

Challenges and possibilities on the Finnish sheep supply chain: From farm to consumers' table

Finnish results from the iSAGE EU project (2016 -03/2020)

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Euroopa Maaelu Arengu
Põllumajandusfond:
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Content of the presentation

- Sheep farmer perspectives: Challenges and solutions
- Meat processors view: One success story
- Retail sector: More pessimism
- Consumers: Purchase decisions



Innovation for Sustainable
Sheep and Goat
Production in Europe



Farm No	Location	Description of production system
#1	Southern Finland	<ul style="list-style-type: none"> ▪ Breed: Finnsheep ▪ Lambing 2 per year ▪ Multi-purpose (direct selling; wool, meat) ▪ Conventional production
#2	Middle Finland	<ul style="list-style-type: none"> ▪ Breed: Finnsheep ▪ Lambing all year round ▪ Intensive production ▪ Conventional production
#3	Northern Finland	<ul style="list-style-type: none"> ▪ Breed: Finnsheep ▪ Multi-purpose: sales revenue from meat, wool and tourism ▪ Organic farm ▪ Grazing and maintenance of traditional rural biotopes
#4	Middle Finland	<ul style="list-style-type: none"> ▪ Breed: Texel –crossbred ▪ Lambing once per year ▪ Intensive production ▪ Conventional production
#5	Middle Finland	<ul style="list-style-type: none"> ▪ Breed: Texel-crossbred and Finnsheep ▪ Lambing once per year ▪ Extensive production ▪ Organic production



Sheep farmer perspectives: main findings



Labour supply and skills

Challenges

- Availability of skilled workers
- Expensive cost of labour
- Workforce flexibility: difficulty of dismissal and hiring an employee is demanding and costly
- Burnout of farmer

Possibilities

- Young generation on farm has new skills for processing wool and leather
- Two generation working together
- The farm's workforce and logistics are sufficient for enlarging the farm

Organization of the work and production processes

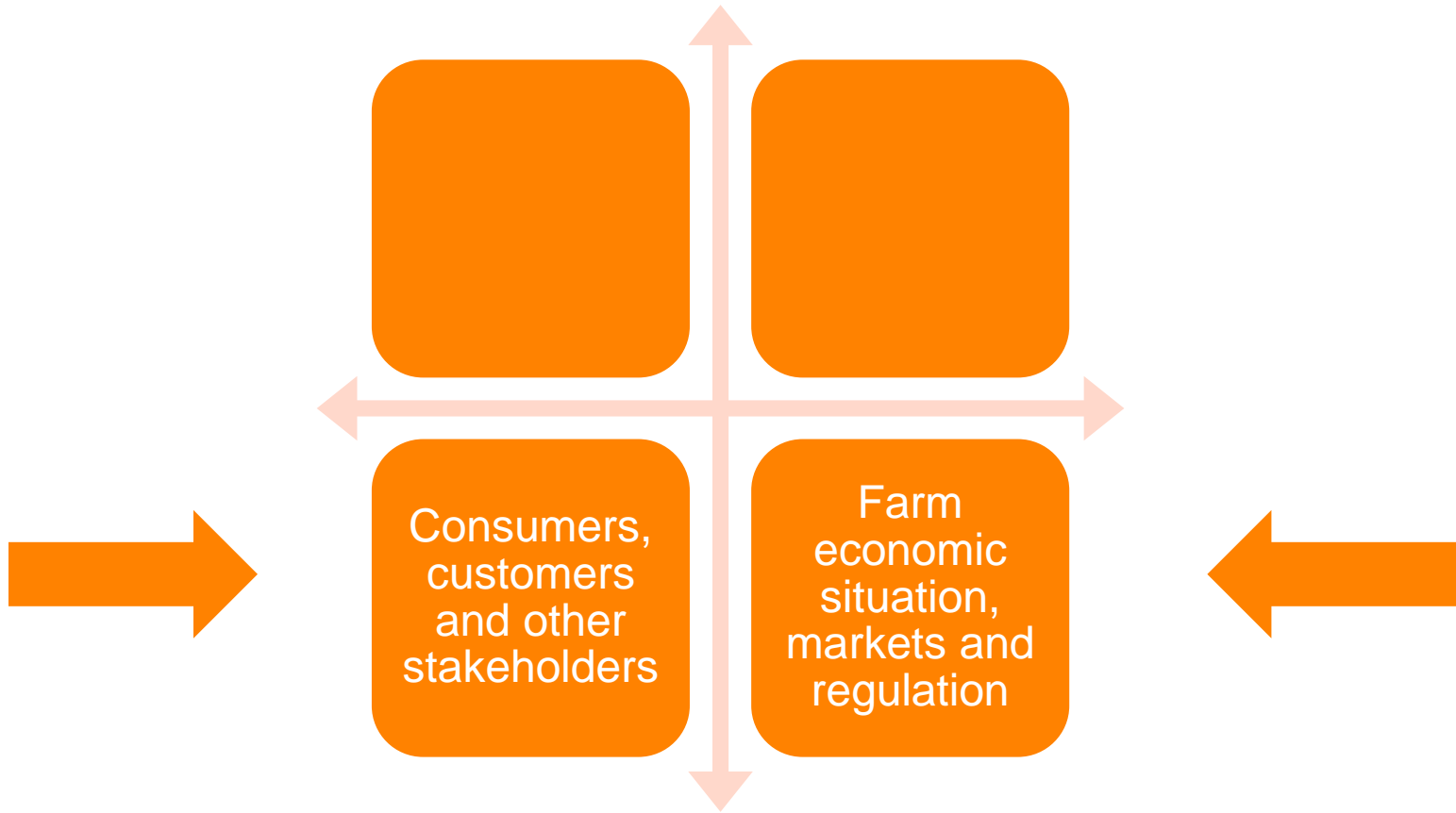
Challenges

- Predators as threat
- Heavy physical work
- Renting of fields
- Excessive bureaucracy
- Finding enough time for farm management and organisation
- Spreading of new animal diseases
- Climate change: winterstorms, power outages, rainy summers



Possibilities

- Climate change: new crops, protein crops, better grazing and feed
- Developments in meat production and processing
- Focus on breeding: better growing animals
- Feeding based more on roughage
- Co-operation: feed and machinery
- Investment on new machinery (less work)



Consumers, customers and other stakeholders

Challenges

- Direct selling (so called REKO ring (**Re**jäl **KO**nsumtion, fair consumption) increase work and lengthen workdays
- Environmental activist considered as a threat
- Difficult for consumer to buy Finnish sheep meat – supply chain does not work well
- Consumers do not accept intensive production and are not willing to pay for it



Consumers, customers and other stakeholders

Possibilities

- Food culture favours local food, Finnish consumers learn to eat more lamb meat
- Onfarm direct selling will be developed, investing payment system (with card)
- Refugees increase demand for sheep meat
- Farm buildings can be use e.g. for public events
- New marketing efforts: updating internet pages and facebook
- Renovating buildings for better serving tourists, creating online shop for them



Challenges

- Weak economic situation on farm
- Cannot invest any more because still paying previous investment
- Animal welfare support is good, but the system is a bit stressing with all the space requirements
- Uncertainties: market developments, the level of the agricultural support and predator management policy
- Tightening environmental restrictions
- Investment policy: should be possible to invest low-cost buildings.
- Interpretation of the EU laws will always be subjective; increasing risk of economic sanctions

Farm economic situation, markets and regulation

Possibilities

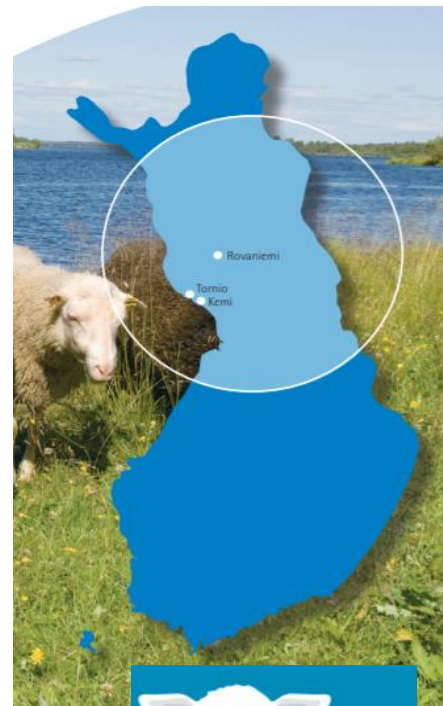
- Focus on animal breeding
- The use of more natural wool and leather as materials in the textile industry



Meat processors view: One success story

One success story – Meri-Lapin karitsa

- 1) EU funded project was initial trigger
- 2) They built network of producers
- 3) They did some marketing research and found that chefs at the local restaurant looked for lamb
- 4) Development of research project
- 5) Finally creating new brand and logo
- 6) Brand was bought by meat slaughtering company
- 7) Company has developed the concept further
- 8) Nationwide selling of 'Meri-Lapin karitsa' products



Retail sector

Retail sector

- Not very optimistic view: stable demand or decreasing, because of low consumer awareness and too high price
- Obstacles for selling: high fat content, long cooking time
- What consumers ask when shopping: fat content, how to cook, origin, traceability and quality assurance that is associated by consumers with health and food safety
- **Future expectations** –how to sell more lamb meat to consumers:
 - The introduction of new cutting methods and innovations that facilitate cooking were considered to be the most effective promoters
 - ‘Telling a story’ would also seem to be a promising course of action, with a story about, for example, breed and farm, while at the same time explaining the characteristics of the product face to face
 - In addition, tasting opportunities and new recipes developed by chefs would be drivers of better sales

Consumers

The determinants of consumers' and non-consumers' purchase decisions for sheep meat



Consumers – Positive determinants

Low fat / lean

” in addition to taste also health aspect is important”

Good quality

” fresh meat, well raised, properly packaged and cut,
no waste”
” no tendon, or similar extra parts”

Reasonable price

” the product cannot be too expensive compared to substitutes”

Living conditions of animal / good life

” ...has sheep pasture, fresh feed, space to move.”
” Lambs live free on the island and eat mainly grass”

Domestic or locally produced

”the image of pureness and controlled production chain”
” willingness to support domestic producers”
“The growing antibiotic resistance is global problem and I also want my kids to grow in a safe world.”

Unique taste

”minced meat is tasty when fried”
” food + eating is not just energy but social event, of which you must enjoy”

Supporting small-scale entrepreneur

” ...so that they had possibilities to stay on the market”
”...at the same time get good mood when eating high quality meat is great and rewarding”



Non-consumers – Negative determinants

Too high price

” I do not want to run into debt or buy food for debt.”

” I suppose that lamb meat is more expensive”

” I prefer to buy good familiar meat varieties with cheaper price than more unknown sheep meat with higher price.”

” To buy more expensive meat will increase pressure to meal preparation so that you are not wasting your money.

Origin: foreign (mainly from New Zealand)

” Origin relates to the traceability and ethics.”

” I want to favour local food.”

” I think that local food is more ecological than sheep meat imported to Finland”.



Taste

” the most important feature in food, after that is nourishing, is taste...

“eating together is important social occasion, that will fail if food is no pleasurable”

Texture / chewy / long cooking period

“I fear that I fail”

”It requires more time and effort “

” I do not dare to cook very challenging meals”

Availability

”If there were more sheep offered and in different ways, then I might try the product”

”out of sight, out of mind”

” I have noticed lamb meat only during Eastern time”

Summary



Research and Development Needs: Farmers' views

Policy actions

- Goal should be also in meat production, not just preserving Finnsheep breed
- Policy support more towards breeding, not supporting only the number of animals or hectares
- New innovations are welcome to develop in primary production

Marketing and consumers

- Improving skills of hand-spinning
- Need for course of selling internationally (online)
- Improving marketing skills: channels, customers
- Improving cooking skills of consumers

Improving production process

- Spreading more information: animal care, feeding and diseases
- More information about protein crops: minimising feed costs
- More efficient use of electronic ear tag: e.g. weighting, traceability
- Good breeding program: Weblammas/ProAgria
- Timing of lambing according available workforce (1-2 times or all year round)

Determinants of sustainable sheep products

Healthy products

Tasty for all
in my family

Good quality
"fresh, properly
packaged and cut,
no waste"

Availability /
Visibility
(branding)

Safe

Non-gmo

Locally produced

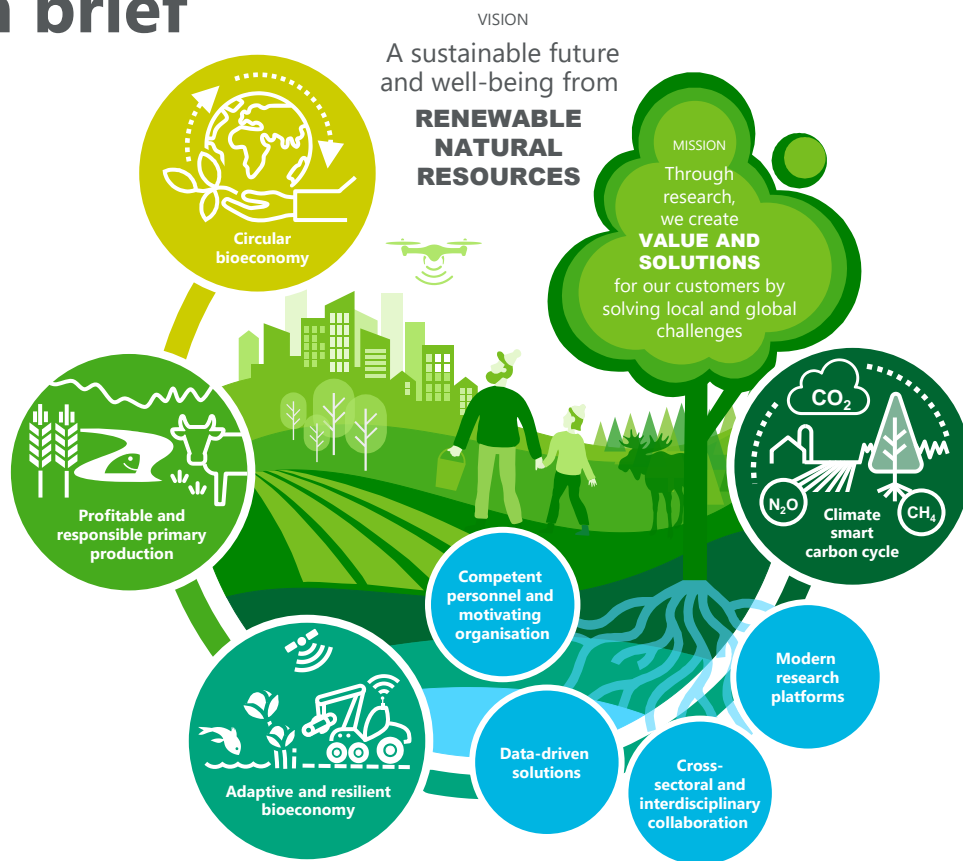
Reasonable price

**Living conditions of
animal / good life**

**Supports small-scale
entrepreneur**

Thank you!

Luke in brief



125 M€

Turnover

73 M€

Budget funding

52 M€

External funding

25

Locations in Finland

HQ in Helsinki

Present in 12 campuses with
universities, research institutes and
polytechnics

1288

Employees

46 research professors

622 researchers

*We are one of the four Statistical
Authorities in Finland.*

27.11.2020

