

### Understanding Realities in Hill Farming

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- The purely commercial objective of hill farming is to profitably turn grass, through grazing livestock, into valuable meat products
  - As the size of a flock/herd increases so does the consumption of grass
  - If the revenues generated by a farm increase faster than the costs incurred, as its output grows, then profits will result at some point provided there is enough grass
  
- To prevent the grass running out either winter grazing/fodder has to be acquired or artificial fertilisers have to be used to encourage the land to produce more grass in the first place (at least in the short term)
  - This extra cost can increase at a faster rate than revenues (revenues which are set by the market, based on suppliers who have all the grass they need: lowland farmers) and then profitability is invariably reversed. So, by increasing stocking rates greater losses are incurred
  - Just as significant is the collateral damage to the environment. Water run-off from fields treated with fertilisers pollutes river courses and burdens those organisations involved in water capture with additional costs for purification. When these are taken into account farming beyond the limits of natural grass availability becomes more intrinsically unprofitable in the economy
  
- Hill farmers have the disadvantages that come from high elevation and precipitation; many will have additional disadvantages of a northerly latitude. These disadvantages result in less grass per hectare. Artificial fertilisers offer the prospect of correction for these disadvantages, but the offer is deceptive
  - The collateral damage to the environment puts an additional cost on other businesses (currently, in farming the industrial principal that “the polluter pays” does not prevail. That is likely to change under the proposed, post Brexit DEFRA policies)
  - Food is simply energy drawn, in the case of hill farming, from stock grazing grass. There are conversion losses to recognise – the natural energy (calories) of the grass is greater than that of the meat produced. However, as meat is more digestible than grass it carries a premium. If additives (fertiliser for example) are used more energy is available for conversion but this enhancement can be more expensive than the additional revenues that come from increasing the output.