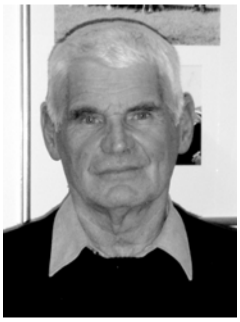

John Cameron CBE, FRAgS

John Cameron has represented Scottish Agriculture, particularly the livestock sector, in many different parts of the world. Taking an early interest in the National Farmers Union, he became Chairman of the Hill Farming Committee followed by several years as Chairman of the Livestock Committee. Subsequently becoming the Union's first long term President in 1978 at the age of 39.

It was during his term of presidency that the union was able to take an active long term role in the affairs of the C.A.P. He was a member of the Agricultural Praesidium in Brussels for five years and was appointed the first Chairman of the EEC Sheepmeat Committee, playing an important part in the formulation of the sheepmeat regulation. He was also appointed Chairman of the Meats Group of the International Federation of Agricultural Producers operating from their headquarters in Paris, and attending many international functions throughout the world, representing and negotiating on behalf of livestock producers. For a year he chaired the government committee set up to examine the future requirements, in terms of research and development, of the United Kingdom Sheep industry.

In 1980 he was awarded the George Headley Annual Award for the person who had contributed most to the UK Sheep industry, and in 1986 he also won the Sir William Young Award for an outstanding contribution to animal breeding in Scotland. He was appointed Chairman (June 1997) of the Scottish Beef Council, representing the Beef Industry in Scotland.

Outside of agriculture, he served for six years as the Scottish member on the main board of British Rail whilst at the same time was Chairman of the British Railways (Scottish Board). His interest in Railways continues as he is currently railway adviser to the Perth based Stagecoach Group PLC and was recently appointed Director of the largest private railway company - South West Trains. He is the owner of Xlner Steam Locomotive 60009 Union of South Africa which still operates on the mainline network. Very much a hands on man, Mr Cameron went through the standard British Rail requirement to become a driver being examined and passed by the senior traction inspector in Scotland.

His home and base for his farming operations is at Balbuthie near Elie in East Fife, where in partnership with his wife Margaret he farms arable, grassland and hill units located from East Fife to West Perthshire. The main interests are 800 acres of cereals, 800 Beef Cows and 10,000 Hill Ewes with all the livestock progeny being taken through to finish. His agricultural policy and practice is based on simple low cost extensive systems of production with particular attention to the welfare of his livestock program.

His other interests are flying and shooting and he has taken part in national shooting competitions at Bisley.

CHANGES IN THE WORLD FOOD CHAIN

BEEF - A PRODUCERS PERSPECTIVE

World Beef Production

- There are only six or seven countries have critical volume
- Large difference in costs of production
- Wide differences in management systems, husbandry, genetics and consequently end-product quality

Which Countries Produce Beef?

Country	Million Head	MM tons	Consumption
USA	96.5	11.4	44Kg/head
EU	80.3	7.5	18Kg/head
BRAZIL	158.4	7.3	35Kg/head
ARGENTINA	49.4	2.8	69Kg/head
AUSTRALIA	26.3	1.9	36Kg/head
CANADA	12.7	1.2	31Kg/head

N.ZEALAND	**9.3**	**.6**	**35Kg/head**

Together they produce 90% of the beef traded on world markets.

Cost of Production Comparisons

•Cost differences are driven by differences in fixed cost per unit of production.

•Not allowing for recent sharp rise in grain prices

Country	Cost/live kg
UK	£1.20
USA	£1.00
Brazil	£0.40
Argentina	£0.50
N.Zealand/Australia	£0.45

The Big are Getting Bigger- Producers

Number of large volume cattle raisers is growing

•10% of cattle raisers have 51% of the cattle –Brazil Feedlot concentration continues

•Top 25 feeders feed 40% of the cattle – US

•Largest companies finish around 1 MM head per year

Outlets for Producers

•Retail concentration

•US –
70% of US beef is sold via retailers
Top 5 control 40% - within 10 years this could be closer to 70%

•UK –

	1999	2003
Live finished cattle markets by auction	43%	20%
Direct purchase by abattoirs	57%	80%

Implications – for UK Producers

•Large players compete primarily on cost – we cannot

•As markets concentrate, there are increasing opportunities for smaller niche producers – like the UK - to offer specialised services such as quality beef in many different forms

•Small producers must be versatile, well capitalised and able to react quickly to changing demands

Modern Meat "Quality" – For the consumer

•Taste is number one

•Consistency of tenderness and flavour is critical

•Identify and establish a specialised niche market – Scotch Beef – 15p premium

•Use both genetics and detailed management systems to appeal to the consumer

•Welfare and animal health standards and natural production are all now recognised

Finally – New Food Safety Factor

•Must create consumer assurances

•Must address real and perceived risk factors

- Must provide a certified system
- Guarantee must include freedom from disease and contamination – source of feeds and non use of hormones
- Source verification is now important to most consumers – who and where and how!

So – Why Specialised Beef?

- Differentiation of Quality
- Increase overall consumer confidence and national loyalty
- Remember not all consumers want the same thing
- The product must be clearly identified
- The label must be the guarantee

Thereby Earn a Market Premium and Remain in Business!