Chief executive's report

The Board's primary focus continues to be the delivery of core services allied to the Society's charitable purpose. Ongoing investment in improvements in key areas, including registry and data technology services have enabled the Society to become increasingly efficient.

Key activities for the year included show and sales, breed development services, the youth development programme and events attendance, along with the ever-present finance and governance.

All of this activity is delivered by a small, but effective and dedicated team of experienced staff equipped with modern, digital technologies. This ensures the continued success of the society, membership support, breed promotions, genetic improvement, and registry services.

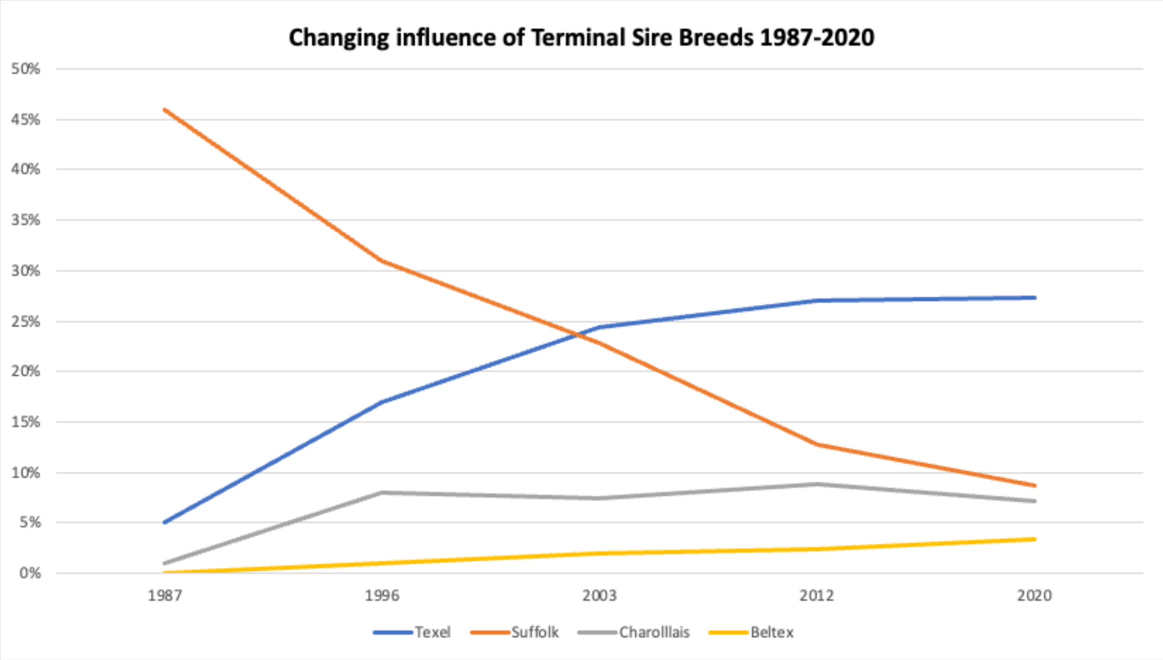
It should be noted that the Society's investment in these technologies has boosted the member experience at the same time as increasing business resilience. The society continues to lead on agri-tech, with self-funded genetic improvement services and a data driven culture, under pinning its reputation as a progressive well governed organisation.

Breed promotion continues to be a core theme, with this pursued via a variety of means, including a significant investment in high quality communications aimed at members, potential new members and commercial producers. The Society's Primestock magazine now in its thirtenth year of production, is widely distributed via third-party media, reaching more than 50,000 farms each year, promoting pedigree sales, the breed and the society.

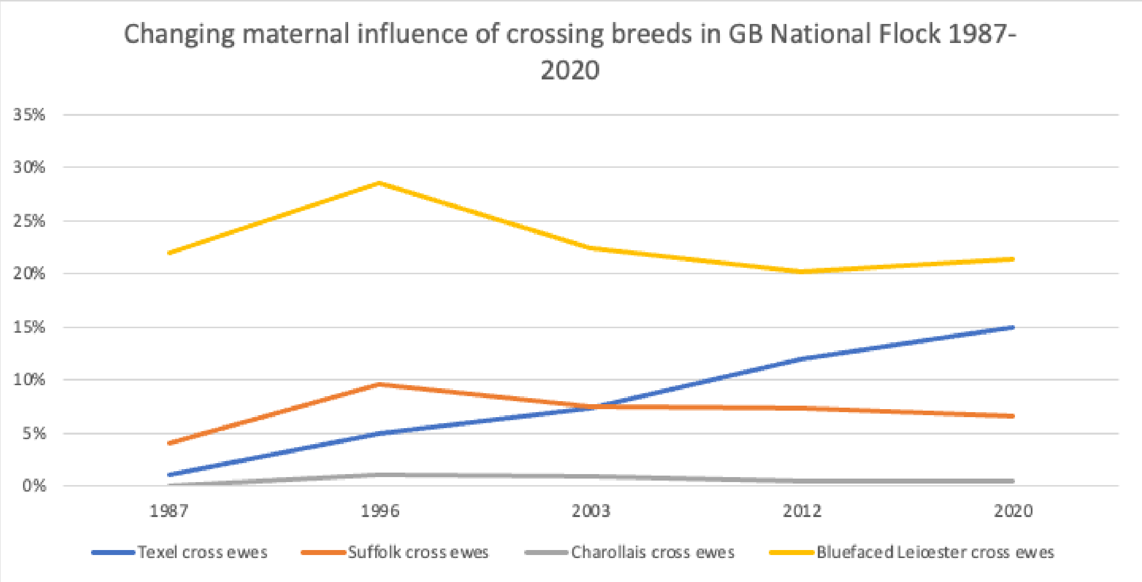
The full financial performance of the Society is contained in the Trustees and Financial Statements for the year ended March 31st 2023, the key highlights are:

- As a result of restructuring administration, a trend toward reducing staff costs in line with the Society's adoption of modern databases. This has seen total staff cost reductions of 11.4% (£35,580) between 2019 and 2023 and further savings are budgeted in the current financial year providing a 23.41% (£79,902) reduction from 2019 to 2024.
- Increased investment in the core activity of Breed promotion, including total expenditure on sales, show and trade events, direct mailing of publications and use of web and social media communications came to £254,990, a rise of 16.4% (£41,975) on the previous year.
- Paralleled with increases in Breed development expenditure by 15.17% (£31,740) due to direct research activities. Significant resources are expended to support members, through the genetic improvement service texelplus, providing future proofing of Society services and the latest breeding tools available for members and their flocks development, influencing the breed's prime position in the marketplace.

As the Society, with its 2200 strong membership approaches its 50th anniversary, it is worth reflecting on not only the Society's success, but also that of the Texel breed. Thanks to the services provided by the Society in support of its membership over five decades, the Texel breed is now the most popular sire breed in the country, three times as popular as the next nearest breed.



In addition, it is also the second most popular maternal breed, second only to the various Mule types. Texel sired females make up more than 17% of the ewes in the country.



This is an outstanding achievement for any breed organisation in the livestock sector, but the Society and breeders must remain aware to the challenges ahead.

This has been brought in to focus through the introduction of economic indexes for both terminal and maternal traits following the Society's investment in a project with AbacusBio, a leading genetic consultancy, which examined the breed's economic and environmental impact and helped provide further guidance on the breeding goals.

This has been supported by further development of the Society's iTexel database, and there is likely to be further development in this area over the next 12 months as the Society looks to use the most up to date genomic technologies to deliver breed development and support the increase in genetic gain for commercially valued goal traits.

Given current trends, it is expected that genetic improvement in the Texel breed over the next 20 years will be worth more than £334m for the UK sheep industry, equating to £23.5m a year in annualised terms.

Implementing the 2022 Society breeding objective offers an opportunity to increase future benefits by £16.9m over the next 20 years, or £1.2m/year in annualised terms.

The ever-shifting agri-political landscape is not helped by lack of direction provided by DEFRA, particularly with net zero targets. A concern remains of the potential impact of government policy on ruminant livestock production, and their keepers businesses. This inevitably will impact on the Society's members and their customers, with changes to support payments and agri-environmental schemes starting to be seen in England and developments also coming in Northern Ireland, Scotland and Wales.

The society is mindful of this, and in recent years been heavily focused on research into tools that can support the sustainability of livestock and the role that Texel genetics has in support of a solution to net zero government targets and climate change.

It is important in these changing times that the Society invests in the best and most affordable tools to equip Texel members, as they strive to improve the genetics in their flocks. The Society demonstrates the breed's ability to add value to farm businesses across the UK, as result of engaging with commercial producers, supply chain and supporting valuable research activity, resoundingly seen in the marketplace, with Texel primestock regularly achieving premium prices.

Importantly, pedigree Texel adds value to members' business, with pedigree Texel rams earning significant premiums at major commercial ram sales across the UK.

There are no quick or easy wins in livestock farming and performance of the Society over the last 12 months reflects this, as we ensure society finds work hard for the membership. The Society continues to invest in developing services, while keeping a close eye on costs and seeking to streamline where possible to ensure efficient use of resources.

There is a healthy outlook for the Society, with income and membership numbers remaining constant over the last year. With clear strategies in place to support core services, the board remains committed to seeking opportunities. Collaborating where it can, leading where it must, and investing ahead of time in order to ensure the Society provides the best services it is able to in the most cost-effective ways.

John Yates
Chief executive, November 2023