

# Developing Markets for Cereal Products

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## Setting the scene

- ï The final results of the UK December survey confirmed the expectations that the 2000 wheat harvest could come from a record planted area of 2.087 million hectares. This is higher than the biggest ever harvested area in 1989 of 2.083 million hectares.
- ï Using a 10 year trend yield of 8.03 tonnes this could potentially produce a crop of 17 million tonnes. The previous record was 16.1 million tonnes achieved with a yield of 7.7 tonnes/hectare.
- ï The UK is responding to market needs and less feed wheat has been grown since 1996. The seed certification figures have shown an increase in Group 3 wheat to 49%, a reduction in Group 2 wheat to 12% and an increase in Group 1 wheat to 17%.

## British Cereal Products

- ï Its objective is to develop new markets for cereal based processed products at home and abroad.

## Export Initiatives

- ï BCP supports export initiatives in partnership with Food from Britain.
- ï Exports of food and drink products containing British wheat, barley and oats have more than doubled to the equivalent of 3.4 million tonnes of grain over the last 10 years.
- ï Targeted BCP support has helped key product areas such as sandwiches, morning goods and breakfast cereals become some of the UK's fastest growing export markets.
- ï BCP's support helps companies meet the cost of vital marketing initiatives such as instore tasting and packaging designs.

## Encouraging Innovation

- ï BCP encourages innovation amongst cereal processors through HGCA Enterprise Awards. The awards are also supported by MLC and FFB.
- ï Product innovation is a key part of Britain's success in export market areas.
- ï HGCA Enterprise Awards provide pump priming funding for innovative product ideas.

ï Worth up to £30,000 each, the Awards have now helped more than 70 companies overcome the cost of entering new markets or developing new products.

ï The 2000 awards have attracted over 200 entries from across the UK.

ï Companies range right across the cereal-based sector. From bakers and brewers through to poultry or pig producers. As long as cereals are used in the production process or in the feed rations.

ï Eligible companies must be able to answer yes to the following questions:

- Do your products use cereal at some stage of production?
- Will your project increase cereal consumption?
- Do you have an innovative idea with a clear need for funding?
- Have you been trading for more than three years?

ï Manufacturers currently using at least 100 tonnes of cereals a year (in raw grain equivalent) whose project will increase consumption of cereals by at least 500 tonnes during the funding period can apply for an HGCA Enterprise Award.

ï Each project is assessed by a panel of expert judges who look for:

- The ability to create new demand for cereals
- Innovative ideas with real potential to succeed
- A viable business plan
- A strong management team
- A clear need for funding.

ï HGCA Enterprise Awards 2001 are to be launched in September with the deadline for applications being 31 December 2000. Awards will be made in June 2001.

#### Case study - Saxby's

ï Two years ago, Northamptonshire-based pie makers, Saxby's received an HGCA Enterprise Award to develop its new range of chilled pastry products. The award made a major contribution to getting the project off the ground.

Following positive consumer response Saxby's launched their fresh, ready rolled, puff pastry sheets which gained nation-wide listings with major multiple retailers. This was then followed by the introduction of shortcrust pastry sheets.

Their success has knocked out foreign competition and increased demand for British wheat by nearly 5,000 tonnes a year.

## HGCA Enterprise Award 1999 winners

These include amongst others:

- ï AB Specialist Breads who won an award to market sandwich breads for export

- ï British Bake whose award will be used to target new export markets in South America

- ï Doves Farm whose award will be used to help develop demand for speciality and organic cereal based products

- ï Puremalt Product who won an award to help develop and market a revolutionary ready-to-use granule product for use in breakfast cereal, bakery goods, snack products and prepared meals

- ï Smiths Flour Mill whose award will be used to market solar flour overseas.

Investing in U.K. food marketing projects

- ï The Farmhouse Breakfast 2000.

- ï The Farmhouse Breakfast 2000 campaign was organised by the HGCA and Food from Britain in conjunction with NFU, MLC and Farm Holiday Bureau.

- ï The campaign was a dynamic five month partnership between farmers and regional food producers to encourage consumers to learn about, search out and, most importantly, buy regional products.

- ï It concentrated on building links through the entire food chain from plough to plate involving cereal farmers, pig producers, bakers, butchers and breakfast cereal manufacturers as well as caterers and schools.

- ï Press visits guided food writers and journalists through the cereal crop on-farm to the food producer providing an ideal opportunity for journalists to talk to farmers and help the public understand how their regional foods are produced.

- ï Farmhouse Breakfast Week was 24-30 January 2000.

- ï A high profile TV and radio campaign was undertaken. One of the highlights was the delivery of over 100 on-air cooked breakfasts to national radio stations, including Radio One DJ Zoe Ball.

- ï The campaign reached a potential 27 million people with its message to consume more regional cereal-based products. It generated the advertising equivalent of £800,000 for British cereals in national media coverage.

- ï Farmhouse Breakfast 2001 planning is underway and anyone interested in finding out more should contact Helen Wood on 020 520 3971. It will build on the production

chain links and the strong interest received from retailers and familiar household names. It is expected to have a focus on children.