



BPEX

Minutes of the Forty Third Board Meeting held on Tuesday 15 July 2014

MINUTES OF THE LAST MEETING

The minutes of the meeting held on 12 May 2014 were approved.

MATTERS ARISING (and not on the agenda)

An update on the new team structure was given. BPEX is in the process of recruiting for vacancies. A replacement vet is being recruited in the Technical Team.

The roadmap of transition has been circulated to the Board for comment. One member said he believed that the cost to industry of CCIR was likely to be £7m, not the £3.5 stated. Two members asked if they could be of help in reducing time on the project. They were told the biggest issue is getting diary time with the key people. It was suggested that conference calls should be organised rather than face to face meetings, but a commitment was received from the processors to free their diaries wherever possible. The Board approved the project plan and that the BPHS service in its current form would only be terminated on completion of the presented plan.

Board members highlighted the emerging interest in antimicrobial use in livestock production. An options paper on existing and potential work streams would be presented at the November Board meeting.

BPEX is looking at alternatives for speedier data collection re: COP and larger sample sizes. Red Tractor has been briefed on the proposed Confidential Reporting Service and their support was given. The pilot scheme will now begin for 12 months.

DIRECTORS REPORT

Members were told the price gap between the UK and EU has grown significantly, at times up to 30p/kg differential. The EU price has been hit by various things, particularly a ban on exports to Russia. Prices in the USA have increased and are currently £1.75/£1.80 per kg deadweight which is a record high.

The 12 week retail data shows volume and expenditure is down. Pork is showing decline but beef and lamb have a much larger decline, although Aldi, Lidl and Asda are showing growth on all three meats. A member asked if the smaller pack sizes are to blame for the decrease – consumers buying the same amount of packs but less weight. He was told this question has been put to the AHDB MI team and we are awaiting a response. It is felt that purchases in fish have increased and could be partly to blame – fish is now taking up a lot more shelf space in supermarkets and new companies like Saucy Fish are packaged well, easy to cook and priced fairly. Another member said he believes “food to go” as well as dining out have increased dramatically and that we could focus more effort on food service.

MARKETING SUB GROUP TERMS OF REFERENCE

The paper was taken as read. The Board were in agreement and the ToR were passed.

EXECUTION OF THE MARKETING STRATEGY

The Marketing Strategy for 2014/15 was presented. The main focus will be on rejuvenating the image of pork. Primary audiences to target are “confident explorers”, “designer diners” and “quick fix fashionistas” which represent a combined 36% of the market share. Support for this was forthcoming from the Board.

Having visited all major processors, the focus will be on sales of pork shoulder as this seems to be an issue in sales. BPEX Marketing have a tough challenge to change consumer perceptions regarding pork. Pulled pork will be promoted heavily particularly online and in social media.

The board was told how the BPEX Marketing Team plan to measure and evaluate the rejuvenation work. An increase of sales, particularly on shoulder, and a shift in consumer attitudes will be among the KPI's. The Board agreed that this strategy was the right approach.

The priorities and KPI's for the Technical Team for 2014/15 were outlined. When the strategy is completed and has been agreed with the Technical Team, the final copy will be sent to the Board.

AN INDUSTRY STRATEGY TO MANAGE THE THREAT OF PIG DISEASE

Members were told the Pig Health and Welfare Council held a roundtable in April to discuss issues surrounding PEDv and Swine Dysentery. Proposals for an action plan have been created and communicated to the industry.

There is a focus on making PEDv reportable via Defra, but this is still ongoing. One member said in a recent meeting with Defra's Chief Scientist, it was suggested that PEDv should be made notifiable. This should be treated with caution because of its potential effects on exports.

A member asked whether or not we should add a mandatory depopulation & repopulation into the protocol and investigate the financial implications of this and whether compensation could be provided. He was told that this is part of the proposed process with the first 3-5 businesses to be assisted in a full cull out. Another member asked whether insurance costs have been considered. He was told that this has not been explored but given the very real risk of PEDv, premiums would be very high.

It was pointed out that we need to be very clear that we shouldn't be compensating businesses who are not complying with biosecurity protocols. Another member agreed and said that if we decide to compensate the first farms affected, this could be communicated and used as an incentive for farms to be more biosecurity conscious.

It was suggested that it should be explored with Defra what we should do if the disease reached Europe as this is not in the plan.

PIDS has been investigated as we believed that the scheme was ring-fenced when MLC became part of AHDB. Unfortunately, due to a change in the primary legislation that covered MLC this is not the case and the scheme is no longer available.

It was reported that the US and Japan are claiming to have a vaccine against PEDv, however the efficacy is less than 30%. A research proposal from AHVLA to develop diagnostics for new strains of PEDv was agreed at a cost of £50,000.

The next core group will meet again on Thursday 17th July. Updates will be circulated to the Board via email to avoid delay in communication.

Two members said that they believe the biggest issue is biosecurity, particularly with lorry washes. They were told that hauliers have a responsibility to all involved and are the customers of producers, therefore it should not just be the responsibility of processors to check lorries, but that producers should also check on arrival at their facilities and turn away any unwashed lorries. Hauliers will soon get the message that the industry will not accept this and take more care with lorry washing. The NPA is to be contacted to remind producers that they can play a part by insisting that wagons that come to collect stock are clean and that there is good biosecurity with the driver around the unit.

DEADWEIGHT PIG PRICE REPORTING

The background on deadweight pig price reporting was given. As of Monday 14th July we now have a full set of SPP data to the start of April which matches the DAPP and APP data so a full comparison can now be made.

All data is now available on the BPEX website and a press release will be issued today. The DAPP will be withdrawn at the end of September as agreed. This will also be in the press release. It was reported that a review of deductions and non-weekly bonuses would be prepared and published as part of the BPEX contribution to Interpig.

POST HORSEGATE IMPACTS ON THE PIG SECTOR

The retailer commitments made post horsegate regarding pork and pork products were outlined. M&S, Waitrose and Morrisons already source 100% British pork and have continued to do so.

Budgens and Sainsburys have met their commitments, albeit slightly later than originally stated. Asda and Tesco made no specific commitments to British pork and they are showing a decline in usage and stocking rather than an increase.

The Co-op retracted their commitment to 100% British bacon. Tesco have increased sourcing of British bacon as well as ham.

The Board was shown various newspaper reports following the horsegate scandal referring to consumer trust 12 months on. This shows that consumers are increasing their trust in supermarket brands.

One member asked if we could thank those retailers that have met their commitments to British and ask them to please continue their efforts. He was told that this is best done via the NPA. The Board requested that the data be revisited in 12 months' time to ensure that retailers are still meeting their commitments.

POTENTIAL GOVERNMENT SUPPORT FOR PIG INNOVATION AND HEALTH

It was explained that a stakeholder meeting was held in June regarding the potential for a Monogastric Centre of Excellence. Agrotech have made available a fund of some £90 million and a call for expressions of interest will be made in July/August. BPEX are leading on this on behalf of the pig and poultry sector. Progress will be reported to the Board.

AHWBE have been progressing with Defra the potential for a funding stream specifically for health and welfare improvement to be derived from a budget of £140 million. All of the livestock sectors have been brought together with the Defra RDPE team and policy teams to help suggest a scheme that would deliver better health and welfare. What this would look like and the amount of money available will be determined during the autumn.

NEW RULES FOR TRICHINELLA TESTING

Changes to the Trichinella testing regime have been part of an FSA consultation exercise. The main impact on the industry is we need to test pigs from non-controlled housing. This is interpreted to mean free range pigs only. FSA are committed to reduce the regulatory impact of the legislation and they are proposing what they consider to be the minimum testing possible to meet the rules whilst avoiding enforcement from the Commission, which would mean testing every pig slaughtered. However this would impact on small and medium abattoirs that do not have testing facilities.

Clarification is being sought from the FSA as to whether this additional testing is for surveillance or food safety purposes. Larger abattoirs have testing facilities for export and they may make them available to

other abattoirs subject to conditions being met. A Butler asked for a list of where all the current testing facilities are.

UPDATE ON HEPATITIS E

The 2013 Baseline Survey tested plasma samples from 640 pigs for Hepatitis E Virus (HEV). Although most pigs in the survey had HEV antibodies, traces of actual virus were found in less than 5%.

The issue of HEV in pork products generated media coverage in 2013 and Chanel 4's "Food Unwrapped" programme is planning to feature a 5-7 minute piece in a future programme. The programme will specifically pose the question of whether it is safe to leave pork pink when cooking.

BPEX believes that the programme makers are not planning to produce a "sensationalist piece" on HEV in pork or sausages. They understand that the issue is complex and that the recent rise in HEV in the UK cannot be directly linked to pigs.

A technical briefing and Q&A have been reviewed and updated.

OPPORTUNITIES IN THE EXPORT MARKET

Additional funds have been added to the Export Marketing budget. This will help to fund the Export Certification User Group, market access work and market development/promotion. At present, the priority remains to be China to increase the number of companies with access, gain access for trotters and for processed pork products.

There are also opportunities for markets to be opened in the Dominican Republic, India and Taiwan to name but a few.

ANY OTHER BUSINESS

Members were asked for confirmation from the Board for the proposed dates in 2015