MINUTE OF THE NINETY THIRD ANNUAL GENERAL MEETING OF THE SCOTTISH FEDERATION OF MEAT TRADERS' ASSOCIATIONS (INC.) HELD IN THE CENTENARY SUITE, McDIARMID PARK, PERTH ON TUESDAY 22nd NOVEMBER 2011 AT 12.00pm

PRESENT:

President	Billy McFarlane
President Elect	Ian Faulds
Junior President Elect	Beaton Lindsay
Past Presidents	Stuart Christie, George Jarron, Bruce Brymer, Hamish Deans, Duncan Mackenzie, Wilson Ferguson, Denis Meney, Adam McLay, David Lindsay
Honorary Presidents	Roy Baird, Arthur Matthew
Chief Executive:	Douglas Scott
General Manager:	Sandra Giddy
Minutes:	Bruce McCall
Guests:	Roger Kelsey NFMFT, Nigel Miller NFU Scotland, Andy McGowan Quality Meat Scotland, Peter Midgely, FSA and 10 members.

WELCOME: Billy McFarlane welcomed everyone to the Annual General Meeting.

APOLOGIES:
Andrew Wright -Secretary IAAS, Ian Anderson – SAMW, Uel Morton – QMS, Philip Edge, NFMFT Jamie Chapman, Sandy Crombie, Alan Clarke – SAMB, Elspeth Macdonald FSAS, Jim Ewing, Duncan Fraser, Charlie Munro, Scott Paton, Allan Paton, Alan Stuart, Andrew Paxton, Geoff Allan, John Aitken, Kenneth McAllister, Thomas M Smellie, George Buchanan, Gordon McDowall, Ian Gardner, Ian / Pamela Hunter, James Moffat, Jock Gibson, Johnathan Honeyman, John Stewart, Frank Mudie, Annabel Forbes, Jim Preston, Jim & Jean Royan, Martin Morgan – Scottish Gov, Allan Craig – SAMW, C J Purvis, Alan Stevenson, Lindsay Noble, Keith Moffat, Graham Cheyne, Tom Dowson and George Jarron Jun.

MINUTE OF THE PREVIOUS ANNUAL GENERAL MEETING: The Minute of the Ninety First Annual General Meeting was approved by Duncan Mackenzie and seconded by Hamish Deans.

MATTERS ARISING: There were no matters arising.

ANNUAL REPORTS AND ACCOUNTS: Chief Executive Douglas Scott reported

The Annual Report for 2011 was presented for approval. You will note on page 8 a deficit for the year of £22,459 as opposed to a surplus on the previous year of £49,816. I will explain as we go through these accounts, how perhaps at least £18,000 of last year's surplus should have been reduced in last year's accounts and subsequently would have made this year's deficit around £4,000. The Finance Committee were not impressed by the opening balances brought forward by our auditors and recommend that the last two years are better considered together.

On page 9 you can see that we did manage to end the year with money in the bank - £17,386 as opposed to £962 in the previous year. ESF payments have been more efficient and timely this year meaning that Debtors – that's people owing us money – is £36,000 less than last year while Creditors – people we are due money to - is £3000 more.

Debtors and Creditors are referred to in notes 7 and 8 on page 12 of the accounts. Trade Debtors are £13,638 from Skills Development Scotland, £34,058 from ESF and Member Services Debtors £6,117 (fees), VAT due to us £2,086, Training balances £6,768. A total of £62,609.
Creditors: £4,800 of that is on Members Services side and predominantly £3,800 we were due Dewars (disputed, reduced and now settled) £450 to sign plus and £384 to our printer Pandaprint.

£8960 is outstanding to Bruce's pension scheme since no one noticed that the direct debit for deducted sums for this had stopped in August 2007.

Page 14 details income on the training side. Training grant income is down by £17,000, Course income £4,000 less but we did pick up £1,700 from Capital Cooling for sponsorship of the Meat Skills event at the Trade Fair. Unfortunately as you will see operating expenses exceed operating income by some £25,895. The £664 Sundry Income under training was :- Axa Insurance claim - £614, JLT Commission - £50.44 (although that should be under Member Services).

Operating expenses are broken down on page 16. Wages and Salaries are up by almost £18,000 which as well as including an element for increases also includes one new assessor, Richard Brown. SQA registrations are down perhaps representing no activity in Northern Ireland at the moment. Course expenses and Workshop expenses are higher because there have been more courses run. As well as Intermediate Hygiene and Intermediate HACCP courses, five Pastry courses run by Robert Ross and two Customer Service courses were held in Bridge of Allan and Stornoway. Some of this is reported as Consultancy Fees in the 2010 accounts so that should be noted in comparison.

Competition Fees are down because in the previous year we had income from a competition run in Northern Ireland. NI Meat Skills income appears to be included under course income 2010. Travelling expenses are 21% higher, representing a higher rate paid for mileage allowance since April 2011 and cost of bringing assessor over from Ireland.

The two most significant expenses are under Bad Debts and VAT. The debt outstanding in Northern Ireland - £11,050 that we cannot claim since Food and Drink Skills had their contract taken away from them should probably have been reported as a Bad Debt last year and impacted on those accounts but we still had a glimmer of hope that something might be recovered. This has now been removed and if anything can be salvaged in the future that will be welcomed. Also written off on training is £1648.90 – old balances that were on the sales ledger at the end of year 2009-10. Bad Debts are recorded as £5448 since Morris & Young also did not include all income in the last accounts and so this has been deducted from these bad debts in the Profit & Loss Ac.
Irrecoverable VAT includes £7000 of last years. We asked Morris & Young last year why our sum and theirs didn't agree but never got a satisfactory answer. We thought that the Irrecoverable Vat was understated and the result is a charge to this year's accounts. All other expenses are as expected.

On the Member Services side income from Corporate Members is down as we try to align them all with a January renewal date. Subscriptions are down by less than 1%, we have trade fair income of nearly £15,000, our handbook and newsletter income is down as advertising became more difficult to raise.

Sundry Income on the Member Services side includes commission from Peninsula £1650 – Meeting Catering, SQA Awarding Body Income £740. Income from competitions is up because there have been more opportunities to take part and sponsorship also sees an increase for that reason when you deduct the £10000 from Dalziels in last year's accounts. Merchandise income has been swollen by the sale of Life Size Butchers, Ties and Pink Aprons. The costs of merchandise also see a corresponding increase here. There is no income from golf because no event was held.

Below income you will see that Investment income transforms a small deficit into almost £5,000 of a surplus. Operating expenses show an increase in Salaries of 25%. This is not the size of annual increment but rather just a disparity between the allocation of wage expense between SMT and Member Services in the 2010 accounts. This was also raised with Morris & Young last year without a satisfactory resolution. I can assure you that no one got a 25% increase! It does mean however that the SMT Salaries total in 2010 should have been less than reported.

Advertising and Promotions is nearly £12,000 less but again £10,000 was in the 2010 figure for the production of the Cooking With Meat DVD. Trade Fair costs on Member Services side reveal a £33 profit. Morris & Young tell me that the negative figure of £1813 for Local Association Fees was a reversing out a 2010 accrual. But it is exactly the figure that we repaid Darlington College for an overclaim at the beginning of this year's accounting period. So that should be on the training side. Other Member Services expenses are as expected or have been previously outlined.

Going forward it is likely that ESF funding will run out in the Lowlands and Uplands area before the end of the project in March 2012. No ESF funding is currently on offer to continue in this area. ESF Funding continues in Highlands and Islands with a new application submitted to continue when the current project runs out.

This means that Regional Meeting costs outside Highlands and Islands will need to be met out of Member Services income. Over the course of the financial year ahead that could add £5000 to Member Services costs if we choose to continue activity as we currently do. Printing and posting the Newsletter would also have to be covered by Member Services.

Scottish Meat Training will face fewer costs as a consequence but will be faced with a drop in income from grants of around £60,000. Income here will be more dependant on Skills Development Scotland (SDS) and we are estimating that income from SDS can rise by at least £27,000.

For the sake of budgeting income and expense of courses have been removed from the forecasts and in reality it is unlikely that many courses will be held in the forthcoming year and if they are they will be primarily in the Highlands and Islands area.

Salaries are budgeted at a lower figure than last year since we have paid off Richard Brown and he was paid for 2/3rd of the period just ended. No increases in salary have been allowed for and these should only be considered if income from SDS starts to better the forecast figures.

Stripping out the other costs that will return to Member Services since we can no longer claim them through a European project, means that Scottish Meat Training costs are forecast at £371,000 against a forecast income of £373.000. There is a very small margin here but carefully looked after and with a greater effort to use the SDS budget available, this is manageable.

On the Member Services side without a Trade Fair in this coming year expenditure is forecast at £113,000 even after adding back £5000 for Regional meetings. Taking the Trade Fair out of the current year's income leaves an income of £123,000. £86,000 of this came from subscriptions. If we assume all other income streams to be repeated that leaves us with the question of how many members will pay in 2011-12. If the membership remains static then that is sufficient income to raise from subscriptions without increasing the subs. If we lose six memberships then we need another £5 on the subs however.

In common with the trade no doubt, all this makes for it pretty tough for both sides of the Federation. Just what to do is your decision but I think it might be the right message not to increase cost of subscription this year. An increase would always provide any waivers with an excuse for not paying. In past years we have been very successful at replacing leaving members with new ones. We picked up a new member this week – Kilnford Farm Shop at Dumfries – so there are still some to get.

He concluded that by pointing out that it would be no surprise to anyone that we were looking for a new auditor. Quotes would be obtained for the January Executive meeting.

The accounts were approved by Duncan Mackenzie and seconded by David Lindsay

BUDGET PROPOSAL: Douglas Scott reported.

Hugh Pender suggested the fees should be increased and this was seconded by Stewart Dempsie. Alan Kennedy proposed the status quo - £250 + VAT - which was seconded by David Lindsay. An overwhelming majority voted for the status quo.

AMENDMENT TO MEMORANDUM OF AGREEMENT:

Douglas read out the proposed amendment to the Memorandum of Agreement.

To delete Object 3.3.
To promote the settlement of disputes in the Meat Trade by consultation, conciliation or arbitration. To consult with the Joint Industrial Council. The Advisory, Conciliation and Arbitration Service or otherwise and where invited to do so nominate members to act as such bodies

He explained that the reason for deleting it was that we have not carried this function out for the last 11 years. By removing this from our constitution we will not have to fill in forms for the Certification Office and pay for something that we do not use. The meeting agreed to the amendment and business was adjourned until after lunch.

Invited guests joined the AGM at 12.30pm. for lunch and the meeting re-convened at 2.00pm.

WELCOME:
President McFarlane welcomed the guests to the Ninety Third Annual General Meeting

TRAINING AND DEVELOPMENT REPORT: Sandra Giddy reported**.**

TRAINEE NUMBERS: We are at present working with a total of 453 trainees. You will see from the attached report that we have 248 trainees funded through Skills Development Scotland for Modern Apprenticeships. We have 4 trainees registered through our involvement with Falkirk Employment Training Unit. There are still 38 trainees registered in Northern Ireland awaiting confirmation that we can resume service and all others are completing Craftsman Certificates. All our trainees are making good progress through their training programmes.

This year we have certificated a total of 138 Modern Apprenticeships with many of the certificates being presented at regional meetings held throughout the country. In some cases, whole businesses have successfully participated, from owners, to managers, to butchers and shop staff.

SDS CONTRACT: Our contract which was awarded this year, allowed us to register 248 people onto our Modern Apprenticeship programme. The allocation of places was split as 80 places for 16 – 19 yr olds and 168 for those over 20.

Our assessors have now registered 95 trainees onto our training programmes since the contract was awarded in April, an increase of 14 this month – 85 level 2 MA's and 10 Level 3 MA's. We do still have places available throughout Scotland. It is very important that we fill as many of these places as possible this year in order that we can continue to ensure that Skills Development Scotland will support the training of all ages in our industry.

Put simply, if we do not fill all of the places allocated to us, then future allocations of funded training places will be reduced and Scottish Meat Training will be forced to charge for our services or we will not be able to support any training for trainees over the age of 20.

This fact will become more critical in the coming year when our lowlands ESF programme is due to finish. There is at present no replacement for the ESF Lowlands funding and Scottish Meat Training are looking at ways in which we can continue to provide support. In the meantime, our

assessors are contacting the existing Craftsman Certificate trainees to ensure that they are all able to complete their qualification ahead of the end of ESF Lowlands funding support.

The first stage of tendering for the next round of contracting has been completed. Our 'Expression of Interest' document was submitted to SDS and we were informed that we had successfully met the criteria and would be invited to tender for a two year rolling contract which will be awarded from April 2012.

SKILLS DEVELOPMENT SCOTLAND INFORMATION SESSION: Following my attendance at the Scottish Training Federation conference this year which was themed 'What next for Training in Scotland' and focused on the changes being introduced across the UK, Skills Development Scotland invited training providers to an information session. The aim of the session was to explore ways of working with SDS to deliver offers to Employers.

Scotland, we are told, is recovering slightly faster than the rest of the UK but we still have a 'lost generation' of young people leaving school with no hope of employment or further advancement. 50,000 16 -17 yr olds come out of school and college each year with 7,000 of these not going to a 'positive destination' which in other words means that they are not in education and not working.

Skills Development Scotland is committed to 'Opportunities for all' which is aimed at ensuring that there is an offer of a job with training for all 16 – 19 year olds. To this end they have committed to providing funding for 25,000 Modern Apprentices per year for the next 5 years. Priority will remain with 16 – 19 year olds but those aged 20 and above in priority sectors such as food and drink, will also benefit from funding.

The take –up of Modern Apprenticeships over all the sectors and over all of Scotland has been slower this year and at the 8 month point of the training year, SDS report that they are '55% on target' but that there is a need to engage with more employers to maximise Modern Apprenticeship opportunities. To this end, they are focusing on the Employer Recruitment Incentives – offers of between £1000 and £2000 to encourage the employment of young people with a guarantee of a Modern Apprenticeship. There are of course criteria to be met before the ERI payment is authorised, but Scottish Meat Training can and will assist any employer who would like to know more. Skills Development Scotland will be running advertising campaigns and mail shots are likely to be received as they endeavour to meet the target figure of 25,000 Modern Apprentices before the end of March 2012.

NORTHERN IRELAND: Unfortunately, there is no further progress to report regarding Northern Ireland beyond the fact that new training contracts in Northern Ireland will not be awarded until April 2012. A4e, the training provider who we hope to be working with are still optimistic that together we will be able to return to working with our Northern Irish trainees.

In the meantime, our Irish Assessor Malachi McCann continues to work in Scotland assisting with our Scottish in-training numbers. He has had particular success working within plants and abattoirs where his week long attendance has enabled him to achieve a faster than normal 'turn around' rate with his trainees. The fact that his trainees are all in the 20+ age group and experienced workers has also been instrumental in allowing the swift progress of the qualification.

COURSES: We have provided a number of hygiene and HACCP courses over the year in a variety of locations and in the main they have been well attended and well received.

There are no immediate plans for further courses, and due to the cessation of ESF funding for Lowland Scotland, alternative funding arrangements will need to be arranged, but we are happy to take enquiries and will arrange courses in areas to suit demand.

COMMITTEE REPORTS:

MEMBERSHIP AND DEVELOPMENT REPORT: Beaton Lindsay reported.

We have 327 members with 95 branches a decrease of two main members and an increase of 3 branch shops. In January we sent out an information booklet - The "Federation Uncovered" - to non members with an invitation to take up membership.

Over the past year the following members have been recruited;

S Mitchell & Son, South Queensferry and Kennoway
Robert Pringle, 2 shops in Hawick
Watson Family Butchers, Newburgh
Grampian Butchers Ltd, Aberdeen
Michael More, Cambusbarron
Hopetoun Farm Shop, Newton
Robert MacIntyre, Rosneath
James Moffat, Shotts
James Cockburn & Son, Dalkeith, Bonnyrigg and now Selkirk
Peter Whitecross, Dunbar
A Weir, Springburn

CORPORATE MEMBERS:Currently we have 27 corporate members McDonnells (Queen Street) Ltd, Dublin have been our most recent aquisition.

FEDERATION'S ANNUAL HANDBOOK: Again this year it has been difficult securing advertising revenue and companies making further cut backs. Income this year was £2045, production cost £3575 and we have only just received the bill for cover design which takes the net cost to £1730. We have already heard from Douglas in the budget report that we can be more optimistic about raising advertising this coming year when there is no Trade Fair.

REGIONAL MEETINGS

Since our last executive meeting we have completed a series of 6 Regional Workshops. Mike Winrow from Dalziel Ltd demonstrated products suitable for casseroling and the winter days. These were very popular with good attendances at them all. These were held in Ayr, Stepps, Carfraemill, Inverness, Aberdeen and Perth.

During the last year Regional Meetings have been supported by the European Social Fund. While we are hopeful that European funding will continue in the Highlands and Islands area, the Lowland area runs out in March and in future Regional Meetings in the Lowlands area will all have to be met out of subscriptions.

Since these meetings have been very popular we will continue with a programme similar to this year's. Business for these regional meetings will include presentation of the 2011 Best Steak Pie Awards. Round the table meetings are already planned in January for Ayr, Kelso, North Queensferry New Pitsligo and Inchture. February we will hold meetings in Stepps, Castle Douglas and Oban and in March Inverness and Kemnay. Lerwick, Kirkwall and Stornoway will also have meetings during the year.

In April there will be a New Products Workshop involving Newly Weds and Rich Sauces presented by TPS Scotland. Venues will be Braehead Cook School at Kilmarnock, Inverness, Broxburn and Dundee. The heats of the Scottish Beef Sausage and Black Pudding competitions will be held at these workshops.

A further round of meetings or events would be held in October 2012.

MEMBERS ONLY WEBSITE

The Members Only Website continues to be well used as a reference point and everything that Members request, should be able to be answered there. If not it soon would be. In particular Members are using this to download their own HACCP forms and Contracts of Employment.

LEGISLATION REPORT: Douglas Scott reported.

During the last year many things have taken our interest and time. These include a code of practice addressing the age of meat when minced. The code of practice guidance is good and it gets rid of the time requirement which had been the bone of contention for the approved premises.

The Federation met in Edinburgh with FSA Director for Scotland, Charles Milne. We made our representations to the consultation and feel that we contributed to the final cost framework. . SFMTA suggested in the consultation that the recovery of charges should be set as a tapered scale.

Bruce McCall attended a Food Hygiene legislation survey session at York with John Taylor NFMFT, John Chadwick, NFMFT and Stephen Lomax – Association of Independent Meat Suppliers.

Points raised by the group were lack of consistency in enforcement. Issues where enforcement was looking for best practice but business only wanted to meet the minimum legal requirement. There was a lack of clarity on training requirements for businesses.

A SFMTA delegation met the Scottish Government expert forum on how to recover costs such as from FMD outbreak. The need for cost sharing was recognised since the whole of the rural economy is affected by such.

The Federation continues to support the Food Hygiene Information Scheme which we still believes suits industry in Scotland much better than the star system in England, Northern Ireland and Wales know as Food Rating Scheme. The majority of the 32 Scottish local authorities are in the system with more coming on board all the time.

CROSS CONTAMINATION GUIDANCE: Following the Tudor Ecoli O157 outbreak in Wales new guidance was issued by FSA in February on avoidance of cross contamination.

FSA issued a DVD on the subject but both enforcers and Food Businesses require working guidance for Scotland and we understand that Perth and Kinross is taking the lead to draw up this. We are privileged to have Peter Midgeley with us this afternoon and he is going to tell us more about this after the Federation's formal business.

BSE TESTING: The age of testing was increased to 48 months from 1st July 2011. This cost around £35m per year and now scientific evidence has allowed this testing threshold to be raised.

ECOLI: In August sample results for Ecoli were reported as positive in South Ayrshire. The original positive samples were tested at Glasgow Scientific Services but after a product recall had been implemented further samples were sent to a reference lab. The results from the reference lab were all negative. SFMTA assisted the two businesses affected during the incident and at the end by putting out press releases and do as much as possible to counter the inaccurate stories circulating.

The businesses seem to have recovered quite well from it and customers have been supportive. We still need an incident enquiry with South Ayrshire Council.

SFMTA supported the Scottish Association of Meat Wholesalers (SAMW) proposals for meat inspection to operate on its own in Scotland. Scottish Government subsequently set up an

independent expert panel to consider the future delivery of the food standards regime in Scotland. The panel is chaired by former UK chief vet Jim Scudamore, and will consider the feasibility of establishing a dedicated Scottish FSA, and also the merits of establishing a standalone meat inspection delivery service in Scotland. We have made a submission to this inquiry stating our position and supporting a dedicated Scottish FSA.

Lastly as reported in the November Newsletter, The Federation feels it has played its part in forcing the European Commission to table a proposal to remove the existing notification requirement and approval procedure for voluntary beef labelling by amending Council Regulation 1760/2000.

Some 18 months ago SFMTA secured the support of Richard Lochhead Cabinet Secretary for Rural Affairs in a campaign to allow butchers to tell their customers just where their beef came from.

The Scottish Government duly worked with butchers in promoting Scottish beef and veal by encouraging them to come up with a low cost solution to the excessive red tape that was required to verify claims such as provenance, breed, feeding and locality of origin.

SFMTA is delighted that the requirements of a voluntary beef labelling scheme are to be dismantled. This will allow greater information to the consumer, reduce compliance costs and create greater interest in Scotland's quality beef.

Under the recent Commission's proposal, the voluntary labelling provisions would be removed but the existing compulsory beef labelling provisions in Council Regulation 1760/2000 of 17 July 2000 would remain in force. These are strict compulsory EU rules on origin labelling of beef which apply throughout the supply chain and support effective traceability back to the point of origin.

LIVESTOCK REPORT: Alan Kennedy reported.

Due to the chronic shortage of quality livestock, we have all witnessed the continued upward spiral in beef prices over the last year, amounting to an increase of almost 27% in live prices. On 11th October last year, my market average was 275.6ppk (before costs). On 9th November this year, my average for ten cattle was 349.2ppk before costs. These are for dead weights but not trimmed to UK spec. For this reason I have drawn up a spreadsheet showing the across-the-board rises in the price of boneless beef. I shall return to this shortly, but it does demonstrate the twin problems of rising stock prices during recessionary times.

Lamb rocketed in the early part of the year, my top price being in April- 482ppk dead weight. This was clearly unsustainable and some small comfort can be drawn from the fact that lamb is now largely costing the same as a year ago- October 2010 325ppk dead weight, October 2011 322ppk dead weight, both prices plus costs.

I feel that this demonstrates that there is a level of spend, both in retail and catering, beyond which consumers just will not go, and lamb became just too expensive for current budgets. I can only assume that exports have dropped for the same reason. Wholesale prices of lamb have yet to fully reflect the recent drop in market price. November, however, has shown a sharp rise in live prices, last week 352ppk, presumably on the back of sharp rises in beef prices over the last month.

Pork has risen also, but not by the same percentage. Live pigs are now costing between 5% and 10% more than last year, depending on which figures you look at. My current price is 155ppk dead weight, up from 142ppk last year, both prices plus costs.

To return to the spreadsheet, one important trend shows that even in the warm weather, the everyday cuts continued to rise. As I said earlier, to my mind, this demonstrates that consumers are definitely cutting back on "luxury" spending, both domestically and when eating out. The poor summer no doubt had some part in this, but the trend is definitely towards better value cuts of

meat. This is especially clear when looking at mincing and stewing cuts, heel muscles (mince) showing a rise of 28% since March 2010, and stew (chucks) a rise of 22.5% over the same period. Striploin has also shown a sharp rise, up from 900ppk in March 2010 to 1380ppk now, a rise of 35%, reflecting a swing away from fillet as the steak of choice- again, price-driven.

It would seem that multiples are at last realising that prices have to rise, so the playing field is levelling a little. I would therefore urge members to keep up with rises in prices, and compete by using the quality edge that we have as Craft Butchers.

Finally, skins and hides vary greatly, the best prices I have heard lately being £39 for hides and £8 for sheepskins.

Stuart Christie asked Alan on his view on where prices were going? Alan felt that the prices would probably go up for the next six months. All the feedback from farmers is that price is going to go up. Store prices for cattle are 'scary'. If you took prices for last year, you work on a 50% gross profit and looking at a 5% to 10% return, then for those not in increased prices in the last year they will losing a net 5% to 10% return. These figures are in broad brush terms.

LABOUR CONDITIONS REPORT: Douglas Scott reported.

In the last year two significant changes were made to labour conditions. In April 2011 changes were made to Paternity leave/ pay and to abolish "default retirement age".

For babies born after 3rd April, fathers can take the second half of a mother's maternity leave i.e. at 26 weeks. This is paid from week 26 to week 39 at the mother's rate. Since we are just recently into the 26 week period from 3rd April, there has as yet been no huge impact.

Until 3rd April 2011, the default retirement age was 65. Before then retirement was a fair reason for dismissal and assuming you followed statutory retirement procedures there would be no claim for unfair dismissal or age discrimination.

Now the default retirement age has been abolished. Retirement is no longer a "potentially fair reason for dismissal". Compulsory retirement at a set age is age discrimination and setting a fixed retirement age has to be objectively justified.

It is estimated that there will be around 3% of businesses who can objectively justify keeping a fixed retirement age but for most the retirement age is removed and now, if you want to raise the question, there has to be discussions about retirement with everyone. This is so no one can claim that there has been age discrimination.

The impact of removing the retirement age will inevitably increase the age profile of businesses. You need to decide how you are going to consult with your employees.

In October the National Minimum Wage broke the £6 per hour barrier as it was set at £6.08. This was an increase from £5.93. Other categories also increased slightly.

I reported at our last Executive Meeting that changes to pensions as a consequence of the Pensions Act 2008, begin to impact in October 2012. Initially it is only large companies that will be affected but ultimately all members will be required to auto-enrol their staff and contributions will have to be made by both employees and employers.

As you all know we retain Peninsula Business Services in Manchester to provide 24/7 employment law advice to members. This contract is up for renewal in January 2013 but since we need to give them six months notice of terminating our contract we will do this in June and consider all options. This is likely to include Scottish based firm, Lindsays.

PROMOTIONS: Duncan Mackenzie reported.

Since our last Executive meeting members have been using the Halloween and Bonfire night point of sale materials. As you know Stuarts of Buckhaven gave us new sausage recipe the Pork Sausages with Sweet Chilli and Iron Brew promotion has gone down well.

The Federation invited members who were going to make these sausages to contact us and we set up press photocalls in their local area. This was successful from Dalbeattie to John O'Groats.

Castletown butchers phoned to thank the Federation for the publicity and to pass on their thanks to Stuarts. Our President-Elect got himself on to the front page of the Kilmarnock Standard.

As a result of feedback from last year's attempt instigated by Scottish Government to push Scotch Lamb for St Andrews Day. Strong email feedback from members at the start of this year indicated that this was not well received. So for St Andrews Day members have also received point of sale material to promote haggis sales.

Christmas posters were also requested by members and three different versions have been sent out in the last month. Looking ahead there will be a poster for Burns Night and the usual Haggis leaflet. After that we will have to see how budgets hold up to provide members with what they'd like to have.

Product competitions and evaluations tend to be self financing with entry fees and sponsorship covering costs.

In November we presented the awards from the first ever White Pudding evaluation and the first ever Sweet Product evaluation. The top White Pudding was deemed to be from H W Irvine in Blairgowrie and they received good publicity in the Press and Journal and the Courier as well as on STV news. Stuarts win for the best Sweet Product – a Family Apple Pie also received good PR. All the winners have press releases sent to their local papers and most were well used.

In the coming year it will be the turn of Beef Sausages and Black Pudding competitions. These will be judged at the five regional meetings in May with the best two each being mystery shopped and then judged by a panel of experts.

We also intended to repeat the Speciality Burger and Speciality Sausage evaluation. Hopefully we can get sponsorship so that the winning recipes can be purchased from the winners and promoted in a similar way to the Sweet Chilli & Iron Brew Sausages.

The Federation will support the Meat Trades Journal's initiative for National Butchers Week in March 2012. We will encourage members to participate in the British Pie Awards to be held at Melton Mowbray on 25th April 2012 and will continue our support for the Scotch Pie Club.

The judging of the 2012 Scotch Pie championships was held at Carnegie College last Tuesday (15/11/11). Bruce McCall played an integral part in administering the reception of the products and both Douglas and his wife Christine assisted at the event too.

Results will be announced on Thursday 5th January and SFMTA will give its members all the support possible to generate news stories for them.

Lastly recently the Federation has produced template A5 leaflet for members to use as a mailshot. This colour booklet can be printed by the office and all the text you see on the leaflet can be changed either by the office or by the member.

We will be encouraging members to use this service and involve local groups like scouts, BB's or guides to distribute the leaflets around the doors locally.

Paul Greer requested that all the advertising materials posters etc were made available electronically. Douglas agreed for this to happen.

David Lindsay said that the pie presentation on Thursday 5th January - the second working day of the year - seemed crazy. Douglas replied that with the bad weather we had in November 2010 the event was postponed till the start of January 2011. What the Scotch Pie Club discovered was they had a phenomenal response from the media with three television stations in a week where they and the regional newspapers struggled for news. It is confusing to present the 2012 champion in November 2011 and stories have been run wrongly. January is expected to be a good time to get media coverage for the 2012 awards. David Lindsay felt it would be difficult to get winners there. Douglas said that only one butcher failed to make the presentations earlier this year.

PRESIDENTIAL ADDRESS BY PRESIDENT BILLY MCFARLANE

Ian Faulds said it was with very great pleasure that Billy McFarlane be re-elected as President and was sure that everyone would agree that he had done a very good job.

President Billy said. It has been an honour for me to be your President for the last 12 months. I did not know what to expect but I can happily say that it has been a very enjoyable experience.

With the help of my convenors and the Perth office things have gone smoothly and we have delivered a first class service to all the Federation members.

Billy had spent some time in the office one day and he did not realise the volume of work and appreciate the organisation of the activities which took place until he saw this first hand.. He said on behalf of himself and all the members a big thank you to all the staff in the Perth office.

It has not been an easy year for the trade. Rising beef prices, unusually strong lamb prices coupled with increasing overhead costs has created pressure on margins. I am impressed however with the evidence we see with several members opening new shops and the continual upgrading of premises which has kept our corporate members Capital Cooling and Watco busy.

As your President I have had the privilege of representing you at numerous events. As well as attending my local meeting in Oban, I have also attended meetings in the Borders and in the Northern Isles. This allowed me to visit members in their businesses. I was very well received and thank those who took the time to discuss their business and concerns with me. It certainly gave me a better insight into the problems that face our members. Nearly always they were the same problems.

While in Shetland I saw their new abattoir and attended their biggest store cattle sale of the year. I was astonished at the prices relatively small beasts were achieving and leads me to have concerns over what price we might be paying for beef before too long.

The conference of the Scottish Association of Meat Wholesalers was held in Glasgow in April and Margaret and I thoroughly enjoyed their hospitality. Professor Patrick Wall was one of their key speakers and it was great to hear such a well informed academic deliver such a practical and amusing address.

The highlight of the year for every Scottish butcher was the Meat Trade Fair that we organised in Dewars Centre, Perth on Sunday 8th May. In my opinion this year's event was the best ever. The trade stands sold without any difficulty and the exhibitors were interesting. Better still they seemed pleased with the business they did as a result of it.

The Haggis and Pork Sausages competitions attracted their largest number of entries for some time and congratulations go to Darren Hoggan in Selkirk who won the Haggis title and Tom Courts in Cowdenbeath who had the top Pork Sausage.

This year's Meat Skills competition attracted just short of 50 entrants which gave our judges Stewart Dempsie and George Lees a major task in the initial judging that had them visiting entrants in their shops from Jedburgh in the south to Grantown, Fort William and even Stornoway and Harris. The finalists put on a really good show, the standard was tremendous and well done to the winners – Gary Raeburn from Huntly in the Over 22 and Murray Jamieson from Bruce Brymer's in Brechin in the Under 22.

Attending the Royal Highland Show at Ingliston was a first for me and I couldn't get over how many people I knew who were there. It all kicked off with the traditional first morning of the Show, breakfast briefing on the QMS Stand.

Earlier in June I was invited to the National Federations AGM and Conference in London. That too was rather special since the venue this year was Butchers Hall and that is a truly fascinating place.

So as you see a President's itinerary can take you far and wide. For someone based in Bowmore on Islay that has its challenges and I must apologies for the weather that prevented me getting off the island for the September executive meeting.

He congratulated John Davidson on winning the UK butcher shop of the year and the two Scottish finalists S Collins & Son and Ferguson of Airdrie. In the Young butcher of the year which has been won two of the last three years by Scottish butchers we had two finalists, Billy Holding, Hendersons of Hamilton and John Day, Tom Courts, Cowdenbeath.

As I embark on my second year of my tenure of office, I must say that if it is as interesting as my first, I will have another enjoyable year to look forward to.

No doubt enjoying the year will be challenged with new working guidelines on cross contamination, further pressures on supply, the aggressive competition of supermarkets and the uncertainty of the economy to deal with.

As ever we can expect the Federation to meet these and other challenges. Thank you for allowing me to serve you as President again.

PRESIDENT ELECT:
Ian Faulds was nominated for President Elect by Duncan Mackenzie and seconded by Jack Meade.

JUNIOR PRESIDENT ELECT:
Beaton Lindsay was nominated for Junior President Elect by Billy McFarlane and this was seconded by George Jarron.

VICE PRESIDENTS:
Chief Executive Douglas Scott read out the list as nominated by their Local Association:

Ayrshire	I Faulds	Glasgow United	S Christie
Borders	G Deans	Lanarkshire	H Pender
Dumfries	J Meade	Moray	G Murdoch
Dundee	S Jarron	Paisley	N Ovens
Fife & Kinross	N Cameron	Perth	B Lindsay

The following nominations were adopted by the meeting.

SECRETARY:
Douglas Scott was appointed by the meeting.

TREASURER:
Stuart Christie was appointed by the meeting.

AUDITORS:
President Billy McFarlane nominated the Company Secretary to investigate new auditors for appointment by the sFMTA Executive prior to the next Annual General Meeting.

GUEST SPEAKER – FOOD STANDARDS AGENCY

Peter Midgley, Head of Enforcement at FSA Scotland told the Federation AGM in Perth that he could see "no momentus events" looming for Scottish butchers.

"There are some things that are going on that will unfold over the coming year. From the perspective of the Agency protecting consumers, Foodborne disease annually in the UK cost £1.5bn, affects 1m people, hospital treatment 20,000 and 500 deaths. It is not a problem that has gone away. We can see the figures but cannot necessarily see how they come about.

"The Agency's foodborne disease strategy is now majoring on campylobacter and listeria. There were 6500 cases of campylobacter in Scotland in 2010.

"To put Ecoli into perspective of the last 12 months. We started with the cross contamination guidance that was issued in February. Since that time two things have happened – one that has been big and public – the German outbreak of Ecoli. That was not O157 but O104. It affected greater than 3000 people, possibly nearer to 4000 and had between 46 to 50 deaths associated with it. It was a major issue that was not associated with meat. That's a point I'd like to make.

"In February there was a lot of talk about whether we had said too much about the involvement of meat as a source of Ecoli and that was something that came from a different place. Also what happened during the year that was not publicised because it was a very diffuse event – from December 2010 to August 2011 there were 250 cases of Ecoli O157 in the UK. There was no definitive cause associated with it but the HDA report on that has shown an association with the handling of raw vegetables. Probably it has been the handling and not the eating that has caused the problem. Possibly soil contamination but the cause and effect are very hard to demonstrate.

"Today the Agency has launched a consumer awareness campaign; simple, not new messages saying that vegetables that could have soil contamination should be washed, peeled or cooked as appropriate before they are eaten. We will need to bolster that to make sure people understand that vegetables are still part of a healthy balanced diet as well.

"We are promoting the Cross Contamination guidance (for Ecoli) in the December edition of Scottish Grocer and I must emphasise to you that this is not a sector issue for butchers. It is about a hazard that has to be controlled. It affects a number of sectors and butchery has felt that it has been targeted solely at themselves but from the discussions that I have had and visits that I have been making out of the office far more of my time is being spent explaining the cross contamination guidance in terms of catering than it has been in any other sector.

"Cross Contamination guidance applies to most sectors outside of primary production and it centres on the controls of the hazard through separation. To butchers in Scotland that is an entirely known concept because in Scotland only, under Butchers Licensing the concept of separation was a very popular control. Your sector is extremely well placed to have the knowledge and experience to have this implemented."

Peter told the meeting that a tailored set of guidance for butchers. SFMTA has been invited to be involved in the drawing up of this guidance. It Is being incorporated into the Cook**Safe** manual tailored guidance for butchers is anticipated, based on Cook**Safe /** Retail**Safe**. It will centre on control through separation.

The Eat Safe scheme was commended to SFMTA members because the scheme's standards are basically the Butchers Licencing requirements from before. "If you complied with Butchers

Licensing in terms of training and supervision standards then you should have the necessary requirements to meet the Eat Safe standard.

The Federation's involvement in the Steering Committee of the Food Hygiene Information Scheme was acknowledged and Peter thanked Douglas Scott for his contribution on it. He closed by flagging up the EU Food Information for Consumers Regulation. Publication in the EU Official Journal is expected by the end of 2011. Most requirements take effect in 2014 (2016 for nutrition labelling). A draft Business and Regulatory Impact Assessment is required for Scotland and the Federation will be asked to nominate businesses for that engagement. This will consolidate all labelling into one piece of legislation and a full public consultation is anticipated around early June 2012.

GUEST SPEAKER – QUALITY MEAT SCOTLAND

Andy McGowan reported. Promotions - the winter campaign has been posted out this week with posters and a leaflet what to know about roasting and a window vinyl. A menu recipe card for Scotch Lamb was included on behalf of the Scottish Government as they funded it. The Scottish Government had insisted on distributing it.

The multimedia App has the low thousands subscribers and this is likely to be of more interest to the younger consumers.

The project on assessing carcases will be hosting an open day at Scotbeef and this project is going really well.

There are minor changes to the processing standards, he said that following the lifting of the 30 months there are hints of abuse of it. There will now be a range 12- 48 months and below 12 months have different standards.

Alan Kennedy asked what the current view on the implementation of cow beef as Scotch. Andy replied that there is a desire to maximise its use by the plants. They would have to look at the reputation damage it could cause and also if it can add value to the export market. That way it would not be used in the domestic market as that. As it stands at the moment it is not classified under Scotch. Hamish Deans said that it should be named cow beef and it could be promoted to export.

BBC GOOD FOOD SHOW: There were four SFMTA members exhibiting on the Scotch Butchers Club stand at the recent BBC Good Food Show in the SECC Glasgow – Christie Meats, Dalbeattie Fine Foods, MacBeths of Forres and Damn Delicious from Lanark.

GUEST SPEAKER – NFUS SCOTLAND

Nigel Miller was the first serving President of the National Farmers Union Scotland to attend a Federation AGM for a long period of years but members were delighted with his presence and he was invited to give his reflections after he had heard after he sat through the reports at the meeting. He said:-

"It is important to be here because I think you are a key part of our world. You have driven quality and probably innovation in the last few years. Anyone going round proper butchers' shops recently must be incredibly impressed with what you have delivered for your customers.

"It is important for us to speak to each other because in some ways you are speaking to customers and a bit of a barometer of what is going on out there. Maybe we need to know that sometimes. The reality is that we are a wee bit away from that at times.

"The other thing that I have been impressed with today is your commitment to training. Maybe as an industry we have not done that well; we seem to have lost a generation while you seem to have really invested in that. It will be important for the future.

"The Scudamore Report looking into possible changes to the MHS and FSA in Scotland. As a sector we are pretty enthusiastic about that, greater autonomy and that is close to where you are. If there are things that we can discuss together that makes sense.

"We are also involved in the UK Review of Official Controls. This looks like being a long and arduous process. It has huge impact on you but we have a seat at that table so if there are particular issues for your part of the red meat sector please give us that information so we are on message because we are not experts in that area."

Nigel asked for the Federation's support to oppose the Scottish Government's plans to plant 25% of Scotland with trees:-

"At the moment we have 17% planted so that leaves 50% more. There is a review group looking at this just now and that review group is not about changing the target but where to plant these trees. It is not going to change the world but it is open to comment and your organisation might like to feed into that. We certainly have concerns if we get to that level of forest cover

"The McAulay, now Hutton Institute, have done some interesting mapping of Scotland about where you can plant trees. This is about climate change and the idea is that if you plant trees they lock up carbon and this will be wonderful because it will save the planet.

"You cannot plant on peat grounds because peat is better that locking up carbon than trees are, so that is out. A lot of Scotland is too high to have trees, you have islands where you can't grow them and then you have arable land but you can't plant on that or we will starve. You can't plant on roads and cities so the only place you can plant trees is where cattle and sheep. If you look at the numbers you would have to take out 50% of that land.

"If your organisation has concerns about supplies then maybe that is something that you would like to make comment on.

"The other supply issue has been touched upon – cost of the commodity. I thoroughly understand consumer resistance that you must face. That hit lamb first where it was driven by the export. In contrast pigs have had a fairly drab couple of years.

"We are going into CAP Reform. The main things to remember about Cap Reform is that most reforms are meant to be good and smarter but this report is not about that at all. It is going make thing a lot worse and more complex. People are going to be very unhappy. The only people who will be happy are those who are locked out the historic present system – they will get something. It won't be great but it will be something. The region with the top payment per hectare is €300 is Aberdeenshire but when it goes to an area based system if they get €260 or €280 that is the best they can get. It will be complex and a pretty brutal process that needs to be managed fairly carefully.

"Coupled payments are important is we want to keep production. It is the one tool in the box that can actually push money at beef cattle and cattle systems at all. Because Scotland already has a small scheme linking the calf scheme, it might be possible to get 10 or 12% of budget coupled which is about €50m. It will probably only be able to be used in the Less Favoured Area (LFA).

"You probably have views about that but as a Union we would like to very keen to have the flexibility to target that money because the area payments are going to be very difficult to make work.

“The other way you can target money is an areas of natural handicap payment and that is 5% but that has to be drawn from Europe to get that flexibility. It is not new money it is just how you use it as part of your budget. You can target areas where are area payment might not be sufficient to sustain production or target a very vulnerable area. If you look around Scotland it is very easy to find areas like that and if you are worried about cattle the probably Orkney is a real cracker because it is wall to wall cattle, really high costs, very peripheral but crucial to the volume of our industry. An area payment there will not do the business so if you have extra money for areas of natural handicap you might just keep that part of the deal going. This could maybe include Caithness as well where they have fairly high costs.

“These sort of targeted measures are within the CAP Reform package and it would be really useful if your sector does believe that supply is important gave us support in government with the other stakeholders who will be wanting a rather different approach. That is a bit of a plea.”

ANY OTHER COMPETENT BUSINESS:

There being no further business the meeting closed with a vote of thanks to the Chair.