

Scottish Venison Association Annual General Meeting 13 December 2024

Report from Richard Cooke, Chair

2024 has been an exceptionally busy year for SVA, which we now refer to for practical purposes as “Scottish Venison”. I will pass over to Dick shortly to list our various projects and achievements. It has also been a year of change.

When I was elected Chair following Bill Bewsher’s retirement in 2021 having not been much involved since the early years, I found an organisation which had achieved a great deal with very little by way of funding and resources. All credit to Dick for a continuing programme of work on behalf of members and promotion of Scottish venison under those straitened circumstances, dedicating time way beyond what he has been remunerated for as Secretary. We could see that a much higher level of activity would be required to do justice to the promotion of an exceptional Scottish red meat, unparalleled for flavour and healthy eating but which has never quite fulfilled its market potential for reasons identified by John Forteith in his excellent report on the venison sector produced in 2023. To achieve that would require a more realistic level of funding, additional support from those within the sector and a more streamlined way of operating.

Over the last year we have addressed those needs by:

- **Changing the funding mechanism.** Up to this year a levy has been paid at a rate of 2p/kg on behalf of some producers by deduction from the venison cheque by just two of the processors, albeit the bigger ones. This was inequitable as these producers were in effect paying for SV efforts on behalf of all in the industry. Contributions were also made by some of the larger processor businesses in addition with one-off funding also from First Venison for Scottish deer farmers. The total income from these payments amounted to between £12,000 and £20,000 annually for the last 10 years, a sum quite insufficient to administer the Association and deliver what the industry needs at a time of sub optimal demand and relatively low producer prices.

The new funding model which is now being introduced involves the abolition of the producer levy and its replacement by an annual grant from ADMG on behalf of its much larger membership, ie spreading the load more widely and more fairly, albeit only in the upland deer sector. We are also introducing a new levy payable by what we have termed ‘associate processors’ at a rate per carcase of throughput and will, subject to agreement, also be supported by deer farming members at a proposed rate of 30p/carcase. Although these funding streams are still in development we are budgeting in 2025 for income of around £60,000 in total, hopefully a little above that figure, which will more than double our income and therefore our ability to raise the profile and grow the market for venison on your behalf.

- **Structural change.** Later in this meeting I will seek your approval for a merger between the Scottish Venison Association and Scottish Quality Wild Venison Ltd (SQWV) the long-established quality assurance scheme which has been growing steadily over recent years but arguably has been underperforming, despite the Interim Chair, Kirsty Macdonald, carrying the load more or less single handed since 2022. Currently she and I are the only remaining Board members. The common interest between SVA and SQWV Ltd strongly suggests a higher level of coordination.

Furthermore, being an unincorporated trade association, SVA has not had the important benefit of limited liability which, as a Company, SQWV enjoys. We have taken both legal and accountancy advice and are satisfied that a merger will be beneficial and practicable, further to which, as the combined organisations will continue to turn over rather less than the VAT threshold of £90,000, money can be saved for the next few years at least by deregistering SQWV.

To meet corporate requirements the intention is to have a small Board for the merged Company, which I will chair and comprising one representative each for producer, processor and QA interests, ie a Board of four and, subject to your agreement as to the proposed merger, I will propose and ask you to approve the appointment of Tom Turnbull, Kirsty Macdonald, and John Forteith to the Board in those representative roles.

I would emphasise that the Board's role will be to oversee the formal corporate requirements and responsibilities of the merged company, which we propose to re-name Scottish Venison Ltd, trading as Scottish Venison. The creative work – marketing strategy and delivery, financial management, promotional and educational initiatives, will be the responsibility of the Executive Committee which is where the hard work will be done, indeed is already being done. As I informed you at the 2023 AGM we have restructured and expanded the Committee (see diagram). We have recruited and co-opted a number of energetic new specialist members to, in my view, greatly enhance our creative capacity and expand our range of activities. The names are on the diagram and most Committee members are present today.

In order to support Dick with the steadily increasing workload I am also pleased to advise that we have recruited Helen MacIntyre who I have worked with in other capacities, on a self-employed part time basis as Administration Manager and she has been heavily involved in the planning of the proposed merger and the updating of the QA scheme, on which more now.

- **Quality Assurance** – the QA scheme overseen by SQWV has had its ups and downs in terms of the retained independent Assessment service providers, ie providing the inspectors who carry out annual checks on all SQWV member larders. Over recent years and until the beginning of this month that service has been provided under contract by SAI Global which, I am sorry to say, has been underperforming in terms of timely inspections, reporting, royalty payments to SQWV and administrative functions. What it amounts to is that our comparatively small industry is a small fish in their big pond and we have not had the attention or standard of efficiency which we need and should have been able to expect. Their contract has therefore not been renewed.

John Forteith has been a food industry professional throughout his career and many of you will have met him in respect of his 2023 review of the sector commissioned by SAOS in conjunction with the SVA. He was then appointed by SAOS some 18 months ago to take on the task of rejuvenating the QA Scheme on behalf of the sector. One of his first recommendations was to find a better independent QA assessment provider and, with help from Helen MacIntyre and liaising with Kirsty Macdonald, he has identified a new Scottish based contractor, FIA (Food Integrity Assurance) which operates out of Ingliston.

He has negotiated a service agreement with FIA, which I signed off last month and is managing the rolling transfer from SAI to FIA as SQWV member annual contracts fall due for renewal. There will be a modest increase in subscription rates but the commission percentage payable to SV will also rise. Further to that John, with assistance again from Kirsty and Helen, has rewritten and simplified the Producer contract and is now turning his attention to the Processor contract.

- **Incentivising deer management to increase the national cull.** The Scottish Government, through NatureScot, has set a target of an additional cull of 50,000 deer per annum within five years. The ScotGov Strategic Deer Board comprising officials charged with delivering most of the recommendations of the 2020 Deer Working Group report, whilst developing additional legislative measures which we expect to see contained in a Natural Environment (Scotland) Bill to be published early next year, has recognised the need to incentivise deer management in the public interest but has yet to come up with specific proposals. Currently the deer sector, unlike agriculture and forestry, is not supported out of public funds. Early this year Scottish Venison, jointly with ADMG and Scottish Environment Link, an unprecedented collaboration resulting from the newly established Common Ground Forum, put forward a proposal to Government to introduce a venison subsidy suggesting a rate of £1/kg for all female deer and juveniles. This would have had the benefit of trickling down to every part of the deer sector and would have done much to bridge the gap between the present net cost of deer management and a breakeven situation. While this proposal was initially welcomed by Government it was quickly made clear that it could not be funded. We estimated that the annual cost would have been between £3m - £5m, a mere a drop in the bucket as compared with agricultural support. Instead the Government (via NatureScot and CNPA) has introduced three pilot schemes this year to test how deer management can be incentivised. Without going into great detail, these offer a headage rate for culls above past averages and are not venison related. While the precedent of supporting deer management must be recognised and welcomed it falls well short, at this pilot stage at least, of what is required to support deer management in the public interest. SV, ADMG and SEL will therefore continue to promote our proposal or something like it.
- **Lowland venison production.** Scottish Venison is currently orientated mostly to upland red deer producers. Geographically that represents rather less than half of the area of Scotland and deer of one species or another are present across the lowlands, woodlands, peri-urban areas, in fact just about everywhere including private gardens, golf courses, graveyards etc. I would aspire to be able to offer our services in growing the venison market to deer managers across Scotland as a whole. John Bruce is Chair of the Lowland Deer Network (LDNS) and represents lowland venison producers on our Executive Committee. I hope to work with him over the coming year and beyond to reach out to the many lowland deer managers, most of them private individuals who manage deer in their own time rather than employed professionals. Many do not have a ready route to market due to lack of local collection and lardering facilities and while that is now a recognised constraint it needs to be addressed, and we understand that measures are in discussion to support this. Common to all is the problem of an uneconomic price and for this to rise we need to increase demand.

I am coming to the end and it remains for me to thank all the members of the Executive Committee. I have mentioned a number of individuals, Dick, John, Helen, Kirsty but all those on the organisational chart have made a great contribution over this year and we are just getting started. I also acknowledge with pleasure the support we have had from NatureScot in the person of Pete Moore, Aileen and Kevin from the ScotGov Food Team, and particularly from SAOS, Fergus and Douglas, without whose help over recent years, and for which we are not charged, the Association would have struggled to represent you. We have come a long way from the view of venison as a by-product of stalking. It is now the key income stream supporting deer management. It is time to go mainstream in the red meat world, albeit as small player.