



Minutes of the Fortieth Board Meeting held on Wednesday 15 January 2014

MINUTES OF THE LAST MEETING

The minutes of the meeting held on 5 November 2013 were approved.

MATTERS ARISING (and not on the agenda)

Members were told BPEX would engage further with Red Tractor after the BPEX Business Plan has been agreed. It was agreed that BPEX would invite them to the March 2014 Board meeting.

A meeting with assurance bodies, certification bodies and retailers was held on 2nd December with a view to getting an agreement on how to respond to allegations of non-compliance of Red Tractor or Freedom Food schemes. A draft protocol has now been drawn up and will be taken to the rest of the supply chain for agreement and implementation.

DIRECTORS REPORT

The Board was told BPEX have a new advert which is going to be shown on real time TV (previously only on Channel 4 On Demand service) featuring Jimmy Doherty. This is similar to the ad that received the ASA complaint which was not upheld. Although BPEX were under no obligation to change the ad, it was decided to update it slightly to include more indoor farms as well as outdoor as a precaution. It has been requested for the ad to be shown around programmes such as Jimmy and Jamie's Food Fight on Friday nights, but a decision from Channel 4 is awaited. The advert will also be shown on demand as well as the Good Food Channel and More 4.

An initiative called "The Pig Idea" which is promoting swill feed as a means of using waste food was outlined. The industry believes this is a significant risk to the health of the national pig herd. It was therefore decided that BPEX would seek to highlight these risks through PR activity. Members were told the BBC Countryfile programme had been in touch with the NPA on this issue.

The annual Interpig report was presented showing performance and cost of production figures split by country for the pig industry. The GB food conversion rate (FCR) is low and is showing further signs of improvement against our competitors. The Daily Live Weight Gain (DLWG) figures are showing that we are closing the gap on our competitors which is excellent news, however the challenge still lies within the number of pigs weaned per sow per year which remains a focus for BPEX. Denmark are still leading on this with a 28.8 average, whilst GB indoor is showing 23.9 and outdoor 21.6. AHVLA tests for PEDv on samples from piglets with diarrhoea have to date all been negative.

However, as it continues to spread in the US, it is still a major risk in the UK therefore surveillance will continue and samples tested where there has been no diagnosis on the basis of standard testing. BPEX is also working with vets and integrated companies on surveillance for PRRS and Influenza in the East of England. This will provide information on what strains are circulating. PRRS US strains remain a significant threat to the industry. Three reports of swine dysentery have been reported in Yorkshire but this appears to have been contained due to good practice on farms, informing hauliers and abattoirs etc per the protocol. Sharing specific details of units and their location is only possible with approval of the owner. Making this a requirement at reporting will mean changing the current terms of the PHIP charter. The opportunity could be taken to extend a PHIP charter to PEDv and PRRS US strains.



The board was reminded that 25% of pigmeat is now exported from the UK. This trade is potentially at huge risk from disease spreading which we are not prepared for. A suggestion was made to organise a meeting between all organisations (e.g. BPEX, NPA, AHVLA, AHWBE etc).

A Real Welfare meeting was held on 14th January. The review process has reached a consensus on removing mild tail and body lesions from the assessments. PVS has agreed to develop a set of guidelines for an overall score for farms on issues such as tail biting, but this will be in the Veterinary Health Plan and not submitted to Real Welfare. There is still no agreement on the appropriate way to assess environmental enrichment and it remains suspended from RW. BPEX will lead a working group to review and develop proposals. The project is moving forward positively and one member added that he was very encouraged by the progress made at the meeting, particularly by vets.

The question of whether Real Welfare assessments should be required on gilt grow-out units had been raised. The general consensus was that whether pigs were destined for slaughter or breeding was not relevant and in any event some of the pigs in gilt grow-outs did go to slaughter. The Board agreed that the requirement for Real Welfare should apply equally to pigs in grow-out and finishing units.

The lorry wash project has completed work on the length of time taken to clean lorries with straw bedding and in follow up work showed cleaning times and water consumption was lower where sawdust was used.

BUSINESS PLANNING FOR 2014/15 ONWARDS

The board was reminded of the process so far and given a detailed proposal for 2014-15. The “challenge” and “vision and mission” for BPEX has already been created and agreed. Members were given a breakdown on how each department within BPEX plan to deliver the Business Plan over the coming year against the 5 point plan.

The main focus for Marketing is to rejuvenate the image of pork. Consumer data shows that people under 50 don't buy fresh pork as they don't know what to do with it and/or view is as unhealthy, not versatile and bland. BPEX need to shift perceptions and educate consumers on how to cook pork to maximise the flavour as well as provide ideas on convenience/fast food style cooking. A secondary focus will be to promote the health benefits of pork, differentiate from the competition and communicate pork as an environmentally sustainable food.

Exports – we currently export 25% of production which equates to £360 million per annum. The focus will continue on China, and a target list has been drawn up of additional countries where there are opportunities.

The focus for KT, R&D is to close the technical performance gap which will be done through global knowledge exchange. Internally, it is proposed to move to a single technical and field team. In R&D the focus is to protect the environment and enhance pig welfare. The plan is to help pig producers and processors comply with existing and emerging legislation and achieve recognition for progress, encourage safe and traceable pork and to help producers and processors to produce safe pork which consumers can have confidence that it is fully traceable from farm to finished product.

The plan was summarised as a single, more focused team with clear concentration on helping to identify best practice and achieve the accumulation of small gains. There is also a shift in emphasis in marketing onto the product rather than the process of production and driven by in depth consumer research.



BPEX is proposing unchanged levy rates for the 19th year in succession.

The Board were asked for their input on the Business Plan. One member said he was in agreement with the plan, but would like to see more emphasis on marketing. Another asked if he could see a new organisation chart for the BPEX Team based on changes. He was told there were difficulties with this due to staff sensitivity, but this will be presented at the March Board meeting. A member agreed with the 5 year strategy and questioned whether this then needed to be completely revisited every year as done in previous years. He was told that, as the 5 year plan has been agreed, we will just revisit it each year to decide where our focus should be as this could change year on year. Another agreed that he was very pleased that we have a full 5 year plan which can be “tweaked” rather than re-written each year.

The board was told that, if the Business Plan was signed off, the new structure would be implemented by April 2014. This would then be communicated to the industry, which has already been done in part via the AHDB Corporate Plan. Internally, we need to communicate the plan right the way down the structure.

The Sub Groups now also need to be revised due to the change in structure and asked that we consider producers who have the potential to be future BPEX Board Members. The BPEX Business Plan 2014-15 was agreed by the BPEX Board.

BPHS/CCIR

Members were told Tim Bennett has been asked to continue as Acting FSA Chairman until the end of 2014. A meeting was held with the FSA where they were enthusiastic about making improvements to the Collection and Communication of Inspection Results (CCIR).

There is a project with a processor looking at an information collection system within abattoirs to identify current constraints on data quality. FSA will also be running trials on visual inspection procedures in February 2014. The deadline for introduction of the new approach to meat inspection is 1st June 2014 so this is now a priority for FSA and processors. BPEX is committed to providing details on how important this data collection information is to producers, particularly for disease control/prevention. Pleurisy alone is currently costing the industry in excess of £10 million per year, which puts the cost of health collection data into context. BPEX is also supporting an image analysis development project in validation of the system for detection of routine health hazards, and in dissemination of results to farmers vets and other users.

The Board was told, being realistic, the process of embedding improved CCIR data collection would take 18 months, not 12 months as stated in the paper, to decommission BPHS and implement step-changes to recording systems, staff training, quality control and standardisation rather than switching one system off and starting with another. It was recognised as important to demonstrate to vets and producers that they should have confidence in the information provided through CCIR. Need to agree at the outset what vets would need to see to trust CCIR. It was agreed that BPHS should be extended for 12 months with Key Performance Indicators of progress in improving CCIR be specified at the outset and monitored regularly.

One member said he believed the timescale could be reduced from 12 months, but recognised that FSA engagement and approval was required and this could take time. He also said that he would not like FSA to have their programme and equipment in each abattoir, but favoured funding from FSA to set up their own equipment in each abattoir that would fit with their current systems. It was suggested the review of systems be extended to other high throughput abattoirs and following that a meeting be organised between processors and FSA to discuss the implementation of changes with predicted



costs being presented for discussion with FSA. The meeting should involve representation from all abattoirs including representation of smaller processors, BPEX and the FSA. It was proposed an update should be presented at the next BMPA Pigmeat Committee which is scheduled for 11 March.

DEFINING THE COMPOSITION OF THE DAPP

It was agreed at the last Board meeting that further investigation needed to be made on the definition of standard and non-standard reporting split for pigs and whether or not Northern Ireland prices could be incorporated into the DAPP. These were detailed in paper BP137 which was taken as read. Members were reminded that the purpose of the DAPP is to provide good quality historical information. This is currently collected on a voluntary basis, but if this stopped then Defra would have to get involved for EU Price Reporting and it is likely this information would be regulated, therefore the preference is for this to remain voluntary.

A lengthy discussion was held to decide on best options. It was decided that any decision on producing a split of prices or producing UK prices, as opposed to GB, would be deferred until the future provision of abattoir data had been resolved.

It was agreed that if sufficient abattoir data was not available for price reporting then the possibility of using the sellers price (producer) rather than the buyers price (processor) would be pursued.

FACTORS INFLUENCING THE DEMAND FOR PORK

Figures received from the Market Intelligence department were presented regarding pig price and pork demand in the market place. The EU reference price gap is currently 27p/kg, which is very high compared to the average of around 9p/kg. Volume is down by 3.4% overall which is probably linked to the price increase of 5.2% which is double the current rate of inflation over the year to 8 December.

Pork purchases have grown, however data shows that this is from volume purchases rather than from more households buying. Volume data shows that a lot of this has been gained in pork shoulder joints which is due to a large decrease in sales on beef roasting joints.

ANY OTHER BUSINESS

The Board was told that a slight change in EU labelling requirements had been agreed which defined "origin" as coming from pigs that are born reared and slaughtered in a single member state. This comes into effect in April 2015.

One member said that BPEX need to look at the commitments retailers made post-horsegate and analyse what they have actually done in the last 12 months. Kit was explained that the details have been collated on all of this and a comparison will be done. Another member said he has spoken to Asda in relation to this but is still awaiting a response.

It was confirmed that the Farmageddon book will be going on sale on 30th January and will have an exclusive in the Sunday Times on 19th January. BPEX have been preparing a cross-sector response in case there is any backlash from this.

The Board was told that a Processor Market Intelligence day has been organised for 25th February – invitations will be sent in the coming days.

Members were told retailers have asked processors to sign an Ethical Trading Initiative and they are now asking for all producers and packaging manufacturers to sign up. He asked if it would be a possibility to include this in the Red Tractor scheme.

DATE OF NEXT MEETING: Wednesday, 12 March 2014, The George Hotel, Stamford