



PROBLEMS AND FUTURE PERSPECTIVES OF THE SHEEP MEAT MARKET

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ABSTRACT

The objective of this scientific paper is to analyse the state and problems of sheep meat production and marketing in the country and abroad and to outline the prospects for their development. The development of animal husbandry in Bulgaria in recent years, the changes in the number of farms that have occurred, the number of animals reared in them and the production obtained relate to some organizational, structural and regulatory changes imposed by our membership in the EU and the economic environment in the country. The analysis made established that as a result of the improperly accomplished agricultural reform in Bulgaria, an abrupt decline in lamb meat production has been observed for the period 2000-2008 – by 69,2% and reduction of its relative share by 3,3 %. For the same period lamb meat production in the world has increased by 18.1%. The CAP scheme direct payments and the national co-payments are serious prerequisites for fast development and stabilization of meat sheep breeding in the country. Basic factors for the efficient sheep breeding are the optimum combination between natural climatic resources, breeding fast maturing meat and wool sheep breeds and the use of suitable technologies.

Key words: production, trade, sheep meat, tendencies, aids

INTRODUCTION

The state and development of sheep breeding in Bulgaria in the past 20 years has been marked out by the improperly accomplished agricultural reform. The rapid change of ownership on means of production, the lack of long-term strategy, interest and subsidies by the state resulted in the emerging of numerous small, fragmented and unprofitable farms and rapid decrease in the number of animals. That disabled the use of natural resources and long traditions, numerous foreign markets were lost. Sheep breeding was not only an effective livestock sub-sector, but it also formed a significant part of the foreign trade balance of the sector with export of high quality lamb meat (1, 2). At the same time sheep- and goat-breeding are traditional for the country, providing subsistence for the majority of the rural population and their products are in demand on the European and international market (7).

Currently, the development of sheep farms cannot be viewed in isolation from the processes of the industry worldwide. After our accession to the EU, the trends and guidelines for the development of these farms are closely related to the common agricultural policy of the community and are determined by the mechanisms and regulators in it.

The aim of the scientific article is to analyze the state and problems of sheep meat production and marketing in the country and abroad, and to outline the prospects for their development.

DISCUSSION

By increasing the population of the planet the need to increase food production for mankind also grows. Particularly important are proteins of animal origin, the main source of which are meat, milk, eggs, fish. According to Tsonev (6), for some regions of the world and for our country, sheep (mostly lamb) meat production is not only a traditional occupation, but it is part of the desired food on the table.

The analysis of the state and dynamics of meat production in the world according to FAO and

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FAOSTAT (11-12) shows that in 2008 meat production in the world was 279.9 million tons, of which lamb is 2.9 % (**Table 1**). In the period 1989-1991, (annual average) up to

2008, producing all kinds of meat increased by 56.8%, including lamb by 18,1%. However, during this period, the relative share of lamb meat in the total production fell by 1.0%.

Table 1. Meat production in some countries in the world, '000 tons

Country:	Meat produced of all types		2008 in % as at 1999-2001	Lamb meat produced		2008 in% as at 1999-2001	Proportion of lamb meat total meat production, %	
	1999-2001	2008		1999-2001	2008		1999 -2001	2008
In the world:	234646	279954	119,3	7531	8255	109,6	3,2	2,9
Australia	3748	4284	114,3	674	693	102,8	18,0	16,2
Argentina	3998	4439	111,0	48	52	108,3	1,2	1,2
Bulgaria	479	229	47,8	52	16	30,8	10,9	7,0
Great Britain	3485	3367	96,6	344	326	94,8	9,9	9,7
Germany	6377	7687	120,5	46	25	54,3	0,7	0,3
Egypt	1379	1431	103,8	72	42	58,3	5,2	2,9
India	5318	6796	127,8	229	237	103,5	4,3	3,5
China	62826	74539	118,6	1438	1978	137,5	2,3	2,6
Mongolia	275	212	77,1	88	72	81,8	32,0	34,0
New Zealand	1295	1470	113,5	537	598	111,3	41,5	40,7
Syria	344	462	134,3	176	205	116,5	51,2	44,4
USA	37499	43171	115,1	107	83	77,6	0,3	0,2
Sudan	665	796	119,7	143	148	103,5	21,5	18,6
Turkey	1352	1794	132,7	312	272	87,2	23,1	15,2
France	6538	5471	83,7	133	90	67,7	2,0	1,6
South Africa	1616	2110	130,6	111	118	106,3	6,9	5,6

In the period 1999-2001 up to 2008 the fastest growing was the production of all types of meat in Syria (by 34.3%), Turkey (by 32.7%), South Africa (by 30,6%) and India (by 27.8%), with lowered production in Bulgaria (by 52.2%), Mongolia (by 22.9%), France (by 16.3%) and Britain (by 3,4%). In 2008, 26.6% of the total meat production belongs to China. The largest lamb meat producers in the world are China (1978 thousand tons), Australia (693 thousand tons), New Zealand (598 thousand tons) and Britain (326 thousand tons). The share of these countries in world production of this type of meat is 43.5%.

In 2008 compared to 1999-2001 the fastest growing was the production of lamb meat in China (37.5%), Syria (16.5%), New Zealand

(11.3%), Argentina (8.3%) and South Africa (6.3%). For the same period a sharp decline in the production of lamb meat is marked in Bulgaria (69.2%), Germany (45.7%), Egypt (41.7%) and France (32.3%). Of the total production of meat, lamb has the highest share in Syria (44.4%), New Zealand (40.7%), Mongolia (34.0 percent), Sudan (18.6%) and Australia (16.2%). This is determined both by natural-climatic and socio-economic factors and the historical and national traditions of the peoples in those countries where sheep-breeding is one of the leading industries in livestock production. Bulgaria has reduction of this indicator for the observed period from 10.3 to 7.0%.

According to FAO in 2008(11-12), the largest number of sheep in the world is in China

(136.4 million), Australia (79 million) and Sudan (51.1 million) (**Table 2**). For Bulgaria 1.526 million units are reported. For a population of 100 people there are 806 units of sheep in New Zealand, in Australia - 375 units, in Mongolia - 695 units, in Sudan - 124 units, in Syria - 108 units and in Bulgaria 20.1 units. Significant is the difference in the production of lamb meat per capita in the different

countries: In India this indicator is 0,2 kg, the USA - 0,3 kg, Germany - 0,3 kg, New Zealand - 141,4 kg, in Australia - 32,9 kg, in Mongolia - 27,4 kg. For Bulgaria this quantity is 2,1 kg. For the indicator proportion of meat from the rational norm per person (82 kg), in Bulgaria only 36,8% (30,2 kg) are provided, lamb meat being 1/15 part of that amount.

Table 2. Number of sheep and meat production per capita in some countries in 2008

Country:	Number of sheep	Meat produced per capita		Proportion of meat in the rational norm (82 kg), %
	Total, '000	Total types	Lamb meat	
In the world:	1078179	41,5	1,2	50,6
Australia	79000	203,3	32,9	247,9
Argentina	12450	111,3	1,3	135,7
Bulgaria	1526	30,2	2,1	36,8
Great Britain	33131	54,8	5,3	66,8
Germany	2437	93,4	0,3	113,9
Egypt	5023	17,5	0,5	21,3
India	64989	5,7	0,2	6,9
China	136436	55,4	1,5	67,6

In recent years the following tendencies have been monitored on a world and European level (4):

- The total number of sheep reduced by about 11%. Regardless of the reduction of the number of sheep milk production remained on the same level and sheep meat production increased by over 3%. However, wool production decreased by 30%.
- New breeds of sheep are created with a high milk yield, such as Avasi, Avasi +, Lacon, etc. which are close to world standards. Major producers of sheep milk are Turkey, Greece, Iran, Syria, France, Italy and Spain.
- The number of farmers raising dairy sheep reduces at the expense of consolidation of herds and increasing degree of specialization in meat direction.
- The main production unit in which sheep in the EU are reared is the so called family farm.
- Changes occur in the sheep meat market. In Greece and Italy, for example, the preferences are for the so-called dairy lamb at net weight of about 18-23 kg and carcass weight of 8-9 kg. Whereas in Western Europe lamb meat is

preferred at net weight of lambs 35-38 kg and carcass weight 15-17 kg.

In the state of the sheep-breeding in Bulgaria in recent years some major changes have occurred. According to Mladenova (3), both the number of animals and their productivity decreased resulting in deterioration of the economic performance. That process started before the reform, but after 1990 the decline was dramatic. In 2005 the number of sheep

decreased by about 80% compared to 1989 and by 85% compared to 1980 - the year in which sheep-breeding in Bulgaria has the best production and economic results. This negative result is reported by Slavov et al. (5) as well. In 1984 the number of sheep was 10 978 thousand. From 1990 to 2007 the decrease is by 6603 thousand units.

According to the Agrostatistics department (8), in Bulgaria in 2009 both the number of sheep reduced by 5.1% and the number of sheep farms - by 13,7% (8). Compared to the previous year, farms with capacity from 1 to 9 units of breeding ewes decreased by 14.6%,

from 10 to 19 and from 20 to 49 units of livestock – by about 10%, while farms rearing 50 to 99 units of livestock and over 100 units increased by 2.5% and 4.0%, respectively. This is accounted for by the processes of consolidation and concentration in livestock production that started in 2008 and still continue. Ewes bred on farms with over 100 units of livestock increased by 5.7% and are 391.2 thousand. The average size of sheep herds in the country is 12 units and ewes average 10 units per farm.

In 2009 the production of sheep meat is 13,289 tons, which is 15.7% less than in 2008. This amount is 5.45% of the total meat produced in carcass weight for the country - 243,624 tons. The total number of animals slaughtered in slaughterhouses and farms was 1,409,351 and is 172,567 less than the previous year. The average live weight of slaughtered animals was 20.7 kg. Bulgaria made a negligible import of sheep and goat meat since it is a traditional producer of lamb and sheep meat and production in the country is sufficient to meet domestic demand. Although the production of lamb and sheep meat in the period 2007 - 2009 decreased, the volume of total imports made during the last 3 years is in small quantities - between 92 and 746 tons. Mainly frozen meat is imported. The import of sheep and goat meat realized in 2009 amounted to 268 tons, which is 64% less compared to the previous year. Prevailing quantities are imported from New Zealand - 152 tons, France - 33 tons, Germany - 29 tons, etc.

The development of livestock breeding in 2009 and the changes that occurred in the number of farms, the animals reared in them and the products obtained are related to organizational, structural and regulatory changes imposed by our membership in the EU and the economic environment in the country. Upgrading, completion and modernization of the equipment continued in relation to the need to comply with requirements imposed by the implementation of the Common Agricultural Policy (CAP). In 2009 the implementation of the Community scale for grading slaughter carcasses fit for human consumption continued. The implementation of the (S)EUROP scale determines the quality of the carcass in an accurate manner and allows the manufacturer to obtain a fair price of the product offered(9). Rating according to the (S)EUROP scale is an incentive for farmers to

improve quality, which in turn will strengthen their market presence in the EU and the countries outside it. In order to encourage manufacturers to submit their meat for grading, in 2009 the Managing Board of the Agriculture State Fund granted a target subsidy for classification of carcasses of cattle, pigs and sheep.

In implementing the Common Agricultural Policy (CAP) of the EU, and specifically, support by CAP first pillar, direct payments and national co-payments for 2009 are provided. The applicable EU legislation allows member states to subsidize farmers with additional national budget funds or through relocation of funds from the European Agricultural Fund for Rural Development (EAFRD). According to national decision for 2009 campaign, the following co-payment schemes are applied:

- National co-payments scheme for ewes and nanny goats unrelated to production. The right of support is enjoyed by farmers who as of October 1, 2008 have grown more than 20 ewes or as of February 28, 2009 have grown more than 20 nanny goats, registered in the System of animal identification and registration of livestock farms at the National Veterinary Medical Service. The budget for this scheme is set at BGN 9,804,425 and the amount of co-payment – BGN 14.59/unit.
- National co-payments scheme for ewes and nanny goats related to production. The right of support is enjoyed by farmers who grow in their farms more than 20 ewes and/or more than 20 nanny goats and continue to rear them for at least 100 days of as the end of the period for submitting applications for support. The budget for this scheme is set at BGN 6,635,286 and the amount of co-payment – BGN 15.14/unit.

As of 2011 began the implementation of new support schemes for farmers to grow ewes and nanny goats on farms of 10 (inclusive) to 49 (inclusive) ewes and/or nanny goats. To apply for according to these schemes farmers file a joint application under Ordinance № 5 of 2009 concerning the terms and conditions for filing applications under schemes and measures for direct payments (10). The new schemes are implemented in two varieties: 1. for breeding ewes and nanny goats in economically vulnerable communities in Southern Bulgaria and 2. for breeding ewes and nanny goats in disadvantaged areas. It is envisaged that the

amount of support per animal for farms in economically vulnerable communities to be higher than the support per animal in farms in disadvantaged areas. The consistent and principled application of these schemes is a prerequisite for rapid development and stabilization of meat sheep-breeding in the country.

CONCLUSION

The analysis results give rise to the following summary and conclusions:

- For the period 2000 - 2008 the lamb meat production in the world increased by 18.1% and its relative share of total meat production decreased by 1%. For the same period in Bulgaria a sharp decline in lamb meat production is noted - by 69.2 percent and reduction of its relative share by 3.3%.
- The rapid reduction in the number of animals in Bulgaria is due to the improperly conducted agrarian reform - violent change of ownership of the means of production, lack of long-term strategy, interest and support by the state, emerging of numerous small, fragmented and unprofitable farms.
- As a result of the processes of consolidation and concentration in livestock production which began in 2008 and are still going on, farms raising 50 to 99 units of livestock increased by 2.5% and farms with over 100 units of livestock increased by 4.0%, respectively.
- The development of livestock breeding in Bulgaria in recent years, the changes in the number of farms, that have occurred, the livestock reared in them and the production obtained are related to the organizational, structural and regulatory changes imposed by our membership in the EU and the economic environment in the country. The schemes provided under the CAP direct payment schemes and national co-payments and the possibility of relocating funds from the EAFRD are major prerequisites for rapid development and stabilization of meat sheep-breeding in the country.
- The actual implementation of the carcass assessment according to the (S)EUROP scale is an incentive for livestock breeders to improve quality, which in turn will strengthen their market presence in EU countries and beyond.
- Key factors for effective sheep are the optimum combination of natural climatic

conditions and breeding fast maturing meat and wool sheep breeds, the use of technologies in which animals are kept in fenced pastures with abundant grass. Rational use of these factors is essential for the minimal loss of labor and material resources in the production of lamb meat in these countries.

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