

Points of View

A forum for sharing perspectives from across the Canadian Sheep Industry



CANADIAN SHEEP FEDERATION

JANUARY 2008

VOLUME 2 • ISSUE 1

Myth: A national grading system for Canadian lamb is not a practical solution to the issue of a consistent supply of quality product.

This is a tough one. On one hand, I agree with those in the industry who propose that a national grading system will go a long way – indeed, is essential – to helping Canada's sheep producers find long-term success and sustainability for the industry at large. Sean Firth's presentation at the AGM in November did an excellent job of articulating this position. (If you missed his presentation, take a look at the summary we prepared for the December 2007 special edition of Points of View.)

On the other hand, I hear what some producers are saying about the impracticality of such a proposal. One such producer recently sent me the following comment as part of a different conversation: This takes me back to the initial discussion – what real value will this have going back to the producer? If you feed your own lambs to slaughter, and you raise 1000, maybe the suggestion of a standardized grading system would work, but realistically most herds are so small that they do not have a consistent product at any rate. And how will this help producers to make decisions that fit the slaughter-house needs? I work with a lot of small producers trying to help them make better decisions but short of everyone feeding exactly the same feed and everyone breeding just one breed of sheep I have no idea how to make all the product fit one set of qualifications...I don't know how producers can make this happen.

This producer raises some interesting points. Given the relatively small size of most Canadian flocks, is it realistic to expect them to institute the production practices that would be required to produce a consistent carcass without putting themselves out of business? Is this a proposal that only suits the needs of a handful of large flock operators? Who will ultimately benefit?

What's your point of view on this subject? Do you agree that a national grading system is possible, and if so, how do you propose the industry approaches this monumental initiative? Or, do you think a national grading system is a nice idea, but one that won't ever take hold in Canada for practical reasons? If so, what do you propose the industry do to address the issue of an insufficient supply of lamb with inconsistent quality?

Jennifer Fleming
Executive Director
Canadian Sheep Federation

Myth: A national grading system for Canadian lamb is not a practical solution to the issue of a consistent supply of quality product.

Markus Wand

Sheep Producer, Powassan ON

I would agree – this is a tough one! I do understand both arguments and where producers are coming from on this, I really do. But to say that “a national grading system is not a practical solution to improving the consistency of our product” from my perspective, is naive and false.

When you look at something like the pork sector, you are dealing with an industry that in most cases operates under “cookie cutter” production schemes which in the end allows pork producers to present a very uniform and consistent product to the consumer. You can go to any local grocery retailer across this country and know what you are getting and what to expect at the dinner table. If we as an industry wish to function like any other – and that is satisfy consumer demands – then we too need to strive to achieve consistency across the country.

"I suppose that some resistance to a national grading system comes from the fact that no matter what the quality or type of lamb, producers are able to sell it and make money."

As a producer, one of the most prolific complaints that I hear is that there is no consistency in lamb products which is why some consumers make a habit of purchasing New Zealand lamb and not Canadian lamb. I suppose that some resistance to a national grading system comes from the fact that no matter what the quality or type of lamb, producers are able to sell it and make money. The only reason why that happens is that we as a nation can only supply 50% (just using round numbers) and our product is in demand!

"Whether you have 10 ewes or 1,000 ewes, producing a high quality, consistent product for the consumer and for the future viability of the industry is every producer's responsibility."

What will happen years down the road if the Canadian industry is able to supply more of that market? If producers are not pre-conditioned to producing a high quality, consistent product achieved through a national grading system, how would we stay competitive?

Although it has its merits, I am not saying that our industry needs to go the route of a cookie cutter design. Our industry is one with a lot of diversity that includes numerous breeds used for production and a whole range of flock sizes. With any type of change, there are always those who pull the industry ahead and there are some who get left behind and perish. In my mind that is necessary for the industry to remain strong and viable for those who wish to make a living from sheep farming. Whether you have 10 ewes or 1,000 ewes, producing a high quality, consistent product for the consumer and for the future viability of the industry is every producer's responsibility. And if a national grading system gets us there and keeps us there, then that is the way.

Myth: A national grading system for Canadian lamb is not a practical solution to the issue of a consistent supply of quality product.

Daniel Dion

Secrétaire – Propagandiste, SEMRPQ

Grading is the only way to objectively know your product. Without grading we can't determine and prove what Canadian lamb is. Grading, like genetic improvement and good farm management practices, are all part of the structure we need to build a profit-making business sense in the Canadian sheep industry. Our industry produces lambs and those lambs that we produce have to meet the markets' needs. The only way to know what we produce is with grading. Once you know what lamb the different markets want and what price they are willing to pay for continuous supplies of those lambs, a producer can now decide what market he will supply. Then with the help of good genetics and management practices, the sheep business will prosper.

"Grading, like genetic improvement and good farm management practices, are all part of the structure we need to build a profit-making business sense in the Canadian sheep industry. "

My answer to the question about the problem for small farms to follow within this structure is this: We are part of an industry that is and is becoming more and more market driven. The market is telling us what they need and want. As business managers, sheep producers need to adapt and answer what the markets need because the reality is that there are lambs out there that are filling our market and will do it more and more if the Canadian sheep industry does not react. We can't drive forward by trying to meet the needs of all producers, we need to think and move forward with actions that will improve our business as an industry that happens to be producing lambs.

"As business managers, sheep producers need to adapt and answer what the markets need because the reality is that there are lambs out there that are filling our market and will do it more and more if the Canadian sheep industry does not react."

John Steele

Sheep Producer

" From a regional perspective I see little reason for change in the Ontario marketplace. In Ontario we have a unique demand for an immense range of product specification and this is admirably supplied by a sheep industry that is equally unique and unfocused."

Analysis of grading systems and their role was featured as a major component of the G.Morris report commissioned by CSF. All good stuff. The relative importance of grading, in price determination, is dependant upon the acceptance and implementation of such a system by the lamb processors. In Alberta, Sunterra pays on a grid along with the Northumberland Co-op down east. I believe that also the heavy lambs in Quebec are on a grid pricing. Here in Ontario however, with a few exceptions, the majority of lambs are sold and paid for without formal recognition of grading.

A sobering part of the G.Morris report was the lack of knowledge of grading, not only by producers but also processors. Basic economics dictates that if there is a premium to be achieved through grading lambs then an opportunity exists. As this system is a joint commitment of both producer and processor they BOTH have to trust and share equally to achieve benefit. Further the market they are attempting to access must give higher returns/greater profit than the existing status-quo for the additional effort.

From a regional perspective I see little reason for change in the Ontario marketplace. In Ontario we have a unique demand for an immense range of product specification and this is admirably supplied by a sheep industry that is equally unique and unfocused. There is opportunity for a grading approach in Ontario but the uptake will only be by relatively few producers that have the management skills to commit to a business plan and production skills to consistently produce the desired product.

Myth: A national grading system for Canadian lamb is not a practical solution to the issue of a consistent supply of quality product.

Dick Kuiperij

Sheep Producer, Eden Lane Farm

"... the challenge is to use the grading system that already exists, not to develop a new one."

This is an excellent topic for discussion. It is interesting the way the "myth" is worded. It says "consistent supply of quality lamb". Let me bypass this for a moment and rearrange the words to say "a supply of consistent quality lamb". I would very strongly agree with that rearranged wording. The point I am trying to make is this...standardized grading will make a much greater impact on consistency of quality than on consistency of supply.

I am constantly hearing comments about fat lambs or lean lambs...well how fat or how lean are these lambs? Please don't say really lean! In order to know how lean or fat a lamb is, it needs to be measured, and it needs to be measured the same way every time. Same goes for muscling. Same goes for carcass weight (i.e. warm weight, head off, pluck in). In order to compare anything it is imperative to use a standardized method and unit of measurement. Only once a standard measure is adopted does it become possible to quantify quality and to measure consistency.

This does not imply that all lambs need to be the same...there continues to be a huge variety of markets for lamb. However, it does allow large buyers of lamb to set specific targets for the type and weight of product that they want to buy. Producers then have an opportunity to produce lambs that fit a defined target. Typically these large buyers of lamb want to be able to access the same type and weight (=quality) of lamb week after week. I've heard it expressed this way...the buyers' top three requirements are consistency, consistency, and consistency!

I believe that one of the most important achievements of the now defunct OSMA-administered forward contract program was the ability to supply a large number of consistent quality lambs year-round to the marketplace.

That program proved it could be done. Was there room for improvement? Of course there was! However, it did prove to producers and to the marketplace that it could be done. Integral to that program was the grading grid that presented a target for producers to aim for. At first it may have been somewhat hit and miss but producers were able to adapt their management in order to improve their aim. It's also fair to say that not all producers wanted to or were able to produce lambs for that program. However there are many other markets, each with their own targets, and each of those markets would like consistency in product.

"This does not imply that all lambs need to be the same...there continues to be a huge variety of markets for lamb."

The original "myth" statement seems to suggest that there is currently no national grading system. I always thought that the grading system that was used by the OSMA forward contract program was the federal (i.e. national?) grading system using a specific protocol for scoring muscling and measuring fat. These measurements could then be placed on a grid and tied into a payment system. I realize that grading is not widely used in Canada, but the challenge is to use the grading system that already exists, not to develop a new one.

Now back to the original wording of the "myth"... once a consistent quality of lamb is being produced AND if producers are being adequately rewarded for doing so, then it becomes possible to produce a consistent supply of consistent quality lamb, and yes, the standardized (national) grading system will have played a part in making it happen.

Myth: A national grading system for Canadian lamb is not a practical solution to the issue of a consistent supply of quality product.

Christoph Wand

Beef Cattle & Sheep Nutritionist – OMAFRA

If a national grading system was to be embraced, it would only have the desired effect if that effect can be implemented on the farm. At this point in time that is not the case, and I believe that to be the result of the following three factors: lack of feedback because of how lambs are sold; producer inability to correlate carcass traits to live animals; and producer apathy. To counter these negative motivators, I see three things required:

1. Creating real price triggers in the market – the solution to producer apathy on lamb quality is to pay them for doing the right thing. If a grading system truly rewards the desired carcass traits, they will be transmitted through either the live or rail sale method.
2. More lambs sold direct to packer – the anonymity of the sale ring is a huge impediment to communicating carcass information back to producers, and also motivates a producer to do other than produce the best carcass. For example: a producer selects terminal rams based on ROP results. If he is selling live, then he would maximize revenue by using sires that excel in growth traits only. Selling on the rail would motivate also using carcass characteristics as predicted by ultrasound. Interestingly, I am told loin size suffers in animals selected for growth alone. So, even the progressive producer is not necessarily improving carcass conformation if he is not paid for it.

3. On-farm scales and live-lamb grading – producers need to have good scales and the ability to estimate live lambs for degree of muscling finish and then use these tools!

"If a national grading system was to be embraced, it would only have the desired effect if that effect can be implemented on the farm. At this point in time that is not the case."

I don't believe all producers need to be using the same genetic pools or feeding programs to meet specific targets. Rather, they need to know what the targets is, how to meet it, and be informed as to how close they are or are not to meeting that target; and money is a powerful motivator. So, if a grading system is tied to money and marketing it can work, and it can help.

RFID Technology

RFID (Radio Frequency Identification) technology is making an impact on some Canadian sheep operations with a positive benefit on farm management. It consists of four main components – electronic ear tags, a hand-held recorder, an electronic reader and compatible computer software. Sheep are tagged with special RFID ear tags that are numbered and come equipped with a small microchip (containing the number on the tags). The electronic reader is held up to the tag, activating the microchip and storing both the tag and microchip number in its memory. Once the initial link is made between the tag and microchip number, the hand-held recorder will display the tag number of the animal whenever the microchip is read. The producer can then use the hand-held recorder to call up a specific sheep in the barn and input data on this animal. The information entered into the hand-held recorder is then uploaded to a computer software program, which can be used to produce valuable flock records. Martin Kaiser, owner/operator of EweCan Genetics in Alberta, has been using RFID on his farm for a little over a year now. He says the RFID technology has benefited his farm so much so that he will never again be without it.

The Situation

Kaiser's flock was growing steadily in number, and he recognized the need to make some changes in how he managed his sheep – sooner rather than later. By participating in the pilot project, Lamb Traceability run by Alberta Agriculture, Kaiser began working with the RFID technology on his farm. After some extensive research he decided to adopt the RFID technology. Before RFID, Kaiser was keeping track of flock records by hand writing down information in the barn and then manually entering it into his computer – a task that he says took up hours and hours of valuable time.

The Opportunity

RFID offers Kaiser countless advantages over his hand-written ways of the past. For example, gathering, sorting and inputting data is much quicker. Once data is entered into the hand-held recorder, it can be uploaded into the computer in a matter of minutes. The program immediately creates detailed spreadsheets that display information on lambing, breeding stock, birthdates, deaths and more. With such easy access to detailed flock information, RFID helps farmers get rid of less productive animals, which in time improves the overall productivity of the flock.

In terms of grading, producers like Kaiser see that RFID has the potential to be very useful in the future. RFID can be used to enhance the communication between the farmer and the slaughter house in an effort to produce a more consistent, quality product. Upon inspection at the slaughter house, an animal with RFID tags can be scanned by a hand-held recorder, which can trace the origin of the animal. Grading information can then be easily forwarded back to the producer, providing important indexing data on each animal. The producer can then use this information to improve the consistency and quality of his/her sheep.

Traceability is also facilitated through RFID technology. If an animal with RFID tags is sold and later found to be diseased, that animal's entire history is easily traced by the click of a button. Another positive element of the program is that it keeps a distribution of pens and a record of where each sheep on the farm belongs. "For instance, if a group of sheep get out of their pen and co-mingles with another group you just have to scan the animal and the program will tell you which pen each animal belongs in," says Kaiser.

continued

The Challenges

The transition from the old way of doing things to the new way was Kaiser's biggest challenge in adopting the RFID technology on his farm. "Just like any other software program, the adoption process can be intimidating," says Kaiser. "At the very beginning, working with the hand-held recorder seemed very overwhelming." But having strong tech-support made the process much easier to deal with. "A representative from the company came out to the farm whenever we needed help," says Kaiser. "They were patient and extremely helpful, which made the transition a whole lot simpler."

Key Success Factors

The number one key success factor for Kaiser was jumping in head first. "Do not be afraid of the technology, but embrace all that it has to offer," he says. "At the end of the day, you just have to go through the steps," Kaiser says. "Like with any other technology, you actually have to do it to experience it. Learn as you go, like the 4-H motto, 'learn to do by doing.'"

Learning Experience

Kaiser feels that the program has really simplified many operations on his farm. "If you want a fast and easy way to really review your flock, you can do it easier with this technology." His advice to other producers interested – "Don't focus on how fearful the technology can be, focus on how much it gives you in return."

Kaiser uses Shearwell Data Ltd. technology on his farm. For more information, log onto <http://www.shearwell.co.uk/default.asp>.

Your feedback is essential!

The dialogue has started, but we need to hear more about what you think in order to keep this forum going. Its success depends how much everyone in the sheep industry weighs in with their own perspectives and suggestions for change.

Tell us:

- What you think about “Points of View”
- If you had a strong reaction – either good or bad – to the contributions or letters in this issue
- If you want to contribute to an upcoming issue
- If you have a topic you’d like to see addressed
- If you have a story that would make a good case study for others to learn from

Few people get the opportunity to have their opinions heard. This is yours.

Send your comments, suggestions and questions to pointsofview@cansheep.ca or call CSF at 519-824-6018 or 1-888-684-7739.

In the next issue...

We’ll ask for contributions on the following myth: “Whatever gets produced will get sold.” We’ll take a closer look at what retailers, and ultimately consumers want in Canadian lamb. As we move toward a market-driven mindset for the sheep industry, are producers in touch with these demands, and are they capable of delivering on them? Does it even matter if most of Canada’s sheep producers already sell whatever they produce?

Do you have an opinion about this topic? If so, let us know! We welcome contributions from anyone in the business who has a few minutes to put their thoughts on paper.

Send us your contribution by email to pointsofview@cansheep.ca or call Jennifer Fleming at 1-888-684-7739.

And one more thing. We also want to know what keeps you up at night. If we were to write it as a myth, it might look something like this: “Everyone in Canada’s sheep industry sleeps easy at night confident that the future is bright.” But seriously, asking this type of question is a good exercise because it helps identify those things that should be the biggest priorities for the industry. So tell us...what keeps you up at night? In the next issue we’ll let you know what we learned.