

**QUALITY MEAT SCOTLAND**  
**Summary Minutes of the Thirty-Second Meeting of the Board**  
**20 February, 2014 10.00am Rural Centre Boardroom, The Rural Centre**

**Present:**

J McLaren, Chairman  
J Craig  
R Eunson  
G McKen  
A McNaughton  
R Parker  
A Peddie (Items 9.2 - 16)  
J Scott  
P Thomas  
L Welsh

**In Attendance:**

P Byrne, Accountant (Items 3-5)  
S Ashworth (Items 6-8 & 15)  
J Mackey (Items 6-7)  
C McLaren (Items 6-7 & 10)  
M Morgan (Sponsor Team)  
U Morton, Chief Executive  
L Vernet (Items 6-7)  
S Woodman (Items 6-7)

**Apologies**

D Sole

**1**

**1.1 Declarations of Interest**

There were no declarations of interest.

**1.2 Minutes of the Meeting Held on 14 November, 2013**

The minutes of the meeting held on 14 November were approved and signed by the Chairman.

**1.3 Minutes of Board Closed Session on 16 January, 2014**

The minutes of the Board closed session held on 16 January were approved subject to the addition of R Eunson to the list of attendees.

**1.4 Planning Workshop, 16 January, 2014**

The record of the planning workshop was noted and R Eunson would be added to the list of attendees.

**2 Commercial in Confidence – item withheld**

**3 Financial Report 10 months to 31 January, 2014 (paper 63-13/14)**

**3.1 Income & Expenditure**

Levy income was estimated to have a year-end shortfall of £42.7k. Assurance scheme income was slightly ahead of budget and grant income £139k below budget and the reasons for the grant income difference were explained in the paper. The year-end forecast on income was £100k below budget. There were no issues to report on expenditure. Any Industry Development underspend would be ring-fenced for ID activity in 2014/15.

**3.2 Balance Sheet**

There were no areas of concern on the balance sheet.

**3.3 6 Year Comparison**

The Chairman noted the continued decline in funds available for external spend. A levy rate increase may need to be considered in the future depending on the outcome of levy repatriation discussions and exploring other potential sources of funding for KT activity.

**4**      *Commercial in Confidence – item withheld*

**5**      **Budget 2014/15 (paper 64-13/14)**

5.1 Page 1 of the paper outlined the headline proposals for the budget including the budget allocation for the new Brands Integrity department. The budget had been prepared in line with the resource allocation paper discussed at the January Planning Workshop with one change relating to grant income in the Marketing budget.

5.2 The 2014/15 budget was approved.

**6**      **Corporate & Business Plan 14/15-16/17 (paper 65-13/14)**

6.1 The Chairman's introduction would be expanded with more detail on the reference to £1.6m levy on page 3. With this change the Corporate & Business Plan 14/15-16/17 was approved and would be sent to the Sponsor Team for Ministerial approval.

6.2      **14/15 Activity Plans & Performance Measures (paper 66-13/14)**

The senior management team joined the meeting including the Brands Integrity Manager, Suzanne Woodman who started on 10 February. Presentations were given on each department's planned activities.

In discussion the following points were noted:

- Brands Integrity – the importance of protecting the brand by working with those responsible for enforcing the PGI
- Economics Services – AHDB would not invoice for market price reporting services for 14/15 until the levy discussions were progressed
- Communications – the new 4 edition newsletter would encourage readers to go on-line to learn more about QMS activities. The annual review would be sent to all assurance members this year and this activity will be reviewed for next year
- Industry Development – the Planning for Profit meetings were well attended and included some levy payers that had not previously been active meeting participants. It would be important to continue to reach these new participants. All meetings funded by QMS would be clearly branded
- Marketing – A Board report would be prepared on consumer views and understanding of the Scotch brand and PGI in London and Scotland. Logo use in multiple retailers varies from retailer to retailer and also week by week. Quarterly research to track logo use would be expensive. The EU contract which provides 50/50 funding for activity in domestic and export markets ends in September 2015. The Board agreed this was a valuable source of income, particularly for export activity and that a new application for funding for a 3 year period should be made in September 2014

6.3 On 5 March, the Cabinet Secretary would launch the SF&D Export partnership. Organisations involved were Scotland Food & Drink, QMS, Scottish Bakers, Scottish Salmon and Seafood Scotland. Details of the partnership proposals would be circulated to the Board for background

information.

The team activity plans for 14/15 were approved.

**7 Progress Report for Period 5 Nov – 11 Feb (paper 67-13/14)**

The Progress Report highlighted some activities in red or amber. These were mainly due to ID activity which was no longer taking place. It had been decided to change the SIAL stand arrangement to share with HCC rather than Invest NI. The QMS web site had been revamped and would be officially launched shortly. Board members were asked to look at the new web site and feedback any comments to CMCL.

**8 Market Report (paper 68-13/14)**

As requested at the November Board meeting, the market report included a new section on regional price comparisons across the EU (see page 4).

**9 Committee Updates**

**9.1 Scotch Beef Marketing Strategy Group – A McNaughton**

The group discussed trends in the industry, tightening of supplies, farm gate prices, imports and margins. The presentation to the group included new additional information which had been requested. This was a weekly and monthly chart of cattle slaughter numbers in Scotland and whether they were Scottish or non Scottish passport animals; information on NI and Irish beef prices and up to date data for 2013. An update was received on the latest marketing campaign and plans for the rest of the year. If budget was reduced it was agreed to focus on one marketing campaign. The poster campaign and brand statistics showed good awareness figures in Scotland and London.

**9.2 Scotch Lamb Marketing Strategy Group – L Welsh**

The meeting received a market update, discussed prices and customer demand. The Scotch Lamb marketing campaign had raised awareness but no increase in sales had occurred. It was agreed to continue the Wham Bam Thank You Lamb campaign with one campaign planned to achieve best value from the budget available. The group would meet again during the Royal Highland Show to agree the start date of the campaign based on how the season develops. It was also planned to meet with the main multiple retailers to discuss the campaign timing and gain their support. Additional research information was requested on who consumers think produces the best lamb. Since the meeting, agreed in principle to sampling activity for Love Lamb Day in conjunction with NFUS and NSAS.

**9.3 *Commercial in Confidence – item withheld***

**10 *Commercial in Confidence – item withheld***

**11 Review and Approve Risk Register (paper 71-13/14)**

The changes to the risk register were approved. It was noted the risk register would be reviewed at the March Audit and Risk Management Committee and any proposed changes discussed at the April Board.

**12 Auction Mart Assurance Scheme Standards (paper 72-13/14)**

**12.1** In addition to the proposed changes to the standards the Auction Mart SSB also discussed the guidance for best practice at markets.

This guidance has existed since the aftermath of the 2001 foot and mouth outbreak and is now being updated. The SSB is keen to ensure the standards are aligned with the new guidance and the decision was taken to look at this matter next year when the new guidance was in its final form.

12.2 The Auction Market Assurance Scheme Standards were approved.

**13 Chief Executive's Report (paper 72-13/14)**

13.1 Request for cattle and sheep scheme equivalence

Contact would be made with UKAS to discuss the request received for equivalence for the cattle and sheep assurance standards.

13.2 Staff

QMS now had a full complement of staff with the recent appointment of the Brands Integrity Manager and the new Knowledge Transfer Specialist due to start on 1 April.

13.3 Brands Licensing Scheme

Detail of membership of the brands licensing scheme was requested.

**14 Chairman's Report including Beef 2020 update**

14.1 As well as the activity identified in the Chief Executive's report, the Chairman had participated in the Brodies seminar, organic monitor farm, Lantra conference, chaired the Planning for Profit meeting at Lochter, appraisal training, Doing Better Stakeholder meeting, NFUS/Morrison meeting on dairy beef, SAOS conference, Westminster Food and Farming Conference and Life Sciences dinner.

14.2 Beef 2020

The group would focus on Pillar 2 and not get involved in CAP discussions. A questionnaire had been circulated at the NFUS AGM and would be circulated at the New Entrants meeting to help the group assess farmers' views.

**15 Any Other Business**

15.1 *Commercial in Confidence – item withheld*

15.2 CAP Reform Consultation

The responses on SRDP and direct payment consultation were discussed and the Board agreed on a number of areas.

**16 Date of Next Meeting**

The next Board meeting would take place at 10am on Thursday, 17 April in the Rural Centre Board Room.