

GLOBAL OUTLOOK



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Continuing depressed freight rates will mean little festive rejoicing for the shipping lines, but at least they offer meat importers and exporters a modicum of Christmas cheer with regard to their own squeezed margins.

As we move into the winter slack season, volumes and rates are still declining and operating costs remain under pressure from high fuel costs. Any hopes for a profitable year for the shipping industry look dead and buried; with Q3 average operating margins continuing their downward spiral and with Q4 not looking any better, most carriers will end the year in the red.

Although reefer rates (refrigerated containers) have proved more resilient than those for standard containers, some are claiming that freight rates will continue to drop on the key containership routes, as the shipping lines falter and are slow to react to growing overcapacity and competition for cargo. Even where there has been some withdrawal of capacity from struggling routes, this has been undermined by seasonally weak volumes and further economic deterioration in Europe and the US.

Not all the carriers have been slow to react, with some of the smallest even leaving the sector; MISC announced it would quit the liner business after losing \$789m in the past three years. And two of the largest, Maersk and Orient Overseas (OOCL), have announced cuts in services. OOCL cut its capacity on the Asian-European routes by 20% in Q3, citing lower demand and the impact on trade from the Eurozone debt crisis. The world's largest operator, Maersk, is merging two of its largest services and claims that the rationalisation would help in its efforts to establish a more balanced supply/demand scenario on the Far East-to-northern Europe trade routes.

It certainly looks like a turbulent year ahead for the shipping industry.

BPC awards service and scholarships

The poultry industry gathered in London this week to celebrate individual achievements that have boosted the sector in the past or will do so in the future.

In a ceremony at the House of Commons the British Poultry Council (BPC) gave awards recognising both distinguished service and scholarships to promising newcomers.

John Reed, BPC chairman, said: "We want to show our appreciation to people who spend their working lives in the poultry sector, and go above and beyond the usual call of duty. We also award scholarships to acknowledge the contribution of the next generation."

This year Professor Peter Biggs took home a Special Merit Award for his outstanding guidance and chairmanship of the Assured Chicken Production standards committee. Distinguished Service Awards were



Award-winners were recognised for a range of talents boosting the poultry sector

given to: John Cessford of BOCM Pauls, for his commitment to leading the BPC Growers Committee for over 20 years; Stephen Macdonald, of Cargill Meats Europe, for the contribution he has made to the knowledge and understanding of the hatching environment and process; and to Ted Wright, formerly of Bernard Matthews, for his leadership of the sector both as BPC chairman

and as chair of the Assured Food Standards Poultry Board.

Two scholarships were awarded to Jessica Hopkins, of the Scottish Agricultural College, for her PhD work on the humane culling of poultry, and to Angel Ramirez, of Harper Adams University College, for his PhD on the carbon footprint of rendered products, focusing on the poultry industry.

Farmers welcome EU decision on feed laws

The NFU has welcomed the news that the EU is delaying a decision on its controversial plans to introduce stringent changes to feed regulations in organic poultry production from 1 January, and urged producers to carry on as normal.

The European Commission is committed to ending the derogation for non-organic poultry feed and implement a 100% organic diet. It also wants to force producers to grow a large proportion of feed on their own holding or region, amounting to 40% of feed for mono-gastric animals and 70% of herbivore feed ingredients. These changes were due to take effect on 1 January, but the EU has delayed the introduction to an unspecified 'later date'.

The NFU has lobbied vigorously against the changes, maintaining they would have a seriously detrimental effect on the organic poultry industry. It has previously said that uncertainties over the EU directives post-2013 was leaving producers on a knife edge.

Martin Humphrey, NFU poultry

board member and organic feed compounder, said: "I am delighted the EU has listened to the NFU and those in the poultry sector, who have made representations to the EU Commission and Defra on the matter of organic diets. While we await confirmation on the proposed text for the legislation, it looks clear that the EU will not implement 100% organic diets and will allow producers to continue with the current 95% diets for a limited amount of time.

"With 95% diets, producers are able to ensure the birds' nutrition is satisfied and that their welfare is not compromised, whereas with 100% diets, bird welfare is challenged."

Ruth Mason, NFU food chain advisor told *Meat Trades Journal* that because the changes had already been legislated, it was likely they would be introduced in the next two or three years. However, as the Commission is now willing to work with the industry, the derogation may be reduced incrementally over a period of time.

M&S raises its game on venison range

Marks & Spencer (M&S) is increasing its venison range for Christmas, after recording a 78% rise in sales in stores across the UK and Ireland.

The upmarket retailer is stocking four new products from Northern Ireland-based meat company Finnebrogue, to meet the growing demand, as well as bringing back two successful venison-based Christmas dishes from 2010.

Aimed primarily at the ready-to-cook market, the new products include a French-trimmed rib loin of venison, served with Madeira, cream and pink peppercorn sauce, and a venison Wellington with prune and Bramley apple stuffing (from the food to order catalogue), as well as venison cocktail sausages and venison and roasted red onion stuffing.

Conrad Digan, M&S head of foods Ireland, said: "Sales suggest that our customers have acquired a taste for venison and, to meet the growing demand for ready-prepared products, Finnebrogue has developed these new and exciting lines for the festive season."