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Foundation**

Annexes

for

Local Food – Local Plates

Prepared for

The Southern Upland Partnership

GCAT High Street

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southern uplands partnership
living land, living community

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The Livestock and Meat Sector
In Dumfries & Galloway

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Prepared For
Adam Wellings
Consulting Limited

MLC Industry Consulting

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Industry Consulting

Consultants to the meat industry

1.0 INTRODUCTION

This report was commissioned following discussion with Adam Wellings Consulting Limited to determine the requirements of the study. It was MLC Industry Consulting's understanding that an overview of the meat and livestock sector in the Dumfries & Galloway area was required. With the use of the extensive knowledge and resources held by MLC Industry Consulting, a general picture of the meat and livestock industry in the region has been formed.

The initial section of the report focuses on the livestock sector within the UK and Scotland, bringing contextual issues to the fore where necessary. The following section analyses the livestock industry's situation with specific regard to the Dumfries & Galloway area, with reference to the likely number of finished stock coming forward for slaughter annually.

This information is then considered in the final section when reviewing the abattoirs that are likely to be servicing the region. These include plants that are situated both within Dumfries & Galloway and those that are sited further afield.

2.0 BACKGROUND TO LIVESTOCK PRODUCTION – A NATIONAL CONTEXT

2.1 Developments In Livestock Production In The UK And Scotland

Declining Livestock Numbers

Since the beginning of the 1990's, a succession of major EU policy changes have been introduced which have affected the development of agriculture in the UK. The introduction of the Single Market from January 1993 necessitated the replacement of the variable premium support systems in the cattle and sheep sectors and the abolition of the monetary compensatory amounts (MCA) system (these acted to offset currency movements through a system of taxes and subsidies on traded meat and livestock). Additionally, the introduction of headage limits for eligibility of subsidies on cattle and sheep effectively capped the expansion of herds/flocks that had been occurring since the late 1970's.

The combined effects of these gradual policy changes that occurred in the agricultural industry between 1993 to 2004, coupled with the significant impacts of the BSE crisis, swine vesicular disease and the 2001 Foot and Mouth (FMD) crisis, have caused livestock numbers to decline throughout the UK.

Livestock numbers decreased significantly between 2000 and 2002, which could mainly be attributed to the FMD crisis in 2001. Although the reduction has since levelled off, the total number of cattle, sheep and pigs generally appears to be experiencing continued reduction.

Table 1: UK Total Livestock Numbers:

	2002	2004	2005	% Change 02/05
	<i>'000 head</i>			
Total cattle and calves	10,368	10,603	10,378	+ 0.1
Total sheep and lambs	35,824	35,890	35,253	- 1.6
Total Pigs	5,588	5,161	4,851	- 13.1

Source: Defra June Census

The figures shown in Table 1 indicate that the cattle and calf population in the UK increased marginally over the 2002 to 2005 period, whilst the number of sheep decreased slightly. The 2004 to 2005 period however showed that the widely predicted national downfall in total cattle and sheep numbers came to fruition. The fall during this period was widely attributed to economic factors (see below), rather than due to the effects of disease outbreaks.

The fall in both the total number of pigs and breeding pigs in the UK has been consistent over recent years and does not appear to be levelling out to any extent. Once again this appears to be as a result of the tight economics of UK pig production, which remains under continuous pressure by imports of pig meat and pig meat products.

Table 2: UK Breeding Numbers:

		2002	2004	2005	% Change 02/05
		<i>'000 head</i>			
Breeding cows	Beef Cows	1,657	1,739	1,768	+ 6.7
	Dairy Cows	2,227	2,131	2,065	- 7.3
Breeding sheep flock		17,630	17,665	16,990	- 4.5
Breeding pig herd		558	515	470	- 16.2

Source: Defra June Census

Table 2 highlights that the number of breeding beef cows increased between 2002 and 2005 by nearly 7%. The breeding dairy cow population on the other hand experienced a decrease of approximately the same amount. Despite seeing an upturn in breeding sheep numbers in 2004, the breeding sheep flock on average decreased over the 2002 to 2005 period.

Overall, the general declining trend in UK livestock numbers is expected to continue in the immediate future as a result of the several combined effects (see below).

Tables 3 and 4 shows recent changes in the cattle, sheep and pig populations within Scotland.

Table 3: Scottish Total Livestock Numbers:

		2002	2003	2004	% Change 02/04
		<i>'000 head</i>			
Total cattle and calves		1,935	1,948	1,964	- 1.5
Total sheep and lambs		8,063	8,041	8,055	- 0.1
Total Pigs		526	489	472	- 10.3

Source: Scottish Executive June Census

The total cattle and sheep populations in Scotland decreased marginally over the 2002 to 2004 period. The total number of pigs also decreased over the period, although to a much greater degree. The fall in pigs similarly reflected that of the situation in the UK as a whole.

Table 4: Scottish Breeding Numbers:

		2002	2003	2004	% Change 02/04
		<i>'000 head</i>			
Total Breeding cows	Beef Cows	489	490	496	+ 1.4
	Dairy Cows	199	199	197	- 1.0
Breeding sheep flock		3,222	3,208	3,210	- 0.4
Breeding pig herd		56	50	49	- 12.5

Source: Scottish Executive June Census

The fall in the total number of breeding pigs once again reflected the fall experienced in the UK, albeit at a slightly lesser rate. Although the number of breeding dairy cattle fell over the 2002 to 2004 period, the number of breeding beef cattle rose slightly by 1.4%.

The Common Agricultural Policy (CAP)

January 2005 saw the commencement of the latest reform of the CAP. The reform was agreed in 2003 and has proved to be one of the most radical overhauls of the EU's farm support system. The underlying principle of the new CAP approach revolves around the 'decoupling' of farm support measures. Previously the CAP delivered financial assistance to farmers based on their production levels; hence support was 'coupled' to production. The new approach has broken this link and (in theory) future support payments will be based on environmental and biodiversity objectives rather than commodity output. These new objectives have been categorised under the term 'Cross Compliance'. The new method of distributing these agricultural support payments is known as the Single Payment Scheme (SPS).

It is now also possible for farmers to gain additional methods of financial reward by signing up to various agri-environmental stewardship schemes that demand standards over and above Cross Compliance to be met. In Scotland such schemes include the Rural Stewardship Scheme (RSS) and the recently introduced Land Management Contracts (LMC's) scheme.

The situation within the four devolved regions of the UK differs somewhat when the specifics of implementing the reformed CAP is analysed. Where as England has chosen to implement its SPS on a transitional basis (where historic claims by an applicant will become less relevant over the coming years), Scotland has taken the historic claims approach to implementing farm support payments (the claims made over the 2000-2002 period and the area farmed during this time are used to calculate an individuals entitlement).

Another significant move made by Scotland with regards to the CAP reform was the decision to initiate a Beef National Envelope. This basically involves 10% of all SPS entitlements that were derived from historic beef claims to be redirected to a 'suckled calf scheme'. This scheme will pay a direct headage payment for every calf that is reared within a system as long as calves are either pure or three-quarter bred beef stock from suckler cows. Currently, payment is around £70 per head for the first 10 calves in a business, and £35 per head for any subsequent claims. No other devolved region in the UK chose to implement any sort of National Envelope mechanism.

It is widely recognised that EU farm commodities will in future be exposed to the world markets more so than ever before. Even though the latest round of WTO negotiations, which ended in Hong Kong in December 2005 only produced agreement on the 'modalities' around which future negotiations should proceed, it is widely expected that the EU market will continue to become more open to imports from developing countries. This in turn is expected to cause greater price fluctuations of EU farm produce. With specific regard to the UK livestock sector, such enhanced competition and the CAP reform is likely to cause significant changes to the number, distribution and size of producers. This will be further complicated within the UK by the varying policy approaches taken by the devolved Governments in England, Scotland, Wales and Northern Ireland.

Weak Livestock Prices

In the period between 1996 and 2005, the cattle and sheep sectors have suffered from relatively low annual average prices for slaughter stock. The low prices have been the combined result of a number of factors including world-trading problems, health scares, and for a period oversupply in a situation of weak demand. e.g. with beef after the BSE crisis. See Table 5 and Figure 1.

Table 5: GB Slaughter Livestock Prices – 1995 to 2005:

	Steers (p per kg dw)	Sheep (p per kg lw) SQQ
1995	225	111
1996	193	133
1997	179	121
1998	162	90
1999	175	84
2000	171	87
2001	166	N/a - FMD
2002	171	107
2003	176	120
2004	188	118
2005	189	112
Average 1995 to 2005	181.4	108.3

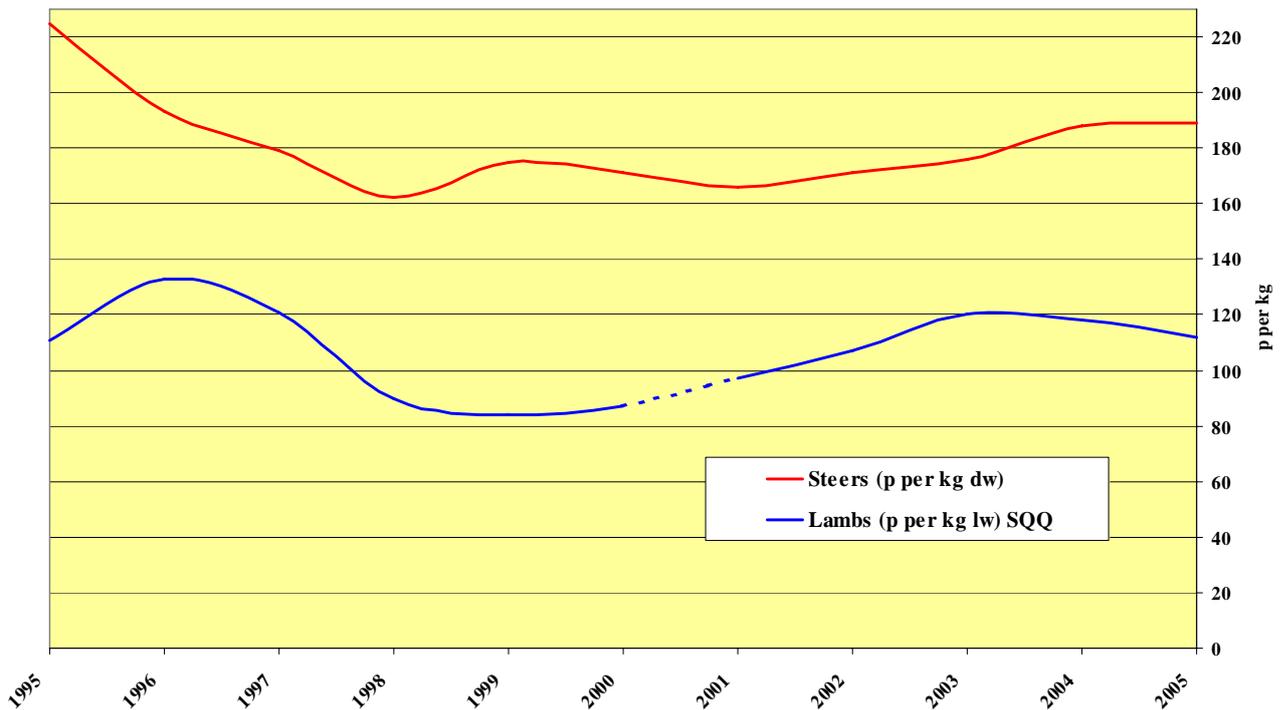
Source: MLC

In the last two years average annual GB prices for cattle and sheep slaughter stock have showed signs of a small recovery. However, such trends have been accompanied by significant periodic weakening in livestock prices, as occurred in the UK cattle market in autumn 2005.

The low livestock prices in GB have continuously threatened the survival of many livestock businesses due to the low levels of profitability that such trading conditions cause. Recent years have also seen dramatic increases in many of the primary enterprise inputs required for livestock production (most notably fertiliser and diesel fuel), resulting in further pressure on the already precarious financial viability of livestock production.

The average prices for finished Scottish cattle are often higher than the GB average prices. Scotland has traditionally prided itself on selling its beef with price enhancing attributes, enabling slight premiums to be gained even on commercially produced stock. At the time of writing, finished Scottish cattle (grading R4L) were experiencing a price premium of approximately 5p/kg/dw more than the GB average, or approximately 7p/kg/dw more than the English & Welsh average.

Figure 1: GB Slaughter Livestock Prices – 1995 to 2005:



Source: MLC

Note: No data available for lamb prices in 2001 due to FMD (expressed as a dotted line)

Over recent years, the direct subsidy based on a headage payment system for beef cattle and sheep has sometimes caused the values of stock to be artificially high. Although this could never be directly seen, it was apparent that many transactions of breeding and store stock were taking place at certain times and at certain prices purely for the ability to claim livestock headage payments. Now that the headage payment system has been superseded by a new look approach to the CAP (described above), market forces alone will increasingly determine livestock values. It is at this stage unclear whether the Scottish suckled calf headage payment (see above) will significantly affect the price of suckler cattle in Scotland.

Increases In Deadweight Selling

Stock sold through the deadweight system can either be sold direct to the buyers at the main abattoirs, through their field representatives (often dealers in their own right) or through livestock procurement groups often owned and run by farmers.

The latest information on the national share of primary livestock marketings is shown in Table 6. Cattle numbers through livestock markets have recovered by more than many expected after the 2001 FMD crisis, although sheep sales have slipped since 2003. Similar information is not available for Dumfries & Galloway specifically. However, it is estimated that the situation will reflect the national trends for cattle, sheep and pigs.

Table 6: GB Slaughtering Analysed by Marketing Type (Percentage Breakdown) – 1999 to 2004:

		1999	2000	2002	2003	2004
Cattle	<i>Liveweight</i>	42.9	39.4	12.8	20.2	22.9
	<i>Deadweight</i>	57.1	60.6	87.2	79.8	77.1
Sheep	<i>Liveweight</i>	52.4	54.1	29.8	47.6	43.0
	<i>Deadweight</i>	47.6	45.9	70.2	52.4	57.0
Pigs	<i>Liveweight</i>	3.6	3.7	0.5	0.8	0.8
	<i>Deadweight</i>	96.4	96.3	99.5	99.2	99.2

Source: MLC

Disease Related Factors Concerning The Development Of Livestock Production

The BSE crisis of the mid-1990's was by far the most significant factor in the development of cattle production in recent times. The economic impacts to the UK livestock industry that arose as a result this catastrophe are far reaching and in many ways are immeasurable. The cost to the industry of the crisis is still on going today, a whole decade after older cattle were banned from the human food chain. However, it is finally hoped that all of the events that arose from the BSE crisis are coming to a conclusion. The latest step towards achieving 'normal' beef trading conditions in the UK is the reintroduction of Over Thirty Month (OTM) old beef into the human food chain. This will not only revitalise the previously lost 'cow beef' market domestically, but will also act as a catalyst to allow UK beef exports to be resumed once again (hoped to be by mid-2006).

The UK Foot and Mouth (FMD) outbreak of 2001 directly affected Scotland in terms of on-farm disease occurrence, as it did the UK as a whole. The UK stocking rates were greatly reduced by the culling that took place in 2001 (see previous comments), whilst livestock bio-security legislation has since engulfed English, Scottish and Welsh producers alike in the hope of avoiding a repeat of the disaster in future years.

Bovine Tuberculosis (Bovine TB) is becoming an increasingly prevalent disease in Great Britain and as such is causing great concern to cattle producers and traders alike. In order to control the disease, in autumn 2005 the Scottish Executive introduced compulsory pre and post movement Bovine TB testing for all cattle that are leaving 1 to 2 year testing parishes. The ruling applies to all cattle over 42 days old that are moving into a Scottish herd. Of financial significance to the producers of cattle is the fact that the herd owner must pay for, and arrange, the pre and post movement TB testing. England is also introducing pre-movement testing rules for cattle as from 20th February 2006.

2.2 The Future Of UK Livestock Production Within National Context

The likely effects on future livestock production as a result of the CAP reform are very difficult to predict, especially so on a regional basis. Nationally, it is generally assumed that producers will take a 'wait and see' approach over the effects of CAP reform before making any significant changes to their stocking and cropping plans.

The speed of the industry to react to the effects of the new approach to the CAP may also be delayed in Scotland as a result of the 'historic' approach to distributing the SPS (see section 2.1). Therefore Scottish producers will effectively be receiving similar levels of CAP payments to those that have been claimed historically. Also, the proportion of the Single Payment that is invested to improve business efficiency, as opposed to an income stream, will help to determine the future economic prosperity of livestock production.

The other change that the industry has been faced with is the lifting of the Over Thirty Months (OTM) Ban, although clearly the effects of this will only challenge the cattle sector. The end of the OTM ruling has also hastened the need for a prompt recovery of UK beef export markets. It is widely viewed that beef exports will have resumed by mid-2006 (see section 2.1).

Despite these uncertain issues, some livestock production trends can be predicted in the short term (focusing on the situation in 2006) for the UK.

It is clear that the dairy herd on a national (UK) scale will continue to experience a population decrease. This is predominately as a result of the continued tight margins and low milk price being experienced by the sector at present (hence, the increase in the average herd size as the drive for better 'economies of scale' is realised).

On the beef side, it is unlikely that the breeding herd will either increase or decrease during 2006 based on the fact that cull cow disposals in 2005 were in line with expectations. During 2006, the number of prime cattle being slaughtered is expected to decrease by 4%, although overall beef production is expected to be up 15% on 2005 as a result of OTM cattle being reintroduced into the food chain.

For sheep, the early indications suggest that there is likely to be a marginal decline in 2006 of total breeding sheep numbers on a UK basis. This is predicted as a result of the lower number of ewe lamb retentions in 2005. Lamb slaughterings are also expected to experience a decrease in 2006 (approximately 4%) as a result of the smaller national flock and predicted lower lambing rate than 2005. It is likely that sheep meat imports are to increase when the forecasted drop in domestic production is combined with the expected increase in UK sheep exports.

Pig production is one of the few sectors that has been excused from the uncertainty of CAP reform and decoupling. This has contributed to the relative period of stability that the pig industry has been experiencing of late. From a UK production point of view, the desirable level of sow productivity is helping to offset the smaller breeding herd. Therefore, total pig production in 2006 is expected to be unchanged from 2005 on a tonnage basis.

Given the uncertainty of the changes described above, it is more difficult than usual to predict future livestock prices to any degree of accuracy. Clearly, the production and output of livestock will affect prices on both a regional and national basis. However, with increasing trade liberalisation on a global scale it is inevitable that additional competition from overseas supplies will occur, which in turn suggests that significant or long-term price rises are unlikely.

3.0 LIVESTOCK PRODUCTION IN DUMFRIES & GALLOWAY

3.1 Analysis Of Livestock Populations And Holdings In Dumfries & Galloway

The following section helps to highlight the distribution of cattle, sheep and pig populations and species-specific holdings within Dumfries & Galloway.

For the purposes of the exercise, the total numbers of cattle, sheep and pigs have been analysed initially in Table 7. Attention is also drawn to the number of livestock holdings in the region. Subsequent discussion focuses on the breeding stock present in Dumfries & Galloway.

**Table 7: Total Cattle, Sheep and Pig Populations
In Dumfries & Galloway - 2004:**

	Total Cattle (Head)	Total Cattle Holdings	Total Sheep (Head)	Total Sheep Holdings	Total Pigs (Head)	Total Pig Holdings
Dumfries & Galloway	427,580	1,841	1,128,133	1,262	15,450	57
Scotland	1,964,184	13,949	8,055,235	15,899	471,740	798
Dumfries & Galloway As % Of Scotland	21.77	13.20	14.00	7.94	3.28	7.14

Source: Scottish Executive June Census

As Table 7 indicates, the Dumfries & Galloway region holds a considerable proportion of the total cattle population in Scotland. The region's share of all Scottish cattle holdings is lower than the proportion of cattle present, suggesting that the average cattle holding in Dumfries & Galloway is larger than the average Scottish cattle holding.

The total number of sheep present in Dumfries & Galloway is also significant in a national context, with 14% of all Scottish sheep being situated here. Once again, the region holds a lower proportion of Scottish sheep holdings, suggesting that there are fewer larger sheep holdings present in Dumfries & Galloway than in Scotland generally.

The information on the number of pigs in the region shows that Dumfries & Galloway held a relatively insignificant 3.28% of all the pigs in Scotland in 2004. In turn, figures from the same year indicated that Scotland as a nation only held a small proportion of the total pig population in the UK (approximately 9.0 %).

**Table 8: Total Breeding Cattle and Sheep
In Dumfries & Galloway - 2004:**

		2002	2003	2004	<i>% Change 2002 to 2004</i>
Breeding Cattle Herd	<i>Beef Cows</i>	84,938	88,822	89,000	+ 4.8
	<i>Dairy Cows</i>	64,386	66,093	55,535	- 13.7
Total Breeding Ewes		386,510	415,204	429,644	+ 11.2
Total Breeding Pigs		782	1,207	1,364	+ 74.4

Source: Scottish Executive June Census

The recent trends in the breeding livestock population in Dumfries & Galloway indicate that the total population of breeding ewes experienced increases totalling 11.2% over the 2002 to 2004 period. This trend was contrary to the situation that was occurring in both Scotland and the UK during this same period (see section 2.1).

Whilst all breeding cows experienced an upturn in numbers during 2002 to 2003, only the beef cows continued to increase into 2004. The population of dairy cows decreased during the 2003 to 2004 period by some 16%.

The increase in the number of breeding pigs was most notable amongst all of the red meat species. During the 2002 to 2005 period, the population of breeding pigs in Dumfries & Galloway expanded by over 74%. This remarkable development goes somewhat against the Scottish and UK breeding pig trends over the same period (see section 2.1). It must however be noted that the Scottish breeding pig population in 2004 was over 49,000 head, putting the size of the Dumfries & Galloway breeding herd into context even after its expansion.

3.2 Total Cattle And Sheep Meat Produced In Dumfries & Galloway

There is no definitive source of information to indicate the total number of livestock entering the meat supply chain from any specific region. Any such data is only collected on a national basis and therefore doesn't indicate where the slaughter animals regionally originated. However, the following analysis forms an estimation of the number of cattle and sheep meat animals from the Dumfries & Galloway area that are entering the meat supply chain. These estimations are based on the latest obtainable livestock population figures as reviewed in the previous subsections.

(No calculation is performed to estimate the likely number of pigs coming forward for slaughter from the region due to the apparent insignificant size of the pig industry in Dumfries & Galloway within a national context – see section 3.1).

By using the ratio of **stock numbers on GB farms** to the **GB slaughtering throughput**, the number of livestock that will come forward for slaughter (for human consumption) can be estimated on a national basis. The principle of this calculation can also be used to establish the quantity of livestock coming forward each year for slaughter within Dumfries & Galloway, and are expressed below accordingly.

Finished Cattle In Dumfries & Galloway - 2004

The basis for the calculation is as follows:

On a GB basis, the dairy and suckler cow populations are deducted from the total number of cattle on farm to give a residual figure. This is then multiplied by 0.40 (national coefficient) to total the 2004 GB cattle slaughterings.

The same calculation for Dumfries & Galloway gives the following:

Total cattle: 427,580

Less

Dairy cows: 55,535

Beef Suckler cows: 89,000

= Cattle available for beef = 283,045

(Not all of which would have been finished or slaughtered in 2004)

Using the national coefficient given above, the *gross indigenous production* (GIP)
= 283,045 (0.40)

= 113,000 cattle available for human consumption in 2004.

Finished Sheep In Dumfries & Galloway - 2004

The basis for the calculation is as follows:

On a GB basis, the breeding ewe population is deducted from the total number of sheep to give a residual figure. This is then multiplied by 0.74 (national coefficient) to total the 2004 GB cattle slaughterings.

The same calculation for Dumfries & Galloway gives the following:

Total sheep: 1,128,133

Less

Breeding ewes: 429,644

= Sheep available = 698,489

(not all of which were finished or slaughtered in 2004)

Using the national coefficient given above, the *gross indigenous production* (GIP)
= 698,489 (0.74)

= 517,000 sheep available for human consumption in 2004.

4.0 ABATTOIRS SERVICING DUMFRIES & GALLOWAY

4.1 Abattoirs Within Dumfries & Galloway

The latest data available to MLC Industry Consulting indicates that there are only two operational red meat abattoirs situated in the area of Dumfries & Galloway. These are:

- ***Geo D Vivers & Sons***, Annan
- ***W Taylor Ltd***, Lockerbie

The plant run by ***Vivers*** at Annan is classed under MLC's size classification system as being a 'medium' size operation (therefore has an annual European Livestock Unit kill of between 5,000 and 30,000 units*) and processes sheep only. The facility also has a co-located red meat cutting plant. It is believed that this plant is mainly involved in killing sheep for the export market and in the past has been seasonal in its operation (i.e. being closed at those times of the year when there are fewer lambs available).

The size of ***Taylor's*** operation is classified as being 'small', meaning that only 1,000 to 5,000 European Livestock Units are being processed through the plant each year. Unlike the Vivers' plant, Taylor's do not have a co-located red meat cutting plant on the same site as the abattoir. The plant is a small multi-species facility killing cattle, sheep and pigs.

Until 2005, another abattoir classified as being 'small' was being operated at Castle Douglas slaughtering cattle and sheep under the 'Buccleuch' brand, however slaughtering activity now appears to have ceased. As far as can be determined, Buccleuch are still operating a licensed cutting facility from the site, as well as maintaining a separate cutting plant also in Castle Douglas.

**1 European Livestock Unit represents; 1 cow, 2 calves, 10 sheep or 5 pigs.*

4.2 Other Abattoirs Servicing Dumfries & Galloway

The central belt of Scotland is serviced by a number of abattoirs, many of whom are thought to be procuring stock from Dumfries & Galloway.

4.2.1 Cattle Abattoirs Slaughtering Livestock From Dumfries & Galloway

Within the northern parts of Ayrshire and Lanarkshire (including the Glasgow area), there are the large cattle plants (defined as those slaughtering more than 30,000) of:

Topcut (AKS)
Highland Meats

There are also smaller multi species plants of:

Wishaw Abattoir
Sandyford Abattoir (Glasgow)
J Chapman

In the southern part of Perth, Stirling and Falkirk there are the large cattle plants of:

ABP Perth
Scotbeef

Plus the multi species plant of:

R Y Henderson

To the east there is the small multi species facility of:

Scottish Borders Abattoir

The combined slaughterings of cattle of these 9 Scottish plants in 2004/05 was over 270,000. This compares with the combined cattle slaughterings of the 3 abattoirs in Dumfries & Galloway in 2004/05 of just under 6,000 head. Total cattle slaughterings in Great Britain in the same year were about 1.8 million.

To the south there is a medium sized abattoir in Carlisle (**West Scottish Lamb**) plus two large cattle slaughter plants in Lancashire, those of **Rose County** (Dungannon) and **Woodheads**. The **Kepak** plant at (Preston) may also be procuring stock from Dumfries & Galloway.

4.2.2 Sheep Abattoirs Slaughtering Livestock From Dumfries & Galloway

In the same areas of Scotland (as defined in the cattle section above) the sheep sector is today less well serviced following the closure of the only large abattoir killing sheep (defined as killing more than 300,000 annually) of **ABP** (Bathgate). The only remaining abattoirs killing a sizeable number of sheep are those of:

Scotbeef
Sandyford Abattoir

Smaller numbers of sheep are killed at:

Wishaw Abattoir
R Y Henderson
J Chapman
Scottish Borders Abattoir

The combined slaughtering of these 6 plants (excluding ABP) in 2004/05 was just over 310,000 head. This compares with the combined sheep slaughterings of the 3 abattoirs in Dumfries & Galloway in 2004/05 of just over 175,000. Total sheep slaughtering in Great Britain in the same year were about 14.9 million.

To the south, the nearby medium sized abattoir of (**West Scottish Lamb**) will be procuring a large number of sheep from Dumfries & Galloway; further south there are three large sheep abattoirs, **Kepak** and **Woodhead** in Lancashire and **Welsh Country Foods** on Anglesey that will also be procuring a large number of sheep

from Dumfries & Galloway. Between them, these 4 plants slaughtered over 2.2 million sheep in 2004/05

4.2.3 Pigs Abattoirs Slaughtering Livestock From Dumfries & Galloway

In the same areas of Scotland (as defined in the cattle and sheep section above), there was one large abattoir killing pigs, that of **Grampian Country Foods/Halls**. The second largest pig abattoir was **J Robertson** (Ardrossan), with smaller numbers being killed at:

Wishaw Abattoir

Sandyford

Scottish Borders Abattoir

J Chapman

Ramsay of Carluke

These abattoirs, plus Taylor's in Dumfries & Galloway that killed only a very a small number of pigs, slaughtered over 314,000 pigs in 2004/05. Total pig slaughterings in Great Britain in the same year were about 7.9 million.

APPENDIX 1 – DUMFRIES & GALLOWAY



Dumfries and Galloway Additional Notes:

1. Livestock Markets in Dumfries and Galloway and Area

The major livestock markets selling finished stock in Dumfries and Galloway (DG) that were recorded by MLC in 2004 (latest full year available) were:

- Dumfries
- Lockerbie
- Newton Stewart

These markets were price-reporting centres. In addition the market at Castle Douglas also sold a small number of finished cattle and sheep (but these were not recorded by MLC).

Recorded throughputs 2004:

	Cattle	Sheep	Ewes
Dumfries	5535	84,290	24,761
Lockerbie	*	38,626	3,821
Newton Stewart	0	61,406	180

Note: * the small number of cattle sales were not recorded for price reporting purposes

There were also five nearest livestock markets that all could be regularly pulling stock from DG, these were:

	Cattle	Sheep	Ewes
Ayr	5697	115,961	0
Longtown	4942	276,915	202,242
Carlisle	8317	113,015	10,732
Newton St Boswell	14,687	164,736	32,668
Lanark	5162	84,668	18,405

The figures for liveweight cattle marketings can be related to the estimate of 113,000 cattle available for human consumption from DG, if we make a number of assumptions.

1. Assume that the total marketed liveweight in DG is about = 6500 (allowing for the smaller markets and private treaty).
2. Assume that 20% of the cattle sold in the nearby markets come from DG = 7,761.
3. Of the sub total, 14,261, assume that this is 23% of the stock marketed (live/dead). Therefore total = 62,004

I know this is a bit rough but it is a sort of further evidence that a large number of DG cattle are sold as stores.

2. Main Customers of the Large Abattoirs

The information that we have about the major large customers of the

large Scottish abattoirs and others mentioned in the previous report was as follows:

Name of plant	Main customer	
Scotland	Beef	Lamb
Topcut AKS	<ul style="list-style-type: none"> • ? 	
Highland Meats	<ul style="list-style-type: none"> • Asda; • Scotch Beef previously for Safeway 	
G D Vivers		<ul style="list-style-type: none"> • Mainly export – very seasonal
ABP Perth	<ul style="list-style-type: none"> • Asda, special beef, and minced through Wessex Foods, plus new cutting/pack plant at Doncaster • Sainsbury – Scotch Beef • Somerfield - some 	
Scotbeef	<ul style="list-style-type: none"> • M&S 	<ul style="list-style-type: none"> • M&S
R Y Henderson	<ul style="list-style-type: none"> • 'May' beef – Sainsbury • traditional? 	<ul style="list-style-type: none"> • traditional?
Sandyford	<ul style="list-style-type: none"> • traditional 	<ul style="list-style-type: none"> • traditional?
Wishaw	<ul style="list-style-type: none"> • traditional ? 	
Scottish Borders	<ul style="list-style-type: none"> • traditional ? 	
J Chapman	<ul style="list-style-type: none"> • Own butchers shops and traditional 	
Others		
McIntosh Donald	<ul style="list-style-type: none"> • Tesco – Scotch Beef 	
ABP Ellsmere	<ul style="list-style-type: none"> • Sainsbury 	
		<ul style="list-style-type: none"> • Scottish lamb packed for Tesco at Grampian/Halls – from various abattoirs
England		
Rose County	<ul style="list-style-type: none"> • Previously for Sainsbury – lost contract 2005 • Co-op 	
Woodheads (plus the plant at Buchan – previously Kepak is now Woodhead/Neerock - believed to be slaughtering Scottish	<ul style="list-style-type: none"> • Morrisons (plus Safeway following takeover) 	<ul style="list-style-type: none"> • Morrisons

<i>lamb)</i>		
<i>Kepak (Preston)</i>	<ul style="list-style-type: none"> • Budgens • Traditional • Large food service 	
<i>West Scottish Lamb</i>	<ul style="list-style-type: none"> • traditional 	<ul style="list-style-type: none"> • traditional plus export
<i>Welsh Country Food</i>		<ul style="list-style-type: none"> • Asda
Others		
<i>Oriel Jones/Dungannon</i>		<ul style="list-style-type: none"> • Sainsbury

***Note- traditional refers to the plant serving retail butchers, food service, wholesale processors plus some private slaughter but in unknown proportions and probably with no major customer.
? – No recent information***

3. Abattoirs Nearby to DG Providing a Contract Killing Service

What information we have on this suggest that the following smaller abattoirs provide service slaughter:

West Scottish Lamb – Carlisle
 Scottish Border Abattoir – Galashiels
 Mckintyre – N Yorks
 Whitley Bay – N Newcastle
 Coast and County - N Newcastle
 J & D Graham/ black Brow Abattoir– Wigton, Cumbria
 Airey – Grange over Sands -S Cumbria

Uncertain:

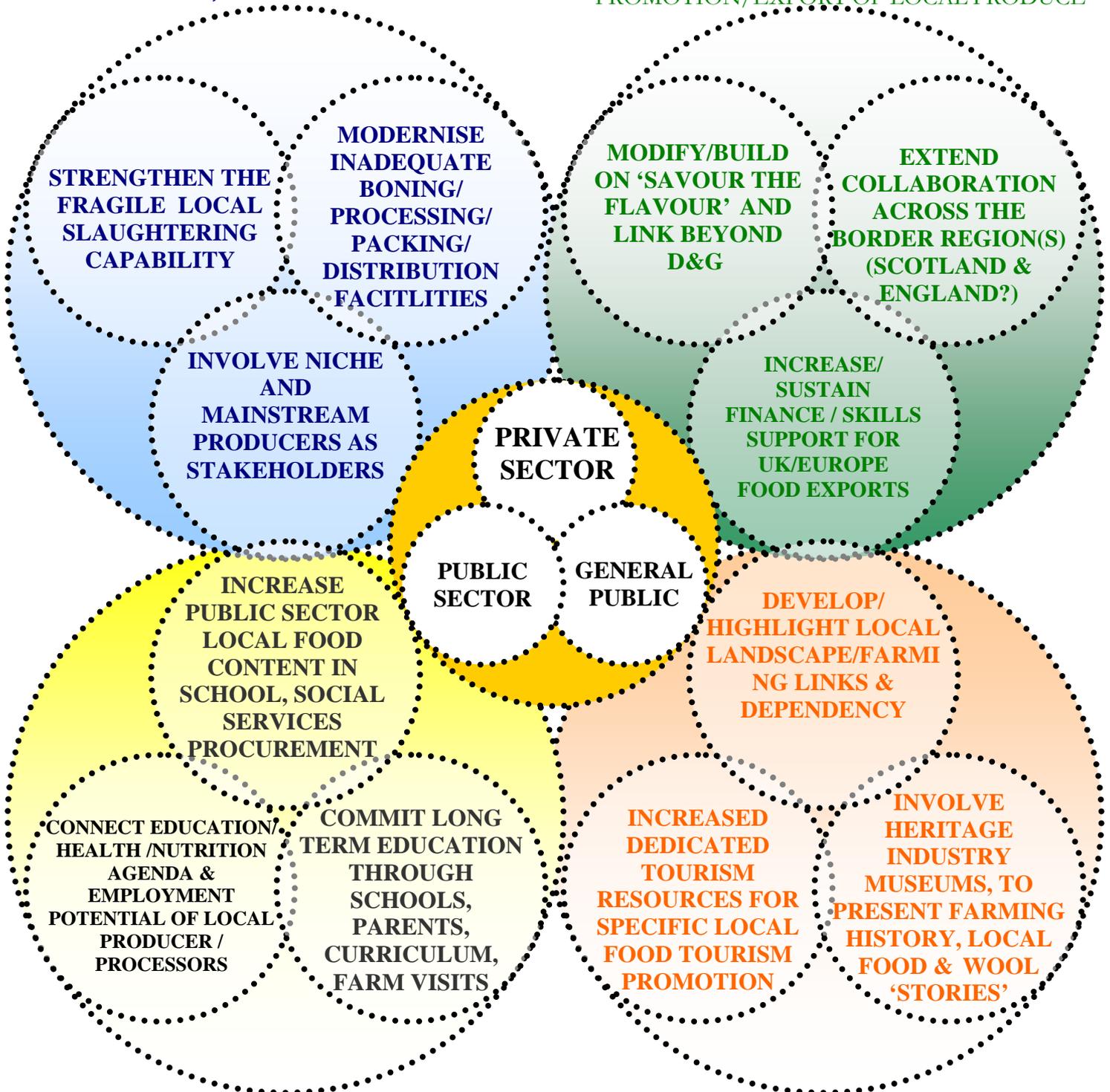
*R Y Henderson - Linthgow
 AK Stoddart (Topcut)
 Wishaw – Strathclyde
 Carmichael Estate – Biggar – sheep - v small*

LOCAL FOOD/LOCAL PLATES

RECOMMENDED OVERALL STRATEGIC OBJECTIVES AND ACTIONS TO REMOBILISE D&G'S LOCAL MEAT CHAIN

1. REVITALISING/ADDING VALUE TO THE CORE, LOCAL FOOD CHAIN

2. INCREASING MARKETING / PROMOTION/EXPORT OF LOCAL PRODUCE



3. STRENGTHENING PUBLIC SECTOR COLLABORATION/LOCAL FOOD PURCHASING AND EMPLOYMENT CREATION

4. INTEGRATING LOCAL HERITAGE / FOOD/TOURISM SECTORS PROMOTION

LOCAL FOOD LOCAL PLATES – SUMMARY CONCLUSIONS

Strategic theme	Primary Outputs	Basic comments, conclusions, general recommendations
REVITALISING/ ADDING VALUE TO THE CORE, LOCAL FOOD CHAIN	Strengthen the fragile local slaughtering capability.	D&G has one of the UK's highest animal and lowest human population densities. Over 70% of some 600,000 beasts leave D&G 'on the hoof', taking their profit. Adding value needs modernising presently overstretched, fragile food chain/slaughterhouse/ packing.
	<p>Modernise inadequate boning/processing/packing/distribution facilities.</p> <p>Involve niche mainstream producers as stakeholders.</p>	<p>Past investments in local processing have failed because of many factors, present imports from multinationals are squeezing margins, niche players are succeeding but limited, producers must be stakeholders in added value but will depend on market-led success.</p> <p>Existing facilities (auction mart, slaughter, vac pac, distribution) not located best strategically, under capitalised but essential to increase D&G produced supplies for D&G, regional & export markets.</p> <p>Shared boning, cutting, packing, distribution need mobilising.</p>
INCREASING MARKETING / PROMOTION/ EXPORT OF LOCAL PRODUCE	Modify/build on 'Savour the Flavour' and link beyond D&G.	Savour the Flavour, a good start, but name/identity weak, reach limited to few niche players being supported to export but little work on mainstream produce and requires long-term 5-yr plan and delivery through partnership and dedicated resources/skills support. Something more like 'Savour the Southern Uplands', which at least indicates the product, food, and a wider shared market reach, ideally all of Southern Uplands, N. Northumberland and N. Cumbria, should build a generic, shared brand and marketing strategy.
	<p>Extend collaboration across the Border region(s) (Scotland & England?)</p> <p>Increase/sustain finance/skills support for UK/Europe US food</p>	<p>Export markets have not returned post BSE and Foot & Mouth and might never do. Higher value niche and D&G processed foods should be pushed, both into Midlothian and English cities (London, Manchester, Birmingham etc) and into Europe/US but this needs long-term resources and regional collaboration, not fringe one-offs.</p>
REINFORCING PUBLIC SECTOR COLLABORATIVE /LOCAL FOOD PURCHASING AND EMPLOYMENT CREATION	Recognise/build on the education/health/job agenda/potential of local food chain.	Local Authorities and public sector agencies, health, education, employment, social services all have remit to enable private sector to deliver economic regeneration, local food, a shared agenda but no joined-up action despite job potential and Co2 emission reduction.
	<p>Commit to long term education through schools, parents, curriculum, farm visits.</p> <p>Increase public sector local food content in hospital, school, social services procurement.</p>	<p>Teachers, children, parents and decision-makers can all be reached by committing sustained education, literature distribution, developing curriculum and enterprise links with local rural sector highlighting local food, local identity, for real grassroots change.</p> <p>School/social services procurement has focused on 'Hungry for Success' improved nutrition delivery, little awareness of local produce potential. New procurement post offers opportunity for Co2 emission/local food/health push, learning from E. Ayr et al.</p>
INTEGRATING LOCAL HERITAGE / FOOD/TOURISM SECTORS PROMOTION	Increase dedicated tourism resources for specific local food tourism promotion.	D&G food tourism, trail, map etc a good start but little sign of commitment from local/regional tourism amongst other priorities so needs critical mass dedicated resources, post, best practice learning from elsewhere and should be extended across SU/Hadrian's Wall.
	<p>Involve heritage industry, to present farming history/local food/wool 'stories.</p> <p>Develop/highlight local landscape/farming links & dependency.</p>	<p>The Borders landscape, industry and history forged around meat, dairy, wool, farmer entrepreneurs, little of this pushed in museums, heritage or in school's curriculum/visits or in tourism. The 'story' of local identity, built on local food production needs promotion.</p> <p>The plight of local primary producers and their food chain in the face of globalisation is insidious, all components say 'they won't miss us 'til we've gone'! Without the traditional landscape, farming husbandry, processing industries D&G/Borders terminally declines.</p>

Examples of Red Meat Development Elsewhere

Mutual support will make new abattoir a cut above the others

From the Northern Echo, first published Friday 16th Aug 2002.

A NEW £1m abattoir in Wensleydale could offer the key to success for many Dales farmers.

For apart from dealing with meat for individual producers, it is also hoped the abattoir will handle larger volumes produced by local farmers and marketed by the fledgling Wensleydale Fine Foods producer group.

The abattoir will open next month after being delayed by the foot-and-mouth crisis.

It is owned by husband and wife team, Martin and Lyndsey McIntyre, who operate it on their farm at East Borwins, Bainbridge.

It replaces their previous small facility which could not be extended and which dealt only with meat for home consumption.

"The choice was to build a completely new plant or go and work for someone else," said Mr McIntyre.

"Local farmers were calling out for someone who could process their stock in this area - we are the only abattoir for 50 miles - so we began looking at what farmers wanted and how best to provide it."

Mrs McIntyre stressed that they wanted to work for everyone from individual farmers through to groups like Wensleydale Fine Foods.

"We wish to provide a service to a wide range of customers who want to bring stock to us," she said.

"In effect we will offer a "contract, kill, cut, process and pack" service which meets our customer requirements.

"It is not our intention to market or trade meat or meat products as we recognise this would be in conflict with many of our customers."

The new plant can process organic and non-organic meat and offers full traceability.

"Our computer system is capable of telling us where an animal came from, when it arrived, and where the meat was sold on to," said Mr McIntyre.

The plant attracted a £260,000 processing and marketing grant from the Government - the largest payment made to a Yorkshire-based project.

David Stirling, senior rural development advisor with DEFRA in Yorkshire, said a key aim of the grant was to help farmers meet the changing needs of the market.

It also helped develop new outlets for agricultural products and fund facilities which helped to achieve that.

"This is the largest individual grant we have made in Yorkshire and that reflects the important role which this abattoir will play in helping farmers in North Yorkshire get their produce to the consumer."

Maurice Hall, manager at Hawes Mart, and Elizabeth Hird, marketing officer for Wensleydale Fine Foods, said the opening of the abattoir was a major step forward.

It should get over the chicken and egg situation where some potential large customers would not commit until they knew there would be a steady supply which could be helped by the abattoir.

It was now up to local producers to use the facilities and to support the Wensleydale Fine Foods initiative which could result in valuable new custom.

Mr Alastair Davy, chairman of the Northern Dales Farmers' Market, attending an open day at the abattoir on Friday of last week, was impressed with what he saw and the fact that it would cut the distance animals had to go for slaughter.

"It is lovely to have one locally, especially when it is as modern as this," he said. "The least distance animals have to go the better it is for us and the animals."

The idea that it could also offer a bespoke service in special cuts for those producers selling at farmers markets was also very attractive and welcome.

The new abattoir reverses a trend which has seen the North of England lose 60pc of its abattoir capacity

[Archive Home](#)

From the Northern Echo
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Junction 38 Cutting Plant, Tebay, Cumbria

As recorded by Jennifer MacKenzie, an independent journalist; "The meat cutting plant, was the brainchild of Mr Dunning and fellow Westmorland farmer Richard Warburton – both former NFU county chairmen - and they have driven the initiative which has been funded by investment from a producer co-operative and regeneration grant aid.

The whole concept of the plant was seen as a means for local producers to carry on farming by getting a sufficient profit margin for their livestock.

Fifty farmers and others with an interest in the venture have each pledged £2,000 to join the co-operative and 40 per cent of the capital costs have come from funding agencies Rural Regeneration Cumbria, Leader + and Distinctly Cumbria. Bank borrowing has raised the remainder of the funding.

"The plant is a means for us to carry on farming by getting a sufficient profit margin for our livestock," said Steve Dunning.

"From slaughter to cutting there will be full traceability – this is what buyers are looking for. Much of the meat will go to the catering trade who are willing to pay a premium for top quality local meat.

"The Junction 38 Partnership will be the wholesaler, so there will be no middle man and the premium will come to us," he added.

To reward those producers who have been prepared to take a risk in the venture, co-operative membership will be closed.

A database of members and their stock will be kept and cattle, sheep and pigs will be sourced from what is available from the members and to maintain throughput purchases will be made at local auction marts.

Members will also benefit from receiving payment within 14 days with other suppliers being paid within 21 days.

Once the operation is into profit, the surplus will be split with 50 per cent distributed among all members and the remainder allocated on the amount of stock sold by each member. The livestock will be purchased by the partnership's sister company, Lakes and Dales Born and Bred which will find a market for the meat.

Slaughtering is at McIntyre Meats' Hawes newly built abattoir where carcasses will be bar coded before transportation for cutting and packing at Raisgill Hall, where there is also the latest computer technology, allowing complete traceability of the meat.

The new building which measures 70ft by 140ft, includes chiller rooms and freezer rooms as well as cutting and processing areas. Its construction has been managed by a neighbour of Steve's, David Garrick who has kept the project running on time.

Large capacity storage will enable cuts to be sold to customers who require big volumes of particular meats such as lamb shanks.

Half the building has two floors allowing office and other staff facilities to be on the first floor.

The plant also has preparation rooms for further processing such as sausage making and ham curing by producers themselves who hold the relevant HACCP (Hazard Analysis Critical Control Point) food safety training.

It has accreditation from the Soil Association which means that local organic producers now have a specialist facility in the county.

The plant will also cater for farmers producing only small quantities of meat for processing, such as those who sell at farmers' markets. They will be able to brand the meat with their own label.

Original plans for the venture had included an abattoir as well as a cutting plant at nearby Tebay.

However, because grant aid would not have been available for an abattoir because of competition already in the area, this idea was dropped.

The cost of the proposed development at Tebay at an estimated £1 million meant that the farmer's co-operative would have had to find half the funding.

Switching the site to Raisgill Hall enabled under EU funding rules for the value of the site to be included in the farmers' contribution, making Steve's site at Raisgill Hall ideal for the venture.

The whole idea was sparked by a remark about prices and how farmers might as well give their lambs away.

As a result, Steve and other farmers from the area offered free samples of lamb to those using the Tebay motorway service station.

The feedback from the people was good and it started what have become regular sales of Cumbrian lamb in London.

"At the time a 40kg Rough Fell lamb was selling live at auction for £29-£30 whereas a boned rolled lamb shoulder was making the same price at the London meat market, adding great value," said Mr Dunning, who rapidly saw the advantages of adding value to his product.

In the run-up to the opening of the plant, the sister company Lakes and Dales Born and Bred has been processing between 400 and 500 lambs a week which have met a ready market.

The Raisgill Hall plant has the capability of processing 1,500 lambs a day in one shift and should there be the demand it would be possible to run two shifts.

The plant at Raisgill Hall is licensed to process all species of livestock, with the exception of poultry.

Staff have been recruited. Vic Dawes, who has been with Lakes and Dales Born and Bred, is the cutting plant manager and the team is ultimately likely to number 18 people."

Millington Grange Estate, Cold Skin Farm, Millington, York, YO42 1UD

"The grant has allowed this project to proceed at a high level of operation and to establish itself as a viable business from the outset. If launched on a smaller scale, it is doubtful that

Yorkshire Beef would have been able to make the impact that it has in the quality beef supply chain"

Michael Harrison, General Manager of Yorkshire Beef Ltd.

A [Rural Enterprise Scheme](#) grant of over £107,000 was awarded to John Weatherill of Millington Grange Estate to help to expand his Yorkshire Beef Ltd operation to include other local producers in a collaborative marketing venture to improve the marketing of regionally produced Yorkshire beef.

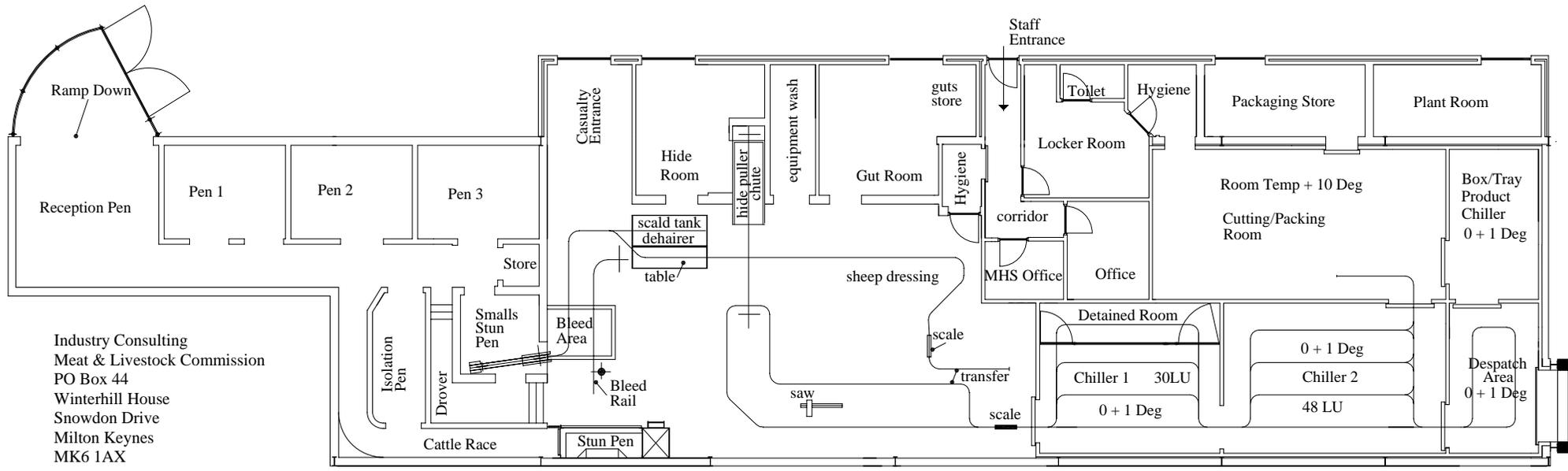


John Weatherill farms 1000 hectares of arable, beef and sheep on the Millington Grange Estate near Pocklington on the Yorkshire Wolds. He launched Yorkshire Beef Ltd in February 2001 to market his own beef. He also conceived the idea of expanding the operation to include other local producers. This concept was explored at a meeting of local farmers and butchers, which confirmed his original idea that there was a niche market for local quality produce and that people were prepared to pay for it. In June 2001 Michael Harrison was employed to develop the project. Michael established that there were enough cattle across Yorkshire that would meet the strict 'Yorkshire Beef' criteria for the project to be viable and found sufficient support for the project from farmers and the meat trade.

Consultants were engaged to develop a [Rural Enterprise Scheme](#) grant application. There were also meetings with Defra Rural Development Service staff that helped to 'fine tune' the project. As a result there were few major problems with the application when it was submitted in late 2001.

The project is going very well with results far exceeding expectations in terms of cattle slaughtered per week, number of members supplying 'Yorkshire Beef' and number of butchers selling 'Yorkshire Beef'.

The future will see strengthening of links with small local abattoirs to allow further expansion of the project. There is also the potential for further development of meat processing operations and moving from primary butchering to meat processing.



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Plan of Small Meat Plant