

Livestock Transition?

How might shifts in diet, trade, and food technology change the game in the livestock sector? And what should farmers do to respond?

A combination of powerful trends in the food system mean that it is almost impossible to imagine that the UK's livestock sector will look the same by the 2030s. These trends include much-discussed shifts in food technology, specifically meat and milk substitutes, combined with shifts in consumer sentiment and preferences - the rise of the flexitarian.

But many of the most powerful trends may be less in the public realm. For instance, the shift in food technology could coincide with shifts in food industry preferences. Might retailers and food manufacturers welcome meat and milk substitutes as potentially cheaper ingredients with lower food hygiene hazards or fewer cold chain requirements? Or less exposure to reputational damage, in relation to GHGs, feed sourcing, and 'deforestation risk'?

Policy shifts, from dietary health, to public money for public goods, to post-Brexit trade, will all have structural implications. How, for example, will the UK livestock sector differentiate its product in a less regulated global trading environment? What will the influence of ELMs and markets for ecosystem services, like carbon, do to hill farms? Will they shore up extensive beef and sheep production, or replace it? Might these trends spell a resurgence in mixed family farms? Abandonment and rewilding? Intensification? All three?

And how might we expect the finance sector to respond? What is the risk profile and long-term viability of their food industry investments, looked through the lens of ESG agendas and climate and nature-related financial disclosures? Is this an opportunity, or a threat, to UK livestock production?

Any one of these shifts individually could drive structural change in the sector. Acting together, they could transform it. Our question here is not whether and how those trends *should* develop. That might be a little like Canute debating with the tides. Instead our questions will be: (1) what are the range of ways these trends might play out, and (2) how best should farmers *respond*?

