



FOOD AND DRINK

WHAT IS OUR VISION FOR THE SECTOR?

Under the national banner 'A Land of Food and Drink' Scotland will be widely regarded as the best country in the world for food and drink companies to do business, and will be renowned for its premium quality products created with a strong sense of provenance and authenticity. Highlands and Islands businesses will be recognised as ambitious, innovative and outward looking, and will deliver significant economic benefits and contribute to the social prosperity of the region.

Specifically:

- Strong international growth will be experienced in categories including alcoholic beverages, aquaculture, niche products and products with good health credentials.
- Collaboration between producers and the food and drink supply chain will present new opportunities and increase competitiveness.
- Increased product and process innovation will improve profitability and create new sustainable growth.
- Next generation broadband and new technologies will significantly improve productivity and act as the doorway to new customers in global markets.
- Increased investment will accelerate business growth and create further opportunities across the region.
- Investing in skills and providing good career opportunities, the sector will attract some of the best talent to the region.

WHERE ARE WE NOW?

Food and drink has been Scotland's best performing and fastest growing export sector over recent years. Sales of Scottish brands in the UK have risen 35% since 2007 and exports have increased by 50% over the same period. Scotland's food and drink sector produces impressive headlines. By the end of 2013:

- The sector generated a record turnover of £14.3 billion, growing 24% from 2008 and generated GVA of approx. £5.3 billion, rising 9.8% from 2008.
- Manufacturing accounted for 74% of the sector's turnover and GVA, and drinks manufacturing generated over £800 million more in GVA than food manufacturing - a result of the high value added generated by spirits production.

Food and drink is the largest of the Highlands and Islands growth sectors, accounting for 25% of the total regional business base and 30% of the food and drink sector nationally. The business density is over three times higher than the national average, with 17 businesses per 1000 residents being in the food and drink sector, compared to 5 nationally. The local quotient across all regions in the Highlands and Islands is higher than the national level, demonstrating the sector has significant economic impact in our most remote and rural areas and is essential to equitably prosperity.





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ACHIEVING THE VISION

All stakeholders in the Scotland Food and Drink partnership are committed to the national food and drink strategy and to achieving the ambition of growing the industry to £16.5 billion turnover by 2017. Throughout our work with strategic partners we will reflect on our business based insight to ensure the opportunities and challenges in our region are well understood, and that this knowledge informs and influences strategic decisions and national policies going forwards.

In a sector with significant breadth and diversity we must focus on our most prospective opportunities to ensure our actions deliver the greatest impact for our businesses and our region. We will continue to focus on our key strengths of premium, provenance, people and sustainability, and will realise growth by increasing our presence in global markets and through the development of new products and processes aligned to emerging demands.

Scottish food and drink producers have a powerful story to tell, and this has created advantageous demand in global markets. We are committed to deepening our engagement with internationally ambitious businesses, and using a broad range of resources will support them to become competitive and established in an increasing number of overseas markets.

Product and process innovation will underpin new business growth and improve competitiveness. Recognising this, significant public sector investment continues to be made in a range of resources, from next generation broadband, to innovation centres and business innovation grants. The sector relies on a solution focused supply chain, and we are sighted on broadening our engagement beyond producers, to encourage the growth of innovative supply chain businesses of scale that are capable of supporting the continued evolution of the food and drink industry.

From micro businesses to large inward investors, food and drink enterprises are an important element of the economy across the Highlands and Islands, and are critical to our social prosperity. We must be minded on profitability and sustainability, particularly in the primary production. With a broad range of products, services and targeted investments we are well placed to support growth by creating an environment that encourages continued investment in sector, ensuring location is a business asset and not a barrier to growth.

WE WILL

- We will directly contribute to the development of the national Food and Drink Strategy 2017 - 2030, ensuring ambition is aligned to opportunity and the aspirations of industry.
- We will focus specialist and intensive resources on businesses that have ambitions and capacity to trade in global markets, significantly growing their turnover from international trade.
- We will focus specialist and intensive resources on stimulating and accelerating innovation activity which will encourage the development of new products and services and will lead to increased productivity and competitiveness.
- We will develop a better understanding of primary production, and influence strategic decisions to ensure they continue to be the bedrock of local communities and the foundation of a resilient and ambitious food and drink sector.