

## Marketing Development Strategy *By Jennifer Fleming*

As part of the Canadian Sheep Federation (CSF) Market Development Strategy, the George Morris Centre (GMC) is undertaking a market opportunity study. Initial results are both optimistic and challenging. The study has identified phenomenal opportunities for Canadian lamb, particularly as less than 50 per cent of domestic demand is supplied by Canadian producers.

What is perhaps surprising is that the outcomes of two separate market research efforts (one polling consumers; the other polling industry customers - processors, retailers and foodservice operators) have resulted in remarkably similar results. For instance, the majority of both lamb consumers and retail/foodservice customers consider Canadian lamb to be superior in many ways to imported lamb. GMC has also identified that factors such as BSE, AI, and population growth trends are leading to distinct increases in demand for lamb, including markets that have not traditionally consumed lamb.

Despite vast market opportunities, consumer and customer research yielded surprisingly similar results when seeking to identify challenges that the domestic industry must address to take advantage of market opportunities. The most challenging is lack of consistency in the quality and supply of Canadian lamb. This is deemed a critical weakness, particularly compared to our leading competitors. Capturing market opportunities undoubtedly hinges on producing a consistent product in terms of quality, size, leanness and supply. Consumers and customers alike want dependable consistency.

Given current industry dynamics, the majority of any increase in market demand for lamb will likely be filled by New Zealand (and, increasingly, Australian) suppliers. While Canadian lamb is more expensive than imports, for many consumers and customers it still offers a greater perception of value compared to NZ and Australian lamb. This is remarkable when compared to sentiments that exist in many other industries within the agri-food sector. It is, therefore, the lack of consistency, not price, which ultimately continues to let us down the most as a domestic supplier of lamb.

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## Marketing Strategy con't

While Canadian sheep producers face great market potential, how can producers and the wider industry take advantage of this opportunity? The first factor to realize is that the production, processing and marketing practices of our leading competitors tend to be significantly different from those in Canada. Improvements in genetics, production, processing and post slaughter handling have reduced costs and increased meat quality and consistency. Risk management techniques employed by producers also differ from Canadian norms.

One way to develop capabilities that lead to improved quality and consistency of domestic lamb is to learn from the success of others. During their research, GMC has been in contact with Rissington Breedlines (NZ) and Livestock Marketing (UK). These companies are involved in separate international initiatives, supplying consistent high quality, cost-effectively produced, year-round New Zealand and UK lamb to consumers through countercyclical production arrangements. In both cases, particularly in the case of Rissington, producers in the UK and NZ are utilizing similar genetics and production systems to supply a specific market.

Similar efforts underpin initiatives occurring in other parts of the world. These result in enhanced production methods across continents, not just within individual countries, to supply consistent quality lamb. The outcome of such initiatives could see the Canadian lamb industry facing competitive disadvantages compared to a widening number of nations, especially if similar developments do not occur domestically.

## AUSSIES ON LOOKOUT FOR UGLY SHEEP

**SYDNEY, Australia (Reuters) -- Australian scientists have called on the country's farmers to report any ugly sheep found in their flocks.**



A campaign called "Xtreme sheep" aims to study sheep with undesirable wool features to unlock the genetic makeup of the prized merino and ensure production of its high quality fleece.

The South Australian Research and Development Institute (SARDI) said on Tuesday its search for "Australia's ugliest merino lambs" may hold the key to securing the nation's \$2.1 billion wool industry.

The institute said ugly lambs -- with uneven wool, strange fibers, clumps of wool that fall out, bare patches, no wool, or highly wrinkled skin -- are usually culled by farmers.

"Before sending them to the abattoir, we'd like farmers to talk to us first, because studying animals with extreme features offers one of the most efficient ways to find good genes that can impact on certain wool traits," project leader Simon Bawden said.

"It might seem a paradox that ugly wool may be good, but when looking through a genetic profile, the random genetic mistakes act like a flag, speeding up our search to finding genes critical to wool formation and synthesis," Bawden told reporters.

The institute hopes to the DNA study will lead to improvements in Australia's merino wool, making it stretchier, less scratchy, shinier and easier to spin, and better able to compete against synthetic fibers.

So far only 10 ugly sheep have been found this lambing season, which stretches from April to September, when statistically there could be hundreds, the institute said.

## E-SHEEP CONTINUES TO BOOM

The e-sheep revolution has arrived and is here to stay.

The Australian Sheep Industry Cooperative Research Centre has developed the e-sheep concept to accelerate the transition from manual, time-consuming, imprecise flock recording and management to high-tech, fast flowing, and precise individual animal management.

The Sheep CRC has produced on-farm management tools to help producers with organisation and sustainability of their flock.

Tools include the On-Farm Fibre Measurement Calculator, the Merino versus Terminal Sire Flock Model, Wether Calculator, Feedlot Calculator, Simultaneous Assortment and the Lamb Growth Predictor.

These tools are available for free download from the Sheep CRC website: [www.sheepcrc.org.au/software](http://www.sheepcrc.org.au/software).

Source: [http://www.farmonline.com.au/news\\_daily.asp?ag\\_id=36514](http://www.farmonline.com.au/news_daily.asp?ag_id=36514)

## On-Farm Food Safety Update: Veterinary Involvement in Food Safety

*By France Lanthier, National Coordinator On-Farm Food Safety*

The involvement and support of veterinarians is very important to the implementation of on-farm food safety programs. This is especially true for the sheep industry due to the off-label use of animal health products. As sheep are a minor use species in Canada, there is little incentive for drug companies to perform the costly research to evaluate efficacy and withdrawal periods in sheep. The result is that there are not enough available medications for use in sheep so drugs intended for use in cattle are often used.

The small number of veterinarians specializing in small ruminant medicine is also an issue. Without the availability of veterinarians experienced in small ruminant medicine, producers often feel they are better off to rely on each other's experience, or just as well to simply to give it their best guess.

The Canadian Sheep and Lamb Food-Safe Farm Practices (FSFP) program requires that all off-label use be accompanied by a veterinarian's recommendation and signature on method of treatment (dose, route) and withdrawal time. While producers agree that veterinary council is important when using medications off-label, three concerns are commonly expressed:

- 1) How can I get a veterinarian's signature when there isn't a veterinarian around where I live? ;
- 2) I'm not sure my veterinarian will be willing to sign off on off-label use...;
- 3) That's all nice but how am I going to pay for these consultations?

These are legitimate concerns, and concerns that could impair producer uptake of the FSFP program. The CSF currently has 3 veterinarians on its technical advisory committee who are helping to address the concerns listed above.

The CSF welcomes input and comments on the FSFP program from the veterinary community, and encourages veterinarians to familiarize themselves with program. Veterinarians are welcome to use the online training (<http://fsfp.cansheep.ca>), or to attend producer training sessions, or simply to obtain a producer manual.

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## On-Farm Food Safety con't

### Canadian gFARAD – residue avoidance resource

Until pharmaceutical companies see value in conducting research on small ruminants or until the Veterinary Drug Directorate speeds up the drug review process; treating small ruminants will remain challenging for both producers and veterinarians. There is, however, a resource to assist both veterinarians and producers with the use of off-label drugs. Based at the Western College of Veterinary Medicine in Saskatoon, SK and the Faculté de médecine vétérinaire at St Hyacinthe, QC, **the Canadian gFARAD** provides information on residue avoidance to veterinarians. The gFARAD has access to a worldwide database of information on drug withdrawal studies, including studies with sheep. Veterinarians can access the database by entering their license number.

While producers or the general public do not have access to the database, a group of veterinarians are available to answer phone calls or respond to emails. The number of requests per commodity is somewhat surprising: from 2001-2004 the gFARAD received ~750 requests each for broiler chickens and turkeys, ~150 requests each for dairy and beef cattle, 36 requests for ducks, and 7 requests for sheep. It is uncertain why there are so few requests for drug residue information for sheep, considering the high use of off-label drugs. Either overall drug use is simply very low with sheep, or our industry is underutilizing a very valuable service. It is important to note that any use of an animal health product that is not in accordance with the label is considered off-label use, whether the animal health product is a prescription drug or not.

#### **Info on the FSFP program:**

**Visit:** <http://fsfp.cansheep.ca>

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## CLIA Sets Creation of National Premise Registry as Top Priority

By Dennis McKerracher

The Canadian Livestock Identification Agency has identified the creation of a national premise registry as its top priority during the coming year. The Canadian Livestock Identification Agency, the organization responsible for facilitating a nation-wide, multispecies livestock traceability system, includes broad representation from the livestock commodity groups, federal and provincial governments and other industry stakeholders. CLIA Chair Dennis McKerracher notes there is already one national registry administered by the Canadian Cattle Identification Agency.

The federal government and the provincial governments and livestock industry have recognized that premises registry is one of the building blocks for our traceability system. You have to know point A and you have to know point B and be able to track animal movement. The livestock industry believes that the premises registry should be a national registry and, to facilitate that, the Canadian Cattle Identification Agency is furnishing unique premises registry numbers to the commodity groups. We don't want to have producers that have three species have to register three times. We don't want to get in an error factor where, just because you have sheep and cattle on your farm, you end up with two different numbers for that land location. It's imperative that one unique number is issued, it's imperative that producers don't have to register multiple times and it's imperative that we work with the provincial governments to verify the premises locations.

McKerracher expects stakeholders to have a better understanding of the direction the premise registry will take following meetings scheduled for the end of next month.

## New Executive for National Livestock Traceability Organization

The Canadian Livestock Identification Agency's (CLIA) new, four-member executive includes president Dennis McKerracher of the Canadian Pork Council, vice-president John Hemsted of the Canadian Sheep Federation, Mabel Hamilton of the Canadian Cattle Identification Agency and Chris Gould of Equine Canada.

The annual meeting and the formation of a new executive mark the end of a transitional year for the CLIA, says McKerracher, one which saw considerable progress towards a strong and effective system of national livestock traceability. "CLIA continues to show industry leadership by building on the high level of co-operation between itself and its member groups, which now represent all of Canada's national livestock commodity organizations," he says. "The outgoing president, Keith Flaman, is to be commended for his dedication to this goal, which stands to position Canada favourably as a market force as the world continues to move towards a global economy."

The CLIA process involves a three-pronged approach to traceability: animal identification, premises identification and registration, and animal movement within Canada and internationally. "In short, an animal's entire life cycle," says McKerracher. The livestock identification program will draw from the ID systems of its various industry organizations and feed into a central database, while a premises identification database will involve a comprehensive listing of Canadian properties that run livestock.

McKerracher describes the past year as an organizational period for CLIA, as the nine voting member organizations assessed the role their individual traceability strategies could play in the national, multi-species system.

The number-one priority of CLIA, says McKerracher, is the facilitation of a national premises registry which would serve as an anchor document for the CLIA. Another challenge is continuing to enable communication between CLIA and its member groups.

"However, we have a good, strong membership committed to this system and we look forward to further refining our efforts throughout the coming year," says McKerracher.

## Canadian Cattle Identification Agency - Livestock Species Groups In Support of Industry National Repository

CALGARY- Various National Livestock Species Groups came together in support of a multi-species, industry maintained National Data Repository at a meeting held on July 25, 2006 in Calgary, Alberta. The group, comprised of representatives from: The Canadian Cattle Identification Agency, The Canadian Livestock Identification Agency, National Livestock Identification for Dairy, The Canadian Bison Association, The Canadian Sheep Federation, The Canadian National Goat Federation, Equine Canada, Canadian Cattlemen's Association and Canadian Pork Council met to develop a process to transition the present Canadian Cattle Identification Agency (CCIA) database to a new structure that would have broader industry involvement. It is the long-term goal of these groups to have the new structure act as the Industry owned and run National Data Repository for Traceability in Canada.

## WELSH WINS EMIRATES LAMB DEAL

By Jim Buchan

**I**T WOULD appear that Wales has stolen a march on Scotland in prising open a market in the Middle East for lamb. Since the BSE crisis of 1996 all exports of EU sheep meat to the Arabian peninsula have been banned, largely on the grounds that there might be a connection between BSE and the human equivalent - variant CJD.

However, Meat Promotion Wales, the agency that seeks to develop new markets, has reached a tentative agreement with the United Arab Emirates to lift the ban and accept sizeable consignments of Welsh lamb over the late autumn and early winter months, and that could be the catalyst for wider trade arrangements.

Gwyn Howells, the chief executive of the Welsh organisation, said: "This is undoubtedly the gateway for the other Gulf states and there are some very big markets out there. This potential market is likely to come at a time when imports from New Zealand and Australia are on the wane, while we are at our peak in terms of production."

Laurent Vernet, marketing controller of Quality Meat Scotland, was yesterday relaxed over the high-profile announcement from Wales. He said: "We have identified France, Italy and the Benelux countries as our key targets for building export sales of Scotch lamb during the next three years and we know that is where the bulk of sheep meat produced and processed in Scotland for export will be heading. "That market is worth at least £22 million each year. "We do keep an eye, of course, on smaller niche markets within Europe and further afield and we offer a regular supply of market intelligence on known opportunities in these different countries."

**Source:** [business.scotsman.com/agriculture.cfm?id=1160222006](http://business.scotsman.com/agriculture.cfm?id=1160222006)

## Lakeland Project Update: Terminal Sire Effect – is it more than skin deep?

*Susan Hosford and Tracy Hagedorn, AAFRD*

Producers whose goal is to market lambs with consistently high quality – the ‘eating quality’ consumers are looking for – need to look at every tool and technology available. Breeding with terminal sire breeds is a tool that works. The Lakeland Carcass Sire project is coming to the end of its first year. The lambs have been going to Sunterra Meats for slaughter, grading and processing. The plant has done an excellent job in organizing the processing days. By the end of the project there will hopefully be enough lambs, different rams, retail yield and meat quality data to provide a few answers to breeders whose goals are to improve the meat quality of their lambs – no matter what their ewe flock genetics.

It is far too early to draw conclusions – remember we are looking at breeds, not the impact of individual sires. It’s been interesting to see the impact of the sire breeds on how the lambs look – here is a snapshot of the lambs from different sire breeds. On the ewe side, the College flock was as mixed a flock as you can imagine – ewes of every size, shape, breed and cross. That genetic mix is common to many Canadian commercial flocks. It’s also part of the reason for the inconsistency in lamb cuts on the retail shelf.

Why does consistent quality matter? Canadians are consuming more lamb than we are producing. Every single lamb is needed to fill consumer demand, but not every lamb has the ‘eating quality’ consumers will pay a premium for. When prices are good it’s easy to ignore consistency and quality. To do so risks losing Canadian lamb sales to imported lamb.

Two countries – New Zealand and Australian - are setting high standards when it comes to quality. Canadian lamb is not competitive when it comes to price, so it has to be better when consumers look for quality. With a fresh Australian lamb rack at \$11.00 (June’06) and a Canadian rack of the same size at \$34.00 – the consumer needs to be very sure choosing Canadian is the right choice for quality.



**Lakeland College commercial ewe flock ... fall 2005**

# SPRING 2005 LAKELAND CARCASS SIRE PROJECT LAMBS

## Canadian Arcott sired lambs



## Charollais sired lambs



## Ile de France sired lambs



## SPRING 2005 LAKELAND CARCASS SIRE PROJECT LAMBS

### Suffolk sired lambs



### Texel sired lambs



Genetics is only one factor that affects the eating quality of lamb. Everything that happens to a lamb, every stop in the lamb supply chain, affects the taste and tenderness of the meat. And unfortunately eating quality is most at risk in the last weeks and hours before slaughter.

What you do on your farm determines how happy consumers are going to be with the lamb they buy. Points to consider are: the age of the lambs, nutrition for growth, finishing management, genetics, how the lambs are handled, and keeping stress to a minimum. Trucking, hauling and sales yards add stress and handling issues – both of which have a huge impact on meat quality. Dehydration is a problem – lambs without water lose muscle weight and loin eye muscle. Processing has a huge impact – how the carcass is hung, how rapidly it's cooled and how long it's aged all affect eating quality. Wholesale, retail and food service distributors have an impact on lamb eating quality – storage and packaging, matching cuts to target markets, displays and, of critical importance making sure the customer knows what cuts to buy and how to cook them properly. Canadian lamb consumers need to be certain that premium eating quality has been the goal - from farm to plate.

## EBV FOR SHEEP PAYS IN U.K.

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**UNITED KINGDOM:** Sheep breeders that utilize the Estimated Breeding Value plan in selecting ewes can realize an extra £3 per lamb.

Every sheep farmer knows the importance of good breeding. Quality Meat Scotland (QMS) will conduct a series of free workshops throughout Scotland to help sheep farmers capitalize on the financial benefits from using Estimated Breeding Values (EBV). EBVs are vital traits and characteristics that can't be seen through observation of the animal alone. For most sheep farmers, evaluation of the animals by eye is still the favored method when selecting breeding stock. However, with EBV, farmers can learn how the various values can help improve their flock's performance and profitability.

Everything from musculature to maternal ability can be improved by correct selection of the breeding stock. There's a growing emphasis on improving these attributes, with abattoirs and processors continuing to demand increasingly well-muscled and lean carcasses for both the home and export markets. The EBV workshops -- a cornerstone of QMS's Scottish Sheep Strategy -- are aimed at commercial sheep farmers and demonstrate how the use of breeding values has the potential to make them £3 more per lamb each year.

Scottish Sheep Strategy chairman Maimie Paterson said: "Encouraging more farmers to make use of effective breeding technologies such as EBVs will help ensure the future growth and success of the Scottish Sheep industry. Working with EBVs can help producers breed lambs that meet the specifications required for today's marketplace, which is good news for both producers and consumers." The workshops will offer an introduction to what can be a bewildering array of statistics in an uncomplicated, easy-to-understand way and will help sheep farmers better understand the range of information now presented to them at breeding stock sales. The initiative is part of the recently launched Scottish Sheep Strategy -- a £100,000 per annum QMS investment -- aimed at improving the quality of the end product and cutting costs for producers.

**SOURCE:** <http://www.meatnews.com/index.cfm?fuseaction=Article&artNum=12196>

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## U.K. EXPORTS MORE LIVE LAMBS

Exports of sheep meat from the United Kingdom rose by 15.9 percent in the first five months of this year to 32,000 metric tons with estimates showing Britain supplying close to 20,000 metric tons of the total. Figures released by the English Beef and Lamb Executive (EBLEX) at the Sheep 2006 Event at Malvern show France is still by far our biggest customer with 70 percent of the export trade where we have gained market share against a background of falling consumer demand.

The largest increase of all is for added value sheep meat cuts with a year-to-year increase of an enormous 36 percent. Particular favorites are loins to Italy and shoulders to France, while the home market's favorite is leg of lamb. At the same time, demand for British sheep meat has also risen in Belgium, Austria, Sweden, and Switzerland, while new markets have been opened in Finland and the Baltic states. Jean-Pierre Garnier, EBLEX export manager, said: "There is still room for further profitable increases in exports so long as we get the product right for the markets we are targeting. "Exports are an important part of English producers' incomes as they contribute to higher farm gate prices and better returns."

**SOURCE:** <http://www.meatnews.com/index.cfm?fuseaction=Article&artNum=12107>

## U.K. LAMB PROCESSOR BOOSTS SUPPLY

*UNITED KINGDOM: Welsh Country Foods opens a new livestock collection center in Cumbria.*

Lamb slaughterer and processor Welsh Country Foods has opened a new livestock collection centre near Stoneybeck, just north of Penrith in England. The Grampian Country Foods Group processor is the sole suppliers of fresh lamb to ASDA. Welsh Country Foods processes approximately 1.5 million lambs annually and initially hopes to procure around 1,000 lambs per week from the new collection center.

The center is on land belonging to James Thompson, who has invested heavily in this new state-of-the-art center and in addition to overseeing the running of the center, will also be joining Welsh Country Foods as procurement officer. The center will source livestock from farmers in the Eden area.

“This center has a number of welfare advantages,” Thompson pointed out. “Lambs delivered to the center in the morning will generally away by 2-3 pm that same afternoon, benefiting not only the lambs but also the haulers and local farmers.” Locating the center close to the transport networks minimizes the transportation times for the animals, thereby reducing stress and handling for the animals. All lambs collected from the Eden area will be sent direct to Anglesey for slaughter. Those meeting ASDA LambLink specifications will then go on to be supplied to the national retailer. In addition many lightweight lamb carcasses will go to Mediterranean markets. The center will also handle ewes and rams.

According to Adrian Roberts, procurement manager at Welsh Country Foods, the center is the first of a number that Welsh Country Foods plans to open, initially in northern England and then across the United Kingdom. He said the center offers a number of advantages to farmers in the Eden area with lambs to sell.

“Farmers will be able to bring their lambs here and unload them straight away,” he explained. “The turn-around time will generally be about 15 minutes, so there will be no standing around for half a day. There will be no charge for the trip to Anglesey and the only deductions will be standard ones made for the MLC and slaughter. The prices paid will be deadweight and farmers will receive their checks directly within a few days.”

Trevor Hanger, managing director of Welsh Country Foods said: “The erection of collection centers such as the one at Stoneybeck highlights the success of the ASDA LambLink scheme, which has gained terrific momentum since its launch in 2002.”

**Source:** <http://www.meatnews.com/index.cfm?fuseaction=Article&artNum=12010>

## E.U. SEARCHES FOR TSE-RESISTANT SHEEP

The current sheep-breeding program in Europe to build up resistance to transmissible spongiform encephalopathies (TSEs) will continue. The program assists E.U. countries in controlling and reducing TSE-related animal health problems and contributes to consumer protection.

The decision to continue with the program follows an evaluation of the benefits of the program by the Panel on Biological Hazards (BIOHAZ) of the European Food Safety Authority (EFSA). The European Commission put a comprehensive program in place in 2001 to protect both consumers and animals from risks related to TSEs and bovine spongiform encephalopathy (BSE).

This breeding program aims at breeding sheep resistant to TSEs by eliminating certain genes that are more prone to TSE infection and encouraging those which resist more robustly these diseases. The EU breeding program for TSE resistance in sheep is an important measure, both for animal and human health, to reduce risks from TSEs in sheep, including BSE, should it be found in the sheep population.

In its opinion, EFSA's BIOHAZ Panel confirmed that the breeding program increases the robustness of sheep populations against the currently known TSEs and therefore contributes to both improved animal health and consumer protection. No evidence was found that the current breeding program has had adverse effects to date and the Panel therefore recommends its continuation with some minor amendments.

For BSE and classical scrapie, the panel said that the sheep breeding program helps in controlling the animal health problem and reduces significantly any possible human exposure to these diseases. For atypical scrapie, it said the current breeding program is likely to reduce the animal health problem and human exposure; however, the timescale for the reduction of risk may be longer than for other TSEs.

The Panel noted that in order for the program to be effective, it would not be necessary for the whole sheep population to be bred for resistance; that is to say, not all sheep need to carry the resistant genes.

**Source:** [//www.meatnews.com/index.cfm?fuseaction=Article&artNum=12079](http://www.meatnews.com/index.cfm?fuseaction=Article&artNum=12079)