

# Brainstormers predict a bright future for UK beef



As part of the Cut Above campaign, **Cedric Porter** reports from the recent Beef Industry Summit

There is a strong future for beef production in the UK, but only if the industry adapts. That was the main message from the recent *Farm Business* Beef Industry Summit held in the House of Lords.

The unique event was part of the Cut Above campaign run by *Farm Business* in association with Pfizer Animal Health that saw more than 700 beef producers discuss the industry in 14 meetings around the country.

The 23 delegates at the summit, representing the supply industry, vets, producers, processors and retailers, discussed how a more successful beef industry for all parts of the chain could be developed. To encourage an open and frank debate, none of what was said was attributable, but the



Delegates listen intently to a point of view during the Farm Business Beef Industry Summit

following are some of the ideas that were discussed.

It was agreed that, despite the threat of imports, British beef does have some significant advantages. For one, beef from countries such as Brazil is vulnerable to political and disease pressures, and for another, the resumption of British beef exports will create opportunities.

But, for these advantages to be exploited fully, major changes will be needed in all parts of the chain.

One delegate disagreed with the view that beef producers have not been good business people. "They have been very good businessmen, but their business has been maximising the value of subsidies," he said.

He added that he believed there will be rapid adjustment among some to the new business environment.

Other comments were made that the subsidy system has turned beef into a commodity with few brands and little differentiation in the sector. Some believed supermarkets have not done enough to help encourage the development of brands, with little regard by them, processors or the MLC for the eating quality of beef.

The processors present agreed that British producers have the chance to develop winning branded premium products that would appeal to the 25% to 30% of producers who are willing to pay more for their food. But there was general agreement that consistency of quality will be vital for new markets to be developed and therein lies the challenge for beef producers.

A fundamental need is for producers to under-

stand their costs of production and target finishing weights and timings.

"The retailers know their costs, the processors know their's, but many producers haven't a clue and that makes them weak," said one delegate.

Another said that while some producers might be turned off by the rather worthy term 'benchmarking,' they must take it seriously either using the services of the Red Meat Industry Forum or commercial organisations.

One producer with cattle numbering into the thousands said that once processes are in place, then pinpointing costings is easy.

"It takes us 48 hours to do the costings for the whole herd," he commented.

There was also a plea for better use of herd health plans that look at the whole process from breeding, to soil and grass health, to health of the animals themselves.

"Get all that right and

it will be worth far more than any premium a supermarket could ever offer," stated one delegate.

A recurring theme was the need for greater trust and transparency throughout the chain. There was a willingness among producers to respond to market changes, although this had to be matched by commitments from processors and retailers to pay fair prices.

It was also acknowledged that producers would have more success in their goal of more profitability if they could collaborate more effectively with each other and other parts of the beef chain.

"Farmers will have much more power if they work together," said one delegate, while another pointed out that there are currently around 300,000 supply chains in the UK livestock industry.

## ACTION POINTS

At the end of the summit, delegates came up with a list of action points to help the beef industry to develop. They were:

- Put more focus on quality, consistency, brand-building and consumer wants.
- Greatly improve communication throughout the chain by gaining better understanding of other businesses.
- Create more transparency of data between processors and producers.
- Bring about a greater understanding of costings and animal health performance.
- Improve the business skills of producers through greater use of IT and training.

## Summit delegates

- The Lord Palmer: Host
- James Paice MP: Shadow Agriculture Minister
- Andrew Chitty: Chitty Food Group
- Richard Wood: Genus plc
- Sean Rickard: Cranfield University
- Jilly Greed: Devon beef farmer
- Gary Gray: Norfolk beef farmer
- John Hardman: Countrywide, Meadow Quality
- Alan Whibley: Grove House
- Cedric Porter: Chair, Farm Business
- Caroline Whibley: Grove House
- Nial Jaggan: Pfizer Animal Health
- Mike Keeler: Garnet Keeler PR
- Neil Lang: Clyde Valley Vets
- David Thomas: McDonalds
- Dr Chris Brown: ASDA
- Tim Leigh: Anglian Quality Meats
- Philip Wynn: Aubourn Consulting
- James Durston: *The Grocer*
- Teresa Wickham: TWA Communications
- Donald MacPherson: Well Hung & Tender, Scotland
- Heather Jenkins: Waitrose
- Roland Bonny: Food Animal Initiative