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MEAT NEWS

Belgian
Meat
Office



Round-table talks

Specialists or generalists? Skilled workers still have a future.

On 27th August the Belgian Meat Office held its fourth round-table discussions in Brussels involving trade journalists from Germany, France, Italy and the Netherlands and Belgian meat exporters. The main theme of these discussions was: "Specialists or generalists? Professional skills still have a future", with a particular emphasis on current social and economic trends. The programme began on the afternoon of Wednesday 26th August with a guided tour of a cattle company owned by the Verbist Group and Bart Vanschoubroek's pig company.

How does the Belgian meat sector succeed in adequately counterbalancing the large players in the European market?

Whilst the meat sector in countries such as the Netherlands, Denmark and Germany is dominated by a few large companies, Belgium distinguishes itself by having

several medium-sized companies, many of which are still family-owned. The Belgian meat sector is known for its professionalism, the customised products of its meat suppliers and their personal service and flawless traceability.

Although total meat consumption is stagnating in Europe, the trade volume

in Belgium continues to increase. Whilst Belgium is one of the smaller countries in Europe, in terms of export volume it is the fourth largest net meat exporter in the European Union, thereby demonstrating what a small country can be good at. And that's precisely what makes the Belgian situation so fascinating. It is through

specialising and professional skills that the 'small Belgians' can safeguard their position in the European market. The main theme of this year's round-table talks was that by focusing on professional skills and specialisation the 'small Belgians' can safeguard their position in the European market.

Presentation of companies



- Family-owned pork abattoir and cutting plant.
- 65% of turnover is exported.



Sofie Goossens

"The most important person in our company is our client".



- Family-owned holding company which specialises in the cutting of pork, consumer packaging and convenience products.
- Westveles exports more than 50% of its production.



Jos Claeys

"Motivation, the desire to work and of course a passion for the job and flexibility are the most important characteristics of good workers".



- Family-owned company specialising in the cutting and deboning of pork.
- Emphasis on exporting, with 69% destined for foreign markets.



Guy Vandenberghe

"The success of Delavi is based on two key principles: flexibility and fast delivery".



- Family-owned company active in the beef sector. Includes Verbist (in Izegem), Veviba (in Bastogne) and 18 cattle companies (primarily Belgian White Blue for the meat industry).
- Activities: slaughtering, cutting, packaging and convenience and game products. 30% of turnover is exported. In the domestic market Verbist focuses primarily on the food industry.



Vincent Duponselle

"Our foreign workers are paid just as much as our Belgian workers".



Discussion topics during the Belgian Meat Office's 4th round-table talks

In addition to the central topic of: "Specialists or generalists? Professional skills still have a future", the following topical social and economic issues were examined:

Animal welfare – Castration of piglets

The issue of animal welfare and the "unanaesthetized castration of piglets" is particularly topical and of great interest in Northern Europe, with the Netherlands taking the lead on this issue.

The Belgian exporters offered the following opinions:

Sofie Goossens felt that anaesthetized castration could be a feasible solution provided that the costs are reimbursed. However she did make the following comment regarding the situation in the Netherlands: "Dutch clients are under pressure from animal rights organisations and public opinion and that is why they prefer to buy meat of female animals".

Jos Claeys felt that this topic is being handled in an emotional way without any subtlety. "A movement has been started that can no longer be stopped. Wholesale distribution would have been better off first contacting the cattle and meat producers before starting to dictate far-reaching measures. Dutch consumers are

"We have to be able to react very flexibly to the wishes of our customers".

being presented with a story that whilst generally accepted does not always tally fully with the truth. For the time being this is not an issue in Southern Europe, but the question is whether it won't move over there, driven on by animal rights organisations.

In Germany, after the Düsseldorf Erklärung the production sector led by QS in conjunction with the distribution sector and with the approval of animal rights organisations decided to use painkillers for the castration of piglets with effect from 1st April – a measure that has now been implemented.

Belgian meat on the Italian market

Sofie Goossens said: "Our customers in Italy are satisfied with our quality and our service", adding: "It's the price that's usually the difficult bit".

Vincent Duponselle stated that Verbist

exports virtually no beef to the Italian market. "The majority of our production has a specific quality and is therefore destined for the domestic market."

Slaughter labour costs

The conclusion was reached that labour costs in the Belgian meat sector and in other EU countries are 40% to 60% higher than in Germany.

"Our competitive power is threatened as a result", claimed Sofie Goossens. "In Belgium we have high labour costs and social security contribution payments. Furthermore, in our sector it is not permitted to work during weekends or at night. To survive we have to be able to react very flexibly to the wishes of our customers".

Good people are hard to find

Labour costs and social security contribution payments are high in Belgium. In addition, it is a constant challenge to find good people.

Vincent Duponselle: It is important to state that our foreign employees are paid just as much as our Belgian ones. In Belgium there are high minimum wages and usually binding employment contracts in every sector".

Jos Claeys agreed with this. "The employee's country of origin doesn't play a role. The most important thing is his motivation, his desire to work and of course his passion for the job and flexibility. That's why we constantly invest in expertise and training".

Cooperation and communication is good within the Belgian meat sector

According to the meat exporters in attendance, whilst there is regular communication within the sector, in the end everyone follows their own route - an aspect which is both striking and typical in the Belgian meat sector.

Guy Vandenberghe said: "Belgium is a small country with many family businesses, all of which are trying to find their own way. Up to a certain point cooperation is needed and benefits the entire sector, but as he claimed: 'The bigger the elephant, the easier the mouse can survive'".

"Cooperation is needed and benefits the entire sector".

Vincent Duponselle concurred with Guy Vandenberghe on this point. "There is also a lot of communication in the beef sector, even cross-border communications. Furthermore, delivery occurs in accordance with arrangements that have evolved historically. In order to avoid being forced to buy and in order to be able to make flexible deliveries, Verbist has a reasonably large part of in-house production - which is exceptional in Belgium".





Research & Development within the Belgian meat sector

Multinationals and large companies usually have sizeable budgets to spend on research and product development. However in Belgium the typical medium-sized companies have managed to find their way round this:

Jos Claeys revealed that: "For research we cooperate closely with a number of Belgian research institutes and universities. Westvlees has its own product development and market research team and is always particularly focused with regard to innovations. We are not the strongest in fundamental research, but we are the fastest in applying innovations with market acceptance. If we plot the "feasibility" of a project in relation to time on a graph, we can see that we achieve a high share of what is feasible far quicker than others and then arrive at a lower return later when the others are just arriving on the scene. By then we have already captured the market!"



First line from left to right Jürgen Flamand 'VLAM Brüssel', Martina Nober 'VLAM Köln', Heike Balzer 'Lebensmittel Zeitung', Alexander Stark 'Fleischerei Technik / Fleischnet', Lorenzo Fiorentini 'Eurocarni', Caroline Van der Plas 'Meat & Meal', Monika Mathes 'Allgemeine Fleischer Zeitung', Michael Jakobi 'Blick', Rainer Heck 'Die Fleischerei', Thomas Pröller 'Meat-n-more', Lucio Vermillo 'Convivium', Freddy Dutoit 'VLAM Paris', Giuseppe Righi 'FoodMeat', Anne-Catherine Dessenius 'VLAM Paris' Behind: Christina Steinheuer 'Lebensmittel Praxis', Guy Vandenberghe 'Delavi', Sofie Goossens 'Goossens', Jos Claeys 'Westvlees', Vincent Duponselle 'Verbist', Thierry Becquériaux 'Les Marchés / Viande Magazine', Frédéric Carlier-Lossuarn 'Linéaires', René Maillard 'VLAM - Belgian Meat Office'.

Smaller suppliers benefit from a lack of centralisation in the distribution market

In Germany the consolidation of the meat sector is a response to the central purchasing policy of the strong discounters who need large volumes and who purchase from only a few suppliers or even just one supplier.

In Belgium and France the situation is completely different. Consequently, the smaller or medium-sized suppliers clearly benefit from decentralised purchasing.

Environmental protection & the carbon footprint

Consumers are increasingly interested in topics such as climate change and the carbon footprint.

Jos Claeys said: "We can see that this topic is becoming increasingly important, it is above all emotionally important and it plays an increasingly important role not just for young people but also for our customers. The topic of "green energy" is also increasingly discussed when looking at investments".

According to Sofie Goossens, for the time being the question is only being asked by Belgian customers. In Flanders the statutory environmental requirements are already particularly stringent for companies.

The impact of the economic and financial crisis:

Wages are automatically indexed in Belgium. Therefore, in principle, from the start of the year the Belgian consumer has had extra money at his disposal.

However we can still see that a shift is occurring within meat choices, with sales of the cheaper types of meat increasing whilst the more expensive selections lose market share.

Sofie Goossens also confirmed this trend amongst exports: "For example our customers from the new EU member states are purchasing very cautiously and then they buy meat primarily from the cheaper portions. The credit crisis is making it difficult for our customers to get guarantees from banks".

Guy Vandenberghe recognised this scenario: "Exporting to third countries is becoming difficult. There can only be sold when there are bank guarantees and when exchange rates are favourable".

Top quality as the basis for presentation?

The Belgian exporters in attendance replied with a resounding yes to the question of whether top quality also pays in times of crisis.

Sofie Goossens is convinced that the top quality of Belgian meat is considered very important and that this will remain the case.

Guy Vandenberghe also emphasised this: "Our professional skills and good quality are and remain a very important benchmark for distinguishing ourselves from the others - we have to avoid boring uniformity".



Piglets in a breeding pen at Bart Vanschoubroek's pork producing company, Glabbeek

Belgian meat: cut to the customer's specifications - right from the beginning

The far-reaching specialisation, professional skills and customised products start at the beginning of a cattle company's production process and the selection of the animal feed and they form the basis of the entire production chain.

Companies such as Verbist and Vanschoubroek are perfect examples of what Belgian meat-production companies stand for and what they aim for.

The Verbist Group has over 40 years experience in the meat sector. They raise primarily beef cattle of the Belgian White Blue breed and are a leading supplier of beef under the Belgian Meritus quality label. To guarantee quality that is as good as possible, there is great emphasis on animal welfare and feed and the animals are constantly monitored. In addition, the traceability of the meat and the development of a professional and specialist team of employees are

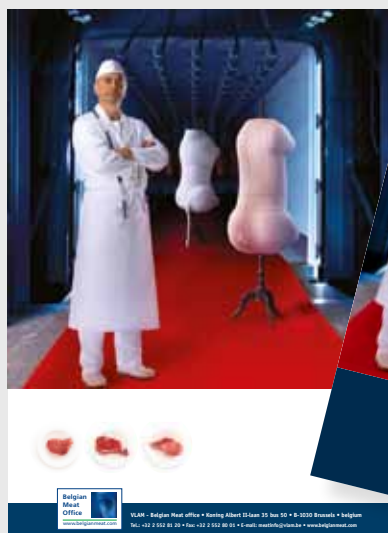
key priorities. Verbist guarantees quality beef that is checked from the farmer to the plate. The visit to the Vanschoubroek pig company reinforced these values. Vanschoubroek is a good example of a customer-oriented family company that is growing significantly. Here too, a great deal of effort goes into the area of animal welfare and health. Furthermore, investments are constantly being made in collecting information, proper animal feed and genetic progress, i.e. the way of working is highly specialised. As a result their animals meet the exact specifications of the CERTUS quality label and yield high-quality pork.



Bruno Lambert von Verbist, from the company Verbist, Haacht, speaks to the press



Fattened Belgian Blue bulls (24 months, 750 kg)



Belgian Meat Office starts a new advertising campaign

"A new catwalk for our meat collection"

The highly noticeable tailor's dummies in the shape of cows and pigs represent the core message that Belgian meat is **cut to the specific wishes** of the customer. For this **high-quality** customised collection, the red carpet is even rolled out up to the lorry. At the same time Belgium's **close proximity** is also emphasised.