Focus Group 'Alternative solutions for livestock product differentiation'

Lisbon, Portugal
20-21 November 2024

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Focus Group 'Alternatice solutions for livestock products differentiation' 1st meeting | Lisbon, Portugal | 20 November 2024

Livestock product differentiation. Why we care

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European CAP Network Focus Group 'Alternative solutions for livestock product differentiation', Lisbon 20-21 November 2024

Livestock farming systems: a complex issue

> **Preconceived ideas in favour or against animal production**

➢ Contradictory (and lack of) data

➢ Difficulties in quantifying natural processes linked to agricultural production and land use

➢ Different livestock systems -> no one size fits all

➢ Several challenges:

✓ **Environment** (climate, air, soil & water, biodiversity…)

✓ **Social** (human health, animal welfare…)

✓ **Economic** (just transition, fairer income…)

➢ Communication, dissemination

➢ Consumers engagement / education

Scientists agree livestock emissions are overstated

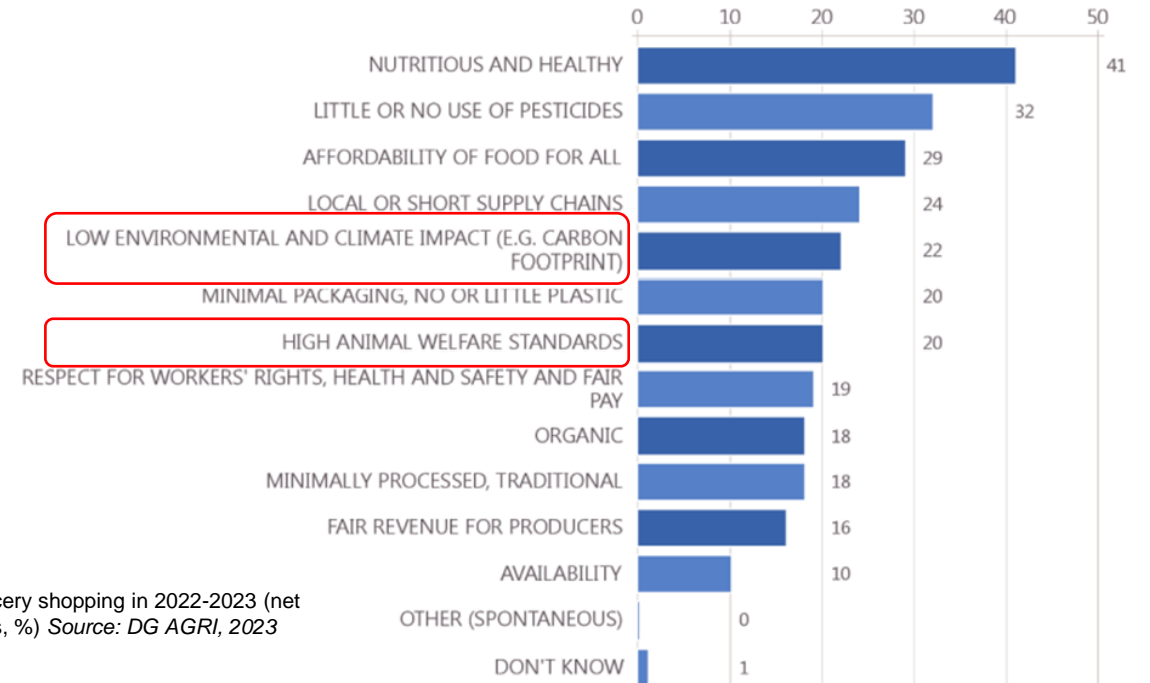https://www.farmersjournal.ie/scientists-agree-livestock-emissions-are-overstated-588926

Consumers' demand

QB1T When you buy food, which of the following are the most important to you? Firstly? And then? (MAX. 3 ANSWERS) (% - EU)

Characteristic	%
TASTE	45
FOOD SAFETY (E.G. IF THERE IS A RISK IN EATING THIS FOOD)	42
COST	40
WHERE THE FOOD COMES FROM (E.G. GEOGRAPHICAL ORIGIN)	34
NUTRIENT CONTENT (E.G. THE AMOUNT OF VITAMINS, FIBRE, PROTEINS, SUGAR OR FATS)	33
AMOUNT OF SHELF-LIFE AVAILABLE	20
MINIMALLY PROCESSED	16
YOUR ETHICS AND BELIEFS (WHETHER THE ITEM COMPLIES WITH YOUR ETHICS AND BELIEFS, E.G. IN TERMS OF RELIGION, ANIMAL WELFARE OR FAIR PAYMENT OF PRODUCERS)	16
ITS IMPACT ON THE ENVIRONMENT AND CLIMATE (E.G. CARBON FOOTPRINT)	15
CONVENIENCE (E.G. THE EASINESS TO USE, PREPARE)	9
OTHER (SPONTANEOUS)	0
DON'T KNOW	0

Source: Special Eurobarometer 505, Dec. 2020

B2T Which of the following do you consider to be the most important characteristic of "sustainable" food? Firstly? And then? (M ANSWERS) (% - EU)

Characteristic	%
NUTRITIOUS AND HEALTHY	41
LITTLE OR NO USE OF PESTICIDES	32
AFFORDABILITY OF FOOD FOR ALL	29
LOCAL OR SHORT SUPPLY CHAINS	24
LOW ENVIRONMENTAL AND CLIMATE IMPACT (E.G. CARBON FOOTPRINT)	22
MINIMAL PACKAGING, NO OR LITTLE PLASTIC	20
HIGH ANIMAL WELFARE STANDARDS	20
RESPECT FOR WORKERS' RIGHTS, HEALTH AND SAFETY AND FAIR PAY	19
ORGANIC	18
MINIMALLY PROCESSED, TRADITIONAL	18
FAIR REVENUE FOR PRODUCERS	16
AVAILABILITY	10
OTHER (SPONTANEOUS)	0
DON'T KNOW	1

Base: all respondents (n.= 27,237)

Attitudes towards grocery shopping in 2022-2023 (net intent of consumers, %) *Source: DG AGRI, 2023*

	Price — Look for more ways to save		Quality — Buy high quality/premium food products		Health — Focus more on healthy eating and nutrition	
	Low income	High income	Low income	High income	Low income	High income
2022	52	32	-7	20	29	39
2023	55	50	-16	4	24	37

Animal products versus plant-based alternatives
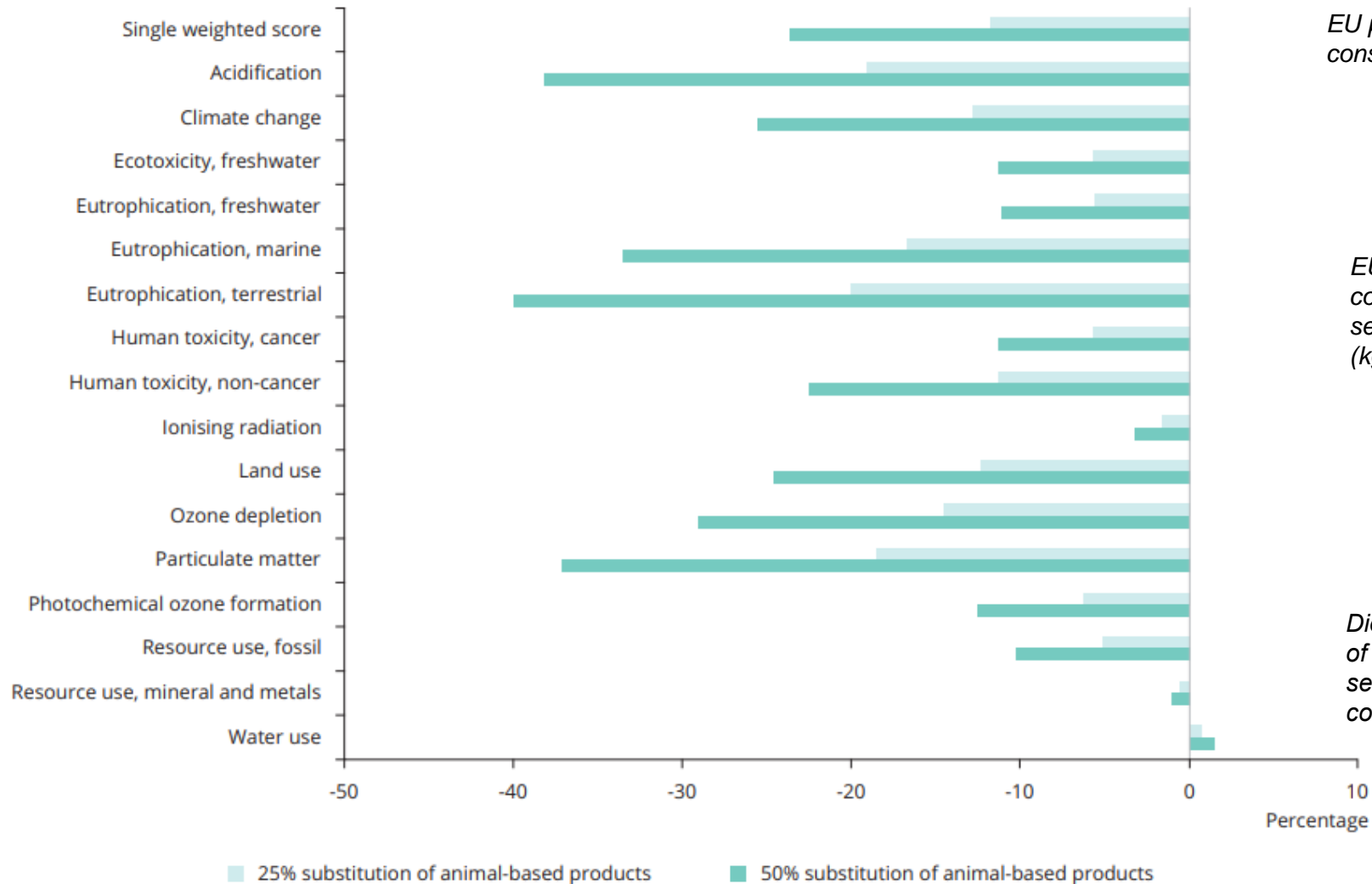
Source: Sanye Mengual and Sala (2023)

25% substitution of animal-based products
50% substitution of animal-based products
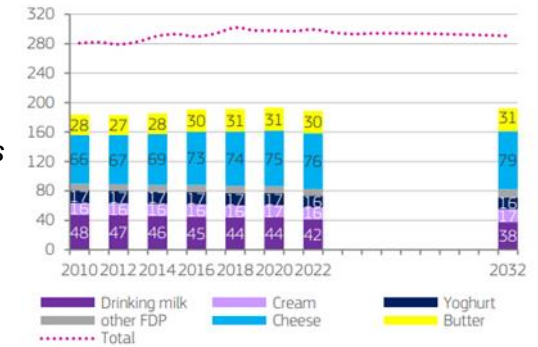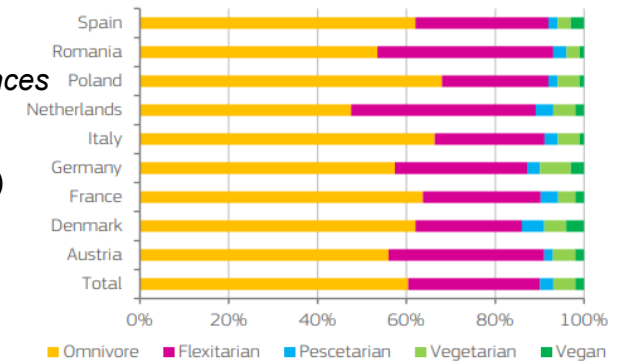
EU per capita meat consumption (kg)
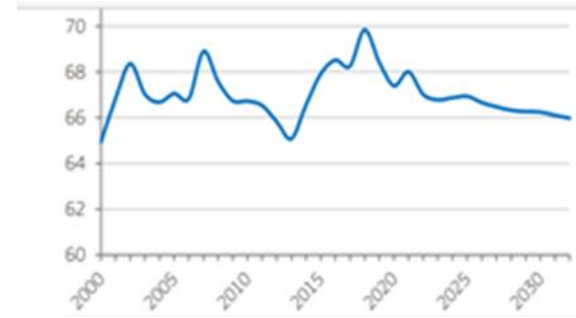
EU per capita consumption total and selected dairy products (kg of milk equivalent)

Source: EU Agricultural Outlook (**2022**)

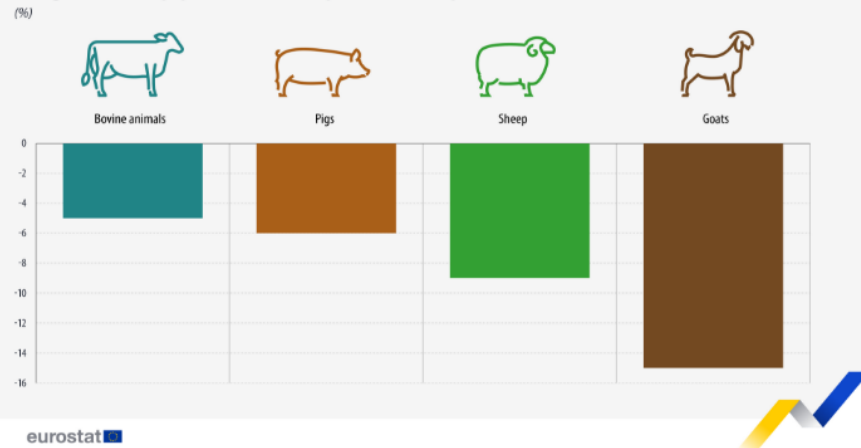*Dietary preferences of consumers in selected EU countries (2021)*

Source: DG AGRI (2023) based on
https://smartproteinproject.eu/plant-based-food-sector-report/

Trends: some facts and figures

Change in livestock populations, selected period 2023 compared with 2013
(%)

Source datasets: apro_mt_lscatl, apro_mt_lspig, apro_mt_lssheep and apro_mt_lsgoat

Changes in pig and bovine populations, December 2023 compared with December 2022
(%)

■ Pigs ■ Bovine
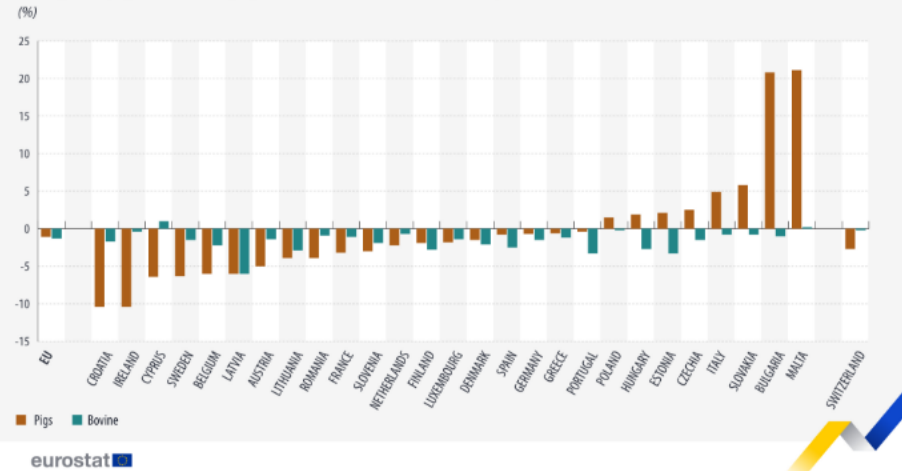
Source datasets: apro_mt_lspig and apro_mt_lscat

2023/2022:
- -1% pig population
- -1% bovine population
- -3% sheep
- -5% goats

2023 animal populations:
- ➢ 133 million pigs
- ➢ 74 million bovines
- ➢ 58 million sheep
- ➢ 11 million goats

Source: Animal population (NUTS2) Eurostat

Milk and Dairy products
EU dairy herd and milk yield

■ Milk yield   ── Number of dairy cows

Source: DG Agriculture and Rural Development, based on Eurostat.

KEY MESSAGES

+0.5%
Cow milk production in 2024

+2%
Cheese exports in 2024

−15%
WMP exports in 2024

−1.6%
Butter exports in 2024

Beef trade
EU beef trade from Jan-June (1000 t carcass weight)

Export: Be   Export: Live animals   Imports: Beef
■2023 ■2024   ■2023 ■2024   ■2023 ■2024

Source: DG Agriculture and Rural Development, based on Eurostat.
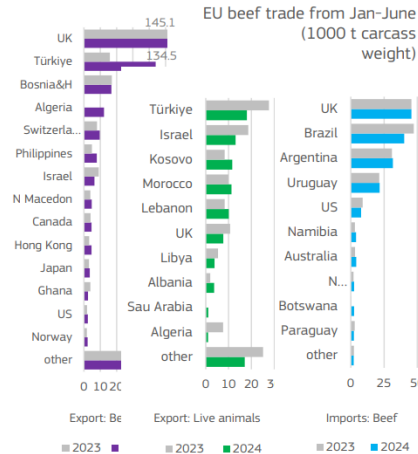
KEY MESSAGES

−1.7%
EU per capita beef consumption in 2024

−0.5%
EU pigmeat production in 2024

+4.0%
Increase of poultry production in 2024

−4.9%
Continuing decline in sheep slaughtering in 2024

|	European Union
Farms (Number)	**9 067 300** (2020)
Small farms (under €8 000 on average per year) (percentage of all farms)	65.6% (2020)
Family farms (percentage of all farms)	87.8% (2020)
Female farm managers (percentage of all farm managers)	31.6% (2020)
Young farm managers (less than 35 years) (percentage of all farm managers)	6.5% (2020)

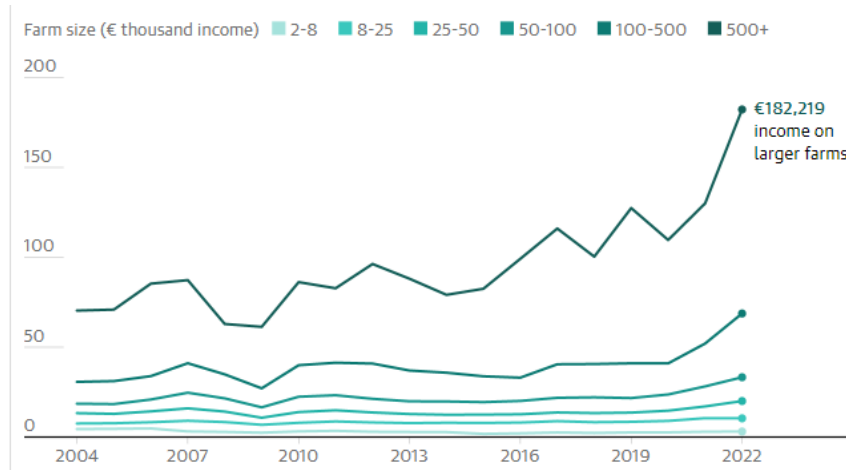Average livestock farm: 1-2 workers + family owner

Source: Eurostat (online)

Trends: some facts and figures
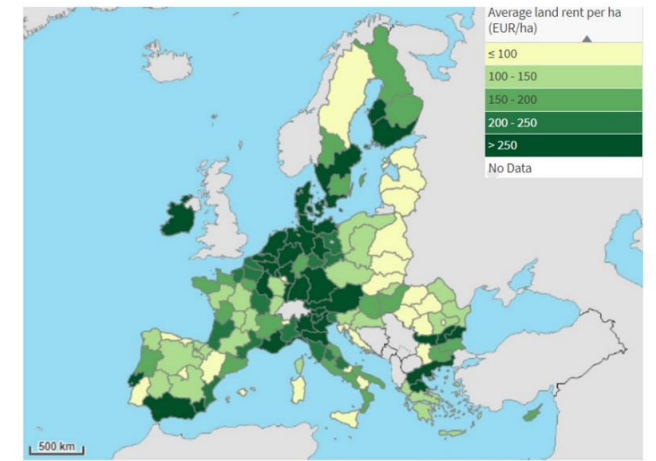
Agricultural emissions and projected emissions by EU MS
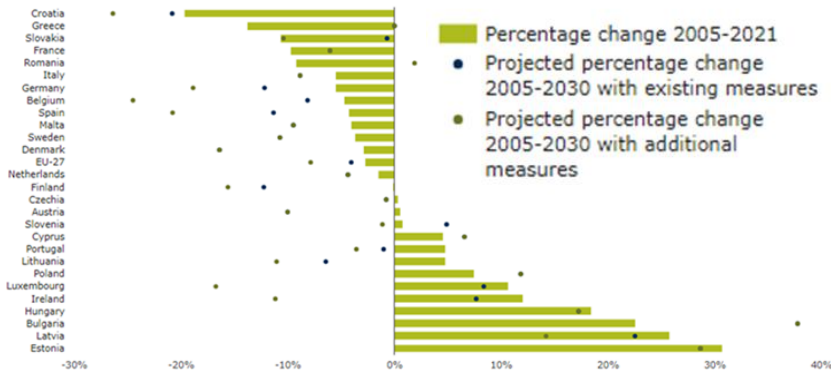
Source: EEA, Oct 2023

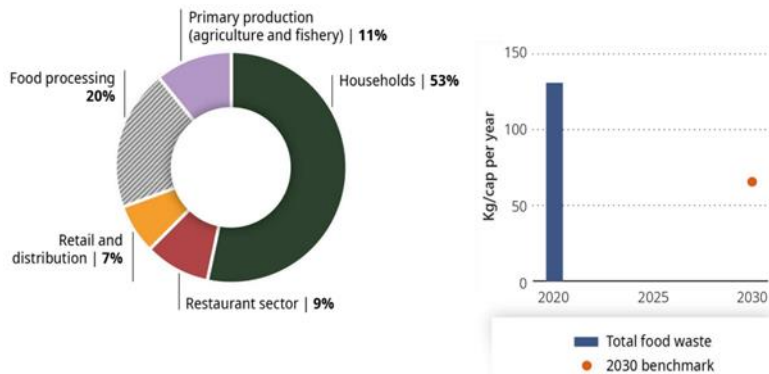### Income per full-time workers by farm size, euros thousand

Source: EU FADN (Farm Accountancy Data Network)

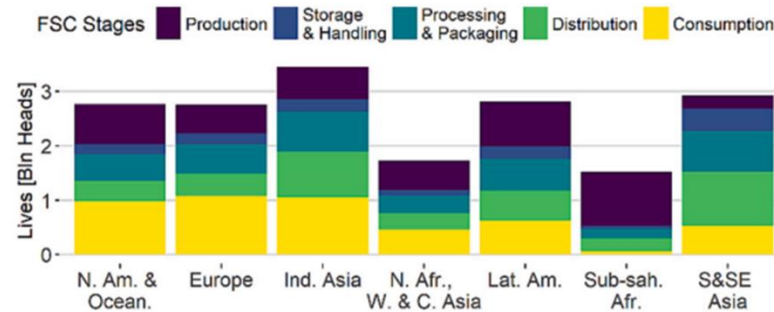### Average land rent price

Source: EU FADN, 2021

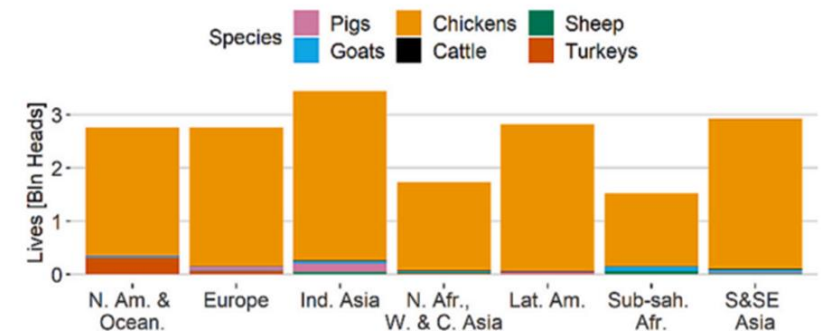### Food waste in EU in 2020, per source and compared to the 2030 benchmark

Source: European Scientific Advisory Board on CC, 2024
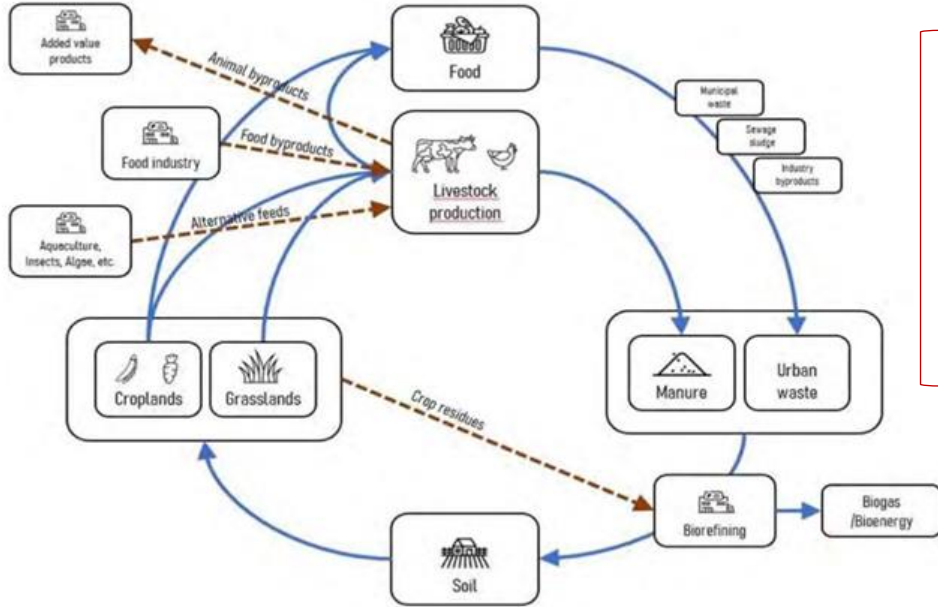
Animal life loss throughout the FSC

Animal life loss per species and region group

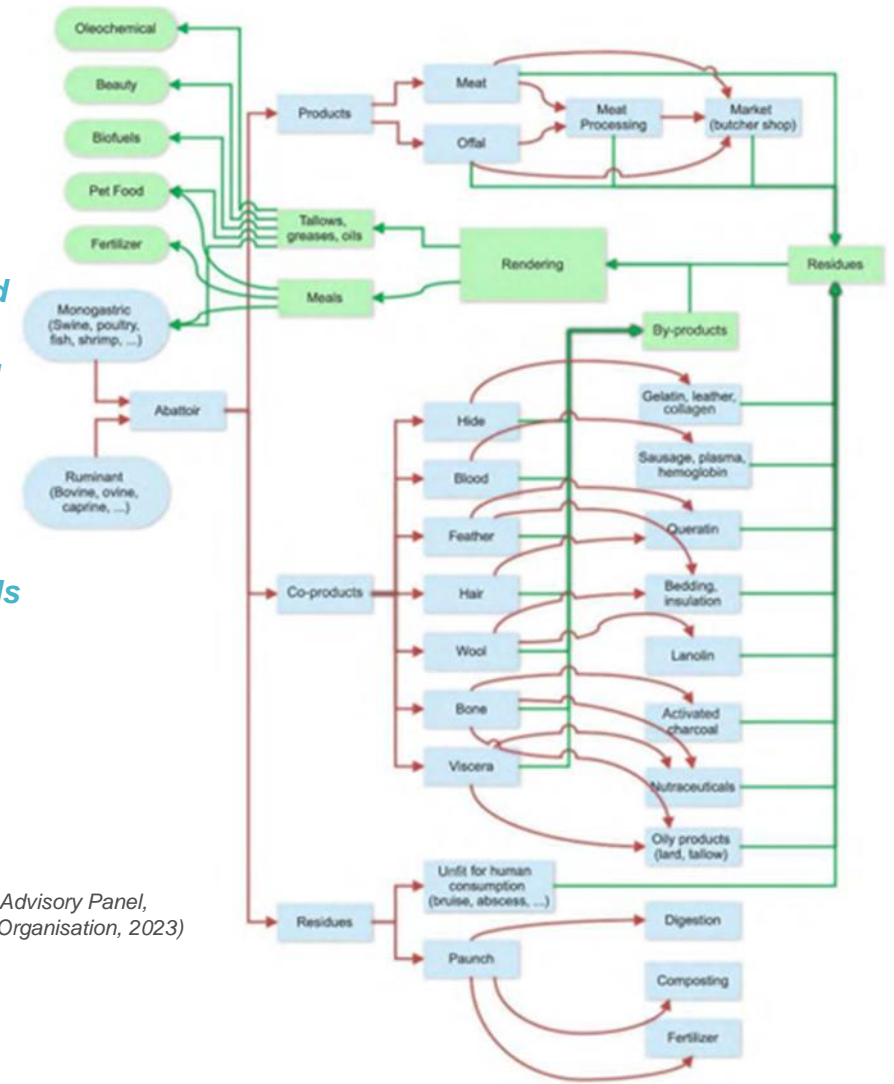*Source: Klaura et al., 2023*

Products and services

- **Reducing inputs and use of limited natural resources**
- **Increasing share of renewable and recycled inputs**
- **Increasing value or durability of products**
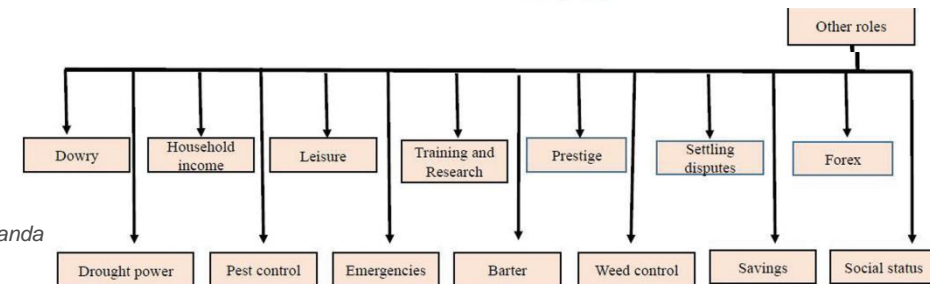- **Reducing emissions**
- **Reducing loss of valuable materials**

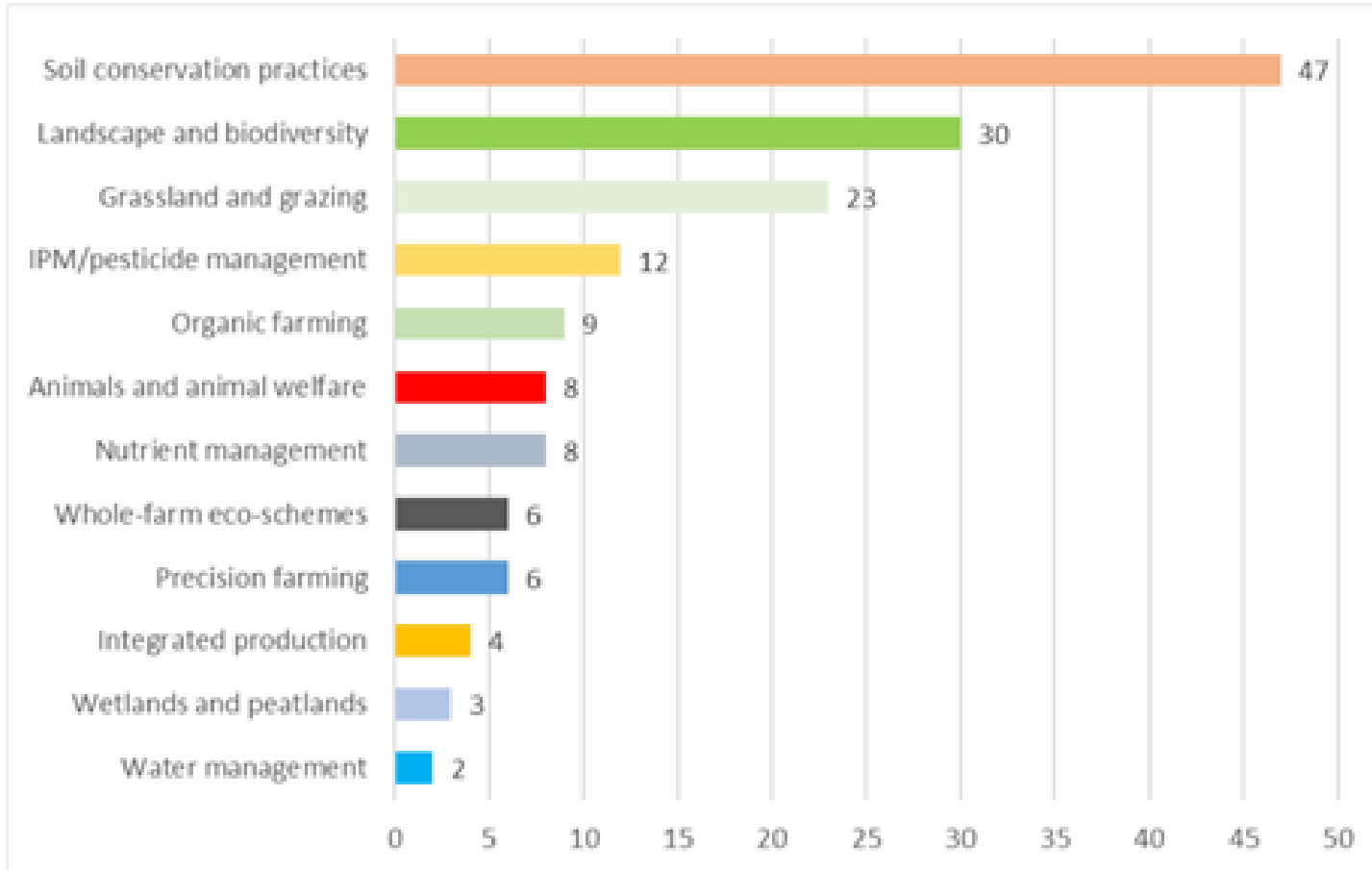*Source: FAO, 2024 (adapted from Pardo, 2016 and van Zanten et al., 2019)*

Source: Scientific Advisory Panel, World Renderers Organisation, 2023)

Source: FAO, 2024

Source: Adapted from Banda and Tanganyika , 2021

CAP Strategic Plans (2023-2027)

Number of eco-schemes by thematic objective in the 28 CSP
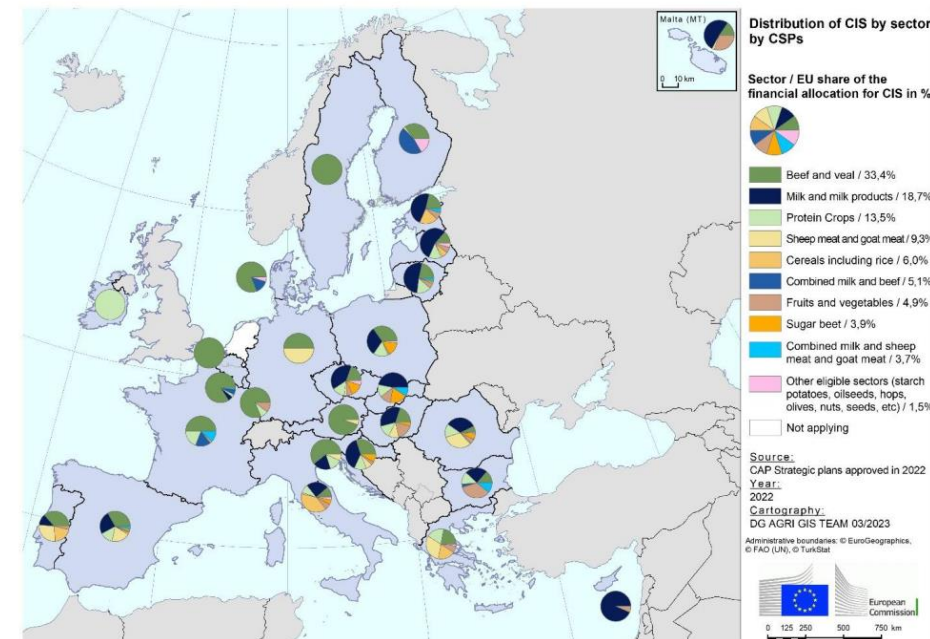
As direct payments constitute the largest share of CAP' spending and cover a larger proportion of the EU's utilised agricultural area, the planned spending on eco-schemes offers a wide reach to foster the transition of farmers towards more sustainable farm practices and systems. At EU level, eco-schemes will cover around 110 million hectares in 2023 if farmers subscribe to the schemes as expected, which represents nearly 68% of total UAA.

Sectors supported by MS via CIS
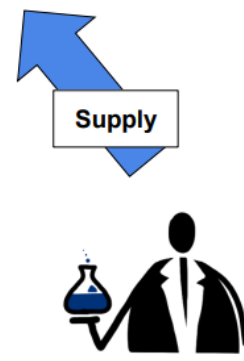
Forward looking

- **Political Guidelines** of new Von der Leyen Commission:
  - ✓ fair and sufficient incomes for our farmers

  - ✓ an agriculture that works for and with nature

  - ✓ continue to cut red tape, especially for small and family farms

- **Commissioner Designate Agriculture and Food** Mr Christophe Hansen: Vision for agriculture and food in first months of new Commission

- **Strategic Dialogue on the Future of EU Agriculture** by stakeholder organisations across the entire food system (input industry, farmers, food industry, distribution, trade, consumers, NGOs, academia).

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- **Independent expert report** with strategic recommendations on

Exploring ideas and opportunities

Exiting resources

Small scale + sound upscaling

Do investigation

Identify special characteristics

Build capacities

Business model

Long-term sustainability

Ensure long-term demand

Range of products/services & markets

- Safety, security

- Regulatory frameworks

- Standard and certification processes to reduce barriers to market entry

MARKETS
(product, price, place, promotion)

New markets | Existing markets

Market development
Diversification
Market penetration
Product development

Exiting products

New products

Demand

Supply

MARKET
- Domestic / International markets
- Consumer segments (health, welfare, ethnic markets…)
- Distribution channels (online, subscription for delivery services, direct…)

COLLABORATIVE MODELS
Cooperatives, PPP…

VALUE-ADDED PRODUCTS
- Food and quality attributes
- By-products, Co-products
- Niche products; nutraceutical, pharmaceutical
- Processing: specialties, Innovative packaging to enhance shelf-life or convenience…

PRODUCTION METHODS
- Integrated farming systems: agroforestry, mixed-cropping, aquaponics….
- Organic farming
- Free-range and pasture-raised
- Grass-fed vs. Grain-=Fed
- Regenerative agriculture
- Zero-waste farming

POLICIES and INCENTIVES
Governments support, subsidy programmes, institutional frameworks, certifications…

AGRITOURISM & EDUCATIONAL PROGRAMMES
- Existing regional initiatives
- Actual needs where diversification practices are supported/deployed
- Existing approaches or initiatives

Challenges and process

- **Economic pressure** *(market volatility, high input costs, debt)*
- **Access to market** *(infrastructures, dependence on intermediaries, regulatory barriers/standards)*
- **Technological barriers** *(lack of access to technologies and practices, knowledge gaps, digital divide)*
- **Labor shortage** *(generation renewal, ageing workforce, urban migration, seasonal labour)*
- **Environmental degradation** *(soil, biodiversity, water)*
- **Pests and diseases management** *(emerging diseases, biosecurity)*
- **Financial constraints** *(access to credit, insurance)*
- **Policy and regulatory challenges** *(access to subsidies and support, insecure land ownership, trade policies/tariffs, quota and restrictions)*
- **Consumer preferences and market trends** *(sustainability requirements, traceability and transparency, plant-based diets)*
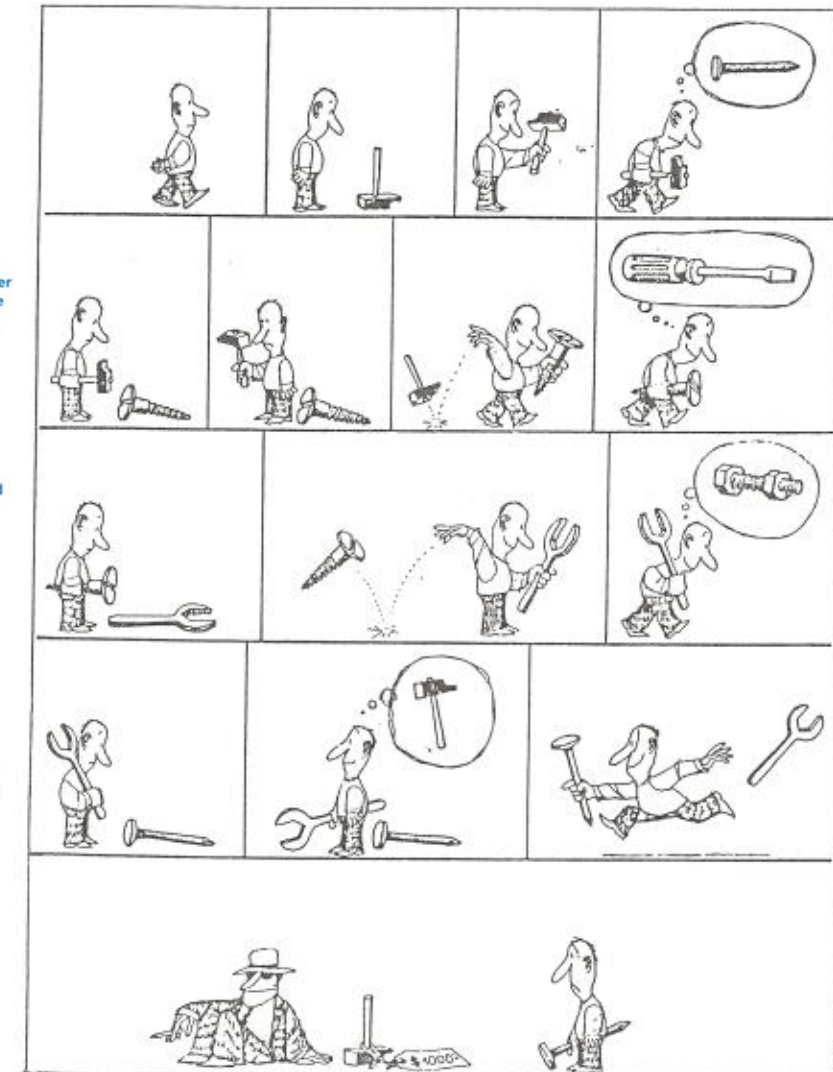
Source: Carlier, 1987

Thank you!
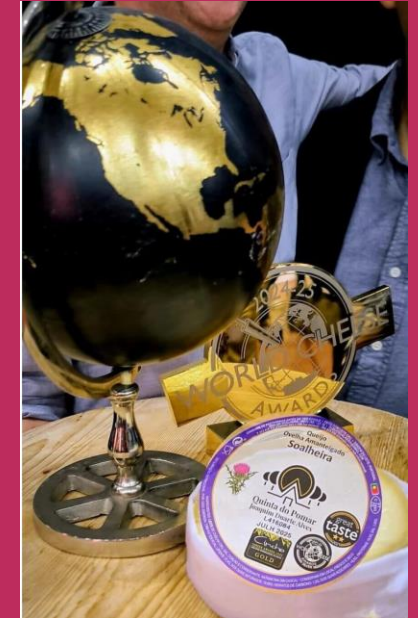
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All information on the Focus Group is available on the webpage:
https://eu-cap-network.ec.europa.eu/focus-group-alternative-solutions-livestock-product-differentiation