Adding Value to Farm Produce

FARM ADVISORY SERVICE

SRUC Elmwood
24 & 25 January 2018

Ceri Ritchie

The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

FARM ADVISORY SERVICE

Adding Value to Farm Produce – Introductory Programme

- **Market overview**
- Understanding your market
- What's your story?

The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

Market Overview

FARM ADVISORY SERVICE

- Key market trends
  - Product trends
  - Retail
  - Foodservice
  - The Growth of ‘local’ and food tourism
- Business opportunities
- Your competitive environment

market information

The European Agricultural Fund for Rural Development
Europe investing in rural areas

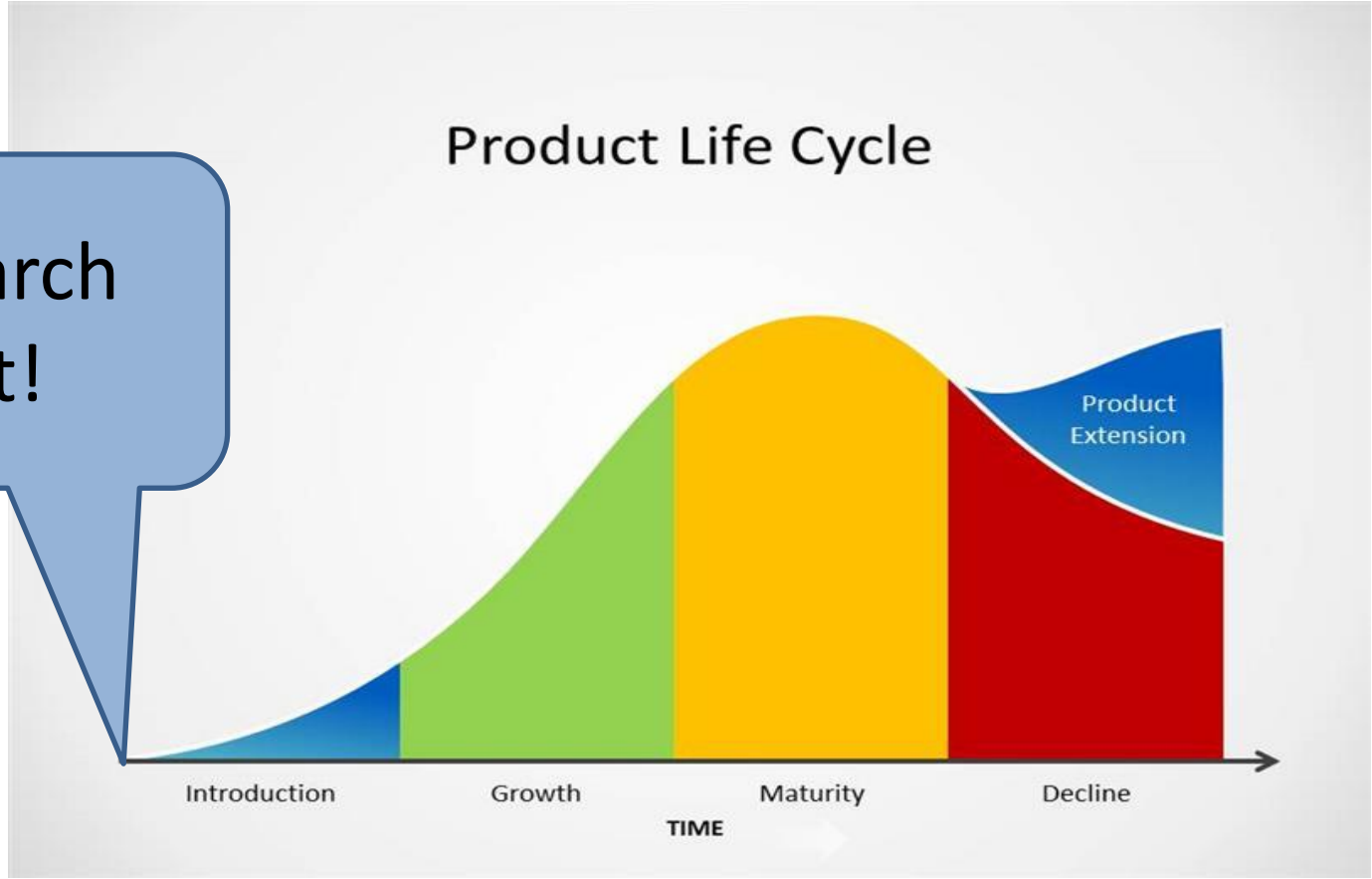
SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

Research

FARM ADVISORY SERVICE

Research first!



The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

Things to think about …..

- Full disclosure – consumer confidence from transparency
- Self fulfilling practices – products to match health aims or mood
- New sensations – multisensory food innovation
- Preferential treatment – personalisation & benefit
- Science fare – technological solutions in support of the environment

Trends

- Certification
- Sustainability
- Innovation
- Brewing & Distilling
- Convenience

Trends

- https://www.foodmanufacture.co.uk/Article/2017/01/16/Top-food-and-drink-trends-for-2017

The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

Retail and Foodservice Trends

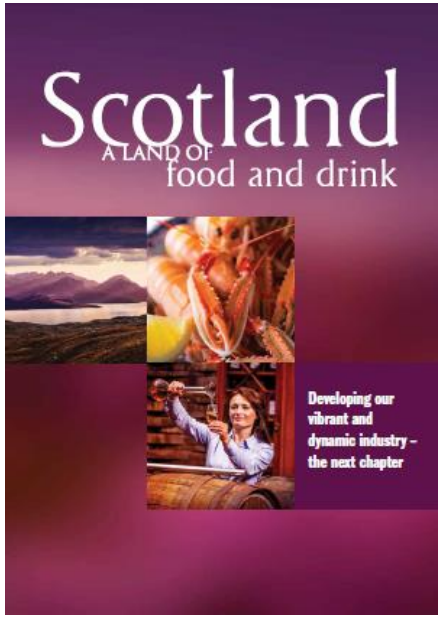
FARM ADVISORY SERVICE

- Retail
  - Growth in online
  - Growth in discounters
  - Multi outlet shopping
  - Growth of convenience
  - Price and value for money - important
- Foodservice
  - Coffee shop expansion
  - Snacking with coffee
  - Breakfast

Food and Drink in Scotland

FARM ADVISORY SERVICE

- ✓ Scotland's best performing major sector
- ✓ Worth £14.4bn (2014)
- ✓ Start-up birth rate up 86% in 7 years
- ✓ Scottish food & drink manufacturing growth rate twice the UK average
- ✓ Farming, fishing food & drink sector directly employs 119,000 people
- ✓ Sales of Scottish brands risen by 36% since 2007
- ✓ Food & drink exports worth £5.5bn in 2016
- ✓ Central to Scotland's economy
- ✓ 'Local' increasing in importance (est. £600m)
- ✓ Ambitious for the future …..



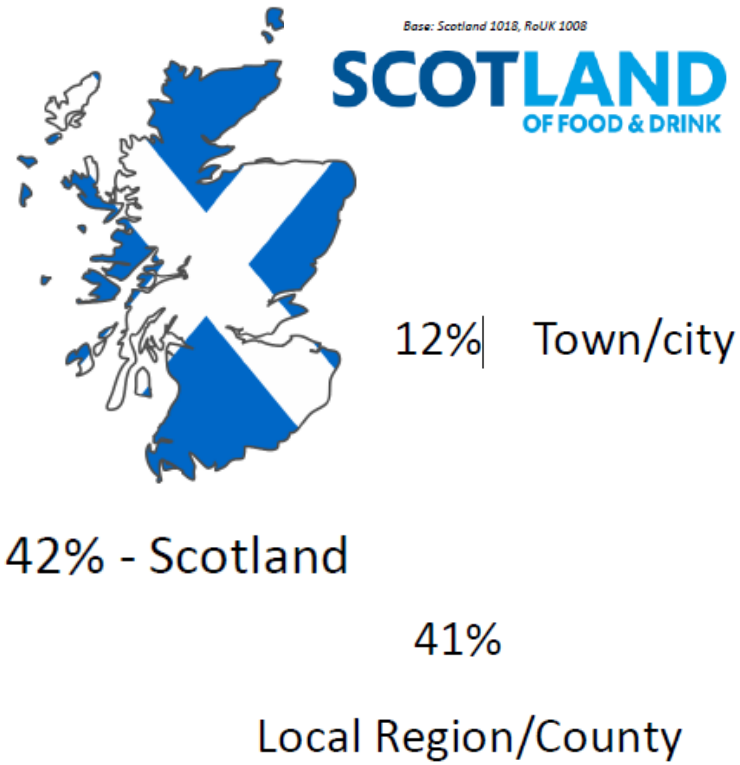
The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

Growth of ‘Local’

- ✓ 69% of Scottish consumers say locally sourced food is important
- ✓ 52% of Scottish shoppers will pay more for an item labelled Scottish
- ✓ What does local mean to Scottish consumers?



The European Agricultural Fund for Rural Development
Europe investing in rural areas
SAC CONSULTING
Scottish Government
Riaghaltas na h-Alba
gov.scot

Food & Drink and Tourism

FARM ADVISORY SERVICE

- 93% visitors dine out
- 56% try local food
- 47% try local drinks
- Looking for …..

✓ **Quality**
✓ **Value**
✓ **Service**
✓ **Provenance**
✓ **Attention**
✓ **Information**

✓ **Opening hours**
✓ **Access**
✓ **Availability**
✓ **Ambience**
✓ **Positive experience**
✓ **Good story to tell!**

The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

The Importance of the Supply Chain

FARM ADVISORY SERVICE

- 91% of SMEs capitalising on provenance of Scottish produce
- 71% large firms in Scotland increasing spend on origin / traceability marketing
- 53% consider see increased focus on provenance as an opportunity
- 51% of businesses are planning to further highlight provenance on their labelling

Business Opportunities

FARM ADVISORY SERVICE

- A credible & real opportunity
- Address one or more key trend
- Take advantage of support available in Scotland
- Make the most of ‘local’
- Food tourism
- Supply chain diversification

The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

Your Competitive Environment

FARM ADVISORY SERVICE

The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

FARM ADVISORY SERVICE

Adding Value to Farm Produce – Introductory Programme

- Market overview
- **Understanding your market**
- What's your story?

The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

Your Business Idea!

FARM ADVISORY SERVICE

- Key things to think about ….

The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

A Balanced Approach!

FARM ADVISORY SERVICE

The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

Finding your Market!

FARM ADVISORY SERVICE

- Who and where is the target market?
- Size?
- Gap / opportunity?
- Your approach
- Route to market?

The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

Think about …..

- Your ambition
- Your product / service
- Undertake a SWOT
- Customer / consumer
- Competitors
- Pricing

The European Agricultural Fund for Rural Development
Europe investing in rural areas

What’s your Story?

FARM ADVISORY SERVICE

- Brand and product development

The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

Your USP

- What makes your product / service stand out?
- What is unique about your product / service – your business?
- Need to build your USP

The Elevator Pitch

- An elevator pitch is essential
- What’s yours?

The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

Know Key Facts

FARM ADVISORY SERVICE

The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

The Whole Package

FARM ADVISORY SERVICE

- Define it…..
- Why your product?
- Benchmark your products

The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

What is Branding?

FARM ADVISORY SERVICE

"The Brand is the sum total of how someone perceives a particular organization. *Branding* is about shaping that perception." Ashley Friedlein

- Visual Asset
- Personality
- Values
- Create a great story…..

Brand Architecture

	Your business	
Target customer	Key insights	Competency & skills
Customer experience	Brand essence	Personality & style
Competitive context	Brand differentiator	Functional benefits
		Values

Visual Asset

FARM ADVISORY SERVICE

The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

Packaging

- Functional
- What’s it made of – recent trends
- Why its important
- Emotion
- Safety
- Aesthetic
- Colour

The European Agricultural Fund for Rural Development
Europe investing in rural areas

Range Development

- Range extension
- Examples…..
- Brand function
- Brand stretch / extension
- Examples…..
- Potential challenges!

Thank You

FARM ADVISORY SERVICE

The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot