

**Minutes of the Fifty Second Meeting of the Board  
28 September, 2017 9.00am Rural Centre Boardroom, Ingliston**

**Present:**

J McLaren, Chairman  
J Gibson  
S Henderson  
A McNaughton  
S Mackie  
G Milne  
K Rowell  
J Scott  
P Sleigh  
L Welsh

**In Attendance:**

S Ashworth (Items 7 & 8)  
H Curran (Sponsor Team)  
A Clarke (Chief Executive)

**Apologies**

J Fitzpatrick, R Eunson

- ACTION**
- 1 Minutes of Board meeting on 7 June, 2017**
- 1.1 The minutes of the Board meeting were approved. An amendment will be made to remove the repetition of the final sentence in 11.1. **LWi**
- 2 Commercial in Confidence**
- Update on Action Points (paper 35-16/17)**
- 2.1 The actions were discussed and an additional action point on the status of State Aid will be added. **LWi**
- 3 Financial Report 5 month to 31 August, 2017**
- 4 Annual Review of Reserves Policy**
- The Reserves Policy was discussed and approved.
- 5 Progress Report for period 30 May to 18 September**
- 5.1 The Chairman advised that with the new Chief Executive now in post there would be an opportunity to look at this afresh to potentially improve reporting of strategy and development within the Senior Management team. It was suggested that progress would be reported and reviewed on a monthly basis which would then become the Board paper.
- 5.2 The Chief Executive advised that QMS would look to include a legal mechanism to be enable the suspension and reinstatement of a farmer to the scheme.
- It was highlighted that the only amber point was a conference that did not happen due to lack of budget.
- It was noted that Board Members would like to see a Marketing conference with a focus on Brexit due to the nervousness of farmers on the outcome of Brexit.
- Due to the Lamb Campaign being in the final year there is an opportunity for QMS to work closely with committees be long until farmers are asking what QMS is doing to prepare for Brexit.

## **6 Review and Agree Key Operating Environment Indicators**

The Key Operating Environment Indicators were noted.

## **7 Market Report**

- 7.1 The Head of Economics Services gave a presentation and answered Board questions on the lamb market.
- 7.2 The Board agreed for the Head of Economics to advise AHDB to go ahead and use the QMS logo in the Lamb Price Reporting documentation.

## **8 Commercial in Confidence**

### **Brexit Issues for the Industry/QMS**

The Brexit Issues for the Industry/QMS was noted and it was suggested that ground work has started on trade options and opportunities although it is not publicly quoted.

## **9 Committee Updates**

### **9.1 Scotch Beef Marketing Strategy Group – 13 June**

The Scotch Beef Marketing Strategy group discussed the cooked meats market as it is felt this is important to start looking at this. This is an important market to retain the scotch brand. It was suggested that the data may be obtained from one of the Processors. Consumer statistics across Scotland, London and Greater London are performing well. Agreement to focus on London and greater London market and it was agreed that March – April is the ideal time to run a campaign. There is still a concern on numbers of cattle.

### **Scottish Cattle Industry Group – 15 June**

The following points were discussed at The Scottish Cattle Industry Group:

- 9.2
  - Terms of Reference was reviewed and agreed.
  - Johnes disease is still a focus and discussions are ongoing to pull together a scheme to eradicate.
  - There has been positive feedback on Grazing groups.
  - Currently 437 PI's on 175 farms across Scotland at this date.
  - Market update from Head of Marketing
  - Update on Beef 2020 – an article will be published in the Farming Journal
  - Some changes to the committee – Scott Donaldson replaced John Kyle

### **Cattle & Sheep Standard Setting Body – 12 July**

The following points were discussed at the Cattle & Sheep Standard Setting Body:

- 9.3
  - Terms of Reference reviewed and agreed
  - Presentations from different schemes
  - Gap analysis from Red tractor scheme – conclusion was they are ahead of the game in most things.
  - Standards review – minor changes in various places
  - Increase in pregnant cattle in abattoirs was discussed.
  - Discussion on euthanasia – it confirmed that anyone who is competent can act
  - Detectable needles was also discussed

- There was a proposal for the Head of Brands Integrity to change the review period of the standards to an indepth review every 2 years and a yearly quick review.
- Need ideas for consumer to replace Shirley spear.

## **10 Formal Feedback to Committees**

### **10.1 Review of Audit & Risk Management Committee Annual Report and Formal Feedback to Audit & Risk Management Committee members**

The Chairman thanked the Chairman of the Audit committee and its members on behalf of the Board.

### **10.2 Review of Remuneration Annual Report and Formal Feedback to Remuneration Committee members**

The Chairman thanked the Chairman of the Audit committee and its members on behalf of the Board.

## **11 Review and Approve Risk Register**

There were no questions or comments on the Risk Register and was subsequently approved by the Board.

## **12 *Commercial in Confidence***

### **Cattle & Sheep Assurance Scheme Standards**

The proposed changes to the Cattle & Sheep Assurance scheme standards were reviewed and approved by the Board.

The Chairman and Chief Executive expressed thanks to the Chair of the C&S Committee and the Brands Integrity Manager along with the Assurance Advisor for their continued hard work.

## **13 Review of Membership of QMS Committees**

13.1 The members of the QMS Committees were reviewed by the Board and any suggestions for new personnel would be welcome from any Board Member.

13.2 The Butchers committee would look to replace some members due to lack of attendance or non-performance.

13.3 The following amendments to be made:

Jonathan Whitehead to be removed from the Pig Industry Groups Scotland as he has moved on from Acoura.

Kate Rowell dates to be updated to July 16 to Aug 20 on the C&S Standard Setting Body

Clarify whether there is a time limit to the members of the Audit and Risk Management and Remuneration Committees.

13.4 Agreement to have the haulage committee meet more.

**LW  
SW**

## **14 DNA Project Proposal Sent to Scottish Government**

A proposal was sent to Scottish Government to request funding for the DNA Project and awaiting a response. Further information on the discussion is in point 15 below. It was suggested to potentially remove DNA from the title to mitigate any misconceptions.

## **15 Draft Invitation to Tender for DNA in Cattle**

15.1 The draft Invitation to Tender for DNA in cattle was discussed and it was noted the dates proposed should be moved to January 2018. The Chief Executive would ask Board Members to reply by email with suggestions by Friday 6<sup>th</sup> October.

**Board  
Members**

- 15.2 Clarification is required on the length of time samples should be stored. **AC**
- 15.3 The wording on page 5 "collecting DNA for Scottish cattle and storing it for 10 years" needs reworded to differentiate between data storage and physical sample storage. **AC**
- 15.4 Scottish Government would provide the tender for genotyping for guidance. **HC**
- 15.5 A suggestion to create a document outlining the proposal to help engage with all stakeholders to ensure a consistent message is given. **AC**
- 15.6 The Board agreed to go ahead with the Scottish Government funding proposal, Invitation to Tender and consultations.
- 16 Chief Executive's Report**
- 16.1 The Chief Executive gave Board members some additional information to his report with a presentation.
- 16.2 **Tulip Derogation**  
The Board agreed to extend the derogation (under the same terms as previous) for Tulip to Monday 13<sup>th</sup> November, at which point the plant should be operational. A meeting with Tulip to strengthen relationships would be scheduled at this point. **AC**
- Levy Repatriation**
- 16.3 **IT & Office update**  
The Board agreed to commence with the IT and office furniture upgrade.
- 16.4
- 17 Chairman's Report**  
Since the last Board meeting the Chairman has attended a number of meetings that were detailed in the Chief Executive's report. In addition he met with the Cabinet Secretary to discuss, Brechin, Levy Repatriation, DNA proposal and the Lamb promotion proposal. The Cabinet Secretary's office would be contacted to invite him to a future Board meeting. **AC**
- 18 Any Other Business**  
There was concern raised that there will be no pig facilities at the new abattoir that is being built by a major processor. The question was raised as to whether the Scottish Government would be able to influence the decision to have a 3 species plant. **HC**
- 19 Chairman's Close Session**  
The Chairman held a closed Board session without staff members present.

**20      Date of Next Meeting**

The next Board meeting would be held on Thursday 16<sup>th</sup> November at 10am in the Rural Centre Boardroom.