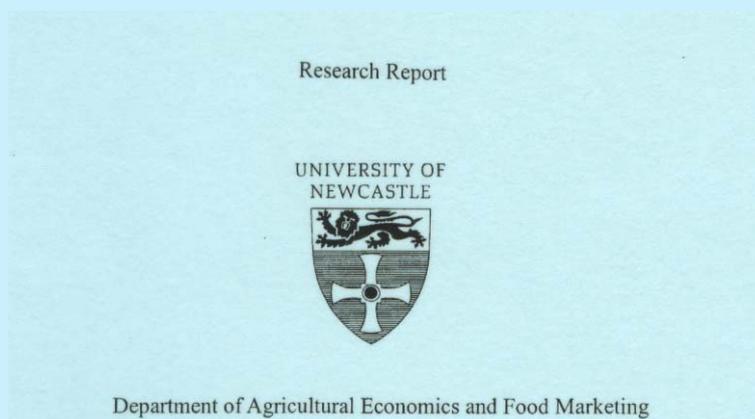




**NATIONAL TRUST BRANDING AND
RETAILING OF LAMB AND BEEF:
A FEASIBILITY STUDY**

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Centre for Rural Economy

Research Report

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Preface

The National Trust (Northumbria Region) commissioned this study from the Department of Agricultural Economics and Food Marketing at the University of Newcastle upon Tyne in June 2000. The report's main focus is the feasibility of the branding and retailing of beef and lamb produced on the Wallington Estate, via National Trust outlets, principally a farm shop at Wallington. The study was completed during July and August 2000 with initial report findings presented to the National Trust Director for Northumbria, Mr David Ronn, on 4th September 2000.

The report has been compiled by Mr Andrew Cattermole, under the supervision of Dr Andrew Moxey, both of the Department of Agricultural Economics and Food Marketing, University of Newcastle upon Tyne, with additional survey input from Miss Amy West, also from the same department.

The authors are grateful to all of those individuals who took part in the various elements of the survey.

Executive Summary

This report details a short feasibility study of sourcing and retailing National Trust (hereafter referred to as the Trust) branded beef and lamb at Wallington, Northumberland. In addition to a literature review, the study involved a series of interviews with farmers and other members of the local red meat supply chain, plus staff at a variety of regional bodies such as the Trust itself, ONE North East and the University of Newcastle upon Tyne. A consumer survey of visitors to Wallington was also conducted. The main findings and recommendations of the study are summarised below.

In its twin role as both a major landowner and owner of visitor attractions in Northumberland, the Trust is well placed to implement production and marketing initiatives within local agriculture. Such a move is to be welcomed given the current depressed state of agricultural incomes and was broadly supported by all interviewees and consumer survey respondents. Although a variety of similar initiatives already exist locally and nationally, the Trust name may offer some specific marketing advantages.

The consumer survey confirmed a potential demand for Trust branded red meat, with a price premium of 10% being acceptable. Perceived quality and the fact that it would be supporting local farmers were cited as the most important attributes of the brand.

Local farmers indicated that they would be willing to participate in the branding scheme, but would require a price premium and/or guaranteed minimum sales volumes.

The introduction of a farm shop as the retail outlet for Trust branded meat sourced from Wallington was also broadly supported. However, some reservations were expressed about the range of other (non-red meat) products that should be stocked.

There was virtually no support for the siting of a new abattoir locally, despite the fact that this would allow the whole supply chain to be kept entirely local. The lack of support was due principally to concerns over the economic non-viability of small-scale slaughterhouses.

To maximise access to the farm shop, and to avoid costly modifications within the existing Wallington buildings, it is recommended that the farm shop be sited in a purpose-built (but temporary) unit in the car park. The total capital cost of this is estimated at £85,000. Staffing costs, for three full-time and one-part-time employees, are estimated to be £55,900 per year.

Data from an existing local red meat retail outlet suggests that weekly sales from a farm shop may total 20 lambs and four cattle. However, this estimate is for an accessible town site rather than a rural location such as Wallington and the consumer survey confirms that these figures may be rather high. Nevertheless, assuming payment of a generous 20% price premium to farmers and charging a 10% premium to consumers, the farm shop would break-even on its operating costs at a relatively modest throughput of approximately seven lambs and one cow per week.

Even if the shop achieves higher throughput than suggested above, the total number of livestock required is likely to remain well below the

output capacity of the Wallington estate. If all 14 farmers participated in the branding scheme, the volumes per farm would be very small and the benefits rather diluted. Therefore it is recommended that supply be restricted to a few farms, possibly only one or two in the first instance, preferably those expressing a willingness to adapt farming practices to suit market needs.

There was some support for marketing produce through mail order or internet channels, an approach already employed by some independent farmers and processors in the region. However, there was a consensus that further research was needed into this and indeed into appropriate promotion and marketing of the farm shop.

The consumer survey suggested that many Wallington visitors would rather purchase Trust branded meat through existing retail outlets, notably supermarkets and butchers, than the farm shop. Moreover, a significant proportion (20%+) indicated a desire to consume Trust branded beef and lamb via a catering outlet such as a pub or restaurant. Therefore it is recommended that the Trust actively consider using alternative market outlets to complement the farm shop.

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1 INTRODUCTION

The Trust is aware that it occupies a prominent position within rural Northumberland. As a major landowner, it has direct influence over agricultural and countryside management issues within the region. Yet, by virtue of its visitor attractions and activities, it also influences the level of consumer '*footfall*', i.e. visits and expenditure, within the rural economy.

Potentially these two roles could be combined. The main brief of this study is to examine the feasibility of branding and retailing local agricultural produce through Trust properties in the area with the aim of retaining a greater proportion of visitor expenditure locally.

Such an approach fits well with current consumer requirements for traceability and quality assurance in food products, but also with current attempts to stimulate sustainable rural economies through co-ordination and diversification activities. Given the highly rural nature of Northumberland, various organisations, including the Countryside Agency, The Regional Development Agency (ONE North East) and the Farming & Rural Conservation Agency appear keen to support such an initiative. Whilst similar approaches have been followed elsewhere by other organisations, the position of the Trust locally, combined with the quality image of the Trust brand name, has the potential to enhance the prospects for success in this region.

To explore the potential for such an initiative, this feasibility study has been conducted based around the Trust's property at Wallington. The study considers three (related) elements of branding and retailing local

agricultural produce, primarily red meat, through the Trust as well as the practical and wider issues involved in such a venture.

The three elements of the study are the feasibility of:

- **A retail outlet** - Wallington is already a successful visitor attraction with a shop and a restaurant. An obvious retail mechanism for delivering local agricultural produce to visitors would be to utilise these outlets, or to complement them with a dedicated farm shop. This study investigates the siting, management and cost issues arising from such a development. It also examines the factors influencing consumers' perceptions of, and attitudes towards, food products marketed as '*local*' or '*regional*'.
- **Mail order delivery** - An additional delivery mechanism successfully employed by many speciality food producers is mail order (also now internet ordering). Again, the study reviews the management and cost issues involved, together with consumer expectations of mail order systems for food products
- **Supply chain management** - In order to retail local produce, the Trust needs to establish and manage a robust local supply chain. This will entail securing the co-operation of local farmers and processors. Hence, this study enumerates potential suppliers and investigates their attitudes towards participating in a Trust branded supply chain.

The absence of local slaughtering facilities has already been identified as a potential impediment to establishing a secure and localised supply chain. Consequently the study also considers the question of establishing an abattoir at Wallington itself.

The remainder of this report is structured as follows, Section 2 describes the methodology employed; Section 3, the current situation in north east agriculture; Section 4, aspects of the Trust; and Section 5 identifies the common themes apparent in the study. Section 6 addresses marketing issues; Section 7, the supply chain; Section 8, the potential market; and Section 9, the business case. The report concludes with Sections 10 and 11 addressing mail order and internet sales and wider issues respectively, with conclusions and recommendations in section 12.

2 METHODOLOGY

The nature and permitted timescale required necessitated a relatively simple methodology. Specifically this was originally detailed as taking the form of a review of the relevant literature and secondary data sources combined with a number of personal interviews with three specific groups:

- A. Trust staff, to identify managerial competence and needs at Wallington;
- B. local farmers and processors, to identify the likely supply base for the initiative and reveal supply chain management issues;
- C. staff at other public sector agencies, to place the initiative within a wider rural development context. This also allows comparison with similar schemes running elsewhere and highlights regulatory controls and funding support opportunities.

The interviews conducted with groups A and C were open-ended and sought to ascertain views based around the headings contained within this report. As each individual consulted often had very different areas of expertise it was felt that a standard questionnaire would be too general in its coverage.

The interviews with group B, the farmers, sought to determine some very specific points. Therefore a questionnaire was designed to establish the current practices, outputs and views of the farmers with regard to the proposed farm shop and Trust branding of local produce. The questionnaire is included in Appendix A.

An assessment of the market research available during the course of the feasibility study revealed that none had been carried out specifically with regard to the farm shop proposal at Wallington despite decisions already having been provisionally made to proceed with the project. Whilst not in the original brief it was felt essential to conduct a small visitor survey at Wallington in an attempt to gauge the potential market and understand the public's expectations of a farm shop and Trust branding of local produce. This questionnaire is included in Appendix B.

The results of the general interviews, farm survey and Wallington questionnaire have subsequently been combined with a literature review to form a narrative discussion of the various issues relating to the retailing and branding of the Trust's beef and lamb products. The discussion attempts to identify the options available to the Trust, drawing conclusions and making certain recommendations. Those consulted for this study are listed in Appendix C.

3 AGRICULTURE IN THE NORTH EAST

The agricultural sector in the UK generally has experienced pressures in terms of declining incomes and markets due to subsidy reform, changing markets and a variety of food scares in recent years. In Northumberland, as elsewhere, the agricultural sector has been in economic decline for some time and a particularly acute farm income crisis has been apparent since 1997. Farm incomes have fallen in recent years going from comparatively high levels to historically low levels (Ward & Lowe, 1999). Specifically, farm incomes in the northern region (Northumberland, Cumbria, Durham and Tyne & Wear) fell for the third year running to an average of £71/ha in 1998/99. Gross output between 1997/98 and 1998/99 also fell by an average of 9% for cattle and 13% for sheep (Scott, 1999).

The total agricultural area in Northumberland is just under 380,000 hectares, representing some 77% of the land area in the county. Of this, 235,000 hectares (or 62%) is designated as having Less Favoured Area status. Over a third of the total agricultural area is under rough grazing, with a further 30% under grassland over five years old, and 25% under crops and fallow. Around 2.1% of the total agricultural area is under farm woodland. There are a total of 1,157 cattle and sheep farms in Northumberland, 852 of which are in Less Favoured Areas (Ward & Lowe, 1999), (see Appendix D).

The catalyst for the farm shop initiative has principally been the continuing crisis in agriculture, which has impacted on the Trust's tenant farmers in the same manner as those outside of their estate.

4 THE NATIONAL TRUST

4.1 Nationally and in Northumbria

The Trust, which celebrated its centenary in 1995, has a membership of 2.6m members and cares for 248,000 hectares (612,000 acres) of land within England, Wales and Northern Ireland plus almost 600 miles of coastline and 200 buildings and gardens. Most of these properties are held in perpetuity, securing their long-term protection (NT, 2000a).

In the Northumbria region, the principal houses are Wallington and Cragside with further significant holdings at Cherryburn, the Farne Islands, Gibside, Lindisfarne, Souter Lighthouse, Hadrian's Wall, the Durham coast and Washington Old Hall. The Wallington estate comprises approximately 5,265 hectares (13,000 acres) including the house, which was built on the site of a medieval castle in 1688 and altered in the 1740s, together with gardens and 40 hectares (100 acres) of woodlands and lakes. The recent Wallington visitor figures are given in Table 1.

Table 1: Visitor data for Wallington 1995-2000

	Actuals	Estimate	Annual
	April-Oct	Nov-Mar*	Total
1995 [†]	104,853	30,000	134,853
1996	94,164	30,000	124,164
1997	95,321	30,000	125,321
1998	94,914	30,000	124,914
1999	102,294	30,000	132,294
2000 [‡]	<i>107,500</i>	<i>30,000</i>	<i>137,500</i>

*These data not measured and based on Property Manager's estimate

[†]1995 was centenary year with associated additional publicity

[‡]2000 data is National Trust forecast

4.2 Trust farming in the region

There are 15 farms on the Wallington Estate, of which one is purely arable. The remaining 14 farms, all producing primarily beef and sheep, vary in size from less than 120 hectares (300 acres) to over 600 hectares (1,500 acres). The Trust also has farms at Cragside and Hadrian's Wall.

4.3 NT aims and aspirations

The principal driving force behind the farm shop proposal appears to be the Trust's genuine desire to improve the market environment of their tenant farmers. In the current harsh realities of modern agriculture the Trust appears to be acknowledging its own influential position within the local economy and is attempting to create innovative solutions.

While its motives are commendable, there may be differing priorities within the Trust itself as to the long term future and aspirations for any new retail outlet. However small in its initial stages, the potential for future growth is evident and therefore the commercial realities of retailing in this manner must be considered carefully. In terms of the future break-even point and subsequent profitability of the shop both the Trust and NT Enterprises (the Trust's commercial arm) may have to accept losses in the short term. The anticipated break-even point of the project is assessed in Section 9.

The timescale and scope of such decisions must be determined by the Trust as the project evolves and, unlike other organisations making purely commercial decisions, they will need to balance profitability of the outlet

against the wider benefits, both in terms of its own tenants and the wider rural economy. Likewise the public relations and marketing value of the project together with other difficult-to-quantify benefits must also come into the equation.

If successful, the farm shop at Wallington can be seen as a pilot project for other similar enterprises both within the Northumbria region and nationally. By the same measure if the shop does not prove viable there is a potential to damage the standing and perception of the Trust. It is with this thought in mind that a certain amount of caution has been advised and the recommendation made that a significant investment in wider market research be considered in order to truly understand this new market.

4.4 Visitor and member perceptions of Trust

A significant factor in the success of any retail venture will be the customers' perceptions of the Trust and what they feel they are buying into when they make a purchase of Trust branded product. Consequently, it is vital to understand what the Trust signifies both to its members and non-members, what quality attributes they connect with it, and whether they are willing to pay a premium.

Whilst general Trust market research data was made available, none had been undertaken addressing the Wallington shop proposal specifically, nor indeed on consumer perceptions of the brand being attached to agricultural products. For this reason a relatively small-scale consumer survey was undertaken, conducted at Wallington during August 2000.

Whilst the scope and scale of the survey was limited it nevertheless provides useful additional data.

But what does the Trust signify to those who visit its properties, whether members or not? There is undoubtedly something quite unique about the Trust which many commentators and interviewees identified as peculiar and very specific to it. Their properties are often perceived as representing all that was good and glorious about Britain in days gone by and a visit to a Trust property today almost always has a number of key components which helps to inspire nostalgic, paternalistic and nationalistic perceptions within the visitor.

The Trust already represents a national brand and within that brand the customer has a perception of what they will get when they visit a property. In understanding these customer expectations the same key features can be identified and used when undertaking a venture such as the farm shop. The brand is as clearly identifiable as McDonalds or Marks & Spencer in as much as the customer understands very clearly what they are paying for and almost knows what he/she is getting before entering the property.

5 COMMON THEMES

A number of factors are likely to be instrumental in determining the success of the Trust's farm shop aspirations:

- The strength of the Trust brand and the implied quality, natural, nationalistic and charitable perception within its potential market
- The quality (both perceived and actual) of the products available
- Strength and integrity of the supply chain i.e. traceability
- The service received by the consumer during the shopping process
- Distinctiveness, exclusivity, authenticity and regional identity of the product

Whilst many existing suppliers in similar businesses may have some or most of these characteristics, the unique selling point here that cannot be copied by others is the Trust name itself. Without exception, those interviewed acknowledged this as the key factor and expressed the view that to have such a powerful, well-known and respected brand puts the Trust in a uniquely powerful position within this sector. This position, however, also makes it very vulnerable within the market as any new development in which it participates will be scrutinised in great detail by both the competition and other commentators, some of whom will not necessarily wish the Trust success here. Consequently, the manner in which the Trust implements its plans needs to acknowledge the potential for failure. Therefore, whilst making the most of its brand name, the Trust should not be complacent about the other factors vital to the success of the venture.

5.1 The strength of the National Trust brand and implied associations

The strength of the Trust's name in other areas is already established and it seems clear that such a venture offers a significant market advantage, as it does not have to create a new brand name in the minds of consumers. That brand is already well known with inherent perceptions of heritage, tradition and patriotism. Red meat eaters, surveyed recently at Wallington (Appendix B) indicated that the two main reasons for buying the Trust's branded meat would be the perceived quality and supporting local farmers. Perhaps surprisingly, given the nature of the Trust's membership, protecting the local countryside featured very low on the list of priorities. Therefore, the concept of branding produce with the Trust's name appears to be universally supported with strong suggestions as to the main reasons involved.

The concept of attaching a brand name to quality beef and lamb products is not new but is currently attracting much attention. Other schemes in the North of England include North Country Primestock (Fearne & Kuznesof, 1994) and the Northern Dales Meat Initiative. Elsewhere, South West Quality Meat (FW, 2000) is promoting beef and lamb from Cornwall, Devon and Somerset and selling to small stores and caterers: strict qualification rules ensure quality is the prime component in adding value to the product. Cotswold Lamb (Garner, 2000) is another new venture that places the emphasis on the regional brand to add value.

All of these schemes are working to similar targets in terms of quality, regional identity, traceability, distinctiveness, authenticity and exclusivity in their attempts to add value to their products. Significantly all appear to have to work hard to establish and maintain the profile of their brand

name, something that the Trust does not have to do to such an extent. This will undoubtedly prove to be an advantage in the market. Indeed, the unique advantage for the Trust in having its own brand so well recognised already allows it a considerable head start over other schemes forced to create their brand from scratch.

The Trust not only has a brand, it also has a ‘*captive*’ market, whilst all other schemes are ‘*products in search of a market*’. The Trust already has potential consumers and knows a lot about these people who not only identify with it as a brand but also share its ethical goals.

Research is available regarding the strength of the Trust’s brand in the general market place. The Trust’s own recent membership survey (NT, 2000c) does reveal some interesting insights about how the Trust brand is received within the existing membership:

- There is generally growing acceptance and appreciation of the Trust’s commercial activities, particularly among younger/newer Members
- However, this does not automatically produce more tangible support - fewer say they are using shops and restaurants
- Mail order also has further potential but the Trust’s catalogue nets mediocre appreciation scores
- Members are happy with the idea of Trust branded goods and say that this can encourage purchase.
- They are more dubious about the Trust’s endorsement of other products and against the Membership base being mailed by outside companies. The implication of this may be that if the Trust really believes in new products and services, it may be better for them to promote them under its own banner

This apparent willingness to accept a wider range of goods under the Trust's banner (as long as they do not include the endorsement of non-Trust products) and the apparent effectiveness of the brand in encouraging purchases would seem to bode well.

5.2 The perceived and actual quality of the products available

From the interviews with officials and advisors quality emerged as one of the overriding issues discussed by those interviewed in the potential success of any retail venture. The consumer survey conducted at Wallington (Appendix B) also found quality to be the overriding consideration when buying meat.

However, it was apparent that various groups and individuals had different concepts of what quality meant to them. These expectations should be considered carefully when addressing which quality issues will be important to the Trust's potential customers.

Interviews with those linked with the meat industry and development agencies identified a number of common components that they felt to be an integral part of quality. These were (in no particular order) image, integrity, consistency, flavour/tenderness (of which ageing, storing & hanging are crucial), butchery standard, origin/regional and traceability.

Undoubtedly, quality is an inherently difficult concept to define, thus potentially leading to confusion in its application (Morris & Young, 2000). In terms of the standards that the Trust needs to achieve, it must

address all of the areas above and be willing to employ external expert advice, as and when necessary. Considerable expertise in many retailing fields is evident within the Trust but it should be acknowledged that this would be a new venture within the Trust and that internal management may not necessarily be fully qualified to deal with all aspects of the project. Quality may quickly fall if any of the above areas are neglected and, certainly, the need for a skilled fieldsman to select the animals and very skilled butchers to prepare the meat must be seen as priorities.

There are at least 40 quality assurance schemes in operation nationally which apply to on-farm production of various products (Morriss & Young, 2000). Of the farmers interviewed on the estate, only three are not members of Farmed Assured British Beef and Lamb (FABBL). One had allowed his membership to lapse (but intends to rejoin), another has allowed his membership to lapse as he plans to convert to organic and join the relevant organic assurance schemes and one simply felt that FABBL was not worth the extra time and costs.

The results of the farm survey revealed a consensus that membership of schemes such as FABBL is important simply because *'everyone else is a member'* but that the worth of the schemes was not commensurate with the added cost and administration time involved. A survey carried out by Farmers Weekly in 1998 would seem to back this up with comments such as *"producers would be happier if they felt FABBL had more credibility, but many worry it is little more than a rubber stamp"* and *"FABBL is no more than a marketing gimmick set up by retailers who realised they would not have to contribute to it...it does not cover anything that is not already in place on farm"* (FW, 1998). The feeling that high quality and welfare standards were already the norm was also expressed by the

Wallington tenants. The importance and value of the Trust's produce displaying membership of FABBL should be considered. It is perhaps also important for the Trust to be seen as being on-side (for public relations purposes) and lending its credibility to FABBL.

It can be surmised that these schemes provide a marketing advantage, but the existence and magnitude of this advantage does not appear to have been verified (Wright, 1997). There is some evidence that they appear to operate by improving consumer confidence (Walley, Parsons & Bland, 1999). Products with established reputations for meat quality and controls governing production e.g. Aberdeen Angus beef, do appear to be benefiting from increased demands for quality assurance (Wood, Holder & Main, 1998).

On the other hand, consumer research shows that in terms of quality, personal involvement is more important than official certification of quality, which is often seen as unnecessary and of little benefit. A reputation for quality has to be earned and is best signified by repeat purchases and customer loyalty (Ilbery & Kneafsey, 2000; and Section 5.4). This is a view that perhaps supports the consensus within the estate farming community that the Trust must ensure consistent products.

It is therefore felt unnecessary for the Trust's product to carry any further assurance accreditation other than FABBL as this combined with the quality perception already attached to the Trust's name will provide the necessary consumer guarantees. It is recommended that the Trust specifically avoid attempting to create a new '*quality*' or '*farm*' assurance scheme as the administrative costs are not warranted and it is unclear as to whether any extra marketing advantage would be achieved. If the

retailing becomes successful, it is anticipated that the Trust's branded product will quickly come to represent a quality mark in itself without the need for additional extensive codes of practice.

5.3 Strength and integrity of the supply chain

The advantage of a short and easily manageable supply chain is a major advantage to the Trust both in terms of administering the project and providing significant marketing advantages. The one missing link in supply chain integrity is the need to slaughter away from the estate. All other activities from lambing through to butchery and retail sale will take place under Trust supervision and will, consequently, represent a very traceable, robust and transparent supply chain.

Section 7.6 examines the case for establishing local slaughter facilities. In the short term, this does not seem a feasible option. Instead, to ensure the supply chain integrity, the Trust would be advised to place monitoring responsibilities upon the appointed fieldsman, to check on best practice at whichever abattoir is chosen. Whilst it would be unreasonable to suggest that all abattoirs do not have a well monitored operation, there is certainly a feeling amongst the tenant farmer community that '*differences*' can sometimes occur in terms of animals tendered for slaughter and carcasses subsequently received.

Having established such a robust supply chain under its own management then it is important that the virtues of that supply chain are used by the Trust to the best marketing advantages (see Section 6 for further discussion regarding marketing).

5.4 The service received by the consumer during the shopping process

An essential part of the consumer experience being offered will be the quality and perceived value of service and additional services offered. Value is not just delivered by products but through all primary activities such as inbound logistics, operations, outbound logistics, marketing and sales and service (Mai & Ness, 1999). Whilst it is likely that mail order may be a longer term proposition, the shop should offer the facility to take telephone freezer orders in advance. Similarly added value services need to be considered in terms of recipes for the preparation of foods, possibly in shop demonstrations, samples and custom butchery if required.

The delivery of this added value service will engender loyalty and consequently repeat purchases. Loyalty enhances profitability through an increase in the scale and scope of the relationship with loyal customers, lower customer recruitment costs, reduced customer price sensitivity and lower customer servicing costs (Hallowell, 1996).

5.5 Distinctiveness, exclusivity, authenticity and regional identity of the product

Much recent literature has highlighted areas which are vital to the success of regional speciality products. The Northern Upland Red Meat Initiative (NURMI, 1998) is a useful point of reference. The main factors identified it to enhance the prospects of the red meat chain in the region were:

- **Distinctive products** – strongly suggesting that distinctiveness can only be based upon the origin of the products giving it character. This

character includes where and how they are produced and the networks and systems used to move these products through the marketing and processing chains to the end user.

- **Integration throughout the marketing chain** – including more vertical co-operation (producers through retailers) with emphasis on the value of auction marts in assurance and badging of products.
- **Originality of the trade** – concentrating on the independent trade because major multiples are unlikely to be willing to pay for such distinctive products.
- **Strong association with the location, culture, society and landscape** – the marketing combination of quality and product origin is suggested as providing a leading edge to the current market which might encourage development of the whole marketing system.
- **Positional products** - their value deriving from their status and exclusivity allowing individuals and groups who purchase these products to differentiate themselves from others by the products they buy.
- **Authenticity** - labels are not enough, this has to be conveyed through strong networks and personal relationships between final consumers and primary producers.
- **Future innovations** – the ability to use modern methods and technology in terms of stock selection and breeding, for example must be investigated to maintain the value and significance of these products.

Consumers make ready and positive associations between places and foods. These associations are enhanced by notions of authenticity, heritage and tradition (Kuznesof, Tregear & Moxey, 1997). The ability

therefore of the Trust to emphasise the distinctiveness of its branded produce with the Northumbria region should enable it to maximise consumer perceptions of tradition, heritage, and authenticity with subsequent transfer of those perceptions into retail purchasing.

Perceptions of authenticity can be reinforced by the degree of personal service and by situational factors affecting regional food purchases. Kusnesof, Tregear & Moxey (1997) discuss how the purchasing of products from delicatessens and specialist outlets is readily associated with purchasing regional products, thus enhancing perceptions of authenticity. This emphasises the need for the Trust to create the correct ambience and buying experience.

Fearne & Kusnesof (1994) detail what aspects of quality consumers sought when buying lamb, in a study looking at consumer attitudes to, specifically, Northumbrian lamb. In this study, when judging for quality colour was the main indicator. Interestingly price was not seen as an indicator of quality nor was fat. The perception of packaged meat being inferior to butcher's meat seemed evident also. This study also produced evidence that when faced with a choice of branded meat products, '*Northumbrian Lamb*' was the primary choice which exuded '*quality*'.

6 MARKETING

6.1 The Trust's understanding of the market

The market for the consumption of beef and lamb in the UK currently stands at an estimated 906,000 tonnes of beef (inc. veal) for 2000 equating to an average annual per capita consumption figure of 15.2kg. This is slightly down on 1999 but shows a steady increase since 1996. The estimated consumption of mutton and lamb for 2000 is 368,000 tonnes equating to an average annual per capita consumption figure of 6.2kg (MLC, 2000). This also is slightly down on 1999 with data over the last five years indicating fairly steady consumption levels (see Appendix E for trends in meat consumption).

The interviews with both Trust management and external contacts reveal that the Trust requires considerably more information about the specific market in relation to the farm shop initiative. Data are available covering the profiles of current Wallington visitors (Section 8) and more general membership information. However the decision to undertake the farm shop needs to be supported with considerably more market research.

6.2 Previous Trust Food Shop proposal at Dunham Massey

The Trust has recently been considering a proposal for a food shop at Dunham Massey in Cheshire. It would seem that the driving forces behind this venture and that proposed at Wallington are significantly different. Dunham Massey was selected from a number of properties as the best one to trial the Trust's first food outlet with benefits to farmers being only one of the perceived benefits, and not necessarily a primary

one. The Wallington proposal is very different in its concept with the need to improve farm incomes cited as its primary driver.

At the time of writing it would appear that the Dunham Massey proposal will not now go ahead. One of the reasons for this would appear to be the lack of substantial amounts of local product being available from the estate farms. Wallington will be able to benefit from its core tenant farmer output in a way that Dunham Massey could not and because this core product can be branded as a Trust product there would seem to be a more substantial opportunity to capitalise on the issues of regionally identified quality foods, combined with the Trust's branding of these goods.

The groundwork for the earlier project also has value to this study as it illustrates the issues which were felt to be key to the project's success and a similar decision making process appears to have been undertaken as has had to be undertaken during the Wallington study. The Dunham Massey work supports many of the points made within this Wallington study, specifically with regard to:

- keeping things simple
- using estate products as main driver
- ensuring effective but simple point of sale packaging
- marketing the outlet effectively
- researching other existing outlets (although no mention of market research)

As with Wallington, the site and design for the Dunham Massey shop was considered in detail, including a new building, and the recommendation

was made to base the shop within the existing ticket office for reasons of visitor exposure and capital cost.

6.3 Competition

In terms of direct farm shop competition there are four within a reasonable distance (20-30 minute drive) of Wallington and most likely to compete directly in terms of similar meat product lines. All of these shops appear to be better positioned than Wallington in terms of proximity to major roads and population centres. There are also a few farms in the country selling via the internet.

Some local butchers are also likely to be competing in terms of quality Northumberland beef and lamb products, again within a similar distance as indicated above. These may include butchers located in the larger population centres such as Hexham, Ponteland, Alnwick and Morpeth.

Farmers' markets are another potential source of competition. In their current guise, they are a fairly recent phenomenon, with first opening in 1997 in Bath. But the idea is not new and is merely a re-establishment of an old tradition that almost died out in post-war Britain (MAFF/FRCA, 1999), but not in countries such as France which has 6,000 weekly '*vente directe*' markets (Gilg & Battershill, 1998). Whilst up to 25% of the early UK farmers' markets were unsuccessful (Hurst, 1998), many are now flourishing.

Local farmers' markets will, undoubtedly, have some impact on the Wallington farm shop, but to what extent is currently unclear. They seem to indicate a general rise in public awareness about food quality and

safety and should perhaps be seen as an indication of a gathering interest in non-supermarket foods. Part of their attraction would seem to be the novelty and transaction experience. Regular farmers' markets can be found locally at Hexham, Morpeth, Alnwick and a trial monthly market has taken place in the Bigg Market in Newcastle in September 2000.

The elements which these types of market have in their favour are the novelty value, direct interface with the producer, visitor experience, regional foods (not necessarily always promoted with a quality angle) and value for money. Wallington should aim to compete on all of these aspects in the knowledge that it has the additional unique attribute of the Trust brand as well as being accessible throughout the week whereas farmers' markets tend to occur weekly at most. Some aspects of quality may be to the advantage of Wallington, as the current regulations in terms of meat temperature control and presentation at some farmers' markets appear to be inconsistent.

6.4 Interpreting the Trust's vision to the consumer

The proposal has a strong vision and a concept borne from a desire to help its tenant farmers. Whatever happens the Trust should not lose sight of this initial concept.

The shop will be able to generate custom from its current visitors but needs to realise the potential to expand by attracting new customers. How that market is targeted and informed of the concept will be an important factor in the commercial success of the shop and therefore in realising the Trust's original vision.

The design and location of the shop is very important but equally important is the manner in which the Trust informs the customer of its vision. The shop must be able to communicate the message that it is selling quality produce from the Trust's estate, even identifying individual supplying farms, and explaining what the purchase of that produce represents. There is a need to tell the consumer that by making a purchase as well as buying a quality product they are directly helping local farmers, the Trust and in turn that added income will be reinvested into the farms and countryside that constitutes the beauty of Northumberland.

This message can be conveyed in a number of ways including packaging and promotional material, leaflets, interpretation facilities in the shop itself and other more innovative methods (perhaps even have the farmer or farmer's wife in the shop talking to customers on some days?). What is clearly evident is that, however worthy the concept behind the shop, if the consumer is not fully informed of all of the components contributing to the perceived added value of the product, they may not feel satisfied in paying the expected premium prices.

7 SUPPLY CHAIN

7.1 Number and identity of potential suppliers

Within the Wallington Estate there are 14 farms producing beef and lamb that have the potential to supply produce to a farm shop at Wallington. Only 13 of the 14 were interviewed, as one farmer (farm 14) is due to retire and it will be the decision of the new tenant whether to participate in such a scheme.

7.2 Supply/demand

There are a number of options open to the Trust's management with regards to the sourcing and supply of beef and lamb for the Wallington Shop. In terms of initiating a robust and traceable supply chain, the supply should ideally be limited initially to the 14 farms within the Wallington Estate. Based on the farm interviews the potential annual supply of animals available for sale to the Trust from the Wallington Estate is:

Lamb	11,100 animals per annum
Beef	1,723 animals per annum

This could be backed up with a contingency to expand the supply base to other Trust farms within the region (e.g. Cragside and Hadrian's Wall) should elements of excessive demand or unavailability of supply occur.

A number of key areas have been identified during this study as requiring further thought with regards to the initial supply base and the issue of year-round supply. As illustrated in Table 2 there is currently limited

availability of lamb during much of the months of April and June with no availability at all in May. Adjustments to the lamb management programme in future years can address this issue.

For logistical, cost, and time constraint reasons it would seem apparent that to spread the supply over all of the farms on the estate would be impractical and inefficient. The expected level of sales would suggest that, in principle, only one farm's output would be needed to meet the shop's requirements. However to supply the shop from only one farm would not necessarily be in the spirit of what the Trust is trying to achieve. Therefore a solution should be sought which balances the needs of the shop and the practicalities of involving a number of interested tenants.

The additional input from the farmers in terms of change of practice and additional labour costs, as well as the original farm premiums aspired to, will need to be accounted for in the final price agreed. A premium over the average market price, and the general Trust premium, is suggested to engage the farmers' interest for their added efforts and to demonstrate the added value potential of the farm shop scheme. Depending on the farmers involved the general Trust premium may be sufficient in the farmers' eyes to compensate for additional costs. However, if subsequent contracts with other farmers, for animals not subject to additional finishing, still secure the same premium, some resentment may occur between farmers. It is evident that specific arrangement will have to be made to deal with year one issues, which may entail additional costs. Until the true market can be ascertained, the Trust should not enter into any long-term contracts.

Table 2: Annual beef and lamb production data for Wallington estate

LAMB	Annual avail.												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	900												
2	900												
3	700												
4	740												
5	800												
6	650												
7	750												
8	750												
9	610												
10	700												
11	600												
12	1000												
13	1000												
14	1000												
Total for sale	11100												
Average	793												

CATTLE	Annual avail.												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	55												
2	200												
3	55												
4	85												
5	85												
6	68												
7	80												
8	375												
9	10												
10	60												
11	10												
12	350												
13	200												
14	90												
Total for sale	1723												
Average	123												

Shaded areas represent monthly availability of stock

N.B. Where estimates such as 650-700 have been given a mid point figure has been used i.e. 675

Farm 14 figures based on data from the son of the retiring tenant

It is suggested that the Trust should negotiate directly with the farmers outlining the need for quality and continuity of supply and should be willing to pay a premium, as discussed earlier, for the best animals over the prevailing market rate. The level at which that premium is set should aim to reflect factors including the Trust taking the best animals and the final perceived profit margin that the product will achieve for the Trust at final point of sale. Some suggestions on premium levels are discussed in Section 9.

7.3 Farm views on involvement in project

None of the farmers on the estate specifically objected to participating in the farm shop project. Varying levels of confidence in the shop's success were expressed and some farmers stated that they would require minimum quantities and prices before becoming involved (see later sections).

The true test of the shop's ability to produce significant profits to allow for the continued availability of premium prices will be the only real way to demonstrate to the farmers the potential advantages. It would seem likely that those farmers more willing to become involved at this early stage will be those best equipped to benefit themselves and the Trust in the long run.

7.4 Price premiums and contract guarantees

In general terms the farmers on the estate appear to appreciate that the shop initiative is a well-intentioned attempt by the Trust to assist the current agricultural market for its tenants. As such the venture is

generally supported but there is also a strong feeling that, whilst well intentioned, the likely demand for the shop and consequently animals from the estate tenants is perceived as unlikely to impact significantly on individual farm incomes.

This view is very dependent on what demand is generated by the shop and any associated direct marketing initiatives and at this stage the question cannot be fully addressed without a significant amount of market research.

There is no strong desire amongst the tenants to become involved in exclusive arrangements with the Trust. However their perceived level of demand raises concerns about the likely minimum quantities needed for each farmer to believe the venture worthwhile. Three farmers stated that they would be able to supply small quantities with no minimum numbers. One farmer felt unable to comment whilst another farmer stated "*the job just isn't worth it*". The remaining eight farmers felt able to indicate a desire for minimum quantities of varying amounts such as, "*50% of output*", "*40 lambs and 4 cattle per week*", "*100 lambs per year*", "*15-20 lambs & 4-5 cattle per week*", "*8-10 lambs at a time*" & "*30 animals at a time*".

The requirement for minimum quantities appears to be mainly based upon transport to abattoir issues and whether the terms that the Trust is willing to offer can improve on the existing market prices currently available to the farmers. On this basis a number of important issues need to be addressed within the estate supply base in terms of how supply contracts are offered. The allocation of supply orders will need to be handled with considerable thought and tact.

During the farm interviews all of the farmers consulted indicated a willingness to become involved in the farm shop proposal. All would expect at least the market rate for their animals whilst most would expect some form of premium on the understanding that there was likely to be an added ‘*hassle*’ factor and the Trust was likely to be taking the best animals.

The general expectations in relation to the premiums desired were fairly modest with those who were willing to detail figures generally only looking for an additional 3-5%. Nevertheless if this scheme is to truly impact on farm incomes then the Trust needs to be able to commit to larger premiums giving real incentives to the tenants. Their management understands that unless the premiums are substantial the true impact will be limited. A premium of 20% over average farm prices has been used in the later illustrations and such a figure, whilst substantial, may be sustainable (see Section 9).

7.5 Transport issues and costs

As a percentage of the overall costs involved in the supply chain, transport is not a major cost. However for reasons of clarity the costs are detailed in the Table 3. The transport costs from farm to abattoir are included within the general cash flow data table in Section 9.

Table 3: Transport rates (per animal) from Whitley Bay abattoir to shop

Cattle	£7.50 (1.5% of dead-weight sale price)
Lambs	£1.05 (3% of dead-weight sale price)
Pigs	£2.00 (for reference purposes)

Source: J. Stephenson, Hadrian Farm Meats

7.6 Slaughter issues at Wallington

The nearest, regularly used slaughter facilities to Wallington are Whitley Bay, Felling, Sunderland and Carlisle. A significant proportion of animals sold at the local marts are transported much further afield, often to Anglesey and Devon. In the past 10 years or so, there has been widespread closure of small, local abattoirs, particularly under the pressure of new hygiene regulations (Kennard & Young, 1999; Baines & Harris, 2000). The resultant need to transport livestock over great distances poses significant issues for both animal welfare and sustainable development. It also undermines efforts to promote and market locally distinctive produce.

Martin Drury, the Director General of the Trust at the time, has been quoted as saying, *“The National Trust is strongly in favour of supporting the production and supply of locally produced beef and lamb. Such marketing will be practically impossible if proposed inspection charges force small scale slaughterhouse to close”* (Kennard & Young, 1999). There seems to be a will within the Trust to counter these trends.

The study briefly considered the question of establishing a small slaughterhouse at Wallington itself. The ability to promote the Trust’s branded meat as having a complete supply chain within the confines of the Wallington estate would offer significant marketing opportunities. However, the likely initial throughput of the Wallington shop would not justify the significant investment required. There was little support for the idea among professionals and farmers interviewed, most of whom expressed scepticism concerning its feasibility in financial or planning terms.

Perhaps understandably, given their role in keeping value added in the region, ONE North East alone were keen to promote the idea of a small new abattoir locally. That organisation would certainly be in the best position to encourage the investment required and confirmed that grant aid would be available in various forms. The Meat & Livestock Commission estimate the cost of a new small abattoir to be in excess of £1 million for a small facility. An alternative would be a mobile abattoir. This is a relatively new concept with little data supporting its long-term viability. While detailed costings are not available each base station (minimum requirement of two) is likely to cost around £100,000, with the mobile unit itself being estimated at around £300,000 according to the Meat and Livestock Commission.

Finally, the nature of the site at Wallington and the sensitivity of the Trust's customer base would preclude the siting of a slaughterhouse within view of the main visitor attractions at Wallington. The Trust understands this and has made it clear that any possible proposal would involve redundant buildings well away from Wallington. This is supported by Meat and Livestock Commission research revealing that consumers do not want to make the link between killing animals and meat (Morriss & Young, 2000).

In the light of the forecast of future abattoirs being large, factory-type establishments supplying large-scale meat retailers only (Kennard & Young, 1999), opportunities may present themselves to the advantage of organisations such as the Trust. In the long-term a market may establish itself for a smaller abattoir servicing the producer-retailers and small butchers.

8 POTENTIAL MARKET

8.1 Wallington visitor profile

In 1999, 102,294 people visited Wallington between April and October, a further 30,000 are estimated to visit the gardens outside of these months. Based upon recent survey work (NT, 1996) we are able to draw a number of conclusions about these visitors relevant to the potential initial market for the proposed Wallington Farm Shop.

- 97% of visitors arrive by car
- Only 10% of visitors travel over 50 miles with 42% travelling between 15 and 24 miles and a further 33% travelling between 25 and 49 miles. From this we can conclude that 90% of visitors to Wallington travel a maximum of 49 miles
- 72% of visitors travel from home, 28% do not
- 66% of visitors come to Wallington for a day visit whilst 27% were on a holiday. The remaining 5% were passing through or visiting friends
- The gender split is 56% female and 44% male
- The age range is strongly weighted to those over 40 with only 4% of adult visitors being under 40. The age distribution is fairly evenly split across the 40-80 range, with roughly 25% in each 10 year banding
- 22% of visitors are children under 16, leaving an adult market of 78%
- 78% of visitors are Trust members, 22% are not

Based on the above data the potential market for the Wallington Shop can be characterised as adults who own cars, who are roughly evenly split

between the sexes and range evenly in terms of age between 40 and 80. Two thirds of these people are making day visits and the majority are travelling 49 miles or less to get to Wallington.

The more recent visitor survey (Appendix B), specifically addressing the issue of a farm shop at Wallington, broadly supports the visitor profile indicated above in terms of age, distance travelled and income. It is also apparent that the bulk of visitors are repeat visitors who have been to Wallington and other Trust properties many times before.

Only 78% of visitors eat red meat, which is predominantly purchased at supermarkets or butchers. Of those buying red meat, 69% of respondents cited quality as the major influencing factor, over value for money, place of origin and health.

The majority of the red meat eaters (74%) have visited farm shops before but, perhaps more importantly, only 43% said they would travel to Wallington just to buy goods at the farm shop. In terms of the frequency of farm shop visits by red meat eaters, the largest grouping occurs with 39% of the red meat eaters who would visit once every 6-12 months, 13% once every 4-6 months, 28% once every 2-3 months and only 20% once a month. Only 1% would visit once a week and none more often than that. When these figures are considered it can be suggested that of the current Wallington visitors, only a relatively small proportion will use the shop, and that may be on an infrequent basis.

As stated earlier, the available market data for those likely to use the shop who currently do not visit Wallington is limited. However, a very crude estimate based upon the general views revealed during the study would

seem to indicate an approximate shop visitor split of 50:50 between existing visitors and new customers once the shop is established.

8.2 Population demographics for local area

Using the mileage banding data as in the Trust's own 1996 survey, 90% of visitors travelled up to 49 miles to Wallington (NT, 1996). This distance encompasses all of Northumberland and Tyne & Wear, an area of the Scottish Borders, the northern half of County Durham (including Durham city) plus part of Cumbria as far as Brampton and Alston. The populations thought to represent the '*local*' market fall within the 0-14 miles banding (or roughly 20 minutes drive) and this population totals approximately 39,000 people (HMSO, 1992).

Significantly larger populations exist outside of this distance. However there is little evidence to suggest that the regular meat buying customers, to which the Trust aspires, will travel further than this distance. A proportion of trade will be secured from visitors primarily visiting the house, who do travel from further away, but make more infrequent visits (no more than two or three per annum) (Appendix B).

The 0-14 mileage banding encompasses a number of reasonably sized settlements with some significant tourism activity e.g. Bellingham, Elsdon, Rothbury, Longhorsley, Longframlington, and Amble. Bigger towns also include Corbridge, Hexham, Ponteland, Alnwick and Morpeth. It is recommended that any promotional material be targeted in these areas as they are likely to produce a significant proportion of the potential farm shop market. The Trust also has a retail outlet in Hexham.

It would seem an ideal location to test the market in terms of retailing prepared produce outside of Wallington e.g. pies, sausages, with a small in-store chiller cabinet.

9 COMMERCIAL ANALYSIS

9.1 Location and type of shop

If the shop is to be truly perceived as a '*farm shop*' it will have to meet certain expectations from the customer in terms of its layout, appearance and their expectations of the products sold and service received. The options apparent for the siting of the shop will need to consider whether it should be located in an existing, new or temporary building. In order to maximise the potential of the existing visitor base, the shop should be located within the Wallington House grounds or preferably in the house courtyard itself.

Interviews with various food professionals suggest that a successful Trust farm shop should have an historical and nostalgic appeal with traditional butchers dressed as they would be expected to be and the customer informed of the implications of his or her purchase. If it is made clear that these implications include increasing farm incomes, helping to bring new enterprise to the countryside and helping the Trust as a whole, a significant added value can be achieved.

The same professionals felt that the shop should exude quality in terms of the appearance of the staff and their level of service and it should be fitted out to look traditional with the use of old pictures and utensils as decoration. There should be clear interpretation on the provenance of the meat, possibly signs detailing from which farm that day's meat had come. This interpretation should emphasise the key factors about regional speciality products, the quality, regionality, exclusivity and distinctiveness of the product promoted by the level of service, quality of

cuts and packaging and even the customers' expectation that quality is indicated by a higher price.

It would be inadvisable at this stage to construct a new permanent building. The capital costs of such a project would be considerable and planning approval may be difficult to obtain. Whilst there is confidence within the Trust of the potential for success it should be acknowledged that this is very much a new and uncertain venture. It would seem more prudent therefore to consider the use of a temporary structure, or the sympathetic conversion of existing buildings, in this initial set-up phase. Wallington is scheduled for a major redevelopment of its retailing area in 2003. By then the viability of the shop will be known, allowing for long term decisions to be made as to the need for a new permanent location.

It is generally accepted, both within the Trust's management team and by other commentators, that the farm shop must be accessible to the general public without having to pay an entrance fee. The loss of potential custom by locating within the pay area would appear to be enormous. This view is supported by the recent visitor survey (Appendix B), which indicates that 94% of the red meat eaters consulted believe that people should be able to use the farm shop without having to pay to enter the Wallington property itself.

Any relocation of the pay point would however mean a likely downturn in the apparent number of visitors to Wallington as only those through the payment area are measured. True visitor numbers could well increase but a not insignificant impact of the reduction of apparent visitors would be a corresponding reduction in the funds derived from Trust central funds by means of the Member's Credit of £2.50 per member. The Wallington

staff have suggested a possible 20% fall in Members Credit income which at Wallington would equate to around £40,000 per annum. Of course, any such loss of Member Credit would be offset by increased sales at the retail facilities. Overall visitor numbers should be monitored to gauge the effect of the shop's establishment. It may be that the Trust will need to review its method of supplying central funds to its properties.

9.2 Set up costs

Preliminary enquiries suggest that the likely approximate capital expenditure to facilitate the purchase and erection of a high quality temporary module, clad with timber, for use as the farm shop, storage and processing facility will be in the region of £85,500. This figure is broken down as follows:

Table 4: Capital costs for temporary timber clad structure

Temporary module for shop, inc. counters, prep & cold room	£35,000
Equipment	£30,000
Single phase electricity transformer	£10,000
Septic tank	£ 3,000
Timber cladding and concrete base	£ 7,000
Water supply	£ 500
Total capital cost	£85,500

9.3 Overheads

The likely additional overheads for the shop are contained in Table 7 and include business rates, electricity, gas, water, waste disposal (bones etc.), unforeseen variable costs and capital repayment over five years.

9.4 Profitability/break even point

A projected 5-year plan for the shop is attached to give some indication of the incomes and expenditures predicted with the limited available information. A number of assumptions and estimates have had to be made, and therefore these figures should be taken as indicative only.

The predicted demand figures have been determined by looking at the sales of other outlets and making an assessment of the likely demand from the existing visitor base using the recent survey (Appendix B). This forecast is deliberately more pessimistic in terms of predicted sales than the current throughput of a comparable unnamed quality local outlet used in this survey, but allows for a realistically low start with demand building steadily. The figures are based upon a first year demand for 10 lambs and 1.25 cattle per week average. Sales growth is calculated at 10% per annum. Based on the average kill out weights (available usable meat) of beef and lamb the total meat sold in the first year is detailed in Table 5.

Table 5: Kill out weights and total meat equivalent

Av. Kill Weights	Kg	Total Kg
Lamb	20	10,400
Beef	300	62,400

Within the prices in Table 7 a generous 20% farm price premium has been allowed for. This figure may be above what the Trust wishes to pay but by setting it at this level it can then be ascertained whether such a large scale premium is sustainable. If not, the premium can be adjusted

within the spreadsheet to vary the break-even point. Many factors will influence prices but for illustrative purposes Table 6 shows how that 20% premium would affect prices based upon the 1999 Meat and Livestock Commission averages (MLC, 2000).

Table 6: Livestock price premium increases

	1999 average	+20%	Difference
Sheep			
p/kg lw	84.4p/kg lw	101.0p/kg lw	+16.6p/kg lw
Av 40kg animal (ea)	£33.76	£40.40	+£6.64
Beef			
p/kg lw	94.4p/kg lw	113.3	+18.9p/kg lw
Av 500kg heifer (ea)	£462.00	£554.40	+£92.40

Source: Meat and Livestock Commission (2000)

The premiums in Table 6 are very large compared to those prices currently being achieved but the figures in the Table 7 indicate that the Trust could pay such premiums and still make a long-term operating profit at the shop.

The comparison quality meat outlet used has a target of 50% gross margin for their meat produce, which is felt to be reasonable. The added value of the Trust's brand should place its target gross margin even higher. The figures in Table 8 indicate an average retail gross margin above that of comparison outlet, at between 55%-60% for beef and lamb (MLC, 2000). Consequently, for the purposes of this illustration the gross margin has been set at 57% based upon the predicted Trust premium pricing. Because the gross margin will be calculated on premium farm prices the relative difference between the 50% of the comparison outlet and the Trust's figure of 57% will be wider than it would first appear and will equate to a premium of around 10% over

average retail prices. This equates to the maximum premium most people will pay (Appendix B)

Table 7: Cash flow forecast for Wallington Farm Shop

	Year 1	Year 2	Year 3	Year 4	Year 5
Sales (increasing +10% pa)	£	£	£	£	£
Beef	82,883	£ 99,099	£ 109,009	£ 119,910	£ 131,901
Lamb	48,318	£ 57,772	£ 63,549	£ 69,904	£ 76,895
Sub total	£ 131,201	£ 156,871	£ 172,558	£ 189,814	£ 208,795
Stock (demand +10% pa)					
Beef from farm	£ 36,036	£ 39,640	£ 43,604	£ 47,964	£ 52,760
Lamb from farm	£ 21,008	£ 23,109	£ 25,420	£ 27,962	£ 30,758
Sundry purchases	£ 6,500	£ 7,150	£ 7,865	£ 8,652	£ 9,517
Sub total	£ 63,544	£ 69,898	£ 76,888	£ 84,577	£ 93,035
Wages (+2.5% pa)					
Full time	£ 44,500	£ 45,613	£ 46,753	£ 47,922	£ 49,120
Seasonal	£ 7,500	£ 7,688	£ 7,880	£ 8,077	£ 8,279
Fieldsman	£ 3,900	£ 3,998	£ 4,097	£ 4,200	£ 4,305
Sub total	£ 55,900	£ 57,298	£ 58,730	£ 60,198	£ 61,703
Processing (+2.5% pa)					
Slaughter*	£ 9,880	£ 10,127	£ 10,380	£ 10,640	£ 10,906
Transport to Wall'ton	£ 1,326	£ 1,359	£ 1,393	£ 1,428	£ 1,464
Sub total	£ 11,206	£ 11,486	£ 11,773	£ 12,068	£ 12,369
Overheads (+2.5% pa)					
Elec/gas/water	£ 5,200	£ 5,330	£ 5,463	£ 5,600	£ 5,740
Rent/rates	£ 1,200	£ 1,230	£ 1,261	£ 1,292	£ 1,325
Waste disposal	£ 3,640	£ 3,731	£ 3,824	£ 3,920	£ 4,018
Variables	£ 4,750	£ 4,869	£ 4,990	£ 5,115	£ 5,243
Fixed (5yr cap.repay)	£ 17,100	£ 17,100	£ 17,100	£ 17,100	£ 17,100
Year 1 exceptional costs	£ 10,000	£ -	£ -	£ -	£ -
Sub total	£ 41,890	£ 32,260	£ 32,639	£ 33,027	£ 33,425
Marketing					
Advertising	£ 5,000	£ 2,500	£ 2,500	£ 2,500	£ 2,500
Sub total	£ 5,000	£ 2,500	£ 2,500	£ 2,500	£ 2,500
NET PROFIT	-£35,133	-£5,085	£1,801	£9,511	£18,132
Existing footfall (+2% pa)	137,500	£ 140,250	143,055	145,916	148,834
Conversion	25%	25%	25%	25%	25%
Transactions	34,375	£ 35,063	35,764	36,479	37,209
ATV	£ 3.82	£ 4.47	£ 4.82	£ 5.20	£ 5.61

Assumptions

Sales averaged over 52 wks

5yr capital repay £ 85,500

Est. footfall growth 2%

10 lambs per week £ 40.40 Average (20% premium)

1.25 cattle per week @ £ 554.40 Average (20% premium)

Gr. margin on sales 57%

* Slaughter includes slaughter, inspection, MLC & PCL levies, offal disposal and transport to abattoir

Some data on existing farm to retail price spreads is shown in the following Table 8 to illustrate the recent national averages.

Table 8: Farm to retail price spreads

(p per kg)	May 1999	Jun 1999	Jul 1999	May 2000	Jun 2000	Jul 2000
Beef						
Ave. farm price	172.9	176.4	172.3	165.1	170.8	170.3
Ave. retail price	388.6	390.6	389.1	375.5	381.0	381.0
Actual price spread	215.7	214.2	216.8	210.4	210.3	210.3
Percent price spread	55.5	55.5	55.7	56.0	55.2	55.3
Lamb						
Ave. farm price	242.6	206.9	165.7	221.1	201.3	176.7
Ave. retail price	504.9	491.4	462.3	477.4	463.6	446.8
Actual price spread	262.3	284.5	296.6	256.2	262.3	270.1
Percent price spread	52.0	57.9	64.2	53.7	56.6	60.5

Source: MLC (2000)

As mentioned earlier, a significant number of assumptions have had to be made when making these calculations. Despite the inclusion of high premiums to the farmers, a higher than normal gross margin on sales and conservative sales forecasts, a year 3 break-even point is still forecast. This would seem to bode well for the Trust's aspirations for the farm shop i.e. adding significantly to some farm incomes whilst being commercially viable. Furthermore, the potential of higher sales and the sale of other non-beef and lamb products via the shop indicates that in all likelihood the shop may break-even earlier than year 3.

9.5 Management and staffing

It is anticipated that the butcher's side of the operation would require two full time butchers, one senior with a subordinate. This would allow counter coverage for six, or even seven days, opening if required.

Meetings with the Trust’s retailing and catering management indicate that a separate shop supervisor may also be required to be working within the shop reporting to the existing retail/catering management on site. In addition, if a wider range of products is to be sold it is likely that an additional member of staff may be required for serving/till work. This person may be on a part time or seasonal basis but that need will have to be determined once the shop’s demand is known.

Additionally a fieldsman will need to be appointed to be responsible for the selection of the correct quality animals on the basis of perhaps one day per week. Likely annual staffing need therefore is:

Table 9: Staffing requirements

2 x butchers (1 x £15k & 1 x £13k)	£28,000
1 x supervisor	£16,500
1 x part time staff	£ 7,500
1 x fieldsman (1 day p/w)	£ 3,900
Total annual staff costs	£55,900

9.6 Product range and pricing

9.6.1 Price

The price level at which the Trust’s products are set will need to be a well thought out process quantifying the added value that it perceives its customers are willing to pay for. The final pricing must be a decision for the retail management team within the Trust, but for guidance purposes some data has been obtained from outlets in various parts of the country who are currently producing and/or retailing quality branded beef and lamb. It is worth noting that in a recent study of farmers’ markets, with whom the Trust may be competing for customers, reasonable prices and

value for money were seen as important but not a dominant motivation (Holloway & Kneafsey, 2000). The conclusion could, therefore, be drawn that if the Trust is able to create the right shopping experience at the Wallington shop, without pricing itself out of the market, demand will be demonstrated. The recent visitor survey at Wallington (Appendix B) revealed that 91% of red meat eaters were prepared to pay a premium. Although only 4% were willing to pay more than 20% premium, half of the respondents were willing to pay 6% or more over average retail prices.

Table 10 displays a review of six randomly selected farm businesses offering farm produce both direct from farm and via mail order revealing a wide variation in pricing policies. When the premium prices are compared with average and retail prices in Table 10 the significant added values being obtained become apparent. The Trust is in a position to compete with other quality retailers at the upper end of the market purely in terms of regionality, quality and distinctiveness. When the Trust brand is added to this, it has the ability to place itself at the upper to top end of the market and should be pricing its products accordingly.

Table 10: Beef and Lamb price survey

Product	Farm Shop low	Farm Shop high	Retail average
Beef	Price £ per Kg		
Lean Mince	£5.00	£8.46	£4.62
Topside	£8.80	£13.71	£6.27
Braising Steak	£6.00	£14.78	£5.06
Fillet	£24.60	£39.80	£17.86
Sirloin	£16.30	£21.91	£11.81
Rump	£9.50	£19.93	£8.85
Lamb			
Whole leg	£7.10	£17.07	£5.76
Loin Chops	£10.89	£20.76	£8.61
Whole Shoulder	£6.50	£10.69	£6.31
Mince	£4.80	£11.00	£5.31

Farm shop prices obtained w/c 25th July 2000, see Appendix F for data sources

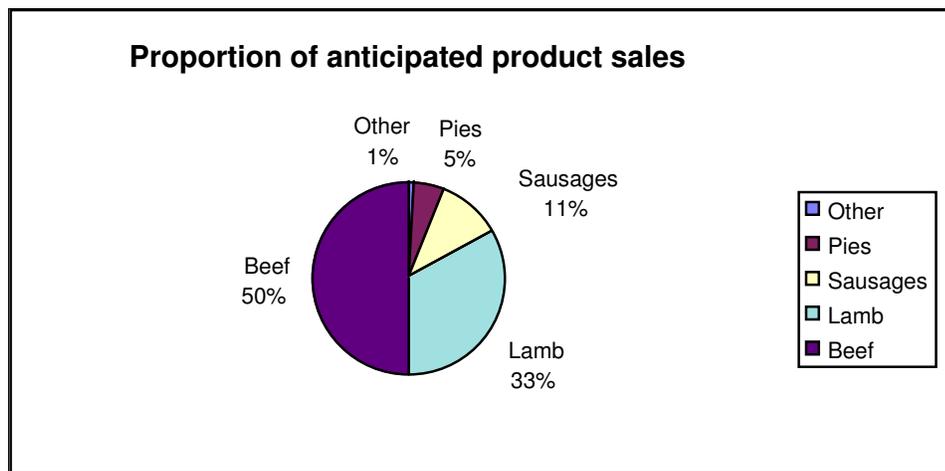
**Average retail prices Apr 99-Apr 00 (MLC, 2000), see Appendix E*

9.6.2 Range

It is significant to note that certain cuts of meat can still demonstrate stronger sales in butchers' shops than via the multiples. In 1999 butchers' shop sales, with a 21% share of all beef sales, in fact had around a 29% share of roasting joint and stewing beef sales. These cuts are particularly suited to counter sales. Similarly, butchers' shop sales accounted for one third of all lamb chop sales, constituting more than Tesco and Sainsbury's combined sales (MLC, 2000). These figures relate to the butchers' trade as a whole but it is a significant observation that those cuts more suited to counter sales still show strength in the market. The Trust should take such considerations into account when determining product range and stockholding.

The recent Wallington survey reveals that each red meat eater would buy an average of 4.4 different meat cuts/products. In terms of number of individual cuts/products, beef would constitute 50% of sales, lamb 33% and sausages, pies and other products making up 17%. The highest demand for beef products was premium mince, topside, fillet and rump steak, braising steak, diced stewing steak and finally sirloin steak in that order. The highest demand for lamb products was leg, loin chops, leg steaks, cutlet chops, minced lamb, diced lamb and shoulder, in that order. Figure 1 displays the proportion of demand split by product.

Figure 1: Forecast product split at farm shop



The retailing of purely Trust branded beef and lamb is likely to limit the true sales potential of the shop. It is recommended that a wider range of locally sourced produce be included within the farm shop to include vegetables, fruit and other speciality products such as preserves, honeys and wines. The Wallington survey (Appendix B) confirms the demand for other produce including vegetables, chutneys and preserves, dairy products, fruit and some organic meat and suggests that consumers attach great importance to the local provenance of the product but lesser importance to it being organic or exclusive to the Trust's farms.

This range could be supplemented with other meat products derived from the lesser beef and lamb cuts to include pies, sausages (for which a significant demand is evident (Appendix B), and pates for example. The ability to supply unique, original and distinctive products has already been emphasised. Opportunities should be taken in terms of creating products with the Trust's and Wallington name attached e.g. Wallington pies with the Trust's acorn logo in pastry, Wallington sausages etc. In terms of the form in which meat is purchased the recent survey (Appendix B) indicates that the majority preference was for fresh meat with some vacuum-packed chilled, to a lesser extent. A very small minority sought frozen meat.

The farm survey revealed that there is a willingness amongst some farmers to diversify into poultry and pigs, for example, if the Trust could show a consistent and worthwhile market. Such attitudes need to be encouraged to meet the anticipated demand. If there is a desire within the farming community to become involved in a wider range of produce, there are advantages in terms of the marketing message and in terms of the level of employment and income that the Trust is able to offer its tenants.

The on-site Wallington restaurant is an obvious outlet for produce from the shop in terms of pre-prepared meals, pies and sausages and more general ingredients for snacks and meals within the restaurant. Longer term, the establishment of the Trust's food brand will undoubtedly help to open market opportunities for supplying some of the more specialist stores in the surrounding area - such as Fenwicks, Newcastle - as well as targeting the specialist restaurant trade locally and further afield.

The market for organic food in the UK has grown from £40m in 1987 (MAFF, 1996) to an estimated £260m in 1998 and is projected to increase further (Steele, 1998). Views expressed by interviewees suggest that it would be advisable to consider the inclusion of some organic produce at an early stage. There are currently no farms on the estate producing organic produce (although one is in the conversion process) but there is likely to be an expectation from the customers that the Trust be carrying an organic line. Indeed, it seems that some members of the public expect all Trust products to be organic anyway.

Of the people who eat red meat who visit Wallington, 33% have bought organic meat in the past and there is a limited demand shown for some organic meat to be present in the farm shop (Appendix B). The same survey data reveals that organic produce is rated less importantly than the desire for the product to be locally produced. In the absence of Trust produced organic produce, the importance of conveying to the customer that whilst not organic the produce comes from farms operating in a traditional manner using good husbandry techniques will be vital.

Based on this survey data, the Trust should endeavour to secure a supply of organic produce to sell alongside the main products, to ascertain the level of demand. In the long term, the Trust should be securing some organic beef and lamb from those farms on the estate already considering conversion and possibly encouraging others to diversify into other products as demand is identified within the shop.

As a strong and influential landlord the Trust has it within its power to make conversion to organic a worthwhile process.

10 DIRECT MARKETING

10.1 Outline principles

If the Trust plans to undertake the sale of local produce via mail order or the internet, it should consider carefully the various aspects of the procedure, principally the timing, scope and scale of the venture. It is important to understand that, whilst a basic mail order system based upon brochures and leaflets has the same delivery principles as orders placed via the internet, the two mediums are significantly different.

Consultations with those professionals involved in food marketing revealed a strong sense that the Trust should certainly consider a basic mail order service as soon as possible. However, the lack of data regarding the current market and the cost and management resources required for the shop start-up meant that the majority recommendation was that the Trust should concentrate only on the shop venture initially.

Some of those interviewed saw no problem with a parallel start up but the Trust's management involved in the project would seem to be in agreement with the predominant view that to split management time and resources at this point in time would not be advisable. Consequently, in terms of timing, it is felt that to attempt to initiate the shop in parallel with a significant mail order or internet system in parallel would be inadvisable.

It is foreseen that a modest mail order scheme could be trialled by use of promotional literature at Wallington itself, whereby visitors who are unlikely to return for reasons of distance will be able to take a leaflet and

place an order over the telephone. Such a process is likely to be initially small scale, but would allow in house management practices to be perfected. As the perceived demand is unlikely to be high at the outset it is unlikely that any additional staff specific to mail order will be needed. Such a procedure is foreseen as growing in parallel with general demand in the shop and can be managed as an evolving market. In terms of timescale, whilst an immediate start is not recommended, if customer demand becomes apparent once the shop is open the supply of leaflets and promotional material relating to mail order can be produced very quickly. The Trust also holds a large database of local and national members who could be targeted with promotional literature if desirable.

The use of the internet to promote the shop and increase its market has the potential to have a significant impact on the market for Wallington produce. The nature of the internet means that before the Trust ventures into this realm it must be sure that it can meet the demands and expectations of a world wide market.

The Trust is ideally placed to take advantage of the internet market as it already has a well-developed national and regional web presence. The ability for the shop to have a link to the main Trust site would be easy to arrange and would very quickly produce a large number of '*hits*'. It is here that the internet can show its true advantages. Even if the Trust is not confident of retailing via the internet, a Wallington Farm Shop web site can still be created as an information and advertising site very quickly. The costs of web site design and creation are only limited by the budget of the sponsor, however a well designed and attractive web site can be professionally created for less than £5,000 and local web designers are available with experience of farm shop site design. As well as linking

into the main Trust web site, other suggested links would be from the Food from Britain site, and its pending Northumbria region and possibly the Meat and Livestock Commission's '*Meat Matters*' site. If a significant internet presence is envisaged the Trust may be well advised to secure a number of domain names relevant to the shop name e.g. www.wallington-farm-shop.co.uk or similar.

10.2 Consumers' perceptions and expectations of direct marketing

When addressing the areas of mail order and internet sales, consumer profile is seen as being similar in most respects and consequently observations made here refer generally to direct marketing.

A recent study by Ness & Mai (1997) shows that the speciality food mail-order group of consumers is strongly interested in food and indulge themselves in food. The study goes on to indicate that they tend to be older (40-65), live in households without children and have a relatively high education level or qualifications. These basic demographic characteristics suggest that they are a group with a relatively high socio-economic status and disposable income. This is an important profile analysis as it correlates well with the perceived main market for the Trust's mail order outlet. The Trust's own data (NT, 1996 & 2000c) on visitor and membership profiles indicates a significant percentage that fall into the same categories as the aforementioned study.

It is crucial to observe that all of the issues raised throughout this report concerning the reasons why consumers buy regional speciality products and their expectations of them are as relevant to the mail order/internet market, if not more so. The interface between the Trust and the consumer

now becomes, not the shop, but the literature or web site provided together with the quality of service received. This quality will be measured by the ease of ordering, range, price, delivery cost, speed of delivery, payment method and overall transaction experience. If one or all of these components is not carried out efficiently future sales will be lost. It is in this context that direct marketing emphasises the importance of building a long-term relationship with customers through quality, value and service (Mai & Ness, 1999). A point raised in earlier sections worthy of repetition is that loyalty enhances profitability through an increase in the scale and scope of the relationship with loyal customers, lower customer recruitment costs, reduced customer price sensitivity and lower servicing costs (Hallowell, 1996). If the Trust can capitalise on these points then it will be a long way down the route of building relationships with its consumers; relationships importantly built on trust (McCorkell, 1997).

In general terms, therefore, the Trust must conceive its direct marketing strategy with attention to all of the unique characteristics that make the shop a viable proposition whilst understanding the needs of the direct marketing customer in terms of quality and level of service received. The likely value of a loyal direct marketing customer has the potential to be worth many times more in commercial terms than the customer who visits the shop.

10.3 Direct marketing costs

It is very difficult to quantify the likely costs of a direct marketing operation from the shop. In terms of the modest start-up recommended in this report, the costs are relatively small. The production of leaflets and

promotional material for customers is unlikely to exceed £500 for several thousand simple leaflets and the design and hosting of a non-retail web site is unlikely to exceed £1,500.

The owner of an existing quality meat outlet of perceived comparable sales volume, which already has a full e-commerce site for his shop, advises that he employs no extra staff for the mail order operation. This outlet is essentially very similar in scale as what is perceived for Wallington: orders are taken over the telephone or printed off the internet once a day, packed at the shop and collected by courier. Such an operation would also work at Wallington with minimal extra cost. Based on repeat telephone orders by shop visitors it is felt that the proposed staffing level outlined in this report would have sufficient capacity to meet early demand levels.

If the Trust decides to open a fully interactive e-commerce web site linked to either the national or regional Trust site the web site design may be slightly more expensive (up to £5,000). Thereafter, if direct sales do increase substantially, additional unskilled staff may be required at salaries of around £10,000 per annum, working under existing management. The capacity of the estate and the perceived demand would be very unlikely to require more than two additional staff, even if sales did rise dramatically.

The other additional costs which need to be considered will be commissions and fees of the relevant credit card companies, additional administration and management duties, delivery and packaging costs. It would seem feasible for the existing management to be responsible for

the administration aspects. Delivery and packaging costs can be built into the price charged to the customer.

In summary, whilst difficult to truly quantify, the likely additional costs involved in a direct marketing operation of the scale foreseen for the farm shop are not excessive and not a major component in terms of cost, when viewed as part of the whole farm shop proposal. The main concern with any internet-based operation undertaken will be the ability of the Trust to meet demand if advertised on the internet.

11 WIDER ISSUES

11.1 Impact on local economy

The initial concept behind the farm shop proposal centred on the need to improve the incomes and markets of the Trust's tenant farmers, and the local economy benefits should remain focussed on that issue. Real benefits to the farmers will be difficult to quantify until the true market for the shop and any related direct marketing initiatives is ascertained. The shop does, undoubtedly, offer an opportunity to increase the incomes of a proportion of the tenants initially. If the Trust is able to carve out a long-term market then there is no reason why all of the tenants cannot benefit in terms of genuine increases to farm incomes. If the shop does become successful, the demand for local farm produce such as fruit, vegetables and speciality products will also increase with associated benefits to those local producers. Similarly, success at the shop may offer further opportunities for the Trust's tenants in terms of wider individual farm diversification both for the products listed above and shop-associated practices such as waste incineration. These would not have to be on a large scale but would encompass a wider range of tenants than those purely producing beef and lamb. It is worth noting that both the Wallington survey (Appendix B) and interviews with Trust staff also indicated a perception that the shop would have to offer a wider product range than simply beef and lamb.

There are not seen to be any significant disbenefits to the local economy by the opening of the farm shop. Existing farm shops are a significant distance from Wallington and the market is perceived to be in a period of growth and able to accommodate additional participants. The general

consensus obtained during this study is that the Trust will be primarily creating a new market for its own brand of quality local produce rather than impacting significantly on other local retailers.

11.2 Impact on local environment

Wherever the shop is placed, it is not foreseen that there will be any adverse environmental impacts. The Trust is very aware of its responsibilities to safeguard the Wallington estate and understands that the shop must be sympathetic both to its setting and the expectations of local people and visitors. In addition, the shop proposal will be scrutinised by the local planning authority with reference to a number of impacts, one of which will be that of the environment.

11.3 Employment

In Northumberland the combined figure for agricultural and ancillary jobs in the rural districts is 8,344 or 12.0% of the workforce. In terms of a contribution to employment levels in the region the direct impact of the farm shop will be modest at this early stage. As discussed earlier the shop will create a maximum of three new permanent jobs with possibly one or two part time jobs.

12 CONCLUSIONS AND RECOMMENDATIONS

This study has been based upon a review of the relevant literature and secondary data sources, combined with interviews with Trust staff, local farmers, staff at other public sector agencies and a visitor survey carried out at Wallington. The aim has been to assess the feasibility of sourcing local beef and lamb for retailing under the Trust's brand, principally through a farm shop at Wallington.

The study has shown that the proposed scheme has merits. The consumer survey confirmed that there would be a demand for Trust branded meat. There would be a boost in the income of participating tenant farmers, and the farm shop would create a small number of jobs. The interviews with both local tenant farmers and staff at various regional bodies indicated broad support for the scheme. Some questions were raised about the siting of the farm shop, the range of products that it should stock, arrangements for securing the local supply base and the appropriateness of relying upon the farm shop as the sole retail outlet. On the basis of the study, it is recommended that:

- The farm shop should be sited in a purpose-built, temporary structure in the car park at Wallington. This will postpone for the time being the complex planning requirements and considerable cost of modifying the existing structures at Wallington.
- The shop should charge a 10% price premium to consumers.
- For ease of administration and to avoid diluting the benefits of the scheme across too many farms, initial supply agreements for beef and lamb should be secured with only a selection of the 14 farmers currently on the Wallington estate.

- Supply agreements should be based on a price premium and guaranteed volumes, possibly with requirements for supplying at specific times of year.
- Due to uncertainties over the level of farm shop sales, caution should be exercised in setting initial supply volumes.
- Consideration should be given to promotion of the farm shop within the region.
- Consideration should be given to stocking the shop with other non-meat products.
- Consideration should be given to selling NT-branded beef and lamb through other retail, but also catering, outlets such as butchers and restaurants.

If the Trust begins in a fairly modest way, it can gradually build upon the experience it gains. The lessons learnt should be of wider interest to those wishing to promote practical sustainable development.

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APPENDIX A

FARM SURVEY DISCUSSION GUIDE

Introductory explanation of what the farm shop project is about.

1. What breeds do you have on the farm?
2. What is the output of the farm?
 - animals produced per annum
 - timing of output
3. What farming system do you use? e.g. do you buy in store lambs?
 - What are the ages and weights of animals bought & sold
 - Where do you sell your animals?
 - Can you advise volumes and values achieved through different outlets?
4. What are the typical prices you are receiving at the auction marts or other point of sale?
5. Do you know where your produce finally ends up, i.e. processed, sold and ultimately consumed?
6. How much variability is there in prices between different locations and times of year?
7. Would you trade a lower price for a more stable market?
8. Any plans to go organic?
9. Do you comply with any existing farm assurance schemes?
10. What are your views on the relative costs and benefits of imposed traceability?
11. General view on the auction marts and direct sales to processors?
12. What are your views on alternative end-point outlets e.g. farm shops, farmers' markets, butchers, supermarkets?

13. What do you think of a shop at Wallington and the potential for mail-order?
14. Do you think that a local abattoir would be useful?
15. What are your views on NT branding. e.g. do you think that branding will work?
16. Have you participated in any other local branding initiatives (such as the North Country Prime Livestock scheme)
17. What terms and conditions would you find acceptable?
 - minimum quantities?
 - price?
18. Views on exclusive deal with the NT - precluding sales to other outlets?
 - would you want a price premium?
 - would you accept a lower but guaranteed price?
 - Views on split payment (guaranteed price at sale plus possibility of share in potential profit pool later)?
 - Should such a scheme be restricted to NT farmers only?

APPENDIX B
WALLINGTON VISITOR SURVEY QUESTIONNAIRE AUGUST 2000

The figures in the boxes represent the number of responses from a total sample of 103.

Do you buy red meat?

Yes No

If no, thank-you, this is the end of the questionnaire.

Where do you buy your meat from? Please tick all that apply.

Supermarket Farmers markets Butcher Farm gate sales
 Box schemes Local convenience shop Farm shop Other, please specify _____

Which factor influences you the most when buying meat? Please tick one only.

Value for money
 Place of origin
 Quality
 Health
 Other, please specify _____

Have you ever bought organic meat?

Yes No

If yes then continue on with questions 5-8, if no then go to question 9.

What types of organic meat have you bought before? Please tick all that apply.

Poultry Lamb/Mutton Beef Pork Other, please specify _____

How frequently do you buy organic meat?

Once every 6 months Once every 3-4 months Once every 2-3 months
 Once a month Once a week More than once a week

Where do you buy organic meat? Please tick all that apply.

Supermarket Farmers markets Butcher Farm gate sales

Box schemes 0 Local convenience shop 0 Farm shop 8 Internet 0
 Mail order 1 Other, please specify _____

Why do you buy organic meat? Please tick the box most relevant to you.

Animal welfare 9 Personal health 5 Traceability 2
 Taste 10 Environmental issues 0 Other, please specify _____

For what reasons have you not bought organic meat? Please tick the box most relevant to you.

Expense 16 Lack of availability 14 No genuine interest 18
 No perceived difference 4 Other, please specify _____

Where would you like to see a wider range of organic meat sold? Please tick all that apply.

Supermarket 63 Farmers markets 12 Butcher 35 Farm gate sales 5
 Box schemes 3 Local convenience shop 7 Farm shop 20 Internet 1
 Mail order 1 Other, please specify _____

The National Trust has decided to open a farm shop here at Wallington. The plan is to sell red meat produced locally on the Estate. (These responses based on the sample of 80 red meat eaters)

Have you ever visited a farm shop before?

Yes 59 No 21

12) In what form would you prefer to buy your meat at the farm shop? Please tick all that apply.

Fresh 64 Frozen 7 Vacuum-packed chilled 28 None 3

13) At present the idea is to sell local lamb and beef in the shop. What other products would you like to see sold in the shop? Please tick all that apply.

Vegetables Chutneys and preserves Dairy Products
 Fruit Organic meat Other, please specify _____

14) How important is it that items sold in the farm shop are produced locally and/or organically and/or only on National Trust farms? Please place one tick in each row.

	Not important	Slightly important	Very important
Produced locally	4	19	56
Produced organically	22	35	22
Produced on NT farms only	33	32	14

15) Should people be able to use the shop without entering the Wallington property itself?

Yes No

16) Would you travel to Wallington just to buy things at the farm shop?

Yes No

17) How regularly would you visit the farm shop?

Once every 6-12 months Once every 4-6 months Once every 2-3 months
 Once a month Once a week More than once a week

18) What **number** of purchases of **each** of the following might you make per visit to the farm shop?

BEEF

Topside
 Sirloin steak
 Rump steak
 Fillet steak
 Diced stewing steak
 Braising steak
 Premium mince
 Standard mince

LAMB

Leg
 Loin chops
 Cutlet chops
 Shoulder
 Leg steaks
 Diced lamb
 Minced lamb

**OTHER
S**

Sausages
 Pies
 Other
 please
 Specify

The meat sold in the shop will be branded with a National Trust label.

19) Please rank (from 1 to 7) the following reasons why you might buy National Trust branded meat; 1 being the most important to you.

	1	2	3	4	5	6	7
Perceived quality	32	12	11	9	4	4	0
Organic	5	10	6	9	7	12	10
Supporting local farmers	23	29	15	8	1	0	0
Animal welfare	8	8	17	9	13	3	3
Protecting local countryside	5	11	11	15	9	11	2
Part of visitor experience	3	2	1	5	7	11	29
Traceability	3	4	4	5	14	14	11
Other, please specify	_____						

20) What premium would you be prepared to pay for National Trust branded meat?

0% 1-5% 6-10% 10-14% 14-19% 20%+

21) The present plan is to sell the meat just in National Trust shops, however, if it became available through other outlets, where would you like to see it? Please tick all that apply.

Supermarket	<input type="text" value="59"/>	Farmers markets	<input type="text" value="19"/>	Butcher	<input type="text" value="46"/>
Box schemes	<input type="text" value="5"/>	Farm gate sales	<input type="text" value="10"/>	Local convenience store	<input type="text" value="13"/>
Mail order	<input type="text" value="6"/>	Internet	<input type="text" value="6"/>	National Trust restaurant	<input type="text" value="27"/>
Local restaurants	<input type="text" value="24"/>	Local pubs	<input type="text" value="22"/>	Other, please specify	_____

Visitor profile

1) Please tick the appropriate box for your gender.

Male Female

2) Please tick the appropriate box for your age.

15-24 25-34 35-44 45-54 55-64 65+

3) Please tick the box that represents your household income.

Up to £9,999 6 £10,000-£19,999 18 £20,000-£29,999 16

£30,000-£39,999 9 £40,000-£49,999 14 £50,000+ 10

4) How far have you travelled to get here today? (in miles)

0-14 12 15-24 32 25-49 23 50+ 13

5) How many people are in your group? (including yourself)

1=0 2=38 3=13 4=11 5=4 6=4 7+=2

6) How many times have you visited any National Trust sites in the past year?

None 6 1-4 31 5-9 25 10+ 20

7) How many times have you visited Wallington before today?

None 17 1-4 26 5-9 15 10+ 22

8) What is your reason for visiting Wallington today?

Visit Gardens=17 Day out=22 Pleasure=8 Toilets/passing by=2

Finished - Thank you for your time and co-operation!

The information provided will help the National Trust to supply and run the farm shop.

APPENDIX C
INDIVIDUALS CONSULTED FOR FEASIBILITY STUDY

- **National Trust Staff**
 - NT Director for Northumbria
 - NT Senior Land Agent
 - NT Area Manager, Northumberland
 - NT Marketing Manager
 - NT Wallington Property Manager
 - NT Enterprise Manager
 - NT Retailing Manager
 - NT National Retailing Manager
 - NT Catering Manager
- **National Trust Tenant Farmers**
 - 13 x tenant farmers
- **Non-National Trust**

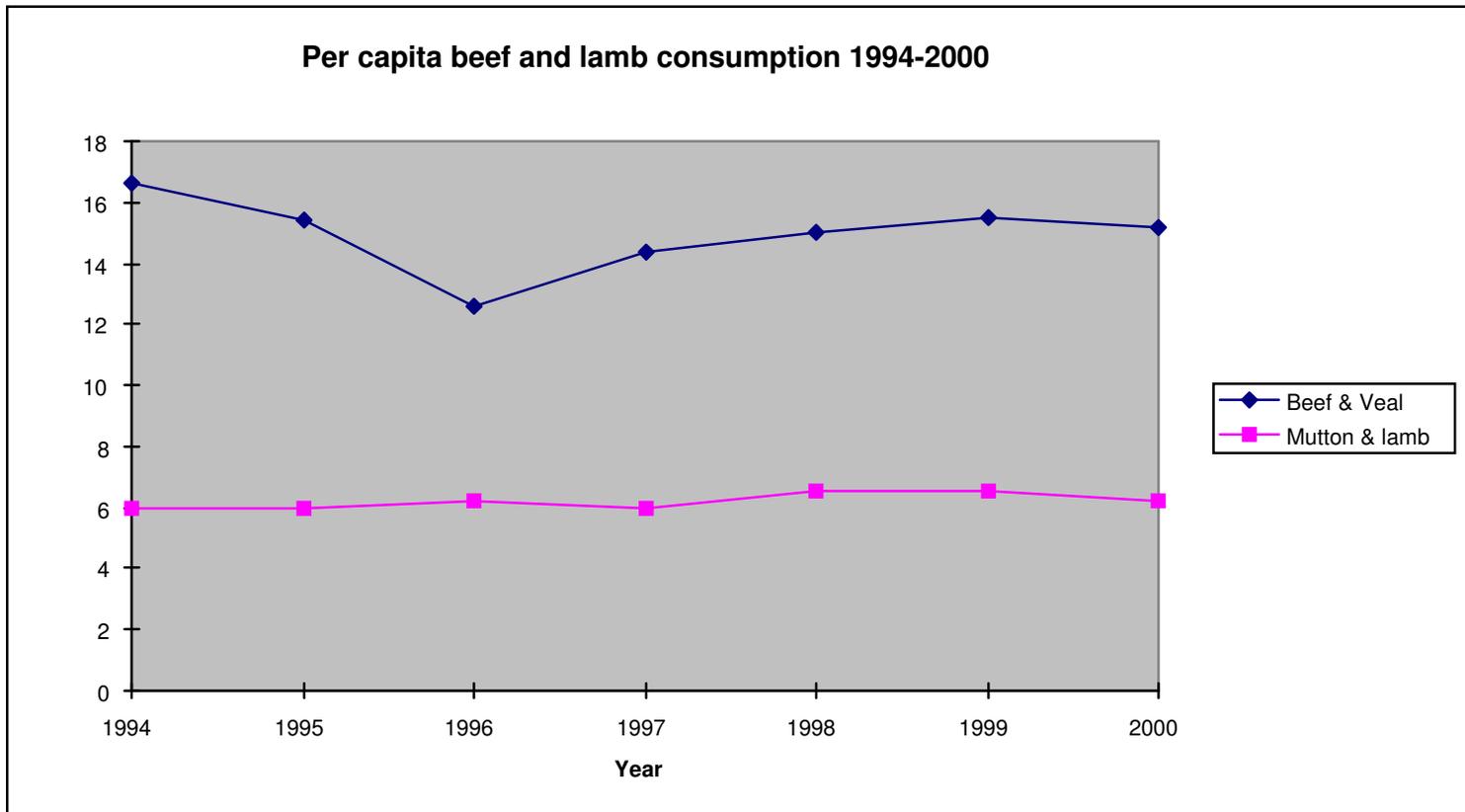
Hadrian Farm Meats	Meat Retailer
Countryside Agency	Agency
Food From Northumberland	Food Marketing Consult.
One North East	Regional Dev. Agency
Management in Food & Agriculture	Food Industry Consultant
North Country Primestock	Meat branding initiative
Agnus Farm Meats	Producer/retailer of lamb
Farmers Market Direct	Direct market producer
Meat & Livestock Commission	
- **Newcastle University**
 - 1 x Senior Lecturer in Food Marketing
 - 4 x Lecturers in Food Marketing

APPENDIX D
AGRICULTURAL LAND USE BY DISTRICT AND LFA AREA, 1997

Geographical Area	Grassland < 5 years		Grassland > 5 years		Rough Grazing		Crops & Fallow		Farm W'dland		Other Land		Set aside		Total
	ha	%	ha	%	Ha	%	ha	%	ha	%	ha	%	ha	%	
Alnwick	5,477	6.4	23,960	28.2	34,210	40.3	17,892	21.1	1,430	1.7	818	1.0	1,071	1.3	84,858
Berwick	5,989	6.8	16,668	18.7	22,245	24.9	37,712	42.4	2,571	2.9	1,699	1.9	2,170	2.4	89,054
Blyth Valley/Wansbeck	571	6.5	1,458	16.5	61	0.7	5,746	65.1	384	4.4	151	1.7	447	5.1	8,818
Castle Morpeth	3,759	7.6	18,332	37.0	1,843	3.7	22,147	44.8	1,191	2.4	755	1.5	1,461	3.0	49,488
Tynedale	5,947	4.0	52,137	35.4	72,050	48.9	12,907	8.8	2,324	1.6	1,037	0.7	804	0.6	147,206
															-
Northumberland	21,743	5.7	112,555	29.6	130,409	34.4	96,404	25.4	7,900	2.1	4,460	1.2	5,953	1.6	379,424
LFA	10,811	4.6	74,210	31.6	119,549	50.9	22,267	9.5	4,415	1.9	2,023	0.9	1,384	0.6	234,659
non-LFA	10,933	7.5	38,345	26.5	10,859	7.5	74,138	51.2	3,485	2.4	2,437	1.7	4,569	3.2	144,766
England	829,910	9.0	2,950,791	32.0	737,698	8.0	4,241,763	46.0	276,637	3.0	184,424	2.0	92,212	1.0	9,313,435

Source: Ward & Lowe (1999)

APPENDIX E
TRENDS IN BEEF AND SHEEP CONSUMPTION



Source: MLC (2000)

APPENDIX F
DATA SOURCES FOR RETAIL PRICE COMPARISON

Heal Farm Shop

King's Nympton
Umberleigh
Devon
EX37 9TB
Tel: (01769) 574341
Fax: (01769) 572839
Email:enquiries@healfarm.co.uk
Web: www.healfarm.co.uk

Farmers Market Direct

Tel: (0870) 3211657
Fax: (0870) 3211658
Email:farmersmarket@talk21.com
Web:
www.farmersmarketdirect.co.uk

**Green Mountains Welsh
Lamb & Beef**

Pant-y-beili Farm
Bwlch
Brecon
Powys
LD3 7NX
Tel: (01874) 730696
Fax: (01874) 731016
Email:hjpowell@ukonline.co.uk
Web: www.greenmountainswelshmeat.co.uk

Northfield Farm

Whissendine Lane
Cold Overton
Rutland
LE15 7ER
Tel: (01664) 474271
Email:nfield1@aol.com
Web: www.northfieldfarm.com

Agnus Farm Meats

Low Wool Oaks
Calthwaite
Penrith
Cumbria
CA11 9RZ
Tel/Fax: (01768) 885384
Email: agnus@countryfarms.co.uk
Web: www.countryfarms.co.uk

Richard Guy's Real Meat Co.

Warminster
BA12 0HR
Tel: (01985) 840562
Email:enquiries@realmeat.co.uk
Web: www.realmeat.co.uk