

Ownership Structure

Orkney Creamery is 70% owned by the farmers, 20% owned by Lactalis and 10% owned by the local council.

The Council own the Creamery building and the farmers pay rent in return for the lease.

Orkney Creamery's Market

Orkney Creamery produces Cheese for the export market to France.

75% of their produce goes directly to France for the food service sector with the remainder going to domestic market in the UK.

With Covid, both sides of their market stopped overnight and they have fallen back on cash reserves to get through this period. The orders are now returning and they are getting back to 'business as usual'.

The concern now going forward is a 'No Deal Brexit' as this would hit their business model hard. As their produce is currently exported to France, there will be an issue if there is tariffs applied at the end of the transition period between UK and EU.

Through the Dairy Growth Board we are looking to see if we can get some of the Orkney produce to North America (US/Canada) but very small at this stage with EU trade being by far the biggest concern.

Recent Correspondence

During the Covid crisis, SG officials contacted one of the Directors [Redacted - S38(i)(b)] following correspondence from Liam McArthur (local MSP) to try and understand what the problems were and see if we could help in any way.

Orkney Cheese are still collecting farmers milk, still employing staff, still making cheese, It's just finding a customer for final product the issue during the early stages of covid but they are trading product which basically means accepting lower price on commodity market for generic cheese at this time as oppose to premium as usual.

Difficult period but confident of getting through, appreciate our concern and offer of help via Dairy Growth Board.

A combination of cash reserves and the part Lactalis ownership has got them through this period as markets now open up again.