ISle of Wight

LIVESTOCK COLLECTIoN CENTRE

FEASIBILITY STUDY

**Introduction**

The Isle of Wight Council (IWC), National Farmers Union (NFU) and Royal Isle of Wight Agricultural Society (RIWAS) commissioned BCM to undertake the above study. The purpose of the study was to canvass opinion, determine demand and assess the need and benefits of establishing a livestock collection centre on the Isle of Wight.

The study considered a full range of factors to include location, operating models and the legislation underpinning the operation of a livestock collection centre.

**The full study is available without charge at** [**www.riwas.org.uk**](http://www.riwas.org.uk) **or copies can be obtained by contacting either RIWAS 0845 226 9098 or NFU 01983 522290.**

**Background**

From DEFRA statistics (2016) the Isle of Wight had 340 agricultural holdings, farming an area of 24,142 hectares. Of this the grassland area comprised 13,417 hectares supporting 12,459 cattle and 33,941 sheep. From BCM survey data and NFU branch information (2020) 11% of holdings are more than 350 acres, 23% between 150 and 350 acres, 35% between 50 acres and 150 acres and 31% below 50 acres.

Livestock collection centres number 150 nationally and more are being established each year – an indication the industry is evolving.

There is concern the lack of a livestock collection centre on the Isle of Wight threatens the ongoing efficiency and viability of the smaller livestock holdings, and it was hoped the facility would also provide benefit for larger livestock producers. Adhering to the ever-increasing animal welfare standards and the existing haulage capacity on the Island are key factors.

**Key Findings**

Based on the DEFRA stock numbers on the Island and survey results it would suggest c6,000 lambs and c1000 cattle per annum could pass through the centre. National trends show a rapid decline of finished cattle sales through live auction marts with 88% going direct to abattoir. Finished lambs are more balanced with 43% going direct to abattoir. Abattoirs remain interested in trading through collection centres but this is almost only where some sort of grading process is involved to allow consistency of grade as well as quantity.

The study modelled 3 alternatives for an Isle of Wight livestock collection centre. In summary:

* **Basic facility** – essential a “concrete pad” with basic drainage and washdown facilities and penning; not suitable for non-agricultural uses with a capital construction cost (excluding VAT) of **£139,924** and an annual running cost of **£29,489**.
* **Balanced facility** – Similar infrastructure to the Basic facility but under a steel portal frame building. Capital construction (excluding VAT) of **£217,053** and an annual running cost of **£36,162.**
* **Enhanced model** - incorporating all of the features of the basic model but in addition enclosed by a steel portal frame building incorporating suitably specified additional space suitable for letting to complimentary third parties – capital cost (excluding VAT) of **£660,678** and an annual running cost **£45,353**.

Based around standard industry data from existing collection centres – see page 32 of the study for full details – to include a cautious model with respect to “additional income” for the enhanced model there is a net cash surplus for the basic model of **£1,852** per annum, **£1,282** per annum for the balanced model and **£14,191** for the enhanced model.

Typical Charges:

**Cattle Sheep**

Handling Charge £7.00 £2.50

Overnight Lairage £2.00 £1.00

Wash Station Charge £5 per vehicle

Based upon the operating models reviewed, financial viability of the facility is a challenge, partly due to the inherently lower throughput that an Island farming community engenders but also due to the inability to recover costs from producers facing slim margins.

The need and demand for a **basic** livestock collection centre on the Isle of Wight appears to be well established, lower risk and practically operable. The **balanced** facility does not necessarily provide any additional income streams, but the infrastructure provided may be more useful for future uses of the site. The **enhanced** option creates the opportunity for wider use and greater income streams.

**Next Steps**

The study was undertaken for the benefit of the Island’s livestock sector and it is hoped the findings will inform and support interested individuals who may wish to establish a livestock collection centre on the Isle of Wight.

The study is not intended to provide all the answers, many will be shaped by the location and operating model brought forward, but the partners hope that it provides an informed and strong evidence base.

With the key factors properly considered there would seem a good case for capital grant support to assist the establishment of a sustainable Isle of Wight livestock collection centre.

The partners are available to support any interested parties looking to take forward the findings of the study.

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