

Marcus Maxwell – Farming without Subsidies

I think it might pay to look back before we look forward to see what has been done, what is happening now and what might be the future for profitable sheep farming in Scotland. As my glass is always half full I would like to think I am positive about a future in sheep farming.

My enthusiasm used to know no bounds but with a year like 2007 it has been time to re think and evaluate. 2007 has told me that if we have a future in the sheep industry we must most of all have an open export market. With F.M.D, Blue Tongue and no export market there is no hope at all if we also have to consider no subsidies. In view of this I would have to be kidding myself that there is a future.

To look back over my life span of a mere 45 years, to see what we farm now, and how it has changed! To start with, all the land we now farm was dairying. In the 60's, forty five years ago, it was six separate farms with twenty people employed and extra at harvest time. Twenty families in the community. 45 years on two people are employed, one family being ourselves. The effect of that on a community is catastrophic in some ways.

To highlight the change of 45 years, I studied at our local secondary school, which still has the same number of pupils. 45 years ago nearly 90% of pupil's parents were involved in agriculture. In 2007, 4% of pupil's parents are involved in agriculture, with only 2% of the pupils wishing to go into agriculture. 70% of the pupils now live in farm houses, cottages and barn conversion. What this sadly tells me is that rural communities have changed and agriculture is no longer dominant. Terrifyingly, it might question whether agriculture is necessary or whether we are paid to be park keeper

It goes with out saying if the livestock industry is to survive it must be economically viable however the people who are now living in areas such as s w Scotland are far less envolved in agriculture and so them the prosperity of livestockfarming may be largely erlevant it is therefore up to us and us alone to insure the business we are is viable and profitable but also reconise livestock production may not be the only way of using this patch of land.

Kate and I have built our Viewfield Romney business and know that we will cope with the challenges ahead.

- We can again with our sheep double our flock numbers - or more - without increasing our overheads, but the bottom line is, it has to make money for it be worth doing.
- I believe the future of the sheep industry is much larger flock numbers, with fewer shepherds looking after them.
- I would suggest a shepherd or shepherdess looks after 2500 ewes.

When I started farming on my own 23 years ago the advice was to put as much stock on as you could and more. Solve your problems with lashing on nitrogen and build sheds to house all your stock for as long as possible. To me this was high input, high cost, and high labour, with low profit.

This was against everything I had just learnt in New Zealand. So 12 years ago, we started building a business and flock on a N.Z sheep farm system. We started a Romney flock, using only N.Z genetics. Luckily, Kate's father Stewart McDougal was a very successful ram breeder in N.Z of the original easy care sheep, the Marshall Romney. We sourced our genetics from there to start with. The aim was to create a ewe to maximise grass, sheep should be converts of low quality grass in to high quality meat, with low human intervention but high output. Our aim was to eradicate all the undesirable traits of sheep – quite a challenge!! The backbone of Viewfield Romney's are as follows:

- profitable production without SFP
- unassisted lambing giving 158% lambs sold
- successful hogget lambing
- excellent lamb survival $\geq 95\%$ outdoor and unassisted
- strong emphasis on maternal index
- high growth rates with all lambs finished off on grass
- ram to ewe ratios of 1:100 and still keen for more!!
- management strategy for parasite reduction
- worm resistant and worm resilient sheep
- quality wool adding to profit

12 years on.....

- pregnancy scanning 170%
- rearing 158%
- 99 singles from every 100 docked
- 190 twins reared from every 100 ewes
- average lamb weight 19kg R3L
- singles off mothers at 120 days old
- lambing assistance averaging 4 in every 1000 ewes lambed
- worm tolerant sheep

The aim being a high performing sheep off grass with low inputs, quite the opposite of the highly pampered sheep we had previously.

Our ewe's performance is the backbone of the success to the business.

Some stock being bred in the U.K today, I feel, is being bred for the show ring and sale rings, not what I feel will thrive and survive in a subsidy free system. I highlight the difference by the effects of showing sheep.....(a story to tell)

Our aim has been to produce a prime lamb as cheaply as possible. I am sure that is what everyone's aim is! But we very closely monitor all our costs to see

how we can reduce this further. We concentrate on this as I don't see lamb prices making high price gain with no subsidy. I don't see lamb prices going up either. For it to go up the demand must outstrip supply. Our domestic market is saturated quickly without an export market. The consumers of lamb in the U.K are mainly the over 60s. Lamb has not been made in to a McLamb Burger or some other fast food. Lamb is an expensive meat to buy as a producer I should be getting more of the £15 per kg it is retailed at. Basically we need more people eating more lamb but sadly I do not see individuals paying any more for it.

We have spent a lot of time, effort and money improving our ewes which has enabled us to sell breeding stock which increases their value.

Our aim is to market our breeding stock with the interest in easycare low maintenance sheep, and to feature in as much of the livestock press as possible, also seen behaving badly at the Farmers Weekly awards in London!!

This certainly had positive feedback and improved sales, now selling sheep from Orkney to Devon; they are thriving in the areas we are sending them. Thank goodness the stock is not behaving badly!

We are using as much technology as possible to help improve our flock numbers. From Gene Marker to D.N.A testing, electronic tagging and eye muscle scanning. We hope this will lead us to faster fattening lambs, even better carcasses, better killing out % and creating the super Mum ewe!!!! What more does one farmer need.

Our prime lamb is sold through a lamb group which we started 20 years ago. We have now joined other lamb groups to give us more strength and negotiating power. (we are still waiting as we are still finding great resistance from the abattoirs. Being organic we do get a higher price for our lamb but once again it is not enough. The start of the season sees us at £3 per kilo which is satisfactory. We also use the lamb group for purchasing power which has helped bring down many prices.

To say we can farm without subsidy is true, but can we survive and invest back into our business. I do feel it will be very difficult. We can only cut so many costs before it has a long term effect on the industry. We have designed a business on low fixed costs and low input, which can expand on a low rental or low land values.

Our solution is to expand again, but this has the predicament of buying or renting more ground, land prices have been driven sky high by Irish farmers coming over - doubling and sometimes tripling land values and life style farmers from the south retiring to our area.

The rental price is climbing fast with the dairy farmers seeing milk prices climb and they too are wanting to expand and grow. Sheep farmers cannot compete as there is not enough financial return in the sheep sector and they will be driven back to the land where sheep and not much else thrive. With wheat and barley prices rising it looks like more land in South West Scotland will be ploughed! Up until now we have strengthened the business by expanding, by buying more land and renting neighbouring land.

It is said that your neighbours farm will only come up for sale once in your life time. In the last ten years three neighbouring farms have come onto the market (which is making me paranoid that maybe I am not a good neighbour!) We have managed to buy two of the neighbouring farms. The third this year went for over double its valuation selling to an Irish family, we have also managed to rent a neighbouring farm. We have looked at renting hill farms, the negatives have outweighed the positives at this stage.

I feel we have achieved a lot towards our goal of subsidy free farming but as the time draws nearer, more problems keep appearing (the moving goal posts). I have to hope 2007 fat lamb prices are at a once in a lifetime low and we can get back to better prices, £3 per kilo will go along way to helping.

I have not only been driven by profit but greatly by net worth growth. I am always trying to improve the environment I farm in and the environment we live in, most importantly to us is our family and the life style that farming brings, making the most of what we have. The future of sheep farming may well be very different to what it is now in a very different country side.