



## **Scotland Food & Drink – Role and Vision**

Scotland Food & Drink was launched in June 2007 and incorporated as a private limited company in August 2007. It is a new industry-led organisation which aims to grow the value of Scotland's food and drink sector, make it more profitable and deliver greater global success in a fiercely competitive market.

Its mission is to grow the industry from £7.5bn to £10bn by 2017 and its vision is to build Scotland's international reputation as '*A Land of Food and Drink*'. Innovation in product, process and route to market is essential if Scotland wants to achieve and maintain a leadership position internationally. Scotland Food and Drink will play a central role in defining and delivering the information and support needed by Scottish companies to identify and exploit new business opportunities.

Led by the industry, Scotland Food & Drink has been unique in bringing every sector together for the first time, working to a common commercial goal.

It is building on the achievements by the Scottish Food & Drink Strategy Group which was set up in 1999 to improve the competitiveness of the industry, after experiencing difficulties competing in global markets during the 1990s.

Scotland Food & Drink's role is to provide leadership, strategic thinking and analysis of market issues and trends. Four strategic priorities have been identified and tasked to working groups comprising experts in collaboration, reputation, skills and innovation.

## **Economic importance**

Scotland's food and drink sector is of huge importance to the Scottish economy with annual sales of £7.57 billion and growth outperforming manufacturing in Scotland and the economy as a whole.

## **A 'Land of Food & Drink'**

With some of the best natural produce in the world (whisky, seafood, venison and Scotch beef etc) Scotland Food & Drink is championing the growth potential of Scottish products and brands in domestic and international markets. Scotland Food & Drink has been formed on a platform of collaboration and it is essential that the industry works together to help deliver a profitable world-class supply chain.

As well as showcasing Scottish produce in the main markets of western Europe and the US, opportunities will be explored in emerging markets such as Russia, China, South Korea, Taiwan and India.

## **Scotland Food & Drink – Strategic Priorities**

Scotland Food & Drink's mission is to increase the value of the industry from £7.5bn to £10bn by 2017 and its vision is to build Scotland's international reputation as '*A Land of Food & Drink*'.

To achieve the industry's commercial ambitions, four strategic priorities have been identified with dedicated working groups focusing on:

- Collaboration
- Reputation
- Innovation
- Skills

The working groups are made up of industry representatives from producers (SMEs and multi-nationals), academia, trade organisations, researchers and enterprise networks.

### **Collaboration**

Collaboration across the entire supply chain is a key priority. Chaired by James Graham, chief executive of SAOS, this group's remit is to move the industry from a cost and performance focus, to one which works and learns together sharing research, best practice and case studies of companies/supply chains with high growth, global aspirations. Collaborative projects will be encouraged and a Coaching Academy and Excellence Centre is planned as the foundation for developing new sector initiatives.

### **Reputation**

Chaired by 'Uel Morton, chief executive of Quality Meat Scotland, the group's objective is to position Scotland as 'A Land of Food & Drink' on a regional, national and international level – promoting the outstanding quality of our world-class produce and producers to make Scotland an attractive destination for tourism and business. The group will explore what is understood by "Scottishness" and the current international perception of Scotland.

### **Innovation**

Scotland boasts one of the highest research outputs in Europe, yet has one of the lowest commercialisation track records. Therefore this group is working towards linking commercial needs and academic research into market commercialisation. Chaired by Dr Alan Rowe of Rowett Research Services, the working group is focusing on:

- the formation of The Scotland Food & Drink Innovation Centre (providing support and advice on market information, branding support, regulatory issues etc). The merger of The Rowett Institute and Aberdeen University will take place in the summer of 2008 and will be the catalyst for developing a dedicated Scottish innovation and commercialisation centre in Aberdeen
- setting up a research network – the Scottish funding Council is brokering a meeting to agree research pooling and partnerships for external R&D suppliers will be explored

**Skills**

Scotland Food & Drink supports Improve (the food and drink sector skills council) and recognises the need for business-led skills at all levels, particularly in management. This group is chaired by Jack Matthews and its priority areas are to create a Scottish Fellowship in Food & Drink Leadership, to create an MSc in food manufacturing and support the creation of a Skills Academy.

## Scotland's Food & Drink Industry - Fast Facts

- The Scottish food and drink industry is of huge importance to the Scottish economy, contributing £7.57bn worth of annual sales (Annual Business Inquiry 2004) and growth outperforming manufacturing in Scotland and the economy as a whole
- The private-public sector partnership, Scotland Food & Drink, aims to grow its value to £10bn by 2017
- Food and drink makes up 27% of Scotland's exports – worth £3.57bn annually (Global Connections Survey 2005)
- The UK retail and foodservice markets have a combined value of £157 billion with continued strong growth
- The health enhancing foods market has grown by 50% over the last 5 years and is now worth £30 billion worldwide
- The biggest exports are whisky, seafood and salmon and the most important overseas markets are France, USA and Spain, followed by Taiwan, Greece and Germany (Source: Scotland's Global Connections Survey 2006).
- SME food processors dominate the processing sector with 750 businesses – more than 90% (Scottish Executive Corporate Sector Statistics 2006)
- Employment in the food and drink production and processing supply chain totals more than 120,000 people (production and processing firms, agriculture and fishing sector accounts), representing 5% of the Scottish workforce
- One in five people in Scottish manufacturing work in food and drink
- Some 337,000 people are employed in the industry – 14% of the total Scottish workforce:
  - 50,000 in food manufacturing – the largest manufacturing employer in Scotland
  - 68,000 in agriculture
  - 5,000 in sea fishing
  - 2,000 in fish farming
  - 212,000 in food service and food retail (Scottish Government Corporate)
- Scotland is a major supplier of raw materials to the UK food and drink industry (Input-Output Tables 2002), contributing:
  - 28% of the beef herd
  - 62% of the fish catch
  - 40% of the strawberry crop
  - 10% of liquid milk
  - 100% of Scotch whisky

## **Scotland - The Land of Food & Drink**

Scotland has some of the best natural produce in the world and Scotland Food & Drink is championing these world-class products as part of its strategy to build Scotland's global reputation as '*A Land of Food and Drink*'. Innovation in product, process and route to market is essential if Scotland is to achieve and maintain a leadership position internationally. Scotland Food and Drink will play a central role in defining and delivering the information and support to help Scottish companies identify and exploit new business opportunities both within the UK and globally.

Scottish food and drink is synonymous with quality and steeped in tradition. Some of its most esteemed and valuable products include:

### **Whisky**

The Scotch whisky industry is one of the country's biggest earners, contributing vastly to Scotland's multi-billion pound food and drink exports. It is arguably Scotland's most famous worldwide export with 1.135 billion bottles exported in 2007 at a value of around £2.8bn (source: Scotch Whisky Association). The halo effect of Scotch whisky cannot be underestimated as the product is synonymous with provenance and quality.

### **Water**

Home to some of the UK's biggest bottled water brands, Scotland was the best performing region in the UK for bottled water sales in 2007. Scottish companies account for almost 20% of the total UK bottled water market (excluding own-label) producing up to 245 million litres of bottled water every year. Research shows half of UK consumers believe Scotland produces the purest bottled water (Sources: Zenith International 2007 Bottled Water Report; NOP 2008).

### **Scotch Beef and Scotch Lamb**

Both Scotch Beef and Scotch Lamb have the coveted Protected Geographical Indication (PGI) status – a European quality mark only awarded by the European Union when there is a clear link between the superior quality of a product and the environment in which it is produced (source: Quality Meat Scotland). Scotch Beef contributes 26% of the UK's total beef herd (source: Input-Output Tables 2002).

### **Pork**

Scottish pigs produce some of the finest bacon in the world and Scotland has about 8% of the UK pig herd (source: Quality Meat Scotland). Ayrshire bacon is probably the most famous but the north-east of Scotland is actually the stronghold for pig farms, with two thirds of the breeding stock situated here (source: Quality Meat Scotland).

### **Salmon**

In 2007, Scotland exported more than 12 million salmon to 60 countries worldwide. Within the UK a million fresh salmon meals are eaten every day (source: Scottish Salmon Producers' Organisation). It is responsible for a large proportion of Scotland's booming £400m aquaculture industry (source: Aquaculture Information Bureau).

## **Seafood**

Scotland's 5,000 fishermen and 2,375 fishing vessels land nearly 70% of the UK's total seafood catch – more than 444,000 tonnes every year worth more than £370m.

As well as world class mackerel and haddock, Scotland also catches the world's largest share of langoustines (source: Seafood Scotland) and it is one of the most valuable seafood species landed in Scottish waters. Worth £90 million to the industry, langoustines are considered a delicacy and exported worldwide – few people realise that most of the langoustines eaten in Spain and France are from Scotland.

## **Venison**

Scottish venison is considered some of the finest in the world. It is enjoying a culinary renaissance due to a surge in the number of farms in Scotland. The venison industry makes a valuable contribution to the Scottish economy and it is served in the UK's finest restaurants.

## **Strawberries / Raspberries**

The main berry growing areas are Tayside, Grampian, the Highlands, Arran, Ayrshire and the Borders. Sales of Scottish strawberries more than double in season (from early June). They contribute 40% of the UK's annual crop and are worth at least £8.9 million to the Scottish economy (source: Input-Output Tables).

Raspberries were first grown commercially in Scotland at the beginning of the 20th century. They are part of the booming Scottish soft fruit industry, the value of which has risen in the last decade from £11.9m in 1990 to £14.8m in 2000 (source: Input-Output Tables 2000).

## **Shortbread**

Shortbread is synonymous with Scotland and is among the country's most valuable exports. It boasts the highest percentage of exports in the UK biscuit industry to more than 80 markets worldwide (source: Food From Britain).

## **Dairy**

The dairy industry is a vital component of Scotland's economy, contributing around five per cent to the country's food and drink GVA and around 13 per cent of its total agricultural output.

## Notes to editors

1. Food and Drink is a massive industry in Scotland with significant growth potential. It is one of the Scottish Government's six priority industries and makes an important contribution to the overall Scottish economy. The growth of the food and drink industry outperforms manufacturing in Scotland and the Scottish economy as a whole
2. The Scottish food and drink industry contributes £7.57bn to the economy and accounts for 27% of Scotland's exports, worth £3.57bn
3. The industry is the largest employer within Scottish manufacturing and together with the associated supply chain employs over 120,000 people (production and processing firms, agriculture and fishing sector accounts), representing 5% of the Scottish workforce
4. Member companies include Scotbeef, Mackie's, TNS, Mackays, Kettle Produce, Nairns Oatcakes, Connage Highland Dairy, Ramsay of Carluke. In addition it has the support of the Scottish Government, Scotch Whisky Association, Quality Meat Scotland, National Farmers Union (Scotland), Seafish, Seafood Scotland, Rowett Research Services, Scottish Food & Drink Federation, Scottish Enterprise, Highlands & Island Enterprise, Scottish Agricultural Collage, Scottish Salmon Producers, SAOS, Improve, Scottish Association of Master Bakers, Food From Britain, Scottish Development International and Dairy UK.

[www.scotlandfoodanddrink.org](http://www.scotlandfoodanddrink.org)

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