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His Royal Highness The Prince Charles,  
Duke of Rothesay

# News from Mey Selections

Issue: 1

October 2006

## NHP wins praise at H & I awards

North Highland Products Ltd – the company that owns Mey Selections the premium brand launched just over a year ago – was commended in the New Business Award category at the second Highlands and Islands Food and Drink Forum Awards, 2006. The awards ceremony was held at the Drumossie Hotel, Inverness on the evening of 5<sup>th</sup> October.

The Award, sponsored by Aquascot Ltd, was presented for the contribution that Mey Selections has made to the North Highlands food and drink economy.



Danny Miller, chairman of North Highland Products, who accepted the commendation, said he was delighted at the success of the brand.

“In just over a year, we have come a huge distance, gaining premiums for our farmers and generating added value for our traditional top quality beef and lamb. In this short time Mey Selections is now known for its premium quality and consumers recognise the value of the brand.

“The premium payments to farmers for their beef and lamb would not have been available without creating the brand and the money earned goes straight back to them as additional income. We are committed to developing this new complete supply chain for our produce from the North Highlands.

“In our first year of operation, we have surpassed our original projections and we are very confident of the future.”

## Chairman's Column

As I write this the recent cold and wet spell will have caused young cattle to be housed and the rest of the cattle will not be too far away. It is encouraging to see some cattle traded through Mey Selections at close to £1000 and the lamb price is significantly better than last year.

Since the last Chairman's letter a lot has happened with Mey Selections and with an eye to future developments we have decided to produce this members' newsletter on a regular basis.

The articles in these pages will tell you what the company has done to expand and cement its work with the customer, upcoming events and future plans. This covers not just beef and lamb, but very importantly the new products that we are introducing under the Mey Selections brand.

On the beef and lamb front I am pleased to say we now require substantially more livestock (see George Cormack's column inside) which means that more farmers can enjoy our premium prices.

North Highland Products (Mey Selections) has now had its first birthday and it is a mark of our success that membership has risen to 210. Our calculation of the premium we have secured for our members in 2006 is £160,000 (from January to September). Another important aspect of Mey Selections is that our presence in the market has definitely encouraged competition from other buyers for livestock in the North Highlands, ensuring that you, the producer, receive the best price possible.

Looking forward to keeping in touch.

Danny Miller  
Chairman, North Highland Products Ltd



# What the papers say!

www.thegrocer.co.uk 23 September 2006 **The Grocer** 99

## SPOTLIGHT

### "A label represents a story and that appeals to people with discernment"



Breeding new ground by supplying branded products to the meat and cheese counters of Sainsbury has enabled North Highland Products, helmed by John Strick, to grow rapidly.

By using a Mey Selections brand logo showing the Coat of Arms, once home to HM the Queen Mother, and sourcing produce within a 100-mile radius, the Caithness-based company believes it has established a point of difference on retail cold counters. From its core offering of prime beef and lamb, and then cheese, NHP has added outcotes and whisky to its range, and has plans to add fish, shellfish and oysters next month.

The company was set up by a group of 12 farmers following Prince Charles' launch of the North Highland Initiative, one of the aims of which was to encourage the sale of quality food and drink from sources in the Scottish Highlands. It was formed in August 2005 and began trading two months later, gaining valuable initial publicity when it obtained the Prince's permission to reproduce a watercolour he painted of the cattle, which is six miles west of John D'Coats.

Until then, high-quality local produce was being farmed and sent south but without any identifiable link to its place of origin.

"I wrote in my feasibility study that there was room in the marketplace for more branded products because the premium food and drink market is growing," said Mey Selections MD John Strick.

"People want provenance and they want a way of identifying it, so you need a brand. It's true to say that we couldn't have achieved what we have at the same speed without branding. Provided people have rising incomes, they are inclined to look at the label. A label represents a story, and that appeals to people with discernment."

The company approves and then licenses suppliers to produce particular products within the designated territory, and has won awards for its ribbed beef and Highland Blue cheese. "We might even try for PGI status next year, using our name and the deer's deeded territory and traceability," said Strick.

Turnover in the first months of trading last year was £1.2m, and that is expected to rise to between £4-5m this year. So far, NHP has been happy to deal solely with Sainsbury's, supplying all of its products to 23 stores across England, mainly in the south east.

However, it has won a contract to supply the retailer's Taste the Difference meatballs to 200 stores across England, specifying Mey Selections beef in the on-pack ingredients. There are also plans to list Mey Selections products in Sainsbury's Scottish stores.

## Highland Initiative wins over-average premiums

By Michael Raffael

Livestock producers in the Caithness and Sutherland region who joined the North Highland Products Company at its inception last July are already receiving better prices for their produce.

The company is a flagship project for the North Highland Initiative, set up and part-funded by Prince Charles to stimulate the regional economy.

With produce sold under the Mey Selections brand, farmers earned premium payments of over £60,000 in trading to the end of 2005.

That trend has continued and Prince Charles referred to it in a speech promoting his North Highland Initiative.

"A year on from its launch North Highland Products has reported a turnover of over £2m since it began trading and this is, I think, the most encouraging thing - an additional £150,000 going straight to the £90 or so farmer members," he said.

NHP has consistently traded more than 100 cattle a week and, at peak, more than 375 lambs. In real terms, during the period in question, 2700 cattle made a premium over the Scottish average of £102,000 - typically, £37 a head - and 12,000 lambs made a premium over the Scottish average of £38,000 - typically £3 a head.

According to Danny Miller, chairman and a farming member, the scheme handles over 25% of cattle and sheep in its designated area.

Sainsbury's took an immediate interest. Initially the retailer trialed beef in 23 stores, but numbers soon swelled to 98 and are still rising.

Mr Miller admits that agriculture often views processors and major retailers with suspicion. He has found his partners more than helpful. "There's a synergy between us and we are happy that they work to our advantage."

Mr Miller, who farms 404ha (1000 acres) at Bilster, Caithness, said: "We are still making money and what's more important we're returning that premium to the farmer."

"In the period since October 2005, when trading started, almost 4000 cattle and 15,000 sheep have been sold under the Mey Selections brand. This has resulted in extra payments of almost £200,000 in total being earned by the farmer members. With the extension of retail outlets planned for the autumn of 2006 it is expected that this total sum (of premium payments) will grow."

Raffael@adsl.com



Prince Charles and councillor David Flear at the recent celebrations of the Prince's North Highland Products Initiative.

FARMERSWEEKLY • 25 AUGUST 2006






FROM MEY TO YOU

Good news travels fast, and the good news about Mey Selections is hitting the national and trade press. These extracts from The Farmers Weekly, The Grocer and from the Catering and Hotelkeeper magazine, are a reflection of the national interest in Mey Selections.

Mey Selections differs from a normal livestock marketing company in that we have built the market we serve and we are constantly developing this and other markets. This is done through hosting events like our August food fair where we had a party of journalists, Sainsbury and other buyers visiting the region and meeting our suppliers. This also included a cookery demonstration and a dinner at Ackergill Tower.



# We want your cattle and lambs!

Good news for our farmer members

## Progress with Sainsburys

It is just 12 months since the launch of Mey Selections beef into Sainsburys. In that time we have traded 4,414 cattle and 19,918 lambs. Looking ahead, the demand from Sainsburys in the coming months means that we can offer premiums on significantly more cattle and lambs than we did this year. We operate on a strict first come, first served basis and already have some bookings of lamb right through to May.



So, if you want to book your cattle or lambs into our schedule this is the time to do it. We can offer a premium on Scotch average prices, guaranteed credit insurance, and membership of a brand that aims to deliver extra margins for quality livestock and food and drink products.

Call me on 07808 916354 and get your cattle and lambs booked for collection well in advance.

Best wishes,

George Cormack,  
Marketing Manager Mey Selections

**Sainsbury's**  
*Try something new today*

## Membership fees and credit insurance

When Mey Selections started up we introduced a £60 flat membership fee. Over the last year we have thought hard about how we make this flat fee a fairer system so that the bigger producers – who get more out of the scheme – pay more than the smaller producers – who supply fewer cattle and lambs. It was clear that a small producer, for example, selling only a few lambs was paying relatively too much whilst producers with hundreds of cattle were not paying a membership in proportion to the benefits they were receiving.

After much discussion the original membership fee of £60 has been replaced by a simple and fairer system whereby members pay according to how much they benefit from being part of Mey Selections. The membership now works on a levy of 0.6 pence per kilogram of beef or lamb traded through Mey Selections.

For example, if you sell 3 cattle at 300 kilos each this means that  $£0.006 \times 900 = £5.40$  would be the membership fee. Or 100 lambs at 18 kilos = (1800 kilos)  $\times £0.006 = £10.80$ .

Clearly, in this system a producer's membership fee is related to the premium he is getting. And remember we are on track to deliver **£250,000** in extra cattle and lamb premiums to all our members in 2006. So, this tiny cost of membership is paid back many times over. The Mey Selections premium is extra money for North Highland farmers – and, importantly, extra recognition for the quality of our stock which we can use to build our premium and customer loyalty in the future.

At the same time as introducing our new membership fee we are abolishing the voluntary credit insurance charge. All stock traded through us will still be covered by credit insurance but, in future, the cost of this will be covered from the new membership fee system.

Your membership money gives you access to;

1. Mey Selections premium price, which is on track to deliver £250,000 in extra money in 2006,
2. Being part of a successful brand that will help the North Highlands establish itself in the premium food and drink market.

Your membership money is being used for;

1. "Best practice" events like the carcass grading event at Dornoch next month,
2. Newsletters and communications with members,
3. Member recruitment events at shows and other events,
4. Credit insurance

Over the full year we expect that the membership fee we are introducing will cover all the costs of these services to our members.



# George picks up a winner from Dounreay



North Highland Products is now the proud owner of a Mitsubishi 4 x 4 pick-up truck following funding from the Nuclear Decommissioning Authority via their Dounreay contractor, UK Atomic Energy Authority. The vehicle is used primarily by George Cormack, North Highland Products' procurement and marketing manager. With its distinctive Mey Selections logos on the front and sides of the truck the profile of Mey Selections is being raised significantly.

"We are very grateful for this valuable support from the NDA.", said Danny Miller, Chairman of North Highlands Products. "Not only is the vehicle extremely useful in providing Mey Selections with transport, allowing us to travel across the region to meet with our farmers and customers, but it also emphasises the brand's growing importance throughout the North Highlands."

**Tony Wratten, UKAEA's Assurance Manager is pictured here handing the keys of the pick-up to George Cormack at Dounreay's Main Gate**

## Make the Grade with Dunbia and Sainsburys

In conjunction with Dunbia and Sainsburys, Mey Selections will be holding another carcass grading event for our farmer members at Scotch Premier's Dornoch abattoir on 22 November.

The event was a great success last year and this year we will be making two awards – to the members who we think deserve the title of Producer of the Year.

Come along, it might be you!



Lunch will be provided, but to help with catering please book your place in advance with North Highland Products' procurement and marketing manager, George Cormack on 07808 916354

### Mey Selections Carcass Grading and Boning demonstrations Provisional Programme for 22 November event

9.30 Tea, Coffee, Welcome and Introduction

10.00 Tours commence

Station 1: Live grading of sheep

Station 2: Live grading of cattle

Station 3: Slaughter line

Station 4: Chills

Station 5: Boning demonstration (lamb)

Station 6: Product display

11.45: Presentation: Danny Miller, Chairman, Mey Selections

11.55: Presentation: Dunbia – performance, growth, targets

12.15pm: Boning demonstration

1.00pm: Lunch, including Mey Selections beef and lamb

2.30pm: Presentation: Sainsburys – getting it right for the customer

3.00pm: Presentation of awards: Mey Selections beef producer of the year, Mey Selections lamb producer of the year

3.15pm: Finish

