



## INTERNATIONAL DIVISION

### INTRODUCTION

1. The International division provides services and support to BPEX in 2 distinct areas
2. EU Information and leverage (Brussels Office) – The mission of the MLC Brussels office is to improve the competitiveness of the British Pig industry by providing accurate and timely information and analysis of EU policy and legislation and using our contacts and influence to guide legislation in its favour and finding funding opportunities for BPEX.
3. Export trade development – The mission of MLC export department is to contribute positively to industry returns for British pigmeat and livestock genetics through the implementation of marketing activities, identification of market opportunities, market access work and practical support to exporters.

### Summary of delivery of the 2007-08 Plan

4. **EU Information and leverage (Brussels Office)** –The Brussels office provides daily updates on policy and legislation developments emerging from the European Commission - in 2007/8 these have included developments in agricultural policy, food safety, animal welfare, rural development, WTO and in particular, animal disease.
5. The Foot and Mouth disease outbreak, which occurred in August 2007, meant that the office was heavily engaged in communicating with key Commission officials on the decisions and output of the Standing Committee on the Food Chain and Animal Health (SCoFCAH) and ensuring the BPEX and other stakeholders were kept informed. In addition the office maintained close communication with 3<sup>rd</sup> Country missions and overseas posts dealing with pigmeat export consignments that had been blocked or delayed due to differing interpretations of the FMD restrictions, in some cases successfully getting some of the consignments cleared.
6. 2007/08 saw the first survey to evaluate the service provided by the Brussels Office. The quality of the information provided was rated very good to excellent. On the subject matter covered almost every topic was rated from moderate to essential. The survey did highlight that the workload does make regular interaction with the Brussels office difficult and this will be addressed in the 2008/9 plan.
7. **Export trade development** – Pigmeat exports progressed well up to August 2007, showing significant increases in all areas. In the first quarter, April to June 07 pigmeat exports rose by 61% and pigmeat product exports rose by 300%. However, the FMD outbreak represents a significant setback. Nevertheless, in both cases exports are still well ahead of the targets set in the plan. 3<sup>rd</sup> country exports have risen by 26% and notably amongst these, pigmeat exports to Hong Kong have risen by 76% for the 07/08 year to date, highlighting the importance of recovering this market.
8. Breeding pig exports have been hit badly by the FMD restrictions. The target was to increase exports by 5% in this area also but these have fallen by 12% in the first half of 07/08. The fall is entirely accounted for by the loss of the Russian market where exports have ceased. This market may be hard to recover in the short term and illustrates the risks associated with the dependency for 3<sup>rd</sup> country breeding pig exports on a single market.

9. The BPEX co-sponsored the British Meat Dinner was held at ANUGA in October 2007.
10. MLC Export continues to provide BPEX with a weekly trade report and feedback on the value of this document is very positive.

#### **Key Activities for 2008-09**

11. **EU Information EU Information and leverage (Brussels Office)** - The Brussels office will monitor and comment on developments in EU policy and legislation, ensuring that BPEX is positioned as a source of expertise in these areas. It will also inform decision-makers and stakeholders of BPEX views, using its contact and influence to guide legislation in favour of the British industry. It will also provide support for demand and competitiveness initiatives in the areas of market access and external funding.

Key activities will include: -

- Provision of information and commentary to BPEX through daily ad hoc briefings on EU, and where relevant, third country policy and legislation covering agriculture, food safety, animal welfare, rural development, trade, funding opportunities affecting the pigmeat sector.
- Provision of a monthly update report on key developments.
- The holding of an annual networking event.
- Conducting of an annual 'internal' survey to measure relevance and implement improvements
- Subject to access to Chinese market, application for EU co-funding for an activity (seminar/trade show participation) on that market.

12. **Export trade development** –MLC export department will continue to support the industry efforts to become more cost competitive by improving carcase utilisation and returns (especially on in relation to the 5<sup>th</sup> quarter) as well as increasing the demand for British pork and pork products. As well as providing practical support to exporters and helping to resolve third country market access problems, the export department will also help to develop and maintain trade through the running of targeted trade missions as well as researching new opportunities for pork, pork products and livestock genetics.

Key activities will include: -

- Third Country FMD recovery programme. Aimed at the re-instatement of health certification as a main priority of the export-marketing programme for 2008-9.
- Pig meat and processed pig meat marketing support. A small and highly targeted export programme aimed at the promotion of British pork in specific cases such as pre-packed pork and processed products.
- Pig meat report. The weekly pig meat report will include in 2008-9 specialised reports from Central Europe and Spain further to the existing reports from Germany, France and Denmark as well as price reporting.
- Pig genetics support. The small marketing support programme focuses on Eastern Europe where more than 80% of UK breeding pigs are exported. This

includes the participation to exhibitions, the organisation of technical seminars and the provision of supporting material.

- Participation of British Meat Dinner at SIAL in October 2008.

### Outcomes and Targets

13. The outcome will be well-informed customers of EU Commission information as measured by survey, access to priority non-EU markets as determined by ECUG, a recovery in the value of exports of pork, processed pork products and genetics as measured in UK trade statistics.
14. Departmental outcomes, targets and measurement will be presented in an updated 'performance wheel' once the plan is agreed. Individual targets will be set for individual projects.

### Risks

The three principal risks in the delivery of this business plan are:

<b>Risk</b>	<b>Probability (low, medium, high)</b>	<b>Control</b>
Lack of continuity due to AHDB arrangements	Medium	Early clarification of service provision arrangements
Delay in re-establishing 3 <sup>rd</sup> country trade due to re-certification problems	Medium	Rapid assessment of where key markets stand to manage expectations
Inability to apply for EU-co funding due to lack of access	Medium	Risk can be minimised through continued work with DEFRA/AQSIQ but not eliminated.

### Budget

Proposed budget for 08/09, inclusive of staff costs, is £436K.

### Budget Summary

<b>BPEX Group</b>	<b>International Division</b>
Levy spend of which	
- Projects	£151,000
- People and Overheads	£285,000
% of net levy spend	5%
Total levy spend	£436,000
Non levy spending	-
Total spending	£436,000