Scottish Small Producer Access to Abattoirs Report

A survey of producers utilising “private kill” services and the abattoirs that provide these services

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Executive Summary

"Private Kill" is a term that is often used to describe the abattoir service for customers who operate outside of the larger multiple retail and wholesale markets and supply meat locally through direct channels such as farm shops and direct deliveries, etc. Over the last 15 years, there has been a steady decline in abattoir facilities across Scotland (evidenced by Quality Meat Scotland (QMS) Economic Report on Scottish Agriculture 2008-2018). Only 12 full and part-time facilities are currently servicing the private kill sector in Scotland. This situation is not unique to Scotland, however, with similar reductions in the rest of the UK (evidenced by Abattoir Sector Group report 2023 and UK Government Small Abattoir Fund December 2023) and many other countries worldwide. These reports highlight that declines in abattoir numbers are primarily caused by the challenging economics of running small-scale facilities, the increased cost burden of inputs and also the regulation that the sector faces.

SAOS conducted this research on behalf of the Small Producers' Pilot Fund Steering Group abattoir sub-group and Food from Fife. The work consisted of a survey of Scottish producers utilising private kill services and interviews with Scottish abattoirs providing private kill services.

Key findings

- Interviews with the current mainland network of Scottish abattoirs revealed that they are mainly private meat wholesale businesses (or collaborations of companies) that operate an abattoir and service the private kill market as a "bolt-on" to their core business. Undertaking private kill is not the main focus of most of these facilities and is often challenging and financially difficult to service.

- The operating history of these businesses indicates that they are situated by way of original start up location and subsequent business consolidations/amalgamations, rather than being strategically placed to accommodate the geography of Scotland. Only half of the abattoirs consulted were operating near capacity. Those operating at sub capacity may incur pressure on their financial viability due to lack of throughput. Some small private, community and local authority facilities operate on the islands, solely serving the private kill market.

- The producer survey found that 40% of responders were either, limited in what they could process, or could not process at all, due to the constricted nature of the abattoir network of private kill services. Access and availability to abattoir services are the key issues facing producers, with distance, welfare, traceability and communication all highlighted as concerns.

- Access to the necessary butchery services in some areas is a further disincentive for producers to supply their local food economies and add value to their produce.

Challenges differ between regions, with some island and remote facilities also requiring help to find a route to slaughter. Most areas recorded up to a two-hour one-way journey to reach an abattoir.

Conclusions

- The uneconomic nature of operating small micro-scale facilities, the high (£1 million plus) start-up costs, and the lack of skilled workers are significant disincentives to opening new facilities, with few savings and additional challenges in operating mobile facilities (Mobile Abattoirs Feasibility Study, Enscape 2020). Several current small-scale feasibility studies are being undertaken, with the most viable chances of success indicated in areas where viable year-round demand is proven; a compelling case of distance to overcome is established; an operating structure to provide leadership exists; and locally skilled workers are available.

- The priority must be to ensure all possible avenues are explored to prevent further constriction of the existing network within Scotland. This can be achieved through collaborative working with producers and abattoir and butchery operators to improve the producer and livestock journey.

- Improved communication is vital to provide more cost effective coordinated livestock transport and return of meat products to producers, whilst improving throughput for facilities and addressing the challenges of servicing the private kill market. This would improve access to and availability of kill services for producers and improve the economics of existing abattoir facilities.

Recommendations

Six key recommendations emerged from the outputs of the survey and consultation exercise:

1. Understand the cost to abattoirs of servicing private kill
2. Trial dedicated private kill coordination
3. Support a supply chain development coordinator
4. Signpost to sources of capital funding
5. Consideration of provision of rates relief to abattoirs
6. Encourage a culture of innovation and knowledge transfer throughout the supply chain

Background and Introduction

Background to the abattoir challenge

In the last 15 years Scotland has witnessed a significant reduction in its abattoir network. In recent years this has reached an annual 10% reduction across the entire country according to the Food Standards Agency (FSA). A report (Figure 1) published by QMS highlighted that between 2008-18, Scotland suffered a total of 10 abattoir closures. The rapid reduction of abattoirs has generated instability for Scotland's meat producers, particularly those located within Scotland's most remote areas. The report also highlighted the breakdown of regional closures during this decade, which also reveals historical disparities in provision, with the most sparsely populated regions of Scotland experiencing the greatest losses.

It also found these closures have been driven by the increasing costs of operating smaller scale facilities often rendering them uneconomic. This trend in the decline of abattoir provision is a trend that is being felt in the rest of the UK and many other countries across Europe. Within Scotland it has left many remote areas with distant facilities for both large-scale and croft/small-scale agriculture levels. It is widely acknowledged in the industry that the closure of abattoirs raises challenging questions about the future availability of private kill services, integral to the long-term viability of small-scale production, particularly across the Scottish Highlands where crofting represents a significant type of agriculture. Meat production often poses the only form of suitable agriculture for hill farming areas. Abattoir facilities provide the opportunity for producers to add further value to their livestock produce.

Figure 1 QMS Economic Reports on Scottish Agriculture 2018

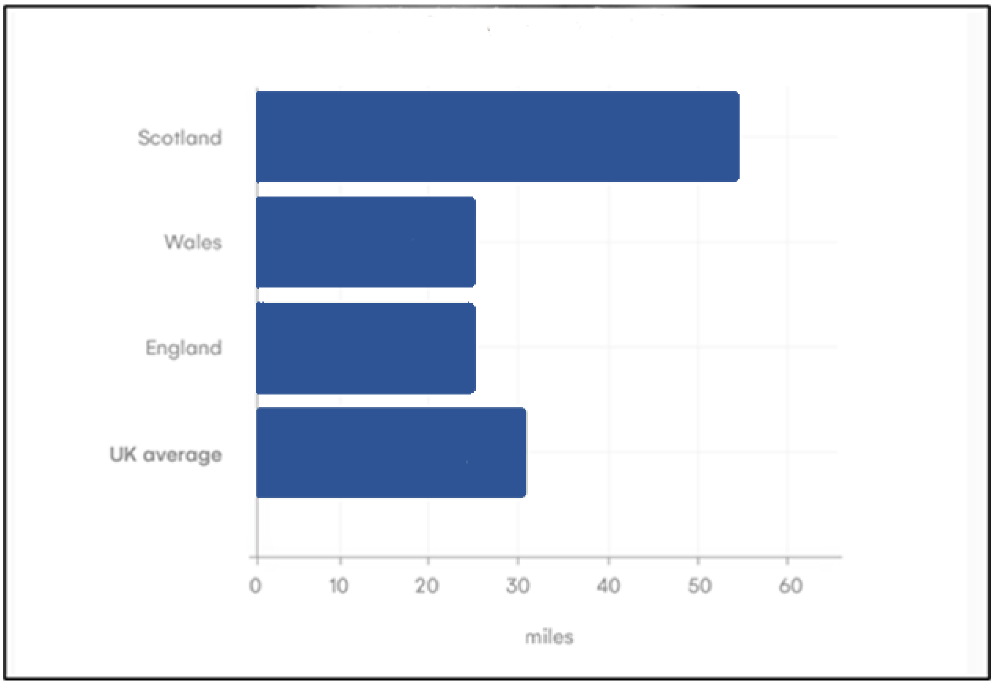
Abattoirs by Government Region (regions from Economic Report on Scottish Agriculture)			
	2008	2013	Nov 2018
NW[1]	7	5	4
NE[2]	5	4	3
SE[3]	4	3	3
SW[4]	15	12	11

[1] North West = Shetland, Orkney, Na h-Eileanan Siar and Highland
[2] North East = Aberdeen, Aberdeenshire and Moray
[3] South East = Angus, Dundee, Perth & Kinross, Fife, East Lothian, Edinburgh, Midlothian, West Lothian and Scottish Borders
[4] South West = Clackmannan, Falkirk, Stirling, Argyll & Bute, East Dunbartonshire, East Renfrewshire, Glasgow, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire, West Dunbartonshire, East Ayrshire, North Ayrshire, South Ayrshire and Dumfries & Galloway

In 2019, 14 out of 24 licensed red meat abattoirs offered private kill services, notably, 100% of island abattoirs provided the service in comparison to only 52.9% of mainland equivalents. (QMS Economic Report on Scottish Agriculture 2018). This highlights the importance that both abattoir provision and private kill play within remote island regions of Scotland. The consequences are well demonstrated on Orkney, which records the highest density of beef cattle per acre in Europe, and where in 2018 the island's abattoir closed. Consequently, a fivehour journey via ferry and road to Dingwall Abattoir must now be undertaken, with the prospect of returning carcasses to private kill users being both a costly and time-consuming process, often proving uneconomically viable.

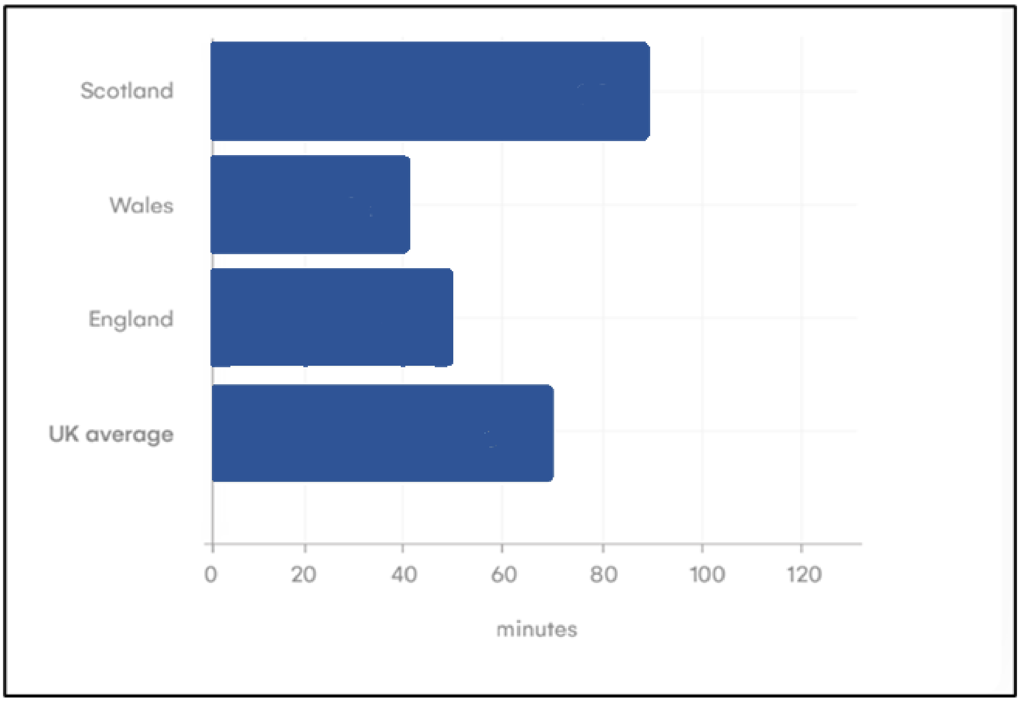
Due to concerns about the decline in abattoirs the Sustainable Food Trust undertook an abattoir study (published in 2022 by the Abattoir Sector Group). The report highlighted, in comparison to the rest of the UK devolved nations, the more severe consequences of Scotland's decline in abattoir provision (Figure 2). This is particularly reflected in the UK average distance travelled to an abattoir equating to 31 miles, with English and Welsh producers each sharing an average 26-mile journey. However, with Scotland's challenging geography, producers face significantly greater distances, with an average of 54 miles travelled to an equivalent facility.

Figure 2 – Producers' average travel distance to abattoir



The disparity in comparison to England and Wales is also reflected in producer journey times. As shown in Figure 3, Scottish producers travelled, on average, 90 minutes to the nearest abattoir, compared to the UK's national 50-minute average, with Welsh and English producers experiencing an average of 42 and 44 minutes.

Figure 3 – Producers' average travel time to abattoirs



The decline of Scottish abattoirs and the limited availability of private kill services pose real challenges for small-scale producers. The implications are far-reaching with the potential to affect animal welfare, environmental sustainability, and the economic viability of local food supply chains.

Survey

Introduction to the survey approach

In March 2023, the Scottish Government launched the Small Producers' Pilot Fund Steering Group to develop a Small Producers Pilot Fund (SPPF). At the launch event the Cabinet Secretary highlighted the importance of the fund to "help link together small producers into existing abattoirs" as part of supporting local food supply chains. As a consequence, the SPPF Steering Group set up an abattoir sub-group to consider the challenges facing small producers in accessing private kill services. Alongside this approach, Fife Council has supported the Food from Fife Regional Food Group to better understand how abattoir services can be secured and not allowed to further reduce in Fife.

To progress these objectives, SAOS has undertaken a survey on behalf of the Small Producer Pilot Fund Steering Group abattoir sub-group and Food From Fife to obtain an understanding of the demand for abattoir and butchery services from small producers. SAOS has also undertaken interviews with abattoirs servicing private kill to understand the challenges faced by abattoir stakeholders when servicing local and regional customers. This work was undertaken using standardised questions in a series of one-to-one and online meetings. The focus of the survey was to develop a strategic overview of the key issues facing this supply chain and if and how any improvements might be shaped and delivered.

Survey aims

To understand the issues surrounding private kill abattoir services in Scotland.

Objectives

- Producers - survey Scottish producers on their current and desired use of abattoir and butchery services.
- Abattoirs - interview abattoirs in Scotland who currently service private kill customers, to understand how their businesses operate and their capacity to service the private kill market.
- Analyse – To compile the results of the producer survey and abattoir interviews and explore potential solutions to the issues highlighted.
- To make recommendations based on the outcomes.

Methodology

Survey of abattoirs servicing private kill customers

SAOS had initial discussions with the Scottish Association of Meat Wholesalers (SAMW) members to understand the challenges abattoir businesses face when servicing local and regional customers for private kill services. SAMW represents many of the abattoirs servicing "private kill". The abattoir interviews were undertaken using standardised questions which were used in a series of one-to-one in person and online meetings.

Producer access to abattoirs survey

To ensure the most important questions were asked, the survey questions and format were designed in consultation with the SPPF abattoir sub-group and learnings from the Sustainable Food Trust. The survey questions can be found in the Appendix. To ensure an optimal survey response return rate and level of completion, the survey was limited to a short number of focussed and free text answer questions.

The survey was launched in May 2023 and remained open for 12 weeks until August 2023. It was promoted through multiple channels and directly targeted producers known to be recent users of abattoirs through their ScotEID livestock movement records, through partner networks, including the Royal Highland and Agricultural Society of Scotland (RHAAS), and media channels.

There were 564 producer respondents to the producer survey. Approximate details of producer locations are indicated in the map overleaf.

Producer Survey Results

Q1 Location of Producer by Postcode

Figure 4 - Location of producers by post code

This map represents the producers who responded to the survey by their postcode location, representing good geographic coverage across Scotland. Producer responses were also grouped into regions by postcode, with respondents indicating which abattoirs they utilise, as shown in the table overleaf (Figure 5). The figures represent the percentages of producers who utilise each abattoir. Please note that the percentages outlined in this table often amount to more than 100% due to producers listing more than one abattoir. These results indicate that producers often use more than one abattoir and, in some cases, do not use their closest facility.

Figure 5 – Number of producers accessing specific abattoirs

	Abattoir										
Postcode area	**Mull**	**Shotts**	**Wishaw**	**Paisley**	**Dingwall**	**Grantown**	**Border**	**Stornoway**	**Shetland**	**Loch Maddy**	**Barra**
Lanarkshire (ML)		57	71	14							
Fife (KY)		50	53	11							
Renfrew and Argyll (PA)	61	6	14	35	10	10					
Borders (TD)		27	7	20			20				
Caithness and Orkney (KW)	2		1		50		1	1	7		
Forth Valley (FK)		44	44	37							
Highlands and Islands (IV)	1			1	88	10					
Glasgow (G)		50	50	37							
Outer Hebrides (HS)						2			86	7	2
Aberdeenshire (AB)		2	4		29	65					
Perthshire (PH)	10	17	14	14	38	21					
Edinburgh and Lothians (EH)		70	39	17			4				
Dumfries and Galloway (DG)	1	17	14	14			62				
Shetland (ZE)									100		

The following table (Figure 6) shows the maximum journey times to the closest abattoirs for each region. These represent the longest journey times, but also represent the significant cost for some producers in terms of actual travel cost and their own lost opportunity cost.

The survey demonstrated that a small number of producers travel to abattoirs that are not their closest facility. The free text answers indicated a number of reasons for this including: abattoir capacity being stretched and no imminent booking slots being available, type of animal not being suitable for some facilities' machinery weight, horns, hair, etc and some facilities not offering a kill, cut and pack service.

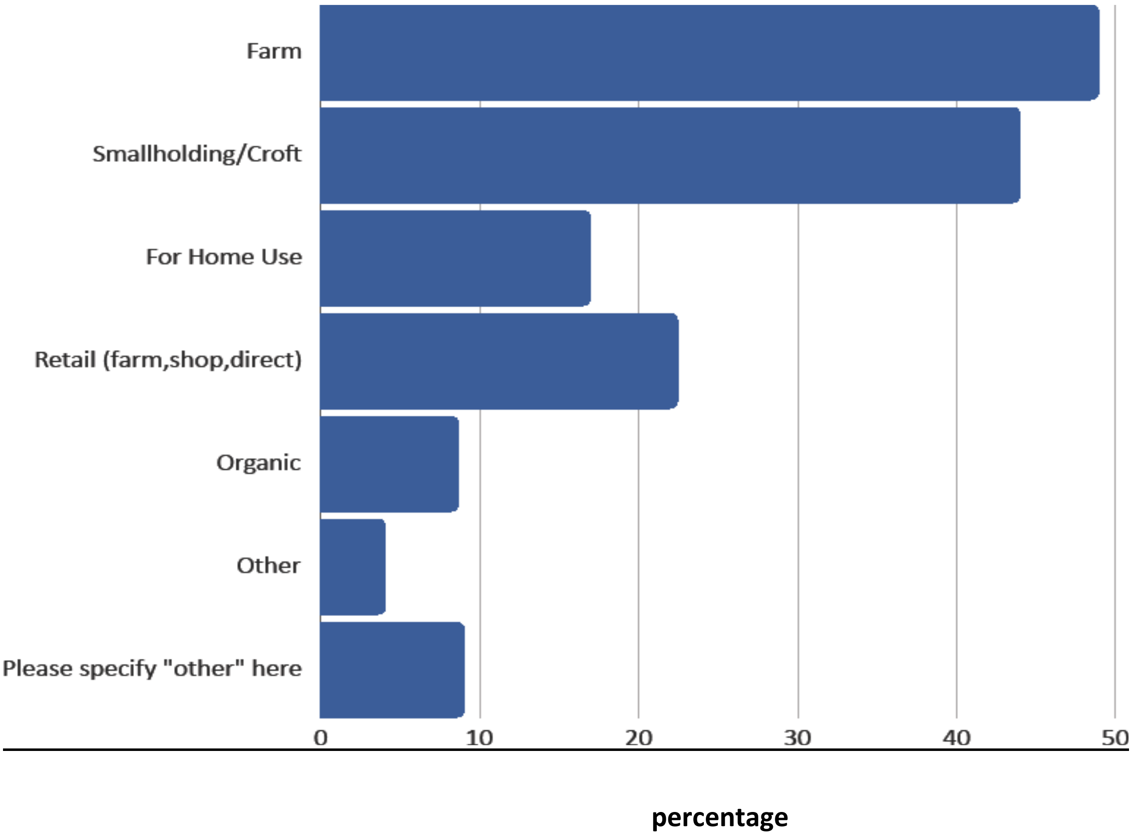
Figure 6 – Small Producers maximum journey times to abattoirs

Area	**Greatest one-way distance travelled to nearest abattoir servicing private kill market *(Note – not all producers access their closest facility*)**	***Note: all times assume producers travel to their closest physical distance abattoir, no traffic delays or ferry disruption***
Aberdeenshire	2hrs	
Ayrshire	2hrs 30 mins (includes ferry)	Includes producers on Arran with ferry journey
Borders	2hrs	
Caithness	2hrs 30 mins	
Orkney	5hrs	Includes ferry from Orkney
Dumfries and Galloway	2hrs	
Edinburgh and Lothians	1hr 30mins	
Fife	1hr 45mins	
Forth Valley	1hr 30mins	
Glasgow	1hr	
Highlands and Islands	2hrs	
Skye	2hrs 30 mins	
Lanarkshire	1hr 30 mins	
Outer Hebrides	1hr	N.B. this can be longer as Stornoway abattoir is only open seasonally
Perthshire	2hrs	
Renfrew and Argyll	6 hrs	Includes two ferries – one from Islay and one to Mull. The Islay facility still exists but is not regularly open and is currently an infrequent journey. N.B. this is an infrequent journey undertaken by a small number of producers.
Shetland	2hrs	Can include ferry
Tayside	2hrs	

Q2 Which of the following best describes your business activity with regard to meat production?

The survey was targeted at those producers who utilise/or would like to utilise abattoir services for private kill. Correspondingly, there were a large proportion of small holders and crofters alongside farms, and a varying range of businesses who identified as farm shops, direct retailers, for home use etc. Many respondents ticked more than one option.

Figure 7 – Production types



Q3 Is your business organic?

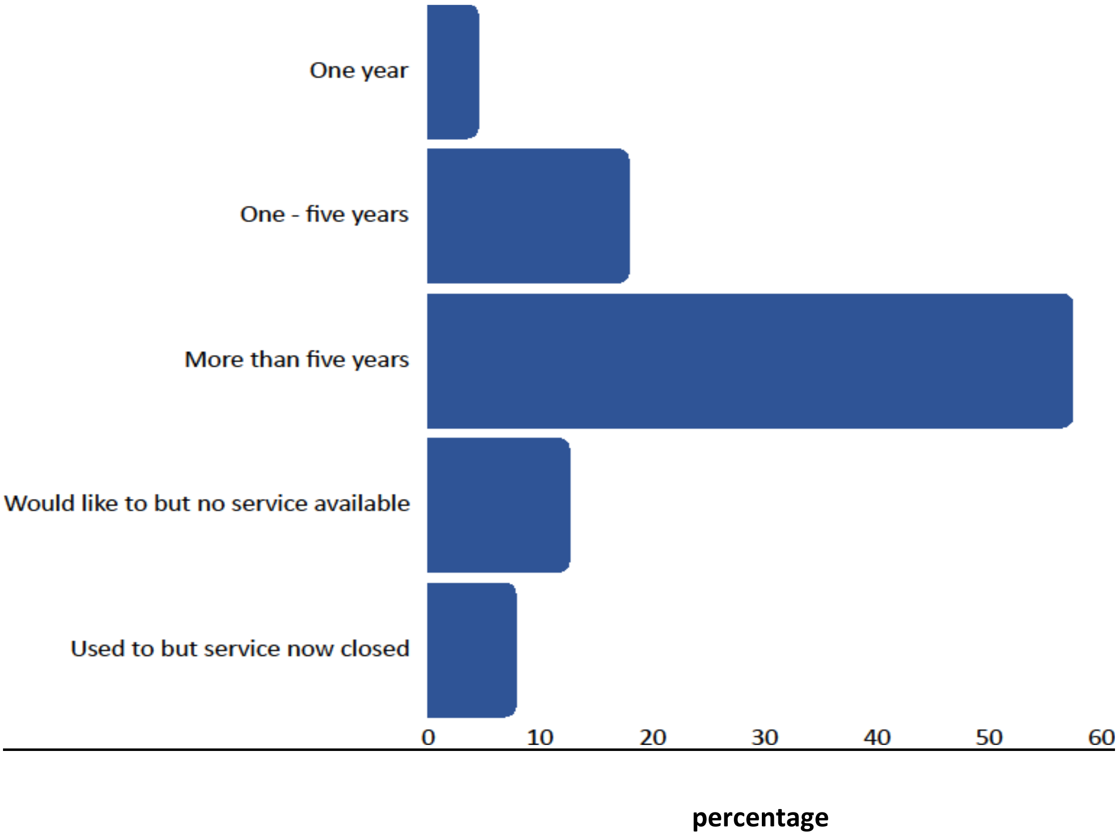
54 out of 564 of the respondents were organic certified producers. Some respondents indicated that they were processing organic livestock through non-certified organic abattoirs, limiting their ability to sell their produce as organic.

Q4 How long have you been using an abattoir service in Scotland?

Most respondents have been using an abattoir for over 5 years (57%). We feel this indicates a strong core of producers who rely on abattoir services for their businesses. Nearly 15% have no access to abattoirs and as such have not been able to process their livestock. Many of the

15% were located in regions such as Orkney, where the abattoir closure had made accessing an abattoir too challenging.

Figure 8 – Length of time using an abattoir service in Scotland



Q5 What livestock numbers do you currently process?

The survey focussed on numbers of animals processed in grouped categories by season and the number of producers who were processing batches in each grouped category.

Pigs	1	2-3	4-6	7-10	>10	Total
Spring	7	37	19	12	31	106
Summer	4	31	15	12	33	95
Autumn	6	59	26	14	34	139
Winter	5	29	21	9	33	97
Other (please specify)						57

For pigs, the most common seasonal numbers processed were 2-3 and over 10, with autumn being the highest throughput season.

Cattle	1	2-3	4-6	7-10	>10	Total
Spring	41	30	17	10	50	148
Summer	25	26	15	12	47	125
Autumn	47	50	18	12	53	180
Winter	38	35	11	13	51	148
Other (please specify)						57

For cattle, the most common seasonal numbers processed were over 10, then 1 and 2-3 coming third, with autumn again being the busiest month.

Sheep	1	2-3	4-6	7-10	>10	Total
Spring	5	28	20	16	72	141
Summer	3	20	9	23	74	129
Autumn	8	56	48	36	125	273
Winter	3	31	20	19	89	162
Other (please specify)						57

For sheep, the most common seasonal numbers processed were over 10 followed by 2-3, with the autumn throughput being almost double to all other seasons.

Deer	1	2-3	4-6	7-10	>10	Total
Spring	0	2	1	0	2	5
Summer	0	2	2	1	1	6
Autumn	0	1	2	2	4	9
Winter	0	1	2	2	4	9
Other (please specify)						57

For deer, the most common seasonal numbers processed were over 10, with autumn and winter seeing higher demand. There were relatively few number of deer respondents reflecting the smaller farmed deer sector.

Poultry	1	2-3	4-6	7-10	>10	Total
Spring	0	1	1	1	6	9
Summer	0	0	3	1	8	12
Autumn	0	0	1	1	11	13
Winter	0	0	3	3	9	15
Other (please specify)						57

For poultry, the most common seasonal numbers processed were over 10, with autumn seeing the highest demand. The numbers are too small to provide specific detail and would be disclosive to mention specific sites.

Goats	1	2-3	4-6	7-10	>10	Total
Spring	2	4	0	1	3	10
Summer	0	1	3	2	3	9
Autumn	4	7	3	3	4	21
Winter	1	3	2	2	3	11
Other (please specify)						57

For goats, the most common seasonal numbers processed were 2-3, with autumn seeing the higher demand.

Overall autumn proved to be the peak demand period for most livestock, perhaps reflecting the natural cycle of livestock production when most animals are ready for slaughter. Numbers of respondents were low for deer, poultry and goats reflecting the smaller number of businesses operating in these sectors.

Q6 What livestock numbers would you like to process?

Pigs	1	2-3	4-6	7-10	>10	Total
Spring	1	9	3	3	1	17
Summer	1	4	3	2	1	11
Autumn	1	15	9	1	2	28
Winter	1	5	2	3	2	13
Other (please specify)						17

Pigs, 2-3 animals per season saw the greatest demand, with autumn being the most popular season.

Cattle	1	2-3	4-6	7-10	>10	Total
Spring	7	23	6	6	12	54
Summer	3	16	6	3	9	37
Autumn	14	26	4	5	17	66
Winter	5	17	8	4	19	53
Other (please specify)						17

Similarly, for cattle, the desire to process 2-3 animals per season saw the greatest demand, with autumn again proving to be the most popular season.

Sheep	1	2-3	4-6	7-10	>10	Total
Spring	3	9	9	5	24	50
Summer	1	3	6	4	14	28
Autumn	4	11	22	12	46	95
Winter	3	2	5	7	36	53
Other (please specify)						17

Similar to question 5, over 10 sheep processed per season saw the greatest demand, with autumn being the most popular season.

Deer	1	2-3	4-6	7-10	>10	Total
Spring	0	1	1	0	2	4
Summer	0	2	0	1	1	4
Autumn	0	2	1	1	3	7
Winter	0	1	1	2	2	6
Other (please specify)						17

Over 10 was the most popular number of deer to be processed per season, with autumn being the most popular season.

Poultry	1	2-3	4-6	7-10	>10	Total
Spring	0	1	2	1	4	8
Summer	0	0	1	0	5	6
Autumn	0	1	2	2	7	12
Winter	0	0	1	1	6	8
Other (please specify)						17

Over 10 was the most popular number of poultry to be processed, with autumn being the most popular season.

Goats	1	2-3	4-6	7-10	>10	Total
Spring	0	0	0	0	0	0
Summer	0	0	0	0	0	0
Autumn	0	3	2	1	0	6
Winter	0	1	0	0	0	1
Other (please specify)						17

Autumn was the most popular season for additional goat processing. For those who would like to process more, demand for cattle and deer is year-round with processing batches of 2-3 and over 10 in number being the most desired. Deer producers highlighted their current challenge of lack of abattoir availability in Scotland and having to travel to England, which may influence their need for larger batch sizes. Autumn was again shown to be the key period for pigs, sheep and goats.

Q7 Are you able to process all you would like?

It was encouraging to note that just over half of producers could have all their products processed as they would like, but just under half do not have access to services. 54% of respondents stated that they were able to have all their products processed as they would like with 46% responding that they were unable to do so.

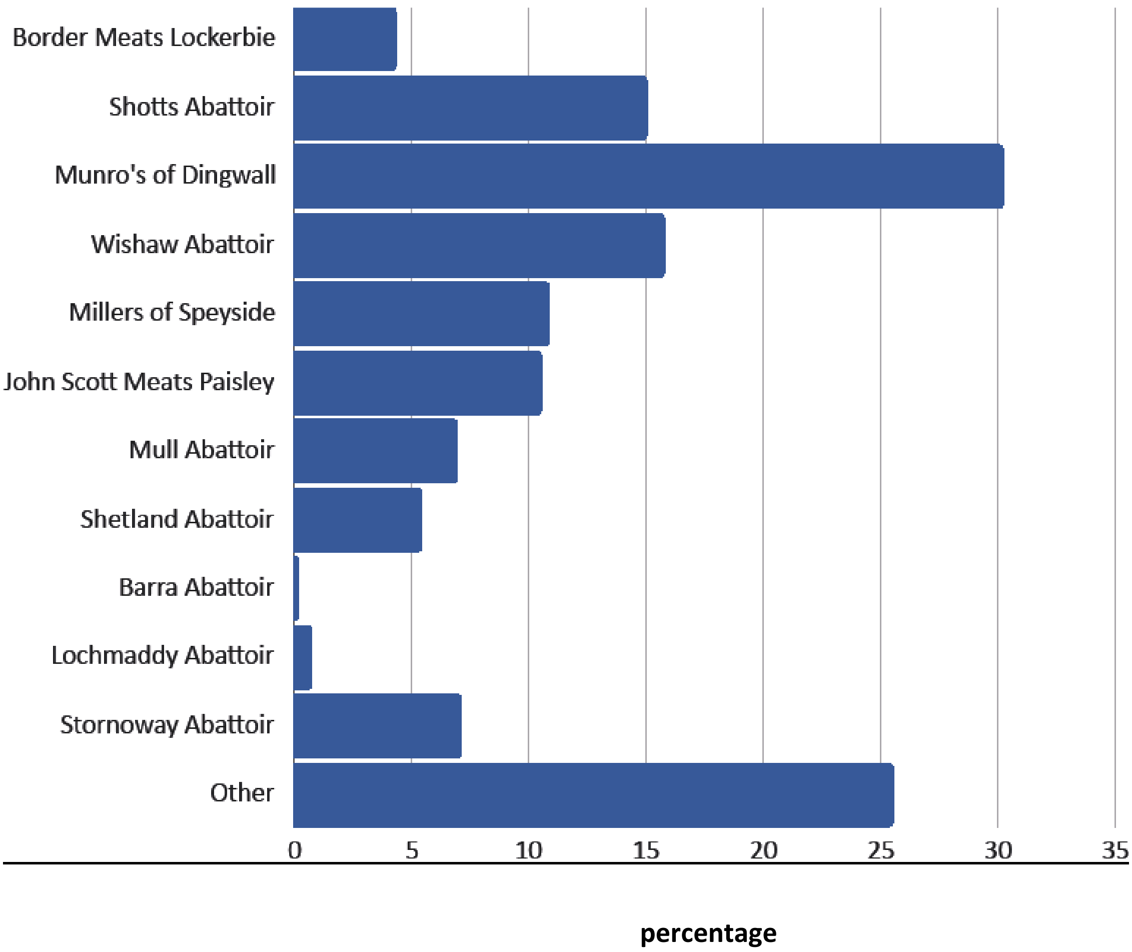
The following were the most common reasons given by those who responded "no" to this question:

- Abattoir is far away
- Abattoir is only open seasonally
- Difficulty in finding a butcher
- No local abattoir

Q8 Where do you currently have your animals slaughtered?

Based on the survey results, Munro's of Dingwall is the largest abattoir, servicing nearly a third of demand in Scotland, demonstrating the reliance on this facility by many producers in the Highlands. Shotts and Wishaw were the next most important ones by usage, delivering around 15% each and drawing in producers from a wide geographic area. Smaller facilities on the islands may account for smaller percentages but are significant to their island producers, with Mull being notable for drawing in a significant number of producers off-island. The category "other" represents producers who utilised other facilities that were not entered as private kill but were servicing larger supply chains.

Figure 9 – Current usage of abattoirs



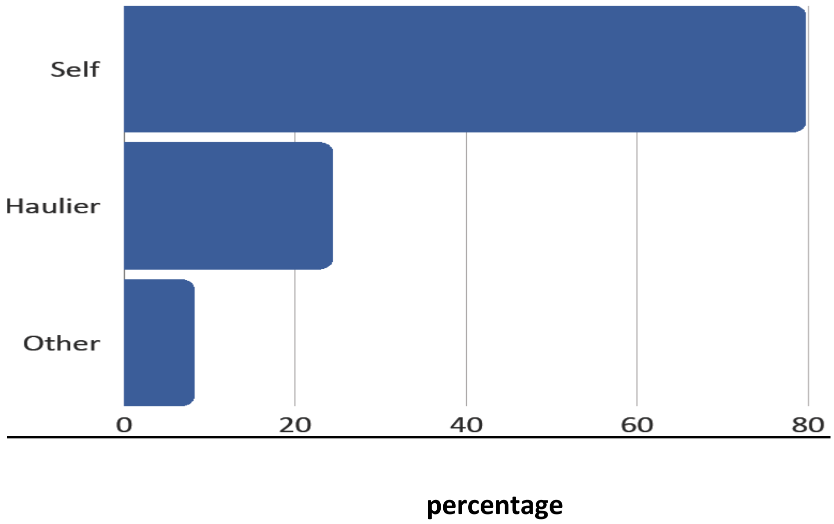
Q9 Where do you currently have your carcasses butchered and which other additional services do you use e.g., cutting and packing?

As expected, this question provided a large range of answers and details of different butchery options. Many made use of kill, cut and pack services offered by some abattoirs whilst others often used specialist butcheries. The haulage of carcasses between abattoir and butchery demonstrating the potential for further complication in the supply chain.

Q10 How are your live animals transported to abattoir?

Nearly 80% of producers deliver their own livestock to abattoirs demonstrating a significant time commitment and opportunity cost away from the business for many producers. This is more significant for producers when one way journey times are greater than two hours, with some very long journey times recorded where driving and multiple ferries are required.

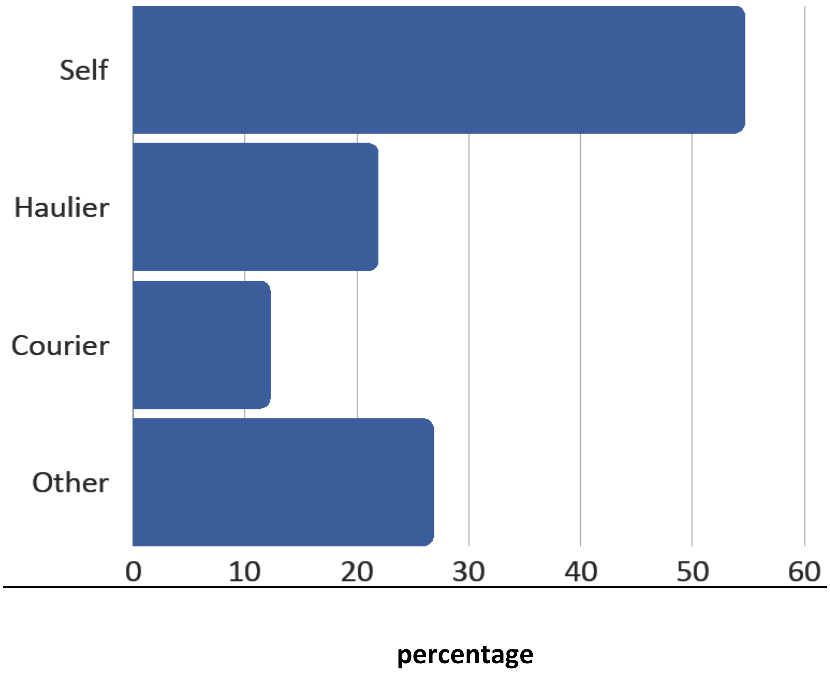
Figure 10 – Transport of animals to abattoir



Q11 How are carcasses or butchered products transported?

Over 55% of producers collect their butchered products whilst others utilise their own butchery skills or a third-party route. This again demonstrates a significant cost to the producer.

Figure 11 – Transport of carcasses or butchered products



Q12 Outline the one thing for your business that would help improve the abattoir service that you currently receive.

There were many free text answers to this question; these were grouped into categories of similar answers, the most common responses were:

- Having an abattoir geographically closer
- Having a local abattoir
- Having an abattoir on Orkney

Q13 Outline the one thing for your business that would help improve the butchery service that you currently receive.

As with question 12 there were multiple free text answers to this question, the most common responses were as follows:

- A mobile butchery service
- A more local facility
- Happy with the service
- Butchery and packaging

Q14 A potential route to achieve abattoir access may be for producers to work together to batch loads and paperwork to provide viable loads for larger facilities. This would likely mean a loss of personal control of some aspects of the process. Are you open to considering a collaborative co-ordinated route?

Producers were evenly split (50.8% responded “yes” and 49.2% responded “no”) on whether collaboration could be a route to achieve improved haulage into abattoirs and better routes for returned butchered product. There is understandable concern over animal welfare, livestock traceability and costs. These issues will need to be addressed to progress initiatives that might take forward opportunities around shared haulage of livestock and meat produce.

Summary of Abattoir Businesses Feedback

Numbers of abattoirs interviewed, staffing and species

Ten abattoirs were interviewed as part of the survey.

All were keen to engage with private kill customers. As an indication, every business interviewed had at least one individual appointed to deal with and liaise with private kill customers. Often, this was not a full-time role, just part of a wider job performed within the overall operation of the business.

The species type slaughtered by the abattoirs interviewed are summarised as follows:

- 10 slaughtered both cattle and sheep
- 9 slaughtered pigs
- 7 can or have slaughtered goats
- 3 can or have handled skin-on deer
- 1 slaughtered buffalo

Segmentation of abattoir customers

To assist with the analysis of the sector, the main customer types using abattoir kill services were segmented as follows:

- Meat wholesale businesses often supplying retail and food service outlets
- Highstreet butchers supplying consumers
- Private kill customers supplying consumers via farm shops, the internet and other direct retail routes

In general, the survey showed that mainland abattoirs rely on one or more key wholesaler customer(s) for most of their throughput. The levels of throughput vary but often demand from wholesalers equates to between 50 – 90% of abattoir throughput. Thereafter, butchers (either chains or single shops) are the next highest users. The smallest customer segment for mainland abattoirs is private kill.

Island abattoirs reported local butchers as the largest individual customers, followed by private kill.

Distance

The abattoir interviews reported that the distance travelled by private kill customers varies in different geographic locations. This reflects the views of the majority of producers. In general, abattoirs in the Central Belt and Southern Scotland reported drawing most of their livestock from within a radius of 50–60 miles. These businesses also reported processing livestock from Northumberland and Cumbria. Abattoirs further north reported drawing livestock from much greater distances, sometimes 100+ miles. Island abattoirs service both their location island and other islands. One island abattoir even reported servicing a significant number of customers from the mainland.

There were reported exceptions to these distance benchmarks where private kill customers have developed strong relationships with individual abattoirs and travel the 'extra mile' (in practice, occasionally many miles). In one case, an abattoir reported a customer travelling over 200 miles over several hours to deliver livestock. In this instance, suitable transport, lairage and husbandry prior to slaughter were in place to address any welfare concerns. If these arrangements were more widely adopted for longer journeys, this could be a potential solution for addressing any concerns about transport welfare.

Throughput trends

Due to the marginal nature of most abattoir businesses, all throughput has a key influence on the viability of each enterprise. Of the abattoirs interviewed:

- Two abattoirs were increasing throughput – in one case the expansion was supported by an active business expansion plan
- Four abattoirs had static throughput – in most cases meat wholesale enterprises were providing the core throughput
- Four abattoirs had declining throughput – this is driven mostly by falling demand from high-street butchers who are using increasing amounts of pre-prepared or boxed product

In most cases abattoirs reported that the demand for private kill was reported as being static.

For abattoirs with declining demand, this is managed by reducing the days/shifts when animals are slaughtered or by operating on a seasonal basis. Up to a point, this was reported as helping to reduce operational costs in line with demand. The recently reported closure of the Black Brow abattoir in Cumbria (seven miles southwest of Carlisle) was seen as providing general throughput opportunities for some in southern and central Scotland.

Private kill and the transaction process

The definition of private kill varies by abattoir. It is mostly considered something small and non-routine or everything that is not for a butcher and/or wholesaler.

All the abattoirs in the survey were keen to highlight that every customer was treated the same and all the businesses appointed a key individual to deal with their private kill customers (farmers and/or crofters). Frequent customers know the routines, while new users need help with the administrative requirements, paperwork and booking in, etc.

The process can be divided into two key parts, firstly slaughtering and secondly maturation, cutting and packing. The slaughtering stage is reasonably standardised, and the abattoirs reported that, for some private kill customers, slaughtering is the only service they require (further processing is carried out at the 'home' location). The remainder require maturation, cutting and packing and this part of the process is where there is more variation.

Positive points and challenges

Abattoirs in the survey were asked to highlight what worked well for their business and to identify key challenges.

Positive developments included:

- The development and implementation of simple processes and procedures to deliver private kill services
- The ability to provide a complete service (a one-stop-shop) with good links to chilled transport for returning products
- Positive feedback from small kill customers and a steady throughput from repeat users
- The delivery of a service which helped to maintain the fabric of direct farm and/or croft-to-consumer meat sales throughout Scotland

Key challenges included:

- Declining throughput – although the largest reduction in volumes was from high street butchers as opposed to private kill users
- Shortcomings in abattoir fabric, fixtures and fittings – this was commonly wear and tear and nothing which compromised food safety
- High costs (see next section)

Communication

Abattoir operators generally supported the concept of improving communication and the opportunity of having a dedicated resource to coordinate a more effective and efficient method of supporting the needs of small producers by:

- Enabling regular communication between private kill users (via an Association or group) and the abattoirs (via SAMW) to discuss issues and needs

- Encouraging more regular and wider promotion of abattoir services to existing and potential new private kill users

- Supporting roles in abattoirs to improve private kill facilitation and create increased demand would be considered by some facilities

Abattoir finance and related issues

The interviews with abattoir stakeholders did not seek commercial financial information, but the feedback highlighted several monetary-related issues.

The first and most important was that most of the businesses stated that their slaughtering enterprises were marginal. A noted benchmark of achievement was to break-even and where possible, generate sufficient returns to reinvest (not always achieved). For many, there was a close association between an abattoir and a meat wholesale business(s) where individuals had interests in both enterprises. The meat wholesale businesses were profitable, providing the main raison d'être for the continued operation of the abattoir.

None of the abattoirs had closely examined the consideration of extra costs associated with servicing the private kill market. In most cases, the individual appointed to deal with private kill clients, did this as part of a much broader role within the overall business. There were other areas where additional costs were quantified. They included the costs associated with:

- Organic livestock businesses seeking to recoup the additional fees linked to achieving organic status
- Delivering differing cuts and packaging requirements

Finally, and linked to low profitability, various challenges were identified as follows:

- High running costs associated with power usage, waste disposal, rates and labour
- Attracting skilled people – sector attractiveness was identified as an issue
- Long payback periods which undermined the justification for investment and added risk

In most cases, the abattoir operators recognised the desirability of attracting more throughput, which many had the capacity to accommodate without significant change or investment.

Analysis

Producer survey

For those who currently utilise private kill services and for the abattoirs which deliver them, the general findings of the producer survey are not likely to be too surprising, but it confirms current attitudes and provides clarity and further insight on key issues. Producer challenges in distance from, and access to, abattoir facilities are well documented and the survey mirrors this view. The survey has also generated more in-depth knowledge of issues that some producers face, regional challenges and producer attitudes towards potential solutions.

The majority of producers who utilise abattoirs for private kill were fairly evenly split between farmers and crofters/small holders with most having utilised services for over 5 years. However, over 10% of respondents did not use a facility as there was no service available and over 40% of respondents wished to process more livestock than they were currently able to do.

Distance

The survey demonstrates that the majority of producers will utilise their nearest facility where it is practical and efficient to do so, but that producers at times must travel out-with their regional area to secure available slots or the service they desire. One-way travel times of up to 2 hours were observed within most regions with some experiencing far greater travel times. These distances and associated time often challenged the economics of the process for the producer. As previously highlighted, 80% of producers take their animals themselves to the abattoir, and 55% collect the butchered products.

Coordinated collaborative haulage is a potential solution to tackle travel times and distances for producers both for livestock transport and the return of butchered meat produce. However, the survey demonstrated a 50:50 spilt in those who were willing to explore a collaborative approach. Survey comments indicated that producers would need secure approaches to traceability and high standards of animal welfare would need to be demonstrated to producers before they would consider this option.

Availability

Together with distance to travel, availability of access to slaughter slots was a common problem for producers. This was highlighted by challenges in the Western Isles with a part-year facility in Stornoway; a long lead-in time at the Mull facility; and with November and December bookings at all facilities.

Facility reliance

Each facility was demonstrated to be very important to each region, given that very few producers went outside their local area for abattoir and butchery services unless there was a specific reason. For example, 30% of all respondents to the survey utilised the Dingwall abattoir. With Dingwall being the most Northerly mainland facility many producers do not have another option as they already have to travel a significant distance to reach Dingwall.

Abattoir interviews - suggestions for improvement

During the research, several ideas were discussed with the abattoirs who were interviewed.. They are summarised under several headings as follows:

Communication

There was a consensus amongst abattoir operators that there was a need to find a more effective and collaborative means of engaging with, and coordinating with the needs of small producers. It would help to address the key issues that small producers raise in their response particularly if the number of journeys could be reduced through better planning. This would involve:

- Regular communication between private kill users (via an Association or group) and the abattoirs (via SAMW) to discuss issues and needs
- More regular and wider promotion of abattoir services to existing and potential new private kill users
- Introducing support roles in abattoirs to improve private kill facilitation and create increased demand would be considered by some facilities

Financial support

Both small producers and the abattoir operators would benefit from improved coordination with the potential to lead to better and more efficient services for all parties, taking cost out of the supply chain. Support for resource to so this would be welcomed by abattoirs. In addition abattoirs felt they would benefit from:

- Notice of the availability of grants and their conditions to encourage high quality applications which meet the needs of all stakeholders (SAMW was considered by survey respondents to be the obvious central organisation to undertake this role)
- Investigating the feasibility for enabling rates relief for larger abattoirs if monies are reinvested and provided a private kill delivery benchmark is achieved (some smaller abattoirs already obtain small business rates relief)

Standardisation

Comments were raised by abattoir operators regarding an increasing demand for processing options for small producers Where not in place, encourage abattoirs to develop customer handling procedures and processing menus to standardise options for slaughtering, cutting and packing will be helpful in reducing costs.

New services

Opportunities are emerging to consider the development of a meat sector pick-your-own (PYO) option where consumers can select a farm and animal – the objective would be to facilitate the proactive engagement of consumers and farmers to stimulate demand for private kill services.

Overcome the short distance and travel mindset

- The producer survey indicated that some potential private kill users are put off from using abattoir services as they perceive the distance and time involved in travelling as having a negative impact on welfare. With good transport and lairage infrastructure this challenge could be satisfactorily resolved. The production and distribution of exemplar case studies could also help to highlight and broaden the adoption of good practice.

Conclusions

The high number of responses to the producer survey and the detailed response from abattoir operators demonstrate the importance of a functioning private kill service for Scottish producers. However, based on responses by both, there is not a simple or quick solution to improving the private kill service needs of producer customers in Scotland.

The long-term trend of decline in the network of abattoirs that service private kill in Scotland has also been observed in the rest of the UK. The economics of operating small-scale abattoirs are often very challenging, and revenues generated often do not allow reinvestment in infrastructure. The majority of the remaining mainland private kill servicing abattoirs are primarily focused on processing for their own meat wholesale businesses. Servicing private kill customer provision can often be challenging and financially difficult for these businesses. This is due to the time-consuming nature of dealing with multiple customers, smaller numbers of livestock throughput, more native breeds of livestock and non-standard cutting needs etc. A real concern of the subgroup commissioning this survey is that the network could constrict further as other businesses close or exit from providing private kill.

Access to abattoir facilities and further processing is critical to a large number of livestock producers who wish to add value to their produce and enter the local food economy. The producer survey evidences that 40% of producers cannot process all the livestock that they would like to, limiting their ability to add value. Availability and access to abattoirs is highlighted as the key challenge from survey respondents across Scotland. In recent years, the cost of processing livestock has increased in both kill and butchery, further challenging the economics of locally supplying red meat.

There are differing reasons within regions for lack of availability and access. For example, in the Western Isles it is driven by the part-time opening of the Stornoway facility; for Orkney, the closure of their island facility; for Skye producers, the distance they must travel by road to Dingwall; and for many Argyll producers, the need to book into the Mull facility months in advance to secure a slot. The common theme is that of access and availability, a likely result of the increasingly constricted network of abattoirs who service the private kill sector.

A seemingly obvious solution would be to increase the network of abattoirs by building new small-scale facilities in areas of geographic need. It is well known from previous research and feasibility studies that there are some key challenges: particularly operational, start-up and running costs. Farmers and crofters need the use of abattoir facilities but are busy with their own businesses and are unlikely have the time to divert to operating a new abattoir on a full-time basis. Recent feasibility studies have shown that the start-up costs for building a new micro facility are not less than £1 million. Raising funding is very difficult where the return on investment is challenging, even with state intervention most likely limited to 40% (as was the case with the Food Processing and Marketing Grant scheme when open). The operating costs of running a small facility are high compared to throughput and, therefore, it can be very difficult to achieve a model that generates break-even plus revenue for ongoing reinvestment.

In recent years there have been several new abattoirs of varying scales built. Omeave failed and this has diminished the appetite for investment in abattoirs. Similarly, small-scale facility feasibility studies have demonstrated the economically challenging nature of such projects, with very high capital start-up costs and a long journey to a break-even point. However, the learnings from the Mull and Shetland abattoirs are important as private kill only abattoirs. Another current feasibility study focussing on a low-cost modular build has the potential to demonstrate a potential scalable “bare bones” approach to service local needs.

The evidence suggests that the private kill service for producers is vulnerable in Scotland and short-term effort should be focussed on ensuring the network does not reduce further. Several abattoirs are not operating at anywhere near capacity and this is a concern In itself given the low margins within the sector.

Working with these existing facilities to ensure transport options are available for both livestock and butchered product has the potential to lessen the impact on the producers who are most distant from available options.

Improvements in communication between producers and abattoirs are needed to ensure that producers understand how services operate and how best to interact with them.

The potential to increase well-coordinated throughput in facilities with spare capacity can also help with facility viability. These issues do not currently sit within any organisation or individual’s remit. The addition of a role or number of roles that can take the initiative to work on solutions would be a big step forward.

It is the Small Producer Pilot Fund Steering Group’s abattoir sub-group’s view that a strategic view of provision of private kill services needs to be adopted to support facilities in the areas of greatest need and improve the options for producers to utilise these facilities.

Recommendations

Six key recommendations emerged from the outputs of the survey and consultation exercise:

1. Understand the cost to abattoirs of servicing private kill

Undertake a trial with existing abattoir facility/facilities to understand how the private kill element of their operation fits within the overall business. i.e., if it is complementary from an economic and management perspective. Understand what could improve the situation to make it a valued part of the business.

2. Trial dedicated private kill coordination

Run a trial to support a proactive private kill coordinator role within an abattoir businesses that require a role. In summary, responsibilities would include:

- Coordination of private kill producer livestock within the business
- Coordinate onward butchery where needed
- Coordinate shared livestock transport where appropriate and liaise with necessary bodies such as National Farmers' Union Scotland (NFUS), Scottish Crofting Federation (SCF), etc.
- Liaison with a national coordinator on an ongoing basis to find solutions and report back on progress on a biannual basis

A flexible approach would need to be adopted in finding the best way to accommodate a role within a facility. In many situations, it will be a case of building on an existing person's role and experience, creating job shares to ensure continuity; expanding roles from part-time to full time; and, in some instances, creating new roles.

3. Support a supply chain development coordinator (red meat for private kill producers)

A funded role hosted within a nationally relevant body to be the national go-to person for the private kill sector. In summary, responsibilities to include:

- Building a knowledge base of challenges and opportunities
- Supporting small-scale producers
- Developing the "go to" role for looking for solutions to access and availability issues
- Reviewing and monitoring progress on solutions to regional issues
- Working with and reporting to stakeholders

4. Signpost to sources of capital funding

Like many food businesses, abattoirs have previously qualified to access capital funding via schemes such as the Food Processing, Marketing and Co-operation (FPMC) capital grant scheme. This scheme is not currently running but may open again in the future. Alongside other food businesses, it is desirable that abattoirs should be given as much notice as possible of any new scheme opening so that they can craft sustainable business plans to enhance the delivery of slaughtering services to all users. Future grants that support producers could consider prioritising applications which demonstrate robust plans to expand throughput with strong links to wholesale enterprises and private kill customers.

The FPMC grant may not be suitable for some of the smaller island abattoirs, whose throughput is limited due to their geographic location and where finding matched funding can be challenging. In these situations, some consideration (within the confines of subsidy control) should be given to providing higher funding rates up to 100% for micro scale enterprises. The benchmark for micro-scale enterprises would require to be determined. However, the SPPF abattoir sub-group recognises the current challenging public sector funding environment particularly for capital expenditure.

5. Consider rates relief for abattoirs

Another form of assistance received by some in the sector (mostly small island abattoirs) is rates relief. The businesses that qualify do so based on size and/or the provision of community benefit. In the agricultural sector, many farm businesses and some co-operatives also receive rates relief provided the enterprises are undertaking legitimate agricultural activities, e.g., grain drying and storage, potato grading and storage, etc. Extending this kind of support to abattoirs could be another way to support the sector, dependant on for example, operators achieving a benchmark related to private kill volume, and if, any monies saved were reinvested in the abattoir.

6. Encourage a culture of innovation and knowledge transfer throughout the supply chain

Both innovation and knowledge transfer needs to be continually enthused throughout the sector through networking and sharing positive case studies. For example, there are currently several initiatives in England (Fir Farm) and Scotland that are pursuing lower cost modular approaches in setting up small-scale facilities. The learnings from these approaches and their business models should prove informative as they develop. Connecting with these initiatives would be beneficial.

Appendix

Abattoir Producer Survey Questions

1. Please enter your post code
2. Which of the following best describes your business activity in terms of meat production?
3. If you included "organic" in your response to Q2, please provide detail on the number of years certified and if you sell as conventional due to lack of processing facilities.
4. How long have you been utilising an abattoir service in Scotland?
5. Please enter the number of livestock you process for each season.
6. If unable to access a processing facility, please enter the number of livestock you would like to or used to process for each season.
7. Are you able to process all you would like?
8. Where do you currently have your animals slaughtered? Please enter as many as you use.
9. Where do you currently have your carcasses butchered and which other additional services do you use e.g., cutting and packing?
10. How are your live animals transported to abattoir?
11. How are carcasses or butchered products transported?
12. Outline the one thing for your business that would help improve the abattoir service that you currently receive.
13. Outline the one thing for your business that would help improve the butchery service that you currently receive.
14. A potential route to achieve abattoir access may be for producers to work together to batch loads and paperwork to provide viable loads for larger facilities. This would likely mean a loss of personal control of some aspects of the process. Are you open to considering a collaborative co-ordinated route?