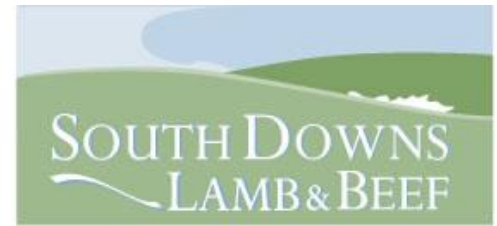


SOUTH DOWNS MARKETING Ltd.





Background

SOUTH DOWNS MARKETING Ltd.

- Limited company
- 20 shareholders, 18 suppliers, 46 retailers
- Turnover
 - 2004: £0;
 - 2007: £700k
- Ambitions for roll-out



Problems

So much uncertainty

- UK industry
 - Lack of business choice - purchasing from, selling to
 - Market fluctuations, weather, disease, legislation
 - No control of price
- SDML
 - Motivating the supply chain, suppliers, abattoir, retailers
 - Appropriate levels & type of funding



SDML Solutions

- To remove as much business uncertainty as possible by
 - Linking environmental protocols with brand & product development
 - Setting prices
- Which creates opportunities to
 - Control & expand a profitable business
 - Educate the consumer, government etc



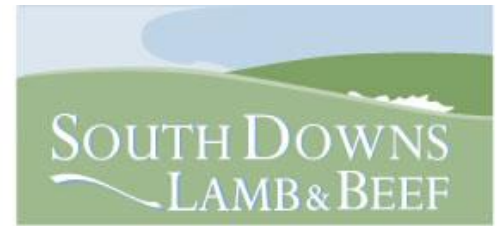
SDML Solutions

- Market quality food
- Introduce fixed pricing to farmers and retailers
- Create market differentiation
 - Indigenous breeds
 - Better service
 - Create a barrier to competitor entry
- Buy-in appropriate expertise
- Create business worth investing in



Advice

- Practitioners
 1. Quality & differentiation is everything
 2. Keep the risk as low as possible
 3. It is not all about price, but it is about value
- Policy makers must fully understand the:
 1. Steps required to take a food business from producing commodity to marketing product
 2. Requirement for high & different levels of business skills
 3. Need for early & medium term investment



Current pricing

	SDML	Market	<i>Incr. %</i>	M&S	<i>Incr. %</i>
April – Aug 07	€3.80 (£2.65)	€3.37 (£2.35)	+ 13%		
Sept 07	€3.80 (£2.65)	€3.09 (£2.15)	+ 23%		
Oct 07	€3.66 (£2.55)	€2.87 (£2.00)	+ 28%	€3.37 (£2.35)	+ 13%