



Notes of evidence

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| Name of meeting | POLICY COMMISSION FOR BUSINESS AND INFRASTRUCTURE |
| Date and time | WEDNESDAY, 14 NOVEMBER 2007 AT 6.00 PM |
| Venue | COMMITTEE ROOM 1, COUNTY HALL, NEWPORT, ISLE OF WIGHT |
| Commission | Cllrs Jonathan Fitzgerald-Bond (Commissioner), Henry Adams, William Burt, Charles Hancock, John Hobart, Brian Mosdell, Lora Peacey-Wilcox |
| Cabinet | None |
| Other Councillors | Cllrs Mike Cunningham, Arthur Taylor |
| Officers Present | Mr Jonathan Baker, Committee Services Miss Andrea Lisseter, Overview and Scrutiny Team Mr Stuart Love, Director of Environment and Neighbourhoods Mr Rob Owen - Head of Consumer Protection |
| Stakeholders | Mr Nick Allen (EBLEX), Mr Colin England (Safari Park), Mr Jonathan King (SEEDA), Mr Duncan Rawson (EFFF) |
| Apologies | None |

1. **Notes of Evidence**

1.1 The notes of evidence from the previous meeting on the [10 October 2007](#) were agreed.

2. **Declarations of Interest**

2.1 Cllr Peacey-Wilcox declared a personal interest in minute 3 as she knew some farmers on the Island.

3. **Island Abattoir Feasibility Study**

3.1 The Chairman briefly revisited the original Scoping document, highlighting the Councils intention to support the idea of establishing an abattoir on the Isle of Wight but again emphasised that the Council would not be providing financial support for an abattoir.

South East England Development Agency (SEEDA) – Jonathan King

3.2 Mr Jonathan King from SEEDA gave a presentation about the possible means of support that SEEDA and DEFRA could provide. This included information on funding along with examples of other abattoirs and lessons learned from similar projects.

- 3.3 The Rural Development Programme for England (RDPE) had a total of £3.9 Billion pounds available for projects in England that was funded by DEFRA and the EU, of which SEEDA had a budget for £62 Million for the region. £40 million could be spent directly by SEEDA while the remaining £22 million was accessible under the leader approach which could be bid for.
- 3.4 One of the main regional objectives would be to help rural business and communities
- 3.5 Better management skills that could be supported by training and workshops along with increasing collaboration were also ways that SEEDA could help farming become profitable.
- 3.6 Projects that have been previously supported in the region have included; a low throughput abattoir in Henfield, West Sussex, a co-operative cutting plant in Adversane also in West Sussex, and a food processing hub in the New Forrest. None of these abattoirs had incinerators; however, some of them were looking at anaerobic digestion.
- 3.7 The lessons that had been learned from past projects included the management of waste, transportation, legislation, dealing with local concerns and the economics of such ventures. It was also advised that specialist staff with the correct knowledge be used, although as previously stated, training can be provided.
- 3.8 It was suggested to the Commission that the Meat Hygiene Service be approached in order to gain advice on any contentious issues.
- 3.9 It was clarified that the scheme was run by DEFRA. SEEDA would help make sure that responsibilities were met.
- 3.10 SEEDA stated that they were unsure of the exact definition of collaborative ventures, but said that it was possibly tenancy agreements. However, SEEDA could argue support if a venture was not collaborative, providing it was a financially viable option.
- 3.11 It was clarified that a low throughput abattoir would be defined by processing no more than 1000 livestock units per year.
- 3.12 SEEDA were unable to give an exact figure as to the cost of the abattoir in Henfield. It was confirmed, however, that the facility was a financially viable business that was working to capacity and driven by the owner's entrepreneurial skills which was seen as a key factor in such projects being successful.
- 3.13 The RDPE 2007-13 had not been officially launched because instructions had not been given by the UK Government. Once the go ahead was given, funds would be released.
- 3.14 Capital investment of approximately £600,000 would receive 40% funding from DEFRA.

- 3.15 SEEDA had not yet been in contact with the big retailers on the Isle of Wight. The Commission had written but are still awaiting a reply.
- 3.16 It was stated that extra funding from the EU due to the Isle of Wight's geographical feature would not be possible through SEEDA. However, if the Authority wished to make a separate request of their own, they could do so.
- 3.17 The Chairman suggested that SEEDA return to a future meeting to discuss in more depth the feasibility of the Abattoir issue.

English Beef and Lamb Executive (EBLEX) – Nick Allen

- 3.18 Mr Nick Allen from the English Beef and Lamb Executive (EBLEX) gave a presentation about the economics of investing in and running an abattoir.
- 3.19 Following the Foot and Mouth outbreak of 2001, SEEDA asked EBLEX to look at the South East of the UK and provide a review of the regions abattoirs. All of the findings can be viewed on SEEDA's website.
- 3.20 EBLEX wanted to make sure that anybody wishing to invest in such a venture must be certain that it would be financially viable.
- 3.21 Consumption in an abattoir was not seen as a problem, although this and next years turnover may be affected by recent Bluetongue and Foot and Mouth outbreaks.
- 3.22 A major issue was seen to be the economics. Carcass balance was an area that needed a skilful approach. Mince meat was a difficult cut to sell as it is not as high in demand as other cuts. The challenge to an abattoir would be to use the entire carcass. Cheaper cuts could be used in schools.
- 3.23 It was noted that 40% of a beef animal is processed as mince meat.
- 3.24 Charts were also shown that explained the elasticity of meat prices. This measured the responsiveness of demand for a meat product following a change in its own price. Local meat could be sold at a higher price.
- 3.25 A chart highlighted the big challenge with pricing, most notably what the abattoir would make compared to the mark up at retail.
- 3.26 EBLEX stated that on a national basis abattoirs were running at up to 30% over capacity.
- 3.27 EBLEX said that they would be very committed to supporting the branding of Isle of Wight meat although there were no current plans to do this. Successful branding with a higher price could help with transport costs. The value of branding was an area that needed to be exploited effectively. A good example of this was the success of New Zealand Lamb.

- 3.28 Examples of Welsh and Scottish branding were largely down to the devolution issue of both Countries and their respective Governments wishing to help.
- 3.29 EBLEX advised that the reduction of the carbon footprint as a result of an abattoir on the Island could be used as a selling point as well as animals travelling shorter distances. However, poor quality meat caused by transportation stress had not been proven. Treatment at the abattoir when livestock arrived was seen as more relevant.
- 3.30 It was suggested that if an abattoir borrowed more than 25% of its capital then it was more likely to fail.

English Farming and Food Partnerships (EFFP) – Duncan Rawson

- 3.31 Mr Duncan Rawson of the English Farming and Food Partnerships spoke to the Commission. The EFFP was established four years ago to address the concerns of farmers following the Foot and Mouth outbreak, encouraging farmers to work together by use of strategies and business plans.
- 3.32 Help with marketing had so far proved to be hit and miss. The big challenge was to work with the food business, driving benefits to primary resources.
- 3.33 There was a growing realisation in the importance of local produce and branding could help address this. No branding would mean that prices would be set by the market.
- 3.34 It was confirmed that EFFP was a private organisation that did not receive any Government funding but did receive a five year grant from DEFRA. There were currently no Island members.
- 3.35 The EFFP had provided some support on the Isle of Wight but would not disclose where. It was not the intention of the EFFP to approach farmers but rather the other way round.

Safari Park - Mr Colin England

- 3.36 Mr Colin England who was working on behalf of a separate party, interested in establishing a safari park on the Island, spoke to the Commission about the possibility of potential help that could be offered to an Island abattoir.
- 3.37 Mr England confirmed that the safari parks animals would regularly take meat from an abattoir and would also be interested in taking a percentage of fallen stock.
- 3.38 A safari park would be a good and regular customer to an abattoir. Longleat, for example, took an average of 1,000 lbs of meat per week. The entire carcass could be used with little or no waste.
- 3.39 Blood could also be used by mixing with cereal to provide an additional food for large cats.