

## Farm diversification new business ideas – Specialist Crops and Livestock

# Dairy sheep

### Key points to consider

- Sheep's milk production is in its infancy in Northern Ireland.
- A feasibility study will identify markets for milk products.
- A solid arrangement with a processor will enhance business growth.
- Minimum economic flock size is about 100 ewes.
- The main breeds to stock are Friesland, Colbred and Dorset.
- A producer may be eligible for Sheep Annual Premium.
- Lamb production can be a secondary economic source.



### Market overview

The main outputs from this enterprise are milk, cheese, yoghurt and ice cream. In Great Britain there is an established production and marketing structure where most producers sell milk to cheese factories whilst others process the farmhouse products mentioned and sell them at the farm gate. At present there is considerable potential for producers to expand production to meet the growing consumer interest in sheep milk products. Sheep's cheese provides an alternative to dairy cheese for those who are allergic to cows' milk. Within Great Britain, new markets for milk are now easier to find and currently demand is considerably greater than supply.

In Northern Ireland the situation is different. There are very few individuals in Northern Ireland with traditional cheese-making skills. A new milk producer may experience difficulty in drawing up a short-term contract with a processor, as the industry is only in its infancy. An alternative is to transport milk to Great Britain for processing, but this may not be economically feasible. The only other way is to freeze it in shallow flat packs and ship it in refrigerated transport.

A producer's best plan is to establish a flexible but sound partnership agreement with an established, committed processor in Northern Ireland or the Republic of Ireland. However, there are some examples of pioneering market developments from producers who sell bottled milk over the internet and others who have invested in their own milk processing equipment (see web site: [www.sheepmilk.co.uk](http://www.sheepmilk.co.uk)).

### Production requirements

#### Seasonality of supply

Sheep are seasonal breeders which results in shortage of winter milk. Manipulation of day length using artificial lighting, hormone treatment and staggered lambing can be used to achieve all year round lactation. Lambs can be weaned at birth or up to 4 days of age and artificially reared or sold. Alternatively ewes can rear their lambs to 30-35 days. Lambs should never be taken off ewes between 5-20 days of age due to the unnecessary stress it causes.

#### Buildings

When providing housing, using existing sheep houses or modifying other farm buildings can reduce costs. In maintaining a healthy environment, important features include free-draining sub-floor and good ventilation with no draughts. Straw bedding can be used, 1.5 square metres of floor space per ewe is required. Other flooring materials that can be used are expanded metal and slats.

The design of a milking parlour for sheep can range from a simple platform, single row or double abreast to the sophisticated rotary for larger flocks. To facilitate rapid entry of animals into the parlour a covered collecting yard should ideally be circular in shape, adjacent to the parlour and large enough to hold the whole milking group. The fitting of an electrically operated rear-sweeping gate would also aid stock movement.

#### Processing and adding value

Premises and equipment for processing of the milk require significant investment and must comply with strict legislation requirements. Two integral parts of Agri-Food Development

Service, Loughry College and Quality Assurance together with your local Environmental Health Officer can assist with clarification of all these requirements.

### Stock quality

In establishing a profitable enterprise, foundation stock with the potential to produce yields of over 300 litres per lactation should be purchased on the basis of milk records.

### Legal requirements

A producer planning to import sheep from Great Britain must apply for a General Import Licence from the Animal Health and Welfare Division, Dundonald House. One of the conditions attached to this licence is to have a valid health certificate. A producer should select stock from a flock participating in a Maedi Visna Health Scheme in Great Britain.

A producer requires a licence to offer milk or milk products for sale to the public. The local AFDS, Quality Assurance Officer can advise on requirements to meet licensing requirements. In addition, he must comply with provisions in The Welfare of Livestock Regulations (NI) 1995 and The Dairy Products (Hygiene) Regulations (NI) 1995.

Herd owners must also comply with the Identification and Movement of Sheep and Goats Order (Northern Ireland) 1997. All holdings that keep sheep and goats must be registered with the Department of Agriculture and Rural Development. All sheep and goats must be identified with either a tattoo or an ear tag that identifies the holding of origin before they move off a holding. For registration and details of requirements contact your local Divisional Veterinary Office.

### Financial considerations

The success of a dairy sheep enterprise will depend on:

- Identifying, maintaining and growing a market for sheep milk or its products.
- Achieving milk yields of 300 litres or over per ewe per year.
- Ability to achieve a year-round production schedule.
- Maintaining relatively low variable costs.

Assuming an average lactation yield of 250 litres and 75p per litre (English ex-farm price), the typical gross margin for an established enterprise is around £90 per ewe. To achieve this level of performance, ewes with a high-yield potential are required and flock management must be good. Variable costs are estimated at £82 per ewe. Taking into account the intensity of grazing management, a gross margin of over £700 per hectare is possible.

Sheep Annual Premium payments are limited to the number of eligible ewes (kept throughout the retention period) for which sheep quota is held.

As regards specific fixed costs, labour is estimated at £50 per ewe for a flock of 250 ewes and parlour running costs (including water

and electricity) of £7 per ewe.

The minimum cost of a basic milking parlour for 50-100 ewes, excluding building works, would be around £2000.

Where farmhouse cheeses are made, additional capital will be required for the purchase of equipment and to meet the requirements for extra storage space and special storage conditions for maturing cheeses. The period from production to time of sale could be up to six months.

### Further contacts

Veterinary Service, DARD  
Dundonald House, BELFAST, BT4 3SB  
Tel: 028 9052 0100  
Fax: 028 9052 5773  
E-mail: david.irwin@dardni.gov.uk  
Or contact your local Divisional Veterinary Office

Quality Assurance Division, Milk Section  
Room 1019, Dundonald House, BELFAST, BT4 3SB  
Tel: 028 9052 0972  
E-mail: qadadmin@dardni.gov.uk

Loughry College-The Food Centre  
COOKSTOWN  
Co Tyrone BT80 9AA  
Tel: 028 8676 8114  
Fax: 028 8676 1043  
E-mail: loughry.food.centre@dardni.gov.uk  
Website: www.loughrycollege.ac.uk

British Sheep Dairying Association  
The Sheep Centre, Malvern, Worcestershire, WR13 6PH  
Tel. 016 8489 2661  
Fax. 016 8489 2663  
E-Mail: The Secretary, bsda@btopenworld.com  
Website: www.sheepdairying.com

This information sheet has been compiled by Rural Enterprise Advisers.

For advice and guidance on your farm diversification idea contact your local Rural Enterprise Adviser. For details of the adviser in your area:

Tel: 028 9052 4406.  
E-mail: ruralenterprise.afds@dardni.gov.uk  
Website: www.ruralni.gov.uk/farmdiversification

Note: the information provided herein is for general information only. It is not necessarily complete and is not intended to address the specific circumstances of any proposed enterprise. The market and circumstances may change substantially. Further research will be required before embarking on any new enterprise.

ISBN 1 85 527559 4  
© DARD September 2002

The Agri-Food Development Service is an integral part of the Department of Agriculture and Rural Development