



Strategic Plan

2016-2019

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1. Foreword from LMC Chairman

It gives me great pleasure to present the LMC Strategic Plan for 2016 to 2019. This Strategic Plan sets out our organisational objectives for the next 3 years in support of our funders, DARD/DAERA and wider industry stakeholder needs. The next three years will mark several important milestones for LMC. During the Northern Ireland (NI) Year of Food and Drink 2016 the Beef and Lamb Farm Quality Assurance Scheme (FQAS) will have been operating for 25 years in support of the marketing and promotion of our excellent beef and lamb in home and export markets. We will seek to optimize opportunities to further raise the profile of NIFQAS beef and lamb during the year of food and drink.

In 2017 it will be 50 years since LMC was founded by the 1967 LMC Act. When we were founded as The Livestock Marketing Commission the industry was very different than it is today. We had a cattle sector focused on shipping live cattle out of Northern Ireland for finishing and adding value outside the region. We now have a highly proficient livestock and meat processing sector that is focused on producing and adding value locally to beef and lamb for supplying premium retail and food service customers in the UK, European Union and increasingly to Third Country markets, and as we became The Livestock and Meat Commission in 2003, our focus has also had to change in line with the industry we serve.

In looking forward to planning the next three years we have been listening carefully to our stakeholders about what we can do to help support them through the challenging period ahead. We know that our farming stakeholders are concerned about the prices they receive for their quality beef and lamb relative to costs of production; we know that they sometimes question why farm gate prices lag behind those in GB; we know that CAP reform will have a significant impact on the shape of beef and sheep farming in the coming years; we know that they would like to see their produce marketed strongly in the best and widest range of markets available, and; we know from listening to farmers that more could be done to improve communication, collaboration and trust in the red meat supply chain.

We know from our processing stakeholders that with currency challenges, flat or declining demand in traditional EU markets and growing competition from alternative meats, that wider access to markets outside the European Union is absolutely critical to realising the best possible returns for beef and lamb moving forward; that expensive BSE controls that are borne by the supply chain need to be dismantled at the earliest opportunity (negligible BSE risk status being an immediate opportunity for the NI industry to reduce current volumes of Specified Risk Material requiring disposal); that a greater percentage of livestock need to be produced to meet market specifications than they are currently; that a strong focus on promoting the quality, integrity and sustainability credentials of the sector is needed to encourage premium retail and food service customers at home and abroad to stick with higher priced UK origin meat rather than cheaper European and Third Country options.

From an LMC perspective we are absolutely committed, where we can play our part, in addressing the concerns and needs of our stakeholders through the delivery of

effective and efficient services that meet and exceed their expectations. We are a relatively small organisation with annual levy income of £1m which we aim to use to deliver industry outcomes which maximise stakeholders' investment in LMC. We are often challenged by our stakeholders that apart from FQAS and the Bulletin they are not fully aware of the wide range of activities that we undertake on their behalf and we intend during this strategic planning period to take steps to improve that visibility, including more direct regular engagement between the Board and key stakeholder interests. We do consult regularly with farming and processing stakeholders on our work programmes, which currently align very closely with the recommendations of the Agri Food Strategy Board. With the ongoing support of our stakeholders we intend to build on this alignment during the term of this Strategic Plan by playing a lead role in helping to drive forward key recommendations around strategic collaboration in agri food marketing and promotion, driving efficiency improvements through cattle and sheep genetic advancement, facilitating better communications and understanding within supply chains and, leading the sustainability agenda.

Through our involvement in global sustainability discussions through the International Meat Secretariat, the Sustainable Agriculture Initiative (SAI) Platform and the Global Roundtable for Sustainable Beef we see that sustainability and demonstration of continuous improvement has become the new baseline for trade with many major meat industry customers such as McDonalds who are publicly committed to sourcing beef from verifiable sustainable sources from 2016.

One of the highest priorities for our ongoing planning is our work on market access to third countries which we co-fund and drive in partnership with our sister levy bodies in Great Britain. We are encouraged by the DARD Minister and Veterinary Service's commitment to prioritising work in this area which is critically important to the sustainability of beef and sheep meat supply chains in Northern Ireland. Our farming and processing stakeholders do often express concerns that DEFRA does not seem to view this issue as high on the priority list as industry does and we will continue to do all we can in partnership with stakeholders to identify priority markets and influence government as Whitehall works towards gaining speedier access to the widest possible range of markets for UK meat exporters.

In the latter half of 2015 the LMC Board underwent significant change with 4 members and the past Chairman all completing their terms on the Board of the Commission. I would like to thank the recently retired members for their efforts in steering LMC through a successful transformational change which was taken forward after the conclusion of a strategic review of LMC by the DARD Minister in January 2011. I would also like to thank our dedicated and excellent team of staff in Lissie House who implement the Board's strategy and engage daily with our stakeholders in the delivery of our broad range of industry focused activities.

The following sections of the Strategic Plan outline the context for our plans, our strategic direction of travel and our strategic objectives in more detail for 2016-2019. The Board will continue to listen to and engage with a wide range of stakeholders in representing and promoting the interests of the industry and I invite feedback at any

time from our stakeholders who may have constructive ideas or suggestions about development of our strategy.

Gerard McGivern
Chairman



LMC Board Members (January 2016)

Seated left to right:

Mrs. Oonagh Chesney, Mr. Gerard McGivern (Chairman) and Mr. Jim Lennon

Standing left to right:

Mr. Harry Sinclair, Mr. Paddy McElroy and Mr. Gerry Maguire

2. Introduction

The Livestock and Meat Commission for Northern Ireland (LMC) is a Non-Departmental Public Body, established by Statute (The Livestock Marketing Commission Act (Northern Ireland) 1967) to assist the development of the livestock and livestock products industries. LMC's sponsor body is the Department for Agriculture and Rural Development (DARD)¹.

The specific functions of LMC as set out in the 1967 Act are:

- Examining the structure of the livestock industry and the livestock products industry;
- Encouraging the making of better arrangements for the movement and marketing of livestock and livestock products;
- Advising DARD on the classification and grading of carcasses of livestock;
- Advising DARD on the characteristics that livestock should possess in order to be readily marketable;
- Disseminating information in the livestock industry and livestock products industry about prices for livestock (whether in Northern Ireland or elsewhere) and livestock products and about the trends of those prices and the requirements of markets for livestock and livestock products;
- Conducting market research, or causing such research to be conducted, into the requirements of markets (whether in Northern Ireland or elsewhere) for livestock and livestock products;
- Improving and expanding trade in livestock produced in Northern Ireland and in livestock products so produced;
- Giving advice and information to DARD on the efficient layout and operation of the livestock auction markets and slaughterhouses;
- Carrying out such functions in relation to the livestock and livestock products industries as DARD may specify in a direction to the Commission.

LMC has the general duty of examining and recommending improvements in the marketing of livestock and livestock products and the particular functions outlined above. It is recognised by LMC and DARD that with the passage of time, not all the functions listed in the 1967 Act will necessarily remain relevant and may not therefore be part of LMC activity.

LMC's strategic and business objectives currently contribute to delivery of DARD's Strategic Vision and Goals 2012-2020, especially Goal 1:
"To help the agri-food industry prepare for future market opportunities and economic

¹ Details of foundation legislation can be found on our website: www.lmcni.com.

Challenges” and Goal 4: “To help deliver improved sustainable environmental outcomes”

With the formation of a new Department of Agriculture, Environment and Rural Affairs (DAERA) in May 2016, and with inevitable changes to the beef and sheep meat industry’s strategic landscape during the term of this Strategic Plan, LMC will continue to review its specific functions and activities in partnership with its Sponsor Department and industry stakeholders. Good working relationships between LMC and its Sponsor Department are essential to the successful delivery of the objectives in this Strategic Plan and as the Northern Ireland Civil Service restructures its Departments, responsibilities, staff and finances, LMC looks forward to a bright future with efficient and effective engagement and oversight from its new parent Department DAERA.

LMC made a proactive contribution to development of a strategic plan for the agri-food sector, *Going for Growth* (DARD/DETI PfG target) through its participation in the Agri-Food Strategy Board (AFSB) red meat sub-group and will continue to contribute during the term of this Strategic Plan to agreed actions for government and industry flowing from the report

This Strategic Plan sets out LMC’s vision, aim, strategic objectives and the values, which we operate to in fulfillment of the functions for which LMC exists. It also reflects feedback obtained from key funding stakeholders on the future direction of the organisation.

The plan sets out LMC’s strategic objectives for the next three years (2016-2019) and succeeds the last Strategic Plan, which covered the period 2015-2018. The Strategic Plan 2016-19 largely represents a rolling update to the last Strategic Plan. Each strategic objective in the plan is linked with associated business objectives, activities and targets, which are detailed in LMC’s annual Business Plans.

3. Vision

LMC’s vision is for a sustainable and profitable future for the Northern Ireland beef and sheep meat industry² at all levels of the supply chain.

4. Mission

LMC’s mission is to support, examine & inform the marketing and development of the Northern Ireland beef and sheep meat industry.

5. Aim

LMC’s aim is to be the beef and sheep meat industry’s organisation that people choose to come to based on our knowledge, facts and impartial information

² References to beef and sheep meat industry in this Strategic Plan relate to livestock and livestock products from the cattle and sheep sectors



6. Our Values

- 6.1 To be unequivocally an advocate and champion for the Northern Ireland beef and sheep meat industry and in support of LMC and DARD's aims provide services to industry with independence, transparency and integrity;
- 6.2 To employ high calibre staff and ensure that every member of staff has the right skills, training, experience, and resources to deliver on our commitments;
- 6.3 To utilise our resources in a cost-effective and efficient manner through sound governance, accountability and control systems and processes which safeguard levy-payers' funds;
- 6.4 To demonstrate professionalism, openness and a "can do" attitude at all times.

7. Strategic Planning Context

LMC anticipates significant changes to the political landscape in Northern Ireland during the period of this Strategic Plan; this includes Assembly elections, a challenging public expenditure settlement, as well as a restructuring of Executive Departments, including DARD. In addition to these, other key areas of strategy/policy influencing LMC's future activities are as follows:

- 7.1 **Going for Growth:** LMC continues to play an active role in assisting the delivery of the agreed actions for the benefit of the beef and sheep meat sectors and wider agri-food industry. Targets to grow beef and sheep meat sector turnover to £1.6bn by 2020 and employment in the sector to 5,000 by 2020 are ambitious but achievable with the right focus, co-operation and support of industry and government.

Through its existing programmes of activity and ongoing work with stakeholders LMC has contributed and is continuing to contribute to delivery of key agreed actions within the Market Share, Working Together,

Sustainable Growth, Innovation, Skills, Better Regulation, Financial Growth, Food Fortress and Beef & Sheep themes.

For example, following the 2014 DETI led review of Agri-food Marketing and Promotion in Northern Ireland LMC has continued to highlight to the Agri-Food Strategy Board (AFSB) its willingness to engage and collaborate with other sectors and organisations to deliver marketing and promotion outcomes that improve the positioning of Northern Ireland agri-food in domestic, external and export markets. As the lead organisation for the marketing and promotion of beef and lamb in Northern Ireland, and as a key provider of building blocks for the marketing and promotion of the sector both inside and outside Northern Ireland, *LMC is well placed to play a lead role in the outworking of the emerging industry-led agri-food marketing body.*

Perhaps one of the most challenging recommendations in Going for Growth, but one offering the greatest opportunity to enhance the sustainability of livestock production in Northern Ireland is Recommendation 63: Producers must be encouraged to place more emphasis on commercial/performance attributes, e.g. Estimated Breeding Value in the selection of breeding stock. LMC has been working closely with industry and government partners to examine the best ways of capturing information and using technology to accelerate the rate of genetic progress in local cattle herds and sheep flocks. At the end of January 2015, the AFSB established a livestock genetics sub-group to develop a strategy for the NI dairy, beef and sheep sectors for maximum economic genetic gain. LMC has been an active participant in the sub-group and through the provision of funding and expertise, a research project was commissioned with AbacusBio in New Zealand to detail the appropriate strategy and business case for taking this important work forward in Northern Ireland. *LMC will continue to play a lead role in the sub group and will work closely with AgriSearch and other partners in the implementation of the project recommendations on the ground during this Strategic Plan period.*

LMC continues to actively participate in the Beef and Sheep sector sub-group of the AFSB. During the Strategic Plan period, *LMC will continue to play a lead role in facilitating the implementation of beef and sheep sector specific recommendations.* At the request of the sub group and LMC farming and processing stakeholders, this work will include commissioning an analysis of supports available to assist the beef sector in key competitor countries within the European Union and providing supporting information for the case for Negligible Risk BSE Status for Northern Ireland.

- 7.2 **Climate Change & Sustainability:** Climate change presents both a significant challenge and an opportunity to the red meat sector. Globally there is a need to produce more food and non-food products whilst reducing the impact on the local and global environment. The industry is facing a very real challenge of reducing its net greenhouse gas (GHG) emissions at the same time as responding to the opportunity presented by an increasing demand for food, water and energy in the face of a changing climate.

LMC is an active participant in the DARD Greenhouse Gas Implementation Partnership and building on the success of Phase One of Efficient Farming Cuts Greenhouse Gases *LMC will be working closely with industry, government and partner organisations during the Strategic Plan period to develop and roll-out*

Phase Two in order to ensure that Northern Ireland's excellent credentials for sustainable production of beef and sheep meat are further developed and actively promoted.

LMC continues to be an active member of the Sustainable Agriculture Initiative (SAI) Platform. LMC is working closely with other members of the Platform to develop a simple to use Beef Farm Sustainability Assessment (which will be launched in 2016) that may be used by individual farmers, companies, assurance schemes etc. to assess the level of sustainability of farms in beef supply chains throughout Europe, and to help promote continuous improvement in the sector. McDonald's is one of the main driving forces behind the work of the SAI Platform and is also one of the most important customers of beef from Northern Ireland.

The Beef Working Group of the SAI Platform is helping to advise the work of the Global Round Table on Sustainable Beef (GRSB) and is forming good informative relationships with major EU retailers and purchasers of beef regarding the excellent work that the beef industry is doing on sustainability. LMC attended the Global Roundtable on Sustainable Beef General Assembly in Amsterdam in October 2015 and the Bord Bia Global Sustainability Forum in Dublin in November 2015 and *it is clear to LMC that demonstrating and verifying sustainability is becoming a new benchmark for doing business into the future* with many of the major retail and food service customers of beef.

7.3 **CAP Reform:** From 2015, the basic payment and the greening payment began moving to a flat rate payment per hectare over a seven-year transition period within a single region model. By the time of full convergence to flat rate in 2021, a significant redistribution of direct payments between farm types will have taken place with over 20% less support than pre reform levels going to cattle and sheep lowland & Disadvantaged Area and cattle Severely Disadvantaged Area farmers. LMC would strongly advocate ongoing monitoring of the impact of direct payment redistribution on beef and sheep meat production as the reforms are implemented. *LMC welcomes that the Agriculture Minister has agreed to keep the option for voluntary coupled support under review.*

7.4 **Changing Dynamics in the Food Industry:** The continued globalisation of the food industry, together with the continuing strengthening of the position of the major multiple retailers, creates both challenges and opportunities for the industry. The UK retail and food service sector provides the biggest single market for NI origin beef and with UK beef prices currently the highest in Europe it offers a relatively strong return to the NI beef industry. However, the UK market is intensely competitive and a strong sterling relative to the Euro and other international currencies makes it extremely attractive to beef exporting nations such as RoI. With self-sufficiency levels for beef in the UK at 75% Northern Ireland processors and their subsidiary companies in GB and RoI currently supply all of the major retail and food service customers in the UK and the local supply chain must continue to demonstrate its ability to adapt and excel in servicing the needs of this essential market.

LMC actively participated in the first meeting of the Agri Food Strategy Board Supply Chain Forum in October 2015 and is willing to play its part in helping to bring a strategic focus to the creation of single sustainable supply chains

that are communicative, collaborative, and proactive and can mitigate effectively against market shocks. LMC has built up good experience in its past facilitation of roundtable strategic discussion and actions, for example through chairmanship and coordination of the Red Meat Strategic Forum and its predecessor the NI Red Meat Industry Task Force. LMC would be willing to re-establish a Forum if stakeholders feel this would be a useful vehicle for taking forward roundtable discussions on sustainable beef and sheep meat supply chains.

Whilst the UK market is one of the strongest available to NI suppliers, it does not offer the best returns available for all components of the carcass. The European market with a weak Euro and depressed manufacturing beef market makes it very difficult for local processors to optimise the carcass balance and in periods of strong supply and weak demand expensive cold storage options have to be utilised. Continued efforts by many, including the Agriculture Minister, to open up many currently inaccessible (and potentially lucrative) third country export markets (particularly in North America and Asia) to UK beef and lamb, offals and other fifth quarter products are essential to broaden industry options to maximise returns from the whole animal. *LMC will continue its membership and active participation in the work of the UK Export Certification Partnership during this strategic plan and will work with the proposed new agri-food marketing body in identifying and securing earliest possible access to priority markets.*

- 7.5 **Economic & Political Developments:** Ongoing global economic pressures are of significant concern to the red meat industry in Northern Ireland, particularly in the European Union and in China. Whilst not directly involved in the Euro zone the industry exports significant and growing volumes of live cattle and sheep, as well as a multiplicity of beef and lamb products and by-products to Euro zone nations. Major swings in the sterling euro exchange rate, can have a major bearing on the income of the local red meat sector in which LMC operates.

International political developments can also have an impact on industry returns. In 2014, in retaliation for EU imposed sanctions concerning Ukraine, Russia imposed a one-year ban on the import of a range of EU products including beef. This ban has subsequently been extended for a further period of one year and has led to redirection of product from other EU and Third Country markets onto the EU market, which had been intended for the Russian market. In 2015, the grey market route into China via Hong Kong for global exporters of beef, lamb, pork and poultry was largely suspended by the Chinese Authorities. This has significantly affected market opportunities available to NI beef and sheep meat exporters for fifth quarter products, further emphasising the importance of securing direct market access for UK exporters to mainland China.

- 7.6 **Equality:** *LMC remains fully committed to effectively fulfilling its Section 75 statutory duties across all of its functions* (including service provision, employment and procurement) through the effective implementation of our Equality Scheme, which was approved by the Equality Commission in February 2013. In our annual section 75 progress report to the Equality Commission, which was submitted in August 2015, we reported on progress with the 13 action measures in our audit of inequalities action plan. This

progress report was acknowledged as received by the by the Equality Commission's Advice and Compliance division. Promoting Equality of Opportunity and Good Relations is important to LMC and we will continue to take forward the action measures aimed at improving outcomes in these areas as we develop and deliver our various programmes of activities in support of our Strategic Objectives. LMC also reviewed its Disability Action Plan in 2014 and *we remain committed to ensuring that our services are readily available to, and have the opportunity to be accessed by, all of our stakeholders.*

- 7.7 **LMC Status:** This Strategic Plan is prepared on the basis that there will be no change to LMC's status as an NDPB during the period of the plan. LMC has good working relationships with its Sponsor Department and during the term of this Strategic Plan, LMC will work with DARD/DAERA, to further strengthen these relationships. Funding stakeholders of LMC sometimes cite public sector regulation and slowness in decision making by government in Northern Ireland as major impediments to the effective operation of LMC. Since the formation of LMC as a public body in 1967, *LMC has consistently shown its flexibility to respond effectively to evolving stakeholder and organisational needs and, with the ongoing support and partnership of DARD/DAERA will continue to do so in implementing this Strategic Plan.* In order to support the local agri-food industry as it seeks to grow the Board of LMC continues to aspire to have enhanced flexibility from DARD, similar to equivalent organisations in Scotland and Wales. Areas such as LMC's delegated limits and access to its own financial reserves are examples of two important areas where more flexibility would be very helpful to LMC. *As LMC has been categorised as Low Risk in a sponsorship risk assessment concluded by DARD in 2015, LMC will work towards achieving the maximum flexibility possible from DARD/DAERA for its operations during the course of this Strategic Plan.*

A number of issues pertaining to LMC's status as an NDPB will play an important part in LMC policy making during the course of this Strategic Plan. These include:

- **Reserves:** As LMC's annual income is not fixed at the beginning of a financial year (rather it depends on the number of cattle and sheep slaughtered during the year in question) it is not uncommon for small surpluses to be generated at financial year-ends. Following a series of meetings between LMC and senior DARD representatives to try and find a resolution to this complex matter, it has been agreed that where relevant value for money projects are identified by LMC, that require access to reserves, and are justified by a business case, then DARD would seek to provide the necessary DEL cover to facilitate their draw-down by LMC. LMC recognises the difficult public expenditure climate facing its sponsor department and the challenges this will pose but would hope to be able to draw on its reserves as necessary during the Strategic Plan period.
- LMC would like to continue to support its stakeholders to take forward key strategic initiatives that are in keeping with LMC's remit and objectives. In the last Strategic Plan period, targeted strategic support was provided by LMC for Animal Health and Welfare NI to get it established, the commissioning and delivery of a livestock genetics research project from AbacusBio for the AFSB genetics sub group and a number of strategic beef and sheep meat industry focussed research projects through AFBI. *LMC is well positioned to consider*

providing supports to relevant strategic projects, which may emerge during this Strategic Plan period, and if the business case stacks up, we will approach DARD/DAERA for support in accessing our reserves.

- **Levies:** LMC does not envisage the need to seek an increase in levy rates during the Strategic Planning period to deliver its current domestic programme of activity. However, one of the big challenges LMC faces going forward is that funding stakeholders see LMC as having significant reserves in its annual financial statements and if they are to be approached for additional funding during the course of this Strategic Plan the issue of using reserves will no doubt be flagged up first. We will work with DARD/DAERA to access reserves and obtain spending cover to expand our existing work programme, which aims to grow and promote the industry.

The issue of levy repatriation within the UK continued to be widely discussed during the past year. In December 2015, the red meat levy boards in England, Scotland and Wales (AHDB, QMS and HCC) submitted a briefing document to Ministers in England, Scotland and Wales outlining an alternative option for the distribution of red meat levy income in GB. This alternative would take into consideration the scale of economic activity undertaken by the red meat industry in each country, rather than only where the animal is slaughtered. At present, levy is collected at point of slaughter regardless of where animals spent their lives and where value has been added to beef cattle, sheep and pigs.

Under the potential new system in GB, animals that have spent part of their lives in different countries would have the levy apportioned across those different countries. Whilst LMC has been involved in the discussions with the other levy bodies on this issue, due to the very small net movement of livestock from Northern Ireland to GB, the LMC Board has chosen not to be included in the levy redistribution mechanism.

Instead, the priority of the LMC Board is to examine in conjunction with the beef and sheep meat industry and DARD/DAERA the potential for a mechanism to be put in place for the collection and utilisation of levies on live exports of cattle and sheep from Northern Ireland.

The levy boards across the UK remain keen to continue to work together on areas of mutual benefit such as third country export market access, promotion of Red Tractor etc. and LMC will continue to play an active role in these areas.

LMC regularly reviews all of its activities and in consultation with its stakeholders will seek to add the maximum value and benefit to the levy funds it receives from them. All levy funds raised by LMC during this Strategic Plan period are subject to state aid controls under the Beef and Sheep Meat Sector Improvement Scheme (Northern Ireland) 2015 that is in effect until 31 March 2021.

- 7.8 **Commercial Environment:** The Northern Ireland red meat industry continues to operate within a very complex and challenging commercial environment. *LMC provides a range of market intelligence services for the beef and sheep meat sector to help inform producer and processor planning and decision-making*, and this work will continue to be a key part of LMC activity

during the strategic plan period.

- **Market Opportunities:** The beef and sheep meat supply chain continues to face the ongoing challenge of generating adequate and stable returns from intensely competitive retail and food service markets in the UK, Republic of Ireland (RoI) and continental Europe. The UK retail sector, which is the most important market for Northern Ireland beef and a key market for lamb, continues to go through a particularly turbulent period with the discounters Aldi and Lidl taking more share of the market from the larger middle ground retailers. The 'big four' retailers began 2015 in a bitter price war to try and regain lost customers and restore confidence in their shareholders and the NI industry stood up to the challenge of maintaining its premium position in these markets in the face of cheaper imported beef.

Despite the significant economic challenges in the Euro zone, local processors have been successfully working to grow their customer base in EU and EU Partner export markets. Processors have also positively responded to new market opportunities in third countries, which have resulted from the work of the UK Export Certification Partnership (UKECP) to which LMC contributes on behalf of the local beef and sheep meat sector. The USA, Philippines, China, Japan and South East Asia are key target markets where market access for beef and lamb is currently being pursued. *LMC will continue to support and advise the work of UKECP during the plan period. LMC will also work with DARD/DAERA and its Minister as well as with local industry, through the Meat Export Working Group, to support market access work.*

- **The Domestic Market:** The industry frequently faces challenges from negative messages in the media about red meat and challenges from competing meat products and it is therefore essential to keep communicating the positive messages about the wholesome, nutritious FQAS beef and lamb produced in Northern Ireland. LMC has encouraged consumers through its promotional and educational activity to look for the FQAS logo when shopping for beef and lamb, and if they cannot see it at point of sale, encouraging them to ask their retailer, butcher or food service outlet if their beef or lamb is Northern Ireland Farm Quality Assured. FQAS was developed in the early 1990's in partnership with industry to give key retail customers in Europe and their consumers assurances about the farm quality of their food and above all to address their main concern that beef and lamb is wholesome, safe and free from unnatural substances. *LMC provides a key role in promoting these important messages to consumers in the domestic market in Northern Ireland.* A key element of this promotional and educational work is also demonstrating the importance of beef and lamb in the diet and its versatility and affordability.
- **Education of Consumers:** *LMC continues to play an important role in reassuring consumers of the benefits of looking for and eating Northern Ireland (Farm Quality Assured) Beef and Lamb and in driving confidence in red meat produced locally.* LMC launched a three-year media advertising campaign in 2013-14, to remind consumers to look for the Northern Ireland Farm Quality Assured logo when shopping for beef and lamb. The

focus of the campaign has been to raise awareness of the logo amongst consumers, develop understanding of what the logo means, emphasising the nutritional benefits of beef and lamb in the diet and influencing consumer purchasing towards FQAS beef and lamb.

The advertising campaign has been very well received to date by consumers in the Northern Irish market and independent market research commissioned by LMC has shown an increased consumer awareness of the FQAS logo and an increase in their understanding of the standards underpinning the logo. The advertising campaign has helped to support annual per capita consumption of carcass beef in Northern Ireland to levels 60% higher than the UK average. LMC works closely with retailers and their suppliers throughout its campaigns in order to maximise visibility to consumers and to influence their purchasing behaviours. *LMC work will continue in this Strategic Plan period to encourage shoppers to select FQAS beef and lamb when making their meat purchases.* A new consumer facing website www.beefandlambni.com was launched by LMC during 2014 and this platform has been an important reference point for further informing consumers in tandem with the campaign advertising programme.

LMC supports its campaign advertising activity with cookery demonstrations in secondary schools throughout Northern Ireland. Since 1999, *LMC has been actively promoting the produce of the NI beef and sheep meat industry in secondary schools with 320 school cookery demonstrations conducted in the 2014/2015 academic year.* In reaching out to Northern Ireland Home Economics Teachers, pupils aged 11 to 18 who study Home Economics and general consumers through our educational and promotional programmes LMC is providing vital support to our stakeholders' marketing activities in the domestic marketplace.

- **Primary Production:** *A key focus of LMC strategy through 2016-19 is to encourage and support the further development of a sustainable local production sector.* Realisation of new market opportunities by processors will only be possible if growth in output from the local primary production sector of the right type of livestock required to service these markets is stimulated.

In addition to the ongoing work through the AFSB and Greenhouse Gas Implementation Partnership, LMC work to improve beef and sheep meat supply chains will include:

- ongoing encouragement of farmers to keep their marketing options open by joining the Farm Quality Assurance Scheme (FQAS);
 - providing essential market information to better inform decision-making;
 - supporting key research and technical efficiency projects, and;
 - providing support to the furtherance of more third country market access.
- **Export Markets:** *LMC activities are tailored to support industry engagement in all domestic, external and export markets for NI beef and lamb.* With industry setting out strong growth aspirations in Going for Growth, LMC

provides a number of important building blocks for the industry to market its products to customers at home and abroad. For example:

- LMC owns and manages the NI Beef and Lamb Farm Quality Assurance Scheme (FQAS), which is a recognised equivalent to Red Tractor, and is required in the specifications of most customers for NI beef & lamb;
- LMC contributes finance and expertise to the UK Export Certification Partnership (UKECP) to help grow and maintain access to 3rd country export markets;
- LMC is a recognised provider of domestic and export market intelligence and market communications for the NI red meat sector;
- LMC seeks to maintain and grow local consumption of NI beef and lamb through promotional activity and educational initiatives;
- LMC seeks to enhance local and international awareness and understanding of the NI red meat sector's credentials through its work in sustainability, sponsorship of research, and, participation in global meat sector arenas such as the International Meat Secretariat (IMS) and Sustainable Agriculture Initiative (SAI) Platform.
- LMC is the registered owner of the strategically important Greenfields Community Trademark, which is currently used in the Benelux Countries by Albert Heijn supermarkets on their retail shelves to sell beef supplied from the island of Ireland by contracted NI and ROI processors.

Whilst we are no longer directly involved in facilitating the red meat processing industry's presence at SIAL (Paris) and Anuga (Cologne) *LMC stakeholders are keen for LMC to work more collaboratively with DARD, Invest NI, Industry and other key partners during the period of this Strategic Plan, to assist the export market development efforts of the NI beef and lamb industry.* The emerging industry led agri food marketing body may help to bring a strategic approach to coordinated export market development efforts.

8. Strategic Focus for LMC Services:

Arising from the contextual issues outlined above, LMC continues to review its resources and priorities to best deliver the services required by industry and government stakeholders. LMC has been actively involved in the work of the AFSB by participating in the beef and sheep meat and livestock genetics sub groups of the Board and the Supply Chain Forum. The final report of the AFSB was published in May 2013 and the NI Executive Response in October 2014. *LMC is playing a full and active role in facilitating the implementation of any relevant actions for the benefit of the NI beef and sheep meat sector.*

Whilst the LMC Act of 1967 currently defines livestock (for purposes of LMC functions) as bovine animals and sheep, LMC remains open to engage with and facilitate other sectors of the Agri-Food industry where appropriate and resources permit. The development and publication of the Industry Feed Assurance Group Report, as a pan industry response to the Dioxin crisis, is one where LMC has played a leading role in promoting uptake of the agreed recommendations by the wider Agri-Food industry. LMC and DARD facilitated

the launch of Food Fortress in November 2013 by NIGTA and LMC worked closely with industry to agree uptake of the requirements of Food Fortress by the NI Beef and Lamb FQAS in its 2014 Product Standard. There are now over 70 businesses, covering all the compound feed used in Northern Ireland and a significant proportion of the Southern market, in membership of the Food Fortress scheme. The current programme will coordinate and test samples for a range of heavy metals, mycotoxins, Dioxins and pesticide residues, bringing an unparalleled level of surveillance of the most high-risk contaminants in the feed sector.

There are many opportunities for LMC to work synergistically with other sectors of the industry going forward, in particular the dairy sector, which is an important source of raw material for beef production and processing. *Sustainability, assurance and genetic improvement are all areas where synergies exist between the red meat and dairy sectors and LMC will work closely with dairy sector stakeholders during the period of the plan to advance these mutual agendas.*

Given the geographic spread of local beef and sheep meat processing interests and customers of industry throughout the British Isles it is essential that LMC has excellent working relationships with other red meat levy bodies in Great Britain and the Republic of Ireland. Across the UK LMC will continue to work in partnership with Quality Meat Scotland (QMS), Hybu Cig Cymru (HCC) and the Agriculture and Horticulture Development Board (AHDB) on areas of mutual benefit to the development, growth and promotion of the UK beef and lamb industry such as the Red Tractor initiative and third country market access work. LMC also has good working relationships with Bord Bia and will continue to collaborate in areas such as sharing of market intelligence and driving forward sustainability initiatives.

For purposes of this Strategic Plan LMC will continue to categorise its provision of services into four broad strategic areas of work for the beef and sheep meat industry, namely:

8.1 Industry Development Services



LMC is a recognised facilitator and honest broker in the industry and is engaged in the strategic development of the industry through provision of a range of industry development services such as:

- raising the understanding and awareness of FQAS amongst consumers and promoting the consumption of FQAS beef and lamb;
- providing a Farm Quality Assurance Scheme and facilitating the FQAS Industry Board and FQAS Standard Setting Committee;
- managing relationships between FQAS and Red Tractor and facilitating dialogue on important strategic issues such as equivalence of standards and proposals for lifetime assurance;
- protecting the integrity and registration of the Greenfields brand;
- working with industry to develop sustainable & profitable beef & sheep meat supply chains;
- providing support and advice to red meat and farm production research;
- providing technical information in support of industry and other LMC services;
- representing the Northern Ireland red meat industry in greenhouse gas R&D platforms, sustainability initiatives and developing supply chain communications in these areas;
- stimulating an improvement in herd health through support of the BVD eradication programme;
- Participation in initiatives to encourage increased public procurement of produce from the local beef and lamb sectors.

LMC will continue to work with stakeholders on important industry development projects throughout the period of the plan

8.2 Provision of the Northern Ireland Beef & Lamb Farm Quality Assurance Scheme (FQAS)



LMC currently owns and manages this voluntary scheme on behalf of the beef and sheep meat industry in Northern Ireland. LMC's management role includes maintenance and development of the FQAS Standards and member information on a new FQAS database; ensuring our continued recognition of equivalence with the Red Tractor Scheme in GB; ongoing liaison with scheme members, and; selection and oversight of a UKAS accredited certification body for registering, inspecting and certifying scheme members. FQAS commenced 2016 with over 12,000 members.

In November 2015, LMC commenced a new contract with the accredited certification body Northern Ireland Food Chain Certification (NIFCC) for provision of certification services for FQAS. With a steadily growing membership of FQAS, producer and processor membership fees will have to be kept under review each year of the strategic plan to ensure that income is sufficient to cover expenditure on the scheme.

LMC is fully committed to maintaining the important Red Tractor Equivalence of FQAS given the importance of UK markets to the NI beef and sheep meat industry. Assured Food Standards (AFS), which operates the Red Tractor Scheme, has signalled its intention to introduce animal welfare outcome measures into its beef and lamb scheme and to implement lifetime assurance requirements in the coming years. LMC, which has a Memorandum of Understanding with AFS, in its capacity as owner of FQAS, will continue to play a full and active role in creating awareness and understanding within

AFS on the regional issues that need to be considered in its strategic decision making processes (particularly where mutual recognition is concerned).

An issue that arises on a regular basis, because of the North-South and South-North movement of cattle and sheep for further keep or direct slaughter, is the lack of equivalence between FQAS in Northern Ireland and the Bord Bia Beef & Lamb Quality Assurance Schemes in RoI. Beef or lamb from cattle or sheep born in RoI and finished in Northern Ireland for the relevant residency periods for FQAS, can qualify to carry the FQAS logo but due to its mixed origin cannot qualify to carry the red tractor logo. The roll out of the Origin Green sustainability initiative in RoI has brought an added dimension to assurance arrangements on the island of Ireland and discussions with Bord Bia will be progressed regarding the possibilities for more co-ordination / co-operation going forward in this area.

8.3 Education & Consumer Promotion Services



LMC is actively involved in the education of the next generation of potential beef and lamb consumers by annually conducting over 300 post primary school cookery demonstrations throughout Northern Ireland.

This is complemented by a professional development event for Home Economics Teachers and, now that a GCSE in Agriculture has been established, further opportunities to develop the Education Services portfolio during the Strategic Plan period will be explored.

LMC also undertakes beef and lamb sampling sessions with multiple retailers throughout the year (in store or at events) and, with the fostering of good working relationships, a number of local retailers have been actively promoting FQAS beef and lamb in their in store and media advertising.

Work to further enhance the understanding and awareness of consumers about FQAS and its importance, will be further developed during the Strategic Plan period.

8.4 Market Information Services



LMC procures, analyses and communicates relevant information to the industry about markets, legislation and economic developments. The core communication tools for market information are the weekly LMC Bulletin, Text Messages, Radio Broadcasts and Website Updates.

On behalf of DARD/DAERA, LMC also performs statutory price reporting to the European Union on prices paid by factories for cattle presented for slaughter in Northern Ireland.

The LMC Quarterly which is now sent by post or email to over 11,000 recipients and the red meat prospects conferences have proven to be popular additions to the portfolio of LMC market information communications and will continue to be developed.

Opportunities to inform the industry of important market developments and opportunities will continue to be explored and communicated during the term of the Strategic Plan.

9. Key Challenges & Opportunities for LMC

The analysis presented within this Plan identifies a range of factors that will present LMC with significant challenges and opportunities over the 2016–2019 Strategic Planning period. In summary, these include:

- 9.1 **Human Resources:** LMC has a small staff complement of 17 full and part-time personnel. The 2016-19 Strategic Plan outlines an ambitious programme of LMC activity going forward and depending on the needs of stakeholders the evolution of LMC activities and affordability, LMC will continue to review its staff resources during the period of the Strategic Plan. No plan can be successfully delivered without excellent people of the right quantity in the right place and with the right training and skill sets. LMC will continue to invest in the training needs of its staff throughout the period of the Strategic Plan. Annual staff appraisals and personal development plans will be carried out, with personal objectives and training linked to delivery of the strategic objectives of LMC in this Strategic Plan.
- 9.2 **Budget:** LMC income is extremely difficult to predict due to the fluctuations in patterns of livestock slaughterings and the cross border import and export movement of livestock for direct slaughter and further keep. If relevant projects are identified by stakeholders and supported by a proportionate business case that cannot be resourced in annual Business Plan balanced budgeting then permission and DEL cover will be sought from DARD/DAERA, and if available will draw upon LMC reserves. Levy rates and FQAS membership fees will be kept under review throughout the period of this Strategic Plan.
- 9.3 **Procurement:** The Management Statement and Financial Memorandum for LMC allows the organisation to procure goods and services up to the value of £30k, subject to affordability and proportionate business cases. Procurement of such items is done in accordance with LMC Procurement Policy and with reference to DFP Procurement Guidance Notes. Procurement is a complex matter and LMC will continue to invest in appropriate training for staff involved in the procurement process. Above the value of £30k, CPD is the centre of procurement excellence, which LMC must use to procure these higher value items. During the course of this Strategic Plan, LMC will continue to review its procurement practices in particular cross sectional procurement of similar goods or services and longer term procurement of items.
- 9.4 **Image / Profile:** LMC has been making considerable efforts to improve the image, profile and understanding of the organisation amongst its stakeholders. Good progress has been made in communicating with stakeholders but there are opportunities to do more. To ensure stakeholders have a good understanding of the varied work LMC undertakes on behalf of the industry it is essential that Board members and staff proactively engage and communicate with a wide range of stakeholders about LMC and its work. Whilst LMC's primary focus is on service delivery some additional resource may have to be invested during the plan period to raise LMC's profile and its activities on behalf of the industry. LMC will foster more direct engagement with its stakeholder groups regarding LMC services and work areas.

- 9.5 **Scrutiny:** LMC will continue to be subject to intense scrutiny by stakeholders during the term of this Strategic Plan. LMC must be able to demonstrate on an ongoing basis that the activities it undertakes on behalf of stakeholders are done efficiently and effectively and add value to the income it receives from them.
- 9.6 **Provision of information / promotion:** LMC must be able to provide accurate, timely and relevant information and promotions that meet with stakeholder expectations.
- 9.7 **Advising Government:** LMC must be able to meet government needs in a timely manner for accurate information and advice pertaining to the livestock and meat sector and LMC.
- 9.8 **Quality:** LMC will seek to prioritise its activities to ensure that the quality of the services it provides is not compromised by reduced availability of resources.
- 9.9 **Property:** In 2012, LMC commissioned a condition survey report of the Lissie House estate including the building and its surrounding grounds. The survey has identified that ongoing investment is needed to maintain the estate in good condition and to ensure a safe and comfortable working environment for staff and visitors. A reasonable budget for routine maintenance of the building and grounds will be allocated to each of the annual business plans during this strategic planning cycle. Any of the major investment works highlighted in the condition survey for taking forward in the medium term have not been budgeted for in this 3 year Strategic Plan.

10. Strategic Objectives

In keeping with the Strategic Planning Context as outlined in Section 6, the Strategic Focus for LMC Services as outlined in Section 7 and recognizing the Key Challenges and Opportunities facing LMC as outlined in Section 8, realization of the 3 year Strategic Plan for LMC will involve pursuing the following strategic objectives for the period 2016 – 2019. These remain largely unchanged from those outlined in the previous Strategic Plan as they are still relevant. As this is a rolling 3 year Strategic Plan LMC will keep under review it's Strategic Objectives in line with industry and government stakeholder needs

SO1	The industry is equipped with the tools to encourage its commercial development.
SO2	A better-informed industry and general public.
SO3	Advising and influencing the policy making process.
SO4	Facilitating industry relationships, with impartiality, and integrity.
SO5	To be a relevant customer focused organisation that stakeholders understand, and meets their agreed requirements.
SO6	To have in place an effective, efficient and sustainable organisation.

11. Implementing the Plan

The Associated Business Objectives, which follow on from the Strategic Objectives in LMC's Strategic Plan will be set out in the annual LMC Business Plans.

12. Progress on Plan

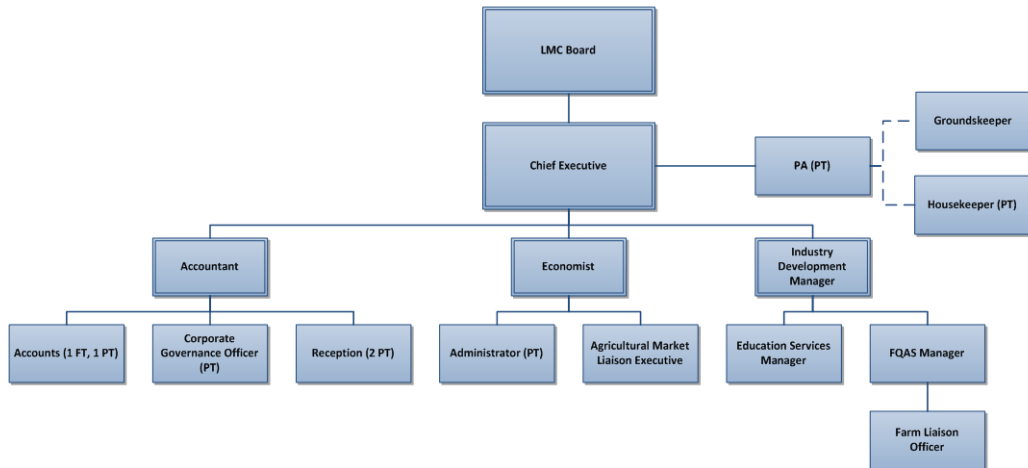
LMC Annual Reports show progress against strategic objectives. These can be found on the LMC website. LMC reviews progress against strategic and business objectives on an ongoing basis and each quarter will produce a business monitor to record progress.

13. Funding the Plan

Detailed budgets will be prepared annually in conjunction with LMC Business Plans. The number of cattle and sheep slaughtered within Northern Ireland on an annual basis is the current main determining factor in LMC income.

14. Organisation Chart

LMC Organisational Structure



15. Alternative Formats

This document is available in a range of formats on request.

16. Glossary of Abbreviations:

AFSB:	Northern Ireland Agri-Food Strategy Board
AHDB:	Agriculture & Horticulture Development Board
Anuga:	Global Food Fair (Cologne, Germany)
Bord Bia:	Irish Food Board
CPD:	Central Procurement Directorate
DAERA:	Department of Agriculture, Environment & Rural Affairs
DARD:	Department of Agriculture and Rural Development (NI)
Defra:	Department of Environment Food and Rural Affairs (GB)
DETI:	Department of Enterprise Trade and Investment (NI)
FQAS:	Northern Ireland Beef and Lamb Farm Quality Assurance Scheme
GRSB:	Global Roundtable for Sustainable Beef
HCC:	Hybu Cig Cymru (Meat Promotion Wales)
IMS:	International Meat Secretariat
LMC:	Livestock & Meat Commission for Northern Ireland
NIFCC:	Northern Ireland Food Chain Certification
NILGOSC:	Northern Ireland Local Government Officers Superannuation Committee
NIGTA:	Northern Ireland Grain Trade Association
NIMEA:	Northern Ireland Meat Exporters Association
PfG:	Northern Ireland Programme for Government
QMS:	Quality Meat Scotland
SAI:	Sustainable Agriculture Initiative
SIAL:	Global Food Fair (Paris)
UKAS:	United Kingdom Accreditation Service
UKECP:	United Kingdom Export Certification Partnership