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“Crisis” – New Report Shows Brexit Impact on Europe’s Meat Industry

Value of EU production will decrease by €2.4Bn (Beef) & €2.3Bn (Pork) annually - Trade will decrease by up to 84% - At least 32,000 job losses

Brussels, 27th November 2017 – A Hard Brexit will have a ‘catastrophic impact’ on the European Meat Industry, according to a stark [new report](#) published today by Europe’s Meat Industry body, UECBV, as the UK and EU continue negotiations.

‘Crisis - The EU Meat Industry in a Hard Brexit Scenario’ report, commissioned by UECBV and carried out by Red Flag Consulting, analyses the potential impact of a Hard Brexit on the European meat industry. It found that a ‘no-deal’ outcome would lead to:

- Trade collapsing - an 84% drop in beef exports from the EU27 to the UK
- Market price shock – The value of EU pigmeat production would drop by €2.3 Billion, and beef by €2.4 billion
- Job losses – at least 32,000 job losses across the EU at farm level, through processing and distribution

In this scenario, meat products would face greater burdens than almost any other sector:

- Higher WTO tariffs than any other sector
- Additional costs of veterinary checks, in addition to the customs checks faced by all goods
- Major disruption to supply chains and chaos for just-in-time fresh meat delivery systems

The comprehensive report models the impact of a Hard Brexit on trade between the UK and EU for meat products. It presents a scenario in which increased costs imposed by tariff barriers, additional veterinary checks and increased transport costs lead to a reduction of trade in meat from EU to UK by up to 84% for beef, 76% for sheepmeat and 48% for pigmeat. The effect of this excess meat on the EU market would decrease beef price by 8.8% and pigmeat price by 7.3% in the short term. This price shock would translate to a decrease in the value of EU meat production by €2.4 billion for beef and €2.3 billion for pigmeat. This loss would send shockwaves throughout the industry, and a conservative pro rata estimate for the effect on employment yields 32,000 job losses in the EU.

The report finds that a Hard Brexit will have a profoundly negative impact on the EU meat market given the major trade flows between EU27 and UK. As the UK has a principally deficit meat market, the negative impacts will be felt throughout EU. As meat-processing involves the disassembly of carcass to a myriad of consumer cuts and products, it thus has to find markets for all parts of the carcass and therefore the impact will be transmitted throughout the single market to affect all countries, even those with limited direct trade with UK.

The magnitude of shock of a Hard Brexit would be significantly greater than the industry crisis created by the Russian food import ban 2014, and it would be much more difficult to find alternative markets for diverted products, the Report highlights.

In addition, there will be major disruption to modern fresh meat and just-in-time trade flows which are underpinned by sophisticated logistics systems, creating further losses for the meat sector, and depriving consumers in the UK of fresh meat supply

The Report also concludes that solutions will be needed to minimise disruption and disaster for the European meat industry. The Report recommends:

- A timely and sufficiently long transitional period to allow businesses to adjust to new arrangements
- A future trading relationship that creates minimal burden for business, especially SMEs, and maintains current trading conditions as much as possible

- Ensure continued regulatory convergence between UK and EU
- Implement market support mechanisms including increased market access, internationally simplified transit systems, and vital investment in port facilities

Commenting on the Report launch, Philippe Borremans, Chairman of UECBV said:

“A Hard Brexit represents the greatest threat to European producers, consumers and processors of meat, with a potential impact much greater than the Russian import ban. By potentially cutting off one of the largest and highest value meat markets in Europe, Brexit threatens to be catastrophic for industry across Europe and UK. In this worst case scenario, in which no deal between EU and UK is agreed, the impact to the meat sector will be devastating, due to the particular exposure of this sector to tariff burden, additional veterinary costs and increased customs and transport checks and associated logistics disruption.”

“The findings contained in this Report confirm our worst fears: A Hard Brexit would send shock waves through the whole European meat industry, destroying jobs, increasing consumer prices, and devastating the livelihoods of small business owners working in our sector. The scale of this crisis is simply too great to ignore, and we implore policymakers to follow through on recommendations put forward in this Report and to protect this vital European food sector” he added.

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Note to the editor:

The report can be found [here](#).

About UECBV:

The European Livestock and Meat Trades Union (UECBV) is the EU representative body for national federations representing the meat industry, meat traders and livestock traders and markets. UECBV represents national livestock and meat federations in each Member State of the EU, EEA and candidate countries for EU accession. In turn total membership comprising 20,000 companies employing 230,000 people across the EU community. The vast majority of these enterprises are small to medium enterprises (SME's).

About RED FLAG:

Red Flag is a specialist strategic communications and campaigns consultancy with offices in Brussels, Dublin, Paris, Washington DC & Los Angeles. Red Flag's expert analysis informs significant decisions for major multinationals and sectoral organisations.