



SAOS

Developing co-operation in farming,
food and rural Scotland

Annual Review 2011



Scotland: Land of Food and Drink

With everything that Scotland has to offer - a wonderful natural larder, incredible associations with landscape, a clean environment, fantastic producers and products, we can rightly claim to be one of the world's great lands of food and drink.

SAOS is a founder member of Scotland Food & Drink, the leadership organisation of the food and drink industry in Scotland. The industry mission is to grow from a value of £10 billion to £12.5 billion by 2017. SAOS' development activities and SAOS members contribute directly to achieving this target.

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CHAIRMAN'S STATEMENT

David Mitchell

In last year's report, I set out my goal as chairman, to raise the profile of our farmers' co-ops, during my term in office. I'm pleased to report that after a lot of preparation, we launched our new campaign in the Borders in November with the slogan, Family farmers - together we grow.

Eight co-ops that are active in the Borders participated, plus the Local Food Network that we have advised over the last few years. The materials we produced were inspiring as well as informative, giving farmer members the opportunity to say in their own words, exactly what co-operation means to them. We mailed personal copies to every chief executive, council official, college principal and elected representative in the area, and NFU Scotland is distributing the materials with the Farming Leader. The campaign will in time cover every region of Scotland, and moves next to the north east. The acid test is whether our action helps to raise the profile of our co-ops and persuades more farmers to co-operate, beyond the 65% that already do. Whilst it's still too early to evaluate that, the initial reaction from the co-ops that participated was very promising indeed.

Volatility in commodity values and discussion of CAP Reform continue to dominate discussion in the industry. An important connection between these topics and our agricultural co-ops arises from the Pack Report on the Inquiry into Future Support for Agriculture in Scotland. The report makes reference to risk and risk management in agriculture, and identifies the need for increased awareness and better understanding of risk management tools. Every co-op that I can think of is in the business of helping farmers to manage risks, both production and marketing related, through the provision of facilities and services that far outweigh those a farmer can achieve on his own. It's vitally important that we present and promote our risk management services now, because clearly more farmers need them, and because CAP reform is considering how policy and support can be directed to this. We must ensure that any new measures complement and strengthen the services we already deliver through our co-op businesses, rather than undermine or duplicate them.

2010 was a successful but extremely challenging year for SAOS member co-ops. I want to pay tribute to the directors and managers who devote so much time and attention to moving their co-ops forward. It's very pleasing that SAOS has assisted so many of you in intense strategy making meetings, a couple of which I was involved in personally, so I know firsthand the value of this service. We will continue to develop it, along with our other co-op innovation services. If you have any feedback or suggestions, don't hesitate to contact me.

SAOS' role continues to expand and deepen. Our work in the food chain and amongst SMEs is aligned with Scotland Food & Drink, as we work together to grow Scotland's food and drink industry. Our management of the EID Research Pilot successfully established an office at Huntly to scale up participation to many more farmers. And our delivery of the Farmers Markets' National Development Officer role enjoyed success in assisting different regions to collaborate in their promotional efforts. My sincere thanks to our staff team for their dedication, and to my fellow directors and Council members for all their ideas and advice.

The key partner in much of our activity was The Scottish Government which, over the last five years, has been committed to our industry and fully prepared to invest in our work. This has enabled SAOS to extend its role and, as a result, co-operation and collaboration in the industry have grown. On behalf of SAOS I would like to express our full and sincere appreciation for that support in a period of public sector budget constraint and very difficult public spending decisions.

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CHIEF EXECUTIVE'S STATEMENT

James Graham

We made good progress in 2010 against the objectives set out in the strategic plan adopted by Council last May. Those objectives encompass: innovation and growth in agri-co-operation; increasing collaboration along supply chains and amongst SME food and drink businesses; growth in the development of the local foods sector; and, where feasible, increasing co-operation in wider rural development, such as renewables.

It was through our co-op development programmes and the C2 - Cultivating Collaboration project that most of our specialist contribution to the industry was once again delivered. Despite very tough conditions for co-ops and other food and drink businesses, many developed ambitious and exciting plans, commenced new investment, and embarked on new collaborations. Scottish Government statistics reported very positive trends in industry sales, GVA and productivity. We can justifiably claim our contribution to these. The reports in the following pages provide an overview of both the scope and depth of our work, and the partnerships which assisted us to deliver.

The relationship between SAOS and Scotland Food & Drink was a priority for us and will remain so, as it enables us to persuade many others at a policy and decision-making level of the case for co-operation and collaboration. As well as sharing identical objectives in respect of food industry collaboration, Scotland Food & Drink is also a complementary delivery partner in some of our development activity. This partnership holds considerable further potential, which we aim to realise in the years ahead.

Some less visible aspects of our work were nevertheless extremely important in 2010. Having overcome the delay in updating co-op law caused by the UK election, we are now confident that changes will be enacted in 2011. Amongst many changes, new provisions on shares will create the potential for innovative co-op capital structures that combine a mix of both permanent and withdrawable share capital at realistic levels, to help optimise balance sheet robustness. We will provide interpretation and guidance and prepare new model Rules as soon as details of the changes are finalised.

We engaged with our members and with NFU Scotland, the Scottish Government and DEFRA on proposals for the dairy sector, where new Producer Organisations and compulsory contracts are under consideration. We participated in discussions with Maitland Mackie, the Scottish Government, Co-operative Development Scotland and Energy4all on the proposals for a risk loan fund to encourage rural investment in renewables.

Early in the year, we acknowledged the increasing importance of risk management in farming, and carried out a farmer survey in summer 2010, in partnership with NFU Scotland, to gauge understanding and attitudes to risk management. As a result, we designed a programme for awareness raising and training that will be delivered next winter to address the findings.

We met the mainstream political parties in the run up to the Scottish elections, and called for clear support both at UK and EU level for the development of co-operation, which surely holds the strongest prospects in the long-term to enable farmers to achieve a fair price for their produce from the market.

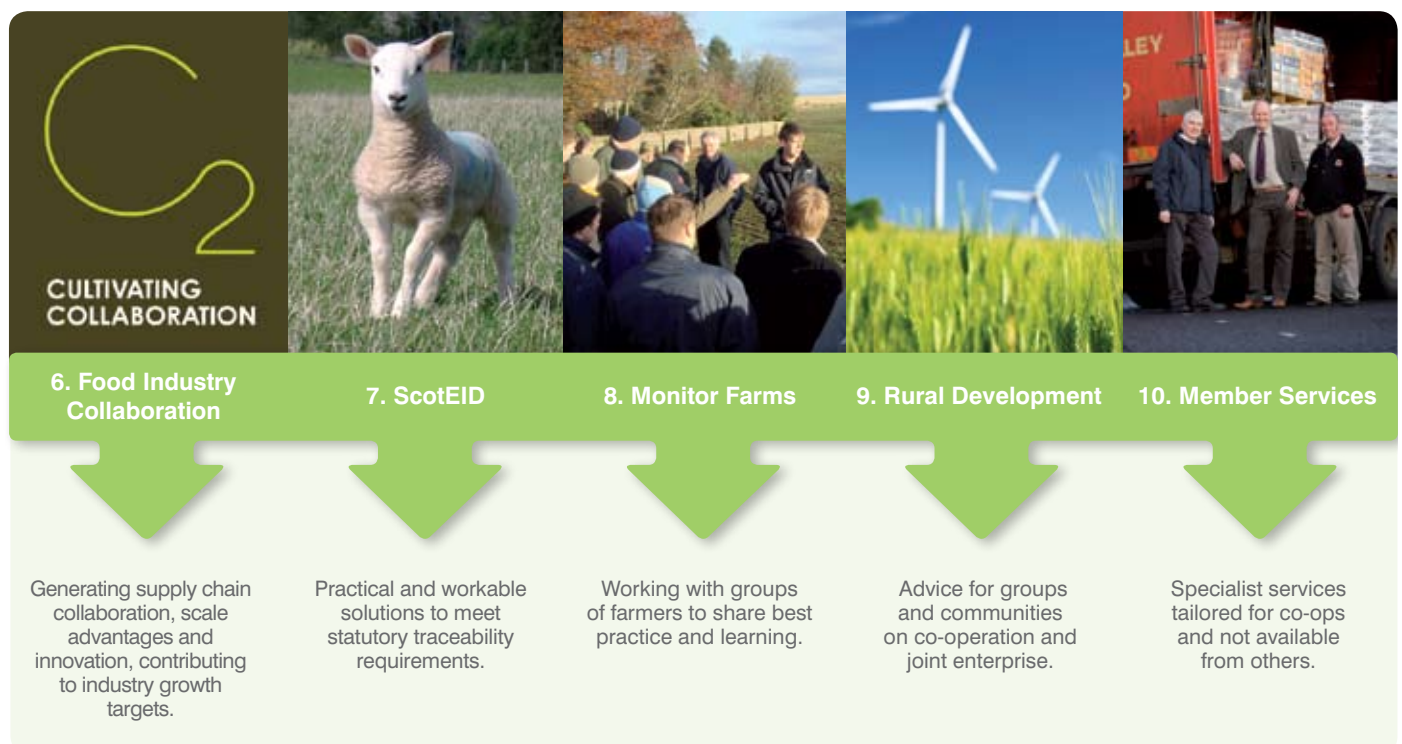
In addition to all these, we were intensely committed to our work in local food and in the EID Research Pilot, making for an extremely full year for the staff team. We embedded our new management and 'personal performance planning' arrangements, and came through another Investors in People accreditation with flying colours.

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SAOS' PURPOSE AND ROLES


The purpose of SAOS is to ensure that Scotland's farming, food and drink businesses benefit from all the commercial advantages that can be achieved through co-operation and collaboration, enabling them to make a full contribution to the success of Scotland's food and drink industry and to its rural economy.

We believe that farmers and SME food businesses can help preserve their independence and grow as small and family businesses by co-operating to secure gains that are not available acting independently. We deliver a range of work programmes with our members and a wide range of partners that help us to deliver our purpose.




OUR OBJECTIVES

  refers to number in SAOS' Purpose and Roles



  **Agricultural Co-operation –**
Better Business While Safeguarding the
Independence of Scotland's Family Farms

We aim to increase farmers' and growers' participation in co-ops and joint venture enterprise beyond the 65% that already co-operate. Individual farms are small relative to other businesses in their value chains. Joining forces enables farmers to realise all the economic and market advantages that are beyond the reach of individuals, and to manage business risks. The extra value generated through co-operation makes an essential contribution to the farm profitability and the GVA of Scottish agriculture, whilst at the same time enabling individual family farms to retain their independence.


Co-operation is a proven route for innovation: increased production with fewer inputs, enabling more sustainable resource use.

 **Food Industry Collaboration –**
Strengthening and Growing Scotland's
Food and Drink Industry

We aim to develop more collaboration in value chains amongst farmers, food processors and retailers, food service companies and the public sector. Our aspiration is that 65% of SME food companies will collaborate for business benefit and profit, enabling them to make a significant contribution towards Scotland Food & Drink's industry growth targets and increased GVA. Collaboration along supply chains enables better planning and investment decisions, faster decision making, greater efficiencies and increased profitability for all. More collaboration amongst SME businesses will unlock the economic, marketing and environmental advantages of larger scale.

  **Local Food and Rural Development –**
Connecting Producers and Consumers in
Their Passion for Quality Scottish Food

We aim to promote and assist local food producers to grow their business, so that they can meet increasing demand for their products, and satisfy interest in the source, integrity and quality of food. Research indicates that consumer interest in locally produced food is set to continue growing, while at the same time, The Scottish Government's food policy reinforces the links between local food and health, education, environment and tourism objectives, as well as those for rural development. Many new opportunities lie outwith the multiple retailer chains, and require innovative and practical solutions for marketing, distribution and to increase production. More collaboration and co-operation are essential.

  **Member Services –**
Specialist Services for Co-operative
Businesses

We aim to deliver a range of business services for co-ops in which SAOS has specialist expertise that is not readily available from other providers. This ensures that our members are well informed, well governed, and responsive to new co-operative innovations. Our range of services encompasses governance and director development, representation, access to information and networks on co-operative enterprise and innovation worldwide and, where appropriate, company secretarial and financial management services.





Promoting Co-operation: Family farmers – together we grow

We launched a major new awareness-raising campaign to help extend the benefits of co-operation beyond the 65% of farmers who already co-operate in some way. We are adopting a phased regional approach, profiling the co-ops that are active in the region, and using high quality photography of farmers and their families who are co-op members. The materials are disseminated amongst the farming community, and local public sector, business and academic communities.



Specialist Advisory Service

SAOS is unique in Scotland in providing advice to directors and managers of established agricultural co-ops and to formative groups. We have specialist knowledge relating to distinct co-operative structures, strategies and working arrangements. Examples of key areas of work follow:

- **Strategy Review and Development:** We delivered in-house workshops to non executive farmer boards and their key managers. The outcomes provide the basis for deciding new strategy and investment. Many co-ops regard this service as an essential component in their governance and business planning processes.
- **New Starts and Winding Up:** We advised a range of groups considering forming a co-op, and assisted new registrations. We also advised co-ops that were seeking to wind up, after the purpose for their co-op became redundant.
- **Membership Loyalty Development:** We assisted three co-ops with in-depth membership surveys to ascertain member satisfaction and perceptions of their co-op. Our specially designed product, drawing on work from the University of Montreal, enables directors and managers to evaluate, and formulate action to increase, member loyalty.
- **Rules, Members Agreements:** With our in-depth knowledge of Industrial and Provident Societies Acts, we delivered advice to many co-ops, and were requested by co-ops in the fisheries sector to assist with reviews of their Rules. We advised a co-op regarding a proposed restructuring to introduce a non-farmer joint venture partner who would invest capital into the business.
- **Capital Structures and Co-op Law Update:** We represented GB agricultural co-ops in the Treasury Working Group that is guiding the update of co-op legislation. Of most concern in the agricultural co-op sector (in contrast to retail and community co-op sectors) are provisions relating to shares, and accordingly we consulted with Milk Link and First Milk on their requirements. We expect that extensive changes to co-op law will be enacted in 2011 following disruption to progress caused by the UK election in 2010.



Innovation in Co-operation

We work with farmers, co-ops and partner industry organisations to address market and political change drivers and new opportunities. Our work spanned Scotland's production sectors. Examples of key areas of work follow:

- **Cereals:** We assisted in the various development stages of new co-op, Angus Cereals, which is making substantial new investment in grain quality control, storage and marketing at Montrose, and supported Highland Grain with innovative investment plans. We facilitated an arable monitor farm and three business advisory groups.
- **Dairy:** We participated with First Milk, Milk Link, Government and NFU Scotland on proposals emerging from the EU High Level Dairy Group aiming to improve information transfer back to farmers and seeking fairer value for producers. In addition, dairy co-ops' capital needs remained to the fore in our discussions with HM Treasury on updating co-op legislation.
- **Livestock:** We worked with groups as far apart as south west Scotland and Shetland on innovation projects ranging across: supply chain information transfer; structuring for premium market development; animal health improvement; and genetic improvement for quality and yield gains through co-operation. We facilitated two livestock monitor farms.
- **Pigs:** We supported Scottish Pig Producers on strategy for developing relationships and throughput emanating from Northern Ireland. We facilitated the new pig industry networks in north, central and south east Scotland, as well as two pig monitor farms.
- **Potatoes and Vegetables:** We assisted members with strategic review and change in response to changed market demand and opportunities.
- **Forestry:** We carried out research and development work on the potential for co-operative management of farm woodlands. We found that many farm woodlands are currently not actively managed, and that there is positive interest in the introduction of co-operative services to create productive woodlands.
- **Renewables:** We provided both information and advice relating to early stage consideration of farm-based, collaborative anaerobic digester development. We advised on a co-operative structure for a new rural hydro development.
- **Risk Management:** We carried out research supported by NFUS, QMS, and HGCA amongst farmers on their awareness and strategies regarding risk management, and we interfaced with the Pack Inquiry into the future of farm support in Scotland on this subject. Co-operation provides a very effective means of managing production and marketing risks. A programme of activity is being developed to enhance awareness of risk management tools and strategies.



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SAOS' Purpose and Roles

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Directors' Skills and Co-op Governance

Our provision of specialist support to co-op directors included an open director development programme; in-house director development programmes; and seminars in north east and central Scotland for experienced directors. We facilitated examination and discussion in these seminars on strategies to increase resilience and robustness in the face of increased volatility. Co-ops are distinct from conventional company and partnership businesses in several ways: their purpose, their legislative framework, capitalisation and returns, the forms of member participation, directors' responsibilities, and governance.

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Farmers' Markets National Development Officer

We agreed a programme of activities with The Scottish Farmers' Markets Partnership, and commenced delivery with partnership members. Workstreams encompass consumer research and engagement, promotion and communication, market operations, locations and infrastructure, and regulations. The project provided development advice and support to 53 farmers' markets across Scotland and responded to hundreds of related enquiries. Details of 75 farmers' markets were posted on the internet, with c£18 million sales. More than 1500 consumers registered interest at promotional events and more than 400 registered as 'friends' on the Partnership's Facebook site. Five new co-operative groupings of local producers were assisted to market a range of local produce. We assisted farmers' markets in Aberdeenshire to form an area-based association that secured Leader funding to support employment of a local co-ordinator. Research of consumer perceptions and expectations of farmers' markets was carried out. Constraints to growth were analysed and action in response was planned.





KEY PROJECTS

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Scotland Food & Drink

We participated in the Executive Group, chaired the Scale and Collaboration Group, and contributed to the Sustainability Group and the GVA Primary group. Scotland Food & Drink is a key partner in our supply chain work, and we have aligned our work with the industry's strategic priorities.

C2 - Cultivating Collaboration

2010 was year two of the three year C2 - Cultivating Collaboration project which is supported by a Scottish Government grant of £1 million. C2 aims to increase collaboration along supply chains and amongst SME food and drink businesses. Whilst work continued apace in the year, an interim independent evaluation found that:

- 72% of the companies who had participated reported increased understanding of collaboration and were more inclined to collaborate.
- 65% of the businesses indicated that they had implemented or are planning to implement activities as a result of C2, including: working with new contacts due to collaboration; closer links with farmers; and working with food hubs and gaining access to farmers' markets.
- 72% made new contacts due to their involvement with the C2 project. These included new orders with new business partners and continuing discussions with potential partners.
- As a result of involvement with the project, 77% of respondents had accessed local suppliers, 62% had expanded into new markets.
- Of these benefits, 74% either would not have happened at all without C2, or would have been later, smaller or of lower quality.
- 56% of beneficiaries indicated they had learnt or would be learning more about collaboration. The main reasons given for continuing to learn about collaboration included: a focus on continuous improvement; the potential benefits collaboration can generate; and the potential to connect with other sectors and areas of business.



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SAOS' Purpose and Roles

Meanwhile, C2 continued to develop innovative supply chain solutions, share knowledge and strengthen competitiveness. The focus remains on developing practical commercial solutions that build stronger, more dynamic supply chains. Some examples included:

- C2 project engaged with 90 companies, 22 organisations and 153 individuals. Overall, from 2008 to 2010, the project has engaged with 226 companies, 74 organisations and 671 people.
- The Supply Chain Innovation programme was piloted with four companies in 2010 – three new products and one new process were developed as a result.
- A supply chain cost/benefit analysis of supplying lamb to schools with Argyll Hill Farmers, Forteith's and Argyll and Bute Council was completed and a scaled-up commercial collaboration venture began in 2010 with 1000 lambs.
- Work began with a leading UK multiple retailer and other SF&D partners on a collaborative and sustainable supply chain project focussing on a number of key sectors.
- 14 Borders food companies took part in a Meet the Supply Chain event with a regional distributor, and new business was generated.
- Assisted four North East food and drink companies to form a marketing and distribution venture.
- A Public Sector Supply Guide was published in partnership with the Scottish Government and two seminars were attended by 65 delegates.

Food and Health Innovation Service

In partnership with Camden BRI and The Rowett Institute, we were awarded the contract by Scottish Enterprise to establish a new Food and Health Innovation Service to help companies exploit the growing market for healthy food and drink products. This market is estimated to be worth £20 billion in the UK and more than £300 billion globally. SAOS provides an interface between companies and the research institutions, offering a range of bespoke services that aim to facilitate and accelerate product development using the latest research findings.

These findings formed the basis for planning a follow-on, up-scaled project in partnership with Scotland Food & Drink: provisionally called the Collaborative Growth Gateway. We have suggested an aspiration of achieving collaborative activities amongst 65% of SME food businesses (equivalent to the level of co-operation amongst farmers). This has the potential to be transformational to the growth and profitability of the sector.

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ScotEID

We managed Phase II of the ScotEID Research Pilot, commissioned by the Scottish Government, to research sheep traceability systems to comply with EU regulations. The number of 'partners' we enrolled in the pilot increased: with over 3500 farms, 30 marts, 20 abattoirs, two ferry terminals and two collection centres participating. Nearly 4 million tags have been issued and nearly 2 million reads were recorded onto the central database, the majority at marts. Overall read-rates averaged 94%. Many non-farm partners registered as 'Critical Control Points' (CCPs) offering third-party reading to reduce the capital costs of EID to farmers. In many cases, CCPs are reporting in real-time, updating the central database as sheep move. Relative to the previous paper-based systems, such real-time reporting, coupled with faster tracing via interrogation of the central database, offers potentially significantly enhanced traceability in the event of a disease outbreak.

Our emphasis on working with industry generated valuable insights into how best to work under commercial conditions with regulatory requirements, existing practices and available technologies. Technical, procedural and policy issues were identified that will be further addressed during Phase III of the research pilot.

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Monitor Farms

We provided specialist services in managing two livestock monitor farms, two pig monitor farms and two pig industry networks, an arable monitor farm and three arable business advisory groups, on behalf of Quality Meat Scotland and HGCA (the cereals and oilseeds division of the Agriculture and Horticulture Development Board). We partner with Peter Cook and Jamie Robertson (pigs) in delivering this work. The monitor farms are a platform for one farm in an area, supported by a community group, to look at the productivity and profitability of the whole farm business over a three year period. They provide an active demonstration of the benefit of co-operating for this purpose. The monitor farmer seeks to improve farm profitability through a process of peer review and advice, specialist input and support from the monitor farm facilitator, resulting in shared best practice and learning. Topics covered included profitability and review of individual farm enterprises, market outlook, margin predictions, crop choices, the aspirations of the farmer and the community group.

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Rural Development

Our action across so many farm and rural businesses in Scotland inevitably generates requests for specialist advice in other rural developments. We delivered advice to a range of groups and co-ops at various stages of development. We were commissioned by the **North Highland Initiative** (one of the HRH The Duke of Rothesay's charities) to carry out a research and scoping study across NHI's associate activities in farming and food (North Highland Products), tourism and culture (North Highland Tourism) and the built environment (North Highland Connections). The study aimed to identify ways to extend and accelerate achievement of NHI's aims of community and economic regeneration, realising the potential of the area's skills, assets, culture and environment.

We advised **community groups** expecting to receive income from wind farm developments adjacent to their communities. We were asked to facilitate research and discussion concerning the best structural entity for receiving funds, and the purpose to which the funds should be directed. We participated in consultation and discussion that resulted in the **Communities and Renewable Energy Scheme (CARES) Loan Fund**. We advised bee keepers on co-operating to introduce services to improve bee health, and assisted in registering a new co-op, **Scottish Bee Services**. We assisted **Stornoway Black Pudding Producers** to apply for PGI status for their product. We advised **weavers on Grimsay** on their plans for a new community owned spinning mill, and **Harris Tweed Weavers Association** on plans to introduce a new service for their members. We advised **Mull Slaughterhouse** on adapting its constitution to meet changing needs. We provided specialist co-op advice to **Orkney Fishermen's Society Ltd** and to the **Stornoway Fishermen's Co-operative Ltd**.





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Member Services

Co-ops differ from conventional companies in many ways, and their directors and managers often need specialist advice, based on a deep understanding of co-op business.

We aim to deliver a range of co-operative business services, concentrating on those where SAOS has specialist expertise that is not readily available from other providers. Our range of services encompasses governance and director development, representation, access to information and networks on co-operative enterprise and innovation, and where appropriate, company secretarial and financial management services.

- Once again, our staff delivered business services throughout the year to United Farmers Ltd, Scottish Machinery Rings' Association, Scottish Association of Farmers' Markets, Scottish Shellfish Marketing Group Ltd, Girvan Early Growers Ltd and Scottish Organic Milk Producers.

SAOS staff, office holders and member appointees represented member co-ops in the following national forums:

- HM Treasury Working Group on Review of Co-operative and Credit Union Legislation
- Scottish Government National Project Assessment Committee
- Scotland Food & Drink Board
- Scotland Food & Drink Executive Group
- Scotland Food & Drink Collaboration Working Group; Sustainability Working Group and GVA Primary Working Group
- Scottish Parliament Cross Party Food Group
- Scottish Parliament Cross Party Group on Co-operatives
- NFU Scotland Combinable Crops Committee
- NFU Scotland Pigs and Poultry Committee
- NFU Scotland Legal and Technical Committee
- Scottish Quality Farm Assured Combinable Crops
- The Food and Health Alliance Stakeholder Group
- Co-operative Development Scotland Advisory Board
- Co-operative Education Trust Scotland
- Co-operatives UK - UK Co-operatives Forum
- The Plunkett Foundation Policy Forum

- The review by HM Treasury of co-operative legislation in the UK was disrupted by the election. We sought the support of MPs and MSPs to secure prompt resumption of progress. Working with Co-operatives UK and others in the co-operative sector, we made further progress. We now anticipate that a range of updates will come in 2011, including substantive change to shareholding provisions for individual co-op members.
- We continued promoting the role of co-operation to representatives of all political parties, and all confirmed their support for co-operation and for SAOS. We met representatives of all the mainstream parties well ahead of the Scottish election and set out our requirements for a more supportive environment for co-op development. We also had constructive contact with the Cabinet Secretary, the Secretary of State for Scotland, and with MEPs.
- We communicated with the Scottish Government and DEFRA on proposals for new POs in the dairy sector. We want to ensure that any provisions that may be adopted do not have the potential to create division within established UK dairy co-ops that are already pursuing the objectives for which the new POs are proposed.
- In response to the report of the Pack Inquiry into The Future of Agricultural Support in Scotland, we engaged with Brian Pack and the Scottish Government on suggestions that farmers should be encouraged to take a greater role in risk management in the future. This concurs with our own development work with co-ops, most of which already provide a means of risk management for their members. Any new proposals should seek to reinforce and strengthen co-ops' risk management tools and services.
- We advised several members on issues relating to their Rules, members agreements, capital structures and governance matters in the course of the year. We assisted some members who required specialist legal advice.
- We held a successful conference at Dunblane entitled 'What's Next for Scottish Farming?' Much debate was stimulated by the contributions from Alyn Smith, MEP; Stephen Boyle, Royal Bank of Scotland; Paul McLaughlin, Scotland Food & Drink; 'Uel Morton, Quality Meat Scotland; Neil Kennedy, Milk Link; and Stewart Easdon, Ensus Ltd. Ray Jones was awarded The Ed Rainy Brown Memorial Award. Richard Lochhead MSP, Cabinet Secretary for Environment and Rural Affairs, spoke at dinner.

Our range of services encompasses governance and director development, representation, access to information and networks on co-operative enterprise and innovation, and where appropriate, company secretarial and financial management services.

Partner Organisations



MEET THE STAFF

Head Office



JAMES GRAHAM

Chief Executive

James has responsibility for developing SAOS' strategies and services, and overseeing their delivery. He is a member of the Council and Board and acts as company secretary. He fronts SAOS' communications with Scottish Government, MSPs and partner organisations, and represents SAOS in a range of UK co-op sector and industry roles. Having spent an entire career in agricultural co-operation, he is an authority on agri-co-op business, with a worldwide network of contacts.

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JENNIFER GRANT

Communications and PR Manager

Jennifer joined SAOS in 2009. Her responsibility is for managing the promotion of co-operation and collaboration, and of SAOS itself. After initially studying communications, Jennifer spent several years working overseas in the travel industry, before returning to the UK to work for Thomas Cook in brochure production and PR/internal communications. Since returning to Scotland, Jennifer has worked in communications roles in a variety of organisations, most recently with Seafish.

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GRAEME JOHNSTON

Finance Manager

Graeme joined SAOS as Finance Manager early in 2009. A qualified CA, Graeme has responsibility for the administration and financial management of SAOS. He provides financial and business planning expertise to the work carried out by Project Managers. Graeme has held senior finance roles in a diverse range of sectors and organisations, including charities, higher education, manufacturing, as well as Edinburgh Zoo, Hibernian Football Club and the Scottish Rugby Union.

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MARGARET MUIR

Finance Assistant

Margaret is based at the Rural Centre head office, where she undertakes a variety of secretarial and administration work for all the staff, including the organisation of various events. She is assistant to the Finance Manager.

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Supply Chain Development Team



ALAN STEVENSON

Supply Chain Development Director

Alan heads the team working in supply chain collaboration, and works closely with Scotland Food & Drink and the Scottish Government Food and Drink Industry Division in delivering the C2 project. Alan has vast experience of market and supply chain issues and in developing 'whole chain' approaches. He has worked on many initiatives with leading retailers and foodservice companies in the UK and overseas.

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GEORGE NOBLE

Supply Chain Development Manager

George joined SAOS in 2009. Based in Fraserburgh, he is a member of our supply chain collaboration team, working to improve collaboration in food and drink supply chains. George has held a number of consulting, project management and board positions. He also has extensive business development experience gained in the primary seafood processing sector. His most recent role at Scottish Enterprise saw him lead several key food and drink projects in the fields of health, branding and seafood.

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RONA SUTHERLAND

Supply Chain Development Manager

Rona is a member of our supply chain development team, delivering the C2 project and encouraging greater collaboration in food and drink supply chains. Prior to joining SAOS in 2007, she spent ten years with Scottish Enterprise, working with food and drink processors and sector bodies on strategy development, communications, overseas market development, market research and event organisation. She also worked for the Institute of Grocery Distribution and as a management consultant.

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DOUGLAS WATSON

Project Manager/National Development Officer for Farmers' Markets

Douglas is SAOS' local foods expert. He advises and supports local food groups, farmers' markets, farm shops and local food distribution networks and has undertaken reviews of the local food sector and farm retail in Scotland. He has been involved in incorporating several groups as producer-owned co-operatives. Douglas also has the part-time role of National Development Officer for Scotland's Farmers' Markets.

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FIONA HAMILL

C2 Development Executive

Fiona joined SAOS in 2008 to work on the Cultivating Collaboration project. She is responsible for project co-ordination, the C2 website and communication and marketing. Fiona has held senior posts in the BBC and Scottish Enterprise during her career and is experienced in PR and marketing as well as project management.

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Agricultural Co-Operation Team



BOB YUILL

Deputy Chief Executive

Bob leads our agricultural co-operation team. He has over 25 years' experience working with agricultural and rural co-operatives and is an acknowledged expert in co-operative legal structures, members' agreements, finance and governance. He has a Masters in Co-operative Management from St Mary's University in Canada and has studied co-operative strategy throughout the world. He has pioneered new forms of co-operative capital in Scotland and is implementing new strategies towards improving membership loyalty, cohesion and communications.

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JIM BOOTH

Project Manager

Jim is a key member of our agricultural co-operation team. He is an experienced trainer and delivers a range of workshops around co-op business strategy review and planning. He is also an expert on anaerobic digestion, having led feasibility studies on behalf of co-ops and other partners. Additionally, Jim leads our involvement in the Monitor Farms programme and the pig industry advisory groups.

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HAMISH WALLS

Project Manager

Hamish is a key member of our agricultural co-operation team. He works on a vast range of projects from agricultural marketing co-ops to local food networks, and from machinery rings to carbon management. Having had previous experience in food processing, Hamish assists new co-op groups and member businesses with market development, relations with Scottish Government and the Enterprise Network.

Tel/Fax: 01896 822275

E-mail: hamish.walls@saos.coop



FERGUS YOUNGER

Project Manager

Fergus joined SAOS in 2011 bringing a programme of work as Development Manager for the Argyll and Bute Agricultural Forum. This is a leadership role promoting and generating development initiatives and projects that contribute to the Forum's objectives in adding value and collaboration. Fergus has a background in agriculture and has previously worked with the Agricultural Forum with SAC and with SNH in Argyll and Stirling.

Tel: 07771 966649

E-mail: fergus.younger@saos.coop



SUE BROWN

EID Information Supervisor

Sue co-ordinates the work of the ScotEID information office in Huntly and the EID field team throughout Scotland. She has been involved in the research pilot since mid-2008 and liaises with tag manufacturers and suppliers, marts and abattoirs. Current work also involves promotion of the pilot, and advice and information on all aspects. Previously Sue has worked in the arts, the fishing tackle industry, and in farm administration.

Tel/Fax: 01466 794323

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SAOS Board and Council Following 2010 AGM

Board

David Mitchell (Chairman)	Highland Glen Producers
Andrew Peddie (Vice Chairman)	Scotlean Pigs
Gareth Baird	Scott Country Potatoes
Robin Barron	East of Scotland Farmers
Mark Clark	Grampian Growers
Ray Jones	Scotland Food & Drink
James Graham	Chief Executive

Other Members of Council

Richard McMinn	Tarf Valley
David Pate	Ringlink Scotland
John Scott	SAFM
Hugh Parker	First Milk
Michael Bayne	Borders Machinery Ring
Sandy Simpson	Rural Services Scotland
Michael Laurensen	Scottish Shellfish Marketing Group
Patrick Stephen	Scottish Pig Producers
Ian Watson	Farm Stock Scotland
James Withers	NFU Scotland
Andy McGowan	Quality Meat Scotland
Bob Yuill	SAOS

Presidents

Honorary President: Sir Ian Grant CBE

Honorary Vice Presidents:

Fraser R Evans

The Rt Hon the Viscount of Arbuthnott, KT, CBE, DSC, MA, FRICS

Robin N L Malcolm

Akki R Manson, CBE

John Don, MBE

Ian Wilson

Stuart Cannon



MEMBERSHIP INFORMATION AND STATS

Top SAOS Members

Milk Link	£550m
First Milk	£536m
Openfield (Grainfarmers)	£481m
ANM Group	£224m
GrainCo	£95m
Agricultural Central Trading	£86m
United Farmers	£70m
United Oilseeds Marketing	£66m
Scotlean Pigs	£51m
Scottish Pig Producers	£46m
Tarff Valley	£38m
Ringlink	£30m
East of Scotland Farmers	£12m
East of Scotland Growers	£9m
Scottish Shellfish Marketing Group	£8m
Tayforth Machinery Ring	£8m
Farmstock (Scotland)	£7m
Highland Grain	£7m
Borders Machinery Ring	£5m
Lothian Machinery Ring	£3m

£2,332m

Scotland's Rural Business Rings

	Throughput £ million	Members
Borders Machinery Ring	£5.2	828
Caithness Machinery Ring	£0.3	151
HBS Ring	£6.7	1,046
Lothian Machinery Ring	£2.6	286
Orkney Business Ring	£1.5	293
Ringlink (Scotland)	£29.7	2,462
Rural Services Scotland	£1.9	581
Southwest Machinery Ring	£1.0	215
Tayforth Machinery Ring	£7.6	865
	£56.5	6,727

Farmer involvement in co-operation

85% will co-operate same or more in next 5 years

72% Borders farms co-operate

71% identify cost saving as main advantage

70% dairy farms co-operate

69% Tayside farms co-operate

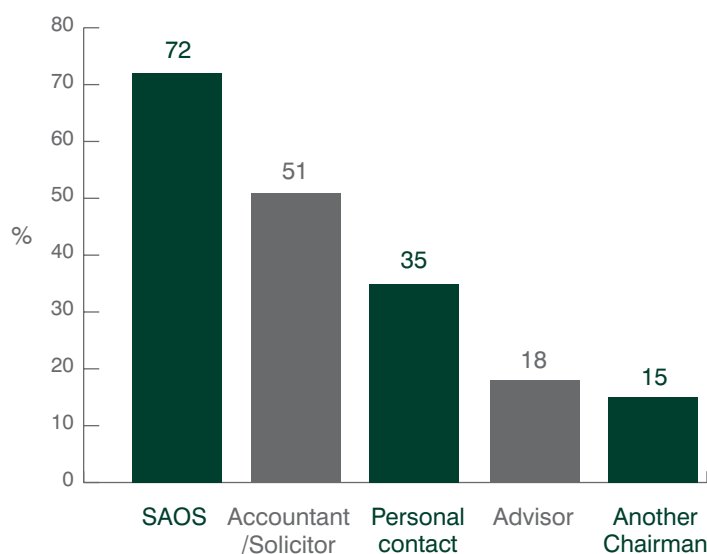
65% farms of 100 ha & larger co-operate

68% general cropping farms co-operate

59% spontaneously mention machinery/rural business rings

Survey conducted by George Street Research
Feb/Mar '09. Commissioned by SAOS.

SAOS as a source of advice for our members



For further information please refer to our website: www.saos.coop

SERVICES AVAILABLE FROM SAOS

Strategic Consultancy

- Multi-partner public/private sector projects in agriculture, food and drink
- Sector and supply chain analysis and strategy development
- Research and innovation of co-operative systems and impacts

New Business Starts Involving Co-operation or Joint Venture

- Case study examples of group businesses
- Hands-on advice and assistance to groups considering how to launch a new business that involves co-operation or joint venture
- Market research, feasibility studies, business plans and financial plans required prior to new business formation
- Model constitutions and members' agreements
- Advice on job specifications and manager recruitment
- Assistance with registration and company secretarial tasks
- Briefing and foundation skills training for directors
- Assistance with open meetings of potential members
- Advice and assistance regarding sources of grant funds
- Consultancy for established businesses
- Strategy review and board strategy workshops
- Market research and feasibility studies
- Strategy development and business planning
- Investment evaluation and financial planning
- Advice and assistance on member communications
- Advice on constitutions and members' agreements
- Collaborative supply chain development: exemplars, strategy development, project management
- Management of multi-partner development projects
- Benchmarking
- Advice and assistance regarding sources of grant funds

Additional Services for Member Businesses

- Company secretary and accountancy services
- Financial trends analysis (including benchmarking)
- Project planning and brokering with potential project partners
- Access to specialist professional advice: legal, financial, personnel
- Assistance to communicate with government ministers and politicians
- Representation of co-op-related policy issues and interests
- Assistance in relationships with local enterprise companies and councils
- Promotion of co-operation and member businesses
- Access to worldwide network of co-ops
- Annual conference
- Contact with the press

Governance Services for Co-ops and Farmer-Owned Businesses

- Information and assistance on governance structures
- Foundation skills training course
- Governance Standards for Co-ops publication
- Board self-evaluation of effectiveness
- Assistance with induction handbook for new directors
- Assistance with board policy charters
- Corporate risk management systems
- Masters seminars
- Confidential advice line
- SAOS Update newsletter (for directors of member businesses)
- Assistance with 'learning journeys'

SAOS MEMBERS More details on www.saos.coop

Aberdeen Grain Marketing Ltd 01651 882244 www.aberdeengrain.co.uk	East of Scotland Growers Ltd 01334 654047 www.eastofscotlandgrowers.co.uk	Lothian Machinery Ring Ltd 0131 339 8730 www.lothianmachineryring.co.uk	Scottish Bee Services Ltd 01828 640821
Agricultural Central Trading Ltd 08000 275 276 www.actionfarm.co.uk	Farm Consulting Services Ltd 01224 828307 www.farmconsultingservices.co.uk	Milk Link 01454 252301 www.milklink.com	Scottish Borders Produce Ltd 01890 751663 www.scottishbordersproduce.com
Angus Cereals 01651 882244	Farm Stock (Scotland) Ltd 01750 723366 www.farmstock.org.uk	Montrose Potatoes (Growers) Ltd 01738 633571	Scottish Farm Venison Ltd 01436 831203
ANM Group Ltd 01467 623700 www.goanm.co.uk	First Milk 0141 887 6111 www.firstmilk.co.uk	North Highland Products Ltd 0845 838 0488 www.mey-selections.com	Scottish Nuclear Stock Association Ltd 01575 560349
Atholl Glens Ltd 01796 481482 www.athollglens.co.uk	Galloway Lamb Ltd 01899 221419	North Uist & Benbecula Livestock Marketing 01876 500329	Scottish Organic Milk Producers Ltd 0131 539 9728 www.scottishorganicmilk.com
Ayrshire Country Lamb Ltd 01292 560740	Girvan Early Growers (Vegetables) Ltd 01465 715328	Northern Grain Ltd 01228 560748	Scottish Organic Producers Association Ltd 0131 3356606 www.sopa.org.uk
Birsay Farmers Ltd 01856 874 654	Girvan Early Growers Ltd 01465 715328	Openfield Agriculture Ltd 01476 862730 www.openfield.co.uk	Scottish Pig Producers Ltd 01466 792284
Borders Machinery Ring Ltd 01896 758091 www.ringleader.co.uk	Grainco Scotland Ltd 01888 564190 www.grainco.moonfruit.com	Orkney Auction Mart Ltd 01856 872520 www.orkneymart.co.uk	Scottish Shellfish Marketing Group Ltd 01698 844221 www.scottishshellfish.co.uk
Borders Premium Potatoes Marketing Ltd 01835 850371	Grampian Growers Ltd 01674 830555 www.grampiangrowers.co.uk	Orkney Business Ring Ltd 01856 879080 www.orkneybusinessring.co.uk	Shetland Abattoir Co-operative Ltd 01595 696300
Branded Beef Breeders Ltd 01604 633992	Harlaw Fruit Ltd 01464 851250	Ringlink (Scotland) Ltd 01561 377790 www.ringlinkscotland.co.uk	Shetland Livestock Marketing Group Ltd 01595 696300 www.slmg.co.uk
Buccleuch Farmers Ltd 01387 254424	Harris Livestock Ltd 01859 502171	Rural Services Scotland Ltd 01738 550 101 www.scotlandfarmer.co.uk	South West Machinery Ring Ltd 01557 820370 www.swmr.co.uk
Caithness Machinery Ring Ltd 01847 841310 www.caithnessmachineryring.co.uk	HBS Ring Ltd 01463 811603 www.hbsring.co.uk	S E Growers Ltd 01261 851420	Tarf Valley Ltd 01557 820247 www.tarffvalley.co.uk
Caledonian Organics Ltd 01557 814656 www.caledonianorganics.co.uk	HI Health Ltd 01856 878293 www.hi-health.co.uk	Saltire Seed Ltd 01358 742000 www.saltire-seed.co.uk	Tay Forth Machinery Ring Ltd 01577 830616 www.tayforth.co.uk
Clydeside Trading Society Ltd 01555 894151	Highland Fruit Stocks Ltd 01887 829899	Scotlean Pigs Ltd 01228 541566 www.scotlean.co.uk	Uist Calf Producers Ltd 01876 580308
Dalkeith Farmers Ltd 01875 820810	Highland Glen Producers Ltd 01887 820666	Scott Country Lamb Ltd 01835 840283	United Farmers Ltd 0131 334 3111 www.unitedfarmers.co.uk
DWP Harvesting Ltd 01339 885335 www.dwpharvesting.co.uk	Highland Grain (Marketing) Ltd 01463 811435	Scott Country Potatoes Ltd 01573 225125	United Oilseeds Marketing Ltd 01380 729200 www.unitedoilseeds.co.uk
East Lothian Potatoes Ltd 01361 883488	Highland Grain Ltd 01463 811435 www.highlandgrain.co.uk	Scottish Agronomy Ltd 01577 862759 www.scottishagronomy.co.uk	
East of Scotland Farmers (Drying and Storage) Ltd 01828 627264	Lewis Crofters Ltd 01851 702350 www.lewiscrofters.co.uk	Scottish Association of Farmers' Markets 01887 330203 www.scottishfarmersmarkets.co.uk	
East of Scotland Farmers Ltd 01828 627264 www.eosf.co.uk	Lothian Lamb Ltd 01501 823151		

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SAOS 

Developing co-operation in farming,
food and rural Scotland

Family farmers - together we grow

Find out more on **www.saos.coop**