. At the plants they are focusing on environmental issues relating to energy, water and waste. SCAN's vision states that everything that the group does must involve respect for



animals and nature. Assuming full responsibility for ethics, environment and animal welfare throughout the entire value chain is crucial for SCAN in its aim to be a profitable company with a strong brand that customers and consumers can trust.



For YEMCo participants, Olov Osmark advocates that environmental concerns should become an integrated part of the management of every meat company in Europe. Sure enough, assessing the environmental impact of meat production is difficult but one thing is clear: Even the most passionate

meat eater does not produce the emissions that some environmental lobbyists claim. Also the place from where the CO2 comes from needs to be assessed: The main impact for meat comes from farming, not from the actual meat industry production! This needs to be understood and differentiated! Moreover, if there would be a further reduction of livestock production, what would be the impact on biodiversity and open landscapes in Europe? Would European citizens agree? In Sweden to name only one country, there would be much more forest. Although meat companies cannot control what the farmers do in every case, the meat industry can reduce its own emissions. Within the meat industry, 60% of its emissions in Sweden are related to energy production. Slaughtering and animal transportation accounts for 24% in Sweden. There is also some CO2 use directly for stunning or cooling, about 10%. So the questions for meat companies to ask are: Can there be innovation? Can there be reductions? Can this be publicly announced? SCAN decided to go public and officially announced on these targets for their company: a CO2 reduction of -35% by 2010 and -50% by 2020.

What can be done by the European Meat Industry? Some steps could be contemplated: Biofuels as an energy source should be introduced in the company. For SCAN, this is an investment of 3-5 million euros, over the next years, a clear commitment to the protection of the environment. Another key element is to decrease the amount of waste, using all the parts of the animal and to work with renderers in the destruction of waste. The reduction of losses must be a key issue here. As regard animal transportation, SCAN demands environmental route management from the contractors as well as fuel efficiency. SCAN also gives economic incentives to improve the environmental impact of animal transport. The next issue relates to packaging material: Can there be thinner material, do we need material at all? What about bioplastics, even if they don't function today, how about in the future? These are all ongoing efforts and ideas and more serious reflections of this kind are needed.



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Furthermore, Mr. Osmark explained that “We demand that the farms reduce their CO2 emissions”. So, what can farmers do? Good animal health is important. Moreover, crucial is climate-smart feeding: Chose feedstuff with the lowest climate impact. Furthermore, one can use green electricity on the farm, correct manure handling and when you buy fertilizer, buy it with a climate declaration on how much this product impacts on the environment. Mr. Osmark believes that this is a way to press the producers to lower their climate impact.

Mr. Osmark also commented on recent initiatives to reduce meat consumption advocated by governments such as a “No Meat Day”. He calculates that a typical Swede produces 10,000 kg CO2 in a year (traveling, living) etc. Food consumption relates to 20% of these CO2 emissions. All the meat this Swede eats in a year would make about 7.5% of your whole contribution to the carbon food print of one Swede. If you enforce one veggie day a year you would reduce the carbon balance maybe by 1%. Consequently, the reduction is minimal and this might not be the right way to save the climate. The better way is to help the public consume meat in the recommended way: Chose your meat with environmental considerations in focus.

When looking at the international scheme, Mr. Osmark pointed out that Swedish beef produces approx. 16-20kg Co2 per kg meat, whilst European beef produces approx 20-27kg co2 per kg meat (to do with the use of fertilizers and energy use in some countries). In contrast Brazilian beef consumed in Europe accounts for approx 38-40 kg Co2 per kg meat. Here we have to specify that transport plays an irrelevant role in these calculations. The difference relates to the breeding. Beef is slaughtered with animals aged 3 years in Brazil; in Europe the animal lives a much shorter life. Also, the animal health status between Brazil and Europe needs to be considered as a contributor for higher CO2 emissions in Brazil than in Europe.

Mr. Osmark then pointed to the key points for the Swedish Climate Labeling Initiative for all products. The government wants the industry to solve the climate issue by introducing climate labeling in a voluntary manner. The project is financed by public means. Hence results are open for all. The results should lead to a substantial reduction of CO2 emissions (20-25%). The meat industry is concerned and takes part in this initiative. The labeling scheme should be easy to understand for the consumer, certifying the food chain from fields to shop. For the meat industry, the measure for the climate label of beef would require companies to fulfill some rules to use techniques to reduce the CO2 emissions by e.g. 20%. Then you can be labeled as “best in class” - better to the average Swedish beef company. This should stimulate the meat business to improve its CO2 emissions. It is clear: You can never win the fight against other products e.g. pees production, where the CO2 emissions are almost insignificant compared to meat. But the industry can demonstrate willingness and activate measures to play its role in the debate on climate change.

Mercedes Camara -YEMCo Vice President- facilitated the Questions & Answers session, a guided discussion with the audience. Asked about the “climate declaration”, the labeling scheme, Mr. Osmark stated that if you can tick the boxes (new technology, animal welfare etc), then you can have the label. A key question when calculating emissions for the beef industry: How are these emissions shared between dairy and beef production? So you assess on how to divide: milk, beef and calf. It was divided by protein, by beef, by fat etc.

Ms. Eva MOSER thanked all the participants and closed the meeting announcing that the next Conference will take place on 11th – 13th March 2010 in **Stuttgart Baden-Württemberg, Germany**.

SEE YOU NEXT YEAR IN GERMANY!!!



For photos of the event, [click here](#)

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