

**MINUTE OF THE MEETING OF THE EXECUTIVE COMMITTEE HELD WITHIN
8/10 NEEDLESS ROAD PERTH, ON WEDNESDAY 18 JUNE 2008**

PRESENT: Jamie Chapman President
 Douglas Scott Chief Executive
 Sandra Lennox General Manager
 Bruce McCall Minutes

Plus Executive and Ordinary members as detailed below:

Honorary President: Arthur Matthew

Past Presidents: Hamish Deans, Duncan Mackenzie, John Chapman

Executive Members: John Hamilton, Ian Faulds, Stuart Christie, Stewart Dempsie, Jim Hastie, Neil Cameron, Alan Kennedy, Andy McGowan (QMS).

APOLOGIES: Roy Baird, Jack Meade, Wilson Ferguson, George Lees, Jim Preston, Adam McLay, Hugh Pender, David Jarron, Murray Lauchlan

Jamie Chapman congratulated both Sandra and Douglas on their recent marriages as reported in the Newsletter.

MINUTE OF PREVIOUS EXECUTIVE MEETING:

Minutes of the previous meeting held in April were approved, proposed by Duncan Mackenzie seconded by Alan Kennedy.

MATTERS ARISING: Jamie Chapman said that Ian Anderson from the wholesalers was meeting with Shona Robison on 6th June but we have not heard how that meeting went. Douglas Scott said that a Newsletter had come through from the wholesalers but he had not read it yet. Andy McGowan said it was a sympathetic hearing to a Scotland-only MHS. Jamie Chapman said it made a lot of sense as we only have 30 plants. Andy McGowan said that Ian had been encouraged by the tone of discussion.

CHIEF EXECUTIVE REPORT: Douglas Scott reported.

REGIONAL MEETINGS: would be reported under the Membership and Development report. He did say around 160 people had attended the regional meetings. There were plenty of reasons to attend with the potted meat and beef slice sausage competition presentations and the black pudding and beef sausage competitions judging. Most members seemed to enjoy the evenings. We had a full room in Inverness, Stepps, Borders was reasonable as was Dundee and the Ayr meeting was packed but the room was small.

SCOTTISH PIG STRATEGY FORUM: DS attended on 6th June. The report was on pink paper circulated with the agenda. It was a briefing awareness to inform what was going on. There had been another Pig Industry meeting on 12th May which President Elect Stuart Christie attended.

It is quite clear from these meetings that the pig industry has its problems with its production costs going up and the market price not rising sufficiently to keep them interested. Jimmy Butler from Suffolk spoke at the NFMFT conference on Monday. He has several hundred free range breeding sows and was an upbeat person. He felt that what he was producing he would have a market for. He did feel that the way things were going by the autumn pork would be a niche market as there would be so little about. So naturally in Scotland we are concerned about on going production and what to sell.

Andy McGowan said that this working group, which was very, much looking at the short term measures. They have finished now and have put a paper to the Minister, which have a range of things including views of the supermarket about high welfare and product coming into the country

not matching up. The group is having a review of what the welfare standards are in the other main importing countries and also look at the labeling side.

The strategy group was looking more at the long term structural things. What needs to change for the future, slaughter facilities, health and also pulling together some of the good bits this will be reported on in July and is very much at the early stages now. They have a long wish list in front of them.

Andy McGowan said they had a great response from all of the abattoirs big and small. A postal survey had been issued and the response to that on a confidential basis was phenomenal. It is obvious dangerous that 85% of the pigs go through one plant but switching all the support to small local abattoirs without having a market, then it bankrupts Broxburn so that is not the answer. The solution is to grow the local market whilst still maintaining Broxburn. Jamie Chapman said that the Broxburn plant had just been bought over this week by the Vion Food Group.

Andy McGowan said we have dropped to 40,000 breeding sows and 12,000 of those are producing for Grampian so if they are considering switching to Dutch pork then that is another 12,000 sows which could go. Hamish Deans said it was a downward spiral and part of the problem was the animal welfare concerns to the extreme. A lot of the farmers went down that line and are competing in the market with pork that has virtually no welfare standards or considerations at all. Andy McGowan said if you were looking for a silver lining on all of this, the Scottish Government officials and the Minister understand more about the pig industry than they have ever done before. Andy said when the welfare came in the numbers dropped from 70,000 and are still falling.

Douglas said that one of the other things that came up, and certainly for the first time in our minutes, is climate change. It has an impact on Scottish pigs in terms of greenhouse gases. Methane is 21 more polluting than CO₂. The output of beef has the greatest carbon emission at 28 mega joules, sheep 23 mega joules and pigs 17 mega joules it could get to the stage where you start to get schemes where there is legislation to be more aware of the climate change. Douglas agreed with Hamish that we should throw these out until the whole world does it. With just the UK going along with it will just cause further damage to the industry. Andy said on a positive note the prices have just about got to the stage where the majority are breaking even. It probably does not help the butcher much but will probably halt the decline of numbers because they will be able to see there is a way forward.

NFMFT: The AGM was held last Sunday. The first thing they did was to install their President, then the Immediate Past President had a few words after the Presidential address and then they went through the reports. Their President is Phillip Edge from Thetford, south of Norwich. He had been 11 years on their Executive Council and was introduced by outgoing President William Lloyd Williams as someone not suffering fools but gets the job done.

William Lloyd Williams said in the last 12 months he attended 27 meetings/ functions and thought it was good to support the 'local' movement. He has put a lot of effort into the future policy group, which has changed the structure of the Federation. He is looking for greater relaxation of abattoir regulations from MHS. The President of SFMTA was appointed Honorary Vice President for his year in office.

Members had various questions about the printed annual report, which was handed out, they picked up on various items as they went through the report. Bob Tyler said that what Graham Bidston said on the Food Hygiene Information Scheme saying it was a load of cods wallop. He then proposed a motion that NFMFT ignore it all together. He missed the point that the consultation that is out at the moment and is not about whether there is a scheme or not but whether it is a star scheme or a Pass/Fail scheme. Douglas said he was not invited to speak so he did not. They asked if National Butchers Week should continue and they felt it was a good initiative. The Executive Council was changed from 15 to 6 constituencies and council members were changed from 24 to 12. It was interesting that they said it would become more democratic as

council member represented 100 council members, which indicated that NFMFT had 1200 members.

They were to launch their website after lunch but it was not ready yet. Meat Ipswich who does their training only has 150 learners with 35 from the NFMFT. The website looks quite useful telling people what it does. There was a trip on the Norfolk broads that evening. It was a very good way to meet people who were there.

Dick Van Leuwen gave a good presentation on EBLEX's promotion of cuts of meat which were not popular at certain times of the year. EBLEX then work with the food service sector to promote a cut per month. They have come out with a specifications booklet, costing £5.50 plus P & P.

Douglas said he would print in the Newsletter the points from the presentation from the local pork producer, Jimmy Butler. The last presentation was from a turkey producer, Roberet Garner. He talked about where he saw turkey production going but he would not tell us what price turkey would go to.

SCOTTISH ENTERPRISE SEMINAR: There was a motivational talk by Ellis Watson who seemed to be in on the ground when who wants to be a millionaire was being sold to every country. The presentation was very good but he would not be attending the next meetings.

ESF: Having barracked Scottish parliament, members of Parliament and the Minister Jim Mathers about the lack of funding under ESF. The bakers and ourselves had a meeting with Jim Mathers through Michael Mathieson MSP for Falkirk through George Stevenson from the SAMB who contacted him about it as nothing had happened and can you organize a meeting.

The meeting did get everything out, Jim Mather came over as a very reasonable chap and realized that there was a problem. There was apparently a consultation which we saw in October and another one in November and we also have a proposed amendment to rules in June. They are going to change the rules so vocational training for individuals in the food and drink industry in Priority 2 would come under ESF. A letter from Jim Mather which was signed off before the meeting that we will get funding in Highlands and Islands area from the middle of June. We made the point that this was not good enough we wanted it from the middle of January as we were of the understanding that project we would be able to claim the ongoing costs of the project. We will be having a meeting on Tuesday morning and hoping to claim back 40% of the expenses from Highlands and Islands area. Jim Mather was not happy that the industry had been ignored. He is holding a summit meeting on the 2nd July. We will need some assistance from members to put some points over from industry as well. Alan Kennedy said he would let Douglas know if he could attend. Kelvin from Improve was at the meeting and surprisingly he put over very well the view in terms of skills required. IMPROVE and QMS have said what the state of the industry is. The minister wants to hear from industry itself.

MEMBERSHIP AND DEVELOPMENT REPORT: Douglas Scott reported.

MEMBERSHIP:

349 members have paid to date.

Tom Dowson of T Scott, Glasgow is retiring.

1 new member, Ballathie Good Food Company, Kinclaven, thank you to Alan Kennedy for influencing this decision.

CORPORATE MEMBERS:

20 corporate members have paid. G M Corsehill have joined, article included in the last newsletter. Baro Lighting has joined as a corporate member. Chesters of St Andrews are the only outstanding account for corporate membership.

REGIONAL MEETINGS:

The May Regional Meetings were well attended with good audiences at all venues. Bryan McAusland gave a presentation on salt and fat levels in sausages. Douglas Scott gave a presentation on costing. Presentations included the KRH Potted Meat Awards and the McAusland Crawford Scottish Sliced Sausage Awards and training certificates to trainees with achievements at Level 2 and or Craft Certificates.

The results appeared in the June Newsletter but the Sliced Sausage Scottish championship went to Food For Thought from Ullapool and the Potted Meat to Davidsons Specialist butchers in Inverurie.

The judging of the Beef Sausage & Black Pudding Regional titles took place while the meetings were in progress.

The Black Pudding and Beef Sausage Regional Champions have to be mystery shopped and taken to Abertay for evaluation to decide the Scottish champions.

The results from these competitions are

BLACK PUDDING

South East of Scotland Regional Champion:	Hugh Black & Sons, Bathgate.
East of Scotland Regional Champion:	J Patrick & Sons, Camelon
West of Scotland Regional Champion:	Hugh Black & Sons, Cambuslang
South West of Scotland Regional Champion:	Dalbeattie Fine Foods, Dalbeattie
North of Scotland Regional Champion:	George Gow, Kingussie

BEEF SAUSAGE

Boghall Butchers	Bathgate	South East of Scotland Regional Champion
James Allan	Hyndland	West of Scotland Regional Champion
J Pirie & Son	Newtyle	East of Scotland Regional Champion
TH Carson	Dalbeattie	South West of Scotland Regional Champion
John M Munro	Dingwall	North of Scotland Regional Champion

When people have been entering these competitions they have been signing that they will go by the rules. The rules now state that if you're a Scottish champion you have to state the year. New legislation which came out on trading standards. If you are claiming you are Scottish champion and you are not then it is misleading the public.

GOLF

The Federation golf outing this year will be held at the Ladybank Golf Course, Ladybank on the 4th June. 32 competitors took part.

List of prize winners

- 1st John Holloway 39pts (c/o J Chapman Butchers)
- 2nd Russell Kirk 37pts
- 3rd Gary Mitchell 33pts

Nearest the pin: Jamie Chapman, Longest Drive: Gordon Taylor, Guest Prize: Mark Venerus.

Thank you to Dalziel for their sponsorship of the event. The body of opinion was to return next year to the same venue.

TRAINING AND DEVELOPMENT: Sandra Lennox reported.

TRAINEE NUMBERS: We registered 8 new Scottish trainees onto our training programme during May and 13 trainees achieved their SVQ.

Comparing our 'in training figures' with the same period last year, we look to be in a healthy position with regard to the LEC funded trainees. We have 75 funded trainees in the Scottish Enterprise area and 23 in Highlands and Islands Enterprise area.

In the absence of any ESF funding in Scotland so far this year, my Assessors have concentrated their efforts, particularly in the SE area, on these funded trainees with the result that many of them are now at milestone 6 and 7 of an 8 milestone training plan. The final part of their qualification is knife skills – primal and secondary butchery and sharpening and maintaining their knives. It's not possible to 'fast track' anyone through this part of their learning and I know that you will all agree that my Assessors are right to allow the trainees the natural time to develop these skills. In fact some of you may have trainees at this stage and will have had conversations with the assessors on just this subject.

However, what we are left with is a concerning situation where Scottish Meat Training is fast approaching the point where no further progress can be made and therefore no further money can be claimed until the trainees have developed these skills. Our qualifications are weighted on final outcomes and so the biggest amount of money is paid when the whole qualification is achieved.

As trainees achieve their qualifications and effectively 'leave' the training figures that leaves a further dilemma. The less trainees we have – the less money is available.

There are 35 available training places in SE area they are only available as was prescribed in our contract this year. *(Please see attached sheet)* SE Lanarkshire has no places left and we will not be able to register any more trainees here at least until the third quarter of the year when the Skills Development Scotland review their budgets and in- training stats.

It is absolutely vital that we recruit young people into our industry and onto our training programme where there are funded places available. I urge you to consider this if you are employing new staff.

Douglas Scott said the important thing to recognize is that in the Scottish Enterprise area we cannot pick and choose we are stuck with those numbers.

Sandra Lennox said that the third quarter of the year is where the new body will be reviewing their budgets. That is where they can look at the allocations. We cannot start anyone else in Lanarkshire.

It is absolutely vital that we recruit young people into our industry and onto our training programme where there are funded places available. I urge you to consider this if you are employing new staff.

Alan Kennedy asked if this was available to 16 –20 year old first placements. Sandra said it is for 16-19 year olds. If they have already had some kind of training then the funding will be reduced. If they have part funding we will not receive the start payment as someone has already had that or any other payments they have already received. Douglas said that he could see that is going to cause some confusion. Sandra said if some one leaves we couldn't go back and say that we can start a new one as we have received a start payment and that money has technically gone so it disappears out of our budget as well. What we are trying to do now is to make sure the employers are sure the young person is very good and is going to stay with the business rather than put someone on to training and we might lose them. Alan Kennedy said it was making a good selection to put someone on to the training. John Hamilton said it was good that all the places had been

filled in Lanarkshire but have we turned any away. Sandra Lennox said she has not turned any away yet.

Sandra said it was slightly different in Highlands and Islands as we still have the possibility of ESF funding.

NORTHERN IRELAND: Our trainee numbers for Northern Ireland are sitting at 64.

We have received a further cheque for £3000 from FDTC which start payments of £250 for 12 trainees. We have a further 25 start payments to follow as soon as the registration process with DEL is completed.

4 of the registered trainees have achieved sufficient units for us to claim milestone outcomes and the claim for these is also being processed. I'm assured that this is a straightforward input process with payment generated in the same month.

Malachi McCann has achieved his A1 Assessor qualification and his certificate will be presented to him on 25th June when the remaining 6 trainees from the ACBI project will also receive their certificates.

Some good news which I can share with you is that DEL have recently announced all age Apprenticeships for Northern Ireland. This is to be available from September and although it will be slightly lower funding, it does mean that we will be in a position to offer apprenticeships to any age employee in our sector in Northern Ireland.

IMPROVE EMPLOYER TECHNICAL GROUP: I attended this meeting in the Improve offices in York on 11th June. High on the agenda for discussion was the re-licensing of Sector Skills Councils and the changes this has brought to the staff within Improve. The focus for the future in all Sector Skills Councils will be qualifications reform to reflect Employer demand. Improve, in common with other Sector Skills Councils are using their research to formulate the qualifications of the future. We will be given the opportunity to be part of the consultation process and I will bring details of this to you when I have it.

A National Skills Academy has been developed in response to the Government directed qualification reform, only available in England at present but with the expectation that this will be extended to include Wales, Northern Ireland and Scotland in 2009. Justine Fosh, who is the director of the Skills Academy, gave an update to the meeting. The Skills Academy aim is to bring together all of the learning and training provision so that Employers and Individuals alike can be referred to the most appropriate solution for their learning/training needs. There is a cost involved for a Training Provider to register their provision under the Academy - £5000 in our instance.

I explained at the last executive meeting that I had attended the Education Food and Drink Partnership Group meeting which is a body brought together to attempt to launch a Skills Academy for Scotland based in the University of Abertay

It is expected that the Scottish Skills Academy will broadly echo the English Skills Academy which has developed from the work that Improve have carried out over the past 4/5 years. The main difference appears to be that the Scottish model will require a payment from the Training Provider only if they successfully contract with a referral from the Academy.

The next meeting of Education Food and Drink is scheduled for 26th June and I will be able to report further next month.

IMPROVE SCOTTISH LEARNING PROVIDER GROUP: This meeting took place in this office on 12th June. Kelvin Thomson, Improve Operational Manager for Scotland normally chairs this meeting but he was called to the meeting, which Douglas attended on the same day, and so Derek Jones, newly appointed Vocational Programmes Leader was asked to come here instead.

This was Derek's first ever visit to Scotland and he has limited knowledge of the differences between Scotland and England in terms of qualifications, funding and industry needs. He has agreed to ask Kelvin and Directors of Improve to provide Scottish Providers with details of the actions that Improve are taking in response to our concerns regarding the funding in Scotland and the differences between the nations.

SOME GOOD NEWS: I began this report by detailing the numbers of new starts and the numbers of trainees achieving their qualifications. I would like to end this report to you by informing you that 2 of our trainees, Ian Cargill and Darren Scott, have actually achieved their Modern Apprenticeships. These are the first Meat and Poultry Modern Apprenticeships to be achieved in over 4 years in Scotland and I'm sure that you will join me in congratulating both trainees for all the hard work they have put into the qualifications. I'd also add my thanks for the hard work of the Assessor and Internal Verifier in guiding the trainees to the successful achievement of their qualifications.

FINANCE REPORT: Douglas Scott reported.

We have two sets of contrasting accounts the Member Services one looks particularly nice without any particular cause for concern. Maybe just as well as the training side is not the same. The finance committee had a very thorough overhaul of every figure, how we performed and how we might perform up till the end of the financial year at the 31 August.

We still ran in May at a loss all be it at £1,000. We have identified each of the areas we work in the income and expense. At the end of the year we are not expecting any area to come out in the black. As Sandra said the limited number of trainees in the Scottish Enterprise area and Highlands and Islands area has severely restricted what we might achieve in terms of income. The biggest problem has been that the first six months of this financial year we have had to do observed observations for a second time to fulfill the needs of Meat Training Council, which has caused the biggest problem with these accounts. We are playing catch up. He has been asked to look very carefully at June to make sure we do actually achieve the income of just short of £74k, which he had forecasted. We have a claim of just short of £20k from Scottish government which is fairly sure will come in but a question mark is over whether it will come in by 30th June. The Highland & Islands money will not come in June as the claim has not been signed off yet but hopefully we can sign it off by the end of the financial year. We are looking at up to £15k for that particular project by the end of August. In the Scottish Enterprise area we have a forecast of £135,719 for the whole year a good proportion of that is still to come in, some £50K. The June figure might not meet the forecast for various reasons, not least because two of the assessors are off for two days. In the H&I area we have budgeted a figure of £5K and that will probably be achieved. The Irish figure, which has been very closely looked at as, we have had setting up costs. The income appears to be slow to come in. From Sandra's report we are at least assured of 24 new starts which is £6K. another £1,200 for milestones and another £3k from previous new starts. We are only halfway towards the income figure for June for Ireland. He has noted that the Finance committee are looking for £52k for the next three months from Northern Ireland. Sandra and Douglas will be speaking to Geoff Lamb in Ireland who is responsible for paying us. Douglas said it is not easy and the cash flow situation is one that concerns the finance committee as well. They have just been handed a list of our investments, bank balances and our outgoings in terms of salaries and PAYE so they can have a good look at the cash flow. At this moment in time it does not look a problem but we have probably got to get through to January before any real money comes in to the Federation. He has been asked and he would have anyway looked at how our cash flow would be by the end of this calendar year and give that to the Finance committee.

Hamish Deans said it was only fair that the meeting was made aware of what the forecast is to the end of the year. Douglas said every month he has an actual and budgeted figure. The figure as we go through to the end of 12 months ending in August. Also the box in the bottom right hand column shows how we are doing. Up until the 30th November we had lost £68K in the training activity that got worse by another £20K by the end of December another £20k in January and another £20k in February. Until things started to slow down considerably. But that even means with the income he

has discussed with us we will still make a loss of £62K projected loss on the year. If we only had the funded training from the H&I and SE area and no ESF money coming in, he doubted very much if it would stack up. The only hope really is the Northern Ireland money. We are looking at quite a lot of money by the end of August but we have got 64 trainees in Northern Ireland and a promising degree more with no restriction on the numbers we start which is totally contrary to what we see in Scotland. This would take us to such times as when the Scottish situation changes. Prospects would be extremely gloomy if there was no other source of income. Alan Kennedy asked if the Scottish situation was going to change or were we hoping it was going to change. Douglas Scott said this is what we are hoping to resolve on the 2nd of July. Jamie Chapman said it was sad as a company that SMT has various awards for the way we do things and the way the government funding changes it. Duncan Mackenzie said the first four months it was said that the losses were incurred due to observations so we are not going to have that again this year, so is it not just getting through this year. Hamish Deans said he did not think that was the case, unfortunately. He firstly thanked Douglas for giving a breakdown of the figures it was very beneficial, it shows a loss in all different parts. He was disappointed with the Scottish Enterprise money, there has not been any extra financial input to get these figures. He said he set his views in April and it is more so now and that is all he going to say on it. We will have to monitor it monthly rather than quarterly. We are walking a bit of a tight rope.

LIVESTOCK REPORT: Alan Kennedy reported.

Until last week, prices seemed to have settled, with steers around 160ppk through May, and heifers around the 157ppk mark. That seemed to stabilize figures for about a month to six weeks for the second half of April to the end of May and at that point I was anticipating a quiet report this month, and then last week steers averaged 168.6ppk, and heifers flew up to 170.3ppk – a rise of 11.8p in the week. This is largely down to two facts a scarcity of cattle and hardly any lower end stock, (FORFAR LAST WEEK) so these high prices are apparently due to high quality. Today Steers 179 ppk +11p on the week, Heifers 178.1ppk +8p on the week. His own thoughts were quality was very high and it was Highland show week. Even without that the general trend is upwards.

It does seem that we are in for another period of rising stock prices, although perhaps not as severe as over the past months. At forfar there has been a 27.8% rise in the price of livestock at Forfar which is his yardstick. This is reflected in wholesale prices and sides ex Scottish Premier are costing 331ppk a rise of 3.3% on the week.

The enclosed chart reflects the increases in boxed beef-mainly on the middle cuts, with some better value still to be had off the round. It still reveals a 6% rise on the month, 24.3% since February.

Alan Kennedy asked for some input to what was happening round the country. Jamie Chapman said there is a big variation in the quality of lambs. An average of 176 kilo average the markets he was going to be about the £2 kilo. Alan Kennedy said for the purposes of this he tends to take the averages as opposed to a quality issue itself.

Lamb prices are still very firm. Last week's live average being 176.3ppk. This rise again may be due partly to a lack of supply last week. Wholesale lambs are 441ppk.

Pork has followed suit, and deadweight pigs are being quoted at 180ppk. He said that the pigs he buys live are 135 kilo, standard pigs are around 110 to 118 kilo live weight. The days of cheap meat are long gone.

No change in Hides and skins when he last checked

Shotts 22.75 Hides 1.10 spring lamb skins.

Today's average at Forfar:

Steers 179 ppk +11p on the week
Heifers 178.1ppk +8p on the week

He said that wholesalers prices will likely rise by 9 to 10p next week.

Jamie Chapman said that one of the wholesalers at Wishaw bought a whole load of cows. The ones that are bought are being killed at Paisley, So there will be cheaper cow beef going in boxes but we do not know what it will be sold as. If people are looking for a cheap alternative it might be something cheap that they will get. Duncan Mackenzie said he had been phoned by three different companies this week offering to do deals on sirloins because they cannot shift them. Alan Kennedy said this is the **dichotomy** of the whole thing. Why then are wholesale prices going up by 2.60 a kilo. Hamish Deans said with Sirloin especially on the bone good, if it not sold on the bone it has to be boxed that is because of the season. Good sirloins on the bone are steers rather than cows. Douglas wondered how Tesco could sell Scottish Scotch sirloins at £12.99 a kilo. Hamish Deans said it must be cow beef. Douglas said it is labelled as Scotch. Jamie Chapman said that cow beef could be labeled as Scottish but not as Scotch. Andy McGowan said to be fair to TESCO it is not cow beef. Stuart Christie said he had been offered it at £8.81 a kilo and someone else in Glasgow offered it at £6.40 a kilo. He thought they were Irish. Douglas said that we get a lot of queries about pricing, some have asked for us to send out wholesale prices. He queried if the wholesalers would give us a list. Hamish Deans said with the wholesalers it is based on volume and you get a price for 1, 5, 10 twenty plus the difference between the twenty plus and one bares no resemblance. He suggested not going down that road. He said it was a perishable commodity and you retain its life a bit longer by boning out and vacuum packing but it still has a life but when it gets to the end of the life the wholesaler has to balance up. Douglas said members do want to know what others are paying. Hamish Deans said it was very difficult as we service the whole of Scotland you get different members in different areas. Each butcher has a relationship with his wholesaler some use 3 or 4 some use 1 and you do not want to interfere with that. Hamish Deans said that Alan Kennedy had done a very good job and we had not had that level of information before. He thought he had taken it as far as reasonably possible at the moment. Douglas said it only goes to the executive members. Hamish Deans said it is open book now and it can be taken back to members in our area. He said print it and the explanation that it is a month late in the newsletter. For reasons of consistency he has quoted for a company who deals on a national basis. Hamish Deans said we could print it after the executive approval at the meeting. Stuart Christie said that in Glasgow previously when he had printed these prices it caused a lot of problems. Ian Faulds agreed with H Deans that you build up a relationship with one or two wholesalers and you trust them. You asked people in general what you are paying for sirloins. Jamie Chapman said if you are in the right place at the right time. If someone has a whole load of sirloins to get rid of its your lucky day. If you want the same as what everyone else wants they are dear. Stuart Christie said he knows a couple of butchers who will phone three or four wholesalers every morning. Alan Kennedy said that a lot of the work is not done by me his wife does it for his monthly report.

John Hamilton congratulated Alan Kennedy on his display on Landward, it was great to see someone representing the Federation so confidently on the television.

John Chapman said that we should look at the way the trade is changing. Sirloins always stuck January February March. The change came with the boat race Oxford Cambridge, the Grand National and the test match but it has not happened this year and this is when it took off every year. There is a fundamental change.

Alan Kennedy asked in what areas people saw price resistance coming from customers. If we know what the market trend is we can go back to the wholesalers by having a bit of knowledge within our own association on what is and is not selling. Hamish Deans said that most businesses are different. He said that he had only been wholesaling for 18 months, if you have to cut into a side of beef, the first cut you make you have to get your money on that. Way down the line you will be left with cuts that you discount. Some wholesalers will grab the sirloins right away, other wholesalers it will be the last item that is sold. If you are cutting into a fresh carcass you have to

get a fair price from that cut as you cannot get it all the way down. Jamie Chapman said it is being in the right place at the right time you maybe get a deal. Hamish Deans said it is not a defined art, and everyone is different. Alan Kennedy said that it is only to find out where customers are having a resistance. It is better to have knowledge of how everyone else is doing. Hamish Deans said that everyone is the same if you can do last years figures you are doing pretty well. One of the reasons it is harder is to source the stock you used to get as there is not so much about, prices are dearer, lamb certainly has not come back to last year or will even come back to two years ago. Lamb is going to be relatively dear through the year, we are not going to get the big drop, those days are pretty near finished. Stuart Christie said when we had meat markets then you could walk down the isles and see what was available.

John Hamilton said that everything is going up and people's money can only go so far. Jamie Chapman said what people have been saying to him is that people are spending the same money as before but it is not going as far. We are not shifting the same quantity but if you are holding on to your drawings you are doing all right. Ian Faulds when a customer comes in for a couple of steaks and he puts them on the scales, if it was someone you knew he says just think what that will cost you if you are eating out. But do not spend it on a bottle of wine at £2.99 they come back you cannot get a good bottle of wine £5.99 is what you pay for a bottle of wine. He said that is going up as well but it is still considerably cheaper than eating out. I thought at this time is when you know what you want to get, with his very small front shop how it is controlled, he knows roughly what he wants or needs for it and it makes sense. Jamie Chapman said the public still has the perception that you go to a restaurant and a steak is £18 but go into a shop and buy it for £4.50 to £5.00 for a steak. Alan Kennedy said people with him have £30 to spend on butcher meat and are coming in and instead of a piece of silverside they are taking a shoulder of lamb. Instead of round steak take shoulder steak. They are still spending the £30 but moving down. At the angle of the trade that surely works as everyone knows you get better margins on sausages than sirloin steak and it may be the balancing act to go on for a year to 18 months.

BLUE TONGUE: Douglas Scott said that there was a stakeholder meeting on Monday on Blue Tongue vaccination which he will attend.

LABOUR CONDITIONS REPORT: Another meeting was held with Peninsula. We have also asked for another quote from another company but they have not come up with anything, which is not a good sign. Peninsula who we were happy with their quote as discussed previously. When the time comes we will progress with a launch at a central venue.

LEGISLATION REPORT: Douglas Scott reported.

FOOD HYGIENE INFORMATION SCHEME: This is out for consultation. Our view has been that we do not like it but he has been on the working group. The recommendation that went to FSA was for a four star system, they are now talking about a three star four tier system or two tier pass/fail system. What happens if one butcher gets a one star they would appeal right away etc. It is all down to the consistency of the inspector. We will be responding saying we do not want a star system at all but the pass/fail.

In the last minutes we said what are we going to do about the supplies of beef and the lack of incentive to produce beef, suggesting a meeting with the NFU. The SAMW had a meeting with NFU but he was not sure what it was about. A consultation has come out where we can air our views on the CAP and get the incentives back again to production. He will draft something and send it out for comments. Hamish Deans suggested we had a SMILG meeting to discuss this very point and we have not met the farmers for quite a while. Jamie Chapman said we had a good meeting with the wholesalers and Auctioneers. Douglas Scott said as he is at the Highland show he will ask them.

PROMOTIONS REPORT: Douglas Scott reported.

MEAT TO GO: The entry form went out with the last newsletter and will go out with the July newsletter.

POSTERS: We have been working with Hampton Associates in Aberdeen for some time to produce posters and it has been very slow. The poster themes are Local Quality From Your Local Butcher. It has taken ages to get to this idea, Return to Real Values with Your Local Butcher, Backing your Local Butcher. Servicing a Lifetime of Traditional Skills. He asked for people's views on the posters. Hamish Deans said it was good Douglas was showing initiative. Hamish Deans asked How the printer was chosen. Douglas Scott replied that John Davidson had advised him that Grampian had used them and experience of promoting food. The first job they did was the Haggis poster; many butchers commented that they did not like the poster. They have been very slow in getting their act together, with very little creative thought. Gerry Owen given the same job would have had it done in less than a month and would be something we wanted. Duncan Mackenzie asked about the sizes of the posters. Douglas said the cost of the different sizes is not over significant it is the postage and packing which costs more. We have money in the promotions budget and suggest we also follow it up with this. We have had nothing coming out since the Haggis posters. We will follow it up with a burger one and a sausage one because QMS will only give the sausage one to the Scotch Butchers Club members. So we will produce our own for sausage week.

QMS: Andy McGowan reported.

He said that we had an opportunity with Jim Royan to get back the points you wanted to. The feedback from Jim was positive. He has had discussions with Uel Morton. He said that Jim Royan has no agenda but is there to put forward what he sees is best for QMS and what we need to do is to ally the two things together to have a better relationship so it has not been ignored. Marketing appears to be the area of most concern and as such is the priority. He apologized he has not had a chance to get up to date with June to see where she is with things.

The project on his side of the drawer in particular is the local abattoir interest. The FMD recovery fund discussion on the project to look at 5th Quarter. The tender went to the MLC under the new organization led by Martin Palmer who will be managing it. John Goodman works there as well so they know there stuff. The main benefit is that they have been working with the English industry for two years. The main focus is 5th quarter, skins, hides, anything, which is disposable cost. EBLEX have thrown large sums of money at it so we are getting the benefit. They will contact people before too long if you are in the assurance scheme, in effect it is an advisory service.

One good bit of news under legislation under the waste incineration directive, tallow had been classified as a waste but appears to have been turned on its head. They can start using tallow again in a constructive fashion once it has been rubber-stamped.

Jamie Chapman asked if there was any concern with QMS with the Livestock numbers dropping. Andy McGowan said clearly there is concern about it as it affects everyone throughout the chain. A number of member states are looking bringing back some form of payment for beef production. Jamie Chapman said if you paid not to produce something then you probably would not produce it. Hamish Deans said the farmers need support for the suckler cow.

ANY OTHER COMPETENT BUSINESS:

Roy Baird on tendering his apologies today that John Duncan is not particularly well. He has had a by pass operation but the doctors feel he is too old for it.

The AGM of the St Andrews Abattoir Company is next week which Douglas cannot attend.

The AGM on the weekend of 29/30th November at the Swallow Hotel, Bellahouston Rangers will be playing away from home that weekend.

Arthur Matthew raised the problem of bone collection as Dundee City Council had withdrawn their service. He said that the cost for the service in the newsletter was just over £10 and Douglas Brae were charging over £15. Members discussed what they were doing. Douglas Scott said that we have printed Douglas Brae details in the newsletter now that Forrest are no longer corporate members. They are cheap and cheerful and do the job.

John Chapman said we should try to publicise the fact we have no representatives from Aberdeen and Edinburgh. Douglas said we get a lot of contact from people in these areas.

Hamish Deans said the regional meetings are a good idea giving the local areas the opportunity to come along.

DATE OF NEXT MEETING: Wednesday 10 September 2008.

There was no further business and the meeting closed with a vote of thanks to the chair.