

Scotland

A LAND OF
food and drink



**Developing our
vibrant and
dynamic industry –
the next chapter**

Booming business

Scotland's food and drink businesses are booming. We've always known we had what it takes. Now the figures are proving it. We're fast securing Scotland's global reputation as a 'Land of Food and Drink'.

It's a fantastic achievement. A decade ago, whisky made all the headlines, but today it's food and drink that now register in the economic ratings. Today we're a star performer. Home sales are **up 30%** since 2007. Overseas sales are **up 50%** since 2007, with whisky leading the charge - which makes us Scotland's fastest growing export business.

And we've smashed our industry target six years early. The goal was £12.5bn by 2017. The latest figures show we now have an industry worth over £13bn a year. So now we have an ambitious new target - **£16.5bn by 2017**. A challenge, yes, but we know it's doable because our recent mid-term review of the food and drink strategy for growth tells us so.

Taking stock

Four years ago we launched *Fresh Thinking*, setting out where we wanted the industry to be by 2017 and how we were going to get there. This year we've taken stock and reviewed our progress to date. As the figures show, we've achieved a huge amount. It's a great story of how quality wins through in tough economic times.

In *Fresh Thinking* we highlighted three major areas of opportunity where Scotland has a natural advantage:

MISSION

Grow the industry to **£16.5bn by 2017**

VISION

Reputation as a 'Land of Food and Drink'

STRATEGY

Premium
Provenance
Health

CAPABILITY

Sustainability
Innovation
Skills for growth
Collaboration
Scale

premium products, healthy products, and Scottish provenance. We've since seen growth in all these areas and there's still room for more – they remain critical to our success.

Now the mid-term review highlights six priority areas for support. Focusing on these will help us pull together more tightly still as an industry, make more of the many opportunities at home and abroad, and grow our businesses further over the next four years.

The big six – our priorities to stimulate growth

Primary We need to help our primary producers to grow, whether they are in agriculture, aquaculture or wild-catch fishing businesses. For farmers and fishermen, we need to capture more value at their critical start-point of the supply chain. Understanding and feeding market demand is a both vitally important and a big opportunity. We also need more innovative primary producers who can be more responsive to changing demand in both domestic and export markets.

Productivity We need a food sector that can hold its own against UK and overseas competitors. This means efficient, innovative and growing businesses that can add value to their products and employ highly skilled workers. We must ensure the industry offers a wide variety of attractive careers, and we need a steady supply of skills in key areas such as engineering, food science and agronomy.

Export We have a growing number of food businesses who are growing their exports successfully but we need more to consider exporting, more of them operating beyond Europe and more offering a wider range of products. We need food businesses that can emulate whisky's stellar export performance and we must learn from whisky's experience and connections in market. There are transformational overseas opportunities for businesses that can build partnerships in the supply chain and respond quickly to the demands of emerging markets. The same is true in the UK, where there is still scope to both displace imports and exploit new, emerging trends.

Environment Sustainability was a core building block of *Fresh Thinking* and the global drivers of that agenda are more acute now than ever. We need an industry that's taking every possible step to embrace sustainability and remain profitable. Practising sustainability makes financial sense through more efficient use of water and other natural resources, more recycled materials and less landfill, a reduced transport footprint, greater energy efficiency and reduced emissions. Our businesses must be more resilient to climate change and ready to share good practice freely. Our efforts here will underpin growing efficiency and our reputation.

Innovation We need an industry that relies on excellent intelligence to create the exciting new products consumers want. That means more widespread use of research into the right routes to market. It also means more investment in R&D, and closer relationships with our universities and other research bodies.

Reputation For Scotland to have an unassailable, long-term, global reputation as a 'Land of Food and Drink', we need strong businesses in strong categories, making the most of their provenance (quality, authenticity and Scottishness) to compete in premium domestic and overseas markets. This is about setting our products apart from our competitors and cementing our reputation as a home of world class production and manufacturing.

Golden era

We're on the threshold of a golden era for food and drink in Scotland. Already a whole new generation of Scottish food and drink exporters is being born. They're joining the businesses large and small, from multi-national whisky giants to specialist producers, farmers and fishermen, along with academics and supply chain businesses, that each has its role to play in the success of our industry.

Our ambition is big, but with the right market insight and support in place we believe we can achieve our collective goals to drive long term economic growth for our businesses and the whole Scottish food and drink industry. There will continue to be challenges, but we have never been better placed to seize the opportunities and make sure that the food and drink industry continues its path to success.

It must be remembered that the success to date and unstoppable momentum now created is the product of a partnership. What began as a leap of faith in 2007 from the industry's leading organisations – to forge together a new

collaborative model – has paid dividends. The investment in creating a new leadership body in Scotland Food & Drink has proved wise. But collaboration is a journey and we seek to deepen our partnership together, recognising the unique expertise of our constituent parts as well as the combined force of a collective effort.

We never forget, either, that our achievement as an industry to date owes a huge debt to our unique partnership with government in Scotland. The public sector has rallied behind the industry to help us reach our goals. We've developed a model of public and private sector collaboration centred around a unifying vision and ambition. It is therefore no surprise that other sectors are now following in our footsteps.

And finally, if you think we're just blowing our own trumpet, read any of the litany of reports from major banks or accountancy firms who have now also awoken to our sector's potential. They too predict thousands of new jobs over the coming years and double-digit growth for individual companies. Are you one of them? Can you do your bit to help take Scotland's reputation as a 'Land of Food and Drink' to the next level? Do you have experience that will help inspire the next generation of businesses? Can you share knowledge or expertise that will help build confidence right throughout the industry, from soil and water to supermarket shelf?

Whatever you're involved in – farming, growing, producing, processing, distributing, exporting, researching – the opportunity is yours and ours for the taking.

With thanks to our stakeholders





Scotland Food & Drink

3 The Royal Highland Centre
Ingliston, Edinburgh EH28 8NB
0131 335 0940
www.scotlandfoodanddrink.org
Follow us on Twitter @scotfooddrink