



Challenges facing UK sheep farming iSAGE workshop December 2019



NSA today



- NSA is a registered UK Charitable Company working as a membership organisation and funded by its membership.
- We have 6,500 individual members +82 breed societies.
- Aim is to create a sustainable and prosperous sheep industry.
- We support sheep farmers in many ways – defend and lead
- We inform government and policy makers.
- We raise awareness and understanding of the public.



NSA vision statement

A stable and resilient UK sheep population that is healthy and able to cope with disease and parasite challenges. Diverse in structure, contributing to feeding and providing fibre for an increasing global population, and working in harmony with areas of public interest including the environment and ecology, landscape, resource use, and culture and rural employment. Our vision is one of the people involved in keeping sheep being enthusiastic, knowledgeable, and aspiring to best practice, and those not keeping sheep increasingly aware of the contribution sheep make to society and of the core aspects of the sector.





The UK sheep industry

- A small country with a big urban population.
- High public and regulatory expectations for food safety and traceability, environment, and animal welfare
- Fifth largest sheep producer and third largest exporter globally.
- 35% of production exported (with 95% of this going to the EU); 65% into a varied domestic market; More or less in balance in terms of volumes
- High dependence on grass and free range.
- Closely linked to natural landscapes
- High involvement in agri-environment schemes
- High reliance on Basic Payments



Mountains, upland, lowland



A diversity of breeds have different strengths, and are kept in different landscapes across the country.



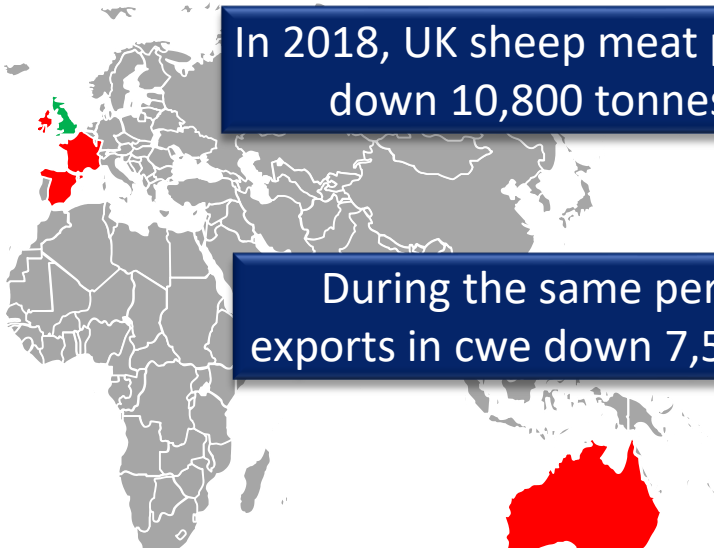
UK Export Volumes

YTD to Dec 2018 - Sheep Meat Exports Yr on Yr % change

Source: IHS Maritime & Trade,
Global Trade Atlas ®. HMRC, Defra

YTD Total Volume: **DOWN 8% at 82,569 tonnes shipped weight**

Country	Tonnes (shipped weight)	% Change
France	35,415	-13%
Germany	15,248	+8%
Ireland	9,341	+1%
Belgium	7,490	-2%
Netherlands	5,016	-6%
Italy	3,318	-11%



In 2018, UK sheep meat production down 10,800 tonnes cwe.

During the same period, UK exports in cwe down 7,500 tonnes.

Doubts still persist over the accuracy of the data

UK Import Volumes

Source: IHS Maritime & Trade,
Global Trade Atlas ®. HMRC

YTD to Dec 2018 - Sheep Meat Imports Yr on Yr % change

YTD Total Volume: **at 77,304 tonnes, down 4% on last year**

Country	Tonnes (shipped weight)	% Change
New Zealand	50,912	-2%
Australia	9,697	-13%
Ireland	7,261	-23%
Netherlands	3,405	+33%
Spain	1,392	+8%
Iceland	1,109	-5%



Volume of EU imports DOWN
1% to 14,566 tonnes

Volume of non-EU imports down 4%
at 62,738 tonnes

NZ & AUS directing more product into China and US.

The current debate affecting sheep farming

- In the industry
 - Brexit and a return to own domestic agricultural and environmental policies
 - Future trade development
 - An expectation that change is coming – productivity and improving the environment..
 - And the weather and grass.....
- In Society (relating to farming and land management)
 - Climate change
 - Natural resources
 - Species loss
 - Sustainable farming systems and diets (and early stages of willingness to pay)





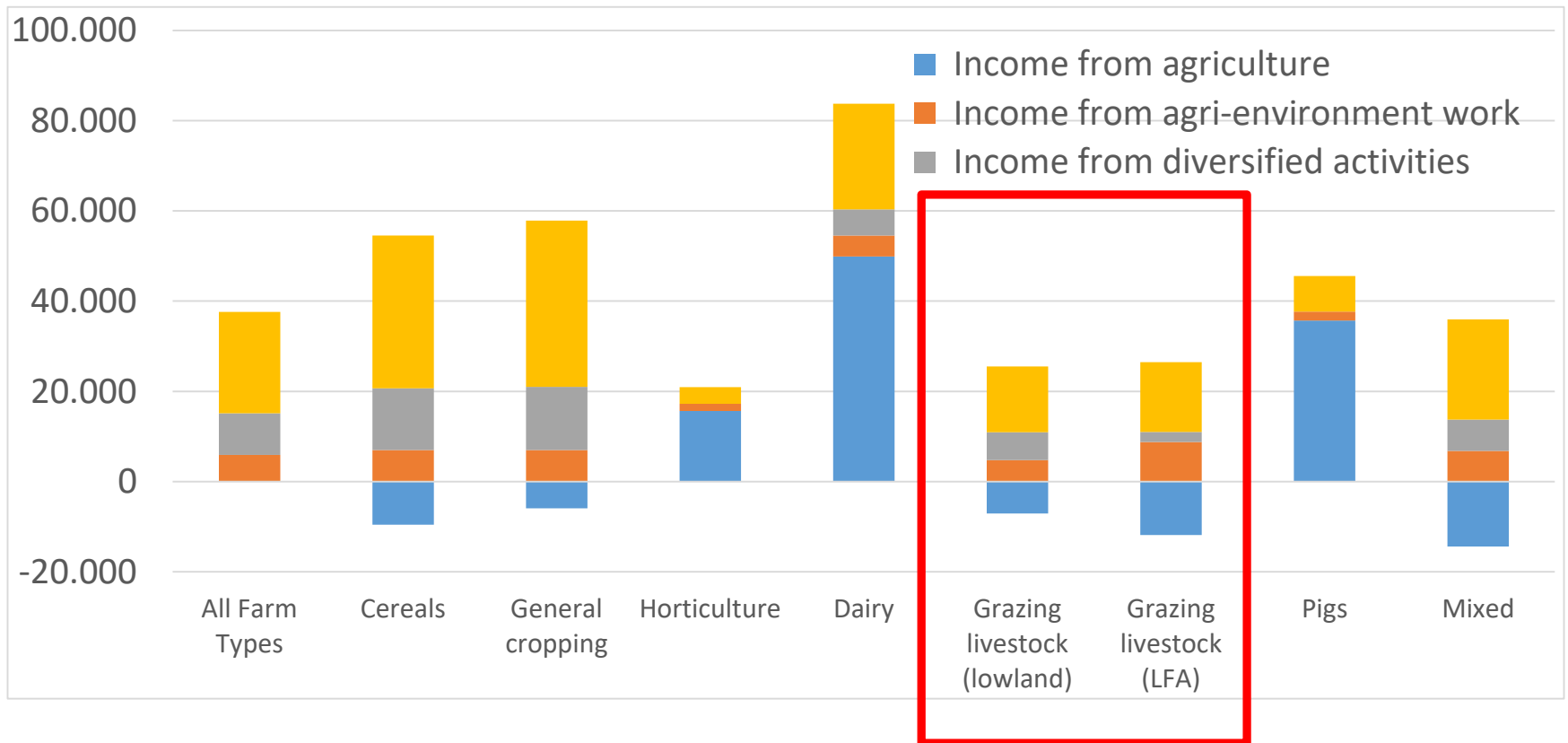
The challenge placed on us



- *Increase our productivity*
- Protect and further improve our environment



Grazing livestock enterprises are dependent on support payments



Source : Defra, Farm Business Survey

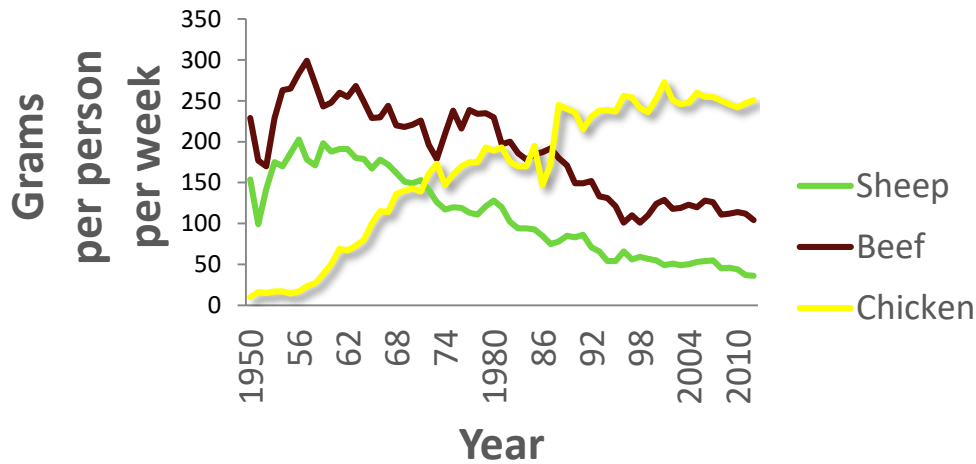
Table 3. Significant variables between top and bottom performing counterparts – LFA Grazing Livestock

Selected variables	Mean of top performers	Mean of matched bottom performers
Agricultural output (£'000)	133.9	83.4
Proportion of finished cattle (%)	30%	20%
Proportion of finished sheep (%)	70%	50%
Farm Business Tenancy land	29.1%	16.4%
Full Agricultural Tenancy land	16.6%	31.9%
Total agricultural costs (£'000)	128.7	126.8
Of which %		
Agriculture overheads	45.9%	52.1%
Agriculture variable costs	54.1%	47.9%
Fertiliser costs	6.9%	4.5%
General farming costs	9.5%	16.0%



Courtesy of AHDB.
Horizon reports

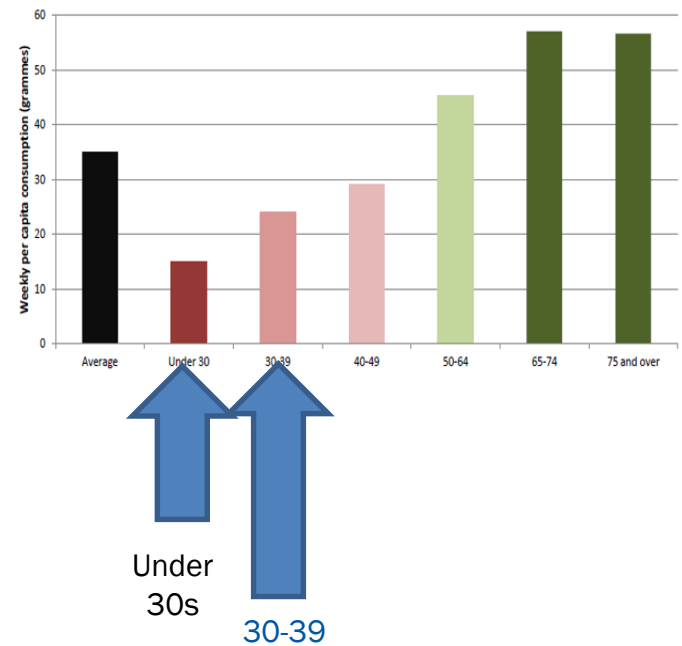




Challenges



Consumption of lamb by age group



Improving sheep productivity



- Productivity is a measure of profitability - aimed at enterprises being less reliant on support
- Profitability is the margin left after the cost of inputs and the value of outputs
 - Can we add value?
 - Can we reduce costs?
 - Can we do more to ensure that investments pay?





National Sheep Association

NSA's Brexit toolkit

National Sheep Association is an organisation which represents the views and interests of sheep producers throughout the UK. NSA is funded by its membership of sheep farmers and its activities involve it in every aspect of the sheep industry.



Business readiness toolkit for UK sheep farmers

Is your business prepared for the future?

The UK sheep sector is facing a time of unprecedented change. Due to the volumes of UK lamb exported overseas, mainly to the EU, the time new trade deals and market access will take to secure, and the reliance of the sector on support payments, any Brexit scenario will impact individual businesses.

It is very hard to prepare for change when we do not know exactly what that change might be – but this toolkit, produced by National Sheep Association (NSA), will help you think about appropriate steps.

Be it the short-term impact of market fluctuations or the longer-term challenges of dealing with fewer or lower support payments, there are practical actions that can be taken. NSA has grouped these into seven specific areas.

- 1) Getting the right mind-set
- 2) Ensuring good mental health
- 3) Checking business health
- 4) Developing resilient systems
- 5) Planning for the future
- 6) Identifying other income streams
- 7) Looking ahead to future support schemes

Through farmer case studies, expert advice and links to more information, the seven areas are explored within these pages and expanded online.

Find more at www.nationalsheep.org.uk/brexittoolkit

This 'Business readiness toolkit' has been produced by the National Sheep Association in October 2019, immediately ahead of the Government's 31st October deadline for the UK to leave the EU. It has been facilitated by grant funding from the 'Business Readiness Fund', which is administered by the Department of Business, Energy and Industrial Strategy.

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Contact us to request more copies of this publication

NSA is an organisation that represents the views and interests of sheep producers throughout the UK. It is a company limited by guarantee registered in England (no. 57816) and a registered charity in England and Wales (no. 308325) and Scotland (SC043815).

your business your future



your business your future



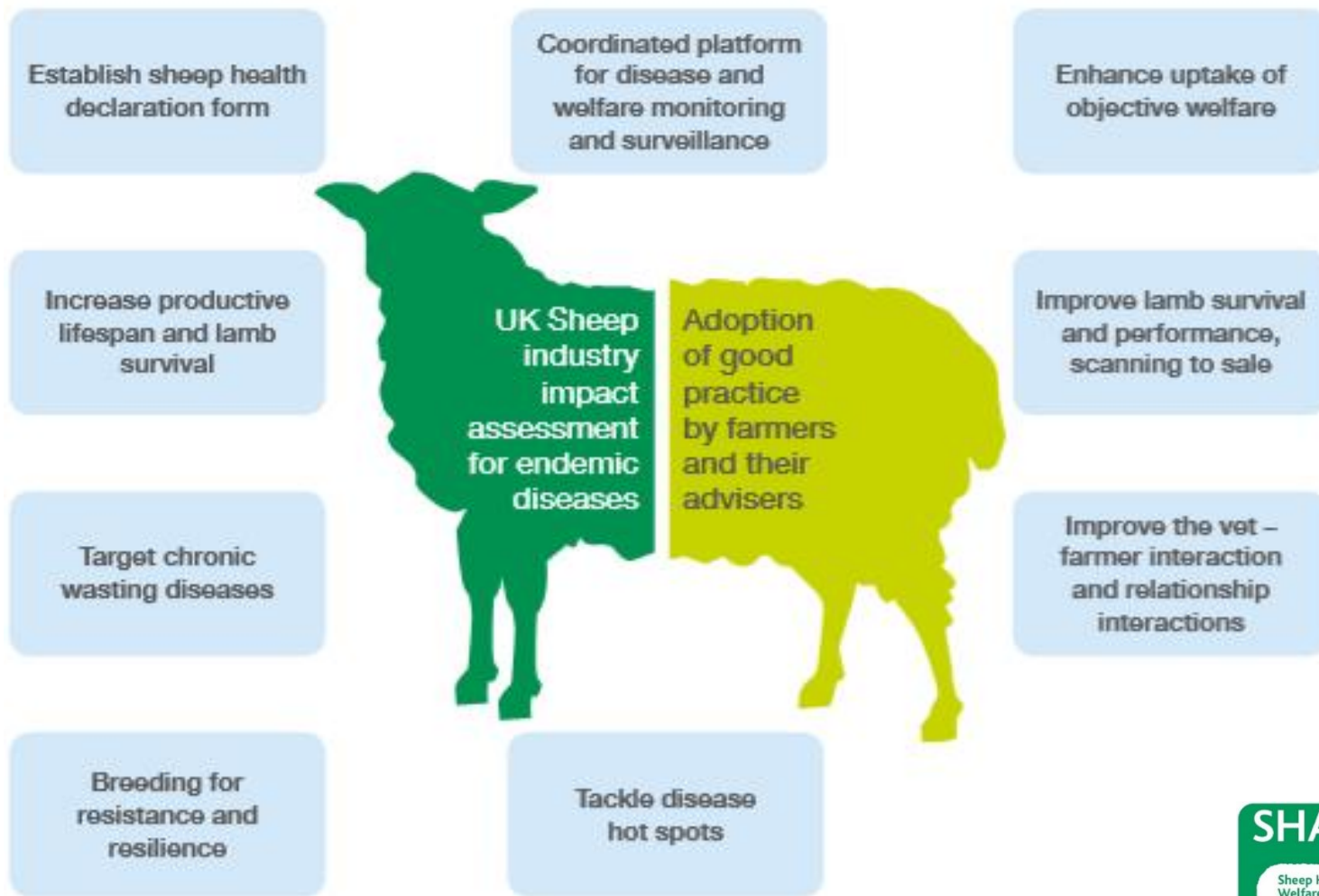
Seven areas of focus

1. Getting the right mindset.
2. Ensuring good mental health.
3. Checking business health.
4. Developing resilient systems.
5. Planning for the future.
6. Identifying other income streams.
7. Looking ahead to future support schemes.



Sheep health – a key focus area

Figure 1. Key research priorities





Heritage Breeds Marketing Initiative

Virtually every other food category has blossomed into offering a diversity of types



British Heritage Sheep - New Tastes from Old Traditions





The challenge placed on us



- Increase our productivity
- ***Protect and further improve our environment***



your business your future



45,000 family scale farms

Culturally, socially and ecologically rich

Wide diversity

Semi natural conditions

Sequestering carbon



Living along side wildlife

Healthy and nutritious food

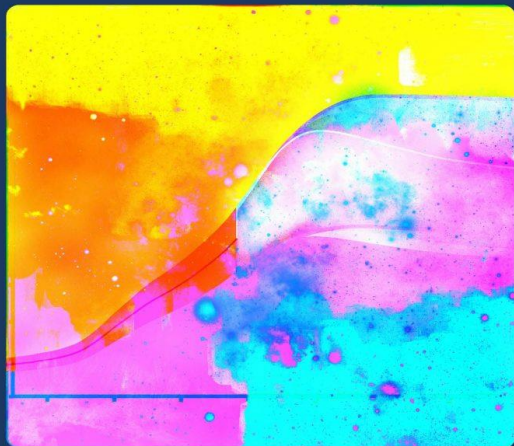
The most sustainable fibre in the world

Almost the ultimate in renewable technology



Global Warming of 1.5°C

An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty



WG I WG II WG III



The Heat is On

Taking Stock of Global Climate Ambition



Meat in your diet - Eat well
Meat is a good source of protein, vitamins and minerals in your diet. However, if you currently eat more than 90g (cooked weight) of red and processed meat a day, the Department of Health advises that you cut down to 70g, which is the average daily consumption in the UK.

Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services



D6 Feeding humanity and enhancing the conservation and sustainable use of nature are complementary and closely interdependent goals that can be advanced through sustainable agriculture, aquaculture and livestock systems, the safeguarding of native species, varieties, breeds and habitats, and ecological restoration.











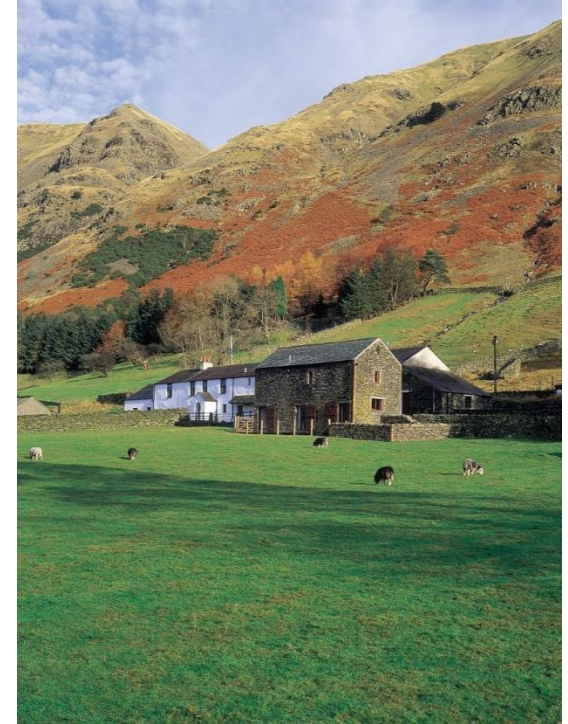
A few trade offs between efficiency and 'sustainability' ?



- Grassland improvement
- The need for higher forage quality
- Genetic changes
- Supply chains
- Cheap food culture

And some win wins

- Soil quality
- Sheep health
- Using data to eliminate the 'wasters'





“
That’s it. If you’ve
listened thank you,
and if you’ve just
been patient then
thank you too.



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your business **your future**