



Report from Bill Bewsher, Chairman, Scottish Venison Association (SVA)

29 May 2020

Normally at this time of the year the SVA would hold its AGM but for obvious reasons this is not going to happen. Instead I have decided to circulate a report which comments on the current 'state of play' in the venison industry and in the SVA.

As for the current situation, SVA and the venison sector finds itself in a precarious position. COVID-19 trading restrictions have completely taken a major market out of commission (restaurants, pubs, food-service, hospitality, events etc) which is putting processors under immense pressure. Social distancing in the work-place also means that the capacity at processors is or will be limited when production resumes.

There have also been changes to the retail market. Initial panic buying has, in line with the rest of the red meat sector, seen premium products forced off shelf in favour of mainstream lines.

We know that decisions were taken by some processors to suspend carcass collection until such time as it has been safe to resume. Seasonality has at least meant that only the roe buck cull and some out of season control culling has to date been affected. Some processors and agents have resumed collections whilst others advise that they will be back, but at reduced capacity, in the next couple of months.

In consequence, processors have been using up stock that has been in storage from last year, in some cases downgrading premium cuts for use in processed product. There has been some move towards mail order and 'buy and collect'. The impact on the export trade is not yet fully understood and will be further complicated by Brexit and potential tariffs if a no-deal scenario should be the eventual outcome.

SVA has undertaken a short poll of established processors, and other key players in the sector to gauge their opinion. Regrettably some of those invited have not responded despite a reminder but there is no doubt that this part of the sector is under extreme pressure.

In order to streamline representation for the sector as a whole, SVA works on behalf of producers, processors and the farmed venison sector, and for private and public interest.

What therefore has SVA been doing during the COVID-19 crisis in terms of representation and working for Scottish Venison as a whole?

I wrote to the Cabinet Secretary (Fergus Ewing) on 15 April to report on the research undertaken by Kantar and 56 Degree Insight. I hope that you have all seen that research which was funded by the Scottish Government through SAOS (Scottish Agricultural Organisation Society). If not, it is available on the website.

My letter also gave me the opportunity to raise the prospect of the sector being plunged into crisis due to the pandemic. I said in it that:

Our industry is now treading water, much of it in lockdown, and whilst processors are doing what they can to supply retail through stock holdings, any supply to the food service, restaurant, catering and hotel sectors has completely stalled. Likewise, exports are in the same situation.

It would be remiss of me on behalf of the Scottish Venison Association and the wider Scottish venison sector, wild and farmed, not to ask for some central support towards a recovery campaign once restrictions on movement are lifted and we start to return to normal. I am hoping that this might be by when the red stag season starts again in July, although that may be optimistic.

I know that others in the livestock sector are already forming a queue for funds. Whilst venison is small by comparison every business is precious and we must do as much as possible to ensure their survival if we want to build on the momentum that this latest research clearly shows that we have in our favour.

Whilst we have so far not received other than a formal acknowledgment from the Cabinet Secretary we are intent on following up this initial approach with his Department and the Scottish Government Food and Drink Division, and there is a meeting scheduled for early June. We also have the Scottish Venison Strategy to consider and the impact that this crisis will have on its progress, coupled with the lack of funds to take forward some of its major ambitions.

Dick Playfair for SVA and Amanda Brown for SAOS are in touch virtually on a daily basis. They have been working flat out in gathering information to make our case.

A survey (now concluded) was undertaken by SVA with ADMG and LDNS to gauge the intentions of deer managers/stalkers for the coming red stag season in the light of changes to both (1) stalking lets, and (2) the venison market. More than 100 responses were received to this.

In addition, meetings have taken place online, either called by us or at which the venison sector has been represented. These followed on from an intensive series of online sessions with Kantar and 56 Degree Insight to tie up the venison research by the end of the SVA's financial year (31 March).

The principal meetings have been as follows: 27 April, ADMG; 6 May, venison group – ADMG, SNH, Highland Game; 12 May, SAOS; 13 May, SNH; 19 May, Scottish Government Land Management/deer/venison group; 26 May, SAMH, SAOS and Scotland Food and Drink; 29 May, ADMG, SVA and Forestry & Land Scotland.

A meeting with the Scottish Government Food and Drink Division and SAOS is scheduled for 9 June.

This research undertaken with ADMG and LDNS will give a very good indication of the intention of those managing the cull and their response to COVID-19, and will tell us what proportion of the cull might be held back, what impact this might have on carcass numbers going into the food chain, and what other routes to market might be explored.

What happens next? Once we have assembled our data the intention is to put in a bid for funds to support a recovery programme. We are fortunate that the Kantar work tells us where money will be best spent (London and SE England, and Scotland) and, if we can secure some funding, we would use this firstly to reach consumers to encourage demand for venison, both premium and processed. This would also give additional weight to conversations that processors and others are having with buyers to keep venison products prominent on the shelf.

SVA can only promote generic Scottish venison. We cannot favour individual processors or brands, so our message, if funding allows, will be a broad one, but will build on the benefits and positives highlighted by the research which has been timely and gives us a credible platform on which to move forward. In terms of timing any campaign would be for the back end of the year, October through to January 2021.

In addition, we have had further discussion with SNH regarding promotion to local markets, producing clear guidance for both ends of the supply chain - stalkers and local butchers - to enable venison to be supplied legally and safely through local outlets, in addition to promotion of mail order, home deliveries and 'farm gate' sales. Scotland Food and Drink has launched a new supportlocal.scot directory that it is promoting, and we will also push the Scottish Venison website as a 'go-to information source' for where to obtain venison. Piggybacking on some of the Quality Meat Scotland and other red meat promotional activity is also now being explored.

Can we achieve this? SVA has been cash strapped. At the end of May we had just under £9,000 at the bank and there remains some income outstanding from the 2019/20 hind levy. This should now be paid without further delay and in any case by not later than 15 June, so that we can close the books for 2019/20. Helpfully, a sum has also been pledged by First Venison on behalf of the farmed deer sector, for which we are grateful, and this has now been invoiced.

Our arrangements with Forestry & Land Scotland (FLS) remain for the present as they have been for previous years and SVA is especially grateful for their ongoing support, particularly at this time of extreme pressure on all aspects of the venison supply chain.

At this point it is perhaps worth reminding all members of the deer industry that it is the producers (those who actually shoot the deer) who fund the SVA through the agreed 2p per kilo levy. No processors currently contribute to SVA funds, nor do some of the others involved in the industry eg SQWV, LDNS etc although we do of course take their interests into account when representing the venison industry as a whole.

Looking ahead, it is possible that stag and hind culls might be affected by the COVID-19 crisis and the 2020/21 levies could reduce further.

We have just undertaken with ADMG and LDNS some comprehensive research in this area to be made public very soon. Financially SVA has been in a relatively sound position to date due to prudent management but has been fast using up its reserves - although if levy and other outstanding payments are received soon SVA will remain on track. At one point recently it looked like we would be unlikely to survive beyond October but I doubt very much whether members of the deer/venison industry would have allowed that to happen.

Unfortunately, SVA is not in a position to apply for any of the Government support or loan schemes, being neither incorporated or a formal partnership, nor can it go into debt. SAOS has given the SVA tremendous support through Amanda Brown which has increased our capacity significantly and we are especially grateful for that. Currently the only person on the SVA Board who is paid is our consultant (who also provides the secretarial backing) and our arrangement with him covers just two days per month. In the present crisis he is working well in excess of that with a plethora of meetings, reports, data analysis, and developing our COVID-19 recovery strategy. If funds did come close to exhaustion it would be unrealistic to expect this arrangement to continue.

That concludes my report which I appreciate does not all make comfortable reading for members of the industry. The fact that we have not staged a formal AGM or meeting should not stop you from raising questions about any of the foregoing and I or Dick Playfair will do our best to answer them.