



Focus Group 'Alternative solutions for livestock product differentiation'

Vienna, Austria
09-10 April 2025

Mini Paper 1: Quality and innovation in livestock to address evolving market demands

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To understand the future you have to understand the past

- › **Economisation of animal husbandry (meat, milk, eggs)** → lowering of prices (much more than in plant-based food) → distinct increase in consumption →
 - › problems with profitability for primary producers
 - › “too much” → problems with public health (non-communicable diseases)
 - › problems with climate, biodiversity, environment
- › **→ need for change:** “Quality over quantity”
- › **“quality”:** not better, but different



Diversified societies demand diversified supply

- › **thinking in target groups** → costum-tailoring what they prefer/need
- › **changing ways of living** → adapting products, distribution, uses → food solutions
 - › poultry replacing pigmeat, beef → HORECA
 - › convenience food (ready to heat – ready to eat)
 - › nutritional awareness (vegetarians, vegans, flexitarians)
- › **out of home consumption** → one of the biggest drivers
- › **market operators react** → brands, logos, terms, definitions



“Eat less, pay more” – a win-win-win formula

› per capita consumption

- › meat: declining, but shifts (Austria: - 10 % in past 10 years)
- › milk: stable, but shifts among product groups
- › eggs: stable, but shifts from shell eggs to convenience (liquid, dried)

› **diversification** → smaller lots, smaller farms, higher costs → higher prices

› win-win-win

- › farm income = price x quantity – costs
- › consumers: more plant-based protein, less saturated fatty acids
- › less pressure on nature through less pressure on the food chain



Quality from farm to fork

› differentiation starting at primary production level → examples

- › production method as a whole → organic → example “organic public procurement in Copenhagen” and “Organic free range laying hens with mobile barns”
- › breed → example Slovenian Krškopolje pig or Portugues Porco Alentejano PDO
- › commodity with special ingredients → example Polish Juchowo A2 milk
- › animal welfare → example German Elbweiderind
- › animal husbandry with focus on feeding ration → example Haymilk TSG
- › specific husbandry + distribution channel → example Austrian Veal rosé for gastronomy

› combinations of these criteria



Innovation – “Don’t talk. Act!”

- › **Markets are complex, the food chain too.** Some considerations:
 - › understanding/addressing target groups
 - › integrating/cooperation with all operators (farmers, manufacturers, retail) → joining forces
 - › developing a strategy + a programme
 - › testing in the field and avoiding investments at the beginning (fixed costs)
 - › roll-out and scaling-up (with room for improvements)
- › **Differentiation by tongue, nose or eyes:** A quality product should look, taste or scent different.



Still a lot to do...

- › **the role of politics** → several CAP instruments given
 - › Rural Development (cooperation, knowledge transfer, investments, LEADER etc.)
 - › → matter of political will and agricultural strategy
- › **small structures and short food supply chains** → viability by differentiation
- › **too much differentiation** → confusion →
 - › legislation for definitions, labelling, certification → Mini Paper 2
 - › optimised combination of differentiation criteria (e.g. haymilk + organic)
- › **KISS → Keep it simple and short** → communication, implementation, control



EU CAP Network Focus Group 'Alternative solutions for livestock product differentiation'

2nd meeting | 9-10 April 2025 | Vienna, Austria

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>

