

# Identifying Opportunities for Change

## An Industry View

Douglas Bell - 17<sup>th</sup> May 2016



# Rising to the Challenges



No shortage!



**QMS**

# Identifying Opportunities for Change



Plenty options!



QMS

# Opportunities for Change

Our job is not about telling farmers what to do. It's about creating opportunities where farmers can learn from each other, share what works, embrace change and make more informed decisions for the future of their businesses, their families and the Scottish red meat industry.



Tell the  
consumer to eat  
more Scotch beef

Embrace technology...

Insert your text here...

Tell the consumer to eat more Scotch beef

Insert your text here...

Processors need to pay more!

Insert your text here...

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Tell the consumer to eat more Scotch beef

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Insert your text here...

Get the processors  
to give us a decent  
price.

Consumers need  
to appreciate the  
true value of  
Scotch beef &  
lamb

Limit the imports  
of foreign beef &  
lamb

Stop the  
supermarkets  
controlling the  
market!

Increase exports!

Do more to  
counter the  
vegetarian  
lobby

# Customers

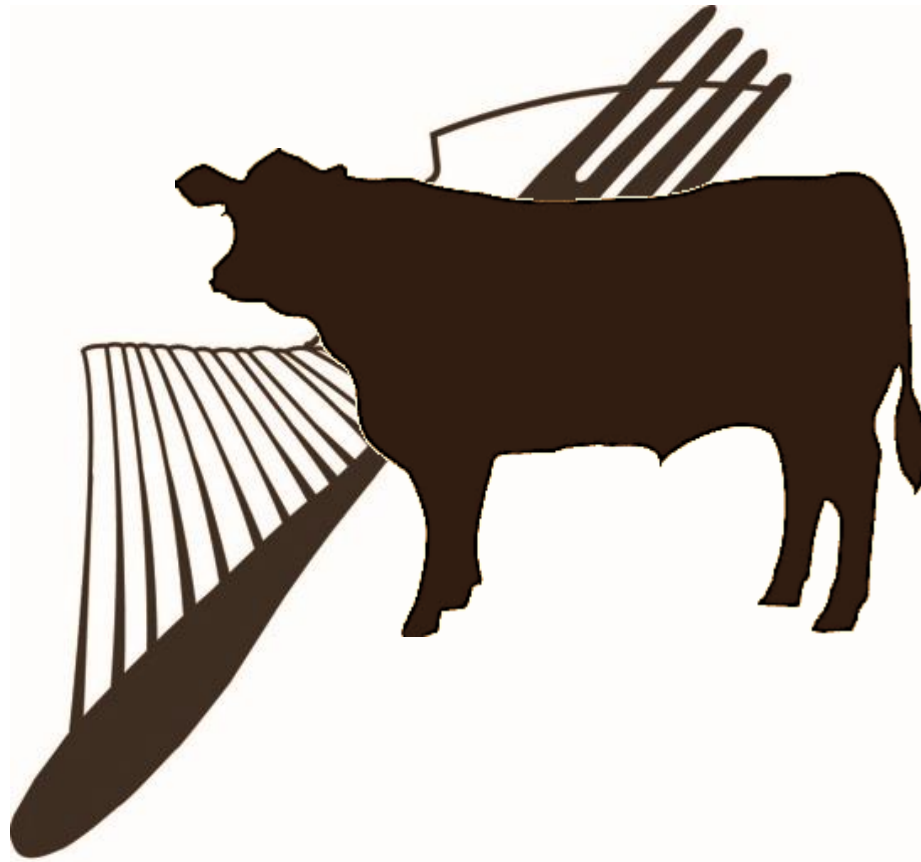
The customer is always right.....  
until I prove them  
wrong!!



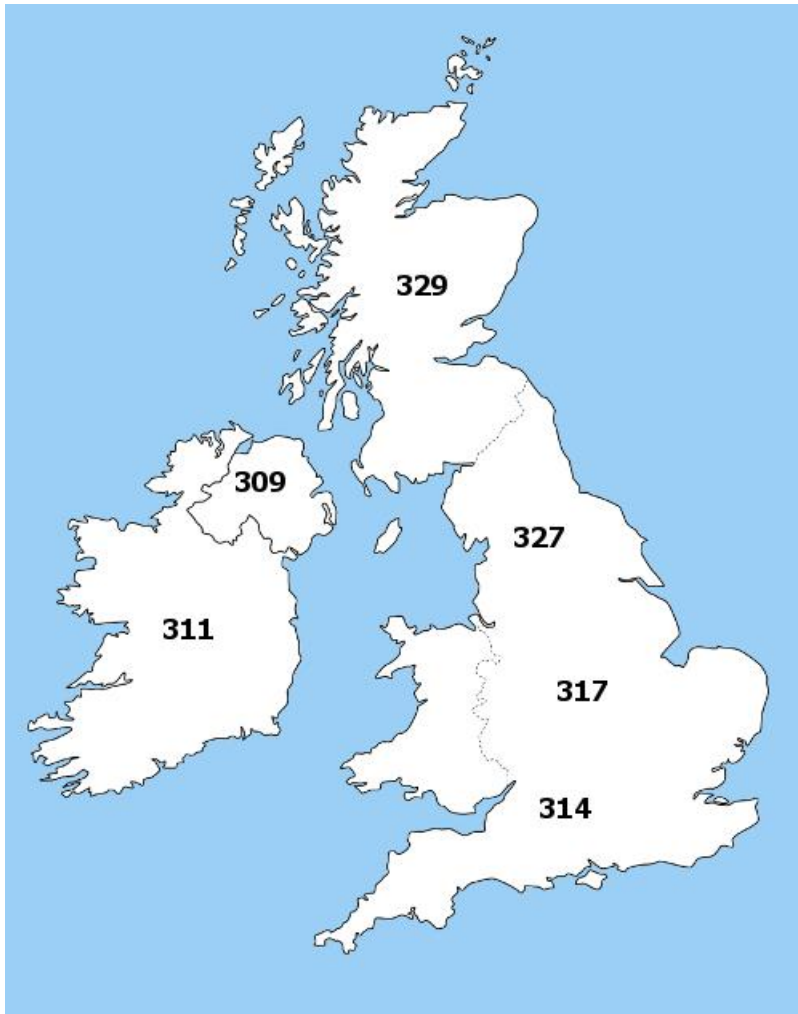
**“The customer’s  
perception  
is your reality.”**



# Fork to Field



# Average deadweight price (p/kg)



R4L steer in the week ending 07 May

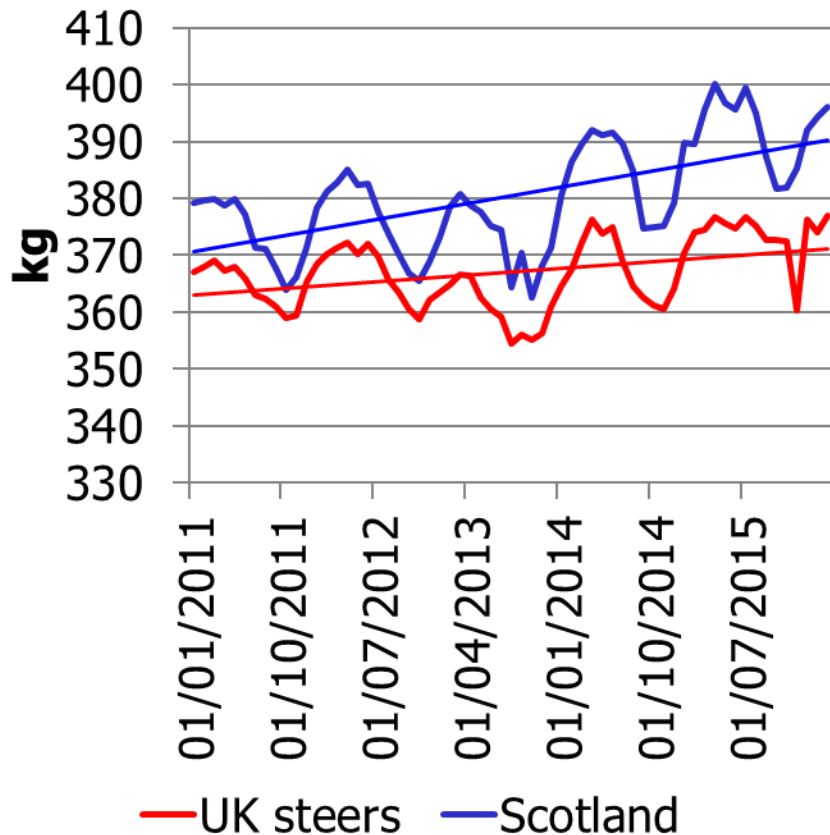


8.5 p/kg dwt differential over the average for England & Wales



# Maximising Returns

## Steer carcass weights



How many penalised carcasses in the kill?



UK says 25% over 400 kg – Scotland will be higher

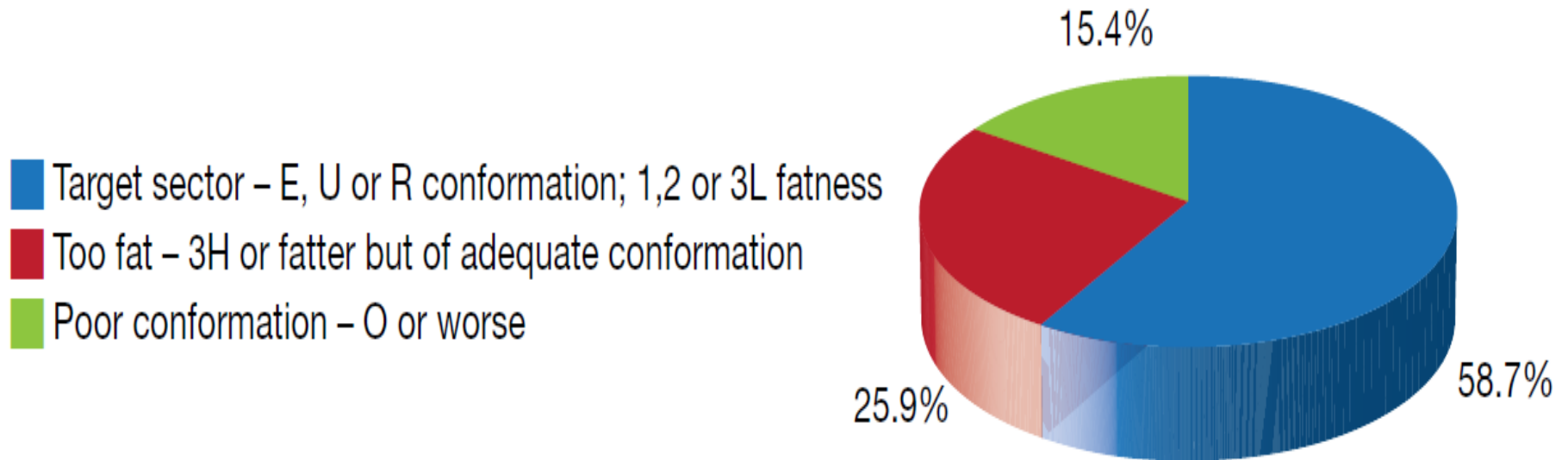


The higher proportion of heavy carcasses taking a price penalty in Scotland will narrow the whole grade premium.



# Maximising Returns

Percentage of Lambs Meeting Target Specification 2014 (GB)



# Abattoir Feedback

Kill No	Hot Weight	Rebate Weight	Cold Weight	Condemn Weight	Type	Grade	Kill Date / Time
0002398360	19.200	0.500	18.700	0.000	NS Lamb	U3L	17/09/2015 07:18:57
0002398361	19.600	0.500	19.100	0.000	NS Lamb	R3L	17/09/2015 07:19:06
0002398362	22.200	0.500	21.700	0.000	NS Lamb	R3L	17/09/2015 07:19:15
0002398363	23.600	0.500	23.100	0.000	NS Lamb	U3L	17/09/2015 07:19:24

Ear Tag	Kill No	Sex	Hot Kg	Reb Kg	Cold Kg	Cond Kg	Net Kg	Grade
#NRD00000 001	214033	NSL	22.0	0.5	21.5	0.000	21.5	R3L
UK 056081602890	214018	NSL	23.0	0.5	22.5	0.000	22.5	R4L
UK 056081602892	214041	NSL	24.0	0.5	23.5	0.000	23.5	R3L
UK 056081602893	214019	NSL	22.0	0.5	21.5	0.000	21.5	U3L
UK 056081602896	214046	NSL	23.0	0.5	22.5	0.000	22.5	R3L
UK 056081602899	214023	NSL	24.5	0.5	24.0	0.000	24.0	U3L



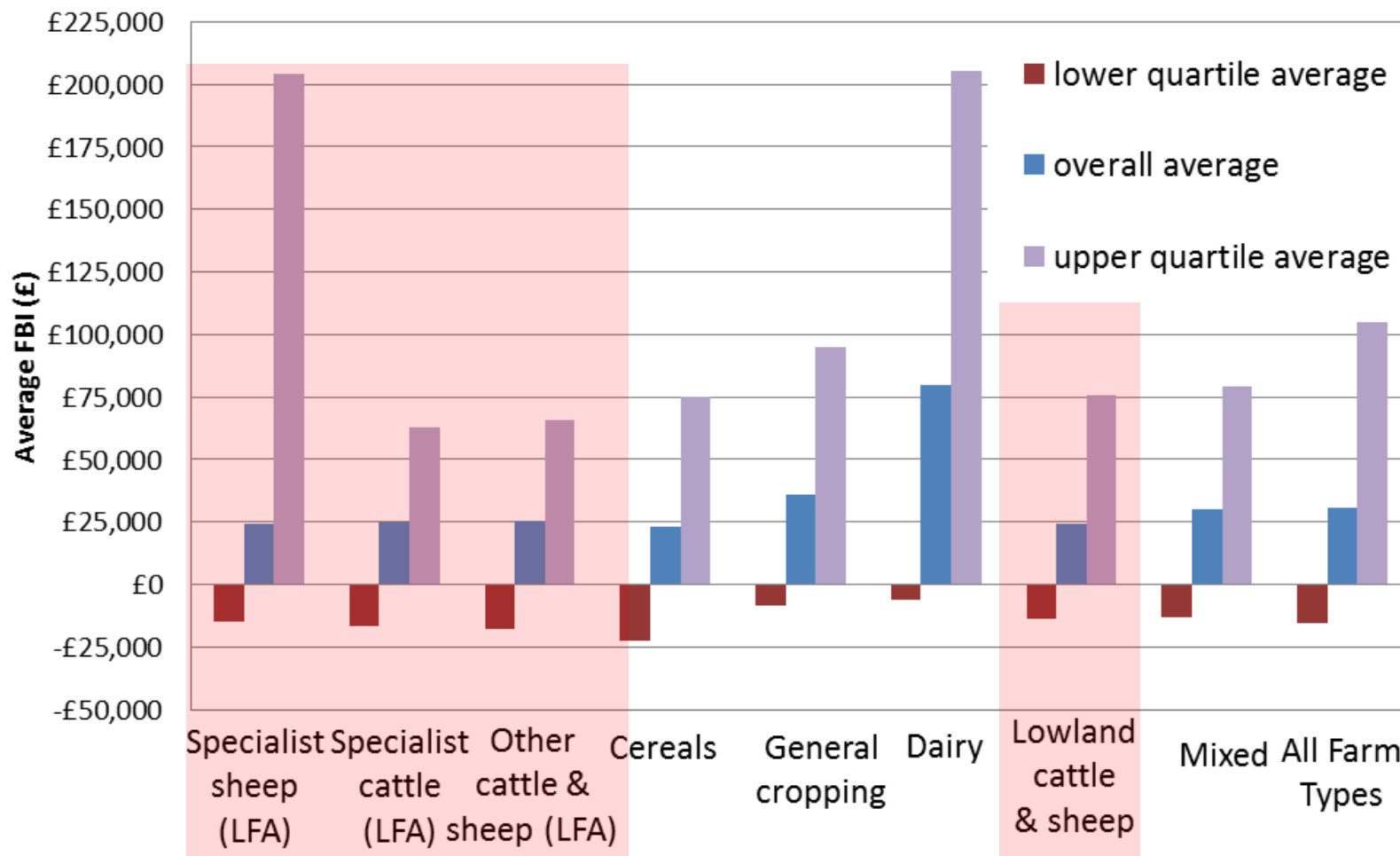
Improved  
efficiency.

Know your  
costs of  
production

Better cost  
control

Increase Output

# Farm Business Income 2013-2014



Source: Scottish Government



# Output : Input Ratios 2013-14 (Ex. Subs)

Farm Type	Lower 25%	Average	Upper 25%
Specialist Sheep (LFA)	0.51	0.78	2.22
Specialist Cattle (LFA)	0.62	0.81	0.95
Other cattle and sheep (LFA)	0.61	0.76	0.9
Lowland Cattle and Sheep	0.59	0.89	1.07
Dairy	0.88	1.08	1.21
Cereals	0.71	0.88	1.05





# Cattle and Sheep Enterprise Profitability in Scotland



2015 EDITION



# Variable Costs (p/kg calf/lamb produced)

Enterprise	Bottom Third	Average	Top Third
Extensive Sucklers	140	109	85
Upland Sucklers Selling Yearlings	126	106	92
Rearer Finishers	166	131	98
Hill Ewes	101	74	54
Upland Ewes	74	67	62



# Focus on Figures - COP

<b>Variable Costs</b>	<b>Average</b>	<b>Minimum</b>	<b>Maximum</b>
Feed, Forage & Seasonal Lets	£0.61	£0.06	£1.17
Vet & Med	£0.14	£0.05	£0.30
Other Livestock Expenses	£0.14	£0.03	£0.36
Seeds	£0.03	£0.00	£0.11
Fertiliser & Lime	£0.19	£0.00	£0.55
Other Crop Expenses	£0.05	£0.00	£0.20
<b>TOTAL VARIABLE COSTS</b>	<b>£1.15</b>	<b>£0.38</b>	<b>£1.68</b>
<b>Fixed Costs</b>			
Contract	£0.11	£0.00	£0.27
Fuel, Oil, Machinery Repairs & Depreciation	£0.56	£0.15	£1.01
General Overheads	£0.17	£0.02	£0.56
Property Repairs & Maintenance	£0.20	£0.02	£0.67
<b>TOTAL FIXED COSTS</b>	<b>£1.04</b>	<b>£0.45</b>	<b>£1.63</b>
<b>TOTAL COST/KILO OF PRODUCTION before labour</b>	<b>£2.19</b>	<b>£1.25</b>	<b>£2.84</b>
Labour (paid)	£0.16	£0.00	£0.50
Labour (family)	£0.46	£0.00	£1.27
<b>TOTAL COST/KILO OF PRODUCTION after labour</b>	<b>£2.81</b>	<b>£1.58</b>	<b>£3.73</b>



# Cow Efficiency



Weight of calf at weaning (adjusted to 200 days) per 100 kg of cow weight.

<b>Cow Weights (kg)</b>	<i>Bull Calves</i>		<i>Heifer Calves</i>	
	<b>No</b>	<b>Efficiency Factor</b>	<b>No</b>	<b>Efficiency Factor</b>
501 – 550	3	52.1	2	49.2
551 – 600	15	53.9	8	45.3
601 – 650	11	51.6	17	43.4
651 – 700	17	46.1	15	39.5
701 – 750	17	42.0	7	36.1
751 above	4	39.4	4	37.2

Source: QMS/SRUC



# Ewe Efficiency



Weight of lambs reared divided by ewe weight at tuppung – aim for 100% (60% at weaning)

	1.4 lambs @ 45kg	1.5 lambs @ 45 kg	1.6 lambs @ 45 kg
65 kg ewe	96.9%	103.8%	110.7%
75 kg ewe	84.0%	90.0%	96.0%
85 kg ewe	74.1%	79.4%	84.7%



# Profit Partnerships



Embrace  
technology to  
achieve  
improvements

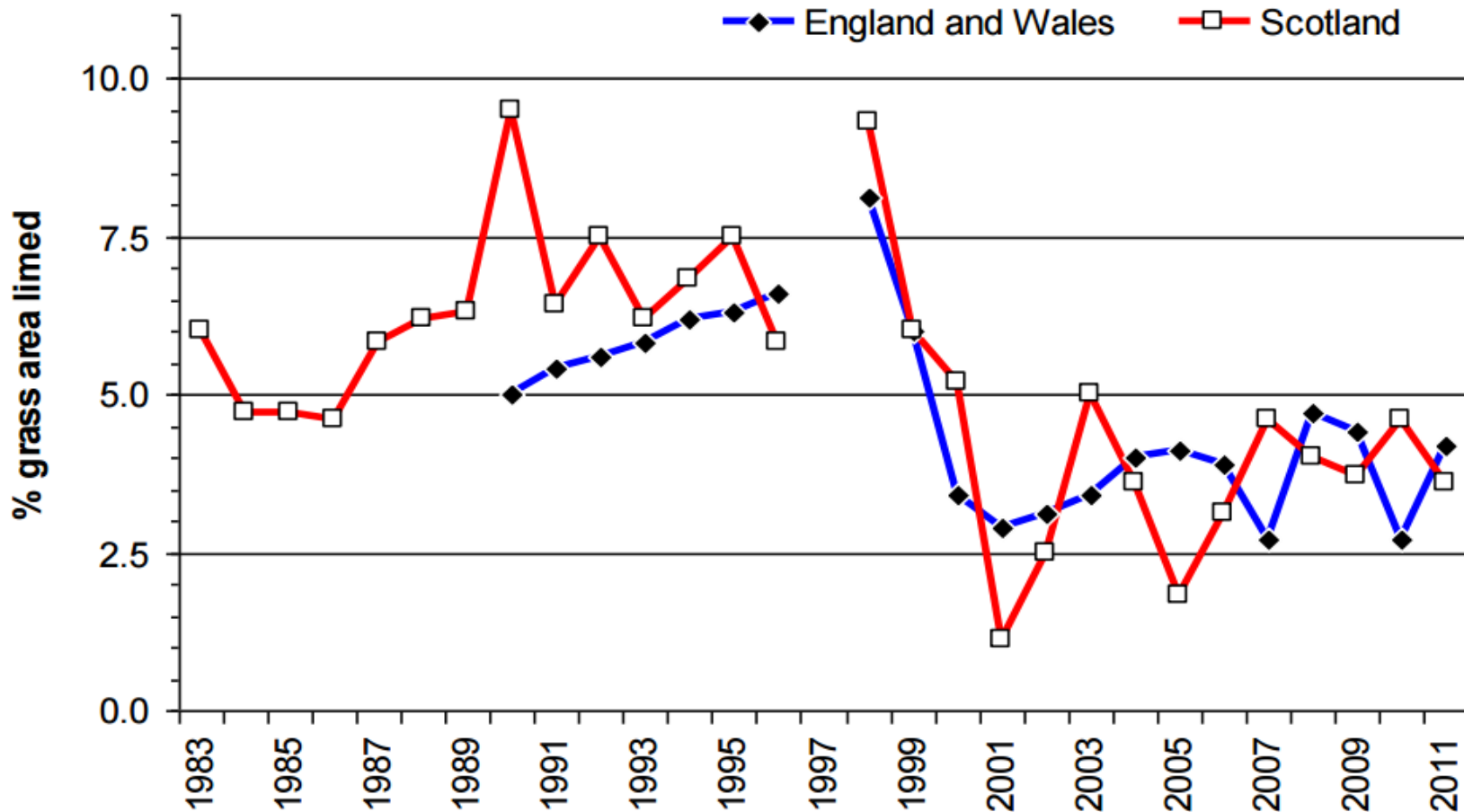
Improved  
grassland  
management

Genetic progress!

Continue to  
improve animal  
health & welfare

Adopt best  
practice -  
learn from  
others

# Percentage of Managed Grass Receiving Lime



# Liming Intentions?

## Single Application Form (2016) - schemes you can apply for ?

- I am only completing this form to tell you about my business and agricultural land
- I wish to claim Basic Payment Scheme ?

Do you intend to apply lime on any of your permanent grassland land (exception for any fields which contain arable land or rough grazing)?

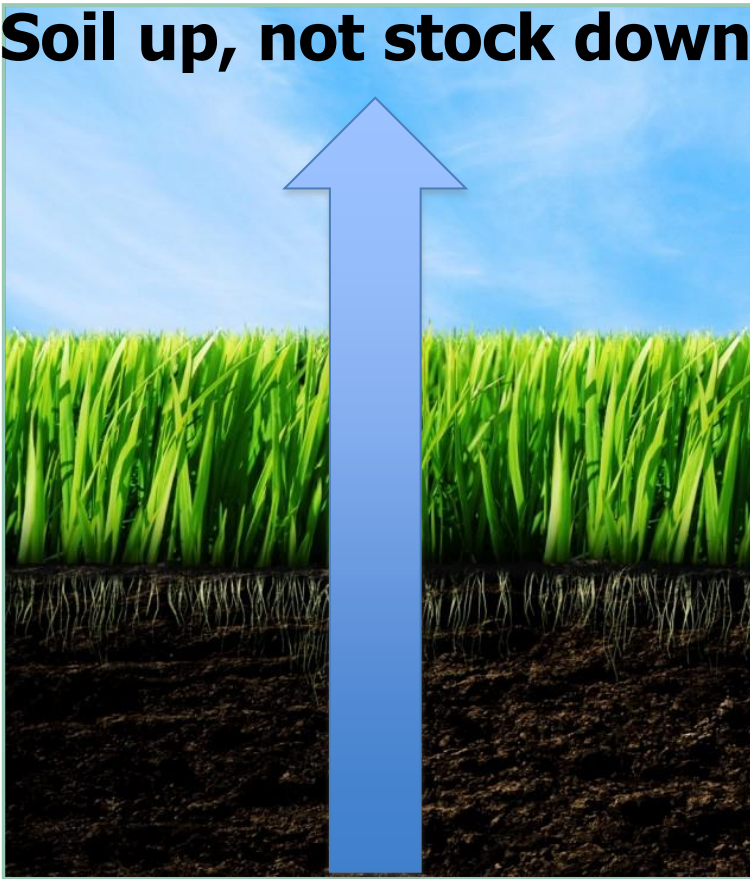
Yes  No



# Grazing Groups

*Increase the kilos of meat produced per hectare through improved utilisation of grass*

**Soil up, not stock down**



-  Six host farms; 20 farmers per group; four meetings per year
-  Expert speakers from Scotland, Ireland, Wales & New Zealand
-  Supported by grass measuring stations throughout Scotland



**QMS**

# Genetic Improvement



## Beef Efficiency Scheme



## RamCOMPARE

### NEWSLETTER

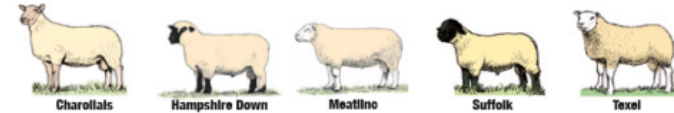
Autumn/Winter 2015

Welcome to the first newsletter for the RamCompare project. The project started in May 2015 and will run over two breeding seasons until 2017.

RamCompare is the UK's first commercial progeny test. Over 6,000 slaughter lambs will have weights and carcass information recorded to identify which rams have the most profitable genes for commercial sheep production. For the first time there will be a direct comparison between the commercial performance of rams from

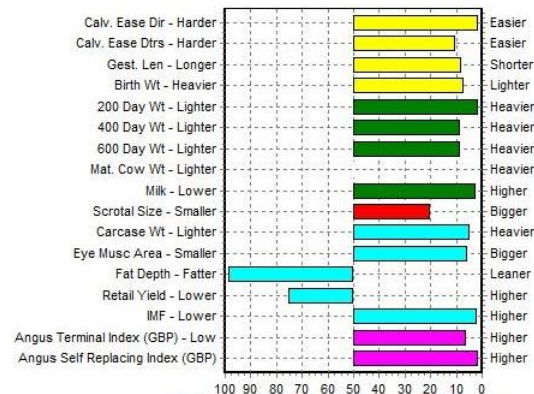
## What is RamCompare?

RamCompare is a commercial progeny test involving a partnership of six commercial flocks and 14 organisations.



Over two breeding seasons, 67 rams will be tested from five breeds.

Some of the rams will be used to create linkage between flocks through artificial insemination (AI). The rest of the rams will be used in single sire mating groups.



50th Percentile is the Breed Avg. EBVs for 2011 Born Calves



# Embracing Technology



# Animal Health



## Livestock Health Roadshow 2015

Committed to effectively disseminating the latest research advances to the farming, SQP and veterinary communities.

<p><b>GLENLIVET</b> (Banffshire)  <b>THE CROWN ESTATE</b></p> <p><b>Healthy Beef</b> from Whisky Country Auchorachan Farm, Glenlivet (by kind permission of the Duoro family)          Tuesday 10 October 10am</p> <p>Join us and The Crown Estate for an on farm Beef Health Event on the Glenlivet Estate. Subjects to include: bull breeding and nutrition; AI Health; John's diagnostics and Cryptosporidium control.</p> <p>To be followed by lunch and a discussion session at the Glenlivet Distillery, with an expert panel chaired by <i>Tracy Gillies</i>.</p> <p>RSVP required by 25 September to Karen.Smith@thecrownestate.co.uk</p> <p><b>Members Only Event</b></p>	<p><b>HELLINGLY</b> (East Sussex)  <b>THE CROWN ESTATE</b></p> <p><b>Cryptosporidiosis &amp; John's Disease</b>          Winkhurst Golf Club          Monday 9 November 7.30pm</p>	<p><b>BETSY COED</b> (Conwy)  <b>THE CROWN ESTATE</b></p> <p><b>Roundworm &amp; Liver Fluke Control</b>          Royal Oak Hotel          Tuesday 10 November 7.30pm</p>
<p><b>BERWICK UPON TWEED</b> (Northumberland)  <b>THE CROWN ESTATE</b></p> <p><b>Abortion &amp; Border Disease</b>          Berwick Rugby Club          Monday 16 November 7.30pm</p>	<p><b>DUNSTER</b> (Somerset)  <b>THE CROWN ESTATE</b></p> <p><b>On Farm Control of Toxoplasma, Cryptosporidium &amp; Mosquitoes</b>          Tulse Barn          Tuesday 10 November 7.30pm</p>	<p><b>BRECON</b> (Powys)  <b>THE CROWN ESTATE</b></p> <p><b>Roundworm &amp; Liver Fluke Control</b>          Rhodys Meadow Restaurant          Wednesday 11 November 7.30pm</p>
<p><b>LOCKERBIE</b> (Dumfries &amp; Galloway)  <b>THE CROWN ESTATE</b></p> <p><b>OPA &amp; Roundworm Control</b>          Dryfedale Country House Hotel          Tuesday 27 November 7.30pm</p>	<p><b>COLD ASHBY (NR RUGBY)</b> (Northamptonshire)  <b>THE CROWN ESTATE</b></p> <p><b>Roundworm &amp; Liver Fluke Control</b>          Cold Ashby Golf Club          Thursday 12 November 7.30pm</p>	<p><b>SELKIRK</b> (Scottish Borders)  <b>THE CROWN ESTATE</b></p> <p><b>Healthy Sheep, Healthy Profits</b>          Borthwick Farm, Buccleuch Estate (by kind permission of the Duke of Buccleuch)          Wednesday 4 November 1pm</p> <p>Join us for an on farm Sheep Health Event at the Buccleuch Estate. Subjects to include: strategies for worm control, including NematodeX; John's diagnostics; an introduction to RamCompare.</p> <p>RSVP required by 23 October to info@moredun.org.uk</p>

**These meetings are free to attend**

Meetings subject to change. Please see the More dun website for up-to-date information. For further details please contact 0181 445 5111 or log on to [www.moredun.org.uk/events](http://www.moredun.org.uk/events)



**NADIS** Animal Health Skills **QMS** NATIONAL ANIMAL DISEASE INFORMATION SERVICE Working to shape a sustainable and prospering Scottish Red Meat industry

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The A-Z of diseases for: CATTLE SHEEP PIGS GAME BIRDS POULTRY CAMELIDS GOATS REGION: South East Scotland

**PREVIEW**



**WATCH THE WEBINAR**

**DISEASE ALERT**

Lambs from early lambing flocks will be several weeks old now, so as maternal antibodies wear off, it's time to think about vaccinating lambs for clostridial disease. BVD is an ever-present risk to some farms and eradication schemes are now even being required by some milk buyers. In this month's webinar, James Aitken of Orchard Veterinary Group discusses control and prevention of these two important conditions.

**PREVIEW**



**WATCH THE WEBINAR**

**PARASITE FORECAST**

NADIS publishes a monthly Parasite Forecast for farmers and livestock keepers, based on detailed Met Office data. The Parasite Forecast outlines the parasitic challenge facing cattle and sheep in the different UK regions. This month's webinar focuses on Nematodirus risk for lambs and Chronic Liver Fluke in cattle and sheep.

**FULL FORECAST**

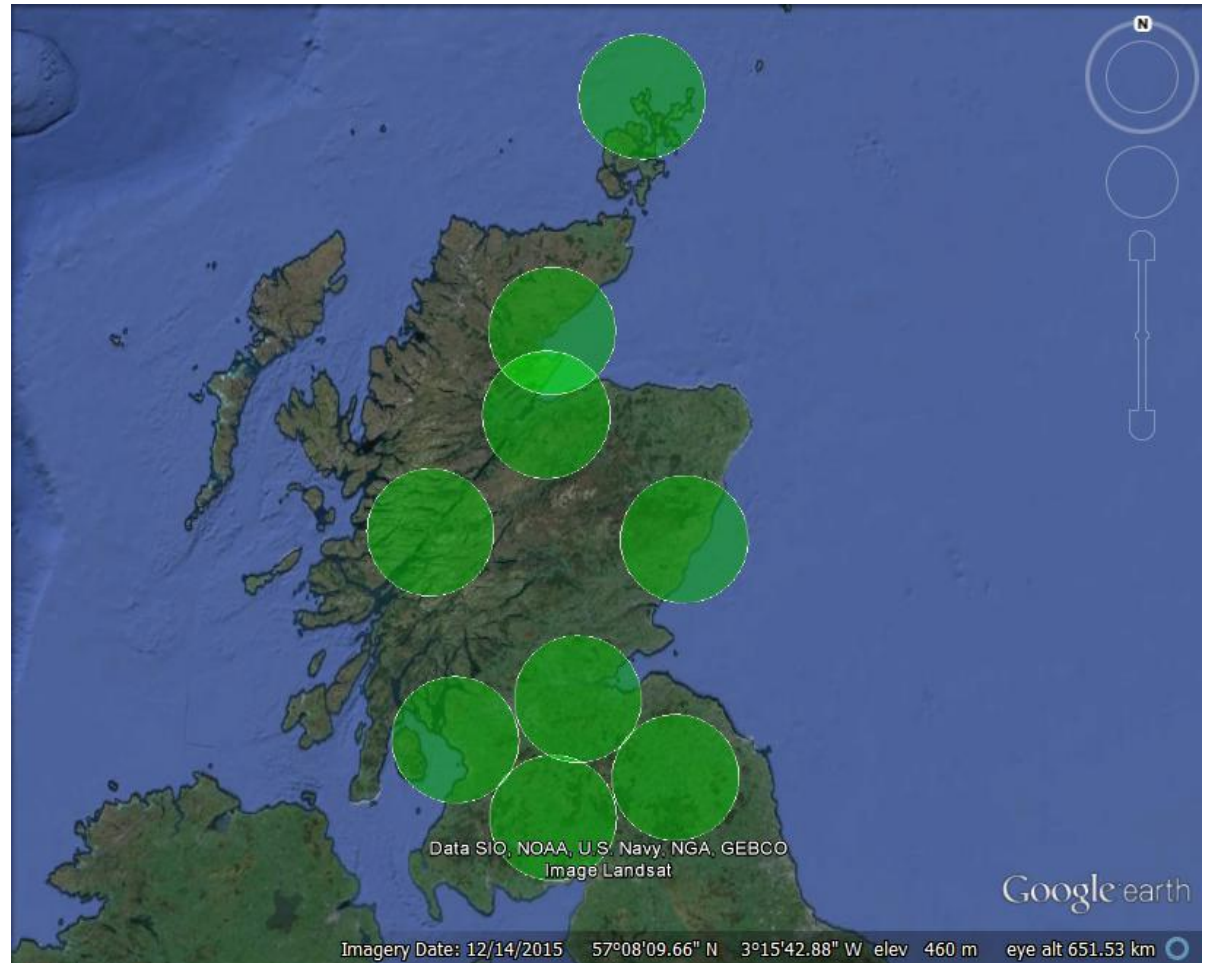


Are you dealing with the pain of lameness in your...



# Adoption of Best Practice

2016-2020  
Monitor Farm  
Programme  
QMS & AHDB  
Cereals &  
Oilseeds



# Aggregation of Marginal Scrambles?



*Vive la small differences!*



**QMS**

Improved  
business skills

Planning!

# Farm Business Planning



# General Pointers



Concentrate on the things you can influence



Don't spend too much focusing on things outwith your control



Take a planned approach to business improvement



# Rising to the Challenges



**RISING TO THE CHALLENGES**  
A SCOTTISH BEEF AND SHEEP INDUSTRY CONFERENCE  
TUESDAY 17<sup>TH</sup> MAY AT AIRTH CASTLE, NEAR FALKIRK

10.00	Registration & Coffee	
10.30	Welcome	Uel Morton, Chief Executive, QMS
<b>Morning Session chaired by Jim McLaren, Chairman, QMS</b>		
10.35	The Changing Consumer – The Retailer's View	
10.55	Viewing of Tom Kitchin Scotch Beef Promotional Video	Laurent Vernet, Head of Marketing, QMS
11.00	Developments in the Marketplace – The Processor's View	Jonathan Birnie, Dunbia
<b>Coffee Break</b>		
11.20	Identifying Opportunities for Change – The Industry's View	Douglas Bell, Head of Industry Development, QMS
11.40	Viewing of Gregg Wallace Scotch Lamb Promotional Video	John Ritchie, Farmer
12.00	Rising to the Challenges – The Farmer's View	Jim McLaren, Chairman, QMS
12.25	Q&A and Discussion from Morning Session	
12.40	Observations from Morning Session	
12.45	Lunch	
<b>Afternoon Session chaired by Jim McLaren, Chairman, QMS</b>		
13.45	Soils – Making the Most of Them	Steve Townsend, Soil First Farming
14.05	Grass – the Low Cost Feed	Charlie Morgan, Grassmaster
14.25	Coffee Break	
14.45	Cattle - Improving Margins	Donald Brown, SRUC
15.05	Sheep - Improving Margins	Dewi Jones, Innovis
15.25	Q&A and Discussion from Afternoon Session	Jim McLaren, Chairman, QMS
15.40	Take Home Messages	
15.50	Viewing of Scottish Sheep Farm of the Year Video	
15.55	End of Event	

**QMS Livestock Production Systems**

think. plan. do...

As support payments decline, what actions are required to generate sufficient profits and a stable return on the capital invested?  
How can we hit these physical and financial targets?

**QMS**



Conference



Regional Events



Workshops





Thank you  
for  
listening!



# RISING TO THE CHALLENGES

TUESDAY 17<sup>TH</sup> MAY AT AIRTH CASTLE, NEAR FALKIRK

A BEEF AND SHEEP INDUSTRY CONFERENCE

 @qmscotland