

SUSTAINABILITY OF SHEEP
AND GOAT PRODUCTION IN
NORTH EUROPEAN
COUNTRIES – FROM THE
ARTIC TO THE ALPS

**EAAP Commission on Sheep and Goat
Production**

**Session 1: Economics and profitability of sheep and
goat production under new support regimes and
market conditions**

presented by

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Figure 1. Sheep and goat farming – from the Arctic to the Alps

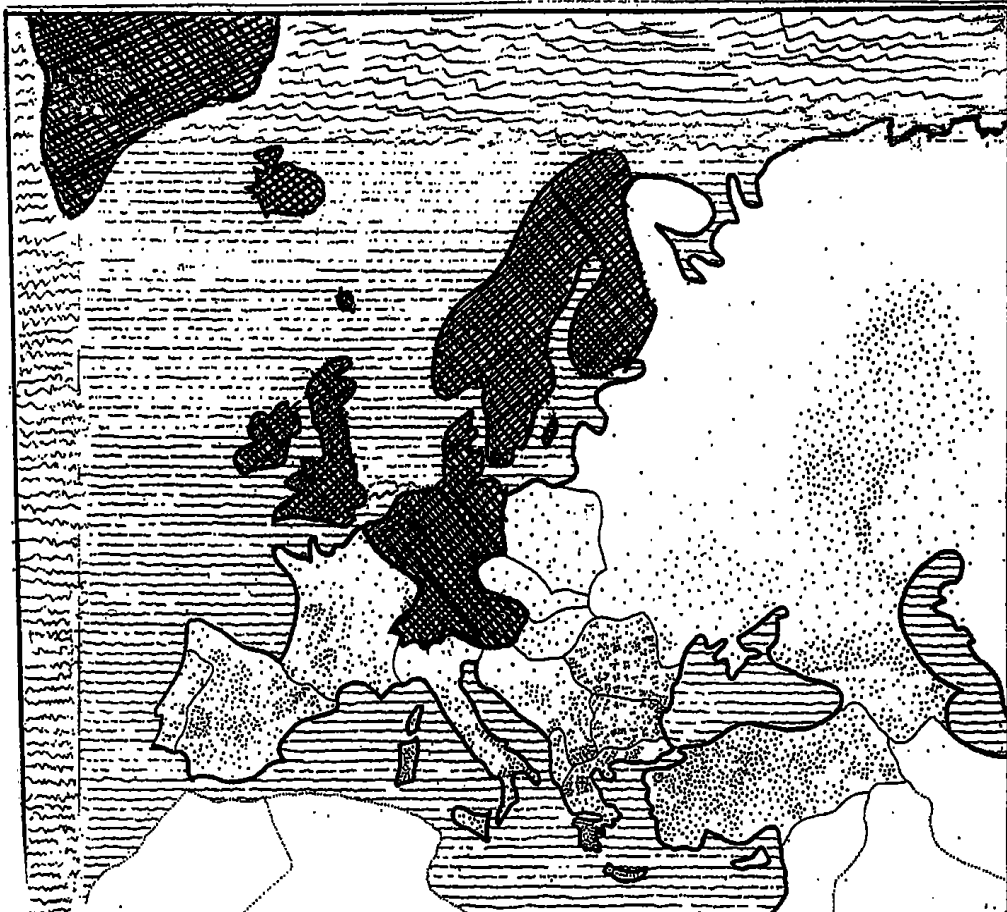


Table 1 **Sheep production and sheep meat consumption in Northern Europe**

Country	Breeding sheep (numbers)	Consumption per capita (kg/year)	Self-sufficiency (%)
Greenland	20.000	10.0	100
Iceland	465.000	22.0	138
Faroe Islands	75.000	33.0	60
Norway	1.093.000	5.8	98
Sweden	198.000	1.0	50
Finland	46.000	0.4	28
Denmark	122.000	1.1	27
Scotland England Wales	16.600.000	5.0	85
UK			
Ireland	4.200.000	8.1	275
Netherlands	610.000	1.3	93
Belgium	87.000	2.1	18
Luxembourg	6.000	2.0	18
Germany	1.710.000	0.8	51
Switzerland	250.000	1.5	42
Austria	304.000	1.2	80

SHEEP AND GOAT PRODUCTION IN THE AREA FROM THE ARCTIC TO THE ALPS CHARACTERIZED BY OR ASSOCIATED WITH:

- **utilization of grassland, mainly marginal, in harmony with local conditions**
- **mainly climate of low temperature and high precipitation**
- **well adapted breeds of great genetic diversity**
- **strong influence from official support payments and policy reform (EU/EFTA) and global trade negotiations (WTO)**
- **close links with social and environmental aspects of rural development in addition to economic contribution**

PRODUCTION SYSTEMS

- **Both extensive and intensive, depending on local conditions. Some extensive in summer and extensive in winter**
- **Stocking rates vary from several sheep/goats per hectare (intensive) to several hectares per sheep/goat (extensive)**
- **Housing and indoors feeding in winter in all Nordic and Alpine regions. Even under lowland conditions supplementary feeding is normally needed in winter**
- **Flock size extremely variable, several hundred on specialized sheep farms to less than one hundred in mixed and part-time farming**
- **Goat flocks generally small**

PRODUCTS AND PRODUCTION

**Breeding sheep: 26 million, 80%
on the British Isles**

1 Meat (lamb)

2 Wool

3 Skins

4 Milk

Breeding goats: 0.5 million

1 Milk

2 Meat

3 Skins

4 Hair

ECONOMIC VIABILITY

- **Growing economic pressure**
- **Cost of processing and marketing increasing, net farm income decreasing**
- **Income from sheep and goat farming normally low**
- **Substantial direct subsidies, particularly in marginal areas**
- **Multifunctional role of sheep and goat farming, not only consider economic factors**
- **Need a holistic view – sustainable development**

SUSTAINABLE SHEEP AND GOAT FARMING

- **Sustainable development on the agenda of all governments in Europe**
- **Closely related to regional development and thus sheep and goat farming**
- **Sheep and goats do not fit into intensive, industrialized mass-production systems aimed at producing food at the lowest possible cost**
- **Sheep and goat farming practices in Northern Europe are basically environmentally friendly, socially and culturally compatible, desirable or even necessary for maintaining the rural population and beneficial to landscape conservation**
- **Important role in sustainable development**

POLICY REFORM

- **European rural policy – 2003 CAP reform**
- **Support policy now aimed at rural development and the agricultural environment rather than farmers' production and incomes**
- **Five main factors to consider on sheep and goat farms:**
 - 1) **A single farm payment (SFP)**
 - 2) **Not a requirement to keep any specified number of sheep or goats**
 - 3) **Maximum 50% of the sheep and goat premia can remain linked to production**
 - 4) **Cross-compliance rules link SFP and other direct payments to, animal health, welfare standards, food safety and good agricultural practices**
 - 5) **Modulation rules link SFP and other direct payments to rural development measures**

IMPACT OF THE CAP REFORM ON SHEEP AND GOAT PRODUCTION

- Uncertainty, speculations
- Advantages – greater flexibility, better management, increased product quality, more market – orientated, etc., etc.
- Disadvantages – losses in the value of quota rights and the direct sheep subsidies, reduction in numbers and production, etc. etc.
- Regional variation in impacts

CONCLUSIONS

- Several questions arise, such as:

How can sheep and goat farmers with low incomes respond to greater competitive pressure?

Can local value added products, novel or alternative uses of products, organic farming, direct farm sales, integration with tourism, forestry, landscape care and off-farm work improve net farm income and maintain a fair standard of living for the farmer and his family?
- Growing trend towards part-time sheep and goat farming
- Emphasis on quality, safety, security and harmony with the environment
- New future roles for sheep and goats within the framework of sustainability