



**Scottish Government**  
Riaghaltas na h-Alba  
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**SUPPORTING THE DELIVERY OF  
'AMBITION 2030'**

**ACTION TO PROMOTE LOCALLY SOURCED  
AND PRODUCED FOOD AND DRINK**

**September 2017**

## **Introduction**

Scotland's food and drink industry has enjoyed unprecedented success over the past 10 years with sustained economic growth, a growing reputation both at home and abroad, and a new-found confidence to innovate, diversify and target new markets across the globe.

The industry is one of Scotland's fastest growing sectors and is at the heart of our economic growth and future prosperity. It's one of Scotland's best performing export sectors and makes a substantial contribution to our communities both economically and socially.

The bedrock of this success has been three fold – the diversity of our natural larder, offering a huge array of products from seafood, red meat, bakery, whisky, craft beer to name but a few; our brand, which is underpinned by our quality and provenance; and our people – our fishermen, farmers, processors, manufacturers – working together, and in collaboration with the public sector.

The industry, led by Scotland Food and Drink, has set out a bold plan to build on this growth through Ambition 2030, which aims to double the value of the industry to £30 billion by 2030. This is an ambitious goal which the Scottish Government is fully committed to supporting and we will continue to work hand-in-hand with the industry and the wider public sector to realise this ambition.

The Programme for Government published by the First Minister on 5 September sets out a bold and forward-looking economic vision, committing to helping our industries adapt in a rapidly changing world to seize the economic opportunities. The aim is for Scotland to be the best place in the world to live, work, visit and do business – all of which resonate with the aims of Ambition 2030.

It contains a set of commitments that will be taken forward over the next year to support Ambition 2030 and, specifically, to deliver a key commitment to promote locally-sourced and produced food and drink. This document now provides further detail on these commitments.

## **Recap on Progress**

A snapshot summarising the performance of the industry since 2007 is summarised below:

- Turnover up 35% - now worth £13.5 billion
- Exports up 56% - now worth £5.5 billion
- Whisky exported to over 200 countries; food exported to over 80 countries
- Retail sales of Scottish food and drink brands across the UK up 41% - now £ 1.98 billion
- Investment in the industry up 72% since 2007
- Birth rate in new businesses increased 86% since 2007 compared to 78% in the UK
- 41% increase in Scottish produce since 2007 through public sector contracts
- 75% increase in Protected Food Names holders since 2007

## **Public Sector Support**

The Scottish Government, and others across the public sector, has made a substantial contribution over the past 10 years to support the growth in the food and drink sector. This has been through a number of ways including the development of the very first national food and drink policy back in 2007 and associated policy focus on local food, education and exports; Ministerial support and leadership, both in Scotland and beyond in export markets across the world; and through our promotion and support of greater collaboration.

We have also provided during this time, and continue to provide, significant financial support to help the industry grow, including:

- £65 million allocated through our Food Processing Marketing & Cooperation Grant Scheme to support over 220 projects
- £85 million allocated through the European Fisheries Fund to support over 1,000 seafood and fisheries projects
- £3.5 million to support the delivery of the Scottish Export Plan, led by SDI
- £3 million to support Connect Local, the advisory service for micro businesses, helping them to collaborate and find new markets
- £7 million investment in education-related projects, including the successful Food for Life Programme operating in schools across Scotland
- £1 million Community Food Fund to support producers and communities celebrate local food through events, food trails and farmers markets
- £10 million investment, jointly with industry, to support the delivery of Ambition 2030

These are just some examples – there have been many other initiatives and projects across Scotland supported directly by the Scottish Government and its partners across the public sector.

## **Scottish Government's Programme for Government 2017-18**

The Programme for Government commits to the following actions around food and drink:

- Focus support on growth markets across the UK for food and drink sourced or produced in Scotland
- Continuing the work led by SDI and industry bodies to promote our food and drink around the globe, retaining and expanding, if possible, our in-market specialists
- Building the service and supply chain to promote farmed fish and seafood to international and domestic markets
- Working with producers and businesses to publish sector specific action plans
- Consulting on proposals for the Good Food Nation Bill
- Appointing a National Chef to promote Scotland's produce and the associated health benefits
- Developing, with partners, a national food tourism action plan

It also recognises the importance of increasing demand for locally-sourced and produced food and drink both here in Scotland and through the public sector, by:

- Concluding the review of school food regulations and implement changes to reflect the revised scientific advice on nutrition
- Investing in a new targeted supplier development programme to enable more food and drink suppliers to compete for public sector contracts
- Facilitating attendance of public sector buyers and catering managers at 'Showcasing Scotland 2017'
- Investing more in the 'Food for Life' programme to get all 32 local authorities achieving its Catering Mark in their schools

## **Actions/Next Steps**

Some of these actions will be taken forward through the delivery structures established by Scotland Food and Drink to support Ambition 2030. These will be focused around the 3 key pillars of the strategy, namely Skills, Innovation, and Supply Chain, and the Government will be closely involved in the delivery of the actions under each pillar.

The Government will also have a leading role in shaping the strategic direction of the other actions with a particular focus on promoting locally-sourced and produced food and drink. The Programme for Government 2017-18 outlined some of our commitments on this and more detail on these actions is outlined below:

### **1. Public Sector Procurement**

We want Scotland's public sector to be at the forefront of our efforts to source more local produce. Good progress has been made across the public sector over the past few years but we know more can be done. Earlier this year, the Government convened a meeting with stakeholders across the supply chain involved in public sector food and, together, identified some of the actions needed to stimulate greater levels of local sourcing.

We will now:

- Build capacity by investing, jointly with industry, £100k in a new **Supplier Development Programme** for small and medium sized food and drink businesses to help them compete for public sector contracts. The programme will seek to identify around 30 businesses with real growth potential but who are inhibited from competing for public sector contracts due to the lack of accreditation to a 3<sup>rd</sup> party scheme, such as BRC. Such schemes are recognised globally as a signal of quality and safety, and achieving this status will enable our businesses to grow and target new markets both within the public sector and beyond such as in retail and food service. The investment will support each business prepare for and go through the accreditation process.
- Stimulate more demand for local produce through a significant expansion of the **Food for Life Programme**, currently operating across 11 local authority areas. The current programme's annual funding of £300k ends on 31 March 2018 – we are now committed to extending this funding for a further 3 years, and expanding it to £400k per annum to give the programme the capacity it needs to make a greater impact, more quickly. The programme will put local sourcing at its heart, and will seek to drive this in 3 ways:
  - Work with the 11 local authorities to retain their current award; and trying to move those accredited to Bronze up to Silver or Gold
  - Seek to extend the provision within these 11 local authorities into secondary schools
  - Work with the other 21 local authorities to introduce the Food for Life programme

- Stimulate more interest and demand around public food and drink contract opportunities by featuring these at the national **Showcasing Scotland** event in October. Over 160 food and drink businesses will be showcasing their products at the biennial event to over 100 international and domestic buyers, and this will include a number of key buyers and decision makers from across the public sector. To support this, we will develop further guidance for prospective suppliers outlining the benefits and opportunities that the public sector market offers.
- Share best practice, across the public sector, through the development and dissemination of new '**exemplar menus**' to support the move towards more sustainable food. The menus, which are currently in development, will reflect updated advice from Food Standards Scotland on diet and the review of statutory nutritional standards for school food and will be a beacon for local sourcing, quality and health.

## **2. National Food and Drink Tourism Action Plan**

Tourism is of vital importance to the Scottish economy. Last year, over 14 million people visited Scotland and this number is expected to increase to over 15 million in the next two to three years. Every visitor to Scotland, whether for business or pleasure, eats and drinks and it's estimated that 20% of all visitor expenditure is on food and drink. There is coupled with a growing interest in local food and in authentic food and drink experiences, so Scotland is well-placed to capitalise on through our heritage and tradition.

We will work with our partners in the food & drink and tourism sectors to develop and publish, by March 2018, Scotland's first national Food and Drink Tourism Plan. As part of this, we will seek to significantly expand the uptake of the national Food Charter through a range of partners across the hospitality industry, local authorities, public sector buildings, and visitor attractions across Scotland. At its heart, will be a drive to source more local produce and to extol the virtues of our quality and provenance.

We will also look at those other countries that have achieved success with their food tourism strategies and use their experiences to help develop our plan.

We will continue to work with VisitScotland to further develop and enhance the *Taste Our Best* quality assurance scheme that is awarded to restaurants, bars, cafes and hotels in recognition of their commitment to local sourcing and quality standards, and consider how to maximise the impact and take-up of the scheme in the future.

### **3. Regional Food and Drink**

#### *Regional Showcasing*

We know that bringing together suppliers with buyers to do business is a concept that works well. The first national Showcasing Scotland event in 2014 was a big success, with our producers securing significant new business through this interaction. We also know that many of our local producers have secured new business through showcasing their products at international trade shows or missions.

We now want to go further, and over the next 2 years we will work with Scotland Food and Drink to create 6 Regional Showcasing events across Scotland, such as Showcasing Borders or Showcasing Grampian. In doing so, we will bring domestic buyers to the specific region to showcase the very best of the local produce and facilitate business meetings and visits with a range of local suppliers. The regional showcase events will culminate with the next biennial national Showcasing Scotland event in 2019.

#### *Regional Food Fund*

We want to build on previous successful initiatives that gave local producers the opportunity to access to small grants to support them celebrate and promote their produce through local events, food trails, festivals, and farmers markets. This helped stimulate the interest in local food and increase consumers' desire for safe, high quality, and locally sourced produce.

Early in 2018, we will launch a new Regional Food Fund, giving small local producers a new opportunity to access support to help them generate greater interest in their produce and region to local consumers, businesses and visitors.

### **4. Sectoral Action Plans**

At the Royal Highland Show, the Cabinet Secretary for the Rural Economy and Connectivity helped launch the creation of a new Industry Leadership Group for the Fruit and Veg sector. The purpose of the group is to identify the challenges and opportunities in growing the sector, and to develop a focused action plan outlining a series of measures to be pursued to support the sector's growth. This model has already been deployed successfully in the aquaculture sector, which is now progressing a series of ambitious actions, and previously in the dairy and seafood sector.

The Government will now work with Scotland Food and Drink and the wider industry to build on this previous work and develop a range of new sector action plans, starting with the seafood sector and craft beer sector. This work will build on previous strategies and action plans, and will seek to maximise the opportunities and growth of both sectors – particularly in the context of a growing global demand for protein.

## **5. Good Food Nation**

One of the 5 Good Food Nation objectives relates to the building the knowledge of everyone in Scotland. This will help citizens take a keen interest in their food, know what constitutes as good food, values it and seeks it out whenever possible.

We will set out plans this year on the appointment of a National Chef who will draw on their network of contacts, assisted by their public profile, to increase awareness of the objectives of the Good Food Nation Policy and, in particular, the benefits and importance of cooking using locally sourced, Scottish, produce. This appointment will support the wider work that is being taken forward by Scotland Food and Drink and Scotland's Culinary team to encourage the next generation of chefs into the industry.

### **Brexit**

Despite this dynamism, resilience and ambition, as the 2017 Bank of Scotland Food and Drink Research Report highlights, Brexit continues to poses significant risk and uncertainty for the food and drink growth sector. The voice of the sector must be heard and listened to before irreversible decisions are taken.

- Brexit risks food and drink businesses being able to attract and retain the right staff. To support Ambition 2030 we need to retain the ability to recruit skilled and unskilled labour required to support seasonal and long-term workforce requirements and skills gaps.
- Brexit risks being able to take new opportunities as the single market grows. 70% of Scotland's overseas food exports go to the EU worth over £1 billion; whisky and salmon account for around 25% of the United Kingdom's total food and drink exports; and
- Brexit risks the practicalities of being able to do business with certainty and minimum fuss, keeping costs down and income up. Costs for exporting businesses will increase if we move away from harmonised regulations and see the introduction of new administrative requirements.

There are different voices as to what is best for Scottish and UK companies. The Scottish Government will continue to work closely with all parts of the industry to ensure their views are heard and understood, particularly within the UK Government, and that they continue to inform current action and future policy development.

We will also, as part of our case to extend the powers of the Scottish Parliament, seek further devolution of funding powers, such as the red meat and seafood levies, so that future decisions on funding can be made here in Scotland and in support of our industry led growth strategy.



## **Conclusion**

Ambition 2030 gives us all a clear path ahead and the Scottish Government will continue to work in partnership with Scotland Food and Drink, the wider industry and others in the public sector to deliver the strategy and realise the industry's ambitions.