Provenance – The Future is Bright post-Brexit

In a landscape where fresh and local is big business, coupled with uncertainties over future trade deals with the EU, the provenance of Scottish food and drink has never been more important. Communicating where our food comes from, the ethical, environmental, and animal health and welfare standards Scottish agriculture prides itself on; along with new technologies at our disposal to ensure complete supply chain traceability and consumer confidence, positions Scotland at the forefront of a global market able to fulfil consumer demand. However, in a drive for cheap, low-quality, imported food post-Brexit, what does all this mean for Scottish farmers and food producers?

In a changing political and economic environment, it is imperative that we maintain the quality and reputation of Scottish food and drink. In a global context, Scotland is a relatively small producer, but what we lack in size we make up for in high animal welfare standards, efficiency, environmental credentials, and good quality research, innovation, and knowledge transfer.

Provenance is a word that is often used in the food and drink sector – but what does it actually mean? Formally provenance is used to describe the origin of our food, how it is grown, how it is reared, and caught, but provenance can also be used to describe our commitment to food safety and manufacturing excellence. Provenance can also be used to describe how products are unique, the high standards we strive to achieve, and the connection to Scotland’s heritage and tradition.

Why is provenance so important to Scotland? Whisky, seafood, beef, and lamb are hugely valuable to the Scottish economy, support rural communities and livelihoods, and are enjoyed by millions of consumers worldwide. Scotland’s most famous aquaculture product is salmon. Salmon is the UK’s largest food export product, contributing around £885 million to the wider Scottish economy. Most salmon exports are to France where Scottish salmon was the first fish, and the first non-French product to be awarded the prestigious ‘Label Rouge’ quality mark certification. Within the EU, salmon is the largest aquaculture product in value, with the majority of salmon sourced from Scotland. Scottish salmon is recognised globally for premium quality, taste, and health benefits. It is crucial as we leave the EU to maintain our reputation for salmon, other finfish, and shellfish.

Poultry and egg production are also very important to the Scottish economy. Scotland produces around 14% of the UK’s eggs, and research is being undertaken to support the development and provenance of the Scottish poultry sector. This includes the development of new vaccines, whole-house culling methods for poultry disease outbreaks, and new management practices – such as how to manage hens without the need to beak trim. Scientific research and development support our provenance credentials and strengthens our brand story in the UK, EU, and global marketplace.

Scotland’s soft fruit and berry market has huge growth potential in future. The berry market is currently worth £1.5bn in the UK, £115m in Scotland. The UK is one of the biggest markets for berry sales, and as a country we rely heavily on imports, around 50%, to fulfil consumer demand. Berry sales are growing 10% year-on-year which presents big opportunities to increase national production. Fruit crops are, however, at the mercy of the Scottish climate, and it is important to continue research into developing climate resilient varieties, along with pest and disease resistance. Taste, appearance, and nutritional value are also important attributes for fruit crops to ensure they meet consumer expectations. Although Scotland is not renowned for being tropical, new technologies and advanced research are supporting the growth of our soft fruit sector. Access to seasonal labour is still a concern as we exit the EU, and this needs to be addressed if we want to grow our soft fruit sector in future.

It’s essential that we continue to focus on our production processes, techniques, and efficiencies to protect and strengthen the “Scottish” brand. Building brand Scotland enables producers to command a premium price in the market. Scotch Beef, Scotch Lamb, Specially Selected Pork, among others, is extremely important to both exceed consumer trust with Scottish produce, and return a higher margin to our producers. Quality Meat Scotland continue to support our livestock industry and strengthen Whole Chain Assurance standards which are pivotal in ensuring consumer trust and industry reputation. In future, QMS are looking to utilise DNA traceability technology to link consumers with producers, build trust in the supply chain, and also enhance the performance of the Scottish beef herd.

As we detach ourselves from the EU, it is important we continue to build our brand in order to remain competitive in a global marketplace. New Zealand, Ireland, Italy, and Japan are among the top players promoting their provenance credentials. The challenge we face is keeping pace with our global competitors, differentiating our offering to ensure we stand out in the crowd, and remain in the forefront of consumers’ minds to keep our export markets alive and thriving.

We continue to navigate our way through the Covid-19 pandemic, which has had a significant impact on the hospitality and export sectors, with national lockdowns forcing businesses to close, disrupting domestic markets and export trade. Early indications suggest that the pandemic could result in potentially up to £3bn loss of sales, almost 20% of the value of the industry.

Provenance is not only important on an international stage. There is huge consumer demand in Scotland for fresh, local produce. Recent market intelligence data indicates that over 70% of Scottish consumers place local sourcing as an important factor when buying red meat, vegetables, salmon, soft fruits, and other fish in major retailers. Poultry (70%), Dairy (68%), and Whisky (66%) also rank highly among consumers when choosing local products in major retailers (Scotland Food & Drink, 2019).

Consumer interest in provenance has increased following Covid-19. When the nation went into lockdown back in March (2020), panic buying in supermarkets, supply chain pressures, and reduced international trade exposed just how fragile our food and drink sector is when faced with a global pandemic. Covid-19 has raised the profile of local food and drink, the importance of supporting local farmers and food producers, and shortening our supply chains. Throughout lockdown, some businesses and online markets experienced around 400% uplift in online sales, which presented huge opportunities to the sector.

The “good old days” of getting fresh milk delivered directly to your door quickly came back into fashion, and many farm businesses, which had capacity and resource to offer doorstep deliveries of fresh farm produce, reaped the rewards. Consumer appetite to support local producers is set to continue both post-Brexit and the Covid-19 pandemic.

Farmers and food producers have many opportunities to add value to their outputs, from selling direct to consumers on the high street, through vending machines on the farm, and box schemes, to selling through local distribution hubs, community initiatives, and e-commerce platforms. One of the keys to success is delivering high quality products, on time, every time, to ensure complete customer satisfaction. Consumers are willing to pay a premium for local produce, but it is very easy to lose custom if a product and the customer service does not live up to the high quality expectations.

Scotland’s farming, fishing, and food and drink sector is bracing itself for what could be a turbulent few months, but there is no doubt that there are enormous opportunities for the sector in a post-Brexit world.