



Strategic Plan

2018-2021

This Strategic Plan is prepared in accordance with the Management Statement and Financial Memorandum (MSFM) for LMC.

1. LMC's Statutory Duties and Priorities

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 Environment and Rural Affairs (DAERA)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 DAERA on the classification and grading of carcasses of livestock;
- Advising DAERA 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 DAERA 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 DAERA 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 DAERA that with the passage of time, not all the functions listed in the 1967 Act will necessarily remain a focus of LMC activity.

The plan sets out LMC's strategic objectives for the next three years (2018-2021) and succeeds the last Strategic Plan, which covered the period 2016-2019. When LMC developed its 3-year strategy for 2016-2019 this preceded the UK referendum

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

on exiting the European Union and preceded a major fire, which devastated LMC's registered headquarters at Lissue House, Lisburn. LMC's Sponsor Department (DAERA) was also formed after the development of LMC's 2016-19 strategy. Given the significance of these events, the LMC Board has decided that it would be more appropriate to develop a new 3 year Strategic Plan for 2018-2021 rather than continue to work on implementing the 2016-2019 strategy. Each strategic objective in the plan is linked with associated business objectives, activities and targets, which are detailed in LMC's annual Business Plans.

LMC's strategic and business objectives currently contribute to delivery of DAERA's Vision for '*a living, working, active landscape valued by everyone*'.

2. 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.

3. Mission

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

4. 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

5. Our Values

- To be unequivocally an advocate and champion for the Northern Ireland beef and sheep meat industry and in support of LMC and DAERA's aims provide services to industry with independence, transparency and integrity;
- 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;
- 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;
- To demonstrate professionalism, openness and a "can do" attitude at all times.

6. Factors Influencing our Key Objectives

- The strategic direction of travel of our Sponsor Department DAERA is an important influence in setting LMC's key objectives.
- In developing our strategy, LMC has also undertaken extensive consultation with stakeholders who represent the main funding sources for LMC. During the course of a typical year staff and Board members will represent LMC in over 250 separate stakeholder meetings, seminars, conferences, clinics, workshops, exhibitions and other networking events. These stakeholder engagements, many of which are hosted and facilitated by LMC, are vital avenues for LMC to get a timely and clear understanding of the key challenges and opportunities that the red meat industry (and wider agri-food industry) is experiencing (or is likely to experience) and where LMC should be prioritising its work in support of its stakeholders. In October 2017 all staff and Board members participated in an employee engagement and strategy development workshop and a number of actions arising from that workshop have been identified that will help to deliver improved outcomes for both LMC and stakeholders.
- During the Autumn and Winter of 2017/18 the LMC Chairman and Chief Executive met with individual red meat slaughterhouses who pay levy to LMC and the main representative bodies for farming and processing interests in Northern Ireland. The purpose of these meetings was to hear first-hand from stakeholders the key challenges and opportunities that they see influencing the strategic direction of the red meat industry over the next three years and to discuss where LMC can play a role in supporting and navigating the beef and sheep meat sector through the period ahead.
- A key feature of these discussions with stakeholders was the positive nature of engagement and the value that they placed on work currently carried out by the organisation. Stakeholders were supportive of the core areas of work where LMC specialises its programmes of activity and expenditure in Market Information, Industry Development, Education & Consumer Promotion and FQAS. LMC constantly reviews its specific work packages in these areas in line with priorities identified by its funding stakeholders and sponsor

department and a number of common themes emerged which will help LMC to design appropriate work packages in keeping with our statutory functions.

- Each of these common themes is addressed in more detail below:

I. Brexit and the impact of this on the future of the local red meat industry:

Stakeholders agreed that this issue was going to be the dominant item on the agenda for the foreseeable future until the uncertainty around the future relationship between the UK and the EU is resolved and, new UK trade and agriculture policies are in place. LMC was highly commended for its work in helping to facilitate the red meat sector to identify priorities for the sector prior to Brexit negotiations and for an excellent piece of research work commissioned from the Andersons Centre in 2017 on the impact of WTO trading on the Northern Ireland Beef and Sheep Meat Industry. Stakeholders also acknowledge LMC's ability to bring the industry together in responding to the challenges and opportunities presented by Brexit. LMC stakeholders recommended that we should stay closely involved with Brexit throughout the duration of the Strategic Plan period and that all of the work that LMC does should be considered in the context of how it supports the development of the industry for both the pre and post Brexit era.

II. Greater access to third country markets for UK meat exporters to generate more value from all parts of the carcass:

A priority issue that continues to resonate strongly with stakeholders is the importance of securing more access to third countries outside the EU for optimising the value of every technical component of the carcass that can be marketed, rather than having to be sold sub-optimally or disposed. Some carcass components that are currently available from the industry could realise more value if they could be marketed in countries where the UK currently has restricted or no access, including many countries in Asia, the Middle East and the Americas.

LMC, with the strong support of its farming and processing stakeholders has invested significant time and resources in the work of the UK Export Certification Partnership (UKECP) since its inception. Good progress has been made in opening up new markets to UK beef and lamb exporters since the UK BSE beef export ban was lifted by the EU in 2006 (the Philippines being the most significant success in 2017). LMC was encouraged by stakeholders to continue our active working on third country market access during the period ahead with UK levy bodies, industry partners and government.

III. Future sustainability of the farming base and raw material supply (Initiatives to support improvements in productivity and competitiveness):

In the context of Brexit, there are very real concerns amongst red meat industry stakeholders about the future economic sustainability of the cattle and sheep farming sectors in Northern Ireland that provide raw material for the processing sector. Cattle and sheep farmers in Northern Ireland have become heavily dependent on EU direct payments to support their farm incomes and sustain the small family farm model with which Northern Ireland

agriculture is traditionally associated. If future UK trade and agriculture policies do not provide an equivalent level of financial support and protection, which are generally afforded to industry through the UK's participation in the EU Common Agricultural Policy, Single Market and Customs Union, then industry growth and development will potentially decline.

Whilst trade and agricultural policies are areas outside of LMC control, the competitiveness and productivity of the red meat industry in Northern Ireland are areas of work where LMC can actively support stakeholders in the period ahead. These include trying to advance the livestock genetic improvement initiative; supporting research and knowledge transfer programmes; advancing sustainability initiatives to improve efficiency and reduce waste; improving animal health, and; assuring the quality credentials of the industry and the integrity of its outputs.

IV. *More coordination and communication within supply chains to build understanding and trust:*

One of the corner stones of LMC activity over the last 50 years has been its ability to acquire, interpret and communicate relevant information to stakeholders on a broad range of matters including markets, prices, legislation, supply chains, consumer trends, political developments etc. and stakeholders in LMC greatly value the independence and impartiality of the information generated by the organisation. As an industry that does not lend itself to the same degree of vertical integration that is typical in the pork, poultry or dairy sectors, there is a growing need to connect beef and sheep farmers' decision making with the end markets for their produce.

We have heard from our stakeholders that the 'Walk the Line' programme, which was introduced by LMC in 2017, was a very informative and practical initiative. Feedback from farmers who visited the participating meat plants was that they left with a much better understanding of market specifications and customer requirements. Farmers also reported that they had a much better appreciation of the challenges faced by meat plants in servicing premium customers when a mixed profile of in and out of spec animals come through factory gates. However, relatively small numbers of farmers have engaged in this initiative to date and stakeholders have encouraged LMC to try and connect more farmers with the needs of end market requirements. LMC will continue to prioritise efforts to improve communication throughout the supply chain, in the period ahead.

V. *Proactively countering the growing movement that is actively communicating negative messages about meat and making sure that the truth is being told about meat and about meat alternatives:*

From recent discussions we have been having locally in Northern Ireland across the beef, lamb, pork, poultry and dairy sectors it is evident that the livestock sector is currently facing a range of public challenges in the areas of animal rights, animal welfare, human health and nutrition and environmental matters. Industry stakeholders are also concerned about the growing movement that we are seeing towards plant-based diets and the anti-meat and milk agenda that appears to be growing.

Meat Matters (which is an initiative involving AHDB, LMC, Bord Bia, Beef & Lamb New Zealand and the Danish Agriculture and Food Council) works well in getting the truth out to consumers, when the meat sector is being challenged by negative health and nutritional messages relating to the consumption of red meat. However, the Meat Matters initiative as it is currently structured and resourced may need significant enhancement to help tackle the international movement away from meat that we are experiencing at the moment. LMC is of the view that there is a good opportunity to build a coalition of livestock partners across the UK to look at the strategic approach we are all taking to address these matters and to explore potential opportunities to come up with a joined up initiative on this. The social media space in particular is an area within which the industry must get more proactive in talking up the positives of the industry and its products.

VI. *Strengthening our position in the home market (UK) ensuring that the high standards and credentials of our products stay firmly rooted in the minds of UK consumers:*

The main focus of LMC's activity, since the last strategic review of LMC concluded in 2011, has been to focus our promotional efforts in the domestic market and to create foundation tools to support the marketing efforts of the industry in domestic and overseas markets (such as FQAS, Red Tractor, Greenfields, industry and product promotional materials, market intelligence reports etc.). In 2016, the Northern Irish beef and sheep meat industry generated 79% of its overall sales of £1.1billion in the UK, 18.7% in other EU markets and 2.3% in Non-EU markets (Source: The Andersons Centre 2017).

Our stakeholders tell us that the home market in the UK is becoming ever more important as Brexit approaches, and LMC needs to be able to support its stakeholders to capitalise on any new opportunities, which may emerge. LMC will continue to inform consumers in the domestic market about the true nutritional value of red meat in the diet and promote the Northern Ireland beef and sheep meat industry and its products. LMC operates a range of campaign advertising, retail sampling and education programmes to engage with consumers and help influence their purchasing of beef and lamb as a regular dietary choice.

- Finally, another important factor influencing our key objectives is the continued outworking of legacy issues from the former Agri-Food Strategy Board's *Going for Growth* Action Plan. One of these (at the time of writing this strategy) is the establishment of an industry led strategic agri-food marketing organisation for Northern Ireland. LMC has developed its three-year strategy on the basis that we will continue to carry out our functions primarily for the benefit of the beef and sheep meat industries in Northern Ireland (from where we derive our funding) and to represent the interests of the red meat sector in advising and influencing government. We remain ready and willing to engage in, and contribute to, the development and outworking of a new organisation when stakeholders and government reach agreement on the funding, governance, structure, direction and added-value of a new strategic entity. The red meat sector generates over a quarter of the turnover of the NI agri-food and drink sector and will expect to play a lead role in the development, direction and delivery of any new organisation, which is to be established.

7. Key Performance Targets

Based on our engagement with stakeholders, the ongoing implementation of our core areas of work and, the strategic direction of travel of DAERA, LMC has identified six key strategic objectives upon which this 3-year strategy is based.

Table 1: LMC Strategic Objectives 2018-2021

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

8. Strategy for Achieving Objectives

During March 2018, LMC and agriculture representatives from across the UK, visited New Zealand to better understand New Zealand's farming systems, regulatory framework, industry supply chain and the associated processes and programmes deployed to support an effective and sustainable presence in international red meat markets. The programme facilitated an exchange of knowledge between industry and government, enhanced relationships, and identified areas of common interest where collaboration could help address shared challenges. The two key messages that LMC returned with from New Zealand are the importance of close collaboration between industry and government to agree and work towards common objectives and the importance of putting in place enabling structures and supports to deliver positive outcomes from these common objectives.

For LMC to successfully implement this strategy, we will develop annual business plans that focus on delivering positive outcomes for our stakeholders. Each year we will undertake detailed engagements with our stakeholders to establish the challenges and opportunities they are facing, and in conjunction with our Sponsor Department, we will develop business plans that prioritise our work areas to deliver positive outcomes for stakeholders in the year ahead.

Achieving these positive outcomes will also be dependent on a number of other foundational factors:

Human Resources: LMC has a small staff complement of 17 full and part-time personnel. Implementing the 2018-2021 Strategic Plan will require a significant programme of LMC activity going forward. Depending on the needs of stakeholders, the evolution of LMC activities and affordability, LMC will 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. LMC carried out a staff engagement and strategy development programme in 2017 involving all staff and Board members and this has helped to shape the strategy for 2018-2021 for LMC. Regular engagement between the Board and staff members will be scheduled throughout the period of the plan.

Procurement: The Management Statement and Financial Memorandum for LMC sets out the rules under which works, goods and services are to be authorised and procured by LMC. Procurement is undertaken by LMC in accordance with LMC Procurement Policy and with reference to DoF Procurement Guidance Notes. Procurement is a complex matter and LMC will continue to invest in appropriate training for staff involved in the procurement process. 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. LMC will also keep a close watching brief on the Public Sector Shared Services Programme to see if any opportunities exist for LMC participation.

Stakeholder Engagement: 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 always 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 continue to 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 will be invested during the period to implement our communications objective to raise LMC's profile and its activities on behalf of the industry. LMC will continue to foster more direct engagement with its stakeholder groups regarding LMC services and work areas.

Governance: As a Public Body funded almost entirely by statutory levy and farm assurance income collected from private sector farmers and processors, 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 and ultimately benefits them. Good working relationships between LMC and its Sponsor Department are essential to the successful delivery of the objectives in this Strategic Plan and we look forward to efficient and effective engagement and oversight with our Sponsorship Team in DAERA.

Property: On 09 June 2016, an extensive fire at Lissue House 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. It was devastating for the organisation to lose its premises as well as 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. Once LMC concludes negotiations with its insurers a strategic view will have to be taken as to the best option for reinstatement. Lissue House is a complicated site and significant work will be required to work through reinstatement options with architects, engineers, planners, stakeholders and government all likely to be involved in helping LMC 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.

9. Review of LMC's Performance

The Associated Business Objectives and Key Performance Indicators, which follow on from the Strategic Objectives set out in Table 1 above will feature in annual LMC Business Plans. These Business Plans will be produced by LMC for approval by DAERA, for each business year of the Strategic Plan.

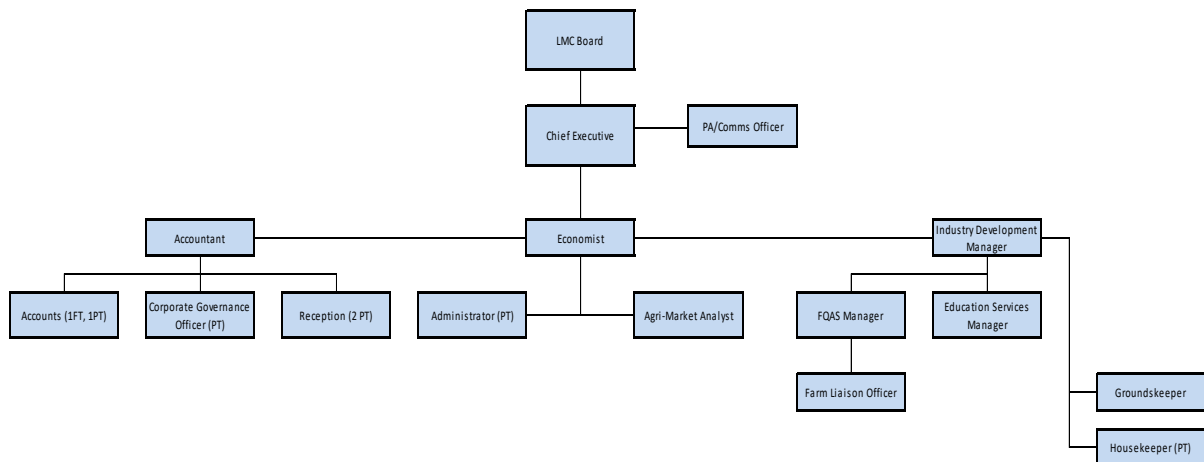
LMC Annual Reports will be approved by DAERA and will be audited by the Northern Ireland Audit Office. These will show LMC's level of achievement of performance against the Strategic Objectives. These Annual Reports will be laid with the Northern Ireland Assembly and will be made available for public viewing 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.

10. Forecast of Expenditure and Income

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.

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. LMC will prepare annual budgets using its forecasting methodologies and will present annual business plans (with balanced income and expenditure budgets) for approval by DAERA. LMC continues to hold financial reserves that were generated from historic activities, and the organisation is seeking over time to reduce the level of reserves to a business contingency basis. 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 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.

11. Organisation Chart



LMC Organisational Chart Nov 2017 v3.0

12. Alternative Formats

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

13. Glossary of Abbreviations:

AHDB:	Agriculture & Horticulture Development Board
Bord Bia:	Irish Food Board
Brexit:	UK Exit from the European Union
BSE:	Bovine Spongiform Encephalopathy
CPD:	Central Procurement Directorate
DAERA:	Department of Agriculture, Environment & Rural Affairs
DEL:	Departmental Expenditure Limits
DoF:	Department of Finance
EU:	European Union
FQAS:	Northern Ireland Beef and Lamb Farm Quality Assurance Scheme
LMC:	Livestock & Meat Commission for Northern Ireland
MSFM:	Management Statement & Financial Memorandum
UKECP:	United Kingdom Export Certification Partnership
WTO:	World Trade Organisation