ResULTS project: case study D, interview 38

Face to face interview with butcher, conducted 20th September 2018

Interviewer: I

Respondents: R1 and R2

I: Can you tell me a bit about your business and the nature of the business, if there are different sources of income, and what is your position in your business?

R1: Well, we’re partners, and two other partners, so it was a family run business. Myself and my brother had the business, and then we don’t have any children who want to take it on, so [name 1] and [name 2] are both employees, so they’ve come on as partners, to take it beyond us.

I: And the business is…

R1: Established in 1955. Like I say, family business, so handed down from grandfather, to father, to us, and so I suppose we’re passing it on to what would be fourth generation in the business. Would have been traditional, very traditional butcher shop, serve over counter, and we don’t do…as you would have seen downstairs, we don’t do that anymore, we’ve changed because of…it was very…you need an awful lot of staff to run a serve over counter, you need less staff when you’re doing self-service. So that was probably one of the main changes over the years.

I: So pretty much, you prepare the [inaudible] packets and then you just…yeah.

R1: We still offer, you know, cuts if people need it, but more people I think try to buy by price or product rather than, you know, coming in and asking for something and having it cut for them.

I: And also you supply, I assume, local restaurants, local shops.

R1: Yeah, bed and breakfast, restaurants, cafes, merchants…aye, it’s merchants and other shops in town.

I: So merchants, you mean…

R1: Shops in the outer islands.

I: Oh, okay.

R1: And then also now at the moment, shops outside [town 1], so in [town 5] and [town 4], [town 2].

I: So you do a lot of processing, like preparing ham or, kind of…

R1: Pre-packed, yes.

I: I don’t know, you do sausages or kind of pies or…

R1: Pies, puddings, yeah.

I: Yeah, so pretty much the whole processing thing.

R1: Sandwiches, salads, ready meals.

I: Okay, you do a great range.

R1: Quite a big range, yes.

R2: Beef, fish.

R1: Yeah, fish.

R2: Pork.

R1: We do a lot of curings and smokings as well.

I: Brilliant, which means the whole range.

R1: We cover everything, yeah.

I: Great. A general question, what are the special features particular to the [area D] that should be maintained in your view, just to make…because the process says a lot about upland. [area D] is considered upland, although it doesn’t have so many hills, but because it’s a more challenging environment, still it’s considered upland area, so that’s why it’s one case study, just to clarify, because sometimes it’s like [area D], why is it upland?

R1: It’s probably the least upland…yes, yeah.

I: Yeah, okay, so what are the features that you think they are quite…not exactly unique, but you want to see to be maintained in [area D]?

R1: Well, it’s probably obviously premier league cattle producing, but obviously that has had its challenges this last few years, because they have no abattoir. I don’t think they will have an abattoir, and that’s the big one at the moment, that’s the big stumbling point is everybody wants an abattoir maintained, but it’s far too expensive. You know, if you can’t maintain an abattoir on the mainland, you won’t maintain it on an island.

I: Well, we have the chance to talk about that another time in this area.

R1: I don’t see that being an upland area for us, because we’ve gone down the route of sourcing it outside [area D], and that doesn’t really affect.

I: Sourcing in what terms, what do you source?

R1: Sourcing product for us to manufacture and sell.

I: Okay, so you take…you are supplied from areas outside the [area D] islands.

R1: Yeah.

I: Ah, okay.

R2: Yeah, from [town 10].

R1: [town 10], outside [city 1].

I: Okay, so that’s fine. I didn’t know that, I was confused for a moment. Okay, so the second…the other question is, what does resilience means for you, so here that, what, what means for you?

R1: In respect of…

I: In respect, in the way you understand that what…this is…I want to get the feeling, when you hear the word resilience, what it means.

R2: Yeah, I think…yeah, it’s like how you react to challenges or whatever.

R1: Adapt.

R2: Yeah, how you adapt, yeah.

R1: To the challenges that are in front of you, you mean, they are what they are, you’ve got to find your corner, and it makes you profit to keep you and your family and your staff on board.

I: Okay. When I was, well, before I talk about that, because the process says a planned food system, and food system is a term that really means very different things, so that’s why I tried to create that kind of card, which…to give you a, you know, a first idea what we mean by a food system. So here you see in the blue arrows, there is input suppliers, the upland farmer and lowland farmer, primary producer, secondary, sorry, producer…processor.

R1: Oh yes, processor.

I: Yeah, secondary processor, yourselves, I think, you are both.

R1: Yes.

I: And then wholesaler, retailer, consumer, so this is kind of the supply chain, and then around that in the orange circles, you have all the type of companies, organisations there to support that supply chain, so you can see banks, you can see colleges, you can see accessory services like SAC, developmental agencies like [area D] Council or HIE. You can see for example here, insurance companies, research centres or consultants, can be vets, can be accounts, can be any provider of a service, and then lobbies or industry associations, NFUS can be an example. I don’t know if you are in any association with…

R1: Yeah, the Scottish…

R2: Meat Federation.

R1: Meat Federation.

I: Meat Federation, okay, so that organisation like that, and then altogether in the yellow arrow, all this together, they create the value chain, livestock value train.

R1: I see it, yeah.

I: And then you have the green ones which is the stakeholders that either being affected or affect in some way the value chain, so you have the government and the funding bodies, you have the pharmaceutical market which provides all the vaccines, the antibiotics, then you have the energy market, renewable or conventional. You might have environmental, social interest NGOs, those is kind of charities or things like Scottish National Heritage, things like that, and then obviously you have the local [area D] community and the tourists that are coming here, and then the public.

And pretty much all these are the human type of actors or agents in the food system, but also, we take consideration of the biologic organisms, so animals, plants, bacteria or, you know, small animals or whatever. And these are the agents of the food system, what we’re trying to understand is what this kind of interactions, and what is the environment within they operate. So this kind of card, bear in mind all these cards is just kind of examples. They might have things you don’t agree and you would like to modify, so does it make sense to you?

R1: Yeah.

I: It’s just that I try to…

R1: And I would see that obviously we would be involved in one, two, three, four parts of that, of the rule chain, but there are obviously lots of things in there that don’t affect us at all, or maybe do, but not directly.

I: Yes, yes, like you have examples, I have some in my mind, but…

R1: Well, you know, as far as, you know, policy made by governments et cetera, or if the SNH driving something that’s trying to have more trees, you know, or that type of thing, it’s not a direct influence on us. It will affect other parts of the chain.

I: For government it will be affected directly only about food hygiene or food transfer.

R1: Yes.

I: And not live animals rules, but carcasses or movement, things like that.

R1: Yes.

I: What other can be…and also you might affected in wider terms about now, for example, with Brexit, we don’t know what will be…we’re going to have free access to the European market, whether there’s going to be tariff protection, so cheaper meat from – I don’t know – America or somewhere else, will be allowed to come in, so things like that, so those might be affected directly, but obviously other things that are kind of…environmental seems to affect farmers directly and then you indirectly.

R1: Yes, and we would probably, you know, some of that perhaps you would avoid completely, say if there was stuff coming in from America, we would just…we just take Scottish and that’s it, so you kind of protect yourself from any of that, protect influences, so in the marketplace, if it’s really cheap and people are looking for cheap food, that’s what they buy.

I: And also, the other thing is that, for example, I notice here you have Tesco, you have Co-op, you have supermarkets, pretty much.

R1: Yes, who may well sell that type of stuff.

I: Yeah, so it’s part of the game, it affects you in some ways.

R1: Yes, although, yeah, you’re not actually probably thinking directly as to what the cause it, it might affect, yeah.

I: Okay. So right now, if you’re thinking about your business, in terms of resilience, so how you have to characterise that, it’s struggling, it’s surviving, it’s making a reasonable living, it’s booming, where do you think you can…

R2: Reasonable living, I would say.

R1: Yeah.

I: Okay, and has that…how has the resilience of your business changed during the last five years, and what is your prediction for the next three years and the next 15 years?

R2: Well, the main thing over the last five years, I mean, me and [inaudible], the continuation of the business, like the…what do you call it, when you…

R1: What’s the right word?

I: Succession.

R2: Yes, succession, that’s it, the succession side of things has been the biggest thing over the last five years.

R1: Because before that, we’d been thinking, you know, where is it going to go? There was no obvious succession, so…

I: Okay, and what is your prediction for the next three years or the next 15 years? I’m talking about three years, because obviously there is Brexit, so we expect a lot of…

R2: With Brexit, we don’t have much…any loans, we don’t have any, you know, everything’s owned by the business, and so we’re financially quite set for whatever way it goes, like pliable, or what do you call it…

I: So in these terms you are quite prepared, you have kind of financial readiness to face.

R2: Yeah, we have minimal staff, just enough that we need, we do a lot of work ourselves, you know, so if the business shrinks, then nothing gets affected too much. We’re not going to have to lay off anybody or anything like that, and we try to do a bit of everything, like we said in the thing, from like ready meals to sandwiches, to making our own bacon, to doing just as many different things as we can.

R1: One thing maybe has an effect, and maybe it’s on the wane, something else will be on the rise, so you kind of try and keep that kind of balance.

I: So you diversify pretty much the product range.

R2: As much as we possibly can.

R1: You know, and if it’s this that people are looking for, you make more of that, you make less of that.

I: Okay, so the next…I’ll leave that here. When I was looking at the literature, I found this kind of definition about resilience, unfortunately it’s the other way around, I will try to read it. Resilience is the capacity of business or a system as a whole to either absorb…buffer against internal/external disturbances or to pretty much absorb the loss, do nothing and just absorb the loss of income or whatever.

And then either learn and adapt through incremental changes, so incremental changes, for example, for a farmer, it might be increase or decrease a bit of the stocking rate, so small changes, not big ones. And even conform to radical changes for…I can give you an example for farmers, if the farmer decides cattle beef, it’s no longer profitable, I leave that, I go to the sheep production, or I start doing agritourism or I start doing renewable energy or something. That is quite radical change. So does this definition make sense, like resilience [voices overlap]...

R2: Yeah, no that sounds exactly…yeah.

R1: Mm-hmm.

I: Okay, so leave that aside. Now, the next card is about, what do you think it’s about…you have a number of functions, roles or goals, whatever you want like to call, but pretty much is the same thing. So your business, what kind of functions or roles do you think it needs to play to fulfil? I have categorised them related to the business owner private interest, related to the multiplier factory, recycling money, to the local community by buying inputs. Obviously, you see more related to farmers, but obviously you buy inputs for your business, and then related to public goods or services.

As I said, these kind of cards, they have been prepared for the whole supplying chain, but some of those may be not relevant to your business, so please, read through them and if you have any question, what this means, just let me know, and if you see, as a business, you have a kind of function or role you cannot see, just let me know if there is any missing from there.

R1: Succession…yeah. Yeah, I can see some of this is more related to farming.

R2: Yeah, I would say I think there is something that you think about.

R1: Because it’s business owners. That’s covered by the council, for us, some of them don’t mean anything. I don’t even know what that means. Hmm. It’s more difficult to see when it’s not there, the same ones that don’t relate, it’s more difficult.

I: So any questions for me?

R2: I don’t think…

R1: The first ones are more…

I: Relevant.

R1: Relevant to us, whereas the ones below are, I would say, more relevant…

I: To the farmers one.

R1: To farmers, yeah.

I: Okay. So how you prioritise them, can you rank the five most important critical factors for your own business.

R1: The five…

R2: What they are?

I: For everyone, but obviously if you want to select only from there, that’s fine. The other thing is, sometimes some of those may be related, so you might want to group them together and say – I don’t know – five and six together or…just an example, okay.

R1: Well, obviously the first one that we mentioned already was succession, that was an important one.

I: So number two was succession, very important.

R1: Yeah, important, yeah.

I: Yeah. Okay. This one means retail or investing, by the way, because I realised, I should have written clearly.

R2: Yeah, probably one and three.

I: Number one and number three, yeah.

R2: Will be equally as important.

R1: Yeah. Number four, there’s more people…sorry, there’s more jobs than people at the moment, so it’s very difficult, you know, to interest people in coming to a butcher’s shop, since there’s plenty opportunities to…

I: Working from…yeah.

R1: …to go and work elsewhere, that’s maybe for us not so cold, not so…

R2: Yeah, and the problem with your skill, is butchery, it’s not like many others…if you’re a joiner, you can go off and do things using that skill in other places, whereas being a butcher rarely comes in handy outside of the shop, so…

I: So you mean working inside, in terms of working or using…no.

R1: Not so much inside, it’s…

R2: Just using that skill, like, you know, if somebody’s got a trade, you take on butchery as a trade, then that’s all that it can be used for, whereas like if you’re a carpenter or an electrician or something, if you’re a 16 year old and you’re looking for a job, that kind of jobs have other things that you can…you know, if you’re an electrician, you can move onto renewables and all that kind of thing. If you’re a joiner, you can go off and do other things, builder, same, but for a butcher, it’s very much…and there’s only four employers that you can work with in [area D], unless you want to start your own shop, which has never happened for…

R1: We have ten times more builders than butchers.

R2: I could name every butcher on [area D].

R1: Yeah, I couldn’t name every builder [voices overlap].

R2: Or joiner or farmer…or farmer, even.

R1: Or farmer, yeah, same thing, or fisherman or…yeah.

I: So also, I assume they’re kind of special skills you have, actually, is it the special skills you have to develop which actually, they’re not transferable somewhat.

R2: Yeah, that’s…that’s one of the hardest parts when it comes to employing new young keen people.

I: But you train them, you don’t need them to have special skills.

R2: No, you don’t need them to have the skill, but even getting them willing to…

I: To work with, yeah, it’s difficult.

R2: …to want to do that.

R1: If they come to work for you, where else do they go?

I: Yeah, I understand completely, yeah.

R1: Yes, they have nowhere else to go, they will work for you or one of the other three, that’s it.

I: Okay, so that’s very important, anything else from here?

R2: Adding value and increasing customer satisfaction’s high on our list. You know, you would nearly put that up there.

I: So you think it’s the first, the second, the third, which one, main priority?

R2: Well, obviously profit, you know, succession, although you said it was important, it’s not the main thing that we’re thinking about, it will be lower down the list.

I: Now you have five…

R1: You have to have profit, otherwise you haven’t got succession.

R2: Yeah, so…

R1: So it becomes first.

R2: And then you have to be adding value, increasing customer satisfaction would be about…

R1: To have repeat custom.

R2: Yeah, so you could get your profit in the first place, so there’s so many things here that’s number one, that needs to be in a group together, like that your reasonable profit margin, and your adding value, increasing there, are like one.

R1: They’re both equal, really.

R2: Two would be down a bit, and then you need reasonable workload and personal family satisfaction and wellbeing. They’ll be linked together and they move about, depending where you are in your life and where the business is and how…

I: So you mentioned where are you in life and which stage, so can you maybe give example, how things change over…

R2: Well…

R1: In the flesh.

R2: Yeah, like…well, like the…you would say now, like your family and being at home, and your workload, everything’s a lot more important to you than profit or what money, whereas me and [inaudible], at the start of it, at the start of owning the business, it’s more probably the family side of thing falls back a bit, and it’s the other side of things that take…

R1: And workload is higher.

R2: Yeah.

I: Okay, that’s fine. If you…okay, you talk about your own business, and before you mentioned that probably public goods may be related to farmers, so my next question is, how you rank the five most important critical factors for other business along the meat supplying chain. Obviously, there are the farmers, this supply chain, because it’s quite…but you don’t supply any supermarkets, do you?

R1: No.

I: No, okay, so pretty much you are the retailer as well.

R2: Some, yes.

R1: Not the supermarket, we’ll supply other shops, but not supermarkets.

I: Yeah, okay, so in this case, the supply chain, if you would like to answer this question, is pretty much about the farmers, so what do you think would be the five most important functions that the farming business, they need to fulfil?

R1: In relating to this section?

I: All of the section.

R1: All.

I: Yeah.

R2: Probably nine, that’ll be the…adding value and increasing customer satisfaction, that would be the…

I: Because in this case, customers is you, you’re the customer, yes.

R2: Well, yeah, because you know, it’s the…

I: For the farmers, I mean, for the farmers, is you the customer of the…

R2: Yeah, but we’re the customer of them, and it all comes down to…

I: The final consumer, you mean.

R2: Yeah, it all comes down to what they’re getting. It doesn’t really matter what…you know, if one of them’s weak, they’re not getting what they want.

R1: It’s very difficult, because they’re supplying to us only four per cent of their product.

I: Yeah, and the rest, it goes to the lowland farmers, to the…the [inaudible] you mean.

R1: Yes, you know, so…

I: How have you seen…sorry, saw the family butcher there, how have you seen that affects pretty much the…not exactly the attitude, but the way of thinking, because obviously you need…you as a customer of them, you’re affected of their choices, of their behaviours, of their attitudes, and because supplying you is just for them one, important, but not so important, like supplying the…yeah, so how that affects a bit your business, you’re not the first priority, how I can say that, yeah.

R2: Yeah, that’s really how it does feel.

R1: It is, yeah, as our…as us being their customers, that is exactly how it feels.

R2: They don’t think of us as their customer.

R1: No, they think we should buy their stuff, but without them thinking that they have to supply. They can supply whoever they want, but we have to take it from them.

I: So they don’t leave room for you to build a kind of relationship, actual relationship.

R2: Yeah, there’s never been a farmer that’s come here and said, would you like to buy my product, it’s going to be this good and I’ll keep it this way or anything like that, they say, you should buy it from us.

R1: End of story.

R2: And that’s the end of that. It doesn’t matter what the quality’s like, it doesn’t matter if you can get it better elsewhere, it doesn’t matter if you can get more…what’s the word, more regularly throughout the year, better from somewhere else, you should just get it from us.

R1: And that’s it.

R2: And that’s that.

I: And if for any case, you decide not to buy from them, what’s going to be the consequences for your business, they pretty much shut down the door and say, don’t come to me? I don’t know, I’m just…I’m guessing.

R2: Yeah, well, we’ve already kind of made that decision, maybe ten years ago. I don’t know, I wasn’t around for that decision as such, but I think it’s more we just decided that if we couldn’t get the quality we want, month…week in, week out…

R1: Week in, week out.

R2: …then we would just take it from south, and give our customers the best.

R1: Because…

I: When you mean south, you mean mainland, yeah.

R2: Yeah.

R1: Yeah, [town 10], because they are only processing what was between ten and 15 cattle a week, you don’t get much choice out of 15, whereas where we get it from now, [town 10], they’ll be killing 100, more than 100 a week, so they supply us with exactly what we want. You know what you were saying about a customer being, what do I want as a customer from the supplier, I want consistency, and I get that consistency when it’s being picked out of 100 cattle. I can’t that consistency out of 15.

I: And what type of consistent in terms of quality, in terms of quantity.

R1: Size, quality, yeah, fat cover, just everything you want, marbling, so I want that consistent size, so that then I can pass it onto my customer, who’s also looking for, I want it to be like this, and like this, this, this.

I: Consistent, yeah.

R1: So that’s where the supply chain breaks down, for us being in the middle, being wherever in this part.

I: Which is which part, wholesaler?

R1: Yeah, we’re wholesale…I suppose wholesale and retail, we’re both ways, we’re giving to the end customer, wholesale and retail, and if you’ve got a hotel who wants, you know, he’s the chef, so he wants to cook his roast, he wants this size of roast, because it’s a nice size for him to cut, to put on a plate for a customer. He doesn’t want to put too much, he doesn’t want it to be too little. He wants a consistency. He’s obviously priced his plate at this price, and if it’s inconsistent, he might not make so much profit, then he might get customers complaining, saying, they’re not getting enough, it’s a balance.

I: Yeah, it’s a balance, I understand that.

R1: So we want to try and fulfil that customer’s demands on us, so then we have demands on our supplier.

R2: But then the trade off there is the [area D] consumer is fiercely loyal to the [area D] farmer, and…

I: You mean, sorry, that’s the word…

R2: The [area D] consumer, like the public, are fiercely loyal to the [area D] farmer, and we’ve lost customers because we don’t supply [area D] meat, like folk don’t shop here because of that, but…so we have to be…our quality has to be high, so folk will still come here, and trade off, our name, rather than [area D] meat’s name.

I: Yeah, yeah. So I’m quite surprised that there is obviously, as you said before, for them it’s four per cent, what they’re doing, but there’s a big number of farmers here, so I’m quite surprised to…

R1: Yes, there’s a big number of farmers, but they traditionally just bred cattle to put to somebody else, make a lowland to finish.

I: Yeah, yeah.

R1: So that is what it’s been for years, and then when [area D] Meat opened, they wanted…

I: Did the [area D] Meat…because I’m confused with something with the names, was the first initiative that was ran from farmers, say, or you’ve been about the second initiative ran from butchers.

R2: Yes, yeah.

R1: Yes, by farmers. Now, that was good in respect that they had more throughput, so they had more choice, so we took everything from there, and that was good, but when it folded, when it went under, and the butchers’ consortium took over the abattoir, but of course they had no wholesale. They were not wholesaling south, so they didn’t have the throughputs, they were only killing for themselves, so that’s when it dropped back to being…

I: Were you involved in the second initiative?

R2: No, we…

I: So who was involved from the butchers in the island?

R1: The other four.

I: The other four, okay, okay.

R1: And I don’t think we ever saw it as being feasible.

I: Feasible?

R1: It was never going to…

R2: Turn a profit.

R1: …turn a profit, it would never turn a profit.

R2: Return an investment.

R1: It was not big enough. They’re only killing for themselves, they were not wholesaling to the mainland.

I: So because you know both the initiatives, can you give me a bit of background, what were the regions that the first initiative pick, pick and then, let’s say fail, and then what about the second initiative, what is the story behind from there?

R1: From [area D] Meat?

I: Yeah.

R1: [area D] Meat were quite profitable, they were sending artic lorries full of carcasses south to butchers south, but they put in a much bigger plant, they were able to process 30 cattle per hour, so they needed more staff, and they had the…obviously the initial cost of buying the plant to process that number of cattle, but they weren’t processing that number of cattle. It was too much plant, so they had too many…I think it was nine employees they needed to run the plant, but of course they didn’t have the throughput. So I think that, plus with I think they lost an artic lorry…

R2: It’s in the [inaudible] a few…

I: They lost…what do you mean?

R1: It had a crash and they lost the contents of a lorry.

R2: And they were struggling to get rid of the waste that then cost them.

R1: And waste, yeah.

I: Because there was a subsidy from…for moving live animals that wasn’t for carcasses or for waste, yeah.

R1: That’s right, and then it changed to being from carcasses it moved to live, so although it was a farmer led initiative, farmers started putting the cattle away live, and not using the abattoir. So at that point, we were probably…we were 100 per cent happy, we got the meat. We were getting the product we wanted, the size we wanted, you know, everything was good, but they were going under. Such a shame.

R2: It was just…

R1: It was just a perfect storm.

R2: Perfect storm, poor management and…

I: So there was some kind of poor management in terms of what, they didn’t manage to find…

R1: Buying the plant that they didn’t need. They didn’t need that plant.

I: And around the marketing skills of those…of the management, how you consider them, obviously they had good buyers, butchers, but…

R1: I think they put in the plant on the hope that they would get more business.

I: Okay, but they haven’t secured…

R2: I don’t think they could have done, by the way, it never really worked to capacity.

R1: Well, I think as they say, the first thing you do, if you become to full capacity on a day shift, you put in a night shift, and still use the same plant, and then it makes it more efficient, but what they did was expand the plant.

I: Yeah, without securing the customer to buy.

R1: Exactly.

I: And I think someone told me that also they were very good on selling the good cuts, but they didn’t know what to do…

R1: Yes, not so good.

I: …with the rest, pretty much that…

R1: Like I say, at that point, we couldn’t be happier with them, it was per…the people who were in place, the last people who were in charge were probably the best ones, but they…

I: Who were the last people.

R2: But that time…

R1: By that time, they’d already gone.

I: So who were the last people?

R2: It still was [area D] Meat, it was still the management team.

R1: It was still…it was just the team that was in place.

I: You mean the team for farmers or the team of managers.

R2: Yeah, managers.

R1: Yeah, the management, yeah, the management staff. They were really good.

I: It is quite interesting you say that, because a lot of people will complain about the manager, I don’t know who it was, a number of different managers, but…

R1: They had a bad manager that…

I: That was at the beginning, or the middle or the end?

R2: It was in the middle, I think.

R1: Middle.

I: In the middle, okay, but later on they had a better manager?

R1: Much.

I: And I think they had someone…I think it was a lady that…she’s doing the marketing.

R2: Yeah, I think.

I: Yeah, and she managed to get a contract for the lower…

R1: Oh, the poorer cuts.

I: Yeah, but then it was the…it was kind of an ability to supply the cuts, something like that, I’m not 100 per cent, because yeah.

R2: And the problem…like when a big business like that starts to struggle slightly, there’s other abattoirs on the mainland that would just pay a little bit more for [area D] cattle, so suck all the good stuff away from here, you know, it’s just business.

I: So it has all this kind of pressure of other…

R2: Yeah, and then it’s just pressure coming in from everywhere.

R1: And then like I say, the subsidy I think was a big part of it, farmers who were able to sell the cattle to the [area D] Meat, and then they got the carcass subsidy, that was good, everybody was happy, and then as it changed…I don’t know why it changed, but why the subsidy went off carcasses and onto live.

I: For some point there was for carcasses, I didn’t know that there was subsidy for carcasses at some point.

R1: There was a subsidy for carcasses, yeah.

I: And do you remember which year did that change?

R1: Well, it would have probably…like I say, all been about this time when they had the bad manager, when they put in the plant, when the lost their artic, everything happened at the same time.

I: The other thing I got from the story was like even if when they failed, they managed at some point to create an image for the [area D] Meat and promote very well that brand, sell to the south.

R1: The best. It was…that was the trouble though, it was just marketing, you know, the actual…

I: They hadn’t put in place the supply behind to back that.

R1: It’s very difficult to change a farmer from being really good at producing store cattle to then finish, you know, throughout history, Aberdeen has been the best place to sell your cattle onto, and then they finish it.

I: Yeah, so they’re sort of [inaudible].

R1: They have straw, they have barley, you know, they have a better product to finish the cattle with. Not so many people had barley here then.

I: Yeah, so what you are telling me, pretty much…

R1: It’s a different skill.

I: Yeah, it’s a different skill, but also you say to me that the environment or the position where they are located pretty much makes more profitable, a better kind of type of work if you farm the animals in Aberdeenshire, rather than in [area D].

R1: Yes.

I: So [area D], do you think it’s more by nature, it’s more good for growing store animals rather than fattening?

R1: Mm-hmm.

I: Yeah, so in that case, my next question might be, even if you had that initiative, the [area D] Meat, if it was successful, it was running right now, do you think that there would be the supply to…

R2: We wouldn’t know.

R1: It’s very difficult, you know…

I: Because you mentioned that it might be [area D] that’s better to grow…store animals rather than fattening them, but if you had a successful abattoir, then obviously needs to get [inaudible].

R1: Yes, it needs to have finished cattle.

I: Yes, so do you think as an island…not an island, but number of islands could support that kind of route?

R1: They could support it if they all…if everything went through [area D] Meat, if the farmers supported it 100 per cent, [area D] Meat would still be running, but of course, they had choices.

I: So that they weren’t so permitted to supply, yeah.

R1: As soon as you give somebody choices, they make the choices, what’s right for them, and what’s right for them is, say…what would be some of the suppliers, Scot Beef. Scot Beef want big cattle that are lean, so the person who’s got big cattle that are lean, he sells them to him, because he gets a better price, because [area D] Meat don’t want big cattle that are lean, they want cattle that have cover and marbling, and that’s not what they’re looking for, so…

I: So it’s different breeds they were looking…

R1: Yeah, yes.

I: So which breeds they were looking…

R1: Maybe…

I: In [area D] Meat.

R1: Belgian blues and Limmies and that type of thing, Limousins and that, you know, maybe they are more suited…

I: That was from [area D] Meat?

R1: Well, no, from [area D] farmers, maybe that’s the cattle they have, and these things, I’m not selling it to [area D] Meat, I won’t get a very good price there, because they don’t want my product. Scot Beef want my product, so I sell it to them.

R2: I’m sure it comes into a lot of different…

R1: I quite understand farmers, and even like I know a farmer that lives near me, and he will sell four cattle to that supplier and six to him and two to him and three there, because that’s…he knows what his stock are like and what they’re looking for, so he’s doing what’s right for his business. It’s difficult to get farmers all on board as a unit. It must be impossible, you’re dealing with hundreds and hundreds of people, thousands.

R2: And different businesses, different mindsets.

R1: Different…yeah, so it’s very difficult to get that umbrella where [area D] Meat are where everybody puts it, especially when you’ve got [area D] Mart, who are trying to sell them live, right beside [area D] Meat who are trying to sell them as carcasses, you know, they’re competing against one another.

I: I understand, so the next question is, is the full potential of adding value of [area D] beef and lamb products currently reached, if not, please elaborate on what more can be achieved.

R1: What’s the first part there again?

I: Is the full potential of adding value to [area D] beef and lamb products currently achieved?

R1: No.

I: So if not, please elaborate on what more can be achieved.

R1: Well, you can achieve a lot more if they had [area D] Meat, as far as farmers…

R2: Yeah, you would need a reasonable sized abattoir that was able to…

R1: Handle a lot more.

R2: …handle a lot more with…

R1: I mean, the idea to handle a lot more was right, but they didn’t have the market for it. If they had just built it up a bit slower, I think they could still be running it.

R2: And you would need to have contracts for farmers, so they would be…

R1: Yes, they supply…

R2: …contractually obliged to sell you the [inaudible] stuff, which no farmer would ever sign, so…

R1: Yeah.

I: So they have to secure their supply as well, yeah, not only their market.

R1: Some did it, one or two did it, and then of course that farmer went under.

R2: Because he went 100 per cent [inaudible] meat.

R1: He went 100 per cent [inaudible] meat, and he’s no longer a farmer, so…

I: So the [inaudible ] was [inaudible] in some way.

R1: Exactly, exactly, yeah.

I: Yeah, okay, and what about the second initiative that ran from butchers, you said that they were doing it in a very small scale.

R1: Yes.

I: And why they missed the opportunity of doing wholesale like the first, they didn’t have the connections or…

R2: Because they wouldn’t do it, they were…they didn’t, because there are four competing butchers, they didn’t want to sell as a unit, because this guy would want to sell to this bloke, and this guy…so they just wanted to do the killing side and the processing and that, and then they’d handle the selling themselves.

I: But in [area D].

R1: Yes.

I: Or to handle the sales in south?

R2: No, because they would want to do that individually as well, that was all part of the contract.

R1: And we didn’t want to be part…

I: So you are doing…do you sell in the south?

R2: Do we? Yes.

R1: Yes.

I: Yes, so all the butchers, do they…

R2: They probably do.

R1: Yeah, maybe possibly [butcher 1] doesn’t, but the [butcher 1] goes to [city 2] and sells [inaudible].

R2: Yeah, so they all do something.

R1: Everybody does something.

R2: We couldn’t really comment on what folk…other…how much they sell. I’m sure some does go.

I: Okay. The same, you know, the south market can be…it depends how south you look, so they could leave freedom from their mainland Scotland, so they could go individually and sell, but what about approaching wholesale…sorry, butchers at London or something, so they could cooperate there, so I wonder why they haven’t thought…

R2: Well, that lack of forward thinking is the reason we had nothing to do with that, because that’s how would we want to run it, it would be the only feasible way, you would maybe…as a group, and have your say in the company, even in [area D], but it was a…like four different heads pulling different directions, and it was all purely council funded, so it was never going to…

R1: We don’t…from my point of view, I don’t understand why, if the [area D] Islands council were quite happy to let [area D] Meat go under, and then pay four butchers for the next five years, pay them 300 thousand pound a year to keep it running as an abattoir, just to keep themselves going and market…I don’t understand why they didn’t just say, here you go, [area D] Meat, there’s one and a half million, keep going.

R2: It probably would have solved…

R1: It would have solved their problem, because their problem was cashflow, they just went under because they couldn’t keep enough money going, so why didn’t the council not just say, here’s one and a half million, there’s you back up on your feet again, build it more steadily.

I: It was kind of…

R1: Lack of foresight from the council.

I: For the council, yeah, which is actually went back…it was the reason they sat down, the secondary reason pretty much, because they said, we don’t get enough rates back from…

R1: No.

I: Yeah.

R1: And nobody is going to run a small independent abattoir in [area D] and make profit, so there is a business. I mean, there’s no…it’s just a no brainer, you just wouldn’t do it.

I: I wonder, I heard there is a move now to build up a smaller abattoir.

R1: Yes.

I: So…

R1: Well, somebody has to do it, but it will…

R2: A lot of folk want it to happen, but nobody’s going to [inaudible].

R1: Nobody’s going to do it, because it will not make money.

I: Yeah, so in these kind of, let’s say third initiative that hasn’t started yet, but it’s…would you like to be involved in that or still…

R2: We would definitely…

R1: I would say no, because I don’t think you can make any money on it, and you’re in business to make a profit.

I: So I suspect that the only way to make money is if they seriously take the route of, okay, selling in [area D] or selling to the south, I mean, Aberdeenshire or whatever, but seriously taking the route of promoting the product south to London or those markets, or even to supermarkets. Because I think in the first one, there was Tesco involved at some point.

R2: Could have been, yeah.

R1: Yeah, they had wholesale, they had some big orders.

I: I think that they had Tesco.

R1: They had some big orders.

I: Yeah, but I don’t know what happened there.

R1: I don’t know, I suppose competition, and there is competition for that, and you’ll probably, in the Aberdeen area, you have more choice of finished cattle to work with, but even the Elgin abattoir’s shut, and it’s right in the middle of that area, so…and [town 10].

R2: [Town 10], they’ll say if you ask them, their most profitable part of their business isn’t their abattoir, it’s the processing part on the other side of it, the sausages and the…everything, that’s where they make…

I: Is it a private abattoir?

R2: Yeah.

I: Yeah, so it’s a private one.

R1: So he’s doing more than 100 cattle a week, so that’s way more than what [area D] were doing. He’s on the mainland, so he has less travel costs to ship his waste, and yet he still says if he got the chance, he would shut his abattoir. He’s using his abattoir to basically fund himself, so that he can then process and make profit on the other side, but his abattoir doesn’t make any profit.

I: Yeah, so the cuts you were getting back from them, do you know the origin?

R2: Yeah.

I: Are the [area D] stuff, are they from the Aberdeen side?

R2: We’ve asked when possible, to get them from [area D], but if they don’t meet our…

R1: If they don’t meet the standards, then we don’t want them. It has to meet the standard first.

I: Yeah, in order to keep the loyalty for your customers, yeah, okay. So the next one is this one, which is a card that tries to summarise the disturbances, long term pressures, driver of change, shocks, or whatever you want, like to call, but pretty much are the same things, and if you go through that, you will consider most of them as threats for your business, so my question is, first if you find something here, let’s read the whole list, that is missing, which is important driver for you, but is missing, and the second one, if you find any of those that can be seen as an opportunity, and obviously if you have any question, because you don’t understand what I’m writing, just let me know.

R1: Once again it’s difficult to see one that’s missing.

I: Okay, that’s fine.

R1: There’s one that stands out for us, which is number 20.

I: Before we go there, do you see any of those as an opportunity, that can create an opportunity for you?

R1: Number 20 is an opportunity.

R2: And Brexit, maybe.

R1: Yes.

R2: Because…

I: How Brexit can be an opportunity for you, because as you say, Brexit, try to cut it down, subsidise free access to markets and tariff protection, reduction of standards, so it can be how you transport animals, how you process animals or whatever, and then it’s access to foreign labour. So which Brexit can be…

R2: Like all of them.

R1: Well, free access to the EU market isn’t really a counter for us, because we’re not trying to sell to Europe.

I: Okay, so it doesn’t make any difference for you.

R1: That one doesn’t, the others do, subsidies might.

I: What about the tariffs, the tariff protection, because the tariff protection is pretty much whether meat from American can come in and be cheap, or if we put a tariff, then it’s no longer…

R1: I don’t think it would affect here, because you have that kind of loyalty to [area D] and then Scotland, that’s what consumers in [area D] would be looking for, first [area D], second Scotland. I don’t think they want anything outside of that. They’re not fussed about…

I: To the loyalty to the brand.

R2: Yeah.

I: But I wonder, because right now, all the farmers are quite obligated to follow the European standard of producing meat, but would never know what’s going to happen if those European standards of producing meat, they will be kept as an obligation. There might be some change and they say, yes, you can produce at the same standards as the USA people, farmers they produce, so that pretty much…because their farmers, they start complaining, oh, those European standards, they’re a pain, a lot of cost, a lot of bureaucracy, or whatever, so they will be really happy when they see them getting away.

R1: Strangely enough, my daughter has spent…she spent three weeks in America this summer, and the girl who she was staying with has just moved there in the last year, but she very rarely eats meat, because she says it’s just not good.

I: Yeah, they have other kind of…yeah, they put a lot of different things that we do here.

R1: So she doesn’t cook meat, very rarely does she cook meat which is…

R2: Yeah, well, that’s…

R1: That’s just a one person…yeah.

R2: That’s the thing, with any of them, and you’re saying, does any of them look as it could be…

I: As an opportunity.

R2: Opportunity, then the only one there, like the Brexit side of thing, is unknown, so I don’t think you can really say that there might be some opportunity in it. You never know, there might be.

I: Can you describe under which conditions can be an opportunity, so ideally, if you could…

R2: Financial, well, we would like to think that our competitors maybe have a lot more loans, a lot more interest rate issues, a lot of vehicles that are leased, a lot of stuff…a lot more…

R1: A lot more charges at the end of the day, taken from the business that…

R2: Whereas we like to have money in the bank, so an interest rate increase, but then you have…

I: You have savings.

R2: Yeah, so…but then you never know, there might…if it hurts your customer, I don’t know, it could be…who knows.

R1: Nobody knows, do they?

R2: That’s the only thing on there you could say there might be potential for a…for something, but…

I: What’s quite interesting yesterday someone told me that…afraid of what is going to happen with Brexit, whether the banks, they are still going to give me loans, or things like that, so we don’t really how the banks, they’re going to react after this at the beginning, to Brexit.

R2: Yeah, because…well, because we’re fairly non bank, like we’re self…

R1: Yeah, run the business in the black rather than the red.

R2: Fairly well self financed, that we hope that would be an advantage, but who knows. Like I say, if it hurts your customer and they don’t have the money in their pocket to buy your thing, it doesn’t matter how much money you have in the bank, so…

R1: You won’t have customers, or the customer will, as you say, number 20, changes in consumer lifestyle and consumption patterns.

R2: That’s a big factor.

R1: That could go either way.

I: Yeah, but right now, obviously I assume that it will be quite…I mean, the voices are heard more, but that doesn’t mean that really all the people, they would like to become vegans or vegetarians or whatever, but it’s also from media sometimes, you get messages like, you know, against the meat, either how this can be farmed, or what kind of effect it’s going to have on your health, so all this kind of things might be…do you feel that it’s going to be kind of important threat?

R1: How people have eaten has always changed, it’s always flexible, it’s always changed.

R2: It changes like in five year almost.

R1: It’s always changing, so we just adapt as to what…

R2: At the moment, our biggest seller is sandwiches and like ready…

R1: Salads and ready meals.

R2: Ready to eat meals and things like that have become what we nearly…we could almost, like you say, about that folk, saying that an abattoir’s less profitable, we could nearly stop the meat side of things and live off that side of making sandwiches and preparing food, because people…

R1: People are just far more orientated to doing it themselves.

R2: Yeah, less likely to make a sandwich.

R1: Yeah.

R2: And they’re more likely to buy one than make one for their lunch or…than maybe traditionally [a person from area D] would be the opposite way, maybe 30 year ago, nobody would ever think about buying a sandwich out of a shop.

R1: No, it was just…but it’s a bit like selling water, you know, 20 years ago you would have thought you were nuts if you bought water.

R2: We were like, you get still water for like a pound a bottle, you can buy that.

R1: Yeah, and that’s our biggest drink seller in the summer, water, so…

R2: Who knows.

R1: Yeah, who knows.

R2: Just try to keep…

R1: Adapt, yeah, see what’s going, keep trying, keep everything there in front of the customer.

R2: And keep your quality high.

I: I was thinking about…you mentioned before that whatever is going to happen at the end of the day, there’s a lot of loyalty to the Scottish beef brand at least, also [area D] meat, but these are pretty much connected, very interrelated with the fact that it’s being produced in very, very high standards, so there is a kind…I assume there is a danger, if farmers, they are not obligated to produce on those standards, I mean, Scottish farmers or [area D] farmers, then they might grudgingly, the quality of the meat…

R1: Might drop.

I: …might drop.

R1: It might.

I: And pretty much the brand name, it loses its rep…not repetition, I mean…

R1: Reputation.

I: Reputation.

R1: Change the balance.

I: I know, I know, I’m horrible, I admit that. Anyway, so…

R1: The one thing at the moment, right at the moment, people will say that you’ve got to shop local, you know, to keep the miles down. They don’t want miles, but at the moment, where we’re taking it from[town 10]l, we are keeping the miles down, because it’s meat that’s in that area, it’s killed in that area, and then shipped here when it’s dead, but the ones at the moment that were in the abattoir are now shipping [area D] cattle to [town 10] to have it killed to take it back up.

I: Yeah, so pretty much it’s extra miles.

R1: So they’re stressing the animal and giving it extra mileage just to try and keep it [area D], which we think it’s a little bit odd at the moment that we’re actually slightly on the moral high ground, because we have less miles to our cattle.

R2: But yeah, like you say, it’s a trade off.

R1: It’s a trade off, yeah, do you want the name of [area D], have it only [area D], or do you want to have…

R2: And like you say, if the farmers do let their standards drop, because the regulations say they can, then…

R1: Everybody’s in the same boat anyway.

R2: They’re the ones that can keep their standards high no matter what, and will hopefully rise to the top, and you would…but who knows.

R1: It’s difficult.

I: So the next question from that list, which are the five most important threats for your business?

R2: Outbreaks of diseases, probably reasonably high, you know, it’s what’s probably affected the most over the past 30 years.

R1: Yeah, BSE.

R2: BSE and foot and mouth, that was a massive stress, I’m sure.

I: It was a massive stress, but strangely enough, for [area D], it turned out to opportunity like the end, because you haven’t been affected as…but it was a kind of…

R1: They did try to keep things out by having a passport system, anything coming in was kept separate.

R2: With foot and mouth, because I was an apprentice at the time, like when I was going to get laid off, I was told, another week and that’ll be me. That affected me anyway, and you know…

I: Affected?

R2: Affected me.

I: Ah, okay.

R2: Individually, because I was going to lose my job because of it. They managed to weather it, and luckily, but we nearly run out, there’s nearly no beef getting killed in [area D], can we stop for two weeks’ production, so another couple of weeks, and there’ll be no work for people, and that would have been jobs getting lost and stuff, so it was just on the…

I: It was a quite difficult moment.

R2: Just on the line of going wrong.

R1: So that’s one, yeah.

R2: So…and BSE must have affected you big at the time too.

R1: And then also that E coli, so yes, disease would be a big one, because it happened in a butcher’s shop.

R2: In some ways we’re constantly reacting to disease outbreaks, because a new like botulinum, botulism, sorry, is a big deal at the moment, so you’ve got to look at how you’re vacuum packing works and how you’re processing and everything.

I: Sorry, say that again, I didn’t get it. Sorry, it was my mistake, I didn’t get it.

R2: Yeah, like hygiene.

I: The hygiene standards.

R2: Yeah, hygiene standard thing are constantly...

I: Changing.

R2: Yeah, deciding what disease or what form of bacteria, something that…and we have to change what our process is and we vacuum pack loads of like cooked meats and stuff that you had to change the date on, that we had to change the way we made it and how often we cooked it, and to what standard, high numbers of certain things, so…

I: So these changes in the regulations of how you test the meat pretty much affects you a lot.

R2: I’d say all, then that would be the one that has historically affected us the most and probably the one you worry about.

I: Which is good, because pretty much you added a new here, the changes in the regulation that affect the processing of the meat, yeah, so that can be seen as a threat pretty much, because usually [inaudible].

R1: And for all parts of the chain, right to the start.

R2: You would say from…

R1: If anybody comes in.

R2: From 1955, when the business started to now, that would be the biggest changing factor would be the hygiene…

I: Regulations.

R2: …regulations, like more so than even customer…

R1: Yeah, probably all stemming from the E coli, because it was in a butcher’s shop, because the outbreak was in a butcher’s shop, so obviously butchers were the focus of how that was…

I: But that happened in…

R2: You had to change completely how you worked.

R1: In Wishaw.

I: No, I mean when.

R1: Gosh, in the nineties?

R2: Probably…well, like seemed to me the biggest change would have been the nineties when you did your…you had to have somebody on site that had a special qualification and [inaudible the change, colours of knives and colours of [inaudible].

R1: Yeah, and all the staff had to have basic food standard hygiene training. Everybody had to have basic, and one person had to have intermediate, so…

R2: And just having different fridges for raw and cooked meat, keeping that apart would have been easily the biggest factor, more so than…

I: In the past I have worked for a project that was about the effect of the hygiene regulation on wild meat, the game, the wild game meat, yeah, so I know a bit of those kind of changes, so that was…you don’t sell any game, I assume.

R1: No.

R2: No, like some venison at Christmas time, but it’s all processed through the same abattoir, as we get…

I: Yeah, okay.

R1: But no, we would…probably would have changed a lot of things, and we worry about…to change the way we did things, because we had a fire, so we closed for three months.

I: So pretty much involved a fresh start, pretty much.

R1: Yeah, yes, so…

R2: Then you could look at how everything…

R1: How everything was done and right, okay…

I: Surprise, surprise, a fire could be [inaudible]

R2: Yeah, like you say, finding an opportunity out of a disaster.

R1: Yeah, it gave you three months to go away and look at other places and see how they did things, and right, how can we change?

I: You were when…where, and you saw things, did you visit other butcher’s shops?

R1: Yeah.

I: Where, in Scotland?

R1: Oh, just in Scotland, yes.

I: Okay, good. So you said that the most important…from here, it’s the outbreak of disease, the one new driver you mentioned, which is changing the hygiene regulations. Is there anything else which really affects you? I assume the weat…the changes with the weather doesn’t make change, because it’s…

R2: No, when you live on an island, you’re used to volatile…

I: Yeah, because that’s a huge thing for the farmers, because they had three, four, five wet summers, but wet…

R2: Wind, you know, affecting boats can affect you on a day to day basis if you’re waiting for orders to go, but nothing so much that it doesn’t get…

I: But you are pretty much get used to…

R1: Yeah, and they would just wait until the next…down the boat went and you go up then, and it doesn’t really affect.

I: Let me have a very quick look, if I see something…no, pretty much the rest, I don’t think so there, quite…[inaudible] was pretty much what you said with the ferries, but pretty much it’s not a huge thing for you.

R1: No.

I: Yeah, what about other pressures, demographic pressures, because the profile of your customers might change, but I think [area D], it’s a bit…it doesn’t suffer so much for people…

R1: It’s a plus and a minus. It’s a minus for putting stuff away, but it’s a plus because then it’s…everybody sees it as an island itself, contained.

R2: What’s that you’re talking about?

R1: About even just transport and stuff, sending stuff away is always difficult, because you’ve got that extra day travel from the island, you know, we’ve always got that extra day to add. It’s when you’re sending parcels away, it’s always the first day we worry.

R2: What are you answering?

R1: Just for demographic, you can be on an island, from…

R2: You mean like demographic like people living in [area D]?

I: It was pretty much that I was thinking of.

R1: But being living in [area D] as opposed to…

R2: Yeah, you know, like the population getting older or younger and stuff like that.

I: Yes, and also if they increase or decrease, yeah, so did you see any effect from that? I assume it might be whether…what opportunities to get labour, but you said there is labour outside available, but they don’t come because of the specialisation of the skills.

R2: I think it’s maybe part of it. Well, we’ve got an ageing population, but the good thing about an ageing population is there’s a lot of disposable wealth. You know, they’re maybe pensioners as well, they don’t…like a lot of our customers are older, but luckily there seem to a lot more older people around the whole time.

I: But they’re buying more premium products.

R2: Yeah.

I: Because they can now afford it.

R2: Yeah, they take it, whereas…

I: So for you it’s an opportunity rather than…

R2: Yeah.

I: Okay, good, and I assume, what about tourism and things like that, what did you see?

R1: There’s a…we kind of have a secondary…not many of the tourists come here.

I: Okay.

R2: They’ll come in the shop.

R1: They’ll come in the shop.

R2: And they’ll take photos, and they walk around and they see a haggis, and they go, ooh, and they walk out, like if you’re talking about cruise ships, and floods the street with tourists, and none of the locals come down the street that day, because it’s going to be full of…

R1: It’s just full of people that are not going anywhere at any stage, just cloggs the street up.

R2: So on that days in a shop, we’re generally quiet, but the cafés that we supply and the hotels we supply, they get busier, so it kind of counteracts it.

R1: So we’re secondary…we have a secondary thumbs up.

R2: We get there eventually, but it’s not a direct…

R1: It’s not direct, yeah.

I: But they don’t buy a sandwich, for example?

R1: No.

I: No?

R2: Well, they get their food for free on the boat.

I: Food for free, yeah.

R1: They will come in, in the morning and look around, and then go back to the boat for lunch.

R2: You would much rather go into a café for something to eat than get a sandwich to eat on the street. Maybe some, we maybe do sell some.

R1: They have free Wi-Fi, so that’s why they’re more likely to go to a café.

R2: Yeah, to use their Wi-Fi.

R1: Use the Wi-Fi.

I: So I assume the only…there might be increase all day consumption of the food you supply to the café, but…

R2: Yes.

I: …you haven’t seen a huge…

R1: No, we’ll get the visitors who come here to stay for a week or two weeks.

R2: And they’re self-catering.

R1: And they’re self-catering, they’ll come in.

I: Yeah, because obviously they would like to try…

R1: They don’t eat out every night, so they maybe come in and buy bacon, sausage and that type of thing, and have pasta.

I: Do you promote your shop to the self-catering cottages?

R2: Yeah.

I: Yeah, you do.

R2: We have a leaflet that goes out to the tourist [area D] board.

I: Okay, good. Okay, next one, which is, so what would be the impact on your business if upland sheep and beef cattle farming in [area D] is dramatically reduced or ceased altogether?

R2: If it ceased altogether, it would be…I don’t know if it would have much effect, that would be…

R1: Unfortunately…

R2: It would be a bit demoralising, you know…

I: I assume it would not have effect because you’re getting a lot of supply from your supplier in…

R1: In [town 10].

I: Yeah, but on the other hand, because some…there is no [area D] farmers that pretty much keep their kind of [area D] thing in the mind of consumers, do you think that will affect you?

R2: Yeah, could easily do.

R1: [area D] will be…or maybe seen as a really good place to have cattle and sheep, you know, it’s looked upon as a…

I: So do you think if it that…

R1: If it was not there, it would look a bit odd.

R2: Yeah, it would be kind of like…yeah.

I: And I’m assuming the landscape would be completely different.

R1: Completely changed.

I: Would dramatically affect the tourism.

R2: Yeah, well, the wealth of the place, how many folk does farming employ in [area D], it must be a massive amount, and if that stopped, suddenly they had to find jobs somewhere else, they’ll go somewhere else, then you would be worried about your decrease in population.

I: So it’s a kind of multiply effect of the farming to the local community, because the farmers, they recycle money to the local community, and also they offer business…no, employment opportunities in…yeah. Okay.

R1: Bound to have an effect.

I: So now about the solutions. So in order to pretty much respond to those kind of drivers of change, here is a list of…like a portfolio of solutions. Some of them you might use, some others, it might not be relevant, so I would like to ask you, what sort of solutions are you applying to respond to these pressures, and if these solutions are working at factor level, what sort or what sort of constraint limits your effort. So okay, the first one obviously it’s more related to farmers, so if you see something that’s not relevant, just let me know. The second one is improve resource efficiency, so for your business it might be how you reduce the waste, how you…the labour, how you optimise the use of the labour, or any other assets your business might have. The next…

R1: We’d say number two, we do do the whole time, we’re always looking at…

R2: Same with operational efficiency there, that’s probably our main focus is how do we…

R1: We certainly have machinery now more than we had before, because machinery’s more efficient, more reliable, so we do have better machinery.

I: Yeah, and also, I assume the long term reduce a bit of the cost, it might be initially high cost to buy them.

R1: Yes, yeah.

R2: Yeah, you could replace a…

I: Sorry, I assume for you, number two and number three is the way, and use of technological innovation.

R2: Yeah, as much as possible.

I: What kind of technological innovation do you use? I mean…

R2: Well, we’ve recently bought a machine to reduce our curing time for our bacons, so it can take the pork, turn it to bacon, get it out to the customer a lot quicker and more efficiently with less waste.

R1: So you don’t have to stock so much, and you know, it allows you to be a little bit tighter with your stock.

I: Okay, so more flexible…

R1: So you can react immediately to something that’s maybe…oh, we have a bit of a rush on that, so we have to get more ready, because you don’t…

R2: Same with the sausage machine, we used to have a sausage machine that used to really…to work efficiently, you needed two folk to work it, one person to fill it and then hang up the sausages on the side, and one guy to pump the sausages out, but now the machine pumps the sausages out, so you just need one guy, so it’s reduced our wage cost.

I: So you diversify, in regards to an income, obviously that’s more related to farmers, but I assume for you, it might be income resources diversify, because it’s through the diversification of the product range you provide, so it might be that I think this is the way we can pretty much change this one to reflect your own business.

R1: Yeah, we certainly diversify product, yeah.

I: So that’s quite a core solution you try to do, and do you see any trade offs on the larger the number of…in the range of the products, does it appear, the kind of trade off for you?

R2: Yeah, because there’s a…you need to…especially if you’re doing your hygiene, because you’re in so many products, you have to do a hygiene thing for each product you do, it would be lovely to just make one product and that was what your business did, and you just did the one thing.

I: So it complicates a lot.

R2: It complicate a lot, a lot more people working everything doing it that, and a lot more…keeping your eye on…

R1: You have to keep your eye on…yeah.

R2: So many different plates spinning at the same time.

I: The other side of the balance is that pretty much you…the risk is kind of…not exactly distributed, but it’s…

R2: Yeah, that’s the trade off between the two, it’s…

I: So one product can go well, the other product doesn’t, you have a bit of flexibility to…

R1: If you were only producing one product and your customer comes in and that’s not the product they want, you have no sale. If you have 100 products there and the person comes in, they’re more likely to take one of the products you have, so that’s the trade off.

I: And also, if someone says…offering a basket of different products to the consumer, it maybe works like…they like the idea of they get a basket of things, so a number of different things can be sourced from you rather than just one only.

R1: Yeah.

I: So that’s definitely six…no, five, although we changed that in regards…

R1: Yeah.

I: Yeah, a word, so diversification to…not exactly no farm, but yours is no butcher’s activities, so do you do anything that’s not exactly related to butcher, that might be…

R2: We don’t, but I know other butchers like do their own barbecuing for weddings and things like that, so that would be something.

I: So it’s a kind of…how’s it called…

R2: Catering.

I: Catering, yeah, yeah.

R2: That would be something you could look at, but…

I: Any other kind of…I assume for…do you use any renewable energy for the needs of the power?

R2: No.

I: Okay, I assume it’s quite difficult.

R1: Yes, it would be in [town 1]l.

I: Okay, but I don’t know…

R1: I don’t know, you could have…

R2: Solar panels.

R1: Solar panels.

R2: But yeah, we don’t.

R1: But we don’t, no.

I: So any…and also…I assume that for example, for farmers, it works like…their wives, they work in the non-farm businesses, so they bring in income to support also their family.

R1: As do some farmers of course.

I: That’s what she said.

R1: Oh, actually meant wives, just the wives, but family, yes, are both family, yeah.

I: For your business, I mean, do the employees here, do they do other stuff, no, but do they do it for themselves, but it doesn’t affect pretty much your business, so…how else I can say…you don’t do anything else than working for the butchers.

R1: No.

I: Okay, so there is not any type of diversification like that, and then diversify inputs out was…outputs is pretty much the products that you, but there were also some market channels or ways you can control the disease. Okay, obviously this one makes sense more for farmers, but in hygiene measures you’re taking here, do you try to use a number of different ways to promote the hygiene of the shop? That might be a way I can think…or…

R2: No, we wouldn’t use it as a saying, well, maybe we do.

I: What do you mean as a saying?

R2: Well, like…yeah, I mean, we…

I: No, pretty much what I mean is like, in order to promote your hygiene, there are a number of different ways you can achieve that.

R1: We just have that…

R2: To promote how hygienic we are to the customer.

I: Yes…no, pretty much to achieve the hygiene standard, yeah.

R2: To increase the hygiene standard.

I: But assume that one way you use those kind of machines that pretty much they do…for the sausages or for the…

R2: We’re constantly trying to improve the…if you improve the hygiene of your shop, you improve the durability of your product, you know, and we’re always trying to do that.

I: It’s only happening either through the training or through the type of machines you use, that you don’t have any other possible way to improve hygiene, I assume. I’m guessing here, because I’m trying to see if you diversify in this, you use different hygiene measures.

R1: We have the UK mark.

I: Okay, so you try to do it through this diversification.

R1: Yeah, and certification, we have three or four products that we were selling in the south, so you had to have them…

I: Certain type of…

R1: Standards.

I: Yeah, standards.

R1: So we did put off extra…

I: Yes, that is a very good example actually of the diversification.

R1: So we do have a UK…

R2: Yeah, and you can…you could get even higher.

R1: We do SACLA as well, that’s another recognised standard.

I: Circle?

R1: SACLA.

I: Okay.

R1: But we haven’t gone to that…but no, we have done, we do have a UK mark.

I: For inputs, I assume it might be either getting meat from different sources or getting packaging material from different sources, did you try to do that in order to pretty much either minimise the cost or protect the…keeping the consistency and the quality, so you could try…

R2: Well, yeah, we would do it if the consistency didn’t meet what we wanted from a certain producer, we would get it from another one.

R1: Yeah, or look to see, or see if there’s a different way to do it. Yeah.

I: So far, the least of your suppliers has…you have a number of different suppliers that you pretty much…if you…or you have one supplier.

R1: A supplier of not necessarily…

I: Of the carcasses.

R1: Yes, I know what you mean.

I: So you have only one supplier or you have different suppliers.

R2: No, we stick to the…well, the thing is, the one supplier drives to the front door and supplies us, there’s not really any other…body that’s doing that.

R1: There’s nobody else supplying from south.

R2: And a refrigerated lorry right to our front door, you couldn’t go anywhere else, nobody else would give us that kind of…

R1: I mean, he sources like the venison, we supply venison at some times, but he sources that, so…

R2: We just phone in, he’ll source it for us.

R1: He’ll source it for us.

I: And do you see that a heavy reliance on one supplier as a kind of vulnerability for your business, because I understand the other way…

R1: There are other suppliers, we can get it other ways, you can get it boxed and sent through Aberdeen, we certainly did used to do that.

R2: Yeah, we could.

R1: Via Aberdeen, but…

R2: That’s options we would look at.

R1: When somebody’s coming…because you want to keep your standards high, having it delivered in a refrigerated van to your door is much better than it’s going to be…

R2: It would definitely be a worry, I don’t think it would be the end of everything, but you would…yeah, it would be…

R1: It would be a worry if he wasn’t a good supplier.

I: Yeah, so I assume because he happens to be a good consistent supplier, and also it has…it happens to have already been a long type of relationship, that pretty much protects you against that kind of vulnerability, yeah.

R1: Yeah.

I: But if for any reason it didn’t meet that criteria, that will be really a difficult situation.

R1: Yeah, it’d be quite a difficult shop, looking for somebody else that would fit and meet the standards we get already.

R2: Well, nobody would reach that standard, I don’t think.

R1: No, they would have to basically…

R2: It would be a step down.

R1: Yeah.

R2: Just purely on the fact that you would get, you know, your stuff’s getting handled by the same guy the whole way from to here [town 10]. If you go in front of that race, it’ll go to a haulier.

R1: And he loads it in [town 10], maybe five o’clock, six o’clock in the morning.

R2: So the guy that delivers it’s the guy that’s loaded the vehicle.

R1: He’s in, he’s delivering, so it’s a good service.

I: And actually, pretty much he has internalised all the potential risks and costs.

R1: Yeah, it’s in a chilled wagon, it’s hanging, the carcasses are hanging.

R2: It’s not like in a whole pile of other food, you know, it’s his primary worry is our product.

R1: Yeah. One of the problems we used to have when we had chickens delivered through the local haulier was that he would also put on that refrigerated lorry tyres and exhausts.

R2: Things like that and…you know.

R1: Which is not compatible, you know, and they would be put in on top of other stuff, so the first thing unloaded was tyres and exhausts, so of course they’d walk over the top of the boxes of meat, chickens usually, to get tyres and exhausts out of the lorry, because there was room in the lorry for another product to go in, so…

R2: Yeah, so yeah, that’s definitely…

R1: We’re quite happy with how we’re at the moment.

I: Yeah, which is really a lucky situation, because as I said, it provides to you a kind of bank of services of consistent quality.

R1: That I can’t get anywhere else.

I: Based on whoever you like, one supplier that it’s good.

R1: I know that’s probably not ideal, but…

I: But you know, they are not really ideal situations, if you manage to find the right service provider…

R1: Having then also taken from one supplier, he has your full attention, because you will give him a large order every month.

I: Usually that kind of approach is the way you can go, if you find a good supplier, then you build that type of long term actual relationship.

R1: He will look after you, because you are a big customer.

R2: Saying that, like before, when we got off with [organisation 2], we had the same, we had one point of contact with the guy that sold it, would phone up, was quite, you know, pally with us and knew what we wanted.

I: [organisation 2] is another…

R2: That was another, that was [city 1], that was…before [organisation 1], and we had a good relationship with them, and he knew what you want, he was a phone call away to get problems sorted and stuff. So you would build up another relationship with another person, everything did happen at [organisation 1], but at the moment…

I: But there were reasons why you changed that.

R1: Yes.

I: And what added value did you…

R2: That was the fact that a refrigerated van would come to the front door.

I: Okay, that’s extra.

R2: Yeah, because not a lot of producers could meet that cost.

R1: No.

R2: Because like they would have to drive before that, whereas [town 10]’s not that far away, and he was coming up to [town 11] anyway, so he’d just have that extra ferry cost added onto our price.

I: Does he supply any other butcher in the island or only you?

R2: No, everybody.

R1: All of them.

I: All of them.

R1: Yes.

I: Okay. How we are going for time?

R2: We’re going to have to…it’s quarter to 12.

I: Okay, so we have pretty much a quarter…yeah, okay. So, from those solutions, diversification, blah, blah, blah, and then share resources, do you share any resources with other butchers?

R2: No, we don’t, no.

I: No, okay.

R1: Well, if you have a breakdown…

R2: Or if another butcher is a bit down, you feel…we would allow them to use our machinery.

R1: And vice versa.

I: Which is quite important for resilience, so at the end of the day, you know you have somewhere.

R2: We would think, no matter how big a competitor they were, I think we would still…

I: That’s quite a big point, I mean, because you can think only, you are my competitor, I don’t want any…actually any…

R2: You can’t be like that in [area D].

I: Has it happened in the past?

R2: To everybody nearly.

I: Okay, and so you share a lot of resources, only in emergencies, but still it’s there.

R1: In emergency, yeah.

I: Yeah, for resilience, for you it’s quite a big thing, okay, but also do you share any resources with your supplier, so are you…with that company that supplies you, there is any resources?

R1: No.

R2: Well, we sell stuff back to them.

R1: Yes, we do, yeah.

R2: But not resource wise.

I: Not resource wise, okay. And then the geographic distribution of facilities, other markets or assets, which means, do you have only this shop and processing unit, or you have other?

R2: Yeah.

R1: Yeah, no, just here.

I: No, okay, so there is not any geographic…and in terms of markets, pretty much the market you supply is pretty much [area D] consumers, but also you do a little bit…

R1: Mostly, little bit south.

I: Little bit.

R2: Just like hotels and take one product from you, because it’s [area D].

I: Yeah, so you try pretty much to geographically distribute your markets…

R2: As best you can.

I: Yeah, okay. So to some extent, prioritise local short market channels, I assume for you that’s the way you pretty much you want to sell directly.

R1: Yeah.

I: And that’s the priority for you rather than trying to move to wholesaling.

R1: Yeah.

I: Okay, and then what is that…

R2: Preserve production.

I: Yeah, production capacity, zero material, stock, finished products or back-up power generation, so I assume you mentioned before for sausages or whatever, you try to keep stocks low, because you have those machinery, but in the past, I assume you tried to keep inventories of the final stock.

R1: You do a stock rotation anyway, yes.

R2: [inaudible] before when you didn’t have freezing and refrigeration and stuff like that, you would have been…you would have bought it that day and sell it by the next day, whereas now we can maybe…we have…like maybe if the price of lamb, it fluctuates through the year, so when the price of lamb’s cheap, you buy a lot of lamb and get a [inaudible] put in the freezer, so then you’ve got it for when the lamb price goes up.

I: So pretty much you…the price volatility of the inputs, you pretty much go…

R2: Just like any business I suppose that produces something, if it’s gold or metal or oil or whatever, you buy when it’s low and you…

I: And that kind of price volatility that was here, is it a big thing for you, a big pressure, or you don’t really…because…

R1: Not big.

R2: Not as much as it…maybe if you were buying from a mart, and you were going on the price of beef that…

R1: Yes, that’s true, yeah.

R2: …when you’re buying it through an abattoir, it’s a bit cushioned, a bit more…

R1: Yeah, it’s more stable.

R2: …[voices overlap], they eat that cost, we don’t see it as much. We only see a couple of pence, maybe a year rise in beef.

I: So that’s another kind of benefit of the kind of the relationship you have with the supplier, okay, good. What is that, increase strategic visibility, awareness of the customer trends, markets and competitors. So this is pretty much…so basically, you know, what your other butchers, they are doing, you know a bit more about your customer preferences and what are the trends there. You know a bit about potential other markets, so do you try to work on these?

R2: Yeah, we’ve recently started an online shop for our products, and we’ve recently just…well, one of our competitors has stopped making sandwiches, so we’re trying to push our sandwiches into the shop that he’s no longer supplying, so we do do that.

I: Okay, and then this is increased supply chain visibility. This is along your supply chain obviously with your supply, do you do any kind of traceability, for example, when you buy carcasses, do you want to know who were the farmers?

R2: Yeah, you’ll get a tag on it that tells you.

I: Oh, okay, so pretty much the other kind of traceability, not so try to understand what are the kind of limitations of your supplier, understand if there is a shock, how much he can absorb for that shock. Is there is any disturbance, do you know how much your supplier can pretty much deal with that?

R1: Oh…

I: Sorry, why am I making all these questions, for example, the abattoir, obviously he has to face all the same kind of pressures in the services, and if for any reason he will not be able to…

R1: Supply.

I: You know, to address those things effectively, that means, and you heavily rely on him, that means directly affects you then, so do you know how much flexible, how much resilient his business is?

R2: Just…

R1: I think even if he had…he’s so widespread that he’d be able to cover anything quite quickly.

R2: Yeah, just from a…

R1: He’s sourcing a lot of his products…he’s not just sourcing them from live, he’s taking in stuff that’s boxed as well, so I mean…

I: Okay, so he has diversified in this way, so…

R1: Yes, I think he could…within a day or two, I would imagine, he would be able to source product.

I: I think I might need…because it seems that the same supplier supplied pretty much all the butchers here in the island, I might need to contact him, do you think he would be happy to give me an interview? It’s exactly the same kind of…

R1: I’m sure he would, yeah.

R2: I’m sure he would.

I: Yeah, because it seems that he is quite an important player.

R1: Yes, he is, yes.

R2: But he’ll be an important player in the whole of the north of Scotland, probably if you’re looking for…

R1: Western Isles, [voices overlap], yeah.

R2: …if you’re talking about Highlands, then he’s…well, [town 10]l, he’s right in the middle there, he’ll be the hub of the Highlands, really.

I: Yeah, okay. So if I ask you to give me his contact details and also use that…say that I have already spoken, have the interview, would be nice.

R2: Yeah, we would pass it on.

R1: Yeah.

I: Are you happy with that?

R2: Yeah.

I: One hundred per cent.

R1: Mm-hmm.

I: Okay, good.

R1: He’s very obliging.

I: Okay, good, but obviously…don’t worry, I find a way to go there, for this part of it, I have to run out like crazy. Anyway, but it’s really, really enjoyable, I have to say, the [area D] case, I really, really like it. Okay, what is that…where am I…

R2: Increase…

I: Increase renewable energy…no…

R2: Financial readiness, insurance, savings, portfolio diversification.

I: Yes. You’re becoming…you mentioned [inaudible] before, we don’t have loans, we have savings, and that pretty much make us much more resilient to any kind of…

R2: Yeah, well, that’s, if you like, our old-fashioned financial values, we think of…

R1: Works.

R2: Yeah.

I: Yeah, so which is the value of don’t having debt.

R2: Yeah.

I: To have savings…

R2: Yeah, you buy the things when you need to get them and then…

I: Yeah, among the other butchers, you are the only one, you think that you are…

R2: I don’t know, who knows, but just that’s what you like to think. Who knows, they might have loads more money than us, but you know, so it lets us sleep at night.

I: Okay, because the thing is, actually, because there are not too many butchers in the island, from my list, pretty much I think I have all of them, but I’m going from here to meet [person4].

R2: Alright, yeah.

I: And then tomorrow will meet [person 5]. [person 6]?

R2: Yeah.

I: [person 6], unfortunately he wouldn’t meet me, but he’s happy to do the whole thing through phone, and I haven’t been in a position to contact [person 7], so if I miss [person 7], do you think I miss a big part of the picture?

R2: Yeah, could be, yeah, well, he was one of the main players in the…

I: Yeah, he sort of…

R2: The [area D] butchers thing.

I: Do you have the mobile of [person 7], because the only thing I have is his email, and I mailed that, but I’m not sure, probably he’s not answered…anyway, I will see if I try…I think [person 8] has tied to speak to him. Anyway, I will see, but you think it’s important to…

R2: He’ll be as important as any other, as important as us or [inaudible].

I: Yeah, okay, that’s fine. Next one,newable energy, you don’t do that, okay. What is that, increased product in…

R2: Physical and electrical.

I: So I assume for you, there is quite big reception who is coming in the processing unit because of the hygiene issue.

R2: Yeah.

I: Yeah, so you try to tackle that through that electronic…do you collect any data on…traceability data?

R2: Yeah, well, temperatures and stuff like that for products or…

I: So if you lose for any reason those data, do you think it’s going to be quite a big thing?

R2: No, yeah…

R1: It’s not electronic…but you only have to keep it for a year.

I: Oh okay, so do you do anything in order to make sure that those data are secure?

R2: Not on site, but if you phoned like say with [abattoir 1] for traceability, he would give you…

R1: Oh, on that site.

R2: …what we bought and…

R1: Is it like EHO type traceability, that type of security?

I: Yeah, yeah.

R1: It’s just paper at the moment, there’s no electronic.

I: Okay, that’s fine. And then increased market status through either product differentiation, which you’re doing a lot, you try to create, also brand reputation. I got it, exactly. And then value adding to pretty much get more customer value, you try to do that.

R2: Massive focus, yeah, on the…

I: Is there anything else you’re trying to do as a way to increase your resilience, because obviously yes, they are kind of portfolio of solutions, and you explained a bit about the trade offs related to that, but is there anything else?

R1: Well, we run a monthly…

R2: Yeah, that pre…

R1: That’s kind of…

R2: Well, I think it’s all covered, really.

R1: We run a monthly 50 pound loyalty thing for customers, you know, so…

I: Ah, okay, build the…

R1: Any customer spending more than ten pounds, yes.

R2: It’ll probably come under…that’s the thing, it probably comes under like the brand and build customer loyalty.

I: I think…yeah, but it’s good to know how you try to build a thing, yeah.

R2: How we actually do it.

R1: Yeah, so we do that monthly.

R2: And try to build customer loyalty by remembering their names, knowing who they are, knowing what they like, when you see the person in the shop, you know what cut they’re looking for that day, how much fat cover they want on it.

R1: Facebook, we have a Facebook page, and…

R2: Website.

R1: Website, and…

I: You don’t deliver boxes to them, they have to come to…

R2: No, we deliver to them if they want.

R1: No, can deliver.

I: You do it, okay, fine. Okay, in terms of time, just to know, four minutes, they’re all mine. Okay, very quickly, in terms of [infrastructure], we talk about the ferries and the abattoir, roads or whatever, broadband, things like that, do you think they are enough supportive or they need to be improved in some way? So I assume the ferries is going to be quite important thing.

R2: Yeah, the ferry, nearly the most important thing.

R1: The most important.

I: Yeah, and what do you see there, because ferries for you is primarily to the mainland.

R2: We’re a bit lucky, because there’s two companies at the moment. One has an issue with the boat, [abattoir 1] can come up on the other boat.

I: Two companies, I think there was one company to the Scotland mainland.

R1: Two.

I: Ah, two of them, okay.

R1: [ferry company 1] and [ferry company 2]

R2: [ferry company 2].

I: Ah, okay, so what is the demand that’s there?

R1: And the good thing about that is one’s on the east side and one’s on the west, so if you get a gale from the west, usually the one on the east works, and vice versa.

I: Okay, they were common at some point that tender say, which is five years, is not enough, it should be bigger in order for them to have more incentive to invest, do you think it’s…

R2: Well, that’s the thing with having a private business and publicly funded one, that if it’s bad weather, you know the privately funded one will find a way to get across the firth, because he needs to make that money, he needs to pick up the guy, whereas the public…

I: Who is the private?

R2: [ferry company 2]

I: Ah okay, yeah.

R2: Whereas the [ferry company 1] can go, no, we’re not sailing today, it’s not safe, because they’re going to get paid.

R1: They get paid anyway. Also, I do think the [voices overlap].

R2: Yeah, probably do better, but you know what, it’s a private business, he’s more likely to want to get across there to get the things, so he can pay his workers and things. So at the moment it’s a nice balance, really.

I: Any ferry connections with other isles, do you see any issue that affects you?

R2: No, because, well, we’re only sending stuff to other islands on…

R1: Yesterday, there was no boats yesterday to the [inaudible] islands.

R2: But people…

I: Because I think for the other islands, the ships are quite old and they…

R1: Yes.

I: Yeah, so there is some issues there.

R2: Yeah, and that’s, you know…

I: And in terms of capacity, tech capacity, do you have problems with either way?

R2: No, not really.

R1: No, I think the only problem on the [island name] is for cars for visitors, and so that doesn’t affect…

I: Okay. So in terms of all this kind of changes in the regulations, it’s primarily hygiene regulations that affects you, are there any other regulations that affect your business?

R2: Traffic regulations. They’ll shut the street when tourists are in, so we can’t access to a building.

R1: A bit of a bane.

R2: Yeah.

R1: Since we have no access other than the main street.

I: So you mean access for the vans.

R2: For deliveries.

I: For deliveries, and how often that happens?

R2: Once a week probably.

R1: Yeah, too often.

I: Too often. This kind of regulations regulate from council led, not…

R1: Yeah.

R2: Yeah, it’s not really governmental regulations, apart from hygiene.

I: The hygiene thing, how you think it can be improved in order to make your business running easier.

R1: A blanket ban, when they do a blanket ban, there’s no consideration given on how you might source things another way, you know, if it’s just, nothing moves. No movement at all.

I: I don’t understand, what do you mean, blanket…

R1: A blanket ban where they just say, this is the law, and they don’t consider that islands might be affected differently.

I: Ah okay, so they don’t really fit to the island situation.

R1: No, it’s a bit like when they said, you know, when they had the foot and mouth, [area D] was able to kind of…

I: Protect itself.

R1: …protect itself by saying, we have a physical barrier, the sea, so basically foot and mouth can’t travel to here unless it comes across in vehicles, so if we just say, [area D] ones are safe, they’re tested, they’re okay, but then of course if they have no abattoir…

I: Then it’s…

R1: That is now a problem, can’t do that anymore.

I: Yeah, yeah, but at that point they had an abattoir.

R1: They did at that point, they had an abattoir, so they were able to get round it that way.

I: And the way that the market is structured and the conditions, obviously for you it’s the fact that you have a lower…a good supplier and you have all this, the market in rotation, so the market structure for you, it’s okay, you don’t need to improve it in any possible way.

R1: I think it costs, because you have more transport costs to get stuff here, but you also have the plus that [area D] sells itself quite well, as being an island community, and it’s pure and it’s clean and it’s fresh, so…and it has a name, it definitely has a name for itself as a food producer.

I: Have you work…anything with HIE, I mean, as the…

R1: Not really. They seem to be more…fishing based and…

I: Would you like to do…I mean, any other…

R1: [inaudible], you know, they seem to be able to throw money at [inaudible] and fishing, but not us.

I: Would you like to have some…

R1: I don’t know.

R2: That comes under our old-fashioned, no, we’ll just do it ourselves.

I: Okay, you prefer to go alone.

R2: Yeah, we are, we tend to…

R1: Well, we did…I must admit, when we put the roof on the building and did up this place, we had funding from the Scottish Office.

R2: Oh, maybe that is a weakness of ours, do that because…

R1: There’s a lot…so many hoops to jump through, so much, it almost makes it look…

I: Because I got a kind of mixed type of evidence, because the other day there was someone said to me, well, fine, they give some money and they try to…but sometimes they pursue to expand a lot, and they don’t really secure that you can support in long term type thing, and then pretty much leave you to…bankrupt. So do you get that kind of feeling or you think it’s…

R1: Yeah, like [R2] says, it’s possibly that kind of, no, we’ll keep it within our own means.

I: Because you feel that [inaudible]…

R1: At least then I’m secure, I know what we’re doing and what money I’m spending’s mine, so I don’t have to answer. You don’t have to answer to anybody else.

R2: A lot of funding is dependent on job creation, like you would have to guarantee jobs, and then if your market fluctuates and something happens in the street, then that might affect financially, I don’t know.

R1: Yeah, they do like to see that you maybe would employ somebody else.

I: Yeah. So that was it…just a moment…just I wanted to ask from here, you said that your kind of production is very, very specialised and the type of the skills are very, very specialised. Do you see that as a vulnerability?

R2: No, I…because we can…

R1: The skills that we require belong to the partners now, you know, you’re not having to employ anybody to do that.

R2: But say if we needed it, we already make that, if we need it, our supplier has that skill base as well, so if there’s a thing that needs done here that can’t be met by us, we can just outsource it. If say we’re getting too old to bone out whole carcasses, whatever, we’ll just get them broken down…

R1: And brought in.

R2: …and primals ready for us to cut. I wouldn’t say it was a vulnerability, it’s definitely a…

R1: It would just be a…yeah, just source it a different way.

I: And the fact that there is no abattoir right now, do you make your business more vulnerable, or it doesn’t really affect you? Because you obviously you have found a good supplier, but do you think if there was an abattoir, you would be much more resilient?

R2: When you spoke about the blanket ban issue, made us think, you know, maybe having an abattoir then would have been…I mean, if foot and mouth happened now, then that would be shutdown.

R1: That would be a bit of a problem.

R2: If they couldn’t transport up here, then that would be the end of everything.

R1: But unless it’s subsidised, you’re not going to get anybody that’s going to open it.

R2: So we’re definitely vulnerable then, if you…probably if one opened, we would have to be involved.

R1: Yeah. Somewhere along the line, somebody’s going to have to subsidise it, because it can’t operate without it.

I: Do you think at local level there is enough discussion about what should be done?

R1: And there’s lots of people who are saying we need an abattoir, but that…people are not putting up any money towards it. People who have rare breeds are saying, there has to be an abattoir. People in [island 3] are saying, there has to be an abattoir in [area D], because otherwise they can’t sell their product. It’s too expensive to get it from [island 3] to [town 10].

I: So there is agreement what has to be done, but there is no commitment to support it.

R1: Yeah. The people who are demanding it…

I: And what are the factors that usually are most neglected in those kind of discussions, because it seems that people say, okay, we want it and we want it, but they neglect the discussion about how we are going to get it.

R2: Yeah, finance will be the…

R1: Finance will be the big one. I think people…I don’t think even the council are quite open and honest about how they financed the abattoir for the last five years. If people realised that’s how much it takes to run an abattoir, they might not be shouting so loud that they need one.

I: Yeah. Someone told me that the idea of getting a smaller one, only for…new smaller one, it might be…not exactly risky, but it’s pretty much you forget the potential of…

R2: Well, when you go back to the only four per cent of the animals stay on the island, most of the stuff leaving the island is going to just…you’ve not got enough throughput to make the money to even pay for the basic running costs.

I: But the thing is, I’m wondering, in the past that four per cent was more, when the abattoir was, so we don’t know exactly why it’s four per cent, it’s because…

R2: You would need a commitment on every level of it that you would never get. You would need contracts for farmers, you would need all four butchers going, right, we’re all going to be one business, we’re going to let go of our own worries, and we’ll run this altogether. You would need such a big shake-up of everything to make it work. I think if everyone’s involved and you had like a…there’s a manager that was in charge of it, and every butcher shop was under like the [area D] Meat banner and supplied…and the bits that supplied in…

R1: They don’t want to have to lose their own identity and be one…

I: I think there would be room for keeping your identity, even keep some freedom for supporting the south, I mean, the Aberdeen side, but they need to be more together for the distant markets like London or, you know, Manchester, whatever.

R1: It would have to be run, like you say, as a separate company, like it used to be.

R2: It would have to be a massive commitment from everybody, like farmers would have to be involved, there would have to be, like say…they wouldn’t be allowed…you would have to not let them sell to other places, and no farmer would sign that, because then they would be at our mercy of how much we want to pay them, or whatever. You know they would be thinking the same way as the butchers do, like, oh, I don’t really trust that fellow, dealing with stuff.

R1: There was a difficulty at the time, do you remember about grading?

R2: Yeah.

R1: As to who got what grades. Obviously paid different amounts on different grades.

I: So it was some kind of institutional kind of weaknesses on the affordability.

R1: In the beginning it was independent, the people who did the grading were completely independent, and then they moved it in house, so they paid…they employed a grader.

I: Which means…

R1: Which means they have got…

I: Lost the trust from…

R1: Yeah, from farmers, because if they needed 50 cattle that had to be this grade, well, I think some didn’t meet the grade, but were put into the grade.

I: Yeah, I understand.

R1: And then of course then when people had the grade and they didn’t need it, he was downgraded.

I: Yeah, I understand. It’s how you build up internal trust, pretty much.

R1: You have to have an independent grader.

R2: Yeah, you would have to have like such a…please that many amount of people to make the thing work, to let them in work, and then everybody decides, we’re doing all this work, but it’s going to just break even. Nobody’s going to want to do that, there’s going to be [inaudible].

I: Some systems, they have a kind of…whether the price goes up, they know, they have…or the price goes down, they have something, ten per cent…

R2: Yeah, you can…

I: Like a safety…

R1: I know that…how they found it, it was that somebody who was on the line, working in the abattoir, his father was a farmer, and the boy on the line said, oh, you did really good grades this time, Dad, and he hadn’t been paid for that grades. He had been downgraded, but they’d gone through at the right grade.

I: So this kind of trust…

R1: All of a sudden you have no trust, that impacts people’s…

I: Number one in these kind of things.

R1: Yeah, and then [[area D] being [area D], all the farmers get to hear about it, so all of a sudden, nobody trusts…

R2: Yeah, that’s almost a disadvantage, how much cattle’s on the island. If you maybe had less farms with less cattle in it, you could make the thing more viable from a people control way, but…

I: Sorry, [inaudible] that point, what do you mean less farmers?

R2: Well, maybe the fact there’s so much beef on the island, there’s so many markets they can sell to, if there was less farmers maybe, and then you could do more community [voices overlap]...

R1: If there were 20 farms.

I: And they’re fully committed to that.

R1: Yes, yeah, you only need commitment from maybe three of them.

R2: Whereas like up in Shetland, you’re even more contained, you get even more [inaudible].

R1: Shetland have an abattoir, but it’s mostly sheep, but Shetland have an abattoir.

I: And it works like that…

R2: Because it’s so expensive to ship everything off the island.

R1: It works it, because they just look to break even, they’re not looking for profit, they just want to…it’s more like an animal health issue than…

R2: I don’t know, you’re probably going to get a whole pile of different answers from the rest of them.

R1: Well, you will.

I: So anything else you didn’t have the chance to say?

R2: No, I think that’s…

I: Okay.

R1: No.

I: Thank you very much.

**End of transcript**