

**MINUTE OF THE MEETING OF THE EXECUTIVE COMMITTEE HELD WITHIN
8/10 NEEDLESS ROAD PERTH, ON WEDNESDAY 14 MAY 2008**

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

Plus Executive and Ordinary members as detailed below:

Past Presidents: Duncan Mackenzie, John Chapman, Adam McLay, David Jarron

Executive Members: Stuart Christie, John Hamilton, Stewart Dempsey, Beaton Lindsay, Ian Faulds, Neil Cameron, Jack Meade, Alan Kennedy

Honorary President: Roy Baird, Arthur Matthew

Guest: Jim Royan

APOLOGIES: Jim Hastie, George Lees, David Lindsay, Hamish Deans, Wilson Ferguson, Jim Preston, Hugh Pender, George Jarron

Since the last meeting we have lost two members who passed away. Jimmy Husband, Past President of Dundee Association and then a former assessor of the Federation and Past President Bob Baillie. The Executive held a minutes silence in their memory.

Roy Baird asked to be contacted about future things like this as he had not been contacted he would have attended the funeral. Jamie Chapman said that the office had attempted to contact as many people as possible. Bruce McCall apologised for not getting through on the phone.

MINUTE OF PREVIOUS EXECUTIVE MEETING:

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

MATTERS ARISING: Jamie Chapman that when he had spoken to Uel Morton he had highlighted that some abattoirs pay levy four or five weeks in front and so QMS had that levy. Jamie said that his business pays the bill the week it came in, so why should we pay more than a week in advance.

CHIEF EXECUTIVE REPORT: Douglas Scott reported.

ESF PROJECT: SFMTA had a compliance check from Scottish Government on the funds claimed in the 2007 Highlands and Islands ESF project. The check took two days. There were two items which we had over claimed. The first was the cleaner's wages and we had double claimed Barry Dean's consultancy.

SAMW CONFERENCE: Jamie Chapman attended the AGM which was very quick and over without any questions. The Conference was themed Staying Positive which Douglas Scott pointed out they needed to be positive in the first place. It was an upbeat morning with the presentations, held on 26th April the day the VC restrictions were lifted for 24-30 month cattle. The chair of the MHS got a roasting on the above inflation rate rise in MHS costs. Jim McLaren, President of NFU gave a quick trip round farming matters. The concern of the day was the rising costs and shortening of supplies. Donald Biggar and Stuart Ashworth figures portrayed that. Douglas and Jamie did not stay for the afternoon or evening.

MEMBERSHIP AND DEVELOPMENT REPORT: Beaton Lindsay reported.

MEMBERSHIP:

349 members have paid to date.

P Brannan, Shotts has paid after services had been withdrawn.

CORPORATE MEMBERS: 17 corporate members have paid.

REGIONAL MEETINGS:

Meetings in May will be held in conjunction with the judging of the Regional heats of the Lucas Scottish Beef Sausage Competition and the Dalziel Scottish Black Pudding Competition. These entries need to be at the appropriate venues by 7.00pm on the night. They will then be judged and Regional winners and runners up will be presented on the completion of judging. Presentation of the KRH Potted Meat Awards and the McAusland Crawford Scottish Sliced Sausage Awards and of training certificates to trainees with achievements will also take place at these events.

In addition to this McAusland Crawford will be providing new tastes to sample on the night, Bryan McAusland will be explaining what is possible in terms of meeting FSA traffic light guidelines on salt and fat. Gerry Doran will also be attending to show the latest from Avery and Douglas Scott will give a presentation about costings.

Meeting will commence at 7.15pm and should conclude by 9.00pm at

South East Scotland	Monday 19th May	Buccleuch Arms Hotel, St Boswells
East of Scotland	Tuesday 20th May	Inchture Hotel, Inchture
South West Scotland	Thursday 22 May	Old Racecourse Hotel, Ayr
North of Scotland	Monday 26 May	Inverness Caledonian Stadium
West of Scotland	Tuesday 27 May	Garfield House Hotel, Stepps

GOLF: The Federation golf outing this year will be held at the Ladybank Golf Course, Ladybank on 4th June. The cost is £65 to include a buffet breakfast, round of golf and high tea. Dalziel have once again sponsored the event. Entry forms were sent out with the newsletter. We currently have some places still available.

Douglas Scott said that we have 349 members plus 18 corporate members. If you look back along the line despite the fact we have had some people retire our membership is holding up fairly well. Even at this time of the year we will gather one or two other members.

TRAINING AND DEVELOPMENT: Sandra Lennox reported.

TRAINEE NUMBERS: We registered 9 new Scottish trainees onto our training programme during April with a further 4 registered in May so far. This leaves us with 31 vacancies from our allocated starts for 2008/2009.

If we compare our 'in training figures' with the same period last year, we are in a similar position with regard to the LEC funded trainees. We have increased the overall LEC funded trainee numbers from 91 in March to 98 in April. During the period we have had a further 4 trainees complete their SVQ's bringing the total certificates to be awarded this period to 26.

Our trainee numbers for Northern Ireland are actually sitting at 61, with 3 further new starts being processed this week.

NORTHER IRELAND: Last month I explained that I had arranged to meet with our contact in Northern Ireland – this meeting took place on 22nd April.

I met with Geoff Lamb and his colleagues: Karen – Accounts Manager and Wendy – Admin Assistant in Food and Drink Training Council (FDTC) offices in Belfast. There is a management board to which Geoff must report, but on a day to day basis, this is the team.

On the strength of the increased numbers in training and potentially in training, Geoff has secured the services of an assistant to 'drive and coordinating' the apprenticeship programme which is funded through Training for Success (TfS). Brenda started with FDTC on Monday 28th April 2008.

Brenda comes to FDTC with a background in Red Meat industry and with contacts in large and small processing plants as well as in the retail sector.

Geoff Lamb splits his time between FDTC and our Sector Skills Council, Improve. FDTC have put themselves into an 'affiliation' with Improve, which is a deliberate positioning tactic requiring all Improve activity in Northern Ireland to have to go through FDTC. This has also resulted in FDTC being in a unique position with regard to funding, in that they are not required to tender for contracts unlike all other training providers. FDTC currently hold contracts for level 2 apprentices under TfS and hold the only food and drink level 3 apprenticeship contract in Northern Ireland. As a result, the colleges can only provide access to level 2 apprenticeships.

Due to changes in Apprenticeship frameworks and related funding in Northern Ireland – Training for Success was only introduced approximately 6 months ago – Geoff has had a resulting slow down in cash flow, similar to the one we are experiencing. FDTC paid us £5250 last month in advance of them receiving the claim for 21 trainees in acknowledgement of (some of) the cost to SMT in starting these trainees.

Yesterday I received notification of the fact that FDTC had now been paid for 27 trainees' starts and as a result a cheque has been posted to us for the outstanding £1500 (6 trainee start payments).

The next payment date for FDTC for the remaining 31 trainees is 23rd May and Karen (accounts manager) will receive confirmation tomorrow of the amount they (FDTC) are expecting and will then confirm that amount to us.

Malachi McCann is progressing with the assessments and this will quickly generate further income. Once the trainees are 'live' on FDTC system, progress will be input as and when FDTC are notified of the achievements and payments (£300 each milestone) will be received monthly.

NE ENGLAND: I have had a little breakthrough in NE England in that I have a new contact in the Business Link NE (Brokers). He is assisting in the processing of information regarding our leads and is also assisting with alternative avenues for funding for those individuals outside of the train to gain eligibility criteria. There is the potential for employers to receive funding for 45% of the cost of our training programmes and I know of at least two employers who have expressed interest in this. I have had further dialogue today with Paul Willis our contract manager there may be an opening for us to register these people on a Level 2 Apprenticeship regardless of age. I would expect to be able to report more to you at the next meeting.

EDUCATION FOOD AND DRINK PARTNERSHIP GROUP: I 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 on 1st May. This group has successfully applied for £75k funding from Scottish Funding Council (SFC) and will now be employing a project manager to progress the Skills Academy. Various colleges and universities have already joined this group and SAMB and SFMTA are the newest recruits to the group in order to fully represent employer's needs. We were told that further new members were being recruited – QMS, SFDF, Seafish and Dairy amongst them.

The Skills Academy aim is to bring together all of the learning and training provision in Scotland so that Employers and Individuals alike can be referred to the most appropriate solution for their learning/training needs. 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. It is stressed (by Improve) that the Skills Academy is not part of Improve at all.

High on the agenda list at the meeting was concern for the fact that Glasgow Metropolitan College is postponing the validation of the HNC/D in Food Technology. Glasgow Met being the only college in Scotland to provide this qualification.

Since the meeting there has been much debate about how to reverse Glasgow Met's decision or assist them in the validation process – SFMTA and SMT's response was

“Whilst SFMTA will support the group in endeavouring to reverse the decision made by Glasgow Metropolitan College, if only to keep ‘Food’ firmly on any possible training funder's agenda, we do feel a couple of points should be remembered.

At the recent Cross Party Group meeting hosted in Scottish Parliament on 16th April where Sylvia introduced the debate on ‘Skills’, one gentleman in the room commented that the college in which he worked had offered the Food Technology qualification and had absolutely no takers for the past few years. Now, this surely begs the question (again) – where in Scotland is the ‘demand’ for Food Technologists/Scientists that Improve tell us there is?

Surely if Glasgow Metropolitan College had a demand for this course, they would be moving heaven and earth to provide it – they would ‘lose’ money by not doing so.

SFMTA would like to see greater efforts into solving the funding crisis which is directly affecting all vocational trainers right now rather than pushing for a course which maybe 2 or 3 people may chose to follow. “

Following this a letter has been sent from Graham Hutcheon, Chair of Scottish Skills Strategy Group for Food & Drink Manufacturing to the Chairman of Skills Development Scotland echoing our sentiment.

Meanwhile, Improve's Scottish Operations Manager is currently attempting to work with Glasgow Met to identify what work needs to be completed before the qualification can be presented to SQA who have offered to assist with the validation.

MEAT TRAINING COUNCIL EV VISIT: We have received the report of the EV visit which was carried out on 15th and 16th April and I am very pleased to report that we have no action points and now have postal certification for our level 3 qualifications.

Duncan Mackenzie asked what was seen as the prospects for Ireland. Sandra said she saw it as growing but recognized it was extremely slow but it will go above budget. Duncan Mackenzie asked about the NE England. Sandra said it was a much slower story. We have being for the last year that if Scotland had a Level 2 Modern Apprenticeship to people who came forward. Apprenticeship numbers are a priority for the Government, it should be easier to receive a contract for them providing we can show a demand.

Jamie Chapman said earlier at the Finance meeting they were looking at the budgets. The figure one that stuck out was Highlands and Islands where we struggle to wash the faces in Shetland with the traveling. If Ireland took off we would work our way out of Shetland. Sandra said that if we were to request more for covering the islands then H & I Enterprise would look at our request but cannot guarantee they will be able to give us anymore funding. It is extremely difficult to open our contract to parts of Orkney as the enterprise are more than happy with the training provision they have at present. Duncan Mackenzie said if were not making enough money out of Highlands and Islands. Douglas asked to cover this under the finance report.

FINANCE REPORT: Douglas Scott reported.

There was a lot of debate at the last meeting and Hamish Deans had asked for costs and income to be related to the particular regions we are operating in. From the training report we have to watch very carefully when we expand into Northern Ireland and Northern England

SMT: The good news for March figures is that having operated at a five figure loss for the first six months of the financial year, we only lost £1,300 in March and we are projecting surpluses for the rest of the year. There are reasons why that was the case and it is looking more positive moving forward. There is still a doubt over the ESF grant for Highlands and Islands area. We scored highly in the application but the structural programme currently excludes Food & Drink. We await the Scottish Government's action on it as we understand from Europe that they have not approached Europe yet for a change in the rules which is disappointing as we asked for this last October. The bakers have written to Jim Mathers, MSP the Enterprise Minister. We have received a reply back from John Purvis MEP and he was dismayed that nothing was happening. Douglas said he was also going to write to Jim Mather. The budget we have £15,000 for ESF for Highlands and Islands and is the only doubt on the income side of the accounts that the Finance Committee considered.

We will bring in

£142k from Scottish Enterprise

£40K Highlands and Islands

£60K from Ireland

£17K from England with that one the biggest speculation.

Having broken these down into areas - in Scottish Enterprise a profit of £6,513, Highlands & Islands area a loss of £416 and Northern Ireland a loss of £7,500. This is after distributing all our costs to cover in relation to our activities in these areas. Going forward with Ireland with new start payments etc. by the end of the year probably still losing £10K probably due to the start up costs of training the assessor. Activity in Northern Ireland gives us potential to keep ourselves afloat.

Accounts also showed up that in Highlands & Islands area we will make a loss of £8K if there was to be no ESF available. The Finance Committee had great concern over the viability of operations in that area. Douglas was to look at each of the 23 trainees to work out how much we generate from the costs involved. Jamie Chapman said we do not want to not provide a service for our members but are we losing too much by servicing this area. If we make a lot of money in Ireland to subsidise other areas it would be good but we need to look at each case on its merits at the moment. Douglas Scott said we should go back to Highlands and Islands to discuss it further.

MEMBER SERVICES: We are projecting a healthy surplus on the year, especially since we have not spent all the money on the promotion side. We are waiting from feedback from MLC on sourcing of pictures. He is expecting thumbnails of possible images for use. Jamie Chapman asked if MLC hold the rights to these images. Douglas Scott said they have gone to the new body.

LABOUR CONDITIONS REPORT: There was nothing to report.

LEGISLATION REPORT: Douglas Scott reported.

VC REMOVAL: This increased from 26th April 2008 to 30 months. There were some questions which related to beef slaughtered on 25th April and it would still have to comply with the legislation in force on that day.

FOOD HYGIENE INFORMATION SCHEME: The FSA Board considered the proposal to create an UK-wide, Scores on the Doors scheme. The Board did not accept the proposal that was put to them. The proposal was for a four star system but a strong argument was put forward by SFAC, Chair, Graeme Millar and got the Chair to agree to a consultation on both the four star system favoured in certain parts of England and the two tier (pass/fail) Scottish system. Douglas will a meeting of the Scottish Steering group this week.

FSA: We had a sector specific report on both bakers and butchers ability to comply with EU regulations. Basically how butchers can supply bakers with meat. Federation members helped Peter Midgley who had been seconded to FSA UK to put forward information to the board. This is expected at the June meeting.

WHOLESALEERS & AUCTIONEERS MEETING: Jamie Chapman, John Chapman & Hamish Deans attended this meeting last week. Alec Wilson, Ian Anderson and Andrew Wright were in attendance to discuss the Meat Hygiene Service (MHS). There is a drive to cut MHS costs from £91m to £60m. At the moment industry pays £19m of the costs and the rest is picked up by the Government. The Government is desperate to get to 100% recovery which would mean what we pay going from £19m to £60m and obviously we are very much against it. The wholesalers have spent time looking at time spent in abattoirs against cost and reckon they are 30 to 40% overcharged. With approx 30 plants in Scotland, FSA Scotland could govern a Scottish version of MHS then layer after layer of bureaucracy could be removed. Ian Anderson will have a meeting with Shona Robison in early June to discuss the overcharging factor of it and look forward to how we could look at meat inspection charging in Scotland. Ian Anderson said there are moves afoot in Europe at the way meat inspection is done throughout Europe. So he said wait until we have this meeting. John Chapman said Hamish Deans had once commented that he had 3 killers and 5 inspectors in the plant.

LIVESTOCK REPORT: Alan Kennedy reported.

In the past month prices have continued to rise, as you can see from the breakdown chart. Live prices have leveled out over the past 3 weeks however, so perhaps based on experience at Forfar Mart, some stability is returning to the market at last.

One interesting customer trend seems to be resistance to rises in the price of prime cuts – striploin has remained basically unchanged for a year, and fillet has risen only slightly over the past 3 months.

Live price shave shown a slight drop. Steers on 16th April cost an average of 163.3ppk at Forfar, on the 7th May this price was 159.6ppk – almost 2% down on the month. Heifers over the same period showed a similar drop, from an average of 161.9ppk to 159.2ppk, down 1.6% on the month. This may be due to the disappearance of the 24 month rule.

Hogg prices have remained unpredictable, but as happens, have firmed from 140.5ppk live on the 16th of April to 154.9ppk last week, with spring lambs beginning to appear at an average of 180ppk.

I spoke to Stuart Ashworth at QMS, hoping to gain an idea of the future price of stock, and he suggested that if the Brazilian market re-opened, the price of beef may drop by 10-15ppk dead weight. This prospect seems a long way off as very few Brazilian sources have been given clearance to restart exports to the EU.

Pork has finally started to move-pigs from Scottish Premier are now quoted at 176ppk – 16p up on the month, and I think this trend will continue for some time.

Lastly, hides are now £19, skins 30p both ex St Andrews.
Shotts abattoir lambskins are v£1.30 and hides are £22.50
Paisley abattor lambskins are /£1.20 and hides are £22.50.

Alan Kennedy said to make sure to keep up with prices as they have risen by 20 to 25% in the last year and is not going to fall back to any great extent.

John Chapman commented that unless there was a headage payment there was not going to be any chance of quality meat being retained and quality meat is going to be scarcer. He wondered if we should hold a meeting with the Minister in Scotland to try and see if they can change the system. He said surely there was some leeway to distribute the money in Europe as it is going to get even scarcer as this goes on. David Jarron said that farmers who have put off herds are still getting the premium which is totally wrong. Stuart Christie said the single farm payment was based on the 2002 headage. Jamie Chapman said they should not be paid to produce something they are not producing. Alan Kennedy said his farming knowledge of our side of our industry is very sketchy. It is a good idea to have SFMTA to move it forward and QMS could push on it too.

Jamie Chapman said the cattle are not there so they do not get the levy. Alan Kennedy in conversation with Andy McGowan had said that the prices are staying so high because the English fat cattle industry is in meltdown and they see no end to that because the suckler herd in England is shrinking at a very fast rate. Alan Kennedy said more and more people are chasing fewer and fewer cattle. John Chapman said if you have a meeting you could take Stuart Christie with you. Alan Kennedy said the meeting should come from the Federation. Douglas Scott pointed out that we are talking about trying to influence Europe to change their policy so we would need to get the NFU(S) on our side. He said the NFU(S) issued a press release last week that they were concerned about supplies and the amount of cattle going out of the country live. Stuart Christie said a lot of farmers are not going to produce hay for fodder they are changing to crops for bio fuels. Douglas Scott asked if this was a topic at the beef and lamb forum yesterday. Alan Kennedy said yes it was but with respect the forum view was a prices are great guys and he was the only person from his industry present with only 3 out of the 60 invited being butchers. There was a lot of talk about where supplies were going to go but nobody seemed terrible concerned about it as they were getting a good return. The bulk of the meeting yesterday was about bluetongue. Charles Milne Chief vet was there and said there was going to be a vaccine cost £1 for sheep and £2 for cattle for a year. From what he said it was not a panic situation.

We have an invite to Pentland House tomorrow to discuss the Pig Industry. Stuart Christie said that he would let Douglas know if he could go.

John Chapman suggested we ask about a meeting about the cattle situation. Jamie Chapman said we should write and ask for a meeting.

PROMOTIONS REPORT: Douglas Scott reported.

The pictures are on their way from MLC for the poster campaign and the photocall boards for the product competitions are here for the Sliced Sausage, Potted Meat, Black Pudding and Beef Sausage competitions. Trophies have been produced for the Potted Meat and Slice Sausage competitions.

Douglas had a meeting with Laurent Vernet and June Lomax on Tuesday 29th April to categorize what they do for butchers and how much they spend on our behalf and what they do.

Laurent Vernet said there was generic budget and activity budget. The generic budget is aimed at consumer perception. That budget is fixed 50% for this year and flexibility is limited. Laurent had stated expenditure comes under state aid rules and has to promote Scotch Beef, Scotch Lamb and SS Pork are in evidence. Douglas asked about Pork and it is only committed to retailers whom were committed to sourcing specially selected pork. Laurent felt a number of butchers in Scotland were sourcing English pork and New Zealand lamb. He stressed that membership of the Scotch butchers Club was essential to ensure traceability and to receive support.

The activities budget is not yet finalized at that time but may be now. A calendar is likely to be agreed soon, promotional activities budget mainly but not entirely on Scotch Butchers Club members. This means as last year, no point of sale material will be available for those not in the Scotch Butchers Club. There was less budget available because there was less levy collected. There was little opportunity to support anything but branded material. Due to financial constraints on SMT the Scotch Meat Challenge will not be repeated. It has been agreed the production of the Meat to Go entry forms including framing could be funded and the latter could be presented at Regional meetings in late September/October. This may reduce QMS spend with SFMTA and SMT as the Federation cannot afford these activities through budget constraints.

Other support came in the way of advertising in the annual handbook. Douglas left with the belief that restraints were due to state aid rules. Laurent did think there might be funding available through Scottish Government through FMD recovery fund to butchers added value for 5th quarter and they seemed to like the idea of practical demonstrations. June told him that Q Guild butchers in Scotland were assisted with point of sale material as she felt most of those shops were Scotch

Butcher Club members and stocked Scotch it was important that it was promoted in those high profile shops. Douglas Scott left reflecting that not a lot of support will come in the way of SFMTA. The cost of Meat To Go might be £1k and the other contribution might be the handbook at £250. Douglas did note it was difficult for them to blatantly support butchers. He distributed a paper which listed the functions of QMS and what they are there to do.

Jamie Chapman asked if he had read correctly that they cannot support butchers because of the English pork and New Zealand Lamb. Jamie said he did not know a butcher who did sell New Zealand lamb and Alan Kennedy said there were plenty of supermarkets who did. Douglas said it was a bit unfair with butcher's support being held back because they are selling these commodities yet supermarkets are selling them yet get support.

Jack Meade said that they also put the saltire all round the cabinets. Alan Kennedy as far as he saw things you could be in the Q Guild and not in the Scotch butchers club and get the support materials.

Jamie Chapman at this point introduced SFMTA member and QMS Board member, Jim Royan.

QMS: Jim Royan thanked everyone for the invitation to attend.

He said it was not possible to find problems and solutions in an afternoon but that he would be in the role for three years and this is the start of a journey for him. He said it was important to set a context, a point of reference to that journey.

He said he would cover why he had decided to apply to become a board member and indicate what he could and could not do. He would also look to get guidance on what we saw as what success would look like.

Jim said the past he always respected, but he was more interested in the future. QMS has changed being a non-departmental public body is different from previous. Having worked in the National Health Service for 14 years you have to look two ways one watch the Minister and the politics as they own the responsibility. The Minister appointed us and we are accountable to him. We also acknowledge the levy payer pays the piper and you need to be careful not to alienate the levy payer or marginalize them. This in itself creates a problem in that who is the levy payer and one could argue it is the customer as the levy is a tax. He said this is a view without pinning his colours to anything. You can get bogged down in the debate that who pays the levy and what you deserve to get for it.

Jim Royan said 2½ years ago he had reviewed his own business questioning do we step up to the mark, as it is a different world out there. There are people round this table whom are effectively boutique butchers who are gold standard in the industry. We thought we would invest into the business and it has been successful in his parameters with significant increase in turnover. It restored his faith that this sector of the industry is of critical importance to the brand to the Scottish meat industry. The reason people are coming into our type of business for three things which price is not top of the list, quality factor, experience factor which is the experience of the environment they come into, people are enjoying that engagement and there is a swing to that personal engagement which is part of our premise. It occurred to me that we have quite an important role to play in the future but we have not to get carried away. The best brand we are promoting is our own name. QMS role is find out what you feel success looks like and try to see how we can build that in to the QMS strategy. What is going to happen this year is in tablets of stone and the boards' strategy is to deliver what has been planned for this year which is fair. You need to recognise you inherit the plan and you have an obligation to deliver that plan. Then you start to influence the future plan. A strategy meeting is being held tomorrow. He said he is not a SFMTA representative and that is quite clear in the documentation. It is helpful that Douglas has tabled the paper that clearly states the purpose of QMS which he summarised.

Jamie Chapman asked if he was a levy or non-levy payer. Jim Royan replied he was a non levy payer. He said his role was to be involved in strategic planning for the future and funds available. The funds are less than last year. We have just over £6m that is not a lot of money. We have responsibility on how that money is spent in the Scottish market the UK market and the European market. Jim was interested in the conversation earlier on cattle numbers. We have a serious future scenario and it might be helpful to have a chat to how we respond to it. He was not sure SFMTA should go it alone on it. He said there is strategy planning and governance making sure the money is spent properly. There is the constituency bit to ensure we engage with industry. He said he will always respect us but may not always agree with us.

The labeling was discussed at the first board meeting.

Jamie Chapman asked about the amount of money spent in relation to the three sectors - Scotland, UK and Europe, is it in relation to consumption? Jim Royan has asked the question and he has other questions he would like answered. He said it was not an aggressive thing it is information. He said that QMS is charged with the first port of call in Scotland for information for red meat and recognised that this could be quite demanding and we could get swamped with it. When MLC had the responsibility they had a huge resource dedicated to it. We will have a big network of scientists that we do not pay but we tap into.

Stuart Christie asked where Jim saw QMS going. He replied to take stock of the present. If the forecast for the suckler herd are as suggested then how can we in QMS influence government to do something about it. If you look at profitability of the suckler cow herd has dropped 48% and it was not for the single farm payment. There is an argument there that the whole rural infrastructure in Scotland is going to get affected by that. So he thought they would be on the case of that one quickly. We need to understand what can and can't be done very quickly and work with industry to influence the politician. He said sheep numbers are worse and since 1990 has dropped by 149% in terms of profitability. That was because people were running sheep for the subsidy and now we are coming home to roost on that. Pigs profit margin is 1p a pig. He thinks taking stock of the future and then prioritising where we can have the biggest impact. He thought within QMS they would be engaging more with strategic partners. e.g. the health lobby. He suggested we should be working with NHS Health Scotland about what we can do. There could be a argument for Scotland food tourism a lot we could do with that. There is a lot of opportunities but he is not making a hostage to fortune by saying this what we will do. He is not sure what we sell these days is it quality assured are we selling as well as we could the image of the product. Are the characteristics we take for granted more marketable.

Jamie Chapman questioned the cohesion in the Scottish Government doing its food policy Scotland, looking at it one way then withdrawing funding for training. They say come to Scotland we have wonderful food but then we don't have the workers to do it because we cannot afford to train them. There seems to be a lot of joined up thinking at times. Jim Royan said he did not disagree but it was how you influence it. There are ways which you can influence it but we need to be clever about the way we do it. It might be better to talk to other people in industry to see what they think about it and ride on the back of that. The politicians will look at the relative importance of our sector. We need to make them want us because of a special characteristic we have.

Jamie Chapman said Laurent has come along a few times given his facts and figures and says the that twenty odd percent of Scotch beef sold in Scotland is sold in the independent and we look at what we have contributed to the promotional levy how close do we get to getting 20% share of that promotional levy piece to help us. The radio advertising telling you to go to the supermarket and buy pork we may get some spin off from that. It could have said ask a butcher you could get a butcher in a supermarket or a butcher in a butcher shop. With the introduction of the Scotch Butchers Club give them more money and they will help you and stubborn people like me say well I give you my money.

Jim Royan asked, if there was a sum of money available what would you really want? Jamie Chapman said rather than do promotions in supermarkets. Promote the product Scotch Beef,

Scotch Lamb, SS Pork - don't do it for a specific area like restaurants do it on the product. Jim Royan singled out body of taxi advertising which was awareness raising. Everytime you see a Scotch advertising in a magazine we get a share of that. Jim Royan said the aims and objectives of QMS in their annual report is a good place to look for some clues. If you then went to QMS and said we think we can contribute to what you are doing, could we have a conversation about next year's plans? Sit down and have a conversation with them about that.

Alan Kennedy said as far as he was concerned that only one multiple has any reasonable claim to say they are a levy payer now within the Federation 150 members are levy payers. If it comes down to the number of levy payers surely there voices should be heard. The other thing is that multiples exert pressure on the multiples to keep prices down. He said we get scant reward for the contribution we make as levy payers. Jim Royan has asked the question on the amount collected from independent.

Jim said he was looking at ways to either improve the communication or influence on how the money is spent. There are potential ways to do it. It would be good to know what this would look like.

John Chapman said very often the top prices at Lanark every week do not qualify for Scotch and it is bought for quality and they are not bothered where it is from. The farmers' concept of extra money for Scotch is 'out of the window'. More and more people are buying boxed beef and they do not know what they are getting. Concerned were raised about cow beef and bull beef being introduced as Scotch.

David Jarron said don't give the cow beef the Scotch quality recognition. He suggested it is named boldly bull beef, cow beef.

Jim Royan asked what the message was about labeling. Duncan Mackenzie said we are opposed to cow beef and bull beef identified as quality Scotch. Jamie Chapman said if he buys English cattle to kill at Shotts, the levy money still goes to QMS. As independents people perceive we sell mostly or all Scotch beef. Any promotion on Scotch being quality, the thing to have or being a fashion statement - we will get a trade off from that. What people object to be that going to a supermarket and Scotch is plastered everywhere and QMS is supporting Tesco's. That is how we perceive it.

Jim Royan said QMS are right behind us on the use of the saltire it is a clever piece of politics to expose the saltire. It suits the politics but does not suit the provenance of the product and this is not QMS fault. The new QMS board wrote to Cabinet Secretary, Richard Lochhead since he might want him to look at that being counter productive to selling Scottish product.

He is going to factor in the themes into future discussions. Alan Kennedy said that advertising should have a theme on the strapline if it does not say Scotch it isn't Scotch.

Morrisons are please with what they have outside stores in Ian Faulds area it says. All lamb and beef sold in this store is 100% Scottish. Jim Royan said if Brazilian comes back on the market it brings the price down and some of the hotel customers will go back to the cash and carry. He said we try to do all things to all people but it is just not possible.

Douglas Scott said that improving the marketing in the red meat sector is probably our top priority and we would like to see some success there. What is important to the people in the room and the membership is that they feel included in that. At this moment in time there is a bit of divisiveness about the Scotch Butchers Club and Guild of Q and the industry do not feel included in all QMS promotions. If the industry can come on side and be part of the promotions it is not obvious that feedback is given or wanted and effectiveness of promotions.

Jim Royan asked how we tackle what they are going to talk about when QMS come along. Ian Faulds said he feels we are tolerated and QMS, often the person sent is pretty poorly prepared but it ticks there box that we have been consulted. We are tolerated and he finds it quite patronising.

Beaton Lindsay asked why our sector did not have a representative on the board. Jim Royan said that the way that the politician went about it was. You fill in an extensive application form and you either get an interview or you don't. He said that he was one of the oldest members of SFMTA in the room but he does not wear it on his sleeve. The Scottish Meat industry is something he wants to be part of. He said there are no representatives of industry bodies on the board they are there because they threw their hat into the ring and submitted the application and went through the process.

David Jarron said we are fortunate to have a member of our body on that board of good standing. We could not hope for anyone better qualified.

Jim said he would come along maybe three times per year. He said he will factor the overt messages into the discussion. He said that he is finding his way with things at the moment and he has not quite scoped the staff of QMS yet.

Alan Kennedy suggested that other board members were invited along or having an extra meeting with those individuals.

Jamie thanked Jim Royan for coming along and the contributions to the discussion.

ANY OTHER COMPETENT BUSINESS:

MULL BUTCHERS: Thanks were recorded to John Chapman and Bruce Brymer for going to Mull and on separate occasions. James Hilder from the trust that runs the business is delighted with the forthright advice given. Twenty points from Bruce Brymer will be taken up and John Chapman was very well respected for going and giving his advice.

DATE OF NEXT MEETING: Wednesday 18 June 2008.

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