



Livestock & Meat Commission

LMC Board Review of Strategic Plan 2016-19:

Priorities for 2017-18 LMC Business Plan

- In December 2016 the LMC Board held a strategy meeting with senior management to review progress on year one of the 2016-19 LMC Strategic Plan and to agree priorities for implementation during the next phase of the plan in the 2017-18 Business Planning year for LMC. The current LMC Strategic Plan for 2016-19 remains entirely relevant for charting LMC Strategy going forward for the next financial year until the future market and policy environment within which we will operate starts to become clearer. However, within the context of planning ahead there were a number of high level developments that took place in 2016 that will influence how we prioritise the strategic issues in the plan for LMC to progress on behalf of our levy payers, government sponsors and wider stakeholder community for the year ahead.
- Locally we had elections to the Northern Ireland Assembly in May 2016 which resulted in a change to the political landscape with a reduction in the number of Government Departments, Ministers and some political parties creating an official opposition. A new Minister was appointed to LMC's Sponsor Department, the Department of Agriculture Environment and Rural Affairs (DAERA). The Minister approved the LMC Strategic Plan for 2016-19 and met with the LMC Board to discuss key strategic issues for LMC and the red meat industry in which we provide our services. The Minister also eagerly supported LMC and the red meat industry at a wide range of events including the launch of LMC's Flavour Your Life advertising campaign in June 2016, a jointly hosted LMC and Invest NI business networking dinner in Ag les Halles Paris during the global food fair at SIAL in October 2016 and, the Beef Industry Conference at Greenmount in November 2016. Since the LMC Board Review of Strategy in December 2016 a new round of elections to the Northern Ireland Assembly has been called for March 2017 and LMC looks forward to working closely with any new Ministers responsible at DAERA for the term of this Strategic Plan.
- The new outcomes based draft Programme for Government (PfG) is a welcome development and sets out the priorities that the Northern Ireland Executive will pursue (subject to a new Executive and approval of the current draft PfG) in the Assembly mandate up to 2021 and we are confident that LMC's Strategic Plan for 2016-19 will contribute to the draft PfG outcomes framework, in particular Outcome 1 (We prosper through a strong, competitive, regionally balanced economy) and Outcome 2 (We live and work sustainably – protecting the environment).

- In June 2016 two very significant events took place that will greatly influence LMC's strategy for the remainder of this Strategic Plan. The first was an extensive fire at Lissue House on 09 June 2016 which destroyed the LMC headquarters building and precipitated a relocation of LMC to new rental office premises at 1A Lissue Walk Lisburn. LMC moved into Lissue House in 1998 and it was devastating for the organisation to lose its premises and a lot of historic archived paper based information going back to LMC's foundation in 1967. Despite the fire, LMC, with great support from its stakeholders and DAERA, was able to continue to provide its full range of services for the industry with very little disruption. In 2017 LMC will have to take a strategic view as to the best option for the future of the Lissue House site and significant work will be required to work through the options with insurers, architects, engineers, planners, stakeholders and government to arrive at the optimal solution. This process will take an investment of time and resource by LMC but we will continue to ensure that the public funds that we receive from our stakeholders will be properly safeguarded and prioritised for the benefit of those from which they were collected.
- The second major event in June 2016 was the outcome of the referendum to determine the UK's future membership of the European Union, the so-called 'Brexit'. Since the referendum result the red meat supply chain has benefitted from a devaluation of sterling against the euro which has boosted the value of Single Farm Payments and stimulated a growth in export opportunities for NI red meat and meat products into international markets. This immediate currency swing was a welcome boost to beef and lamb trade in the second half of 2016 but is having an impact on the ability of the sector to recruit new labour to fill vacancies as well as making imported raw materials and equipment more expensive. LMC's Market Information department will prioritise the gathering, analysis and communication of the best available market information and intelligence to assist the industry in its decision making processes before and after we leave the EU.
- Since the Brexit vote LMC has been engaging with supply chain partners in the Northern Ireland red meat industry to agree and represent the priorities for the sector to influencers and negotiators, ahead of these complex exit discussions to take place in Westminster and Brussels. Despite the challenges, Brexit provides an opportunity for government to introduce policies that will secure the future supply of high quality, safe and affordable food for UK consumers. Northern Ireland's farmers and processors can guarantee safe, traceable and environmentally sustainable beef and lamb of unrivalled quality provided that the correct food support measures are implemented to incentivise a technically efficient and skilled primary production base. Trade and environmental policies must align to support the sustainable and profitable production of raw material that is required to supply key markets at home and abroad. Both before and after the UK's exit from the European Union, market

access must remain a key focus for policy makers. As net exporters, partners in the red meat supply chain in Northern Ireland cannot trade without market access. LMC will prioritise the facilitation of discussions with supply chain partners and engagement with policy makers to highlight the importance of the red meat industry to the Northern Ireland agri-food industry and wider economy and the specific issues for the NI red meat sector in exiting the EU.

- August 2016 was 'Love Meat' month of the Northern Ireland Year of Food and Drink. LMC carried out a broad range of promotional and educational activities throughout the Year of Food and Drink to inform consumers about the wholesome and nutritious FQAS beef and lamb produced in Northern Ireland and the ease with which these versatile and affordable products can be included in the diets of consumers who lead busy lifestyles. The Board recognises the importance of building and maintaining a strong presence in the local market for FQAS beef and lamb which provides the platform on which to market the sector outside Northern Ireland. LMC is prioritising the development of a new advertising campaign to succeed and build on the achievements of the existing domestic campaign which ends in the first quarter of 2017. Red meat is an essential part of a healthy balanced diet and education of young people on the importance of its inclusion remains a priority issue for LMC.
- In November 2016 LMC facilitated the attendance of a number of key local industry representatives at the IMS World Meat Congress in Punta del Este Uruguay. The Congress noted that, despite the current antagonism towards free trade and globalisation that seems to be apparent, a healthy world meat economy has much to benefit from fairly negotiated free trade agreements. LMC will prioritise its trade development activities in the remainder of this strategic planning period to boost efforts to maintain and open up new markets to UK beef and lamb exporters.
- As LMC approaches the 50th Anniversary of its formation on 1st August 1967 for the benefit of the livestock and livestock products industries in Northern Ireland we remain very conscious of the need to remain relevant to our stakeholders and where we can best add value to their funding of LMC. Effective communication with, and on behalf of, our levy payers is critical to the ongoing success of LMC and the red meat industry. We will look at options to enhance our current communication platforms and we will prioritise the undertaking of more face to face engagements with our stakeholders during the remainder of the Strategic Plan period.
- Provision of the NI Beef and Lamb Farm Quality Assurance Scheme (FQAS) remains our largest core activity and with 12,500 members we have strategic ambitions to demonstrate the sustainability credentials and journey of improvement of our local beef and lamb industry through benchmarking of FQAS with the SAI Platform's Farm Sustainability Assessment. In 2017 FQAS celebrates 25 years since its formal launch and is a key tool for engaging farmers with the end market

specification of their product. We will prioritise the development of scheme standards and procedures for the future of FQAS that are alive to the evolving needs of the end market and regulatory landscape and that allows our processing industry to supply the best available market opportunities at home and abroad.

- Early in 2017 the Agri Food Strategy Board (AFSB) is due to end its tenure in office but many of the key recommendations in the Going for Growth strategy will continue to be carried forward and prioritised by LMC. The industry led strategic marketing body which is being championed by the AFSB to engage in market access work, to package and promote the Unique Selling Points (USP's) of the NI Food and Drink Industry, to harvest the best market intelligence available and to support businesses in their export market development endeavours is very much aligned to the work that LMC already does for the red meat industry and we look forward to playing a lead role for the sector through strategic collaborations with other interested parties in the new marketing body.
- Technical efficiency in the supply chain will be critical in the new policy environment once the UK exits the EU and ends its participation in the Common Agricultural Policy. LMC will prioritise its considerations of resource provision for supporting remaining strategic Going for Growth initiatives to drive efficiency, such as the livestock genetics improvement programme, and to reduce waste, such as the BVD programme and BSE Negligible Risk.
- The LMC Board and staff would like to re-iterate our unwavering support for the levy payers that fund us to work on their behalf, and for their advice and feedback in the development of our Strategic and Business Plans. Our Sponsor Department DAERA has been very supportive over the last 12 months in giving us the flexibility to take more internal decisions regarding the allocation of our resources and providing us with access to our reserves for important projects to support the needs of our stakeholders. We look forward to working with DAERA in the ongoing development of our Strategic Plan, supporting our mutual objective to develop the red meat sector, and we will prioritise the building of strong and transparent relationships with our sponsor department that recognises our low risk rating and allows for an appropriate control framework from DAERA that safeguards the public funds under our stewardship but is responsive to meeting our evolving organisational needs.
- As the outworkings of the Brexit negotiations start to become clearer over the next 12 to 18 months we will continue to review and modify our rolling strategy in line with our stakeholder needs.