



AHDB Exports
Webinar June
2020
Dr Phil Hadley
International
Director



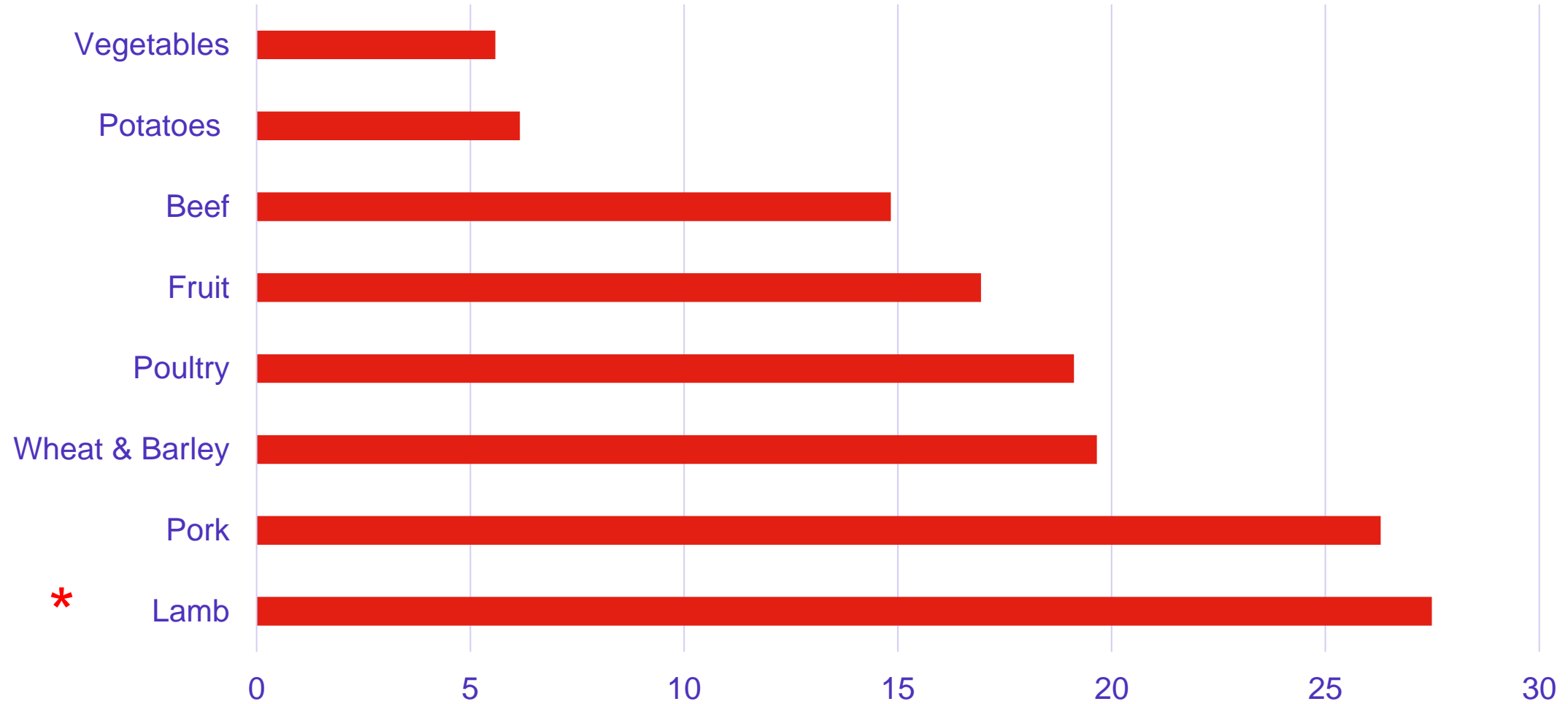
Overview

- Introduction and overview of AHDB export activities
- Rupert Claxton- Director GIRA
- Jonathan Eckley, Head of Asia Pacific
- Questions and ends at 3pm
- Submit questions via the questions tool on your control panel, session after presentations
- Webinar is recorded and will be available after on the AHDB website and youtube channel

AHDB exports

- Covers all six sectors (beef & lamb, cereals & oilseeds, dairy, horticulture, pork, potatoes)
- Red meat forms the largest export sectors with a £1.5bn trade value in 2019
- Remains critically important to balance carcass, deal with seasonal peaks of production and adds value to specific cuts in demand overseas
- Continue to seek opportunities to build on our reputation and positive association as a reliable producer of safe, quality products

Exports as % of domestic production



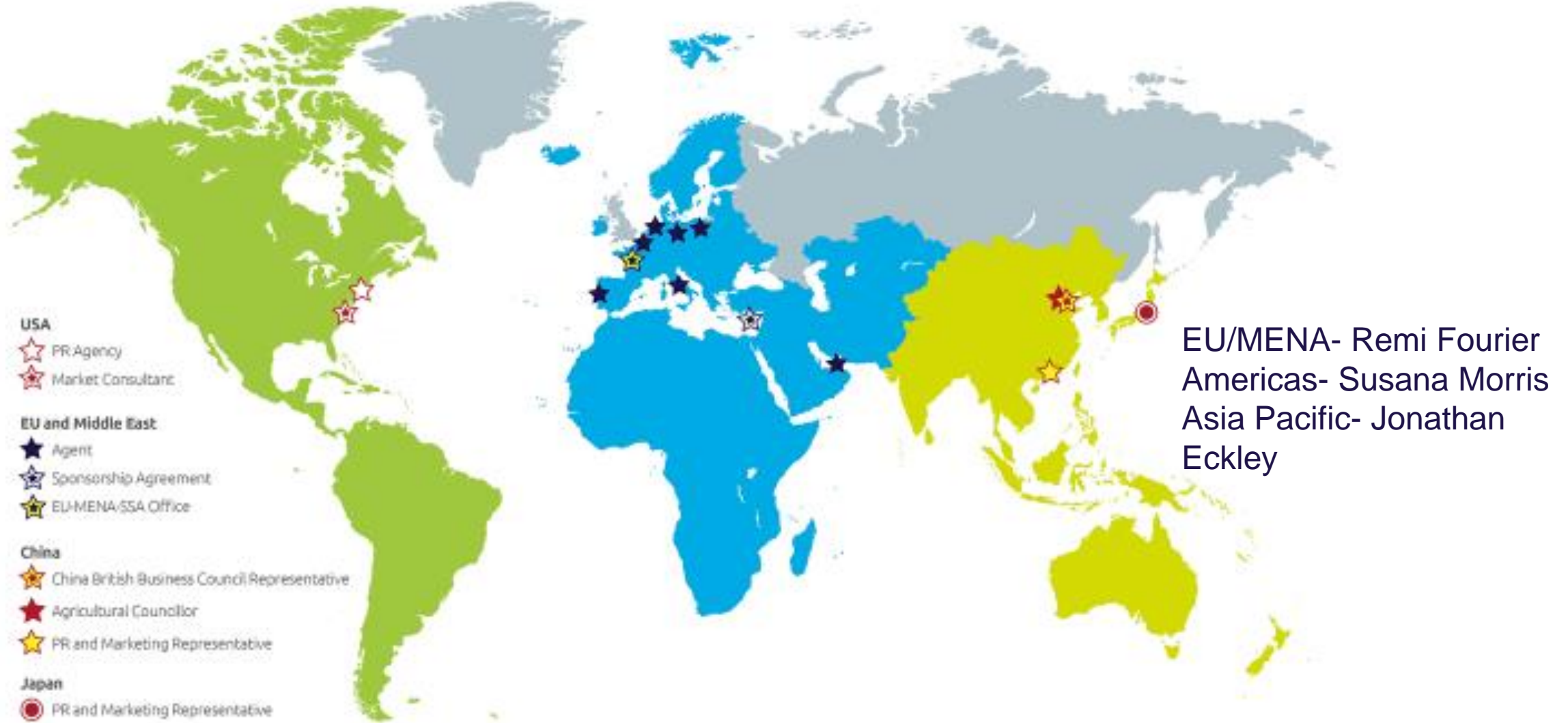
*Lamb exports between 28% and 33% of production and can rise to 40% seasonally

Source: Defra/HMRC

What we do

- Technical market access, import risk assessment questionnaires, support towards approval, inward inspection, ongoing market maintenance- working in partnership with industry, UK Gov and UKECP
- Outward missions to new/growing markets
- Trade shows to build reputation/presence and provide a platform for exchange with buyers
- In-market presence, activity and intelligence gathering, principally China (CBBC)/HK/US and currently expanding to Japan and Middle East on market development/reputation plus additions in China/US- reflecting opportunities
- Collaborate/support from local Embassy/FCO/DIT network eg Beijing post
- Brussels office on EU policy and impact evaluation

AHDB Export- team outline



Access

- Recent successes in Japan (beef/lamb), Taiwan (pork), China (pork & beef) and US (Beef)
- Ongoing access dialogues with Mexico (pork), Taiwan (lamb), China (lamb), and Vietnam (pork)- travel restrictions continue to hamper inward approval visits
- China have responded positively to request for flexibility on OV signatories in light of current risks. They have also permitted submission of e-certification and plain white paper, all facilitating exports and managing risk
- A number of certificates are now available electronically via APHA (see: www.gov.uk/export-health-certificates)



GREAT- working with Gov



EXPORTING IS GREAT
BRITAIN & NORTHERN IRELAND





Prompted associations with British food



34%
Good quality food

29%
Food safety

29%
Tradition and heritage

27%
Countryside and farming

37 % would pay a premium for British Food

61% China / 65% India

21% France / Germany 24%

Looking forward

- Exports continues to remain critical to stakeholders and a core part of the AHDB function
- We are developing our approach to include more support in newly granted markets and those with key growth opportunities
- This will increase the ability to deliver on the ground development and reputation building activities with partners
- We will also further improve our consumer insight work in key international markets so we can understand and exploit the potential
- Brexit- EU market remains vital and 3rd C's offer further opportunities

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COVID-19 Impacts on Global Trade

AHDB Webinar

Rupert Claxton

3rd June 2020

1) Global Overview + Covid-19

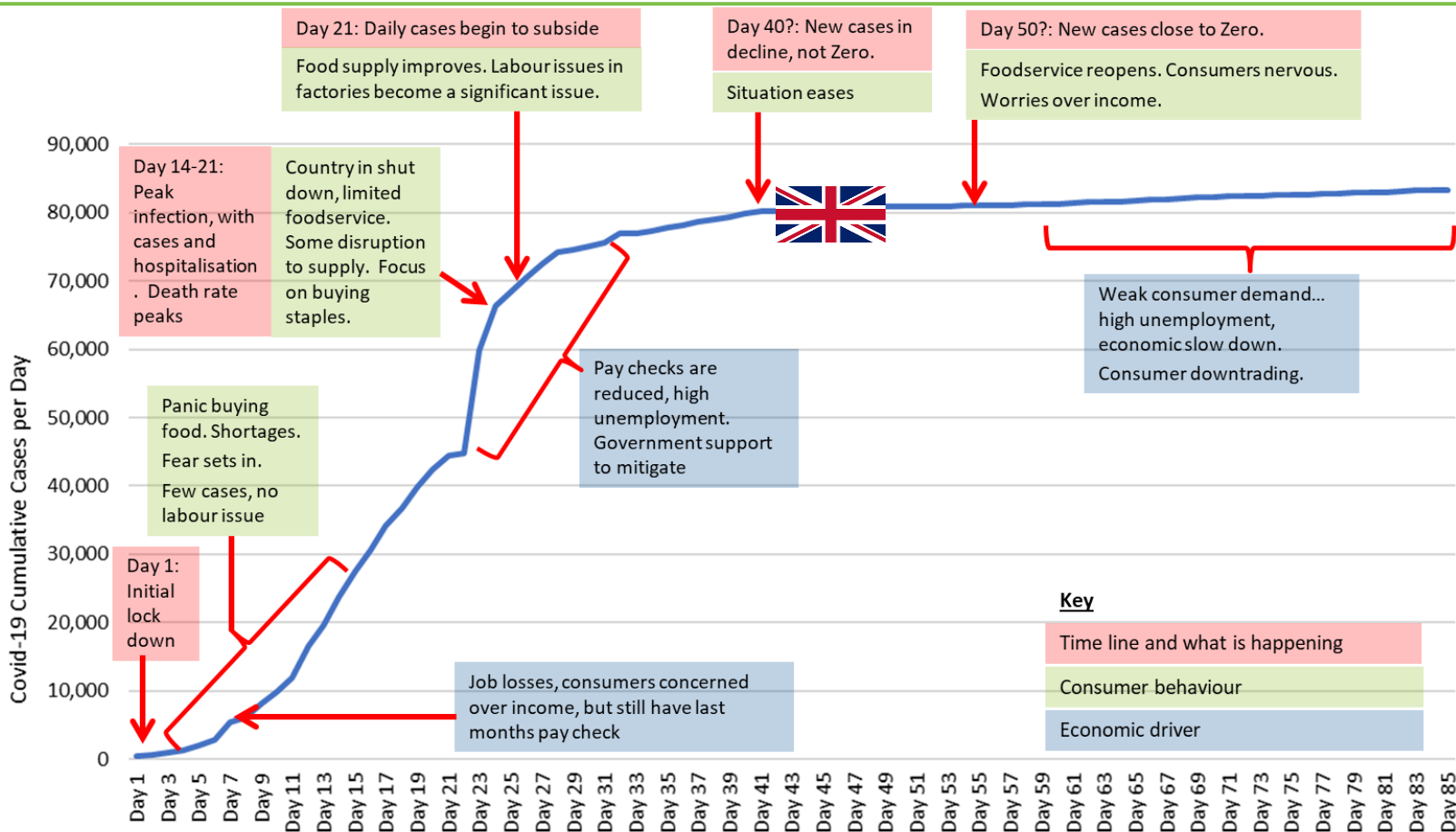
2) China Market Update

3) Final Thoughts

Global Overview

Covid-19 Baseline Scenario

Linked to the development phases of COVID-19

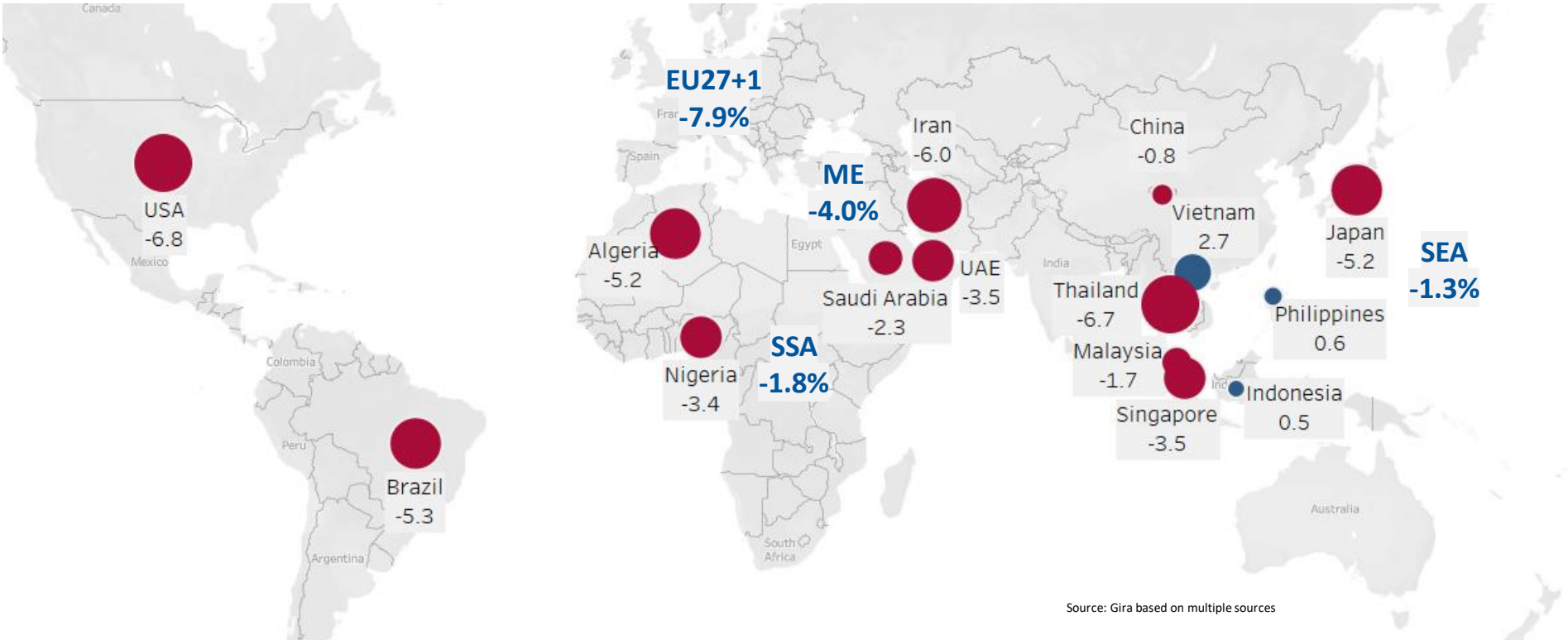


RoW Demand Impact

Demand in key import markets negatively hit in 2020



2020 GDP Change by Region



Source: Gira based on multiple sources

China Market Update

Recent China Developments

China bounces back, but global recovery limits manufacturing!



Coronavirus in China

- Under control, with some hot spots

Economy

- More than 90% getting back to work
- But **weak export demand** slows recovery

Foodservice

- QSR weekday sales volumes recover to near normal, but not weekend sales
- Restaurants, canteens still down 30-40%

Retail

- Permanent boost for e-commerce
- Non-food sales slow, consumer caution

Travel

- Domestic business travel resumes
- Tourist travel very limited

Logistics

- Port congestion resolved
- Highway tolls restored as normal traffic resumes

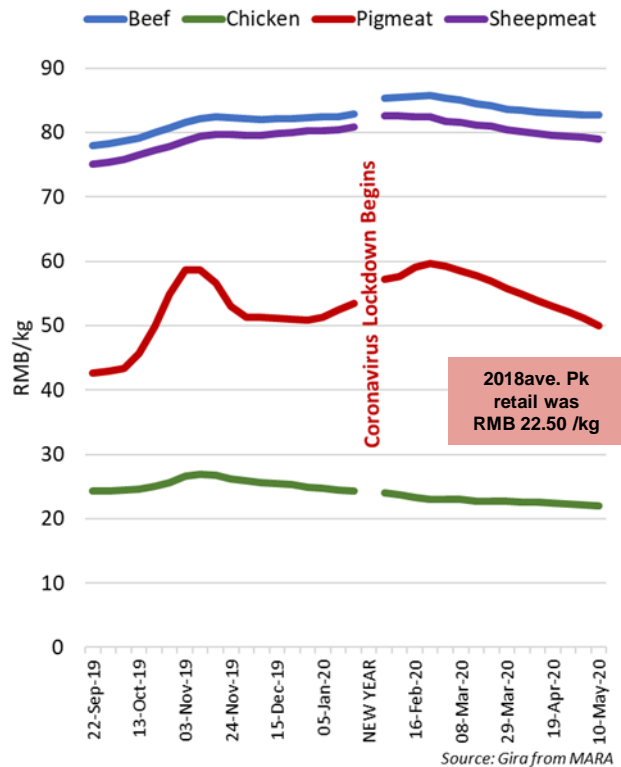
Prices

- Meat prices still high, but peaked in late February

China Meat Production

After a dip, production gets back on track

Retail Meat Prices, (weekly) National Day to May Day



Pork

- Recovery from ASF moves ahead with massive investment; new facilities construction resumes.
- Vertical integration continues to rise across the big players.
- Live & meat prices weaken as farmers caught with fattened winter pigs move to sell before summer.
- *Piglet price soars* to Rmb2300 for a 22kg piglet, but feeders still making money (£258 per 22kg piglet).
 - Quality female piglets converted to reproduction.

Poultry

- The alternative that benefits from pork issues...
- Huge boom in production, depresses prices.

Beef

- Reduced supply supports prices despite reduced demand.
- Herd shrinking as farmers sell and don't restock.
- Foodservice closures hit demand, now recovering.

Final Thoughts

Final Thoughts

Challenging times globally... economic recovery key in Asia



- ASF is still prevalent and spreading in SE Asia = Short fall in protein in all markets
 - Huge import opportunity, but more US competition in 2H20.
- China is the major market, and remains very short of pork, with high retail prices.
 - Challenges are currently logistics for pork.
 - Secondary issues with foodservice and then economic issues for beef and sheepmeat.
- Japan still the highest value market, 2020 marred by Covid-19 → improved 2021 Olympics
- Developing demand for high quality beef and lamb in all markets, but small volumes so far.
- Covid-19 is playing out differently in these markets, but the economic hit will take the edge off demand for high quality imported meat in 2020.
- Chinese relationships are fragile... this will offer opportunities... but could create a barrier!
 - Develop opportunities now in Other Asia (VN + PH).

Thank you for your attention

Continuously evolving situation... and Gira support is ongoing

Should you need more details, please contact:

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AHDB - ASIA

Export landscape

3 June 2020

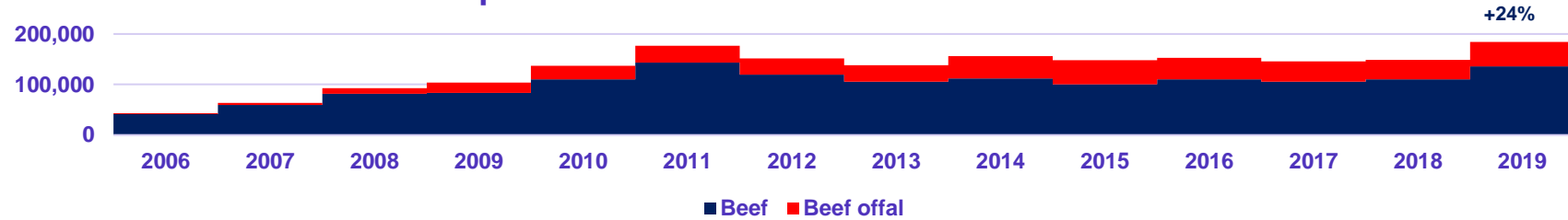
Jonathan Eckley

Head of Asia Pacific - AHDB Export

UK meat exports - 2002-2019

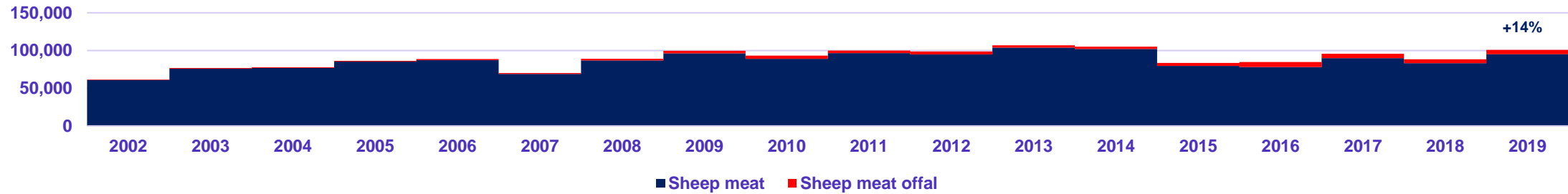
2019
£1.543 billion

UK beef exports 2006 - 2019



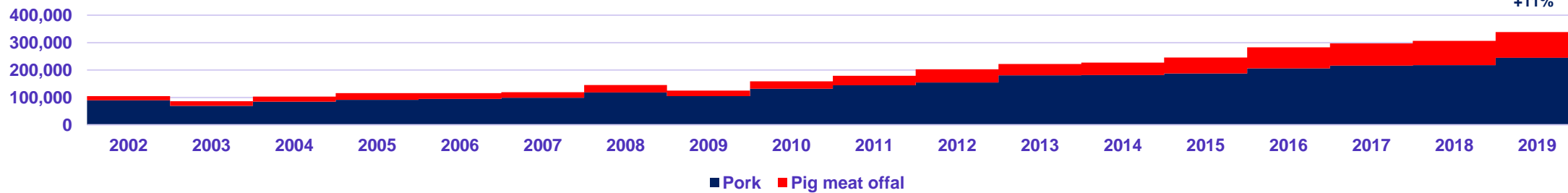
£532m

UK sheep meat exports 2002 - 2019



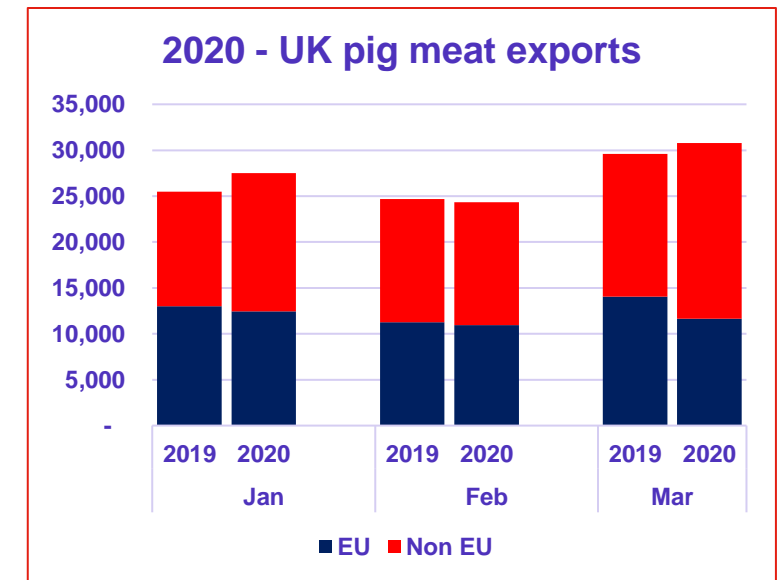
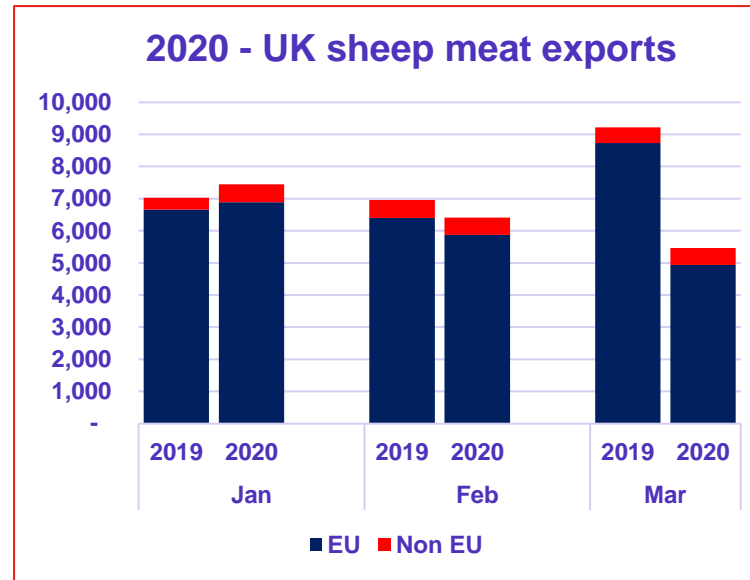
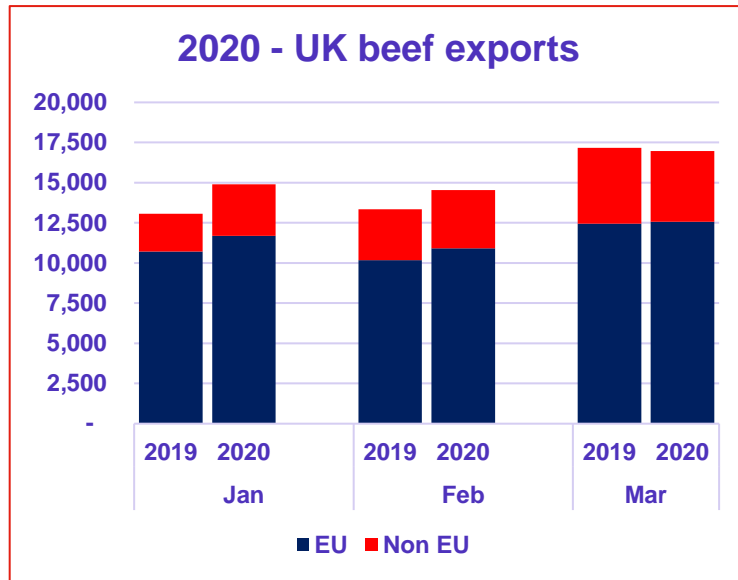
£402m

UK pig meat exports 2002 - 2019



£609m

UK exports – Jan-Mar 2020



Quarter 1

EU beef exports +6%
Non EU beef exports +10%
Asia - Japan, Hong Kong and Philippines
EU 80% of total

Quarter 1

EU sheep meat export -17%
Non EU sheep meat export +16%
 Jan +7% vol & 18% val
 Feb -4% vol & +13% val
 Mar -40% vol & -21% val
EU 92% of total

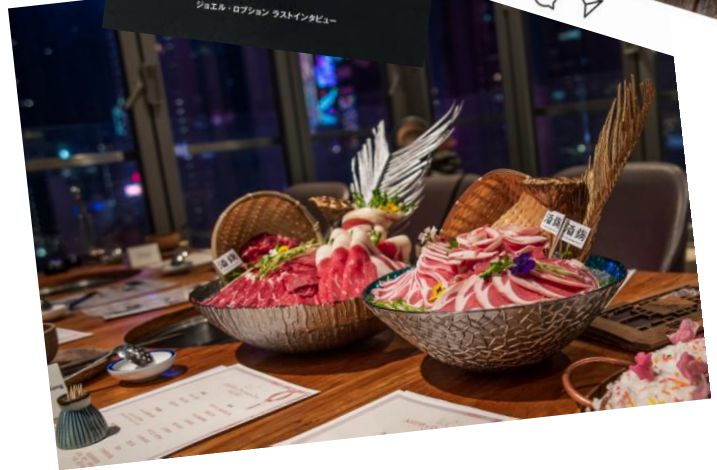
Quarter 1

EU pork export -8%
Non EU pork export +15%
Asia - China, Philippines, Japan, Taiwan
USA
EU 40% of total

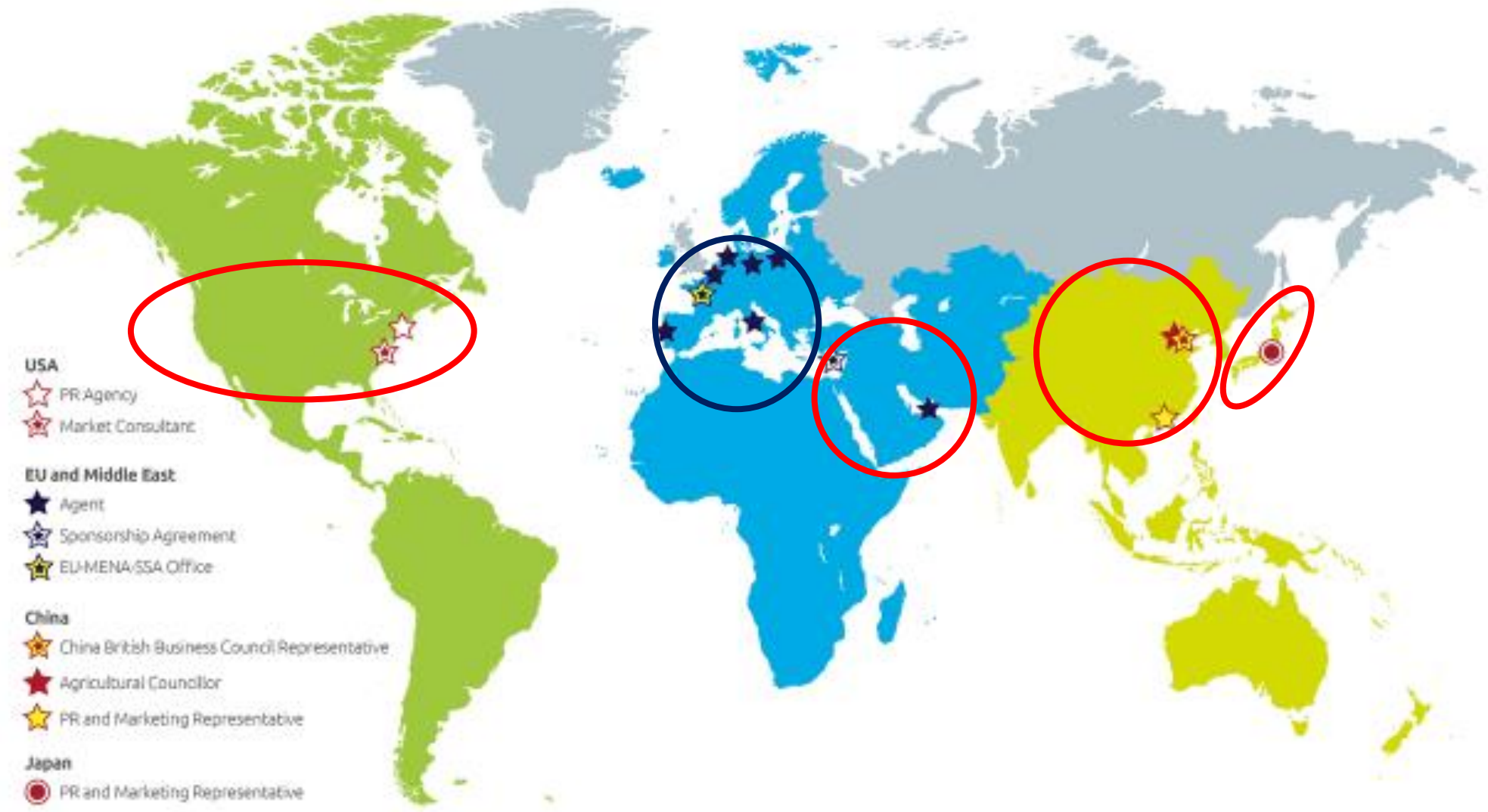
2020 Activity plan



Delivering differently...



AHDB in-market support



Asia



AHDB Export - Market Development contacts

Asia Pacific



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Thank you

Questions?

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