

PARTNERS IN Production

Southern Counties Fresh Foods Ltd

DECEMBER 2008

CARCASS COMPETITION PROVES RESOUNDING SUCCESS



L – R; Richard Phelps (SCFF), Jim Hartwright (on behalf of TE Hartwright) Jon Downes (Tesco)

Our first ever Christmas carcass competition took place on the 27th November and has been won by T E Hartwright from Wood Farm in Suckley, Worcestershire. Mr Hartwright's pair of Limousin cross heifers were outstanding winners of this Tesco-sponsored event and were brought to the show in prime condition.

Both born in May 2007, the heifers weighed 354.8kg and 351.4kg (deadweight) - falling well within the competition's specification of 260 to 400kg - and graded U+3 and U+2.

"We opened the show to pairs rather than individual animals as we wanted to reward those beef producers who could demonstrate

consistency in bringing two animals of almost identical classifications, weights and fat classes," said Richard Phelps, managing director of Southern Counties Fresh Foods. "The champion pair achieved this admirably, with carcass grades which reflected their excellent conformation and an optimum covering of fat. They also demonstrated that they had achieved their maximum growth potential and had been sent to the event in prime condition."

Reserve championship was awarded to E A Davies from Upper Court in Clifford, Herefordshire, whose pair also won the class for continental steers.

Full show results as follows:

BOCM PAULS cup for the best pair of continental steers: 1st EA Davies, 2nd W Price, 3rd AM Harriot
Mole Valley Feed Solutions cup for the best pair of continental bulls: 1st PA & PM Early, 2nd D Awre, 3rd LEM Stevenson

Pfizer cup for the best pair of British steers and heifers: 1st HE Cotton, 2nd LG Underwood, 3rd FJ Burfitt

Intervet Schering Plough cup for the best pair of continental heifers: 1st TE Hartwright, 2nd D Price, 3rd HE East

The show had over 100 entries and more than 150 Producer Club members were welcomed into a marquee at Langport in the evening. Producers were able to see all the carcasses on display and this was then followed by a supper and awards ceremony. The awards were presented by Jon Downes, senior red meat buyer from Tesco and other main sponsors; BOCM PAULS, Mole Valley Feed Solutions, Pfizer and Intervet Schering Plough. "we are delighted to be involved with the first ever SCFF carcass event" Jon Downes commented "we really want producers to focus on the consistency of the animals they supply to us through SCFF and this is a great way of doing so. I hope to see another carcass show next year."

LOOKING AHEAD 2009

Last year was full of issues, mostly due to movement restrictions following national disease outbreaks and as the year ends with concerns over the countries financial position.

The issues around these situations have an impact on the meat industry, as consumers decide to tighten their belts and spend as little as possible which in turn impacts on the Retailers and the supply industry. Consumers used to buying the more expensive cuts of meat are starting to buy the cheaper ones as the credit crunch takes hold. This time of year the factory at Langport is usually busy putting down large volumes of rumps and strip loins for availability over the Christmas and New Year period. This year however, as we are running at higher stock levels of the most expensive joints, we need to move forward more conservatively during the festive season.

Looking ahead on the beef production side we have seen a huge decline in calf registrations (information from the BCMS) as dairy farmers want to produce more milk and need to breed more heifer replacements. Figures show that from January 08 to September 08 almost 83,000 less beef calf registrations took place compared to the previous year. This will have a significant impact on the beef sector over the next 12 to 24 months as store finishers will find it increasingly difficult to find finishing cattle, and no doubt the price of store cattle will rise. The question we are all asking is - can the market place stand it?

However with all the negativity we must try to remain positive. The recession is here but won't be with us forever and we must continue to rear, finish and process quality British beef. I am convinced that with our beef supply chains we can continue to innovate and grow cattle to a standard that will always impress our customers. I hope you contact my team for them to share with you some of the options that we have to supply SCFF and share best practice from our own beef production operations.

I would like to take this opportunity to wish you all a very happy Christmas and New Year.

INCREASING DEMAND

For Barren Cows at Southern Counties

The demand for barren cows looks set fair for the foreseeable future at Langport. The main reasons for this are the increased international demand for manufacturing meat and significant indications that the UK consumers are trading down to cheaper cuts as the effects of the credit crunch continue to bite. Consequently SCFF are looking for more barren cows, including all beef and dairy types. To get an up to date competitive price for your cull stock call Tim Bastable on 07968 343636 or the SCFF livestock office.

Farmers and processors alike, await the decisions from Government that will hopefully pave the way to extend the age of animals that are eligible to enter the food chain without BSE testing. Currently all carcasses from animals over 30 months have to pass BSE free with a brain stem test. Moves are afoot to possibly extend the testing age to 48 months; we expect the changes to come in the New Year.

PRODUCER CLUB MEMBERS GETTING MORE FOR YOUR MONEY!

www.farmacy.co.uk is a leading online medicine supplies business set up by Rob Drysdale and Matt Dobbs of Westpoint Veterinary Group. Farmacy.co.uk has now been trading for over three years and has more than 1500 registered farms with many using the site regularly to buy medicines. The buying process is simple and gives any UK farmer access to cheaper drugs. Have you had a look yet?

SPECIAL DEAL

Southern Counties Fresh Foods and Blade Farming SW have teamed up with 'Farmacy' to offer an additional discount off purchases at www.farmacy.co.uk to any farm supplying them with cattle. Simply enter SCFF or BFSW in the "Group" box whilst registering to make sure you get this extra discount.

PRESCRIPTION NEWS

A report in Farmers Guardian newspaper highlighted that, from 1 November 2008, farmers will no longer be entitled to free prescriptions from their vet. The three year scheme which legally entitled producers to free prescriptions was brought in as a result of a review by the Competition Commission. It meant anyone could ask for a free prescription and could then choose to get their medicine from an alternative Vet, or on-line supplier.

The newspaper report made reference to some Vets who seem likely to charge up to £30 per prescription, and others that plan to charge £12 per item listed under the new regime. Quoting Graeme Mason, Head of www.farmacy.co.uk, the report said: "When

we set up the website, the idea was to get cost-effective medicines to farmers. However, when free prescriptions came in we thought it unfair that the Vet should get nothing which is why we have always paid a 5% rebate to the prescribing Vet."

Now those things are due to change again. 'Farmacy' is pleased to introduce a new option for anyone buying their medicines through our website. When you have to pay the Vet for a prescription, 'Farmacy' will now pay either the 5% rebate or the cost of that prescription (whichever is smaller) directly back to you.

farmacy.co.uk 



Dr Phil Hadley,
Eblex Ltd SW



SALES OF MINCE SOAR

The current economic environment is shaping the way that consumers are shopping, but despite the challenges it is great to see that customers continue to actively buy beef. Mince sales have seen strong growth as customers continue to shop for affordable meal solutions and it is the strength of mince that continues to drive the business - it is our biggest single sub group within beef, commanding a 40% share of our total beef business. This demand has proven challenging for processors in terms of balancing the carcass but at the same time it creates a real opportunity for OTM cattle and Holstein bulls finished under 16 months of age.

Through our dedicated pool of dairy producers we are actively linking beef producers with local dairy farmers to rear dairy cross animals to supply the increasing demand for mince and casserole. Blade Farming are eagerly increasing the number of Holstein calves in rear but still have the ability to increase these numbers if more finishers were to come on board so we would urge you to make enquiries.

Although the strength of our Value range is at an all time high we continue to look for ways to balance the business and help customers buy Organic and Finest beef. There is a huge opportunity to trade customers back up into the premium tiers of our beef range by improving product consistency. The other big opportunity is to convert existing Tesco customers that don't currently buy meat from us.



Alice Pattinson
Tesco Beef and Lamb Producer Club Manager

The work of our Sustainable Beef Project (TSBP) is geared towards developing this opportunity and we are actively looking at better ways of improving the quality and consistency of cattle coming through the meat supply chain.

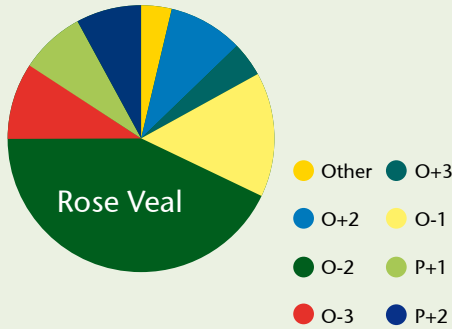
The TSBP group met for the second time in September since the launch in January 2008. The group welcomed John Driscoll who joined the team as Senior Red Meat Buyer. The aim of the TSBP is to improve the relationships within the supply chain, in order to improve the quality and consistency of the beef sold in our stores. The project is primarily focussed on three main areas of work; herd health planning, alternative bedding substrates and finding new ways of producing and monitoring the quality and consistency of our beef both in terms of tenderness and flavour.

To find out more about the TSBP and other latest news stories please visit:

www.tescofarming.com



Rose Veal production hits the targets!



Our first batch of Rose Veal bulls were processed in April 2008, and our target was to produce 200 Kg carcasses from F/Holstein bulls that graded as -O2 and were from bulls that were under 12 months of age.

The bulls have been sourced from the Blade Farming collection centre in Honiton and reared in our contract calf rearing units before going out to a small number of specialised finishing units. The bulls have then been fed on high starch rations with a high level of maize inclusion to ensure rapid growth and the correct level of flesh and fat cover at a young age.



Analysis of the results of the cattle processed to date show that 44% of the bulls are hitting the -O2 grade and our average carcass weight is 206.7 Kgs. Our customer, Linden Foods in Ireland, have been delighted with the way that the Blade system can produce such consistent results, and as a result we are currently negotiating to increase the throughput of bulls. It is in everyone's interests to find and an outlet for surplus calves from the dairy industry, and Rose Veal production is proving to be a viable enterprise on these selected finishing units.

Traditional store cattle finishers will continue to purchase dairy cross stores to finish over a 100 day plus system. However, as store cattle values continue to rise, some are already considering other options to avoid paying too much for store cattle. Purchasing weaned calves to finish over a longer period of time, producing Holstein bulls on a 14 month system and taking out a forward price contract to secure a guaranteed market and price, are all options that are available from Blade Farming.

The table (right) gives an overview of the outputs of two different beef units, both carrying 200 head of cattle. The bull unit will have the advantage of finishing all the cattle in an 11 month production cycle whereas the steer unit will take 22 months to finish their cattle and so will only slaughter half the number of cattle in the same time period. For the purpose of the comparison fully vaccinated weaned calves have been purchased at 110 Kgs (3 months old).

Bull beef production only suits certain farm situations, but it will always produce consistent quality manufacturing meat for the Processor and the Retailer. It seems likely that consumer spending on food may well reduce in the short term and if this proves to be the case, then the demand for manufacturing meat will be maintained, minced beef and pre prepared meals will become more popular and so the demand for manufacturing product will be strong.

Intensive bulls require robust housing and handling facilities. With F/Holstein bull calves being more readily available than beef cross calves and large quantities of grain on farm, it is an option that may be worth considering. The enterprise is easy to plan out and feed supplies can be contracted forward to ease budgeting. Steers on the other hand are easier to manage, have lower daily input costs, and are able to utilise on farm forage.

Blade Farming can supply level groups of either young calves from the collection centre, or bunches of reared calves from our network

Beef production

A comparison two different beef production systems.

	F/H bull	Cont x steer
Age at start	3 months	3 months
Age at finish	14 months	25 months
Time on farm	11 months	22 months
Grade	- O3	R4L
Daily liveweight gain (Kgs/hd/day)	1.2 Kgs/hd/day	0.8 Kgs/hd/day
Estimated carcass weight (Kgs)	270 Kgs	330 Kgs
Estimated (p/Kg dwt)	£2.60 / Kg dwt	£2.75 / Kg dwt
Total unit output (Kg/yr)	87,600 Kgs	58,400 Kgs

	Bulls	Steers
Production system	Intensive	Extensive / semi intensive
	Cereal based	Forage based
	High output	Lower output
	11 month cycle	18 – 22 month cycle
Calf supply	Readily available	More limited
	Low value	High value
Marketing	Finished price contracts available	Finished price contracts available

of contract calf rearing units. Most breeds of calf can be supplied either as bulls, steers or heifers.

We can also offer producers attractive forward price contracts for bulls, steers of heifers thus giving you the opportunity to secure a price and market for your cattle in advance.

Please ring the Blade Office for more details of calves, reared calves or pricing contracts.

OR VISIT
www.blade-farming.com

STRAIGHTS MARKET UPDATE

The straights feed market continues to fluctuate wildly as each fresh piece of financial news hits the airwaves. There are so many factors that influence the value of straight feeds that it is difficult to predict what will happen in this global market. The basics of crop quality and harvests, coupled with weather reports are only part of the picture, add to this the supply and demand of product, currency and global financial situations and you will see how difficult the predictions become.

Soya – although it continues to track the lowering crude oil prices this is not being reflected in ex store prices because of the strength of the dollar against sterling. A 1 cent fall adds about £1.50 to a tonne of Soya. The Soya price has risen approximately £20 over the last month which hasn't been helped by supply problems.

Rape – prices have risen by about £12 from their lowest point, although it still looks a good buy against Soya. There is a concern over the supply during the festive period which may force prices upwards particularly if Soya stays at the current higher levels.

Soya Hulls/Citrus/PK – these are certainly worth looking at and can be good value for money.

Sugar Beet – although not appearing to be such

good value for money it remains a popular feed ingredient and both home produced and imported product is currently available.

Molasses – even with the price rises this commodity is proving its worth with high cereal diets.

Maize Gluten and Milurex – are both available tipped or blown. Milurex is a wheat based gluten in pellet form. At 18% Crude Protein, 12.75 ME and 20% Starch it has a balanced content of rumen energy source and is rich in yeast fragment.

Wheat/Barley – prices remain under pressure with ample supply available.

**Adam May - Mole Valley Farmers
M 07818 017116**

PERFECT PARTNERS

BOCM PAULS are proud partners of Blade Farming and we have been working together since 1997. We believe that a true partnership involves approaching the future together and embracing change positively. Blade has developed a number of quality beef supply chains to improve returns to farmers and improve meat quality and we are working together on a traditional beef scheme.

James Hook is one of our farmers on the traditional beef scheme. Based in Oxfordshire James operates a poultry breeding operation, lamb and arable business and prefers to have a beef business knowing that he gets an upfront price

enabling him to predict his returns. BOCM PAULS manage the feed operation in partnership with James and Blade. Our job is to make sure we give James the right advice and implement a system to ensure that cattle grow consistently using a feed manufactured to Blade's requirements. James is growing his beef operation from 180 head to 500 head and our partnership is working.

BOCM PAULS are rolling out the traditional beef partnership on a much larger scale in 2009 demonstrating that true partnerships really work.

For more information
please contact
Alison Boydell on
07802 173133.



McDonald's is proud to support UK agriculture, with its supply chain spending over £460 million last year to ensure it delivered high quality menu choices to its two million daily customers.

Sourcing local produce is a high priority for McDonald's and as one of the UK's biggest purchasers of British and Irish beef, the company was supplied by over 16,500 beef farmers this year. We know that beef production requires dedication and sheer hard work not to mention the high welfare standards that you are working to. To show our continued commitment to the beef industry, we sponsored the Farmers Weekly Beef Farmer of the Year award again this year as a tribute to the best in UK

SUPPORTING BRITISH AGRICULTURE

**MCDONALD'S IS PROUD TO SUPPORT THE FARMERS WEEKLY
'BEEF FARMER OF THE YEAR' AWARD 2008**

Every day McDonald's uses the highest quality beef from thousands of the UK's farmers. Producing top quality beef using best practice methods including rigorous standards on animal welfare, feeding and veterinary care requires time, investment, dedication and sheer hard work. This award recognises and pays tribute to the very best of UK beef farming, which gives this country its well deserved reputation for excellence.

- McDonald's only uses British and Irish beef in its hamburgers
- In 2007, over 16,000 British and Irish beef farmers raised cattle for McDonald's
- Only whole cuts of forequarter and flank go into McDonald's 100% beef hamburgers
- McDonald's is one of the biggest UK purchasers of British and Irish beef

FOR MORE INFORMATION ON MCDONALD'S FOOD QUALITY, VISIT WWW.MCDONALDS.CO.UK/OURFOOD

beef farming. Our commitment isn't just about reassurance to our customers that we source from assured beef farmers, it goes further than that as we believe that a well coordinated and organized beef industry is the way forward.

As a major purchaser of both British milk and beef we would like to see and encourage a partnership between the two industries,

working together to produce beef from the dairy herd, ensuring supplies of prime beef are available in the future.

I would like to take this opportunity to wish you all a very merry Christmas.

David Thomas
Senior Agriculture Manager
McDonald's Restaurants UK