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YEMCo-Conference Stuttgart

12th and 13th March 2010



A photograph of the Mercedes-Benz Museum in Stuttgart, showing its modern, curved glass facade and a silver Mercedes-Benz car parked in front.



From 11th until 13th March 2010, young professionals in the meat industry across Europe took part in the annual YEMCo conference in Stuttgart in southern Germany. More than 70 participants from Germany, France, Ireland, Denmark, the United Kingdom, the Netherlands and Belgium visited professional companies and debated the future challenges for the European Meat Industry. Throughout the conference, there was interpretation from and to English, German and French

Friday, 12th March 2010: PROFESSIONAL VISITS



Early in the morning, the number of participants was split into two groups. Group 1 visited Ulmer Fleisch www.ulmerfleisch.de, a cattle & pig slaughterhouse and cutting plant. The company processes cattle 5 days ~ 2,300 (qty/week) and pigs 6 days ~ 17,000 (qty/week) and has slaughter capacities of 50 per hour for cattle and 250 per hour for pigs. It is also a beef cutting -and- packing plant, processing 8 tons per hour. During the visit, Mr. Müller, Managing Director, stressed the strategically important location within the main refinement areas Baden Württemberg and Bavaria of southern Germany, which enables short and save delivery routes. He explained that the important foundations for quality and safety are animal-friendly breeding and a consistent trace of origin. “This is

why we only draw our animals from producers who are able to handle the highest quality standards and long-term relationships bound by contract. Our business partners are farmer alliances, the private cattle trade, and cooperatives, which secure our continuous and permanent supply”, he explained.

The group was especially interested in the newly constructed SFZU GmbH (Süddeutsche Schweinefleisch Zentrum Ulm-Donautal GmbH), a new pig slaughtering plant. The Müller group is over 50 years old. They follow the slogan “tradition with innovation”. There are several production plants across southern Germany. It is a family-owned company.



Next, the group visited the “Hans Dietz GmbH”, a cutting and processing plant in Heroldstatt. It is also a production site for convenience products. In 2009, the company scored in Top Ten of the best national and international ham and sausage manufacturers. Dietz was ranked in the Top Ten for Small cooked sausages, cooked sausages and sausages made of cooked meat, including lard, boiled ham and sausage preserves. The new speciality is the “Schinkenkerle”, which are not round but square! The sausage is made of lean pork spiced with salt, pepper, ginger, cardamom, onions and a dash of garlic – all finely seasoned. All of this gives it its beautifully typical roast flavour.



Group 2 visited the VION Crailsheim GmbH, a cattle & pig slaughterhouse and cutting plant (www.vionfood.com). VION Food has slaughtering, processing and production companies for consumer products in the Netherlands, Germany, the UK, Russia, Thailand, Poland and Australia. VION Food has 27,000 employees and the organisation is divided into VION Food Netherlands, VION Food Germany, VION Food UK and VION Food International.



The VION Fresh Meat division in Germany has approximately 7,000 employees in 45 production sites and a turnover of over €6 billion. The division includes the business units VION West, VION North, VION South, Südfleisch and International. The number of national offices is 45 (at the end of 2007).

The VION South business unit is principally involved in the slaughtering and processing of cattle. Crailsheim is one of the largest abattoirs of the VION group in the South of Germany.

VION Fresh Meat strives every day to achieve "operational excellence" in its business management, so that customers get exactly what they need. VION Fresh Meat deploys all its resources and capacities as effectively as possible in order to supply the right products and services at the right time. It is not just about reducing costs, but also about innovation and the intelligent handling of people and resources.

With its pioneering spirit, innovative capacity and investments, VION Fresh Meat continues to set standards for the sectors in which it operates. VION Fresh Meat is always a frontrunner in applying the latest technology. For VION Food Group, quality also means the ongoing development of the user-friendliness, taste, colour and aroma of its products.





Next, the group visited the CDS Hackner GmbH, a processing plant, cold store, production of natural casings und offal) (www.cds-hackner.de). For generations this family-run company has been producing and refining natural casings and by-products from beef, pork, and lamb. With high-tech natural casing products like the SilberPfeil® Natural Casings, CDS has set standards in the area of ready-made natural casings.

As one of the most innovative companies in the natural casing sector, CDS is also a leader in the area of animal by-products and can respond quickly to every individual customer wish using the latest production and freezing techniques. CDS also offers comprehensive solutions as a system partner in freezing services – from the intake and processing of goods according to customer specifications, shock or plate freezing, cartoning, and packaging, right through to the controlled defrosting to the customer's desired core temperature using special measurement and management techniques. With their work they made an important contribution to improving the value chain of an animal for slaughter. Because the more complete the refinement of animal products – or utilization of all parts – the higher the added value per animal. This also provides a great advantage to farming. Moreover, through the refinement of all parts, CDS helps slaughterhouses avoid disposal costs. And avoiding waste preserves the environment.

In the evening, both groups were brought together again for a networking dinner in a fantastic setting with a panoramic view of the city of Stuttgart in the trendy CUBE Restaurant und o.T. (www.cube-restaurant.de) inside the Stuttgart Art Museum inside a huge glass cube, in strong contrast to the surrounding traditional architecture.



OPTIONAL PROGRAMME / PROGRAMME FOR ACCOMPANYING PERSONS



There was also an extensive programme for the accompanying persons, including a guided tour by coach in Stuttgart and a visit to the Mercedes-Benz Museum. For delegates staying longer after the conference, a visit to the Porsche Museum, a snack at „Hausbrauerei Schlossturm“ and attendance at the Musical “We will rock you” were organized.



Saturday, 13th March 2010: CONFERENCE

The conference was opened by YEMCo Board member Martin Müller, replacing Eva Moser (YEMCo President) who had to return home before the start of the conference. He stressed that YEMCo was 9 years old in 2010 and was in Stuttgart for the first time. The last time YEMCo had been in Germany was a visit to Munich in 2006.

Presentation on the Müller group

Martin Müller, Managing Director, Müller Fleisch GmbH and Bayreuther Fleisch GmbH then proceeded to make a detailed PowerPoint presentation about his companies. He gave an overview of the history and provided detailed facts on how the meat production is undertaken. Beef slaughtering figures at Müller Fleisch went up from 200,000 in 2002 to 300,000 in 2009. As regards pigs slaughtering, the figures more than tripled: from 300,000 in 2002 to 1,000,000 in 2009. This is also due to the new pig slaughtering plant which has been a big success and has even more capacity. Their know-how and core competencies are slaughtering, meat production, cutting and logistics. The suppliers for meat are producer organizations, private animal traders, and cooperative live animal organizations. In Germany, his group is No 3 or 4 in the slaughtering business. He also explained the market situation for meat in Germany and also elaborated the benefits of the QS system for Germany and other quality assurance schemes in Europe.



Presentation on the Vion Food Group

Next, there was a PowerPoint Presentation by Erik Schöttl, Managing Director BU South. In his view, Europe's Meat Industry has a great potential to grow globally. There is a sea of opportunities for us – but we need to address social-political issues seriously to remain in the business. Young meat managers need to understand that the meat market is no longer only national, it becomes more and more global. According to Mr. Schöttl, farmers and customers need partners with strong European and global positions to be able to take advantage of their potential and possibilities. For him, there are 4 “Mega Trends”:

1) Sustainability, climate protection and carbon footprint: Here the European Meat Industry has a social responsibility! We have to answer serious questions related to energy, CO₂ emission reduction and environmental protection. This goes much further than debating prices and slaughtering animals. This needs to be recognized!



2) Flavor, Taste and Regional provenance: How can you increase the taste and add value to the product? The consumer attaches more and more importance to the consumption of delicate meats. They want to know the origin of meat. Regional provenance will always be important; one needs to invest in regional markets and projects to improve taste.

3) Animal Welfare and Public Health: Here, there are significant issues relating to piglet castration and boar mast. Moreover, active consumer and animal protection need to be much further developed. Also, genetic engineering is a topic for the future which we cannot forget.

4) Convenience products: There needs to be constant investment in new products. More and more consumers want to spend less time in preparing dishes. Developments need to be ongoing.

Presentation on the CDS Hackner GmbH

Michael Hackner, General Manager of the CDS Hackner GmbH made a presentation on „The fifth quarter – Market situation and future developments“. His company is a system partner for the slaughterhouse. He explained the history of the company and focused on the diversification of the company. He now has three pillars:

- Natural casing,
- Animal by-products and
- Frozen food services.



Initially, the third pillar (frozen food) was only seen as an addition to the daily work with casings and animal by-products. CDS has an enormous freezing and storage capacity and in order to fill the storage rooms and use them fully, they offer frozen storage capabilities for companies when they are not in use for casings and animal by-products. As such, this business has taken off: Maritime grill steaks for summer BBQ from a large supermarket chain in Europe will be deep-frozen in their cold stores for long autumn / winter period and can then be made available very fast, when the grill season starts. This is extra income!

As regards animal by-products, there are three rules:

- 1) CDS loves by-products as much as meat producers love their fillet.
- 2) To be successful you need to know about the “Right time – right product – right place”!
- 3) Processing to the fullest satisfaction of the consumer with high automatization.

Mr. Hackner estimated that the fifth quarter represents about 20-30% of the animal. The tragic is that in our European markets, these are parts of the animal which are not recognized anymore as products for consumption. The goal of CDS is therefore to find consumers around the world for these products. This ensures the complete use of the animal.

Example: Pork fat ends / Pork rectums are famous in a restaurant in Korea and Japan. For a Chinese, cutting meat is boring, they prefer stomachs of the pig: It is delicious and costs twice the price of a fillet in China. Pork belly bones are thrown out in Germany but in other parts of the world they are used to make a fabulous soup. “Saure Kutteln” means *sour tripes*. The dish consists of washed and blanched rumen. Today, it is a German delicacy in the South (beef trips). They are eaten a lot, but nowhere else in Europe. The bull’s testicles are a favorite dish in Korea, they also have a double function as an aphrodisiac.

Professionally treating animal-by-products helps:

- the farmers and agriculture,
- to feed the population around the world and
- to reduce the impact on the environment as animal-by-products are all used and do not need to be rendered.

Mr. Nils Rettenmaier, Graduate Geo-Ecologist of the IFEU –Institute for Energy and Environmental Research, Heidelberg GmbH– made a speech called „Regional - First Choice? – Stocktaking of the impact of greenhouse gas emissions on selected foodstuffs“. The IFEU has established itself as an independent centre of excellence for environmental research. In the agricultural framework, the IFEU carries out Life Cycle Assessments (LCAs) and basic research on LCAs under different topics and some fundamental research projects including activities to promote and/ or standardise them.

He began to illustrate the ecological advantages and disadvantages for using regional products (as opposed to European and international products). He explained the methods of the Institute in calculating emissions for meat. The principle is as follows:

- 1) The ecological results consider the entire lifecycle chain from farm to fork.
- 2) At each step the inputs and outputs will be written up.
- 3) “Conversion” of the different inputs (e.g. different gases, methane etc.) to CO2 equivalents to compare and assess the impact.



In their study, they compared different products, e.g. apples, salad, milk, bread and of course meat. For beef, they used locally produced meat, meat in different packaging e.g. plastics etc. and imported meat from Argentina. The two main elements which drive up the gases are the breeding of the livestock animals and the methane emissions of the animals, whereby the Argentinean cow has a higher rate in these categories (as they are indoors for three months).

However, if you add the conversion of natural land into land-use for livestock, you have to add much more CO2 equivalents because of the loss of forest which could have converted CO2. The figures are then extremely high for beef. He illustrated that for other meats -pig and poultry meat in particular- the figures are much, much lower. First conclusions: meat creates a lot of CO2, beef meat is worse than pig and poultry meat.

It is important to stress that the main factors for the creation of CO2 emissions for meat appear to be:

1. land-use,
2. breeding and
3. emissions from livestock.

It is to be noted that the transport (even from Argentina) does not seem to play a big role for the CO2 emissions for meat products.

With other products, the main factors for the creation of CO2 emissions are different. For apples, the transport is the most important creator of CO2 emission. For salad, it depends on storage and the season of the consumption. For bread, the baking process is the main driving force behind the CO2 emissions, yet the use of “Bio-bread” reduces further emissions.

In conclusion, one can say that next to the place where the goods are created, several other factors decide on the impact of the climate:

- production stages,
- packaging,
- season,
- distribution and
- behavior of the consumer.

Although regionally-produced products seem to offer some ecological advantages, it appears that the consumer has the biggest impact on the results of sustainable food. It is his choice of the food and the choice of the transport routes which he follows which can “make or break” the environmental attractiveness of the food we buy.

For the environment, the best option is: A meat reduced diet, bio-food, combination of regional and seasonal, less packaging and less transport, generally; no derouting and best is to decide the best method according to the product.

Asked what meat producers and the trade can do if they want to contribute to fighting emissions, Mr. Rettenmaier explained that they need to ensure optimization of the entire food chain. There can be standards which can also be used, like the EMCA certification. Campaigns and information can be used. There is a role for politics to educate the consumer to make informed decisions on the different issues. The Meat Industry needs to be pro-active in this debate. The study can be found at www.ifeu.de/lebensmittel

CONCLUSIONS

Following the discussions, Mr. Martin Müller draw conclusions stating that sustainability, economical and environmental, go hand in hand and we, as European Meat Industry, need to understand this. Then, we need to be pro-active and foster debates – on environmental sustainability, on animal welfare etc. The Meat Industry has a role to play and we need to go new ways. Only then can we remain in business and expand globally. He thanked participants for coming and reminded participants that the eighteenth IMS World Meat Congress will take place in Buenos Aires, Argentina from 27-30 September 2010 www.worldmeatcongress2010.com. Hopefully young professionals in the meat industry can attend it.

