



**SCOTTISH
QUALITY CROPS**

NEWS UPDATES

February 2024 – UPDATE 2

Further to the SQC news update earlier this month, I am pleased to publish a welcoming introduction from our new SQC Chair, John Hutcheson. His full article can be found below.

In addition to this, I am pleased to announce the launch of our new SQC Member Value Statement (MVS) which will shortly be emailed out to all SQC members along with an introductory letter. The MVS, which highlights the benefits and purpose of membership, will also be shared with key stakeholders, partners and parliamentarians to better explain the purpose of SQC and our assurance scheme. It will also be available via the SQC website and social media.

Don't forget that we have a Twitter account – please follow us at [@ScotQualCrops](https://twitter.com/ScotQualCrops)

As always, if you have any questions, please do not hesitate to contact FIA whose details are below, or email me at: Teresa.dougall@scottishqualitycrops.co.uk



Teresa Dougall,
SQC Managing Director

This is how we differentiate ourselves from our competitors



John Hutcheson, newly elected, Chair of SQC

John Hutcheson shares his views on the value of Quality Assurance as he takes on the reins as the new Chair of SQC:

I am very honoured to have been elected chair of Scottish Quality Crops (SQC) at our AGM on 25th January, and I would like to acknowledge the service that Andrew Moir, our previous chair, has given over the last eight years. I take over at a time of significant change and challenge within the farm assurance landscape and look forward to working with Teresa Dougall, our MD, to guide SQC through its next phase of development.

The SQC assurance scheme was founded in 1994 as Scottish Quality

Cereals and was the first of its kind in the world. Changing its name to Scottish Quality Crops in 2007 to encompass all combinable crops, the company then became a stakeholder co-operative in 2020 to maximise sector expertise and collaboration opportunities across the sector.

The scheme was formed in response to a request by the Scottish whisky industry for evidence that cereals being supplied to them were being produced safely and to high quality standards. Food safety, traceability and quality still remain at the heart of these standards which now assure all combinable crops supplying a variety of end users.

Our market for Scottish cereals continues to grow both in scale and in value, led by the drink sector, and we are incredibly fortunate having these high value

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customers on our doorstep. This means that the premium they pay over imported grain, although not entirely visible to the grower, is always there.

In a world where branding can create so much value, primary producers always seem to be at the bottom of the remuneration pile. We receive a commodity price with little opportunity for a greater share of what the customer is paying.

The only hope we have of leveraging more value is to work together and differentiate ourselves from our competitors. Quality Assurance is one tool we have in our box, alongside collaborative marketing, agreeing multi-year supply contracts and enhanced quality conditions. These all must be cost effective and deliverable, and farm assurance is no exception. Standards need to be reasonable and not too onerous while being valued by customers. Here governance is crucial, and I am happy that the SQC board has good cross-industry representation with significant farmer involvement.

As mentioned, food safety is at the heart of our standards with pesticide delivery and crop storage regarded as critical control points. Our customers, however, are now asking for more production information to satisfy an appetite for carbon reduction, an increase in biodiversity and proof of provenance. These are all driven by Legislation, the Environmental, Social and Governance (ESG) investment world and end consumers. The provision of this information, backed up through an assessment process, potentially represents an opportunity to secure a premium over commodity value for our produce, but this is fraught with challenge.

All farm assurance schemes are being asked for 'more' in terms of



sustainability and green credentials. But, as we have seen recently, this is being rejected at grass roots level. This stems generally from grower concerns that voluntary environmental bolt-ons will be gradually assimilated into the main standards with no visible premium.

The backlash has led to a request for a general review of UK farm assurance schemes. But, is such a wide review required? We await a decision on which schemes – and in what areas of the UK – will be included. The lesson, that I suspect we will learn, is that any such departure from long established scheme principles must be introduced with full communication and consultation across the industry and through a governance framework that truly represents the primary producer.

In my view, if a bolt-on is offered it should be customer specific and offered as part of a collaborative marketing contract with a visible premium offered in return. Our customers all have differing needs, and we need to be much smarter with assurance and provision of data so that we can start to provide something that others cannot.

There is, however, still a very valid question as to whether SQC should expand generally into these new areas or leave it to others

schemes such as LEAF. It may be quite appropriate, for example, to incorporate a carbon audit into the main scheme, but in all these additions there must be a clear line of sight to extra value.

In the last 24 months, SQC has carried out a full review of its own Standards, structure and governance, which is part of the Board's ongoing commitment to ensure the scheme is fit for the current market needs and maximises opportunity for growers. SQC will continue to evolve as required. The ideal would be to have an assurance scheme which, where there is overlap, can be used as evidence for other assurance schemes and market requirements, and, as it's the fairly inevitable direction of travel, with a clear measurement for sustainability so a premium can be secured.

I am confident that SQC is well equipped to meet these challenges. SQC's overarching goal is to help growers gain market access and premium prices by ensuring that the standards meet the requirements of the widest and best markets while supporting growers through the assessment process. By taking a pragmatic approach to quality standards, streamlining and leveraging technology where we can, we will continue to place the farmer at the heart of SQC and the industry.



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