

Introduction

Hybu Cig Cymru - Meat Promotion Wales (HCC) is the organisation responsible for the development, promotion and marketing of Welsh red meat. HCC works with all sectors of the Welsh red meat industry to deliver a set of strategic marketing, promotional and industry development objectives in order to develop profitable markets for Welsh Lamb, Welsh Beef and Welsh Pork.

Marketing and Promotion of Welsh Red Meat

HCC's mission statement for marketing activities is:

'Developing markets and Welsh meat brands to increase returns and profitability to Welsh meat farmers and industry'.

This is achieved through the effective positioning and diversification of Welsh Lamb, Welsh Beef and Welsh Pork as premium brands within UK and export markets. HCC marketing activities are crucial to building demand and ensuring the best possible market access for Welsh meat products thus safeguarding the long-term interests of Welsh meat producers. It is highly unlikely that the commercial sector will fulfil this role.

Meat purchasing is increasingly driven by consumer and trade insistence on provenance together with safe, healthy, natural products with high standards of animal welfare, while more traditional demand drivers of taste, convenience, nutrition and value are also important. HCC marketing programmes are structured to address these key demand drivers.

Protected Geographical Indication (PGI)

Welsh Beef and Welsh Lamb were awarded PGI status in November 2002 and July 2003 respectively. PGI status provides products with protection against imitation throughout the EU. PGI also helps to raise the awareness of Welsh Beef and Welsh Lamb producers throughout the EU member states.

HCC considers PGI to be of enormous economic importance to the Welsh red meat industry, as PGI compliant meat demonstrates that each individual cut of meat is produced and killed to high standards and that it can be traced back to Welsh farms. As such PGI is a hugely important marketing tool in both the home and export markets, as it shows country of origin and demonstrates best practice.

HCC acts as guardian of PGI Welsh Lamb and Welsh Beef to ensure that lamb and beef which is sold as Welsh meets PGI specifications.

Markets

HCC is active in many important markets worldwide, developing and strengthening business opportunities for Welsh red meat exporters. In the UK HCC works with retailers, farmers markets and foodservice operators, undertaking regular promotional programmes for PGI Welsh Lamb and Welsh Beef.

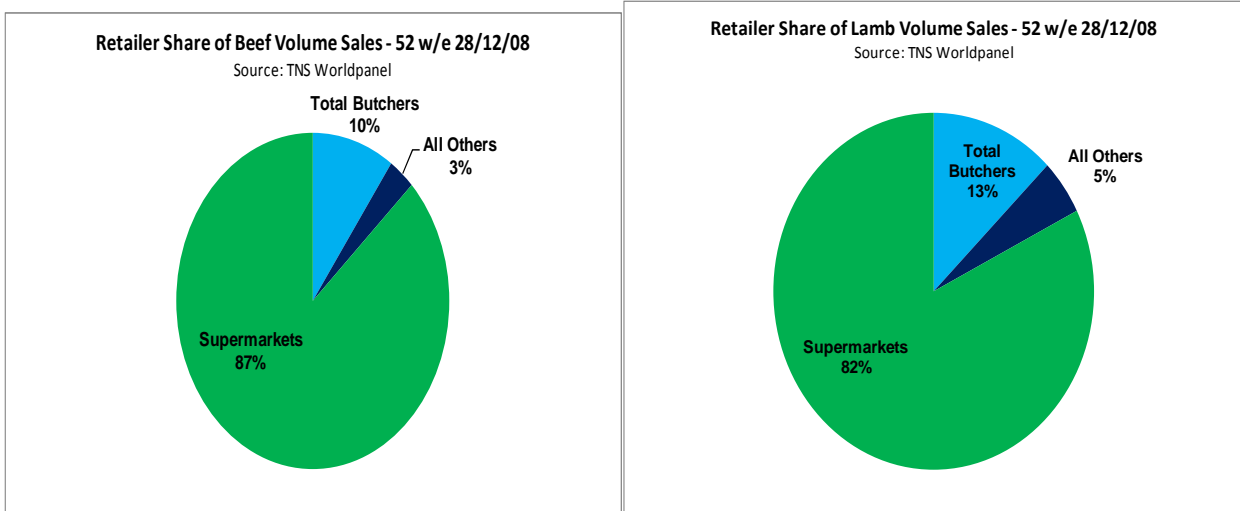
In 2008 it was estimated that some 92,000 tonnes of lamb, 99,000 tonnes of beef and 5,500 tonnes of pork were produced in Wales. The majority of Welsh Lamb, Welsh Beef and Welsh Pork was sold in the rest of the UK, while 33% of Welsh Lamb and 7% of Welsh Beef was exported (to countries outside of GB).

	Consumption of red meat produced in Wales 2008		
	Wales	Rest of GB	Export
Sheepmeat	4%	63%	33%
Beef and Veal	4%	89%	7%
Pigmeat	5%	95%	0%

It is estimated that approximately 10% of Welsh Beef, Welsh Lamb and Welsh Pork goes into the foodservice sector.

Retail Sales

Supermarkets dominate retail volume sales of beef and lamb throughout the UK, accounting for 87% and 82% of market share for beef and lamb respectively in 2008. Meanwhile, the market share held by independent butchers declined to 10% for beef and 13% for lamb. Other independents such as farm shops accounted for 3% of beef volume sales and 5% of lamb volume sales.



Consumption

Consumption of sheepmeat has remained stable. Per capita household purchases of mutton and lamb in Wales in 2008 was 1.9kg per person compared to 1.7kg per person in GB. Meanwhile, per capita household purchases of beef and veal in Wales in 2008 was 4.9kg per person compared to 5.0kg per person in GB, down slightly on 2007. There has also been a growth in pigmeat consumption. Per capita household purchases of pork and bacon in Wales in 2008 was 3.1kg per person and 3.5kg per person respectively, compared to 2.8kg per person and 3.3kg per person respectively in GB.

UK Marketing Activities

1. Advertising

HCC has developed an integrated advertising, promotion and public relations campaign. TV adverts for Welsh Lamb and Welsh Beef are run in specific TV regions at targeted times in the year. Consumer and trade press advertising (figure 1.0) is also employed alongside public relations and online activity. HCC also launched a new consumer website in 2008 as well as redesigning the HCC corporate website.

Figure 1.0 – Press Advertising

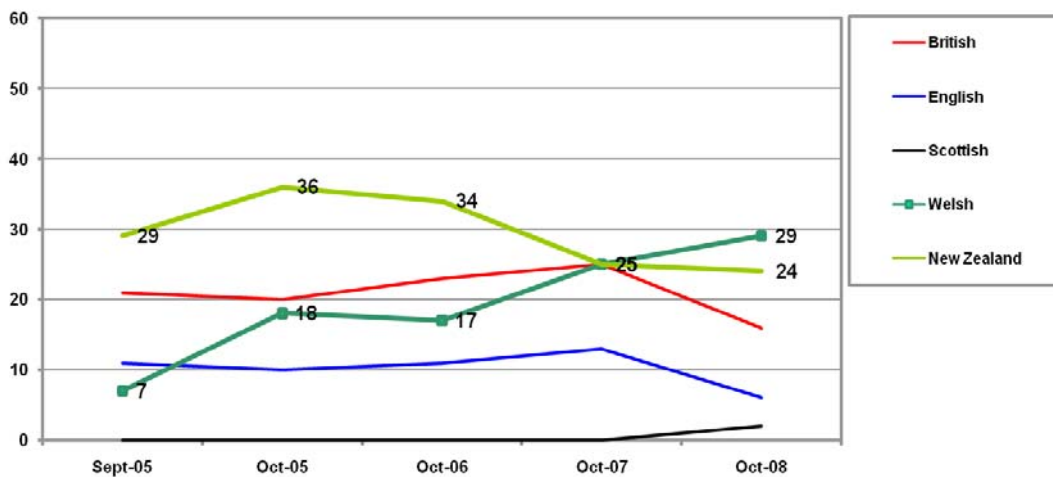


In 2008 HCC had significant success and improved recognition of the Welsh Lamb and Welsh Beef brands. The Welsh Lamb TV advert won 'The People's Choice Award' in October 2008. 1,000 consumers were asked "which of the adverts made you want to buy

the product or service advertised". Welsh Lamb won with 31% of the votes, placing it first ahead of runner up Marks & Spencer (Source: UTalkMarketing and OMD Snapshots). Furthermore, HCC conducted market research to find out how well the Welsh Lamb and Welsh Beef adverts were received by consumers. Figure 2.0 and 3.0 show the results of this research.

Figure 2.0 - Welsh Lamb is gaining momentum in the Meridian area with recognition now higher than New Zealand

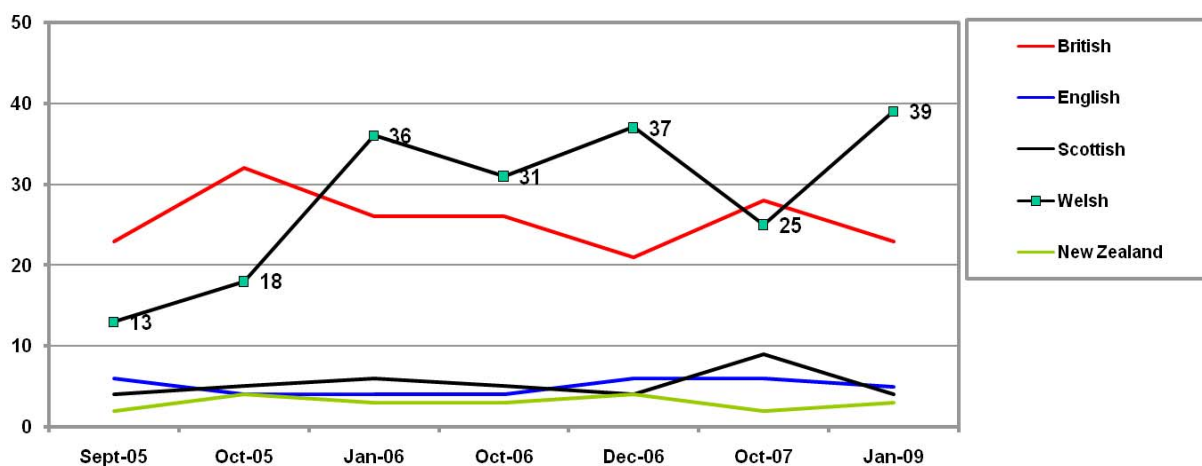
Recognition of Country of Origin (% in last year)



(Source: MarketTools Inc. 2008)

Figure 3.0 - Welsh Beef retains its strong brand association in Wales

Recognition of Country of Origin (% in Last Year)



(Source: MarketTools Inc. 2008)

2. Supermarkets

HCC continues to build and develop relationships with the major retailers to improve the communication of the Welsh Lamb and Welsh Beef brands. This is developed through increasing brand presence in store and facilitating sales promotions.

As of 01 May 2009, EU legislation states that Welsh Beef and Welsh Lamb products must display the PGI logo alongside the Welsh Beef or Welsh Lamb brand trademark. Figure 4.0 shows an example of the Welsh Beef and PGI logos on a retail label.

Figure 4.0 – Retail Pack Label



HCC also works with retailers and processors to raise awareness of Welsh Beef and Welsh Lamb through tasting sessions at stores, point of sale materials such as recipe leaflets, and on-pack promotions such as the Co-operative promotion shown in figure 5.0.

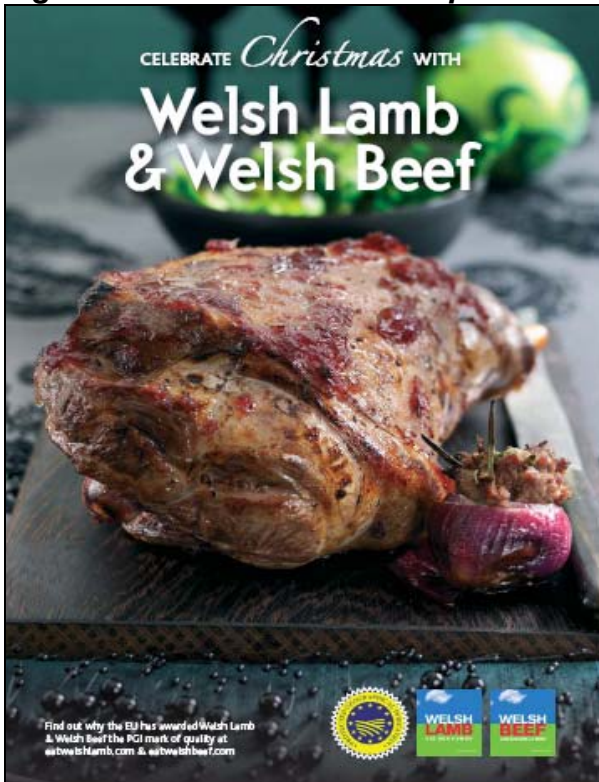
Figure 5.0 – On-pack Promotion Label



3. Independent Retailers and Butchers

HCC provides seasonal point of sale kits to independent retailers and butchers in Wales in order to encourage repeat sales of Welsh Lamb and Welsh Beef. The kits contain recipe leaflets and posters and an example is shown in Figure 6.0. In addition, HCC runs Product Evaluation Competitions for butchers to showcase their products.

Figure 6.0 – Point of Sale Recipe Leaflet



4. Education

HCC works with schools and sports organisations within Wales to encourage young people to consume Welsh red meat. HCC is seeking to strengthen the use of food in the school curriculum.

A cookbook for children called 'Cool 2 Cook' (see Figure 7.0) was developed for young consumers and has been very successful. Free cookbooks and associated merchandise were sent to schools and 'Get Cooking' Clubs in 2008. More than 15,000 books were distributed in Wales and England. HCC also runs roadshows utilising the cookbook.

Figure 7.0 – ‘Cool 2 Cook’ Cookbook



5. Health

HCC actively promotes the health benefits of eating red meat as part of a balanced diet and produces posters which are distributed to practice nurses and similar medical professionals to promote the nutritional benefits of red meat, shown in Figure 8.0. Consumers are also provided with presentations, booklets and demonstrations.

HCC is involved with meatmatters.com which promotes the health benefits of red meat in the UK.

Figure 8.0 – HCC Nutritional Poster



Export Marketing Activities

In 2008, 33% of Welsh Lamb and 7% of Welsh Beef was exported. Therefore a strategic part of HCC's marketing role is to build the brand within both established and new export markets.

1. Established Export Markets

In 2008, some 30,000 tonnes of Welsh Lamb and approximately 6,500 tonnes of Welsh Beef were exported, at a value of nearly £108 million.

The main export markets for Welsh Lamb and Welsh Beef are France, Italy, Belgium and Spain. Within these countries HCC carries out various activities such as promotions in conjunction with major retailers, press advertising and public relations. An example of Italian press advertising is shown in figure 9.0.

Figure 9.0 – Italian Press Advertising



PGI is an essential promotional tool for Welsh Lamb and Welsh Beef in the EU. Working alongside exporting companies, HCC has had some notable successes in the export market as a result of the PGI status, such as securing the contract to supply Welsh Lamb to all primary schools in Rome, Italy. HCC has also supported successful inward missions developing trade in existing markets such as Spain and Italy, as well as attending trade fairs such as SIAL in France and ANUGA in Germany (as shown in Figure 10.0).

Figure 10.0 – HCC Stand at ANUGA Trade Fair, Germany



2. New Export Markets

HCC has supported the successful development of new markets for Welsh Lamb in Dubai, Singapore and Hong Kong through inward missions with exporters and attendance at trade fairs such as Gulf Food in Dubai and HOFFEX in Hong Kong.