

Ladies and Gentlemen,

The beef production sector in Poland is an extremely important segment of the economy. It is a sector that is over 85% export-oriented and, as such, is a source of income and livelihood for many farmers, a source of culinary satisfaction for consumers and a driving force behind the development of many regions.

The interrelationships and links between different sectors of the economy mean that the success of beef farmers represents invaluable added value for producers in other sectors. With the implementation of the right approach and proper management of the processes taking place in this sector, there are also benefits for the natural environment, the effective and optimal use of grassland, a positive impact on biodiversity, and a contribution to ensuring a smooth flow of matter in agriculture. Equally important, and perhaps most importantly, the beef production sector makes a significant contribution to ensuring Poland's food security.

In 2023, as a result of joint efforts by the organisations and in the spirit of agreement with the Ministry of Agriculture and Rural Development, the 'Polish Beef 2030' strategy was adopted. This is a development strategy for the entire sector and encompasses objectives such as sustainable development, including measures in line with the principles of animal welfare, climate protection and environmental conservation; increased profitability across the entire culinary beef supply chain and a fair distribution of profits within the production chain; the enhancement of farmers' skills and other measures supporting increased market benefits for producers and processors, innovative and smart development of the industry involving the use of scientific research and innovation to create links between knowledge and agricultural activity, as well as the integration of the value chain in a spirit of transparency and the sharing of common values and objectives. The 'Polish Beef 2030' strategy is a comprehensive strategy and covers all activities in this sector.

One of the strategic initiatives included in the "Polish Beef 2030" strategy is the preparation and implementation of a strategy to promote the Polish beef brand. It was concluded that there is a need to define and specify what Polish beef is, or what should be presented as Polish beef. The need to define the attributes and associations that should be linked to it was also identified. The overall aim is to coordinate and focus ongoing information and promotional activities, harmonise them, and ensure a consistent message in selected foreign markets and the domestic market.

We are pleased to present the results of our work: "Strategy for the promotion of Polish beef".

We invite you to collaborate with us on the implementation of the strategy so that the results achieved become our shared successes.

Yours faithfully

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Introduction

The “Strategy for the promotion of Polish beef” presented here aims not only to outline and set out the key actions which, in the authors’ view, should be implemented, but also to present a specific cause-and-effect sequence within a framework of logical interconnections that lead to such conclusions. This is crucial for understanding and gaining widespread acceptance of the proposed course of action.

The material presented is quite extensive, which is why it has been organised in a way designed to facilitate its understanding and, if necessary, allow readers to return to a specific topic. The material aims to highlight existing interdependencies, as well as areas for improvement and refinement, and best practices that should be adopted. We encourage you to read this introduction – perhaps somewhat lengthy, but serving to structure the strategy as a whole. The approach presented is not a specification for a specific promotional campaign in a selected market, but rather a multidimensional perspective, illustrating the complexity of the subject and the need to take action at many levels and in various areas.

Chapter 1 provides an answer to the fundamental question: why do we need a ‘Strategy for the Promotion of Polish Beef’ and what might be the consequences and outcomes if we do not adopt it. This is a ‘macro’ perspective, focusing on the global market and the changes taking place within it. It includes a projection of global consumption trends, both for various types of meat and their substitutes. This approach also outlines changes in the geographical distribution and concentration of consumption, thereby identifying emerging and promising markets. This chapter also describes the key variables influencing the formation of demand and costs in the beef sector. It covers issues such as changes in consumption trends, the effects of free trade agreements, and EU policies – including the approach to food safety and labelling. An attempt has been made to analyse the proposals contained in the ‘Strategic Dialogue on the Future of EU Agriculture’. The pursuit of climate neutrality in the EU has implications and is reflected not only in the agricultural sector, but across all sectors. And the impact on other sectors or segments of the economy affects the agricultural sector – including the beef production sector.

The effects and impact of the CSRD (Corporate Sustainability Reporting Directive)¹ and ESG reporting are also discussed here. Of course, the provisions of this directive do not directly cover all producers. However, if a large entity is required to demonstrate a reduction in emissions, it will seek that reduction from its suppliers. Consequently, emissions reduction and sustainability will become a commodity for which either someone will pay the farmers, or they will have to pay someone else.

Legislative solutions relating to confirming the absence of impact on deforestation were also discussed, and the proposals of the Global Roundtable on Sustainable Beef (GRSB) and the European Roundtable on Sustainable Beef (ERBS) were presented. Attention was also drawn to attitudes towards lab-grown meat, the use of antibiotics and water, and the growing importance of Muslim consumers was highlighted.

Why do we need a ‘Strategy for the Promotion of Polish Beef’? The answer is simple: if we do not coordinate our own actions as the sector of beef producers and breeders in Poland, we will be nothing more than a supplier of beef of indistinguishable quality and varying specifications, sourced from somewhere in Eastern Europe. In the medium term, our farms will be displaced by farms in India or Brazil, where animal welfare standards are significantly below those in the European Union. We cannot afford to compete on price and stand no chance whatsoever. We must stand out and show what lies behind Polish beef. If the Polish beef brand does not evoke specific positive associations among consumers in target markets, then we have

¹ Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate sustainability reporting.

We cannot count on higher margins or a quality premium. And ultimately, we cannot count on exclusive export markets.

Whether we like it or not, the beef production sector is not an isolated entity, and we cannot simply point to a straightforward interaction between farmers and consumers. This issue is far more complex, and we must take into account the many factors that influence the costs borne by farmers, the prices paid by consumers, and the entire distribution chain and the distribution of costs and profits between them.

This is an attempt to determine the direction in which our domestic production and livestock farming should develop and how it should be positioned. This section describes the premises and key factors influencing costs and demand so that, when defining an approach to Polish beef, all these processes can be taken into account and we can adapt to them as effectively as possible.

In **Chapter 2**, we examine the characteristics of the beef sector from a commercial perspective in Poland and globally, in the context of domestic production and consumption, our export and import structure, and our target markets. We also present the global situation here – that is, who is the largest beef producer and who is the largest importer. A simple analysis also aims to answer the questions: who are we competing against, and are the markets to which we sell beef the ones that are the largest importers?

The key facts we can identify statistically are as follows: the beef sector is an export-oriented sector. We allocate over 85% of domestic production to exports, which in 2023 generated a trade surplus of around €2.07 billion. This is a very good result, but should we be satisfied, and is it sustainable in the medium term?

The trade surplus is very good, but there are many factors that should concern us and compel us to act. These include both emerging threats and what is arguably one of our biggest problems: missed opportunities and a low level of profitability – limited sales and meagre profits.

One missed opportunity is the very low level of domestic consumption – around 3 kg per person per year. This is significantly lower than the global average for beef consumption. It also accounts for a fraction of total domestic meat consumption. What is more, almost 25% of domestic consumption consists of beef sourced from outside Poland.

The markets to which Polish beef is sold are mainly in Europe. Markets in other parts of the world account for a mere 20% of our sales. Taking into account the estimated trends in the development of individual domestic markets within the EU and the shift in demand for beef towards Asia, the conclusions are as follows: due to the possible contraction of the EU market, competition in this area will intensify, and quality factors will take on a completely new significance in such a situation. At the same time, markets in which we are not present, or are present only to a limited extent, will develop, which forces us to put in extra work: that is, we must learn about new markets and start afresh, and sometimes from scratch. Paradoxically, this ‘backwardness dividend’ may work in our favour in some countries – we can build the image of Polish beef without repeating the mistakes of the past.

Chapter 3 presents the latest findings from research into consumer behaviour and attitudes, carried out for the Polish Association of Beef Cattle Producers (PZPBM) on the subject of beef. The research was conducted between 2022 and 2023. The aim of this chapter is to present the guidelines for designing a visual identity for Polish beef. Identification marks for any product or sector must be the result of accumulated knowledge about consumers, their purchasing habits and attitudes. It is essential to understand the market context and the direct competitors vying for their position. It must be remembered that the consumer does not operate in a vacuum and is exposed to a multitude of different incentives to purchase a specific product.

On the one hand, consumer awareness of beef is limited, whilst on the other, everyone emphasises aspects related to sustainability and the impact on the environment and climate. Although it must be admitted that the understanding of this ‘sustainability’ is not precise. Consumers require ongoing education regarding the quality of beef. Current knowledge is limited to basic information, which may result in the meat being assessed below its actual and objective value. In particular, reliable information on the qualities of beef from Poland is an absolute necessity.

In **Chapter 4**, we will focus on the domestic market from the consumer’s perspective. It presents trends, the direction of the beef market’s development, and the expectations of consumers and the HoReCa market regarding changes to the supply chain. This chapter aims to answer the question of whether trends and directions at EU level are already reflected in Poland. Is this a future scenario requiring preparation, or is it already happening?

This chapter describes the many challenges facing the beef production sector in Poland in the context of Polish consumer awareness. An increasingly important role in consumer expectations is played by the desire for assurance that the beef they eat has been reared and sourced in accordance with the highest standards of animal welfare. These expectations clash with the situation on the Polish market. A market characterised by beef that is varied and of inconsistent quality. Knowledge about high-quality beef, its nutritional value and health benefits remains relatively low. The lack of any system for assessing and labelling the quality levels of Polish culinary beef, *the* so-called ‘*eating* quality’, significantly hinders information and promotional activities and, consequently, the overall increase in beef consumption.

It is proposed to introduce a system for assessing the quality of culinary beef, based on existing global solutions, and to address the lack of confidence in the quality of Polish beef so as to increase confidence and satisfaction with its consumption.

Chapter 5 will present examples of global solutions for showcasing the quality of beef from different systems or countries. Particular attention has been paid to solutions in Ireland, which is running a highly effective campaign to improve the perception of its products.

Chapter 6 focuses on what we have done so far in terms of information and promotion activities. Conducting effective information and promotion activities is linked to the choice of tools, the scope of the information provided, the target markets, as well as the organisation and capacity to meet the generated demand. One of the most important questions to be answered when implementing or planning such information and promotion activities is how we utilise the available sources of funding.

The funds available to the beef farming and production sector for information and promotion activities are very limited; it is therefore extremely important that we target their expenditure appropriately. The instrument most frequently used here is the funding provided by the Beef Promotion Fund. The most significant campaigns to date, promotional methods and promotional costs are described, and comments on some of the previous campaigns are presented.

In **Chapter 7**, we focused on analysing the possibilities for obtaining and utilising available funds. An analysis of the legal framework relating to beef promotion was carried out, and barriers limiting the effective acquisition of funds in this area were identified. The next step should be to call for the removal of these barriers. The available instruments can be summarised as follows: “The higher the level of recognition of uniqueness, regional character and distinctiveness, the greater the number of available instruments from which information and promotion activities can be funded” and “If an organisation is not a national organisation and produces standard beef (i.e. beef

which is not covered by any quality scheme), it is not possible to obtain any funding for information and promotion activities”.

Recommendations and appropriate courses of action relate to:

- the establishment of an additional bonus for funds spent from the Beef Promotion Fund, provided they are in line with the guidelines set by the Ministry of Agriculture and Rural Development;
- calling for the removal of restrictions on access to funds that can be obtained under the mechanism ‘Support for promotional and information activities on the markets for selected agricultural products’;
- the need to intensify measures aimed at increasing the share of beef produced under sustainable systems, possessing specific characteristics, or originating from EU or national food quality schemes.

This applies both to registration under the Protected Designations of Origin and Protected Geographical Indications schemes, participation in the organic farming scheme, and the “Quality Meat Programme (QMP)” scheme.

Chapter 8 presents the results of focus group research on possible solutions for visual identity within the Polish beef sector. This is an attempt to gather and evaluate consumer feedback on the information contained in or derived from the previous chapters. Since the global trends are now clear, we should carry out our work in a way that aligns with these trends. This chapter also presents the results of research into specific promotional concepts and logos.

In **Chapter 9**, we focus on the possibilities for implementing the adopted solutions. The best solution in this regard, which can be undertaken at the level of the producers and breeders sector, appears to be a joint guarantee trademark. This requires defining the rules of use, drafting regulations and establishing usage guidelines. The whole system should be designed in such a way as to guarantee effective protection against abuse and to enable the removal of entities that do not meet the adopted standard, so that there is no possibility of unauthorised use of this mark.

Chapter 10 contains a proposal to define sustainable Polish beef, taking into account the conclusions of the entire document.

Chapter 11 contains all the recommendations arising from the document. These recommendations relate to a range of areas directly linked to information and promotion activities, but also to the institutional and legal environment in the broadest sense.

Chapter 1

Changes in the world and in the European Union

Beef producers in Poland will be forced in the coming years to coordinate their efforts to build their own national brand and quality assurance system, in order to be able to at least maintain their current market position. Without developing a common approach, a common system and adopting a long-term promotional strategy, not only will expansion into external markets be hampered, but also, in the face of intensifying competition within the European Union market, maintaining the current position will be more difficult.

The situation of our beef farmers and producers is influenced by a great many factors. These include changes at both the global and European levels. These processes intertwine, complement one another and usually have a global dimension, albeit with varying intensity across different countries.

In the coming years, we will have to face challenges that boil down, firstly, to a change in the consumption patterns of European societies, which may mean a decline in meat consumption, including beef. Secondly, there will be a trend towards opening the EU market to competitors from Mercosur countries, and in the longer term also to producers from Australia and Ukraine (it must be assumed that the cattle herd in that country will be rebuilt). This will be accompanied by changes to the Common Agricultural Policy, amounting to greater pressure to reduce methane emissions, and in the future also aimed at monitoring the so-called water footprint. Recent announcements may also signal changes to the EU subsidy system, in favour of measures aimed at the extensification of agricultural production².

One of the effects of opening up the Community market will be increased competition within the EU market, a decline in the market share of local beef producers, or a forced shift towards a segment offering higher quality and margins, guaranteed by a certification system, which may also prove necessary in view of rising production costs. Failure to take action aimed at building a Polish national brand will, in such a situation, mean a decline in competitiveness on the EU market and growing difficulties in placing our produce on non-European markets, as well as a forced battle for low-margin market segments.

In the face of a changing situation, Polish producers must think strategically and take the necessary steps to safeguard the quality of both the domestic and EU markets. With the involvement of government agencies, efforts must also be made to introduce a national certification and quality assurance system for production.

1.1 The global market

According to available forecasts, the global beef market is set to grow rapidly in the coming years. According to analyses by Horizon Grand View Research, it will be worth approximately \$712.5 billion in 2030, compared to \$526.5 billion in 2023. This represents an average annual compound growth rate of 4.6%³. Similar conclusions emerge from OECD analyses conducted at the start of this decade, which indicate that global demand for animal protein will rise by 14% by 2030. The main drivers of this growth will be population growth and improved global income levels. According to these analyses, poultry meat consumption is likely to grow the fastest – by 15.7% – whilst beef consumption will increase by 5.9%⁴. However, growth in the global market is not uniform, and this lack of uniformity will necessitate many changes and the need to adapt.

² https://ec.europa.eu/commission/presscorner/detail/en/ip_24_4528.

³ <https://www.grandviewresearch.com/horizon/outlook/beef-market-size/global>.

⁴ <https://www.oecd-ilibrary.org/sites/19428846-en/1/3/6/index.html?itemId=/content/publication/19428846-en&csp=78a77099f3b0c6eae1de8bfe93d3b09e&itemIGO=oecd&itemContentType=book>.

In more developed countries, including those in Europe, however, due to demographic changes involving an ageing population and shifts in dietary habits, we will see both a decline in per capita meat consumption and an increase in demand for higher-quality products, including graded beef.

In 2017, the European Commission estimated that, for the European Union, meat consumption per person would decrease by 0.8 kg by 2030. This decline mainly related to a fall in beef consumption – estimates projected a reduction in per capita consumption of 0.7 kg, to 10.1 kg⁵. In a similar report drawn up in 2020, the European Commission revised its earlier forecasts, assuming that per capita meat consumption in 2030 would amount to 67.6 kg in EU countries, which represents a greater decline – by as much as 1.1 kg, whilst for beef, consumption was estimated to fall to 9.7 kg per capita (from 10.6 kg)⁶.

In its 2024 short-term forecast for agricultural markets, the European Commission noted a decline in beef consumption in the EU to 9.7 kg per capita as early as the year the report was compiled and predicted that this trend would continue in subsequent years, as well as a 2.8% decline by 2030⁷.

Over the last decade, the decline in beef consumption in the European Union has been faster than successively published reports had anticipated, which means that it is safe to assume that by the year 2030, meat consumption on our continent, including beef, will be lower than official forecasts.

If we were to adopt the perspective of organisations calling themselves pro-environmental organisations, which are attempting to influence the European Commission’s policy on meat consumption, then in the European Union it should be reduced by 71% by 2030 to 460 grams per week (all types of meat) compared to the current EU average of 1.58 kg per week in 2020⁸.

1.2 Consumer preferences

According to an OECD report, global per capita beef consumption⁹ —which has been falling since 2007—is projected to fall by a further 5% by 2030. Despite the decline in average consumption, the total market will grow from 74 to 81 million tonnes. By 2033, Asia-Pacific will be the only region where per capita beef consumption is forecast to rise over the forecast period, albeit from a low starting point. In China, which is the world’s second-largest consumer of beef in absolute terms, per capita consumption is forecast to rise by a further 8%¹⁰ by 2030.

According to forecasts, in most countries with high per capita beef consumption, beef consumption levels will decline in favour of poultry. Per capita consumption is estimated to fall by 7% in Argentina, 6% in Brazil, 1% in the United States and 7% in Canada. A significant decline is also expected in Australia and New Zealand. In the case of the EU, it is estimated that beef consumption will fall by around 2.3% by 2032. Consumption in most high-income countries (which in 2023 accounted for as much as 32% of total meat consumption whilst representing 16% of the population) will stagnate, with the composition shifting depending on the type and quality of meat consumed.

⁵ https://agriculture.ec.europa.eu/system/files/2018-07/agricultural-outlook-2017-30_en_0.pdf.

⁶ https://commission.europa.eu/document/download/658df10f-3c1c-443a-a79d-59e333eaf57c_en?filename=agricultural-outlook-2020-report_en.pdf.

⁷ https://agriculture.ec.europa.eu/document/download/048136bf-53f1-4f74-b92d-d13954196505_en?filename=short-term-outlook-spring-2024_en.pdf.

⁸ <https://www.greenpeace.org/eu-unit/issues/nature-food/2664/eu-climate-diet-71-less-meat-by-2030/>

⁹ OECD-FAO AGRICULTURAL OUTLOOK 2021-2030 © OECD/FAO 2021.

¹⁰ The last 10 years have seen a 35% increase.

In recent years, average global consumption has remained stable, whilst average consumption in the European Union has shown a slight decline, although it remains above 10 kg per person, accounting for approximately 1.5–2% of meat consumed. According to European Commission forecasts, by 2032 pork and beef consumption in the EU will fall, whilst poultry consumption will rise. Meat production will be influenced by factors related to sustainable agricultural development. It is estimated that by 2032, the average European will consume 1.3 kg less pork and 0.8 kg less beef and veal per year. Poultry consumption, on the other hand, is expected to rise by 0.7 kg. The European Commission estimates that per capita meat consumption in the EU will fall by 1.5 kg over the decade (i.e. between 2022 and 2032).

1.3 Global Roundtable on Sustainable Beef (GRSB)

Global developments are reflected in the objectives and activities of the Global Roundtable on Sustainable Beef (GRSB). The GRSB¹¹ is an international organisation established by global leaders from the beef value chain. Its members come from all levels of the beef sector: producers, processors, retailers, civil society organisations, support services to the value chain and local roundtables. The latter include representatives from the following countries or continents:

- North America: Canada, USA, Mexico;
- South America: Colombia, Brazil, Bolivia, Paraguay, Argentina;
- Africa: the Southern Africa Round Table (13 countries south of and including Tanzania and the Democratic Republic of the Congo);
- Asia and the Pacific: Australia, New Zealand, China;
- Europe: due to the fragmentation of nationalities, a single continental organisation, the ERBS, was established, bringing together initiatives from all European countries wishing to participate in the sustainable development of the beef sector; currently the United Kingdom, Ireland, France, Germany, Italy and Poland.

To identify the criteria guiding future development, the GRSB established a working group which reviewed the priorities and materiality assessments submitted by individual members. In this way, common areas and their importance were identified. These were grouped into three thematic areas, which defined the GRSB's objectives:

Climate – *A global reduction in the net greenhouse gas footprint of each unit of beef by 30% by 2030, on the path to climate neutrality.* The GRSB has identified the role that the sustainable development of the beef value chain can play in mitigating climate change. The agreed level of greenhouse gas footprint reduction is in line with the guidelines of the Paris Climate Agreement, which aims to limit the rise in global average temperature to no more than 1.5°C above pre-industrial levels.

Nature-friendly production – *By 2030, the GRSB and its members will ensure that the beef value chain makes a net positive contribution to the environment.* For this purpose, a net positive contribution is defined as an overall positive impact on the environment, taking into account the total set of positive and negative impacts. A net positive result means that, over a given period, there are more positive impacts than negative ones. To achieve this objective, the collective set of actions taken by the GRSB and its members regarding land use and environmental impact up to 2030 will be taken into account.

Animal health and welfare – *Ensuring that cattle have a good quality of life and an environment in which they can thrive.* In establishing this objective, the GRSB was guided by the *Terrestrial Animal Health Code* issued by the World Organisation for Animal Health (OIE), in particular Part 7, Chapters 7.1–7.6, 7.9 and 7.11. In accordance with OIE guidelines, animal health and welfare are ensured through widely applied best practices in disease prevention and treatment, as well as the handling

¹¹ Further information is available at: <https://grsbeef.org/>.

handling of cattle (e.g. low stress levels) and appropriate genetics to improve animal health and welfare throughout their lives. The GRISB wishes to place particular emphasis on measures to minimise morbidity and mortality.

1.4 Free trade agreements

In the coming years, we may witness further agreements liberalising the global flow of agri-food products. The European Union has already concluded or is negotiating free trade agreements on agricultural products with 12 countries. These are Australia, Canada, Chile, Indonesia, Japan, Malaysia, Mercosur (Argentina, Brazil, Paraguay and Uruguay), Mexico, New Zealand, the Philippines, Thailand and Vietnam.

The agreement with the Mercosur countries, the text of which is already virtually finalised, may be approved at the start of the new term of the European Parliament and following the appointment of the new Commission¹². Negotiations with New Zealand led to the conclusion of an agreement, whilst talks with Australia broke down in the summer of 2023 over issues relating to the export of agricultural products to the EU market¹³. It is to be expected that the European Commission of the new term will resume talks.

What impact might these agreements have on the cattle farming sector in Europe? Analyses carried out by a group of researchers for the European Commission suggest that whilst free trade agreements will generally be beneficial for the Community's industrial sector and processed food exporters, in the case of beef, the conclusion of the 12 agreements under negotiation will mean, depending on the scenario analysed, an increase in beef imports into the European market of between 21.3% and 25.5% (€12 million to €14 million). The signing of the EU–Mercosur agreement could create the world's largest free trade area. It is anticipated that agricultural products will flow into the EU, whilst industrial products will flow into Mercosur countries. In short, industrial sectors stand to gain at the expense of agriculture.

To date, imports from these countries have accounted for around half of beef imports into the European market, and the estimated increase is primarily 'attributable' to the Mercosur countries and Australia. In the former case, the share of the estimated increase in imports to Europe could range from 69% to 82%, depending on the scenario (conservative vs. ambitious). The signing of an agreement with the South American countries grouped within Mercosur, all of which are major beef producers, will mean increased competition on the European market, particularly in the higher-quality segments, a consequence of the fact that prices on the European market are higher than in the rest of the world¹⁴.

At the time of publishing this strategy, we are on the eve of key decisions regarding the Mercosur agreement. There is currently significant opposition from France, which is attempting to block its signing. It appears that Poland's decision and position on this matter may be crucial. The Ministry of Agriculture and Rural Development has announced a negative stance on the agreement. It should be borne in mind, however, that the final position is that of the government, not that of a single minister. Austria, Hungary and Ireland are also unlikely to support the agreement. The European Commission's response to the concerns raised by the agricultural sector in some countries is a proposal to establish a fund to compensate farmers for potential losses. So far, this proposal has not been received with enthusiasm by livestock farmers and agricultural producers. Since the beginning of this discussion, the issue of 'mirror provisions' has also been raised, which would require Mercosur producers to apply the same production standards as in the EU. This approach has also not been included in the agreement. Even the implementation of 'mirror provisions' does not guarantee

¹² <https://www.euractiv.com/section/agriculture-food/news/eu-seeks-post-election-approval-of-mercotur-trade-deal-says-brussels-chief-negotiator/>.

¹³ <https://www.dw.com/en/eu-australia-trade-talks-what-can-we-learn-from-the-failure/a-67333414>.

¹⁴ https://www.researchgate.net/publication/348779172_Cumulative_economic_impact_of_trade_agreements_on_EU_agriculture_2021_update.

fair competition, as the enforcement of standards and requirements in Mercosur countries may leave much to be desired.

Some fear that, given the unequivocally negative stance of certain countries, the European Commission may propose a solution involving the provisional implementation of parts of the agreement to avoid a long and uncertain ratification process requiring the consent of every national parliament. Such an approach could mean that the part of the agreement relating to trade issues could be approved by the European Parliament rather than unanimously by all Member States¹⁵.

If the agreement with Mercosur is signed in its current form, it will pose a huge problem for the Polish beef sector. The rules of the game on the EU market, where we place over 85% of our exports, will change radically. The beef industry is explicitly cited as the sector that will suffer the greatest losses and face the most significant problems, and our competitive position will deteriorate sharply.

So far, no concrete proposal or roadmap for tackling this problem comprehensively has been put forward at the Polish level¹⁶.

The issue raised has been noted not only in Poland. In line with the beef sector development strategy¹⁷ in Ireland: “It is essential that the UK is not allowed to enter into trade agreements for beef with third markets with different standards whilst having full access to the EU market. If the UK wishes to trade freely within the EU, it must be obliged to comply with EU standards and regulations in all its trade relations with third countries. Even if the UK is granted tariff-free access and grants free access to countries with lower food standards, it could be flooded with increased volumes of cheap imports from third countries, which would seriously damage the value of Irish and other beef exporters to the UK. Such a situation must be avoided in the upcoming trade negotiations.”

1.5 Implementation of sustainable beef production systems by European Union Member States

For decades, the EU has had some of the highest¹⁸ animal welfare standards in the world. The EU has always been the most advanced organisation¹⁹ in the world in this area. This applied to both animal welfare and animal protection. The first EU regulations²⁰ on animal welfare were adopted over 50 years ago. Since then, they have been repeatedly amended, updated and expanded. Animal welfare objectives have been, and continue to be, a key element of the Common Agricultural Policy (CAP). EU legislation on animal welfare

¹⁵ See, for example: <https://www.farmer.pl/fakty/unia-europejska/francja-chce-przekonac-polske-do-blokowania-umowy-handlowej-ue-z-mercosur,153856.html> and <https://www.gov.pl/web/rolnictwo/umowa-ue-mercosur--stanowisko-resortu-rolnictwa>.

¹⁶ Furthermore, interest in the subject among MEPs from Poland is rather limited. On 7 November 2024, a hearing was held in the European Parliament with Maroš Šefčovič. He is a Slovak who is set to serve as Commissioner for International Trade in Ursula von der Leyen’s government. He answered questions regarding the agreement. Only one of our representatives in the European Parliament was actively involved. See more: <https://www.farmer.pl/prawo/przepisy-i-regulacje/polacy-zapomnieli-jezyka-w-gebie-iwan-w-dybach-o-mercosur,153980.html>.

¹⁷ *AN INDEPENDENT ASSESSMENT OF THE IRISH BEEF INDUSTRY*, Jim Power Economics, March 2020.

¹⁸ See, for example: *Review of animal welfare legislation in the beef, pork, and poultry industries*, FAO, Rome 2014; or *Overview of animal welfare standards and initiatives in selected EU and third countries*, FiBL, Switzerland 2010; *Final Report Deliverable 1.2*, Otto Schmid and Rahel Kilchsperger, April 2010 / updated: November 2010.

¹⁹ See: ‘Special Report No 2018 of the European Court of Auditors – Animal welfare in the EU – bridging the gap between ambitious goals and practical implementation’.

²⁰ In addition, Member States may adopt stricter rules in this area.

Animal welfare aims to improve the quality of animals' lives whilst meeting citizens' expectations and satisfying market demand through the establishment of minimum standards.

The debate on the impact of welfare requirements on the costs of animal production has been ongoing for a long time²¹. Both the European Commission and other EU bodies, as well as Member State authorities, were aware that higher animal welfare and animal protection requirements lead to higher production costs and affect the competitiveness of EU producers and breeders in global markets²². Despite this, animal welfare standards were not lowered at the level of EU legislation; on the contrary, these standards were extended to new areas, such as transport. Consequently, EU animal production is perceived as more environmentally friendly, climate-friendly and having higher welfare standards. The regulations introduced in the EU are not limited to animal welfare. There is also a very extensive body of legislation concerning the environmental impact of animal production²³.

Welfare requirements have been important to the EU, and the emphasis on meeting them has not diminished in recent years. This approach was significantly strengthened in 2019 with the announcement of the European Green Deal. With the adoption of this policy, welfare requirements are not merely important, but very important, indeed a priority.

The need to implement sustainable beef production systems stems from the general development directions adopted by the European Union; first and foremost, this refers to the European Green Deal and the resulting Farm to Fork Strategy. The European Green Deal was introduced as a strategic action plan aimed at transforming Europe into the first climate-neutral continent by 2050. There are several key reasons why the EU has decided to pursue this initiative:

- Climate and environmental challenges
Climate change and environmental degradation are among the most serious challenges facing the world in the 21st century. Rising temperatures, more frequent extreme weather events (such as droughts, floods and fires) and the loss of biodiversity have serious consequences for ecosystems, economies and public health. The Green Deal aims to reduce greenhouse gas emissions and protect the natural environment in order to mitigate the negative effects of climate change.
- Sustainable economic development
The EU is striving to create a sustainable model of economic growth that is less dependent on natural resources and more resilient to crises. The Green Deal promotes technological innovation, energy efficiency and the development of renewable energy sources, which can lead to job creation and economic growth in greener sectors.
- Energy security
Reducing dependence on fossil fuels and energy imports from third countries is a key element of the Green Deal. The transition to renewable energy sources and the development

²¹ See, for example, *Communication from the Commission to the Council and the European Parliament on Animal Welfare Legislation on Farmed Animals in Third Countries and the Implications for the EU*, Brussels, 18 November 2002, COM(2002) 626 final

²² In this context, please note the demands sometimes made by organisations describing themselves as pro-animal, which are campaigning to reduce animal production in the EU. Meeting this demand, in the absence of a change in consumption levels, would mean shifting animal production from the EU to countries with significantly lower animal welfare standards and, consequently, a deterioration in overall welfare.

²³ An example of such measures is Council Directive 91/676/EEC of 12 December 1991 'concerning the protection of waters against pollution caused by nitrates from agricultural sources'. In Poland, the implementation of this directive involves the adoption of the 'Programme to limit the use of nitrates', which sets out, for example, requirements for the agricultural use of fertilisers near surface waters – the annual application rate of natural fertilisers used in agriculture must not exceed 170 kg of nitrogen in its pure form per hectare of agricultural land.

Energy storage technologies will increase Europe's energy self-sufficiency, which is important from both an economic and a geopolitical perspective.

- Improving quality of life and public health
Measures to reduce air, water and soil pollution have a direct impact on people's health. The Green Deal aims to improve environmental quality in urban and rural areas, leading to a better quality of life and lower healthcare costs.
- International responsibility and leadership
The EU aims to take a leading role in global climate action. The Green Deal is designed not only to bring about change at European level, but also to set global standards and encourage other countries and regions to adopt similar strategies. The adoption of this initiative strengthens the EU's position as a key player in international climate negotiations.
- A just transition
The EU recognises that the transition towards climate neutrality presents challenges, particularly for regions and economic sectors most dependent on coal and other fossil fuels. The Green Deal provides for support and compensation mechanisms, such as the Just Transition Fund, to ensure that the transition is fair and inclusive, leaving no one behind.

The European Green Deal is a comprehensive strategy aimed at securing Europe a leading role in global efforts to protect the climate, promote sustainable economic development and improve the quality of life for its citizens.

The 'Farm to Fork' strategy is the agricultural equivalent of the European Green Deal. It aims to create a fair, healthy and environmentally friendly food system in the EU. There are several key reasons why the EU has adopted this policy:

- Environmental sustainability
The 'Farm to Fork' policy aims to reduce the negative impact of agriculture on the environment. In particular, the strategy seeks to reduce greenhouse gas emissions, the use of pesticides and fertilisers, and to protect biodiversity. Agriculture is one of the main sources of methane and nitrogen oxide emissions, and also contributes to soil degradation and water pollution.
- Food safety
The strategy aims to improve the quality of the food that reaches the tables of EU citizens. The introduction of stricter standards on the use of pesticides, antibiotics and fertilisers is intended to ensure that food is healthier and safer to eat.
- Changing consumption patterns
The EU is seeking to promote healthier eating habits among citizens by encouraging the consumption of more plant-based products and reducing the intake of meat and products high in sugar, fat and salt. The 'Farm to Fork' strategy also aims to promote organic and locally produced food.
- Economic sustainability
The strategy aims to support farmers and food producers in transitioning to more sustainable practices, which can lead to more stable incomes and ensure the long-term viability of the agri-food sector.
- Reducing food waste
One of the strategy's objectives is to reduce food waste at every stage of the supply chain – from production to consumption. The strategy involves introducing measures to help reduce the amount of food wasted, which is crucial for the sustainability of natural resources.

- Preparedness for future crises

The COVID-19 pandemic has shown how important it is to have a resilient and sustainable food system. The ‘Farm to Fork’ strategy aims to prepare the EU for future crises, such as climate change, rising migration or global food supply issues.

The ‘Farm to Fork’ strategy is the European Union’s long-term plan to transform the current food system into a more sustainable, healthier and environmentally friendly model that will better serve citizens, farmers, producers and the environment.

1.6 Food security in European Union countries

The ‘Farm to Fork’ strategy addresses the issue of food security. This is a very important issue, particularly in the context of the liberalisation of trade flows, the war in Ukraine and the experiences of the COVID-19 pandemic. However, it appears that the issue of food security, raised by agricultural producers as an argument for protecting their own European market and their position, will not, in the near future, be a factor exerting a significant influence on the shape of EU agricultural policy.

A group of experts appointed by the European Commission as part of the ‘Contingency Plan for Food Supply and Food Security in Times of Crisis’ assessed the Community’s food self-sufficiency in its first report, published in autumn 2023²⁴. Despite the obvious lessons drawn from the COVID-19 pandemic, supply chain disruptions and the war in Ukraine – all of which have a direct impact on food security – no major changes in the approach to agricultural policy are apparent. The report assessed²⁵ the EU’s self-sufficiency in specific products.

In the case of poultry meat, production from European Union countries, amounting to 112% of internal market demand, means that the Community is self-sufficient in this market segment, as is the case with beef, where average production in 2020–2022 stood at 107% of demand.

It appears that the food security of European Union countries is an important objective, but one that is less important than the goal of climate neutrality. This is significant in that, according to a report by the European Environment Agency (ETC) from May 2023²⁶ agriculture accounts for 54% of methane emissions in European Union member states. Previous studies show that the livestock sector is responsible for the majority of emissions – this applies in particular to large, industrial livestock farms. Data cited in the report indicates that livestock farms larger than

²⁴ https://agriculture.ec.europa.eu/document/download/45fe63e2-526a-42e2-ab41-640ed854931c_en?filename=efscm-assessment-autumn-2023_en.pdf

²⁵ Based on data from the last three years, which has been averaged, experts have concluded that, in the case of soft wheat within the European Union, production covers demand (130%); a similarly favourable situation applies to sugar production, where 93% of demand is met by production from Member States. The greatest shortfalls are found in the protein and oilseed segments, where demand is met by 80% and 59% respectively. Among oilseeds, the shortfall is least pronounced for sunflower seeds, where 95% of the EU’s demand is met by domestic production. The worst situation concerns protein crops, primarily soya, where EU demand was met by domestic production at a level of 16% in 2021/22, which nonetheless represents a sharp increase in production within the Community compared to previous years, when domestic production covered around half of this demand. A similarly unfavourable situation applies to maize grain, where EU demand is met by domestic production at a level of 81%.

²⁶ file:///C:/Users/Marek%20Budzisz/Downloads/ETC_HE_2022_21_task3.1.1.2_NH3&CH4emissions_final_version_23-05-2023_for%20publishing.pdf

100 large-scale units (LSUs), which account for 4.7% of the total number of farms, are responsible for 56.8% of methane emissions.

Proposals for solutions to limit this impact are therefore emerging. Their proponents argue that in recent years there has been an intensification of rearing and breeding in the industrial farming sector within the European Union.

The issue of methane emissions from livestock, including cattle, will also be raised in the near future, and a new attempt will most likely be made to introduce regulations hindering investment in the beef and dairy sectors, both by imposing new administrative obligations and by introducing additional charges.

The political compromise reached in the European Parliament, which enabled Ursula von der Leyen to be appointed as President of the European Commission for a new term, does not herald any significant changes in climate policy. This is evidenced both by the Green Group's support for her candidacy (which did not occur in the previous term) and by the Socialists' nomination of Teresa Ribera, a well-known Spanish advocate of continuing the current climate policy, for the post of Commissioner for the Economy²⁷. Her appointment to this post, considered one of the most influential in the Commission due to the budget at her disposal, suggests that the political arrangement which enabled the appointment of the new European Commission, even if it attempts to revise existing climate policy, will introduce only minor changes, and these are likely to affect industry rather than agriculture.

Despite this proposal, on 17 September 2024 Ursula von der Leyen confirmed that the new Commissioner for Agriculture and Food would be the Luxembourg politician Christophe Hansen. Christophe Hansen clearly set out the direction of his work and adopted the conclusions of the *Strategic Dialogue on Agriculture* document as his guiding principles. During his hearing at the European Parliament, Hansen stated: "Once I become Commissioner for Agriculture, I will translate its [*the Strategic Dialogue on Agriculture's*] conclusions into a clear vision for the future, in line with the mandate from the President of the European Commission, Ursula von der Leyen." He also stated that "Agriculture must be sustainable in all three dimensions: economic, environmental and social. That is why we need better coordination of policies, such as animal welfare and climate adaptation, which directly affect farmers."

At present, all indications are that the approach outlined by Christophe Hansen will be implemented and that the European Union will strive for climate neutrality and sustainable agriculture. Of course, we must bear in mind and closely monitor trade relations between the EU and the US. The outcome of the presidential election and the victory of Donald Trump, who will take office on 20 January 2025, could significantly impact trade relations. In the event of a trade conflict between the two sides, it will be crucial whether the EU continues to maintain an approach based on the European Green Deal, or whether it might revise its agricultural policy.

1.7 *Strategic Dialogue on Agriculture*

In the context of deliberations on the direction of change and the future of agriculture in the EU, it is worth reviewing the proposals for action and reform that were warmly welcomed by the European Commission in the document '*Strategic Dialogue on the Future of EU Agriculture*'²⁸. In line with the statements made by President Ursula von der Leyen in September 2024, the proposals contained in the document are intended to form the basis for the European Commission's further actions. *The Strategic Dialogue on the Future of EU Agriculture* is intended as a response to farmers' protests against the regulations introduced under the European

²⁷ <https://www.politico.eu/newsletter/eu-election-playbook/the-hottest-portfolios-and-most-eligible-suitors/>.

²⁸ <https://edopole.ocrg.opolskie.pl/strategiczny-dialog-na-temat-przyszlosci-rolnictwa-ue-przedstawia-sprawozdanie-koncowe-przewodniczacej-ursuli-von-der-leyen/>.

The Green Deal. In practice, the proposed solutions are a continuation of the current approach. Some of the key recommendations are:

- 1) **Implementing a new approach to achieving sustainable development.**
It is recommended that existing legislation leading to the implementation of sustainable practices in the EU agri-food sector be maintained and enforced. A call is made to launch, at EU level, a process to harmonise methodologies for implementing sustainable development on farms and to evaluate these measures.
- 2) **Developing a new, needs-based Common Agricultural Policy.**
The current policy must be reformed and the transformation of agri-food systems towards more sustainable and competitive models must be accelerated. This is also essential to ensure that the future CAP is better tailored to needs in the context of the EU enlargement process. The future CAP should focus on three main objectives – one of these is to promote practices that benefit the environment and animal welfare.
- 3) **Promoting the EU’s sustainable development and competitiveness in trade policy.** The European Commission should ensure greater coherence between trade and sustainable development policy. At the same time, the current approach to conducting negotiations on agricultural and agri-food matters needs to be reviewed.
- 4) **Making choices in favour of health and sustainable action should be easy.**
The European Commission and Member States should adopt policies that address agri-food systems as a whole, including the demand side, to create favourable conditions for the implementation of sustainable eating – access to sustainable, healthy diets. In this context, a trend has been identified in the EU towards reducing the consumption of certain animal-based products and an increased interest in plant-based proteins. It is recommended that action be taken to achieve a balance between the consumption of animal and plant-based proteins in the European population. It is crucial to support this trend by restoring the balance towards plant-based protein consumption and helping consumers to accept this transition.
- 5) **Increasing sustainable agricultural practices.**
Urgent, ambitious and implemented actions are needed at all levels to ensure that the agricultural sector functions in a way that protects and restores the climate, ecosystems and natural resources, including water, soil, air, biodiversity and landscapes. The recommendations concern promoting diversity, improving nutrient management and making progress on decarbonisation.
- 6) **Reducing greenhouse gas emissions in agriculture.**
The European Commission and Member States should work towards a coherent policy framework, which includes, among other things, the development of a comprehensive methodology for determining greenhouse gas emissions, an emissions accounting system, and the setting of emissions targets for different types of agriculture and their structural conditions.
- 7) **Establishing a pathway for sustainable livestock production in the EU.**
The European Commission should launch a process to develop a strategy on the role of animals in the economy. These strategies should be science-based and subject to consultation with all stakeholders. Solutions should include, among other things, financial support for investment, advisory services, education, support for practical and advanced technological solutions to reduce greenhouse gas emissions, and the promotion of a circular economy. Solutions are needed regarding animal welfare, including labelling.
- 8) **Measures aimed at better conservation and management of arable land and water resources, and the development of innovative cultivation techniques in crop production.** The European Commission should set, together with the Member States, a legally binding target of ‘no net loss of agricultural land by 2050’. Measures are also needed to facilitate the adaptation of agriculture to a changing climate, as well as solutions that will enable the development of agriculture that is resilient to water scarcity and less water-intensive.

These are just a selection of recommendations that propose maintaining the course towards sustainability and well-being. However, the recommendations go much further and touch on areas such as striking a balance between the consumption of animal and plant-based protein, which should be read as a call to reduce animal production. One of the highly controversial ideas linked to the implementation of *the Strategic Dialogue on the Future of EU Agriculture* is the inclusion of agriculture in the ETS, i.e. the carbon emissions trading scheme. Although these ideas seem absurd, such a partial solution has already been introduced in Denmark, regardless of the European Commission's actions. From 2030, an emissions tax is to be levied on every cow kept.

1.8 The impact of the CSRD on beef producers in the European Union

Regardless of plans and announcements, regulations have already been published that significantly affect agricultural producers. One example is the CSRD²⁹ (Corporate Sustainability Reporting Directive). This is a new European Union regulation that imposes sustainability reporting obligations on companies, including beef producers. The CSRD aims to increase corporate transparency and accountability regarding their impact on the environment, society and corporate governance (ESG – Environmental, Social, Governance). For beef producers, including farmers, this directive imposes several key obligations.

- Non-financial reporting obligation
Beef producers who meet certain size criteria will be required to report non-financial information. This means that, in addition to traditional financial data, they must also provide detailed information on the impact of their operations on the environment, society and governance. In the context of beef producers, non-financial reporting covers aspects such as greenhouse gas emissions, water consumption, waste management, animal welfare, and the impact on biodiversity.
- Environmental and social risk assessment
The CSRD requires beef producers to carry out a risk assessment of their operations. They must identify and assess potential environmental risks, such as soil degradation, water pollution and greenhouse gas emissions, as well as social risks, including working conditions and labour rights. On this basis, companies should implement measures aimed at minimising the negative impact of their operations.
- Supply chain reporting obligations
Beef producers are also required to report on the entire supply chain. This includes monitoring and disclosing information on the practices of suppliers, such as cattle farmers. Companies must ensure that their suppliers comply with sustainability standards and that they employ appropriate farming practices that minimise negative environmental impacts. In the context of beef production, this means monitoring farming practices, feed consumption, waste management and greenhouse gas emissions.
- Transparency and data availability
The CSRD requires beef producers to ensure that information regarding their operations is easily accessible and understandable to stakeholders, including consumers, investors and non-governmental organisations. This aims to increase transparency and enable better decision-making by consumers, who are increasingly guided by sustainability criteria when choosing products.
- Compliance management and audits
Companies must also carry out regular audits and monitor their compliance with the requirements of the CSRD. For beef producers, this may mean having to employ sustainability specialists who will be responsible

²⁹ Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate sustainability reporting.

for monitoring and reporting compliance with regulatory requirements. Furthermore, companies must be prepared for inspections by supervisory authorities, which may impose sanctions in the event of non-compliance.

- Impact on small producers

Although the CSRD is primarily aimed at large companies, it also has an indirect impact on smaller beef producers. Large companies that are their customers may require them to comply with certain sustainability standards, meaning that smaller farms may also be obliged to make changes to their farming practices.

The CSRD introduces significant changes to sustainability reporting and management for beef producers in the European Union. It imposes obligations regarding non-financial reporting, risk assessment, supply chain monitoring and ensuring transparency. For beef producers, this means the need for more responsible management of production and farming practices, aimed at minimising negative impacts on the environment and society. Importantly, information in this area is currently very limited, and there is a lack of widespread communication on the matter among farmers.

Currently, most companies, and not just those in the HoReCa sector, are developing ESG (Environmental, Social, Governance) strategies and are committed to conducting business responsibly in terms of environmental, social and corporate governance issues. These strategies are designed to enable companies to achieve sustainable development and build value based on long-term goals that take into account environmental, social and governance factors, such as the protection of natural resources, adaptation to climate change, care for employees and transparent corporate governance.

In view of these new obligations, which are characterised by double materiality, companies in the HoReCa sector will also expect beef suppliers to provide information on the carbon footprint of the beef when delivering the product, not only within the production and logistics system itself, but also across the entire supply chain (including farms, the so-called Scope 3). This will necessitate the introduction of a system for identifying, measuring and subsequently reducing greenhouse gas emissions right at the farm level where the cows are reared. Therefore, companies purchasing and processing beef from farmers should implement systems to help farmers introduce sustainability objectives and reduce emissions on their farms. Such systems must be based on specific independent methodologies, e.g. SBTi³⁰, and rely on transparent emissions calculators backed by scientific knowledge.

Only by possessing highly accurate and verified data and information, which will be provided to companies—including those in the HoReCa sector—will they be able to set their reduction targets and develop strategies that include measurable indicators and roadmaps for achieving them. It is also important to define the criteria for achieving the set targets³¹.

Ensuring this requires access to all relevant information and data from beef-producing farms, such as: information on soils, crops, afforestation, feed used, and technical solutions implemented. This data is essential for balancing the farm in terms of the amount of carbon dioxide sequestered, which allows an assessment of how many cows the farm can have to ensure that their greenhouse gas emissions are balanced (achieving carbon neutrality). Such a solution should be treated as a priority in the context of

³⁰ The Science Based Targets initiative (SBTi) – an initiative based on science-based targets. The SBTi is an initiative aimed at showing companies how much and how quickly they must reduce greenhouse gas emissions to prevent the worst effects of climate change.

³¹ For example, the ESRS standards in the environmental section are: Climate Change ESRS E1 – Taxonomy: Goals 1 and 2; Pollution ESRS E2 – Taxonomy: Goal 5; Water and Marine Resources ESRS E3 – Taxonomy: Goal 3; Biodiversity and Ecosystems ESRS E4 – Taxonomy: Goal 6; Resource Use and Circular Economy ESRS E5 – Taxonomy: Goal 4.

reducing emissions from cattle farming. Only as a second step can one consider issues of interfering with the animal's natural physiology by introducing changes to the animals' diet that reduce CO₂ emissions from the cow's metabolic processes (which is currently being tested).

Regardless of the assessment of this method's effectiveness, it is less natural than balancing the farm and achieving sustainable emissions between arable and livestock farming, and it is not yet clear how it will be received by beef consumers. Another advantage of balancing is that many of these practices have long been used by farmers, and in reality the only change would be the introduction of an integrated calculator to calculate emissions for a farm, adapted to a model that takes market specifics into account. An example of this approach is the Cultivate system used by OSI Food Solutions Poland, enhanced by a calculator developed at the National Research Institute of Animal Production in Balice. The aim of this solution is to introduce 'sustainable beef' to the Polish market, and ultimately beef that is climate-neutral throughout the entire supply chain. The solution based on this calculator has been incorporated into the QMP beef quality system.

The scope of the CSRD directive is very broad and will consequently affect virtually all beef producers and farmers – and if not all, then the vast majority. It is worrying that, although the requirements that will apply are known, the actions being taken to implement them are very limited.

1.9 Deforestation

Another challenge for the beef industry is the regulations relating to deforestation: the EUDR – European Union Deforestation Regulation³². In the face of the growing global threat posed by excessive deforestation and forest degradation, the European Union has decided to introduce measures aimed at protecting forest ecosystems worldwide. A key element of these measures is the regulation known as the EUDR. This regulation entered into force on 29 June 2023 and will apply from 30 December 2024 for the largest companies, and from 30 June 2025 for micro and small enterprises.

The EUDR is the EU's response to the need to keep the European market free from goods derived from illegal deforestation. The measures introduced are intended to ensure that goods available on the EU market and those exported from the EU do not originate from activities contributing to deforestation or forest degradation. The provisions of the Regulation concern the trade in products listed in Annex 1 to the EUDR. The Annex also includes cattle (beef) to ensure that cattle farming does not result in the conversion of forest land into pasture and to limit overgrazing by cows, which can lead to soil degradation and greenhouse gas emissions. At present, there is no information on the specific method of verification to be introduced in Poland.

The EUDR imposes an obligation on companies to conduct accurate and transparent operations, collect and analyse data on the origin of raw materials, report this to EU authorities, and monitor and update their procedures to ensure compliance with regulations on preventing deforestation. To meet the requirements of the Regulation, companies must provide detailed information on the origin of their products. In practice, this means that all goods must undergo a verification process, including beef.

³² Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the placing on the Union market and the export from the Union of certain goods and products related to deforestation and forest degradation, and repealing Regulation (EU) No 995/2010.

Aligning operations with the requirements of the EUDR necessitates an assessment of whether the beef supplied to restaurants (end users are unlikely to verify this information directly) does not contribute to deforestation, in accordance with Article 3 of the EUDR. Furthermore, it must be verified whether the beef has been produced in accordance with the relevant legislation of the country of production. The EUDR does not directly require the possession of certificates, but imposes a duty of due diligence to prove that products do not contribute to forest degradation and comply with the relevant legislation.

Certifications such as FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification) can help meet these requirements by demonstrating sustainable forest management. Other certifications, such as Rainforest Alliance, confirm that production complies with sustainability principles. Although holding certificates is not mandatory, they can significantly facilitate the process of demonstrating compliance with the EUDR, serving as evidence of due diligence and increasing the confidence of supervisory authorities and consumers. It should be noted that the competent authorities designated by EU Member States in accordance with their respective territories will carry out inspections and audits to ensure compliance with the regulations.

Breaches of the Regulation may result in sanctions, including financial penalties of up to 4% of the company's total annual turnover in the EU for the previous financial year, the confiscation of products and revenue, as well as temporary exclusion from public procurement procedures, loss of access to public funding (e.g. tenders, grants and concessions) and a temporary ban on trade.

Before commencing implementation measures, companies will analyse their supply chains and map all stakeholders, as well as assess consumer preferences regarding beef. It currently appears that this will become another factor influencing consumer choice, as the EUDR is regarded as a significant step towards protecting global forest resources. However, the effectiveness of the regulation will depend on its proper implementation, as well as on international cooperation and the engagement of all stakeholders in the supply chain. Monitoring progress and adapting the regulations in response to evolving challenges will be key to achieving the intended objectives.

1.10 The European beef value chain's approach to transitioning to sustainable production and its underpinnings

Currently, the largest European initiative for cooperation between organisations in the beef supply chain from different countries is the European Roundtable on Sustainable Beef (ERBS). It is the European counterpart to the Global Roundtable on Sustainable Beef (GRSB).

ERBS is the beef working group within the SAI Platform. It was established in 2018 as a multi-stakeholder platform focusing on the sustainability of beef in the European region and across all aspects of its value chain. The organisation's members include farmers, as well as companies and institutions operating in the fields of agriculture, processing, retail, catering, and social and public benefit organisations. ERBS operates in accordance with the principles of the Global Roundtable on Sustainable Beef (GRSB) and other recognised international organisations.

Currently, six local platforms are recognised by ERBS as sustainable beef schemes: 'Interbev' from France, 'BEST Beef' from Germany, 'SBLAS' from Ireland, 'Allevamenti Sostenibili' from Italy, "Cultivate" from Poland and the "UK Cattle Sustainability Programme" from the United Kingdom. The Polish Sustainable Beef Platform was admitted as a member of ERBS in 2021.

ERBS operates on the premise that sustainable development is a path to continuous improvement, along which new targets are set. The most effective practices for achieving these may vary depending on the production system used, the legal situation in a given region (subsidies, support programmes

or other state aid), the climate and the individual needs of farms. With this in mind, ERBS has identified 4 priority areas and 8 outcome targets:

- Area: Environment – Objective 1: Reduce greenhouse gas emission intensity by 15% by 2025.
- Area: Veterinary medicines – Target 2: Total antibiotic consumption below 10 mg/PCU by 2023; Target 3: A 50% reduction in the consumption of HP-CIAs by 2023.
- Area: Animal health and welfare – Target 4: Mortality rates below 1.5%, and for systems with mortality rates above this target, a 20% year-on-year reduction must be achieved; Target 5: All animals will be kept in non-restraint systems (when housed indoors) by 2030; Target 6: All animals receive pain relief (analgesics) during all surgical procedures and during all forms of castration, dehorning and removal of horn buds.
- Area: Farm management – Objective 7: To reduce the number of serious accidents on the farm (subject to reporting, see the European Reporting Framework) and to reduce the number of fatal accidents, with the overall aim of reducing them to zero; Objective 8: Profitable farms with a business plan.

Since 2018, the ERBS targets have remained unchanged, so in 2023 a process to revise them began, as the deadline had passed for some, the approach to measuring and monitoring changes had changed, or public perception of them had shifted. The new proposal contains 12 targets across 4 areas. From our perspective, the most important are:

Area: Climate – Goal 1: Action plan for emissions reduction: “An implemented plan to reduce greenhouse gas emissions intensity, which is reviewed and adjusted in each reporting cycle”; Goal 2: Reduction of greenhouse gas emissions intensity: “A 30% reduction in greenhouse gas emissions intensity by 2030 compared to the 2019 baseline”; Target 3: Carbon sequestration: “Preservation of existing carbon stocks in beef production and increased carbon sequestration”.

Due to the growing pressure in recent years on the livestock sector, and in particular the beef sector, to protect the climate, it was decided to separate the Climate area from the Environment area. The intended climate impact of achieving the proposed targets is to improve the climate footprint of beef production. The previous outcome target, which focused on reducing emission intensity, has been updated in terms of the reduction level and timeframe (Target 2). In addition, two supporting objectives have been proposed to achieve the required reduction intensity through the implementation of greenhouse gas emission reduction plans (Objective 1) and the undertaking of carbon sequestration measures (Objective 3).

Area: Nature – Objective 4: Protecting biodiversity in beef production; Objective 5: Protecting water resources used in beef production or affected by it; Objective 6: Protecting soils in beef production.

Natura has been proposed as the second new area of action to replace the Environment area. The reason is that beef production takes place across large areas of land, which has a significant impact on the local natural environment (Objective 4), soil (Objective 6) and water resources (Objective 5). This will enable the sector to take a proactive approach to the challenges ahead. ERBS hopes that by achieving these objectives, it will be possible to demonstrate that beef production has a positive impact on the natural environment.

Area: Resilience of agricultural production – Objective 7: Economic viability: “The value chain actively supports farmers on an ever-increasing scale in securing more resilient (stable) livelihoods”; Objective 8: Health and safety: “Farmers are actively supported on an increasingly large scale with tools that make their farms safe for themselves and their employees”.

Under the current proposal, the ‘Farm Management’ area would be renamed ‘Agricultural Production Resilience’. However, the objectives set out within it would remain unchanged and would continue to focus on ensuring the economic stability of beef-producing farms (Objective 7) and preventing accidents in agriculture, which also has a significant impact on maintaining farms’ production capacity and income generation (Objective 8). Through these objectives, the ERBS aims to demonstrate that beef production provides a safe working environment for people and has an economically viable future.

Area: Animal health and welfare – Objective 9: Achieve a mortality rate below 1.5% (or a 20% reduction year on year³³); Target 10: Housing all animals without tethering (for animals kept indoors) available from 2030; Target 11: Administration of analgesics (anaesthetics) to all animals for all surgical procedures and all forms of castration, dehorning and horn bud removal; Target 12: Total antibiotic consumption below 10 mg/PCU, with a 50% reduction in use by 2030 compared to the 2018 baseline.

The current ERBS proposal leaves all existing targets in this area unchanged. This demonstrates that animal health and welfare remain the highest priority for the beef value chain. Furthermore, it is proposed to add a target on total antibiotic use (Target 12) to this area, and in return to remove the existing ‘Veterinary Medicines’ area. The target concerning the reduction of HP-CIA antibiotic use is to be removed, as changes in EU legislation are beginning to regulate the rules for the use of medicines in veterinary medicine from the top down.

The reasons for the new approach of the ERBS and the European beef value chain can be considered to be:

- significantly more objectives currently operating in the market, including at the regulatory/legal level;
- a steadily growing level of interest in and scrutiny of the beef sector, particularly in the area of climate protection;
- updated global targets for sustainable beef (by the GRSB);
- significantly greater pressure on organisations to report transparently and in detail on their sustainability goals and progress (reporting obligation under the Corporate Sustainability Reporting Directive – CSRD);
- changes in production systems – the entry into force of the ‘Strategic Plan for the Common Agricultural Policy 2023–2027’;
- rising production costs and inflation;
- changes in consumer awareness – for example, animal welfare has always been important, but there is growing interest in issues such as deforestation and biodiversity, so consumer expectations are rising;
- the increasing importance and value of ecosystem services, so there is a need to ensure that these benefits are maintained within the beef value chain, and in particular for cattle farmers;
- the increasing recognition that animal health and welfare are interlinked;
- the growing importance of regenerative agriculture;
- the increasing prevalence of setting targets based on scientific research, e.g. SBTi.

1.11 Labelling – greenwashing

At EU level, various legislative initiatives on labelling are underway. Some of the ideas have not yet taken the form of legislative proposals, but are the subject of lively debate

³³ For systems with a mortality rate above this target, a 20% reduction must be achieved year on year.

in this regard. An example of such an area is the discussion on the use in vegetarian production of terms traditionally associated with meat products, e.g. bean steak or vegetable burger. There are as yet no harmonised solutions at EU level, but observing the general direction of work, one should not be overly optimistic in this regard.

Changes and discussions regarding labelling requirements relate to pro-environmental and pro-climate claims. Additionally, work is ongoing at the European Commission to clarify the rules for labelling information relating to origin³⁴, as well as the solutions announced in the 'Farm to Fork' strategy (Farm to Fork/F2F), relating to the creation of a sustainable food system. As announced, the European Commission has launched a new initiative³⁵, 'A Sustainable EU Food System'. This proposal does not yet take the form of specific solutions contained in a draft legislative act – it is rather a description of the direction of action, which was open to comment, as well as suggestions for the appropriate implementation path. A legislative proposal is to be presented on the basis of the suggestions and comments received. Among other things, the preparation of a proposal for a sustainable food labelling framework is announced, to enable consumers to make choices regarding sustainable food and feed.

At the level of planned European Union legislation, alongside the provisions of the CSRD Directive already in force, solutions are being proposed to prevent the misleading of consumers regarding the use of terms, claims or suggestions concerning environmental friendliness and sustainable solutions in the production of goods, so-called 'greenwashing' – this is a package of regulations³⁶.

The provisions of the already adopted Directive No 2024/825 have expanded the list of commercial practices that are considered misleading and are therefore prohibited. Prohibited practices relate to advertising and communicating claims regarding benefits for consumers, the environment, society, sustainability, etc., where such claims are not verified by a third party. The measures adopted apply to all sectors. It should be noted that in the agricultural sector, there were already measures restricting the use of references to organic farming (e.g. the use of the words 'eco', 'bio', 'organic', 'ecological', etc. – was restricted solely to genuine organic agricultural products), and now the regulations have significantly expanded the number of terms subject to such restrictions. This includes phrases such as: 'environmentally friendly', 'eco-friendly', 'green', 'nature-friendly', 'ecological', 'environmentally sound', 'climate-friendly', 'environmentally gentle', 'carbon-friendly', 'energy-efficient', 'biodegradable', 'bio-based' or similar terms that suggest or give the impression of high environmental performance.

Work on all the provisions of this package is not yet complete, but it should be borne in mind that the communication of 'sustainable beef' will be subject to these provisions.

1.12 Lab-grown meat

There are currently numerous threats to global food production systems that could undermine existing supply chains by reducing the capacity and potential to produce food, and above all sufficient quantities of high-quality protein, for which demand is constantly growing alongside population growth. Beef consumption varies

³⁴ *Evaluation support study on mandatory indication of country of origin labelling for certain meats Final Report*, European Commission, September 2020, *Directorate-General for Agriculture and Rural Development*, Agra CEAS Consulting SA (BE) IHS Markit, Areté s.r.l. – Research & Consulting in Economics.

³⁵ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13174-Zrownowazony-unijny-system-zywnosciowy-nowa-inicjatywa_pl.

³⁶ See: Directive (EU) 2024/825 of the European Parliament and of the Council of 28 February 2024 amending Directives 2005/29/EC and 2011/83/EU as regards empowering consumers in the green transition through better protection against unfair practices and better information, and the currently pending draft *Directive of the European Parliament and of the Council on substantiation and communication of explicit environmental claims (Green Claims Directive)*.

depending on the geographical region; the greatest demand is recorded in countries characterised by significant economic growth and a strong economic situation – in order to meet the growing needs of food production, which are currently met through traditional agriculture and livestock farming, it is necessary to simultaneously ensure greater quantities of land, water and feed. It is precisely because of the need to increase protein production without increasing the cattle population that interest has arisen in the production of ‘lab-grown meat’.

Cell-based agriculture, also known as laboratory-based agriculture, involves the production of ‘meat’ derived from cells in a laboratory. When referring to this type of production, the term ‘meat’ should be placed in quotation marks, as the results obtained so far relate only to certain, selected parameters of meat³⁷. Predictions regarding the development of this type of production were highly optimistic. In particular, since the second decade of the 21st century, there has been an abundance of such forecasts. Some³⁸ of them assumed that the meat and dairy industries would go bankrupt by 2030. Others³⁹ predict the collapse of these sectors and a transition to lab-grown ‘meat’ by 2040. Still others⁴⁰ assumed that such a collapse would occur as early as 2017.

The problems facing this type of production are cost and, of course, quality. At present, using available technology, the cost of producing the raw material in a laboratory is still higher than that of traditional meat. Available data varies in this regard, but all indicate a price significantly higher than that of meat. An Israeli prototype produced in 2013 cost as much as \$800 (over 3,500 PLN) per kilogram. In 2019, this price fell to \$112 (around 500 PLN). Scientists estimate that with current technologies, the minimum price could be \$63 per kilogram, or around PLN 280.

However, intensive research and development work on such production is ongoing. Currently, some consumers feel a certain reluctance and fear towards consuming ‘meat’ produced in this way. This solution does not apply only to beef, as this type of production also offers alternatives resembling chicken, pork, fish and seafood.

The demand for alternative sources of protein usually stems from the need to meet consumer needs. There are many social aspects regarding the acceptance of new technologies. European sociological studies, conducted in Belgium, Portugal and the United Kingdom, have shown that the primary concern consumers have about consuming lab-grown ‘meat’ is its unnatural appearance and taste, followed by scepticism regarding a new, unfamiliar product and a fear of the decline of traditional agriculture. It has been demonstrated that it is technically difficult for this product to replicate the flavour guaranteed by traditional beef farming methods, as too many biological factors influence the final taste of traditional meat, and these are difficult to replicate in cell culture conditions. Naturally, research is ongoing to improve the structural and sensory characteristics of this raw material. Consumer research indicates, however, that a significant factor in the scepticism of potential buyers is the classification of lab-grown meat as a product created using modern technologies, such as GMOs. This exacerbates consumers’ negative attitudes and their fear of consuming such ‘meat’.

There is still a long way to go before ‘lab-grown meat’ can be produced, and claims that the dairy and meat industries are on the brink of collapse are, to say the least, unfounded. Furthermore, in April 2023, a report was published

³⁷ For further reading: Wood, P., L. Thorrez, J.-F. Hocquette, D. Troy, and M. Gagaoua. 2023. “Cellular agriculture”: current gaps between facts and claims regarding “cell-based meat”, “Anim. Front.” 13(2): 68–74. doi:10.1093/af/vfac092.

³⁸ Tubb, C., and T. Seba, *Rethinking food and agriculture 2020–2030*, RethinkX: San Francisco 2019, CA, USA.

³⁹ van Diepen, J., M. van de Wouw, R. Broekema, E. Dujso, A. Buitenhuis, A. Mensing, and G. van der Veen. *Protein transition in Flanders: study on the status and potential of (high-)tech solutions to replace meat proteins in the daily diet*, 2018, <https://www.vlaio.be/nl/Eiwit-transitie-Vlaanderen>, retrieved on 20/08/2022.

⁴⁰ See: <https://webgate.ec.europa.eu/sr/speech/cultured-meat> – speech 24100.

report⁴¹ by the FAO/WHO on the safety of such products for humans. The report describes 53 risk factors associated with the consumption of such food. The report's overall message is: 'Extreme caution is warranted, as there is still too little information and insufficient data on the actual safety of lab-grown meat'.

Taking into account the above research findings, as well as those concerning consumer perceptions of such 'meat', under no circumstances should Polish beef be associated with 'meat' from a laboratory. Should a discussion arise in this regard, a clear stance must be adopted on this matter.

1.13 Use of antibiotics

Another challenge facing the cattle farming industry is consumer expectation to limit the use of antibiotics in the beef production process. Customers want to be sure that the beef served in restaurants comes from cattle that have not been given antibiotics. Antibiotics are an effective weapon in combating bacterial diseases in animals and humans, however, when discussing the benefits of their use, one cannot overlook the growing danger of bacteria becoming resistant to them (antibiotic resistance), primarily as a result of the overuse of these substances not only in the treatment of human and animal diseases, but also in animal husbandry⁴².

In the vast majority of European countries, a very positive reduction in the use of antibiotics for the treatment and prevention of diseases has been observed for over a decade. The main reason for these trends is the very real, repeatedly proven fear that their effectiveness will diminish as pathogenic bacteria develop antibiotic resistance. The consequences are dangerous not only for farm animals, for whom there is no or may be no treatment available, but also for humans. The Scandinavian countries lead the way in reducing the use of antibiotics in animal husbandry and are held up as a model for others. In Poland, to reduce the levels of antibiotics in beef, a change in approach to their use in dairy cattle farming is essential, particularly in dry-off therapy (DC), i.e. in 'protecting' the mammary gland at the time of drying off. This means that their use in preventive treatment must be reduced in favour of other methods to improve cattle health, such as mineral-balanced feeding.

The solutions adopted when defining 'Polish beef' should meet consumers' expectations in this regard. Of course, the approach to antibiotics is often an element included in the term 'sustainable' and, as such, is not singled out as a separate category.

1.14 Muslim consumers

Market analysis must also be linked to an analysis of the criteria for entering these markets with meat products. In such cases, each market requires a detailed assessment and verification of the scope of the required documents, certificates and permits. Describing these requirements goes beyond the scope of this strategy; however, it is worth noting the general requirement placed on beef by Muslim consumers. A prerequisite for the consumption of beef by Muslims is the possession of a halal certificate⁴³. In some countries, this is a condition for entering a given market, whilst in others it is a condition for the purchase of beef by consumers.

⁴¹ *FOOD SAFETY ASPECTS OF CELL-BASED FOOD*, Food and Agriculture Organization of the United Nations World Health Organization Rome, 2023. <https://doi.org/10.4060/cc4855en>

⁴² Since 1 January 2006, antibiotics may no longer be used as growth promoters for animals in European Union countries, a practice that had been common for many years, particularly in pig and poultry farming.

⁴³ It is important to note that the halal system is not harmonised at the global level and that several versions of this system exist. The most widespread are the SMIIC (Standards and Methodology Institute for Islamic Countries) standard and the Malaysian Standard HALAL FOOD.

The global Muslim population is currently estimated at 1.6 billion, and their share of the total population is on the rise. Muslims live in Arab countries, but there are also large numbers of followers of this religion in other countries. Currently, the largest Muslim populations are found in countries such as Indonesia (around 220 million), India (around 200 million), Pakistan (around 185 million), Bangladesh (around 150 million), Nigeria (around 90 million), Egypt (around 85 million), Iran (around 80 million) and Turkey (around 75 million). The number of Muslims in the EU is estimated at 26 million. Even now, when sending beef to Germany or France, a halal certificate must be included. Halal certification confirms compliance with Islamic principles, but it is not standardised at a global level. Differences also exist at national level, which is why this issue should be discussed in detail with the recipient. This applies, for example, to the choice of the body that will carry out the certification process.

Halal beef must come from ritual slaughter. This slaughter is governed by several key principles, such as: the animal to be slaughtered must be healthy, alive and conscious; the animal's oesophagus, trachea and main carotid arteries are cut with a sharp knife, and the spinal cord must not be damaged; this process must be carried out smoothly and without interruption, and the animal must be bled out; the animal's head should be facing Mecca, and specific words are recited during the slaughter. The issue of stunning prior to slaughter is a matter of debate.

Without going into detail regarding institutional arrangements for the requirements of the halal control, supervision and certification system, it must be accepted that the requirements for 'Polish beef' cannot conflict with the requirements of that system. This does not imply a demand that Polish beef be halal-compliant. However, domestic producers should be given the opportunity to obtain additional certification in this regard if they deem it appropriate.



1.15 Water availability

In 2023, it was estimated that 30% of the population of European Union countries lived in areas with limited access to drinking water or subject to desertification⁴⁴. Record temperatures recorded in 2024 are further exacerbating water shortage issues⁴⁵. Mediterranean countries in Europe, such as Spain, Italy (Sicily) and Greece, are particularly affected by this problem. Compounding the situation is the increased demand for water due to heightened tourist traffic, which in turn leads to the paradoxical phenomenon of 'competition' for water availability between agriculture and the tourism sector⁴⁶.

⁴⁴ <https://www.euronews.com/2023/10/16/europes-water-crisis-how-bad-is-it-and-what-can-be-done>.

⁴⁵ <https://www.ft.com/content/e9fbd736-f372-4ac0-84af-1677aea6cc25?shareType=nongift>.

⁴⁶ <https://www.theguardian.com/environment/article/2024/aug/19/the-land-is-becoming-desert-drought-pushes->

[sicilys-farming-heritage-to-the-brink.](#)

Problems related to water scarcity are likely to trigger two phenomena in the European Union. Firstly, we will see growing pressure from so-called pro-environmental groups to limit livestock production, which is perceived as being linked to water consumption. A significant statement in this regard comes from Jippe Hoogeveen, a senior land and water specialist at the UN Food and Agriculture Organisation, who told Euronews: “The food we eat will probably have to come increasingly from other parts of the world, as we will no longer be able to produce certain products in Europe due to rising temperatures”⁴⁷. This kind of approach may result in an attempt to introduce an EU policy on the ‘water footprint’ or in measures that will facilitate the import of “water-intensive” products (e.g. beef) into the EU market in order to limit the use of its own water resources.

Secondly, another trend may be pressure from southern European countries on the European Commission to implement new programmes addressing the difficult situation facing agriculture due to water shortages. This will mean growing pressure for reform of the Common Agricultural Policy and competition for limited funds earmarked for investment in the agricultural and food production sectors. The first indications of such measures can be found in *the Strategic Dialogue on the Future of Agriculture in the EU*, announced in September 2024.

This issue has not yet fully materialised in the form of specific legislative initiatives from the European Commission, but such a solution can be expected in the future. Regardless of the above, it should be borne in mind that water management is part of the requirements of the CSRD, so it will soon become mandatory.

Summary

In the coming years, we will see the following global trends in the beef market:

1. Global consumption and demand for beef will grow. However, this demand will not change uniformly. In the European market, we are likely to see a different trend, except in the premium product segment. The growth in global demand and market segmentation will favour large, non-European suppliers capable of rapidly increasing supply and ensuring consistent deliveries of large batches of meat of guaranteed quality and with a controlled production process. Consequently, the centres of beef consumption will shift towards Asia.
2. The opening up of the European market in connection with free trade agreements, of which the agreement with Mercosur is of the greatest significance for beef, will increase competition within the EU. Falling consumption will intensify competition. Arguments in favour of protecting the European market, emphasising food security, will play a lesser role than is currently believed in agricultural circles.
3. It must be acknowledged that the conditions for beef production in the European Union (EU) are changing, with a particular emphasis on sustainable development. Key drivers for the implementation of new production standards include the European Green Deal and the ‘Farm to Fork’ strategy, aimed at achieving climate neutrality by 2050 and creating a more sustainable and resilient food system. At the level of the European Commission, legislation implementing measures related to the European Green Deal has been introduced or is planned. An example is the Corporate Sustainability Reporting Directive (CSRD), which introduces requirements for non-financial reporting, compelling beef producers to assess environmental and social risks, as well as to monitor the entire supply chain. This requires greater transparency of operations and compliance with

⁴⁷ <https://www.euronews.com/2023/10/16/europes-water-crisis-how-bad-is-it-and-what-can-be-done>.

sustainability standards. Measures in this regard are being introduced to protect against deforestation and greenwashing, or relate to labelling.

4. At the global level, changes in consumer attitudes have been taken into account by the Global Roundtable on Sustainable Beef (GRSB), and at the European level by the European Roundtable on Sustainable Beef (ERBS). The guidelines for action aim to reduce greenhouse gas emissions globally, promote nature-friendly production, and improve animal health and welfare.
5. The importance of certified products will grow, particularly in the catering sector and in higher-price markets, as is already the case in Europe.
6. The global market will develop at a rapid pace, but here the main barrier for Polish farmers is the scale of production, their current position in these markets, and the investment required for processing and marketing. In the European market, on the other hand, we will see growing competition and an increase in the importance of certification and quality assurance schemes, particularly in the segment of higher-quality meat with higher margins. At the level of European Union policy, it is difficult to expect a reversal of current trends; indeed, it seems that, in view of climate threats, pressure to reduce livestock production and launch new programmes – from which Poland will not be the main beneficiary – will intensify.

Taken together, all this points to the urgent need for the industry to take action to launch a comprehensive strategy, including a promotional strategy. It is essential to increase margins and the sector's capacity to offer large batches of standardised products of a specified quality. These measures must be linked to building the Polish beef brand in markets with the greatest potential. Without this, our producers will benefit only to a limited extent from the growing global demand for beef, and over time will have to face increasing competition and market penetration in the domestic market from suppliers outside Europe.

One might also venture to project the situation in 15–20 years' time should no action be taken and the 'Strategy for the Promotion of Polish Beef' fail to be effectively implemented. For example: beef consumption in the EU is declining and only premium beef finds buyers. The EU market is shrinking and beef that is not premium beef is difficult to sell; we face very strong competition and farmers' margins are very low. At the same time, EU policy, focused on a green strategic approach, aims to limit the production of unsustainable beef in the EU – it is cutting funding for development and promotion. On Asian markets, Polish beef is unrecognisable, so margins are low and farmers' incomes are falling. We are able to sell to intermediaries who have taken on the task of creating uniform, larger batches of goods, and have therefore taken a share of the margin. As we are unable to stand out on quality, we compete on price with countries with significantly lower animal welfare standards.

We must not forget that a lack of decision-making and inaction is also a decision. Failure to act, passivity or indecision have far-reaching consequences. The competition never sleeps and uses a whole range of tools, solutions and measures to capitalise on its opportunities, and sometimes also to discredit Polish beef production. We cannot afford to do nothing.

It follows from the above that Polish beef farmers should respond very flexibly to changing market conditions and consumer expectations, maintaining a balance between sustaining productivity and ensuring sustainable development. They should pay greater attention to reducing greenhouse gas emissions and animal welfare, as well as reducing the use of antibiotics, and treat these trends in consumer preferences as an opportunity for the development and promotion of the Polish beef brand.

However, these measures must not lead to a reduction in beef production, which is a vital source of protein for the ever-growing human population on our planet. This means that the anticipated increase in consumption and demand for high-quality protein in the human diet, alongside global population growth, will necessitate changes in livestock production to ensure a food supply in the future. Livestock production systems will, above all, need to be more

efficient and utilise new technologies available in livestock farming to achieve the desired scale whilst simultaneously reducing, for example, greenhouse gas emissions and the carbon footprint. Only such a strategic approach will enable the beef industry to succeed. On the Polish market, as well as on export markets, it is essential to build a ‘Polish beef’ brand based precisely on certification and quality standardisation, one that is climate-neutral and prioritises animal welfare, whilst maintaining the reduction in the use of antibiotics in breeding processes. It is precisely this openness to new challenges and a development strategy tailored to them that will enable Polish beef to compete more effectively in the future, both on the domestic market and on foreign markets (e.g. against poultry meat or ‘lab-grown products’).

Recommendations

An analysis of the situation, global trends and changes within the EU leads to the following recommendations:

1. It is essential to adopt and effectively implement the “Strategy for the Promotion of Polish Beef” as part of the “Polish Beef 2030” market development strategy. The lack of coordinated action and the failure to build a common image will not only hinder the ability to capitalise on the growing global demand for beef, but will also likely lead to a reduction in sales to EU markets and a decline in the income of farmers and producers in the supply chain.
2. The effective implementation of the “Polish Beef Promotion Strategy” is linked to the appropriate communication of the image of Polish beef and the maintenance of its quality. In the definition process, it is necessary to take into account variables affecting both the cost side and the demand side in order to maintain an appropriate level of competitiveness. These variables include, in particular: a sustainable development approach, the impact of livestock farming on the climate and the environment, the link to the reduction of greenhouse gas emissions, no contribution to deforestation, appropriate water management, the reduction of antibiotic use, and animal welfare measures.

Chapter 2

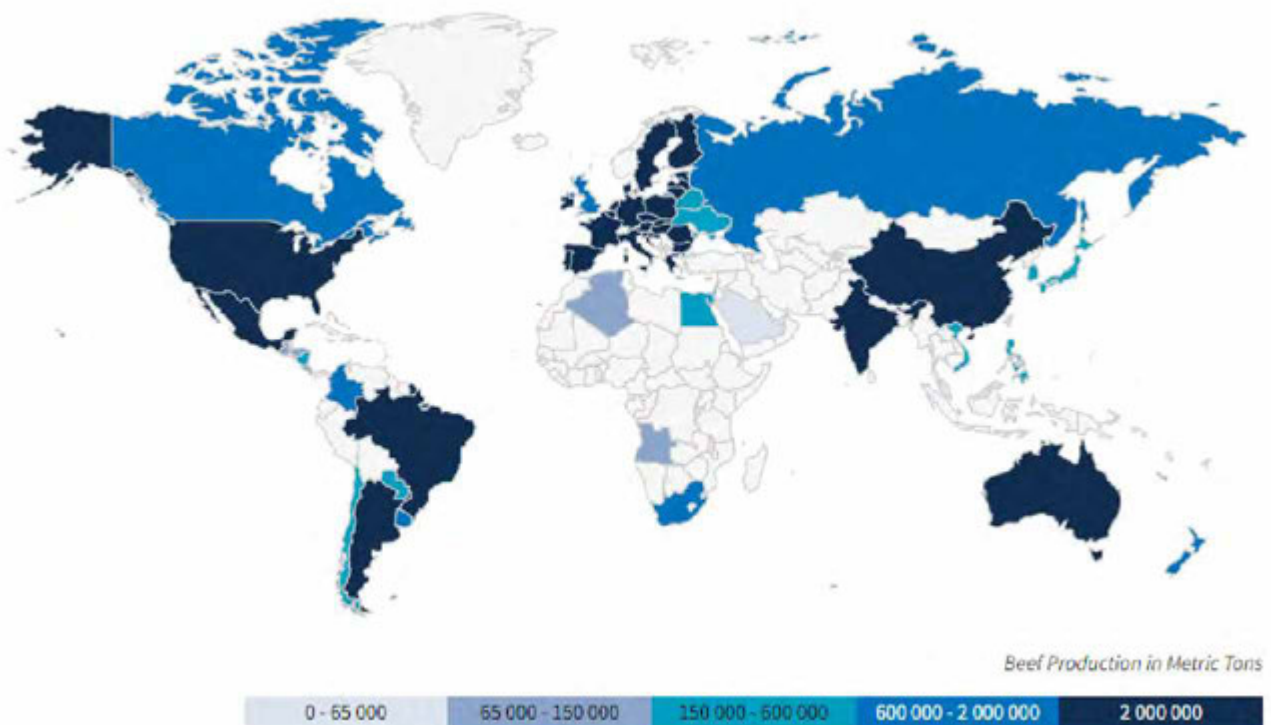
Characteristics of the beef sector. Poland and the world

The starting point for determining the direction of information and promotional activities should be a basic analysis of the current situation – where beef is produced, where it is consumed, who our competitors are (i.e. who exports it), and where we can find potential buyers (i.e. who imports it).

2.1 Supply structure – production

World

Global beef production in 2023 amounted to approximately 60 million tonnes. The figure below⁴⁸ illustrates the geographical distribution of beef production worldwide. The US accounts for 20% of global production, with 12.29 million tonnes; next in terms of volume are Brazil (18% – 10.95 million tonnes), China (13% – 7.53 million tonnes), the EU (11% – 6.46 million tonnes), India (7% – 4.47 million tonnes), Argentina (6% – 3.3 million tonnes), Australia (4% – 2.22 million tonnes), Mexico (4% – 2.22 million tonnes), Russia (2% – 1.37 million tonnes) and Canada (2% – 1.33 million tonnes). These ten countries (in this breakdown, the EU is treated as a single entity) account for 87% of global production. From the perspective of this study, it is important to treat the EU not as a single entity, but as 27 individual countries.

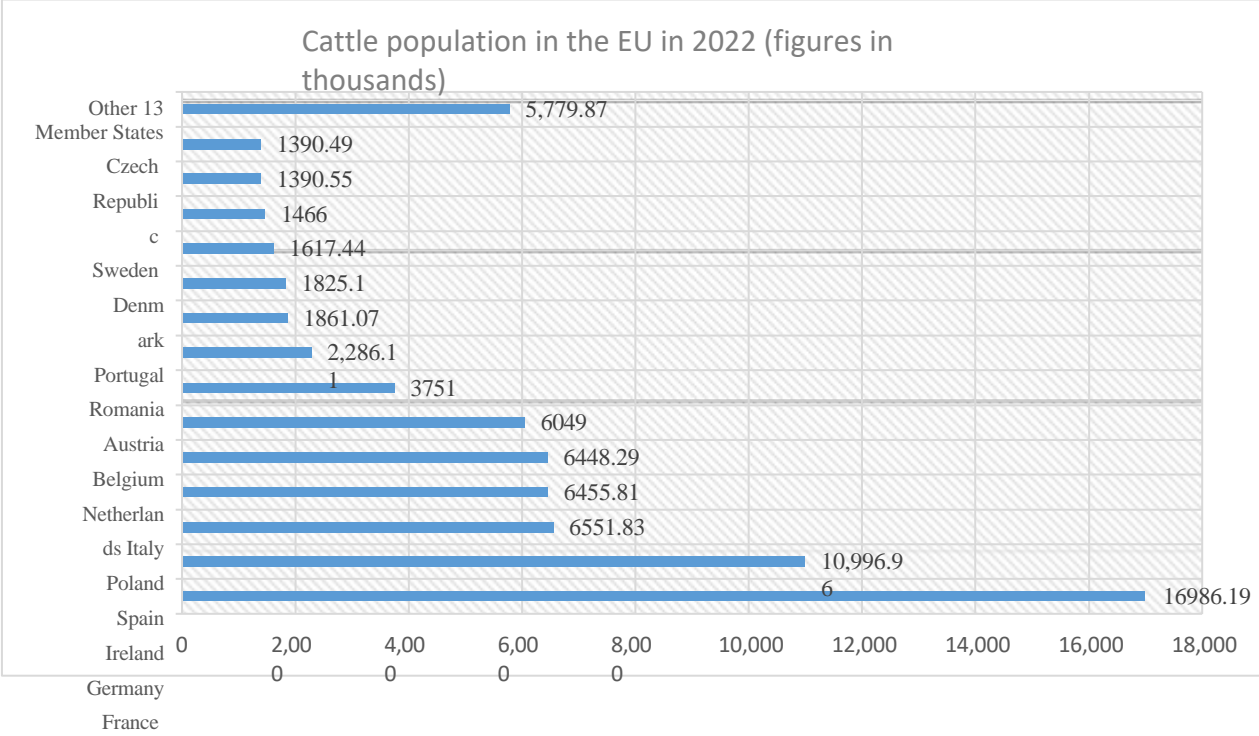


The European Union

The European Union is a major beef producer, accounting for around 11% of global production and producing approximately 6.46 million tonnes. The EU's position is therefore significant, but it is neither dominant nor predominant. It is also important to note that requirements regarding production standards (welfare requirements, rules on the use of medicines, labour costs) vary significantly among the major producers. In this respect, the EU is regarded as the producer with the highest standards.

⁴⁸ [Beef | USDA Foreign Agricultural Service.](#)

The cattle herd in the EU-27⁴⁹ has been falling steadily since 2016, when it stood at 79.7 million head, and in 2022 – 74.86 million. In 2023, it fell by 1.3% to 73.8 million head. This represents a decline of 5.9 million head (7.4%) over the last 8 years.



The situation in Poland:

The cattle population in Poland, however, shows a different trend to that in the EU. From 2016 and a level of 5.97 million head, there was an increase to 6.44 million head in 2022 – an increase of 480,000 head – i.e. by 8%. However, in 2023, this trend was disrupted and a slight decline was recorded. The livestock population in Poland in December 2023 stood at 6,435,500 head⁵⁰ and was 0.2% (12,800 head) lower than in December 2022. This means that the national herd accounts for approximately 8.6% of the EU herd. In 2022, Poland ranked 5th behind France, Germany, Ireland and Spain. In terms of beef production, however, in 2021 it ranked 6th in the EU (behind France and Germany – together these two countries accounted for around 35% of EU production in 2021 – Italy, Spain and Ireland).

The largest cattle herds in Poland in 2023 were found in the Mazowieckie (18.78% – 1.2 million head), Wielkopolskie (17.92% – 1.152 million head) and Podlaskie (16.38% – 1.05 million head) provinces. These three provinces account for as much as 53% of the national cattle population. The West Pomeranian Province is worth noting, as it recorded a 4.2% increase in the cattle population in 2023 compared to 2022.

In the structure of the total cattle herd, the share of individual age and production groups in December 2023 was as follows: calves under 1 year old – 29.8%; young breeding and slaughter cattle aged 1–2 years – 25.9%; cows – 34.2%; other adult breeding and slaughter cattle aged 2 years and over – 10%.

According to data from the Central Statistical Office (GUS), the production of fresh or chilled beef and veal in 2022 amounted to 606,000 tonnes, which is 10.8% more than in 2021 (547,000 tonnes). The production of beef and veal preserves increased to 2,950 tonnes from 2,614 tonnes in 2021 – a rise of 12.9%. However, it should be noted that the share of beef and veal preserves in the total meat preserves market is merely 2.8%.

⁴⁹ For years prior to 2020, the United Kingdom is not included.
⁵⁰ Data from the Animal Identification and Registration System (IRZ) of the Agency for Restructuring and

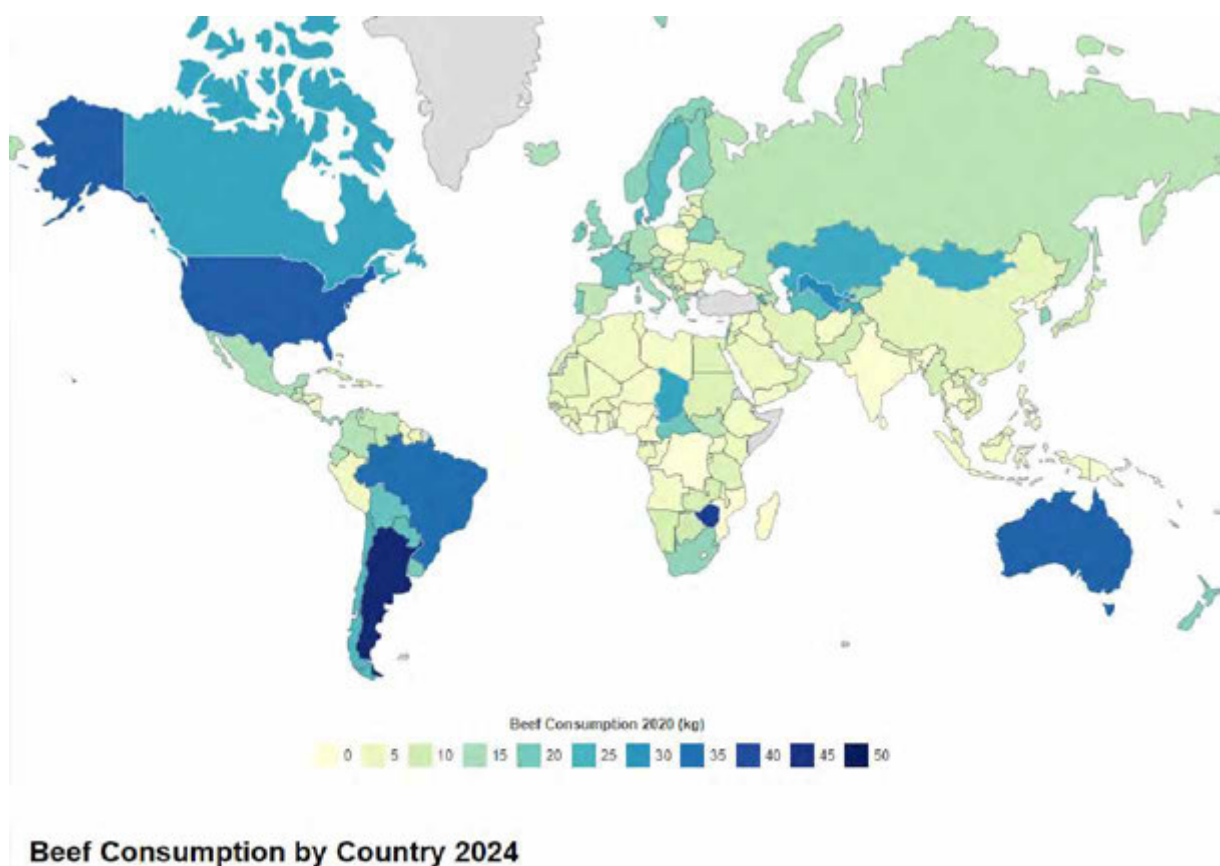
Modernisation of Agriculture; cattle population by herd location based on data from the Central Statistical Office (GUS).

2.2 Demand structure – consumption

The figure below⁵¹ shows the geographical distribution of beef consumption worldwide. The highest beef consumption is recorded in Argentina – 46.93 kg/person/year, followed by Zimbabwe – 42.3 kg, the USA – 37.87 kg, Australia – 37.02 kg, Brazil – 35.41 kg, Uzbekistan – 31.64 kg and the Comoros – 30.3 kg. Consumption levels in the range of 20 to 30 kg are found in countries such as the Central African Republic, France, French Polynesia, Bolivia, Paraguay, Turkmenistan, Sweden, Hong Kong, Chile, Armenia, Denmark, Luxembourg, Tajikistan, Malta, Mongolia, Kazakhstan, Israel, Canada and Chad.

The regions with the highest per capita consumption are therefore North America, much of South America, Australia, Central Asia, certain African countries, and then a large proportion of EU countries.

When deciding on the direction of information and promotion activities, it is worth recalling the anticipated changes in demand levels. The OECD report forecasts that global beef consumption⁵² per capita, which has been falling since 2007, will decline by a further 5% by 2030. Despite the fall in average consumption, the total market will grow from 74 to 81 million tonnes. By 2033, Asia-Pacific is the only region where per capita beef consumption is forecast to rise over the forecast period. In China, which is the world's second-largest consumer of beef in absolute terms, per capita consumption is forecast to rise by a further 8%⁵³ by 2030



⁵¹ [Beef Consumption by Country 2024 \(worldpopulationreview.com\)](https://www.worldpopulationreview.com).

⁵² OECD-FAO AGRICULTURAL OUTLOOK 2021-2030 © OECD/FAO 2021.

⁵³ This represents a 35% increase over the last 10 years.

Beef consumption in the European Union is estimated at 10.3 kg per person per year, but it also varies considerably. The highest average consumption is in countries such as Malta, Luxembourg, Denmark, Sweden and France – over 20 kg per person per year. Consumption of over 10 kg per person per year is recorded in countries such as Ireland, Finland, the Netherlands, Italy, Portugal, Greece, Slovenia, Germany, Austria, Belgium and the Czech Republic.

A large proportion of non-EU countries in Europe also have high consumption levels (over 10 kg per person per year) – these include the United Kingdom, Switzerland, Belarus, Norway, Iceland, Russia, Bosnia and Herzegovina, Croatia and Albania.

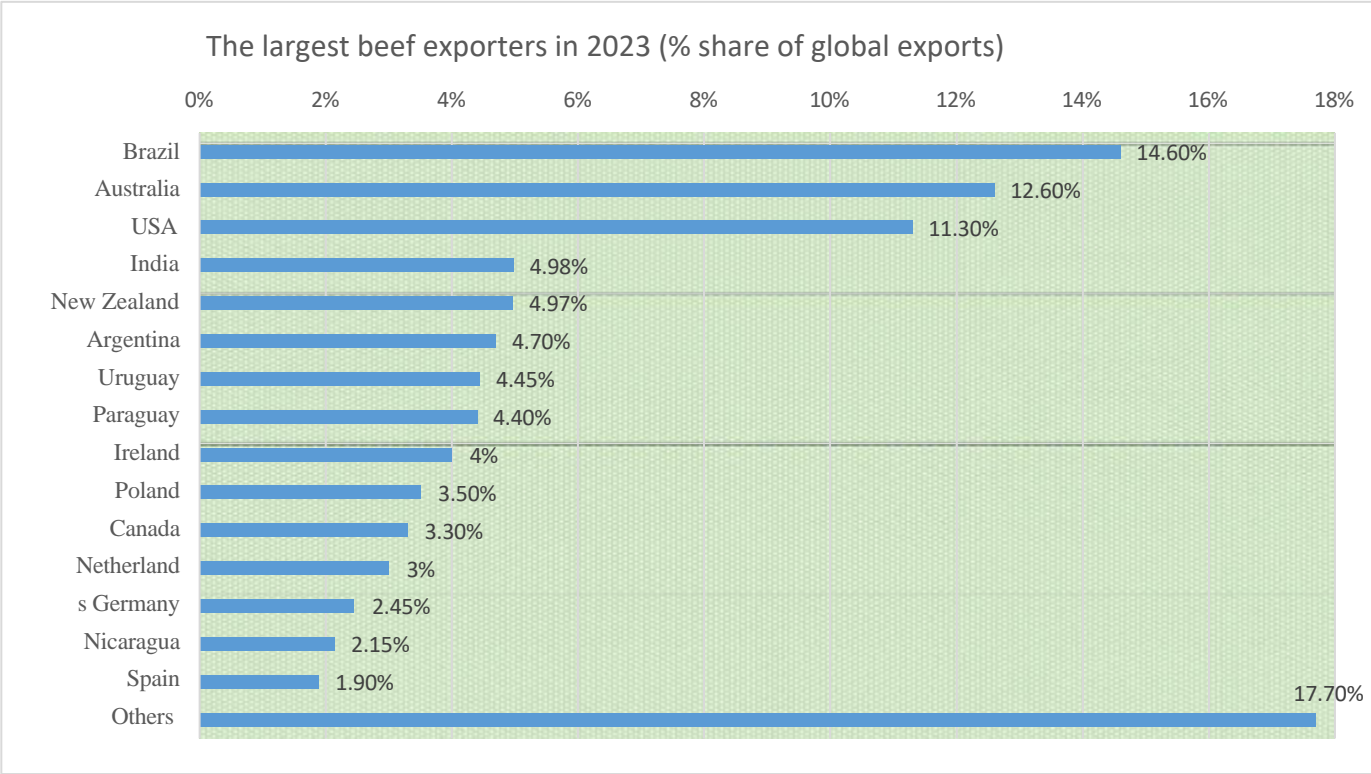
In the remaining countries in our region, consumption is below 10 kg per person per year, but is still much higher than in Poland, for example in Estonia, Lithuania and Latvia, Serbia and North Macedonia.

By comparison, beef consumption in Poland is relatively low, ranging depending on the source from around 3 kg per capita (5.4% of total meat consumption) compared to a global average of 6.3 kg in 2019.

Overall, beef consumption in Poland is the lowest in the region. And because we are a fairly large producer – ranked 5th in the EU – we are consequently ‘forced’ to export. Beef is an export product. Exports account for around 87% of production.

2.3. International trade in beef

An analysis of the structure of supply and consumption leads to a single conclusion. Although, geographically speaking, supply partly overlaps with areas of consumption, this is not a perfect match. Consequently, we therefore have international trade in beef and its flows between countries. Global beef exports in 2023 amounted to approximately \$63.56 billion.

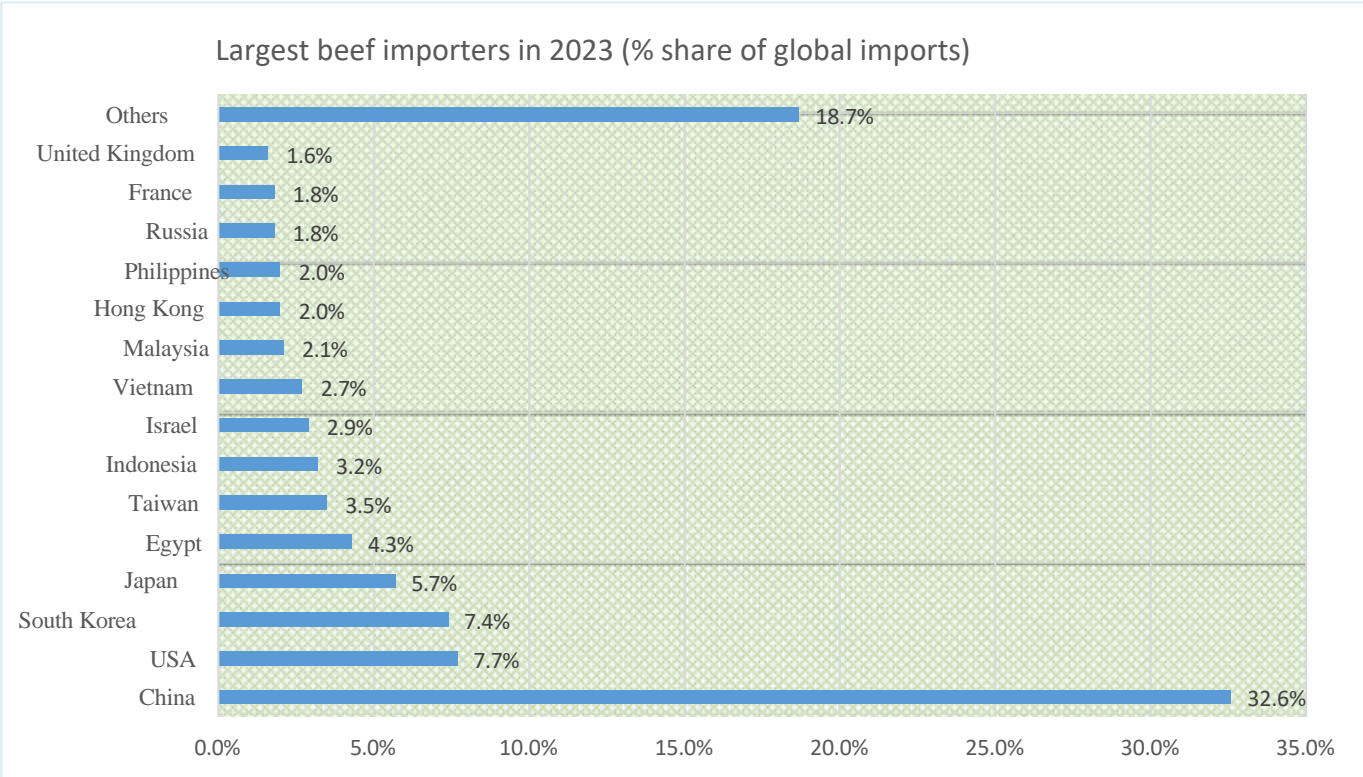


In total, the 15 largest producers/countries accounted for approximately 82.3% of global trade. These are, in order: Brazil (14.6%), Australia (12.6%), the USA (11.3%), India (5%), New Zealand (5%), Argentina (4.7%), Uruguay (4.5%), Paraguay (4.4%), Ireland (4%), Poland (3.5%), Canada (3.3%), the Netherlands (3%), Germany (2.45%), Nicaragua (2.15%) and Spain (1.9%).

In total, producers from these 15 countries are our biggest competitors in export markets. Positioning ourselves appropriately, including in relation to what the competition offers, is of key importance here.

In terms of beef imports (frozen, chilled and fresh), China is the undisputed leader, accounting for around 32.6% of global imports. Next comes the USA – 7.7%.

Next come two regions. The first region comprises the countries of South-East Asia plus the Far East, namely South Korea (7.4%), Japan (5.7%), Taiwan (3.5%), Indonesia (3.2%), Vietnam (2.7%), Malaysia (2.1%), Hong Kong and the Philippines (2% each). The second region comprises the countries of the eastern Mediterranean: Egypt (4.3%) and Israel (2.9%).



2.4. Polish beef trade

The next question to be answered is what the structure of trade from Poland looks like. And whether the markets to which domestic producers sell are the main beef-importing markets, or whether our exports are directed towards niche markets or those with no prospects for growth. This analysis also aims to answer the question of whether beef exports from Poland consist of live cattle or rather chilled, fresh or frozen beef.

Exports of cattle and beef from Poland in 2023 are characterised by a decline in the ‘live cattle’ category by weight (-9.9%) and an increase in volume (16.4%). This increase is linked to a very significant rise in the ‘live cattle up to 80 kg’ category – by as much as 81.1%.

Table 4. Cattle exports

EXPORTS CN code	Jan–Dec 2023 ⁵⁴			Jan–Dec 2022	change compared to Jan–Dec 2022 (%)
	Total	outside the EU	outside the EU (%)		
tonnes – live cattle	12,034	6,599	54.8	13,364	-9.9
head – live cattle	51,648	14,399	27.9	44,363	16.4
live cattle up to 80 kg – head	26,190	0	0.0	14,465	81.1

In the 'live cattle' category, the value of exports in 2023 amounted to **€50.29 million** (51,648 head), of which €18.1 million (36%) were exports to Russia (8,027 head). In second place is Kazakhstan with €6.77 million (13.5% and 2,790 head), followed by Italy with €6 million (11.9% and 28,108 head).

Destinations, value, volume and average price achieved in live cattle exports in January–December 2023

Country	Value [thousand EUR]	Volume [head]	EUR/kg	Country	Value [thousand EUR]	Volume [units]	EUR/kg
Russia	18,175	8,027	4.66	Kyrgyzstan	933	350	4.80
Kazakhstan	6,775	2,790	5.37	Bosnia and Herzegovina	585	1,001	3.08
Italy	6,010	28,108	3.22	Ukraine	412	216	4.07
Greece	3,942	2,110	3.42	Spain	310	512	4.35
Hungary	3,103	1,729	3.34	Bulgaria	236	193	3.92
Croatia	2,347	2,517	3.41	Slovenia	189	203	3.82
Azerbaijan	2,196	730	5.98	Armenia	185	66	5.37
Germany	1,940	1,225	3.42	Romania	73	564	1.92
Georgia	1,685	697	5.98	Lebanon	66	32	3.37
Uzbekistan	1,086	471	4.47	TOTAL	50,291	51,648	4.18

There is a very high concentration in the sale of live cattle. The three largest markets – Russia, Kazakhstan and Italy – account for 61% of the value of sales. The top six – Russia, Kazakhstan, Italy, Greece, Hungary and Croatia – account for as much as 80% of sales. Furthermore, Italy is the largest importer of live cattle weighing up to 80 kg (we export as much as 96% of the volume in this category there, i.e. 25,170 out of 26,190 head – in terms of value, this represents 95%).

According to available data for 2024, the export destinations for live cattle from Poland have not changed. The only change in 2024 is a significant, sharp increase in exports to Algeria. It is expected that this market will eventually rank fifth in terms of trade volume in this category.

⁵⁴ Data from: Integrated Agricultural Market Information System of the Ministry of Finance.

Beef

Table 4. Beef exports

EXPORTS CN code	Jan–Dec 2023 ⁵⁵			Jan–Dec 2022	change compared to Jan–Dec 2022 (%)
	Total	Outside the EU	Outside the EU (%)		
tonnes – fresh or chilled beef	294,184	56 207	19.1	256,407	14.7
tonnes – beef frozen	105,160	16,529	15.7	107,855	-2.5
Tonnes – beef fresh, chilled or frozen	399,344	72,736	18.2	364,262	9.6

Overall, the volume of beef exports by weight in 2023 increased by 9.6%. This increase was the result of a 2.5% decline in the ‘frozen beef’ subcategory and a marked increase in exports in the ‘fresh or chilled beef’ category – by 14.7%.

In the “fresh or chilled beef” category, Italy is the largest buyer (€405 million, accounting for 24.4% of sales value in this category). The top three countries – Italy, Germany and Turkey – account for 51.6% of sales value. The top six countries account for 71.7% of sales value. In total, sales were directed to 22 markets.

Destinations, value, volume and average export price of beef – fresh or chilled – in January–December 2023 (key countries)

Country	Value [thousand EUR]	Volume [head]	EUR/kg	Country	Value [thousand EUR]	Volume [units]	EUR/kg
Italy	405,087	71,841	5.64	Croatia	30,044	6,313	4.76
Germany	277,291	51,316	5.40	Slovakia	22,007	3,762	5.85
Turkey	175,077	32,566	5.38	Belgium	20,441	3,519	5.81
Netherlands	128,809	28,895	4.46	Denmark	17,490	2,443	7.16
Spain	114,764	18,641	6.16	Slovenia	17,389	3,130	5.56
United Kingdom	88,992	13,137	6.77	Sweden	16,863	2,762	6.10
Israel	59,614	7,044	8.46	Bosnia and Herzegovina	11,688	3,045	3.84
Greece	58,144	9,985	5.82	Lithuania	7,521	1,761	4.27
Czech Republic	53,681	9,657	5.56	Romania	5,881	1,406	4.18
France	52,281	7,667	6.82	Hungary	5,073	810	6.27
Portugal	43,043	5,603	7.68				
Austria	35,792	6,992	5.12	TOTAL	1,659,949	294,184	5.64

A geographical analysis of sales markets also shows that fresh and chilled beef is sold mainly to the EU – 80% (non-EU recipients include the United Kingdom, Turkey, Israel and Bosnia and Herzegovina – a total of 20%).

⁵⁵ Data from: Integrated Agricultural Market Information System of the Ministry of Finance.

In 2023, the following trends were observed in terms of target markets:

- compared to 2022, the share of non-EU markets increased significantly from 10% in 2022 to 20% in 2023. This is mainly due to high levels of exports to Turkey. In 2022, we did not sell to this market, and in 2023 it is the third-largest target market;
- in 2023, we lost the Swiss market. In 2022, fresh and chilled beef was exported there to the value of €3.7 million;
- in 2023, exports to the UK increased by 13.8%;
- there was a significant percentage drop in sales to Lithuania, from €20.5 million in 2022 to €7.5 million in 2023

According to the available preliminary data for 2024, the destinations for Polish beef exports have not changed. Of course, the rankings of individual markets do change, but these are usually shifts of one or two places up or down.

Destinations, value, volume and average export price of beef – frozen beef in January–December 2023 (key countries)

Country	Value [thousand EUR]	Volume [units]	EUR/kg	Country	Value [thousand EUR]	Volume [units]	EUR/kg
France	104,774	19,886	5.27	Lithuania	7,891	1,825	4.32
Spain	69,000	13,912	4.96	Denmark	6,808	1,387	4.91
Germany	65,473	12,996	5.04	Portugal	6,296	940	6.70
Sweden	33,530	5,602	5.99	Ireland	5,616	1,656	3.39
Italy	32,971	6,759	4.88	Czech Republic	5,283	1,514	3.49
Netherlands	32,775	7,000	4.68	Hungary	4,722	1,048	4.50
Israel	31,745	4,145	7.66	Estonia	4,237	896	4.73
United Kingdom	26,758	5,596	4.78	Romania	4,078	1,106	3.69
Japan	16,000	3,019	5.30	Finland	3,631	638	5.69
Greece	15,958	3,054	5.22	Austria	3,470	769	4.51
Bulgaria	12,955	3,100	4.18	Slovakia	3,395	648	5.24
Belgium	11,633	2,142	5.43	TOTAL	532,367	105,160	5.06

Sales of beef in the ‘frozen beef’ category are therefore not as geographically concentrated as in the ‘fresh or chilled beef’ category.

In the ‘frozen beef’ category, France is the largest market (€104 million, accounting for 19.7% of sales value in this category). The top three countries – France, Spain and Germany – account for 45% of sales value. The top six countries account for 63.6% of sales value. In total, sales were directed to 23 markets.

The results of the geographical analysis of frozen beef markets are similar to those for fresh and chilled beef – 86% of frozen beef sales go to the EU, and 14% to Japan, the UK and Israel (a total of €74 million).

In 2023, the following trends were observed in terms of target markets:

- compared to 2022, the share of non-EU markets fell from 20% in 2022 to 14% in 2023. This is mainly due to a significant drop in exports to Japan from €39 million to €16 million and a decline in exports to Israel from €48.6 million to €31.7 million;
- In 2022, frozen beef was sold to 28 countries, and in 2023 to 23. The markets of Hong Kong, Georgia, Ukraine, Slovenia and Malta were lost. These are not large markets, but in 2022 sales to these countries amounted to €1.6 million.

Overall, the most important markets for Polish beef producers are presented below:

Country	Value [thousand EUR]	Country	Value [thousand EUR]	Country	Value [thousand EUR]
Italy	438,058	Czech Republic	58,964	Japan	16,000
Germany	342,764	Sweden	50,393	Lithuania	15,412
Spain	183,764	Portugal	49,339	Bulgaria	12,955
Turkey	175,077	Austria	39,262	Bosnia and Herzegovina	11,688
Netherlands	161,584	Belgium	32,074	Romania	9,959
France	157,055	Croatia	30,044	Hungary	9,795
United Kingdom	115,750	Slovakia	25,402	Ireland	5,616
Israel	91,359	Denmark	24,298	Estonia	4,237
Greece	74,102	Slovenia	17,389	Finland	3,631

In 2023, fresh and chilled beef was sold outside Poland for €1.659 billion, whilst frozen beef was sold for €532 million. In total, in 2023, beef sales outside Poland reached €2.192 billion. Total sales in 2022 amounted to €2.089 billion, so a 4.9% increase was recorded in 2023. Sales to EU markets (Italy, Germany and Spain) dominate. Third-country markets are included in the portfolio of domestic producers, but they are not dominant. There are five such markets in total – Turkey, the United Kingdom, Israel, Japan and Bosnia and Herzegovina – with a combined share of around €110 million (approximately 19%).

According to the available preliminary data for 2024, the destinations for frozen meat exports from Poland have not changed. Of course, the rankings of individual markets do change, but these are usually shifts of one or two places up or down.

Imports

When it comes to imports of beef into Poland, the situation is quite different from that of exports.

In terms of live cattle, we are a major net importer as a country. In 2023, we purchased 253,000 head (with sales of 51,600 head) for €174.37 million (with sales of €50.29 million). In the live cattle category, we have a large trade deficit; however, this result was better than in 2022, when the value of imports amounted to €191.9 million for 266,800 head. We purchase live cattle mainly from neighbouring countries: Slovakia, Hungary, Lithuania, Latvia, Estonia, the Czech Republic and the Netherlands (together, these countries account for 89% of the value of this category). Live cattle weighing up to 80 kg, on the other hand, are imported mainly from the Netherlands and Lithuania.

Table 4. Imports of cattle and beef.

IMPORTS CN Code	Jan–Dec 2023 (preliminary)			Jan–Dec 2022	change compared to Jan–Dec 2022 (%)
	Total	from outside the EU	non-EU (%)		
tonnes – live cattle	63,084	0	0.0	71,107	-11.3
head – live cattle	253,057	0	0.0	266,857	-5.2
live cattle up to 80 kg – head	80,484	0	0.0	83,071	-3.1

tonnes – fresh or chilled beef	20,246	432	2.1	14,965	35.3
tonnes – frozen beef	6,689	338	5.1	10,667	-37.3
fresh, chilled or frozen	26,935	770	2.9	25,632	5.1

In 2023, we imported 26,900 tonnes of beef into Poland, totalling €21 million. We import the most beef from Germany – 7,790 tonnes, giving us a 28.9% share of the supply structure. Next, there are nine countries with similar shares in terms of beef sold to Poland – these are Ireland, the Czech Republic, Belgium, Latvia, Austria, the Netherlands, Lithuania, Italy and Spain. Their shares range from 5 to 8%.

Balance

The ratio of sales/exports to the volume imported into Poland is significant. In total, in 2023, sales of beef outside Poland reached €2.192 billion. Purchases amounted to €21 million – they were therefore 18.1 times smaller. Poland therefore had a very large trade surplus in the beef sector in 2023, amounting to as much as €2.07 billion. It should also be noted that we simultaneously sell beef to and purchase it from certain countries – for example, Italy, Germany, the Netherlands and Spain.

Summary

An analysis of the structure of international trade in beef and the anticipated changes in this market leads to the following conclusions.

- 1) Polish beef is not present in the markets of the world's largest beef importers. In 2023, we did not export to China, the USA or South Korea. We did not export to Vietnam, Malaysia, Hong Kong or the Philippines that year. Of the Far Eastern markets, we are present only in Japan, which ranks 19th in terms of market importance for Polish producers. The main recipients of Polish beef are European markets.
- 2) Polish beef is present in Middle Eastern countries such as Israel and Turkey. These are not our most important export markets, but they are significant – ranking 8th and 4th respectively.
- 3) The most important markets for Polish beef are European markets, including the UK market. These markets are seen as markets where consumption will decrease and the expected quality of beef will increase.

Recommendations

An analysis of the structure of international trade in beef and the anticipated changes in this market leads to the following conclusions.

- 1) It is essential to take action to establish a presence in the markets of the world's largest beef importers, such as China, the USA, South Korea, Vietnam, Malaysia, Hong Kong and the Philippines. It is also recommended to take steps to significantly increase market presence in Japan. The lack of a presence in these markets to date presents a very good opportunity to launch coherent, unified and large-scale initiatives.
- 2) It is recommended to strengthen and deepen our presence in high-consumption markets such as Turkey, Israel, Egypt, Japan and the UK.
- 3) It is recommended to maintain, strengthen and deepen our presence in the markets of our largest EU customers – Italy, Germany, Spain, the Netherlands, France and Greece, and of course the UK. It is also recommended to focus on the markets of countries located close to Poland, with high beef

consumption and relatively low current sales levels: the Czech Republic, Sweden, Finland, Norway, as well as Bosnia and Herzegovina, Serbia, Croatia and Albania.

- 4) Although live cattle exports do not dominate beef exports, they must not be neglected – the Italian market is key here, as are the markets of Kazakhstan, Hungary, Croatia, Algeria and Greece.
- 5) Contrary to appearances, personal relationships and individual contacts are of great importance. In many cases, they can be crucial. Existing, proven contacts and ongoing cooperation should be maintained.

Chapter 3

Poland – consumer perceptions of beef

This report was prepared primarily using research on consumer behaviour and attitudes, conducted for PZPBM using quantitative (CAWI) and qualitative (FGI) methods, with a total sample of 1,700 respondents. Numerous consumer surveys carried out by the author of this study for several food producer organisations and trade organisations were also utilised. The cited studies date from 2022–2023.

Guidelines for creating a visual identity for the Polish beef sector

The aim of this study is to present the guidelines for designing a visual identity for Polish beef. The visual identity for any product or sector must be the result of accumulated knowledge about consumers, their purchasing habits and attitudes. It is essential to understand the market context and the direct competitors vying for their position. It must be remembered that the consumer does not operate in a vacuum and is exposed to a multitude of different incentives to purchase a specific product. Whether Polish beef ends up in the shopping basket depends on many factors, but effective visual communication is certainly one of the most important links in the entire chain of incentives and arguments designed to persuade consumers to choose Polish beef.

3.1 Consumer habits and strategies when buying meat

The purchase and selection of meat is a specific process and differs from buying other food products. Consumers clearly distinguish between product categories based on their shelf life and the need to maintain freshness. Meat is treated as a high-risk product and requires the consumer to exercise care when making a purchase. Meat spoils quickly and can pose a health risk, and a problem when buying meat is the difficulty of objectively assessing its quality and freshness, which are often understood interchangeably.

When shopping in chain stores, meat is either pre-packaged (in foil-wrapped trays) or served by staff from a refrigerated counter. In both cases, it is very difficult to determine in the traditional way, ‘by smell’, whether a particular cut of meat is fresh. Visual assessment is also, in consumers’ opinion, unreliable, as they realise that shop lighting is designed to make the meat look appetising; moreover, they suspect that the meat on display may have been ‘enhanced’ beforehand, for example by injecting water or adding colourings.

The use-by date, as an indicator of freshness, is often treated merely as supplementary information, as consumers here too suspect that the meat may have been artificially ‘refreshed’ and put back on the market.

Consumers develop their own strategies and shopping patterns to be more certain that they have bought a fresh product. For example:

- a) they try to shop mainly at ‘tried and tested’ places, i.e. those where they have shopped before and were satisfied with their purchase;
- b) they prefer shops specialising in meat, which, in their view, would have too much to lose in the event of a quality slip-up, and negative feedback could jeopardise the shop’s operations;
- c) the ideal scenario might be the so-called ‘family butcher’, where the entire staff are family members involved in sales and production, and where one can find out in detail even about the origin of the meat, and most importantly – one can smell the meat.

Generally, mistrust and limited confidence prevail towards both producers and (especially) large retail chains. Research findings show that consumers are convinced that high-quality meat can only be bought in small specialist shops, where the entire

is monitored to some extent through established and long-standing shop-producer relationships. Consumers almost uncritically believe the assurances of staff in small shops that everything comes from a trusted source; they know the farmers and breeders personally and are aware that the entire production process is carried out with the utmost care.

Different types of meat, different consumer habits

Poultry

Consumers clearly differentiate their approach to different types of meat – poultry was rated as significantly more prone to quality issues. Persistent negative stereotypes regarding high levels of hormones and antibiotics in the meat remain. Poultry meat is also perceived as more delicate and therefore more perishable.

Checking the use-by date is cited far more frequently as a necessity when buying poultry than for other types of meat.

Consumers often feel that the difficulty in checking freshness ‘by smell and touch’ in large shops is even more acute for poultry than for other meats. They claim that the first signs of meat going off could easily be assessed, particularly by the appearance of the skin (sliminess, lack of firmness), rather than only realising at home that they have bought meat that is not of the freshest quality.

Consumers unanimously agree that only poultry from Poland offers any guarantee of freshness, thanks to the short time between slaughter and delivery to the shop. They are also aware that Poland is a major player in poultry production and, despite stereotypes, this does offer a certain guarantee of professional standards in production.

Consumers often state that when checking the use-by date, they also look for information on the label regarding rearing methods and feed composition. According to them, free-range rearing and non-genetically modified feed (e.g. no GMOs, maize instead of soya) have a significant impact on the quality and taste of the meat.

Due to the higher price, the purchase of free-range poultry is usually reserved for special occasions (e.g. special guests for dinner).

Generally, poultry is seen as so-called ‘easy meat’, simple to prepare and offering many culinary possibilities even for inexperienced cooks, and its widespread availability and relatively low prices mean that the decision-making process when buying it is not a challenge for the consumer.

Pork

Pork, like poultry, is also considered by consumers to be ‘easy meat’, meaning that cooking it is not a challenge, and its widespread availability means that selection and purchase are made simply on the basis of price and intended use (pork chops, minced pork, stews, pork neck, etc.). Another factor taken into account is the fat content of a particular cut of meat.

Generally, pork is perceived as the least healthy of the three types, but it is also prone to questionable farming practices (hormones, antibiotics, growth promoters). At the same time, in the research conducted, consumers identified pork as a traditionally Polish meat and are also guided by the Polish origin of the producer when making a purchase, not even imagining buying a ‘traditional pork chop’ from a country other than Poland.

Beef

Consumers differentiate the quality of beef primarily on the basis of its cuts resulting from the butchering of the carcass. It can be said that consumers have a basic understanding of the qualities of individual cuts of meat, primarily in terms of their firmness and tenderness (more or less sinewy and difficult to chew). The choice of a particular cut is dictated by its culinary use, but also, of course, by its price.

Consumers often make a compromise of sorts, accepting a lower-quality cut (tougher, more difficult to prepare) because of the cost. They frequently opt for alternatives for this reason (e.g. pork stew instead of beef stew).

Generally, beef is perceived as being of better quality and healthier (less fatty than pork) and is also often bought for special occasions (e.g. grilling steaks for guests), where the prestige and social aspect are more important.

Beef is primarily associated with steaks and is also seen as a meat requiring greater culinary skill at an expert level.

Consumers also have the impression that cattle farming is less prone to the use of questionable practices (hormones, growth promoters) than the farming of other animals. Beef is not burdened by negative stereotypes and enjoys greater trust compared to other types of meat. It is worth emphasising once again that beef is regarded by consumers as a more specialised product, requiring greater culinary skills from ‘home cooks’.

Although, as with poultry and pork, Poland is significant as a producer—given the issue of product freshness—it is difficult to say that consumers associate Poland with being an expert in beef production. Argentinian, American and Irish beef lead the way. Over the years, these countries have cemented their image as places where large herds are reared and the highest-quality meat is produced. It is worth noting one further aspect regarding meat freshness – in large supermarket chains, consumers primarily encounter vacuum-packed portions and therefore do not worry about the meat spoiling quickly. Thus, the issue of the place of production in Poland may lose its significance in this case, unlike with poultry and pork.

Factors influencing the perception of meat quality

According to consumers, the following factors influence good quality – in order of importance:

- freshness,
- no chemicals,
- no antibiotics,
- no hormones (this factor mainly applies to poultry),
- no water injection,
- rearing method (poultry meat): caged, free-range, organic.

Note: When it comes to beef and pork, consumers pay far less attention to the rearing method; this aspect seems to be of very little importance to them. This highlights the importance of properly educating consumers, so that even more specialised information can influence how they assess meat quality.

- type of feed: plant-based, non-genetically modified,
- Country of origin: Poland,
- farm location: as close as possible to the point of sale (understood here as a factor affecting freshness),
- producer’s name.

The list drawn up indicates very clearly that the perception of good quality is dominated by factors that undermine quality rather than build it up. This stems from a general lack of consumer trust in production quality criteria and a feeling that, in the market, they are not equal partners to producers and retailers and are not treated fairly. It could be said that, above all, the consumer expects the truth.

Trust and knowledge

The fundamental problem is the ability to assess product quality. When making choices, the key factors are typically second-hand opinions, advertisements and product labels. The knowledge consumers possess does not allow them to form their own judgement about what influences product quality and which features are worth paying attention to, and the multitude of labels, rather than helping, creates chaos and confusion in consumers' minds.

Furthermore, there is a fairly widespread lack of trust among consumers regarding the certificates, quality marks and terms such as 'organic' or 'eco' they encounter. These are viewed more as marketing gimmicks than as confirmation of product quality.

The most important piece of information on packaging is the use-by date. Consumers realise that there is much more information on packaging, but they are unable to say exactly what is there. The general view is that packaging carries too much information that goes completely unnoticed or says very little and does not help with the choice.

It is important to remember that consumers want to shop as quickly as possible and are not keen to spend too much time deliberating over which product to buy.

Added to this is a purely physiological and psychological barrier in the form of *the* so-called '*attention span*', which averages around 8 seconds, resulting in cognitive deficits. People are unable to engage more cognitive resources for longer, especially in a fairly automatic situation such as a visit to a shop. Research into consumer behaviour also suggests that the time taken to make a purchasing decision at the shelf is even shorter, at around 3 seconds.

When asked what type of information is missing from packaging, consumers indicated that information on the type of feed used could be valuable. However, they also believe that such information would be too specialised and difficult to understand and assess.

Very often, consumers claim, by way of comparison, that the types of labelling used on eggs or poultry meat, if applied to beef, would be informative for them: namely, indicating where the meat comes from (the region where the cattle were reared in terms of environmental purity/pastures) and how they were reared – whether humane treatment and welfare were ensured, and whether **they were 'free-range and happy'** (a reference to free-range hens).

In consumer research studies, it is frequently stated that, amongst the information needed to help choose good-quality products, the aspect of Polish origin is of great importance. Apart from the belief that Polish food products are simply good, the purely pragmatic issue of geographical proximity – perceived as essential for ensuring maximum freshness – is of enormous importance here. This also applies to beef, although, as mentioned above, this particular piece of information is losing some of its significance.

Attitudes towards climate protection and sustainable production

When trying to link aspects of livestock farming with climate respect, consumers are only able to list a few statements:

- no wastewater production,
- CO₂-free, with the caveat that it is not entirely clear what this means exactly,
- with good logistics, which translates into less need for transport – i.e. fewer emissions.

According to ongoing research, consumers more or less openly admit that they know little about climate protection, and what is more, it is not something that features on their list of greatest concerns and problems. Environmental protection only becomes an issue in people's minds when it affects them personally or their neighbourhood.

There is a clear distinction here between the terms ‘climate’ and ‘environment’. Climate is a much more abstract and global concept over which one has limited influence, whereas the environment is something that is close at hand and affects the well-being of people and animals – and, moreover, one can have a personal influence on it (“**the environment is the nature that surrounds me; I want to live in a healthy and odour-free environment**”).

It should be emphasised that consumers find it very difficult to see the link between climate-friendly practices in production and the final quality of the meat. Consumers find it much easier to identify climate-friendly elements in agricultural/crop production. Here, climate-friendly practices mean using fewer chemicals, and appropriate natural fertilisation and irrigation.

With the plethora of various terms and concepts used in the market, consumers find it very difficult to interpret them and understand their meaning. Some of these terms are easier to describe in the context of crop farming than meat production. This is due to consumers’ even more limited knowledge – crop farming seems to be understood ‘more instinctively and naturally’ than livestock farming, which is much more complex.

Consumers describe it as follows:

- **ECO** – organic farming, natural cultivation without chemicals, plants and seeds from reliable sources. Cows in meadows, no antibiotics, feed without strange additives, clean barns. Difficult to verify whether this is true. A heavily overused term associated with marketing hype, used to inflate prices, and which hardly attracts
- **ORGANIC** – fewer chemicals used for spraying, natural production with less human intervention, products that are better preserved and healthier, requiring appropriate certification, products perceived as more expensive. Generally also regarded as a marketing ploy.

The two terms (eco/organic) overlap, and it is difficult to say what determines whether a given product is organic or eco, although it seems that ‘eco’ relates more to the production method and environmental impact, whilst ‘organic’ refers to what consumers receive.

- **Greenhouse gases** – generally associated with global warming, the formation of the ozone hole and air pollution. The causes include too many factories and domestic stoves. CO₂ is identified as the main component of greenhouse gases. In agriculture, tractors and processing plants contribute to its emissions. The result is melting glaciers and emerging heatwaves.

Consumers are unable to identify how GHGs affect the ozone hole.

- **Carbon footprint** – environmental and air pollution, caused by emissions from chimneys and car exhaust fumes. Also the use of pesticides and agricultural machinery. The use of large amounts of coal as an energy source for production, resulting in excessive CO₂ emissions. Also understood as a measure of the time required for harmful substances to degrade in the environment. Generally, it is seen as something negative and has negative connotations.
- **Sustainable production** – respect for workers and production, avoiding stockpiling in warehouses, consciously reducing and limiting company profits for the greater good/the world, ensuring that nothing goes to waste, using water wisely and sparingly, and limiting unnecessary animal suffering. The right balance between ECO and BIO.

However, this concept is quite complicated and complex and can be interpreted in many ways, but generally has a positive connotation.

- **Sustainable agriculture** – precise and moderate fertilisation, vegetables that return minerals to the soil, everything natural, a closed-loop system with no waste of resources, preventing soil depletion, no environmental expansion and in accordance with specific agricultural regions
, wise use of the land.

The statements quoted can be summarised as follows:

- the terms currently in public discourse are understood very vaguely and often far from their true meanings. This could be called conceptual chaos;
- knowledge of the factors involved in agricultural production and livestock farming is very fragmented;
- consumers have no incentive to expand their knowledge, as they do not see any benefit for themselves in doing so. This stems from the fact that even if consumers possessed broader knowledge, it would be very difficult for them to use it to verify, for example, a producer's claims regarding the use of a particular production method. Furthermore, consumers lack the time and energy for detailed deliberation whilst standing in front of a shop shelf;
- Consumers are rather wary of labels, viewing them as a means of raising prices (primarily ECO and ORGANIC), whilst at the same time recognising them, even subconsciously, as indicators of better quality.

Consumers are only willing to acknowledge that ECO and BIO labels translate into product quality. The rest of the terms discussed are seen as relating more to climate issues than to the quality of the product itself. It is worth noting the perception of the concept of sustainable production/agriculture, which is spontaneously associated with very positive connotations. It is interesting that it evokes a wide range of interpretations among consumers, but all are characterised by positive emotions. This term, although not explicitly so, has an impact on the final quality (reasonable fertilisation, i.e. fewer chemicals; animals treated well, i.e. healthier). The concept has a very broad semantic scope and may have communicative potential of a holistic nature.

It can also be interpreted in such a way that sustainable production is synonymous with the concept of “good farmer”, where nothing is wasted and everything is carefully managed and looked after.

Consumers are ready to accept certain types of narratives regarding farming methods and meat production, which must focus in their message on the clear intentions of farmers and their commitment to producing food of the highest quality. It is essential that such a message strikes a balance between the benefits for consumers and, at the same time, for the environment, thereby reducing the dissonance between self-interest and altruism. People like to think of themselves in altruistic terms, but when it comes to action, self-interest is paramount. However, altruistic action carried out, as it were, incidentally and without effort, allows consumers to maintain a positive self-image.

It must be emphasised that the credibility of the message plays a key role in engaging with consumers. The use of any labels must be based on strict criteria governing the authorisation to use a given symbol or mark. Credibility is also significantly higher for a group of producers adhering to common principles than for a single company that appears to be beyond any consistent oversight.

For consumers, the issue of information clarity on packaging is very important, as it enhances the shopping experience and aids decision-making. Paradoxically, the problem of information overload in shops makes it difficult to make considered and thoughtful purchases.

Consumers, even when wanting to choose the best product according to various criteria, very quickly become overwhelmed and switch to so-called ‘autopilot mode’, buying what they are already accustomed to or what happens to be prominently displayed on the shelves (e.g. on special offer).

Consumers are very pragmatic and pay attention to what seems to be the obvious fact that packaging should feature only the most important labelling – that is, something that speaks to the quality and something that speaks to the uniqueness of the product.

3.2 Awareness of existing labels

The quantitative survey indicated the level of recognition of labels currently in use on the market and the degree to which a given label is associated with the area it represents. The QMP label received 10%, whilst ‘Quality and Tradition’ and ‘Organic Farming’ received 60% and 56% respectively

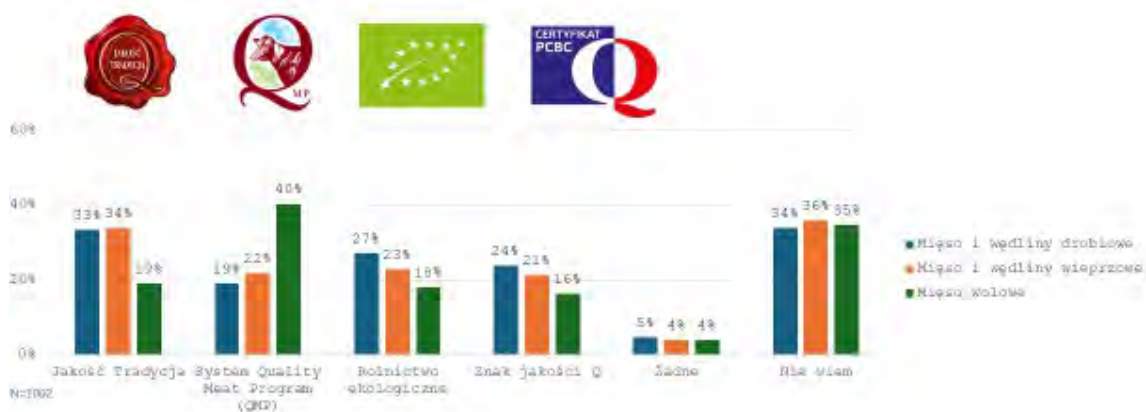


Degree of recognition

However, when asked to associate a given label with the type of processed meat, the QMP label received the highest number of correct responses identifying it with beef (40%). This result appears to further confirm consumers’ expectations regarding the clarity of the labels used and their ease of interpretation. The cow symbol clearly communicates the type of meat to which the mark refers.

Znajomość logotypów i znaków

Które z oznaczeń w przetwórstwie żywności dotyczą jakości w przetwórstwie mięsa?



Degree of identification

Symbolism of labels

In research conducted to develop labels related to greenhouse gas reduction and the use of climate-friendly procedures in meat production, interesting interpretations emerged among consumers that could serve as inspiration for the current project. It is worth noting how consumers perceive symbols and what associative mechanisms are triggered in them.



This label, which directly draws on the system of road signs used in public spaces and references a prohibition sign, told consumers that the slogan 'stop greenhouse gases' is treated with absolute rigour in production. At the same time, consumers pointed out that it would be worth linking it directly to something that is important to the consumer in livestock farming, namely quality.

Here is an example of such an approach, which was positively received by consumers.



Of course, it should be noted that the above example of packaging does not meet the main consumer demand, namely to limit the number of labels on the packaging.

Another label, referring to the control and reduction of greenhouse gas emissions, expanded the respondents' conceptual and associative map with a very interesting aspect.



Caring hands enveloping the Earth (“This symbol says it all: that we protect, that CO₂ is dangerous – that red hand says it – and that we care about more than just the climate; in fact, you could put anything important there”). What consumers pointed out in their opinions is very close to the concept of sustainability. The reference to the symbolism of yin and yang also seems to have influenced this type of association.

Summary

Consumers require ongoing education about the quality of beef. Current consumer knowledge in Poland is limited to basic information, which may result in the meat being rated below its actual and objective value. In particular, reliable information about the qualities of beef from Poland is an absolute necessity. Consumers should be confident that the meat they buy is worth the price and that it is better and healthier than other types of meat.

A meta-analysis of consumer attitudes indicates that the concept of sustainable production has considerable persuasive potential and a broad semantic scope. Consumers see only positive aspects in the idea of sustainability – ranging from climate protection and fair treatment of consumers to the high quality of the final product. It can be assumed that the concept of sustainable production triggers an archetypal image of the ‘good steward’ in consumers’ minds, which, if communicated properly and truthfully, will contribute to building a strong market position for Polish beef.

Recommendations

Taking consumer opinions into account, it is reasonable to use the concept of sustainability as one of the key themes describing beef from Poland. Beef meeting specific requirements should be sold under the name “sustainable beef from Poland”. When defining these requirements, it is necessary to take into account both changes at the international level and the situation in Poland, including the local supply structure.

Chapter 4

The market situation in Poland

The domestic market is a special market for domestic producers. This is linked to the possibility of exploiting ethnocentrism and significantly shorter distribution channels. At the same time, this market has its own specific characteristics; it is disorganised, and the consumer is not always well-informed and is often confused. Improving the situation on the domestic market and bringing it into proper order could significantly improve the performance of the beef production sector. Activities on the domestic market should also focus on consumer education, which implies additional measures.

4.1 Diversity

In recent years, Poland has been exporting around 85–93% of its beef. Mainly the highest-quality beef is exported, whilst the remainder is sold on the Polish market. In Poland, trade through intermediaries dominates, both in transactions involving small and large volumes of livestock. At the same time, a lack of cooperation or an insufficient level of cooperation during the process of transferring livestock for slaughter often leads to a reduction in the value of some of the slaughter material. The stage of transferring cattle to the abattoir has a very significant impact on the animals' stress levels, which in turn affects the quality of the beef produced. Cattle are transported from the producer to the processor using a specialist fleet of vehicles, often owned by the intermediary. During this process, the animals are subjected to discomfort, resulting in increased stress levels, which in turn leads to a reduction in muscle glycogen content and an increase in the pH level of the carcass. This has significant implications for the taste of the beef supplied to the consumer, but also for how customers perceive it in terms of a sustainable supply chain and compliance with animal welfare standards.

The result is that farmers supply small batches of livestock of varying quality (there is a lack of consistency and standardisation). For this reason, when fulfilling orders from both retailers and the HoReCa sector, as well as restaurant chains, processors are forced to source supplies from several producers, which means that meat with varying characteristics is often used to fulfil a single order. Exactly the same problems are observed in the end-consumer market – a very high level of variation in the quality of the beef purchased and offered.

The situation described above means that processing plants are forced to order significant quantities of live cattle, from which they then select individual animals to meet specific orders. A beef production process that is not aligned with consumer preferences may result in the supply of a product that fails to meet customer expectations (e.g. mixing beef sourced in a sustainable and climate-neutral manner with beef that does not meet these criteria). Consequently, consumers may become disillusioned with beef and reduce their demand for it.

In summary, **the market situation in Poland regarding the supply and quality of beef is varied.** The quality obtained can be described as unstable. This is also linked to the fragmented structure of production, as approximately 46% of farms keeping cattle have fewer than 10 head of cattle.

Strategic Plan for the Common Agricultural Policy (CAP) 2023–2027, Annex VIII3.5.11⁵⁶ : Cattle farming [in Poland] is characterised by a fragmented production structure, as approximately 46% of farms keeping cattle have fewer than 10 head of cattle. However, this group of farms accounts for only approximately 8.0% of the cattle population.

⁵⁶ See also: GUS Warsaw 2022, General Agricultural Census 2020. Cattle rearing and breeding was carried out by 274,100 agricultural holdings. In 2020, 92.2% of the national herd was kept on farms with 10 or more head of cattle. Only around 1% of cattle are kept on farms with more than 100 head.

An analysis of historical data shows that in the mid-1990s, beef consumption in Poland was higher than the global average and close to the European Union average. At that time, a significant proportion of beef consumption consisted of meat products containing beef as an ingredient. The growing price difference for beef, as well as issues with its varying quality, led to it being replaced by other types of meat. Since the mid-1990s, beef consumption in Poland has shown a steady downward trend.

In 2016, beef consumption in Poland stood at around 2 kg per person, which was more than three times lower than the global average and more than five times lower than the European Union average. During the period analysed, average global consumption remained stable, whilst average consumption in the European Union showed a slight decline, remaining above 10 kg per person.

Consumers in Poland are, to a very large extent, meat eaters. Research by Kantar Polska has shown that 89% of respondents state that they eat meat at least once a week. However, a survey conducted among HoReCa industry professionals under the title “European Corporate Barometer 2023” shows that, when asked about their attitude towards meat consumption in their diet, 48% of respondents stated that they have no limits on meat consumption, 17% stated that they have no limits on meat consumption but are considering them for the future, 29% have such limits on meat consumption, 3% of respondents do not eat meat, and 2% of those surveyed plan to eat more meat in the future.

Among respondents who stated they eat meat without limits or restrictions on quantity, this figure rose by 5% in 2023 compared to 2022. Conversely, the number of people declaring that they eat meat but plan to introduce limits in the future fell by 3% in 2023 compared to 2022. Similarly, in 2023, the number of consumers who stated that they already apply limits on the amount of meat they eat fell by 2% compared to 2022. In contrast, the number of consumers declaring an increase in meat consumption fell by 1% in 2023 compared to 2022, whilst the number of people declaring that they do not eat meat increased by 1% over the same period.

In the same survey, 41% of respondents stated that they do not buy vegetarian or vegan products, and this figure rose by 4% in 2023 compared to 2022. In this survey, 21% of respondents bought such products occasionally, and this figure was 1% lower in 2023 compared to 2022.

In contrast, 27% of respondents stated that they bought vegetarian and vegan products from time to time in 2023, and this figure was 5% lower than in 2022. In the above analysis, 10% of respondents in 2023 stated that they frequently purchased vegetarian or vegan products, and this figure decreased by 1% compared to 2022. This indicates that meat, including beef, holds a well-established and stable position in consumer preferences within the HoReCa market.

For over half of those who consume beef, taste is the decisive factor in their consumption. Slightly fewer customers value it for its health benefits, and also regard it as a meat with positive dietary properties, such as high nutritional value and low fat content. **However, it is also perceived as meat that is not always of good or high quality, difficult to prepare, and lacking a tradition of consumption in Poland.**

The research also shows that almost 45% of people did not consume beef due to its excessive price, and 30% of consumers had no tradition of eating it. One in five respondents complained about the limited range available in shops, and around 8% of customers did not consume beef due to poor quality. Over 14% of customers did not consume beef because it takes too long to prepare, though it is worth noting that meat remains a key component of our diet. It should be noted that around 53% of Poles agree with the statement: “I find it hard to imagine a good dinner without meat”.

Poles' attitude towards meat consumption has remained largely unchanged for several years. It is worth noting that for many people, the issue of reducing meat consumption is merely a matter of declaration and does not translate into actual choice. Vegetarianism is a choice made by only around 1% of the population, and consumer trends in this regard, as well as proposals for lifestyle changes encouraging a reduction in meat consumption on a macro scale, are still not evident. Naturally, consumers supplement their diet with plant-based products without giving up meat altogether. Increasingly, in addition to quality, restaurant-goers' preferences are influenced by the impact of meat—and beef in particular—on the climate and the environment. This is linked to the way in which organisations that call themselves pro-animal rights groups portray cows in the media as a key source of greenhouse gas emissions. A major challenge is combating misinformation about the environmental harm caused by beef production. We need to highlight the benefits the beef sector brings to biodiversity and rural development, and the fact that it utilises the lowest-quality land. It is worth recalling here that arguments for restricting livestock production in the EU mean not only economic losses but also a shift of production to countries with lower standards and, consequently, a deterioration in overall animal welfare.

Consumers who are concerned about the impact of beef on the climate and the environment should bear in mind that in Poland around 80% of beef comes from dairy cows; consequently, the carbon footprint of this type of cattle is spread across their entire life cycle, meaning that products such as milk, cheese and butter (88% of emissions). In this case, beef can be attributed with around 12% of greenhouse gas emissions. This is precisely why it is crucial to raise consumer awareness and educate them about the inaccuracy of the claim that 'beef alone is responsible for climate change on our planet'.

There is a great deal of such misinformation, and given the nature of the message, it should be viewed as part of competitive rivalry between industries and with producers from other countries, rather than as a concern for the climate and animal welfare.

In this regard, the challenges associated with ESG reporting obligations should be viewed somewhat differently. We would like to remind you that, as part of fulfilling ESG reporting obligations, it is essential to provide consumers with very accurate and reliable information about the product being supplied⁵⁷. This means that, in light of the situation described above, it is essential to establish cooperation with the dairy industry, as Polish beef is largely derived from dairy cows, so a cow's carbon footprint is split between meat and dairy products. This will allow for the preparation of 'cow emission models' that are more accurate and in line with reality. It should be noted that with each passing year, not only foreign consumers but also domestic ones are becoming increasingly aware of and paying greater attention to animal welfare, sustainable development and climate protection. These criteria are becoming increasingly important year on year in shaping the population's dietary preferences, which in turn influences dietary choices. However, to fully capitalise on these trends, a labelling system for Polish beef (ideally as sustainable or climate-neutral beef) should be introduced.

Precisely because consumer awareness is constantly growing both domestically and in foreign markets, and consumers are becoming increasingly committed to issues of animal welfare, sustainable production and climate protection, it is essential to cover as large a volume of production as possible with a system guaranteeing animal welfare, sustainability and climate protection throughout the value chain.

⁵⁷ The new reporting systems introduced by the European Union require very detailed data and information from the entire supply chain: SFDR – Sustainable Finance Disclosure Regulation, NFRD – Non-Financial Reporting Directive, CSRD – Corporate Sustainability Reporting Directive, CSDDD – Corporate Sustainability Due Diligence (Directive of the European Parliament and of the Council on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859), ESRS – EU Sustainability Reporting Standards, EUDR – EU Deforestation Regulation and Taxonomy – a classification system, a tool designed to help identify 'green activities'.

4.2 Consumer ethnocentrism

The importance of Polish food in our cuisine is also growing year on year. Almost three-quarters of Poles now say that choosing domestic products is important to them and is a key factor in their purchasing decisions. This is also reflected in the fact that more and more of us believe that Polish food is tastier, healthier and, importantly, cheaper than foreign food. Furthermore, by choosing a domestic product, we are aware that we are supporting the Polish economy. This effect is significant and clearly evident in the case of beef. At the same time, we are paying increasing attention to the aspect of locality; we are more keen to buy products produced close to where we live, which is primarily linked to the assurance of these products' freshness and the belief that they are healthier and that, due to the proximity of their production, they do not generate higher emissions. Consumer ethnocentrism is gaining in importance in Poland.

A solution that domestic producers and farmers can use is linked to the 'Polish Product' label. This is a label that was introduced into the Act on the Commercial Quality of Agri-Food Products. This solution stipulates that, in the case of unprocessed products, the 'POLISH PRODUCT' label may be used if the production, cultivation or rearing – including harvesting and milking in the case of cows, sheep and goats – took place within the territory of Poland. In the case of meat, it is additionally required that it be obtained from animals born, reared and slaughtered within the territory of the Republic of Poland, and in the case of products of animal origin other than meat (e.g. milk, eggs) – that they be obtained from animals reared within the territory of Poland.



At first glance, the use of the 'PRODUKT POLSKI' label is very appealing and unambiguous in its message and content. If farmers and producers meet the requirements, there is no reason not to use this label.

Where, however, do the problems lie with its widespread use and basing the entire system on this mark? Firstly, the 'PRODUKT POLSKI' mark does not refer to quality characteristics or production methods. It is a mark that indicates origin. Secondly, labelling meat with this mark additionally requires that it comes from animals born, reared and slaughtered within the territory of the Republic of Poland. In the case of beef, the problems relate to the requirement concerning the animal's place of birth.

In 2022, 266,800 animals were imported into Poland; in 2023, the figure was 253,000. In 2023, there were 6.44 million head of cattle in Poland, so these 253,000 head represent approximately 4% of the total herd. To this must be added animals purchased from outside Poland in previous years that have been kept for more than a year. Consequently, the cattle population in Poland that does not meet the birth requirement may account for several per cent. Moreover, in terms of quality, these are among the best cattle.

Nor do the regulations on identification restrict the use of the term "Polish" for animals born outside Poland but kept in Poland. Such restrictions

apply only when using the 'PRODUKT POLSKI' label. If this label is not used, the general requirements regarding the absence of misleading information apply.

When adopting solutions regarding the definition of "Polish beef", the above information should be borne in mind, and high-quality beef from domestic producers should not be excluded simply because the calf originates from outside Poland.

At the same time, all operators should be encouraged to use the 'PRODUKT POLSKI' label on the domestic market, provided they meet the above conditions.

4.3 Animal welfare

Poland is a country where great attention has been paid to supporting farmers who keep animals under high welfare standards. Issues relating to animal welfare must be viewed not only from the perspective of the 'Farm to Fork' strategy and the requirements and expectations associated with its implementation, but also from the perspective of the situation in Poland. Practices related to keeping cattle under improved welfare conditions are very common on farms in Poland. In 2023, 40,000 farmers (956,000 animals) declared the use of bedding for the welfare of dairy cows, and in 2024, nearly 60,000 farmers (1.36 million animals). Around 38,000 farmers (relating to nearly 0.7 million animals) declared the practice of grazing dairy cows in those years. Welfare of beef cattle – bedding: 23,000 farmers (256,000 head of cattle) in 2023 and 41,000 farmers (452,000 head of cattle) in 2024. These figures are likely already historical data, and the announcement of the results of the 2024 calls for applications will significantly increase these statistics.

As Poland lacks a system for distinguishing and labelling animals based on welfare-friendly rearing conditions, all beef is placed on the market in the same way as meat from animals not reared under such conditions. This issue is also raised by representatives of the HoReCa sector: there is insufficient circulation of documents certifying animal welfare and the application of good production practices.

This problem is not a new phenomenon, but it has not yet been resolved. In 2022, a proposal was made to introduce a system for labelling products produced under enhanced welfare conditions⁵⁸, but ultimately this solution was not implemented. A point of contention with the European Commission was the restriction limiting the use of this label exclusively to meat eligible for support under the CAP measure. Below is the logo proposed in this solution.

⁵⁸ See: Sejm Document No. 2038 – draft act amending the Act on the commercial quality of agri-food products and certain other acts.



4.4 Consumer awareness

As the domestic market is a special market for domestic producers, we should also introduce consumer education initiatives here. In Poland, the situation in the consumer market can be described as **a lack of experience** – i.e. a lack of sufficient experience in matching specific culinary ingredients to appropriate preparation methods.

Furthermore, there is relatively **little knowledge about high-quality beef, its nutritional and health benefits, and its sensory properties**. There is a lack of awareness among consumers regarding the impact of beef on the body, including its contribution to greater stress resistance and emotional stability, as well as its nutritional value in terms of proteins, haem iron, vitamin B₁₂, CLA and their role in maintaining health.

The most common problem is **a lack of knowledge regarding the selection of the appropriate processing method for specific cuts of beef. Consumers lack knowledge regarding the optimal time, temperature and humidity. The maturation process** (hydrolysis of collagen structures), carried out under the right conditions, enables the development of highly valued quality characteristics in beef without reducing the nutritional value resulting from the oxidation of fats and proteins in the maturing meat. It should be emphasised that it is particularly important not to use excessive temperatures or unduly prolonged processing times, as this will not result in greater tenderness and juiciness, but rather the opposite of the desired characteristics. In addition to the meat becoming tough and dry, delamination of the beef occurs, along with the formation of anti-nutritional compounds in overheated areas, as well as excessive discolouration of the meat (a deep brown colour).

Consuming beef of good quality and nutritional value is of significant importance for people who care about proper nutrition, monitor their body weight and health, as well as for those diagnosed with diet-related conditions, known as metabolic syndrome. This is characterised by overweight, obesity, high blood pressure, type 2 diabetes, atherosclerosis and other conditions. Therefore, to reverse metabolic syndrome, there is a need to introduce regular, balanced meals that include, amongst other things, beef, so that there is no need for drastic restrictions or eliminations, as these are doomed to failure.

The consumption of culinary beef at home, as well as in restaurants and bars, occurs when the beef is of high quality and offers sensory satisfaction that is acceptable to consumers – this is determined by appropriate tenderness, juiciness, flavour and aroma.

For the reliable preparation of meals using culinary beef at home and in restaurants, where there is limited experience in selecting cuts and thermal processing methods, proper preparation of the culinary beef is essential. This can be achieved by maturing the cuts in processing plants and adjusting portion sizes to meet requirements. It is also essential to specify the intended use for specific thermal processing methods and conditions in order to achieve high and consistent consumer satisfaction. A prerequisite for the consumption of beef is consistently achieving high acceptability and satisfaction with the quality of culinary beef that has been properly prepared and thermally processed.

In the world's most advanced beef production systems, including those in the USA and Australia, objective, well-established and highly reputable systems for assessing beef quality levels and sensory satisfaction have been developed and implemented. Their introduction has led to a significant increase in confidence in the quality of beef produced in these countries, as well as a rise in exports of such beef, coupled with greater economic efficiency. The assessment systems introduced in the USA and Australia have provided a strong impetus for the development of the culinary beef production sector. They have enabled the strengthening of the position of high-quality beef in the domestic markets of the USA and Australia, but above all, exports have increased significantly, along with the resulting profitability for beef production across all stages of the production chain.

Ensuring consumer satisfaction with the quality of beef is linked to the development of a grading and labelling system for the quality levels of Polish culinary beef, known as 'eating quality'.

The most important factor in the system for assessing and labelling the **quality** levels of Polish culinary beef **is consumer satisfaction with its quality when eating the meat**. This satisfaction is influenced, among other things, by **an appropriate ageing process and the correct allocation of specific cuts to particular processing methods** to achieve high consumer acceptance of the beef. *The* expected quality of beef, known as 'eating quality', is achieved by those cuts/portions that come **from suitable commercial animals, have appropriately hydrolysed protein structures (correct maturation time) and contain the appropriate marbling**. It is important that meat maturation takes place over a specified period in carcasses or cuts characterised by appropriate pH, colour, protein content (including collagen), intramuscular fat and water, as well as mineral and vitamin content.

The maturing process should be carried out under industrial conditions, with the size of the culinary cuts/portions standardised to suit the relevant processing methods. **It is essential that the manufacturer provides guidance to consumers regarding the intended use of the cut/portion, the method, conditions, time and temperature of processing, as well as the predicted yield and consumer satisfaction with the quality of the beef consumed, the so-called 'eating quality'**. It is valuable for consumers that, following the instructions, it is possible to prepare beef without compromising the quality of the beef dish.

Currently, consumer tolerance for failure is relatively low. It is not acceptable for consumers, having paid a higher price for beef, to risk culinary failure and be unable to achieve the desired satisfaction from consumption. Uncertainty regarding the quality of the prepared dish and the varying quality of beef on the market at a relatively high price compared to other meats, coupled with a lack of guidance on intended use and preparation conditions—i.e., cooking time and temperature—is the most common reason for consumers in Poland to refrain from purchasing and consuming beef. To these main reasons must also be added a lack of culinary skills in preparing beef, as well as consumers' incomplete awareness of which cuts are suitable for frying, grilling or roasting, and which should be stewed or boiled, and for how long.

It is essential that the accepted quality characteristics and satisfaction levels associated with beef consumption (everyday, above everyday and premium) are ensured through proper preparation (maturation) by the producer and appropriately labelled cuts/portions of beef, presented to consumers in a clear, legible and understandable manner. It is important that consumers, when cooking at home, achieve a quality of prepared dishes that provides them with sensory satisfaction. This can be achieved through consistent textural quality, i.e. tenderness and juiciness, colour, as well as flavour and aroma. **To achieve satisfaction, it is necessary to ensure the consistency of the quality of beef placed on the market, and the comparability of this quality to that from quality assessment and forecasting tests, as well as the determination of consumer satisfaction.** The results of the assessment should be used to indicate and label the quality level on individual packages. Trust is built on the absence of overestimation or overstatement of quality levels. The indicated quality level of labelled beef must absolutely be reflected in reality. Following the recommended guidelines (even without extensive culinary experience), i.e. the optimal methods of preparation and heat treatment, eliminates concerns about failing to achieve a satisfactory level of quality.

Materials and methods

To assess beef quality levels and their labelling on packaging, it is essential that the beef is assessed by experienced individuals with proven competence under standardised, repeatable and recognised conditions of a verified beef *eating quality* assessment system, and quality labelling, as is the case with the Australian MQ4 assessment system (assessment on a scale of 0–100 against meat quality grades such as: good, better, excellent). Assessment in the MQ4 system is carried out by 10 consumers who have not been trained in the assessment of beef's culinary quality. The objectivity of the ratings obtained is achieved by aggregating the consumer ratings for each beef sample assessed. The most outlying (extreme) ratings are discarded (the highest and lowest), and the ratings closest to each other in terms of points are included in the analysis, i.e. the 6 ratings closest to each other in terms of the results obtained. The relative and absolute errors of the method are minimised by increasing the statistical sample size of the samples assessed by consumers. The consumer rating (MQ4) is influenced by, among other things, carcass weight, hanging method, pH, sex (so-called hormonal status), the degree of ossification of the vertebral processes, marbling, the thickness of the fat cover on the roast beef, and the maturing time. What is important in MQ4 is that the quality assessment allows for the prediction of achievable quality and consumer satisfaction.

All items intended for sale must undergo a standardised assessment so that quality levels and culinary suitability for specific thermal processing methods can be determined. Maximising the alignment of quality characteristics at a specified marbling level and under the proposed preparation and thermal processing conditions within the proposed beef preparation standards is of significant value to those wishing to prepare beef. It is important that the widest possible group of consumers (those who value beef, are health-conscious and concerned about their body weight, or are overweight, obese, etc.) can consume beef and perceive no variation in its quality regardless of where and when it is purchased and consumed. A particular benefit of the grading and labelling system is the elimination of concerns about failure when preparing beef, which will remove barriers to purchase.

The system for assessing and labelling the culinary quality of beef should also facilitate the expansion of the range of beef on offer, comprising various cuts at different stages of maturation. Under the system for assessing and labelling the quality levels of properly matured beef, the percentage of culinary cuts and muscles that benefit from improved quality will increase.

This will enable better economic analysis in beef production. It will also broaden the range of cuts suitable for so-called quick cooking methods, such as frying and grilling,

and increase their availability at specific quality levels (standard everyday quality, higher than standard everyday quality, and premium).

Proposed quality levels and designations

The system should distinguish between three levels (classes) of quality:

- 1. **A standard, everyday quality level, which could be indicated by a brown disc with three stars arranged in a diagonal line running from left to right.** This marking would be suitable for cuts such as top sirloin, intended for braising (Fig. 1). The cut would be depicted in the first brown disc; the second disc would indicate the proposed first heat treatment process, e.g. frying, with the duration of the process specified; and the third disc would indicate the second method (symbol for braising), following the first method, with the duration and temperature of the process specified. The next brown circle would indicate the standard everyday quality level, represented by three stars, and the final circle would show the level of consumer satisfaction with the beef consumed, prepared in the indicated manner. A lower level of satisfaction would also be depicted in the form of a pictogram showing excessively dry and brown-coloured meat due to failure to follow the indicated preparation method, i.e. if an extended cooking time and excessively high temperature were used. For the label to feature three stars on a brown background, the beef in question would need to receive consumer ratings for tenderness, juiciness, colour and aroma in the range of 5 to 6.5 points on a scale of 1 to 9 (e.g. a nine-point sensory evaluation scale may be used – see: Baryłko-Pikielna, 1990). The standard, everyday quality of prepared beef refers to achieving, in an objective consumer assessment, a score of 5 to 6.5 points (whole cuts/pieces of beef must be fully cooked to achieve a uniform, light brown colour on the cross-section).



Figure 1. Pictogram-based labelling system for the preparation method and quality of beef, featuring a 30x30x30mm cube, e.g. of top sirloin – a cut intended for stewing, shown on the first brown disc (this cut/meat is pre-cut in the packaging), then the second disc shows cooking method I – frying – with a specified time of 9 minutes, the third disc shows cooking method II – braising – with a duration of 90 minutes – the fourth disc indicates the ‘ordinary everyday’ quality level with three stars, and the final disc shows the ordinary everyday level of consumer satisfaction with the beef prepared in this way.

Figure 1A. Pictogram labelling system for extended processing methods I and II, with three stars indicating a ‘lower than ordinary everyday’ quality level, and with the last circle indicating a level of consumer satisfaction with beef prepared in this way that is lower than the ordinary everyday level due to excessively long processing time and/or excessively high temperature.

Similarly, a labelling system should be applied for fried, grilled and roasted food items (naturally, on the second and third brown discs, or only on the second – in the case of a single-stage thermal processing – pictograms depicting the grilling and roasting processes with indicated processing times and temperatures should be used).

2. **Good, a higher standard than the usual everyday quality, which would be marked with a silver disc, with four stars forming a diagonal line rising from left to right.** This marking, for example, would include an entrecôte intended for roasting, contained within the first silver disc, followed by a roasting symbol – an oven – in the second circle, the cooking time in the third circle, four stars in the fourth circle indicating a good (higher than the standard everyday) quality standard, and finally, a good (higher than the standard everyday) level of satisfaction with the beef prepared in this way (Fig. 2). Similarly to the case of ordinary everyday quality, a level of satisfaction lower than ‘good’ would be illustrated by a pictogram showing meat that is excessively dry and overly browned due to the prolonged cooking time and excessively high temperature used. To be awarded four stars on a silver background, the beef under assessment should receive consumer ratings for tenderness, juiciness, colour and aroma in the range of 6.5 to 8.0 points on a scale of 1 to 9 (e.g. a nine-point sensory evaluation scale may be used; see Baryłko-Pikielna, 1990). Good quality refers to achieving, in an objective manner in the consumer assessment, a score of 6.5 to 8.0 (beef should be heat-treated and achieve a uniform, light brownish colour on the cut surface with a slightly darker colour on the outside, but without very dark brown discolouration resulting from excessive heat exposure over an extended period and excessively high temperatures deviating from the recommended ones).



Figure 2. A pictogram-based labelling system for the preparation method and quality of beef, featuring an entrecôte – a cut intended for roasting – shown on the first silver-coloured disc. Next, the second disc would display the roasting symbol – an oven; the third disc would indicate the time and temperature for stage I and the time and temperature for stage II; the fourth disc would be marked with four stars indicating ‘good’, a quality standard higher than the everyday standard, and the last disc would indicate ‘good’, a level of consumer satisfaction with the beef prepared in this way that is higher than the usual everyday level.

Figure 2A. A pictogram-based labelling system for extended cooking methods, with four stars indicating a quality level ‘lower than good’ and, on the final disc, a level of consumer satisfaction with the beef prepared in this way that is lower than good, due to excessively long cooking times and/or excessively high temperatures.

Similarly, a four-star rating system should be used for fried and grilled items of good quality, higher than the usual everyday standard (using pictograms illustrating

the frying and grilling process with specified thermal processing parameters, i.e. time and temperature).

3. **The highest premium level, in relation to good quality and higher than ordinary everyday quality, marked with a gold disc, with five stars forming a diagonal line rising from left to right.** This marking would describe a roast beef – a cut intended for grilling, depicted in the first gold disc; the second disc would show the grilling symbol – a grill; the third would indicate the time; the fourth would be marked with five stars denoting the premium quality level, the highest quality standard; and the last would represent the highest level of consumer satisfaction with the beef prepared in this way. To be awarded five stars on a gold background, the beef should receive consumer ratings in the range of 8.0 to 9.0 points on a scale of 1 to 9 (e.g. a nine-point sensory evaluation scale may be used; see Baryłko-Pikielna, 1990). The best, highest level of quality and consumer satisfaction with the beef consumed refers to an objective consumer rating of 8.0 to 9.0 points. In the case of grilling beef portions/steaks, the steaks are heat-treated and contain denatured protein, and the colour on the cross-section is varied, darker brown on the outside over 2/6 of the bottom and top, and lighter in the centre, constituting 2/6 of the steak's height.

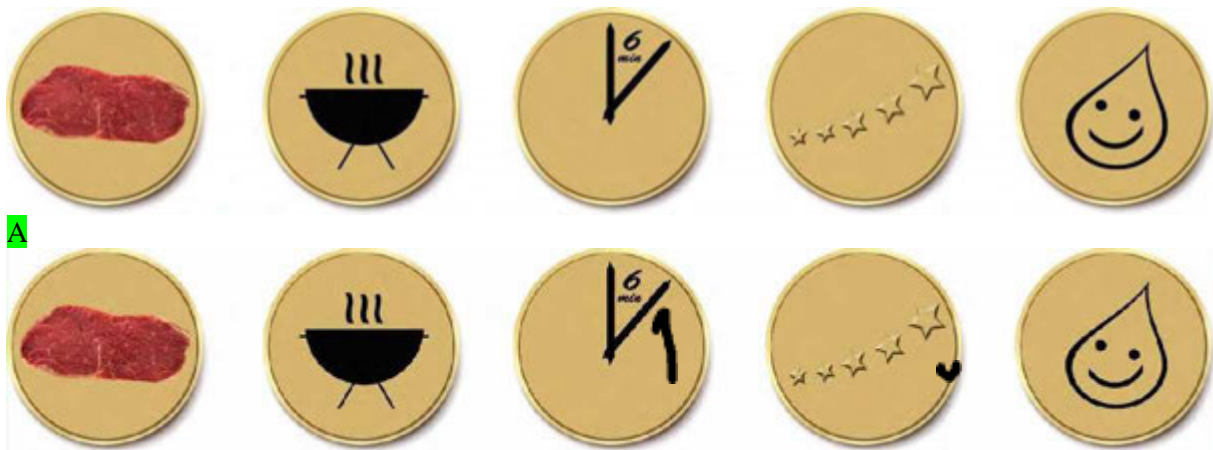


Figure 3. A pictogram-based labelling system for the preparation method and quality of beef, including a ribeye – a cut intended for grilling, shown on the first gold-coloured disc; followed by the grilling symbol – a grill – on the second; the time and temperature indicated on the third; in the fourth, the premium quality level is indicated by five stars, and on the last, the very good level – the highest level of consumer satisfaction with beef prepared in this way.

Figure 3A. A pictogram-based labelling system for extended cooking, with four stars indicating a quality level ‘lower than premium’ and, on the final disc, a level of consumer satisfaction with the beef prepared in this way that is lower than ‘very good’ due to excessively long cooking times and/or excessively high temperatures.

Similarly, a five-star rating system should be used for premium quality, which is 100% higher than the standard everyday quality obtained for fried and roasted cuts (using pictograms illustrating the frying and roasting processes with indicated thermal processing parameters, i.e. time and temperature).

Summary

Given the market situation in Poland and consumer awareness, it would be reasonable to adopt a uniform system for assessing the culinary quality of beef, *the so-called ‘eating quality’*. In this

regard, the best solution would be to model the system on those that have already been tested and are in operation.

One possibility is to adopt the solution presented here, modelled on the Australian MQ4 (a 0–100-point scale for meat quality, such as: good, better, excellent), so that all beef cuts intended for culinary preparation and available on the market are labelled with quality levels. In such a scenario, there would be full quality identification and predicted sensory satisfaction, as well as the appropriate allocation of cuts to specific cooking methods, temperatures and cooking times. Such measures would eliminate the possibility of failing to achieve a specific quality level and the corresponding level of consumer satisfaction. Furthermore, they will provide a full opportunity to achieve culinary success without the risk of failure, even for those with little knowledge of how to prepare beef. In this situation, barriers to purchasing and preparing beef will be eliminated by providing the necessary instructions and guidelines for handling beef cuts within a visual pictogram system.

A key and most important function of the pictogram-based communication and information system for producers of culinary beef cuts/portions is to create a fully intuitive way of communicating quality and satisfaction levels by using a practical system to inform the consumer about the intended use of the cut/muscle/portion of culinary beef, indicating the level of quality and consumer satisfaction achievable under normal, repeatable conditions.

The most desirable approach is an intuitive, barrier-free path to achieving high and consistent quality beef. One of the keys to success is the simplicity of application and use of the pictogram system. For this grading and labelling system to be functional and reliable, existing differences in beef quality must be levelled out through appropriately applied maturing conditions, and quality must be assessed within an objectively adopted, standardised system by a panel of experienced experts, and then carry out quality grading, reliably assign quality levels, and apply these to the labelling on packaging. There must be no lack of objectivity or overestimation of quality levels, so as not to lead to a loss of trust in the system and a loss of confidence regarding the achievement of the defined quality level and sensory satisfaction among consumers.

It is important to note that the pictogram labelling of quality grades for beef cuts takes into account the influence of marbling and hydrolysed collagen content in relation to the duration and method of heat treatment, in the assessment of quality and sensory satisfaction. The use of a fully intuitive and sequential layout of images (pictograms), comprising the type of anatomical cut/muscle, the proposed heat treatment method along with its conditions – time and temperature – and an indication of the predicted level of consumer satisfaction with the achieved quality of culinary beef, enables the correct processing procedure to be carried out flawlessly within a strictly limited timeframe, without the need for additional guidance/descriptions of proper preparation, or without long and complicated verbal explanations, which depend on numerous factors constituting a high degree of complexity and ambiguous indications.

Importantly, the system for assessing the quality and labelling of culinary beef, known as '*eating quality*', using quality grades will eliminate the barrier of disappointment caused by 'overpaying' for meat that fails to meet quality expectations. Overcoming the concerns that limit purchasing decisions will open up the possibility of building trust in the quality of Polish beef and enable an increase in the consumption of culinary beef.

Recommendations

In order to bring order to the domestic market and, in particular, to make it easier for consumers to purchase beef, attention should be paid to the following issues:

- 1) Beef consumption in Poland is at a very low level – we therefore have significant potential for the development of the domestic market. In addition to communicating the sustainability of beef, the domestic market should also take into account information relating to consumer ethnocentrism and the use of beef in a balanced and sustainable diet.
- 2) On the domestic market, consumers require ongoing education regarding the quality of beef. To develop the domestic market, a system for assessing *the 'eating quality'* of beef should be introduced. For the implementation of a beef labelling system (preferably using pictograms), it is recommended not to create a new system from scratch, but to build upon an existing, recognised and established system, such as the Australian MQ4 system. This solution should be voluntary but, as far as possible, widespread; therefore, it is recommended that discussions and arrangements be made with the Ministry of Agriculture and Rural Development to identify possible ways of implementing and financing this solution.

Chapter 5

Perceptions of beef – examples from around the world

There are many solutions worldwide for verifying the quality of beef. In Australia, there are the AUS_MEAT and MSA standards; in the UK, there are Red Tractor, Quality Standard Marks and MLC Blueprints; in New Zealand, the Quality Mark; in South Africa, the South Africa Classification; in the European Union, the EUROP system; and in Japan, the JMGA – Wagyu Grading System. Grading systems also operate in the USA, Canada and Korea. The criteria taken into account when determining quality vary. In the EU, the EUROP beef carcass classification system is in place. However, this system does not relate to culinary quality but to the conformation of the carcasses and their fat cover.

Information and promotional activities aimed at perceived quality and creating the image of the country of origin cannot be carried out in isolation from measures aimed at improving the culinary quality of the beef on offer. This is particularly important given that the quality of products currently available on the market varies greatly. When adopting solutions in this area, we should build on those already adopted and in use worldwide. Devising an original solution when we are at a stage where we 'need to catch up with the global leaders' does not offer much added value. Adopting a solution that already exists significantly facilitates the comparability of the products on offer.

The most widely recognised beef quality grading systems are those currently operating successfully in Australia, the USA and Japan⁵⁹.

❖ Australia

The most widely recognised system in the world is the MSA system from Australia. It is one of the world's best beef grading systems. Within this system, there are standards and descriptions for various types of meals using over 80 different cuts of beef. The system is based on over 1.8 million consumer tests conducted in 13 countries.



In the 2023/2024 season, 3.88 million head of cattle were submitted for assessment under this system, of which approximately 3.64 million were assessed. The system was established in 1998 and since then

⁵⁹ For more on this topic, see: Malgorzata Konarska, Dominika Guzek, Dominika Głabska and Agnieszka Wierzbicka, Beef classification systems in Poland and other countries and their actual quality. The study was prepared as part of the WND-POIG.01.03.01-00-204/09 project 'Optimisation of beef production in Poland'.

both the increase in the number of animals being assessed and the long-term overall improvement in the quality obtained.

❖ USA

In the beef quality classification introduced by the United States Department of Agriculture (USDA), eight beef quality grades are distinguished. These are Prime, Choice, Select, Standard, Commercial, Utility, Cutter and Canner. Classification into specific grades depends on the animal's age and marbling.



Based on age, there are five maturity groups: A (9–30 months), B (30–42 months), C (42–72 months), D (72–96 months), E (over 96 months). Meat from young cattle (maturity classes A or B) is classified into the Prime, Choice, Select and Standard grades. Furthermore, the Commercial, Utility, Cutter and Canner grades usually include carcasses of maturity classes C, D and E, from animals aged between 42 and over 96 months. The Choice quality grade includes meat of a specific colour and with lower levels of marbling (e.g.

'moderate', 'medium' or 'low'). The Select quality grade is characterised by low marbling, whilst the Standard quality grade comprises meat with trace amounts or virtually no intramuscular fat.

Given the costs associated with grading, only the highest-quality cattle, reared specifically for beef production, are graded.

❖ Japan

In Japan, there are as many as 15 beef quality grades. The highest quality meat is marked with the symbol A-5, whilst the lowest quality is marked as C-1. These grades are determined based on a combination of three parameters:

- 1) meat-to-bone ratio – 3 grades (A – 72% and above, B – 69% to 72%, C – up to 69%),
- 2) perceived quality – 5 grades (1 – poor, 2 – below average, 3 – average, 4 – good, 5 – excellent). Additionally, for carcasses of Wagyu breeds, a value of 2.049% is added to the yield grade.
- 3) marbling level, which is assessed on the basis of 12 colour standards.

Furthermore, the colour of the meat and fat is also assessed visually by specially trained staff based on 7 colour standards.

The Japanese system is tailored to Japanese consumers, who prefer meat with a high fat content. Therefore, due to its specific target audience, it has limitations in its application outside its country of origin.

Bearing in mind the way quality is presented in the aforementioned culinary quality systems and the level of recognition of these assessment systems, the best solution in the Polish context appears to be the system introduced and widely used in Australia.

Origin matters

In addition to systems that address beef quality in various ways, there are also many methods of indicating the country of origin. There are numerous approaches to this worldwide, and they do not always mean the same thing. We also see varying results from consumer research on the influence of country of origin on purchasing decisions.

Different consumer behaviours are identified in different countries, and the origin of beef does not carry the same significance in every country. In many cases, consumers in a particular country associate beef only with a few other countries in the region. A global perception of beef exists only for a few countries: Australia, New Zealand, the USA, Argentina and Ireland.

Taking into account production potential, similar conditions, location and EU membership, as well as similar ratios of domestic consumption to exports, the solutions implemented in Ireland were analysed. Available research shows very positive consumer associations with Ireland, and beef from that country is perceived as high-quality and ‘green’.

In Ireland, reports⁶⁰ are regularly produced to assess the development and functioning of the beef sector. There is also a government strategy for the agri-food sector called ‘Food Wise 2025’, and discussions are currently underway to extend its scope to 2030.

According to these reports, the strong reputation of Irish grass-fed beef production has been recognised as an asset that can be further leveraged. A quality-focused approach is therefore being developed. Ireland exports over 90% of the beef it produces, which is why the approach adopted is that the product should meet consumer expectations in target markets. The aim is to strengthen the image of Irish beef as beef produced in a sustainable manner.

The Origin Green scheme (managed by Bord Bia) has been in operation since 2012. The launch of the scheme was prompted by research findings which indicated that, internationally, Ireland is perceived as a producer of sustainably produced food. The aim of the initiative is to measure, monitor and implement environmental improvements to support this perception. In this case, therefore, a trend was identified and a process was then initiated to reinforce it.



⁶⁰ See: *AN INDEPENDENT ASSESSMENT OF THE IRISH BEEF INDUSTRY*, Jim Power Economics, March 2020, or *An Independent Review of the Market and Customer Requirements of Irish Beef*, Grant Thornton, March 2021.

Origin Green is a voluntary scheme bringing together farmers, food producers, distributors, the HoReCa sector, all of whom share a common goal of sustainable food production. It enables the agricultural sector, on the one hand, to set and achieve measurable sustainability targets that respect the environment and serve local communities, and, on the other hand, to strengthen the perception of Ireland as a ‘sustainable’ producer.

Farmers are recognised as the most important, first link in the Origin Green programme. Farmers who were members of the Bord Bia Quality Assurance programme and who participated in farm sustainability assessments are also part of Origin Green. This programme covers many sectors, not just beef.



Logo 1: Origin Ireland



Logo 2: Grass Fed Verified



Logo 3: Origin Northern Ireland (NI)



Logo 4: Produced & Processed in Ireland & Northern Ireland



Logo 5: Reared & Processed in Ireland



Logo 6: Origin Ireland (meat content only)



Logo 7: Origin Northern Ireland (NI) (meat content only)



Logo 8: Produced & Processed in Ireland & Northern Ireland (meat content only)



Logo 9: Reared & Processed in Ireland (meat content only)



Logo 10: Certified Member



Logo 11: Grass Fed Certified Member

In the case of beef, areas such as beef production practices, the length of the grazing season, average daily weight gains, the age at which heifers calve for the first time, fertility or calving rates, fertiliser use efficiency, and the use of slurry and manure are assessed. Factors relating to the carbon footprint are also taken into account. Participants draw up improvement plans – typically lasting between 3 and 5 years.

Producers and farmers in Ireland may also use labelling introduced directly by the Irish Food Board, based on the Sustainable Beef and Lamb Assurance Scheme certification programme. Above is the labelling relating to meat-based products – from feeding methods (*grass-fed*), the use of substitutes (*meat content only*) to the place of rearing and processing (*reared and processed in Ireland*).

The range of available schemes and labelling options for sustainable beef from Ireland is therefore extensive and forms part of a broader campaign focused on Irish food.

Importantly, the Irish strategy for building the image of sustainable beef also focuses on utilising the Protected Designations of Origin and Protected Geographical Indications system in this process. At EU level, however, there are currently only a few designations relating to beef within this system. In total, there are 5⁶¹ and they originate from Ireland and the UK; these are:

- 1) Irish Grass Fed Beef (PGI, UK/Ireland),
- 2) West Country Beef (PGI, UK),
- 3) Welsh Beef (PGI, UK),
- 4) Scotch Beef (PGI, UK),
- 5) Orkney Beef (PDO, UK).



In the case of Ireland, the name ‘Irish Grass Fed Beef’ is registered as a Protected Geographical Indication. This designation applies to the whole of Ireland as a country and to Northern Ireland

⁶¹ There are no registered names from Poland. Nor are any names from Poland relating to beef currently seeking registration.

(part of the UK). The use of such a designation further supports the message to consumers regarding sustainability.

In the case of the UK, we have four registered names, and their specifications sometimes include an obligation to use a common additional logo (West Country Beef), whilst at other times this is not regulated (Orkney Beef).

Quality schemes are also being introduced in other countries; these relate to rearing standards and reflect consumer expectations, which can be divided into:

- ethical issues (production, fattening and processing processes, animal welfare at various stages of production, slaughter conditions),
- food safety (production, fattening and processing processes, feed quality, feeding standards, disease prevention, transport, treatment, avoidance of antibiotics),
- palatability (fat content, marbling, tenderness, juiciness, texture, colour, overall consumer impression),
- sustainability (reduction of greenhouse gas emissions and pollution, control of waste generation and management),
- traceability, i.e. the ability to trace an animal's history throughout the beef production value chain.

These solutions are becoming increasingly important to consumers and, consequently, to the HoReCa sector. Globally, certifications are awarded by various types of institutions – government bodies, industry bodies, corporations and non-profit organisations. Such systems are already operating successfully in other countries. In addition to the Irish approach described above, such schemes operate, for example, in France – Life Beef Carbon – which involves tagging cattle raised in a system where greenhouse gas emissions have been reduced.



A programme that distinguishes products by reference to animal welfare is also operating successfully in Canada – Verified Beef Production Plus. The programme focuses on improving animal welfare.



Requirements relating to animal welfare, antibiotic management or sustainability in general are also increasingly being introduced as additional criteria to existing certification schemes – for example, the QS system, which operates successfully in Germany.



The lack of developed certification systems, and consequently sufficient knowledge about production methods, translates into limited sales markets, a lack of buyer interest and lower meat prices. Polish beef does not yet evoke sufficiently positive associations among consumers in foreign markets, which is why it is sold at a lower price. On international markets, the most popular meat comes from countries that have been able to build a strong beef brand; these include, among others: Australia, Japan, Ireland, New Zealand, the United States and Argentina. Meat produced in these countries is associated with good quality and flavour, as well as with characteristics specific to the country in question. Building a brand among consumers is the result not only of developing high production standards, but also of consistent marketing efforts.

Summary

There are many solutions, systems, programmes and standards worldwide for certifying the quality of beef. The criteria taken into account when determining quality vary. Increasingly, systems and standards are emerging that relate to broadly defined parameters describing sustainability. Such solutions are being adopted both within and outside the EU. A good example of successfully implemented measures is Ireland, which is implementing a strategy to present its products (not just beef) as sustainable. In this case, it involves a range of tools and solutions – the Protected Geographical Indications system is successfully utilised to reinforce this message.

Recommendations

It is recommended that a single, common visual identity be adopted for the labelling of beef from Poland. At the same time, a message should be communicated regarding its characteristics, properties and production process, as well as **its specific culinary quality**.

Chapter 6 Actions being implemented

Given that the Beef Promotion Fund is currently the most important source of funding for information and promotion activities relating to the beef sector, documents relating to its operation were analysed. Documents for 2022 and 2023, as well as those in force in 2024 and due to come into force in 2025, were reviewed in the context of recommendations to improve the situation and ensure more effective operation.

The following documents were analysed:

- Resolution No. 6/2024 of the Management Committee of the Beef Promotion Fund of 3 July 2024 on the adoption of a promotion strategy for the beef industry for 2025;
- Resolution No. 8/2023 of the Beef Promotion Fund Management Committee of 13 July 2023 on the adoption of a promotion strategy for the beef sector for 2024;
- Resolution No. 5/2022 of the Beef Promotion Fund Management Committee of 31 May 2022 on the adoption of a promotion strategy for the beef sector for 2023;
- The Beef Promotion Fund’s activity report for 2023;
- The Beef Promotion Fund’s activity report for 2022;
- Report on the implementation of the financial plan of the Beef Promotion Fund in 2023;
- Report on the implementation of the financial plan of the Beef Promotion Fund in 2022

The following were identified as the most significant challenges in the strategy for 2024 and the strategy for 2025:

- low beef consumption on the domestic market,
- insufficient participation of farmers in food production within quality assurance schemes,
- lack of clear identification of meat from purebred animals,
- limited availability of specialist advice,
- the Fund’s small budget,
- low motivation for joint projects,
- difficulties in securing funding under the 2014–2020 Rural Development Programme (changes to the rules for applying for funds during the application assessment process),
- low level of organisation among producers and processors,
- low utilisation of beef in meat processing,
- low awareness of the benefits of high-quality beef,
- misinformation regarding the beef sector.

The issues listed generally relate to the domestic market (although the problem concerning the Fund’s budget is independent of target markets). In this regard, it would be appropriate to supplement them with issues concerning the perception of Polish beef in third-country markets. Of course, the strategies outline courses of action and target markets, and this issue is also addressed in the main objectives, so this area is partially covered; however, adding this element could help to better focus the projects selected for implementation.

In accordance with the 2024 strategy, information and promotion activities should be carried out both on the domestic market (local, regional), where efforts should be made to improve the quality and efficiency of beef production, consolidate the sector, and disseminate knowledge on quality systems, promoting the consumption of Polish beef, as well as on foreign markets within the EU and third countries, including China, Japan, Vietnam, Algeria, Lebanon, Israel, Hong Kong, Turkey, Iran, the UAE, Uzbekistan, Kazakhstan, Bosnia and Herzegovina, and the United Kingdom. Particular emphasis should be placed on countries which, between 2019 and 2023, have opened or plan to open their markets to Polish beef.

In line with the 2025 strategy, information and promotion activities should be carried out both on the domestic market (local, regional), where efforts should be made to improve the quality and efficiency of beef production, consolidate the sector, and disseminate knowledge on

quality systems, and promoting the consumption of Polish beef, as well as on foreign markets within the EU and third countries, including China, Japan, Vietnam, Algeria, Lebanon, Israel, Hong Kong, Turkey, Iran, the UAE, Uzbekistan, Kazakhstan, Bosnia and Herzegovina, and the United Kingdom. Particular emphasis should be placed on countries that have opened or plan to open their markets to Polish beef between 2019 and 2024.

Taking into account the geopolitical situation and current trade volumes, and comparing the list of priority markets with the list of the largest importers, the following conclusions and comments can be drawn.

It is understandable to prioritise countries such as China, Japan, Vietnam, Israel, the United Kingdom and Hong Kong. Activity in the Turkish market and in Bosnia and Herzegovina is both understandable and important. The UAE should be treated not as an end consumer, but as an important starting point and distributor, acting as an intermediary particularly for Arab and African countries.

The markets of Kazakhstan and Uzbekistan are characterised by very high per capita beef consumption, but also by very high domestic production. Consequently, they are not major importers (in 2022, Kazakhstan ranked 84th globally as a beef importer with a value of \$4.98 million, whilst Uzbekistan was ranked 28th with a value of \$165 million, although these imports were largely from Kazakhstan⁶²). Currently, there are no beef exports from Poland to these countries. However, we do sell live cattle to Kazakhstan and Uzbekistan (worth €6.77 million and €1 million respectively). In terms of live cattle, these are important markets for us, but relatively small in the context of the beef sector. Statistics do not show any sales of beef to the markets of Algeria, Lebanon or Iran. As regards exports of live cattle to these countries in 2023, only exports to Lebanon were recorded, amounting to €6,000 – a very small figure.

Among prospective countries with very high import volumes, the strategy does not mention countries such as South Korea (in 2023, there was an audit by Korean authorities in Poland), Taiwan, Indonesia, Malaysia, the Philippines or Egypt. In terms of the selection of target markets, the strategy also completely overlooks the markets of European countries, to which the largest share of our sales outside Poland is currently directed. The strategy also makes no reference to the USA, which is, on the one hand, the world's largest producer, the third-largest exporter and the second-largest importer.

Regardless of the general provisions of the strategy and its guiding principles, its implementation and actual execution are much better aligned with the market situation.

In 2023, funding was provided for participation in the Anuga 2023, Biofach 2023, Summer Fancy Food Show in New York, SIAL China 2023, and HKTDC Food Expo 2023 in Hong Kong. Activities were carried out in Vietnam, France, Italy, Japan and Singapore, and an audit of South Korean services in Poland was also co-financed. The activities carried out also concern products from both domestic (QMP) and European (organic farming) quality schemes, as well as those relating to animal welfare.

In 2023, the Beef Promotion Fund allocated PLN 12,101,861.58, of which PLN 4,550,882 was earmarked for activities outside Poland. Consequently, approximately 37% of the available budget was allocated to overseas promotion. As a reminder, approximately 85% of beef is destined for markets outside Poland.

Without delving into the effectiveness of activities within individual campaigns, it can be stated that the proportions of expenditure on campaigns in the domestic market and in foreign markets are out of balance. In 2023, as much as 63% of the budget was directed towards the domestic market, which generates 15% of sales. Of course, this is the most important market for Polish farmers and producers. It is a market where we have an 'easier' time, as it is much simpler to employ arguments related to ethnocentrism, environmental and climate impact, and short supply chains.

⁶² <https://oec.world/en/profile/bilateral-product/bovine-meat/reporter/uzb>.

An analysis of the activities carried out in 2023, and in particular the information available on the subject, also shows that various slogans and messages are used; in some cases, there is duplication of effort in the preparation of materials. Some of the activities and campaigns carried out have very low visibility, and accessing the materials produced as part of their implementation is very difficult. In many cases, beef tasting sessions are organised as part of the campaigns. However, the lack of quality requirements for beef in this regard limits the ability to assess the effectiveness of this activity.

One of the most significant problems identified and defined in the promotion strategy for the beef sector for 2023, 2024 and 2025 is the Fund's small budget.

The balance of funds⁶³ of the Beef Promotion Fund as at 1 January 2023 stood at PLN 11,534,173.16, whilst as at 31 December 2023 it was PLN 13,311,853.96. In the period from 1 January 2023 to 31 December 2023, entities obliged to make contributions transferred PLN 10,464,408.44 to the Beef Promotion Fund. The amount available to the Beef Promotion Fund from contributions amounted to PLN 10,388,508.81. In addition, the Fund's account was credited with: (1) interest on deposits amounting to PLN 558,285.81; (2) interest on receivables amounting to PLN 32,978.04; and (3) reminder costs amounting to PLN 62.40. In summary, total receipts into the Beef Promotion Fund's account in 2023 amounted to PLN **10,979,835.06**. The Beef Promotion Fund therefore has an annual budget of approximately PLN 11 million.

The identified problem of insufficient funding can be addressed in two ways. The first involves improving the efficiency of spending, whilst the second relates to opportunities for cooperation and leveraging available resources.

During meetings with representatives of the beef sector and discussions of proposals, conclusions and possible and expected actions to be taken by the administration, it was also noted that planning for new initiatives can take place if the tasks currently assigned to these bodies are carried out correctly and effectively. Most of the criticism centred on the efficiency and effectiveness of the settlement of applications from the Beef Promotion Fund. This was cited as one of the main factors increasing the risk of carrying out information and promotion activities for organisations.

6.1 Efficiency of spending

With regard to the efficiency of spending available funds, attention must certainly be paid to eliminating duplicate costs. In many projects in 2022, materials were prepared, photographs taken, recipes developed and dietary recommendations drawn up. A similar situation occurred in 2023 and is likely to be occurring now. In each project, these materials are of course used differently, with information about organisations or specific events being added. It is not possible to completely eliminate costs in this area, but making previously prepared or purchased materials available to other organisations carrying out activities, and allowing them to use these materials, could help to increase efficiency. It is therefore recommended that a shared database of source materials be created.

In terms of the effective use of available funds, attention should certainly also be paid to ensuring a consistent message.

⁶³ See: Report on the implementation of the 2023 financial plan of the Beef Promotion Fund.

6.2 Cooperation and leverage

The efficiency of spending the available budget can also be enhanced by seeking synergies with activities carried out by other institutions, central and local government bodies, as well as by using funds from the Beef Promotion Fund as a contribution to other mechanisms, thereby leveraging the available budget.

Bearing in mind the thematic and jurisdictional scope of the tasks carried out by individual institutions, cooperation with central bodies regarding activities outside Poland should certainly involve collaboration with the Ministry of Agriculture and Rural Development (MRiRW), the National Centre for Agricultural Support (KOWR), the Chief Veterinary Inspectorate (GIW), the Polish Investment and Trade Agency (PAIH), and the Ministry of Foreign Affairs (MSZ) and its overseas offices.

Cooperation with the MRiRW and GIW is essential, as these institutions are responsible for work related to opening new markets, as well as for supervision and cooperation with authorities in other countries regarding markets that have already been opened. This cooperation is already taking place and is a good practice that should certainly be continued.

Cooperation with the Ministry of Agriculture and Rural Development (MRiRW) and the National Centre for Agricultural and Rural Development (KOWR) can significantly improve the efficiency of spending, as these institutions are responsible for implementing information and promotion activities in third-country markets. Of course, it must be borne in mind that both the Ministry of Agriculture and Rural Development (MRiRW) and the National Agency for Agricultural and Rural Development (KOWR) are responsible for the entire agri-food sector, not just the beef market. Regardless of this, efforts should be made to:

- 1) incorporating the beef sector's proposals into the general activities of these institutions and
- 2) to include selected priority markets for the beef sector in their plans.

Re 1. Incorporating the beef sector's demands into the general activities of these institutions requires the flow of information, appropriate communication, and ultimately, follow-up.

When undertaking an initiative aimed at redefining the perception of 'Polish beef' in the eyes of global consumers, one cannot fail to take into account the structures of Polish institutions or those associated with Poland. In particular, care should be taken to ensure that the communication principles adopted by these institutions and the message they convey are consistent with the sector's message.

Effective cooperation with our missions, embassies and PAIH structures is all the more important given that the staff at these missions is very limited. Consequently, the time that can be devoted to the beef sector is also limited. It is therefore up to the organisations of producers, breeders and processors to equip the staff at these missions with the knowledge, information and materials needed to maximise the results.

Each overseas mission should receive a dedicated information pack for use – explaining what 'Polish beef' is, its characteristics, how to recognise it and who to contact. The pack should include sets of photos for use and video materials, taking into account the languages used in the country in question.

Making use of the staff available at overseas offices is one of the starting points for further action. Polish representatives at these offices are there to help us, and in many cases they do so. We simply need to ensure they have the opportunity to do so. It is unacceptable for an organisation to carry out an initiative in a third-country market whilst staff at, for example, the PAIH Foreign Trade Office are unaware of it. In this regard, a code of good practice should be developed, and the organisation should apply it in every instance; its implementation should be verified within the framework of the Beef Promotion Fund. The code of good practice should cover both the planning of information and promotional activities and their implementation.

This is not about PAIH or the embassy supervising the implementation of the campaign, but about ensuring the flow of information within the activities carried out and utilising knowledge of the local market, suggested contacts and connections, as well as avoiding certain actions. Our representatives have all this information. They will not be able to sort out many things for the beef industry, but they can help eliminate a few problems or ill-conceived initiatives. In many cases, such an approach and cooperation with diplomatic missions are the norm for national organisations, but this is not a universally applicable standard.

It is also important to note that in many countries, the involvement of government representatives acts as a form of guarantee. This facilitates discussions and can help eliminate certain risk factors.

Re 2. The inclusion of selected priority markets for the beef sector in the plans of KOWR and the Ministry of Agriculture and Rural Development is a far more complex issue. Regardless, it is crucial that such joint actions are implemented. There are several tools and solutions here that need to be utilised.

In terms of information and promotion activities, KOWR and the Ministry of Agriculture and Rural Development organise trade fairs in various locations around the world; at times, broader activities and promotional campaigns in specific markets have also been carried out, and trade missions involving distributors, buyers, importers or influencers from a particular country are organised.

The most common form is participation in trade fairs. This approach has limited reach and largely boils down to organising a space at a specific event where individual companies can meet with their business partners and clients. Usually, such stands are shared by producers from many product groups. This is not always the best option for companies. The location of the stand is very important, and sometimes it is better to be in the ‘meat sector’ than the ‘general sector’. Notwithstanding the above, let us first focus on selecting the venues where such events are organised. The sector cannot merely be a recipient of proposals to participate in specific trade fairs, but should also define its priorities and then engage with the aforementioned institutions to ensure that a joint stand is organised at these markets and specific events.

Discussions should also cover how these institutions communicate their plans. On the KOWR website⁶⁴ of the KOWR website, you can find a plan for overseas promotional activities. The timeframe for these plans is up to 7 months – currently, the event looking furthest into the future is the plan to participate in TUTTOFOOD 2025 in Milan from 5–8 May 2025. With a longer timeframe, it would be easier to plan certain activities. Of course, there may be various ways of communicating these plans between institutions and organisations.

Discussions with the aforementioned institutions should also address the organisation of trade missions dedicated to the beef sector or involving entities from the beef sector.

However, the greatest expectations regarding KOWR and the Ministry of Agriculture and Rural Development should relate to the organisation of large-scale promotional and image-building campaigns in specific third-country markets. The implementation of such dedicated campaigns is significant in that it allows reaching a much wider number of consumers and familiarising them with the product. Of course, carrying out such activities is a costly undertaking, and the Beef Promotion Fund does not have the necessary resources on its own to undertake such a task.

The optimal solution here would be cooperation in a selected market, so that, for example, KOWR carries out specific activities, whilst the producers’ organisation undertakes supplementary activities that complement those of KOWR. A good example from another sector is the campaign run by the Polish Tourist Organisation during the Paris Olympics, under the slogan ‘Next stop – Poland’. Such a broad

⁶⁴ <https://www.gov.pl/web/kowr/plan-zagranicznych-dzialan-promocyjnych-kowr>.

Action is needed in the target market selected from the list of major importers, such as China, Japan, South Korea, Egypt, Taiwan or Indonesia.

6.3 “Beef offset”

The beef sector cannot be treated as an isolated entity in Poland’s economic relations. It cannot be treated as a sector detached from other arrangements, agreements and contracts. The priority target markets for beef sector products that we should be entering have been defined. We have trade relations with these countries and frequently purchase a wide range of products there.

South Korea is a good example of the potential for such cooperation. This country is one of the largest importers of beef, yet our exports to this market are very limited. At the same time, our commitments to purchase military equipment from Korea have exceeded PLN 60 billion. Of course, contracts and offset arrangements for Polish defence companies are likely to be a priority here, but such solutions are possible. However, this requires high-level decision-making in our country.

It is important that we move away from what might be called a ‘siloed’ approach in Poland. The bulk of our activities takes place within our ‘silo’, which comprises the livestock sector, the processing sector, KOWR, GIW and the Ministry of Agriculture and Rural Development. However, we cannot limit ourselves solely to these entities, as the competences and capabilities of the ministries sometimes overlap and sometimes complement one another. The possibilities and opportunities arising from such an approach are much broader. In this regard, the sector’s activities should in any case be coordinated with the Ministry of Agriculture and Rural Development or the Ministry of Foreign Affairs.

Summary

The most important and largest source of funding for information and promotion activities relating to the beef sector is the Beef Promotion Fund. This fund has an annual budget of approximately PLN 11 million and finances activities on both the domestic and foreign markets. The Beef Promotion Fund operates on the basis of the strategy adopted for a given year. One of the most significant problems identified and defined in the Fund’s promotion strategy for the beef sector for 2023, 2024 and 2025 is the Fund’s relatively small budget. Available data show that, for example, the budget available for beef promotion in the UK is around PLN 90 million, i.e. eight times more, and in France around PLN 180 million, i.e. 16 times more.

Recommendations

Given the limited financial resources available, particular attention should be paid to the effectiveness and appropriateness of their expenditure.

- 1) Ultimately, it is recommended that the Beef Promotion Fund’s resources be directed towards the implementation of the measures described in this strategy.
- 2) With regard to the efficiency of spending the available resources of the Beef Promotion Fund, attention must be paid to the possibility of eliminating duplicate costs. It is therefore recommended that a shared database of source materials be created, which could be used across a range of activities. The database should include both graphic materials and consistent information on the characteristics, properties and principles of rearing Polish beef cattle.
- 3) The efficiency of spending the available budget should also be enhanced through synergy with activities carried out by other institutions, government and local government bodies, as well as by using funds from the Beef Promotion Fund as a contribution to other mechanisms, thereby leveraging the available budget.
- 4) Close cooperation is recommended with the Ministry of Agriculture and Rural Development (MRiRW), the National Centre for Agricultural Support (KOWR), the Chief Veterinary Inspectorate

(GIW), the Polish Investment and Trade Agency (PAIH) and the Ministry of Foreign Affairs (MSZ) and its overseas offices.

- 5) Close cooperation between the sector and the Chief Veterinary Inspectorate (GIW) is essential, as it is the body responsible for supervising exports and involved in the process of opening new markets and maintaining access to those already open. The sector should clearly define and communicate its priorities to the GIW, both in terms of geography and products.
- 6) In addition to cooperation with the Ministry of Agriculture and Rural Development (MRiRW) and the National Centre for Agricultural and Rural Development (KOWR), efforts should be made to ensure that the beef sector's proposals are taken into account within the framework of these institutions' general activities, and that selected priority markets for the beef sector are included in the plans of these bodies.
- 7) Redefining the perception of 'Polish beef' in the eyes of global consumers cannot take place without taking into account the structures of Polish institutions or those associated with Poland. In particular, care should be taken to ensure that the communication principles adopted by these institutions and the message they convey are consistent with the sector's message. Each of these entities should receive a dedicated information pack for use – explaining what “sustainable Polish beef” is, its characteristics, how to recognise it and who to contact. The pack should contain sets of photos for use and video materials, taking into account the languages used in the relevant country.
- 8) Activities in foreign markets should be carried out in consultation with existing structures in the country concerned (PAIH or the Ministry of Foreign Affairs). It is essential to ensure the flow of information and to utilise their knowledge and capabilities. In this regard, a code of good practice (detailing the minimum actions to be taken) for activities abroad should be developed, and the organisation should apply it in every instance; its implementation should be monitored within the framework of the Beef Promotion Fund.
- 9) Cooperation with government bodies, such as the Ministry of Foreign Affairs or the Ministry of Agriculture and Rural Development, should also lead to the beef sector's demands being taken into account in trade agreements concluded with priority markets.
- 10) In terms of information and promotion activities, KOWR and the Ministry of Agriculture and Rural Development organise trade fair events in various locations around the world. The sector cannot merely be a recipient of proposals to participate in specific trade fairs, but should also define its priorities and then engage in discussions with the aforementioned institutions so that joint presentations can be organised at specific events in these markets. Discussions with the aforementioned institutions should also address the organisation of trade missions dedicated to the beef sector or involving entities from the beef sector.
- 11) It is recommended that discussions be initiated with the Ministry of Agriculture and Rural Development (MRiRW) and the National Agricultural Market Agency (KOWR), aimed at implementing large-scale promotional and image-building campaigns in specific third-country markets. In such a case, complementary measures should be implemented from the Beef Promotion Fund.

Chapter 7

Financing of information and promotion activities

Conducting effective information and promotion activities is linked to the choice of tools, the scope of the information provided, the target markets, as well as the organisation and capacity to meet the generated demand. One of the most important questions to be answered when implementing or planning such information and promotion activities is the question of funding sources.

It was assumed that the legal environment in Poland relating to the possibility of obtaining funding for beef promotion activities should be analysed, and the results of this analysis presented. Subsequently, barriers limiting the effective acquisition of funds for these activities should be identified, and if such barriers exist, steps must be taken to eliminate them.

At national level, organisations representing beef breeders, producers and processors may wish to apply for support when planning information and promotional activities, based on the following mechanisms/instruments/solutions:

- a) The Beef Promotion Fund under the Act of 22 May 2009 on funds for the promotion of agri-food products;
- b) CAP Mechanism – Support for promotional and information activities on the markets for selected agricultural products;
- c) Intervention 13.3 – Promotion, information and marketing of food produced under food quality schemes, under the Strategic Plan for the Common Agricultural Policy.

7.1 Beef Promotion Fund

The Beef Promotion Fund was established under the Act of 22 May 2009 **on funds for the promotion of agri-food products**. The Beef Promotion Fund supports:

- a) activities aimed at providing information on the quality and characteristics, including the benefits, of beef;
- b) activities aimed at promoting the consumption of beef and beef products;
- c) participation in exhibitions and trade fairs related to the rearing or breeding of beef cattle and the production or processing of beef;
- d) market research on the consumption of beef and beef products;
- e) scientific research and development work aimed at improving the quality of beef and beef products, as well as leading to an increase in their consumption;
- f) training for beef producers and processors;
- g) the activities of national industry organisations, including their representatives, participating in the work of specialist standing and working committees of international organisations or serving as members of the statutory bodies of such organisations dealing with beef market issues.

Contributions to the Beef Promotion Fund are calculated – at a rate of 0.1% of the net value – on live cattle and calves that are the subject of transactions subject to value added tax.

Contributions are calculated and collected from entities that sell live cattle and calves to businesses engaged in the slaughter of cattle or calves, and to businesses engaged in the export of live animals outside the territory of the Republic of Poland.

The following may apply for funds from the Promotion Fund:

- a) national organisations representing agricultural producers or processors of agri-food products who are resident or have their registered office within the territory of the Republic of Poland, and who produce or trade in cattle,

- beef or beef products – in the case of the Beef Promotion Fund;
- b) national sectoral or cross-sectoral organisations representing producers or processors of agri-food products, other than those mentioned above, provided that their statutory objectives are consistent with the objectives of the promotion fund.

The funds raised are managed by a management committee comprising nine members. Its tasks include:

- 1) representing the interests of the sectors,
- 2) establishing rules for the management of the financial resources of a given promotion fund, specifying in particular the conditions and procedure for submitting proposals for programmes and activities,
- 3) establishing the financial plan of the promotion fund in question with regard to the achievement of its objectives,
- 4) drawing up a factual report on the promotion fund in question;
- 5) adopting the rules of procedure for the relevant committee;
- 6) developing promotion strategies for the sectors covered by the promotion funds.

An analysis of the Act on Promotion Funds for Agri-Food Products leads to the following conclusions:

- 1) the funds accumulated in the Beef Promotion Fund are contributions from cattle and calf farmers. These are not funds from the state budget, nor is the fund in any way financed from the state budget. The fund is managed by KOWR, but this service is not free of charge and amounts to up to 3.5% of the annual revenue of the individual promotion funds;
- 2) only national organisations may apply for funds accumulated in the Beef Promotion Fund.

1.2. CAP Mechanism – Support for promotional and information activities in the markets for selected agricultural products

The European Union's Common Agricultural Policy provides for support for promotional and information activities carried out in the food products market. Financial assistance for these activities can be obtained under **the mechanism 'Support for promotional and information activities in the markets for selected agricultural products'**. The beef production sector may also apply for support under this mechanism. Funding may be sought by organisations representing producers, processors and distributors that are representative of the relevant agricultural sector, as well as – from 1 December 2015 – producer organisations or their associations, and other bodies in the agri-food sector whose purpose and scope of activity is the promotion of and providing information on agricultural products.

The promotion of agricultural products under this mechanism is possible within the EU internal market, as well as in markets outside the EU (so-called third-country markets). The key provisions governing the operation of this mechanism are Regulation (EU) No 1144/2014 of the European Parliament and of the Council⁶⁵, Commission Delegated Regulation (EU) 2015/1829⁶⁶ and Commission Implementing Regulation (EU) 2015/1831⁶⁷.

⁶⁵ **Regulation (EU) No 1144/2014 of the European Parliament and of the Council** on information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries and repealing Council Regulation (EC) No 3/2008.

⁶⁶ **Commission Delegated Regulation (EU) 2015/1829** supplementing Regulation (EU) No 1144/2014 of the European Parliament and of the Council on information provision and promotion measures for agricultural products on the internal market and in third countries.

⁶⁷ **Commission Implementing Regulation (EU) 2015/1831** laying down rules for the application of Regulation (EU) No 1144/2014 of the European Parliament and of the Council on information and promotion measures for agricultural products implemented in the internal market and in third countries.

In accordance with Article 14(2) of Regulation (EU) No 1144/2014 of the European Parliament and of the Council, Member States shall ensure the implementation, monitoring and control of simple programmes. In Poland, the implementing body is the National Centre for Agricultural Support.

Funding of programmes

In accordance with Regulation (EU) No 1144/2014 of the European Parliament and of the Council:

- the Union's contribution to the financing of simple programmes submitted by an organisation from a single Member State within the internal market shall not exceed 70% of the amount of eligible expenditure;
- the Union's contribution to the financing of simple programmes submitted by an organisation from a single Member State in third countries, as well as in the case of programmes involving several countries, shall be 80% of the eligible expenditure;
- the EU's contribution to the funding of emergency programmes is 85%;
- the EU contribution for countries receiving financial assistance is 75–85%;
- the remaining expenditure is borne exclusively by the initiating organisations – it should be noted that this is precisely why promotion funds were established, to, among other things, finance the own contribution under this mechanism.

If the initiating organisation is unable to reclaim value added tax (VAT), VAT is an eligible cost.

Annual Work Programme

Each year, the European Commission presents a draft Annual Work Programme, in which it proposes priorities and an indicative budget allocation for the year in question for information and promotion programmes targeting the EU internal market and third-country markets.

The Annual Work Programme is a document that warrants particular attention. It is a one-year plan established following discussions between the European Commission and the Member States. From the perspective of the beef production sector, care must be taken to ensure that:

- 1) substantial budgets are allocated to those third countries (regions of the world) where information and promotion programmes are planned and where domestic beef may find potential buyers;
- 2) there are substantial allocations for sectors relating to the internal market.

The proposal relating to the internal market is complex in that this division is not straightforward; for example, the Annual Work Programme for 2025 proposed the following categories/themes:

- a) Programmes concerning specific characteristics – EUR 5 million,
- b) Programmes concerning EU quality schemes – € million,
- c) Programmes concerning fresh fruit and vegetables – €1.1 million,
- d) Programmes promoting organic products – €10 million,
- e) Programmes highlighting sustainable agriculture – € million.

Please note that there is no explicit exclusion of beef here, but the adopted categories only allow products from specific quality categories. Furthermore, practically every year there is a discussion as to whether to explicitly exclude the possibility of promoting certain products, including red meat.

Close cooperation between the beef sector and the Ministry of Agriculture and Rural Development, which is involved in drawing up the Annual Work Programme, is therefore essential.

Cooperation with the Ministry of Agriculture and Rural Development is crucial in that, given the recommendations contained in *the Strategic Dialogue on the Future of EU Agriculture*, attempts to exclude beef from the scope of promotion under this mechanism are to be expected. It is likely that, if the promotion of beef is permitted at all, it will be limited to sustainable beef.

Submitting applications for funding

It is also worth noting the procedure for applying for funding under this mechanism. A producer/processor organisation (following the announcement of a call for proposals by the EC) submits a project proposal

promotional programme to the European Commission. Applications are submitted directly to the EC via the electronic application system – without the involvement of the Ministry of Agriculture and Rural Development (MRiRW) or the National Agency for Rural Development (KOWR). Following an evaluation of the programmes, the European Commission selects the simple programme proposals received in response to the call for proposals and issues a decision.

Applications under this mechanism are not small and simple applications. They may even be three-year campaigns with budgets of €5 million. These applications are complex and require considerable expertise to prepare. In this context, it is very important to make use of ‘open days’ / ‘information days’ / ‘open days’ – a special meeting⁶⁸ organised by the European Commission.

Campaigns awarded to processors’ organisations were implemented under this mechanism, whereas no campaigns were carried out by farmers’ or breeders’ organisations.

Where does the problem lie with this mechanism?

In the context of this Regulation, particular attention should be paid to the definitions of organisations that may submit applications for the implementation of information and promotion campaigns. In accordance with Article 7(1) of the aforementioned Regulation 1144/2014, proposals for information and promotion programmes may be submitted by:

- ‘(a) sectoral and inter-branch organisations established in a Member State and representative of the sector or sectors concerned in that Member State, in particular the inter-branch organisations referred to in Article 157 of Regulation (EU) No 1308/2013, and the groups referred to in Article 3(2) of Regulation (EU) No 1151/2012, provided that they represent a name protected under the latter Regulation and covered by this programme;
- b) Union sectoral and inter-branch organisations representative of the sector or sectors concerned at Union level;
- c) producer organisations or associations of producer organisations referred to in Articles 152 and 156 of Regulation (EU) No 1308/2013, recognised by the Member States;
- d) agri-food sector bodies whose purpose and scope of activity is the promotion of and provision of information on agricultural products and which have been entrusted by a Member State with the provision of clearly defined public services in this field; such bodies must have had their registered office in the Member State concerned for at least two years prior to the date of publication of the call for proposals referred to in Article 8(2).”

In this Article, point (d) refers to bodies (in Poland, for example, KOWR), point (b) requires representativeness, and both points (a) and (c) refer to recognition under Regulation (EU) No 1308/2013.

Since a very large proportion of organisations do not meet the representativeness requirement (none are large enough), they seek to fulfil the requirements set out in the above-mentioned articles concerning the submission of promotional programmes by obtaining recognition under Regulation (EU) No 1308/2013.

The rules for the recognition of organisations for the purposes of Regulation (EU) No 1308/2013 are laid down in national legislation, namely: the Regulation of the Minister of Agriculture and Rural Development of 5 December 2022 *on the detailed conditions for the recognition of producer organisations and the approval of their business plans, and for the recognition of associations of producer organisations and interbranch organisations operating in agricultural markets other than those for milk and milk products and fruit and vegetables*. The solutions and requirements contained in this regulation are so detailed and complex that, to date, not a single (zero) organisation from the beef sector has been recognised.

Consequently, the beef production sector, which is 85% export-oriented, is deprived of the opportunity to apply for EU funds allocated by the European Commission under the Regulation

⁶⁸ [EUROPEAN UNION PROMOTIONAL POLICY – ‘INFORMATION DAY’ 2024 \(in-person and online\)](#)

) – National Centre for Agricultural Support – Gov.pl portal (www.gov.pl).

of the European Parliament and of the Council (EU) No 1144/2014. National organisations are excluded because the provisions regarding their recognition are not in force.

We are not talking here about additional funds or extra support, but about a change in the regulations that will enable the recognition of organisations and allow them to apply to the European Commission for EU funding.

The current wording of the Regulation of the Minister of Agriculture and Rural Development of 5 December 2022 *on the detailed conditions for the recognition of producer organisations* [...] introduced recognition in conjunction with the approval of the organisation's business plan. Consequently, a much broader and more detailed financial description of the business plan is required than that required by Regulation (EU) No 1308/2013 for the purposes of recognition. At the same time, from the list of available types of activities and specific objectives (there are a total of 88 options in Regulation (EU) No 1308/2013) that may form the basis for recognition, the national regulations focus on the obligation to sell 70% of production to the organisation. Consequently, no organisation has been recognised and, as a result, none of them can apply for funding under Regulation (EU) No 1144/2014 of the European Parliament and of the Council on the basis of such recognition.

1.3. Strategic Plan for the Common Agricultural Policy

The Strategic Plan for the Common Agricultural Policy for 2023–2027 is the largest source of funding for changes in agriculture and rural areas, with a budget of around €25 billion.

Promotional activities are explicitly listed in the intervention:

I.7.3. Information, promotion and marketing activities relating to the products, brands and trademarks of fruit and vegetable producer organisations.

I.13.3. Promotion, information and marketing concerning food produced under food quality schemes.

Beef producers can only benefit from I.13.3., and only under strictly defined conditions. The allocation for I.13.3. is €7 million over a period of 6 years – approximately €6 million per year. Comparing the allocation for this measure with the total budget of the Strategic Plan for the Common Agricultural Policy, we arrive at a ratio of 0.15%. The allocation for this measure is therefore relatively small.

The detailed rules for granting support are set out in the 'Detailed guidelines on the granting, payment and repayment of financial aid under the Strategic Plan for the Common Agricultural Policy for 2023–2027 for intervention I.13.3. Promotion, information and marketing of food produced under food quality schemes'.

The rules for granting support under this scheme are very similar to the requirements set out under the mechanism "Support for promotional and information activities on the markets for selected agricultural products". This approach should be considered appropriate – it does not generate additional requirements and, as such, simplifies the situation for organisations applying to run campaigns and subsequently implementing them.

However, this intervention is aimed only at a specific group of entities (producers, breeders) involved in food quality schemes. In the case of the beef sector, the following schemes are available:

- a) EU food quality schemes: the Protected Designations of Origin (PDO), Protected Geographical Indications (PGI) and Traditional Specialities Guaranteed (TSG) schemes, as well as the organic farming scheme,
- b) recognised national food quality schemes – 'Jakość Tradycja' and the 'Quality Meat Programme (QMP)'.

Currently, there are no beef-based products in the Protected Designations of Origin, Protected Geographical Indications and Traditional Specialities Guaranteed

specialities, nor in the “Quality Tradition” scheme. The only way to benefit from these funds is therefore to participate in the organic farming scheme or the “Quality Meat Programme (QMP)”.

Summary

Summarising the national solutions and instruments available to the beef sector, the following conclusions and recommendations can be drawn:

- 1) for beef that does not originate from sustainable systems, does not possess specific characteristics, or does not originate from EU or national food quality schemes:
 - a) there is no instrument funded from the state budget that would enable the financing of information and promotion activities in Poland or the EU – the most commonly used instrument for financing campaigns for these products is the Beef Promotion Fund, which has funds derived from cattle and calf breeders;
 - b) in third-country markets, i.e. outside the EU, we can use the mechanism ‘Support for promotional and information activities in the markets for selected agricultural products’; however, given the eligibility criteria for organisations, this is in practice very limited;
- 2) for beef that comes from sustainable systems or has specific characteristics but does not originate from EU or national food quality schemes:
 - a) there is no instrument funded from the state budget that would enable the financing of information and promotion activities in Poland – in the beef sector, the most commonly used instrument for financing campaigns for these products is the Beef Promotion Fund, which has funds derived from cattle and calf breeders;
 - b) in third-country markets and on the EU market, we can apply the mechanism ‘Support for promotional and information activities in the markets for selected agricultural products’; however, given the eligibility criteria for organisations, this is in practice very limited;
- 3) for beef originating from EU or national food quality schemes:
 - a) in third-country markets, the EU market and also the Polish market, we can apply the mechanism “Support for promotional and information activities in the markets for selected agricultural products”; however, given the eligibility criteria for organisations, this is in practice very limited. Mechanism I.13.3 may also be applied. – Promotion, information and marketing concerning food produced under food quality schemes – however, there are currently no planned calls for proposals under this intervention. Funds from the Beef Promotion Fund may also be used to promote products from these schemes.

In short, this can be summarised as follows: “The higher the level of recognition of uniqueness, regional character and distinctiveness, the greater the number of available instruments from which information and promotion activities can be funded” and “If an organisation is not a national organisation and produces standard beef (i.e. beef not covered by any quality scheme), it is not possible to obtain any funding for information and promotion activities”. Looking at it from another angle, if an organisation that is not a national organisation wishes to apply for support for information and promotion activities in the beef sector, the entry point for such activities is the QMP scheme or the organic farming scheme.

Recommendations

- 1) It is recommended that an application be made to the Ministry of Agriculture and Rural Development for support for information and promotion activities from budgetary funds and:

- a) the establishment of a separate fund for the promotion of beef sector products within the framework of permissible state aid (such programmes may be financed up to 80%);
- b) introducing a co-financing scheme for activities funded from the Beef Promotion Fund (e.g. at a rate of 50–80%), provided they are in line with the priorities set by the Ministry of Agriculture and Rural Development.

Such a solution would make it possible to increase the funds available for information and promotion activities whilst at the same time targeting the activities carried out.

- 2) The restrictions on access to funds available under the mechanism ‘Support for promotional and information activities on the markets for selected agricultural products’ should be removed. A critical starting point is to amend the rules for recognising organisations for the purposes of Regulation (EU) No 1308/2013. The next step is to support organisations in securing these funds. Inefficiency in this regard leads to tangible losses in the form of missed campaigns and, consequently, a reduction in competitiveness. It is recommended that an urgent request be made to the Ministry of Agriculture and Rural Development to amend this provision.
- 3) Efforts should be stepped up to increase the share of beef produced under sustainable systems, with specific characteristics, or originating from EU or national food quality schemes. This applies both to registration under the Protected Designations of Origin (PDO) and Protected Geographical Indications (PGI) schemes, participation in the organic farming scheme, and the ‘Quality Meat Programme (QMP)’.
- 4) Measures are recommended to increase the number of farmers participating in animal welfare initiatives as part of the practice: maintaining compliance with QMP requirements as a starting point for:
 - a) the development of food quality systems;
 - b) meeting the requirements of ‘Sustainable Polish Beef’;
 - c) meeting the requirements set out in the CSRD and ESG directives;
 - d) measures aimed at reducing greenhouse gas emissions.

Chapter 8

Study of the communication potential of graphic symbols for Polish sustainable beef

In this shorter chapter, we summarise the results of a study conducted to gauge consumer opinions on graphic symbols that could be associated with Polish sustainable beef. Consumer opinions enabled the selection of logo prototypes with the greatest communicative potential and the incorporation of changes suggested by consumers to develop an improved logo design. The proposed logo prototypes under study were prepared on the basis of an expert analysis of consumer attitudes and purchasing habits relating to the selection of beef. The study was qualitative in nature and was conducted using the in-depth focus group interview (FGI) method. A ‘creative lab’ procedure was employed, in which consumers’ comments were incorporated into the graphic designs almost in real time.

8.1 Research process and materials

The study consisted of three phases:

- A discussion on how different types of meat, and particularly beef, are selected, to activate the cognitive patterns and feelings associated with shopping.
- Presentation of all the proposed logos in turn to obtain spontaneous evaluations of each.
- Narrowing the discussion down to the logos with the highest communicative potential and ability to convey the idea of sustainable beef.

Respondents were presented with a total of 13 graphic proposals, including 3 developed by AI (numbers 11, 12, 13) and the existing QMP logo for reference comparison.



1.



2.



3.



4.



5.



6.



7.



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9.



10.



11.



12.



13.

Each of the proposed logos was evaluated by consumers, who gave their opinions on it. The most common initial associations are presented below:



No. 1

The logo looks a bit like a fast-food logo, high quality, the colour of the flag, safety, the logo emphasises that it is a Polish product, a strange-looking cow – a bit like an advert for milk.



No. 2

The logo suggests an expensive product, an association with artisanal quality and tradition, an association with premium quality typical of beef, a neat logo; it's good that it emphasises that it's 100% Polish beef. Ugly cow graphics, not enough colour – it doesn't convey well that it's of Polish origin.



No. 3

The logo conveys that the cows used for meat production are Polish, but there is too much text; it is overcomplicated; it does not convey good quality; it gives the impression of a family farm; it is not entirely clear that it is beef – the cow is overwhelmed by other elements; cheerful.



No. 4

The green colour in the logo refers to organic beef, but it's associated with another country – not Poland – perhaps Argentina; the cow in the middle is loud and happy, but it leaves a rather negative impression; too much green and red – it's totally in the style of Starbucks.



No. 5

An ugly cow and it seems too fat, unattractive colour scheme, simple graphics, but it conveys what it needs to; the logo suits a dairy more than beef.



No. 6

A nice, interesting logo; it brings beef to mind and conveys the right message, though it doesn't indicate that it's a Polish product; the letter Q suggests quality – a clear message, positive associations, and interesting graphics.



No. 7

A nice fudge and colours reminiscent of Poland's green lungs; it's a bit as if a cow were holding the globe – it's not entirely clear what's going on, the graphics don't catch the eye, the blue colour doesn't fit here – a sunny shade would be better, as it evokes ecology and meadows; great, nice graphics.



No. 8

A typical logo for beef packs, nothing stands out, a nice cow and everything is clear, the colours evoke Poland, it looks like a seal of quality, a positive impression and the text emphasises quality, a clear and legible message.



No. 9

The logo is unattractive and the cow looks strange; it resembles a bull too much; too austere; an elegant logo and colours that go well together; it leans too heavily towards organic shops – as if taking the message too far; it practically reeks of eco-friendliness.



No. 10

Positive impression – the leaves suggest eco-friendliness and sustainable farming; the red colour is missing; nice minimalism; looks eco-friendly and premium; very nice graphics – a sense of eco-friendliness; perhaps the background is a bit too sombre.



No. 11

Nice graphics, but too much excess; suits milk or butter better; doesn't convey Polishness; very artistic, even gothic; too many details; more of a wall hanging than a logo.



No. 12

Too gloomy, the cow looks as if it's from another world – too artistic, says nothing about local identity, reeks of tackiness and dread.



No. 13

High-quality meat, classic and traditional, a sombre logo that looks more like a cow from outside Poland; it looks like expensive premium meat.

8.2 Assisted ratings

Before assessing individual logos in terms of their potential to communicate the idea of sustainable breeding and production, consumers were asked to provide a definition describing this concept. There was a consistent understanding of the concept of sustainability among consumers.

Sustainability is:

- a) a method of rearing where animals do not suffer, are treated well and are fed a high-quality natural diet;
- b) production that does not harm the environment, adheres to ecological principles and does not waste water resources;
- c) production in which the meat tastes good because no artificial growth promoters are used in rearing – high-quality meat.

It is worth noting that all the opinions expressed were exclusively positive.

When consumers re-evaluated all the labels, they produced a ranking of those that best convey the message of sustainability. Almost unanimously, label no. 10 was identified as one that speaks simply about ecology whilst also communicating the high quality of the meat.



Label No. 3 was the second most frequently mentioned, emphasising tradition, high quality and trust. However, the differences between No. 10 and No. 3 were quite significant.



The remaining logos received scattered responses. Consumers felt that virtually all of them communicate good quality and Polish origin, but lack a clear message about sustainable production. Logos 11, 12 and 13 (AI) received the lowest ratings in terms of sustainability.

8.3 Logo iteration

In summarising the discussion, consumers identified elements in the selected logo that should be refined to help increase its appeal, improve its communicative power and make it stand out on the shop shelf. As a result of the second iterative phase, three logos were proposed in two language versions.



Following further consultations and discussions, and after considering what information should be included in the logo itself and what in the accompanying message, three further solutions were proposed.



Ultimately, following a comprehensive evaluation and consultation process, a simple version that also references Poland was selected for implementation. References to sustainability are to be part of the message, and the word 'sustainable' does not need to be included in the logotype.

Summary

Following consumer research, a proposal was made to introduce a logo that could be used to label sustainable Polish beef. This proposal takes into account both consumer perceptions and the results of an analysis of variables affecting costs and demand.



Recommendations

It is recommended that the proposed logo be adopted and that this choice be incorporated into ongoing activities. Subsequently, the process of registering and securing the logo should be initiated at both EU level and in the target markets.

Chapter 9

Collective marks and certification marks

9.1 Why collective marks or certification marks?

Activities aimed at standing out in export markets can and must be multi-faceted. Depending on the distribution channels that exist and those we wish to utilise in a given country, different communication strategies should be adopted, with varying degrees of intensity. One solution that can be implemented across many markets, albeit to a different extent in each, is the sale of pre-packaged cuts of beef to the end consumer.

In such a case, regardless of the generally applicable requirements regarding labelling and the indication of the country of origin, it would be reasonable to introduce consistent labelling that would always be applied when the product meets the requirements set for Polish beef.

In such a case, two courses of action can be adopted. The first involves top-down legal solutions and the imposition of such a labelling mechanism by, for example, the Ministry of Agriculture and Rural Development. However, this solution is characterised by a certain degree of inertia and the length of the process. Implementing such a solution, along with the consultation process, is not a matter of weeks or months, but of a much longer period. The second solution is to adopt industry self-regulation and introduce the solution through existing industry organisations. Naturally, this solution should include a mechanism to guarantee the expected quality and eliminate products that do not meet the requirements.

In this regard, it seems that, at least initially, the optimal solution might be to base such a communication system on collective trademarks and guarantee marks. This solution is attractive in that it has already proven successful in other sectors of the agri-food industry⁶⁹ and is much quicker to implement than the proposal contained in the first approach.

But let us start at the beginning:

Trademarks have long been recognised as a valuable asset of a company. They also constitute one of the fundamental elements of promoting goods or services. The value of the trademarks of the world's largest manufacturers exceeds millions of dollars. The top ten most valuable trademarks in the world are dominated by companies from the technology and automotive sectors. As in previous years, Apple's brand achieved the highest value in 2023. Last year, its value stood at as much as PLN 502.7 billion, an increase of 4% compared to the previous year. It is worth noting that the value of other top brands is also steadily rising. Almost all brands in the top twenty of Interbrand's ranking of the 100 most valuable brands (ranking available at <https://interbrand.com/best-global-brands/>) recorded an increase in value ranging from a few to over ten per cent. For example, the value of the McDonald's brand in 2023 stood at almost \$51 billion, representing a 5% increase on the previous year.

And although not every trademark will feature in the ranking of the world's most valuable brands, it can become a valuable asset for its owner. For this reason, it is extremely important to ensure that trademarks are given adequate legal protection, primarily by registering the mark with the Polish Patent Office. This allows for the effective prevention of infringements by third parties, as well as enabling the owner to derive financial benefits from the use of the mark.

Under Article 120 of the Industrial Property Law Act (hereinafter 'IPLA'), a trade mark may be any sign that enables the goods of one undertaking to be distinguished from those of

⁶⁹ See, for example, the collective trademark for 'Young Polish Oat-fed Goose', registered in the name of the National Poultry Council – Chamber of Commerce in Warsaw. The trademark was registered in 2006, and in 2024 an application was submitted for its registration as a Protected Geographical Indication.

another undertaking and capable of being represented in the trade mark register in a manner that allows for the unambiguous and precise determination of the subject matter of the protection granted.

It follows from the wording of Article 120 of the Industrial Property Law that a trademark may be a sign which fulfils the basic function of indicating origin, i.e. is capable of distinguishing the goods of one undertaking from those of another. The sign referred to in the aforementioned provision may be, in particular, a word, including a surname, a drawing, a letter, a number, a colour, a three-dimensional form, including the shape of the goods or their packaging, as well as a sound. The sign should be presented in a clear, precise, complete, easily accessible, understandable, durable and objective manner.

The primary function of a trade mark is to indicate the origin of goods or services from a specific source. This means that consumers perceive a trade mark as a sign that helps to attribute goods or services to a specific undertaking. When we see a mark affixed to goods, we can often not only identify the manufacturer but also determine certain characteristics of the product. It is the trademark that conveys information about the characteristics of the goods we choose, whether during everyday shopping for groceries or clothing, or when making decisions about purchasing a car, production machinery or other goods of significantly higher value.

By filing a trademark application with the Patent Office, one obtains trademark protection. This right is exclusive, i.e. it grants the proprietor a monopoly on the use of the mark in trade.

An application for the grant of trademark protection may relate to only one mark; however, in the case of colour marks, a mark comprising a single combination of colours is considered to be one mark (Article 138(2) of the Industrial Property Act). A trademark may be any sign that can be represented in the trademark register in a manner that allows for the unambiguous and precise determination of the subject matter of the protection granted.

The application for the grant of protection for a trade mark must also specify the type of trade mark. The types of trade marks recognised in practice are: word marks, word and figurative marks, figurative marks, three-dimensional marks, positional marks, marks consisting of a design, colour, sound marks, motion marks, multimedia marks, holographic marks and so-called other marks.

Together with the application for the grant of trademark protection, a list of the goods and services for which the trademark is intended must be submitted (Section 138 of the Industrial Property Act). The goods and services should be indicated by the applicant in a clear and precise manner, allowing the scope of protection to be determined. The applicant should use Polish technical terminology and unambiguous terms (Section 141 of the Industrial Property Act). When drawing up the list of goods, the classes grouping specific goods and services must be indicated, in accordance with the current classification adopted on the basis of the Nice Agreement – the international classification of goods and services, known as the Nice Classification. The list of goods and services should be arranged by class in ascending order.

The application must also specify the category of protection. Protection may be granted for a trade mark (a so-called individual trade mark), a collective trade mark or a certification mark.

The most common group of trade marks in trade are individual trade marks. They indicate the origin of goods and services from a specific undertaking. Protection for such a mark is granted to a single entity, and only that entity may use the mark in trade. Exceptions are situations where that entity grants a licence to use the trade mark in question.

However, there are situations where, by virtue of the law, a trademark is used by more than one entity. The Industrial Property Law provides for the possibility of granting joint protection rights, and also introduces the concept of a collective trademark and a certification trademark

. By their very nature, these marks are intended to be used by multiple entities simultaneously.

How does a collective trademark differ from a guarantee trademark? A collective trademark distinguishes the goods or services of an organisation and its members or a legal person from those of other businesses. This means that a collective trademark may be used by several, a dozen or so, or even several dozen businesses simultaneously.

Similarly, a guarantee mark is used by more than one entity. However, in this case, the right is granted to a natural person or a legal entity, e.g. to public institutions, authorities and public law entities which do not themselves carry out economic activities involving the supply of goods of the same type as those they certify. The right to use such a mark is granted to all persons who meet the requirements set out in the regulations governing the use of the guarantee mark.

9.2 Collective trade mark

The category of collective marks has been known in Poland since the 1920s. Collective marks, as they were then known, could be registered in the name of trade associations, which acquired the right to the mark. All members of a given association were, however, entitled to use the collective mark.

The current provisions on collective trade marks were introduced into the Industrial Property Law Act by the amendment of 20 February 2019, transposing Directive 2015/2436 into Polish law. Protection for a collective trade mark may be granted to two categories of entities. These are:

- an organisation capable of acquiring rights and incurring obligations in its own name, established to represent the interests of undertakings;
- a legal person operating under public law.

In the first case, the collective trade mark serves to distinguish the organisation's goods and those of its members from those of other traders; in the second case, to distinguish the goods of persons authorised to use the mark under the regulations from those of other traders.

In the case of **an organisation having the capacity to acquire rights and incur obligations in its own name, established to represent the interests of traders**, these may include, for example, limited companies, cooperatives, chambers of commerce for manufacturers, associations of state-owned enterprises, etc. Such an organisation may also be open in nature, i.e. bring together traders whose aim is to identify and maintain a specific quality or other characteristics of the goods on which the trademark is to be affixed.

On the other hand, **legal persons acting under public law** primarily include the State Treasury, local government legal entities, state agencies, etc. In this case, an individual entrepreneur need not be affiliated with that legal person; it is sufficient that they are authorised to use the mark under the collective mark regulations.

A collective mark has its own specific characteristics, manifested in the manner of its use, which primarily takes into account the objectives of the organisation or legal entity. A collective mark is useful in situations where, for economic reasons, it is necessary for several traders to join forces, or where individual producers cannot create a strong trademark on their own. Collective marks may be used to designate food products with the same characteristics, regional products or artisanal goods. Joint action allows for a reduction in the costs of promoting the trademark or maintaining it in trade. By registering a collective trademark, entities affiliated with the organisation can jointly promote their goods, as well as attract customers and distributors, which is much cheaper and more effective than registering individual trademarks and promoting them.

The right to use the collective trademark is held by the organisation referred to in the provisions of the Industrial Property Law, as well as by its members, or by a legal person and entities authorised to use it in accordance with the regulations. Every member of the organisation or authorised person has the right to use the mark to the same extent. However, it is the organisation or legal person that is entitled to obtain protection rights and to submit applications for any changes to the trade mark register. It is also entitled to adopt the rules governing the use of the collective mark and to make amendments to those rules. Furthermore, the organisation and the legal person entitled to the collective mark have standing to bring claims for infringement of the right to that mark. Other entities affiliated with the organisation do not have active standing to take such action.

It is worth remembering, however, that both the organisation and the legal person referred to in the provision must, when taking action, take into account and safeguard the interests of the businesses affiliated with the organisation or of persons authorised to use the mark. This is manifested primarily through supervising the correct use of the collective mark and ensuring that the right does not lapse, as well as in safeguarding rights and pursuing any claims.

When filing an application for a collective trade mark with the Patent Office, it should be borne in mind that a collective trade mark, like any other trade mark, must meet the requirements set out in the Industrial Property Law. Protection for a collective trade mark may be obtained once it meets the statutory requirements specified in Articles 120 and 129¹ of the Industrial Property Law.

Firstly, one of the conditions set out in the Act is that the sign must be capable of serving as a trade mark. Any sign that meets the definition of a trade mark may be registered as a collective trade mark, i.e. one that is capable of distinguishing goods or services and can be represented in the trade mark register. For example, a simple line, often used in many trade marks as a decorative element, will not be recognised as a trade mark.

Secondly, the sign must not lack so-called distinctive character. Assessing whether a sign has distinctive character involves determining whether a potential consumer of the goods bearing the sign will remember it as an identifying mark and whether the sign will not be associated with any specific characteristic relating to the goods. An example of this is a word mark consisting solely of the adjective ‘fresh’, intended to designate meat products. Granting protection for the mark ‘fresh’ to a single entity would deprive other producers of meat products of the ability to provide accurate information about their products. As mentioned, trademark protection grants the proprietor the exclusive right to use the mark in trade.

In the case of a collective trade mark, when assessing its distinctive character, it should also be borne in mind that it serves to indicate the origin of goods from a certain group of undertakings associated within an organisation, and that, in addition to the function of indicating origin, the other functions of trade marks—namely, advertising and guarantee—are of paramount importance. Therefore, in the case of a collective mark, it is generally accepted in the literature that, for this category of marks, even minimal distinctiveness is sufficient for the mark to be granted protection.

Furthermore, in accordance with the provisions of the Industrial Property Law, protection cannot be granted to a collective trade mark if:

- the conditions referred to in Article 136 of the Industrial Property Law have not been met, i.e. the mark has not been applied for by organisations or legal persons entitled to apply for such marks, or it does not serve to distinguish goods;
- the regulations governing the collective mark are contrary to public policy or accepted principles of morality;
- there is a risk of misleading the public as to the nature or meaning of the mark, in particular if it may be regarded as a sign other than a collective trade mark.

A collective trade mark applied for and the regulations governing the collective mark are subject to an assessment as to whether they are contrary to public policy or accepted principles of morality. Pursuant to Article 136¹ (1)(1) of the Trade Marks Act, protection shall not be granted for a collective trade mark if **the regulations governing the use of the mark are contrary to public policy or accepted principles of morality**. According to the case law of the administrative courts, in the case of collective marks: ‘contravention of public policy must be understood as undermining the interests of the general public of consumers, consisting in providing them with a guarantee of the quality of goods (or services) designated by the same collective mark, which share certain common characteristics’ (judgment of the Supreme Administrative Court, II GSK 83/07). For example, the definition of conditions for the use of a mark which, without justification, restricts third parties’ access to the collective mark, or where the regulations contain provisions that are explicitly contrary to applicable law (e.g. the use of monopolistic practices), should be considered contrary to public policy.

9.3 Rules governing the collective mark

A condition for the grant of protection for a collective trade mark is the adoption by the organisation of rules governing the use of the collective mark and the submission of these rules together with the application to the Polish Patent Office. The rules governing a collective trade mark are internal to the organisation, but it is worth noting that they **cannot** be the organisation’s articles of association or the agreement forming the basis for the organisation’s acquisition of legal personality. Whilst the organisational document also regulates the internal structure of the organisation and the rights and obligations of its members, the regulations establish the rules of cooperation that apply to collective marks.

Pursuant to Article 138(3) of the Industrial Property Law, the regulations governing a collective mark should, in particular, specify:

- the rules for using the mark, including the consequences of breaching the provisions of the regulations,
- the persons authorised to use the mark or the conditions for membership of the organisation.

The Act specifies only the basic elements that the regulations should contain. It is possible, however, to include other provisions in the regulations.

It is worth noting that, in the case of the regulations for a collective mark, the legislator, in the amendment of 20 February 2019, removed the obligation to specify the characteristics of the goods or services and the rules for their inspection. However, it does not appear that the regulations for a collective mark cannot specify such provisions. The regulations for the use of a collective trade mark **may** therefore contain provisions designed to guarantee the quality of the goods and services of the organisation’s members.

However, what is essential in any regulations is the specification of the rules for using the mark, i.e. the manner in which the mark is to be applied to goods, and the rules for using the mark in trade and advertising or in documents. For example, the mark may be used on goods and their packaging in connection with their offer and placing on the market, their import, export and storage for the purpose of offer and placing on the market, on documents and correspondence related to commercial activities, for advertising and promotional purposes, including on promotional and marketing materials, on posters, business cards, company letterheads and other materials.

The consequences of breaches of the terms and conditions should also be clearly defined, e.g. by establishing contractual penalties or introducing an order to withdraw goods that do not comply with the terms and conditions from the market, etc. It is worth considering at this point whether the terms and conditions should include appeal procedures in this regard.

Furthermore, it seems obvious that the regulations should specify the form in which the mark is to be used, e.g. by including the logo constituting the mark in an annex to the regulations. An example of a provision that might appear in the regulations in such a situation could read as follows:

“1. The Trade Mark shall be used by Organisation X and each of its members in the form specified in Annex 1 to the Regulations, without any additional elements. No element of the Trade Mark may be

removed or altered.”

When drafting the rules for a collective mark, it is important to bear in mind that they must not conflict with the law or public policy, as mentioned above. These are the criteria that are assessed when granting rights to a collective mark, and any breach of them may result in the refusal to grant protection for the mark. Therefore, an important element of the rules may also be the specification of monitoring procedures. Monitoring compliance with the rules set out in the regulations prevents the use of the collective mark in a manner that may be misleading or contrary to public policy or public order.

In the case of this category of trade marks, the mandatory inclusion in the regulations of provisions concerning the possibility of verifying whether their provisions are being respected is of particular importance, given the need to ensure effective mechanisms for monitoring the characteristics of the goods and services in question, as well as the uniformity of their implementation by all entities using the mark. The regulations for a collective mark may also contain other provisions, such as setting out the rules for pursuing any claims arising from infringement of the right to the mark.

The regulations governing the collective mark are published in the Trade Mark Register maintained by the Polish Patent Office, as are any amendments made to them after the mark has been granted protection.

9.4. Guarantee trademark

The amendment to the Industrial Property Law Act of 20 February 2019 introduced changes to the Act concerning guarantee trademarks. According to the statutory definition, this is a mark that distinguishes goods certified by the proprietor – e.g. on the basis of material, method of production, quality, precision or other characteristics – from non-certified goods. Certification marks have replaced the previous collective certification marks. Importantly, within six months of the Act coming into force, i.e. by 16 September 2019, holders of collective guarantee marks were able to apply to convert their protection rights for a collective guarantee mark into protection rights for a guarantee mark. Failure to submit such an application did not result in the expiry of the right to the mark, which is why both names are now visible in the Patent Office's databases. Pursuant to Article 136¹ of the Industrial Property Law, a guarantee mark is **a mark intended to distinguish goods that have been certified by the holder of the mark, in particular with regard to the material used, the method of production of the goods, their quality, precision or other characteristics, from goods that are not certified in this way.**

Protection for a guarantee mark may be granted to **a natural person or a legal person**, including institutions, authorities and public law entities, **which do not carry out economic activities involving the supply of goods of the same kind as the certified goods.**

A guarantee trademark may only be used by persons meeting the criteria set out in the trademark regulations adopted by the proprietor. In this case, the trademark owner has the right to control the method and quality of manufacture of products bearing the mark. However, they may not, without valid reasons, refuse the right to use the mark to entities that meet the criteria set out in the regulations.

Guarantee trademarks are intended to assure consumers that a product bearing such a mark possesses specific characteristics. This gives purchasers the assurance that the goods or services bearing the mark possess certain features, which may result, for example, from specific production methods, workmanship, material quality, etc. These characteristics are guaranteed by the entity entitled to the mark. Therefore, the most important function fulfilled by guarantee marks is to provide assurance regarding the characteristics of certified products – the guarantee function.

The holder of a guarantee mark may be a natural or legal person, including institutions, authorities and public law entities, which do not themselves carry out economic activities in the field of goods or services of the same kind as the certified goods or services. In the Act

It is clearly stated that the applicant cannot be a trader who stands to benefit from the use of the trademark in question. The right to use a guarantee mark, however, is granted to persons who meet the conditions set out in the regulations governing the use of the mark; furthermore, the holder of the guarantee mark may not, without valid reasons, refuse the right to use the mark to persons who meet those conditions. This means that the number of persons entitled to use a guarantee mark is not predetermined. This differs from the case of a collective trade mark registered in the name of an organisation representing traders, which may only be used by that organisation or its members.

The right to use a guarantee mark is granted to any entity that demonstrates compliance with the conditions set out in the mark's regulations. Unlike in the case of a collective mark, this right is not contingent upon membership of the organisation holding the protection rights to the guarantee mark. The use of a guarantee mark is, in fact, open to all who meet the requirements of the regulations, i.e. all entities that manufacture or supply goods or services meeting the requirements specified by the rights holder. However, the regulations governing the use of a guarantee mark may stipulate that the use of the guarantee mark will only be possible after obtaining the consent of the holder of the protection rights to the guarantee mark. Such consent must always be granted in situations where the goods or services meet the conditions set out in the mark's regulations.

The application for a guarantee mark to the Patent Office, as is the case with a collective mark, must meet the conditions set out in the Industrial Property Law. As mentioned above, when discussing the conditions for obtaining protection for a collective trade mark, a guarantee mark must meet the requirements set out in Articles 120 and 129¹ of the Industrial Property Law, i.e. it must be capable of serving as a trade mark and possess distinctive character. An exception in the case of a guarantee trademark, under the provisions of the Industrial Property Law, is the possibility that a guarantee trademark may contain elements capable of serving in trade to indicate the geographical origin of goods. In such a case, the legislator has ensured that where the mark applied for consists exclusively of elements capable of serving in trade to indicate the geographical origin of the goods, this shall not constitute an obstacle to the grant of protection for a guarantee mark, as is the case with other categories of trade marks.

Other grounds for refusing protection for a guarantee trademark are set out in Article 136² (1)(1) and (2) of the Industrial Property Act and are closely linked to the functions of a guarantee trademark. It should be recalled that these functions primarily consist of guaranteeing to purchasers that the goods or services bearing the guarantee trademark possess specific characteristics which distinguish them from goods and services that are not certified. Protection for a guarantee mark may also be refused if the regulations governing the use of the guarantee mark fail to meet other formal requirements, i.e. if they lack all the elements listed in the provisions of the Act.

One of the grounds for refusing protection for a guarantee mark, as in the case of a collective mark, is that the provisions of the regulations governing the use of the mark are contrary to public policy or accepted principles of morality (Article 136³ (1)(1)). Similarly, in the case of the second ground for refusal, namely the risk of misleading the public as to the nature or meaning of the mark, in particular if it may be regarded as a sign other than a guarantee trademark (Article 136³ (1)(2)).

Pursuant to Article 136³ (1)(2), protection shall not be granted to a guarantee mark where there is a risk of misleading the public as to the nature or meaning of the mark, in particular where it may be regarded as a sign other than a guarantee mark. A guarantee mark may, for example, be misleading if it misleadingly indicates or suggests that the goods or services are certified by state or public institutions, and also if it may be regarded as an individual trade mark. Therefore, when seeking to obtain protection for a guarantee mark,

when selecting which sign is to be protected as a guarantee mark, it is worth considering whether it might be perceived as misleading to the public.

In the case of a guarantee mark, it should be noted that in the event of an infringement of the rights to that mark, the person entitled under the guarantee mark's protection rights has standing to bring claims, even if they themselves do not have the right to use the mark. Conversely, it is accepted that those authorised to use a guarantee trademark have no grounds to independently pursue claims for infringement of the guarantee trademark rights.

9.5 Regulations for a guarantee trademark

As in the case of collective marks, the application for a guarantee mark must be accompanied by regulations governing the use of the mark. Pursuant to Article 138(7) of the Industrial Property Act, the regulations governing the use of a guarantee mark must clearly and precisely specify, first and foremost:

- the persons authorised to use the mark;
- the characteristics to be certified by the mark, as well as the method of testing them;
- the method of supervising the use of the mark;
- the rules for using the mark, including the consequences of breaching the provisions of the regulations.

A note is made in the trade mark register regarding the attachment of the guarantee mark regulations, as well as any amendments to those regulations.

Unlike in the case of a collective trade mark, where the regulations are adopted by all interested parties affiliated with the organisation, the regulations for a guarantee mark are adopted by a natural or legal person authorised to certify products on the basis of their characteristics.

Experience shows that drafting the correct regulations often poses a significant challenge for applicants for guarantee trademarks – in particular, it is problematic to specify the characteristics of the goods or services to be certified by the mark. To simplify matters, the regulations may in this case refer to the relevant standards, regulations and rules applicable to the product group in question.

The regulations may also specify the accreditation number and accreditation certificate of the certification body. It may also be stated that the system's reference to the relevant certification rules meets all legal and regulatory requirements.

The rules governing the use of a guarantee mark must also clearly state that any interested party may use the guarantee mark provided that the requirements set out in the rules governing the use of that mark are met. However, there is nothing to prevent the guarantee mark regulations from stipulating that the consent of the holder of the guarantee mark's intellectual property rights to the use of the mark is subject to a preliminary inspection of production. It is also worth specifying how often periodic inspections or audits will take place and what form they will take. It is worth bearing in mind that this is of particular importance given the need to ensure effective mechanisms for monitoring the characteristics of the goods and services in question, as well as the uniformity of their use by all interested parties.

The regulations should also specify in detail the consequences of breaches of the provisions contained therein. The decision to impose sanctions for a breach of the regulations rests with the holder of the guarantee trademark, but the conditions and types of penalties applied should be set out in the trademark regulations. In accordance with the provisions of the regulations, these may include, for example, contractual penalties or the penalty of deprivation of the right to use the guarantee trademark.

It should be noted that the regulations governing the use of a guarantee trademark must not be contrary to public policy or public morality. The criteria for determining whether there is a conflict with public policy

or public morality must be assessed in relation to the specific regulations governing the use of the mark applied for. Such a conflict may arise, for example, where the conditions for the use of the guarantee mark set out in the regulations discriminate against other market participants without due justification.

It is also mandatory to attach the regulations to the application for this category of trade marks.

9.6 Application for a collective and guarantee mark to the Patent Office

When applying for a collective or guarantee trademark at the Patent Office, the most important consideration is the choice of trademark category. The differences between collective and guarantee trademarks have been outlined above. The most significant of these is, above all, the function the trademarks fulfil in trade. A collective trademark is used by a group of businesses affiliated with an organisation. A guarantee mark is used by entities whose goods meet the requirements set out in the regulations. The authorised entity, however, does not carry out any activities in this regard, but merely 'guarantees' that the goods possess these characteristics.

It should also be noted that in the case of a collective trade mark or a guarantee mark, the fee for filing and granting the right is increased by 100%. (The current table of fees for trademark applications is available at www.uprp.gov.pl under the 'Fees in proceedings' tab). Once a trademark has been registered, it should be borne in mind that, like other trademarks, collective trademarks and guarantee trademarks may also be invalidated if the conditions required to obtain that right have not been met. The grounds for invalidating both types of trade marks are clearly set out in the Industrial Property Law. Collective trade marks and guarantee trade marks may be invalidated in the same circumstances as individual trade marks, and additionally where:

- the rules governing the use of the mark are contrary to public policy or accepted principles of morality;
- there is a risk of misleading the public as to the nature or meaning of the mark, in particular if it could be regarded as a sign other than a collective trade mark or a certification mark.

However, if the proprietor makes the necessary amendments to the regulations governing the use of the mark, the marks will not be invalidated on the basis of the two grounds mentioned above.

Similarly, a collective and guarantee trade mark may lapse on the standard grounds applicable to all trade marks (primarily concerning non-use of the mark); protection for a collective trade mark and a guarantee trade mark will also lapse in the event of:

- the proprietor fails to take action to prevent the use of the collective or certification mark in a manner inconsistent with the conditions of use set out in the regulations governing the use of the mark;
- the use of the collective trade mark or guarantee mark by the proprietor in a manner likely to mislead the public as to the nature or meaning of the mark, in particular if it may be regarded as a sign other than a collective or a guarantee mark;
- amending the regulations governing the use of the collective trade mark or guarantee mark, as a result of which those regulations fail to meet the requirements set out in the relevant provisions of the Act, unless the holder, prior to the issuance of a decision on the expiry of the protection, makes the necessary amendments to the regulations to for the removal of these deficiencies.

The above provisions were intended to encourage the owners of collective and guarantee marks to exercise control over the conditions and manner of use of these marks by the entities authorised to use them. This is in the interests of all such entities. Failure to fulfil this obligation risks

the real risk of losing rights, namely the right to the trade mark. These provisions are also intended to protect the interests of consumers. Collective and guarantee marks that are not used in accordance with the conditions set out in the regulations are removed from trade. This is significant in the case of marks that do not guarantee specific characteristics of the goods or are misleading as to the nature or meaning of the mark.

Summary

Collective and guarantee marks can provide an excellent opportunity for small and medium-sized manufacturers to promote their products. In the case of a collective mark, joining forces can help reach new markets. Joint efforts allow for a reduction in the costs of promoting the mark or maintaining it in circulation. A guarantee mark, on the other hand, is an excellent solution for both businesses and consumers, as it primarily serves a guarantee function – when affixed to goods, it informs consumers about the goods' properties and assures them of their quality. Thus, these marks can contribute to improving the quality of goods and promoting so-called good market practices.

Recommendations

- 1) Following the final adoption of the visual identity solution (logo), it is recommended that the joint guarantee mark be filed with the Patent Office and that protection be sought for it. Subsequently, the process of registering and securing the logo should be initiated at both the EU level and in the target markets.
- 2) The parameters relating to the 'Polish Sustainable Beef' mark should be set out in the mark's regulations and, where necessary, flexibly modified. It is recommended that the requirements in this regard be managed within the framework of an industry agreement, e.g. the Polish Sustainable Beef Platform.

Chapter 10

Polish beef – proposal

The parameters relating to the ‘Sustainable Polish Beef’ label should be included in the label’s terms of use and, where necessary, modified, for example, by the Polish Sustainable Beef Platform. As a starting point, it is recommended that the following parameters be adopted, together with a deadline for their implementation, for example within three years.

It is proposed that the following solution be adopted – the “Polish Sustainable Beef” logo may be used if:

1. the meat comes from animals reared for at least 6 months prior to slaughter and slaughtered within the territory of the Republic of Poland;
2. the meat comes from sustainable production;
3. farmers have and adhere to a greenhouse gas emission reduction plan and a water management plan;
4. the animals were not grazed on deforested land.

Beef production should take place within a defined and approved culinary quality management system. Meat sold under the ‘Polish Sustainable Beef’ logo must meet specific quality parameters.

The definition of the term ‘sustainable production’ should be established by the Polish Sustainable Beef Platform and ultimately included in the regulations governing the use of the collective guarantee mark. The Polish Sustainable Beef Platform should also define the quality parameters within the adopted culinary quality management systems that entitle producers to use the logo. At the same time, bearing in mind that culinary quality management systems are only just being introduced, the requirement to participate in such a system should apply after a specified period, e.g. 2 or 3 years.

It is important to pay attention to the message conveyed in target markets. In addition to communicating the aforementioned characteristics and principles, this message should take into account the regulations in force in those markets regarding information provided to consumers. It should be noted that not all information can or should always be communicated. In this regard, the greatest differences exist between EU and non-EU countries. In particular, this concerns the prohibition on communicating information about a given parameter if all products in a given category must meet that parameter.

Chapter 11 Recommendations

1. It is essential to adopt and effectively implement the ‘Strategy for the Promotion of Polish Beef’ as part of the ‘Polish Beef 2030’ market development strategy. The lack of coordinated action and the failure to build a common image will not only hinder the ability to capitalise on the anticipated market growth and increase in global demand for beef, but will also likely lead to a reduction in sales to EU markets and a decline in the income of farmers and producers within the supply chain.
2. The effective implementation of the “Polish Beef Promotion Strategy” is linked to the appropriate communication of the image of Polish beef and measures to maintain its quality. In the definition process, it is necessary to take into account variables affecting both the cost side and the demand side in order to maintain an appropriate level of competitiveness. These variables include, in particular: a sustainable development approach, the impact of livestock farming on the climate and the environment, the link to reducing greenhouse gas emissions, no contribution to deforestation, appropriate water management, reduced use of antibiotics, and animal welfare measures.
3. With consumer perception in mind, it is appropriate to use the concept of sustainability as one of the key themes describing beef from Poland. Beef meeting specific requirements should be sold under the name ‘sustainable beef from Poland’. When defining these requirements, account must be taken of both changes at the international level and the situation in Poland, including the local supply structure.
4. In addition to adopting a single communication strategy, it is also recommended to adopt a single, common visual identity to be used for labelling Polish beef. At the same time, a message regarding its characteristics, properties and production process should be communicated in parallel. It is recommended to adopt the proposed logo and incorporate this choice into the activities being carried out. Subsequently, the process of registering and securing the logo should be initiated at both EU level and in the target markets.
5. The common identity should be based on a common guarantee trademark, and the rules for its use should specify the key parameters that must be met to be entitled to use such labelling. The common guarantee trademark should be filed with the Patent Office. Subsequently, the process of registering and securing the logo should be initiated at both the EU level and in the target markets.
6. The parameters relating to the “Sustainable Polish Beef” mark should be set out in the mark’s regulations and, where necessary, flexibly modified. It is recommended that the requirements in this regard be managed within the framework of a broad industry agreement, e.g. within the Polish Sustainable Beef Platform.
7. Beef consumption in Poland is at a very low level – we therefore have significant potential for the development of the domestic market. On the domestic market, in addition to communicating the sustainability of beef, information relating to consumer ethnocentrism and the use of beef in a balanced and sustainable diet should also be taken into account.
8. On the domestic market, consumers require ongoing education regarding the quality of beef. To develop the domestic market, a system for assessing *the ‘eating quality’* of beef should be introduced. For the implementation of a beef labelling system (preferably using pictograms), it is recommended not to create a new system from scratch, but to build upon an existing, recognised and established system, such as the Australian MQ4 system. This solution should be voluntary but, as far as possible, widespread; therefore, it is recommended that discussions and arrangements be made with the Ministry of Agriculture and Rural Development to identify possible ways of implementing and financing this solution.

9. It is essential to take steps to enter the markets of the world's largest beef importers: China, the USA, South Korea, and countries with the highest estimated growth in demand, namely Vietnam, Malaysia, Hong Kong and the Philippines. It is also recommended to take steps to significantly increase market presence in Japan. The lack of a presence in these markets to date is a major challenge, but at the same time an opportunity to launch coherent, unified and large-scale initiatives.
10. It is recommended to deepen market share in high-consumption markets, i.e. Turkey, Israel, Egypt, Japan and the United Kingdom.
11. It is recommended that we maintain, strengthen and expand our presence in the markets of our largest EU customers – Italy, Germany, Spain, the Netherlands, France and Greece, and of course the United Kingdom. These markets are seen as markets where beef consumption is set to decline. It is also recommended to focus on the markets of countries located close to Poland, with high beef consumption and relatively low current sales levels: the Czech Republic, Sweden, Finland, Norway, as well as Bosnia and Herzegovina, Serbia, Croatia and Albania.
12. Although live cattle exports do not dominate beef exports, they must not be neglected – the Italian market is key here, as are the markets of Kazakhstan, Hungary, Croatia, Algeria and Greece.
13. Contrary to appearances, personal relationships and individual contacts are of great importance. In many cases, they can be crucial. Existing, proven contacts and cooperation should be continued.
14. Ultimately, it is recommended that the Beef Promotion Fund's resources be directed towards implementing the measures described in this strategy.
15. With regard to the effective use of the Beef Promotion Fund's available resources, attention must be paid to the possibility of eliminating duplicate costs. It is therefore recommended that a shared database of source materials be created, which could be used across a range of activities. The database should include both graphic materials and consistent information on the characteristics, properties and principles of rearing Polish beef cattle.
16. The efficiency of spending the available budget should also be enhanced through synergy with activities carried out by other institutions, central and local government bodies, as well as by using funds from the Beef Promotion Fund as a contribution to other mechanisms, thereby leveraging the available budget.
17. Close cooperation is recommended with the Ministry of Agriculture and Rural Development (MRiRW), the National Centre for Agricultural Support (KOWR), the Chief Veterinary Inspectorate (GIW), the Polish Investment and Trade Agency (PAIH) and the Ministry of Foreign Affairs (MSZ) and its overseas offices.
18. Close cooperation between the sector and the Chief Veterinary Inspectorate (GIW) is essential, as it is the body responsible for supervising exports and involved in the process of opening new markets and maintaining access to those already open. The sector should clearly define and communicate its priorities to the GIW, both in terms of geography and products.
19. Regardless of cooperation with the Ministry of Agriculture and Rural Development (MRiRW) and the National Centre for Agricultural and Rural Development (KOWR), efforts should be made to ensure that the beef sector's proposals are taken into account within the framework of these institutions' general activities, and that selected priority markets for the beef sector are included in these bodies' plans.
20. Redefining the perception of 'Polish beef' in the eyes of global consumers cannot take place without taking into account the structures of Polish institutions or those associated with Poland. In particular, care should be taken to ensure that the communication principles adopted by these institutions and the message they convey are consistent with the sector's message. Each of these entities

should receive an information pack for use – explaining what “sustainable Polish beef” is, its characteristics, how to recognise it and who to contact. The pack should contain sets of photos for use and video materials, taking into account the languages used in the country in question.

21. Activities carried out in foreign markets should be implemented in consultation with existing structures in the country concerned (PAIH or the Ministry of Foreign Affairs). It is essential to ensure the flow of information and to utilise their knowledge and capabilities. In this regard, a code of good practice (detailing the minimum actions to be taken) for activities abroad should be developed, and the organisation should apply it in every instance; its implementation should be monitored within the framework of the Beef Promotion Fund.
22. Cooperation with government bodies – such as the Ministry of Foreign Affairs or the Ministry of Agriculture and Rural Development – should also lead to the beef sector’s demands being taken into account in trade agreements concluded with priority markets.
23. In terms of information and promotion activities, KOWR and the Ministry of Agriculture and Rural Development organise trade fair events in various locations around the world. The sector must not merely be a recipient of proposals to participate in specific trade fairs, but should also define its priorities and then engage in discussions with the aforementioned institutions to ensure that joint presentations are organised at these markets and specific events. Discussions with the aforementioned institutions should also address the organisation of trade missions dedicated to the beef sector or involving entities from the beef sector.
24. It is recommended that discussions be initiated with the Ministry of Agriculture and Rural Development (MRiRW) and the National Agency for Rural Development (KOWR) aimed at implementing large-scale promotional and image-building campaigns in specific third-country markets. In such a case, complementary measures should be implemented from the Beef Promotion Fund.
25. It is recommended to apply to the Ministry of Agriculture and Rural Development for support for information and promotional activities from budgetary funds and:
 - a) the establishment of a separate fund for the promotion of beef sector products within the framework of permissible state aid (such programmes may be financed up to 80%);
 - b) introducing a system of co-financing for activities funded from the Beef Promotion Fund (e.g. at a rate of 50–80%), provided they are in line with the priorities set by the Ministry of Agriculture and Rural Development.

Such a solution would make it possible to increase the funds available for information and promotion activities whilst at the same time targeting the activities carried out.

26. The restrictions on access to funds available under the mechanism ‘Support for promotional and information activities on the markets for selected agricultural products’ should be removed. The starting point is to amend the rules for recognising organisations for the purposes of Regulation (EU) No 1308/2013. The next step is to support organisations in securing these funds. Inefficiency in this regard leads to tangible losses in the form of missed campaigns and, consequently, a reduction in competitiveness. It is recommended that an urgent request be made to the Ministry of Agriculture and Rural Development to amend this provision.
27. Efforts should be stepped up to increase the share of beef produced under sustainable systems, with specific characteristics, or originating from EU or national food quality schemes. This refers to registration under the Protected Designations of Origin (PDO) and Protected Geographical Indications (PGI) schemes, participation in the organic farming scheme, and in the ‘Quality Meat Programme (QMP)’.
28. It is recommended that measures be taken to increase the number of farmers participating in animal welfare practices: maintaining compliance with QMP requirements as a starting point for:

- the development of food quality systems;
 - meeting the requirements of ‘Sustainable Polish Beef’;
 - meeting the requirements set out in the CSRD/ESG Directive;
 - actions aimed at managing the reduction of greenhouse gas emissions.
29. The effectiveness and efficiency of the implementation of the “Strategy for the Promotion of Polish Beef” should be reviewed regularly within the framework of the Polish Sustainable Beef Platform, and, where necessary, changes or modifications to the proposed solutions should be suggested. Specific individuals or organisations should be designated to be responsible for piloting and implementing specific recommendations.

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