NFU Red Meat Export Strategy

FOREWORD – RICHARD FINDLAY
LIVESTOCK BOARD CHAIR

Cattle and sheep represent a cornerstone of our landscape management in the UK and an integral part of our stewardship of the British countryside. The genetic diversity of our native breeds, from Aberdeen Angus and Hereford cattle to Suffolk sheep, make the best use of native grassland and moorland. In the face of a new liberalised trade agenda, huge rises in input costs, and financial uncertainty surrounding the transition to a new domestic agricultural policy, Brand Britain needs a serious, long-term plan and investment in UK agriculture that will enable us to look beyond our traditional markets and maximise our export potential.

The global appetite for meat is not slowing down. Driven by population growth and an increase in middle class diets, opportunities for beef and lamb around the world will continue to develop. There needs to be a coherent approach across government to bolster UK farming's productivity and ensure that red meat is at the heart of any future export growth plans. Exports are one of the major success stories of British food and farming, with annual UK agri-food and drink sales overseas reaching nearly £24 billion prior to the start of the pandemic in 2019. Research shows that exporting businesses generate higher revenues, are more profitable and productive, and contribute more to the economy.

THIS STRATEGY SETS OUT OUR CHALLENGE TO GOVERNMENT AND THE SUPPLY CHAIN TO WORK WITH US TO OPTIMISE UK RED MEAT'S COMPETITIVE POSITION WITHIN A RANGE OF INTERNATIONAL MARKETS, AND MAXIMISE THE POTENTIAL RETURNS TO BRITISH FARMERS AND THE NATIONAL ECONOMY.

Richard Findlay,
Livestock Board Chair

KEY ASKS

Our ambition:

To maintain total value of exports whilst increasing our international markets

- Prioritising market access, achieving greater opportunities for UK red meat across the globe whilst amending existing agreements to incorporate regionalisation, safeguarding existing trade opportunities
- Investing in export promotion of Brand Britain and allowing UK exporters to capitalise on market access opportunities across the world
- Empowering the UK's new Food and Drink Export Council to work in partnership with industry as the UK looks towards an ambitious expansion of its FTA portfolio
- Commitment to improving the sector's productivity and competitiveness, supporting initiatives that build export opportunities for UK beef and sheep meat
- Establishing and safeguarding our nation's core environmental, animal health and welfare standards by not allowing domestic producers to be undercut by countries operating to standards that would not be acceptable here

Chapter 1: The Marketplace

Global Demand

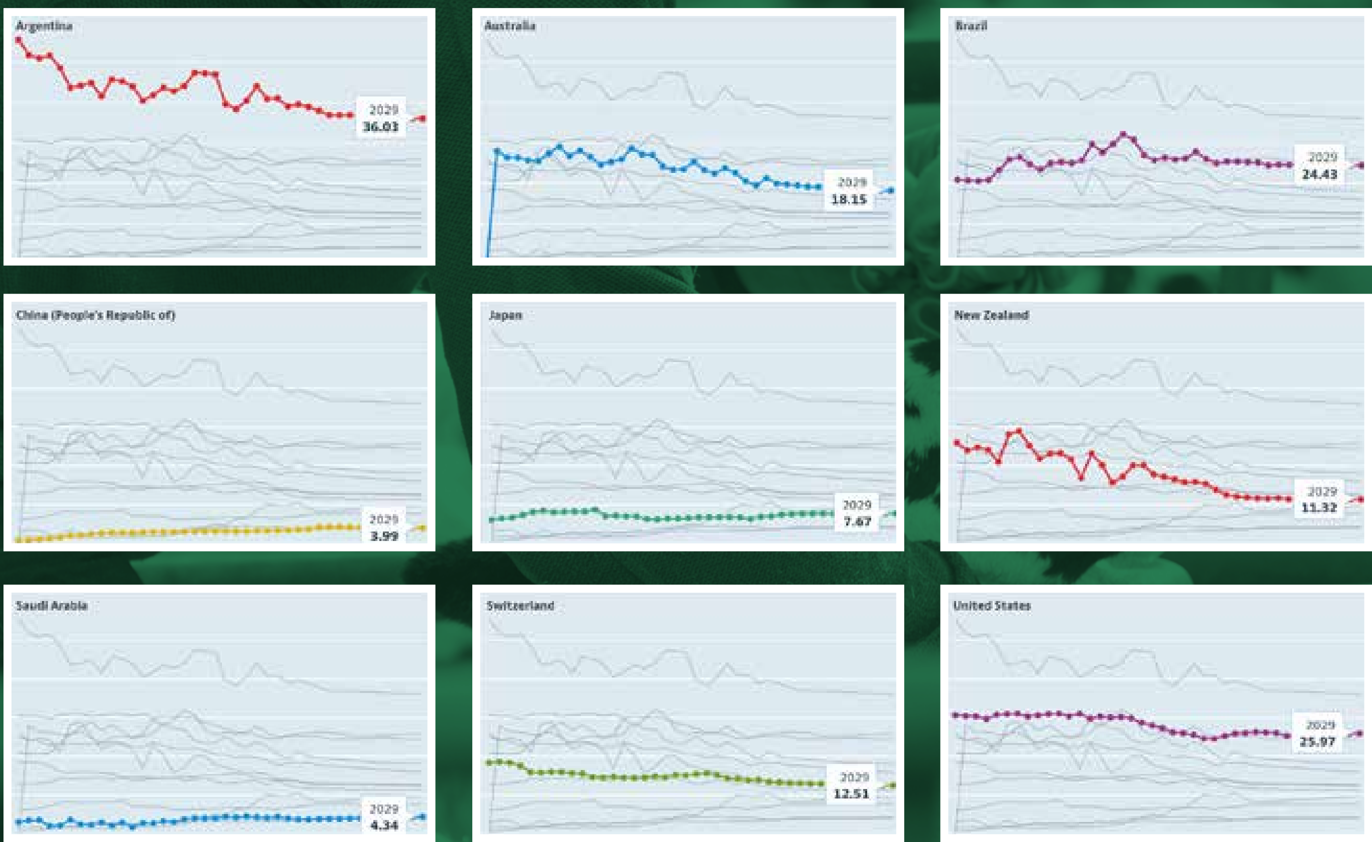
The global appetite for animal protein continues to increase. In the 20 years to 2018, meat consumption rose 58% to reach 360 million tonnes[1] and is forecast to grow another 14% by 2030[2]. Red meat constitutes a significant proportion of this growth, with a 5.9% and 15.7% increase in beef and sheep meat consumption respectively.

In November 2021, the FAO beef price index was up 26% on the previous year, largely driven by tightness in the global supply chain caused by droughts across key producing regions, along with market control measures in Argentina and ongoing logistical difficulties posed by the global pandemic. This signalled high prices for UK producers, with global market tension sustaining the domestic price.

Sheep meat has performed consistently well against the index baseline in recent years, and registered further growth, increasing 31% on November 2020. Over the past 20 years it has effectively doubled in value, broadly achieving price parity with the premium traditionally attributed to beef[4]. The decline of the New Zealand flock, in addition to droughts across the wider oceanic region, has sustained tightness in the global supply chain and benefited UK producers.

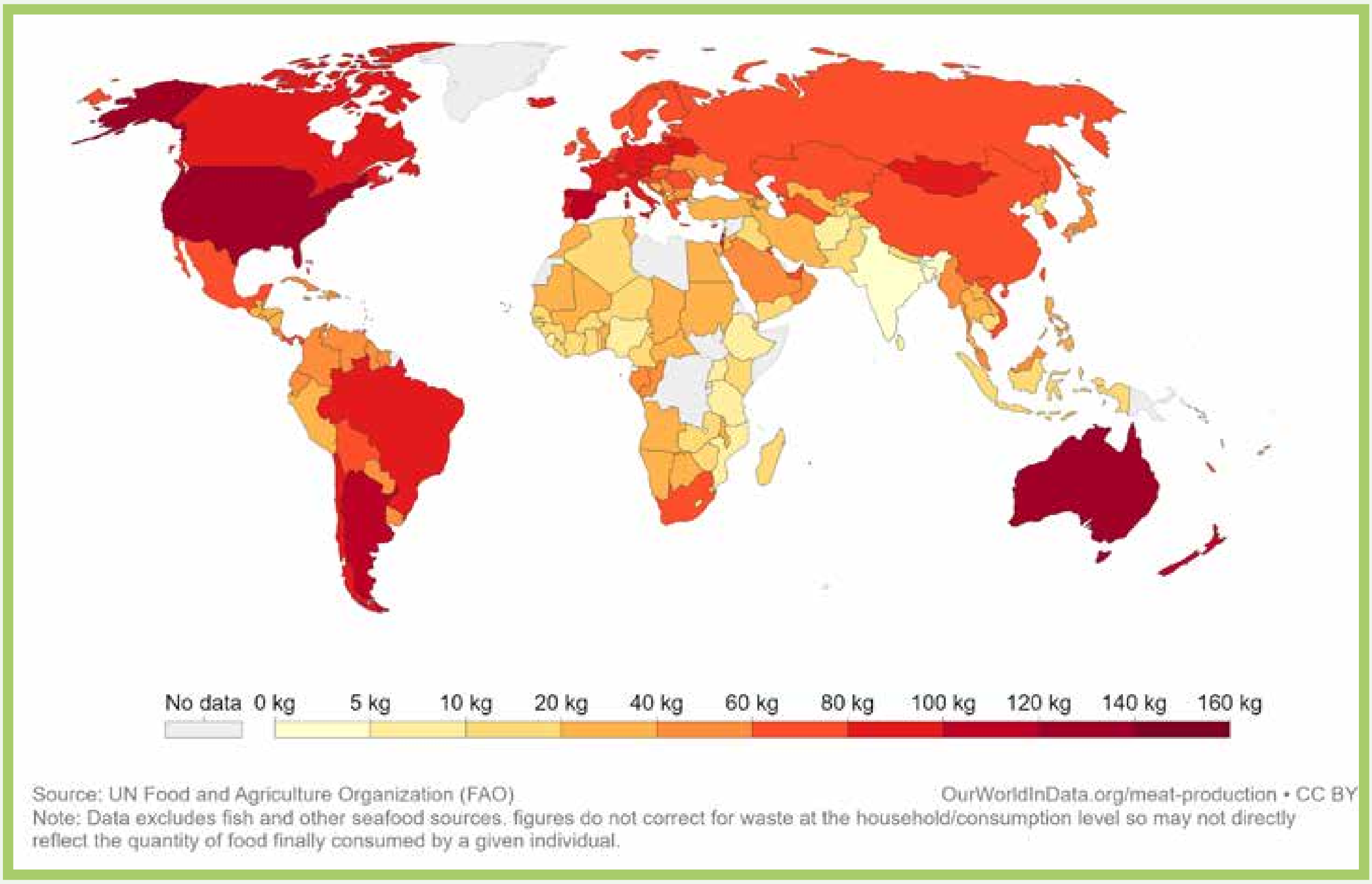
Meat Consumption

Beef and veal, Kilograms/capita, 1990 – 2029



Meat supply per person, 2017

Average total meat supply per person measured in kilograms per year



Consumer Trends

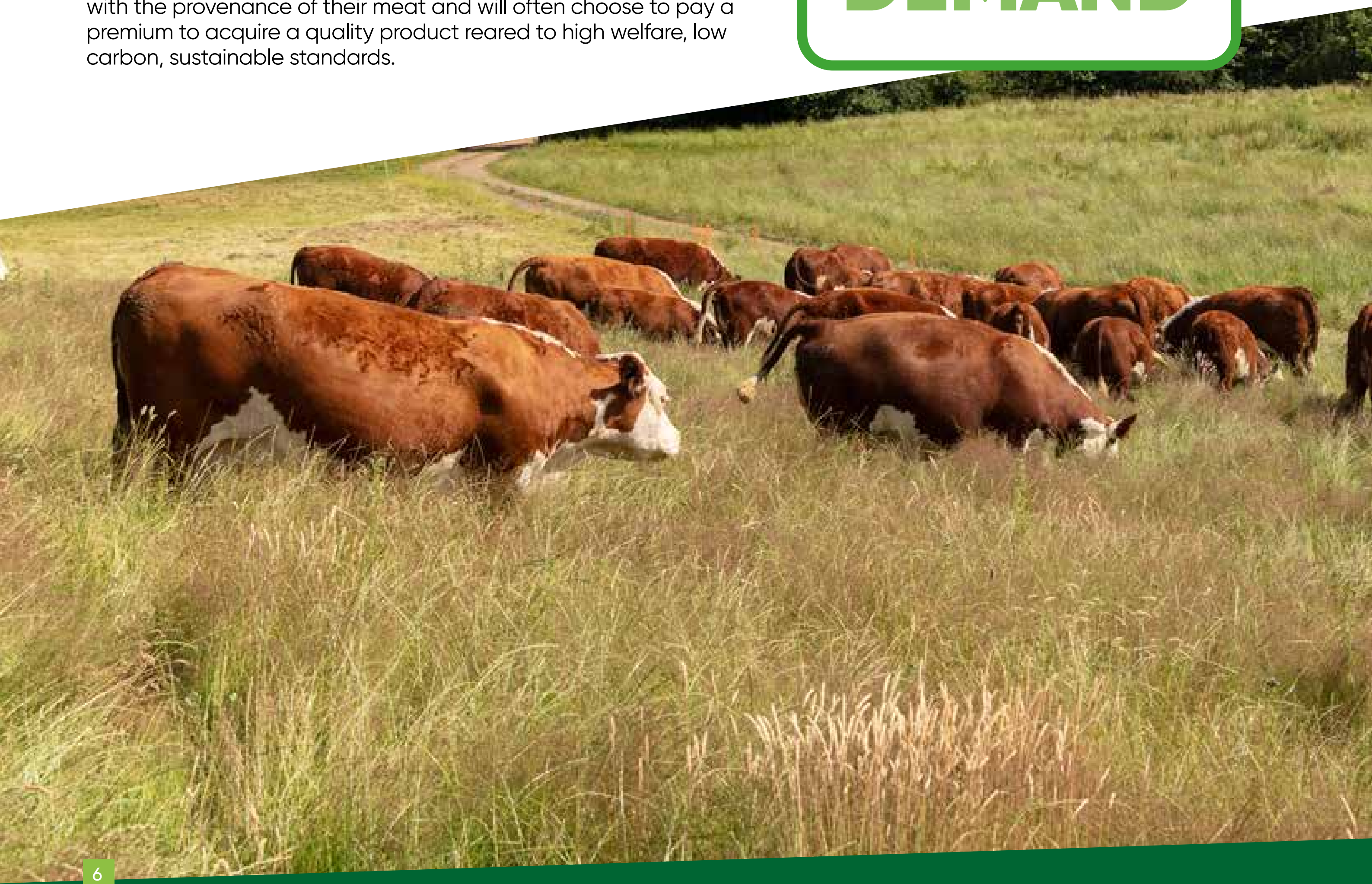
Roughly 50% of meat demand inflation can be attributed to global population growth, with the other half derived from increased per person consumption. Changing consumer preference for meat can largely be attributed to income growth[5] as people switch to the consumption of food for enjoyment and convenience beyond simple nutrition. Around 85% of the rise in global meat consumption between 1998 and 2018 was accounted for by developing countries, with 34% attributed to China[1].

Demand is set to be underpinned by emerging economies, with the African market growing by 30%, and the Latin American market by 12% by the end of the decade[2]. By this time, it is projected that two-thirds of the global middle class will live in the Asia-Pacific region (AHDB, 2017), with growth here of 18%.

A substantial proportion of the growth in red meat consumption is demand for halal meat in Asia. AHDB estimate trade in halal is worth £550bn and is projected to double in the next 30 years. In the UK, more than 60% of halal consumers eat lamb at least weekly, compared with just 6% of the general population[6]. The religious festival of Qurbani has the potential to develop demand for 350,000 sheep carcasses a year in Europe alone.

In some high-income markets per capita meat consumption has begun to plateau. In Europe, consumption is forecast to grow by just 0.4% by 2030[2]. Tentative projections suggest that the West could reach 'peak meat' consumption by 2025, driven by meat's association with environmental and health-related concerns[7]. However, these consumers are still heavily engaged in the red meat category, incorporating some of the highest per capita consumption in the world. Consumers are increasingly concerned with the provenance of their meat and will often choose to pay a premium to acquire a quality product reared to high welfare, low carbon, sustainable standards.

A GROWING MIDDLE CLASS ACROSS ASIA, AFRICA, AND THE MIDDLE EAST WHERE SHEEP MEAT IS MORE WIDELY CONSUMED WILL LEAD TO A SIGNIFICANT RISE DEMAND



CONSUMER INSIGHT

IMPROVING MARKETING AND PACKAGING ARE KEY DRIVERS TO INFLUENCE CONSUMER PURCHASING CHOICES. BRITISH BEEF AND LAMB CAN LEARN FROM THE PROMOTIONAL SUCCESS OF ITS PLANT-BASED COMPETITION THROUGH SUBSTANTIATING SUSTAINABILITY CLAIMS AND PROMOTING THE NUTRITIONAL DENSITY OF RED MEAT BOTH IN THE MEDIA AND ON PACK. PROMOTION MUST UTILISE THE UK'S UNIQUE, WORLD LEADING, SUSTAINABLE PRODUCTION STANDARDS TO TAILOR MESSAGING TO INTERNATIONAL CONSUMERS.

Global Exports

Global beef and sheep meat production for 2021 was projected to reach 72.4m and 16.5m tonnes respectively (FAO, 2021). Despite the increases in global production, demand continues to exceed supply. This has sustained farm gate prices and ensured a competitive global market place.

The global beef trade is dominated by Brazil, Australia, and the USA. Exports from Brazil totalled 2.5m tonnes in 2020, with markets in over 150 countries, and accounted for over 20% of the global export market. Australian product accounted for over 1.4m tonnes of global exports. The US focuses on the quality and consistency of its grain-fed product and shipped just under 1.4m tonnes generating $8.7bn in the year to September 2021, a rise of 31% on the year before (USDA, 2021). Each benefitted from growth in high-value markets such as China, South Korea, and Japan.

The UK is a much smaller exporter of beef, responsible for between 1% and 2% of global trade. The UK will not compete with the scale of large producing nations, but our high standards are key to growing market share for British beef and lamb.

Australia and New Zealand account for the majority of global exports of mutton and lamb, each exporting in excess of 400,000 tonnes annually. New Zealand currently dominates in China and Europe, with Australia focusing on the Middle East and North Africa (MENA) and North American markets, as well as exploring exports to the rest of the world[4]. The UK is the third largest exporter of lamb and, as such, occupies a strong foothold from which to capitalise on the forecasted increase in global demand.

AUSTRALIA AND NEW ZEALAND ACCOUNT FOR THE MAJORITY OF GLOBAL EXPORTS OF MUTTON AND LAMB, EACH EXPORTING IN EXCESS OF 400,000 TONNES ANNUALLY. NEW ZEALAND CURRENTLY DOMINATES IN CHINA AND EUROPE, WITH AUSTRALIA FOCUSING ON THE MIDDLE EAST AND NORTH AFRICA (MENA) AND NORTH AMERICAN MARKETS. AS WELL AS EXPLORING EXPORTS TO THE REST OF THE WORLD.

THE UK IS THE THIRD LARGEST EXPORTER OF LAMB AND, AS SUCH, IS IN A STRONG POSITION TO CAPITALISE ON THE INCREASE IN GLOBAL DEMAND FOR SHEEP MEAT.

Chapter 2: Brand Britain

Production

The total UK cattle herd, including dairy cows, stands at just over nine million, of which the female breeding herd accounts for roughly a third (Defra, 2022). The UK beef suckler herd continued its decline since the early 2000s, to stand at 1.45m in December 2021 (Defra, 2022) producing just under 2m prime cattle for slaughter (AHDB, 2021a). With the addition of cull cows and male dairy calves self-sufficiency levels stand at roughly 86% (AHDB, 2020). The domestic sheep flock is around 31m, with a breeding flock of 13.8m (AHDB, 2021b). 2021 total slaughter was projected at 13.5m, with 12.3m of these prime lambs. In the UK we are 106% self sufficient in lamb

The UK processing sector has experienced ongoing staffing difficulties resulting from Brexit and the Covid isolation requirements. The lack of labour in red meat processing, especially skilled butchers, is currently one of the factors limiting the UK beef and sheep sector growing export opportunities, and in particular extracting the full value from the carcass including utilising the fifth quarter and animal-by-products.

National demand for home-grown produce remains strong, but price resilience will always be dependent on continued access to valuable international markets. With inflation of agricultural inputs set to continue, the UK's trading portfolio is vital to maintain sustainable farmgate prices for cattle and sheep.

Export

The past decade has been a marked success for both British beef and lamb. Beef exports rose 30% between 2009 and 2019 (Defra, 2021), and are now worth over £449m to the British economy every year. Of the 900,000 tonnes of beef produced in 2020, 180,000 tonnes were exported, making the UK the 13th largest exporter of beef and veal in the world. In total, 89% of this went to the EU, with export to non-EU nations dominated by Hong Kong. The top three destinations for UK beef overall were Ireland, the Netherlands and Hong Kong.

Most exported beef and veal is low-value product offals with greater demand overseas (CCC, 2020) or beef intended for further processing. Prime cuts have achieved limited export success, largely owing to the premium attached on the domestic market (AHDB, 2020).

The UK is the third largest exporter of sheep meat in the world, with exports worth over £445m in 2020 alone (AHDB Sheep meat trade dashboard). Over 95% of total exports are to the European Union, with the top three export destinations being France, Germany and Ireland. The UK produces 300,000 tonnes of sheep meat annually, of which in 2021 73,000 tonnes is exported (AHDB). Exports have remained relatively stable over the past decade, largely supported by the EU market. Exports to third countries have slowly started to increase, most notably in the Gulf states, Kuwait and the UAE.

Lamb export volumes to the EU did, however, fall 25% post Brexit, hampered by new border controls and the Covid-19 pandemic. Premium cuts remain particularly popular on the European market, highlighting an ongoing dependence on the EU (AHDB, 2020). Untapped demand in Canada and the Gulf states demonstrate potential but will not replace the value of the European market.

Carcass Balance

A huge part of any export strategy has to be maximising value and optimising carcass balance. The UK still imports a significant amount of red meat in spite of high self-sufficiency levels, which in the case of lamb exceed 100%. This is dictated by cultural dietary preferences for certain cuts of meat over others and is reflected in the price that processors can achieve for each element of the carcass.

Products of lower value on the domestic market can enter international commodity markets, which adds value for domestic producers and processors. The value of fifth quarter products continue to improve and in some cases the value of offal can even exceed that of traditional premium cuts. In Japan for example, beef tongues are a valuable part of the carcass. Greater international presence and expertise is required to highlight additional opportunities for fifth quarter products, combined with the UK's ability to effectively harvest and market a range of cuts and offal, would add further to our environment and sustainability story.

BSE restrictions and controls also continue to limit the UK's access to certain markets.

Top 5 Non-EU Beef Export Markets (by export value (£) 2021)

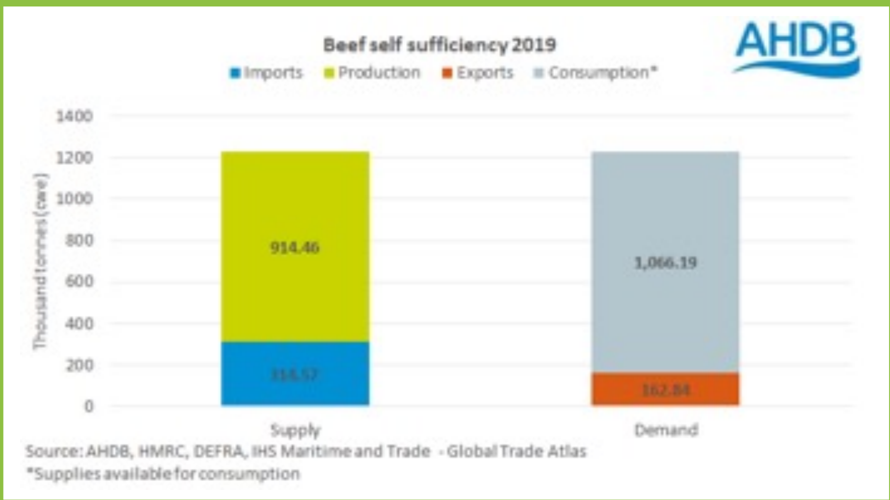
1. Hong Kong – 26,483,280

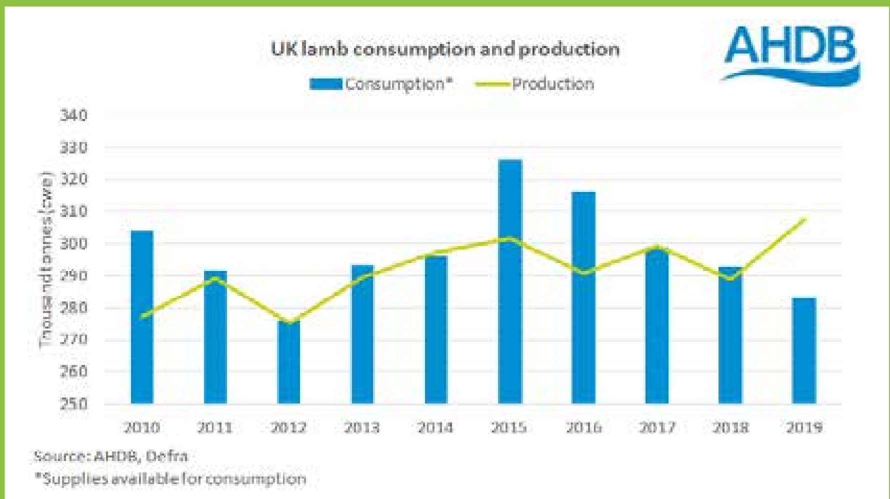
2. USA – 11,075,068

3. Philippines- 10,645,509

4. Japan- 9,734,015

5. Canada- 7,411,456





INTERNATIONAL MEAT TRADE ASSOCIATION

Markets around the world highly value fifth quarter products that don't have a natural market in the UK. Without these crucial export markets these cuts that don't find a natural market in the UK would have to be disposed of at cost, ultimately reducing returns to the producer.

International Meat Traders have intricate expertise in international trade – dealing with the financing, product specifications which differ globally, and the complications of international shipping and logistics in order to add value to the chain.

It is crucial that the UK accelerates work to open and expand its approvals for export to markets around the world to provide a wider choice of markets for exporters in order that the best returns to producers can be secured. Without veterinary market access, tariff liberalisation through FTAs cannot be utilised by meat exporters. The UK must also invest adequate resources in maintaining existing market access and re-opening previously open markets which are now closed.

Top 5 Non-EU Sheep Export Markets (by export value (£) 2021)

1. Hong Kong – 6,436,941

2. Switzerland – 3,753,508

3. Kuwait – 2,720,489

4. Canada- 1,884,338

5. New Zealand- 1,185,818

Standards

UK beef and lamb is produced to some of the highest standards in the world. Food safety is regulated by the Food Standards Agency (FSA), with the Animal and Plant Health Agency (APHA) ensuring animal health and welfare on UK farms is maintained to the required legal standard. The UK seeks to set the benchmark on sustainability, responsible use of veterinary medicines and animal welfare. Our producers continue to innovate towards more environmentally cleaner outputs and greater transparency within the supply chain.

Food Health & Safety

The UK's regulatory assurance framework is amongst the most comprehensive in the world, underpinned by robust and intelligence-led controls that are enshrined in EU and national food and feed law. Enforcement in primary processing falls under the FSA, a non-ministerial governmental department who deliver official controls under the direction from the compitent authority Defra. The UK has a strong reputation for food safety, quality, and authenticity, both at home and abroad. The FSA's independence and transparent approach seeks to reassure consumers through veterinary and meat hygiene inspector audit in all UK red meat processors and ensures a comprehensive farm to fork approach to food safety.

The food safety framework incorporates a wide range of controls, from nutritional labelling, allergen warnings, Country-of-Origin Regulations and the Compulsory Beef Labelling Scheme, to Food Hygiene and animal welfare regulations. The FSA also plays an active role in relation to trade, by auditing in the plant approval process needed to access international markets and overseeing auditing and export certification.

The FSA functions alongside a number of Defra executive agencies which operate to ensure the standards of UK food. APHA spearheads scientific research and management of diseases, vaccines, food safety, and facilitates international trade in animals and products of animal origin through the issuing of export health certificates.

The Rural Payments Agency (RPA) manages traceability services within the domestic supply chain: the Cattle Tracing System and Animal Reporting and Movement Service function to ensure traceability of cattle and sheep, from farm to slaughter for food safety standards and to enhance supply chain transparency. The new national multi-species livestock information service will ensure lifetime traceability credentials of UK beef and lamb with additional capacity to share further productivity information up and down the supply chain.

The Veterinary Medicines Directorate (VMD) promotes animal health and welfare by assuring the safety, quality and efficacy of veterinary medicines.

National Assurance schemes such as Red Tractor, which has 21,832 livestock members in England, represent an additional platform for growth in the export market of British red meat, ensuring our high value exports have robust assurance supporting our health, welfare and environmental credentials. The Red Tractor scheme means that food has been responsibly sourced, safely produced and comes from animals that have been farmed with care.

Animal Welfare

On farm, the Welfare of Farmed Animals Regulations represent the benchmark for livestock rearing. They include legal obligations to meet the five freedoms whilst also monitoring animal health and providing medical care whenever required.

The Responsible Use of Medicines in Agriculture Alliance's (RUMA) function is to reduce, refine, and replace the use of antibiotics in agriculture by promoting the highest standards of food safety, animal health and welfare across the whole UK supply chain. The net result has been a 52% reduction in the amount of antibiotics used on farm between 2014 and 2020, and a 79% reduction in the use of those antibiotics most vitally important for human medicine (VMD, 2021).

Moving forward, the incoming Animal Health & Welfare Pathway represents just another example of UK farming's ongoing commitment to developing its world-leading health and welfare standards.

Environmental Sustainability

The UK's food standards are supported by strong environmental and sustainability credentials. British beef and lamb is nothing like its global competition. Our abundance of pasture (around 65% of Britain is grassland which could not be used to grow other crops) and temperate climate are suited to growing grass which livestock are able to transform into food fit for human consumption. The predominantly grass-fed or forage based diets of our production means that our carbon footprint sits at around half the global average (CIEL, 2020), whilst the carbon sequestration capacity of our grassland has placed livestock farmers at the forefront of the NFU's commitment to achieve net zero by 2040.

Livestock are a fundamental component of our domestic ecosystems, and it is estimated that the contribution of cattle and sheep to biodiversity value is £121 million in England alone (AHDB, 2013). Their presence in our landscapes is beneficial for the fertility and carbon sequestration capacity of our soils, and livestock farmers themselves are increasingly exploring ways to integrate renewable wind, solar and anaerobic digestion energy technologies into their businesses. Farmers are working in collaboration with government to embrace ELM schemes as the UK moves from direct subsidy farm support payments to payments based on delivering a range of environmental and animal welfare public goods.

The moral obligation of British farmers to produce world-leading sustainable beef and lamb is supported by the UK's continued approach to innovation that will deliver ever greener farming solutions.

GRAZING LIVESTOCK'S CONTRIBUTION TO BIODIVERSITY NUTRIENT CYCLING, HABITAT CREATION AND MAINTENANCE, HABITAT RESTORATION, BENEFICIAL PRACTICES, LANDSCAPE CONNECTIVITY, CARBON STORAGE, KEYSTONE SPECIES- TAKEN FROM FAO, 2016

Halal Certification

The UK livestock sector has worked closely with the domestic Islamic community and independent faith authorities, such as the Halal Food Authority and the Halal Monitoring Committee, to improve procedures for halal certification which offer unparalleled assurance for Muslim consumers.

Stringent procedures involving supervision, inspection, audit, and certification function to assure consumers that products are 'genuine halal' and offer another layer of traceability to the consumer.

Projects such as the Demonstration of Life Halal Assurance Scheme are at the forefront of global assurance in halal slaughter. The scheme has received support from independent halal certification bodies and further enhances the scope for halal meat. New literature produced by AHDB in both Arabic and French, as well as English, represents a useful tool with which to endorse the qualities of our halal production in target markets.

CASE STUDY

WHY I'M PROUD TO PRODUCE BRITISH BEEF

DAVID BARTON FARMS BEEF SUCKLERS NORTH OF CIRENCESTER IN THE COTSWOLDS

Our pasture-based system, founded on the abundance of our grassland and the strength of our native breeds, is the envy of the world. It's what we do, it's what we've always done, and it's a formula that the rest of the world is increasingly looking to emulate as it strives to reach net zero.

Here on my farm, we continue to innovate to improve the productivity of our herd, further reducing our carbon footprint without sacrificing the quality associated with our PGI West Country beef and lamb. We use selective breeding to optimise growth across our herd and have introduced multi-species herbal leys and rotational grazing to improve the nutritional content of our pasture. The cattle that I produce firmly enhance my farm, increasing soil fertility, improving soil health, and optimising the carbon sequestration capacity of my grassland. This is all substantiated by a rolling process of carbon audits and soil appraisals.

I'm proud to produce British beef because I know that what I farm will stand up to anything produced anywhere else in the world. Be it on quality, environmental sustainability, standards, health or welfare I think British beef is amongst the best in the world.

Rural Economy

Employment and Community

The value of the British livestock sector extends far beyond its nutritional output and its stewardship of our natural landscapes. The food and drink supply chain contributes £120 billion to the UK economy annually, more than any other manufacturing sector, and supports 4.3 million jobs right across the country (FDF, 2021). Nearly half a million of these workers are employed directly by farms (Defra, 2021) and more than 250,000 are affiliated with the meat industry (BMPA, 2020).

Farming families are at the heart of the rural economy, contributing to local value-added food production, tourism, rural infrastructure development and diversification activities which, in turn, drive regional green economic growth. Around 65% of all farm businesses in England also run other enterprises – such as farm shops, wedding venues and B&Bs – which generated £740 million for the UK economy in 2018/19. In 2019, 18.5% of all money spent on holiday trips in England was spent in the countryside – just over £2 billion.

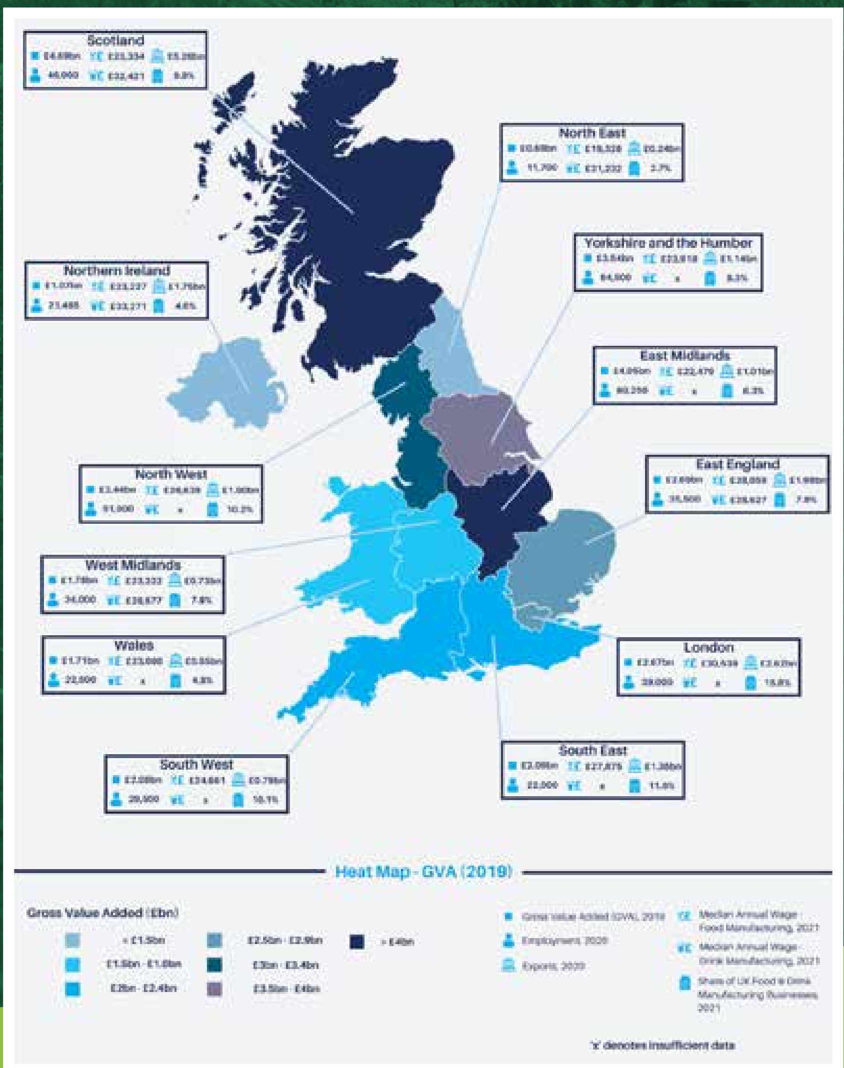
Preservation of the landscape which sustains this rural tourism is as valuable economically as it is environmentally. A treasured element of the British national identity, many popular rural tourist locations are working farmland, an iconic patchwork of food and farming landscapes with many farmers working hard to maintain footpaths and public rights of way so visitors can enjoy our beautiful countryside.

Great British farming and its heritage of native breeds grazing on, dry-stone walled pasture is as valuable to Brand Britain as the quality and standards of the product itself in terms of forging international brand recognition.

Levelling Up

Farm businesses themselves represent a pathway for rural economies to engage actively with the international market and draw in wide-ranging revenue streams to help with levelling up across the UK, while supporting the ambitions of the DIT by boosting the new Brand Britain. The livestock sector has a unique opportunity to increase profitability by optimising carcass balance through an outward facing trade agenda.

Gross added value regional factsheet from the food and drink federation



Chapter 3: Ambitions

The Trade and Agriculture Commission (TAC), which is made up of independent food, farming, trade and environmental experts from across the UK, has been tasked with making recommendations to government on how best to advance the interests of British farmers, food producers and consumers in future trade agreements. The TAC published a report in March 2021, which focused on five priority areas for action by the government.

- **the development of an ambitious agri-food trade strategy**
- **a coherent plan for UK leadership on the international stage**
- **the negotiation of free trade agreements (FTAs)**
- **the promotion of UK exports and market access**
- **the alignment of trade, aid and climate policies relating to agri-food**

Agri-Food Trade Strategy

Market Development

We should look to expand market access and negotiate progressive, lucrative FTAs of our own as well as securing individual bilateral agreements where they benefit UK businesses. The scope of negotiations must be expanded to address the barriers presented by market access controls such as SPS measures and TBTs which often have the most restrictive effect on UK food trade. British food and drink must secure a seat at the table in future DIT negotiations to ensure that the needs of agriculture are met within new trade deals.

Government must invest diplomatic time, utilising greater interdepartmental join-up and targeted deployment of senior ministers to advance the trade prospects of UK food. Market access in general must be more effectively communicated with industry in order to encourage active engagement with new markets and support provided to help processors and exporters establish export networks.

Export promotion

Government must consolidate and expand support for red meat export promotion. The key to the success of many of our competitors, including the USA, Australia, and New Zealand, has been achieving market differentiation of their product. Ireland and Bord Bia represent an example close to home of what the UK could achieve. The deployment of strategically placed networks of agricultural attachés is crucial to help coordinate the promotional efforts of UK processors and exporters abroad.

The attaché network must work alongside industry specialists to tailor the messaging attached to British beef and lamb to the target markets. Understanding the market and consumer requirements is key to leveraging value.

UK Food & Drink Export Council

Government must expedite the appointment of the UK Food and Drink Export Council, bringing together the four nations' administrations and the food and farming industry to implement measurable improvements in UK agri-food exports. Working in collaboration with the Food and Drink Sector Council, and its existing Exports Working Group, to fulfil the export potential of the UK food and drink sector.

By drawing together food research strands and promotional investment overseas, the whole of the UK can benefit from economies of scale which will free up excess funding to expand our base for innovation and extend our market exposure abroad.

Commitment to Productivity and Competitiveness

Government must commit to endorse and support the ongoing efforts of industry to develop British beef and lambs' productivity and competitiveness. Priority workstreams should include:

- **Rationalisation and digitisation of UK trade permitting, reducing the burden of unnecessary paperwork on exporters and facilitating trade.**
- **Support for, and leveraging of, the incoming Livestock Information Programme to facilitate greater efficiencies in export health certification, including assessment of software systems that deliver smart certification technologies.**
- **Increasing fresh product shelf-life by implementing state-of-the-art technology in UK red meat processing facilities and more investment in packaging, shipping and storage technology which adds value and facilitates greater market access.**
- **Continue improvement in UK halal certification to increase our catalogue of certifiers abroad and build understanding and recognition of the Demonstration of Life protocol.**
- **A commitment to ensure that incoming farm support schemes and the transition to ELMs do not fundamentally undermine British livestock farmers' ability to be competitive in a global market.**

VETERINARY MARKET ACCESS – OPENING EXPORT MARKETS FOR MEAT: OVERVIEW OF THE POTENTIAL PROCESS

UK express interest in exporting to third country.

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Importing country agrees to engage in negotiation, send questionnaire to Defra.

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Defra complete questionnaire and send back to importing country's competent authorities.

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Supplementary investigation by importing country.

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Negotiations continue before animal health requirements (AHR) are agreed and finalised.

↓

Period of inspections: some are 'systems' inspections to check overall country level controls whereas other inspections are at a plant level for specific plant listing.

↓

Further provision of information and response to any questions raised in visits.

↓

Export health certificate (EHC) & Notes for Guidance drafted.

↓

Further exchange of views during which final clauses of EHC are agreed.

↓

Signing off of certificate by the importing country

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Certificate & Notes for Guidance loaded by APHA Carlisle into EHCO (Export Certification Online) for use by exporters.

PROCESS OF OBTAINING AN EXPORT HEALTH CERTIFICATE APPLY TO APHA VIA EHC ONLINE

APHA undertakes checks as necessary.

↓

Certificate sent to Official Veterinarian (depending on the certificate, this could be a digital or printed physical copy)

↓

Consignment is inspected by Official Veterinarian, who signs the EHC if the consignment meets the requirements

↓

Consignment is exported, accompanied by the original signed EHC.

A Defined set of Core Standards

Government must collaborate with industry to safeguard domestic UK food standards. These standards should not only safeguard domestic production from the potentially trade distorting effects of incoming FTAs, but also help define Brand Britain in international markets. Government should promote the strength of UK food production to capitalise upon opportunities in global trade, These standards should form the basis of red lines in FTA negotiations, facilitating consistency across agreements.

SPS measures: sanitary and phytosanitary measures are designed to protect human, animal and plants from disease and pests. They include food safety and animal and plant health standards.

TBTs: technical barriers to trade are any non-tariff regulations, standards, or procedures which make exporting goods to another country more difficult.

BORD BIA

Ireland's Bord Bia works alongside the Minister for Agriculture, Food and the Marine, which acts as a link between Irish food, drink and horticulture suppliers and customers of Irish food.

Bord Bia is supported financially directly from government and producer levies. to promote and develop in any the marketing of Irish food and livestock.

Their network spans 15 international offices, manned by regional commodity market specialists, which function as operational hubs for domestic exporters. International offices have technical expertise to address any market access issues for traders and are able to leverage their financial independence to maintain invaluable communication channels with local importers, policy-makers and officials.

FARMERS FIRST

Markets around the world are extremely valuable to Farmers First who specialise in optimising returns for UK lamb producers through export market development. Whilst the majority continues to head to the EU, the company has worked hard in conjunction with levy bodies over the past four years to proactively expand into new export markets and, through the success of trade exhibitions and trade delegations, now serves customers in the Middle East and Canada, with developing interests in the Far East.

The company has invested significant capital in maximizing its export opportunities, expanding carcass processing to extract offal, heads and feet, and innovating to enhance its environmental credentials. However, further industry support is required to facilitate expansion within lucrative new geographies such as the Middle East, North America, and Asia.

If the UK is to compete with New Zealand and Australia, it needs to develop animal health certification and address customs declarations inefficiencies which are currently barring distribution channel development. Simplification of halal certification and greater competition in the certification sector are integral to better communicating the value of UK product abroad and would broach significantly improved success in the Middle East. UK processors also need support to invest in cutting edge facilities and processing operations to improve key product quality issues such as shelf-life.

Market Opportunities

To capitalise effectively on the opportunities presented to UK red meat it is important to identify target markets. Figure 3 presents an independent analysis of international red meat markets and a roadmap for future export objectives. It encapsulates data on the size of each market, it's growth potential, the ease of doing business, and its capacity to add value to British beef and lamb through carcass balance and offering an outlet for cuts without a domestic market. It also displays veterinary market access and existing trade provisions. The table does not however address the difficulty of access to markets due to socio-economic differences.

Country/Bloc	Market Value		Market Growth Potential				EHC Access			
	Beef	Sheep	Beef	Sheep	Ease of doing business	Value Added	Beef	Sheep	Tariffs	Quotas
EU27, Norway & Switzerland	*****	*****	*	**	****	***	Yes	Yes	No	No
China	*****	*****	*****	***	***	*****	Yes	Pending	Yes	No
USA	*****	*	**	****	*****	*	Yes	Yes	Yes	No
The Gulf	**	*****	****	***	**	*****	Few	Yes	No	No
Japan	****	*	*	**	****	****	Yes	Yes	Yes	No
Canada	***	**	*	**	****	*	Yes	Yes	No	Yes
Vietnam	****	*	***	**	**	****	No	No	Yes	No
South Korea	***	*	****	**	*****	****	Pending	No	Yes	Yes
Hong Kong	**	*	***	**	*****	****	Yes	Yes	No	No
Singapore	**	***	**	**	*****	*	Yes	Yes	No	No
The Philippines	***	*	**	**	**	*****	Yes	Yes	Yes	No
Middle East	***	*	***	**	*	****	Mostly	Mostly	Yes	Yes
India	*	*	**	**	**	*****	No	Restricted	Yes	No
Taiwan	**	*	***	**	****	***	No	Pending	Yes	No
South Africa	***	**	***	**	**	*	No	Restricted	Yes	No
Southern Asia	***	*	***	**	***	*****	Few	Few	Yes	No
Africa	**	*	****	***	*	*****	Mostly	Mostly	Yes	No
Eastern Europe & Russia	***	*	**	**	**	****	Few	Few	Yes	No
Latin America	*****	*	***	**	*	****	Few	Few	Yes	No
Central Asia	***	***	**	**	*	****	Some	Some	Yes	Yes
New Zealand	**	**	*	*	*****	*	Yes	Yes	No	No
Australia	***	***	*	**	****	*	No	No	No	No

Ease of doing business: Data drawn from World Bank 'Doing Business' report which ranks 190 economies by their receptiveness to trade. For blocs an average has been drawn*. *****Top 10, ****Top 30, ***Top 50, **Top 100, *100+
Value added: constitutes the demand for alternative products (ABPs, fifth quarter/higher value products?) and thus the potential for greater carcass balance.
Market value: OECD Meat Consumption (2021)/FAOstat Food Balances (2019)/TrendEconomy (2020)
Market Growth: FAOstat Food Balances (2010-2019)/OECD Meat Consumption (1990-2021)
Prelude to table- explain that OECD/FAO figures have been utilised in conjunction with independent forecasts of the viability/value of UK red meat trade to determine target markets.
The table is presented as a starting point- providing a roadmap for future export ambitions with descending prioritisation of future target markets once outlined market development objectives have been met.
Incorporate a rounded intro/prelude/summary of table detailing intricacies valuable for our ambitions and target markets which perhaps aren't evidenced in this simplified data format.

The UK is now able to carve its own international trading networks and we wish to align our ambitions with the Department for International Trade. Here, we present our trading ambitions for export growth in five priority markets.

The EU

The EU remains a important, high value market for British red meat; consumption is broadly stable, with a small decline projected but consumption here remains some of the highest in the world (EU Observer, 2021). Current trade with the EU is valued at £449 m for beef and £445m for sheep meat sales.

Maintaining our trading relationship is crucial for the UK's red meat sector. Market development to promote British beef and lamb should highlight our standards and broad regulatory alignment with the EU to ease the movement of goods across borders, incorporating a Veterinary Agreement or equivalence.

China

Securing access to China and its vast population is, without doubt, the largest prize within the global meat economy. Consumption of around 60kg of meat per capita across a population of nearing 1.5bn accounts for around 28% of global production. This equates to over 5m tonnes and 8m tonnes of sheep meat and beef and veal respectively (FAO,2018). Their demand remains hugely dependent upon imports and continues to grow.

Despite achieving approval for British beef to be exported into China in 2019, we have yet to see any shipments due to the suspension of access following a confirmed case of Bovine Spongiform Encephalopathy (BSE) in September 2021. Government must step up its diplomatic efforts to reassure Chinese authorities of the food safety credentials of UK beef.

Matched funding and support must be made available for levy-bodies/processors seeking access for lamb and to improve in-market promotion. Consumer sentiment towards British product is generally very strong - but in the most competitive marketplace in the world, more must be done to promote the stand-out messages of our product: responsible user of veterinary medicines, traceability, high-welfare, and food safety.

The USA

The USA has the highest per capita meat consumption in the world. In its first full year since reacquiring market access, British beef exports in 2021 were up over £8 million year-on-year in the year to October. The majority of this went to processing for the foodservice sector, but with US consumers increasingly aware of health and welfare of the meat they consume and its traceability from farm to fork. British beef has a huge opportunity to expand into higher value premium food service.

There is a clear opportunity for British lamb to enter the market but there is a need for targeted export promotion. US consumer recognition of Brand Britain is particularly poor, with over 55% unable to express a view on British food (AHDB, 2019); the country's new agricultural attaché must be rresourced and financed sufficiently to share the story of British beef, and tailor product packaging to clearly reflect the health, welfare, and traceability credentials of its grass-fed origins.

With the removal of the small ruminant rule in December 2021, the market will soon be open for lamb as well. Sheep meat suffers from a lack of familiarity and an ongoing association with canned mutton consumed during the war. But its price premium continues to inflate further beyond that of beef and it experienced annual sales growth of 28% to the beginning of last year (Bloomberg, 2021). With a potential market value of £37 million to the UK sheep sector in it's first five years, British lamb requires financial support for effective export promotion.

The Gulf

Between 2010 and 2019, exports of goods to the region increased by 63.6%, making it the UK's second largest non-EU export market. Exports of sheep meat in particular grew by 652% between 2018 and 2019, testament to its popularity amongst the region's predominantly Muslim population. However, beef is growing in popularity as well in line with rising incomes and a transition towards a more Western diet. The area imports around 90% of the food it consumes and is highly receptive to Brand Britain which is considered to represent high standards of food safety and product quality. Market access issues continue to challenge many exporters as the regional trading bloc, the Gulf Cooperation Council (GCC), is not a single market and as such the six member states have a myriad of different regulations to navigate. These incorporate some 955 SPS measures and 3,283 TBTs. UK Government must apply a broader mandate for FTA negotiation in the region, leveraging its diplomatic strength to consolidate greater market access and uniformity across the bloc through the GCC's Gulf Standardisation Organisation.

UK Halal assurance must address the limited number of certification bodies currently accredited to issue halal export certificates to countries in the GCC (AHDB, 2021). Whilst also prioritising the expansion of demonstration of life slaughtering systems to incorporate beef. With a legal requirement across the GCC for all incoming product to maintain 50% of its shelf-life post-arrival and shipping taking an average of 21 days, innovation in packaging is fundamental to getting product on shelves and maintaining freshness and food safety once there.

Japan

In spite of ongoing trading difficulties, the rapid agreement of a post-Brexit FTA and high receptiveness to Brand Britain helped red meat exports to Japan in 2021. UK product is able to cater to both traditional tastes for marbled beef and growing demand for grass-fed alternatives. Japan's $830 million per annum market for imported offal is also highly valuable (AHDB, 2020b).

Red meat exports to Japan might be considered one of the real success stories of the UK's post-Brexit trade policy. However, there remains scope for growth, and this must be centred around an ambitious expansion of our export promotional activities. With regards to beef, this simply needs to differentiate us from grain-fed: promoting the British 'story' of our grass-fed enterprise with its heritage, food safety, and health credentials. Opening a market for sheep-meat is slightly more complex and must overcome poor product familiarity by targeting promotional re-engagement with traditional British dishes and adapting lamb into Japanese cuisine (MLA Japan, 2021).

THE FOYLE FOOD GROUP

Foyle is the largest single dedicated beef processor in the UK and Ireland and exports over 25% of its product around the world to markets such as the USA and Japan. They work closely with levy boards on gaining market approvals and access and following the return of access for British beef into the US in 2020, invested considerable capital in establishing growing demand in the market, including relocating staff to Nashville to manage business development and growth within North America. Cuts exported to the USA are predominantly for the foodservice market to produce burgers and fajitas. These beef cuts are not traditionally utilised in the UK and provide the Foyle Food Group an outlet for carcass balance, improving returns for the British farmer.

The group has been exporting beef to Japan since 2019 and the region continues to be a key strategic market for the business. Access to Japan allows Foyle to maximise the value of cuts that would not be utilised within the UK market, for example offals which are a premium offering for the Japanese consumer. Having access into international markets such as these facilitates sustainability through nose to tail consumption, and supplements value added through carcass balance helping to manage fluctuations in business demand.

CASE STUDY

DR PHIL HADLEY

WHAT IS MY JOB?

AHDB INTERNATIONAL MARKET DEVELOPMENT DIRECTOR

How Does My Job Support UK Beef and Sheep Farmers and Businesses? – As a levy-payer funded organisation, the role of AHDB's export team is to support our beef and sheep farmers in getting their products into new and existing export markets around the world. A key strategic objective of AHDB is to help raise the profile of red meat from the UK in overseas markets, through the attendance of international trade shows, events, promotions, and conferences as well as hosting inward and outward missions to explore the opportunities in new and existing markets. We also play a vital role in identifying new and potentially lucrative export markets and working with government and wider industry to gain access for our red meat, all with the objective of enhancing the profitability of our beef and sheep farmers and processors. Another important aspect of our work is to commission research into new and existing markets to provide our levy-payers with a greater understanding of buying behaviours, market conditions and import requirements to ensure we are able to maximise on the potential opportunities they present.

What Work Is Underway? – By utilising AHDB's own market research and agents on the ground, we are able to identify key regions which offer the most potential for our red meat exporters. This forms part of our 2022/2023 activity strategy and determines the events and shows we attend to fly the flag for our high-quality products. This year, we have a strong focus on North America, the Middle East and Asia, where consumption of red meat continues to rise. We have also recently commissioned valuable research which explores consumer buying behaviours in the US and Asia and where British produce fits into these markets, which was unveiled at AHDB's annual red meat export conference. We are also currently working with government to gain access to new markets, including Chile and Vietnam, with further announcements expected later this year.

What Has Recent Work Taught You? – Over the past few years, we have seen that red meat from the UK is highly regarded in overseas markets and there is a growing appetite for our products around the world. While there have been challenges over the past two years, due to the impact of Brexit and Covid-19, we have been able to export our red meat to over 50 countries, as well as open new markets for our beef, lamb and pork including Japan, Mexico and the US. All of this is extremely positive and shows that opportunities remain to open new markets as well as increasing our shipments to existing markets, including the EU in the future.

British livestock farmers are proud to produce some of the highest quality, high welfare, climate friendly beef and lamb in the world. But by signing FTAs such as those with Australia and New Zealand, government is asking us to go toe-to-toe with some of the most export-oriented producers. To compete effectively, industry requires immediate government engagement, support, and investment to promote UK red meat and maximise its potential to supply growing global demand for beef and lamb.

We are calling for government to support the recommendations of the Trade and Agriculture Commission. Focussing in particular upon the formulation of an effective agri-food export strategy for beef and lamb, commitment to productivity and competitiveness in the sector, and to establish a defined set of core standards for food production. Government should look to draw upon examples of successful export strategies implemented abroad such as those by Bord Bia.

Red meat represents a unique opportunity for DIT to deliver on its new trade strategy - Made in the UK, Sold to the World - with processors and meat traders already working hard to engage with markets across the globe to add value at all stages of the UK supply chain. The heritage and story which underline demand for UK beef and lamb are inextricably tied to the core values which encapsulate Global Britain. Industry invites partnership with government to push this message around the world through effective market development and targeted export promotion.

Exporting British produce across the world

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