

GLOBAL
OUTLOOK

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Stalled freight rates remain the one topic on everyone's lips in the shipping industry, which argues that, while it may be good, short-term news for meat importers and exporters, a return to more 'attractive' rates will lead to healthier long-term prospects for everyone involved in the logistics chain.

Reflecting the current situation, the world's largest container carrier, Maersk Line, saw half-year profits generated by its container division decline compared with the first half of 2010. And this was despite revenues increasing on the back of a 6% year-on-year jump in volumes. This has been matched across the sector, with the vast majority of shipping lines recording year-on-year growth on all the major trade routes. However, more often than not, this growth in volumes is not yet translating into increased profits, due to the pressure on freight rates led by oversupply and a jump in oil costs.

Maersk is not alone in blaming an oversupply of capacity and expects freight rates to remain under pressure this year. The firm explained that industry-wide growth for the first half of 2011 was not enough to balance the supply of new capacity, which – at 9.5% – put downward pressure on rates.

Furthermore, with an eye very much on the global recovery, during the first half of 2011, container vessels with a combined capacity of 1.4 million TEU (20-foot equivalent units) were ordered, and the global order book increased to 4.5 million TEU; equivalent to 30% of the current global fleet.

Right now we're in the middle of the so-called 'peak season' when, traditionally, the carriers have added surcharges to 'exploit' demand. But we're still to see a rate rise, so it would appear that, in the short to medium term at least, container shipping rates will remain under pressure, with tough times ahead for the shipping industry.

Overhaul of vet centres could force lab closures

Defra is expected to announce that it will strip laboratory facilities from more than half of the UK's regional veterinary centres in a bid to save £2.4m a year, a union has warned.

Prospect, a union that represents scientists, engineers and managers, has said that proposals to close laboratories in eight of the 14 regional centres run by the Animal Health and Veterinary Laboratories Agency (AHVLA) will put the fight against early diagnosis of animal diseases at risk, if it goes ahead.

The AHVLA is an executive Defra agency that safeguards animal health and welfare, and public health, through research, surveillance and inspection. Its veterinary labs are responsible for animal-specific health testing, including bovine TB, foot-and-mouth and swine fever, among other services.

The AHVLA said it was reviewing its delivery network and discussing the proposals internally, but that no decisions had yet been made.

In the first phase of the proposed changes, laboratory services work would cease at Thirsk, Langford and



The AHVLA argues there will be no loss of service as a result of changes

Truro by the end of March 2012, with Aberystwyth, Carmarthen, Preston Luddington in Warwickshire, and Winchester expected to follow in April 2013. The AHVLA intends to retain laboratory services workgroups at Penrith, Shrewsbury, Starcross, Bury St Edmunds, Sutton Bonington, Newcastle, Weybridge and Lasswade.

Geraldine O'Connell, Prospect national secretary, said: "The country cannot afford the loss of so many skilled laboratory staff or the

reduction in testing facilities. Worst of all, the closures will result in a poorer service to vets and the livestock industry, who will have to wait for diagnoses while samples are despatched around the country to the few remaining labs."

However, the AHVLA has denied that the changes rely on site closures to generate savings and said that consolidating laboratories would not affect testing services. An AHVLA spokesman said: "The laboratory services work from the locations affected by the change would be transferred to the eight continuing work groups."

"Many tests now require dedicated equipment and expertise with strict quality assurance, so are not provided locally. There is a courier network to move samples around overnight.

"For serious notifiable diseases such as foot-and-mouth, avian influenza or bTB, testing is already centralised because of the high containment and specialist expertise required. There is no change proposed for these tests."

Princess Royal hands over after £60k year

A total of £60,000 was raised for Farms for City Children, the nominated charity of the Princess Royal during her year as Master of the Worshipful Company of Butchers.

Her year had been "a real joy", she told liverymen attending the Company's annual meeting, Common Hall, after she handed over to the incoming Master Raymond Woodhouse.

Thanking the Company for the support she had been given as Master, she acknowledged the valuable links the Livery continued to have with the City of London and the meat trade. "These links are important, your presence in the City is important and the work you do here is really important" she said.

"You have been generous with your time and actions on other people's behalf and I am particularly

struck by the way in which you have responded this year in terms of charitable giving, particularly to Farms for City Children." It is a charity that helps young people who have never really had the opportunity to see what the country is about and what their food is about, she added.

Thanking her for the work she had done during her year of office the new Master said the year ahead would be an exciting one with the Queen's Diamond Jubilee and the London Olympics, but also a challenging one with the area around the Butchers' Hall due for redevelopment.

He announced his chosen charity for the year would be the Ahoy Centre, a London-based charity whose work is helping the disabled, the young and the under-privileged to get more from life through sailing, rowing and helping others.

Jerky Group secures deal with M&S

The Jerky Group, the UK-based beef snack company, has successfully launched a private-label beef jerky with Marks & Spencer (M&S).

The Beef Jerky, which is available in two flavours – classic and peppered – is made in the UK, with Farm Assured British beef and is processed at Laverstoke Park in Hampshire.

The Jerky Group now supplies the major UK retailers with its Wild West Beef Jerky and range of Beef Biltongs. James Newitt, owner of the Jerky Group, said: "We are excited to supply such a prestigious brand as M&S and, over the past 12 months, we have proved ourselves capable of meeting some of the highest criteria in food production."

