

GRAMPIAN
FOOD
FORUM

Acting in partnership with industry

Grampian Food Forum Strategic Priorities 2011



Strategic Priorities for the Grampian Food Forum


Foreword

The Grampian Food Forum was established in 1993 and brings together senior executives from the region's food and drink companies with representatives from Aberdeenshire, Aberdeen City and Moray Councils, Scottish Enterprise and Highlands and Islands Enterprise. This wide representation has enabled the Food Forum to develop a partnership approach in establishing the priorities for public sector investment in the food and drink industry.

Since the last Grampian Food Forum strategic priority review in 2004, Scotland Food & Drink has been established and along with it, a national industry strategy. Grampian represents almost a fifth of the total sales value of the Scottish food and drink industry and therefore contributes significantly towards the national targets.

This document has been prepared by the Food Forum to provide a local focus to the national industry strategy. It serves to maintain and capitalise on the strong position held by the Food Forum and continue the partnership to make the most of the resources available to the food and drink industry in Grampian.

The industry must move forward, building on the culture of innovation and excellence that has been the hallmark of our success. Most importantly, this document is part of an ongoing process of consultation to establish the priorities for public sector investment – a process in which your involvement is critical.



Alan Meikle

Chairman, Grampian Food Forum



Lynne Pringle

Senior Project Manager, Scottish Enterprise



Belinda Miller

Head of Economic Development, Aberdeenshire Council

1.0 Industry Overview

- There are approximately 1,200 Scottish processing companies.
- Most employment in Scotland's food and drink industry is larger employers, with 78% of the industry's employees in firms with 50 or more employees. However, most of the industry's businesses (around 75%) have 10 employees or less and only 34 food and drink companies in Scotland turnover more than £50 million.
- Aberdeen City and Shire's food and drink manufacturing sector makes a significant contribution to the national industry with over 11% of national employment and almost 15% of businesses based in the region.



- Food and drink manufacturing GVA represents an estimated 3.2% of Scotland's overall GVA.
- Food and drink is the largest manufacturing sector in Scotland representing 23% of total manufacturing workforce, 22% of sales and 25% of manufacturing GVA. This is greater than food and drink's share of overall UK manufacturing GVA.
- Scottish food and drink exports in 2008 accounted for £3.7 billion, representing 16.6% of total international exports and over 24% of Scottish manufacturing exports. Notably, the whisky industry contributes around £3 billion of food and drink exports by value.
- 70% of the UK's fish is landed in Scotland with Aberdeen City and Shire remaining the most important fishing region in Scotland and indeed the UK, despite declining levels of catch and employment in recent years. Peterhead is Europe's largest white fish port with over £100 million fish landed per annum. Fraserburgh is the UK's largest shellfish port with £37 million landed in 2008.
- The total agricultural area in Aberdeenshire is around 9% of the Scottish total, but contributes 26% of Scotland's arable area. Over 14% of Scotland's agricultural output is generated in Aberdeenshire. Cereal production from the region represents 26% of Scotland's cereal output by value and over 57% of Scotland's pig production by value originates from Aberdeenshire.

2.0 Objectives

Grampian Food Forum will continue to move forward as a partnership, uniting the operational activity of companies from throughout the food and drink sector with the expertise and resources that the public sector has to offer.

There will need to be continuing high levels of co-operation between the food and drink industry and the public sector to turn the strategic priorities into effective operating plans to be implemented during the next five years.

The three Groups have objectives as follows:

2.1 Grampian Food Forum Strategic Objectives

The Strategy Group meets twice* a year to liaise with the public sector partners on the strategic direction of food and drink in Grampian.

- To help maintain the competitive position of Grampian food and drink companies.
- To provide an authoritative voice in communicating industry issues to the public sector.
- To support the strategic objectives of Scotland Food & Drink.

2.2 Operations Group Objectives

The Operations Group meets twice* a year to evaluate feedback from events, provide input to future events and generate the annual operational plan.

- To increase public and trade awareness of the excellence and variety of the food and drink produced in Grampian.
- To provide a platform for Grampian-based food and drink producers to promote their products.
- To build on existing business and develop new business in order to contribute to the growth of Grampian food and drink companies.

** There is also an annual joint meeting with members from both the Strategy and Operations Groups.*

2.3 Innovation and Technology Group Objectives

- To focus on current and known technical issues that can affect ongoing business and its development.
- To encourage and develop a culture of innovation within local companies.

3.0 Grampian Food Forum Targets



It was recognised that there is difficulty in directly relating clear links between the Grampian Food Forum activities and the overall economic results for the area.

Turnover, profitability and levels of employment will be measured only as an indicator to the success of Grampian Food Forum and not a direct result. This will be measured at the national level.

Targets are as follows:

- Increase number of people attending events by 5% over 3 years.
- Increase number of individuals attending 3 events per year by 5% over 3 years.
- Increase number of companies represented at events by 10% over 3 years.
- Aim for 30% of those attending events to be from companies with 1-25 employees.
- Aim for 50% of Grampian food and drink companies to be involved with Food Forum activities.
- Consistent quality of products being offered – gain an overall rating for each event of 4.00 where 1 = poor, 3 = good and 5 = excellent.



4.0 Scotland Food & Drink

Scotland Food & Drink was created as an inclusive leadership organisation to help the food and drink industry grow, become more successful and critically, achieve our challenging vision of making Scotland internationally known as ‘A Land of Food & Drink.’

During 2009 the industry strategy, first launched in 1999, was refreshed and challenging targets have been identified:

- Increase turnover for the whole industry to £12.5 billion by 2017. Food processing target specifically £10 billion.
- Increase GVA from £4.1 billion to £6.1 billion by 2017 – with processing GVA rising from 42% to 50% of turnover and primary production from 38% to 45% of turnover.
- Contribute to outperform the UK food and drink manufacturing industry, Scottish manufacturing and the Scottish economy, as measured by GVA.
- Increase R&D spend from 0.25% to 0.75% of GVA.
- Raise productivity to equal UK levels for food processing; and contribute to outperform UK levels for combined food and drink processing.
- Increase exports to £5.1 billion with a strong emphasis on food exports.



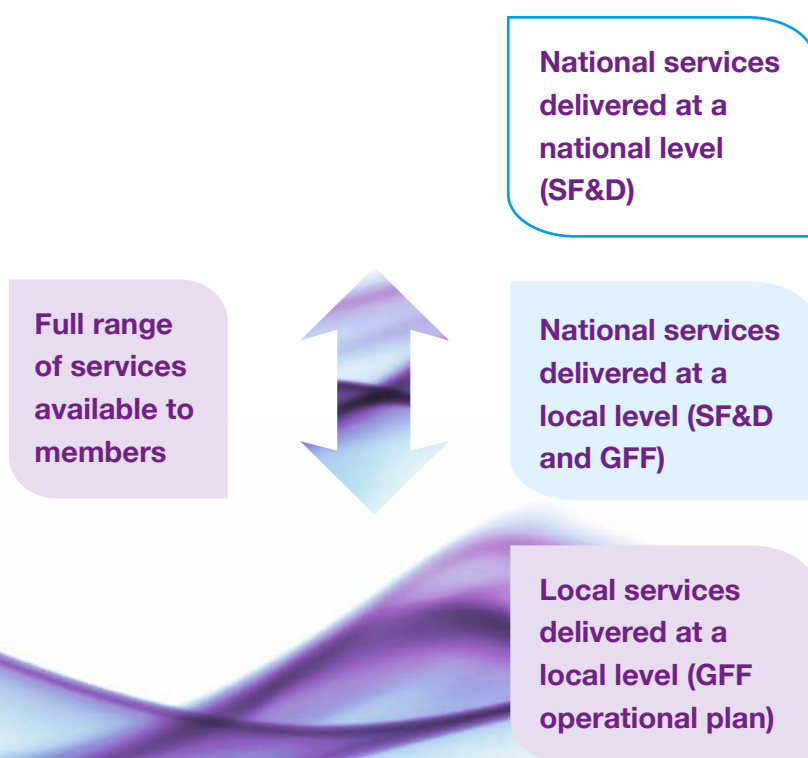
4.1 National Food & Drink Forum Network

The Grampian Food Forum recognises the importance of keeping its strategic priorities aligned to that of the national industry strategy and working within the Scotland Food & Drink Forum Network.

The Forum Network covers all of Scotland and is broken down into the following areas – Grampian, Highlands & Islands, Tayside, East, West and South.

It is a key platform that can be used to help communicate how businesses can play their part, but also share with them the assistance they can access. The Forums will help disseminate information and new market intelligence and provide a platform to encourage collaboration.

Between Scotland Food & Drink and the Grampian Food Forum a wide range of services to members will be delivered.



4.2 10 Key Tasks

The Grampian Food Forum will deliver activities under the 10 tasks identified in the national strategy:

- **Create more brands, especially premium brands.**
- **Sell more of a wider range of food products overseas.**
- **Add more value to our primary products.**
- **Make more of our Scottish credentials.**
- **Encourage people to collaborate more, especially in the supply chain.**
- **Invest more in the skills we need.**
- **Promote our industry as a good place to work.**
- **Develop the new products consumers want and turn more of our research into commercial opportunities.**
- **Build more, bigger, globally successful businesses with collaboration as the keystone.**
- **Ensure that more businesses throughout the whole industry become economically and environmentally sustainable.**

The project activities to support this document will be delivered adopting an integrated approach combining the skills and experience of food and drink companies, Aberdeenshire Council, Scottish Enterprise and Scotland Food & Drink.

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If you would like to discuss any of the issues raised in this document, please contact Elizabeth Mathie, Grampian Food Forum Coordinator.

Telephone: 01224 664334

Fax: 01224 664713

Email: elizabeth.mathie@aberdeenshire.gov.uk