ResULTS project: case study G, interview 60

Telephone interview with person from agricultural industry, conducted 14th March 2019

Interviewer: I

Respondent: R

I Can you give me a bit of background about yourself and the nature of your organisation, and any involvement with upland beef and sheep production?

R I suppose to start with I’m a farmer so I grew up on a beef and sheep farm in Ireland. I have an animal science degree from UCD in Dublin. I worked for the Irish Government body as well, which is [inaudible] which does both research and knowledge exchange and knowledge transfer, so I’ve done that. I’ve worked with [inaudible] I’ve done environmental plans in the west of Ireland which were in upland areas as well. And then moved over to England about nine years ago now, worked for the National Farmers Union where I’ve worked with upland groups and beef and sheep farmers. So I did a lot of work around upland issues, more the political issues for uplands for three years.

From that I joined this organisation, we’re the [organisation 1] [section deleted to maintain anonymity]. In that role I was looking after the south-west of England where we have three main upland areas of Bodmin, Dartmoor and Exmoor, so I’ve worked with farmers across the three upland areas.

I What are the special features particular to upland areas that in your opinion should be maintained in 10-20 years?

R To me it’s community. I worry sometimes we try to instil an historic image of areas or places and there’s not room for people, so for me upland areas, what makes them what they are is the management done by people that farm and work in those areas. So it’s how do you maintain those communities and those people. That doesn’t mean it doesn’t change and evolve as time goes on but it does bring those people with you. So that for me is the main thing. Obviously there’s cultural landscapes, there’s the openness I think probably people see them as an escape into the wildlife, and into the wild sometimes. I suppose for me it is people that…

I So the aim is to keep the people in those areas and thrive in their businesses?

R Yes, and I think sometimes you need to allow for flexibility of those businesses. I think the challenge is if you try to characterise uplands as a very restrictive definition, are you no longer enabling the farmers especially to adapt to the future, because you’re constraining them with an image of the past. Are you allowing those businesses to adapt? There’s obviously some constraints, in upland areas there will be certain environmental constraints but I would worry that sometimes we put historic image and don’t let them adapt in the future, and therefore long-term that makes uplands more unsustainable rather than sustainable.

I Food systems means different things to different people. Page 2 diagram. Does that make sense, do you have any reactions to that?

R It seems to be all-encompassing. I suppose an organisation like ourselves, we’re [organisation 1] don’t fit within those neatly. In terms of how we’re funded, and [organisation 2].[section deleted to maintain anonymity] We do a lot of export work and R&D and research and knowledge exchange, so we’re not technically an association or a lobby, if that makes sense. [section deleted to maintain anonymity]

I [inaudible]

R [section deleted to maintain anonymity].

I Any other feedback on that card?

R I suppose when you go into the discussions of how they interact with each other is more of a discussion. It seems to be fairly well covered.

I What does resilience mean for you?

R For me I suppose it’s the ability to withstand pressure and adapt and change if needed. I think resilience is dealing with the environment circumstances, being able to manage them but also maybe look as well to see how you can adapt and change and move forward rather than [inaudible] Resilience to me is something, you have your business set up that can withstand periods of challenge but how you adapt and move forward I don’t think you always want to be in a challenging environment constantly, business-wise.

I Card 2, definition of resilience.

R They do make sense and I think it’s… I suppose the challenge is in terms of resilience is the resilience to shock, so they could just be a general challenge of the industry, it might be more incremental changes to your business, it could be a certain shock which requires a radical change. We still don’t know how Brexit will deliver but in terms of resilience that might be a very quick sudden change. Definition 3 might be more applicable there whereas for the second one, adapt through incremental changes, for example sheep in the uplands how do you slowly improve the breeding to meet more market specs, that’s a long-term planning, you don’t create a more marketable product overnight, you have to do better breeding, better selection, better genetics. So I think for me how you apply those resilient terms is probably more depending on the actual external factors or stresses that are placed upon them, whether they’re sudden or not.

I This is an interesting approach, number 1 and 2 long-term, number 3 immediate.

R In some respects yes, number 3 to me the way I read it is, even though it says long-term stresses I think a radical change, if you want to change that business, in respect of speed of which you make that change all boils down to how you use the word radical. If you can see the long-term trend is a changing pattern of consumption for lamb and smaller lamb steaks, well a radical change might be your breeding to solve that.

However, things like, if you look at the history of farming in England, foot and mouth and BSE, they were sudden shocks that required radical changes to adapt to make their businesses come out the other side, they have long-term effects. The main thing about farming is it’s not a short-term turnaround, it’s not short for business so farmers that are resilient are always looking to the future and always making sure they are improving. Whether they characterise themselves as resilient is a different word, there are different interpretations.

I Where is the farming upland community now in terms of resilience?

R It’s a challenging one because going off… When we look at businesses, I would say we look at the figures and we look at the financial performance but sometimes we judge them for what we see as a good return or a living standard, and I think some businesses and some farms because they have their farmhouses and they have certain bills covered, they have a lower living in expenses. I would say they’re surviving to doing ok, I think some of that is different factors and why I struggle to answer is it depends on the type of business. You have some upland farmers that are tenant farmers, so they’re paying a rent, they probably have to be more focused on their costs because of the rent to be paid, whereas owner/occupiers might have a different take because they don’t have the same level of expense.

Looking towards the future, I think there’s big challenges. All we do know is upland farms are heavily reliant on government and EU support so if that does change that will have a huge impact on their resilience. Where I struggle is if we think about the single farm payment and include that, the government support they get, are they resilient? A lot of businesses are, if you exclude that then a lot of them are not.

I How do you think resilience of upland farmers has changed and what do you think is going to happen in the next 3 and 15 years?

R I think in the next few years it’ll be surviving mainly, because of the unforeseen future at the moment and the challenges that are coming. So I think they’ll be in surviving mode, and I struggle to answer whether in 15 years’ time because of so many unknowns. I think the greatest question isn’t necessarily leaving the EU and how that’s done, I think we know that single farm payment is going to be reduced over seven years, what we don’t know is the policy that’s going to replace it.

I would be more hopeful in terms of the uplands, does seem to be recognised in government as an area that needs to be protected and helped along but until you see more of what that policy will be it’s very hard to fully appreciate. I think DEFRA do recognise upland as a special area, so they do recognise it, I think what that recognition turns into and what does the definition of public good mean, basically what will farmers be able to get money for is still unknown and that will have a big impact on the resilience of businesses and what changes will they have to make to survive.

I Card 3, resilience, functions, roles, goals. Is there anything missing from there?

R Looking after their environment would be I think for the farmer or the private business-owner, I think upland farmers do take pride in being custodians for their locality, for the environment they’re in. I’m looking mainly at the first list, private interests. I know obviously you have related to public goods and services but I think it’s both. When I speak to upland farmers, sufficient local employment opportunities, a lot of them are single sole operators but I do think they see a value in what they’re private interest in is looking after that environment.

I Is there anything missing?

R I can’t think of anything, no.

I How do you think farmers prioritise those things, what are the five most critical functions for them as it is now?

R I think 2 is very important to a lot of farmers that’s their succession. I think 1 is important to farmers. I do think number 20 is also very important. The environmental stuff is interlinked so I think number 20, which is the natural landscapes is important, I think 20 and 21 are the same in some respects depending on where they are, so I think that’s important to a lot of farmers. I do think number 2, succession is important, if that’s the business [inaudible] I think succession and number 10 can be interlinked, which is [inaudible] family and stuff.

What’s interesting, we’ve done bits of work, you actually ask farmers directly do they see profit as a key driver for the business, a large percentage would say no, they actually rate succession higher. Even though for good succession you need a profitable business, profitability isn’t necessarily the thing that drives all farmers, it’s more of the other, environmental being part of a community and landscape. It’s interesting stuff from our own research.

I Have you identified any different profiles?

R There’s differences… In the work we do which is knowledge exchange, you can break it down into different groups and apply upland or not, you have your top performing businesses that are always looking to the future, looking to drive, looking to push forward, and they’re probably your top 10%. You’d probably have another good bolt in the middle, where they’re keen and they’ll push on a bit but they probably need a bit more help and assistance. That’s a lot of messages they’ll take on board, a lot of new thinking, probably wait for someone else to do it and mirror it. Then you have a significant number, I suppose the bottom [inaudible] who don’t engage, who have either [inaudible] an owner/occupier, they’ll have a house, they don’t have any debts, they don’t look to really reinvest in the business too much, they’re just looking for the business to tick along, and I think that applies in both uplands and lowlands.

It’s very hard to have a very strict definition. I think you’re right in saying, upland farmer alone isn’t probably… I know a lot of upland farmers who are very proactive, run expert businesses and always looking for the opportunities, diversification potential, and they’re using as much as they can within their uplands. Then there’s lowland farmers who don’t do the same. I think what’s key is the attitude of the farmer, if you have the right attitude you’ll do a lot more.

I The top 10%, early adopters, any numbers for the other two groups?

R I think the bottom 25-30%... I don’t like to use the term bottom because it makes them sound the worst but there’s probably a group, hard to engage with may be a better term. There’s probably a group of 25%, depending on the areas that are just hard to engage with and they could be early adopters of stuff, they could be good but they just tend to not really come forward. It’s hard to engage with them on the latest or to see where they are and how they’re doing, and do they come along to events and meetings. I suppose it’s probably 60% in the middle where I suppose you could break down that middle group again because within that 60% half of them are moving towards what the early adopters are doing, they’ll take it on slowly and apply themselves. The other half of that middle are probably a bit more reluctant and take a bit more convincing. It’s very anecdotal but I think there is no strict definition of farmers, how to break them down.

I Any other features?

R There is, you can generalise there’s always exceptions but in terms of general… It depends on the farm tenancy, if it’s a generational farm tenancy the rent is probably very low so it’s probably a similar sort of experience as an owner/occupier, generally they might push the business all the time and look forward. If it’s a full rental value or a farmer has tenancy and it has significant rental value, they tend sometimes to be a bit more business-focused and a bit more profit-driven because they have to pay a rent, so there’s more bills to be paid. You very generally, some owner/occupiers because they don’t value the asset of the land, in theory they don’t recognise the value they could get for that land if they rented it, they don’t necessarily push the business as far as it could go or generate as much money as they could generate because they have very little debt outstanding on it.

In terms of generations, you do see challenges with number of generations within the one business, so you could see father son and grandson within businesses. Anecdotally you hear stories of a son in his 60s finally getting his hands on the farm chequebook because his father’s finally left him the farm and the father’s hitting 80. At that stage is a 60 year old going to start making a whole lot of changes and push the business in different directions if he’s lived his life in a certain way? So, in terms of next generation it’s more down to decision-making how often does the next generation have that decision-making within the business. That’s very generalised. I know some upland farmers who have done succession really well, by and large sometimes for the young generation if they haven’t had opportunities to look at other businesses they may just inherit the same practices as their father and grandfather did, and they’re not decision-making to make changes.

I Newcomers versus people in the area for a long time?

R It depends on the upland area. I think the challenge with some upland areas, especially in the north of England in parts, it has become a big of a tourist attraction which is good for some but some people maybe buy smallholdings or they see it as an investment potential for shooting grounds in some places, so are they actually farmed properly as a business or are they just a side project for someone. So that’s a challenge with some newcomers. Generally though you find on an upland farm a newcomer calf rearing only had a smallholding but was doing exceptionally well because they had no preconceptions, they wanted to do it right, they didn’t know what… They were trying to do it right and had no preconceptions of how it could be done so they were open to any suggestions. New blood or new people into an area can be very successful. In farming we don’t often get completely new people into farming, unfortunately most people when they go into farming they’ll have some farming background.

I To get involved in upland farming you have to come from the local community?

R It can be a challenging way of life.

I Newcomers, a lot of young people would like to enter [inaudible] to stop them.

R Do you mean an existing farmer buying another farm or expanding?

I There is new blood but they are [inaudible] buyers for that new plan. The result is we see people from the same farming community.

R The easy answer is there’s a lot of answers and I think the challenge is if you highlight one thing there’s another… For a young generation, how do they get on to a farm, the likelihood of getting a loan from a bank to buy a farm worth £1m if you have no access and no financial support behind you are fairly limited. For a young farmer, how do they get hold of that land? Do I feel they’re necessarily kept out by others, maybe not. For a very simple, this farm is for sale, the more people that are likely to buy that land that is for sale are either already established businesses that run good businesses and will expand or external investment that buys an investment opportunity. To me that’s probably more of a challenge to getting into farming.

Where you do see tenancies, you do see a bit more movement around. In an upland farm in the Midlands, he took on an uplands tenancy, he put in a good five year or ten year farm land tenancy and he got it. My question is what I don’t know enough of, is how often do farms come up in the uplands because farmland by nature doesn’t sell that often, and who actually gets them? The next question is, how often do tenancies come up in the uplands, are the tenancies being geared towards locals or are they a bit more open to let newer people in? What you tend to find is, if you’re the son or daughter of an upland farmer in an area and a farm comes up within 50 miles, you’d probably go for it because it’s home, you’re used to that area, you understand it as well.

I think most farmers like to see land being farmed, and yes they do like to see locals doing it but if a farmer comes in with the right attitude they can settle well into a community as well. I haven’t seen necessarily being kept out but I think there’s a lot of factors in terms of getting on to the ladder of owning your own farm.

I Beef and lamb products, have they reached their full potential of adding value?

R I think there’s probably more to be done. In terms of where it begins is probably farmers in general, not just uplands, probably don’t work enough together. So there’s more cooperation needed between farmers and that can create your added value in terms of selling groups and buying groups and better use of your own resources. In terms of, uplands is something that is recognised amongst the British public, I think there is an understanding of it. We constantly hear the phrase of ‘the sunlit uplands’ that’s always bandied about. Have we marketed on that, probably not?

So there is pockets, I know in the North East there’s lamb groups where they sell into Waitrose and Tesco ? Swaledale lambs maybe or things like that. I think there is probably more potential in terms of the brand of upland and the products they produce to be better packaged and better sold. What I would say as well is there is just as much potential on the farmers improving what they are producing within the current market, are they all producing the animals to actually reflect what the market is looking for, I don’t think they all are.

I The image of the upland areas?

R In terms of a marketing tool I think uplands is recognised amongst a lot of people. What I meant was, you regularly, in this general discourse, we’ve seen it with Brexit where they keep talking about ‘the sunlit uplands’ so it’s a terminology phrase. I think it’s supposed to represent a kind of a brighter future. My point was, there is a recognition of these areas, there’s a recognition of the Bronte’s and the books and the poetry that’s been written in Yorkshire. People recognise it, I just wonder how we capitalise on it. Wuthering Heights, poetry and books, and this image of what uplands can be, so in terms of marketing have farmers used that as a sales pitch when they try and sell their produce.

I Card 4.

R Nothing sticks out as missing.

I Do you see any opportunities?

R I do see opportunities in terms of the environmental challenge, climate change. The changing weather patterns, even energy water availability, land soil, I think upland has a role to play with that. It obviously has a role so it needs to be turned into an opportunity for farmers and not seen as a threat.

I So it’s a hidden opportunity?

R I think to a degree it is. I think the challenge is the debate doesn’t always include the farming community in uplands, the debate usually is someone talking about them. When you talk about people and not to them it doesn’t necessarily engender support or willingness to help.

I Any other opportunity?

R No, I think that’s it.

I How would you rank the five most important drivers of change?

R I think what the five I can group together environmental. So 1, 2, 3, 4, 5, it’s that climate change environmental challenges ahead. To me they’re all interlinked and taking one separately won’t help. In terms of importance I think those first five are very important. To me that’s one group, environmental changes, climate change, environmental challenges, because that to me is going to be an important driver for the uplands. To me that’s an area to itself. Another important area in the short to medium term is definitely the Brexit-related one, so 12, 13 and 14 mainly. I think foreign labour, not many upland farmers employ foreign labour, where the foreign labour would come into play is further down the supply chain. The farmers themselves mightn’t use it but obviously if they sell to an abattoir that relies on foreign labour that could have an impact on them.

I Can you explain 13, 14?

R It’s easier to go with what we do know. What we do know is, between 2020 and 2027 the single farm payment is going to be reduced to zero. So we know that the direct payment going to farmers will be gone, and also we know that the money will have to come from government rather than via Europe. The reason why I think that is, when you look at the farm business survey and you look at the amount of money, the least favoured areas or upland areas, the amount of their profit that is dependent on direct support and environmental schemes for many farmers that is their profit. So in terms of their resilience, for suddenly removing their profit margin that’s going to have a huge impact on their resilience and make a huge impact on what decisions they have to make. So subsidy is fairly important.

In terms of access to the EU market, production standards for example, if we go off the tariffs that were proposed yesterday we export up to 40% of the lamb in the UK, if that suddenly has a tariff going into the EU, figures suggest anywhere up to 30% will come off the lamb price. That is the [inaudible] estimate, so again upland farmers are predominantly beef and sheep, largely sheep, so if you’re selling all of your 100 lambs, whatever you receive for your lambs there’s a 30% cut in the price that’s going to have a huge impact on their business as well.

I Because there is going to be less demand for their products?

R Yes, we’re going to flood our own market is the problem. We export just under 40% of our lamb, and most of that goes to Europe.

I What do you think will be the reaction of wholesalers or farmers to that, either mid-term or long-term?

R I think it’s a great unknown because if you don’t know what Brexit will bring. In the short-term there is not much a farmer can do at the moment, so when I say short-term I mean the next few months. Now we’re into lambing so the lambs are going to be there, they’re going to have them, there’s not much they can do about that now, so that’s going to come. Whereas [inaudible] decision is, and we’ve seen one or two upland farmers have done it already, is they reduce the amount of sheep they’re breeding from, so they’re going to reduce their numbers a small bit just to see how things will level out. So we have seen some farmers do that. They reduce their lambing numbers so they reduce their exposure. Not every farmer has done that, some farmers have to a small degree.

The challenges comes back to the policy, if we had a no-deal Brexit and we had a surplus of lambs, there would have to be some government intervention because what would happen with those sheep, the abattoirs probably wouldn’t want to slaughter them therefore you could have potential welfare issues of sheep on farms that the abattoirs no longer want, and the farmer would no longer want them because they’re not going to get paid for them. There are discussions going on within the industry of how they manage that type of situation, if there were no exports how would you manage the surplus sheep?

I What are the solutions?

R There’s no easy solution, there’s talk about payments to farmers to help them with the loss of markets. The biggest challenge is, what do you do with the lamb meat? If you have an apple tree and you can sell half your apples, what do you do with the rest of them, do you try and store them and sell them at a later stage? You mostly store the lamb or [inaudible] even, if you don’t have a trade deal we still can’t [inaudible] because the price won’t be there, or we’d sell it half-price which means the farmer only gets half the price of what he got last year. There’s a [inaudible] of closing down that market [inaudible] for farmers no-deal would have a huge impact on farmers [inaudible] in terms of price they receive. You could see potentially farmers being overstocked with too many sheep and not the ability to feed them because they can’t find anyone to buy them.

I You mentioned farmers used [inaudible] how practically could you do that?

R One or two farmers who are looking ahead this year, and this is probably only one or two not a lot, they sold their sheep or reduced the amount of sheep they put the lamb to. Instead of trying to lamb 500 sheep maybe they lamb 200, and maybe one or two bought an extra cow or two because the beef side of the business looked a bit more robust in the uncertainties. So, a small group of farmers, by and large most farmers have probably still done what they’ve always done and breed for what they’ve always bred from. In the last few years, because of the bad weather, because of challenges around price at certain times of the year, we have seen a slow drop-off in the number of sheep. If the money doesn’t stack up the sheep numbers do slowly go down.

The challenge at the moment is, next year you can make a lot of those decisions a lot easier. So September if we know we can’t export to Europe and it looks unlikely for another few months, you simply don’t put your ram to those sheep, so you won’t have lambs. Obviously you’ll have sheep that are costing you money, so that’s a decision to be made. At this moment in time you’re just going into lambing so sheep farmers are basically creating a product or bringing a lamb in and with the current uncertainty you don’t know if you have a market in five months’ time when that animal is ready to sell.

I Wholesalers, exporters, will there be a change in their behaviour?

R Yes, businesses will have to change and adapt but it’s very hard to know how that will be until we know a bit more. The challenge is there is so much uncertainty at the moment, they can only compare so much. I think most people are hoping for a no-deal. If your business is set up to export lamb at a price, suddenly a tariff of up to 50% is going to put a big challenge on your business.

I Are most people hoping for a deal or no-deal?

R I would say a lot of the farming organisations, my organisation is not political, we don’t get involved, because we’re a tax we don’t get involved in the political debate. But when you look at the farm organisations, like the trade unions or associations you mentioned earlier, they have always called for a deal, they do not want to leave on a no-deal Brexit. I will caveat and say you will probably find farmers who don’t think it’s an issue because they [inaudible] That doesn’t mean every farmer would agree but I think by and large most farmers would like to see a deal.

I 14, what might be the impact of each scenario?

R I think in terms of the standards it’s at the moment and from my knowledge, if we had a no-deal and whatever tariffs they decide to use, you cannot keep out a product because it produces differently. At the moment we don’t allow in, and I know the debate of chlorinated chicken and hormone beef, but what is uncertain is would the UK Government apply similar rules? I know for farmers a concern they have is that they produce to a high standard, there is a lot of regulation placed upon them, will countries we import from have to meet those standards? In the long-term, if I was a betting man I would probably say no. So I think there is a challenge in standards, I think UK production is high cost, not always because it’s inefficient because the regulatory environment we work within adds cost on to businesses.

I Even if standards lower, UK farmers keep high standards because it’s the only way they can compete with imports?

R I think it won’t happen, standards of production will not drop because they’re proud of the product they produce but also I do not see any UK Government being seen to lower production standards. I don’t think that will happen so I believe in terms of, will farmers produce to the standards they produce now, yes, they will try to differentiate themselves in the market but I think the challenge is on imports. It depends on which products, lambs are different because we are the largest producers of lamb in Europe, probably the third largest exporter of lamb in the world, so we’re in a slightly different position. But if you look at products like beef, for an upland farmer producing beef, which probably goes down to the lowland business, are they going to be open to more [inaudible] the likes of South America who don’t need meet those standards? You might try to differentiate yourself but the question is, where does differentiation at the top, where is the [inaudible] for UK consumers is British welfare good enough for them to keep buying it or will [inaudible] a cheaper product from South America.

I It seems it’s not so easy to differentiate?

R It depends on where we’re looking. If you’re looking at differentiation on price or on quality, and also it depends on the product. The reason we can sell 40% of our lamb, and most of it to Europe, is because they’re our next door neighbour, they’re right beside us and we don’t face any tariffs on that product, so that makes it a lot easier. The only competition we deal with is from other sheep farmers in Europe, which is Ireland really or France, and they’ve the same cost of production, or there’s a quota from New Zealand, so it’s fairly small.

If you look at beef, there is more variation in the prices of beef so I think we can try and differentiate ourselves, and you can look for a premium based on your standards, but a premium product is usually something that a section of the public buy not all the public buy. It doesn’t mean there isn’t a market, and it doesn’t mean you can’t premium or try and have differentiation but usually when you talk about setting yourself apart and a differentiation, are we talking about the volume of beef and lamb we produce can all be sold in that bracket.

I Is it possible to sell all production as a niche product?

R I think at the moment we have good… the retailers are very supportive, even though, farmers might disagree but when you look at retailers and their commitments, most retailers are committed to British and they try and sell as much British meat as possible. We track the sales of red meat through British retail and it’s fairly consistent amongst all the shops. So at the moment I think we are in a good place in some of that. I think in terms of can we sell it all in niche, niche by its very nature is small, I suppose the challenge is, can UK farmers keep our products where they are at the moment if there’s more option on the shelf. I don’t have the answer, I think it will be challenging. I think a lot of people rightly or wrongly buy on price. When you look at consumer polls, if you ask the consumer walking into a shop, is welfare important is the environment important, they will all say yes. If you look at what they buy when they come out of the shop a lot of it’s based on price.

I Although upland areas have unique selling potential, we don’t capture that potential because retailers fit more to lowland production. Is that a valid argument?

R Yes and no. If I was a retailer and they said that to me, I could easily say it is not my job to sell your upland. So as a retailer what are you providing me to sell that image, are you going to guarantee me the number of animals, are they going to meet the specification I need because we know what consumers will buy, have you enough numbers for the abattoir to provide the volumes we need, what’s the story you want us to tell? Not that I defend retailers, why should that be the retailers’ job, their job is to feed what people want or what’s there to be sold. So if upland areas and farmers aren’t working together to create that story, to create a demand, to get the retailers on-board with their messages, who are they expecting to do it for them?

I Big retailers in France are more supportive?

R I can understand you look to France and other countries. Unfortunately the culture in France is a lot more built around food and that type of image, and the locality and probably consumers are more aware of that message, so that probably is the challenge here. And it is tough in this market, the UK is one of the most competitive retail markets in the world and whether we like… What we’ve seen in the last few years of trends, with the rise of the German, I think it’s wrong to say discounters but the German, Aldi and Lidl, they’re not actually discounting necessarily product but they’ve created retails that offer products at a more competitive price because their shops are fairly simple, they don’t have high costs and they’re just about churning out food, so it’s even made them more competitive.

Going back to the, the challenge for some uplands or farming in general, the farmers take a lot of pride in what they produce but do they always turn to the person who’s going to buy it and ask them is this what you want. So I would say a challenge amongst farming sometimes, you can take a lot of pride in an animal and you can take a lot of pride in the area it’s grown in and how you produced it, but if nobody wants it where do you go. My analogy is, you can go to a carpenter and tell him you want a chair, and then he gives you a stool with three legs and you say, I don’t want to buy this I want a chair, he said it’s a stool, you can sit on it, it does the same thing.

I think sometimes with beef and sheep farmers they take a lot of pride in what they produce but they don’t always look to see what they produce is matching what is needed. I imagine some of the feedback you’re getting is, when they say they’re challenging retailers, instead of saying why aren’t the retailers selling what I’m producing better, have they ever asked is what I’m producing what the retailers can sell.

I How is the fit between what they produce?

R It depends. Upland itself can be broken down into two different types of uplands, there’s uplands which are hill ground and hill sheep, which obviously are not the most meaty animal like your Swaledales, it’s more how you decide you’re breeding with those. Then I would say there’s some upland areas where actually they’re just as efficient as some lowland farmers, exposure might be the risk but there’s good grass and good ability to grow meat and sheep. So it does depend on breed and what part of the upland they’re in.

When we look at our figures for beef and sheep, we’re about 50-55% in-spec. What in-spec means is, are you meeting the general requirements for the market, so from our reports there is still a long way to go in terms of meeting that market requirement. What we see generally across beef and sheep is a very slow uptake in genetics, slow use of how do you improve your genetics to make sure you’re getting the better animal and better quality. So there is a lot of improvement in terms of is what you’re producing what they want.

There could be some unrealistic expectations placed on farmers by retailers as well, it’s a two-way street and I’m not pretending it’s all the farmer’s fault but there’s a bit more dialogue between both. I think at the moment the debate of them versus us doesn’t really help, we’re all out for the same thing in some respects, we want people to buy our product so if you want someone to buy your lamb you have to work with the people who are trying to sell it.

I Can you give me examples of what retailers expect and farmers cannot deliver?

R I’ve seen it in other sectors probably more than in beef and lamb. I think what the challenge is, we’ve seen more retail contracts being offered so we have seen contracts from Tesco’s and Sainsbury’s where they’ll have farmers, they’ll guarantee them a price or a price based on certain costs of production. Where that has become challenging with farmers is their own data and how much information they want to share with retailers. Some farmers see that as progressing and moving forwards and working with your customer, other farmers see that as too much and retailers trying to know everything they do.

What you’ve seen over the years, because of retailer demand and the perception of what the public want. I made the point that the public generally buy on price, some of that could be because they assume the retailer is looking after all the other stuff, they’re looking after the welfare, they’re looking after the standards so the only thing left that differentiates things is price. Retailers are beginning to ask for more and more information, antibiotics is a good example now that’s coming up, you will see over the next few years more demand from retailers to understand antibiotic usage in the supply chain. Some farmers will see that as a challenge and overstepping the mark because they’re doing everything right, why does everybody need all this information, whereas other farmers will see it as a way of doing business.

I Do you think that’s a good direction or they will have to be careful in some aspects?

R I think it’s down to the farmer to decide. What I feel is, they will only work if there’s trust on both sides, and what we’re leaving out is the processor in the middle. Most farmers do not sell to a retailer, they will sell to an abattoir who sells it to a retailer, so a lot of farmers when you ask where do you sell your beef or where do you sell your lamb, they will mention an abattoir. One week that beef might go to Sainsbury’s, the next week it could end up in Tesco, or it could be exported, depending on the contract of the abattoir that week. So that’s the first challenge.

For the farmers that do want to use contracts, the advantages of them in terms of a resilient business, that will help the resilience of your business, you can sit down in January, you can have if you have a good handle on your accounts and your cost of production, and you look at the contract that’s being offered, you may know if I sign up to this and I have a normal year with normal performance I will get a decent return by selling on this contract, and I’m happy with that. So some farmers aren’t necessarily chasing the market, they’re focused on their margins, whereas other farmers would think if the lamb price went up I’m losing out by being on a contract. It is very much down to attitude.

Where I see they work really well is those young farmers who are starting out, it gives them more sense of security because they know what to expect that year in terms of price for their product. I think it does add security to some farmers. I think it comes down to the level of risk you’re happy with in your business, it’s almost like stocks and shares, do you want to invest in a very new company that has no proof or track record but has potential to do that, or do you just go for the usual gold and know it’ll tick along. Do you want to play the market with your product or do you want to sign up and know exactly what you’re going to get?

I can see pros and cons both ways but I do think for me the one positive out of it is, when you sign up to a contract like that the retailers should be clearly communicating what they expect from you if you are to sign up, so what the product is, what they expect, and how would they want it to be delivered.

I So there is no direct contract between the farmer and the supermarket?

R There are a number of direct contracts. The difficulty is that for a direct contract to go from a retailer to a farmer, they have to go through an abattoir because that abattoir has to slaughter them. For example, Sainsbury’s and Tesco’s and Waitrose to a degree, but Sainsbury’s and Tesco’s do have a contract with farmers. I haven’t seen them but I imagine those contracts would include the abattoir. Sainsbury or Tesco might say, we want 100 farmers this year to supply us X number of lambs, and then they would ask the abattoir because in some respects it’s the abattoir that has the relationship with the farmers, the abattoir will try and get those 100 farmers. The farmer when he signs up will say, Tesco and abattoir. A retailer in the red meat wouldn’t have access to knowing all the farmers or who’s supplying them because they would have to ask their abattoir for their names.

I Are those contracts with beef and sheep farmers?

R Yes, a bit of both. There’s a bit more work been done in the last few years, particularly on the sheep side. Sainsbury’s have I think tried to include a few more, I know Tesco in the last two or three years have tried to get a bit more lamb on contract with farmers. I don’t think to the same level but there is a small bit on the beef side, especially round Aberdeen Angus, which probably suits some upland farmers, so I think there would be a number of upland farmers who supply Tesco on the Aberdeen Angus contract.

I Do you know the Sainsbury manager involved in those contracts with beef and sheep farmers?

R I don’t have contact details but [person 1], she’s an agriculture manager at Tesco. I don’t know if she’s an agriculture manager for beef and lamb, I think she may be dairy but if you speak with her she could point you in the right direction.

I Lidl and Aldi?

R For Aldi their ag-manager is [person 2]. I used to work with her father. She’s corporate responsibility manager, she used to work for the Co-Operative and now she’s working for Aldi.

I What do you think the risk would be for the farmer for that particular agreement?

R Like any contract the risk is, how long do they keep it for, will they cancel it, it depends on the nature of the contract. I think it’s not necessarily the risk, it’s what you could lose out on. It’s a long-term contract needs to be seen in the long-term so some years you will be getting a price that is in excess of the market, lamb price could be £4 but you have a contract that gives you £4.10 so that year you’ve done well. There will be other years where you’ll be getting £4.10 but, maybe because of a shortage or something happens on the international market, the lamb price could be £4.20 so that year you’ve lost out. I think that’s where sometimes farmers, it’s how you perceive that.

I know some farmers see it as a long-term plan and think, actually I’m happy that I’m not always chasing the best price, I know my cost of production and the price they’re setting me I’m happy with, whereas other farmers will feel, I’m losing out or they’re making more money from me because I know they can sell it for more money. In beef for example, a few years ago a processor tried to introduce more of a contract for the beef but the challenge was, when they tried to introduce it beef prices were rising and the way the contract worked was, if the prices go up by 10p they’ll give you 5p more but if the prices fell by 10p they’d only drop it by 5p. You never get the full when the price goes up but you never get the bottom when it goes down, however when they introduced that the prices were only going one way, they were going up. So to a farmer it just looked like you just want to give me half the pay rise.

I Poultry farmers relationship directly with supermarkets.

R That is another issue. The level of data has to be shared because some of these contracts are based on a cost of production model, so you have to share all your information. I suppose there’s two ways of looking at that, they either give you a price that reflects what it costs you to produce it or will they give you a price that the best person can do it at but actually the average of the group they’re losing money.

I That was their argument, it doesn’t reflect what the average farmer can do.

R You’re right and that is a challenge, and I suppose that comes back to the issue around trust from both sides. I would agree that there is that challenge within the contract of how do they view the cost of production, is it trying to squeeze out the bad ones or do you work with the farmer who’s maybe the higher cost of production, is there a way you can work with them to help lower it but not put pressure on them.

I Supermarkets’ standards with no guarantee to buy.

R The main entry ticket for all retailers is farm assurance. A retailer will not buy from a farm unless it has farm assurance, that’s standard across them all. Some retailers do look for more above that but usually what would happen is an abattoir would ring you up and say we want to be able to sell your lamb to Sainsbury’s, you’re going to have to add on an extra [inaudible] But [inaudible] try to do is, when they do their Red Tractor farm assurance inspection they try to add on the extra module, the Sainsbury’s bit. But the farmer’s right, just because he’s done that doesn’t necessarily mean they’re going to buy it. Sometimes that pressure to do all those kinds of extra tick-boxes coming from the abattoir because when the abattoir takes in the stock they can sell to Sainsbury’s or to an export market, it keeps their options opened. Rather than just say that lamb goes to Sainsbury’s, that lamb can’t, that removes some of that processing cost. You’re right some retailers do put more challenges on for their products.

I The supermarkets absorb a lot of the costs related to the slaughterhouses?

R Yes, I think you’re probably right. The other way of doing that is most retailers put out a contract every number of years to say we need this volume of beef or lamb and these are the requirements of it, and abattoirs put in a price to win those contracts. I think you’re right, the transactional costs is sometimes put on to the abattoir but you would like to think the contract the abattoir has in place with the retailer is covering some of that.

I So there is some guarantee they are going to buy from them?

R Yes. I won’t pretend I know how the abattoir and retailer contracts work [inaudible] there’s obviously volume charges built within that. I imagine any abattoir that wins the retail contract has to prove a consistent supply over a period of time. There’s also things of how quick you can turn around short-time orders, so with the likes of lamb when you’ve had a really good summer, your mint sales and your burger sales go up, so how quick can an abattoir suddenly produce burgers instead of raw. During a hot summer you probably won’t eat a Sunday roast but you’ll have a barbecue every other day. So I imagine the contract will have an element of price, an element of how quick you can adapt and change volumes, and also an element of we want this information from our farmers, how you want to facilitate that.

I Is there an efficient way of going through the auction mart?

R The farmer is getting the best value for that animal. I think some of the issues of going through auction markets is going back to the point of data and how do you know your animals are meeting what the retailer wants. If you sell to an auction market that’s the last you know. What we work with is a database where maybe farmers need to provide more information, I sold my sheep at an auction market but maybe in a few months’ time I could be told those sheep did very well and they hit the market spec so however you’re breeding those keep doing what you’re doing.

There’s many dynamics to an auction market, there’s a lot of social cohesion, it’s a social environment, it’s part of rural life to a lot of farmers spending those days in a market is a good… Mental health is an important issue now in farming and rightly so, that is a place where farmers can go and meet and talk and maybe help with the rural isolation. It’s not a purely economic resource. That said, me as a businessman, and I’m glad it’s anonymous, would I use a market [inaudible] level, probably not. In Dartmoor for example I know a big beef finisher, he probably does about 2000 cattle a year more, on the morning he’s near Exeter, he will get on his truck, he will drive around Dartmoor and he will buy them directly off farms as stores to go into his finishing unit. For him it means he doesn’t have to spend his days in an auction market, he doesn’t have to take commission and he doesn’t have to wait there all day hoping that he might buy cattle. For the farmer they know that they have a good buyer, they’ll get a decent price and they don’t have to pay commission to sell them.

I So the feedback will be much greater in this case?

R Yes.

I How good is the feedback to upland farmers?

R Very little because we don’t have a system. At the moment we’re working to develop a database that will enable better information in the industry. So at the moment very little but I suppose if you go to a market it’s very hard to get that information back. If you sell direct to a… I’ve spoken to farmers in the past, upland farmer, I want to know more, I want to know if what I’m doing and the animals I’m breeding am I doing the right thing. I said, do you sell at an auction market, they said yes. I said, do the same people buy your cattle every time you sell them and they said yes, I always get a good price because there’s always good demand for my cattle. So I say 1) that would tell me you must have good breeding because if the same person is buying them all the time he must feel they’re good animals but my second question was, if you’re going to the market every time and it’s only one or two people buying them, why don’t you speak to those one or two people and see if they will buy them direct, why are you going via a market, that way you can say if you buy them direct we can negotiate a price but you may be able to get information back to say how well they’ve done.

I Do they show interest in doing that?

R Some are. It’s a bit like the contracts, some farmers will sell in an auction ring, and rightly so because sometimes… Especially on sheep you will hear the saying, the market sets the price, and then the auction markets. So if you have a number of people around a ring that really want animals or have the contract for animals or there’s a need, obviously they will set a price, they will keep competing until one of them gives in or until someone wins. If your attitude is, I’ve got ten cattle to sell and giving information back isn’t important and you think by putting them into a ring you’re increasing the competition, you’re hoping there will be enough people there to challenge for them so you might get a few pence more. If you sell direct to a store person, you’re probably not going to get the best price but it saves a lot of hassle. It comes back to the attitude of, are you always looking for the last penny or are you looking for more building a relationship and knowing a price that you’re happy with.

I How many farmers build relationships?

R We have some statistics on our website. We do a yearbook, it shows you how many, it doesn’t separate into uplands but it shows you how many animals go through a livestock market. I think it’s GB figures. UK sheep yearbook, I’ll send you the link. In terms of numbers, store sales a lot don’t go through the auction market. A lot goes off via the auction market, I would say the majority does but the newer younger generation of farmers are more business-focused sometimes, they are looking at maybe developing relationships or selling direct. It is dependent but auction markets are an important part and people are still involved in selling a lot of stock through it, and I don’t see a huge change in that short-term.

I Auction mart signal for choices.

R I think with sheep we have seen numbers increase more when the prices are good. I suppose sheep farmers don’t look at a single sale day, they will look usually is how the year went in its entirety. So at this time of year, building up to Easter, lamb prices usually go up and they’re fairly high, and then you get your peak production of lamb is probably August, September, October, and they’re usually the critical months. If a farmer feels over that I averaged so much a lamb and I think that’s good, they remain positive. If they go through a year where they think, I’ve lost a lot of money, they’re not too happy, maybe they’ll breed from a few less sheep. It’s how the year has gone for them sometimes, it’s not necessarily one week. But that is a challenge of beef and sheep in uplands and lowlands, a sheep farmer now does not know what he is going to get for his lambs. The lambs being born now, all you can hope for is they’ll continue the price, so if you look at the five year average or the price from last year, what they can only go on is roughly what lambs have been selling for the last few months or on average last year. There’s no signals for next year, very few.

I How do you make sense of different factors?

R What we would say in terms of a business plan… If a farmer said I’m thinking of expanding my sheep enterprise and I’m looking at the cost associated with that, if they say to me what lamb price should I use, I would say most businesses when they make decisions like that they look at a five year average, what has been the average price over the last five years. And you would hope that would take in your high points and your low points. That’s one way of doing it. Then you could say, there’s a five year average price, how would it affect you if it dropped by 10% or 15%, in terms of business planning I don’t pretend every farmer does this by the way but if you were a sheep farmer and you said to me how can I predict the future, you can’t but what you can do is a five year average and it gives you an idea. If you’re not making money at the five year average you maybe have to see where you are. If you’re making a good profit at the five year average price, you might be more resilient and more sustainable. Farmers do go through bad years so it’s more how long does it last, if it’s one bad year they might weather the storm, if it’s two or three years then obviously they make more changes.

I How many farmers look at the margins?

R Very few.

I Margins and price.

R They look at the price. As a very general rule farmers are too focused on the price rather than the margin. That comes back to your contracts, that comes back to your abattoir or your market sales. If you’re always chasing the price, that final penny, are you focusing on what price you need to make money? I know a beef farm where he sells all his cattle as stores, someone asked the question why don’t you go to a market you might get more money, he said I might but also I might not, but what I do know is how much it cost me to raise that animal and what margin I’m comfortable with, and then I have a discussion with the guy who buys them.

I Profit is less to get animals earlier to market. How much is economic resilience affected by that type of focus?

R You’re right and what they have been telling you is right because some people focus on price and for our role, we always say you should sell a lamb when it’s ready to be sold because if you keep it longer it might weigh more but also there’s probably more fat, which means consumers don’t like buying fat so you’re actually turning people off your product and there’s less meat. Actually fat costs you more money to produce than meat does in terms of protein versus fat, so it’s cost you more to put on fat, market doesn’t want fat but…

I Also you risk getting penalties now?

R Exactly. Because it’s heavier they think there’s more money. Yes, you are right but this is where it comes back to, Brexit and what happens with Brexit will have serious impacts. In a no-deal situation the short-term impacts of Brexit of no-deal is huge, if there is a deal the biggest impact will actually be what policy the British Government decide for farmers, in terms of support. Those farmers rightly or wrongly, when we do our farm [inaudible] data, and I will send you [inaudible] as well, it’s [inaudible] that will have uplands, LFA areas.

When you look at it, we always do the figures excluding single farm payment and scheme, because obviously there are business costs. I don’t think that’s how many farmers look at their business, they’ll probably look at what money has gone out and what money’s gone in to the farm over the year and if they’re in the black they probably think they’re doing ok. What they don’t fully appreciate is, the only reason they’re doing ok is because of that direct support. I think we have to develop some Brexit tool to see if you can put your different scenarios how it will impact your business. I think farmers now are going to have to start thinking more and more about is that lamb price good enough, how much is it costing me to produce that lamb.

I Could you send me access to those tools and the report on actual economic data.

R The report there’s not much analysis behind it, there’s just numbers that go into the report. If you need any information I can put you in contact with members of the team who do it. I won’t pretend I understand it enough, I just look at the numbers. I’m happy to send you the report and if you have questions to put you in contact with the best people. The future agricultural policy will have a big, will determine how businesses are resilient and what they have to do to be resilient.

I Have you seen indications about the size in upland areas?

R I can’t think. I would like to think there’s Defra statistics somewhere in terms of the average, it’s probably down to the average LFA Holdings site but I haven’t seen it.

I What size of farms perform best in upland areas?

R Big is not always beautiful, and I think that’s true for most. Farming in general I think sometimes we say bigger is better and it’s not necessarily true. I would say also sometimes we say bigger somehow means worse animal welfare but smaller is better. I don’t personally have a view in terms of bigger farms want to be better and more sustainable and more resilient. For me the key is, and it’s very hard to define but it’s farmer attitude is what’s important, and they can have a right attitude and a small business.

What we don’t define very well in England or the UK is what a part-time farmer is. A small farm, it only has half a labour unit, it could be a very good business, what are we saying is a half a labour unit, are we saying they will be a full-time farmer on that farm? We haven’t picked up the off farming [inaudible] or it’s a big farm making good money but it has two or three generations and they’re not taking any drawings from it. Especially in the uplands given the nature of the area, a smaller upland farm that’s on relatively good ground could have the same output as a farm twice as big but because it’s higher up the quality isn’t as good. So I think size could be a bit misleading. I know a number of upland farms who do not graze their common areas for example, because of the disease risk. I know some upland farmers you could in theory say they have 500 acres but they’re only actively farming 200 or 300.

I So there’s a resilient option strategy?

R Yes, I think in some areas because of maybe TB and other issues, or it could be in some areas there might be scab in sheep if they’re not tested properly. I’m not saying it happens everywhere but with an uplands farm, especially if it’s common [inaudible] the size of the farm mightn’t always be the size they are farming. And also because of the upland you could have a farmer with a lot of land but it could only be very poorly grazeable, it could be very high up and limited to what you can do, whereas the farmer two miles down the road on a lower elevation could have half the size but because the fields are a bit greener he has just the same output.

I In your economic analysis, do you give an indication of how much of the land is used?

R No, I haven’t seen any of it. I imagine when it comes to farm size… From my experience where the farm size comes in usually for payments or [inaudible] the farmer still has 500 acres, it’s whether or not he uses the full 500 is a different thing. That’s an extreme example, most farmers do try and get as much from the land they have, as much of it they have. When it comes to uplands there’s such a variety within uplands, it’s the potential of what that land can carry I suppose is the real thing. Some upland farmers could have four sheep to the acre, per hectare, five or whatever, whereas others might only have one or two sheep to the acre because it’s the nature of the land. I agree, I don’t think size alone is a good measure of how we limit our businesses.

I Mixed systems.

R We’re doing a project in the north of England with Swaledale sheep, the number of sheep breeders with the Swaledale breed, trying to help them in a project that we partnered with them. I think it’s LEADER funded. That is working with sheep farmers, working with a particular breed to try to improve the genetics.

I What do you see from the economics of that?

R We’ve not finished yet. I think what we find the challenge again is, in general beef and sheep farmers haven’t really used the full potential of genetics, using estimated breeding values in genetics. I think the challenge in some upland breeds is to have a characteristic people like but they don’t necessarily look to change or improve them. If you go to the Lakes you’re going to have Herdwick sheep because they’re synonymous with the area and Swaledale in North East Yorkshire you would see a lot of Swaledale breeds. What we as an organisation always say, you have just as much genetic variation within a breed as you do between them. So you can keep your Swaledales where they are, you can keep your Herdwicks, it doesn’t mean as a breed you can’t look to improve them. They’ll never be as meaty as some of the other breeds but it doesn’t mean they can’t be improved upon.

I Breeding native breeds.

R If you’re purely business-orientated, we’re independent of all the breed societies, we do work with them so I don’t have any… I don’t particularly care if your animal is small and pink, if it’s making you money that’s what’s important. You need the right breed to suit your farm, your farm can never suit a breed so if an animal isn’t able to survive in that environment you shouldn’t just put it on and hope for the best. Upland can be harsh, can be exposed environment so there’s only so much you can do and there’s only certain types of genetics you can use, that doesn’t mean you can’t look to improve. A lot of upland farmers will use a terminal, a slightly lowland ram, so they’ll get some of the good characteristics from the mother but they might get some of the more meaty from the father.

I Do you have another analysis on breeding?

R No, that’s the only one we’re doing at the moment. That was an EU funded project as well.

I Assessment of the breed is based on?

R This isn’t just looking at economics, I think they’re looking at more the breed and animal and how can you improve the genetics and how can you improve it to meet market specification. I believe the project is working with… A number of farmers sell their lambs as stores to one particular store finisher of lambs, so what they’re trying to do is look at the ram that’s used for selection of them and, because they know who the store person is when they go to be slaughtered how do you improve the market spec. You evaluate them and say they’re not meeting spec enough, so you work it back through breeding and nutrition. It’s trying to go from the uplands or the breeder of the stores looking at the person who finishes them and see how they relate to the market.

I EBV values.

R The challenge is quality is a very broad brush and we don’t have a good measure of it to pay farmers on. At the moment, what farmers get paid for is on the Europe grid, it’s a classification based on confirmation and fat, so that’s what they work towards.

I What is the problem with that?

R I don’t see a problem with it, it’s just image or what they decide to pay on. The issue with this is it’s not a measure of quality, the Europe grid itself is a fairly good predictor of yield so the animals you get paid for more usually have more meat to sell. It’s roughly a decent predictor of yield but there is no quality aspect, it doesn’t tell you that is going to be a very tender steak or tender chop, it doesn’t tell you it’s going to be a great eating experience. The challenge that we’re still looking at measures of how you actually introduce that level of more eating experience, so as a consumer you could buy a product and in theory you could say this is melt in the mouth steak, you’ve done some characteristic around it, you know that if you cook this right it’s always going to eat the same, and that’s the challenge we have at the moment.

Lamb and beef, because of the way it’s sold you’re not always guaranteed to have the same steak every time you go into a shop to buy one. I’m not saying it’s like poultry where everything is exactly the same but we know from consumer research that if the consumer has a bad eating experience, if they buy a bad steak or a bad lamb chop it’ll be a few weeks or a few months before they come back to that product again. If they bought it once and it didn’t taste nice or was a bit chewy, it’ll be a while before they buy it again so you’re losing potential sales.

I Do we have the measures to add these qualities?

R We have some measures in the abattoir that we’re starting to trial. We’re looking at the Meat and Livestock Australia model, it’s an Australian grading scheme. We’re looking to see if that can be adapted for the UK, but that’s a long-term plan. The question is then, what does the farmer do. When you actually look at meat quality, a high proportion of what impacts meat quality happens once the animals get off the truck at the abattoir. So if an animal is stressed in an abattoir it will cause the meat to be a bit more tough, if it’s slaughtered and cooled down improperly the meat could shorten if it’s not stored correctly.

I think 80% of meat quality is processing whereas 20% might be farm level, I could have that figure wrong but the majority is the processor and the processing that affects meat quality. For the farmer, if it is 20% what is it, is it my breeding, is it my genetics, is it how I fed them? If I send 100 lambs into an abattoir and those 50 excellent eating quality, these other 50 poor, but all I know is it’s the same ram, how do I know what I’ve done differently? How do you tell a farmer and communicate this is what you need to do?

I Farmers have to play a guessing game?

R At the moment, when a farmer says to me I don’t know what I’m supposed to produce, I would say we’ve been using the Europe grid for 20, 30 years, on that grid you can ask your abattoir where they’re going to price. For beef it’s all [inaudible] so they have their Europe grid and they would say zero, and what zero means is at the [inaudible] end that’s zero, so whatever the beef price is you’ll get the beef price. Let’s say £4, the beef price £4 and at zero you will get £4, if you move up a grade they’ll give you a bonus of 5p so then you’ll get £4.05, if you fall down a grade it’ll be a minus 5p so you get a penalty of minus 5p. That’s fairly well established, that’s been there for a long time so we know what it is.

When we do some work with farm businesses we can ask the farmer the question, what percentage of your lambs are meeting your abattoir spec. If you sell 100 lambs do you get the full price for 100 or do you get a bit of a bonus or are you getting a penalty for 20 of them, where are you? I suppose the caveat to that is, some businesses can make just as much money but never reach the full market price because they know their costs well. There’s no simple answer but if a farmer says I don’t know what I’m supposed to produce, the abattoir publishes it. Some abattoirs say we will take whatever you produce, we’ll take all your beef, however there are penalties so the question is, what part of the box do I need to be at to make me efficient and make money. A bit like your question on price, sometimes they only look at the price, sometimes farmers will only look at that grid and they will say I always want to be the best animal, a U grade or an E grade, if it’s 1 to 5, I always want to be number 1 but they don’t look at what cost it is to be number 1, how much more do they have to feed that animal to be number 1, what type of bull do they have to use, is it causing more calving difficulties because you’re getting a bigger calf to get number 1. So sometimes if you aim for 2 or 3 it might save you money in other areas.

I’ll give you an example, we have a farmer on our board, very good farmer and he recently changed the breed of cattle he used and said with the other breed he had he always got top price, so when he went to an abattoir he’d always get the best price and if he went to a show he’d probably get a prize for the best cattle in the ring but he wasn’t making a lot of money out of it. He’s changed his breeding, he produces an animal which is [inaudible] basically your general, everyone is happy with, it’s not the best but it’s not the worst. He says he’ll never win a prize now, he’ll never top the market but he has more money in his bank at the end of the year. He’s still producing an animal that people will buy but it doesn’t have to be the best one because the effort he put in to producing the best added a lot more cost on to his business.

I It makes sense but it’s a new concept for me.

R When I say the best, it doesn’t mean his animals are somehow not good enough, it’s just… He’s happy to go for the Tesco mid-tier range, usually in Tesco there’s three ranges, the basic, the mid-tier and the finest. He used to be always Tesco finest but it cost him a lot to do it, whereas now he’s Tesco mid-tier, he’s not the cheapest, he’s not the basic but he’s the mid-tier which most people are happy to buy, it’s still a good product, it’s still what people want to buy.

I What were the breeds?

R He had the continental breed and now he’s got the stabiliser.

I Please send links to all these analyses.

R I can see the challenge you have because I could have made it all up for the last two hours, unless you have the evidence base behind it. That is the challenge with some of these things. My frustration sometimes with farmers is they will make a claim that a lot of people talk about but nothing to suggest it stacks up. Mr retailer doesn’t like farmers and will always try and do us out of our money, but when you look at the evidence they pay you the same as everyone else but because it’s a popular opinion you can’t argue against it. In terms of analysis, I will send you our stocktake report and I will send you the contact details for [person 3], she does a lot of the international benchmarking work as well. She may be able to help you a bit more, I’m not an economist but she should be able to better steer you in the right direction.

I Will she be able to give conclusions for upland areas?

R Hopefully [person 3] will be able to help you if there is stuff, I can’t promise there is but if there is stuff out there hopefully she’ll be aware of it. There’s an Exmoor Ambitions, it’s in the south-west, Exmoor put a paper together and presented it to Defra of what the future could be like for the uplands in Exmoor. That went down very well with government and it was the only thing, when Defra announced their policy on UK Agricultural Bill that was one of the few reports that were actually mentioned.

I [person 4]?

R I’m not sure who wrote it. Have you spoken to [person 5]? [person 5] used to be chairman, there’s [person 5] and [person 6], they’re more the English side. [person 6] is the National Farmers Union Uplands Chairman. [person 6] is involved heavily, he’s from Cumbria I think, he’s the Uplands Chairman for England. If you contact the National Farmers Union in Stoneleigh and speak to [person 7], he’s the livestock adviser for the NFU, he’s also an uplands farmer himself or he’s the son of, his brother has an upland farm. In terms of uplands for England start with [person 7] National Farmers Union, I’ll send you his email and tell you what he does, and I will send you the link to the Exmoor work.

End of first recording

I Card 4. Number 10, competition between alternative land uses.

R It’s how much of these diversification or other activities including woodland or rewilding is probably high in the debate at the moment. I think upland farmers do see some of their land as a mosaic and they can do more than just one thing, they do have renewable energy, especially wind, upland farmers do see people with woods, I suppose it’s how you incentivise and how much of it is where the debate comes. I think some upland farmers are pragmatic and they try and use it all to the best of their ability but there is some tension in these areas.

I think the tension is, again you’re not empowering, sometimes the decisions aren’t being powered by the farmers, they might have been told that they have to reforest a significant amount of their land, they’re being told that people want to rewild it and they’re left out of the discussion. For the future of upland farms some of these diversifications can be a good thing but I think farmers need to be part of the discussion.

I Farmers as land managers or food producers?

R I think it’s a good point. I think upland farmers see themselves as food producers or farmers who also look after the environment or look after the landscape. I think in the new post-Brexit world it could be they have to see themselves maybe as land managers who also produce food. It doesn’t necessarily mean the amount of food they produce changes but it is a subtle difference in how they think and look at things. That change to land managers or environmental managers again will come back to government policy and how you enable that and how that is going to be facilitated. I wouldn’t disagree with that point though.

I How can farmers assess best use of that land?

R I think the challenge is, I don’t think there is enough evidence and information out there. I think some of the evidence and information on both sides is driven by vested interest, so you would probably find information that would support farmers not to do something and you’ll find evidence to support rewilding for example. I actually think there’s nothing in the middle. I personally find the rewilding debate interesting but they say there’s too many sheep in the uplands, well we’ve actually left sheep in the uplands [inaudible] 20-30 years ago but they’re still saying it’s the sheep’s fault. Numbers-wise how are the sheep still creating all this damage if there’s less of them?

It’s an interesting debate, I think the challenge is if you look at the history of some environmental schemes that have gone into the uplands where there’s compromise production in order for environmental payment, have those environmental schemes actually seen a return on what they told farmers to do. I don’t think they have in a lot of cases, I think the challenge is… Farmers are proud of where they are and I’ve never seen a farmer yet who wants by some way to damage the environment he’s in. I have however seen many frustrated upland farmers who went into environmental schemes, they reduced their numbers, they sacrificed production but it hasn’t led to any improvement in the environment. They’ve been told to do things which weren’t necessarily evidence-based, sounded good but maybe not evidence-based and actually it hasn’t benefited.

So I think that’s the challenge, where you’re seeing new schemes being trialled in the uplands more outcome measures where they’re trying to work with farmers to deliver the outcome. An example of that is what they did in Ireland under EU in the Burren in County Clare where they tried to come up with measures, where the farmers came up with the measures and the government set the target, and that was very successful.

I Do you have UK examples?

R In Dartmoor they trialled some outcome-based schemes, I don’t know how well they’re going but they did trial some of those schemes and I believe they’re trialling one or two now at the moment to test what the new agri-environmental schemes may look like. I don’t have the details on them. It will be Defra and Natural England. I’ll send you the details of [person 8] in the NFU, so he should be able to tell you about uplands and those new schemes being developed.

I Changes in subsidies. In England food production is not a public good?

R By Defra, yes. The government don’t view it as a public good, the farmers do I would say.

I How do you view this movement?

R I think farmers do a lot of public good, how we define is obviously a challenge. To me food production is a public good because people have to eat but there is a wider, especially in upland areas that farmers benefit the public. I think recognition for that is a positive but the devil is in the detail. I think the challenge will be how you describe what that public good is, how you describe how a farmer should go about delivering this public good, what those payments would be like and also what do you have to sacrifice to get those payments, or if you have to sacrifice.

Are we talking about a public good as we see farmers are farming today, do we view public goods on how we would like farmers to farm today or would people define public good as an image of farming from 50 years ago? The challenge to it is, will public goods enshrine a historic image of farming rather than the modern industry we have now? The goods that farmers are delivering today are on the basis of the farming they are doing today and how they’ve tried to move their businesses forward. I think that’s where the challenge will come, between allowing farmers to farm and balancing that with whatever these definitions are of public goods.

I Do you think those definitions are getting clearer or still very vague?

R I think it’s very vague. I don’t think people know how to define it, I don’t think government know how to define it, so I think that’s the challenge.

I An issue of definition and measurability?

R Yes, I think it’s both. It’s very undefined at the moment and it’s down to individual interpretation. You and I can have a debate about a public good, we can say whether it’s the landscape people like to walk in for example, in the Lake District there’s an image of the Lake District, there’s the Herdwick sheep breed at the side and that’s the public good. The challenge with that is, 1) is a Herdwick a profitable sheep to keep on all farms in the Lake District, are you going to make every farmer have Herdwick sheep, do those deliver a market return and if they don’t how do you subsidise the farmer to keep Herdwick sheep because people like to see them and mitigate the loss of income he could have had if he had a different breed. But also some people will say that landscape is not as well as it should be, we should have less sheep, who defines what that less should be, how do you pay farmers for having less sheep, how do you continually pay them to have less sheep?

Landscape, we could have a debate for a number of years saying how you define it and how you want it managed. Sometimes what we forget is, the landscape now that people like has been created by farming. There is a debate amongst other people where they see the landscape now as if there’s something wrong. Then you would have the rewilding debate saying you might think you like this landscape but that’s not how it should look.

I What do you think about rewilding?

R It’s an interesting debate but everyone is selective on their facts. I think people in rewilding will say they want certain species, certain animals, certain forestry but those things haven’t existed in England for hundreds of years. I won’t say whether it’s right or it’s wrong but I think the debate is very interesting. In theory all of the UK should be native woodlands, we shouldn’t have houses, it’s how far do you go back for your rewilding. They say flooding is caused by sheep in the uplands, all I know is when you look at the numbers pre-2000s there were probably over 20m sheep in the country, we’re down to 15. A lot of those have come off upland areas, farmers have environmental schemes where they’re told to destock as well. We’ve made a lot of changes. I haven’t seen evidence, maybe it is uplands grazing that’s causing flooding, I don’t know it’s not my area but I think the challenge with these debates is you’re getting extremes either side. There doesn’t seem to be a place yet for maybe a bit of independence in the middle.

There are probably some arguments that are right, there is probably areas of upland where there is too many sheep or they haven’t been hefted, they haven’t been moved around the uplands enough. On the flip side, I know where there’s areas of upland where they have let us rewild and it hasn’t created this multi-species, it’s created a grassland mass that doesn’t grow and nothing can get through, and it’s actually not what they want either. Managed grazing I think is probably [inaudible] I think nobody meets in the middle, it’s probably a wider society issue at the moment, not just farming. We’re a society now that has views both sides and we don’t like the pragmatic person in the middle, so I think that’s the challenge with some of these things.

I A mix of cattle and sheep to deliver environmental goods?

R I think the challenge is at the moment, we produce schemes that are not adaptable. For example, there’s 100 sheep and we think there should be 50 sheep in this area, and that will mean we have what we want or we’ll get the landscape we want. So you may pay the farmer, he’ll get rid of 50 sheep. What we don’t do is to go back and re-look and say we’ve probably degraded a bit more because we’re not getting what we want because there’s certain areas that aren’t being grazed by sheep and that actually is causing a certain type of coverage that’s bad for wildlife. We don’t go back and review, so we’ve come out with, get rid of 50 sheep but do we review and say maybe we should up the numbers slightly, maybe we should manage it, maybe they could be a bit more flexible, maybe we need to move them around a bit more.

So I think the challenge with schemes is because they’re always linked to money and payment they are very black and white and doesn’t allow for the grey. I think your point is right, there are areas… For me the uplands at the moment is a managed landscape, it is not wild. There are wild elements to it but it’s been managed for hundreds of years, there have been sheep and cattle grazing and that grazing has created the mass and the environment you have. If that’s what you want to keep, there is going to be an element of grazing but it’s how you allow for that to happen. I do agree, I think there is a [inaudible] where they simply remove animals off certain moors and certain upland areas and the outcome isn’t what they wanted.

I Who designs the schemes?

R I think you’re right. If you look at the history these schemes have come out of Pillar 2 payments from the EU. The challenge from a UK Government point of view, it would probably cost a lot of money to have a load of very bespoke farm to farm schemes. I’m not saying it’s right but you can see the rationale of, let’s have a number of different options and there should be enough options within those that a farmer can pick from. Instead of, they leave it to the farmer to tailor it to their farm rather than the government or the adviser. I can see why they do that, because there’s a lot of cost to administer schemes and it could be very challenging to review every farm.

I can understand it but I think you’re right, I don’t think they’re tailored, I think some of them have been tick-boxes, but also I think the challenge is… It’s how you want to view these schemes, in some schemes it’s better to be broad and shallow rather than narrow and deep. Some environmental schemes could be very simple, very light touch, which you may think it’s not a big step for a farmer to do. It might be, don’t cut your hedges for every second year, for example. It’s not a big thing, you wonder should you be paying farmers to do that, but if you can guarantee 1000 farmers in an area are in this scheme and won’t be cutting hedges, you know that’s delivering something for the environment, a lot more than just ten farmers planting hedges.

I think sometimes we get lost in making sure it’s very detailed and in theory should deliver a lot but… The environmental schemes originally done in Ireland, some of them were very broad and shallow but what you got from that is you know every farmer who was in that scheme should have been able to achieve what was asked of them, and you probably got wider benefit because everyone was doing a baseline rather than just a handful who were going over and above.

I What is the approach of the Defra studies?

R I don’t know those new Defra schemes in detail, I’m just aware they’re starting to trial them.

I Impact if upland sheep and beef cattle farming reduced or ceased altogether?

R In terms of community a lot of people rely on farmers. I don’t have the studies but is it something for everyone, £1 a farmer gets he generates another £6,7,8 in his community, so in terms of knock-on effects you have every downstream business that’s related to farming, your feed companies, suppliers, processors, it also has knock-on effects to your lowland farmers. Many upland farmers produce stores so if they suddenly disappear where are these stores going to come from for your lowland guys who buy them. There’s a lot of different knock-on effects.

I think in terms of the environment there will be unexpected consequences, it would sound good not to have animals to some people but I don’t think it would generate the environment that they want, it wouldn’t be as quick as they’d want to see it. Also I think it would be more of an issue of land abandonment. There’s probably a lot of different scenarios. There’s a lot of ground nesting species in the uplands who do need a bit of managed grazing, because that’s what those birds are used to. I know of a farmer in an upland area in the south-west, his cattle are used to manage butterfly habitat, so they graze the habitat. I don’t know if it works but the point of the scheme is by managing that habitat it helps protect rare butterflies, so obviously if the cattle aren’t there what happens to the likes of those butterflies? I think there’s many different factors, you’d probably have to sit down for an hour or two just to draw them all out.

I Card 8. Food system resilience.

R There’s different examples but it’s the degree they work to. For grassroot networks, I know this is the south-west because I know they have them in the north. There are upland groups, for example I used to work with the Exmoor Hillfarming Network or the Dartmoor Hillfarming Initiative, so there are groups based around farming in uplands. In uplands as well because of those common areas you have commoner groups. Some of those groups are focused on specific issues or land rights or access or different things, so I do think there are farmer groups, it’s the extent to which they push. A lot of those groups [inaudible] day to day farming, knowledge exchange, helping the farmer to be a bit better can be helpful in environmental schemes. So I think there are good examples of those in places.

I think what they could look to a bit more is business development and marketing, so probably move into capability. So those kinds of groups, could they look at being producer organisations, collective marketing, could they look at developing a brand, creating… There is a challenge in some areas, they might only have one abattoir to sell to but as farmers are they working together to try and get as much from that abattoir as they can by guaranteed supplies and guaranteed times delivery and other things. So I think there are those networks, where the challenge on the farming side is we don’t have a great history in the UK of farmers working together and sticking together.

I So it’s skills?

R I think that’s it. There are good leaders in the agricultural industry, I just think it takes a lot of work, time and effort to keep, no matter who you are. Imagine in your day to day life if there’s ten of your colleagues in a room, it’s a lot of work that everyone goes the same road and does the same thing and works together, show up to a meeting on time. So you can imagine with a group of 100 farmers trying to get them all to agree this is what we’re going to produce, these are the times of year we’re going to produce it at, these are the numbers we’re going to sell throughout the year, that takes a lot of work. There is some scope for funding that kind of work under the RDPE and producer organisations but I’m not aware of them taking up too much.

I Narrow window of supply.

R Uplands generally lamb a bit later and they go into stores. There’s an element of trust needed for this and that’s where I think the challenge is, it’s developing that element of trust. Maybe everyone is targeting the same period, there is a lot of breeds in the UK but as I said there is a lot of variation between breeds. No matter what breed you have, if you have a selection aim you probably can deliver that outcome, the only difference is if you want to stick to one breed it might take you a bit longer, if you’re not happy to change breeds you could buy in [inaudible] a lot quicker.

A good example is Aberdeen Angus cattle, Aberdeen Angus cattle about 60-70 years ago were very short, came up to your belt buckle, they weren’t tall animals, they were small, they were short, but through breeding, through bringing in genetics from I think Canada, they have changed the breed. That shows you what can be done and now it’s delivering a different, has a whole image and a market. So yes, there are a lot of breeds but are farmers using those breeds and selecting for what they want or are they maintaining a breed because they like it?

Going back to the numbers and the challenge, if you don’t talk to the processors we won’t understand their concerns. The challenge they have is they don’t always know how many numbers are coming and what day they’re going to come in, they don’t know what type of animal they’re going to get and what grade it’s going to get. So sometimes an abattoir has to take in a lot more sheep just to make sure it has enough to fulfil its contracts. I don’t think you’re going to get loads of money but if you had farmers working together to guarantee every week you will get 50 lambs and they should fit within this grid, and they’ll be on time Monday morning every week 50 lambs. How much money would that benefit the abattoir? The abattoir will say, we’ll give you 5p, 2p, 1p more, is there a collective bargaining that can happen?

I Spot market mentality.

R It is, we’re still spot markets. There’s a marketing group in southern England, I think it’s CQLP, I’ll add it to the email as an example. They don’t necessarily guarantee more money but what they do is, they work with groups of farmers, they will get an idea the amount of stock that farmer has and they will go to a processor, not just one, and say we can guarantee you 50 cattle, 100 lambs this week, a rough spec, and they will try and bargain to get a good price. A number of farmers are involved in that because they feel they’ll always get a market and they’re always trying to get a bit more. So there are examples of it but I think we’re still, unlike cereals where you can maybe risk it and do a bit of forward-pricing, most farmers in the UK are spot price because that’s the only thing they can do.

I Farmers don’t like to be tied.

R Yes, and it does come back to what you mentioned yesterday, chasing the final penny. If your mentality is you’re always focusing on price rather than your margin that’s why those groups don’t always work. There might be times when you don’t always get the best price so it could be that that marketing group got it wrong, this time they got it wrong and you lost 2 or 3p. Humans, not just farmers, we always focus on the negative and where things went wrong, we don’t always focus on the 100 other times where they got a bit more. Some farmers will say, I lost out this week, I’m not going to use it any more.

I Public goods payments.

R My worry with some of the new environmental schemes is, we get a lot of upland farmers because of margins, because not necessarily a great return from the farming itself, when environmental schemes were put on paper, they looked at environmental scheme, they looked at how much money they could get per acre or per hectare, and then they went into the scheme. Then a year or two later they may say I’m losing money, I have to get rid of sheep. Those environmental schemes are based on income foregone, I don’t know if the new ones will be or not but traditionally they’re based on income foregone, you’re not paying the farmer more, you’re compensating him for what he’s losing. That is a question, will the new schemes be different.

My worry is, a lot of farmers went into schemes in upland areas and a year or two years down the road they say I probably could have made just as much money if I kept farming. I have talked to one or two young upland farmers and they wanted to get out of environmental schemes because they don’t feel the environmental scheme has benefited the environment, they don’t see any change, they don’t see more birds or more wildlife, and they feel that ground that could have been farmed better isn’t being farmed and they’re losing out because of the scheme. So I think farmers actually, I won’t say abandoning but reducing the uptake of some of those within the last year or two of schemes because it wasn’t worth it.

When you ask, will they look at margins, my worry is if it’s looking like, whatever the trade agreement is and the finances, a lot of upland farmers will just look at the money, a bit like the spot price, sign up to these, whatever these new environmental schemes are without actually taking the time to look at what that will mean for their business. That is a concern of mine. There are some very clever business people who look at the schemes and they farm the schemes, they know how to extract the maximum money out of these schemes. I have no problem with that, they’re doing what those schemes are created for.

I Is it the farmers or do they have good advisers?

R It could be a bit of both. I’ve seen examples in Ireland where farmers have split their holdings up so they can have more holdings to go into an environmental scheme. I’m not saying that’s right or wrong but it’s interesting. Some farmers, I wouldn’t say that’s the majority, I would say there’s maybe a handful. My concern going forward is, I would much prefer farmers know their costs of production, know their margins and when the new options come out they do a bit of, what would this mean for my business over the next few years. Rather than saying if I sign up to this I’m going to get £100 an acre, why wouldn’t I do it, or have they lost out £100 by doing it.

I Conflicting messages and issues of trust?

R When it comes to environmental schemes, those schemes are coming from government and they’re looking at options. The objectives and measures they have to sign up for are from government. I do know of schemes, I think it was Dartmoor/Exmoor where Natural England adviser advised the farmers to go into a certain scheme in an upland area, I think it was a common, they all went into the scheme and then a few weeks later they changed, or a year later it turned out they were advised wrongly by Natural England, their adviser was wrong and the government wanted to renege on the scheme. That was challenged and the commoners won. That doesn’t built trust, it doesn’t build trust in that area where they think they were doing everything right, they were working with government and it turns out that the agent of government wasn’t acting correctly.

I Which area of England was that?

R I think it was Dartmoor. That’s a bit of an extreme case but it doesn’t build trust and I suppose the challenge with that is, if it was the other way around the farmers would have been penalised.

I General uptake of innovative solutions.

R Part of my job is knowledge exchange and best practice, there’s a challenge of getting that information across to farmers. I can take the blame, maybe we’re not using all the best tools to communicate it, we don’t understand enough what is the resistance to those messages, rather than just all farmers don’t want to do it and maybe we haven’t spent enough time to understand why not. It’s probably something from the people offering advice to understand farmers a bit more or understand how you deliver messages for better uptake. At the moment there’s probably still some farmers who feel this is the way they’ve been doing it or this is the way their father’s done it and they don’t want to change. I suppose there’s many different reasons why the uptake is slow. Sometimes some farmers don’t value that knowledge or the R&D or research, they don’t see it as practical.

I Card 8. Infrastructure.

R With slaughterhouses it’s understanding the messages, it’s are they communicating back to farmers what they want. Sometimes farmers maybe see the penalty on their product but is it explained to them why that penalty has been applied. Do the farmers who have received a penalty understand why they’ve got it or do they think it’s just the processor trying to take some money off them?

I Fewer slaughterhouses.

R In terms of monopolies and that kind of issue? A lot of animals go from the north of England into Wales to be slaughtered, especially sheep. It depends what you mean by long distance, if you were farming in Australia or Canada you’d probably have to drive 6, 7, 10, 12 hours with animals to get to your nearest abattoir so I suppose the long distance in the UK could be perceived as a very short distance in another country. Yes, there is obviously, there isn’t huge margins in processing, hence why you see four or five big companies being established, why the smaller abattoirs struggle, there is regulation for food safety, so there is a challenge I don’t think it’s an easy business to be in all the time.

We have seen reduction of abattoirs. I think the number of companies operating are competitive between each other but I think sometimes farmers suggest because a number of them are Irish owned they assume they all work together. I don’t believe that myself but that’s a story farmers like to tell themselves. Yes, there’s a challenge, there’s less and less but I don’t think the solution is to have more either because you increase the cost, you have over-capacity. By having more abattoirs and the same number of animals, it doesn’t necessarily mean more money.

I What about mobile abattoirs?

R I’ve seen it being suggested, and it’s an interesting idea, I suppose where is the meat going to go? The idea of a mobile abattoir probably works well for your more smallholding or farmers who want to diversify into direct sales. I know it’s been talked about a lot in the north of England and in Scotland but my question is, mobile abattoir comes, animals are slaughtered, where is that meat going? Where the animal is slaughtered provided it’s done humanely I’m not overly concerned where that product goes next. So, yes we can question if we want them to be from the north of England into Wales but provided the welfare regulations are met, the animals are transported correctly, actually if you look at the welfare animals exhibit normal behaviour within half an hour of coming off the truck.

If I was discussing this using emotive language, like sometimes you get from NGOs, we all have been on a Ryanair flight, they’re not the most comfortable but you get off and you’re back to normal. We have this image in our heads that somehow putting an animal on a truck it can’t travel, provided they do it right I don’t have an issue with it. Farmers who want to diversify, farmers who want to sell direct or into their local market, I could see the advantage of a mobile abattoir would slaughter a number of animals, you could bring it to your butcher then to cut up and then you have an easy direct line sales.

I What do you think is the influence of NGOs?

R I have no issue with an NGO, where I struggle is the evidence and the rationale they use. They do have a lot of input. In some respects some of the things they fight for is right, you can’t argue, some of the high welfare standards that we use today and that we use to protect ourselves today have been borne from some of those animal welfare and NGOs campaigning for them, so it’s a careful balance. I don’t argue with that, it’s how you balance it and where I struggle with some of the NGOs and where I’ve come across them is, you’re using emotions and emotive language and actually you’re not using animal welfare.

For example, banning on live exports, why? Why is putting an animal going from the south of England to France in a country that has by and large the same animal welfare as us, why is that a problem when you can bring an animal from south of England up to Scotland and no-one complains. I like to think I’m practical in most things, and to me that isn’t a logical argument but yet there’s a huge campaign to ban live exports. If their demand is, we don’t want to export to a country that the welfare isn’t maintained, Northern Africa or the Middle East, actually I think that’s a fair argument. I think fair enough, if we’re producing to an EU standard and we think our animal welfare is this high, should you export your animals to somewhere that doesn’t meet that. I would debate a lot of things, I think that’s an argument that’s hard to debate however I’m more than happy to have a discussion with NGOs of exporting them to northern Europe, I don’t see an issue with that myself.

I Card 8. Changes to resilience.

R It actually comes back to some of your points about knowledge exchange and innovation. The biggest advances, if you were trying to [inaudible] all upland farmers, it isn’t anything new, it’s probably adopting information we’ve known for the last 20 years, so that’s some of the challenges. To move people forward isn’t necessarily looking at the new advice, it’s making sure they’re all doing the standard. In terms of resilience and what I would like to see, I would like to see all farmers have a better handle of their costs, it might scare them. It doesn’t mean they have to make a load of changes but I think for all the uncertainty that’s coming farmers need to know what impact different situations will have on them.

So I would like to see farmers understanding, if this subsidy disappeared my business is invaluable so I need to think. It doesn’t mean they have to action anything but understanding it better, and I would like to see farmers in upland areas work together a bit more. It’s not easy, it’s a hard road bringing everyone together but it’s only by working together they give themselves some leverage, some power, because it’s very easy to divide a group if they’re not together. Sometimes I don’t think farmers do enough for themselves, they will say government needs to do this, sometimes you need to do things for yourself. For me the starting building block is, knowing their own costs, knowing their own businesses and trying to find ways where they can work as farmers together and be more of a united voice in whatever the future discussions will lead.

I For governmental agencies, is there anything they can do differently?

R When you have the farmers working together they need to listen. It needs to be a two-way conversation and they need to learn lessons from the past. So I think if they truly evaluated some of the measures they did in the past where they didn’t include farmers, they told them what to do, they haven’t been successful. From government agencies when they’re looking at the future will look at what they’ve tried in the past, find out the reason it hasn’t worked, learn from those mistakes and find ways of engaging with the farmers. You’re going to achieve a lot more if you have 90% or 80% of farmers on your side.

I Institutions more for lowland.

R I have to declare a vested interest in that one. I used to work for the English National Farmers Union so I suppose I am biased. What I would say, when I used to work for them and I got that argument, I am from a small farm family background, don’t particularly have any affinity with big landowners, I’ve never once felt when I was working there that they favoured one farmer over another. In my mind, if you pay a membership to the NFU you deserve to be represented. I can’t comment on the Scottish one but that’s why [person 9], one of his roles is working with upland farmers and delivering for them.

I’m well aware of that perception, it’s always used, do I feel it’s 100% true probably not but I think that’s a challenge for the NFU to try and address that in some way. I also think it’s a narrative that suits. If you asked what they wanted to do differently they wouldn’t have an option. I think the challenge with the National Farmers Union is, like any representative body, you’re trying to find consensus for all farmers, you’re trying to find something that a lowland farmer and an upland farmer agrees with. There are some times when that isn’t the case but that’s the challenge, the upland farmer will think they’re not being represented and the lowland farmer will probably…

A key measure is if both groups of farmers don’t think you’re doing a bad job then you’re probably doing something right. It’s a challenge for an organisation. For organisations like National Farmers Union in Scotland or in England, you’re trying to represent everyone but you can never keep everyone happy.

I SAOS.

R The organisation where I am now, no, that’s not our role. We’re [organisation 1], so it’s not our role to get involved at that level. A no from us doesn’t mean there isn’t someone out there that should be doing it.

I SAOS equivalent in England.

R I’m not aware of one. There’s a number of different farming cooperatives in England, the small ones, buying groups, but I’m not aware of an equivalent.

I Is there anything you want to add?

R No, I don’t have any major questions. I’ll send you links of those names and reports we discussed.

I Workshops.

R Yes, that’s no problem. I’m based in Warwickshire, the Midlands.

I Thank you.

End of transcription