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Meat Production and Distribution: Criteria for the Future

Consumer demands have radically changed in recent years. More and more people want to buy meat which is not only tender, delicious, hygienic, and - most importantly! - free of antibiotics and hormones, but which was also produced in compliance with animal welfare needs with no adverse effects on the environment. The production of tender pork and beef requires clearly-defined breeding programmes driven by marketing strategies that will enable farmers to deliver the products the market demands at a profit. At the same time, a permanent and reliable supply and delivery system is needed between the various stages of production involved in breeding and fattening, and between farmers, their suppliers, and the slaughter houses, thus creating a vertical communication network. For this is the only way to improve health and hygiene, reduce infectious disease and increase profitability at all stages of the production and distribution system.

This interdependence has been amply documented in scientific studies and demonstrated in practice in other countries. It has been widely publicised in Germany for years, so that most farmers are aware of this. Nevertheless many German farmers, unlike their counterparts in other European countries, have been unwilling to commit themselves to such a vertical network. Traditional attitudes and working methods, and a not inconsiderable excess slaughter capacity, have made it easy for farmers to “gamble“ week by week in hopes of finding what appears to be the best daily price for their slaughter animals, and switching buyers frequently. Premium-Fleisch AG, a consortium of over 4000 participating farmers, has demonstrated without a doubt that what matters most is not the highest daily price, but the marginal return per pig. And this is a factor that varies by as much as 40 DM per pig between enterprises with healthy animals and those with problematic ones. This is what has convinced all participating farmers in our Premium-Fleisch AG consortium that there is a close relationship between animal welfare, animal health, slaughterhouse meat inspection findings, expert advice and optimal breeding and sales results, and that all these factors play a role in securing long-term success at all levels of the system.

At present more than half of our total of 1.5 million slaughter pigs are produced in accordance with the guidelines of only two breeding programmes (BHZP and PIG), which fulfil the criteria of the CMA seal guaranteeing „German Meat of Proven Quality from Controlled Production“. All participating producers are also shareholders in Premium-Fleisch AG. Despite the additional costs of the programme, their marginal return is better by 5 DM per animal than for comparable, non-participating farms. Weaner producers have also profited from higher prices. And Premium-Fleisch AG has benefited, as well, and has been in the black for the last four years.

This experience has clearly shown that agricultural animal production infrastructures cannot be separated from the slaughter and processing industries. Only where centres of meat production and distribution join with farmers to develop regional cooperative systems can consumer demand for meat of guaranteed quality, safety and source be met reliably and on a long-term basis, thus establishing and maintaining competitiveness at the regional level. For in the European market of the future, only the best producer/distributor systems will be able to compete for the business of large food distribution enterprises. To meet this challenge we need a legal structure that can account for ca. 1 to 1.5 million slaughter pigs and ca. 50,000 head of cattle, and which allows direct participation by farmers, who must also be able to identify with the system. Clearly, size is essential to survival in the meat market, but this must be the result

of the sum total of highly-productive, compatible regional organisations cooperating under the auspices of a consortium. Such an umbrella organisation, however, cannot be forced on farmers. It is therefore extremely important that all members of such a consortium support and identify with its goals, for this the key to consumer trust in the value of their products. This is the only way to safeguard the future of farming enterprises and to maintain the competitiveness of centres of meat production in the long run.