



URUGUAYAN BEEF TO THE GERMAN MARKET: A SWOT ANALYSIS

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ABSTRACT

Forecasts estimate an increase in world beef demand as well as for Europe, which after becoming a net beef importer in 2003, is expected to import 700 thousand tonnes in 2013. Within the European Union, Germany is one of the most attractive markets, where prices of beef are much higher than the average world beef prices. This opens great possibilities for exporter countries like Uruguay. Nevertheless, in spite of the good international reputation of Uruguayan beef, only 2% of the total traded volume is destined to Germany, but it represents 4% of total beef export revenues. Furthermore, because of high domestic competition with other agricultural productions, it is crucial for farmers to improve the cattle business. Therefore, through Expert-interviews to beef supply chain stakeholders in Uruguay, a SWOT Analysis was implemented in order to find out what the main competitive advantages and the main weaknesses of the beef business to Germany were. The main findings of the research indicate that Uruguay has low production costs, has good beef production factors and has experience in the international business. Nevertheless, it has to improve its heterogeneous cattle supply and the low vertical integration between farmers and slaughterhouses, in order to compete in the challenging German market, which has high tariff barriers and where Argentinean beef is the most well-liked. German consumer trends show an increase in organic beef demand as well as in convenience products, but constant beef consumption and an increase in the beef market share of discount stores is expected. In spite of this, Uruguay is able to comply with German requirements, but to do so, it is indispensable that the industry sector on the one hand, encourages farmers to increase the production of both conventional and organic beef, and on the other hand, considers entering the convenience product business. Finally, it is necessary to increase integration in the Uruguayan beef supply chain, with the aim of competing with other agricultural productions and make possible for this industry

sector to be able to assure future cattle and therefore make supply contracts with importer firms at better prices.

Key Words: SWOT Analysis, Expert interviews, Uruguayan beef industry, German consumer preferences.