

NESAAG Meeting

3 March, 2011



Overall Strategy









To shape a sustainable and prosperous
Scottish red meat industry



Specific Strategies

QMS will achieve the overall strategy by:

-  Working with the industry to build markets
-  Improving industry efficiencies and economic & environmental sustainability
-  Assisting the industry to inform consumers and satisfy customer expectations
-  Developing a unique meat eating-quality assessment system
-  Leveraging additional resources
-  Developing partnerships and alliances



What does QMS do?



Improving marketing

- protecting and promoting the brands
- trade and consumer marketing



Improving efficiency and productivity

- improving livestock production technologies
- improving abattoir technologies
- improving how we contribute to sustainable development









Providing services to levy payers

- communications activities
- industry analysis



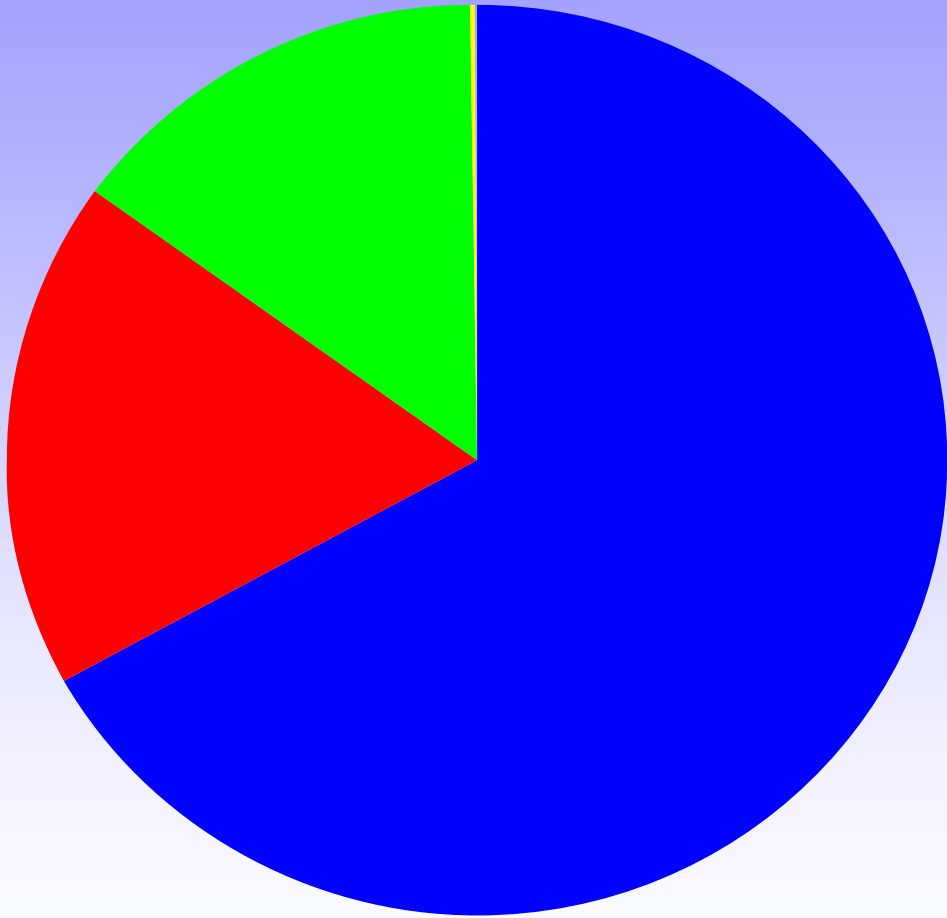
What does success look like?

Critical success factors for the organisation are:

-  Enhanced awareness of and demand for Scotch brands
-  Deliver industry benefits from QMS initiatives
-  Retain public and Government support for red meat production and consumption
-  Maximise multiplier effect of statutory levy
-  Retain industry and stakeholder confidence in QMS
-  Satisfy Scottish Government requirements in operating as a Public Body



Sources of Funding for 2010/11



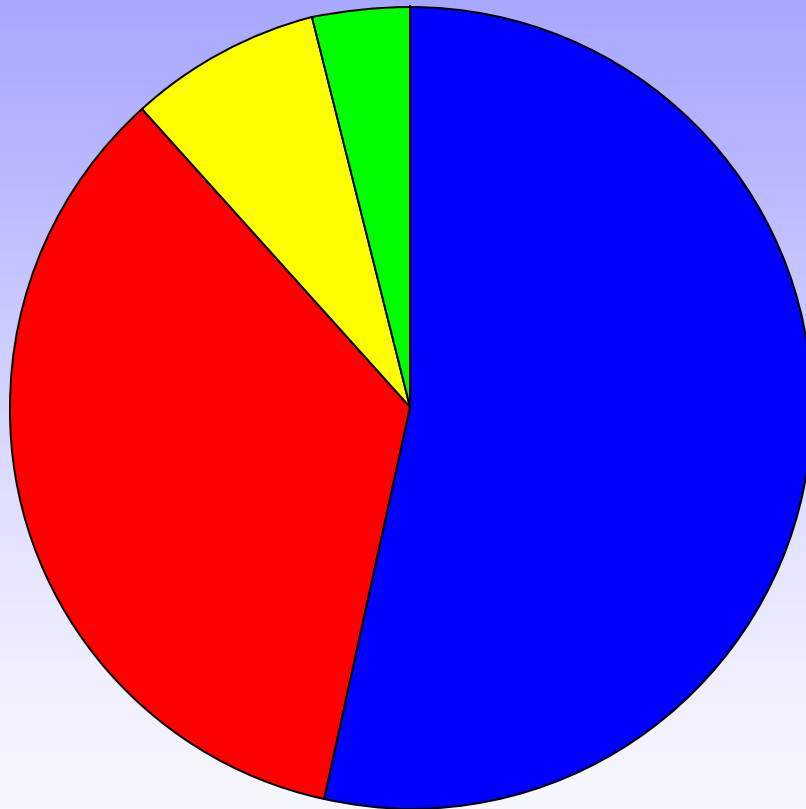
■ Levy £4.8m

■ Assurance Fees £1.3m

■ Grants £1.06m




■ Other £38k

External Expenditure

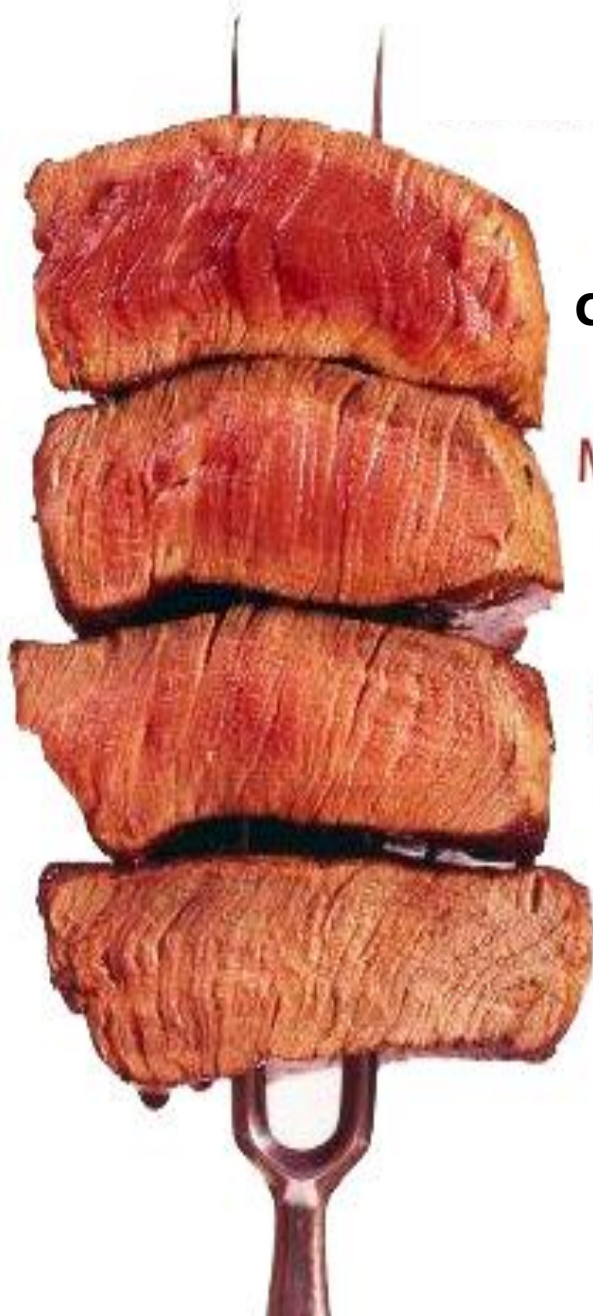


- **Improving Marketing**
£2.58m
- **Improving Efficiency**
£1.53m
- **Comms, Health & Education** £365k
- **Economics Services**
£158k

Programme of Activity encompasses three areas:

-  Improving Marketing
-  Improving Industry Efficiency
-  Providing services to levy payers

Improving Marketing



RARE

Consumers

MED-RARE

Retailers

MEDIUM

Foodservices

WELL

Exports

Stimulating
preference
for our
brands

Industry brands



Create the environment for consumers to:



Recognise our brands



Understand our brands



Demand our brands



Engage with our brands

aiming to stimulate preference



Beef Marketing Activities

 Focussed on Scotland, Greater London & Export

Scotland & London: Consumers
 Multiples
 Butchers
 Foodservice

Export (EU & Third countries):
 Multiples, Butchers, Foodservice
 (dependence on country)

Lamb Marketing Activities

 Focussed on Scotland and Export (Europe)

Scotland: Consumers
Multiples
Butchers
Some Foodservice

Export: Mainly Multiples
Some Foodservice



Pork Marketing Activities



Focussed on Scotland only

Consumers

Multiples

Butchers

Foodservice








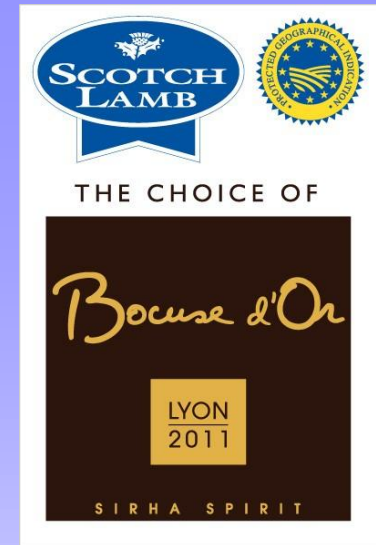
Export activity limited to health certification



New Investment

for 10/11

-  Behind the Label (All species)
-  Develop a new butcher concept (All)
-  Develop direct marketing and “consumer clubs” (All)
-  Bourse d’Or (Scotch Lamb)
-  Understand better how to reach consumers



Continuing Investment

-  **More of successful previous activities**
-  Stronger campaign in London (SB)
-  Stronger SL and SSP campaigns in Scotland
-  Increase all-year-around in-store brands presence and increase activities with specific retailers
-  More communication in the foodservice (All – Home and abroad)
-  Push the PGI presence and understanding (SB, SL)
-  Scotch Beef and Scotch Butcher Clubs
-  Exports (EU & Third countries)

Behind the Label Campaign

We're behind the label.

Choose our products for your guarantee of farm assurance, animal welfare, taste and quality.







Three labels. One Scotch standard.


getbehindthelabel.com







Behind the Label

-  Improve consumers' understanding of quality, welfare and traceability
-  Also stockmanship skills, tradition and heritage
-  First campaign to involve all three brands simultaneously
-  Celebrates 20th anniversary of world leading farm assurance

Improving Industry Efficiency

 Core purpose to assist producers and processors become more efficient through:

-  Research & Development
-  Knowledge transfer and exchange
-  Training programmes
-  Technical & legislative guidance




R&D Strategy

Efficiency & Profitability of Production & Processing

- In animal
- In farming
- In processing



Product Quality & Support for Building Markets

-  Measurement of carcase & meat quality
-  Supply chain innovation
-  Innovations in butchery



50 Project Portfolio

 **33 R&D projects**

 25 collaborative

 1 EU

 10 LINK

 5 other levy bodies







 9 others

 **17 Studentships**










Integrated Measurement of Eating Quality (3 year project)

Automated measurement of:

-  pH & temperature (robotic probes)
-  Carcase fat (ultrasound)
-  Meat yield and EUROP classification (VIA)
-  Sensory characteristics
-  Nutritional characteristics
-  Colour








Whole Chain & Carbon Efficiency Programme

Stage 1: Understanding Economic & Environmental Sustainability

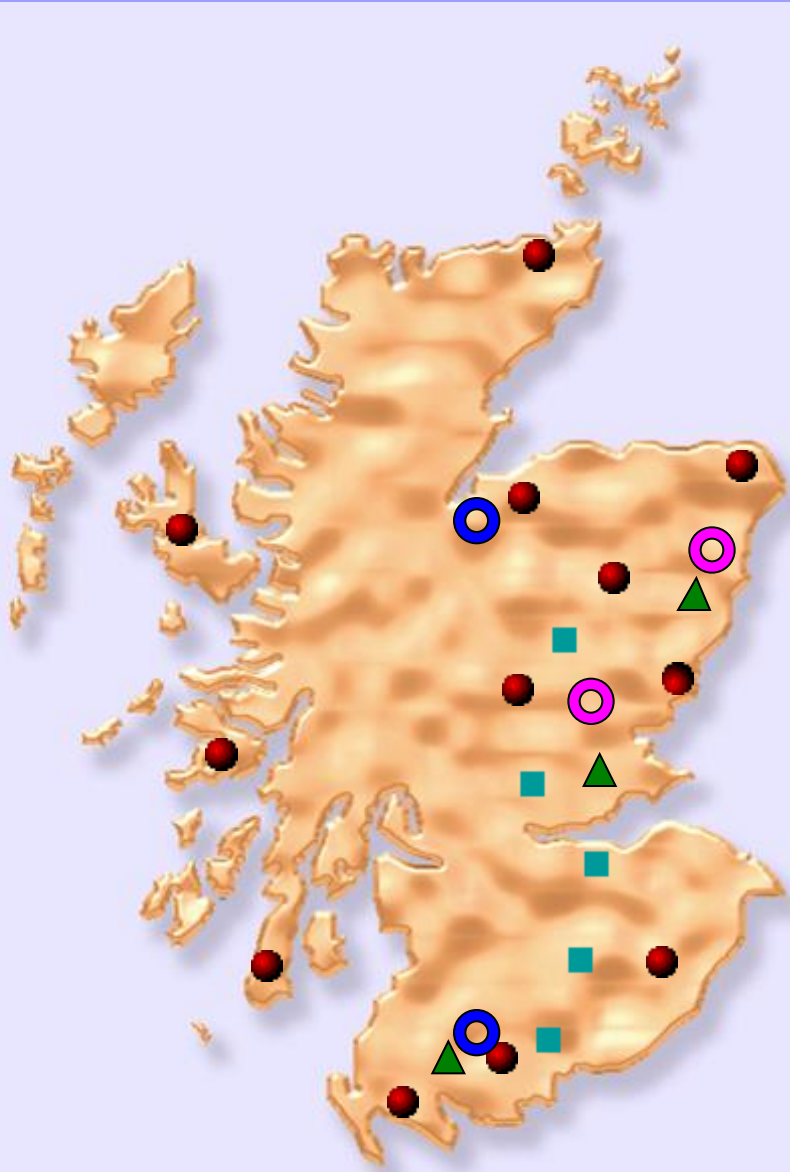
-  Supply chain mapping for red meat
-  Waste implications of 'out of spec' cattle
-  Carbon foot-printing range of farm businesses
-  Abattoir benchmarking for energy & water
-  Final Report from Adding Value to Fifth Quarter project
-  Project on methane emissions from livestock
-  Calorific value of all parts of the carcass

Whole Chain & Carbon Efficiency Programme

Stage 2: Tackling Opportunities & Weaknesses in Supply Chain Sustainability

-  Market development for fifth quarter
-  Pig farm waste advice
-  Grassland focus farms
-  Livestock & woodland focus farms
-  Alternative bedding material
-  Improving information feedback from abattoirs to farmers
-  Waste valorisation, blood disposal, automation, lean management, sub-metering in abattoirs

Producer KT/KE Programmes



Cattle & Sheep Monitor Farms



Sheep Focus Farms



Grassland & Finishing FF



Pig Business Network



22 Discussion Groups

*43 Farmer
Groups*



Scottish Sheep Strategy

-  Promotion and explanation of EBVs to the commercial sheep sector
-  On farm training workshops
-  Demonstration projects inc. Sheep Focus Farms
-  Support for use of new breeding technologies







Pigs

Health

-  Disease control & elimination
 -  Production disease
 -  Emerging threats
 -  Notifiable disease
-  Abattoir health monitoring
-  ZNCP Salmonella

Efficiency & Quality

-  Pig Business Network
-  Vion eating quality
-  Research projects
-  Origin verification

Satisfying Consumer Expectations

-  QMSFA – Cattle & Sheep (10,000)
-  QMSFA – Pigs (210)
-  QMS Processors (32)
-  QMS Haulage (134)
-  QMS Feeds (107)
-  QMS Auction Markets (32)
-  Traceability inspections



Providing Services to Levypayers



Economics Services

To Be The First Port Of Call In Scotland For
Authoritative Information About The Red Meat
Industry

For colleagues (internal)

For stakeholders and others

Producers/producer groups

NFUS/SAMW/NSAS/NBA/SBCA



Scottish Government/EU Commission

Media/Argyll & Bute Agri Forum








..... NESAAAG?




Objectives

-  Assist the performance of businesses by providing relevant accessible information on market supplies, market conditions, national and international supply and demand, and relevant trade and economic policies
-  Undertake and make available strategic analysis of the economic environment in which the red meat industry operates

Range of Activities

-  Enterprise costing work
-  Incorporate greenhouse gas emissions estimates into industry surveys
-  Monitoring of elements of general economy e.g exchange rates, economic growth
-  Research and analyse longer term scenarios with regard to industry structure and challenges that may arise – revision of CAP and other land use policies non-food use of agricultural land or livestock by-products
-  Market reports and media articles
-  Interpretation of datasets, reports and publications
-  Maintaining market pages layout/format etc on web/trade press

Economics Services team

 Through the economic services team you get access to a wide range of information and supporting analysis on:

-  National and international producer prices
-  National and international livestock numbers
-  Trade statistics
-  Benchmarking data for cattle and sheep profitability
-  UK consumer price trends
-  Input price trends
-  Policy developments
-  And much more

Communications, Events and Health & Education



Key Activities



PR – corporate and brands



Health and Education



Events



Press Office



Sponsorship



Communications – consumer

- PR

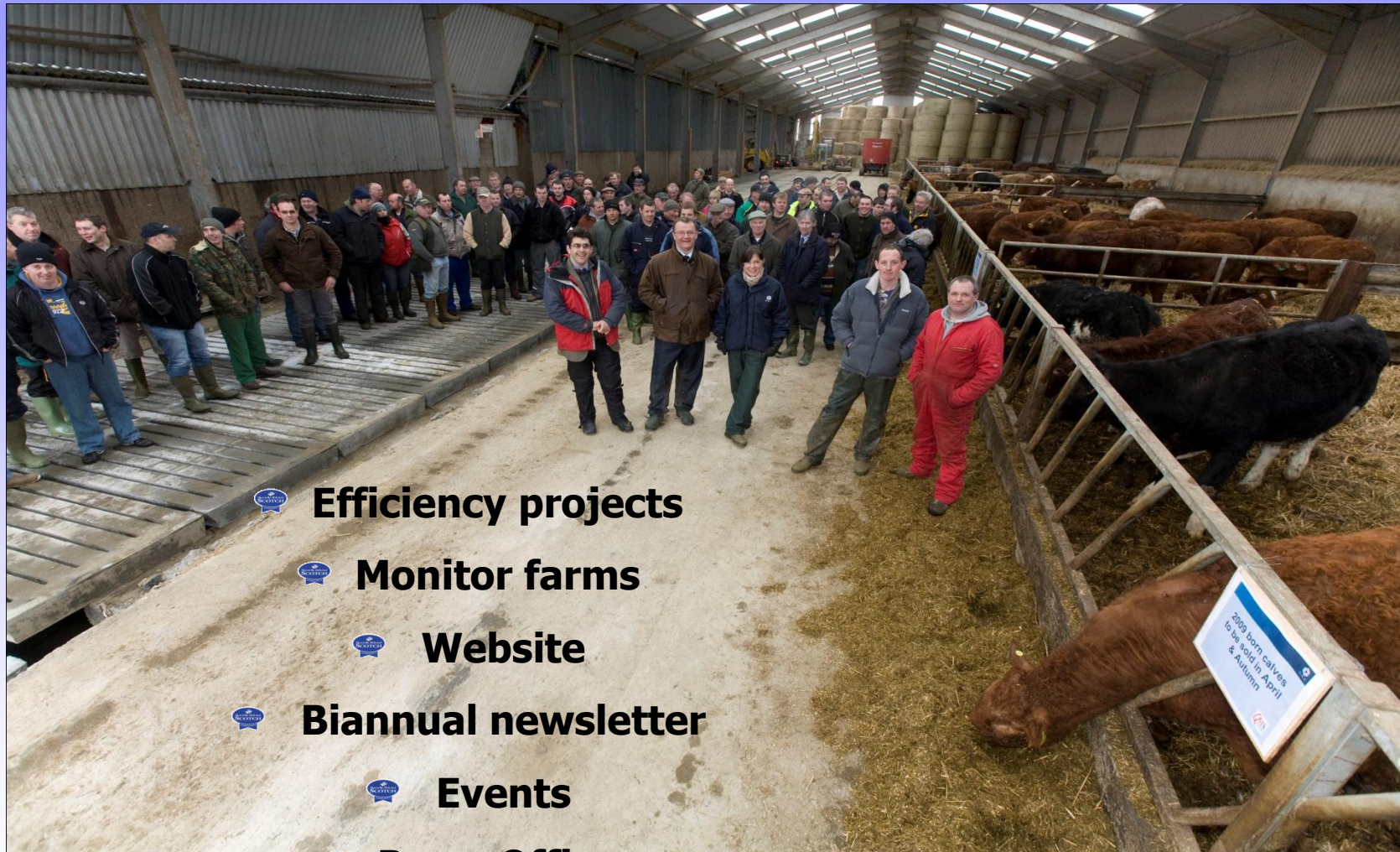
- Press Office

- Press Visits

- Events



Communications – red meat industry



Efficiency projects



Monitor farms



Website



Biannual newsletter



Events



Press Office

Health and Education

Key Activities









-  **Sports Links**
-  **School activities**
-  **Meat Voucher scheme**
-  **Events**
-  **NPD**
-  **Publications**

Challenges

-  Anti-meat lobby
-  Animal rights activists
-  Climate change
-  Consumer confusion



Threats and Opportunities

-  Cost price squeeze
-  Consumer prices
-  CAP reform
-  Climate change adaptation and mitigation
-  Food safety and security
-  Global trade