

# SAOS update

News from, and for, Scotland's farmer co-ops Winter '18/19



## Co-ops Committed to Leadership Development

### Strong Attendance at Autumn SAOS Events

Forty nine directors and future leaders of agricultural co-ops demonstrated their commitment to professional development in co-op governance and management this autumn, by participating in SAOS training events. And that number is set to increase as further events take place over the winter months. Jim Booth, Head of Co-operative Development commented: "Effective governance is the key success factor that really matters in co-ops. More farmer directors and managers than ever are seeking to hone their skills in strategy development and planning, as co-ops respond to the continuing uncertain environment."

### Effective Governance

Fifteen directors participated in the 'Effective Governance Workshop' held in November at Thainstone (and being repeated at Ingliston on 13 February 2019). The workshop was led by Bob Yuill and Anna Robertson. Bob said: "Directors have to understand that co-ops are there to serve their members' interests. Members have control rights that are embedded in the Rules and purpose of their co-op, and members very directly connect with it in the formulation and delivery of the business strategy. So, effective two-way communication between members and the Board and managers is vital to good co-op governance practice." The workshop also discussed the structure and role of the Board, and how to best organise the Board's annual work programme.

Delegates who attended the event said:

**"A really excellent day. A great use of examples and super to involve all participants in this."**

**"Plenty excellent information, ideas and pointers."**

### Being a Successful Chairperson

Nineteen chairs and vice chairs participated in 'The Art of Being a Successful Chairperson', held in late October. Facilitated by Jim Booth and James Graham, the programme reviewed in-depth the distinct role of the chairperson, and provided a confidential opportunity to share and discuss experiences and challenges that the chairperson encounters. A highlight of the event was an inspirational presentation by Pat Machray OBE, formerly chair of ANM Group, which brought to life all the key learning points of the day. The afternoon ended with two case study exercises setting out scenarios for delegates to resolve: the resignation of a Chief Executive who was moving to a direct competitor, and dealing with a director who had breached board confidentiality and had a close trading relationship with a competitor. Delegates discussed how they would handle these situations.

Delegates who participated in the event said:

**"Having a personal Action Plan was a great idea to remind you of the improvements to make."**

**"Very interesting, well thought out workshop - lots of homework to do!"**

### Co-operative Management in Practice

Fifteen co-op managers and future leaders (pictured below) completed this intensive two-day training workshop, held in November. Programme leader Stephen Young of SAOS, said: "We ensure that all delegates get a clear understanding of everything that is different and distinct about co-ops. We work through co-operative values and purpose, and on to the implications for member participation at the heart of business planning, funding and communications. The group dynamic means everyone asks all their questions, and participants leave with much greater depth of understanding." Guest speakers included Graham Bruce, Managing Director of Ringlink (Scotland) and George Lawrie, former chair of Tayforth, Scottish Agronomy and SAOS.

Delegates who attended the event said:

**"I found the whole two days interesting. The values of the co-op was particularly interesting."**

**"Liked the range of topics and depth of discussion. It wasn't all just listening."**



## Cabinet Secretary to Address SAOS Conference (+ free places for new attendees!)

We're delighted that Fergus Ewing, Cabinet Secretary for the Rural Economy, has once again found the time to attend our conference. This year's theme is 'Promoting Innovation Through Co-operation' which we know Mr Ewing is a great proponent of. He will address delegates during our afternoon session and there will also be an opportunity for the audience to pose questions of the Cabinet Secretary.

Our keynote presentations for this year come from Professor Wayne Powell, Principal and Chief Executive, SRUC; and Trevor Lockhart, Chief Executive, Fane Valley. The panel session will focus on different experiences of innovation, with Ian Cruickshank, Chairman of Aberdeen Grain; John Gregor, Executive Director of the ANM Group; Suzanne George, CEO of Denvir Marketing; and Alan Stevenson, SAOS Supply Chain Development Director, each giving a short presentation before taking questions as a group from the floor. We're delighted that Ken Rundle has agreed to facilitate the discussion once again.

One of our morning forums will be looking at the SmartRural concept which integrates information and communication technology through various devices. The team behind the concept will be sharing how this technology has the potential to transform rural areas of Scotland (read more on SmartRural on page 7). Our other forum will be looking at how consumer trends are changing and investigating the consequences of these changes for farming and food production.

We hope you can join us at Dunblane Hydro on 31st January, please book early to avoid disappointment! As you'll see from the registration form, we have simplified the booking process this year. We also have several offers in a bid to encourage those who have not attended our conference before. Once again we have a number of free 'Next Generation' places for **co-op staff/members aged under 40 who are first time conference attendees**. Any co-op with **four or more attendees for the full 24-hour package gets a reduced rate**. Finally, we are offering **two free places to member co-ops who have not had members attend previously**. We know that once members attend and get the benefit of the experience, they tend to keep coming, so we'd really like more co-ops to benefit! To confirm details/eligibility of these offers, please contact [jennifer.grant@saos.coop](mailto:jennifer.grant@saos.coop), otherwise please send in your booking forms in the usual ways.

Measuring the positive impact of  
Scottish farms in tackling climate change



## SAOS Climate Change Strategy Direction for Farming and Supply Chain

Project Manager, Emma Patterson Taylor, presented a position paper at the recent SAOS Council Meeting on the 'SAOS Strategic Objective for Climate Change'. The paper identified three key pillars of proposed SAOS policy, aligned with Scottish Government objectives, with respect to agriculture and climate change action: growth, mitigation and adaptation.

To underpin these policy areas, the position paper highlighted a number of key strategic deliverables being proposed by SAOS - to support and enable the development of emissions intensity measures for food production; to demonstrate and capture carbon positive activity; to drive efficiency particularly in the livestock sector and increase the overall resilience of agriculture in Scotland.

The development of CarbonPositive as a means of enabling the farming industry to take credit for agriculture's contribution and role in carbon sequestration and mitigation was continuing. Establishing authoritative verifiable measures remains a challenge that needs taken forward.

In discussion at the Council Meeting, it was suggested that other countries (eg New Zealand and Ireland) had benefitted by being bold in claiming 'green' credentials for their farming, while the UK seemed to be overly cautious in comparison.

Council endorsed the 'SAOS Strategic Objective for Climate Change' proposal and thanked Emma for her continuing work in this area.

SAOS proposes that a priority sector to pilot 'innovation through collaboration' is livestock. There is an outstanding opportunity to utilise data in the ScotEID database to assist farmer groups to improve productivity in respect of calving rates, impacts of disease, and to learn from and respond to supply chain demands, better joining-up the supply chain. Implicitly linked, is the opportunity to identify and quantify related environmental improvements in respect of group members' livestock greenhouse gas emissions. A group approach is 'bottom-up' and builds ownership of action and results amongst participating farmers.

## SAOS 'Co-op Shorts' videos

We've recently added a video on Scottish Agronomy to our collection of SAOS 'Co-op Shorts'. Not only do these give an idea of the wide range of products produced and marketed by our member co-ops, but they also give co-op members the opportunity to give an insight into why being a member is so beneficial to their business. Thanks to Managing Director, Andrew Gilchrist, and co-op member Andrew Baird, for their time.

(For our eagle-eyed readers who spotted our rather 'unseasonal' cover pic, this is actually a still from the Scottish Agronomy video!)

You can view the Scottish Agronomy video, along with the ones we've done previously, on our YouTube channel, **SAOS - Scottish Farmer Co-ops**.



## Co-op Tour for ScotGov's Food and Drink Industry Division

We were really delighted to spend two days in early November showing three members of the Scottish Government's Food and Drink Industry division around some of our hugely innovative and successful co-ops.

Our trip started with Scottish Shellfish in Bellshill where the group learned more about the advantages of achieving a degree of farmer-controlled dominance in primary supply, and how the growers have maximised their opportunities through co-op investment.

Next on the trip was a visit to Quaker Oats at Cupar, part of Pepsico International, where the sheer enlightened logic applied to a relatively straight forward, win/win supply chain collaboration, was really encouraging to see. The relationship with the OatCo group, part of Grainco, clearly benefits both sides and the outcomes for farmer competitiveness and security are clear to see. The group is pictured (below) at the Quaker plant.

At Grampian Growers, the entrepreneurialism of the farmer growers in entering a new crop, the export market development, and the ambition of investing in the development of their Gemson line of potatoes to make it a commercial success, were impressive.

Our second day began at ANM Group, where we learned more about this highly diversified co-op with nearly 5000 members. The scale and essential nature of the redistribution of livestock that takes place through the services of the co-op, and the capital investment and service provision necessary to achieve it, were notable. Their plans for further development and the potential to benefit the wider rural community, in particular their investment in the Farm Profit Programme, which is communicating straightforward, easy wins to all farmers, are exciting.

We met Andy McGowan, MD of Scottish Pig Producers, at the ScotEID office in Huntly next. He explained the breadth and depth of innovation projects being undertaken to improve the competitiveness of the herd and, at the same time, the collaboration in processing, aiming not just to secure a future outlet, but to add value in Scotland to realise the market potential for Specially Selected Scottish Pork.

Finally, we learned more about ScotEID livestock traceability and its database capabilities; the speed with which information can become available from the supply chain, and the ease of the user interfaces are really amazing and the future potential for developing supply chain uses/services from ScotEID seem almost limitless.

The purpose of the visits was to demonstrate ways in which future policy could better support and encourage farmer co-operation and supply chain collaboration. At all our visits, Scotland Food & Drink's Ambition 2030 came up at some point, as the future ambition/target, and how increased co-operation and collaboration are vital for its success. The other recurring theme was how the Scottish Government's Knowledge Transfer Innovation Fund (KTIF) had been so very helpful to many co-op projects. Many thanks to all who were involved in the visits.



## Stephen Young Reflects on his Masters Course Experiences

As I come to an end to my 'student days' I have had some time to reflect on three years studying at St Marys University, Halifax. I am now the proud holder of a Masters of Management, Cooperatives and Credit Unions. Of course these are just words and the degree is a fancy piece of paper, the real value lies in the learning and contacts made. There were 16 co-ops and credit unions with students on the course, with all of them except me from North America. These ranged from small retail food co-ops such as Buffalo Mountain in Vermont (their newsletter "The Bullsheet" is excellent!) to massive federations such as Desjardin, with over 7 million members in Quebec, which has an amazing staff and director induction programme. The course involved 33 weeks per year of studying, averaging 20 hours per week. It is based on online discussions and submissions of reports, opinions and reflections on papers and case studies. There was an



opportunity to travel to Halifax twice however, to meet up with the class at the start and end of the course, along with a ten day study tour to Bologna where the economy is largely based on co-ops to deliver not only commercial, but also social benefit.

We saw 13 co-ops in a short space of time, what was most interesting was the scale they had, in terms of output, but also investment, with major manufacturing businesses capitalised, often as worker co-ops, by the members.

No matter the scale, location or sector, there are common themes of member relations and the need for ambition and strong governance. Allowing members to be part of the decision-making process, while still delivering economic benefit can be tough, but it is hugely important. It is the USP of a co-op. Where else can a 'customer' genuinely have a say in the running of a business, as well as sharing in its success? Similarly, how do we measure our performance? There is a range of tools available to help with this and choosing the right one is important, using traditional financial measures is not enough. Understanding and communicating to staff and members, not only what success looks like, but also how we aim to achieve it, can have a hugely positive impact. It is this involvement and transparency which will allow members and staff to feel like they are fully involved, and it's not 'just another business'.

The course also made me think about the way we communicate with members. We often hear "the members don't understand what we do and why we are different". It's true that this difference can be hard to articulate, however it is also the competitive advantage and getting the message across of the value created, in financial and non-financial terms, is essential and something we need to work on. Similarly the methods of communication need to change, are the days of a 30 page annual report numbered? Could we use short films and animation to communicate what we do better?

I found the course to be hugely beneficial, both in terms of extending my experience and viewpoints, but also for my own personal development - we all need to keep learning and evolving in our roles. If anyone wants to know more about this course (there are also shorter diploma and certificate qualifications, as well as regular co-op management courses which usually run for three days in either London or Canada) feel free to get in touch - [stephen.young@saos.coop](mailto:stephen.young@saos.coop)

## Increase in Membership and Trading Activity for Borders Machinery Ring

At their November AGM, Chairman Guy Lee reported that membership had exceeded 1000 for the first time. This had been a target in the ring's five-year strategy set in 2014, along with the ambition to buy their own office, which they achieved last year. Guy commented: "It is very satisfying to look back over those five years and see how we have realised our ambitions. The 24 hour sessions the directors spend away from the business every five years or so are invaluable and really give the executive a focus and the business a direction of travel.

When he came to the ring's performance, Guy reported that trading activity increased by 15% to April 2018, to £6.6m. There was also growth in core contracting and labour supply, as well as increased demand for casual labour including grading staff, stone pickers and roguers. In line with many of our member co-ops, Guy commented on staffing problems: "Labour availability in the industry remains a major concern with lack of young entrants and continued Brexit uncertainty,

along with the weaker pound reducing the number of EU nationals available."

The net profit for the year is £54,000, an increase of £36,000 over 2017. Shareholder funds stand at £425,825. Labour supply through sister company, Border Area Services Ltd, also grew, to £326,835, up £20,000 on the previous year.

Turnover also increased on the training side, with training hosted at the BMR offices working really well, and the building itself having proved a real boost to the business. Guy continued: "Not only is it a greatly improved working environment, it has given BMR a much more visible presence, as well as making financial sense with five rooms on the first floor of the building let out to other businesses."

Guy closed by thanking the staff and welcoming Angus Calder to the ring, adding: "BMR is in great shape to face the challenges that lie ahead."

## Scottish Organic Producers Association Celebrates 30th Anniversary

The Scottish Organic Producers Association (SOPA) was formed in 1988 as an Independent and Provident Society and, celebrating its 30th birthday this year, it remains the United Kingdom's only co-operative organic organisation.

Over those 30 years, SOPA has been working hard to communicate the benefits of organic to Scottish producers, processors and the general public. SOPA is responsible for protecting and upholding the organic integrity of all products produced by members and certified by OF&G (Scotland) Ltd to the SOPA organic standards, supporting members in the building of financially and environmentally sustainable businesses and working closely with industry partners.

Whilst challenges facing the Scottish organic sector have come and gone over the last 30 years, perhaps the most influential is yet to come. SOPA members have highlighted that while they will continue to endeavour to farm organically post-Brexit, more than a third have already seen their access to markets shrink since the Brexit vote.

Whilst Brexit may not be a challenge that many organic farmers chose to face, many are truly grasping other challenges that weren't on the cards when SOPA launched 30 years ago.

Social media is playing an enormous part in the way organic is received and the organic sector has done well to embrace it. Giving farmers the opportunity to tell their own story means that the public aren't merely subjected to marketing messages but are instead hearing the benefits of organic farming directly from the horse's mouth.

Throughout its birthday year, SOPA has also been excited to welcome one of its newest producers who represents a fantastic example of positive PR. Mossgiel Farm in Ayrshire is "taking back control of their dairy business". They now supply the milk from their herd directly to businesses and consumers across the west coast of Scotland and are making waves within the industry with their bid to become the UK's first plastic-free, organic dairy farm. The team at Mossgiel has taken control of their future, and have ensured a sustainable future for at least the next 30 years of their farming journey.

## Increase in Turnover and Tonnage at East of Scotland Farmers

The benefits of being a member of a co-op were reiterated by George McLaren, Chairman of East of Scotland Farmers, when commenting on their latest set of financial results to May 2018.

Members are able to access regular updates through the season to harvest, sample checks from a local lab, quick uplift of grain and then emails to confirm the quality of loads delivered. The flexibility of EoSF to take part loads that other merchants wouldn't take and the long opening hours during harvest are also of significant benefit to members. EoSF handled a total of 76,000 tonnes of grain and oilseeds from harvest, up over 10% on the previous year, with turnover increasing by over 21% to £18.7m. George noted that the co-op's profit of £290,214 (down £22,261 from the previous year) may at first glance seem disappointing

but a six figure sum had been spent on repairs and improvements. The next stage of developments includes a new entrance road, double weighbridges and laboratory in order to enhance operations as well as to improve access to the Country Store.

Two long-serving members of staff had left EoSF and were thanked in the report for their service, their replacements, Duncan Downie as Ag-chem Manager and Fraser Anderson as Quality Manager are already settling in well and mention was made that the co-op is fortunate still to have a number of valued long-serving staff. George closed his report by thanking the members, his fellow directors, the management and staff, stating: "Collectively, you are East of Scotland farmers Ltd."

## And the Winner is... Graham Bruce Wins RNAS Public Awards

There were further celebrations for Ringlink Scotland in their 30th anniversary year when Managing Director, Graham Bruce, was presented with the Royal Northern Agricultural Society's public award recently. The award, sponsored by the Press and Journal (Graham is pictured with Gemma Mackenzie of the P&J), recognises a public figure for their service to agriculture. As we reported in the last issue, over the years the ring has gone from strength to strength under Graham's leadership, and is now a significantly larger operation, with almost 3000 members, four offices and thirty-eight employees.

With Graham at the helm, Ringlink has been closely involved in agricultural sector changes in Scotland over the years. The ring now focusses on four key areas; machinery, labour, commodities and training. In the past few years, an important area of Ringlink's work has been the development of a scheme to encourage youngsters, whether from an agricultural background or not, into the industry, and Graham has worked tirelessly to promote and develop this. He commented: "It's one of my biggest achievements and one of the most satisfying things I've been involved with."



## Broccoli Crisps from Growers Garden now Available in Stores!

As we reported in the last SAOS Update, members of East of Scotland Growers had pooled their own money, together with four business directors, to invest £2 million into the creation of the innovative new snack brand - and they're now available! The SAOS panel of tasters gives them the thumbs up confirming that "they're really tasty" and "you really can taste the broccoli!"

Growers Garden is the world's first to use fresh vegetables to produce healthy snacks - a 22g pack contains less than 100 calories and they also tick all the right boxes for being naturally high in fibre, gluten-free and vegan. Another huge positive is that key to their development is that they're made using the excess from harvest, so greatly help to reduce waste.

The directors investing in the venture are ESG Managing Director, Andrew Faichney; Nicolas Marston, Chairman; consultant Malcolm Morrison, and Denvir Marketing Chief Executive, Suzanne George, who we're delighted to say will be joining us for the afternoon panel session at the SAOS Annual Conference.

The Growers Garden branding and their website growers-garden.com is really fun and funky and sure to catch your eye. This was recently the case at the BBC Good Food show (pictured). Keep a look out for Garden Growers Broccoli crisps in farm shops and delis across the country. We wish Growers Garden every success.



## Lewis Crofters Marks Diamond Anniversary

In February 1955 a meeting was held in Stornoway to discuss the idea of setting up a crofters co-operative in Lewis. Three years later, in July 1958, Lewis Crofters Ltd finally became a reality as a co-operative set up to supply the crofters of Lewis and Harris with everything from animal feed to fencing staples. Over the years the range of products has grown and now includes animal health medicines, hardware, footwear, clothing, tools, pet and garden supplies.

SAOS was involved from the start, both in setting up the co-op and then in October 1959 when Lewis Crofters Ltd opened its first premises, Colin F Macdonald, formerly of SAOS, was appointed as the first manager of the Crofters shop.

The 60th anniversary presented the co-op with a great opportunity to showcase the wide range of goods now on offer, but Manager Alasdair MacLean said most importantly they wanted to thank their many loyal customers. "Crofting has changed over the years and the range of materials we supply has changed with it," he said. "When Lewis Crofters first started, most islanders were actively working their crofts and would have taken home their peats with horses. We still supply core crofting materials for fencing, drainage, agriculture and stock feeding, but we are also supplying the requirements of many people who are now diversifying their crofting activities."

The big day in July saw a range of promotional activities in the store, and a 60th Anniversary barbecue and exhibition. As part of the celebrations, the co-op appealed to members and customers to submit photographs to highlight how crofting has changed over the decades, but also to show that some work is still very similar. It's planned to use the photos create a special calendar.

Out of the many wonderful pictures submitted, the winning photo (pictured right) was submitted by Alison Macleod who won a £100 hamper prize for 'Who needs traffic lights' - taken in the 70s of sheep being moved from the Pentland Road to Point.



## First Venison joins SAOS

First Venison is a British farmer-owned co-operative supplying quality-assured farmed venison produced to the highest standards of husbandry and welfare. The only dedicated supplier group for prime venison in the UK, it secures the best routes to market and captures maximum, and most sustainable, market value for its members.

"First Venison was formed by a group of eight, like-minded deer producers in 2008," explains Chairman, Stephen Greenfield. "The initiative came at a time when much of the venison market was unstructured and uncertain, and secure markets for producers of a high-quality product, with a consistency of supply, to be paid appropriately for their animals, were limited.

"This all changed when the possibility arose to supply a high-quality retail customer who shared our values and provided the impetus to form a new producer group which we named First Venison."

During the first winter season, the group supplied over 900 animals meeting the required specification of their processor and retail supply chain partners. A strong working relationship quickly developed and the success of the first season provided the perfect incentive to refine and strengthen supply protocols which subsequently attracted new members from all areas of the UK.

Today, the membership stands at 35 Full Members, along with a number of Associate Members who are committed to joining the group.

Looking to strengthen the organisation and bring additional value to its members, First Venison looked at the opportunity to introduce a co-operative structure in 2015. With its many years of experience, the group looked to SAOS to provide the necessary advice and was commissioned to draw up the structure and the required documentation.

Presented to members at the 2017 AGM, the concept of a new co-op structure was well received and the group was duly registered.

First Venison is governed by a board of directors who are elected annually and is managed and administered by the British Growers Association. All full members are required to sign up to a co-op membership agreement, abide by the co-operative rules and pay an annual subscription. On being accepted for membership, the producer buys one share which entitles them to one vote.

Stephen concludes: "The decision to become a farmer co-operative was an important development for First Venison. It means our organisation is strengthened and in really good shape to meet the challenges ahead. The good business practices and regulatory requirements we have needed to adopt have been good incentives to drive First Venison forward and ensure we are meeting our founding objectives."

SAOS looks forward to working with First Venison in these exciting times for Venison producers (see overleaf).

## Knowledge Development for Co-op Staff Forum Group with Study Tour

SAOS' Co-op Staff Forum was formed in 2014 and has met regularly since, visiting co-ops across the country, and setting their own wide-ranging agenda for meetings, involving the building of co-op knowledge as well as personal development, with topics such as confidence-building. Despite a few changes in participants, the group has been a really worthwhile addition to SAOS' Next Generation work with our co-op members.

In November, the group undertook a two-day study trip visiting a series of co-ops and farms, and focussing on a different theme at each.

First stop was to see SAC graduate Ross Forster at Peacehill Farm in Fife. In recent years the Forsters have diversified into renewable energy initiatives to cut energy costs across their farming enterprises which include 350,000 broiler chickens and a packing and storage facility for potatoes and broccoli. Not only has the installation of anaerobic digesters, biomass boilers and solar panels helped save on energy bills, it's even improved the health of the chickens!

Andrew Faichney, Managing Director at East of Scotland Growers (ESG) hosted the group next, to talk about the co-op's innovative new venture, Garden Growers' broccoli crisps. Andrew explained how ESG's culture of continually looking for opportunities to promote innovation, helps members to improve efficiency, deliver quality and move with emerging trends.

At Scottish Agronomy the group's focus was on co-op strategy. Andrew Gilchrist, Managing Director, talked through the main aims and services that the Scottish Agronomy team provides to their 200 members, who are widely spread, mainly across Eastern Scotland. Discussions here included the importance of strategy and succession planning for Scottish Agronomy to remain progressive and highly thought of within their membership.

Day two started at Easter Rhynd Farm, where fifth generation farmer, Fin Hay, talked to the group about the role of co-ops in his family business. Fin, a current director at Tayforth Machinery Ring, was a very positive advocate for why co-ops are essential in the running of his business. Being a member of six Scottish co-ops has saved the family's business endless amounts of time and money over the years, and provides independent, quality advice which he can trust and act on.

The last visit was to recently-formed co-op, Scottish Honeyberries, near Invergowrie, where Scotland's first orchard of honeyberries was planted in 2014. Stewart Arbuckle grows soft fruit amongst other farming enterprises and, as one of four founding members, is leading a strong membership of ten growers in producing the next 'super fruit' to hit the shelves. Stewart, along with Douglas Watson, formerly of SAOS, who was instrumental in setting up the co-op, explained the process of growing and harvesting the plants, and why the co-op structure was the best model for the start-up. Watch this space, the group predicts lots of exciting future developments for this co-op!

Anna Robertson, SAOS Project Manager, who accompanied group commented: "On behalf of the Co-op Staff Forum I'd like to offer our sincere thanks to all the hosts. Your openness in sharing experiences, business practices and knowledge was truly invaluable."

Pictured right at Easter Rhynd Farm are participants: John Taylor (Scottish Pig Producers), Gregg Watson (Ringlink), Leanne MacPherson (Highland Grain), Claire Dyce (Grampian Growers), Fin Hay, Peter Duthie (Scottish Pig Producers), and Anna Robertson.

The Next Generation team is currently recruiting for individuals and co-ops keen to benefit from this kind of staff development with a similar group for co-ops based further South in Scotland.

Please contact [anna.robertson@saos.coop](mailto:anna.robertson@saos.coop) to note interest or find out more.



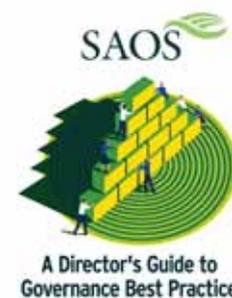
## New Director's Guide to Governance Best Practice

To be effective, directors require clear understanding of their role, both individually and collectively with their colleagues, and they need knowledge of good board practice. We have refreshed our popular guide (formerly called 'Governance Standards for Co-ops') to help directors with this.

Copies are now available and will be given out at appropriate training and development courses that are coming up.

We also plan to have some copies available at the conference (please let us know if you need more than a couple of copies and want to arrange to pick up a batch).

There will also be a PDF version which will shortly be available on our website.



"Governance is not about the process of having the numbers and all other things in a business to see that it is well-run."

## SmartRural Makes Economic Case for Funding

In the last SAOS Update we reported on SmartRural's pilot scheme which has been developing a new co-operative business model trialling how to use technology to deliver improvements for residents and businesses in a rural setting through Long Range Wide Area Networks (LoRaWAN).

The Scottish Government's refreshed Digital Strategy emphasises the importance of network infrastructure to achieving the economic benefits offered by current and emerging digital applications. Within this, although broadband and mobile phone connectivity both feature prominently, a third form of digital connectivity is also mentioned explicitly: LoRaWAN.

LoRaWAN (Long Range Wide Area Network) is a form of low power, wireless communication developed to support the Internet of Things (IoT).

The battery life of devices connected to a LoRaWAN is measured in years, the devices can cost less than £10 and base stations can cost less than £10k. These modest requirements reflect the fact that LoRaWAN devices are intended to convey only small pieces of information relatively infrequently rather than complex information continuously: to signal a simple event or a change in condition, rather than providing detailed data.

This simple signalling is the essence of the IoT as an enabling technology: it greatly expands the scope for automatically monitoring the world around us, offering insights into the status of things which were not previously readily apparent and providing opportunities for better-informed decision-making and management.

Much farm management is based around averages, treating all animals within a cohort, or each parcel of land within a field, as if they were the same and therefore should receive the same level and timing of inputs. Cheap but durable IoT devices running with LoRaWAN offer the possibility of achieving a relatively dense monitoring network capable of providing information on when and where management is required.

By expanding the scope for cost-effective routine monitoring of the world around us, the IoT offers opportunities to gather new information which may help to improve economic efficiency.

The SmartRural team will be on hand at our conference in January to discuss the progress and possibilities for SmartRural.

Find out more in the meantime at [www.smartrural.coop](http://www.smartrural.coop)

## New Strategy for Scottish Venison Industry

In Spring of this year, Cabinet Secretary, Fergus Ewing MSP, hosted a Scottish Venison summit, bringing together representatives from both the wild and farmed sectors, those involved in the wider supply chain, together with other supporting organisations, including SAOS. At the meeting, the group was challenged with setting up a strategy detailing their own ambition for 2030.

This strategy was duly developed, and launched on Scottish Venison Day, during this year's Scottish Food and Drink fortnight in September. The document sets out nine key areas for growth across the sector:

- Establish an industry leadership group and a 'go to' hub for crucial market research and industry technical advice.
- Improve, and create new, supply chains
- Continuously enhance quality assurance schemes
- Build and strengthen skills for future growth
- Tailor support for deer farming
- Invest in area-based facilities to maintain wild carcass quality and open new routes to local markets
- Develop a consumer-driven communications campaign and engage with education in schools
- Build on world class husbandry expertise, and research and development, to improve productivity in Scotland
- Deploy consumer insight to accelerate new product development for both home and international markets



Left to right are: Bill Bewsher, Chairman, Scottish Venison Partnership; John Fletcher, Venison Advisory Service; Alistair Trail, SAC Consulting; Richard Barclay, Rannoch Smokery; Bob Prentice, Downfield Farm/Stagison; Nichola Fletcher, Venison Advisory Service; Kirsty Macdonald, Highland Game; Marie Gougeon, Minister for Rural Affairs; Alan Stevenson, SAOS/Chair of Venison Working Group; Amanda Brown, SAOS and Pete Moore SNH.

Speaking at the launch, at Downfield Farm venison processing plant, Minister for Rural Affairs and the Natural Environment, Mairi Gougeon, said: "Venison is a premium food, renowned for its quality, provenance and health credentials, and its reputation continues to rise in both domestic and international markets. We know the venison market in the UK alone is estimated to be worth around £100 million per year and demand has been increasing year on year. With this strategy in place, the sector in Scotland now has a fantastic opportunity to meet rising demand, displace imports and target new market opportunities.

Bill Bewsher, Chairman of the Scottish Venison Partnership, added: "Venison producers and processors in Scotland, both wild and farmed, will take very significant encouragement from this new strategy. The strategy points all of us in the right direction with a set of common goals for 2030 to meet expanding markets both in the UK and elsewhere, and we are grateful for the additional support forthcoming from government in helping us to meet them."

Commenting in the strategy document itself, Cabinet Secretary Fergus Ewing, states: "Deer management and farming can play a significant role in a thriving, sustainable and productive rural economy. This strategy will enable the sector to build on the strong foundations built by the venison pioneers in Scotland and I look forward to continuing to work in partnership with the sector to drive forward these efforts.

The strategy document is available on the Scottish Government website.

SAOS' expertise currently extends into developing or supporting strategies and action plans involving pigmeat, dairy, dairy beef, organic, Scottish fine cheeses, chocolatiers, and the Scottish Seafood and brewing sectors (see over).

## Call for Industry Support for new Collaborative Brewing Strategy from SF&D

Scotland Food & Drink has been working in partnership with SAOS and other stakeholders to develop sector strategies that feed into the ambition to grow Scotland's food and drink turnover to £30bn by 2030. Fruit, vegetable and potato, pigs and venison strategies were launched in 2018 with brewing and seafood in development.

A Brewing Industry Leadership Group was created earlier this year with representation from the whole supply chain; from field to glass. They have focussed on establishing solutions to unlock growth across the brewing industry in Scotland. The strategy themes focus around building capabilities in terms of people and skills, innovation and supply chain, developing our markets and the brand of Scottish brewing. All the recommendations link to one or more of the five key values of quality, sustainability, responsibility, engagement and collaboration.

The 2030 vision for the brewing industry's supply chain is – "Scotland's brewing supply chain will be resilient, secure and equitable. Businesses will look to reduce their environmental footprint, and they'll be adaptive to climate change. Brewers nationwide will have reliable, affordable access to raw materials – Scottish-sourced, if that's what they want. All along the chain – growing, malting, brewing, packaging, distributing – businesses will be scaleable, with access to infrastructure and expertise that support quality and growth. And they'll collaborate for the success of the sector, coming together to deliver superb beer at prices and margins that work for suppliers, businesses and consumers alike."

With the support of SAOS, recommendations have been developed to work towards this ambition to improve collaboration end-to-end and between producers to build resilience and profitability across the industry. A review will be undertaken of specialty malt supply to brewers of all sizes, from micro-breweries to large businesses, including in the Highlands and Islands to uncover ways of improving flexibility, availability and cost efficiency.

A creative, collaborative approach to purchasing and distribution is also needed – aiming to remove duplication, introduce new routes to market, and help businesses manage risk and cash flow better. Solutions that will be explored will include:

- setting up local sourcing and supply partnerships or co-operative purchasing group schemes; or looking at possible models from other industries for the use of pooled assets and services.
- a project supporting the industry to explore primary and secondary distribution solutions such as shared loads, local distribution hubs, or buffering of items.

Other recommendations include supporting research to determine whether Scotland's raw materials and natural resources – including water, soil and malt – can deliver nutritional and environmental benefits which could help to differentiate Scottish beer. Industry also needs to engage actively with research to ensure security of raw materials in the future - seed stock, yeast, water quality and water management.

The complete Brewing strategy was launched on 4th December. SF&D is calling for support in turning these recommendations into reality, to achieve not only a profitable and sustainable billion-pound industry, but jobs, pride and excitement.



**SCOTLAND**  
FOOD & DRINK

## Please be aware, scammers are getting more common and more clever!

We were horrified to hear from a member recently that they had been the victim of a very costly 'con' and, as this is far from the first one we've heard of, we thought we'd share a couple of examples to help make members aware of the kinds of things that are happening more and more regularly. We've probably all received the odd 'dodgy email' with a request to open an attachment which usually contains something nasty and may clone your email address book and access your contacts. More worrying though are some of the recent examples we've heard of.

The first involves a customer who was contacted by a business they had used, using the correct email address, stating that the attached invoice 'remained outstanding'. The invoice had been paid so the customer called their contact on the phone number they already knew, rather than the one given on the email, and it transpired that the email had not been sent by the business at all!

The second, more serious example was where a business received an invoice from a regular supplier, stating that they had changed their bank details, and supplying new ones for the payment. As this didn't seem unreasonable from a known supplier, the invoice was paid. The 'new' account was short-lived however, having been shut down and emptied by the scammer before the police could do anything about it. The real invoice of course remained outstanding and had to be paid.

Please check anything and everything that seems even remotely unusual through known contact details, not those given in the email.



**Merry Christmas and a happy and healthy New Year to all our readers from everyone at SAOS!**

If you have anything to contribute towards future editions of SAOS Update, or you no longer wish to receive a copy, please contact: [jennifer.grant@saos.coop](mailto:jennifer.grant@saos.coop)

