



Chief Executives Report for the AGM 2020

The Society has had a successful year ending March 31st 2020 with financial performance clearly detailed in the Trustees report.

The Society team have completed a major industry leading research project in collaboration with SRUC and Anglo Beef Processors; "Carcase traits phenotype feedback for genomic selection in sheep.

A further project to overhaul office procedures, combined with the creation of iTexel neared completion in March with final implementation by June 2020. Providing the Society with a unique digital platform for managing registrations, flock membership and sales cataloguing. Enabling breeders to undertake all routine flock admin tasks as well as enter Society sales and access Texelplus performance data linked seamlessly into financial software, supporting the Society operational efficiency.

However, the year will be remembered for the start of the COVID 19 pandemic and the disruption that would unfold shortly after March 2020.

With the Society focused clearly on driving down operating costs, whilst investing in large scale programmes that provide efficiency, important in every detail, supporting delivery of Society services.

The Society's key purposes are the provision of registry services, breed development and promotion & events management to ensure the breed remains relevant to the modern sheep industry and its membership.

We have a clear mission and purpose and certainly focus on "whatever we are tasked to deliver, we deliver it effectively".

While, naturally, registration and pedigree services, remain at the core of the Society's activities, these services are augmented by a structured events and breed development plan, integral is the provision of Texelplus genetic improvement services to members, supported by research and development programmes in a number of areas for cherished commercial health and production traits.

Income generation is essential to support the growing areas requiring financial support in the furtherance of our charitable purposes. The Society have presented a net expenditure amounting to £142,667, £109,895 from operating activity and £32,722 decrease on investments in the period under review. Whilst the rise and fall of investments is managed through a long-term investment strategy with routine periodical reviews taken with the Society independent financial advisor and an annual assessment of the Society attitude to risk completed by the Society Financial & General Committee, matched with a clear

understanding of purpose of funds for operational activity and short or long term need. The operational expenditure, whilst significant, was expected due to the large-scale investments in both R&D and office procedural overhaul supported by the creation of iTexel. Key performance indicators for core registry services provide confidence, with subscriptions growing 6.4% during the period, with income from registrations also showing a positive inflow of 6.85% and a reduced requirement for financial investment in iTexel along with the current R&D project activity decreasing during the next financial year.

The Society performance for the year ended March 2020 is £929,406 income supporting Society activities, having nearly doubled from £536,000 since 2008, a significant measure of success for a young organisation which will shortly celebrate its 50th Anniversary in 2024.

Having a clearly defined R&D strategy has also helped the Society position, apply for, and succeed in competitive grants applications from UK Gov. Whilst these are part funded, they allow the Society to utilise its funds more effectively, combining its own funds with grants in delivery of its charitable purposes. Research grant generation alone has totalled £3.5m in the last 5 years across its collaborative research partnerships, that includes high profile companies such as SRUC, Anglo Beef Processors (ABP) along with multinational partners. Grant income for the period under review achieved £184,409 with further research applications progressing through the R&D pipeline.

Financial management and performance is key in operating any successful organisation, combined with a clear vision. Also essential in these types of organisations is transparency and clearly communicated governance, due to the number of stakeholders involved when compared to most SME's. The Board has reviewed our Articles of Association to ensure that they are fit for purpose for the medium term to support Society activities 2020-2030. These having stood the test of time since their adoption in 1974 with minor amends at a variety of AGMs along the Societies successful journey. A particular area for amendment has been due to the inclusion of digital communications, modernising the Articles to fit with modern day technology and the accepted norms, expectations and procedures within our organisation.

The Society has a focus on collaboration whenever it is able to and has developed relationships with many industry organisations, such as the National Sheep Association (NSA), regularly joining to support their work in lobbying government and responding to consultations, as well as generously sponsoring events such as the NSA Young Shepherds competition, helping youth to engage and benefit in our industry.

When it comes to the Society's R&D work, the focus has been on pushing boundaries and supporting new technologies. We certainly don't see our role as solely a show & sales society, like many breed Society's function. As early adopters of performance recording in the late eighties, assisting the development and use of ultrasound and CT scanning. With more recent focus on exploring genomic technologies and the development of our genomic reference population to provide genomic breeding values for several hard to measure traits, including health and carcass traits, such as for mastitis and footrot.

Whilst this can be a costly exercise, the Society success with the award of grants has allowed significant progression, significantly faster than would have been achieved with our resources alone. Often, as pioneers there is always added risk and complexity. However, with a clear plan and carefully thought through research applications we have afforded to support this exciting work, having begun the journey way back in 2009 with SRUC and both I

and the Society board are proud to have been able to initiate and develop the technology in the sheep sector. As with any research it does seem never ending but we truly hope we can bring this technology to market and sustain its delivery for both the benefit of the breed and the wider commercial industry.

The carcass trait work has seen the Society work with a number of commercial flocks across the UK, with lambs sired by Texelplus rams slaughtered at a single abattoir and analysed using both video image analysis (VIA) grading and CT scanning, to assess carcass composition, primal cut yields, intramuscular fat levels and lean meat percentages. An area of research that has significantly assisted the adoption of VIA technology at major meat processors across the UK. Along with the furtherance of science in both meat and carcase quality with the Society acknowledged in the presentation of scientific papers and posters in leading academic journals and conferences, globally. Traits that the breed is held in high regard for.

Work on mastitis and footrot has involved foot and udder scoring as well as milk sampling across a large number of pedigree flocks, which now form the Society reference population, with genomic research breeding values having been developed for both these traits and set to be released to breeders.

It's fabulous to work within the sheep sector and help lead such a progressive organisation and whilst we are large within our breed Society sector, we are a small team of just 5 staff, all equally dedicated to the sheep sector and the Society.

In today's fast-moving world our digital first strategy is key to delivering the services members need, especially from a small staff base, with members expectation increasing exponentially, driven by continued influx of new younger members, we remain focused on delivering quality services in the most efficient way possible. This strategy extends across all Society services, including communications, with the Society having been among the first to adapt to using social media and other digital platforms to maximise awareness of "the added value Texel" means to the UK sheep sector, now communicating across a wide selection of media platforms.

There is no doubt the outlook of the Society has changed in the last 10 years, with it now being much more focussed on how the breed fits within the wider industry and how the Society can help breeders adapt to the future needs of the industry.

Agriculture as a whole and ruminant livestock production is facing several challenges in terms of the climate change agenda. As a breed I believe we are well placed to meet those challenges and as a traditional organisation in many ways, we deliver our services using modern technologies supported by well-structured and managed governance and communications. But there is more we can do and further R&D work in topical areas such as climate change will undoubtedly raise new challenges for small ruminant production.

Sustained improvements in breed performance mean that Texel lambs are some of the most efficient in terms of weight gain for age, reducing the carbon footprint of lamb production. Indeed, Texelplus recorded lambs are now 4.5kg heavier at 20 weeks old than they were 10 years ago. This has the potential to significantly reduce days to slaughter for commercial lambs sired by Texel rams and places Texel as one of the most efficient sheep breeds available for production lean meat yield.

Looking to the future it is likely that genomics will play a larger part in breed development across the sheep sector combined with macro political agendas such as climate change and achieving government targets, with UK industries challenged to meet net zero by 2050.

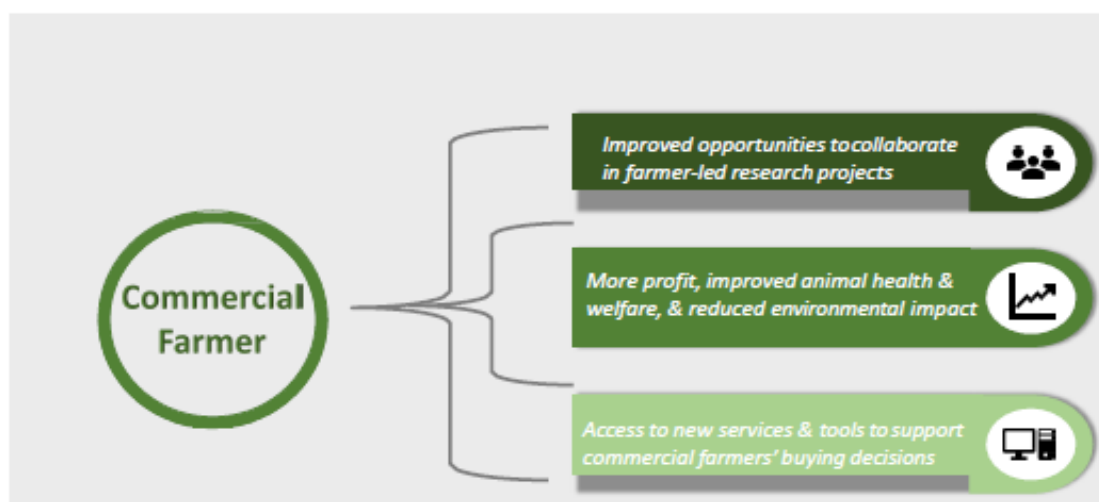
As a Society we have already invested in genomics and will aim to deliver genomic breeding values for Texel breeders through the Society. The challenge is how to embrace what will ultimately be a disruptive technology for the good of the breed and of all breeders. It is a technology which offers huge benefits, helping to identify waste, drive efficiency, but also has downsides too, one being cost of adoption. From a Texel perspective I'm confident the breed can embrace change and as early adopters make the most of the opportunities it offers.

John Yates
Chief Executive

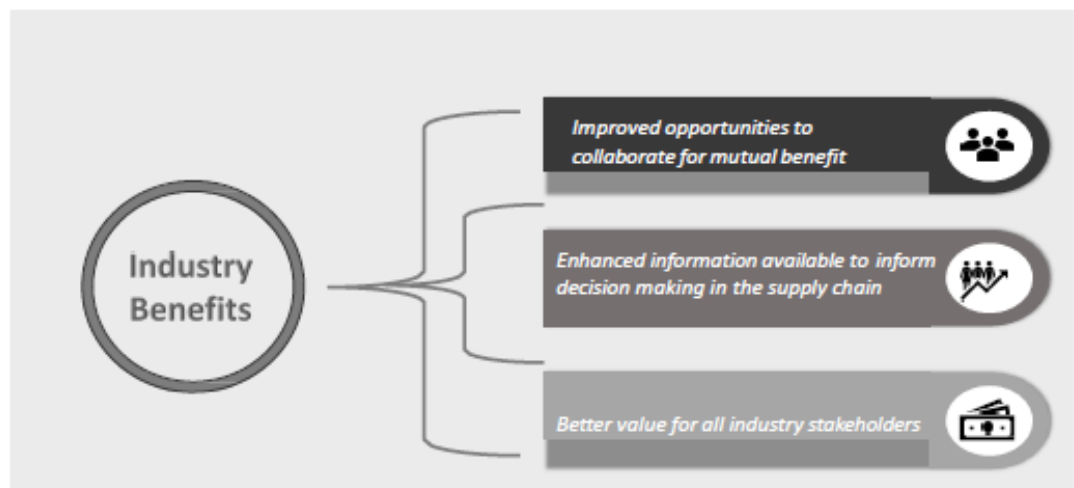
Texel
Society
Overall
Goal:

"Through leadership and collaboration, increase the financial, animal health and welfare, and environmental benefits of Texel sheep to breeders, commercial farmers, industry, and the public."

Strategic Objective Benefits



Strategic Objective Benefits



Strategic Objective Benefits

