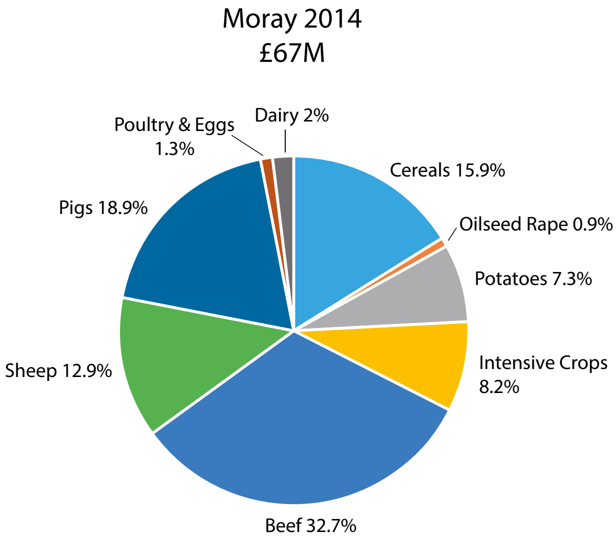
NE LAND BASED STUDY - MORAY AT A GLANCE

A mixed farming area



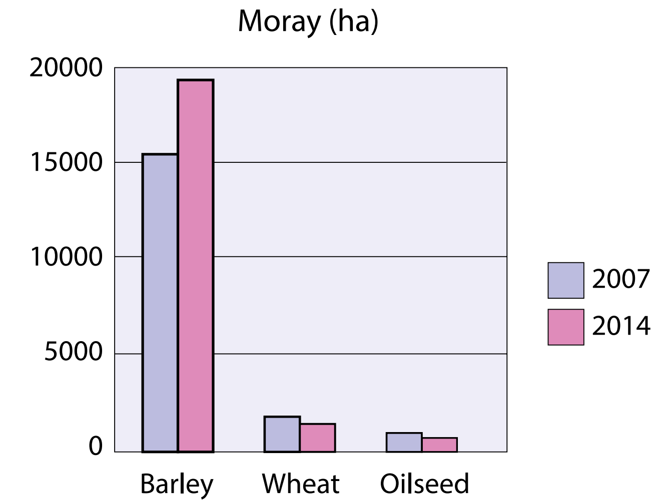
... but 2 distinct zones

Malting barley lowlands

Store breeding uplands

2014	Moray	Aberdeen-shire	Angus	Scotland
Arable %	**39**	51	70	31
% Cereals winter sown	**11**	27	39	37
% of cattle which are finishers	**20**	37	28	22

Big shift to malting barley 2007 - 14…



Barley area **+23% 2007-14**. The area has a climatic advantage and is home to the malting/ distilling industry.

But Invergordon grain distillers switch from wheat to maize = **shift from highest wheat price in UK to lowest**

it's woody!

	% Agricultural Area in Woodland
Moray	15%
Aberdeenshire	9%
Angus	5%

… and the most severe simplification of livestock systems

Pigs
-63%

Poultry
-66%

Dairy Herd
-84%

Feeding Cattle
-16%

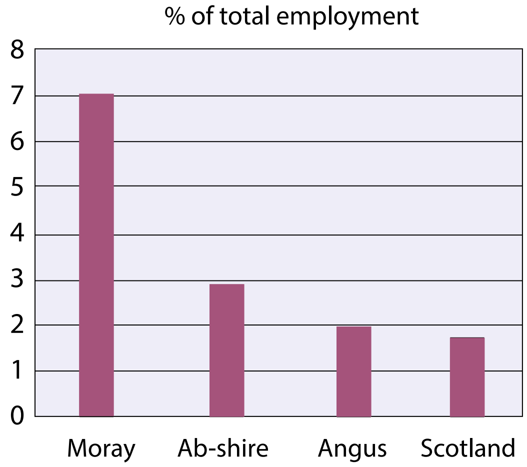
*BUT decline in beef cows (-5%) and ewes (-2%) is **much slower** than in NE and Scotland*

SO WHY THESE CHANGES?

Too far from processors – when Scotland catches a cold, Moray gets the flu?

Simplification, to reduce risk in the face of volatile markets + lack of labour?

Food and Drink sector employment very important



But other than malting barley, how much local produce used?

How have Moray farmers re-organised?

1. Get bigger

	Estimated Farm size (ha)	% decline in occupiers 2007 - 14
Moray	277	-7
Aberdeenshire	199	-9
Angus	322	-5
Scotland		-3

2. Farmers go increasingly part-time (54%) and rely on family labour (40%) and part-time staff (38%).

3. Diversify - Higher rate of on-farm diversification than in Aberdeenshire, especially in coastal Moray.

Oil has had an impact:

	Median household income 2008-09 £/week
Moray	529
Scotland	468

Knock-on to labour supply, but also capital values and off-farm income

Subtle differences in how sub-regions are developing:

2007 - 14	Beef Cows	Finishing Cattle	Ewes	PT farmer % (2014)	Owner occupation % (2014)
Laigh of Moray	-10%	-8%	+1%	54%	68%
Keith/ Cullen	+4%	-18%	-13%	58%	81%
Speyside	-9%	-22%	+1%	51%	67%

Key Challenges

Distance from processors and lack of Moray brand

Loss of critical mass and intensive sector skills

CAP and LFASS reform impact on uplands

Knock-on from oil sector cuts

Key Opportunities

Moray microclimate and soils; suits intensive crops, wintering stock

Stunning area - agri-food tourism?

Closer producer links to maltsters, distillers and world renowned food companies

Adding value to the farm woodlands

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