



1. BPEX LTD BUSINESS PLAN 2008/09

INTRODUCTION

- 1.1 The overwhelming challenge threatening the future of the English pig industry is the high price of feed. While producers have varying degrees of price cover, sooner or later during the next 7 months all producers will face the impact on production costs. With new crop (November 2008) wheat futures currently trading at £139/tonne this threat looks set to continue.
- 1.2 The BPEX Board have clearly identified the steps that need to be taken to help the industry address this challenge. We will build on what has already been achieved and invest the industry's levy resources to achieve higher retail, wholesale and farm level prices. We will also help the industry reduce the impact of higher production costs by assisting businesses to achieve greater efficiency and a more competitive position in the EU.
- 1.3 We will face the further challenge of undertaking substantial reorganisation. From April 2008 BPEX will move from being an executive committee of MLC to a wholly owned subsidiary company (limited by guarantee) of AHDB (Agricultural and Horticultural Development Board). Also from that time the MLC, which has been the service provider to BPEX, will be wound up and all staff transferred to AHDB. Ensuring continuity of service delivery will require careful planning.
- 1.4 We will seek to achieve the plan despite a fall in levy income. It is proposed that reserves are used in 2008/09 to maintain the momentum that we have generated behind the Road to Recovery Strategy. If levy income falls further in 2009/10 as seems likely we will use the coming year to plan a fundamental reorganisation of BPEX Ltd activities ahead of the move to Stoneleigh in 2009.
- 1.5 A summary of the BPEX Business Plan 2008/09 is presented first. The detailed plans for each department are described in the remainder of the plan.

Progress in 2007/08

- 1.6 BPEX activity has been delivering the Road to Recovery strategy at or above targets in most areas during 2007/08.
 - The intensive PR campaign launched in September aimed at improving prices to cover at least part of the rise in feed costs worked to an extent in that retail prices increased. However this did not find its way down to pig prices. This was due to a number of factors including the backlog of overweight pigs resulting from FMD and a decline in the price of pigs in the rest of the EU. The PR campaign will be enhanced and extended in January–March 2008 using both BPEX levy and Defra funds.
 - Demand for British pork and pork products increased, particularly in the premium sectors of the market. This helped to maintain the British pig price consistently above the EU average.
 - National productivity has increased steadily, as measured by Agrosoft KPIs, particularly for the top third producers. The number of pigs finished per sow has increased, growth rates have improved and mortality rates have fallen.
 - Pig health and welfare had improved as evidenced by the BPHS results.

- Prior to FMD, exports of pork, pork offal and breeding stock were increasing.
- Communication with, and on behalf of, the industry have improved and are ahead of target. BPEX has defended the industry against unwarranted criticism such as that around the World Cancer Research Forum report. We also kept the industry informed during FMD.

The Strategy and Plan for 2008/09

1.7 The Board have agreed that we should continue to implement the Road to Recovery strategy in 2008/09 but with a clearer focus. The strategic objectives of the strategy are therefore:

- To help the industry enhance value of English pork, pork products and pigs throughout the supply chain.
- To help the industry improve its cost competitive position compared to our main EU competitors.

1.8 The strategy is to be achieved through four main areas of activity:

(1) Increasing customer leverage:

- Engaging with retailers and manufacturers.
- Differentiating English pork and pork products through new themes.
- Focus on passing value down the chain using information and analysis.
- Export market recovery,
- Protect the health image of pork and pork products.

(2) Helping supply chain efficiency:

- KT programme for producers and processors.
- R&D and demonstration projects that reduce cost.
- Environment information projects to cope with new and emerging legislation.
- Help industry exploit environment opportunities (ie carbon footprints)

(3) Enhance Government and EU relations:

- Flow of quality information to and from policy makers.
- Assist industry in quantifying FMD compensation.
- Seek opportunities for better labelling.

(4) Provide quality market information and analysis:

- EU and UK market intelligence service to help business planning at farm level and consumer market level.

These priorities will be delivered through the existing departmental structure.

1.9 Greater resources will be put into marketing activity to maintain the momentum behind customer leverage. Spending will be prioritised on the feed campaign and differentiation through the QSM. Less will be spent on integration of supply chains and increasing demand for pork. Savings on people will be made and put into project spending.

- 1.10 The KT R&D plan will focus on delivering supply chain efficiency. It will also deliver improved eating quality knowledge to help differentiation and ZAP to contribute towards protecting the image of pork and pork products. Planned spending will be unchanged.
- 1.11 Enhanced Government and EU relations will be shared between the EPAG (Economic Policy Analysis) and the International department. It is planned to increase spending in this area with the introduction of a parliamentary all party group for English pigs that will be integrated into the feed campaign. The EPAG plan will also manage the delivery of market information and analysis. It is planned to increase spending in this area to improve the flow of market intelligence to the English industry. This will be funded, in part, by savings made in the Agrosoft data contract. The International department will deliver the export recovery plan.
- 1.12 There is a supporting plan for Communications which includes a redesign of the website specifically aimed at English levy payers and a major presence at the Pig and Poultry Fair in May 08. Spending on RMIF to help improve supply chain efficiency will be reduced significantly and concentrate on securing the legacy of the work completed with the pig industry in the last three years.
- 1.13 Spending on BPEX management will be similar to this year. There will be increased operational costs as Defra funding of Directors is replaced with levy funding. This will be covered through reduced ad hoc project spending.

Transition from BPEX to BPEX Ltd

- 1.14 The winding up of the MLC at the end of March 2008 requires careful planning to ensure continuity of service delivery on behalf of BPEX Ltd. The BPEX Ltd sub group have discussed this and are preparing plans as details emerge from AHDB. In overall terms, all MLC staff will be transferred to AHDB from 1 April 2008 and the existing management structures will be maintained, at least in the short-term. There will then be a period of joint planning between BPEX, AHDB and, where appropriate, other sector companies and organisations to determine the best management structure going forward. It is hoped that this will be agreed by the end of June 2008 and implemented in September 2008 following consultation with staff.
- 1.15 Existing MLC staff will transfer with their existing terms and conditions under TUPE regulations (Transfer of Undertakings [Protection of Employment]). This includes within MLC a standard six-month notice period. BPEX Ltd is therefore committed to maintain current levels of staff input for the greater part of 2008/09.
- 1.16 Transition will result in higher operating costs as the new AHDB structure and the existing sector company structures will run in parallel for most of the year. However once co-location of AHDB and the Sector Co's takes place there should be considerable savings. Budgets for AHDB have not yet been finalised but it is expected that the operational cost to BPEX Ltd in 2008/09 will be about £100k and the operational saving in 2009/10 will be about £250k a year.
- 1.17 Transition will also result in one off costs. These will principally be relocation and redundancy costs. These will not be known for some time as they depend on the eventual structure of AHDB and the Sector Co's, negotiation with staff and so on. However these costs will be mitigated to a certain extent by the proposed grant of £2.5 million from Advantage West Midlands.

Budget 2008/09

- 1.18 Forecast expenditure in 2007/08 will be lower than budget due mainly to a change in accounting treatment. It had been budgeted to account for all the expenditure agreed under the three-year supply chain grant scheme in 2007/08. However it was agreed with auditors to account for the expenditure in the year it occurred. As a result £250,000 has been carried forward in the marketing budget to 2008/09 and £100k to 2009/10.
- 1.19 It is proposed to increase spending in 2008/09 as a result of greater levy spending on the feed campaign. It is proposed that this is covered from reserves. It had been planned to spend £250K from reserves in the current year. We will also be adding £302K to reserves this year as a result of the change to accounting methods. Over the two years therefore the net reduction in reserves will be £619K more than budgeted for in 2007/08.
- 1.20 It is important that BPEX Ltd has a clear policy on holding and use of reserves. A draft reserves policy will be tabled at the January 2008 meeting.

Net Levy Spending £'000(1)				
	2007-08	2007-08	2008-09	
	Budget	Forecast	Proposed	% Net Levy Spend
Expenditure	£'000	£'000	£'000	
Marketing	3,523	3,205	4,250	50.1
KTR&D	2,616	2,610	2,650	31.2
International	424	420	436	3.9
Economic Policy Analysis	245	254	325	5.1
Communications	272	270	290	3.4
RMIF	198	198	50	0.6
BPEX	497	489	485	5.7
Total	7,775	7,448	8,486	
Income				
Levy	7561	7620	7170	
Allocation from reserves (2)	250	0	0	
Interest	0	130	150	
Total levy	7811	7750	7320	
Net Levy Surplus (Deficit)	36	302	(1,166)	
Total spending on BPEX related activities			10,271	

(1) After levy collection cost

2. BPEX MARKETING PROPOSAL FOR 2008/09

INTRODUCTION

- 2.1 In recent years the BPEX Marketing Strategy has been clearly focussed on differentiating the QSM on pork, bacon, ham and sausage. The differentiation message has been targeted at both consumers and trade buyers.
- 2.2 The FMD outbreak in August 2007 put additional pressures on the pig industry particularly due to the loss of export markets. A bigger, and ongoing, challenge is the increase in feed prices which has brought about a significant re-balancing of activities and budgets between the on-going “five key pillars” during 2007/08. This will continue in the 2008/09 plan.

Progress on the 2007/08 Plan

- 2.3 Due to the Pig Feed Crisis the development of the 2007/08 Plan was seriously interrupted in September 2007. With the objectives of increasing retail prices and improving returns to producers a highly focussed revised plan was introduced using a combination of “new money” and redirected marketing funds.
- 2.4 The ensuing activity was successful in increasing retail prices by an average of 9% by the end of November (measured as a basket of pigmeat products from the Big 4 retailers), however the DAPP fell by 1% over the same period. A revised action plan with new activity is being introduced in January, based on additional Defra funding to address the issue of improved returns to pig farmers (and perhaps a further need for increases in retail prices).

Differentiation through the QSM

- 2.5 With the decline of tertiary brands a more “level playing field” has been created, particularly in fresh pork, with origin labelling on packs generally much better.
- 2.6 Comparing Porkwatch for Nov 07 to the Jan 07 audit demonstrates both positive and negative developments.

	January 07		November 07	
	British facings%	% with QSM	British facings %	% with QSM
Budgens	100	100	100	100
M&S	100	-	100	-
Waitrose	100	-	100	-
Co-op	97	95	96	96
Sainsburys	75	71	87	72
Morrisons	78	66	95	86
Tesco	82	80	70	62
Asda	78	74	75	66
TOTAL	77	66	78	63

Integrating Supply Chains

- 2.7 Significant activity has been directed at linking the QSM with effective supply chains throughout the range of distribution channels. Particular effort has been made to

encourage wider retail ranges of premium ham and bacon, which are almost exclusively British and where the QSM can be applied to packaging. In the foodservice sector we have encouraged the use of QSM branding on wholesalers price lists. We ran a successful round of regional “Butchers Roadshows”. The Supply Chain Grant Scheme has evolved into a Supply Chain Support Package targeted more clearly at providing relevant help and assistance of a pragmatic nature across a range of areas of activity, mostly aimed at producers wanting to market direct.

Increasing demand for pork

- 2.8 The introduction and development of the “Love QSM Pork” theme from late 2006 has enabled the greater coordination of a wide range of messages. A particular success was the on-pack stickering of over 1 billion packs of pork with the logo. The benefit of this approach is its focus on the QSM as opposed to the generic product.

Defending pork and products from adverse policy initiatives

- 2.9 The World Cancer Research Fund was a major challenge in October/November 2007 with its negative messaging particularly on bacon and ham. Despite this and other “health” challenges, consumer purchases on pork, bacon, ham and sausages continue to demonstrate volume growth.
- 2.10 To balance these issues a number of positive activities have taken place including meatmatters.com with our international partners, participation in the “Year of Food and Farming”, continued activities with meatandhealth.com and the ever successful British Sausage Week which celebrated its 10th Anniversary.

Consumer and market insight

- 2.11 Understanding the market, how and why consumers purchase and their attitudes, is essential to the planning and measurement of all BPEX marketing activities. A number of special analyses have been purchased to extend this knowledge and assist the industry’s understanding along with publication of a range of category and “mini” category reports.

Summary of delivery of 2008/09 Plan

- 2.12 The “five key pillars” will be the basis of 2008/09 activity plans. Within this individual pillars will be re-balanced as appropriate as the need for feed price focused work evolves.
- 2.13 It is proposed that levy spending on the Feed Campaign within “defending pork and pork products” is increased to replace the Defra funding provided in 2007/08 and to maintain momentum. “Differentiation of the QSM” will also increase. There will be reductions in “increasing consumer demand for QSM” pork and “integration of supply chains”. Consumer and market insight will remain unchanged.
- 2.14 In the current uncertain environment, with lack of clarity over how DAPP will move through 2008 and how the breeding herd will change, only the activities in the first half will be committed, to allow maximum flexibility with regard to tactics and budget for the second half year.

Key Activities for 2008/09

(a) Increased Funding

Differentiation through the QSM

- 2.15 This area is key to the future of the British pig industry and its ability to gain a premium price for a differentiated (QSM) product. The growth of premium ranges will provide an excellent opportunity for enhanced featuring of the QSM and so reinforce its “added value” with retailers and consumers.
- 2.16 The “Love QSM Pork” campaign will be developed both with retailers and consumers and clearly demonstrate our commitment to the Mark.

Key activities will include:

- A new “proposition” for QSM pork, bacon and ham to differentiate them from the competition. A major push on the ham category is proposed, where only 10% of packs on retailers’ shelves currently bear the QSM.
- Continued development of Porkwatch as a monitor of performance and as the basis of on-going retailer communication. Closer links will be forged with NPA’s ‘Importwatch’.
- An on-going trade PR campaign to assist in ensuring the salience and relevance of the QSM and its values in retail and foodservice.
- One-to-one activity with retailers and foodservice teams to ensure they are up to date and remain committed to the QSM and its values.
- Sustainable procurement work to maintain and develop the role of the QSM in public sector buying considerations.
- Consumer and political PR to draw attention to the role of differentiated standards of the QSM.

Defending pork and pork products from adverse policy initiatives

- 2.17 The Feed Crisis campaign will be the priority. There will be integrated activity using a variety of marketing and PR routes including broadcast and print media, opinion former briefing and direct contact with retailers and foodservice companies. In the political arena the role of public sector buying is a key area for concentration. Constant liaison with NPA is a vital part of the trade communications activity; co-ordination with processors is also important. More attention needs to be focused as well on branded manufacturers, where CSR leverage can be applied.
- 2.18 The WCRF Report has “upped the ante” on negative health messages, particularly on pork products and additional activity must be directed here if the long term consumer prognosis for the industry is to remain strong. A combination of defensive and pro-active strategies and action plans are needed to achieve this;
- Continued contact and liaison with a wide range of industry bodies to put across our viewpoint and co-ordinate activities including BMPA, FSA, DoH, Department for Children, Schools and Families. We need to avoid undue public policy adoption of some of the WCRF’s messages.

- The collaborative agenda with other federal bodies on consumer PR, health and nutrition and education to maximise efficiency and minimise costs.
- Continued development of British Sausage Week as a way of providing focussed, positive messages on sausages particularly against the negatives of fat, salt and preservatives.

(b) Static Funding

Consumer and market insight

- 2.19 The purchase and dissemination of consumer and market information underpins all the BPEX marketing activity. At present the major contracts are shared with EBLEX, QMS & HCC but this will be reviewed as AHDB rolls out during 08/09 and new arrangements are agreed.

Key activities will include:

- Purchase and regular reporting of TNS and Millward Brown data to assist, across the industry, in understanding changes and opportunities.
- Production of category and “mini” category reports to inform industry on key issues.
- Provision of ad hoc research on specific questions particularly those of relevance to the QSM.

(c) Decreased Funding

Integrating supply chains

- 2.20 The overall market can be segmented into specific opportunities such as outdoor reared, premium ham, speciality bacon cures etc. as well as more niche opportunities for individual producer businesses to market their output. Any work conducted in our trade marketing activities will be focused on adding value for English producers.

Key activities will include:

- Development of the Supply Chain Support Package to assist pig farmers in developing their skills to meet future opportunities.
- Continuing to support the successful Butcher’s Roadshows encouraging product development along with surrounding activities such as pos and websites.
- A project programme for the foodservice industry on both a local and a national level, focused on English sourcing initiatives.
- Constantly updating the market mapping exercise to improve knowledge of the market and assessing volumes by channel/primal type etc.

Increasing demand for QSM pork

- 2.21 The “Love QSM Pork” campaign will be utilised to focus attention on the QSM rather than generic pork. It will work together with pillar 1 “differentiation” to provide a range of integrated activities.

Key activities will include:

- Focusing the consumer PR activity behind the differentiation of QSM

- Integrating the theme across consumer, retail and foodservice to maximise delivery and efficiency.
- Additional focus will be placed on the opportunities available for the development of QSM on ham

The summary of funding for 2008/09 for the 5 key pillars is as follows:

£'000	2007/08		2008/09
	Budget	Forecast	Plan
Differentiation through QSM	950	583	800
Defending pork and pork products	500	1200	1810
Consumer and market insight	450	448	450
Integrating supply chains	900	432	700
Increasing demand for QSM pork	750	542	500
	3,550	(1)3,205	4,250

(1) Excludes £732K of Defra funding

Outcomes and Targets

- 2.22 The outcome of the plan will be an increase in the DAPP, a maintenance of the UK pig price premium, a greater use of the QSM on pork and pork products, increased sales of British products in the premium sector of the market, good uptake of the supply chain toolkit, positive 'health' coverage of pork and pork products in the media and an informed production and processing sector that helps them to exploit consumer trends.
- 2.23 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:

Risk	Probability	Control
Negative consumer reaction to health messages on pork and pork products	Medium	Wide ranging programme of activities with measurement of consumer attitudes.
Major reduction in availability of QSM product due to business closures.	Medium	High profile activity to improve returns to pig farmers and development of knowledge of differentials between DAPP and basket of retail prices.
Increased competitive activity from imports placing price pressure on QSM premium	High	Monitoring of retailer stocking policies and pricing of imports. Work closely with NPA to target lobbying activity.

Budget

Proposed budget for 2008/09 inclusive of staff costs is a standstill of £4,250,000

Budget Summary

BPEX Group	Marketing
Levy spend of which	
- Projects	£3,305,000
- People and Overheads	£945,000
% of net levy spend	50%
Total levy spend	£4,250,000
Non levy spending	
Total spending	£4,250,000

3. KNOWLEDGE TRANSFER, RESEARCH AND DEVELOPMENT

INTRODUCTION

- 3.1 The BPEX Technical group vision for the 08/09 business plan is to see significant advances in four key areas. Meat Eating Quality; Production Efficiency; Health and Welfare; Environment.
- 3.2 The last 12 months have seen significant improvements in the technical efficiency of the English pig industry at the production level. The Agrosoft quarterly trends show significant physical performance improvements for the whole industry that are particularly evident for the top third of producers who are now performing at a rate equal to average European competitors. This has been achieved through many new and ongoing initiatives throughout the industry and through good planning and hard work at the production level.
- 3.3 The technical team has spent time seeking the views of the industry through the year with regional BPEX and NPA dinners, discussions at BPEX KT workshops, the November 2007 Funders and Stakeholders event and general consultation with members of the industry. We have also consulted widely with Defra, the Environment Agency and the BBSRC to understand their agendas and policy drivers, and to ensure that they are aware of the current English pig industry needs and priorities. These discussions give us confidence that the direction we set out within the 07/08 plan was broadly correct and by refining the focus and priorities for 08/09 we will have a programme that will deliver positive results.

Progress on the 2007-08 Plan

- 3.4 FMD, high feed prices and the increases to environmental legislation have all challenged the industries resolve to continue investing in the future. Despite these challenges, the BPEX KTR&D group have made significant progress with all of their objectives during the year.

- 3.5 The technical performance of the national herd needed significant improvement to achieve a competitive position, the most recent Agrosoft quarterly trends show that comparing the third calendar quarter of 2007 with the same period a year earlier the average producer has improved. The top third of producers are now performing at a rate equal with average European competitors with breeding herd performance increased by 1.6 pigs to 23.4 finished per sow per year and growth rates up by 45 grams to 752g/day. Some of this improvement has been due to the knowledge transfer and training initiatives.
- 3.6 Environmental sustainability continues to be a major government and society driver. Further increases to environment legislation during the year required significant additional inputs addressing consultations on for example NVZ, WFD and IPPC. A Pig Environmental Partnership is under development with all stakeholders and the target is for this to be consulted upon by the industry and implemented by financial year end.
- 3.7 BPHS continues to be an extremely well respected scheme used by producers and the veterinary profession to drive herd health improvements. According to the BPHS data, which now covers over 70% of English assured pig farms, disease prevalence is declining in several areas notably Pleurisy and EP.
- 3.8 The ZAP Salmonella Programme has not delivered any reduction in Salmonella prevalence in finisher pigs in England as determined by the Salmonella-mix meat-juice ELISA testing programme. Considerable time has been spent during the year on developing ZAP2 with attention placed with the FSA on database development and on-farm intervention studies. With many interventions coming into place during Autumn and Winter 2007, results are expected by March 08 that will give producers best practice advice for salmonella reduction.
- 3.9 Elsewhere the uptake of training initiatives both Certificates of Competence and PIPR has been steadily increasing; a Development grant programme was launched; a substantial consumer research project was undertaken into pork eating quality and the KT workshops have seen production staff representing over 200,000 sows attending workshop events on farrowing house management, service house management and establishing the weaner to improve efficiencies.

Summary of delivery of the 2008-09 Plan

- 3.10 The aspiration is to have more than 80% of pig producers (as determined by pig numbers) actively using BPEX services for Research, Development, Demonstration and Knowledge Transfer. They should be actively seeking a higher level of contribution from BPEX in all areas. There will be on-going, useful and understood programmes addressing the four priority areas.
- 3.11 There will be a vigorous KT programme through on-farm consultancy, meetings, workshops and a full use of all available and newly developing information transfer media. We will have an applied Research and Development programme yielding producer benefits in the short and medium term. There will be a lively programme of Demonstration and Field Trials conducted by the KT team with PDC (Pig Development Centre) backup.
- 3.12 Staffing will be reviewed in the first quarter of the new financial year to be sure we have the appropriate strengths to achieve all of our targets as we plan for BPEX Ltd. The home team will be the managers of projects that will be outsourced.

- 3.13 We will increase our ability to deliver particularly in the environment arena. At the same time we need to look to reinforce the applied research base in terms of facilities and funds. This will require political discussion most particularly with Defra, EA and BBSRC through the support of the BPEX board. Without removal of resource and facility hurdles the achievement of plans are at risk.
- 3.14 We will look at the possibility of maintaining and extending the fundamentals of Farm Assurance with outputs from projects such as BPHS, PEP, Staff Training, ZAP, Welfare outcomes, and crucially Meat eating Quality in a "Total Quality Management" approach to build on existing Farm Assurance. This could provide the opportunity for health, management, welfare, environment and food safety to be all brought together in one programme.
- 3.15 The 08/09 financial year will see us well into the maturity of several key new projects. During the year we will be critically reviewing delivery in three areas.
- KT – Knowledge Transfer. We have a new KT team that was established in 2006 to address the immediate industry priorities in terms of Best Practice knowledge transfer. There are early signs that this is delivering excellent results in terms of improving KPIs. They have 3 year contracts ending between June 2009 and January 2010.
 - PDC – Pig Development Centre. We have outsourced the delivery of production R&D to the PDC with connectivity to KT; they have a 3 year contract ending 2009.
 - PCU – Pork Chain Unit. We have outsourced the delivery of improved meat eating quality and consistency to the PCU – with connectivity to KT; they have a 3 year contract ending 2009.

Key Activities for 2008-09 Plan

Health and Welfare. Total Levy Funds £610k inclusive of staff costs

- 3.16 PMWS is becoming less of a challenge on a national scale but PDNS is still causing significant late onset mortality of 6 to 10% on many units. With PCV2 vaccines now available and with evidence from Europe and the Americas showing dramatic improvements in performance, English producers have considerable expectation for significant improvements in performance at home. The BPEX Pig Development Centre and the KT team are undertaking an independent study with the Pharmaceutical companies to look at success of PCV2 vaccines. Additionally the team is closely monitoring commercial unit performance as they begin to use both the sow and piglet vaccines. A new BBSRC project looking at genetic and environmental factors that cause wasting disease in pigs has started at the RVC, it will require considerable inputs from BPEX KT and producers in its early stages.
- 3.17 Respiratory diseases in general and PRRS in particular are seeing major projects undertaken or considered for eradication e.g. in France (PRRS), Switzerland (EP) and the USA (PRRS). During the year BPEX will be studying these continental programmes and assessing the possibilities for disease eradication here. With new highly pathogenic strains of PRRS getting closer to the UK, with the variable effectiveness of the current vaccines and with the dangers of live vaccines it becomes sensible for BPEX to consider a PRRS eradication programme.
- 3.18 BPEX commissioned a review of disease surveillance during Autumn 2007 looking at the roles of BPHS, MHS, NADIS, VLA and ZAP. During the first half of the new year

we will look to implement some of the recommendations, e.g. we will be working with the schemes to develop regular joint health reports and a single database allowing for a significantly higher level of epidemiological analysis.

- 3.19 Current BPHS funding comes to an end in July 08 and we will be working to ensure that the scheme receives the funding it needs for the future from producers, pharmaceutical companies and Government. The scheme is trialling an extended number of assessment days per abattoir to extend the percentage of units receiving an assessment each quarter and potentially to give the scheme more meaningful data for batch finishers. Opportunities for further scheme development are under consideration for example with cull sow tract testing, serology surveillance and enteric disease scoring. Pleurisy was identified as a specific issue from BPHS data analysis during the year and a new 12 month project will start in January working with large integrated producer groups.
- 3.20 To ensure steady and continued improvement of herd health, two Defra sponsored projects 'Farm Health Planning' and 'Pig Herd Health Plans' will be further rolled out to become a routine part of unit management. The means for this to occur may come out of the larger Defra sponsored 'Risk Factors for Pig Disease' project, and will be considered as part of the Surveillance review and BPHS development; funding is available from RDAs specifically for this area.
- 3.21 A new direction will be developed the ZAP Salmonella programme. It is likely that new EU regulations will require from 2008 all EU Member States to have Commission approval of a Zoonoses National Control Plan to achieve a reduction in prevalence of Salmonella in finishing pigs. The intention is that ZAP is used for this. Outputs from on farm intervention studies will see a new series of ZAP Salmonella control leaflets produced appropriate to all situations.
- 3.22 Food safety is one of the key issues underpinning both Red Tractor and Quality Standard Mark brand values. The primary objective is risk reduction for consumers from exposure to Salmonella in pigmeat products. This is best achieved through a whole chain approach. We will be working closely with the processing sector through the BMPA and individual processors to achieve this, there are engineering solutions to be tested on a commercial scale.

Meat Eating Quality. Total Levy Funds £495k inclusive of staff costs

- 3.23 This activity will all be driven through the Pork Chain Unit Advisory Group representing the areas seen by the key English processors as being commercially important.
- 3.24 Pre-farm gate projects in the area of nutrition to reduce the impact of boar taint and increase the levels of intra muscular fat levels will be completed. We will look to projects using different pig breeds and DNA markers for enhancing meat quality through pH and IMF with commercial partners.
- 3.25 Post farm gate we have been undertaking abattoir surveys to understand how the variable product on delivery to the abattoir can be turned into a uniform product per pork range on the retail shelf. We will be looking at chilling regimes, pH testing and maturation to substantially improve the attributes recognised as important by the English consumer ie juiciness, tenderness and flavour.
- 3.26 The work outlined above follows on from the findings of the major Consumer Research work undertaken during the year looking at Meat eating quality of British

Pork. We will be continuing our work with individual processors to overcome the comments of Pork as 'boring', and add to the information on what to do with it by working with their retail and food service customers. We will look at marinades, cooking times and the thickness of pork chops and loin steaks.

Environment. Total Levy Funds £352k inclusive of staff costs

- 3.27 The objective for the BPEX environmental agenda is to reduce the Carbon and Nitrogen footprint per kg of pigmeat produced.
- 3.28 BPEX will work with all of the shareholders (Defra, NFU, EA, NE, NPA and producers) to deliver the Pig Environment Partnership. BPEX will provide added resource for the development of a knowledge hub that brings together in one place all of the information that a producer might need to comply with each area of legislation. We will fund the provision of practical advice to ensure that producers have the information they need, when they need it. We shall fund demonstration of environmental best practice as appropriate.
- 3.29 We will be initiating win-win projects that address the government priority for lower carbon footprint and lower environment impact overall; and engage the commercial pig producer in delivery of these objectives through increased production efficiencies. Improvements in herd health through for example PCV2 vaccines will see significant improvements in feed efficiency and higher numbers sold per sow per year at a higher average weight. The higher health status herd will allow pigs to reach their genetic potential with lower protein – therefore lower N diets – delivering lower environmental emissions per kg.
- 3.30 We shall continue to fund work to understand the Life Cycle Analysis of English and competitor production methods and will regularly report on the declining environmental footprint per kg of English pigmeat as the BSI PAS2050 standard methodology becomes available.
- 3.31 We shall collaborate on new projects for example in Nutrient management and bio-energy production. The RDAs have funding available for the area of nutrient management and we are working with all relevant RDAs to access this.

Reducing the costs of production. Total Levy Funds £1193k inclusive of staff costs

- 3.32 The KT team's focus will continue to be on delivering best practice advice to the maximum number of producers. There will be series of regional workshops for individual producers and stockpeople. With the larger integrators this will be increasingly delivered in a 'train the trainer' approach. The team will work with veterinary practices, pig discussion groups, benchmarking clubs and other deliverers of best practice sessions to ensure that activity is coordinated. The KT team will ensure cooperation to maximise uptake and the use of the industries limited resources.
- 3.33 We will continue to promote and encourage uptake of Demonstration grants opening them to the processing end of the chain and pushing the need to test environmental options. This is the opportunity for the industry to test innovative ideas with 'pump priming' cash and input from the KT team to assist in measurements, analysis and dissemination to the wider industry.

- 3.34 Following from the British Pig Project we will look to deliver on the need for improved growth rates with a renewed focus on 'Facility improvement' to promote investment in grower and finisher buildings and their refurbishment.

Communication and Training become the final vital links in the chain.

- 3.35 We will continue to publish an annual Technical Report, will publish further titles in the Action for Productivity series and write regular columns for Pig World and other journals.
- 3.36 Pig Fair in May 08 is a major opportunity to engage with levy payers and to discover new opportunities, areas for further development and opinions on the current outputs and methods of engagement.
- 3.37 The BPEX Website is undergoing a redesign to be launched during the year. This will make outputs easier to access and will allow industry members to easily search and find the appropriate information.
- 3.38 The development and recognition of the industry's training strategy is vital. Production staff need to be able to understand and make use of new skills and ideas. Only by attending training sessions both formally as part of the NPTC qualifications and less formally the workshops, meetings and clubs will staff be able to make use of new found skills for business improvement.
- 3.39 We will continue to work closely with the NPA. A member of the technical team always attends the NPA Allied Industry Group meetings and outputs from the team e.g. training initiatives, PIPR and Action for Productivity sheets are always communicated to this group for understanding and further dissemination.
- 3.40 The BPEX team will attend and present outputs of practical commercial projects at the SFT and PVS conferences during the year.

Outcomes and Targets

- 3.41 The outcome of the plan will be improved pig health as measured through BPHS, improvements in industry KPIs as measured by Agrosoft, a reduction in Salmonella contamination on carcasses as measured the national control plan, a fully engaged industry and policy makers in the equitable application of environmental regulation and a flow of information on how to improve pork eating quality.
- 3.42 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:

Risk	Probability (low, medium, high)	Control
Inadequate producer engagement	Low	Delivery of interesting producer driven events. Clear promotion in timely and interesting fashion. Engagement via demo grant programme. Work closely with all other training providers.
Declining resource base both facilities and financial	High	Work with Defra (especially the LINK programme), BBSRC to understand their agendas and ensure they understand ours so that we maximise the co-funding opportunities.
Staff recruitment/retention with AHDB changes	Medium	Early discussions with staff at reviews. Early decisions and team building within BPEX Ltd

Budget

Proposed budget for 08/09, inclusive of staff costs, is £2,650k.

Budget Summary

The Business Plan requires financial commitment and support from stakeholders such as Government, the European Commission, and commercial companies.

BPEX Group	Knowledge Transfer, Research and Development
Levy spend of which	
- Projects	£1,363,000
- People and Overheads	£1,287,000
% of net levy spend	31%
Total levy spend	£2,650,000
Non levy spending (Ratio of external funds to levy funds is 3.79:1)	£1,780,000
Total spending	£4,430,000

4. ECONOMIC AND POLICY ANALYSIS

INTRODUCTION

4.1 The Economic and Policy Analysis Group (EPAG), in co-operation with the Economics Group, provide the following services to BPEX:

- Market intelligence, market forecasting and policy analysis. This will be enhanced
- A government relations programme aimed at creating awareness of the pig industry and of BPEX's strategic priorities, and at minimising the regulatory impact on the industry. This will be extended

Progress on the 200-08 Plan

- Accuracy of levy and supplies forecasts within agreed targets
- Monthly market commentary series circulated through the website.
- InterPig network established and expanded to enable the annual production of the EU Cost of Production report.
- Programme of parliamentary briefings delivered to schedule. There was prominent involvement at the government and parliamentary barbecue in July 2007. The David Black Awards took place on 31 October 2007. Feedback survey on the overall effectiveness of BPEX communications will be conducted in early 2008.

Summary of Delivery of the 2008-09 Plan

Market and policy analysis and forecasting

Key activities of the team will be:

- Collate relevant UK, EU and global qualitative and quantitative data, and make this available in appropriate formats to assist the pig industry in making informed business decisions. This will be enhanced in 2008/09 by the Economics Services department and require the extra investment of £85k.
- Provide UK and English pig market forecasts to anticipate future market conditions and so facilitate industry business planning. This will include levy forecasting to assist financial planning and management
- Provide pig and other relevant market commentary to the industry through the BPEX website, and interpret the pig market situation and outlook to a range of industry audiences in order to aid organisational and business planning
- Manage the InterPig network that leads to the publication of the "Pig Cost of Production in Selected EU Countries" report.
- Manage the BPEX industry data contract with Agrosoft Ltd and ensure dissemination of national data to the industry. This will be provided under the terms of a new contract which is currently being negotiated which is planned to result in savings of £50k.
- Provide legislative and policy analysis that identifies emerging threats and opportunities and helps industry representative organisations act accordingly.

- Organise and manage the Outlook conference, which provides a platform for discussing pig industry issues and presenting EPAG's pig market forecasts

4.2 Government Relations

- Policy monitoring to ensure awareness of relevant government and parliamentary developments that ensures effective BPEX and industry responses and subsequent guidance to industry.
- Communications to parliamentarians, government and its agencies to ensure BPEX priorities and concerns are understood by key political audiences.
- Organise and manage the David Black Awards to communicate BPEX priorities by celebrating the achievements of leading industry operators.
- Organise and manage the Westminster barbecue to communicate BPEX priorities with government ministers, official, parliamentarians and industry stakeholders
- Establish and manage a new parliamentary all-party group on English pigs. This will require additional invest of £40k

Key Activities for 2008-09

- Continuation of core market and policy analysis, and government relations activity including a Westminster barbecue event and David Black Award.
- Collation and presentation of a substantial body of additional market information for presentation in appropriate formats
- Proposed establishment of a parliamentary all party group on English pigs

Outcomes and Targets

- 4.2 The outcome will be a well-informed industry with access to all the relevant market information and forecasts that enables good business planning. I will also result in effective communications with policy makers in the UK and in EU on matters of relevance to the English pig industry.
- 4.3 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 two principal risks in the delivery of this business plan are:

Risk	Probability (low, medium, high)	Control
Inaccurate levy income forecasts	Medium	Robust database – 'quality control' through the sounding board of the EPAG Forecasting Forum
BPEX messages and priorities not received and understood by external audiences	Medium	Surveys of MPs and others

Budget

The proposed budget for 2008/09, inclusive of staff costs, is:

Budget Summary

	Economic and Policy Analysis
Levy spend, of which:	
Projects	108
People and Overheads	217
% of net levy spend	4%
Total levy spend	325
Non levy spending	-
Total spending	325

5. INTERNATIONAL DIVISION

INTRODUCTION

- 5.1 The International division provides services and support to BPEX in 2 distinct areas
- 5.2 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.
- 5.3 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

- 5.4 **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.
- 5.5 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 3rd 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.

- 5.6 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.
- 5.7 **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. 3rd 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.
- 5.8 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 3rd country breeding pig exports on a single market.
- 5.9 The BPEX co-sponsored the British Meat Dinner was held at ANUGA in October 2007.
- 5.10 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

- 5.11 **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.

- 5.12 **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 5th 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

- 5.13 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.
- 5.14 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:

Risk	Probability (low, medium, high)	Control
Lack of continuity due to AHDB arrangements	Medium	Early clarification of service provision arrangements
Delay in re-establishing 3 rd 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

BPEX Group	International Division
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

6. COMMUNICATIONS

INTRODUCTION

- 6.1 MLC Corporate Communications delivers services to support BPEX strategic objectives by
- Providing a BPEX press office to ensure good stakeholder media communications and industry defence
 - Providing a range of effective stakeholder communication tools (print, media, shows, websites, press briefings) in support of all BPEX functions to help maximise dissemination of core messages and uptake of the strategy

Progress on the 2007-08 Plan

- 6.2 Performance measurement in the seven months point up to end of October 2007 shows the Comms team is ahead of target for its key measurement criteria. The average monthly media coverage at 95 items per month is 24% ahead of target. The average monthly equivalent advertising value of £122K is 67% ahead of the target to deliver a cost:value ratio of 1:2.

Summary of delivery of the 2008-09 Plan

- 6.3 At the heart of effective communications is the people and that is the predominant cost factor in delivery of press office, web, shows and print support services. At the core is the press office team where an additional individual has been brought in on a 12 month fixed-term contract to work alongside Jon Bullock to enable greater focus and output in support of the KT and farmgate price workstreams.

Key Activities for 2008-09

- Provision of a press office service to include media intelligence and industry defence

- Web management and support. The website will be redesigned and will include a substantial “members only” section for the exclusive use of registered English levy payers
- Organisation of a major presence at the Pig & Poultry Fair in May 08
- Print tendering and audit trail service

Outcomes and Targets

- 6.4 The outcome will be effective communication as measured by monthly media monitoring and a successful Pig & Poultry Fair as measured by customer survey.
- 6.5 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:

Risk	Probability (low, medium, high)	Control
Negative media messages around health, environment and food safety	Medium	Media monitoring – challenge factual inaccuracies and ensure balance is put into the debate about role of red meat in the diet
Disruption from AHDB transition process and loss of key delivery staff	High	Good line management and BPEX executive to manage disruption as part its transition process
Failure to deliver services on time and on budget	Low	Experienced team along with good communication planning and project management

Budget

Proposed budget for 08/09, inclusive of staff costs, is £290k.

Budget Summary

- 6.6 The Business Plan requires commitment from the whole of BPEX – the Board, its executive staff and its delivery team to all play their part in the stakeholder communications process.

BPEX Group	Stakeholder Communications
Levy spend of which	
- Projects	£50,000
- People and Overheads	£240,000
% of net levy spend	3%
Total levy spend	£290,000
Non levy spending	-
Total spending	£290,000

7. BPEX MANAGEMENT

INTRODUCTION

- 7.1 BPEX Management is responsible for the effective delivery of the Road to Recovery Strategy and co-ordinating the execution of the BPEX annual business plan.
- 7.2 The management team has specific responsibility to ensure the effective, efficient and economic delivery of the annual business plan and responding to emerging needs of its customers, BPEX levy payers and pig meat consumers.
- 7.3 In 2008-09 the management group will also have executive responsibility for BPEX Limited. At the time of preparing this business plan these responsibilities have not been clarified with the Agricultural and Horticultural Development Board (AHDB).

Progress on the 2007-08 Plan

- 7.4 The 2007-08 BPEX management business plan contained three core activities. Progress on the delivery of these three core activities is as follows:

Establishment of Pig Sector Co Structure and Strategy

- 7.5 Development of the new Pig Sector Company organisation (BPEX Ltd) within AHDB has been limited due to the overall planning process and timelines of the AHDB board and project board. BPEX Ltd has been registered as a company limited by guarantee with Companies House. No overall structural changes have been agreed to date although a BPEX Ltd transition sub group has been established. It is anticipated that Memorandum and Articles of Association will be agreed early in 2008 providing greater clarity as to the roles and responsibilities of BPEX Ltd.

Refinement of BPEX performance management systems

- 7.6 During 2007-08 BPEX management have introduced an internal performance management tool 'BPEX Wheel of Performance' which provides a synopsis of the

delivery of the BPEX business plan and is updated and circulated to all BPEX suppliers on a quarterly basis.

- 7.7 A pig industry survey was established in January 2007 assessing overall confidence in the pig industry and the quality of BPEX services to customers. This survey recorded a confidence index relative to 2006 of 94.2% for producers and 127.4% for non-producers and an overall service satisfaction rating from all survey respondents of 70%.

Administration of Pig Assurance Schemes

- 7.8 BPEX have established a joint technical advisory committee for pig assurance schemes operating in England and Wales and provided the secretariat for this joint committee. BPEX have also developed a single assurance scheme database. Full automation of the single assurance database will be achieved once final data feeds from assurance scheme owners has been finalised.

Additional Activities

- 7.9 In addition to these core activities BPEX management have responded to a number of challenges that have occurred during the financial year including responding to the feed crisis, co-ordinating a pig industry response to the Foot and Mouth outbreak, restructuring the British Pig Health Scheme and developing a solution to new meat hygiene regulations.

Summary of delivery of the 2008-09 Plan

- 7.10 The principal activity for BPEX management during 2008-09 will be the establishment of BPEX Limited strategy and structure and securing services to deliver the BPEX Limited strategy from AHDB and external suppliers.

Key Activities for 2007-08

- Establish BPEX Limited Structure and manage transition
- Establish service level agreements with AHDB and external suppliers
- Respond to emerging industry needs

Targets and Outcomes

- 7.11 The outcome will be the establishment of BPEX Limited that is of an appropriate size, structure and resource mix to most effectively deliver the BPEX Limited strategy. This will be measured by annual BPEX confidence and service quality survey and overall cost as a proportion of levy income excluding initial set up costs.
- 7.12 There will be a more direct and accountable relationship between BPEX Limited and AHDB and external suppliers as measured by reducing overhead costs relative to service level.

Risks

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

Risk	Probability (low, medium, high)	Control
Legislative framework of AHDB limits the ability of BPEX Limited to develop optimum structures and autonomy with BPEX levy payers	Medium	Close engagement of BPEX Limited board in the development of AHDB memorandum and articles of association and management statement. Clear communication with AHDB board.
Reduction in herd size to a level unable to support proposed BPEX structures	Medium	Use financial reserves in the short-term. Restructure BPEX Ltd activities to meet new industry needs in the longer term
BPEX unable to develop a database of BPEX levy payers to ensure greater communication and accountability.	High	Discussion with AHDB and Defra regarding access to Herdmark database.

Budget

Proposed budget for 07/08, inclusive of staff costs, is £485k.

Budget Summary

BPEX Group	BPEX Management
Levy spend of which	
Projects	£200k
People and Overheads	£285k
% of net levy spend	6%
Total levy spend	£485k
Non levy spending	-
Total spending	£485k

8. RMIF

INTRODUCTION

- 8.1 The work of the RMIF to assist the pig sector has concentrated on both pre and post farmgate activity. This work, along with work in the ruminant sector, has been mostly funded by a Defra grant. In 2007/08 this will total £1 million and is supplemented by a BPEX contribution of £200,000.

- 8.2 Defra have announced that they will end their support for RMIF from the end of this financial year. As a result RMIF will be wound up. However, it is important that the legacy from the RMIF work of the last four years is used for the benefit of the pig sector.

Progress on the 2007-08 Plan

- The number of pig groups continues to expand with coverage across all of the country. The focus has been on successful recording, pig health and training.
- Integration of information from different courses progressed with a number of initiatives to integrate information from BPHS, Agrosoft and abattoir data through QBox.
- Pig Masterclasses have been conducted with 6 groups all receiving positive feedback. A short DVD has been produced for dissemination to interested producers.
- Whole chain efficiency resources has been produced in collaboration with Cambridge University.
- A diagnostic tool for SMEs has been produced by In-site and is being rolled out to a large number of companies.
- The International competitiveness project, funded by ADS grants is continuing. An investigation into regional health clean ups will be conducted in early 2008. This project has secure funding until 2010.

Summary of the delivery of the 2008-09 Plan

- 8.3 A lot of valuable lessons have been learned from RMIF activity in the last four years that can potentially benefit the pig industry at both pre and post farmgate. It is important that this is not lost. The pre farmgate work on recording and, where appropriate the pig group structure, will be taken on by the KT Team. Opportunities to rationalise and focus on the various groups that service the industry will be taken.
- 8.4 It is also proposed that BPEX provides limited financial support for RMIF to enable the output from its activities to be collated and put into an accessible format. Under the terms of MLC restructuring there will be a commitment to 6 months notice for staff, which also covers RMIF. Efficient use will be made of this resource.
- 8.5 It is not envisaged that any other project work will be undertaken for the pig sector after April 2008.

Outcomes

- 8.6 The outcome will be an easily accessible library of successful RMIF activities that are available to producers and processors in the English pig industry.

Budget Summary

BPEX Group	RMIF
Levy spend of which	
Projects	-
People and Overheads	£50k
% of net levy spend	1%
Total levy spend	£50k
Non levy spending	-
Total spending	£50k