SAOS update

News from, and for, Scotland's farmer co-ops Spring '16

SAOS Conference - Shaping the Future of Agriculture Through Co-operation

Peter Cook: "Time for Co-ops to Lead Radical Change"

It's time for co-ops to lead a programme of innovation that enables farmers to adapt to new market realities and benefit from new farming technologies, according to agricultural economist, Peter Cook. As challenges in the industry increase, many farmers are at a crossroads, deciding whether to invest more in farming or to commit time to alternative sources of income. A "productivity revolution" is required to secure local processing as the "anchor of activity", and to create opportunities for new ventures.

Referring to the introduction of auction systems and machinery/labour rings, Peter told delegates at SAOS' annual conference that agricultural co-operation played a formative role in the industry at crucial moments in past decades, with permanent transformational effects that enabled better organisation in the industry. The result was improved farm financial performances. He suggested six opportunities through which co-operation and co-ops could lead further transformation:

1. Make Best use of the Scottish Farm: "We could keep a lot more stock, more profitably, if we better exploited this massively varied country". While some areas of Scotland are ideally suited for the breeding herd and flock, and store production, others are ideal for finishing stock. We're missing opportunities to utilise the natural advantages of different regions to increase productivity. This can be addressed only through co-operation.

2. Organise Land Management: There is a need for new arrangements to enable "phased entry" into capital intensive livestock production, through a system of "share farming" that includes provision of capital assets and funds. An intermediary role should bring together collaborations amongst those with farm land who are restructuring, and those entering or expanding production. This would be in addition to the contract farming arrangements already found in cropping enterprises.

3. Take Control of Knowledge Transfer: "There are plenty of new ideas, innovations and examples of best practice, but how do you get them to the silent majority?" The solution must be farmer-led and farmer friendly. Grassland societies, discussion groups, farm management associations all used to play a vital role, but faded in the age of electronic communications. Co-ops have a shared vested interest with their members in a viable, competitive farming industry. They can make available organisational and management expertise, and supply chain connection to both suppliers and customers, ensuring that knowledge transfer reaches all of their members and is effective.

4. Apply the 'UBER' Principle: Technology is disrupting and reinventing many industries and revolutionising the ways in which service providers interface with their customers, often providing faster access to greater choice, along with lower costs via mobile phones, tablets and apps. The potential to achieve equivalent innovation in respect of services for farmers is enormous, and could provide a new era of opportunities for machinery rings and others.

5. Diversification Networks: Many examples of farm and rural diversification can be found throughout Scotland, with tourism and renewable energy being the most common. For these enterprises, there is potential for additional business and benefit by organising into co-ops or collaborations for marketing, shared services to reduce costs, implement quality standards, carry out research and development, and share best practice. There are many good examples worldwide.

6. Business Management Services: There are increasing obligations for farm record keeping to comply with laws and regulations (policed by several agencies), and for whole farm budgeting and performance monitoring. These create a shared need throughout the farming industry for an expert, trusted, management service that lends itself to co-op ownership and governance, owned and controlled by the farming industry, for the benefit of the farming industry.

Peter's theme across all these developments was that Scotland's farming industry could take control in all of them through co-operation and co-ops. This would result in services and costs determined by farmers for the benefit of farmers, under their control. The industry could itself develop and own the resulting data and intellectual property, rather than leave this to others interested only in the level of profit they could generate from the industry.

Ireland's BETTER Farm and NI's Suckler Beef Programmes Lifting Beef Profitability

Justin McCarthy, (pictured on the left of Peter Cook) who is Chief Executive of the Irish Farmers Journal, reported substantial performance and profitability improvements amongst farmer participants in the BETTER Farm project and Northern Ireland's Suckler Beef project. Justin stated: "The clear conclusion is that technical efficiency pays, because efficiency turns into profit. Beef farmers should concentrate on the 'three P's: price, performance and production costs".

The projects were conceived, supported and facilitated with partners, by the Irish Farmers Journal. Farmers in the phase 1 pilot projects increased output/ha by 30%, reduced variable costs by 4.7%, and increased profit by 125%, all over a period of three years. Improved technical efficiency in production accounted for 66% of the gains, with 33% due to an increase in the beef price over the period. Key areas for attention were performance at grass, stocking rate and herd productivity, in combination with less 'meal' feed, more efficient fertiliser use, and adapting farm systems.

Early results from phase 2 of the BETTER Farm programme have shown an average increase of 1,030 euros/ha (23%) in gross margins across 32 beef focus farms and 100 satellite farms participating in the work. Rounding off the results, Justin reported average kg/ha output increases of 10%, and 12% increase in euros/ha output value.

More information can be found in Justin McCarthy's presentation slides at **www.saos.coop/saos-conference-presentations-now-online**

Scottish Agronomy Signals Profit Potential of Crops

At the SAOS conference, Andrew Gilchrist, Managing Director of co-op Scottish Agronomy (pictured below, on the left, with Bill Wilson) called on growers to close the gap between average and achievable yields, and to review their costs, especially machinery costs.

Drawing on Scottish crop statistics, Andrew pointed out that while the "achievable" yield for winter barley is 9.6 t/ha, the average attained is only 7.5 t/ha – a gap of 20%. Andrew listed the equivalent figures for winter wheat, spring barley, oats, oilseed rape, pulses, seed and ware potatoes and reported yield attainment gaps for each ranging from 10% to 20%. The "average" £80,000 tractor is working only 1200 hours per year, which is less than 14% utilisation. "Modern machinery is capable of much greater workloads than is currently undertaken. Work machines much harder, utilise auto-steer technology more effectively and use double shifts."

Andrew encouraged contact with Scottish Agronomy for discussion and advice and provided a range of tips and recommendations:

- **Many small improvements have a big impact on profitability**
- **Managing risk is important, including price fixing at a value that can deliver a profit**
- **Maintain high output**
- **Adopting innovation is necessary. Adapt to and adopt new technology**
- **Know your costs**
- **Collaboration is essential to maximise potential**

Conference Workshop - Sharing Learning Within Co-ops

For co-ops to run successfully, what do members and managers need to know, and how do they learn them?

This question was put to delegates by Angela Tregear and Sarah Cooper of Edinburgh University Business School, in their workshop 'Learning and Knowledge Exchange in Co-ops' at the SAOS Conference. In discussion, the delegates talked about the need for:

1. **Technical expertise to provide consistent quality goods/services** (for example "the need to use KPIs and benchmarking".)
2. **Market expertise to provide a better understanding of market trends, customer needs and specifications** (such as "being market-led", "reducing waste", "dedicated supply chains".)
3. **Co-op know-how to make the enterprise work** (for example "loyalty", "commitment", "co-op ethos", "effective communication", "understanding of everyone's needs".

Angela and Sarah then presented results of their recent study of knowledge exchange and learning in four small Scottish marketing co-ops. They found that the knowledge learned and shared in co-ops depends strongly on:

1. **How well members know each other** (big distances between members is a key challenge to knowledge exchange).
2. **Management's style and skills** (open, participative styles encourage two-way flows of ideas).
3. **Established ways of thinking in the sector** (in some sectors, farmers rarely think of their neighbours as potential business partners for joint marketing initiatives, so struggle to learn coop know-how).

A key conclusion from the seminar was that co-ops play an important role in supporting learning amongst their members and many co-ops are actively looking to increase their activity in this area as a response to the current challenging times for farmers. For further information contact **angela.tregear@ed.ac.uk** or **jim.booth@saos.coop**

US Farm Credit System: "Reliable, consistent access to credit"

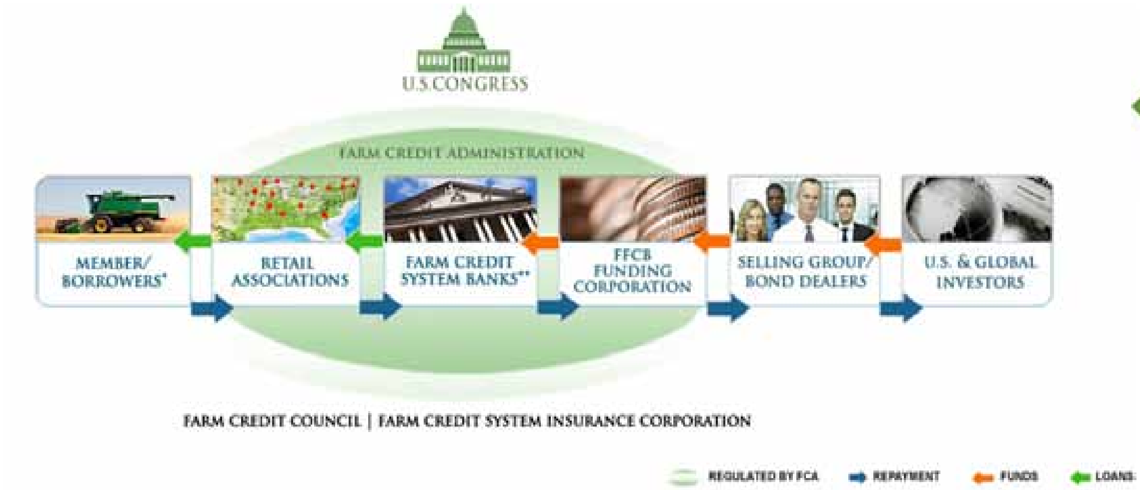
The US Farm Credit System is celebrating 100 years of operation. Since it was chartered in 1916, it has provided "agriculture and rural communities with reliable, consistent access to credit through a system that is owned and operated by the very same farmers, ranchers, rural customers and co-operatives it serves" according to Bill Wilson, Director of Agribusiness Consulting, FCC Services when he addressed the SAOS conference. Bill (pictured below on the facing page, to the right of Andrew Gilchrist) added: "What's more, any surplus funds generated in the business are returned to borrowers in a patronage refund".

In 2016, the Farm Credit System is as relevant as ever, providing 41% of US farm debt. It has experienced approximately 30% growth in the six years from 2009 to 2014. Over the same period the Farm Credit System's capital increased by 50%. More than $217 billion is loaned to almost 500,000 farmers and 13,000 employees, through 76 local co-ops across the USA. Each co-op provides a wide range of services determined by their local members and directors.

A good example is Farm Credit East (www.farmcrediteast.com) serving the north east region of the USA. Its portfolio of services includes loans and leases, crop insurance, financial record keeping, benchmarking, payroll services and tax planning, and several others. Its "Generation Next" scheme, aimed at 20 to 35 year olds, supports younger farmers beyond the provision of financial services with a business oriented management development programme that covers topics such as marketing, pricing, risk management, and "using financials to test and achieve goals".

James Graham, Chief Executive of SAOS, commented: "We should not be complacent about the financial services we receive in Scotland. Farmers and agricultural co-ops elsewhere in the world are better served than we are, and that delivers business advantages to them. Our Knowledge Transfer Partnership with Aberdeen University has found that the regulatory restrictions on establishing a farm credit union here would present too many compromises to make the venture feasible. This needs to change."

The Farm Credit System works by selling bonds to financial institutions via Farm Credit's own funding corporation which enjoys a Moody's credit issuer rating of Aa. Funds are channelled to local co-ops via Farm Credit System banks: AgFirst, AgriBank, FCB of Texas and CoBank. The entire system has its own government appointed regulator which is independent of the financial services and banking regulatory system.



* Farmers, ranchers, rural homeowners, ag cooperatives, rural utility systems & agribusinesses
** Farm Credit System Banks - AgFirst, AgriBank, FCB of Texas, CoBank.
CoBank has lending authority to Associations within its District as well as nationwide lending authorities to agricultural cooperatives, rural utilities and other eligible borrowers.

Conference Workshop - How to get lucky?

The intriguing title of the Next Generation workshop at this year's conference was "How to get lucky?" The session explored how those who try new things and succeed in the industry are often perceived as having "got lucky".

Farmstock Scotland member, David Cooper, outlined how his business has developed since he left the tenanted family farm in Dartmoor. David now farms 2000ha in Ayrshire with a simple system designed for ease of management totalling 3000 ewes and 700 hoggs. He took on land which needed work to bring it back into production and uses breeds of sheep which may be unfashionable but are hardy and mainly self-sufficient. Groups were invited to explore where opportunities have arisen and what David had done to take advantage of them - was it down to luck, or judgement? From the feedback of the groups ten areas were identified where co-ops can play a role in encouraging members to take advantage of opportunity which presents itself.

The ten key areas identified:

- **GOOD PRACTICE** - Highlight good examples and what is possible, innovation, demonstrate good examples, good knowledge transfer
- **CONFIDENCE** - 'of youth', to take on opportunities, of individuals, given good succession planning
- **SUCCESION** - empowerment, responsibility, internal external, incentivise and give the right opportunity
- **NEW THINKING** - encourage and new systems
- **RISK** - attitude to it. Balancing it Managing it.
- **OPPORTUNITIES** - how to identify them? Grasping them, don't play too safe. Understanding cost sand opportunity.
- **BOARDS** - right people on them, right skills, age ratio, right blend of experience and youth
- **POSITIVE MIND SET** - culture
- **SHARING** info from co-ops with members, take the pressure off, e.g. marketing.
- **ATTITUDE TO FAILURE** - can discourage innovation.

"Define the system, do not be defined by others." - David Cooper

Alistair Ewan receives Ed Rainy Brown memorial award

The Ed Rainy Brown Memorial Award for 2016 was presented at the Annual Conference Dinner to inspirational figure in Scottish agriculture's vegetable sector, Alistair Ewan. In December last year, Alistair stepped away from East of Scotland Growers (ESG) after 26 years as Managing Director. Katy Rainy Brown presented Alistair with the award at the SAOS Annual Conference Dinner at Crieff Hydro Hotel.

ESG members predominantly grow broccoli and cauliflower and, during Alistair's tenure as Managing Director, the co-op has grown to become the main supplier of broccoli to UK supermarkets and became one of the first Fruit and Vegetable Producer Organisations in Scotland.

Alistair was at the forefront of research and development, both in the UK and overseas, which have been key to ESG's success. He was instrumental in the development of Beneforté 'super healthy' broccoli and his drive and commitment have benefitted the whole industry, through his representation on NFU Scotland's committee for soft fruit and field vegetables and also through his work in the AHDB Research and Knowledge Transfer programme.

Tributes to Alistair's exceptional contribution to co-operation within the industry were led by George Lawrie, who is both Chairman of SAOS and past Treasurer of NFU Scotland. Announcing the winner, George commented: "Alistair's contribution to East of Scotland Growers and the wider industry has been immense – both continue to benefit from innovative production techniques and the development of new varieties and products which Alistair drove and pioneered.

"He spoke at our SAOS conference a couple of years ago under the title 'Innovation for Resilience'. His messages about 'knowing your customer' were fascinating and insightful then, and remain equally, if not more, relevant today: 'Understand their strategies. Understand your ultimate market. Maximise your return via all routes.' Alistair's passion, determination and insight have benefitted us all.

Alistair Ewan receiving the Ed Rainy Brown Memorial quaich from Katy Rainy Brown

2015 Next Generation Award Winner, Rory Christie attends Oxford Farming Conference

Rory Christie receiving the Next Generation Award at last year's conference from former Chairman, Andy Peddie

As part of SAOS' Next Generation focus, at last year's annual conference we presented the inaugural Next Generation Award to dairy farmer and Milk Suppliers Association Chairman, Rory Christie. As part of his prize, Rory was presented with £500 towards the cost of attending this year's Oxford Farming Conference.

The conference takes place over three days at the beginning of January and has been running since 1936. This year's topic was 'Bold Agriculture' which was particularly apt for our Next Generation award winner. Over the three days, Rory could attend a vast programme of events, lectures, presentations, receptions and dinners. We asked him how he'd found the experience and whether he'd recommend it to others.

Heading to Oxford for three days at the start of January isn't at the top of everyone's wish list. Was it worth the trip?

"Yes it was definitely worth the trip. The conference was focussed on innovation, entrepreneurialism and leadership, and as a 'youngish' person in a difficult industry it was a great opportunity to hear so many views and possible ways to innovate and adapt."

What did you find most useful/interesting over the three days?

"I enjoyed the networking a lot. It's quite daunting, but you have just to take the bull by the horns and approach people. I'd a really interesting talk with James Walker, one of the speakers, whose Agrihive organisation has an innovative, collaborative, grass roots approach to knowledge sharing and problem solving for farming all over the world. A UK Dairy Summit in November launched the Agrihive initiative in the UK which aims to find actionable solutions to the current challenges facing dairy farmers."

"Probably most useful to me though, was to take the time, off the farm, to consider other opportunities by meeting different people and hearing different approaches. It's too easy to get stuck 'not seeing the wood for the trees'."

Did you think the conference content was really aimed at, and useful for, farmers?

"I'd say it definitely was, but I suppose it depends on the farmer. There was quite a bit of political stuff, but what I really liked was the variety of different-science based topics and the focus on crops and innovation. I think these are the kind of things farmers need to be looking at to survive."

Would you encourage others to attend?

"Definitely – I'd certainly recommend it, and I think SAOS should have a representative there every year. I'll happily go again if you want me to!"

For more information on the Oxford Farming Conference, including videos of this year's sessions, go to: **www.ofc.org.uk**
More information on Agrihive can be found at: **www.agrihive.com**

Why co-ops fail - how to recognise the early warning signs

The international co-operative movement has seen a series of catastrophic failures of large scale co-operatives in recent decades, such as the Saskatchewan Wheat Pool, retail co-ops in Germany, France and Atlantic Canada, banking in Austria and the near meltdown of the Co-operative Group in the UK. Yet our co-operative culture has not been one of seeking to understand the factors which are common in these events and which, if understood, could be used to prevent such collapses in the future.

When co-operatives gather from around the world, it tends to be a time of celebration. They celebrate their trading success and the impact that they have had on people's lives across the globe.

All this is to be admired, but there is also an opportunity missed. Not all co-ops will have thrived between gatherings. Sadly, some will have hit major crises and no longer be there. When this happens the major unspoken issue is not so much an elephant in the room, but which elephants are no longer there.

A common problem

The starting point of this analysis was the similarity between the crisis experienced by the Co-operative Group in the UK and the collapse of the Canadian Wheat Pools. Two very different forms of co-ops in two very different cultures, but the analysis of why one failed gave significant insights into the failings of the other.

To prepare we looked at a wider range of failures: French retail co-ops, Austrian banking, German retailing, Canadian wholesaling, Belgian retailing, British dairying and Austrian retailing, to name but a few. It is not the intention of this paper to provide a detailed history of these, but to ask two simple questions:

1. What are the common factors that are seen in these failures?

2. How can we look for the warning signs to prevent similar failures in the future?

Big co-ops do not always end in the same way when they fail. Some collapse completely, some are demutualised, while others survive in a reduced form. Yet, in most cases, their collapse results in a massive loss of member assets and the loss of employment of large numbers of people.

We would argue that there are five common factors and that these are best understood working backwards from the moment of collapse rather than working forward. For, as Steve Jobs once said: "You can't connect the dots looking forward."

Factor 5: The final roll of the dice

Major co-ops "do not go gentle into that good night". Their final gasps for breath are a violent attempt to put off what is seen as inevitable by outsiders.

Their final years are spent on a series of acquisitions, mergers and restructures. Which form this takes varies, but in all cases there is a final move, portrayed as bold and ground-breaking by management at the time. There is a language of showing other co-operatives how it should be done.

All of these fail to solve the problems they face and hasten their end. Why, when other co-operatives and businesses adopt these approaches and thrive, do these fail? It is not the tactics that are at fault, but the mindset that has already taken place in Factor Four.

Factor 4: Overconfidence

Hindsight lets us see that these final acts were doomed as they will normally be seen to have put too high a value on mergers and acquisitions and to have significantly underestimated the challenges to be overcome.

Murray Fulton's paper on the Wheat Pools places the blame for this firmly on CEO Hubris – excessive pride or self confidence. He says: "Hubris means that CEOs have an overwhelming presumption that their high valuation of a takeover target is correct, even when it is not. … CEOs will tend to overpay for these acquisitions, and so the investments will often be unsuccessful."

The management of these co-operatives exhibit significant overconfidence in their ability to turn the situation around. They will overvalue acquisitions and underestimate the complexity of the tasks needed. A culture is visible in which they see their thinking as superior to their peers and to the members of their own co-op. Thus this overconfidence is combined with a culture that dismisses any voices challenging the wisdom of their moves.

Factor 3: Lack of board oversight

None of this would be possible without a lack of board oversight. Murray Fulton wrote: "The relationship between CEO hubris and acquisition premium is greater when board vigilance is lacking— i.e., the less oversight by the board, the greater the overpayment."

Boards in these failed co-ops fail to develop a relationship with their management which gave a clear values base for the organisation, a clear strategic direction linked to the needs of their members and a proper evaluation system of mergers, acquisitions and investments.

Lord Myners, in his report on the failings of the Co-operative Group in the UK, was scathing of the quality of its board system. "It places individuals who do not possess the requisite skills and experience into positions where their lack of understanding prevents them from exercising the necessary oversight of the executive," he said.

Often such failings will be described as a governance failure, but it is important to see them as a failure of governance culture. The governance system was often in place in these organisations, but Directors failed to use it to exercise the proper levels of oversight.

Recruitment is key for success, and the selection process is crucial.

Factor 2: The Wrong People

This fatal combination of management hubris and lack of board oversight develops when the wrong people are elected and recruited. Put simply, board members who fail to understand their role in a co-operative appointing managers who have thinly concealed contempt for co-operative values.

Recent failures, most notably in the UK, have resulted in greater discussion on the competence of elected representatives.

This debate is to be welcomed providing competence is defined as competence in the commercial, co-operative and social needs of the co-operative.

It is easy to point fingers at the directors of failed co-ops, but far harder to come up with how the selection process could be improved. It is unlikely to have one single solution, but to be a combination of more rigorous election processes, greater access to co-operative education, drawing from a wider pool of members and stronger support once elected.

The same can be said of the recruitment of managers. Directors who espouse co-operative values seem all too willing to appoint people who don't and who demonstrate little appetite for building solutions through the co-operative identity of their organisation rather than importing mainstream solutions.

A look across the failures also challenges the perception that it is "outsiders" that bring co-ops down. Many of the managers rose through the ranks but remain untouched by co-operative thinking, while some from outside grasped the need for distinctive co-operative solutions.

Factor 1: Seeing co-operation as the problem

The root of the other four factors is a failure to believe in and understand the nature of a co-op. The earliest sign is a co-operative which sees being a co-op as a problem, not a solution. The feeling that their co-op identity is a burden, not a source of pride appears to precede the other four factors. A cynicism about co-operative democracy and member engagement can develop long before the actions which cause the eventual collapse. In many ways, looking for this is the canary in a coal mine.

If not rooted out by active co-operative promotion and education, it will fester and grow into the other factors.

The Early Warning Signs

The most depressing part of these collapses is not that they follow very similar paths, but that the warning signs were there for all to see. These signs are:

- A co-operative which **falls silent on its co-operative identity** and its need to engage with its members.
- Board members who exhibit **little understanding of the nature of a co-operative** business.
- Managers appointed, either externally or internally, who have **no interest or belief in the co-operative model.**
- A Board which is **unable to explain** how the major changes it is pursuing will **help add value** for their members.
- A management conducting mergers, acquisitions and **investments which are, to the outside world, lacking clarity,** business logic and at much higher valuations than the market thinks can be justified.
- A **shift in power and authority to a very small group** within the co-operative, a group that is increasingly isolated from the membership and the employees (both senior and junior).
- A **shift in focus of the Board and management from what is good for the members** to what is good for them personally.

It is never too late to act, but acting on the earlier signs rather than waiting for the inevitable can dramatically reduce the loss of member value and increase the chance of survival. It can also reduce the damage to the movement of yet another co-op going down in flames. This is why it is everyone's business to raise the alarm when these signs are visible.

Co-operatives do fail, and we need to be able to acknowledge this and talk about it in a serious and thought-provoking way, in everything from global conferences to day-to-day conversations.

In short, the antidote to the problem is to ensure that there is a conversation about the value of co-operation and the role that we can all play in unlocking it.

This article first appeared in Co-operative News in January. Reproduced by kind permission of the authors, Peter Couchman and Murray Fulton.

Milk Suppliers Association & Wholesome Pigs Scotland Ltd to benefit from KTIF

Rural Affairs Secretary, Richard Lochhead, has announced that the Scottish Government is providing £2 million to fund five projects through the Knowledge Transfer and Innovation Fund (KTIF). Included in the five are a project for the Milk Suppliers Association, led by SAOS, applying a lean management approach to milk production. The Wholesome Pigs Scotland group will also benefit, having been awarded a grant to develop health monitoring and improve pig production.

Through its work in the Market Driven Supply Chain, SAOS has been able to identify the benefits of a supply chain approach, combined with a lean management process, to improve competitiveness. The pilot work with the Milk Suppliers Association (MSA), is for an innovative and interactive, lean management approach, to be delivered on a one to one basis, on farm.

Rory Christie, Chairman of the MSA said: "We're delighted to have been successful with this application. The aim is for greater efficiency, less waste and improved opportunities for profit from the farms that participate in the pilot. It's envisaged that the individual mapping and planning process will help farmers to utilise a structured approach, allowing them to make their businesses stronger and more resilient, and to keep continually improving. This will also result in a more economically sustainable milk pool."

Gordon McKen of Wholesome Pigs commented: "Wholesome Pigs was set up in 2003 and all commercial herds in Scotland are in the Group. This grant will enable us to develop and expand the health monitoring work carried out at abattoirs and disseminate this information through knowledge and data sharing for the benefit of all our pig farmers. Interventions and improvements that can be made on farm will improve the health and welfare of pigs and, in turn, increase productivity and profitability."

The KTIF grants help promote skills development, knowledge transfer, and deliver on-the-ground improvements to the farming sector in Scotland. The other recipients of these are:

QMS and AHDB Cereals & Oilseeds – to establish nine innovative Monitor Farms across Scotland

SAC Commercial – improving lamb survival and farm profitability

AHDB Potatoes – to develop a Strategic Potato (SPot) Farm for Scotland

The Cabinet Secretary said: "This significant funding will help Scotland take advantage of its strong performance in research and development, and make sure that the learning from here and elsewhere can be transferred to on-the-ground improvements in agriculture, ensuring the flow of information and best practice farming into the community, where it can make a real difference to profits."

Scotland Food & Drink Excellence Awards

Last year's Scotland Food & Drink Excellence Awards were bigger and better than ever, with 840 guests attending the event and a record-breaking 239 entries received. The closing date for entries this year was 11th March and the judging process for 2016 is now underway.

The Success Through Partnership Award, sponsored by SAOS, looks likely to be hotly-contested once again, with the judges having told us that last year was a particularly close call between the Scottish Cold Pressed Rapeseed Group, The Food and Drink Hub (Scotland) Ltd, and Highland Game, who eventually lifted the award.

Rona Sutherland, who presented last year's award commented: "What's great about this award is that we get to see some wonderful examples of the strength and importance of collaboration within supply chains. By working closely together, companies and their suppliers can create highly competitive supply chains. Seeing good examples of strong, strategic, supply chain partnerships working well and is very rewarding."

The list of this year's finalists will be announced on 25 April and the awards ceremony and dinner take place on Thursday 2nd June at the EICC in Edinburgh.

FHIS Project Closes Having Delivered Growth for Scottish Food and Drink Companies

Established in 2010, and funded by Scottish Enterprise and Highlands & Islands Enterprise, the Food and Health Innovation Service was a five-year £4.4m project to help ambitious Scottish food and drink companies capitalise upon the rapidly expanding international market for healthy food and drink products – estimated to be worth $1 trillion globally by 2017.

Delivered in partnership with Campden BRI, Interface and The Rowett Institute of Nutrition & Health this unique project offered, for the first time, a tailored and seamless range of practical support measures that brought together marketing, technical and scientific experts to help support companies in their goal of developing new products.

SAOS leveraged its significant expertise in food and health marketing to help promote a greater market focus - assisting companies with pragmatic marketing and legislative support, as well as delivering the communications and awareness raising aspects of the project.

Over the course of the project, FHIS engaged over 500 food and drink companies of all sizes across the whole of Scotland, helping de-risk and accelerate the new product development process for many of these. In addition to the one-to-one support, FHIS also had an active events programme, with over 800 delegates attending 28 events over the project lifetime. As part of the communications programme, over 1,000 people received regular e-zine updates, and a wealth of informative digital resources was created, including scientific, marketing and NPD insights - as well as many case studies highlighting the project impact.

Save the dates:

SAOS Council Meeting and AGM: 25th May 2016, at Murrayshall Hotel

SAOS Annual Conference: 26th January 2017, at Dunblane Hydro Hotel

If you have anything to contribute towards future editions of SAOS Update, please contact:

Jennifer Grant, Communications and PR Manager - tel: 0131 472 4104 or email: jennifer.grant@saos.coop