

# Case Study: Tim's Sheep Farm

Tackling rising costs and falling prices with STABLE

**Location:** Devon, UK.

**Land Size:** 250 acres approx.

**Product Quantity:** 1,000 ewes.



## SUMMARY OF FARM

Tim's farm occupies approximately 250 acres in Devon, an area which is predominantly permanent grassland. He runs a flock of 1,000 ewes that he lambs throughout March and April annually. Tim's aim is to fatten all lambs during the following months and sell them between July and September. Approximately 20% of the lambs are kept as replacements and Tim's average lambing percentage sold is 150%.

## A TOUGH YEAR

In 2018, there were difficult lambing conditions that resulted in higher mortality rates than usual. However, that wasn't all, farmers then experienced a very dry summer, resulting in increased costs due to additional concentrate that had to be purchased.

## STABLE POLICY PURCHASE

Fortunately, Tim had chosen to insure the price of his lambs with Stable. By choosing to insure at the highest price available, Tim ensured that a positive margin could be achieved above an increased cost of production.

## STABLE POLICY OUTCOME

During the three months (from July to September) covered by Stable's insurance, market prices dropped considerably with many lambs being offloaded as a result of forage shortages.

The average index price from July to September was 424.12p/kg. As a result, Tim received an insurance pay out of £31,040.00 through Stable, which was calculated to be £26,985.60 after costs were deducted. These figures were calculated based on 32,000kg at 84.21p/kg, the full difference between the Start and Average Index Price.

In addition to the pay out that Tim received, he was also able to sell his lambs, albeit at a reduced price.

## CONCLUSION

Tim's foresight to insure lamb prices with Stable guaranteed a positive margin for his business, during a year that would have been otherwise unprofitable with declining prices and increased costs of production.

Quantity:

**32,000kg  
Lamb**

(1,500 lambs at 21.3kg  
deadweight)

Timeframe:

**3 months**

(Jul to Sep 2018)

Start Price:

**521p/kg**

(deadweight)

Average

Index Price:

**424.12p/kg**

**TOTAL COST OF TIM'S COVER:**

**12.67p/kg**

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