Part 2: Scotland
7. Setting the scene

Cattle farming

7.1 Farming in Scotland has traditionally been dominated by livestock production, both in the uplands and on the more fertile lowlands. During the period covered by this Report, over 70 per cent of land used for agriculture was hill grazing for cattle and sheep, often in mixed units. Many farms were located in hill areas, moorlands and wetlands which were officially designated as Less Favoured Areas (LFAs).\footnote{M44 tab 4 p. 5; see Part 1: Wales, paragraph 2.1} Almost the whole of the Highlands and Islands area was classed as an LFA, and crofting communities were common in this region.\footnote{A croft is a small agricultural unit in the north of Scotland, held subject to the provisions of the Crofting Acts. A crofter is normally the tenant of a croft and pays rent to the landlord of a croft. A landlord may have many crofts on his or her estate. See the Scottish Crofters Union website: www.scu.co.uk} The main enterprise of crofting agriculture was the production of store lambs and calves\footnote{See footnote 6} on smallholdings for sale to the mainland and lowland farmers for fattening or, to a lesser degree, as breeding stock.

7.2 Cattle farming was particularly important for the Scottish agricultural economy. In March 1996 the cattle population in Scotland was about 2 million out of a UK total of approximately 12 million.\footnote{YB96/3.19/14.1} However, the structure of the industry in Scotland was somewhat different from that in the rest of the UK, with a greater focus on beef production. In 1995 the beef cattle sector accounted for 27 per cent of gross agricultural production in Scotland, compared with the UK average of 15 per cent.\footnote{M44 tab 4 p. 4} For the UK as a whole, the specialist beef breeding herd, normally referred to as the beef suckler herd, accounted for 42 per cent of the total herd.\footnote{M44 tab 4 p. 5} By contrast, the beef suckler herd in Scotland was almost 65 per cent of the total in 1989 and almost 70 per cent by 1995.\footnote{M11 tab 2 p. 47} Beef cow holdings represented 33 per cent of total agricultural holdings.\footnote{M44 tab 4 p. 6} This meant that the beef produced in Scotland was predominantly from clean cattle and relatively little was cow beef.\footnote{M11 tab 2 p. 48. Clean cattle refers to cattle which have not been used for breeding. Cow beef is beef originating from cows culled from the dairy herd} Dairy herds were generally far more affected by BSE than beef herds, probably because they were fed more meat and bone meal.\footnote{See vol. 16: Reference Material. See also vol. 12: Livestock Farming for a discussion of the various feeding practices} The dominance of the beef industry may therefore explain the lower incidence of BSE in Scotland than in the rest of Great Britain.

7.3 Beef finishing was an important element of beef production in Scotland during the period covered by this Report.\footnote{Finishing entails further feeding of suckled calves or older 'store cattle' produced by the dairy and beef suckler herds to increase weight prior to slaughter. Most systems of finishing rely on forage plus protein supplements rather than cereals. Some cattle are finished on an intensive cereal diet, but the high cost of cereal restricts this to a small number. In summer most cattle are finished on pastures while cattle finished in the winter months are fed rations based on forage crops (grass silage, maize silage and hay) plus protein supplements} Suckler beef producers were usually not in a position to finish many or any cattle unless they were in the lowlands, because of the cost of the supplementary feed required and the difficulty in obtaining it. Their animals were therefore often sold to specialist beef finishers located in the lowlands, where feed supplies were more plentiful. Between 1986 and 1996 there was also...
a well-defined movement of animals from South-West England to Scotland for finishing.217

7.4 Beef herds in Scotland included both pedigree herds, and herds where the breeding cows were crossbred animals originating from the dairy herd, the latter type being in the majority. The Inquiry was told that the pedigree herds tended to be fed very little concentrated feed.218 In 1986 the average size of a Scottish beef cattle herd was 35.8 animals, almost double the United Kingdom average. By 1996 the average beef herd size had risen to 46.8 in Scotland, and 25.8 for the United Kingdom as a whole.219 The north east of Scotland was the major beef producing region, while Dumfries, Galloway and Strathclyde were also important.220

The slaughtering industry

7.5 Some Scottish cattle moved across the border to England for slaughtering, while at the same time, cattle moved from the rest of Great Britain for slaughtering in Scottish abattoirs. In general, however, the slaughtering industry was not so large in Scotland as it was in England and Wales, with the result that abattoirs tended to source their cattle from further away.221

7.6 Scotland relied more heavily on the overseas export of its meat than did the rest of Great Britain, and a higher proportion of its slaughterhouses were export-approved.222 In 1993 around 29,000 tonnes of beef with a market value of about £90 million (representing one-sixth of all beef produced in Scotland) was exported from Scotland to European Union (EU) Member States.223 Export-approved slaughterhouses had to be inspected monthly by veterinary officials from the State Veterinary Service (SVS) in addition to the meat inspectors appointed by the relevant local authority to enforce meat hygiene legislation.224 The Inquiry was told that this resulted in less variation in conditions and standards among slaughterhouses in Scotland than there was in England during the period before the Meat Hygiene Service came into operation throughout Great Britain (in 1995).225 Furthermore, hygiene standards in export plants were generally higher than in those which processed meat for the domestic market only.226 Germany was one of Scotland’s main export markets, and plant operators were aware of the high standards being demanded by the German Government.227

7.7 A second distinguishing feature of the industry in Scotland was that local authorities had been required to carry out ante-mortem inspection of every animal slaughtered in domestic or export market slaughterhouses since 1961. Until 1993 this could be done by meat inspectors in domestic slaughterhouses. Thereafter they were brought into line with export slaughterhouses, which required inspection by a veterinary officer. In the rest of the UK there was no requirement for ante-mortem

217 S280 Scudamore para. 32
218 T80 pp. 50–1
219 MLC Yearbook 1987 p. 6; M44 tab 4 p.6
220 T58 pp. 84
221 T89 p. 145
222 YB94/7.26/5.2
223 S277 Gardner para. 12
224 T58 p. 93
225 T58 p. 93-4
226 T58 p. 145
inspection in domestic slaughterhouses until 1991, although it had been a requirement in export slaughterhouses since 1981.

The rendering industry

7.8 In 1988 the Scottish rendering industry, like that of the UK generally, was contracting as a result of overcapacity and a fall in the demand for tallow and meat and bone meal (MBM). In 1993 three firms accounted for most of the throughput. William Forrest & Sons Ltd was by far the largest of these, with 50 per cent of the market share in 1983, increasing to over 70 per cent by 1993. Most of the red meat waste processed in Scotland was also collected in Scotland, and there was very little cross-border trade with England in raw materials from slaughterhouses. However, William Forrest bought greaves from other parts of the United Kingdom and from the Republic of Ireland. Representatives of the company told the Inquiry that they believed the highest proportion of greaves bought by Forrests during this period was from Northern Ireland, but noted that the Northern Ireland greaves might have been blended with others from the Republic of Ireland before being sold to them. Forrests also bought greaves from brokers without knowing where they originated.

7.9 The relatively high proportion of MBM produced by reprocessing greaves bought in from other plants was a feature of the Scottish rendering industry. The bought-in greaves were often mixed with raw materials which then went through the full cooking process so that, in effect, some of the material was subjected to two heat treatments. This treatment was identified in 1991 as a possible explanation for the low incidence of BSE in Scottish cattle.

7.10 According to surveys conducted by Mr John Wilesmith of the Central Veterinary Laboratory (CVL), the use of the solvent extraction process in the rendering industry declined very sharply in England and Wales in the four years after 1980, so that less than 20 per cent of MBM was produced using this method by 1984. However, Scotland was still producing nearly 80 per cent of its MBM using solvent extraction during this time. Forrests did not stop using solvent extraction until 1992.

The animal feed industry

7.11 The structure of the animal feed industry in Scotland was not significantly different from that in the rest of Great Britain, with most of the ‘national’ compounders represented, and a significant number of ‘independent’ mills.
The Inquiry was told that local compounders dominated the feed market in Scotland.237