

Annual Review 2017/18

AHDB



BEEF & LAMB

A review of activity carried out
by AHDB Beef & Lamb during
the 2017/18 financial year

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Adam Quinney
AHDB Sector Chair
Beef & Lamb

Welcome

Welcome to the AHDB Beef & Lamb Annual Review covering the first year of our 2017–2020 strategy – Inspiring Success.

The three-year strategy aims to deliver our ambitious vision for a world-class food and farming industry inspired by, and competing with, the best.

Driving more consistent product through the supply chain will ultimately make the beef and lamb industry more profitable. We've prioritised a new pillar of work assisting farmers to hone their skills and knowledge to breed, grow and finish beef cattle and sheep to meet market requirements. This ties in with our genetics research work around increasing the awareness and better use of Estimated Breeding Values (EBVs) in the selection of stock.

We also made changes to how we approach our domestic marketing work, taking significant steps towards ensuring our campaigns are aligned with the supply base and retailers to amplify the impact and industry uptake. In light of Brexit, our export investment remained a key pillar of our work, and we continued to work with Government and other agencies to drive access to new markets, while maintaining our presence in our existing markets.

We prioritised our work on meat quality, as provenance alone will not safeguard our market and revenue share. Our aim is to drive end-to-end best practice, which is clearly differentiated to the consumer.

Examples of projects supporting these areas of work can be found on the following pages.

Our levy income

The AHDB Beef & Lamb levy is collected from English abattoirs at the point of slaughter. Beef and sheep producers are charged their portion of the levy by abattoir operators.

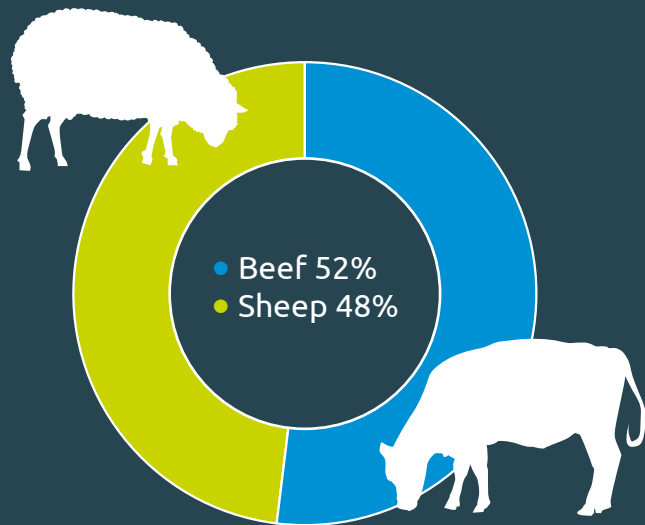
The current levy rates are:

£ per head	Slaughterer/ Exporter	Producer	Total
Cattle	£1.35	£4.05	£5.40
Calves	£0.08	£0.08	£0.16
Sheep	£0.20	£0.60	£0.80

In the year to 31 March 2018, £16.71m was raised from the slaughter of cattle and sheep in England, a slight increase from the £16.31m raised during the previous year. Levy collection costs were £316,000 (compared with £317,000 in 2016/17) to give a net levy income of £16.39m (£15.99m in 2016/17).

The levy income raised from cattle was £8.60m (52% of the total) and from sheep £7.86m (48%). Last year, 54% of the total net levy income was collected from cattle and 46% from sheep.

The levy was last increased in 2010.



How the levy is spent

2017/18 was the first year of our three-year strategy, Inspiring Success, which aims to deliver our ambitious vision for a world-class food and farming industry, inspired by, and competing with, the best.

AHDB's priorities under this strategy are:

1. Inspiring British farming and growing to be more competitive and resilient.
2. Accelerating innovation and productivity growth through coordinated research and development, and knowledge exchange.
3. Helping the industry understand and deliver what consumers will trust and buy.
4. Delivering thought leadership and horizon scanning.

Our work is focused on areas where we are best placed to add the most value.

Key activities that underpin each strategic priority are detailed on the following pages.



AHDB Beef & Lamb by numbers

21m

Number of people reached by promotional activity for Love Lamb Week in 2017

LOVE LAMB

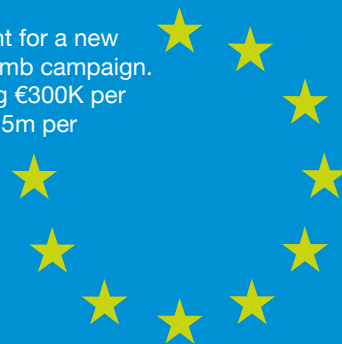


80%

Percentage of producers who made a change in their on-farm management as a result of attending a Better Returns Programme (BRP) event and feel it has improved their financial returns

5:1

Return on investment for a new 3-year EU-funded lamb campaign. AHDB is contributing €300K per year towards the €1.5m per year campaign



9,000

Number of ewe replacements being tracked as part of the 7-year Challenge Sheep project

230%

Increase in the volume of
high-value, chilled beef
exported to Hong Kong in
2017, more than triple the
value of the market just
two years ago





Inspiring British farming to be more competitive and resilient

- **Engaging levy payers with production costs**

Farmbench, our multi-enterprise online tool, has now been rolled out to beef and sheep farmers, as well as to those in the cereals and potatoes sectors. This free service enables farmers to make informed decisions by analysing their costs and comparing performance data with other similar enterprises. Across AHDB, data from 750 farms was uploaded onto Farmbench by 31 March 2018.

- **Improving farmer-to-farmer learning through Strategic Farms**

We recruited 12 Beef & Lamb Strategic Farms as part of AHDB's wider Farm Excellence activity. The participating farms, which are taking part for a minimum of two

years, are supported by AHDB experts and specialist consultants to drive improvements in selected areas, such as grassland management, herd genetics and producing more consistent carcasses. Each farm is hosting regular events to communicate the progress achieved.

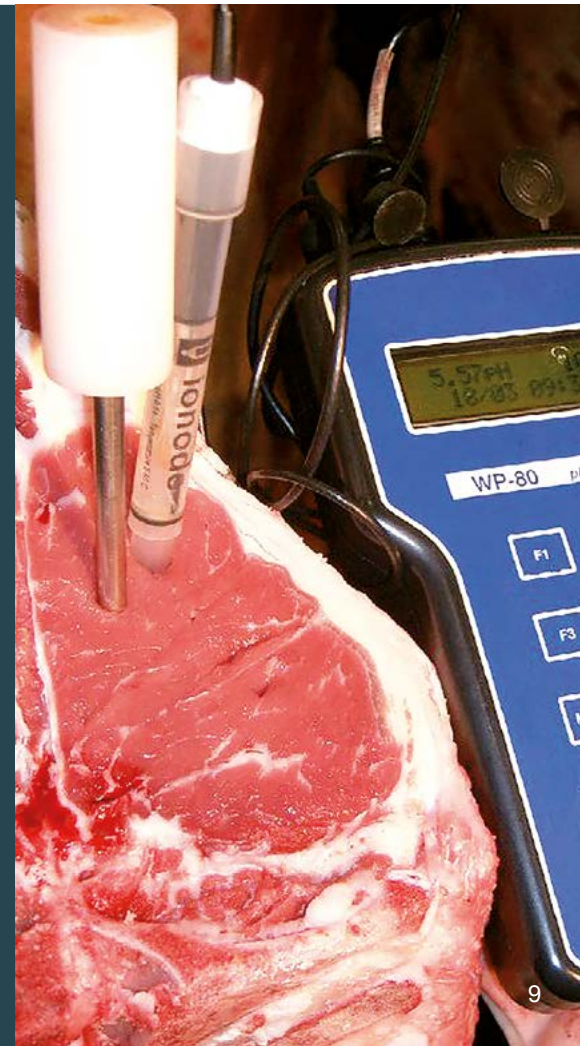
- **Helping livestock farmers meet market requirements**

We developed a team of trained industry selection specialists as part of our work to increase the number of livestock meeting target specification. Based across the country, the fully qualified team is available to give selection talks and demonstrations to beef and lamb farmer and stakeholder groups. In the year to March 2018,

the group delivered a total of 39 selection events and they continue to build upon their success this year.

- **Collaborating on meat quality**

As part of our work on meat quality, we collaborated with Meat and Livestock Australia (MLA) to understand their learnings from establishing the Meat Standards Australia programme (MSA), which aims to improve meat eating quality. Work is ongoing to assess the eating quality of UK meat according to the MSA programme, with the aim of finding out whether any learnings from the programme could benefit the quality of meat produced in this country.



Accelerating innovation and productivity through coordinated Research and Development (R&D) and Knowledge Exchange (KE)

- **Driving on-farm uptake of superior genetics**

To encourage genetic improvement in the suckler herd we offered 50% funding to beef producers with over 30 breeding females to take part in a DIY artificial insemination (AI) course. AI is not commonly used on suckler farms but it can be an excellent way of improving herd genetics without the cost of buying and keeping a bull on farm. Using AI enables producers to select bulls that are suited to their herd's breeding programme.

- **Generating new sheep EBVs**

Three new EBVs were generated as a result of a major industry sheep breeding initiative that will help

commercial producers to select rams that have the best potential to produce progeny more likely to meet market specification. The new EBVs, which cover carcase conformation, fat class and weight, were the result of the first phase of the ground-breaking RamCompare project.

- **Leading on nutrient management guidance**

The new AHDB Nutrient Management Guide (RB209) was launched as an app and interactive digital version in May 2017. The launch was the culmination of a £98,000 project, supported by £200,000-worth of in-kind funding by industry, to review the former Fertiliser Manual (RB209), which was last updated in 2010. The guide offers best

practice guidance on the application of mineral fertilisers, manures and slurries to crops and grassland.

- **Challenging sheep industry performance**

We launched the 7-year Challenge Sheep project to track and evaluate the consequences of the rearing phase on the lifetime performance of ewes. Thirteen farms were recruited to take part in the initiative, which is tracking over 9,000 replacements to understand how flock performance can be improved using EID data to make decisions about ewe management. Information such as weights, body condition score, lambing data and lamb performance is being continually monitored and evaluated over the lifetime of the project.



Helping the industry understand and deliver what consumers will trust and buy

- **Raising the steaks to improve British barbecues**

Our 'Raise the steaks' promotional campaign was launched to inspire younger consumers to cook beef and lamb steaks on their barbecues. The campaign, which used social media influencers to reach the target market, delivered 118 pieces of media coverage, 664,000 views of influencer video content and over 100,000 visitors to web pages linking to the campaign.

- **Leveraging EU funding for lamb promotion**

We collaborated with France and Ireland to secure an EU grant for a €10m lamb promotion campaign to help boost lamb consumption over the next three years, with €4.5m dedicated to the UK market. AHDB's contribution is a €900k investment. It follows on from the success of

the Tasty Easy Fun lamb campaign, jointly co-funded by the EU to the tune of €7.7m; run by AHDB in England, Interbev in France, and Bord Bia in Ireland, which ran across six European countries.

- **Opening more non-EU markets**

Our £6.5m export development programme gained an added edge of urgency with Brexit approaching. Working with UK Government departments, we had several significant breakthroughs, including getting closer to achieving access to China for beef and to Japan for beef and lamb.

- **Aiding nutritional promotion of red meat**

We compiled guidance on exactly what health claims can be made about beef, lamb and pork to help retailers,

processors and producers promote red meat. Our three Nutrition and Health Claim Regulations guides contain over 70 approved messages on beef, lamb and pork in the diet. These are available online to support red meat marketing activities across the industry.

- **Focusing on halal sector needs**

In April 2017, we appointed our first halal sector manager to help AHDB meet the needs of the halal industry. Given the challenges to our products in traditional markets, the growing halal sector offers tremendous potential for sheep farmers and processors. The creation of the halal sector manager role is part of a coordinated programme of activity to improve understanding of the halal marketplace in the UK and support the growth of this important market.



Delivering thought leadership and horizon scanning

- **Helping the industry prepare for Brexit**

We produced six Horizon reports analysing potential impacts of Brexit to help inform decision-making by industry and Government. This brings the total number of Horizon reports published since the referendum to 19. The Horizon work included modelling analysis on the impact on farm incomes by sector, based on three potential Brexit scenarios. We also ran 17 roadshows in conjunction with the NFU in England to deliver key messages around the potential impact of leaving the EU.

- **Ensuring the supply chain is 'fit for the future'**

Our 2017 annual Stakeholder Conference focused on ensuring the beef and sheep supply chain is prepared to meet future challenges. Speakers at the event, which is an important fixture in the industry calendar, heard from AHDB representatives and external speakers who covered a range of topics from the impact of future trends in technology to advances in meat quality, as well as important messages about preparing for the post-Brexit environment.



Operating income and expenditure

	17/18 (£,000)	16/17 (£,000)	15/16 (£,000)
Income			
Gross levy	16,706	16,305	15,889
Fee/grant income	1,412	1,449	1,572
Total	18,118	17,754	17,461
Expenditure			
Levy collection	(316)	(317)	(293)
R&D, knowledge exchange	(3,883)	(3,482)	(3,006)
Promotion (UK)	(3,046)	(5,059)	(5,518)
International and export	(4,613)	(4,703)	(4,005)
Supply chain integration	(339)	(319)	(743)
Market intelligence	(1,104)	(1,323)	(1,695)
Communications*	(1,078)	(443)	(636)
Digital & creative*	(354)	(391)	
Support	(1,678)	(1,479)	(1,386)
Total	(16,411)	(17,516)	(17,282)

* Year-on-year increase due to restructure of market development team and additional resource for the levy payer communications team.





Areas of activity

Research and development and knowledge exchange

Includes the activity of our regional knowledge exchange team, work delivered through the Better Returns Programme and our research and development activity.

Market development

UK promotional activity includes work to boost consumption of beef and lamb on the domestic market.

International

Includes our presence in a significant number of key export markets for UK beef and lamb, supporting both market access and trade.

Supply chain integration

Includes our work on meat quality and activity to gain access to new markets for beef and sheep meat.

Market intelligence

Provision of market information to the industry, including price reporting.

Communications

Includes the operation of our press office, the organisation of events, the production of communication materials and liaison with NGOs and Government.

Digital & creative

Includes creative design and digital work.

Support

Contribution to AHDB central support costs (e.g. finance, human resources, information services).

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