



A Guide to Good Practice

Commercial Marketing

On Upland and Moorland Commons



The Federation of Yorkshire Commoners and Moorland Graziers aims:

1. To be a representative voice to support and protect the commons
2. To support better collaboration amongst commoners
3. To ensure that hill farming on common land is a worthwhile and viable activity
4. To promote positive management of the environment by commoners
5. To improve public understanding of the commons
6. To these ends, to engage with all interested parties to put forward the case of the commoners in a vigorous and constructive manner.

The Federation has prepared a series of 'Guides to Good Practice' which are intended to help commoners to deal with selected key issues. The Guides aim to share experience from different commons and to help commoners understand how others approach key issues.

Guides to Good Practice have been prepared for the following subjects:

Vegetation Management	
Management Planning	Marketing
Agri-environment Schemes	Managing Animal Health
	<u>Commercial Marketing</u>

The guides to Vegetation Management, Management Planning, Agri-environment Schemes and Marketing consists of a 2 page summary together with the main guide, while the guides to Managing Animal Health and Commercial Marketing consist of main guide only.

It is intended that the Guides will be updated on a regular basis, as new information is gathered and new policies or advice are introduced. Please contact the

administrator of the Federation with any comments or suggestions.

The other Guides are available from:

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This is the summary of a guide which is intended as a useful source of advice and information for members of the Federation of Yorkshire Commoners and Moorland Graziers, and others, who are considering entering into an Environmental Stewardship agreement and hopes to assist the decision making process.

1. Livestock production across the country has been in decline for many years. This was hastened by FMD, but livestock markets have since recovered, especially in the main livestock farming areas, such as Cumbria.
2. Direct niche marketing probably accounts for 1-4% of total UK sheep output. It is important to those involved, and is likely to grow steadily. However, it is unlikely to provide the main market demand, in the foreseeable future. The Federation has produced another Guide on Direct Marketing through farm shops, farmers' markets and direct marketing initiatives.
3. The export market accounts for about 45% of hill lambs in the UK and is likely to be of growing importance. Exports have increased dramatically in recent years and the immediate outlook is favourable. This has been caused by production problems in southern Europe (eg blue tongue disease and dry summers) and a devaluing trend for sterling against the Euro.

North European markets (mainly to France) account for over 90% on a weight basis of UK sheep exports. These markets take lambs at 38-44 kg and require lean carcasses with enhanced conformation (ie rounder leg shape, fuller loins and enhanced shoulder muscling). This requires crossing with terminal sires.

South European markets are still relatively small in terms of tonnage. But they are important because they take light lambs (20-38 kg liveweight) and therefore provide a good market for pure hill lambs.

4. The retail home market accounts for about 20% of hill lambs in the UK.

After FMD, many major retailers introduced a range of products designed to generate demand for hill lambs. Some continue to operate these schemes. All retailers require high quality lamb, usually with carcasses of 16-20 kg deadweight. In 2001, 64% met this target range. These schemes are often linked to Welsh lamb, which has a strong brand identity. However there has been some overspill demand for other hill lamb.

Independent butchers supply about 25-30% of lamb. Tesco's (19% of market share) and Sainsbury's (14%) continue to offer Welsh mountain lamb. ASDA (14%) also buys hill lambs direct. Other supermarkets also have schemes.

5. The UK Muslim community probably accounts for over 25% of sheep meat produced in the UK and demand from ethnic communities is increasing.

Much of the ethnic market has been sourced from cull ewes, although a wide range of carcasses are accepted. There are opportunities for growth in the mutton market - of the 69,000 tons of mutton produced in 2000, 55,000 went to the muslim market.

Auction market is the preferred route for the buyers and agents who work on behalf of the companies slaughtering for the Ethnic market. There is also a small, but rapidly growing demand for quality meat.

Hill sheep are ideally suited to satisfy the ethnic market.

The demand from the UK ethnic market is steady throughout the year. However the annual Muslim festival of Eid al Adha (often known as Ramadan) causes a surge in demand and offers a major opportunity for sheep farmers. The festival is celebrated on varying dates every year, according to the Lunar calendar (it will be in Jan/Dec in the next few years. Purchasing activity should increase ten days prior to the festival.

6. If selling liveweight through an auction is your preferred route, make sure that your auction has a good portfolio of buyers and can deal with all classes and standards of stock. Auctions should carry credit insurance on all buyers. There are a number of important tips, which apply especially to auction selling but can be applied to all types of marketing.

Batch sheep evenly for size and type, many buyers are size and quality specific. Batching sheep into as level a parcel as possible will maximise potential when selling through live auction. Rams should be sold separately from whethers. Ensure sheep are clean. Dirty sheep are a source of contamination during slaughter and may result in financial penalties, in addition to fetching lower prices.

Plan your marketing to match peak demand periods associated with Christmas, Easter and Eid al Adha. Utilise pricing information, which is widely available through agricultural publications and via the Internet. Seasonal trends are often similar although the prices may increase or decrease depending on market forces. Understand the costs of marketing, including your own time and the real costs of transport.

7. Direct purchasing on a deadweight basis by processors has been on the increase over the last 20 years. Many farmers are reluctant to sell deadweight and sheep selling does lend itself more readily to the live auction. The following are the opportunities for direct selling;

Contacting an abattoir direct should prompt a visit by a representative who views the stock and explains the pricing and payment terms. The seller must be comfortable with the buyer, be sure of their financial stability, and be confident he understands the deal. Price will usually be quoted as p/kg dressed carcass weight. There will be additions and subtractions according to carcass confirmation and fat cover. In some instances it may be possible to negotiate a one off price for a parcel of sheep.

If you are not fully comfortable with a direct contract, you can work through a livestock marketing company or individual agent. These will have supply arrangements with meat companies. Pricing arrangements will be similar to direct routes. Some auctions offer a deadweight service to clients, similar to marketing companies and agents. The service may also include acting as a collection centre.

Many farmers view dead weight selling as high-risk. This can stem from bitter experience or fear of the unknown. By and large dealing with reputable companies should alleviate farmers' fears. All the issues such as carcass dressing, classification and payment, should be part of open discussion between the buyer or buyers agent. Using auction market as the broker between buyer and seller is an acceptable way of protecting your interests.

8. Cooperation with other farmers may well bring benefits, especially when marketing lambs.

Economies of scale and coordinating selling times may make buying sheep from a farmers group a more attractive prospect for a purchaser. It also places farmers in a stronger negotiating position and can

help them share staff, knowledge and equipment. Commoners could cooperate in their marketing

9. Farm Assurance is an important tool for sheep marketing, designed to give consumers confidence in British meat productions and auctioneers are reporting 5-10p/kg penalties for lambs not certified whichever route to the market is taken.

10. There are various schemes to try to improve lamb marketing. According to EBLEX, only 60% of finished lambs meet the average buyers specifications.

EBLEX run a Better Returns Programme. English Farming and Food Partnerships (EFFP) has been set up to develop areas of mutual benefit between farmers and the food industry. Breeding improvement strategies with terminal sires have made tremendous strides in improving the growth rate and carcass conformation. For hill sheep, breeding improvement has taken longer to develop, but there are now initiatives for most breeds. The Northern Upland Sheep Strategy (NUSS) runs a nationwide scheme promoting flock improvement.

The Federation of Commoners and Moorland Graziers can advise on how to proceed and arrange to bring people together for discussions.

The Federation is there to help in discussions with your fellow commoners and graziers and your Rural Development Service Advisor.

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