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From farmer to consumer: what challenges is the meat industry in France facing?

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The livestock sector in France is facing contradictory demands: producing inexpensive quality proteins, contributing to gastronomy, managing the landscape and improving animal welfare, while reducing its impact on water and climate, creating jobs in rural areas and contributing to France's trade balance. Identifying options for resolving these tensions requires a shared understanding of the past and future dynamics of the sector. Informed by numerous exchanges with French professionals between 2022 and 2024, the Study summarized in this blog post offers both a retrospective and a business-as-usual scenario by 2035 for three meat sectors in France: poultry, pork and beef.

An innovative methodology to understand how the three industries operate

The analysis is based on four key methodological choices. The first involves considering a range of issues that go beyond price competitiveness and greenhouse gas emission intensities (in CO2eql/produced kg): employment, structure of the sector, regional dynamics and biodiversity. The second was to consider the poultry, pork and ruminant sectors as part of a meat industry whose overall dynamics result from the interaction between these three sectors. Thirdly, the analysis of supply and demand in the three supply chains was carried out at different intertwined geographical levels: France, the European Union and the rest of the world. Finally, this analysis combines a qualitative historical approach with an original modelling system. The retrospective approach provides an understanding of the determinants at work in the transformation of the supply chains, while the modelling approach quantifies the socio-economic and environmental impacts at the level of farms, industrial operators and the metropolitan area.

The analysis developed therefore considers simultaneously (i) the relationships within and between these three value chains; (ii) the domestic, European and global levels; and (iii) the opportunities and constraints resulting from the historical transformations of the three sectors.

Understanding the current situation in the French meat industry: a retrospective from the 1960s to the present day

From the post-war period to the present day, the meat market has undergone a dual process of *commodification*[1] and *liberalization*: meat has become an increasingly standardized product, traded on increasingly open markets, making price competitiveness a major determinant of supply-demand balances.

The three sectors studied experienced uninterrupted growth until the 1990s, supplying an increasing domestic and global demand. This dynamic was based first and foremost on the support from the Common Agricultural Policy and the market protection it provided, as well as on strong French political choices: maintaining a family-based, diversified agriculture; a low level of downstream integration and the importance given to cooperatives. It was also accompanied by significant territorial concentration, which is economically efficient but has strong environmental impacts. At the same time, chicken became a more important consumer item, to the detriment of beef, and the sector became more industrialized.

Since 2000, French operators have been experiencing difficulties on both export and domestic markets (with differences between sectors). On the one hand, this is due to the standardization of national consumption, which has put the more qualitative sectors in difficulty. On the other hand, changes in the European political framework and in international trade, coupled with the rise of European competitors, have put countries other than France in the “European meat league”. For French operators, this competition between European areas of production is currently the most structuring in terms of volumes traded, more than with Brazil or Thailand.

A trend scenario illustrating the gap between supply and demand and a major change in structure for the industry

The idea of a "business-as-usual scenario" might lead to think that this scenario would be univocally imposed by the objectification of all the parameters. However, at least two trend scenarios can be justified: one which considers that the repeated crises since the 2020s–health, epizootics, geopolitics, energy–are a turning point in what should be considered as a 'normal' trend. Another will focus on the socio-economic restoring forces (i.e. the capacity of the system to absorb crises and return to the norm of recent decades): this is the approach we chose. However, this choice should not minimize the importance of the question of resilience to shocks and long-term sustainability, whatever the scenario envisaged.

The proposed scenario to 2035 would lead to the following results:

- an increase in the unbalance between supply and demand in all three sectors, with the coverage rate falling from 98% in 2020 to 87% in 2035;
- an increased dualization of the geography of production, to the benefit of the west of France;
- an erosion of small and medium-sized structures, both at farms and industries levels: 34% of farms and 31% of agricultural jobs will disappear, as will 20% of slaughtering and cutting facilities and 14% of agro-industrial jobs;
- overall environmental losses: while national greenhouse gas emissions are falling, they are virtually stable when imported emissions are taken into account; soy imports and nitrogen surpluses remain high in the west of France despite efficiency gains; the loss of grassland–linked to the decline in the number of ruminants–is having a negative impact on biodiversity and landscapes, as well as reducing CO2 stocks and increasing water pollution.

Opening the discussion on other possible futures for the French meat industry

The proposed scenario is in line with trends that have been underway for decades, and thus offers a bleak outlook to the French meat sector, in economic, social and environmental terms. In this projection exercise, the dynamics of the past are amplified by demographic and economic threshold effects, accelerating the sector's transformations in a predominantly negative direction.

The outlook to 2035 thus invites further discussion on the definition of a more desirable horizon, but above all, on the means to be implemented to support the transition towards such a more desirable future. All the stakes associated with the production and consumption of meat must be taken into account, so that we can move beyond a simple quest for a compromise between competitiveness and climate, which would be only based on technical and economic efficiency in terms of marketed tons of products. On the contrary, considering a diversity of issues means considering a diversity of stakeholders. First and foremost, those in the value chain, but also all those concerned by developments in the meat sector: stakeholders in the fields of human health, local development, the environment, animal welfare and public policies. The future of the meat sector is therefore a collective and necessarily plural issue.

1 The term *commodification* refers to the process by which a product gradually becomes a commodity, i.e. a highly standardized and virtually universal product, marketed on a large scale. See in particular Vivero-Pol J.L. (2017). The idea of food as commons or commodity in academia. A systematic review of English scholarly texts. *Journal of Rural Studies*, 53, 182-201.

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