

GLOBAL OUTLOOK



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In news that will cheer meat importers – if not the overall shipping industry – the biggest shipping lines are still refusing to withdraw capacity, further depressing rates on the major trade routes.

Underlying the continuing global economic uncertainty, one of the leading shippers, OOCL, has just announced an increase of 6.6% in volumes for Q3, as well as an 8.3% drop in revenue. Another of the industry's leading lights, NOL, has also just declared a 9% drop in revenues for Q3, claiming it is facing slowing demand, excess capacity and fuel costs that are significantly up on a year ago.

This has led to some of the shipping lines delaying the announcement of their spring rates as they struggle to forecast volumes amid an expanding global fleet and shaky economic growth. This highlights the dilemma now facing all the major lines: an anticipated weakening in volume growth alongside over-capacity, which is prolonging a price war, shrinking revenues and threatening profits.

Aside from the soaring cost of oil and physical demand from customers, the problems in the industry are also being blamed by some on a chase for market share, determined by the actions of some of the top players – such as Maersk, MSC and CMA CGM – and their ability to withstand losses.

The only way to improve rates would be for the top players to withdraw capacity, as lines with a much smaller market share do not have the ability to make a difference. But there is no sign of this happening any time soon.

Finally, many in the shipping industry will have one eye on the longer-term environmental and commercial ramifications following the recent grounding of container ship *Rena* off New Zealand. This spilled significant amounts of oil, polluting many beaches, and will have a long-term effect on container shipping in the region.

Livestock export welfare rules to be reviewed

Agriculture Minister Jim Paice has announced welfare rules will be tightened at the port of Ramsgate, after it was brought to his attention that delays have occurred in loading animals on to the ships.

In response to the delays, the government has written to exporters to warn them of the consequences of not observing the law on animal welfare standards. "I want all those involved in the export of live animals to be under no illusion that we take animal welfare very seriously," said Paice, adding that he wanted to see all livestock slaughtered "as close as possible to where they are farmed".

He also welcomed the news that the Animal Health and Veterinary Laboratories Agency (AHVLA) is updating guidelines on the actions that can be taken in relation to welfare in transport rules.

Paice's comments come after campaigners launched an e-petition to ban all livestock exports from Ramsgate, with the hope of instigating



Ian Driver: against livestock exports

a pan-European debate. Thanet councillor Ian Driver, who started the initiative, argued that exports of live animals had become unnecessary, and said the UK should influence European legislation to abolish it. The petition, which is backed by the RSPCA and Compassion in World Farming, has attracted over 5,000 signatures.

However, Eblex head of trade development Peter Hardwick believes the European Commission is unlikely to ban exports, as animal welfare is often better-served by

transporting livestock across a border rather than inside their country of origin. "Cross-border livestock export is a major issue that affects many member states, and people in Ramsgate will not get the European Commission to ban it," he told *Meat Trades Journal*.

According to Hardwick, it is much better for animals reared in Alsace, a north-eastern region of France, to be exported to Germany than sent down to Marseilles, and this principle is applicable to most European countries. "It is much more complex for us, because exporting involves crossing the Channel, but in some cases it is still better to put animals on a ship for a short time than to drive them to Yorkshire," he added.

"Unfortunately, the issue is not well-expressed by the people looking at it in Ramsgate. It is not about live animal exports, but about welfare standards on boats, which are already being reviewed by the European Commission."

UK pig sector 'lacks competitiveness'

The British pig industry is still lagging behind the rest of Europe in terms of competitiveness, according to a report published by Bpex.

The InterPIG report shows that, in 2010, the cost of pig meat production in Great Britain rose by 9% and was 9p/kg above the European average, partly due to large increases in feed costs. However, data suggests there was some improvement in physical performance despite the relatively higher costs.

AHDB market intelligence and senior analyst Mark Topliff said: "It is not all doom and gloom, as there are some positive points to take out of the report. It shows mortality to finishing has improved, while the number of litters per sow per year has also increased."

Bpex is working to improve the competitiveness of the British pig industry and launched a campaign, Two Tonne Sow (2TS), in March, which aims to help English producers achieve an industry average of

2,000kg of pig meat per sow per year by 2013.

The organisation is also hosting Walk the Line days, which are designed to help share best practice among members of the pig supply chain. Producers attending the most recent event, held at Vion's Malton processing plant, were told that pig producers can improve returns by aiming for at least 85% of finished pigs to meet the top grade specifications on their abattoir contract.

Bpex knowledge transfer manager Lis Ravn said: "Processors want to receive a particular type of pig to best meet the demands of retailers and consumers for particular cuts, sizes and trends. Pigs that do not meet the optimum contract specifications require more processing, which incurs more cost and can then affect the price received by suppliers. It is essential producers understand the product they need to supply. Pigs that grade outside the 'optimum box' can lose 10p/kg on average."

Trophy goes to former HCC chairman

Former Hybu Cig Cymru - Meat Promotion Wales (HCC) chairman Rees Roberts has become the latest recipient of the Royal Smithfield Club's Bicentenary Trophy for service to the livestock and meat trades. The Trophy was presented to him by the club's president John Coultrip at Butcher's Hall.

Roberts was chair of HCC for seven years before stepping down last year. Accepting the award at a lunch hosted by the Worshipful Company of Butchers, he said he was overawed to receive the trophy.



Rees Roberts: overawed by trophy