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

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

<table>
<thead>
<tr>
<th>Country</th>
<th>Tonnes (shipped weight)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>35,415</td>
<td>-13%</td>
</tr>
<tr>
<td>Germany</td>
<td>15,248</td>
<td>+8%</td>
</tr>
<tr>
<td>Ireland</td>
<td>9,341</td>
<td>+1%</td>
</tr>
<tr>
<td>Belgium</td>
<td>7,490</td>
<td>-2%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>5,016</td>
<td>-6%</td>
</tr>
<tr>
<td>Italy</td>
<td>3,318</td>
<td>-11%</td>
</tr>
</tbody>
</table>

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

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

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

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

<table>
<thead>
<tr>
<th>Country</th>
<th>Tonnes (shipped weight)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand</td>
<td>50,912</td>
<td>-2%</td>
</tr>
<tr>
<td>Australia</td>
<td>9,697</td>
<td>-13%</td>
</tr>
<tr>
<td>Ireland</td>
<td>7,261</td>
<td>-23%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>3,405</td>
<td>+33%</td>
</tr>
<tr>
<td>Spain</td>
<td>1,392</td>
<td>+8%</td>
</tr>
<tr>
<td>Iceland</td>
<td>1,109</td>
<td>-5%</td>
</tr>
</tbody>
</table>

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.

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

<table>
<thead>
<tr>
<th>Selected variables</th>
<th>Mean of top performers</th>
<th>Mean of matched bottom performers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural output (£’000)</td>
<td>133.9</td>
<td>83.4</td>
</tr>
<tr>
<td>Proportion of finished cattle (%)</td>
<td>30%</td>
<td>20%</td>
</tr>
<tr>
<td>Proportion of finished sheep (%)</td>
<td>70%</td>
<td>50%</td>
</tr>
<tr>
<td>Farm Business Tenancy land</td>
<td>29.1%</td>
<td>16.4%</td>
</tr>
<tr>
<td>Full Agricultural Tenancy land</td>
<td>16.6%</td>
<td>31.9%</td>
</tr>
<tr>
<td>Total agricultural costs (£’000)</td>
<td>128.7</td>
<td>126.8</td>
</tr>
</tbody>
</table>

Of which %

<table>
<thead>
<tr>
<th></th>
<th>Mean of top performers</th>
<th>Mean of matched bottom performers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture overheads</td>
<td>45.9%</td>
<td>52.1%</td>
</tr>
<tr>
<td>Agriculture variable costs</td>
<td>54.1%</td>
<td>47.9%</td>
</tr>
<tr>
<td>Fertiliser costs</td>
<td>6.9%</td>
<td>4.5%</td>
</tr>
<tr>
<td>General farming costs</td>
<td>9.5%</td>
<td>16.0%</td>
</tr>
</tbody>
</table>

Courtesy of AHDB. Horizon reports
Challenges

Consumption of lamb by age group

Sheep
Beef
Chicken

Year

Grams per person per week

1950 56 62 68 74 1990 86 92 98 2004 2010

Under 30s
30-39
70-74
75 and over

Average

Sheep
Beef
Chicken

Year

1950 56 62 68 74 1990 86 92 98 2004 2010

Consumption of lamb by age group

Under 30s
30-39
70-74
75 and over

Average
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?
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.
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

- Establish sheep health declaration form
- Coordinated platform for disease and welfare monitoring and surveillance
- Enhance uptake of objective welfare
- Increase productive lifespan and lamb survival
- Improve lamb survival and performance, scanning to sale
- Target chronic wasting diseases
- Improve the vet-farmer interaction and relationship interactions
- Breeding for resistance and resilience
- Tackle disease hot spots
- Adoption of good practice by farmers and their advisers
- UK Sheep industry impact assessment for endemic diseases
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**
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
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.