

**MINUTE OF THE MEETING OF THE EXECUTIVE COMMITTEE HELD WITHIN
8/10 NEEDLESS ROAD PERTH, ON WEDNESDAY 12 MARCH 2008**

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

Plus Executive and Ordinary members as detailed below:

Past Presidents: Hamish Deans, Wilson Ferguson, Beaton Lindsay, David Jarron

Executive Members: Alan Kennedy, Jim Hastie, George Lees, Stewart Dempsie, John Hamilton, Duncan Mackenzie.

APOLOGIES: Ian Faulds, Arthur Matthew, Billy McFarlane, Roy Baird, Jack Meade, Mark Barnett, Adam McLay, Graham Murdoch, Jim Preston, Hugh Pender, Murray Lauchlan, David Lindsay, Andy McGowan - QMS.

MINUTE OF PREVIOUS EXECUTIVE MEETING:

On page 5 Livestock report second paragraph line 5 should have 8.4% instead of 7.4%. Page 6 second last paragraph first line should read 27,000 tonne instead of 57,000 tonne. Page 6 third bottom paragraph third line should read; "the board would not" instead of "the board could not". Page 9 last paragraph line 11 should read Scottish Meat Training Assessors who got the blame" instead of Scottish Meat Training Assessors who were to blame.

Minutes of the meeting held in October were approved subject to the above corrections, proposed by Duncan Mackenzie seconded by Stuart Christie.

CHIEF EXECUTIVE REPORT: Douglas Scott reported.

Many of the meetings in the last month were pertaining to FSA and will be covered under the Legislation report.

H & I ESF MONITORING VISIT: We received a satisfactory report back from them. If we had not then we would have been in danger of losing some cash. They commended us on the presentation of our financial evidence to support our claim.

MTJ JOURNAL: Editor Ed Bedlington and Martin Goult visited SFMTA while they were in Scotland for two days in February. We had a frank debate with them and they caught up on the issues in Scotland. National Butcher's Week campaign was also discussed.

The month has been further consumed by completion in ESF claims and by the production of the handbook.

MEMBERSHIP AND DEVELOPMENT REPORT: Beaton Lindsay reported.

MEMBERSHIP:

321 members have paid to date, 33 outstanding

Information packs have been sent to: Andrew Kirk, Kinghorn
2 New members: H Hunt & Son, Carntyne; Bel's, Edzell

Resignations Scott Longster, Clydebank has two shops.
(The son took over the business and cannot afford the membership at the moment.)
The Honest Food Company, Hawick –
[no reason given]

Paid members will be listed in the handbook if they had paid by 7th March a final letter will be sent out w/c 17/03/08 suggesting that services are withdrawn at the end of the month if payment is not received. A phone call will be made to the 33 to find out if they are considering rejoining.

CORPORATE MEMBERS:

We currently have 21 corporate members; 5 corporate members have re-paid.

We have had a request from GMC Corsehill Ltd to join as corporate members. The company supply butchers with all hand washing and drying systems including the new hands free systems from Go Jo Industries. They also supply all other hygiene products ranging from wash clothes, odour control systems, hard surface cleaners and sanitisers from suppliers such as Evans Vanodine and Jeyes with free dosing units being installed where required. A free COSHH training service is also provided with Certificates being issued to all participants and wall charts and instruction leaflets being provided free of charge. It was agreed to invite GMC Corsehill Ltd to become corporate members subject to check with Ayrshire members on the standard of quality and service.

REGIONAL MEETINGS:

The last three meetings with the format of a two course dinner were at Glasgow with 21 people, Dundee with 17 people and Oban there were 4.

The final two meetings of the eight in the first quarter are at

Monday 17 th March	Glen Mhor Hotel, Invernes
Tuesday 18 th March	Redgarth Hotel, Old Meldrum

HANDBOOK: The handbook has gone to print. We have £3995 in advertising income which matches the printing costs. Mitchells of Letham have decided not to advertise on the back page of the handbook this year.

MEMBERS QUERIES: Two members have passed on queries to our office in relation to tendering for public sector contracts. This is the first time that this has cropped up at our offices but wonder if this is an area in which members need more help.

Stuart Christie said the Glasgow regional meeting was excellent. George Lees asked about the feedback from these meetings. Jamie Chapman said they were positive and people have enjoyed sharing problems. Douglas said at the Borders meeting they were exchanging phone numbers etc. Jamie Chapman said they are not particularly well attended but the ones that are there feel it is worthwhile coming. Hamish Deans said if we are getting good reports from the meetings we should continue them.

LIVESTOCK REPORT: Alan Kennedy reported.

He said before he started that there are one or two things here contradictory but reflect the volatility of the market.

Prices this month have continued to rise as the ban on South American beef bites, live steers showing a rise of 1.6% to 147.7ppk, and heifers showing an astonishing 7.4% increase to 150ppk on the month, based on averages from the Forfar mart for February. This may be partially due to the quality of heifers being very high, however prices seem set to rise further again, this despite quite good numbers at market. There are about 100 to 120 cattle going through Forfar. On a Wednesday pitches up from about 80 to 90 about this time last year.

Lambs showed no change in the month. Scottish Premier unchanged at 3.09ppk. There are bargains to be had with lamb cuts if you look e.g. lamb loin at £4.80/kg. But chats he has had today he has been hearing that Lamb has rocketed in the last week and looks likely to do so again. He

does not have figures for this week, as the lamb market for Forfar is this afternoon. Jamie Chapman said that good lambs at Lanark were making £70 on Monday in the North of England they were saying good lambs were making £80. David Jarron added that his lambs last Wednesday were averaging 1.35 per live kilo. Alan Kennedy said that he was about the same.

Deadweight pigs have also stayed stable, boneless pork loins still being a useful buy at £2.99 kg. Be aware that live prices have still to filter through completely on to wholesale lists, so rises will continue. There are some variations on the price of boneless cuts, and I would again urge members to spend some time haggling with suppliers. These differences are lessening, however, as supplies continue to tighten. A few weeks ago differences were 60p to 70p and as far as he could see that have come down to 20p to 30p. He said the more whole carcasses he can go through in the shop the more you will make and the better percentage on especially with pigs.

On the subject of beef prices, I spent some time comparing dead weight values bought live with the price of sides from wholesalers.

The average price for heifers which I bought live in February was £1.43/kg. This translates into a price of £715 for a 500kg animal. Presume a 60% carcass return, and this means that these sides are hanging at £2.38/kg. The cost of kill, haulage and delivery would be £124.85, taking the price of these sides to approximately £2.80/kg. This, I accept, is an undressed weight, but remember to subtract the value of your hide (£19) and also the offal and tail which more than covers the value of dressing the sides. Last week Mathers were charging £3.09/kg for R4L sides-29ppkg higher than my figure of £2.80. This comes to a saving of £87 per carcass. If someone is going through 2 or 3 cattle a week it is worthwhile going to market if it is convenient for them. Members who have a convenient auction mart (we are obviously close to Forfar Mart) should consider live purchase as a way of increasing profit and stopping the market from being dominated by a few large wholesalers.

I would now refer you to the price comparison chart. Various rises are there to see, but it all boils down to a month on month rise of 1.1%, which I think may accelerate in weeks to come, as cattle bought in the past weeks come forward onto the boneless market.

Rib Roasts have dropped back that's the price of rib-eyes is £11.50 last month it was £12.12 and one or two of the more domestic cuts such as mince are increased. H bone steaks surprisingly have gone up as well. Averaging a 1.1% rise on the month not to be forgot on top of the 10.43% rise on the previous year. Next month he thinks we will see a similar rise again.

I would urge members not to delay in implementing price rises before it is too late, as I think all livestock prices will continue upwards at market. Better several small prices than a large catch up later in the year.

Further cheer comes from the news that St Andrews Abattoir has raised its killing charges as from March 3rd. Cattle will now cost £58.63 per head for processing, a rise of £3, sheep £10.38, a rise of £1 and pigs £15.42, a rise of £2. For us this total will amount to £3000-£3500 per annum. It all has to be paid for.

Finally bacon, in the past month all prices have advanced, some by as much as 8% (good quality sweet cure/ smoked backs). I shall watch this carefully over the next month and report in due course.

He updated with today's market prices: Steers 146.7ppk live, Heifers 143.6ppk live.

Heifers reported a big drop on what was reported at the top of his report but the quality was sadly lacking today. He said that probably for the good quality cattle it would be about the same.

John Hamilton asked what the killing charges were sheep for St Andrews. Alan Kennedy replied that they were sheep £10.38, Cattle £58.63 and pigs £15.42 which is fully inclusive of all levies as of the 1st March, adding this needs to be considered when pricing things.

Stuart Christie asked about hides. Alan Kennedy replied £19 for hides and nothing for skins. Jamie Chapman said he gets £22.50 for hides and 50p for skins. Stuart Christie said he gets 80p for sheepskins.

Hamish Deans explained that the abattoirs on the east coast do not have ready access to collection center for hides and skins and the cost of haulage of hides and skins is quite considerable. The product has very little value and to haul it is costing a great percentage of the value. Jamie is quite close to a collection centre and there are other abattoirs in that area that helps. It is expensive if an abattoir is getting a lorry in specifically and still MHS recommend clearance every night. He said it is like the old Forrest situation with offal, you are very much in the hands of what they will do. Alan Kennedy understood the situation. Jamie Chapman said that Stuart Christie was on the doorstep of Sandyford Abattoir so there were no haulage costs.

Alan Kennedy asked Jamie Chapman to go through the abattoir levy charges.

Jamie said that two things happen with provision for levy charges from April to be raised as follows:

	FARMERS CHARGES And % RISE	BUTCHERS CHARGES AND % RISE
CATTLE	£3.50 increase to £5.25 (50%)	£1.07 increase to £1.75 (63%)
SHEEP	50p increase to 60p (20%)	17p increase to 20p (17%)
PIGS	65p increase to £1.07½ (64%)	20p increase 27½p (37½%)

He continued saying it is sign sealed and delivered and passed we have really just to live with it. We can only assume that we will get a much better service from QMS and possibly scrap the Scotch Butcher Club fees. He said the overall levy on cattle is £6.20 if you buy live at the market you get £5.13 given back to you and at slaughter you pay the full £6.20.

COLLECTION OF LEVY

From April MLC is no longer collecting the levy, QMS are going to collect it themselves. What they now want is for abattoirs to set up a separate bank account where the funds are held in trust for QMS. When QMS bill us it is then paid back out of the account. It is going to be double handling, the expense of opening and handling a bank account. QMS think they will save in excess of £40k per annum by not employing MLC to do it for them. In reality it will cost everyone who is doing it double the time and double the handling. Hamish Deans could not understand why they were doing this. If QMS collect the monies it cannot cost more than the MLC system so they have a golden opportunity to make it better. He suggested the only reason this is being introduced is that it is in case abattoirs go bust. But if an abattoir is going bust that would be the account that would be run down first. Jamie Chapman agreed if firms were going to fail they would not pay into such an account anyway. He had spent an hour on the phone to Uel Morton at QMS last week about this. Jamie had a lawyer to read through it and it is very similar to National Insurance legislation and you do not have much option with it and you must do what the law says. Jamie revealed that QMS have said they are open to suggestions, obviously they have been forced into trying to have certain guarantees that money is being paid. Hamish Deans said they have a golden opportunity and they are only collecting for 28 people for the whole of Scotland. The bill comes in approx 10 days after the week it relates to and he pays it immediately. The way QMS would like to do it is that it will get paid into a separate bank account and it is billed at the end of the month and you will have a further four weeks to pay it, they would be waiting 8 weeks to get their money. The discussion with Uel Morton was regards what would be the easiest way to pay it and Jamie had asked to leave it as it is at the moment and if we are happy with it we will pay it. Uel Morton said that this would be against the legislation which says you must set up a bank account. Jamie suggested to him to set up a bank account and put four weeks money into it and leaving it there as held in trust for QMS and we would get the interest on the account and pay the bills as and when they come in.

Hamish Deans added that if an abattoir is going down it is grabbing at everything to pay its wages and the MLC is the last of its worries. It looks nice written down but in reality it does not make any difference. Uel Morton had suggested that it looked good in comparison to the National Insurance (NI) collection and was quite generous. Jamie Chapman said that the Scottish Parliament have passed it so there is not a lot we can do. David Jarron said NI is paid through the Payroll so is slightly different and tax is paid at the same time into the same coffer. Hamish Deans said it is different as it is being collected from employees and deducted at source. If you are billing your customers then you are waiting until they pay and you can wait two months in some instances. Jamie asked Uel Morton if someone did not pay its levy would the abattoir still be liable for it. This was going to be checked by QMS.

Hamish Deans said this is a good point are you going to pass it on when it is not paid if you are just acting as a tax collector. He did not think they had thought this out properly.

Wilson Ferguson referred back to the previous discussion and what is the charge coming forward to butchers for setting up the bank account. If they insist that money is paid in and back out then there is transaction charges on it every time. Hamish Deans said the biggest problem is that the abattoir is supposed to do this weekly so you are paying three weeks in advance minimum probably six or seven weeks. Jamie said if someone does not pay you then you are liable for their levy. Hamish Deans said that you couldn't add onto the levy. Wilson Ferguson asked if it would cost the butchers more? Jamie Chapman said if it costs the abattoir more it would be passed on somewhere. Hamish Deans said that the costs are isolated on Galashiels invoices with a slaughter charge, MLC charge and also an inspection charge. He said the whole point of the way this was originally set up was that abattoirs bought their own meat and sold it. So when they bought their meat at the abattoir or directly at the farm the charge was deducted at what they got paid so they should pay immediately. What they had not taken into consideration was the contract abattoirs which are entirely different so we should sort this out now.

Hamish Deans said we should put a paper in why they should not change it. It's the thin end of the wedge and there will be other things coming in. He said the big problem is the huge increase of 63%. Wilson Ferguson said the 63% is huge what value do we get for that. Jamie Chapman said they want more promotion they want more research. Wilson Ferguson said what value do we get from this? Jamie Chapman said what value do we get from it now? Wilson Ferguson said if we pay the increase what value do we expect to get from it. Douglas said we did ask in the consultation on what butchers would see for the increase. He suggested it was something he surmised we would take up with the new QMS Non Departmental Public Body.

Wilson Ferguson said at the start as non members you still got all the materials sent, so if you are not a member you still got the stuff. Douglas said that we do not see it at all at the office.

Douglas asked how it was left with Uel Morton. Jamie Chapman said that he was going to come back with his thoughts on collecting the levy. Hamish Deans said we should write a letter to QMS referring to our meeting today and our discussion on the points which have been brought out. Alan Kennedy said we should send a copy to all stakeholders, NFU etc because he thinks it is an open question so that the other interested bodies know we are asking questions what QMS are about.

Jamie Chapman said the National Beef Association (NBA) said that the retailer needs to do more to sell their cheap cuts to get more value out of cattle. Douglas said that Kim Haywood at the NBA phoned up and admitted she got it completely wrong she meant to say multiples.

The meeting **agreed** that a letter be drafted to QMS.

Stuart Christie said that Argent is increasing its prices by £1.50 per collection as per 1st April due to the increase rendering production charges.

Jamie said with the take over at Forrest by John Bogie (Dundas Chemicals t/a Caledonian Proteins) a process of modernisation has begun at the plant. Reduction in staff numbers and

overheads it is hoped to reduce costs. He said that William Forrest has changed its name to Argent Oils Limited but apparently that they have been put out their offices by Dundas who bought the rendering plant. (see report March Newsletter)

Alan Kennedy said he is getting phone calls from Douglas Brae for collection of bones and trade waste. They are quoting £20 an uplift regardless of quantity within reason. The only problem is they can turn up at your door with a dead cow in the back of their lorry. In Angus they still have quite cheap local authorities collection though it is marginal now and is still an awful lot cheaper than Forrest is charging. Hamish Deans said in the Borders the farmers have a disposal scheme by the Government and a collection from the abattoir is twice the charge of what the farmer would pay. Stuart Christie said there is an article in the *Scottish Farmer* by Dan Buglass that the farmers should watch what you are owed by the meat plants and make sure there is not more than one weeks cattle not paid for as there is a rumour that a company in Scotland is about to go. Hamish Deans said it was the first time he had heard Alan Kennedy's Livestock report and it is very full.

FINANCE REPORT: Douglas Scott reported.

MEMBERS SERVICES: looks good as we have invoiced for subscriptions, with some losses but some gains too. An income of £89,142 we would be hoping to get that. The promotions budget is under spent in January which is looking under spent in the year but that will depend on what we decide to do.

SCOTTISH MEAT TRAINING: The Finance Committee was concerned about this account. We have underachieved on the Scottish Enterprise budgeted figure for January and the Finance Committee hope to hear from Sandra later how that might be addressed and how it occurred. We are contracted to and budgeted to £142K and that we would hope to achieve. The Highlands and Islands area is on target. European Social Fund (ESF) is the other area of concern as we still have no approval for the project for 2008 which means we have £21K to come in against budgeted income for ESF for £64K more for the rest of the financial year up till the end of August. If we did not get that sum it would be serious. The update is that Jim Millard of the Government department that looks after ESF is having a meeting with Europe next week and is hopeful to get a resolution. Donald Mackenzie of Highlands & Islands could not see how the projects could be turned down. There are lots of re-assurances but it does not help when the money is not in the bank. The other disappointment is that we have still to receive money from the Northern Ireland project, we have new starts there which will bring in a lot of money and it looks like we will get that in March. After that the payments should come through quite steadily as people achieve milestones. The problem initially has been getting SMT on their system, the trainees approved and the payments started. We are budgeting to bring in money from England but we have not registered anyone as yet.

The committee have asked for a note of the bank accounts as at the end of February on a reconciliation sheet. He said the cash flow is particularly worrying because of the lack of income and is further compounded by the dependency on ESF and income from that later in the financial year. He said there is cause for real concern but we hope there is a way out of it.

Wilson Ferguson asked if our share portfolio had suffered quite badly because of this. Douglas said that we have never touched the share portfolio. Hamish Deans said it was an opportunity to buy more if we had some money.

Hamish Deans made an observation and it was not to be seen as a criticism in anyway. The accounts at the end of December showed an overdraft of £24,000. He tried to think back to when we were last in that situation it could be 20 years but certainly 17 years. He said that this could be a warning and if the other money is not coming in we should bare that in mind. He said there will be a crucial point as far as the ESF which is out of our control but at a point where we will have to seriously consider the structure of the Federation. He repeated it is not a criticism but more of an observation. Douglas agreed with him. Alan Kennedy asked if it was something we should be looking at now. Jamie Chapman said we are looking at the options. He said that until we know about ESF, if it is stopping we will have to adjust. We should know within the next month. Jamie Chapman said that we have done calculations for charging for training etc. Duncan Mackenzie

said that ESF is going to cease at some point and we are maybe too reliant on it at the moment. Douglas Scott said if we can get it should last until 2013. It tapers off in Scottish Enterprise area but not in Highlands and Islands area so there would be a gradual easing out of it. He said that if the money does not come in from ESF we would quickly focus our attentions else where and it would be ploughing more resources into Northern Ireland, getting trainees started and more milestones can be achieved there and the same can be said for the North of England. In Scotland the funding is only for 16-18 year old trainees and restricted numbers for restarts. The situation has come about because Scottish Enterprise has been cut back for the last two or three years and this is only now starting to show up with the low number of new starts. Wilson Ferguson asked if it was cost effective to train in Northern Ireland. Hamish Deans said the figures do not show this at the moment. Douglas assured them that even with start up costs, training a new assessor and no income at all at the moment it will be cost effective by the end of the financial year. Hamish Deans observed that Scottish Meat Training has spent £9k but no income at all.

LABOUR CONDITIONS REPORT: Douglas Scott reported.

NATIONAL MINIMUM WAGE RATES: There will be an increase in rates from 1 October 2008, the new rates are as follows;

- Workers aged 22 and over – from £5.52 per hour to £5.73 per hour.
- Workers aged 18-21 – from £4.60 per hour to £4.77 per hour.
- Workers aged 16-17 – from £3.40 per hour to £3.53 per hour.

Hamish Deans said he could see the principle of raising the minimum wage which will give everyone a decent wage. He says it has far more reaching implications for our staff as they always rate themselves so much above. Instead of £2 above it is now a percentage this is why butchers assistants are very expensive now. David Jarron said our industry is way behind other crafts like plumbers, joiners, it is sad we cannot reflect it. Hamish Deans said we cannot sell time in the shop. Wilson Ferguson said that his shop has two wage increases in the year. One in April and another in October with the minimum wage increases the second is to maintain the gap with the minimum wage.

TRAINING AND DEVELOPMENT: Sandra Lennox reported.

TRAINEE NUMBERS: In this final report before the end of the training year, our trainee numbers are relatively steady. Since January, we have registered 13 new starts and have successfully extended our original contract from 5 LEC areas to 9. We only have one outstanding request for a skillseeker training place and that is in SE Edinburgh and Lothian. Our contract manager is currently pursuing this for us.

We have a total of 18 trainee certificates awarded, with the expectation that at least 4 more will be available for presentation by the end of March.

SE CONTRACT: I have very little to be able to report to you this month regarding the state of play with the SE contract. The current situation is that the Lead Contract Managers have completed the work that they have to do to prepare the details of the contracts and that the documents are now with the interim board of the new agency, Skills Development Scotland.

The interim board has asked for more time to consider the contents of the proposals from the Lead Contract Managers and although our Contract Manager is still hopeful that contracts will be issued by the end of March, he cannot give a more accurate timetable than that.

I do know that we, SMT and SFMTA, have done everything in our power to show proof of employer demand in all LEC areas, engaging the help of our Sector Skills Council Improve and also Scottish Ministers along the way.

HIE CONTRACT: There is a similar story coming from HIE with regards to the forthcoming issue of contracts. There is a stronger indication that we will be awarded a broadly similar contract to that which we operated this year. But HIE will be brought under the umbrella of the new agency, Skills Development Scotland, and as I have just reported, the interim board has asked for longer to consider the contract proposals from contract managers.

It will be vitally important that SMT fulfils the contracts offered, in terms of starts and achievements. Every training provider will be subject to scrutiny as the new agency will be expected to show results to the government. Therefore, I will be reminding members throughout the coming year of the importance of involving recognised training schemes, such as those provided by SMT, in the development of your staff and in the recruitment of young people into our industry.

ESF: There is still no decision regarding the future of ESF funding for the Meat industry, despite our continued lobbying.

We were subject to a Highlands and Islands ESF financial audit for our last ESF project on 29th February and I am very pleased to report that the auditor concluded that there were no issues or action points. All credit is due to Douglas for his careful monitoring during the project life.

We have recently heard that our project has been nominated as a finalist for an award in the category of 'Best practice in publicising ESF funds'. Douglas has provided an explanation of our publicity efforts and our 'goodie bags' and voting will take place during the day at the celebration event being held in Glasgow on 18th March with prize-giving at the dinner event in the evening. We have a place available for the dinner event and Duncan Mackenzie volunteered to go to attend.

NORTHERN IRELAND: To date, we have 53 trainees registered in Northern Ireland with an additional 12 trainee names just confirmed to be registered as soon as can be arranged.

Our arrangement with the Food and Drink Training Council allows us to operate in Northern Ireland as a sub-contractor to their own contract with the Department for Employment and Learning (DEL). In essence, the Food and Drink Training Council receive the funds available under the 'Training for Success' scheme which is the title under which apprentices aged 16 – 24 are trained in Northern Ireland. Food and Drink Training Council then sub-contract the delivery of the training, and we have successfully gained control of the retail sector training. Payment for our services will take the following form:

We will receive an initial payment of £250 per trainee for induction and registration; we then receive 4 payments of £300 during the progress of the qualification and £900 payable on completion of the level 2 apprenticeship. £2350 in total for each of the trainees who complete their qualification.

There are strict criteria for the registration of the level 2 apprentices, they must be aged 16 – 24, must not have completed a level 2 qualification previously, must be in full time employment and have the full agreement of the employer and parent or guardian. These criteria are required to be confirmed by Job Centre staff before the Food and Drink Training Council can request payment and then pay their sub-contractors for the work carried out. As you will be aware, the more 'bodies' involved in any process, the longer the process takes. As a consequence, there has been quite some delay in SMT receiving payment for the registrations completed to date. Geoff Lamb, who is our partner in Food and Drink Training Council, is pushing hard for our trainee details to be confirmed by Job Centre and authorised by DEL. He has received assurances from DEL that our work is receiving priority attention and that funding will be released this month. Unfortunately, until that funding arrives in our bank accounts, it is causing us concern. However, there is still so much potential for success with our involvement in apprenticeships in Northern Ireland and I am confident that the decision to expand into the region is the right decision to have made.

I am closely monitoring the work carried out by our assessor Malachi McCann and ensuring that he is working as efficiently and cost effective as possible.

NE ENGLAND: Richard Sneddon will begin work with the first of the employers under our Train to Gain Contract next week. As each employer comes forward, their eligibility status must be confirmed by Skills Broker Colin Bunn prior to being included in our contract allocation. I would expect to be able to report further in my next report to you in April.

Sandra said we had a very unlucky 2007 in Scotland in so far as a slowdown of achievement of qualifications for a number of reasons. One of our assessors was ill for quite a long time which I am sure you are aware of. The remaining assessors Gordon King and John Farquhar had to do their best to visit the trainees within the Scottish Enterprise minimum standard of every 13 weeks. So they had to get priority visits from John and Gordon. As a consequence of that there has been a slowdown of achievement. Added to that what both Sandra and Douglas were aware of the fact that there was the potential for what is actually happening towards ESF to happen. We started to build outside Scotland to help shore up Scotland. Scottish funding is very closely tied to 16-19 year old age group. The majority of people who work in our industry are not in that age group, so there is a gradual slowdown of people we can start. In order to look outside Scotland we had to recruit other members of staff. We had to recruit someone in Northern Ireland as we knew it would take off very quickly. We first of all had to find him, bring him over to train him and put him back to Northern Ireland to train him further. This support continues. While Richard Sneddon was off we were looking towards the North of England and in order to support our contract bid. The only way we could do that was to show we could service the area once Richard came back to work. The only way to do that was to bring in another person to allow Richard to pass on some of his trainees to allow him to go into the North East of England and work. There have been heavy costs involved with two new members of staff. She was fully aware that we were underachieving in terms of the forecast but the only positive thing she could say was that she could see the situation will not continue. Sandra has assurances that money will be released in Northern Ireland to cover the costs involved. Assurances have been given that it will appear in March.

REPRESENTATIVE AT IRISH TRADE FAIR: We have been invited by ACBI to put forward one of our young butchers to compete in a Four Nations Skills Demonstration to be held in Dublin on Sunday 20th April. Steven Strachan from Henderson's has agreed to fly the flag for Scotland. We wish Steven success and I'm sure that he will enjoy the event and the hospitality.

IMPROVE: The Learning Provider Group meeting was held in our offices on 6th March. Terry Fennel, Apprenticeship Manager and Kelvin Thomson, Scotland Operational Manager attended on behalf of Improve as did representatives of food and drink learning centers in Scotland. The main item on the agenda for the meeting was the progress of the level 2 modern apprenticeship for Scotland.

Improve reported that they had successfully met with the Modern Apprenticeship Group (MAG) who are responsible for the accreditation of all Apprenticeship frameworks and that they have the tentative approval for the framework which the learning group had agreed should be put forward. The framework is based on the successful SkillsXtra format, so that the proposed level 2 Modern Apprenticeship framework for Scotland will contain SVQ level 2, 5 core skills at access level 3 and an additional unit of learning beneficial to both employer and trainee. Our own craftsman certificates, individual butcher certificates and customer service awards are accepted as additional learning for this framework.

Improve have also met with SE representatives to put the case for the level 2 MA framework to be funded and this has been well received but a decision can now only be made by the new agency, Skills Development Scotland.

MTC/WCB TRAINING AWARDS 2007: Some of you will be aware that every year, we are invited by MTC/WCB to propose suitable candidates for a variety of awards for their involvement in training.

I am delighted to report to you that this year Barry Parkin from Scott Brothers in Dundee was awarded 'The Quality Meat Scotland Award for Outstanding SVQ candidate of the Year' and that

Declan Robinson of O’Kane Meats in Claudy, Northern Ireland, has been awarded ‘The Worshipful Company of Butchers Award for Outstanding Candidate of the Year in Meat and Poultry Education Achievements’.

Both Barry and Declan travelled to London on 26th February, with representatives from their businesses to attend the annual prize giving ceremony. The ceremony took place in Butchers Hall and followed a magnificent luncheon. I know that all who attended enjoyed the day and we have photographs from the presentations which will be included in the next newsletter. I would like to say how proud we all are here in Scottish Meat Training; the awards were very well deserved.

Wilson Ferguson asked if it was mandatory to put staff through a hygiene course. Douglas said that you should have training commensurate to your responsibility. They may say in a supervisory position you may be expected to have Intermediate HACCP or Intermediate Hygiene certificate if you were covering high risk products. You could argue against it being actually certificated as long as the training had been given. Sandra Lennox added that SMT does provide certificated hygiene training to every new trainee.

Alan Kennedy suggested that we had minimum charges for training. Sandra said that we could charge for registration of the certificate itself. We had a couple of enquiries about training in Northern Ireland and the costs involved, when they were presented with the costs they said they did not need it. Sandra went on to explain the funding structures in Scotland, England and Northern Ireland.

One of the questions that Sandra hears it is often assumed that part of the membership fee is towards training. Duncan Mackenzie said a lot of members do not see what the membership fee is for, but unless you come here, read the newsletter to see what is going on then 90% of the membership are paying there fees in case something happens as a back up. Scottish Meat Training is a separate company and Hamish Deans said a lot of members need to be encouraged to take on training. When you take on an apprentice it takes you a while to find out if they are suitable and going to progress. A lot of apprentices leave within a year. We are reducing the timescale down, which has a major affect. If we start charging he thought we would get less, adding it is not a criticism in anyway because it is a difficult year. There is a lot of things outwith your control it is commendable how Sandra has tackled it. He wondered if the right road trying to supplement our set up in Scotland by going to Northern Ireland and England, he found it very difficult for him to equate how we have probably the best set up for young butchers, yet we are the only nation that does not get encouraged to do it. The whole policy of setting up Scottish Meat Training for the Federation was to benefit our own butcher members. He thought we might stretch ourselves too thin, getting into overdraft, obviously the expense in Ireland has accentuated the overdraft in December. He said it was worrying him as they were looking at figures to the end of January and he is now being told six weeks after this we have not received a penny yet. He was worried about this. He repeated that it was not a criticism but an observation. Wilson Ferguson noted that in Ireland support covers 16 – 24 age group as opposed to 16 –19 age group in Scotland which is a 5 years of a gap.

Douglas Scott said that Andy McGowan is helping is with this putting the paper together with the help of the training providers in Scotland and Grampian and McIntosh Donald. Alan Stevenson has had quite a bit to do with it as well. The paper is going to Scottish Government to rectify the situation because it is crass stupidity. Our training numbers are 260 but that includes 50 in Northern Ireland. Those who are funded by Scottish Enterprise and Highlands and Islands amount to 106 if we were down to a total of 106 trainees SMT would be in trouble. Sandra said it is a huge problem, we can only register 16 –19 year olds, how many are coming into the industry and how many can we retain. She said it is quite right to see how they bed in as if they leave it affects our performance figure, and further cuts down our funding figure. We hope when we register the person is bedded in and going to stay on. Hamish Deans asked if QMS could help with funding with their 63% increase, we need to encourage youngsters into the trade. They could maybe pick up the shortfall and take away some of the risk. Douglas doubted if that was within the remit of QMS. Jamie Chapman said one of the things with Northern Ireland is that it is a complete virgin

market, an opportunity to get in first, set it up get it going, get the income. David Jarron said in fairness it is the same in any business there are start up costs, it should be given a chance. Jamie Chapman said if the 50 go all the way through at £3,000 each it is a nice little income. Alan Kennedy said there is no more logistical difficulty for Northern Ireland than for Caithness. Sandra said it is cheaper to go to Northern Ireland than it is to go to Inverness. Alan Kennedy said we should stop thinking purely Scotland and more of an organisation with a marketable product and he did not think we should be worrying about expanding into Northern Ireland and England if these are feasible for us to do and stop thinking it is over there or down there. Wilson Ferguson asked if there was a difference in attitude between the Scottish and Northern Irish trainees. Sandra said that there was and the main reason is they are more committed; it is new to them and they have been offered this for nothing. In Scotland it is taken for granted a little bit. Douglas said the attitude is different from the employer to release the trainees which is much better more supportive and for that reason they are getting results, some in as little as nine months.

LEGISLATION REPORT: Douglas Scott reported.

MHPF: Vertical Column situation has not changed much in the last month. There had been informal soundings made to speed up the process. We were told it is still three months so the end of the scrutiny will be 25th April. After this, publication in the European Journal would be required and this could take two weeks there after take three working days for FSA to introduce the UK legislation. Drafts would be ready for ministers for the 21 day lying period.

MINCE: The FSA included a proposal for a national measure to dis-apply the length of time between slaughter and fresh meat, it consultation only to proceed if it was acceptable to the EU commission and other member states consulted in parallel. During the consultation the Commission was concerned by the UK proposals and it was agreed the proposals would be dropped. A meeting was held with commission officials and suggested FSA could submit more specific proposals to EU and members and their technical standards director. For this revised application FSA would want to set out some technical requirements for different species and given circumstances rather than dis-apply the legislative requirements in this area. An example would be to set a limit of mincing within X days after slaughter and marketed a Y day matured. The national square mark would have to be applied to this product containing the letter N towards UK and the approval number of the establishment where the meat was minced and packaged so it is clear it cannot be traded with other member states. Industry, mainly multiples through wholesalers voiced it was not in favour of the square mark. The EU was not in favour of the proposal. It was felt as an aside that South American Beef and New Zealand lamb probably fell foul of this legislation which was being ignored. The UECBV seem to have support of industry of other member states. Kenneth Clarke (FSA) who introduced this subject felt he was a lone voice who raised this issue at European level. It was agreed to try and present scientific evidence to prove that time regulation was unnecessary. To convince FSA the argument would have to be science based and evidence based and ask that the research should look at this to prove there was no justification for time. At the moment it is a stalemate, it will only affect those who have meat plants and retailers supplying large quantities to other than the final consumer, it does not affect retail butchers.

FSA SATURATED FAT: FSA plans to increase awareness to consumers of saturated fat and the affect on health. The four key proposals were improving consumer awareness and understanding of healthy eating with the particular emphasis on the impact of saturated fat on health. Encourage promotion and the uptake of healthy options such reduced fat products, healthier ranges. Encouraging accessibility of smaller food portion sizes and encouraging voluntary reformulation of mainstream products through use saturated fat and energy. They are hoping to have things ready to go for 2009. He said there are problems with a consumer awareness activity in January in as much as SFMTA have no messages with which to counter. We have little knowledge of the saturated fat content in butchers meat product and even less of the products which have been reformulated to take account of health considerations to reduce it in their products. Consequently we have nothing positive to contribute to the programme. FSA Scotland is keen to assist and start dialogue with us and seasoning recipe suppliers to help develop changes in consumer awareness.

They will start by examining the 2007 Abertay survey which was published in the Newsletter of the salt and fat content in butchers beef sausages. Results of this project revealed that it was not the fat that was the problem in beef sausages but the salt. The aim would be to articulate the recipe changes to demonstrate that reformulation is not necessarily bad for business and encourage butchers to react to changes. A paperwork exercise could establish the nutritional value of meat products and there is no reason why this should not be used to promote butchers products and give them competitive advantage. FSA accepts that choice is paramount and it is up to them to promote healthy choices. This of course encompasses health policies and is central to the National Food Policy which is to be finalised in the summer of 2008.

FOOD INNOVATION @ ABERTAY: this was the organization that tested the 23 butchers beef sausages throughout the East of Scotland back in the summer. They are keen to work on a project in Dundee which can access funding for us to develop a recipe and test butcher's ability to make the product the same way, to test those products to check the nutritional value and the composition. We would be able to put forward the nutritional value and also put forward an alternative healthy eating product.

Wilson Ferguson said that June Lomax QMS was going to look into photographic portrayal of visual lean (VL) for recipes meat content which is all critical to it. Douglas said FSA were aware that a big problem is judging the VL of the meat. Wilson Ferguson said the Germans have a way of doing it with a scanner and it was a lack of consistency that was our biggest problem.

Colouring meeting on 27th February. This was an elaborate presentation to industry video linked to Aberdeen on natural colourings to be used as opposed to synthetic ones. The message which came over was that there were lots of natural colourings. McAusland Crawford was represented at that meeting in Aberdeen and as a result of that they have invited FSA to their premises to see the blending of seasonings. Both parties need to understand the functions of seasonings. McAusland Crawford would therefore work with Abertay to provide seasonings which would take sausages into the amber category and that would not take much to do.

SCOTTISH FOOD ADVISORY COMMITTEE: There are new draft regulations for food labeling. This would possibly be through by the end of this year with implementation in 2011. It is more likely going to be 200. This is for nutritional labeling on the pack if you are pre-packing and for those outside your own business.

Country of Origin labeling is voluntary is not just a country but could be a place as well. If you use it then it is mandatory to use it in a particular style which has still to be worked out. They are keen to expand voluntary information to other meats. Douglas suggested we should seek removal of mandatory beef labeling since it limits consumer choice. The verification requirements in order to tell the truth i.e. what is on the passport restricts the factual reporting of the origin of beef. Why should Stirlingshire Turkey, Lothian Chicken, Hebridean Lamb deemed desirable and it is not possible to describe Perthshire beef without expensive certification. There is a butcher in the Borders who has been asked to take down the name of the farm as they did not have certification for it. Butchers can only say UK or Scotch (under the PGI) and so you are restricting the consumer choice and the customer does not know it comes from a local farm. We could argue this under sustainability to point out the consumers want to know they are buying local butchers produce. The Commission is also concerned about barriers to free trade and it could be argued that beef labelling is very restrictive. If there was a desire we could pursue it this

Allergy labeling: this will become mandatory for foods sold loose.

Distance selling will also be taken under a review of this with EU legislation and where there are national schemes such as Red Tractor and Soil Association would expect them to be included into it.

Moves should be made, ahead of it becoming mandatory, to assist Federation members to provide nutritional information about the products they sell. QMS could lead with the nutritional values of

beef, lamb pork including offal. Depending on how this moves along, we could have a similar board to the beef labeling board which would be interchangeable showing what meat products and cornflake pack style label about nutrition. The way trends are going customers are going to start to asking these kinds of questions. Food labelling changes are going to take place in 2011/12.

FOOD HYGIENE INFORMATION SCHEME: Perth & Kinross will be completely covered by the pilot scheme and Fife and Edinburgh will be seeking to expand their existing pilot. South Lanarkshire and North Lanarkshire have got different system which is a 3 star web based system. Both of these do not allow for re-inspection if the businesses are not happy with there ratings. FSA are considering at present for a National score on the doors scheme, based on a four tier system, three tiers and a fail which is a star rating system with a descriptor, effective local authority appeals procedure, arrangements to allow re scoring and voluntary display of scores in the business premises. This would not be very welcome to the business sector anywhere but it may be that there are two many star schemes in England to change direction now. Hopefully the option will be given for the Scottish scheme to run as well, a consultation on the proposal will follow. One of the flaws in the star scheme is that one star in the English system would constitute a fail in the Scottish scheme.

NATIONAL FOOD POLICY: We have the opportunity to input into the Scottish National Food Policy. So far Douglas has been at four meetings. The subject has been introduced by Cabinet Secretary, Richard Lochhead, to develop a policy where all the policies in Scotland are leading towards the same thing. Douglas issued his initial paper by email and had some responses from Sandy Crombie and Jim Royan. Jim Royan quite rightly pointed Douglas in the direction of what Richard Lochhead said. He had said there are five different themes and suggested feedback under each of them. Sandy Crombie said under Accessibility – much focus and financial support has been given to weekly or fortnightly farmers markets and on farm retailing while this is to be applauded especially with linking the consumer with production, it should not be forgotten that many of these farmers are hobby farmers and a niche market with their organic produce. While this is a lifestyle choice for some it can never be considered a viable production method to put food on the table for the vast majority. This is very much a first draft and he intends to redraft with the suggested headings which are collaborative ways of working with Food Issues, Health & Education, Economy and Tourism, Sourcing Public Procurement and Healthier Food accessible to all. We need to put our opinion and strengths under those headings.

Hamish Deans said why does the FSA not reduce MHS to just functional and scrap their hierarchy altogether because they are really doing the same job? The FSA could employ meat inspectors and the vets. The MHS is running 60/40 bureaucratic, it would half the cost of providing the inspection service if the FSA became the operating body for MHS.

Douglas said that a paper was received with an update on the MHS progress with regards to procurement exercise with the supply of services veterinary inspection staff. The MHS is going through a rapid period of transformation and part of this is carried out a complete review of its operation structure across the UK. Hamish Deans said he had not seen it yet but knew it was on the go. He thought it was the start or the thin end of the wedge with abattoirs doing it themselves. This is a huge cost to the Government at the moment. Douglas Scott asked to discuss with Hamish Deans and to get some forceful comments for the consultation.

Alan Kennedy asked about the problems with the multiples because the description Scottish can cover all sorts of things. Tesco label Scottish minced beef but if it is not Scotch it could all be over 30 months. Alan Kennedy asked if we were questioning this and suggested we take this up with QMS.

Douglas said we have a member in Angus who sent us a Scottish chicken with a stamp UK 5037 which is Grampian in Essex. Whole chickens are sent from Scotland to Essex processed and sent back again. We fear the same thing happens with beef. One processor sends beef to Cornwall to be processed and sent back. There is a whole story which can be turned round in our favour.

PROMOTIONS REPORT: Douglas Scott reported.

The Sliced Sausage Competition is sponsored by McAusland Crawford and the KRH sponsored Potted Meat Evaluation Entry Forms were circulated in the March Newsletter. McAusland Crawford has also been sent a supply of entry forms and another set will be enclosed in the April Newsletter. Entries close on 7th April 2008 and the judging will take place in Perth College on Friday 11th April, collection points have been arranged for the previous day.

The National Federation of Meat and Food Traders are running product competition at Meatex/Foodex on 7th/8th April. They have sent us entry forms to distribute to our members but they missed the March Newsletter because they did not arrive until 6th March. Entries can be submitted on the day and so these entry forms will be circulated with our April Newsletter.

As reported last month an Aberdeen based agency have been asked to come forward with the designs for a new point of sale promotion. This craft butcher promotion will highlight the advantage of shopping in specialist and local shops.

BBC Landward have been in contact with the Federation after they noticed resurgence in butchers shops. They noticed in particular a shop that is under new management in Kintore and the Laidlaws shop in Banchory. The Federation has pointed them in the direction of a new shop/member in Grantown and the new shop opened last May by Joe Callaghan in Helensburgh.

The Meat Trades Journal has recently made enquiries about the damaging effects of supermarkets. They were directed to members in Galashiels and Huntly where there are contrasting experiences.

Jamie Chapman said we had received an email from Mark Barnett retiring from his post within the Executive. He wished the Executive, Finance Committee and staff all the best for the future. Jamie Chapman had spoken to Mark at the Edinburgh and he was finding it increasingly difficult to get away for a variety of reasons. Jamie suggested sending a letter to thank Mark for his contribution and the meeting agreed.

Stuart Christie asked if he could enter into the sausage competition because his sausages are made in his factory for his shop. Douglas said as long as they were on sale in his retail outlet.

ANY OTHER COMPETENT BUSINESS:

QMS BOARD: A letter was sent to Richard Lochhead which we felt that the QMS board was not balanced and we do not have a reply yet.

We wrote to Jim Royan congratulating him on his appointment and inviting him to our executive meeting. He has since written and Douglas read his reply with his attention to attend on 14th May. The QMS board will have had two meetings by that time and he will be able to offer his first impressions.

Stewart Dempsie asked if he will be able to report on the QMS meetings. Douglas said the letter states that he would not see a problem.

GREEN ISSUES: a paper was circulated on green issues was for noting. Douglas said the message was more and more interest is going on all sorts of green issues and even the budget today talked about them. It was also mentioned about charging for carrier bags if industry did not react. Stuart Christie said there is an advert on Radio Saga a company will come to you to review your Carbon Footprint. Alan Kennedy said he was getting good responses back from customers as he was getting bio degradable bags. He said do not over order because they degrade from the word go.

DATE OF NEXT MEETING: Wednesday 16th April 2008.

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