

December 2014

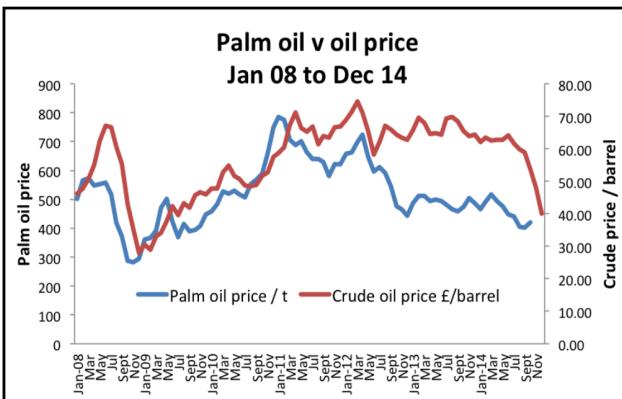
Collector costs to increase

By Jonathan Elliott, NFSCo chairman of the Collector Liaison Group

Since January of this year many collectors have been faced with an increase in their rendering charges, with costs in some cases doubling from 2013. To explain why, you have to look at the rendering operation and understand the market place they operate in.

Rendering of Animal By-Products (ABP) involves the crushing, processing and cooking at high temperature and pressure to produce a rendered down material in three components - water (driven off in steam), crude fats or tallow, and meat and bone meal (MBM). Tallow is used as the only revenue, as the Category 1 high risk MBM is, by law, incinerated at either power stations or cement factories and there is a cost to this as they can charge to take in chipped tyres, carpet or wood and waste derived products and charge a gate fee. The rendered crude fat or tallow is a component of world primary commodities such as crude oil, rapeseed oil, palm oil, and agricultural crops. Tallow values follow the value of crude oil when it falls and at the moment crude is at about \$60 a barrel, the lowest for more than five years. This is on the back of the shale gas revolution in the USA. Consequently tallow values have fallen dramatically

- by half in two years - at the same time as operational, collection and processing costs, as well as assurance and environmental controls have also impacted on pricing. This market for tallow, meals and even hide and skins is a European and Worldwide market place where depreciation can be seen. Europe, for example, is awash with pork tallow and proteins originally destined for Russia but due to sanctions it is now being burnt due to lack of storage space. This obviously has a huge effect on world tallow prices, rendering costs and ultimately and more importantly the cost of disposal for fallen stock.



Log-in for quarterly updated collector price

Enclosed with this newsletter is a list of updated prices, which go live on 1 January 2015. In order to increase the flexibility of the fallen stock scheme NFSCo has introduced optional quarterly re-pricing for collectors. Thus the published prices may change from April. To find out the latest up to date collector charges online you can request a user name and password by emailing member@nfsco.co.uk or by contacting us on 01335 320014 and quoting your member number. Once logged on to www.nfsco.co.uk you can view the collector charges and also access your correspondence history file, where you are able to download all your invoices and your historical

Compliance Statements. If you wish to save some money why not switch to paperless invoicing! Anyone who switches in December or January will be given a 12 month holiday from the standard administration fee of £1.75 by post and £1.25 by email (both plus VAT).

Your 2014 Annual Compliance Statement

The Annual Compliance Statement helps farmers to have a single one stop record which summarises all of your fallen stock collections during 2014. The statement is sent to all farmers on 1 February unless they have previously opted out.

There's a Q&A on the Compliance Statement overleaf.

NFSCo to assess potential of EID

NFSCo is always looking to improve the service to all of its stakeholders. With this in mind we are about to commence some detailed research into the possibility of utilising Electronic ID into the collection service. If there is the opportunity to electronically upload the information on farm straight to the central database then it must be an advantage to all concerned.

With the agreed introduction of mandatory electronic ear tagging in sheep proposed for Scotland in 2015 and Wales in 2016 (England is still to confirm) there is no better time to engage with the industry as to how we can play our roll in this exciting development. The

requirement for cattle electronic tagging is also being discussed in all regions and is expected to follow shortly after, and many of our producers are already electronic tagging their animals of course.

NFSCo will be engaging with other organisations, both in the UK and in Europe, on this subject and we are looking to establish exactly what is out there in terms of tags, legal requirements, recording equipment and software to disseminate the recorded information. Other countries in Europe are already utilising electronic data for physical and financial gain for all parties.

One of the key aspects we are seeking to include would be the uploading of tag numbers that would

enable farmers to visit the website and at any one given time be able to draw down a list of animals collected from their farm. It is not the intention to create an over complicated system for the collector, rather to design a small handheld gadget that will be able to read the tag number and eliminate any need for manually writing out an animal's details on paper.

The next few months will be taken up carrying out some initial research into the subject and identifying the options available and the needs for the industry. Once the newly installed software at NFSCo is up and running there will then be the opportunity to investigate how EID could be integrated.

Chilled fallen pigs to increase biosecurity?

Chilling fallen stock on pig units could lead to improved management, reduced disease risk and potential cost savings in the supply chain, according to research funded by BPEX, NFSCo and the Foodchain and Biomass Renewables Association (Fabra).

The study, carried out by Harper Adams University and Danish consultancy, Patriotisk Selskab, investigated the concept of chilling

fallen stock, and evaluating its potential for the UK pig industry. In Denmark and The Netherlands the industries have been chilling fallen stock on units since 2008.

"This report is a useful start on a direction that may become more important as ABP directives adjust to a world where BSE is no longer the threat it was," says Ian Campbell, Director of NFSCo.

"There are some serious disease threats from outside these shores

for the pig and poultry industries that will, and should, increase the awareness of producers on the damage that could occur if strict bio-security controls are not exercised at farm perimeters."

It is understood that some cooling containers have already been purchased by UK producers. If any member has information on the use of similar chilling units could they please contact the NFSCo office.

Compliance Statement - FAQ

1) Why have you sent me a 2014 compliance statement?

Because NFSCo wants to help you keep track of your collections in an easy to review statement, which will be accepted by most if not all statutory inspection agents as well as numerous farm assurance organisations. The Compliance Statement helps you comply with your regulatory commitments.

2) I have registered for paperless NFSCo invoices so why have you posted me a paper copy of the Compliance Statement?

The Compliance Statements are printed on NFSCo headed and watermarked paper to prevent fraud. You will continue to receive your monthly NFSCo collection invoices on line.

3) Will I be charged for the Annual Compliance Statement?

Yes. In March you will receive an invoice from NFSCo for £4.65 plus VAT, the same as last year, in respect of the Compliance Statement. If you opt out you will not receive future statements and will not be charged.

To contact NFSCo ring 01335 320014 or email member@nfsc.co.uk.

www.nfsc.co.uk