

GLOBAL
OUTLOOK

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The world's largest shipping line, Maersk, has launched a manifesto for the future that envisages a time when reliability becomes more important than low rates.

In its New Normal manifesto, the Danish shipping line claimed that while customers, of course, care about cost, what they really care about is the total cost and not the price of a single container.

It went on to explain that it believes customers value their ability to trust delivery promises more than they need a rock-bottom price – because the cost implications of late deliveries are far greater. If they cannot rely on a container being at destination on time, their whole business operations are compromised.

A leading shipper forum, The Shippers' Voice, responded by saying that although what Maersk said was nothing new, it did applaud the fact that it had gone public, criticising the industry and itself. The shipping line has drawn a line in the sand; it must now change for the better or face universal criticism.

Another survey from *International Freight Weekly* backed the reliability/cost argument; 58% of readers – mainly freight forwarders and shippers – believe reliability will be more important than cost this year.

It will be fascinating to see how this plays out. Freight rates are expected to remain 'competitive' and this has been borne out, with container rates continuing to decline on key trade routes – despite some shipping lines trying to implement peak-season and bunker adjustment factor (oil price fluctuation) surcharges.

But while volumes are picking up, the growth in demand is nowhere near the growth in available capacity, and utilisation levels are still around 80%, leading to other carriers slashing rates to get their under-utilised vessels back to the 90% level.

Anger at more red meat and cancer links

The meat industry has reacted with anger to yet more attacks on the sector by cancer charities, which continue to claim links between red meat consumption and rising cases of cancer.

Cancer Research UK said that, in 2008 in the UK, around 21,500 cases of bowel cancer were diagnosed in men compared with around 11,800 cases in 1975, while there were around 17,400 cases of bowel cancer in women in 2008 compared with around 13,500 in 1975.

Sara Hiom, director of health information at Cancer Research UK, said: "An ageing population as well as changes in lifestyle have both led to more people developing cancer than a generation ago. But even though the chances of getting the disease have increased in the population, there are many ways that people can cut their own risk. You can reduce your risk of bowel cancer by keeping a healthy weight, being physically active, eating a healthy diet that's high in fibre and low in red and processed meat, cutting down on alcohol and not smoking."



Red meat is nutritious and should be enjoyed as part of a balanced diet

However, that suggested link with meat has caused anger across the industry. Nick Allen, sector director at Eblex, said: "It is disappointing yet again to read suggestions that a single action, like cutting back on red meat, will prevent you developing cancer. Red meat consumption in the UK has fallen by nearly 20% since 1970. During that time, as the Cancer

Research UK report says, instances of bowel cancer in men have doubled. It seems then that consuming less red meat has had little impact on the overall rate.

"Red meat is a nutritious food and should be enjoyed as part of a balanced diet, as supported by the government's Eatwell plate approach to nutrition."

Meanwhile, the World Cancer Research Fund said women in the UK were 17% more likely to develop cancer by the age of 75 than the European average. In a statement it said experts have suggested the reasons include high obesity levels and alcohol consumption, however it went on to urge women to cut red and processed meat from their diet.

In a letter to *MTJ*, Dr Carrie Ruxton dietician and member of the Meat Advisory Panel, said the cancer claims were irresponsible: "Because meat is one of the best sources of easily absorbed iron in the diet, UK women who cut down on red meat could be putting their health at risk."

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Devro reports good six-month figures

Sausage casings company Devro has announced pre-tax profits leapt 19% to £19.6m (on continuing operations) in the six months ending 30 June.

Sales revenue for the first half of 2011 rose 2.4% to £107.1m, with operating profit from continuing operations up 11.6% to £19.5m, compared to £17.5m in 2010. The company reported strong sales in south-east Asia, Eastern Europe and Russia, as well as a sizeable shift into higher-margin sales.

The new premium range gained momentum in Europe and Japan, while the firm continued to develop markets in China and the Far East.

The company also announced investments of £45m over the next few years to increase capacity and enhance productivity. Devro has already invested £15.1m in existing

sites in the first half of 2011. Chairman Steve Hannam said: "The global market for collagen casings continues to grow, driven primarily by economic expansion and increased meat consumption in emerging markets."

"High sheep gut prices and limited availability are also providing increasing opportunities in developed markets for substitution by collagen casing."

"The continuing business remains on track to deliver the board's expectations for the full year."

The company has agreed the sale of its German distribution subsidiary, Devro GmbH, to Finnish firm ViskoTeepak Holding AB for an estimated €1.9m, allowing it to concentrate on strengthening sales and the marketing of its core collagen casings business.

Bikers in final training for BDCI trip

With just over a week to go, the BDCI cyclists are hard in training, mostly, in preparation for the 600-mile trip around Britain and Ireland.

The trip, which will see the team of four visit meat plants en route, will take in England, Wales, Ireland, Northern Ireland and Scotland in a gruelling week of cycling from 15 August. To sponsor the four, visit www.justgiving.com/ButchersinLycra.

BDCI marketing chair Andrew Garvey will provide support during the ride, and has even branded up his own motorhome for the occasion.

