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received: 26.06.2019

acceptance: 08.08.2019

published: 20.09.2019

JEL codes: F10, F14, Z12

Annals PAAAE • 2019 • Vol. XXI • No. (3)

DOI: 10.5604/01.3001.0013.3384

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TRADE IN POLISH BEEF WITH MUSLIM COUNTRIES IN THE CONTEXT OF THE BAN ON RITUAL SLAUGHTER

Key words: ritual slaughter, beef, Turkey, Bosnia and Herzegovina

ABSTRACT. The purpose of this paper is to identify the changes in beef trade between Poland and selected Muslim countries in the context of the ban on ritual slaughter. The economic consequences of the ban were discussed. Data from the UN Comtrade Database and FAOSTAT were used as a basis for analyzing the importance of international trade in beef and of beef production and consumption in Poland, Turkey and Bosnia and Herzegovina in the context of the Polish Ritual Slaughter Act. This research found that the ban provided for in the Act had an adverse effect on Poland's market position as a beef exporter to Turkey and, on the other hand, made suppliers reconsider their market behavior, as reflected by beef exports to Bosnia and Herzegovina and re-exports to Turkey. Another conclusion from this research is that the ethical motivation behind the ban on ritual slaughter failed to produce expected results.

INTRODUCTION

One of the most noticeable dimensions of globalization is the intensification of international trade, including trade in agricultural raw materials and foods. Trading parties may be countries that differ in cultural background and development level which in some cases can lead to controversies, including ethical considerations which usually have economic impacts. Examples include global trade in raw meat originating from ritual slaughter. The problem affects many countries, including Poland which witnessed a debate in 2013-2014 on whether the Ritual Slaughter Act should or should not be enforced.

On January 1, 2013, Council Regulation (EC) No. 1099/2009 of September 24, 2009 on the protection of animals at the time of killing, which requires that animals be stunned prior to slaughter, entered into force in Poland. However, at the same time, that very Regulation provided some exceptions authorizing ritual slaughter if required as part of religious rites, and allowed these cases to be governed by national legislation of member countries. In Poland, this is encompassed by the Animal Protection Act of 1997 which requires that animals be stunned unless slaughtered as part of religious rites. However, the Act also provided that the qualifications of persons authorized to perform these practices shall be set forth in relevant regulation. While this provision brought chaos to Polish legislation, Parliament officially issued a ban on ritual slaughter. The restrictions were

supposed to mainly affect mass slaughter for export. Parliament's position triggered a wave of protests in Poland and resulted in appeals being filed with the Constitutional Court by interested parties, including the Union of Jewish Religious Communities in Poland and Ombudsman. In its 2014 ruling, the Court clearly stated that the legal protection for animals cannot prevail over freedom of religion which is guaranteed by the Constitution of the Republic of Poland. Following that ruling, ritual slaughter is allowed in Poland in authorized slaughterhouses but remains a debatable issue for communities with different views [Drath 2015].

In the most general way, ritual slaughter can be defined as a form of killing animals for slaughter as per the rules of a religion. From the perspective of Polish trade partners, countries with Islam or Judaism as the dominant religion are of major importance. In both cases, the rules include the consumption of meat originating from ritual slaughter as per the rites and customs of shechita (in Judaism) or halal (in Islam). Meat obtained in this way is referred to as kosher (Judaism) or halal (Islam). The characteristic of these religions is that their followers only eat meat obtained in a way consistent with these conventions [Fuseini et al. 2016, Fuseini et al. 2017a, Havinga 2010, Lewis 2010, Lipińska 2011]. In Islam, ritual slaughter rules are described in the Quran, and are supplemented by the Sunnah. In turn, Jewish rites are described in the Torah.

The temporary ban on ritual slaughter contributed to the destabilization of Polish meat product exports, which primarily affected trade with Muslim countries. Therefore, the purpose of this paper is to identify the changes in beef trade between Poland and two Islamic countries after the ban on ritual slaughter entered into force. Beef was chosen because of its importance in the domestic production sector and in previous exports to countries where Islam is the dominant religion. Although Islam accepts the consumption of other types of meat (mutton, goatmeat), they are of marginal importance for the Polish production sector and hence cannot have a considerable impact on trade flows.

MATERIAL AND METHODS

In its geographical dimension, this study spanned over 3 countries: Poland, Turkey and Bosnia and Herzegovina. They were chosen because of the observed changes in beef trade, most probably related to the attempted enactment of the Act prohibiting ritual slaughter in Poland. The study period was 2010-2017 for COMTRADE data and 2004-2013 for FAOSTAT data (the most recent data available).

The first step consisted of determining the importance of domestic production and imports for the supply of beef to the domestic market, and the importance of exports for domestic production. This was done with Food Balance data retrieved from the FAOSTAT database.

Then, Polish beef trade flows (imports, exports and net trade) were identified, and growth rates were calculated for beef exports into Turkey and Bosnia and Herzegovina. Data on quantities and values retrieved from the UN Comtrade Database were used for that purpose. The objective of this approach was to present the probable cause of changes triggered by the attempted enactment of the Polish Act prohibiting ritual slaughter.

RESULTS

The share of energy from beef in the Dietary Energy Supply was calculated to indicate the importance of beef consumption in Poland, Bosnia and Herzegovina and Turkey. As shown by research, it is relatively small in each case, never exceeding 2% (Table 1). Bosnia and Herzegovina reports the highest consumption of beef (both in relative and absolute terms) and also experiences a growth trend. Slightly less beef is consumed in Turkey but there, too, beef is consistently growing in importance, as confirmed in research by Berrin Şentürk [2015] and Hamza Erdoğan and Hasan Çiçek [2017]. Similar conclusions were drawn by Mustafa Hakki Aydoğdu [2018] and Muhittin Tutkun [2017] who also noticed the need for the intensification of domestic production of beef cattle. This state of affairs can reasonably be expected to be driven both by increasing prosperity in the societies of both countries and the previously mentioned prevalence of Islam. However, Bahri Karli et al., [2017] note the increase in beef prices resulting from growing production costs (mainly including an increase in feed prices). It is the opposite in Poland, where beef consumption is not only the lowest of all the countries considered but also follows a quite pronounced downward trend. In recent years, beef has had a negligible share in the Dietary Energy Supply.

In the countries under consideration, domestic production makes up the vast majority of domestic supply. The largest share of imports is recorded in Bosnia and Herzegovina (above 20% each year and even as much as 40% of domestic supply in 2011, see Table 2). In Turkey, imports play a less important role but reach relatively high levels in some years (particularly in 2010 and 2011). Poland experiences an unusual situation resulting from the combination of two different trends. On the one hand, production is growing steadily but, on the other hand, consumption is declining (Tables 1 and 2). In practice, this means that the beef production industry is focused on exports, mainly to countries from outside the EU. Kornelia Mészáros and Eniko Lencsés [2016] point to Turkey and Russia as having particular importance. Ewa Bąk-Filipek [2016] also notes the price attractiveness of Polish beef in international markets and sees export opportunities mainly in Asian countries. In 2004, over 23% of domestic production was exported; in 2013, that ratio exceeded 83%. These analyses suggest that Polish producers depend more upon exports into external markets than Bosnian and (mainly) Turkish consumers depend upon domestic supply.

Since 2004, Polish foreign trade has been governed by the provisions of the EU Common Commercial Policy. The Community as a whole is one of the major global producers

Table 1. Share of beef in the Dietary Energy Supply

Country	Share of beef (Dietary Energy Supply in kcal per capita = 100)									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Poland	0.7	0.5	0.5	0.5	0.5	0.4	0.3	0.3	0.3	0.2
Turkey	0.5	0.5	0.5	0.6	0.5	0.4	0.9	1	1.1	1.1
Bosnia and Herzegovina	1.2	1.4	1.4	1.4	1.6	1.6	1.7	1.8	1.7	1.7

Source: own study based on FAOSTAT data

Table 2. Importance of beef imports and exports in domestic production and supply in Poland, Turkey and Bosnia and Herzegovina

Country	Beef imports and exports										
	specification	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Poland	Production (domestic supply = 100)	129.0	163.2	187.1	186.3	201.5	266.4	374.8	368.9	440.2	476.5
	Import (domestic supply = 100)	0.8	3.2	3.1	6.9	5.6	8.7	16.8	17.0	19.5	21.0
	Export (domestic production = 100)	23.2	40.6	48.2	50.0	53.2	65.7	77.8	77.5	81.7	83.4
Turkey	Production (domestic supply = 100)	100.5	100.3	100.6	100.9	100.5	100.6	92.7	85.6	97.1	99.8
	Import (domestic supply = 100)	0.0	0.0	0.0	0.0	0.0	0.0	7.6	14.7	3.2	0.7
	Export (domestic production = 100)	0.5	0.3	0.6	0.9	0.5	0.6	0.3	0.3	0.2	0.5
Bosnia and Herzegovina	Production (domestic supply = 100)	79.2	77.4	73.3	80.0	78.8	69.7	65.7	61.1	67.6	47.1
	Import (domestic supply = 100)	20.8	22.6	26.7	20.0	21.2	30.3	34.3	41.7	35.3	55.9
	Export (domestic production = 100)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.5	4.3	6.3

Source: own study based on FAOSTAT data

(next to the US, Brazil and Argentina) and consumers of beef. Community-produced beef is mostly consumed internally; the main target countries for exports of European beef are China and Turkey [ARR 2016].

Since joining the EU, Poland has witnessed a consistent increase in the share of agri-food products in total trade flows, with EU countries being the largest trading partner [Pawlak, Poczta 2011]. Because of local consumption trends, dominated by pork consumption, Poland exports a large part of beef. In 2015, 85.3% of Polish beef production was exported [Stańko, Mikula 2017], and exports follow a steady growth trend (Table 3).

Table 3. Polish beef trade flows in 2010-2017

Specification	Polish beef trade [t]							
	2010	2011	2012	2013	2014	2015	2016	2017
Export	265,693	264,611	258,274	288,126	283,847	359,317	347,888	389,856
Import	14,163	12,882	11,779	11,829	14,144	21,366	23,567	21,098
Net trade	251,530	251,729	246,495	276,297	269,703	337,951	324,321	368,758

Source: own study based on Comtrade data [UNCD 2019]

Beef exports grew over the study period, even though pork and beef export subsidies were abolished in 2012 both in Poland and the entire EU [Tereszczuk 2016].

In Poland, net trade in beef was high and positive over the study period. No significant differences were observed in total trade flows. However, when analyzing exports, a decline from the previous year can be observed in 2012, 2014 and 2016. While it may be surprising that growth in exports was recorded on a year-by-year basis in 2013, it does not mean that the Act prohibiting ritual slaughter had a positive impact on trade flows. Instead, it only means that domestic producers also export beef to non-Islamic countries.

As regards Polish beef exports to Turkey (Figure 1), the ban on ritual slaughter had a clear impact reflected by a sharp decline in 2013. It can be reasonably expected that these changes were not caused by an evolution of consumption trends followed by Turkish buyers. The only reason was the failure to meet specific requirements which, due to prevailing religion and tradition, need to be complied with in this country. Meanwhile, since 2014, beef imported from Bosnia and Herzegovina is observed to enter the Turkish market. Indeed, Bosnian beef largely replaced that supplied by Polish producers.

In 2013-2015, there was growth in Polish beef exports to Bosnia and Herzegovina (Figure 2) although ca. 50% of the Bosnian population are Muslim according to the census [Płaneta 2017]. But instead of reducing beef export value, the ritual slaughter Act actually coincided with a considerable increase in trade flows. At the same time, there was

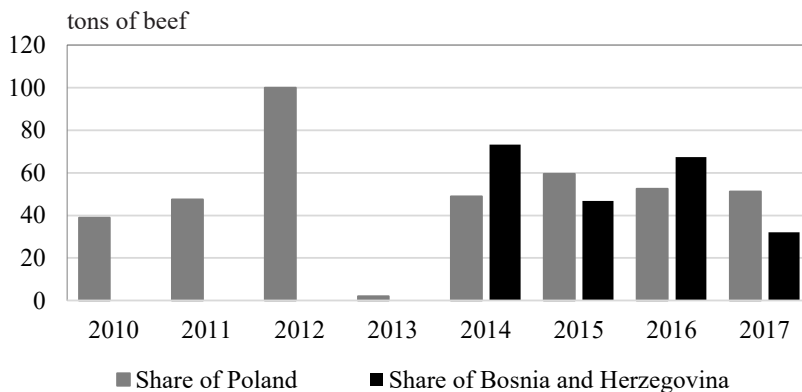


Figure 1. Share of Poland and Bosnia and Herzegovina in beef imports to Turkey [%]

Source: own study based on Comtrade data [UNCD 2019]

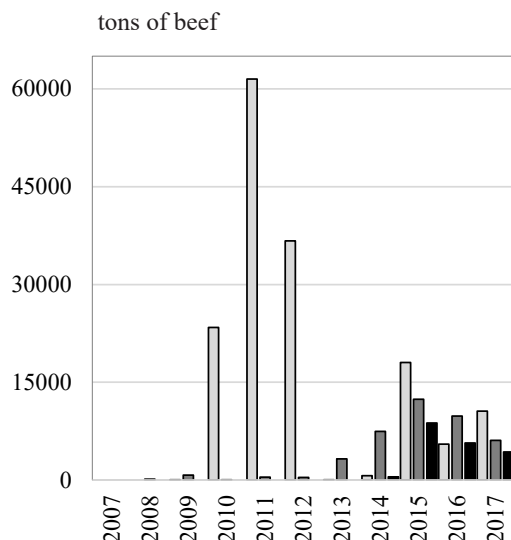


Figure 2. Trade flows between Poland, Turkey, and Bosnia and Herzegovina

Source: own study based on Comtrade data [UNCD 2019]

growth in beef exports from Bosnia and Herzegovina to Turkey (which was negligible in previous years). Combined together, these facts yield two essential conclusions. Firstly, Bosnian producers seized the opportunity provided by the gap left in the Turkish market (at least temporarily) by Polish producers. Secondly, the increase in exports from Poland to Bosnia and Herzegovina, as observed from 2013 (with a sharp boost in 2014), is highly likely to be explained by re-exports to Turkey. While this is an indirect conclusion, it is corroborated by the coincidence of the following events starting in 2013: a nearly total slowdown in Polish beef exports to Turkey, and an increase in exports from Poland to Bosnia and Herzegovina and from Bosnia and Herzegovina to Turkey.

SUMMARY

Each amendment to foreign trade legislation has certain impacts on both the importing and exporting country. As shown by this research, the attempt to respect animal welfare ultimately failed because Polish beef was replaced in the Turkish market by Bosnian beef, most probably obtained from ritual slaughter. Moreover, there was a clear trend, whereby traders sought ways to circumvent the applicable regulations rather than comply with them. This is indirectly reflected by the observation that Polish exporters regard Bosnia and Herzegovina as an intermediary in Polish beef exports to Turkey. Also, the conflict between ethical aspects of ritual slaughter and profits earned by exporters of beef from animals killed as per the halal or kosher procedure continues to be debatable. In the 21st century, animal welfare is governed by many legal restrictions and should be respected. However, on the other hand, the world enjoys freedom of religion which enforces some level of tolerance (with respect to markets, too). This is because, in accordance with the law where demand drives supply, trade partners who fail to comply with religious, cultural or traditional values may lose their competitive edge in international markets.

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HANDEL POLSKIM MIĘSEM WOŁOWYM Z KRAJAMI MUŻULMAŃSKIMI W KONTEKŚCIE ZAKAZU UBOJU RYTUALNEGO

Słowa kluczowe: ubój rytualny, wołowina, Turcja, Bośnia i Hercegowina

ABSTRAKT

Celem artykułu jest wskazanie zmian w polskim handlu wołowiną z wybranymi krajami muzułmańskimi w kontekście zakazu uboju rytualnego. Wskazano na ekonomiczne konsekwencje zakazu jego dokonywania. Na podstawie danych pozyskanych z UN Comtrade Database oraz FAOSTAT przeprowadzono analizę znaczenia produkcji, konsumpcji i handlu wołowiny w Polsce, Turcji oraz Bośni i Hercegowinie oraz handlu międzynarodowego tym produktem, w kontekście polskiej ustawy o uboju rytualnym. W wyniku przeprowadzonych badań stwierdzono, że wynikający z ustawy zakaz przyczynił się z jednej strony do osłabienia pozycji rynkowej Polski jako eksportera wołowiny do Turcji, a z drugiej skłonił dostawców do zmiany zachowań rynkowych, przejawiających się eksportem do Bośni i Hercegowiny i ich reeksportu do Turcji. Na podstawie przeprowadzonych badań stwierdzono również, że etyczna motywacja przyświecająca zakazowi uboju rytualnego nie przyniosła spodziewanych skutków.

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