

Borders Eggs Help Farmers and Waitrose to Scottish Success



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food and drink businesses
through collaboration

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Waitrose, part of the John Lewis Partnership, is one of the major food retailers in the UK. It represents 4% of the multiple retail market and has 226 branches nationwide. Its supplier strategy is based on creating long-term sustainable supplier relationships, based on quality, consistency and taste. Its suppliers must operate to very high standards, have strong investment plans, demonstrate dedication and a willingness to take part in research and development to underpin product development and quality.

The company has developed livestock production schemes over the past 20 years which are based on farm assurance standards and which focus on quality and continuous product improvement. Waitrose sets a lot of store by communication and the development of trust in these relationships.

Cackleberry Limited was formed four years ago by a group of three farmers in the Borders of Scotland and now produces 42,000 free range organic eggs for Waitrose stores each week.



DIVERSIFYING FOR SUCCESS

The story of Cackleberry and Waitrose is an exemplar of the company's approach to developing high quality produce and creating a long term supplier relationship, one where everyone involved is clear about their role in what is a success story for Scottish farming.

Guy and Philippa Lee, Giles Henry and James Wauchope are beef farmers who have a good working relationship with each other and with Waitrose as beef suppliers.

The Lees have always been keen to diversify – they also run a game farm and produce a monthly 'exchange and mart' publication for farmers, Agrimart, as well as Waitrose's magazine for its farmers - Farm Link - three times a year.

They began exploring rearing hens and going into egg production. Giles Henry was already rearing hens and James Wauchope and Guy Lee wanted to diversify their businesses. They decided to collaborate, as it would offer them a number of benefits - it meant lower risks for each of them, they were able to

spread the initial investment and they could share best practice, labour and facilities. By collaborating, they were also able to access a larger grant for the business than if each had gone it alone.

The Lee family now has two state-of-the-art hen sheds, which are solar and wind powered, and have 4000 hens. Giles and James also have two hen sheds and 4000 hens each, and Giles has an additional shed for rearing pullets.

Guy already had links with Stonegate, Waitrose's UK egg distributor, and when he approached the company to find out if it would be interested in buying his eggs, he received a very positive response. Waitrose had announced that it was planning to open three Scottish stores – two in Edinburgh and one in Glasgow's West End - and was looking for local egg suppliers, so the timing couldn't have been better.

Cackleberry is now one of the main suppliers of organic eggs to Waitrose's three Scottish branches.

Left to Right: John Sayer (Stonegate); Duncan Sinclair (Waitrose); Philippa Lee (Cackleberry); Richard Kempsey (Stonegate)



Duncan Sinclair, Agriculture Manager with Waitrose, emphasises that communication and understanding of the market and customer is essential to a successful relationship with suppliers and has been integral to the partnership with Cackleberry: "Information and communication are very important," he says, "so that everyone in the chain knows what the end goal is and what their responsibilities are. This often involves taking suppliers to our branches to see what customers are buying, or into our processors or walking the supply chain so they can see what their product goes through before it reaches the supermarket shelves."

In the past, Duncan has found that some farmers have not been keen to give up time to find out more about the customer and develop a relationship with them. But this isn't the case with the egg producers.

For Richard Kempsey of Stonegate it is clear that trust is one of the main foundations of a successful supplier/retailer relationship: "It is a partnership you are aiming to build", he says, "so you put in place mechanisms at key points in the process where you want communication to take place. You then have to work at the trust element and that takes time and commitment.

"It means regular meetings at every level to which everyone contributes time and effort – but the results show in what we have achieved with Cackleberry."

For the Cackleberry farmers, their experience as suppliers of beef to Waitrose helped accelerate the development of trust in the relationship as they felt they had always had fair treatment from the company in the past.

Cackleberry's eggs are produced from flocks of Columbian Blacktail hens. Stonegate began breeding work in the 1990s to find a hardy breed that would suit the free range market. The end result was a cross between a Rhode Island Red and a Light Sussex, which produced a bird which could cope with the vagaries of the British weather, liked to roam outdoors and was a good layer.

The cross breed gets its name from the distinctive ring of dark feathers at the neck and the fact that around half the hens reared have distinctive black tails,

Waitrose was very interested in the new breed and worked with Stonegate to develop the free range



egg market. To begin with, Stonegate supplied one Waitrose store with one egg pack per week and the relationship has evolved into an exclusive partnership which has lasted for a decade.

Giles Henry was the first person north of Birmingham to produce organic eggs with a stocking density of six birds per square metre, so it was a natural progression for Cackleberry to go into free range, organic egg production. Because of the genetic development of the Columbian Blacktail and the way chicks are reared, all of the eggs produced are farmed and certified to Soil Association standard.

Cackleberry also rears birds, the first company in Scotland to become involved in organic, free range rearing. This means less stress for the birds as they don't have to travel long distances to reach the laying farms.

Waitrose and Stonegate have formed a UK producer group – the Guild of Columbian Blacktail Producers - which holds regular meetings around the country. There is representation from all parts of the supply chain and it operates very much as a team. The Guild ensures continuous learning and allows the Code of Practice - to which all the producers adhere - to be continuously benchmarked and improved for the benefit of hen welfare. Discussions are open, with sharing of issues, best practice, market information, production and feed costs, all of which helps the farmers to plan for more efficient production.

Best practice has been taken from the pig sector and a "raw materials purchase" book is being produced to give guidance on the best types and prices. Also in

development is software that will be able to benchmark hen welfare, levels of production, farm profitability and details on the grading of the latest consignment of eggs collected from the farm.

On the producer side, the group has elected a liaison committee, made up of four of the farmers, including Giles Henry, which meets regularly with Stonegate and Waitrose.

EXCELLENT PROVENANCE

As well as the two large hen sheds, the Lees provide plenty of outside space for their hens to roam. Hugo Lee, Guy and Philippa's son, says: "The eggs from these organic hens definitely taste better, the shells are harder and the hens are much happier – they are much less stressed reared in this way."

For Waitrose, the origin of the eggs, from the genetics to the way the hens are kept indoors as chicks until they are between 8 and 10 weeks, before going off to the farmers to roam freely at 16 weeks, fits very well with the company's reputation for high quality food of impeccable provenance.

Duncan Sinclair says: "We have a very inquisitive customer base, which includes a lot of people who are interested in where their food comes from. Therefore, we have to ensure that we are working with groups of farmers who are meeting our requirements, so we can meet our customers' requirements.

"Our customers take the view that the Waitrose brand is a strong brand which they trust – and we've got to deliver on their behalf."

For Duncan Sinclair, the relationship with Cackleberry, brokered by Stonegate, meets all of his requirements in suppliers.

"They are committed, the produce is high quality and they were prepared to invest to achieve that. They deliver consistently and are more than prepared to work with us to deliver for our customers and meet the challenges of the marketplace."

The local origin of their eggs is important to the Lees. Says Hugo: " We are delivering great eggs produced in Scotland, which is something we are very proud of and which is important to Waitrose and to its customers."

The commitment shown by all three parties and the success of the venture is testament to the importance of partnership working and trust in the food supply chain.

And, the whole Waitrose egg supply chain is an excellent example of a fully integrated, highly efficient chain at work.

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