

# ROLE OF THE MEAT TRADER

## IMPORT & EXPORT

An IMTA publication describing the vital role the trader plays in the meat supply chain.

# FOREWORD



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Meat producers slaughter and prepare meat; caterers and retailers supply direct to the customer. Between those points the meat trader plays a crucial role. They import, export, match supply and demand contributing to carcass balance and manage the supply chain. Traders have expertise in the global meat market and in-depth product knowledge. Traders arrange logistics and ensure compliance with regulations.

For IMTA's meat trading members, reputation is key. They are registered as Food Business Operators and many have achieved the BRCGS Agents and Brokers Standard. They maintain long standing relationships with suppliers and customers enabling them to access a variety of product from a range of sources and maintain consistent product quality. Many meat traders have technical staff who conduct visits and audits of supplying plants to ensure they reach the specification demanded by customers. They take into consideration hygiene, animal welfare, environmental, ethical concerns, and traceability.

This paper aims to dispel some of the myths about traders as 'middlemen' and 'opportunists'. IMTA is passionate about the integral contribution made by our members to the UK food supply chain, food security, carcass balance and sustainability by ensuring a market is found for every part of the animal, avoiding food waste and providing consumer choice and better returns to producers. We were delighted to see the important concept of carcass balance mentioned in the UK Food Security Report 2024, with IMTA being cited.

One of the greatest risks to traders is 'white van smugglers', criminals operating in the meat space and bringing unapproved meat to the UK through illegal channels. This undercuts legitimate traders, who bear the administrative burden and financial cost to bring meat in legally. It poses a risk to the whole UK meat industry if these illegal traders bring in disease carrying meat which could jeopardise our animal health situation and domestic production, as well as the public health risks associated with this unregulated trade. Local and border authorities must be adequately funded to identify and stop this smuggling.

Since the last iteration of this paper our members have navigated Brexit, which was a seismic change to the trading landscape, the Covid-19 pandemic, geopolitical shifts and unrest and the cost of living crisis. This demonstrates their resilience, agility and commitment to keeping the UK consumer fed and supplying UK product to clients around the world.



# Role and Expertise of the Meat Trader

- Legislation Expertise: Customs, Food Hygiene, Labelling, Veterinary Requirements
- Economies of Scale & Financing the Product
- Navigating Border Formalities
- Global Market & Product Knowledge: Language Skills and Cultural Awareness
- Knowledge of Import Duties, Quotas, Customs & Rules of Origin
- International Logistical Expertise, Knowledge of Incoterms, Contracts etc

# HOW TRADERS BENEFIT THE SUPPLY CHAIN

Trading companies shoulder the risk of the supply chain between the supplier and the customer, ensuring smooth operations and mitigating personal disruptions.

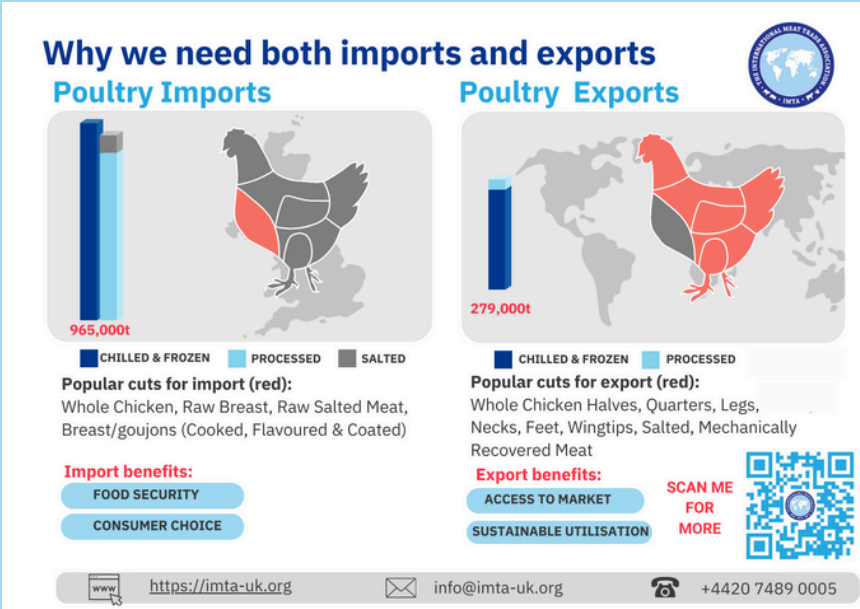
| Getting to Market | Specific Expertise | Financing the Product |
|---|---|---|
| Traders facilitate the movement of products across **borders**, ensuring compliance with various regulations and standards. Traders understand **tariffs and quotas** domestically and in export markets. | Trading companies provide expertise in various areas, allowing meat establishments, manufacturers, retailers, and caterers to **focus on their core business activities** without needing to develop this knowledge internally | Traders handle the financing of products, negotiating **payment terms** and taking on the risk of earlier settlements for imports and later settlements for exports. This allows prompt payment for suppliers and customers |
| They ensure all necessary **documents**, such as veterinary certificates and bills of lading, are correct and submitted on time. | They understand the specific requirements for importing and exporting products, **ensuring compliance** with local and international regulations. | The trader's role helps **maintain cash flow** and reduces the financial burden on customers and producers. |
| Traders **coordinate** transport, storage, and delivery to meet customer requirements and avoid delays. They liaise with ports on vessel delays, pick up slots and cold storage | Traders are informed on the **UK Landscape**, having developed knowledge of the Windsor Framework and Northern Ireland Protocol to continue supplying and sourcing from NI. | Traders **manage foreign exchange** risks, buying in one currency and selling in another, and covering currency risks as needed. |

| Smoothing of Supplies | Economies of Scale | Connecting Producer and End User |
|---|---|---|
| While Brexit has posed challenges, on trade with the EU traders still contribute to a **"just in time" strategy** for their customers, minimising storage requirements and costs | Traders allow smaller businesses to **access products** that they might not be able to access themselves in smaller quantities. The trader might buy a whole container and sell an individual pallet to a customer. | Traders provide suppliers with **access to a broader customer base**, increasing opportunities for connecting producers with end users. |
| They provide a **consistent supply of products**, reducing the need for large stocks to manage demand fluctuations | Traders can secure cost **discounts based on volume**, benefitting smaller customers. | This connection helps **secure products for the supply chain** and ultimately for consumers. |
| Traders **manage the rejection of goods** by border authorities, deciding whether to destroy or return the products, negotiating costs with suppliers, and taking on risk. |  | Traders stay informed about **market trends**, approved suppliers, and competitive supply conditions. |

HOW TRADERS CONTRIBUTE TO

# SUSTAINABLE CARCASS UTILISATION

The meat sector is unique in that it disassembles its product (from carcasses into cuts of meat) and UK consumer demand is not in direct proportion to the cuts from the carcass. Certain parts of the animals like chicken feet, pig trotters and certain offal has very little demand on the UK market. If these products can't find a market, they must be disposed of at a cost to the producer. However, the trader steps in, matching supply and demand and arranging export of these products to markets where they are not only demanded but often highly valued. Therefore, traders avoid the environmental and food waste implications of disposing of product. This also increases returns to producers. Our Carcass Balance graphic for poultrymeat illustrates this point:



# ROLE OF THE TRADER IN MEAT IMPORTING

**The following flow chart illustrates the necessary steps to be taken in importing product to GB. Roles may vary depending on what INCOTERMS have been agreed:**

- Establish specification of product required by customer
- Identify country and meat plant able to export to GB
- Agree contract with supplier and customer
- Arrange shipping, foreign exchange cover, payment terms
- Collate documents necessary for import to verify origin and provide assurances regarding animal health and public hygiene standards
- Apply for an import licence from the licensing agency (Rural payments Agency); check eligibility for preference under an FTA or TRQ
- Make pre-notification; oversee veterinary checks at Border Control Post
- Facilitate customs clearance and ensure payment of any required import duties
- Arrange delivery to storage or direct to customer
- Invoice and collect payment from customer

# ROLE OF THE TRADER IN MEAT EXPORTING

**The following flow chart illustrates the necessary steps to be taken in exporting product from GB. Roles may vary depending on what INCOTERMS have been agreed:**

- Establish customer specifications
- Establish any legislative requirements imposed by country of destination
- Consider what quotas, tariff preferences, or FTAs are in place with the partner country
- Identify supplier with approval for export destination; approved coldstore
- Agree contracts and Incoterms with supplier and customer
- Organise issuing of relevant Export Health Certificate; vet to attend loading
- Arrange shipping, foreign exchange cover, eventual payment
- Collate documents necessary for export to verify origin, animal health, and public hygiene standards; send documents to customer
- Arrange transport from coldstore to port
- Ensure relevant documentation is lodged with customs
- Monitor shipment to port of destination and onward delivery to customer until unloaded
- Check temperature logger after arrival and pay any claims
- Invoice and collect payment from customer; pay invoices for service suppliers