



## **BPEX Annual Pig Meat Industry Survey**

**March 2010**

### **BACKGROUND**

In order to be able to assess the delivery of its 2006-2009 strategy, to rebuild industry confidence to invest in the future, BPEX carried out annual pig industry confidence surveys in 2007, 2008 and 2009. This is a repeat of the annual survey.

The main aims of the survey are to:

- Measure industry confidence.
- Assess the quality of BPEX services provided to levy payers and other elements of the industry
- To identify areas where BPEX can improve performance in serving its customers.

Paper copies of the questionnaire were posted to individual businesses in the following sectors of the pig meat industry:

- Producers
- Allied industries
- Vets
- Processors
- Retailers and foodservice companies
- Civil Servants

Additionally, a link to the questionnaire was provided on the BPEX website for on-line completion.

The structure of the confidence section of the survey was based on the confidence survey undertaken by the Confederation of British Industry (CBI) which is undertaken quarterly and has been in use for over 40 years.

In addition to analysing the overall pig meat sector, the methodology enables us to undertake cross-sectional analyses of differences between the industry groups.

The following response rates were achieved by the 2010 survey:

Fig 1 - Response rates

Sector	Overall			Postal		
	Total number of responses	Number of postal responses	Number of on-line responses	Number issued	Number returned	Response rate
<b>Total</b>	131 <sup>1</sup>	110	21	581	108	19%
<b>Producer</b>	74	59	15	251	59	24%
<b>Processor</b>	7	3	4	14	3	21%
<b>AIG</b>	23	23	-	88	23	26%
<b>Vet</b>	18	18	-	150	18	12%
<b>Retail / Foodservice</b>	4	3	1	58	3	5%
<b>Civil servant</b>	3	2	1	20	2	10%
<b>Not given</b>	2	2	-	-	2	-

<sup>1</sup>129 completed questionnaires were returned but some respondents ticked more than one sector

- The survey received 129 responses overall, 108 by post and 21 on-line.
- The postal response rate was 19%, compared with 18% in 2009.
- While interesting results have been obtained for all these sectors, the disappointing response rates for civil servants, vets and retail/foodservice mean that these results will be less statistically robust.

## CONFIDENCE: OVERALL SUMMARY

There are many possible ways of measuring confidence. But it is probably fair to say that a confident person is more likely to invest in the business than one who is not confident. In this survey we have therefore based our overall confidence indices on questions 2a and 2b. These are the questions that relate to capital investment in buildings, plant and machinery over the next 12 months.

There is no reason why confidence levels should be the same at different stages of the pig meat marketing chain, as profit margins will be influenced by a differing mix of factors. The output of the producer sector will also be the input of some of the other sectors. In the industry survey we have therefore constructed one Confidence Index for producers and one for other businesses.

If we assign the number +1 to more investment, -1 to less investment and 0 to no change, the total industry confidence level in the current period would be:

Confidence Index = Previous year index multiplied by

$$(100 + (\text{More}\% * +1 + \text{Less}\% * -1 + \text{Same}\% * 0)) / 100$$

Fig 2 - Confidence index

Confidence index	More confident	No change	Less confident	Confidence index				
				2010	2009	2008	2007	2006
<b>Producers</b>	<b>36%</b>	<b>40%</b>	<b>24%</b>	<b>45.8</b>	40.9	40.9	93.2	100.0
<b>Non-producers</b>	<b>26%</b>	<b>52%</b>	<b>21%</b>	<b>97.1</b>	92.5	81.9	125.5	100.0

The confidence index for both producers and non-producers showed an increase on 2009.

- The confidence index for producers increased by 4.9 to 45.8.
- The confidence index for non-producers increased by 4.6 to 97.1

**INDUSTRY CONFIDENCE: OPTIMISM**

*Q1: Are you more or less optimistic than you were a year ago about the general financial situation in your part of the pig sector?*

Fig 3 - Optimism by sector 2010

Sector	Base	Optimism 2010			
		More	Same	Less	Net optimism
Base	129	50	70	9	32%
		39%	54%	7%	
Producer	74	28	41	5	31%
		38%	55%	7%	
Processor	7	-	5	2	-28%
		-	71%	29%	
AIG	23	14	9	-	61%
		61%	39%	-	
Vet	18	5	12	1	22%
		28%	67%	6%	
Retail/Foodservice	4	1	3	-	25%
		25%	75%	-	
Civil servant	3	1	1	1	0%
		33%	33%	33%	
Not given	2	1	1	-	50%
		50%	50%	-	

Fig 4 - Optimism by sector 2010

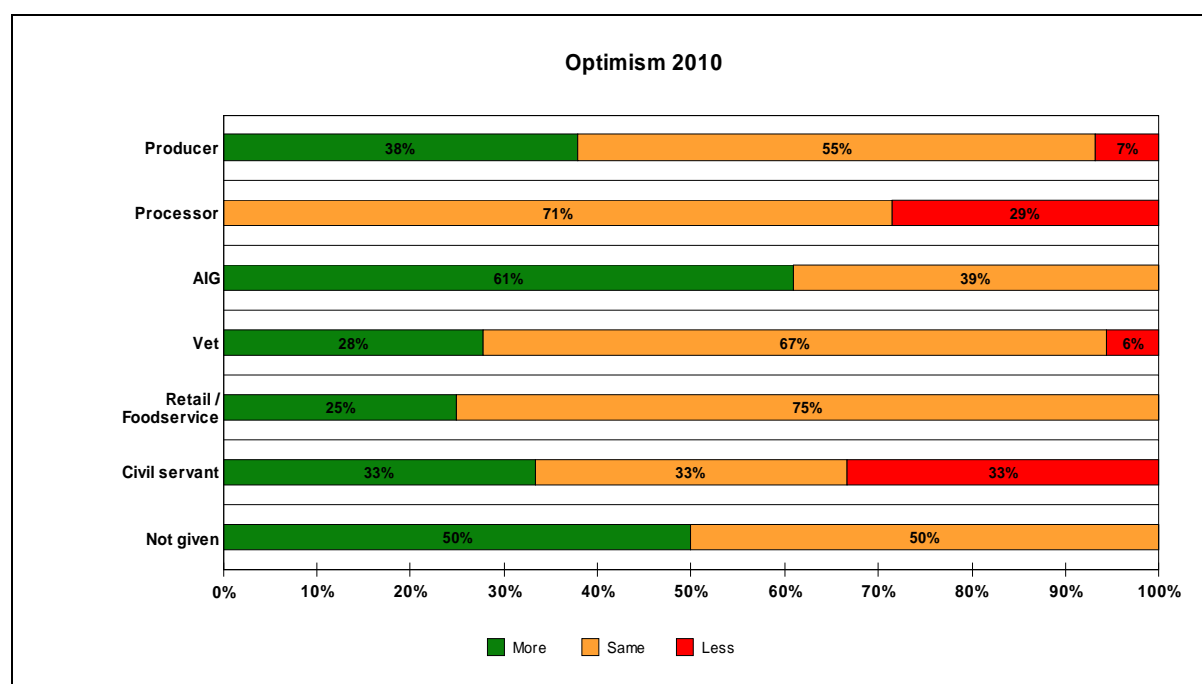
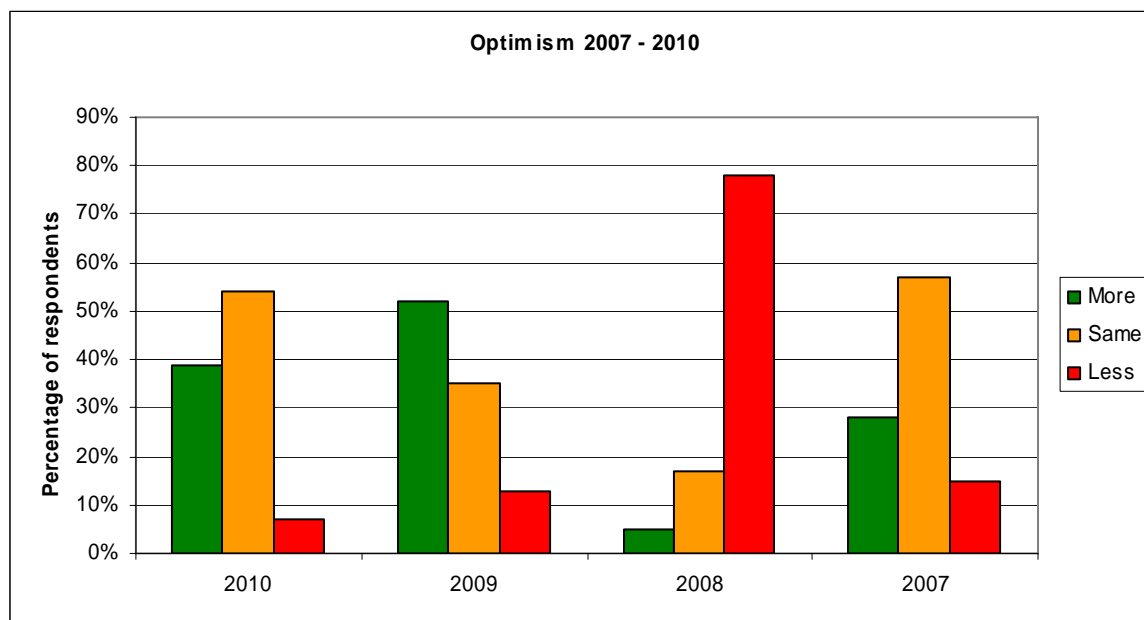


Fig 5 - Optimism 2007 to 2010

Optimism	2010		2009		2008		2007	
	% of respondents	Net optimism	% of respondents	Net optimism	% of respondents	Net optimism	% of respondents	Net optimism
More	39%	+32%	52%	+39%	5%	-73%	28%	+13%
Same	54%		35%		17%		57%	
Less	7%		13%		78%		15%	

Fig 6 - Optimism 2007 to 2010



## Summary of results

- Overall, the mood in the pig industry is slightly less optimistic than it was 12 months ago, with 39% being more optimistic than a year ago (this compares with 52% in 2009, 5% in 2008 and 28% in 2007).
- The net optimism balance between more and less optimistic is +32% (with a +ve indicating that there are more optimistic respondents than negative respondents). In 2009 the net optimism was +39%, it was -73% in 2008 and +13% in 2007.
- All sectors, with the exception of processors and civil servants, have a positive net optimism balance. The net optimism was highest in the AIG sector.

### INDUSTRY CONFIDENCE: INVESTMENT IN BUILDINGS

Q2a: Do you expect to make more or less capital investment in buildings in the next 12 months than you did in the past 12 months?

Fig 7 - Investment in buildings by sector 2010

Sector	Base	Investment in buildings 2010			
		More	Same	Less	Net confidence
Base	91	33	38	20	14%
		36%	42%	22%	
Producer	72	29	27	16	18%
		40%	38%	22%	
Processor	6	-	4	2	-33%
		-	67%	33%	
AIG	7	3	4	-	43%
		43%	57%	-	
Vet	3	-	2	1	-33%
		-	67%	33%	
Retail/Foodservice	3	-	1	2	-67%
		-	33%	67%	
Civil servant	-	-	-	-	-
		-	-	-	
Not given	-	1	-	1	=
		50%	-	50%	

Fig 8 - Investment in buildings by sector 2010

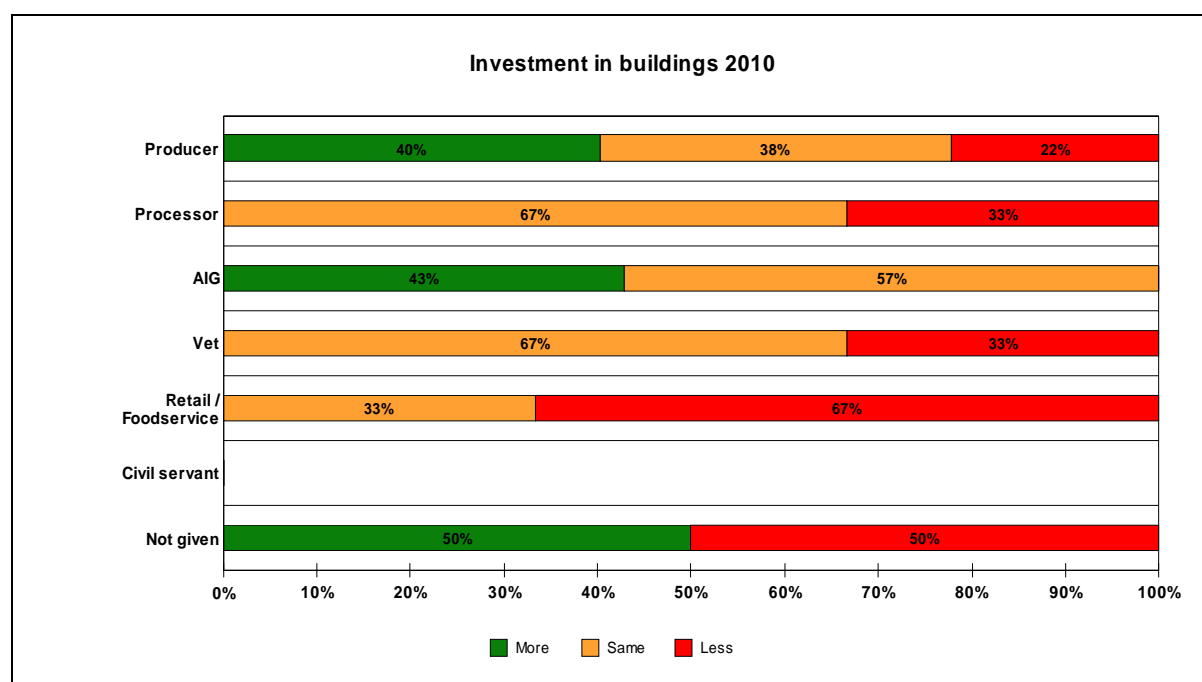
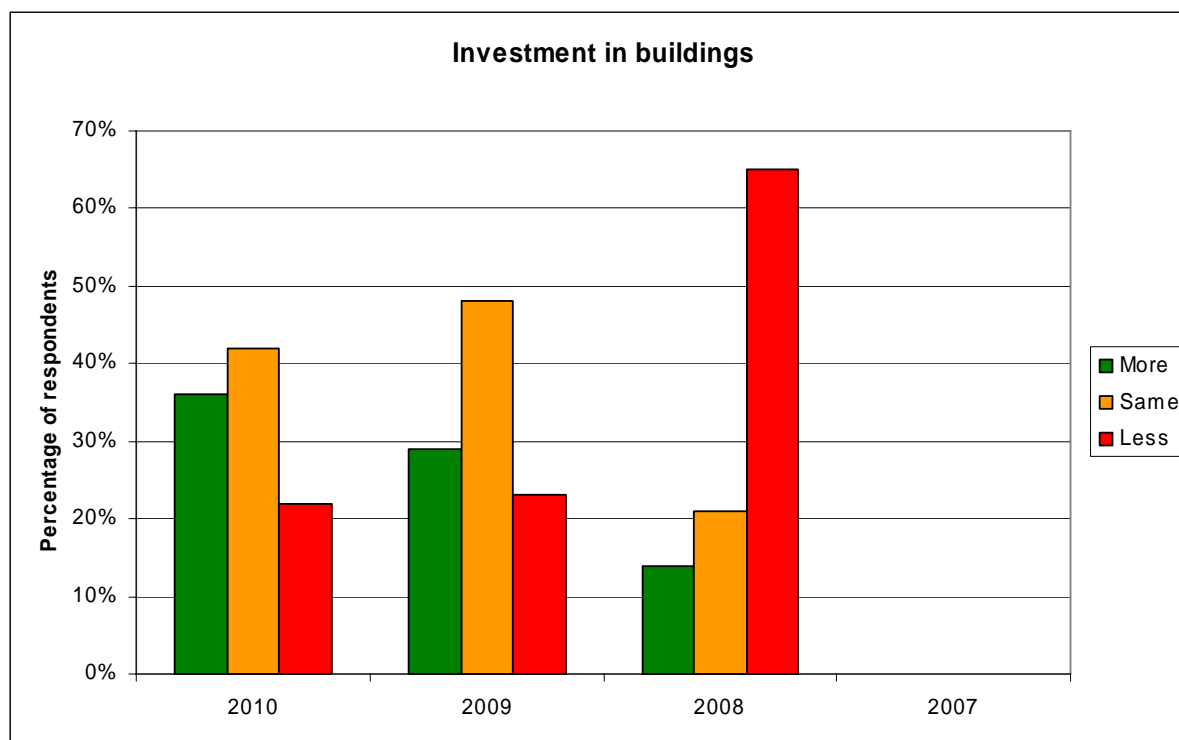


Fig 9 - Investment in buildings 2007 to 2010

Investment in buildings	2010		2009		2008		2007	
	% of respondents	Net confidence	% of respondents	Net confidence	% of respondents	Net confidence	% of respondents	Net confidence
More	36%	+14%	29%	+6%	14%	-51%		+1%
Same	42%		48%		21%			
Less	22%		23%		65%			

Fig 10 - Investment in buildings 2007 to 2010





## Summary of results

- Despite a slight decrease in overall optimism in the industry, there has been an increase in the expected capital investment in buildings over the next 12 months.
- Overall, 36% (compared with 29% in 2009 and 14% in 2008) expect to make more capital investment with 22% (compared with 23% in 2009 and 65% in 2008) expecting to make less. This gave a net confidence balance of +14%, compared with +6% in 2009, -51% in 2008 and +1% in 2007.
- This confidence is concentrated in two sectors of the industry - producer and AIG, with the processor, vet and retail/foodservice sectors showing an overall expected decrease in investment in buildings.
- In 2008 and 2009 the producers showed the least confidence in investment in buildings.

**INDUSTRY CONFIDENCE: INVESTMENT IN PLANT AND MACHINERY**

*Q2b: Do you expect to make more or less capital investment in plant and machinery in the next 12 months than you did in the past 12 months?*

Fig 11 - Investment in plant and machinery by sector 2010

Sector	Base	Investment in plant and machinery 2009			
		More	Same	Less	Net confidence
<b>Base</b>	96	32 33%	41 43%	23 24%	9%
<b>Producer</b>	73	23 32%	31 42%	19 26%	6%
<b>Processor</b>	6	3 50%	2 33%	1 17%	33%
<b>AIG</b>	12	5 42%	5 42%	2 17%	25%
<b>Vet</b>	2	-	1 50%	1 50%	-50%
<b>Retail/Foodservice</b>	3	-	3 100%	-	0%
<b>Civil servant</b>	-	-	-	-	-
<b>Not given</b>	2	1 50%	1 50%	-	50%

Fig 12 - Investment in plant and machinery by sector 2010

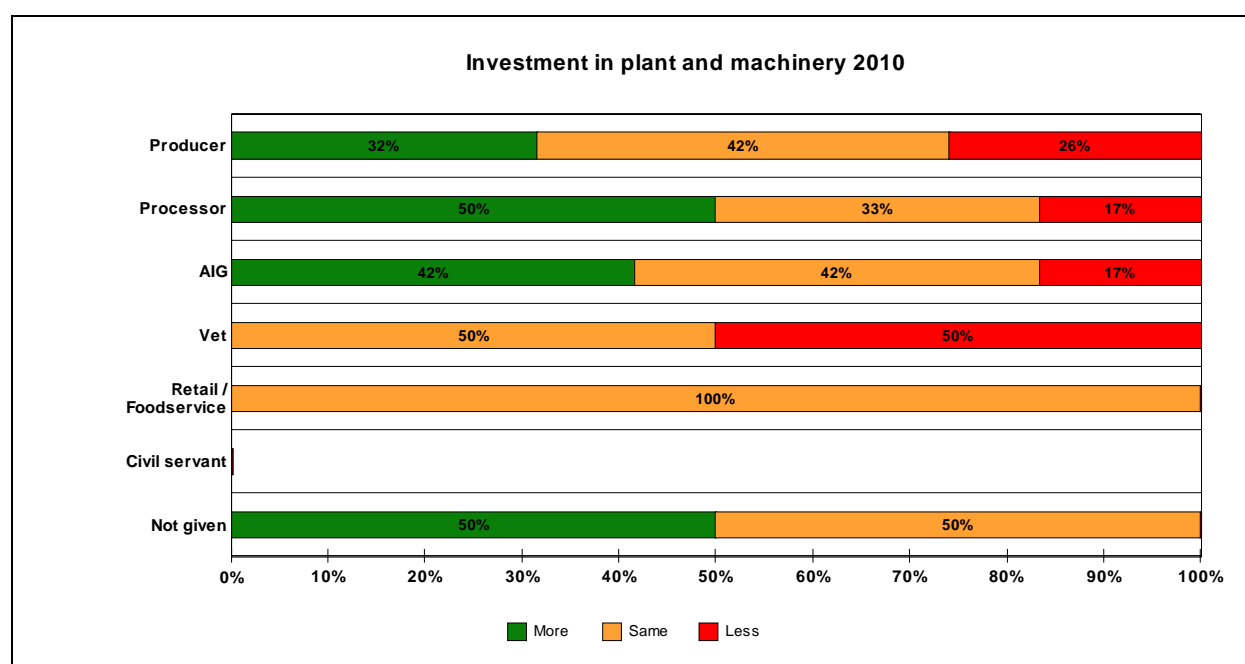
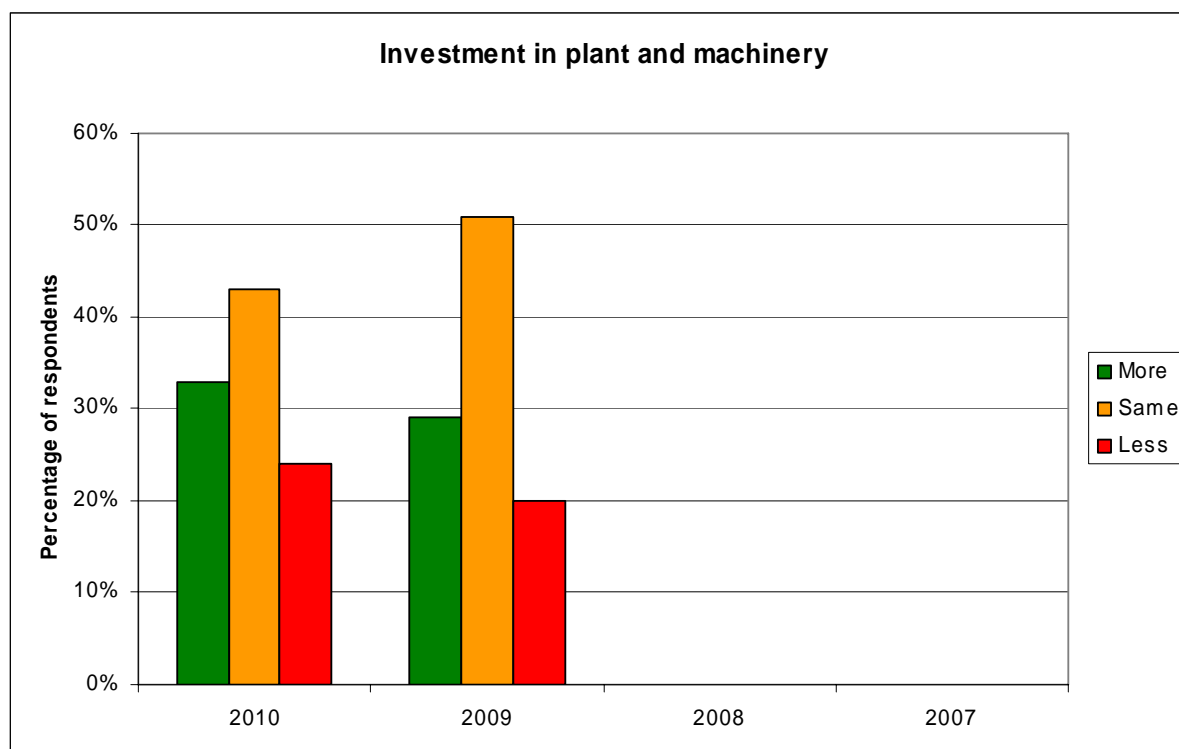


Fig 13 - Investment in plant and machinery 2007 to 2010

Investment in plant and machinery	2010		2009		2008		2007	
	% of respondents	Net confidence	% of respondents	Net confidence	% of respondents	Net confidence	% of respondents	Net confidence
More	33%	+9%	29%	+9%	10%	-49%		
Same	43%		51%		31%			
Less	24%		20%		59%			

Fig 14 - Investment in plant and machinery 2007 to 2010



Summary of results

- Overall, net confidence in investment in plant and machinery remains at the same level as 12 months ago (+9%).
- Confidence in investment in plant and machinery is greatest in the processor and AIG sectors and lowest amongst the producers and vets.

**INDUSTRY CONFIDENCE: CAPITAL EXPENDITURE**

*Q3: What are the main reasons for any expected capital expenditure on buildings, plant or machinery over the next 12 months?*

Fig 15 - Reasons for capital expenditure by sector 2010

Reasons for capital expenditure in 2010	Total	Occupation						
		Producer	Processor	AIG	Vet	Retail / Foodservice	Civil servant	Not given
Base	195	155	12	17	1	7	-	3
To increase production capacity	31 16%	23 15%	3 25%	2 12%	1 100%	1 14%	-	1 33%
To increase efficiency / productivity	64 33%	49 32%	4 33%	8 47%	-	2 29%	-	1 33%
For replacement	61 31%	49 32%	3 25%	6 35%	-	2 29%	-	1 33%
To comply with environmental legislation	37 19%	33 21%	2 17%	1 6%	-	1 14%	-	-
Other	2 1%	1 1%	-	-	-	1 14%	-	-

Fig 16 - Reasons for capital expenditure by sector 2010

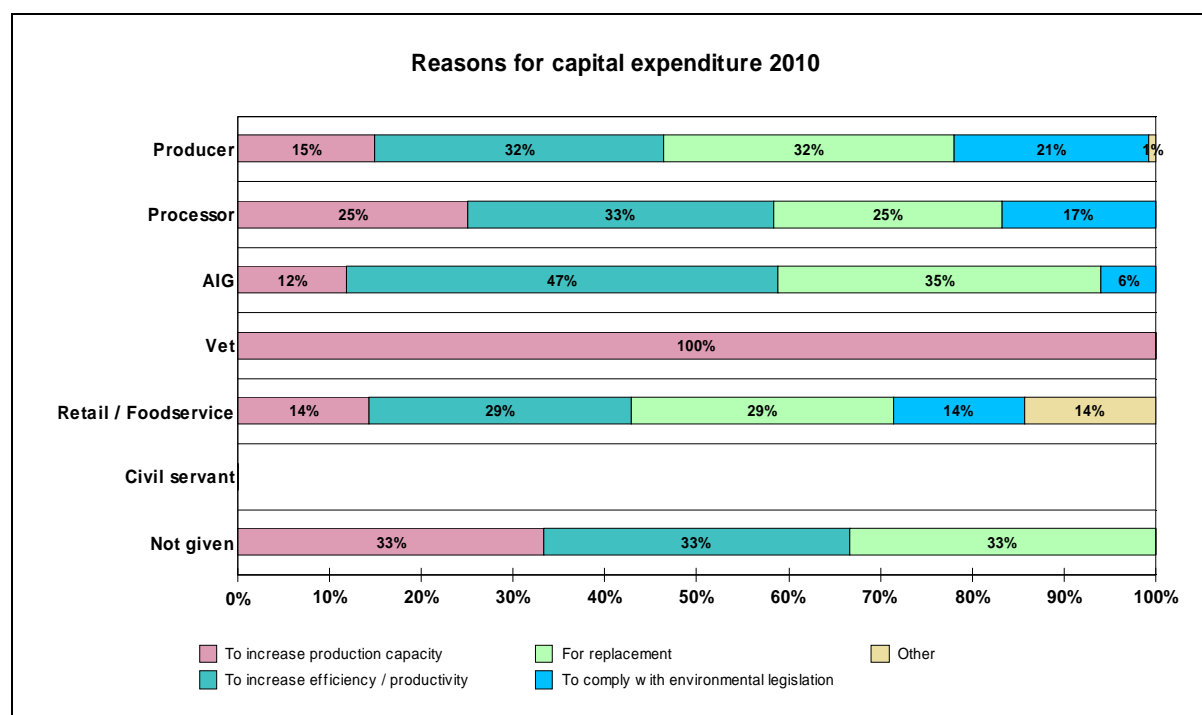
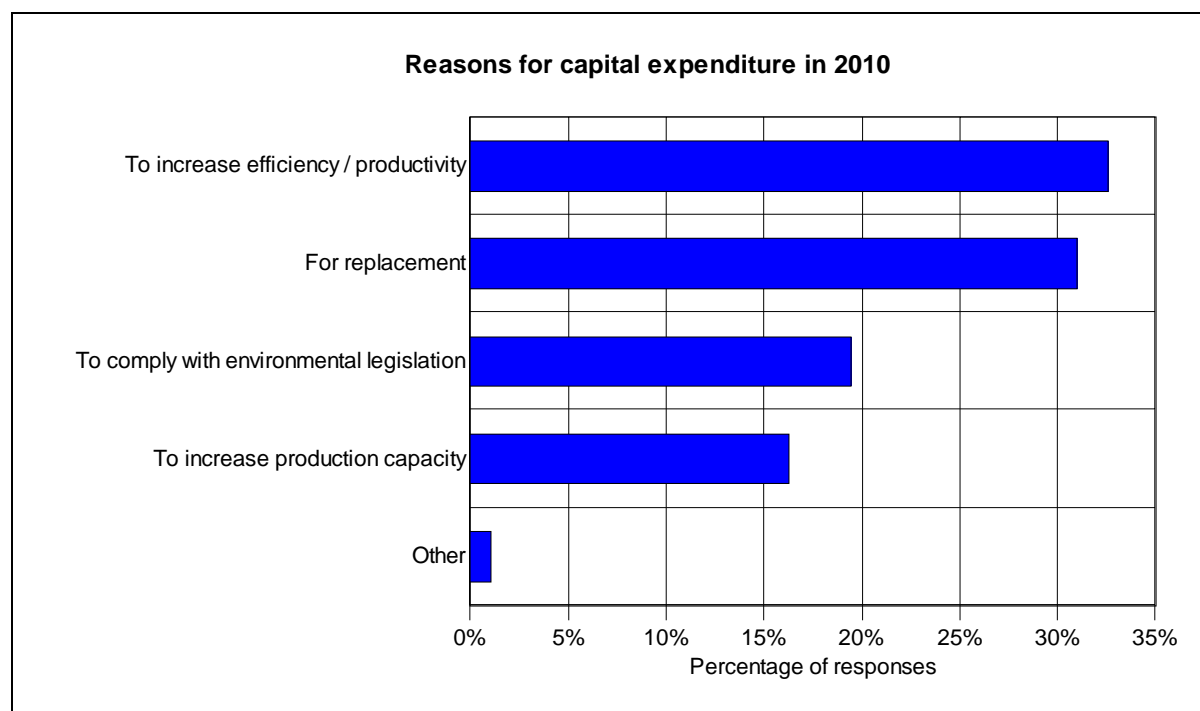


Fig 17- Reasons for capital expenditure 2010



The other reasons for capital expenditure were given as:

- *Part of refurbishment programme*
- *Improve significantly our efficiency, reduce dependency on fossil fuel, reduce green house gas emissions and get closer to EU best production performance*

### Summary of results

- Overall, the need for increased efficiency/productivity (33% compared with 30% in 2009 and 31% in 2008) and to replace capital assets (31% compared with 31% in 2009 and 33% in 2008) continue to be the most important reasons for any capital expenditure.
- The combined measures of increasing efficiency (33% compared with 30% in 2009) and increasing capacity (16% compared with 13% in 2009) are a useful indicator of economic healthiness of a sector as they are not enforced on a business.
- Replacement and increased capacity were also the most important reasons for capital expenditure throughout the industry.

### INDUSTRY CONFIDENCE: FACTORS LIMITING CAPITAL INVESTMENT

Q4: What factors are likely to limit your capital investment over the next 12 months?

Fig 18 - Factors likely to limit capital investment by sector 2010

Factors likely to limit capital expenditure in 2010	Total	Occupation						
		Producer	Processor	AIG	Vet	Retail / Foodservice	Civil servant	Not given
	158	126	12	10	2	5	-	3
Inadequate return on investment	37 23%	30 24%	3 25%	3 30%	-	1 20%	-	-
Shortage of internal finance	35 22%	28 22%	3 25%	1 10%	1 50%	1 20%	-	1 33%
Inability to raise external finance	21 13%	15 12%	3 25%	1 10%	-	1 20%	-	1 33%
Uncertainty about demand	32 20%	25 20%	2 17%	3 30%	1 50%	1 20%	-	-
Shortage of labour	24 15%	21 17%	1 8%	1 10%	-	1 20%	-	-
Other	9 6%	7 6%	-	1 10%	-	-	-	1 33%

Fig 19 - Factors likely to limit capital investment by sector 2010

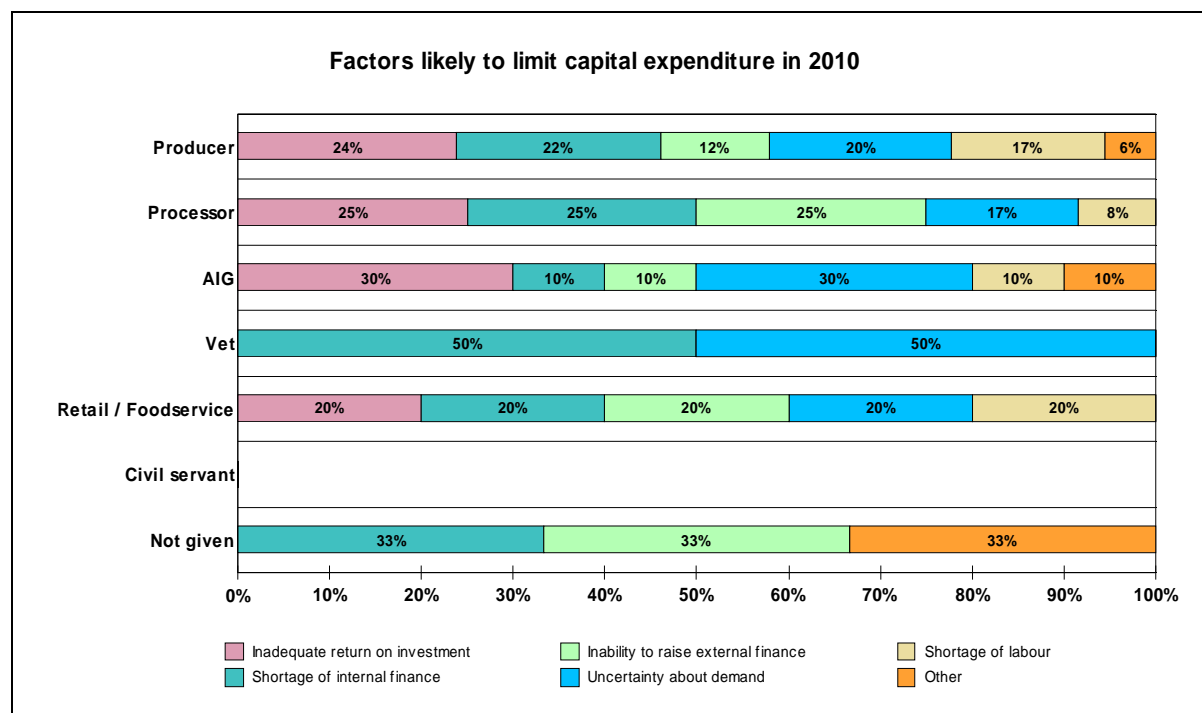
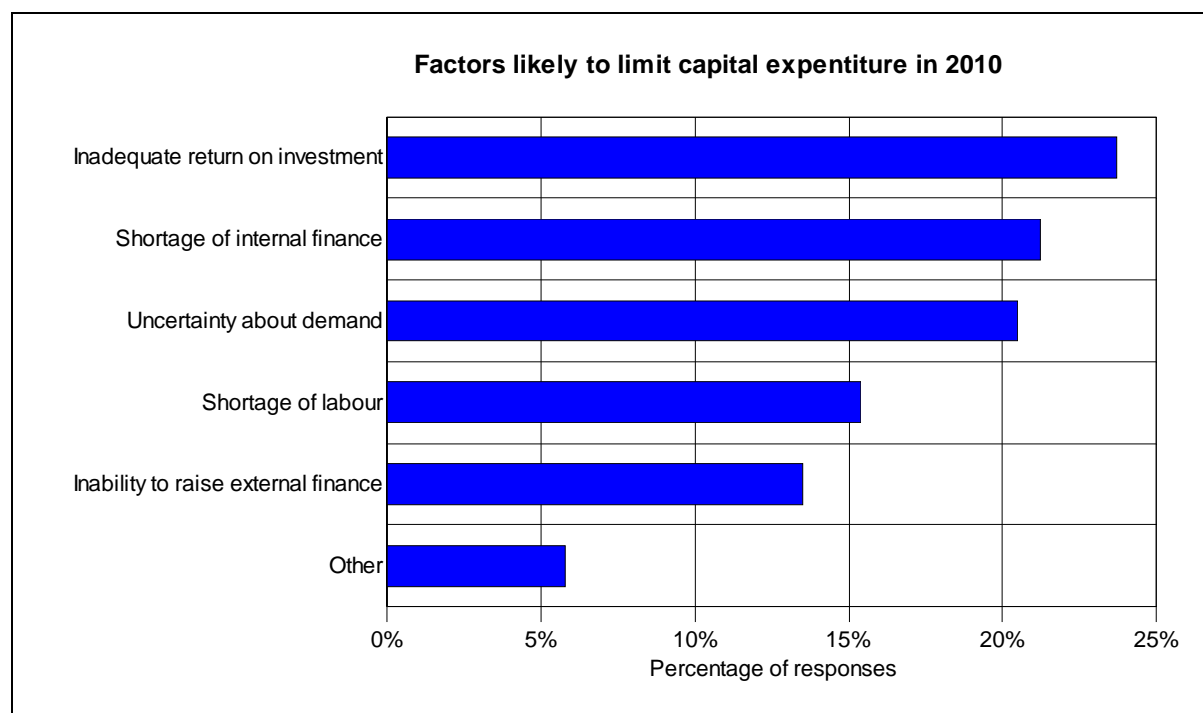


Fig 20 - Factors likely to limit capital investment 2010



The other factors given as likely to limit capital expenditure were:

- *Hold ups from the Environment Agency*
- *Unit well balanced*
- *Time and amount of land*
- *IPPC Agricultural buildings (allowance renewal?)*
- *Expanded fast in 2008/2009/2010 need to consolidate*
- *IPPC*
- *Spent big amount in 2009*
- *Age*
- *I have just spent £450,000 on a new finisher and weaner building in 2009*

### Summary of results

- Across the industry, an inadequate return on investment continues to be the most important factor that is likely to constrain capital investment plans (23% compared with 35% in 2009 and 46% in 2008).
- Uncertainty over demand has decreased slightly, 20% compared with 27% in 2009 and 26% in 2008.

- There has been little change over the last 12 months in the impact of lack of internal (22% compared with 21% in 2009) and external finance (13% compared with 10% in 2009) as factors affecting capital investment.
  
- Shortage of labour has increased from 5% in 2009 to 15% and is particularly seen as a limiting factor in the producer sector.



**INDUSTRY CONFIDENCE: CAPACITY**

*Q5: What would you estimate your current level of production as a percentage of full capacity to be?*

**Fig 21 - Current level of production by sector 2010**

Occupation	Base	Current level of production						
		1% - 20%	21% - 40%	41% - 60%	61% - 70%	71% - 80%	81% - 90%	91% - 100%
<b>Total</b>	104	1	2	4	8	16	32	41
		1%	2%	4%	8%	15%	31%	39%
<b>Producer</b>	73	-	1	2	3	9	26	32
		-	1%	3%	4%	12%	36%	44%
<b>Processor</b>	7	-	1	1	-	3	2	-
		-	14%	14%	-	43%	29%	-
<b>AIG</b>	15	1	-	1	5	3	-	5
		7%	-	7%	33%	20%	-	33%
<b>Vet</b>	5	-	-	-	-	-	4	1
		-	-	-	-	-	80%	20%
<b>Retail / Foodservice</b>	3	-	-	-	-	-	2	1
		-	-	-	-	-	67%	33%
<b>Civil servant</b>	1	-	-	-	-	-	-	1
		-	-	-	-	-	-	100%
<b>Not given</b>	2	-	-	-	-	1	-	1
		-	-	-	-	50%	-	50%

**Fig 22 - Current level of production 2010**

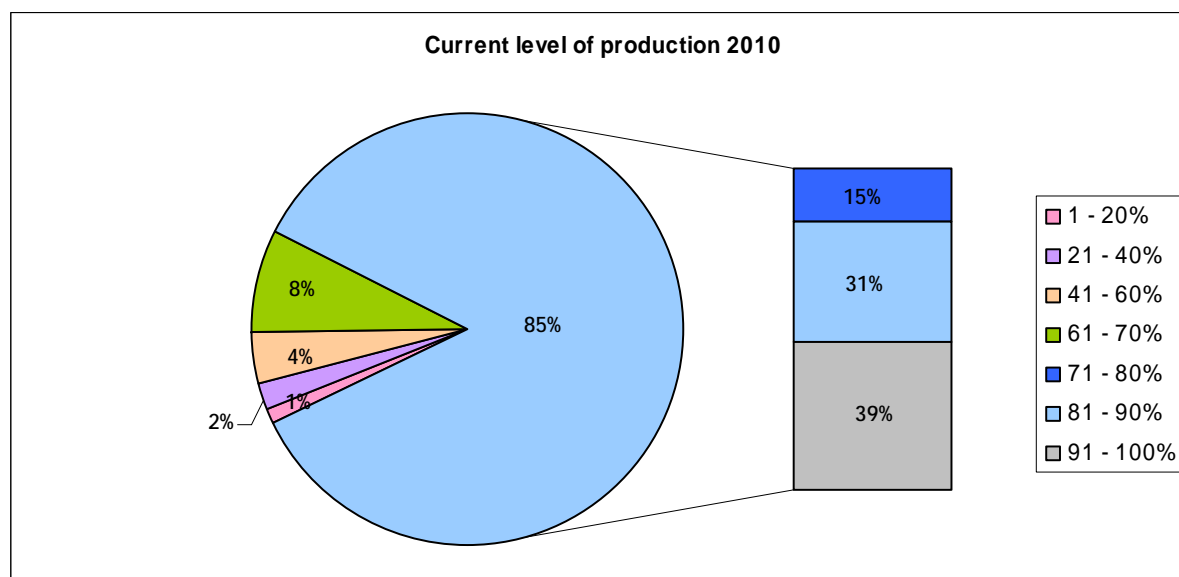


Fig 23 - Current level of production 2007 to 2010

Sector	2010			2009	2008	2007
	Av	Min	Max	Av	Av	Av
<b>Base</b>	88%	20	100	85%	89%	89%
<b>Producers</b>	91%	40	100	91%	91%	92%
<b>Processors</b>	74%	40	90	76%	90%	91%
<b>AIG</b>	78%	20	100	78%	81%	76%
<b>Vets</b>	92%	90	100	77%	81%	88%
<b>Retailers/foodservice</b>	93%	90	100	76%	85%	80%
<b>Civil servant</b>	100%	100	100	-	-	-

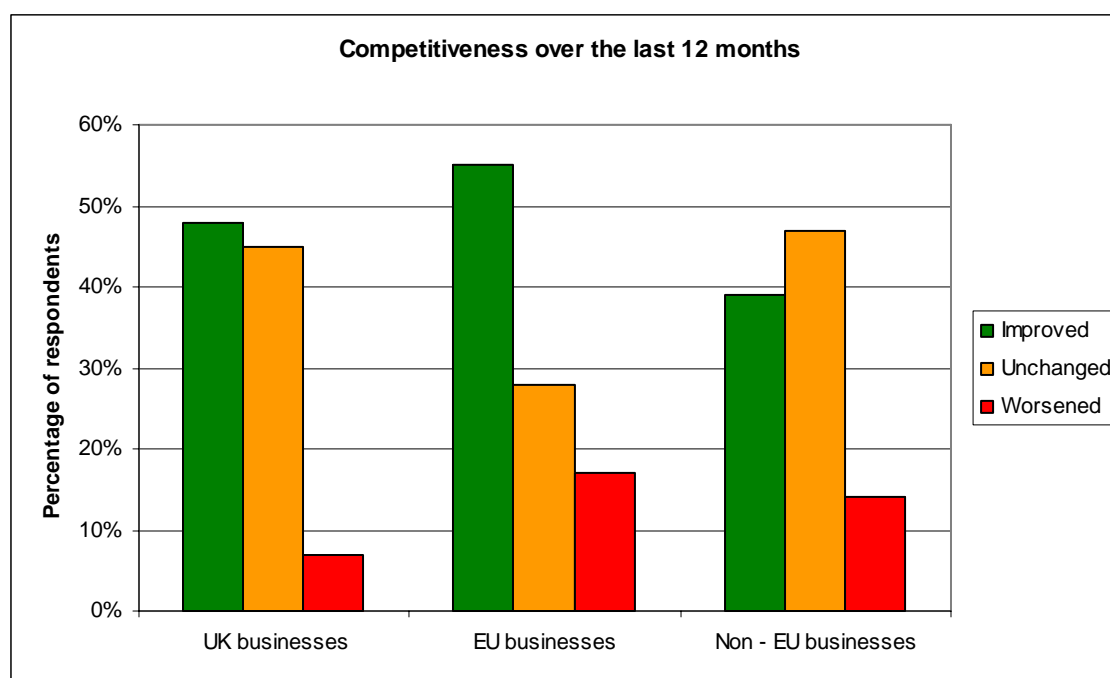
### Summary of results

- In a dynamic sector such as the pig industry it would be extremely unlikely to find all units operating at near 100% capacity. In fact, this would not be desirable as it would imply a lack of flexibility to adapt to changing market conditions. However the results do appear to indicate a relatively high number (39%, compared with 33% in 2009) are currently operating at full capacity.
- The majority (85% compared with 81% in 2009 and 89% in 2008) of respondents are working at between 71% and 100% of full capacity.
- In comparison with 2009 the average level of production as a percentage of full capacity increased or remained the same in all sectors, with the exception of processors where it showed a slight decrease (2%)

## INDUSTRY CONFIDENCE: COMPETITIVENESS

*Q6a: How would you rate your competitiveness over the past 12 months relative to other UK, EU and Non-EU businesses operating in the same industry/sector as you?*

Fig 24 - Competitiveness over the last 12 months - UK, EU and Non-EU businesses



### Summary of results

- Over the last 12 months competitiveness with both UK and EU businesses has improved more than remained unchanged or worsened, although the improvement has been greater with EU than UK businesses.
- There has been less worsening of competitiveness with UK businesses than with those in the rest of Europe.
- Whilst competitiveness with non-EU businesses has not shown an increase over the last 12 months, it has largely remained the same or improved rather than worsened.

*Q6a UK: How would you rate your competitiveness over the past 12 months relative to other UK businesses operating in the same industry/sector as you?*

Fig 25 - Competitiveness over the last 12 months - UK businesses

Occupation	Base	UK businesses - Last 12 months			
		Improved	Unchanged	Worsened	Net competitiveness
<b>Total</b>	106	51	48	7	42%
		48%	45%	7%	
<b>Producer</b>	71	34	32	5	41%
		48%	45%	7%	
<b>Processor</b>	7	2	4	1	14%
		29%	57%	14%	
<b>AIG</b>	15	7	8	-	47%
		47%	53%	-	
<b>Vet</b>	9	6	2	1	56%
		67%	22%	11%	
<b>Retail / Foodservice</b>	4	2	2	-	50%
		50%	50%	-	
<b>Civil servant</b>	-	-	-	-	-
		-	-	-	
<b>Not given</b>	2	-	2	-	-
		-	100%	-	

### Summary of results

- Competitiveness between UK businesses is increasing with 48% (compared with 38% in 2009, 27% in 2008 17% in 2007) reporting increased competitiveness.
- All sectors reported an increase in competitiveness of at least 29% (processor), with the highest being 67% in the vet sector.

*Q6a EU: How would you rate your competitiveness over the past 12 months relative to EU businesses operating in the same industry/sector as you?*

Fig 26 - Competitiveness over the last 12 months - EU businesses

Occupation	Base	EU businesses - Last 12 months			
		Improved	Unchanged	Worsened	Net competitiveness
<b>Total</b>	88	48	25	15	38%
		55%	28%	17%	
<b>Producer</b>	64	36	17	11	39%
		56%	27%	17%	
<b>Processor</b>	5	3	1	1	40%
		60%	20%	20%	
<b>AIG</b>	10	5	3	2	30%
		50%	30%	20%	
<b>Vet</b>	6	4	1	1	50%
		67%	17%	17%	
<b>Retail / Foodservice</b>	3	2	1	-	67%
		67%	33%	-	
<b>Civil servant</b>	-	-	-	-	-
		-	-	-	
<b>Not given</b>	2	-	2	-	0%
		-	100%	-	

### Summary of results

- In relation to EU competitors, the overall results show 55% reporting an improvement, compared with 42% in 2009 and 13% in 2007.
- All sectors showed a positive net competitiveness balance, with the highest being in the retail/foodservice, +67% compared with -11% in 2009.

*Q6a Non-EU: How would you rate your competitiveness over the past 12 months relative to non-EU businesses operating in the same industry/sector as you?*

Fig 27 - Competitiveness over the last 12 months - Non-EU businesses

Occupation	Base	Non - EU businesses - Last 12 months			
		Improved	Unchanged	Worsened	Net competitiveness
<b>Total</b>	78	30	37	11	24%
		39%	47%	14%	
<b>Producer</b>	57	22	27	8	25%
		39%	47%	14%	
<b>Processor</b>	5	3	1	1	40%
		60%	20%	20%	
<b>AIG</b>	6	1	4	1	0%
		17%	67%	17%	
<b>Vet</b>	6	3	2	1	33%
		50%	33%	17%	
<b>Retail / Foodservice</b>	4	3	1	-	75%
		75%	25%	-	
<b>Civil servant</b>	-	-	-	-	-
		-	-	-	
<b>Not given</b>	2	-	2	-	0%
		-	100%	-	

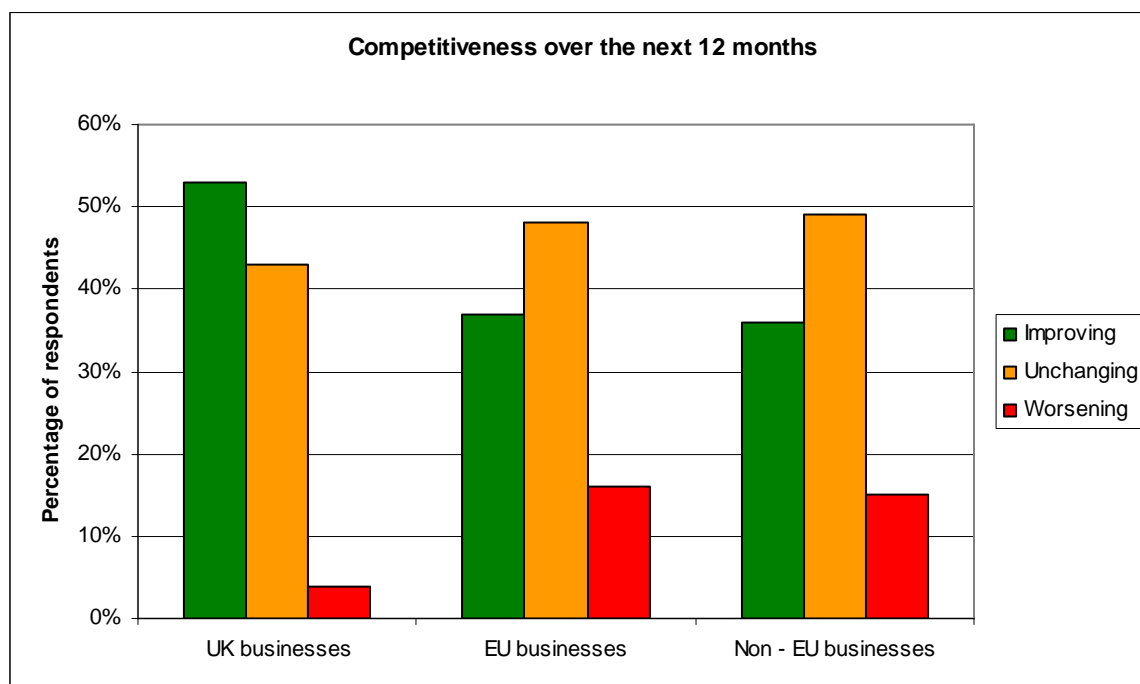
### Summary of results

- Overall, the majority of respondents (47% compared with 55% in 2009, 36% in 2008 and 41% in 2007) reported an unchanged competitive position against non-EU businesses. Giving a net competitiveness balance of +24% compared with +6% in 2009.

## INDUSTRY CONFIDENCE: COMPETITIVENESS

*Q6b: How would you rate your expected competitiveness over the next 12 months relative to other UK, EU and Non-EU businesses operating in the same industry/sector as you?*

Fig 28 - Competitiveness over the next 12 months - UK, EU and Non-EU businesses



### Summary of results

- Overall, there is a positive outlook. Competitiveness is largely expected to increase or remain unchanged amongst UK businesses and to remain unchanged or increase with EU and non-EU businesses. Less than 15% of respondents expect competitiveness to worsen.

*Q6b UK: How would you rate your expected competitiveness over the next 12 months relative to other UK businesses operating in the same industry/sector as you?*

Fig 29 - Competitiveness over the next 12 months - UK businesses

Occupation	Base	UK businesses - Next 12 months			
		Improving	Not changing	Worsening	Net competitiveness
<b>Total</b>	98	52	42	4	49%
		53%	43%	4%	
<b>Producer</b>	65	30	31	4	40%
		46%	48%	6%	
<b>Processor</b>	5	3	2	-	60%
		60%	40%	-	
<b>AIG</b>	15	8	7	-	53%
		53%	47%	-	
<b>Vet</b>	9	7	2	-	78%
		78%	22%	-	
<b>Retail / Foodservice</b>	4	3	1	-	75%
		75%	25%	-	
<b>Civil servant</b>	-	-	-	-	-
		-	-	-	
<b>Not given</b>	2	1	1	-	50%
		50%	50%	-	

### Summary of results

- The levels of competitiveness experienced with UK businesses over the last 12 months are expected to improve over the next year.
- Overall 53% (compared with 44% in 1009 and 33% in 2008) of the sample is expecting to see improved competitiveness and 4% (compared with 0% in 2009) a deterioration, giving a net competitiveness balance of +49% compared with +44 % in 2009, +16% in 2008 and +29% in 2007).



## INDUSTRY CONFIDENCE: COMPETITIVENESS

*Q6b EU: How would you rate your expected competitiveness over the next 12 months relative to EU businesses operating in the same industry/sector as you?*

Fig 30 - Competitiveness over the next 12 months - EU businesses

Occupation	Base	EU businesses - Next 12 months			
		Improving	Not changing	Worsening	Net competitiveness
<b>Total</b>	84	31	40	13	21%
		37%	48%	16%	
<b>Producer</b>	60	23	25	12	18%
		38%	42%	20%	
<b>Processor</b>	5	-	4	1	-20%
		-	80%	20%	
<b>AIG</b>	10	3	7	-	30%
		30%	70%	-	
<b>Vet</b>	6	2	4	-	33%
		33%	67%	-	
<b>Retail / Foodservice</b>	3	2	1	-	67%
		67%	33%	-	
<b>Civil servant</b>	-	-	-	-	-
		-	-	-	
<b>Not given</b>	2	1	1	-	50%
		50%	50%	-	

## Summary of results

- The improved competitiveness against other EU businesses over the last 12 months is expected to stabilise, with the majority of respondents expecting to maintain (48%) or increase (37%) their competitiveness. Giving an overall net competitiveness balance of +21% compared with +33% in 2009, -17% in 2008 and -11% in 2007.
- All industry sectors showed a positive net competitiveness relative to EU businesses with the exception of the processors.

## INDUSTRY CONFIDENCE: COMPETITIVENESS

*Q6b Non-EU: How would you rate your expected competitiveness over the next 12 months relative to non-EU businesses operating in the same industry/sector as you?*

Fig 31 - Competitiveness over the next 12 months - Non-EU businesses

Occupation	Base	Non - EU businesses - Next 12 months			
		Improving	Not changing	Worsening	Net competitiveness
<b>Total</b>	73	26	36	11	21%
		36%	49%	15%	
<b>Producer</b>	53	19	24	10	17%
		36%	45%	19%	
<b>Processor</b>	5	1	3	1	0%
		20%	60%	20%	
<b>AIG</b>	5	1	4	-	20%
		20%	80%	-	
<b>Vet</b>	6	1	5	-	17%
		17%	83%	-	
<b>Retail / Foodservice</b>	4	3	1	-	75%
		75%	25%	-	
<b>Civil servant</b>	-	-	-	-	-
		-	-	-	
<b>Not given</b>	2	1	1	-	50%
		50%	50%	-	

## Summary of results

- Again this is the area with the least optimistic outlook there is still a net competitiveness of +21%.
- Whilst the majority of respondents 49% expect a maintaining of the competitiveness, 36% expect an increase and only 15% a worsening in the competitive situation.

### INDUSTRY CONFIDENCE: FACTORS LIMITING OUTPUT

Q7: What factors are likely to limit your output over the next 12 months?

Fig 32 - Factors likely to limit output over the next 12 months by sector

Factors likely to limit output over next 12 months	Total	Occupation						
		Producer	Processor	AIG	Vet	Retail / Foodservice	Civil servant	Not given
<b>Number of responses</b>	157	100	11	24	9	8	1	4
<b>Orders or sales</b>	29	5	4	13	4	2	-	1
	19%	5%	36%	54%	44%	25%	-	25%
<b>Skilled labour</b>	25	16	-	4	3	1	-	1
	16%	16%	-	17%	33%	13%	-	25%
<b>Unskilled labour</b>	8	8	-	-	-	-	-	-
	5%	8%	-	-	-	-	-	-
<b>Plant / building capacity</b>	52	47	2	2	-	1	-	-
	33%	47%	18%	8%	-	13%	-	-
<b>Finance</b>	17	11	3	-	-	2	-	1
	11%	11%	27%	-	-	25%	-	25%
<b>Raw materials</b>	5	-	1	3	-	-	-	1
	3%	-	9%	13%	-	-	-	25%
<b>Other</b>	18	13	-	1	2	2	-	-
	12%	13%	-	4%	22%	25%	-	-
<b>None</b>	3	-	1	1	-	-	1	-
	2%	-	9%	4%	-	-	100%	-

Fig 33 - Factors likely to limit output over the next 12 months by sector

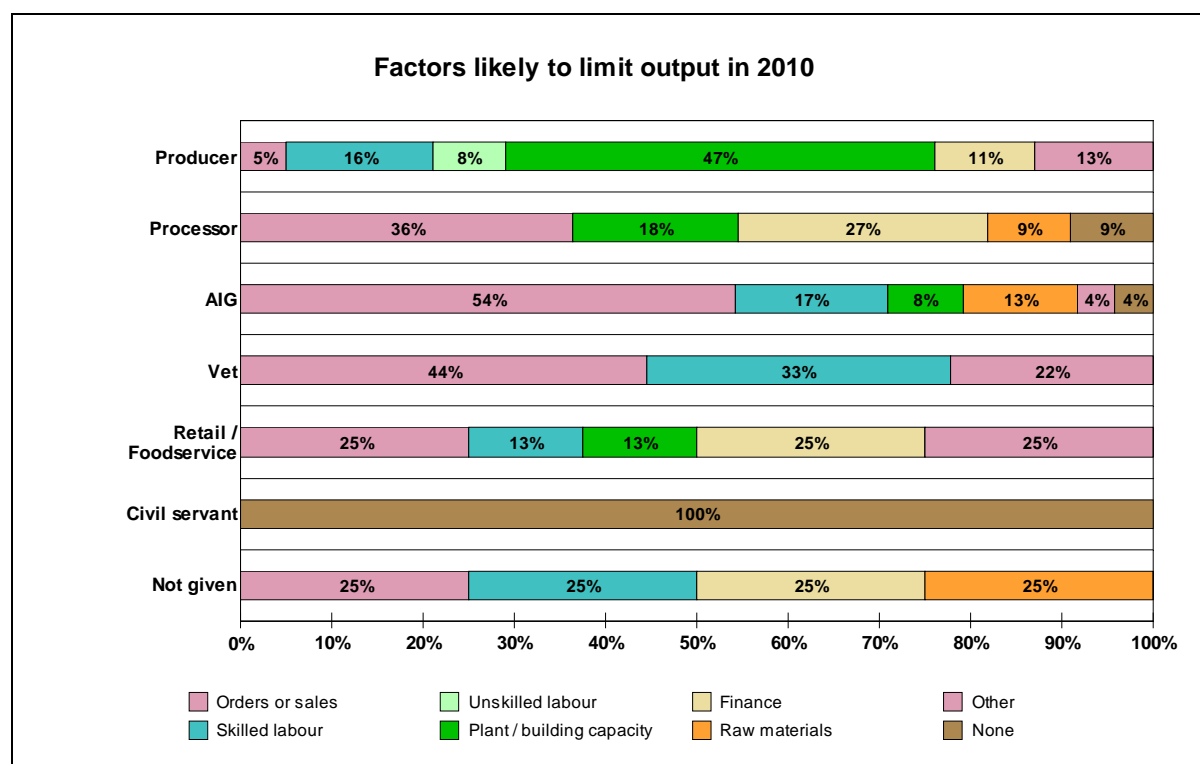
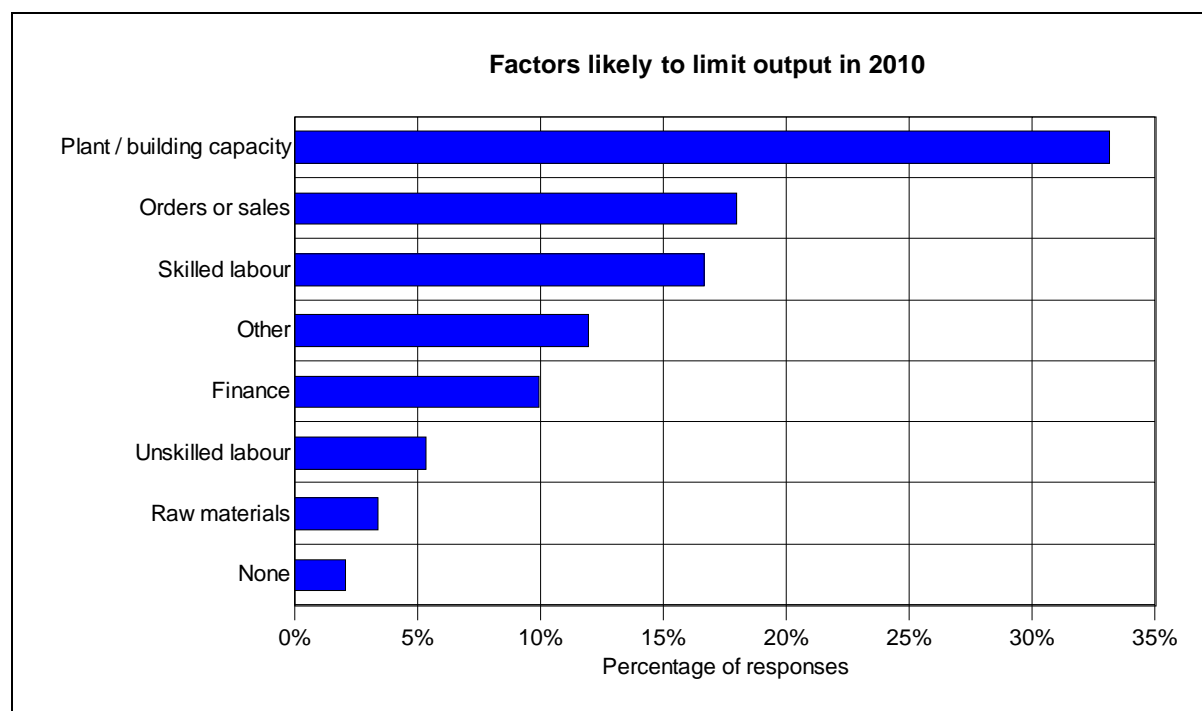


Fig 34 - Factors likely to limit output over the next 12 months



### Summary of results

- Overall, the most important factors likely to limit output over the next 12 months are plant/building capacity (33% compared with 23% in 2009 and 17% in 2008) and a lack of orders or sales (19% compared with 24% in 2009 and 25% in 2008) and.
- The problem of plant/building capacity is mainly limited to producers and processors, where lack of orders or sales is of low significance.

**INDUSTRY CONFIDENCE: PRICES**

*Q8: How do your average selling prices in the last three months compare with those in the same period a year ago?*

**Fig 35 - Average selling prices by sector**

Occupation	Base	Average selling prices			
		Up	Same	Down	Net confidence
<b>Total</b>	100	63	28	9	54%
		63%	28%	9%	
<b>Producer</b>	69	51	13	5	67%
		74%	19%	7%	
<b>Processor</b>	6	3	3	-	50%
		50%	50%	-	
<b>AIG</b>	17	7	8	2	29%
		41%	47%	12%	
<b>Vet</b>	4	1	1	2	-25%
		25%	25%	50%	
<b>Retail / Foodservice</b>	4	3	1	-	75%
		75%	25%	-	
<b>Civil servant</b>	-	-	-	-	-
<b>Not given</b>	2	-	2	-	0%
		-	100%	-	

**Fig 36 - Average selling prices 2007 to 2010**

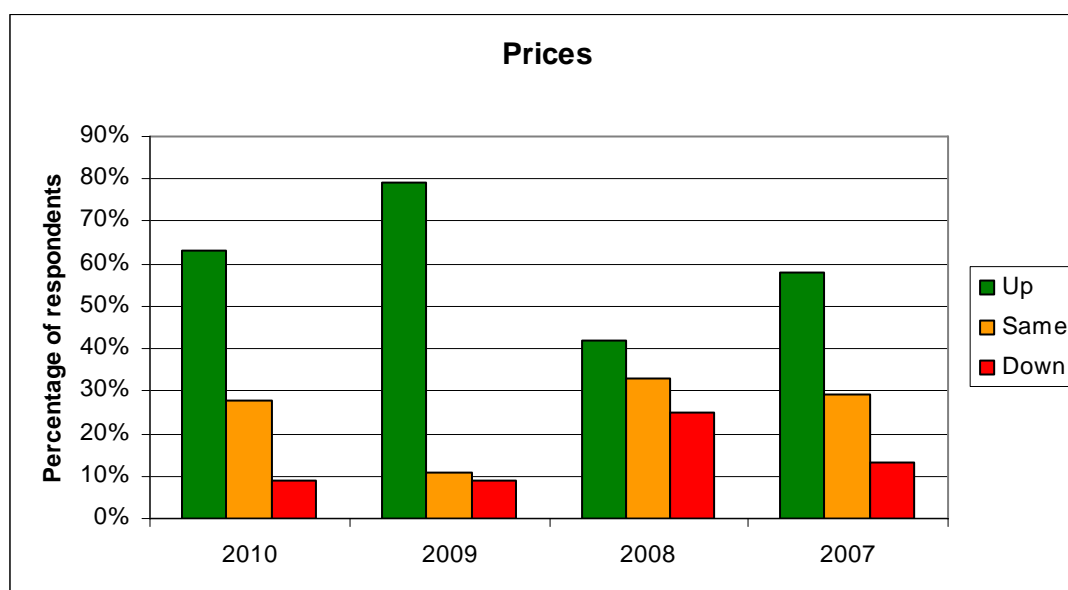


Fig 37 - Average selling prices 2007 to 2010

Prices	2010		2009		2008		2007	
	% of respondents	Net confidence	% of respondents	Net confidence	% of respondents	Net confidence	% of respondents	Net confidence
Up	63%	54%	79%	+70%	42%	+17%	58%	+45%
Same	28%		11%		33%		29%	
Down	9%		9%		25%		13%	

### Summary of results

- Overall, the picture is still positive, with average selling prices having largely increased (63%) rather than remained the same (28%) or decreased (9%) over the last 3 months.
- Whilst this shows a similar pattern to the picture 12 months ago, the increase was lower, with the net confidence figure being +54% compared with +70% in 2009.
- 79% (42% in 2008 and 58% in 2007) reporting an increase in prices over the last three months compared with the same period 12 months ago and only 9% (25% in 2008 and 13% in 2007) a decline, giving a net confidence balance of +70% (+17% in 2008 and +45% in 2007).
- However these figures are not consistent within the industry, with retailers/foodservice, producers and processors showed the highest net confidence balances (+75%, 76% and 50% respectively) and vets showing the lowest (-25%).

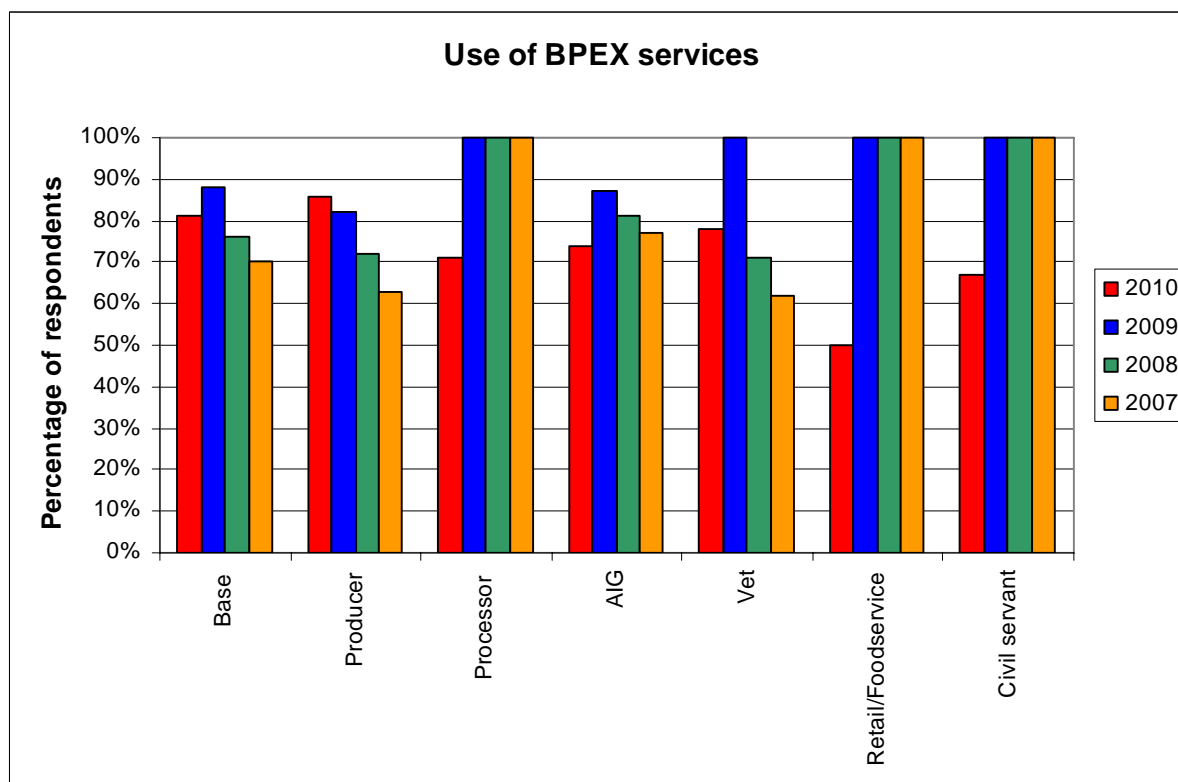
**BPEX QUALITY OF SERVICE: USE OF BPEX SERVICES**

*Q9a: Have you used any BPEX services in the past 12 months?*

Fig 38 - Use of BPEX services in the past 12 months by sector

Occupation	Base	Use of BPEX service in the past 12 months	
		Yes	No
<b>Total</b>	128	104 81%	24 19%
<b>Producer</b>	73	63 86%	10 14%
<b>Processor</b>	7	5 71%	2 29%
<b>AIG</b>	23	17 74%	6 26%
<b>Vet</b>	18	14 78%	4 22%
<b>Retail / Foodservice</b>	4	2 50%	2 50%
<b>Civil servant</b>	3	2 67%	1 33%
<b>Not given</b>	2	1 50%	1 50%

Fig 39 - Use of BPEX services 2007 to 2010



In 2007 and 2008 the question asked 'Have you had any contact with BPEX in the last 12 months?'

## Summary of results

- BPEX is continuing to reach a wider proportion of its potential market. Overall, 81% of respondents have used BPEX services over the last 12 months (compared with 88% in 2009 and 76% in 2008 and 70% in 2007 having had contact with BPEX).
- However, there was a decrease in the use of BPEX services across all sectors, with the exception of the producers.



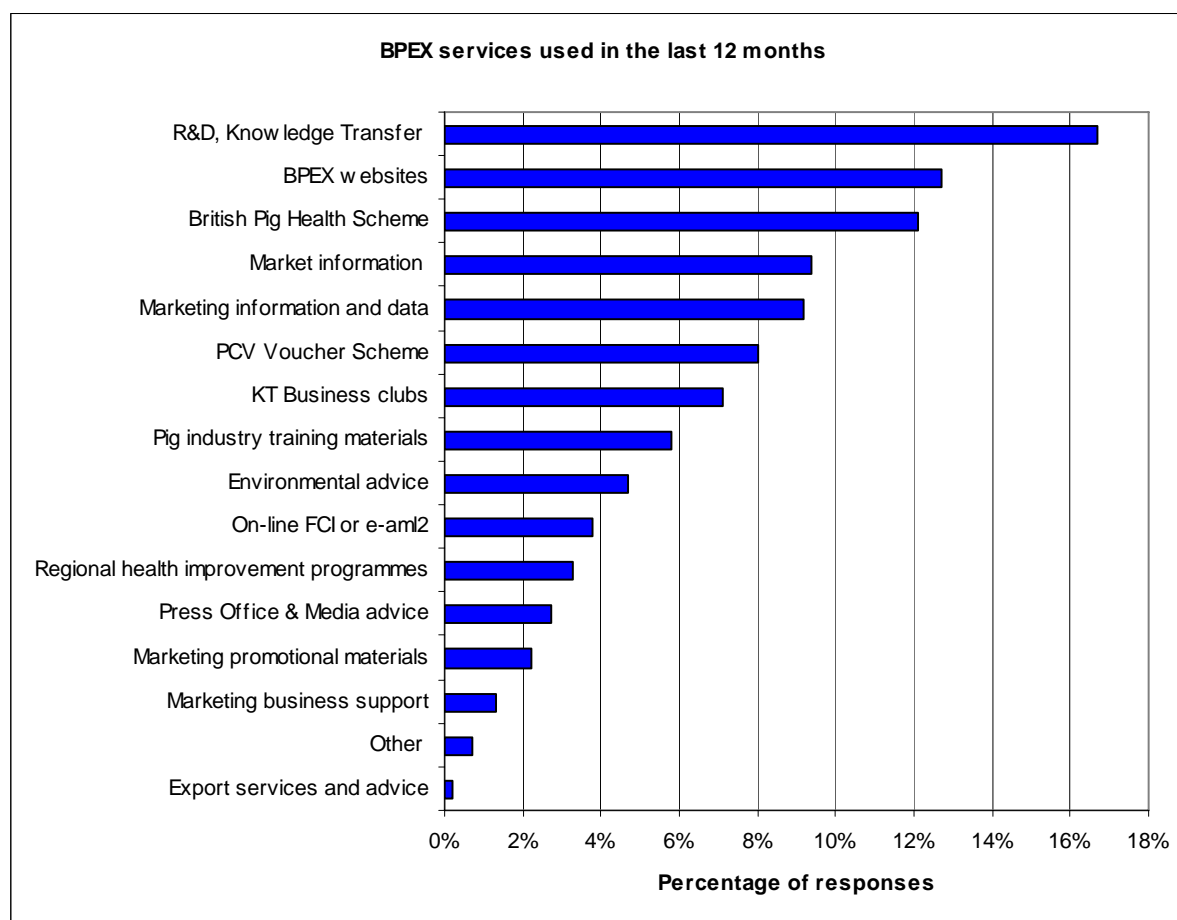
## BPEX QUALITY OF SERVICE: UES OF BPEX SERVICES

*Q9b: If you have used any BPEX services in the past 12 months, what services have you used?*

Fig 40 - BPEX services used by sector

BPEX services used	Total	Occupation					
		Producer	Processor	AIG	Vet	Retail / Foodservice	Civil servant
<b>Number of responses</b>	448	297	14	58	69	7	3
<b>R&amp;D, Knowledge Transfer</b>	75 17%	47 16%	2 14%	14 24%	12 17%	- -	- -
<b>KT Business clubs</b>	32 7%	27 9%	- -	- -	5 7%	- -	- -
<b>British Pig Health Scheme</b>	54 12%	38 13%	2 14%	3 5%	11 16%	- -	- -
<b>PCV Voucher Scheme</b>	36 8%	30 10%	- -	- -	6 9%	- -	- -
<b>Regional health improvement</b>	15 3%	10 3%	- -	2 3%	3 4%	- -	- -
<b>On-line FCI or e-aml2</b>	17 4%	15 5%	1 7%	1 2%	- -	- -	- -
<b>Pig industry training materials</b>	26 6%	19 6%	- -	- -	7 10%	- -	- -
<b>Environmental advice</b>	21 5%	18 6%	- -	1 2%	2 3%	- -	- -
<b>Marketing information and data</b>	41 9%	20 7%	3 21%	10 17%	5 7%	2 29%	1 33%
<b>Marketing promotional materials</b>	10 2%	4 1%	1 7%	2 3%	2 3%	1 14%	- -
<b>Marketing business support</b>	6 1%	3 1%	- -	2 3%	- -	1 14%	- -
<b>Export services and advice</b>	1 0%	- -	1 7%	- -	- -	- -	- -
<b>BPEX websites</b>	57 13%	32 11%	1 7%	9 16%	11 16%	2 29%	2 67%
<b>Market information</b>	42 9%	23 8%	3 21%	12 21%	3 4%	1 14%	- -
<b>Press Office &amp; Media advice</b>	12 3%	8 3%	- -	2 3%	2 3%	- -	- -
<b>Other</b>	3 1%	3 1%	- -	- -	- -	- -	- -

Fig 41 - BPEX services used



The 'other' services used were:

- *BPEX meetings*
- *Innovation grant*
- *LIPS*

### Summary of results

- Overall, the BPEX services used most frequently are the R&D, knowledge transfer, the website and British Pig Health scheme.
- The services used will also be influenced by the nature of the sector. Whilst the website is used by all sectors, the producers and vets mostly make use of R&D, knowledge transfer, British Pig Health Scheme (BPHS) and the PCV voucher

scheme. Processors and those in the retail/foodservice sector find BPEX's marketing and market information services more relevant.

- R&D and knowledge transfer is most widely used by vets and those in AIG.

## QUALITY OF SERVICE: SERVICE QUALITY

*Q10a: Overall, how would you rate BPEX services relative to your expectation?*

Fig 42 - Able to answer query by sector

Occupation	Base	Able to answer the query					
		Mean	Excellent	Good	Satisfactory	Poor	Bad
<b>Total</b>	96	1.81	29 30%	56 58%	11 12%	-	-
<b>Producer</b>	59	1.68	22 37%	34 58%	3 5%	-	-
<b>Processor</b>	5	2.20	-	4 80%	1 20%	-	-
<b>AIG</b>	16	2.00	3 19%	10 63%	3 19%	-	-
<b>Vet</b>	13	2.15	2 15%	7 54%	4 31%	-	-
<b>Retail / Foodservice</b>	1	2.00	-	1 100%	-	-	-
<b>Civil servant</b>	2	1.00	2 100%	-	-	-	-
<b>Not given</b>	-	-	-	-	-	-	-

Fig 43 - Responsive by sector

Occupation	Base	Responsive					
		Mean	Excellent	Good	Satisfactory	Poor	Bad
<b>Total</b>	100	1.78	32 32%	58 58%	10 10%	-	-
<b>Producer</b>	61	1.75	20 33%	36 59%	5 8%	-	-
<b>Processor</b>	5	2.00	1 20%	3 60%	1 20%	-	-
<b>AIG</b>	16	1.81	5 31%	9 56%	2 13%	-	-
<b>Vet</b>	13	1.85	3 23%	9 69%	1 8%	-	-
<b>Retail / Foodservice</b>	2	2.50	-	1 50%	1 50%	-	-
<b>Civil servant</b>	2	1.00	2 100%	-	-	-	-
<b>Not given</b>	1	1.00	1 100%	-	-	-	-

Fig 44 - Friendly and helpful by sector

Occupation	Base	Friendly and helpful					
		Mean	Excellent	Good	Satisfactory	Poor	Bad
<b>Total</b>	98	1.56	45	51	2	-	-
			46%	52%	2%	-	-
<b>Producer</b>	61	1.51	31	29	1	-	-
			51%	48%	2%	-	-
<b>Processor</b>	5	1.60	2	3	-	-	-
			40%	60%	-	-	-
<b>AIG</b>	16	1.69	6	9	1	-	-
			38%	56%	6%	-	-
<b>Vet</b>	13	1.77	3	10	-	-	-
			23%	77%	-	-	-
<b>Retail / Foodservice</b>	1	1.00	1	-	-	-	-
			100%	-	-	-	-
<b>Civil servant</b>	2	1.00	2	-	-	-	-
			100%	-	-	-	-
<b>Not given</b>	-	-	-	-	-	-	-
			-	-	-	-	-

Fig 45 - Accurate by sector

Occupation	Base	Accurate					
		Mean	Excellent	Good	Satisfactory	Poor	Bad
<b>Total</b>	99	1.80	30	60	8	1	-
			30%	61%	8%	1%	-
<b>Producer</b>	60	1.72	22	34	3	1	-
			37%	57%	5%	2%	-
<b>Processor</b>	5	2.20	-	4	1	-	-
			-	80%	20%	-	-
<b>AIG</b>	16	1.81	4	11	1	-	-
			25%	69%	6%	-	-
<b>Vet</b>	14	2.07	2	9	3	-	-
			14%	64%	21%	-	-
<b>Retail / Foodservice</b>	1	2.00	-	1	-	-	-
			-	100%	-	-	-
<b>Civil servant</b>	2	1.00	2	-	-	-	-
			100%	-	-	-	-
<b>Not given</b>	1	2.00	-	1	-	-	-
			-	100%	-	-	-

Fig 46 - Authoritative by sector

Occupation	Base	Authoritative					
		Mean	Excellent	Good	Satisfactory	Poor	Bad
<b>Total</b>	97	1.87	29	54	12	2	-
			30%	56%	12%	2%	-
<b>Producer</b>	57	1.86	17	33	5	2	-
			30%	58%	9%	4%	-
<b>Processor</b>	5	2.20	-	4	1	-	-
			-	80%	20%	-	-
<b>AIG</b>	17	1.76	7	7	3	-	-
			41%	41%	18%	-	-
<b>Vet</b>	14	2.07	2	9	3	-	-
			14%	64%	21%	-	-
<b>Retail / Foodservice</b>	2	1.50	1	1	-	-	-
			50%	50%	-	-	-
<b>Civil servant</b>	2	1.00	2	-	-	-	-
			100%	-	-	-	-
<b>Not given</b>	-	-	-	-	-	-	-
			-	-	-	-	-

Fig 47 - Value for money by sector

Occupation	Base	Value for money					
		Mean	Excellent	Good	Satisfactory	Poor	Bad
<b>Total</b>	96	1.88	35	40	20	-	1
			37%	42%	21%	-	1%
<b>Producer</b>	59	1.85	23	24	11	-	1
			39%	41%	19%	-	2%
<b>Processor</b>	5	2.00	1	3	1	-	-
			20%	60%	20%	-	-
<b>AIG</b>	17	2.00	4	9	4	-	-
			24%	53%	24%	-	-
<b>Vet</b>	11	1.91	4	4	3	-	-
			36%	36%	27%	-	-
<b>Retail / Foodservice</b>	1	1.00	1	-	-	-	-
			100%	-	-	-	-
<b>Civil servant</b>	2	1.00	2	-	-	-	-
			100%	-	-	-	-
<b>Not given</b>	1	3.00	-	-	1	-	-
			-	-	100%	-	-

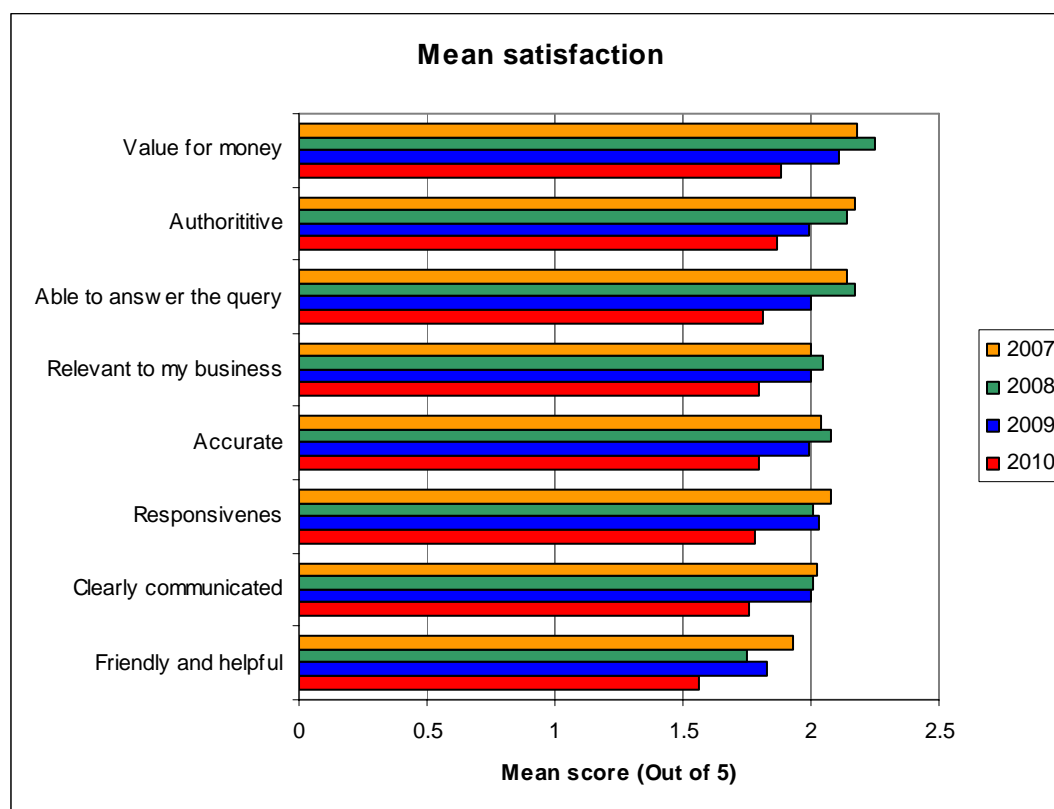
Fig 48 - Relevant to my business by sector

Occupation	Base	Relevant to my business					
		Mean	Excellent	Good	Satisfactory	Poor	Bad
<b>Total</b>	102	1.80	36	51	14	1	-
			35%	50%	14%	1%	-
<b>Producer</b>	61	1.69	28	25	7	1	-
			46%	41%	12%	2%	-
<b>Processor</b>	5	2.00	-	5	-	-	-
			-	100%	-	-	-
<b>AIG</b>	17	1.88	3	13	1	-	-
			18%	77%	6%	-	-
<b>Vet</b>	14	2.14	2	8	4	-	-
			14%	57%	29%	-	-
<b>Retail / Foodservice</b>	2	2.00	1	-	1	-	-
			50%	-	50%	-	-
<b>Civil servant</b>	2	1.00	2	-	-	-	-
			100%	-	-	-	-
<b>Not given</b>	1	3.00	-	-	1	-	-
			-	-	100%	-	-

Fig 49 - Clearly communicated

Occupation	Base	Clearly communicated					
		Mean	Excellent	Good	Satisfactory	Poor	Bad
<b>Total</b>	100	1.76	35	54	11	-	-
			35%	54%	11%	-	-
<b>Producer</b>	59	1.69	24	29	6	-	-
			41%	49%	10%	-	-
<b>Processor</b>	5	2.00	-	5	-	-	-
			-	100%	-	-	-
<b>AIG</b>	17	1.88	3	13	1	-	-
			18%	77%	6%	-	-
<b>Vet</b>	14	2.00	4	6	4	-	-
			29%	43%	29%	-	-
<b>Retail / Foodservice</b>	2	1.50	1	1	-	-	-
			50%	50%	-	-	-
<b>Civil servant</b>	2	1.00	2	-	-	-	-
			100%	-	-	-	-
<b>Not given</b>	1	1.00	1	-	-	-	-
			100%	-	-	-	-

Fig 50 - Mean satisfaction with BPEX services 2007 to 2010



### Summary of results

Respondents who had used any BPEX services were asked to rate the overall quality relative to their expectations on a scale ranging from 1 (excellent) to 5 (bad).

- Overall, BPEX continues to provide satisfactory levels of service, with mean scores for all areas showing an improvement in previous years.
- The mean scores ranged from 1.88 for *Value for money* to 1.56 for *Friendly and helpful*. Any mean score below 3 shows an at least satisfactory service, with a score nearer to 1 being very satisfactory.



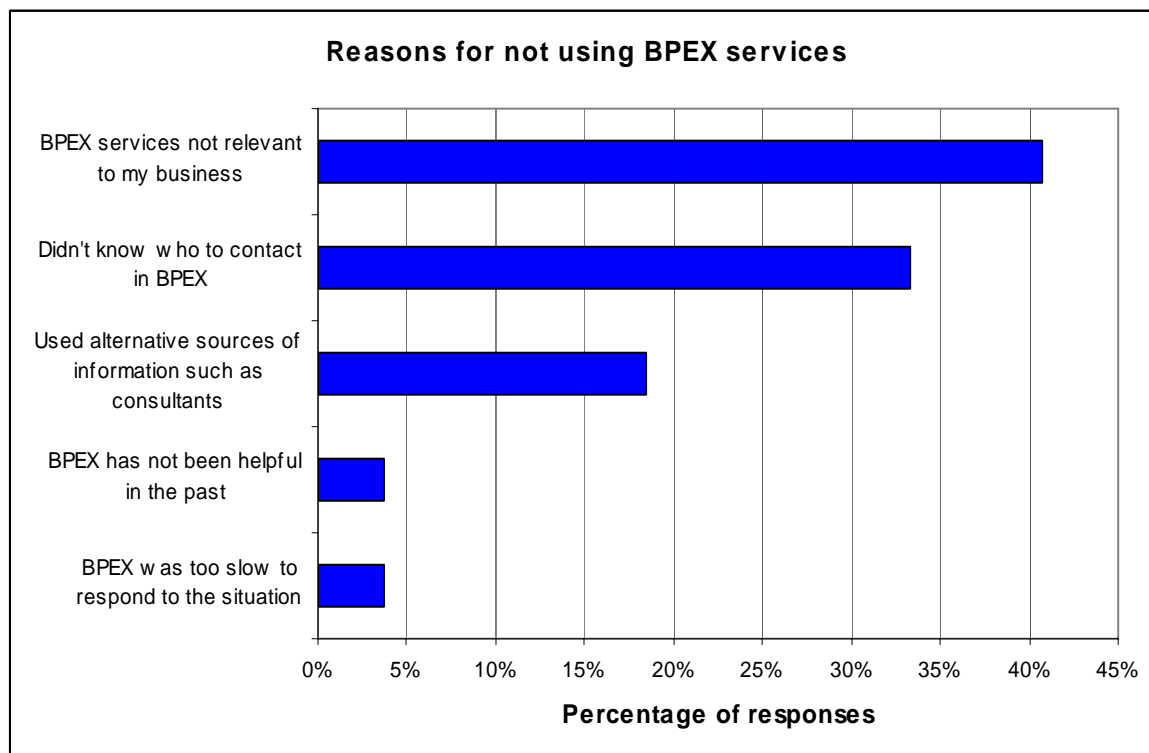
**QUALITY OF SERVICE: REASONS FOR NOT USING BPEX**

*Q10b: Which best describes your reason for not using BPEX services during the past 12 months?*

**Fig 51 - Reasons for not using BPEX services by sector**

Reasons for not using BPEX services during 2009	Total	Occupation					
		Producer	Processor	AIG	Vet	Retail / Foodservice	Civil servant
<b>Number of responses</b>	27	11	3	6	3	3	1
<b>BPEX services not relevant to my business</b>	11 41%	3 27%	-	4 67%	2 67%	1 33%	1 100%
<b>Used alternative sources of information such as consultants</b>	5 19%	3 27%	1 33%	-	-	1 33%	-
<b>BPEX was too slow to respond to the situation</b>	1 4%	-	1 33%	-	-	-	-
<b>BPEX has not been helpful in the past</b>	1 4%	1 9%	-	-	-	-	-
<b>Didn't know who to contact in BPEX</b>	9 33%	4 36%	1 33%	2 33%	1 33%	1 33%	-

**Fig 52 - Reasons for not using BPEX services**



## Summary of results

- 19% of respondents had not used any BPEX services over the last 12 months, compared with 12% in 2009, 24% in 2008 and 30% in 2007.
- Overall, the main reason cited for not using BPEX services was their lack of relevance, which increased from 22% in 2009 to 41% in 2010.
- The main reason given in 2009, *Used an alternative source of information*, dropped from 44% to 19%.
- The number of respondents citing that they did not know who to contact in BPEX remained the same at 33%.

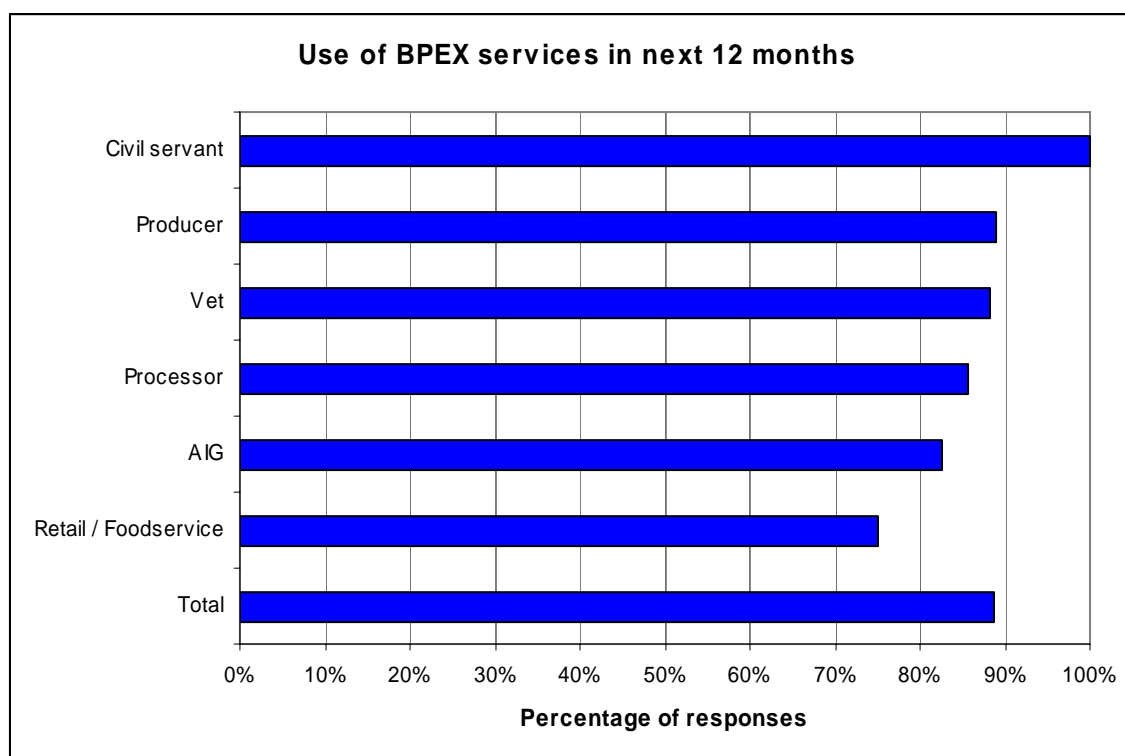
**BPEX QUALITY OF SERVICE: FUTURE CONTACT WITH BPEX**

*Q11: Do you anticipate that you will use BPEX services in the next 12 months?*

Fig 53 - Use of BPEX services in the next 12 months by sector

Occupation	Base	Use of BPEX services in the next 12 months	
		Yes	No
<b>Total</b>	125	111 89%	14 11%
<b>Producer</b>	73	65 89%	8 11%
<b>Processor</b>	7	6 86%	1 14%
<b>AIG</b>	23	19 83%	4 17%
<b>Vet</b>	17	15 88%	2 12%
<b>Retail / Foodservice</b>	4	3 75%	1 25%
<b>Civil servant</b>	3	3 100%	- -

Fig 54 - Use of BPEX services over the next 12 months by sector



## Summary of results

- The majority (89%) of respondents expect to use BPEX services within the coming year.
- Usage is likely to be high across all sectors.

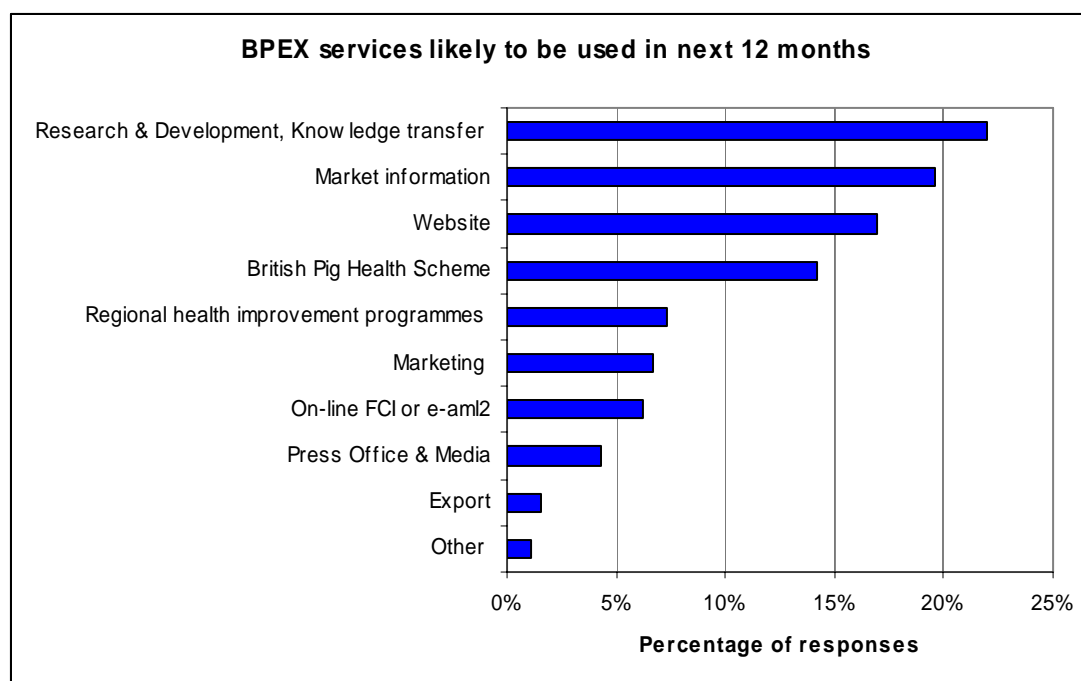
## BPEX QUALITY OF SERVICE: FUTURE CONTACT WITH BPEX

Q12: If yes, which type of services do you think you will use?

Fig 55 - BPEX services likely to be used in next 12 months by sector

BPEX services likely to be used in 2010	Total	Occupation					
		Producer	Processor	AIG	Vet	Retail / Foodservice	Civil servant
Number of responses	372	245	19	53	45	5	5
Research & Development, Knowledge transfer	82 22%	55 22%	2 11%	15 28%	10 22%	-	-
Market information	73 20%	44 18%	5 26%	14 26%	8 18%	1 20%	1 20%
Press Office & Media	16 4%	8 3%	-	3 6%	3 7%	1 20%	1 20%
British Pig Health Scheme	53 14%	39 16%	2 11%	1 2%	11 24%	-	-
On-line FCI or e-amI2	23 6%	19 8%	2 11%	2 4%	-	-	-
Marketing	25 7%	13 5%	5 26%	6 11%	-	1 20%	-
Export	6 2%	4 2%	2 11%	-	-	-	-
Website	63 17%	38 16%	1 5%	10 19%	9 20%	2 40%	3 60%
Regional health improvement programmes	27 7%	21 9%	-	2 4%	4 9%	-	-
Other	4 1%	4 2%	-	-	-	-	-

Fig 56 - BPEX services likely to be used in the next 12 months



The 'other' BPEX services likely to be used are:

- *Discussion group*
- *Training*
- *LIPS*
- *Within company training programme innovation funding (if still available?) help to deal with specific herd problems*

### Summary of results

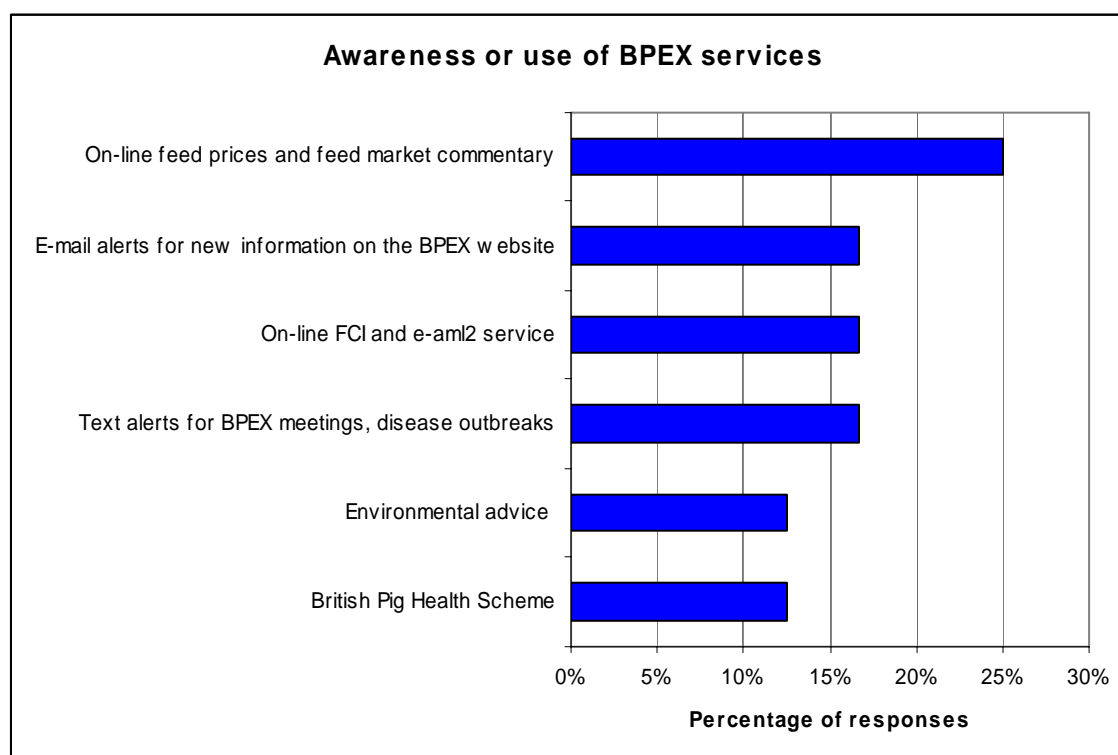
- Respondents expect to continue using the services that they have been mainly using in the past over the next 12 months i.e. R&D, Knowledge transfer, market information, the BPEX website and the British Pig Health Scheme.

Q13: Are you aware of or do you use any of the following BPEX services?

Fig 57 -Awareness or use of BPEX services

Awareness or use of BPEX services	Total	Occupation					
		Producer	Processor	AIG	Vet	Retail / Foodservice	Civil servant
<b>Number of responses</b>	24	11	5	2	1	5	-
<b>Text alerts for BPEX meetings, disease outbreaks</b>	4 17%	2 18%	1 20%	-	-	1 20%	-
<b>On-line FCI and e-aml2 service</b>	4 17%	2 18%	1 20%	-	-	1 20%	-
<b>British Pig Health Scheme</b>	3 13%	2 18%	-	-	1 100%	-	-
<b>On-line feed prices and feed market commentary</b>	6 25%	2 18%	1 20%	2 100%	-	1 20%	-
<b>Environmental advice</b>	3 13%	1 9%	1 20%	-	-	1 20%	-
<b>E-mail alerts for new information on the BPEX website</b>	4 17%	2 18%	1 20%	-	-	1 20%	-

Fig 58 -Awareness or use of BPEX services



## Summary of results

- There is low awareness of BPEX services amongst respondents that do not expect to make use of any services over the next 12 months.
- The service most widely aware of (25%) was the *On-line feed prices and feed market commentary*. There was least awareness of *Environmental advice*.

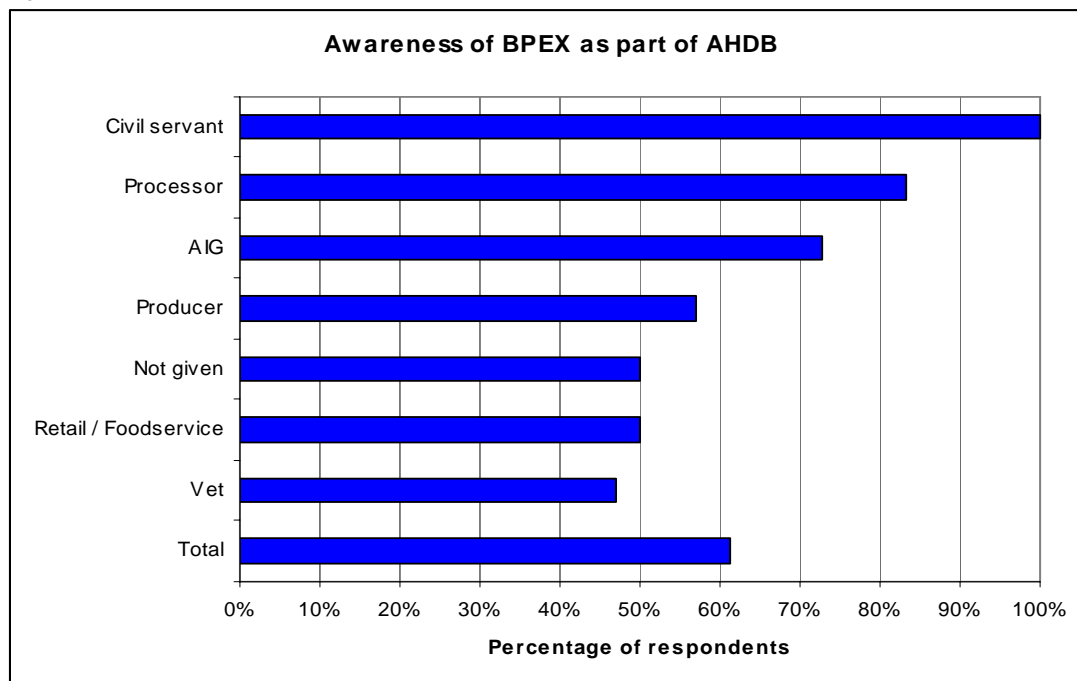


*Q15: Are you aware that BPEX is now part of the Agriculture and Horticulture board established in 2008?*

Fig 59 - Awareness of BPEX as part of AHDB

Occupation	Number of responses	Awareness of BPEX as part of AHDB	
		Yes	No
<b>Total</b>	124	76	48
		61%	39%
<b>Producer</b>	72	41	31
		57%	43%
<b>Processor</b>	6	5	1
		83%	17%
<b>AIG</b>	22	16	6
		73%	27%
<b>Vet</b>	17	8	9
		47%	53%
<b>Retail / Foodservice</b>	4	2	2
		50%	50%
<b>Civil servant</b>	3	3	-
		100%	-
<b>Not given</b>	2	1	1
		50%	50%

Fig 60 - Awareness of BPEX as part of AHDB



## Summary of results

- 61% of respondents were aware that BPEX is now part of AHDB, with the figure being highest amongst civil servants (100%) and processors (83%) and lowest amongst vets (47%) and retail/foodservice (50%).