POSITIVE IMPACT POSITIVE RESULTS

BORN & REARED SCOTCH ASSURED

Independent Impact Report 2017-2022

QUALITY MEAT SCOTLAND

NOT ALL MEAT IS CREATED EQUAL.
BORN, REARED & PROCESSED IN SCOTLAND,
SCOTCH IS MEAT WITH INTEGRITY.

These Standards are independently assessed on behalf of Quality Meat Scotland by an accredited certification body (CB). For more information on the relevant CB, please see the document, 'The role of the Certification Body', at www.qmscotland.co.uk/cattle-sheep-standards

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Executive Summary

Quality Meat Scotland (QMS) has had and continues to have a positive impact on the performance of the Scottish Red Meat sector. For the period being reviewed, QMS focused its resources on the following strategic tasks.

- Building the Brands
- Supporting Sustainable Growth
- Developing Capability and Capacity
- Delivering Professional Services

Given the multiple external factors that can impact the work of QMS we have adopted a counter factual approach in assessing the organisations impact. This method looks to quantify the size of the Scottish market over the reference period had QMS not existed, and no activity had been delivered.

We have identified that the Scottish red meat sector has outperformed the Rest of the UK by £130 million in production and £124 million in retail performance respectively over the reference **period 2016 to 2022**.

It is estimated that, for every £1 invested in QMS levy payments during the reference period, there has been c£5.50 worth of benefit to the industry at the production level when compared to the Rest of the UK. The Beef sector is the bedrock on which successful performance is built at both the production and retail level, with Pork and Lamb having performed positively in the retail space. There are further opportunities to explore, and these could potentially exist in regions and markets where high quality iconic Scottish food and drink products currently attract a premium.

In discussions with QMS departmental Heads and Directors we noted the interdependent nature of the teams operating within QMS. These symbiotic relationships make it inappropriate to allocate achievement of wider holistic impacts to specific teams and activities, however analysis indicates that the investments made in marketing the Scotch Beef PGI, Scotch Lamb PGI and Specially Selected Pork brands and Brands Integrity are drivers of success.

"Building the brands" activity could contribute c90% of this performance with 60% of levy activity expenditure.

To improve visibility on the performance and impact of QMS going forward at a macro level we recommend:

- Augmenting existing planning and reporting processes by adopting the top-down production and retail impact assessment methods described in this report
- Using a balanced scorecard suite of key performance indicators, focussed on the achieved performance against targets of a limited number of metrics. This method focussed attention on the critical few activities that will make the most substantive difference to the performance of the sector. Utilising a management by exception philosophy, resources can be focused where intervention is required.
- Continuing to use the established implementation plans to plan and manage departmental activity.

Introduction

The Scottish red meat sector makes an important contribution to the country's rural economy, contributing over £2.1B to the annual GDP of Scotland; and supporting around 50,000 jobs in the farming supply and processing sectors.

Quality Meat Scotland (QMS) was set up in 1990 (originally as the Scottish Quality Beef & Lamb Association) to provide assurance to industry and consumers that animals produced for the food chain met high standards. It was established on a statutory basis in 2008, replacing the Meat and Livestock Commission. The organisation has an income of approximately £6M per annum and is funded predominantly by a statutory red meat levy (c65%) collected from both farmers and processors, Assurance scheme charges (c25%) and miscellaneous other funds (10%).

Changing consumer demands and global competition means that it is vital that Scottish producers differentiate their product by evidencing the use of ethical, high welfare, rearing standards. The quality assurance standards behind the Scotch Beef PGI, Scotch Lamb PGI and Specially Selected Pork allows this.

DWS Associates Limited (DWS), now trading as Glic, were appointed by QMS in 2022 to complete an independent Impact Review of QMS activity to ascertain the effect of its work on behalf of the red meat sector in Scotland. We have:

- Provided an overview of the Scottish red meat sector
- Identified and assessed current and past activities
- Developed new methods of assessing the impact of QMS
- Identified benefit(s) to the industry
- Documented findings and recommendations.

Quality Meat Scotland

QMS has responsibility for a range of statutory functions under the Quality Meat Scotland Order 2008, relating to the development and promotion of the red meat industry in Scotland.

QMS is classified as an executive non-departmental public body. The powers, functions, and purpose of QMS are to:

- Increase efficiency or productivity in the red meat sector
- Improve marketing in the red meat sector
- Improve or develop services that the red meat sector provides to the community
- Improve ways in which the red meat sector contributes to sustainable development.

QMS market the PGI (protected geographical indication) labelled Scotch Beef and Scotch Lamb brands in the UK and abroad and promote Scottish pork products under the Specially Selected Pork banner. These brands are underpinned by an internationally recognised assurance scheme which cover more than 90% of livestock farmed for red meat in Scotland.

QMS has a Board of 12 members including a Chair who are all appointed by Scottish Ministers for:

- their knowledge of the different sectors that comprise the Scottish red meat industry
- their experience in a range of areas such as marketing, finance, and corporate governance.

In addition, the organisation has:

- Audit & Risk and a Remuneration Committee
- A Standards Setting Body who set Quality Assurance standards for each part of the supply chain
- Several stakeholder groups covering marketing and industry development activities.

Income

The organisation is funded through the payment of a statutory levy. This levy income contributes towards covering the cost of QMS activities in improving the efficiency, profitability, and sustainability of the Scottish Red Meat sector. The graph below shows the split of levy payments and non-levy income in recent years [Units ('000)].

	2017	2018	2019	2020	2021
Non levy income	£2,471	£1,994	£2,461	£2,197	£1,938
Levy income	£3,965	£3,793	£3,876	£3,976	£3,926

In 2022, after more than 10 years of negotiation, QMS agreed the long-term solution for the repatriation of levy with the UK Government and the English and Welsh red meat promotion boards AHDB and HCC. This included getting a Ministerial Amendment in the UK Government Agriculture Act 2020. This facilitated a levy increase of approximately £1.2M per year from 1st April 2021, and equates to an annual increase of more than 25% on existing levy income. It should be noted however that this isn't purely new income, as activities previously funded from the ring-fenced fund, or by AHDB, now fall to the responsibility of QMS to pay for, for example, export trade shows.

The tables below show the historical makeup of levy payments and rates. Units (£'000)

Species	2016/17	2017/18	2018/19	2019/20	2020/21
Cattle	2,609	2,541	2,519	2,493	2,514
Sheep	954	919	925	1,019	964
Pigs	401	332	432	463	447
TOTAL	**3,965**	**3,793**	**3,876**	**3,976**	**3,926**

Levy rates have remained the same over the reference period.

Species	Paid by producer per head	Paid by slaughterer per head	Total levy per head
Cattle	£4.20	£1.30	£5.50
Calves (up to 68kg)	£0.07	£0.07	£0.14
Sheep	£0.60	£0.20	£0.80
Pigs	£1.02	£0.24	£1.26

Taking 2017 as a base, the levy received has not matched the Consumer Price Index (CPI). Using the HMRC deflator information, the graph below left models the levy payments (if these had been able to track CPI). The analysis shows a shortfall of spending power at approximately £1.0M over the period being reviewed. [Units ('000)]. The repatriation of funds may help lessen this shortfall, but it should be noted that levy repatriation is not purely new income and costs previously covered by the ring-fenced funds will now need to be covered by QMS.

The Quality Assurance Scheme

In 2021/22 the consumer assurance scheme had income of £1.55m (80% of the non-levy income) (2019/20 – £1.57m) and is charged on a cost recovery basis. These funds are used to cover the cost of assurance audits, which were outsourced to Lloyds Register (during the period being reviewed), as well as the management and administration of the various assurance schemes. From a financial perspective, the Assurance Schemes are designed to be non-profit making.

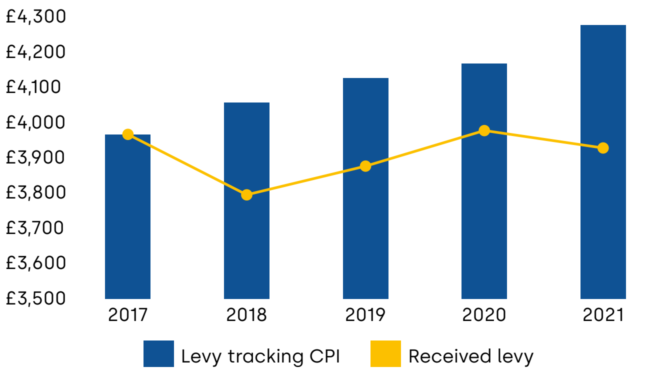
The overall purpose of the schemes is to provide consumers with assurances in relation to food safety, animal welfare and environmental protection and to remind farmers and others of the importance of assurance in the marketplace.

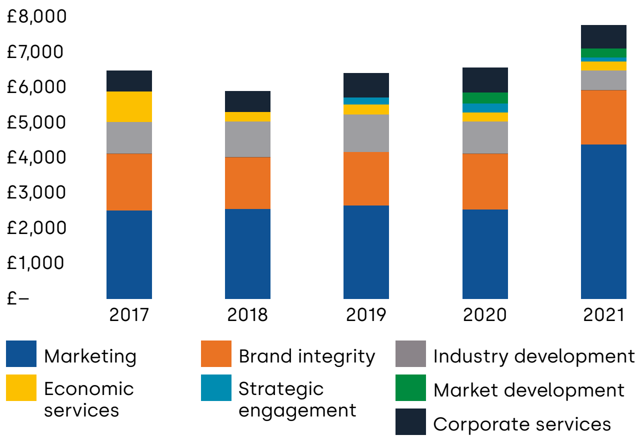
Other income is received by QMS including grants, repatriated ring-fenced funds, bank interest and other miscellaneous income.

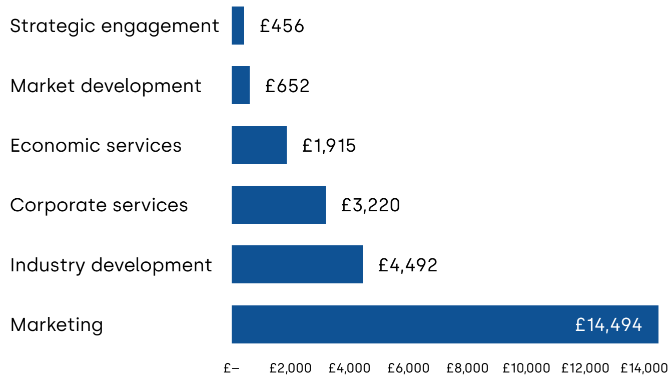
Expenditure

The graph below middle shows the profile of gross expenditure during the period being reviewed per department. [Units ('000)]

Excluding Brands Integrity (assurance schemes), Marketing and Communications has been responsible for c60% (£14.5M v £32.9M) of expenditure. The graph below right shows the profile of total expenditure over the period 2017 to 2021 [Units ('000)].







Background

Much of the rearing and processing of red meat takes place in fragile remote and rural communities. In June 2021, nearly 80% of the agricultural area of Scotland was grass and grazing land, while 94% of agricultural holdings had an area of grass or grazing land, highlighting why livestock production is vital to Scotland's rural economy.

Scotland is self-sufficient in beef and lamb, and approximately 90% for pork at farm level, and is a key supplier to consumers in the rest of the UK. This is important amid concerns about food security triggered by recent world events as well as fulfilling the more immediate market demand created by the 'conscious consumer'.[1]

The period under review has been turbulent with disruptor events including the UK exit from the EU, the Covid 19 pandemic, the cost-of-living crisis, supply chain disruption, labour shortage and the war in Ukraine.

The 2022 edition of the Scottish Red Meat Industry profile reported that demand for beef, lamb and pork remained on an upward trajectory, despite the rise of alternative proteins, the cost-of-living crisis and supply chain disruption. The report noted that in 2021:

- Lockdowns helped to maintain retail sales at elevated levels. Once restrictions began to ease there was a rebalancing of demand towards the foodservice sector
- The introduction of customs controls at the EU border led to an initial reduction in exports. However, supply chains adapted with a return in export volumes to a more normal level relative to domestic meat production, albeit at a higher cost in money and time for exporting companies in the second half of 2021
- Processors faced considerable labour shortages throughout 2021, in part this was due to the restrictions on EU labour. It is estimated that the labour force has reduced by 5% but the overall wage bill only by 1% due to increased salaries.
- Following a prolonged period of decline, 2021 saw Scotland's beef breeding herd stabilise with calf registrations increasing.
- Cattle prices broke previous records for finished stock however higher input costs put pressure on the prices of store cattle.
- In the sheep sector, prime sheep prices leapt by 21.2% at Scottish auctions during the year, 36.4% above the 2016-20 average. This was due to a combination of early marketing of the 2020 lamb crop which left fewer hoggs to be sold around Easter, and the delayed marketing of the 2021 crop and a low level of imports.
- The year for the pig sector began with processing site closures due to outbreaks of coronavirus in the workforce leading to a backlog of slaughter ready pigs waiting to be processed. This backlog was worked through and the market at GB-level began to recover.
- In Scotland, the temporary closure of the country's largest pig abattoir had a lasting negative impact as it led to the loss of approval for pork from pigs processed there to be shipped to China. This made the carcases handled there of less value, resulting in an increase in cross border movements to abattoirs in England.
- In the second half of 2021 a major backlog of pigs built up across GB, as a tight supply of labour prevented the processing sector from expanding output enough to handle a large increase in finished pig numbers. At the same time, longer finishing periods added to feed requirements at a time of significant feed price inflation. This negatively impacted farmgate prices leaving the sector in crisis.

In summary, the Scottish Red Meat Industry profile shows that the industry makes a significant positive contribution, in both economic terms and in terms of food security. There is clear evidence of firm demand for its produce. However, the industry also has challenges – these include the difficulties in accessing a suitably skilled workforce and the need to meet environmental targets.

[1] https://www.qmscotland.co.uk/news/new-report-red-meat-industry-highlights-its-important-contribution-uk-food-security

Consumer behaviour

A report published by 56° Degree Insight in advance of the 2022 Scottish Food and Retail awards[2] provides valuable information on current and projected consumer behaviours. The report noted:

- Consumers are looking to make healthier food choices.
- Purchasing channels are changing – despite the supermarkets still dominating, more individuals are making use of local stores, subscription services, click and collect and online channels.
- Provenance, knowing where your food and drink comes from and how it is produced, is increasingly important to consumers. 61% of Scots factor this into their buying decisions.
- 56% of Scots look for products which have low 'food miles. Labelling that promotes the (credible) environmental credentials of a product is perceived as valuable.
- There is a real opportunity for local products. In Scotland, 50% of individuals 'local' means 'Scottish' with 39% believing that local is regional or sub regional.
- Environmental sustainability is important to consumers. 65% of Scots will choose a product with less packaging than a more heavily packaged alternative.
- Food accreditation [3]standards are valued by consumers and play a significant role in consumer behaviours and decision making.

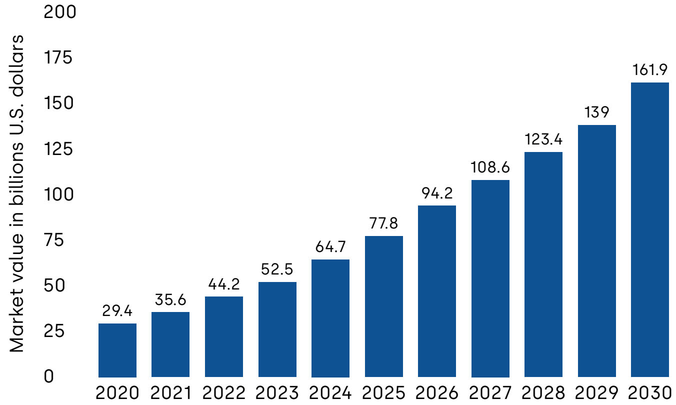
In other analysis Scotland Food and Drink highlighted:

- Six out of ten shoppers think 'local' was important or quite important when they make purchasing decisions. The most important 'local' subcategories included fresh meat, poultry, and fish.
- Seven out of ten shoppers think food and drink produced in Scotland is better quality than that produced elsewhere.
- When eating out of home, seven out of ten people in London say they are more likely to buy food and drink because it is Scottish.

These trends provide opportunity for the QMS brands as the industry supplies low environmental impact, high provenance, high quality products aligned to many of these insights.

Challenges and risks

- Red meat industry profit growth is being negatively impacted by staff shortages and ongoing input cost pressures.
- The cost of living increased sharply across the UK during 2021 and 2022. The annual rate of inflation reached 11.1% in October 2022, a 41-year high, before easing in subsequent months. It was 10.1% in March 2023, the seventh successive month of double-digit inflation. High inflation affects the affordability of goods and services for households. According to the Office for National Statistics, 93% of adults in Great Britain reported an increase in their cost of living in April 2023.
- The Office for Budget Responsibility (OBR) expects real post-tax household income to fall by 4.3% in 2022-23, the biggest fall since comparable records began in 1956. Falls in real incomes will lead consumers to look to maximise the value of their spend. Higher cost items such as red meat could see demand weaken. Retailers are looking at providing a competitive offer – this could make imports attractive.
- Statista reports that[4] the global plant-based food market is expected to see growth in the coming years. The graph below shows projected growth.



[2] The Scottish Retail Food & Drink Awards 2022 56 Degree Insight – Providing an understanding of the latest trends in consumer attitudes and behaviours

[3] Examples of valued accreditations include: Assured Food Standards (Red Tractor); Lion Eggs, Quality Meat Scotland (QMS), Farm Assured Welsh Livestock (FAWL), Northern Ireland Farm Quality Assurance Scheme (NIFQAS), Scottish Quality Cereals (SQC), Agricultural Industries Confederation (AIC). There are also several smaller 'niche' schemes that aim to meet particular consumer demands, such as higher animal welfare and environmental or organic standards.

[4] https://www.statista.com/statistics/1280394/global-plant-based-food-market-value/#:~:text=The%20global%20plant%2Dbased%20food,worth%2044.2%20billion%20U.S.%20dollars.

Despite the projected global growth of plant-based food, it is to be noted that in several developed markets, sales of plant-based meat are stagnating, most notably in the US. Kantar also reported in January 2023 that more than a million fewer households bought meat-free products compared to last year with only 13.7% of households buying one (AHDB/Kantar, 3 w/e 22 January 2023). This compares to 96.4% of households buying meat, fish, or poultry (MFP) in the first three weeks of the year.

- Unlike other parts of the world where livestock production is much more intense and grain fed, Scotland's cattle and sheep eat mostly home-grown fodder. A risk for the industry is forestry investment as companies buy up productive Scottish farmland for tree planting. Whilst trees and hedges form critical parts of red meat farming systems, non-native monocultures have little ecological value to biodiversity, no food production capacity, and limited long-term rural employment opportunities. This trend could have a negative impact on the size of the native herds and flocks.

The SWOT analysis provides a wider overview of the Political, Economic, Sociological, Technological, Legal and Environmental issues that could impact on the Red Meat Sector in Scotland in the short and medium future.

Strengths	Weaknesses
• Support of QMS • The Assurance Scheme is the longest established scheme of its kind and covers more than 90% of livestock farmed for red meat in Scotland • Scottish product perceived as being high quality by consumers. Other Scottish products reinforce this message – whisky, salmon, bakery, etc • Recognised ethical farming techniques, high levels of provenance and low food miles • Record beef and sheep prices	• Supply chain continues to be disrupted with labour shortages • Upward pressure on wage costs • Pig sector facing multiple complex challenges • Pork exports to China remain below historic norms
Opportunities	**Threats**
• Consumers are looking to make healthier food choices • Global red meat market projected to grow by 7.5% per annum to 2027 – most revenues will be generated in the US • New generations are more focussed on the provenance, quality, and ethical production methods • China, Korea, Japan, and Hong Kong expected to see increases demand for beef • Pork offers a good value proposition • Lamb consumption is projected to rise in the EU in coming years	• Geopolitical instability • The UK economy will not return to its pre-pandemic size until the final quarter of 2024 • Increasing number of individuals reducing the volume of red meat consumed • Higher input costs • NZ lamb prices are highly competitive • Australian lamb producers are expected to become more active in export markets

“The QMS Assurance Scheme is the longest established scheme of its kind and covers more than 90% of livestock farmed for red meat in Scotland”.

Assessing the performance of QMS

Current methods for assessing performance

Currently QMS develops and publishes a five-year strategy, which includes the definition of:

- Mission
- Vision
- Strategic Aims
- Strategic Objectives to Meet Each Aim
- Implementation Plans including Time Scale and Resources both financial and physical
- Key Delivery Partners
- Overall Budget.

An annual implementation plan is created, to produce this, QMS conduct a Situation Analysis of the Scottish Red Meat Sector and a review of past performance. This situation analysis and review is then analysed in terms of the Scottish Governments National Performance Framework and integrated with other major stakeholder strategies. Implementation plans are subsequently developed for each department, these focusing on:

- Brands Integrity: providing quality assurance systems throughout the red meat supply chain to more than 10,000 members.
- Corporate Services: delivering effective corporate governance with the principles of best practice and value incorporated into QMS processes and procedures. Overall responsibility for the financial and administrative functions of QMS.
- Industry Development: developing and delivering programmes of activity to improve the quality and efficiency of the primary production of red meat and its supply chain in Scotland.
- Market Development: working collaboratively with the Scottish red meat industry to identify opportunities for the sector to maintain, build and access new market opportunities locally, nationally, and internationally.
- Market Intelligence and External Affairs: focus, providing insight and analysis to support market transparency and to help stakeholders identify market trends and opportunities and make evidence-based decisions.
- Marketing and Communications: lead on the planning, delivery and evaluation of all marketing and communications activities and wider corporate and industry communications. Remit also covers health & education activities and communicating the work of the QMS departments, another key aspect of the role is issue management.

"In discussions with departmental leads we noted the highly interdependent nature of the teams."

Currently a range of financial and non-financial performance tools are used to manage the day-to-day performance of QMS with the primary tool being the annual Implementation Plan which covers both 'Business as Usual Tasks' and new 'Project Tasks.'

Each of the departments meet with the Chief Executive monthly to review actual performance against their actions identified within the Implementation Plan with an overall summary of actual performance using a Key Performance Measure tracker going to each quarterly Board meeting. Progress against each performance measure is currently recorded using a BRAG tracking system with comments recorded on each measure where planned targets are not achieved.

BRAG tracking system:

- B (Brown): the number of projects unable to start during the year.
- R (Red): the number of projects that were started but were unable to completed.
- A (Amber): the number of projects that started but did not complete within the fiscal year as expected.
- G (Green) the number of projects completed during the year.

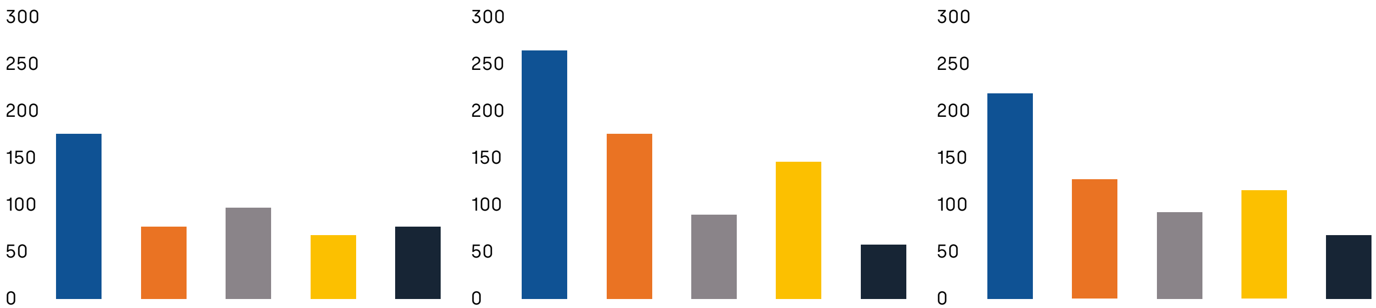
At the end of the year the completed plan is reviewed. The graph below shows an analysis of the implementation plans for the period 2019 to 2022.

In each year there were a significant number of activities identified and tracked. High priority tasks ranged between 43% and 67% of the published plans. With successful completion of High Priority tasks ranging between 82% and 89% over the years analysed.

In addition to the implementation plans, QMS develop and measure performance against the Programme for Government Themes and produce statements on Information & Communications Technology, Climate Change Duties and Equality.

There are also a series of internal procedures and processes in place to manage employee performance, utilisation of resources, procurement processes and fiscal management. With QMS being subject to both internal and external audits and uses corrective action processes to ensure there is continuous improvement.

High Level assignment



	Total BAU and Project 2019–2020	Total BAU and Project 2020–2021	Total BAU and Project 2021–2022
Total	176	266	219
High	77	176	127
Other	99	90	92
Green High	69	146	114
Green Other	77	59	67

Observations

- There is currently significant effort put into preparing and updating reports
  - Recommendation, change reporting processes to reduce the time Required. Focus on the critical few and manage by exception. This could be using a Balanced Scorecard methodology (See Appendix 4)
- Whilst there is a plethora of information it is difficult to ascertain the holistic impact of QMS activity through the analysis of the available granular data
  - Recommendation, use a top-down approach to ascertain the impact of QMS at a sectoral level
- There is not a standardised way of reporting e.g., the marketing snapshot and outcome reports do not show common measures from report to report
  - Recommendation, agree a standard method of reporting performance – the focus should be on outcomes. Outcomes could be agreed at the point of project approval prior to commencing activity

QMS activities and achievements in delivering strategic objectives

Whilst we consider it inappropriate to attribute financial achievements to specific functions and activities given the high interdependency between the teams, this section provides a summary and highlights areas of focus and successes of the organisation in delivering its strategic objectives.

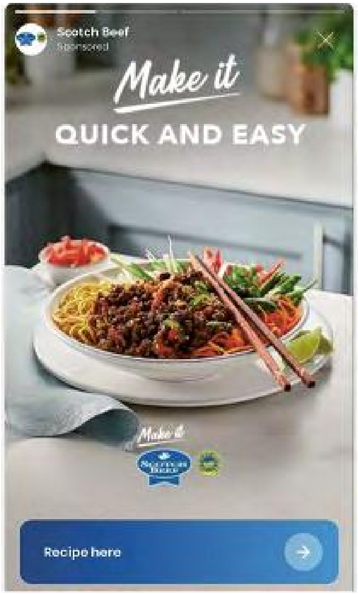
Building the brands

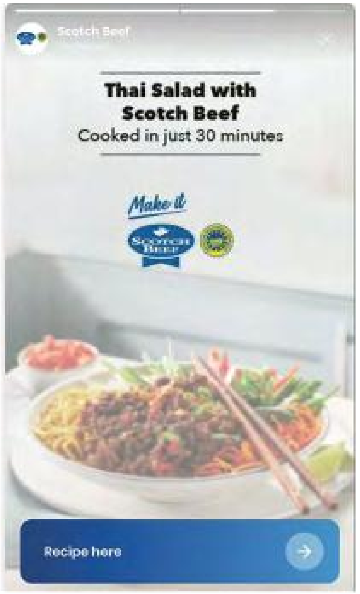
The focus of work in this space is to plan and deliver all marketing and communications activities and wider corporate and industry communications.

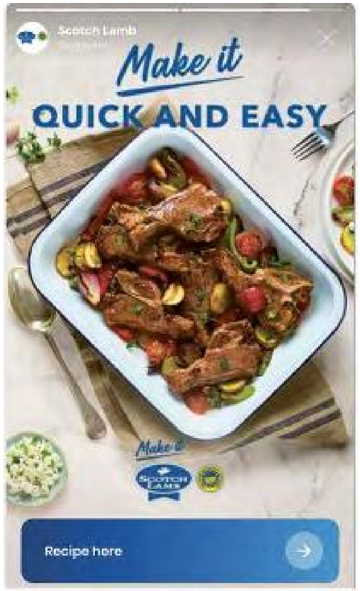
A marketing plan is developed annually, with comprehensive market research and assessment reports completed before and at the end of each marketing campaign. It is to be noted that the focus of marketing campaigns in recent years has moved to highly targeted online engagement rather than mass market campaigns. The notes at Appendix 1 demonstrates how marketing and communication campaigns have positively impacted on the perceptions of consumers.

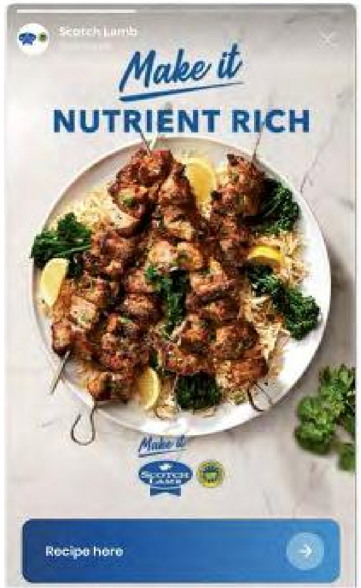
The following notes summarises the rationale, methods, and impacts of one of the most successful high profile marketing campaigns 'Make It' launched in late Spring 2020 in response to the Covid 19 pandemic and the collapse of the Food Service sector.

Make it









Date	Investment (£'000)	Rationale	Targets	Objectives	Communications channels	Impacts
May to July 2020 (12 weeks)	1,200	The closing of the food service industry had an unprecedented impact on the red meat industry. QMS, AHDB & HCC worked collaboratively to launch a new marketing campaign directed to inspire consumers to choose locally produced red meat, make the most out of leftovers and batch cook confidently	Foodie Explorers – Older affluent couples, Highest spend of any group, Averagely high beef consumption, Over index on quality Healthier Home Cooks – Affluent couples (pre family or family), Spend second highest of any group, Over index in mince.	Awareness, Inspiration, Conversation	STV, Daily Record, Daily Mail, Express, Bauer and Heart radio networks. Facebook and Instagram. Influencer videos	Campaign reached 93% of GB households 432,000 additional buyers of steak +£9.8M of revenues generated Return on investment: £1.00 investment delivered £12.30 in retail sales

The notes at Appendix 6 shows the impacts and return on investment on a suite of recent campaigns. We are confident that this work has increased sales of Scottish red meat and reinforced key messages around local, quality, sustainability, and provenance.

Summary

From the campaign summaries provided, return on investment in marketing campaigns ranged from between £3.00 to £12.30 per £1 invested. We have estimated a net return of £6.85 for each £1.00 invested in Marketing and Communications activity (using weighted average from provided results). This analysis indicates that the investment made in Marketing and Communications is likely to have provided **a positive benefit of c£119M over the period 2016 to 2022 and could be said to be responsible for c90% of the positive impact achieved**.

Industry toolkits

These provide robust information to industry that allow stakeholders to have informed conversations. The toolkits include robust statistics, downloadable graphics, expert opinions, and details on marketing campaigns launched by the collective levy bodies.

The aim is to build greater understanding of the sector among consumers and decision-makers and instigate greater fact-based conversations around the British red meat industry.

Toolkits have included:

Celebrating the Positives of Red Meat (January 2023)

- Quality Meat Scotland (QMS), Agriculture and Horticulture Development Board (AHDB), Meat Promotion Wales/Hybu Cig Cymru (HCC) and the Livestock and Meat Commission (LMC) joined forces to collate a toolkit of materials to help positively manage the reputation of red meat.

COP 27 Toolkit (2022)

- Ahead of COP27, QMS, AHDB, HCC and LMC joined forces to collate a pack of materials to support the sector to form a common narrative on British livestock production and its place in a climate emergency.

Having Positive Conversations about Red Meat (January 2022)

- To raise industry confidence QMS released the second edition of its toolkit 'Having positive conversations about red meat' in collaboration with AHDB and HCC.

COP 26 Toolkit (2021)

- The toolkit included responses to some of the biggest myths plaguing UK agriculture such as methane emissions, water usage, grazing, land use and red meat consumption.

Veganuary Unwrapped (2021)

- QMS provided resources to help industry maintain strong consumer engagement by communicating factual stories and statistics highlighting the pride the industry feels delivering a sustainable, healthy product.

Having Positive Conversations Around Red Meat (Jan 2021)

- QMS collated this pack of materials to help positively manage the reputation of red meat during January 2021 and beyond.

Education Toolkits

Farming Foodsteps from QMS is a free interactive educational resource which explores the journey Scottish red meat makes from farm to fork and the role that red meat plays as part of a healthy, balanced diet and in the economy and environment. Farming Foodsteps has been designed to be taught in class or at home as it is compatible with computers, Smart Screens, and mobile phones. Teachers, pupils, and the wider public can find a range of worksheets, games, tasks, and videos to enhance their knowledge of the red meat food system.

The users and page views data outlined above details the reach of the Farming Foodsteps tool over the two years since its launch:

2021 (total)	2022 (total)
Users: 8,333	Users: 14,956
Page Views: 32,265	Page Views: 44,530

Supporting Sustainable Growth

The focus of work in this space is to provide robust information via briefings and reports to consumers and stakeholders and provide insight and analysis to support market transparency and to help stakeholders identify market trends, opportunities and make evidence-based decisions. Work in this area is delivered by the Market Intelligence and External Affairs team and includes

- Briefings & Publications (see Appendix 5)
- Stakeholder engagement
- Consultation Responses
- Engagement with local and national governments

Developing capability and capacity

The focus of this activity is to develop and deliver programmes of activity that improve the quality and efficiency of the primary production of red meat and its supply chain in Scotland.

Monitor Farm Programme

The aim of the programme is to instigate positive transformational change by highlighting innovative sustainable farming practices on nine farms from across Scotland. The learnings and the example set by Monitor farms are shared for the benefit of farmers within the farm's community across Scotland. The aim of the programme is to help to build resilient, dynamic farms focused on reaching full economic, social, and environmental sustainability, by optimising production.

The programme is grounded in expert advice and embraces innovative practices to support farms on their journey. Farmers receive a significant amount of help from the delivery team including a dedicated Regional Adviser, and Programme Manager, as well as access to specialist input throughout the programme.

It is noted that farming is often an isolating and lonely profession, one of the most profound effects of the initiative is bringing farming communities together. Meeting regularly and sharing ideas and offering feedback helps forge new friendships, build confidence, and encourage knowledge sharing.

The programme is led by QMS and supported by AHDB.

In 2020 a review of the 2013-2016 cohort noted that the impact of the programme had been profound. Every one of those businesses involved had embraced the support of the monitor farm network making numerous changes to farm management, ultimately making them more profitable and resilient.

The Monitor Farm Scotland Programme has helped pioneer several innovative production methods including:

- Pelvic Measuring
- Fodder beet
- Soil Health
- Grain Storage
- Co-operation
- Agri-Tech
- Succession
- Feed Efficiency
- Data capture

Grazing Groups

As part of its Better Grazing programme that ran from 2016-2019 focussing on optimising production, livestock farmers were invited to attend free meetings organised by QMS with the meetings being held across Scotland with the aim of attracting farmers looking to learn how to make the most out of their grassland.

The main aim for the events was to ensure attendees left the meetings with a better understanding about how to implement various approaches to pasture management, with topics including soil management, multi species swards, winter fodder and measuring to manage.

The Grazing Group programme finished in 2020 but QMS as part of the programme provided and still provides 'Sward Sticks' to help farmers measure and manage grassland. A sward stick is a tool that can aid farmers to measure the average height of grass within a field. This figure can then be used to give an indication of average grass cover for a field and help improve utilisation.

The table below provides a summary of the positive levels of engagement with the sector throughout the grazing groups.

			Excellent evaluation response	
	Events	Attendees	Content	Speakers
March 2018	6	75	80%	88%
March 2019	6	74	72%	71%
May 2019	5	80	78	94
July 2019	5	93	na	na

Taking responses across the events the levels of 'excellent' evaluations achieved were Content, 77%, Speakers, 84%. Over 80% of attendees commented that they were planning to make positive changes to their operations or had already begun because of the work of the Grazing Groups.

Delivering professional services

The focus of this work is to assess the effectiveness of the processes used by the organisation to deliver activity. These internal audits are comprehensive and consider best practice and value.

The table to the right provided a summary of the suite of internal audits completed in recent years.

Internal audits evidence that the organisation can have a high degree of confidence that teams are and continue to work to agreed processes and are evidencing good practice in the ways they work. Where opportunities to improve performance are identified, these are documented and actioned.

Examples include:

- Improving training for staff to provide more guidance on setting objectives which are SMART.
- Providing training to line managers responsible for carrying out staff appraisals to ensure that they are performed in a consistent and equitable manner.
- Changing Financial and Human Resource procedures to ensure that leavers are promptly removed from the payroll.
- Introducing a two-stage evaluation process to provide greater clarity on the intentions of farmers to change working practices following Industry Development events, and the outcome of their changes to ways of working.

	2018/19	2019/20	2020/21	2021/22	2022/23	Assurance level
Staff performance	X					reasonable assurance
Marketing and comms	X					substantial assurance
Payroll		X				reasonable assurance
Industry development		X				substantial assurance
Income streams		X				substantial assurance
Risk management			X			reasonable assurance
Market development			X			substantial assurance
Core financial controls				X		substantial assurance
Recruitment and retention				X		substantial assurance
Customer assurance					X	substantial assurance
GDPR					X	substantial assurance

“Meeting regularly and sharing ideas and offering feedback helps forge new friendships, build confidence, and encourage knowledge sharing”.

Additional methods for assessing performance

Given the multiple external factors that can impact the work of QMS we have adopted a counter factual approach in assessing the organisations impact. This method looks to quantify the size of the Scottish market over the reference period had QMS not existed, and no activity had been delivered.

Impacts at production level

The notes below describe the process employed to establish an initial view on the impact of QMS over the period 2016 to 2021. We did this by quantifying the performance of abattoir output in Scotland (using 2016 volumes and values as a starting point) as if it had tracked the Rest of UK (RoUK) performance in subsequent years. In doing this work we assumed that economic conditions in Scotland and the rest of the UK were comparable and confirmed that per capita consumption patterns (but not volumes) aligned.

Establishment of baseline position and calculation of impacts

Information from two sources was used to compare performance of Scotland to Rest of UK

- QMS Red Meat Industry Profiles 2016 to 2021
- Production of home slaughtered meat in the UK 2003 to 2021 (Statista)[5].

We analysed the performance for Beef, Lamb and Pork and consolidated results to identify a summary position.

Volume and value analysis

- Projected value per tonne was calculated by stripping out the Scottish premium from Scotch Beef Prices (reported in the QMS Red Meat Industry Profiles) and using this calculation to establish a Rest of UK value. Note – Scottish Lamb and Pork showed no premium in the QMS Red Meat Industry Profiles. It was assumed for these products that Scottish produce attracted the same price as RoUK product.
- Projected volumes were calculated by mapping Rest of UK performance (2016 to 2021 from data provided by Statista) to Scotland baseline of 2016 tonnages for Beef, Lamb, and Pork.

Calculation of impacts

- Calculated volumes and values were multiplied to establish a theoretical baseline abattoir output value.
- Theoretical baseline abattoir output values were compared to reported abattoir output values from the QMS reports and variance established.
- A copy of the model has been provided to QMS to allow assessment in future years.

[5] https://www.statista.com/statistics/298338/home-slaughtered-beef-production-in-the-united-kingdom-uk/

The tables below show the calculations for Beef and Lamb.

Beef

Impact of QMS calculation: Beef Formula						
Volume	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Achieved tonnes (Scotland)	172,205	167,250	167,020	165,510	165,155	164,285
Tracking tonnes (RoUK)	172,205	170,804	168,539	173,525	177,781	167,086
Value						
Price per unit (Scotland)	3,827	4,030	3,847	3,522	3,754	4,157
Revised price (exc premium)	3,582	3,792	3,631	3,332	3,555	4,004
Projected value (£M)	£617	£648	£612	£578	£632	£669
Achieved value (£M)	£659	£674	£643	£583	£620	£683
Impact (£M)	£42.2	£26.3	£30.5	£4.8	-£12.0	£14.1
Gross Impact (£M)						**£105.9**

Lamb

Impact of QMS calculation: Lamb						
Volume	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Achieved tonnes (Scotland)	24,020	23,385	22,930	26,115	25,270	22,950
Tracking tonnes (RoUK)	24,020	24,890	24,028	25,366	24,449	21,859
Value						
Price per unit (Scotland)	5,412	5,901	4,448	4,174	4,907	5,926
Revised price (exc premium)	5,412	5,901	4,448	4,174	4,907	5,926
Projected value (£M)	£130.0	£146.9	£106.9	£105.9	£120.0	£129.5
Achieved value (£M)	£130.0	£138.0	£102.0	£109.0	£124.0	£136.0
Impact (£M)	£-	-£8.9	-£4.9	£3.1	£4.0	£6.5
Gross Impact (£M)						**-£0.2**

The table below show the calculations for Pork.

Pork

Impact of QMS Calculation: Pork						
Volume	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Achieved tonnes (Scotland)	24,110	21,125	29,185	31,105	32,535	26,305
Tracking tonnes (RoUK)	24,110	23,732	24,216	24,945	25,634	26,826
Value						
Price per unit (Scotland)	1,804	1,988	1,610	1,607	1,752	1,635
Revised price (exc premium)	1,804	1,988	1,610	1,607	1,752	1,635
Projected value (£M)	£44	£47	£39	£40	£45	£44
Achieved value (£M)	£44	£42	£47	£50	£57	£43
Impact (£M)	£-	-£5.2	£8.0	£9.9	£12.1	-£0.9
Gross Impact (£M)						**£23.9**

Summary of impact at production level

This analysis indicates that over the period 2016 to 2022 the Scottish sector of the market outperformed the Rest of UK with a positive impact of **+£130M**, with the Scottish production sector outperforming RoUK for five of the past six years. The higher price achieved for beef has supported and helped achieve the gross return. At the summary level it is estimated that for every £1.00 of levy invested, a gross return of approximately c**£5.50** to the sector has been delivered.

Detailed calculations are at Appendix 2.

Impacts at retail level

Further analysis was undertaken to assess the impact of the work of QMS in the retail space. Data provided for the same reference period (2016 to 2021) by Kantar has been utilised. This analysis compares the retail performance of the Scottish v Rest of UK markets.

The same methodology has been used as shown in the production level, comparing the volume and price performance of the Scottish market (not origin specific) against Rest of UK performance, and assessing whether a better or weaker than projected performance is achieved.

The tables show the performance for Beef, Lamb, and Pork.

Details of the full calculations are shown at Appendix 3.

Beef

Beef						
Scotland	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Primary beef (Actual tonnage)	26,337	27,633	27,833	26,961	26,215	30,224
Primary beef (Theoretical tonnage)	26,337	26,207	25,436	24,955	24,521	28,498
	–	1,426	2,397	2,006	1,694	1,726
Scotland price						
Primary beef (Actual price)	£8.04	£7.81	£7.84	£7.89	£7.81	£7.90
Primary beef (Theoretical price)	£7.78	£7.54	£7.69	£7.70	£7.52	£7.56
	£0.26	£0.27	£0.15	£0.19	£0.29	£0.34
Spend (Actual) (£M)	£211.8	£215.8	£218.2	£212.8	£204.8	£238.8
Spend (Theoretical) (£M)	£205.0	£197.5	£195.5	£192.2	£184.3	£215.6
Impact (£M)						**£112.1**

Lamb

Lamb						
Scotland	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Primary Lamb (Actual)	4,296	4,033	3,919	3,493	3,495	3,783
Primary Lamb (theoretical)	4,296	3,985	3,590	3,400	3,341	3,596
	–	48	329	93	154	187
Scotland price						
Primary Lamb (Actual)	£8.16	£8.05	£8.28	£8.76	£8.88	£9.59
Primary Lamb (theoretical)	£7.76	£7.89	£8.34	£8.86	£9.09	£9.57
	£0.40	£0.17	-£0.06	-£0.10	-£0.21	£0.02
Spend (Actual) (£M)	£35.1	£32.5	£32.5	£30.6	£31.0	£36.3
Spend (Theoretical) (£M)	£33.3	£31.4	£29.9	£30.1	£30.4	£34.4
Impact (£M)						**£8.3**

Summary of impact at retail level

The analysis shows a **positive benefit of +£124M over the period** 2016 to 2022 in the Retail space. The analysis indicates that Scottish retailers have been able to secure a higher price point than retailers in the Rest of the UK for red meat products, regardless of origin. The table below summarises the performance.

Detailed calculations are at Appendix 3.

Scotch coverage in Scottish stores

We are confident that the presence of Scotch Beef, Scotch Lamb and Specially Selected Pork branded products have aided in making a positive contribution to retail performance within Scotland. The importance to consumers in Scotland of local produce and the effective marketing is likely to have helped in securing a price premium for Scottish retailers.

As part of furthering of the impact of QMS at the retail level we have undertaken an evaluation of Scotch Beef, Scotch Lamb and Specially Selected Pork branded products present in Scottish retailers, the information presented is an assessment of both Kantar and RSS Product Origin reports.

Pork

Pork						
Scotland	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Primary pork (Actual)	9,916	9,123	9,107	10,026	8,919	10,162
Primary pork (theoretical)	9,916	9,130	9,433	9,073	8,692	10,731
	-	-7	-326	953	227	-569
Scotland price						
Primary pork (Actual)	£4.67	£4.46	£4.72	£4.53	£4.59	£4.85
Primary pork (theoretical)	£4.60	£4.36	£4.56	£4.57	£4.58	£4.84
	£0.07	£0.10	£0.16	-£0.03	£0.01	£0.01
Spend (Actual) (£M)	£46.4	£40.7	£43.0	£45.4	£40.9	£49.3
Spend (Theoretical) (£M)	£45.6	£39.8	£43.0	£41.4	£39.8	£52.0
Impact (£M)						**£4.0**

In 2021, Scotch Beef accounted for approximately 60% of all beef products on the shelves in Scotland. In 2022, when Scotch Beef was in tight supply, the average percentage of Scotch Beef coverage across retailers in Scotland was nearly 50%. For Scotch Lamb, from 2021 to 2022, the percentage of all lamb products held above 30% in Scottish stores, reaching a peak of 48% in Q1 of 2021. Within the pork sector, pork produced in Scotland had a 7.2% market share of total pork products on the shelves in 2022.

Utilising the upper and lower limits provided, we have calculated for beef, lamb, and pork that the positive impact of Scotch products over the reference period at between **£59.0M (47%) and £71.0M (57%)** of the gross impact of £124M.

Establishing impact of year-on-year investment

It is recognised that the work of QMS since its inception has a legacy effect. To assess the impact of the legacy effect, we calculated a minimum market position in the production sector. This was established by multiplying the lowest tonnage processed and lowest price achieved for each meat type (beef, lamb, and pork) in the reference period. We assumed that any impacts above this level could be attributed to the in-year work of QMS.

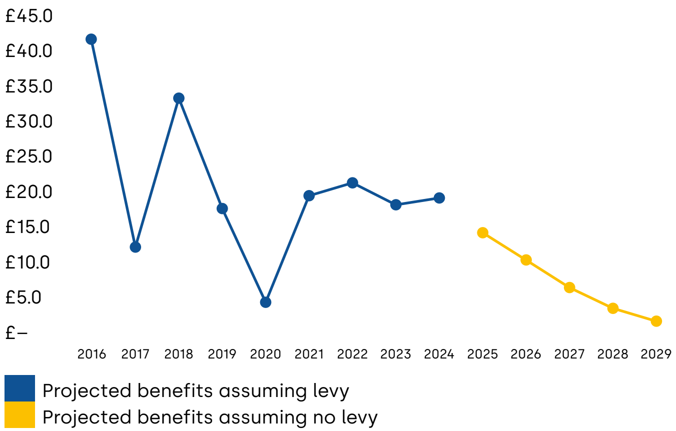
This calculation showed that over the reference period, 83% of positive sector performance could be attributed to legacy effects. However, if the levy is not maintained and there is no continued investment, we project that the positive performance of the Scottish red meat sector will be eroded over time.

Projecting forward impacts of a scenario is challenging as parameters can change. The graph to the right projects the deterioration of the impact of QMS work on the Scottish Red Meat sector if levy payments and activities stopped.

This model recognises:

- The importance of ongoing marketing activity to the success of the sector.
- Accelerating erosion of the positive benefits year-on-year.

This model estimates that within 5 to 8 years should levy payments stop being paid, the Scottish Red Meat sector would be performing in line with the rest of the UK. The graph below shows the accelerating annual deterioration of benefits. (Units £M)



Conclusions and recommendations

We are pleased to report that QMS has had and continues to have a positive impact on the performance the Scottish Red Meat sector.

The analysis of Production and Retail performance shows that Scottish Beef, Lamb, and Pork have exceeded that of the Rest of the UK over the reference period by £130m at production level and £124m at retail level.

It is estimated that for every £1 invested in levy payments during the period 2016 to 2022 QMS has secured a £5.50 benefit for the industry at the production level when compared to the performance of the Rest of the UK and c£5.20 at the retail level. Investment in activities of the Marketing and Communication team in promoting and "Building the brands" could have contributed c90% of this performance.

We believe that if levy payments were stopped and QMS was unable to carry out activities we conclude that within 5 to 8 years, the Scottish Red Meat sector would perform in line with the Rest of the UK.

Through the production level and retail level assessments the premium price the Beef sector achieves is the bedrock on which the successful performance is built. Pork and Lamb have performed positively as well but there are opportunities to be gained; these could potentially be through increased sales to regions and markets where high quality Scottish food and drink products currently attract a premium.

With more consumers now looking to buy ethically raised, high quality red meat, there are opportunities for the Scottish beef, lamb, and pork producers to highlight their independently verified high welfare, environmental and provenance credentials.

To further improve reporting and assessment of performance we recommend:

- Adopting the industry and retail impact top-down assessment methods described in this report
- Using of a balanced scorecard suite of key performance indicators, aligned to the aims and objectives of the pending New Five-Year Strategy to focus senior management and board attention on the critical few activities that can have the greatest impact on performance
- Agreeing and monitoring achieved performance v targets
- Continuing the use of the implementation plans to manage departmental activity.

Appendices

Appendix 1 – Highlights from Consumer Research

Campaign/Research	Year	Respondents	Impact/Findings
Customer Perceptions of Quality Assurance	2018	1,140	Increasing % of consumers trust Scottish producers
Post Advertising Beef Research	2018	1,006	High awareness of Scotch Beef logo in Scotland, awareness just 45% in London
Post Advertising Lamb Research	2018	605	High awareness of Scotch Lamb logo in Scotland, belief that product is high quality
Consumer Attitudes and Purchase Behaviour	2018	96	Value for money a key driver, rise of discount retailers providing quality meats
Go Places with Pork	2019	604	73% of respondents believe SSP represents higher standards (from 51% before campaign)
Post Advertising Pork Research	2019	609	Increased awareness of SSP logo
Consumer Perceptions of Quality Assurance	2019		Brexit fatigue may be influencing a slight decline in shoppers saying they'll buy more Scotch meat
Know Your Beef	2019	473	77% of respondents believed Scottish Red Meat is the best available
Meat with Integrity	2019		For shoppers, the Scotch logo represented high standards and higher standards than products without logos
Scotch Lamb, Naturally	2019		Campaign impact spend +69%, volume +69%, penetration 32%
Meat with Integrity	2020		77% of respondents are more aware of trying to support local trade
Specially Selected Pork, Shopper Research	2020	1,200	Locally grown in Scotland is, unsurprisingly, most important to Scottish shoppers
YouGov Survey Tracking Data	2021	2,017	Scotland came out on top for being the country respondents believe to produce the most sustainable beef and/or lamb
YouGov Survey Post Wave	2021	1,805	Appearance, quality and locally produced were the top three factors when purchasing fresh beef and/or lamb
YouGov Scotland Omnibus Survey Results	2022		As a result of seeing the advertising a third of shoppers think about where their meat comes from

Appendix 2 – Calculation of impacts, Production level

Production of home slaughtered meat in UK 2003 to 2021						
Reported '000 tonnes (UK)	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Beef	915	904	894	914	932	885
Lamb	290	299	289	307	296	265
Pork	919	902	928	957	984	1,022
Reported '000 tonnes (RoUK ex Scot) Formula	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Beef	743	737	727	748	767	721
Lamb	266	276	266	281	271	242
Pork	895	881	899	926	951	996
Changes in tonnage (RoUK) Formula	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Beef		-0.8%	-1.3%	3.0%	2.5%	-6.0%
Lamb		3.6%	-3.5%	5.6%	-3.6%	-10.6%
Pork		-1.6%	2.0%	3.0%	2.8%	4.6%

Impact of QMS calculation: Beef Formula						
Volume	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Achieved tonnes (Scotland)	172,205	167,250	167,020	165,510	165,155	164,285
Tracking tonnes (RoUK)	172,205	170,804	168,539	173,525	177,781	167,086
Value						
Price per unit (Scotland)	3,827	4,030	3,847	3,522	3,754	4,157
Revised price (exc premium)	3,582	3,792	3,631	3,332	3,555	4,004
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Achieved value (£M)	£659	£674	£643	£583	£620	£683
Impact (£M)	£42.2	£26.3	£30.5	£4.8	-£12.0	£14.1
Gross Impact (£M)						**£105.9**

Appendix 2 – Calculation of impacts, Production level (continued)

Impact of QMS calculation: Lamb						
Volume	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Achieved tonnes (Scotland)	24,020	23,385	22,930	26,115	25,270	22,950
Tracking tonnes (RoUK)	24,020	24,890	24,028	25,366	24,449	21,859
Value						
Price per unit (Scotland)	5,412	5,901	4,448	4,174	4,907	5,926
Revised price (exc premium)	5,412	5,901	4,448	4,174	4,907	5,926
Projected value (£M)	£130	£147	£107	£106	£120	£130
Achieved value (£M)	£130	£138	£102	£109	£124	£136
Impact (£M)	£-	-£8.9	-£4.9	£3.1	£4.0	£6.5
Gross Impact (£M)						**-£0.2**

Impact of QMS calculation: Pork						
Volume	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Achieved tonnes (Scotland)	24,110	21,125	29,185	31,105	32,535	26,305
Tracking tonnes (RoUK)	24,110	23,732	24,216	24,945	25,634	26,826
Value						
Price per unit (Scotland)	1,804	1,988	1,610	1,607	1,752	1,635
Revised price (exc premium)	1,804	1,988	1,610	1,607	1,752	1,635
Projected value (£M)	£44	£47	£39	£40	£45	£44
Achieved value (£M)	£44	£42	£47	£50	£57	£43
Impact (£M)	£-	-£5.2	£8.0	£9.9	£12.1	-£0.9
Gross Impact (£M)						**£23.9**
					Summary Impact (£M)	**£130.0**
					Levy Payments (£M)	**£23.4**
					Return on Levy Payments	**£5.55**

Appendix 3 – Calculation of impacts, Retail level

Retail

Total GB – Primary Red Meats – 2016 to 2021					Spend (£000's)	
	52 w/e 28 Feb 16	52 w/e 26 Feb 17	52 w/e 25 Feb 18	52 w/e 24 Feb 19	52 w/e 23 Feb 20	52 w/e 21 Feb 21
Total Primary Red Meat	£3,538,170	£3,447,156	£3,443,564	£3,416,635	£3,333,397	£3,952,564
Primary Beef	£2,119,315	£2,138,536	£2,140,146	£2,129,712	£2,072,025	£2,452,274
Primary Pork	£742,139	£681,323	£704,897	£682,059	£650,803	£802,274
Primary Lamb	£634,125	£597,172	£570,310	£571,900	£576,715	£655,040

					Volume (000Kg's)	
	52 w/e 28 Feb 16	52 w/e 26 Feb 17	52 w/e 25 Feb 18	52 w/e 24 Feb 19	52 w/e 23 Feb 20	52 w/e 21 Feb 21
Total Primary Red Meat	522,612	520,284	506,108	496,954	487,140	565,473
Primary Beef	271,456	282,746	277,848	275,824	274,585	322,872
Primary Pork	161,071	155,906	154,233	149,473	142,140	165,623
Primary Lamb	81,496	75,648	68,430	64,600	63,540	68,405

Scotland – Primary Red Meats – 2016 to 2021					Spend (£000's)	
	52 w/e 28 Feb 16	52 w/e 26 Feb 17	52 w/e 25 Feb 18	52 w/e 24 Feb 19	52 w/e 23 Feb 20	52 w/e 21 Feb 21
Total Primary Red Meat	£296,977	£291,788	£295,332	£290,570	£278,535	£326,751
Primary Beef	£211,825	£215,827	£218,174	£212,796	£204,811	£238,770
Primary Pork	£46,351	£40,692	£42,991	£45,433	£40,906	£49,295
Primary Lamb	£35,053	£32,476	£32,457	£30,593	£31,040	£36,292

					Volume (000Kg's)	
	52 w/e 28 Feb 16	52 w/e 26 Feb 17	52 w/e 25 Feb 18	52 w/e 24 Feb 19	52 w/e 23 Feb 20	52 w/e 21 Feb 21
Total Primary Red Meat	41,137	41,178	41,104	40,738	38,861	44,493
Primary Beef	26,337	27,633	27,833	26,961	26,215	30,224
Primary Pork	9,916	9,123	9,107	10,026	8,919	10,162
Primary Lamb	4,296	4,033	3,919	3,493	3,495	3,783

Appendix 3 – Calculation of impacts, Retail level (continued)

Price per kg						
Primary Beef	£8.04	£7.81	£7.84	£7.89	£7.81	£7.90
Primary Pork	£4.67	£4.46	£4.72	£4.53	£4.59	£4.85
Primary Lamb	£8.16	£8.05	£8.28	£8.76	£8.88	£9.59
RoUK						
Total Primary Red Meat	£3,241,193	£3,155,368	£3,148,232	£3,126,065	£3,054,862	£3,625,813
Primary Beef	£1,907,490	£1,922,709	£1,921,972	£1,916,916	£1,867,214	£2,213,504
Primary Pork	£695,788	£640,631	£661,906	£636,626	£609,897	£752,979
Primary Lamb	£599,072	£564,696	£537,853	£541,307	£545,675	£618,748
Total Primary Red Meat	481,475	479,106	465,004	456,216	448,279	520,980
Primary Beef	245,119	255,113	250,015	248,863	248,370	292,648
Primary Pork	151,155	146,783	145,126	139,447	133,221	155,461
Primary Lamb	77,200	71,615	64,511	61,107	60,045	64,622
Price per kg						
Primary Beef	**£7.78**	**£7.54**	**£7.69**	**£7.70**	**£7.52**	**£7.56**
Primary Pork	£4.60	£4.36	£4.56	£4.57	£4.58	£4.84
Primary Lamb	£7.76	£7.89	£8.34	£8.86	£9.09	£9.57
Beef						
Scotland	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Primary beef (Actual tonnage)	26,337	27,633	27,833	26,961	26,215	30,224
Primary beef (Theoretical tonnage)	26,337	26,207	25,436	24,955	24,521	28,498
	–	1,426	2,397	2,006	1,694	1,726
Scotland price						
Primary beef (Actual price)	£8.04	£7.81	£7.84	£7.89	£7.81	£7.90
Primary beef (Theoretical price)	£7.78	£7.54	£7.69	£7.70	£7.52	£7.56
	£0.26	£0.27	£0.15	£0.19	£0.29	£0.34
Spend (Actual) (£M)	£211.8	£215.8	£218.2	£212.8	£204.8	£238.8
Spend (Theoretical) (£M)	£205.0	£197.5	£195.5	£192.2	£184.3	£215.6
Impact (£M)						**£112.1**

Appendix 3 – Calculation of impacts, Retail level (continued)

Pork						
Scotland	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Primary pork (Actual)	9,916	9,123	9,107	10,026	8,919	10,162
Primary pork (theoretical)	9,916	9,130	9,433	9,073	8,692	10,731
	–	-7	-326	953	227	-569
Scotland price						
Primary pork (Actual)	£4.67	£4.46	£4.72	£4.53	£4.59	£4.85
Primary pork (theoretical)	£4.60	£4.36	£4.56	£4.57	£4.58	£4.84
	£0.07	£0.10	£0.16	-£0.03	£0.01	£0.01
Spend (Actual) (£M)	£46.35	£40.69	£42.99	£45.43	£40.91	£49.30
Spend (Theoretical) (£M)	£45.64	£39.85	£43.02	£41.42	£39.79	£51.98
Impact (£M)						**£4.0**

Lamb						
Scotland	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Primary Lamb (Actual)	4,296	4,033	3,919	3,493	3,495	3,783
Primary Lamb (theoretical)	4,296	3,985	3,590	3,400	3,341	3,596
	–	48	329	93	154	187
Scotland price						
Primary Lamb (Actual)	£8.16	£8.05	£8.28	£8.76	£8.88	£9.59
Primary Lamb (theoretical)	£7.76	£7.89	£8.34	£8.86	£9.09	£9.57
	£0.40	£0.17	-£0.06	-£0.10	-£0.21	£0.02
Spend (Actual) (£M)	£35.1	£32.5	£32.5	£30.6	£31.0	£36.3
Spend (Theoretical) (£M)	£33.3	£31.4	£29.9	£30.1	£30.4	£34.4
Impact (£M)						**£8.3**
Gross Impact (£M)						**£124.4**

Appendix 4 – Balanced Scorecard

The term balanced scorecard (BSC) refers to a strategic management performance metric used to identify and improve various internal business functions and their resulting external outcomes.

The concept of balanced scorecard is a holistic system for managing strategy. A key benefit of using a disciplined framework is that it gives organisations a way to "connect the dots" between the various components of strategic planning and management, meaning that there will be a visible connection between the projects and programs that people are working on, the measurements being used to track success (KPIs), the strategic objectives the organization is trying to accomplish, and the mission, vision, and strategy of the organization.

Features

The balanced scorecard typically involves measuring four aspects of an organisation. Finance, Learning and growth, Business processes, and Customer performance. Within these categories specific organisational appropriate metrics are employed.

Achieved performance is compared to target performance with a traffic light system often employed to provide focus on where management needs need to focus attention.

Benefits

There are many benefits to using a scorecard. The most important advantages include the ability to bring information into a single report, which can save time, money, and resources. It also allows companies to track their performance in service and quality in addition to tracking their financial data.

Appendix 5 – Regular publications

Publication	Contents/Purpose	Frequency	Audience
Market Dashboard in QMS Newsletter	A weekly summary of price and volume movements in the cattle, sheep, and pig sectors, covering developments in the domestic market and in key overseas markets.	Weekly	All Stake-holders
Monthly Market Report	Coverage of developments in the cattle, sheep, and pig sectors, from livestock prices to slaughter numbers, retail sales, international trade, developments in key overseas markets. It also includes coverage of general economic trends being faced by businesses operating in the sector.	Once per month	All Stake-holders / Scottish Government / QMS Board / published on QMS website / sent to a growing number of contacts who have requested delivery
Red Meat Industry Profile	Round-up of industry statistics from farm production and livestock prices to processing sector distribution, consumption levels and international trade. Includes the results of the red meat processing sector survey to highlight distribution channels for meat.	Annual Report	All Stakeholders
Cattle & Sheep Enterprise Profitability	Report highlighting costs and revenues in several different production systems across a sample of Scottish farm businesses. Includes analysis of GHG emissions for each of the farming systems.	Annual Report	Farmers / Processors / Farm Business Consultants / Market Intelligence and Industry Development Teams
Export Survey	Conducted in collaboration with Market Development, covering exports of beef, lamb and fifth quarter products outside of the UK. Results reported in the autumn, ahead of the SIAL or Anuga.	Annual Survey	Processors / Market Intelligence and Market Development Teams
Weekly Regional Cattle Prices	Regional cattle prices for the British Isles and provide a general beef market summary.	Weekly	Executive Team / Selected Staff / One Red Meat Processing Business
Weekly regional steer price update	Providing an update on the latest price movements across GB on the day that the deadweight price reports are released.	Weekly	Executive Team

Appendix 5 – Regular publications (continued)

Publication	Contents/Purpose	Frequency	Audience
Steer and Cow Price Update	Providing an update on the latest price trends for prime and mature cattle.	Fortnightly	Market Development and meat processing businesses
Quarterly Cattle Supplies Report	Cattle supplies report for Scotland and GB.	Quarterly	SAMW
Respective Market Developments	Presentation on key market developments and potential outlook for supplies in the beef and lamb sectors, and pork sector. Usually twice per year for each group.	Approx. four times per year (two per group)	QMS Marketing Advisory Groups

Appendix 6 – Case study

Case study, Make it steak 2020 QMS, AHDB, HCC[6]

- Outputs
  - Campaign reached 93% of GB Households
  - 432,000 additional buyers of steak
  - +£9.8M of revenues generated
  - Return on investment: £1.00 investment delivered £12.30 in retail sales

Case study, Make it lamb 2020 QMS, AHDB, HCC[7]

- Outputs
  - Campaign reached 74% of GB Households
  - 272,000 additional buyers of steak
  - +£2.5M of revenues generated
  - Return on investment: £1.00 investment delivered £5.59 in retail sales

Case study, 2021 Snapshots Summer

- Outputs
  - Campaign reached 3.1m adults in Scotland
  - Beef +6.7% value, +2.1% volume (v 2019)
  - Return on investment: £1.00 investment delivered £3.00 in retail sales

Case study, 2021 Snapshots Christmas

- Outputs
  - Campaign reached 80% of adults in Scotland
  - Sector +9.8% value (£25M), +3.3% volume (3,202T) (Kantar 4 weeks w/e 26/12/2021 v 2019)

Case study, 2022 Snapshots Spring

- Outputs
  - Campaign reached 85% 18–39-year-olds in Scotland
  - 10,000+ clicks generated for makeitscotch.com from campaign activity
  - Over 19 million opportunities to see campaign in Cinemas, Video on Demand, Instagram, TikTok & YouTube
  - £92.8 million spent on red meat in 12 weeks[8]
  - 2% increase in value for unprocessed red meat[9]
  - Make it Scotch media performance
    - Reached 683K users (127% above KPI)
    - 260 new followers (72% above KPI)
    - 11K engagements (64% above KPI)

Case study, 2022 Snapshots Summer

- Outputs
  - Campaign reached 85% 18–39-year-olds in Scotland
  - 10,000+ clicks generated for makeitscotch.com from campaign activity
  - Over 19 million opportunities to see campaign in Cinemas, Video on Demand, Instagram, TikTok & YouTube
  - £92.8 million spent on red meat in 12 weeks[10]
  - 2% increase in value for unprocessed red meat[11]

[6] Source: Make it steak – Kantar, Consumer Media Measure analysis, May – August 2020

[7] Source: Make it steak – Kantar, Consumer Media Measure analysis, May – August 2020

[8] Neilson data, fresh red meat, Total GB & Scotland excl. discounters, w/e 4th June 2021

[9] 12 w/e 12th June 2022 vs 12 w/e 16th June 2019

[10] Neilson data, fresh red meat, Total GB & Scotland excl. discounters, w/e 4th June 2021

[11] 12 w/e 12th June 2022 vs 12 w/e 16th June 2019

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