



StarTree In-Depth Case Study, Cairn O'Mohr Wines, Scotland

1. Background and Objectives

1.1 Innovation Case and Non-Wood Forest Product (NWFP) sector in Scotland

("What is the innovation case? How can the NWFP sector be described in the region?")

The innovation case that is the subject of this report is Cairn O'Mohr wines. Cairn O'Mohr wines is a country fruit wine company, based on a farm in Perthshire, Scotland, that has been making wines and beverages since 1987. Their wines are all made with local fruit produce with some of their products made using wild harvests such as berries, leaves, flowers.

In Scotland NWFPs are not recognised as a sector in their own right. Research so far has identified a number of overlapping subsectors, each of which covers part of the NWFP sector, and each of which deals with non-NWFP as well as NWFP products and activities. Even on the level of individual businesses, often NWFPs only represent a portion of business activities. Scotland has limited NWFP resources because of a lack of knowledge/motivation to manage for NWFPs.

1.2 Aims and methods

("What are the aims of the analysis? What was the method? Who were the interview partners?")

The aims of this analysis are to ascertain the different factors that have contributed to Cairn O'Mohr's growth and success, looking at where the ideas come from, the roles of any actors that may have supported or helped the business, challenges that have arisen and strategies of dealing with these, understanding what lies beneath the success of Cairn O'Mohr where other fruit wine businesses have failed.

The business was set up and is still run by Ron and Judith Gillies. Both Ron and Judith were interviewed on site at the winery, some follow-up questions were asked where clarification on some points were needed.





Additional information was looked at including their website, reviews and newspaper articles to give a wider picture.

For additional comparative cases, interviews were also conducted with Ronnie from Balnakeil Wines, based in Durness, Scotland and Marion Rose who was involved in a small gooseberry wine making enterprise in Fife. These cases have been documented in two supplementary reports.

2. Description of the case and chronology

2.1 The case and the innovative aspects

(“Innovative aspects: What is the innovative case, what are the innovative aspects? What is the product and the organisation?”)

Cairn O’Mohr wines is a country fruit wine business that currently produce 15 different products, 6 core country wines, 3 seasonal country wines, 2 sparkling wines, 3 non-alcoholic wines and cider as well as the limited edition wines that come around every three or four years. The six core wines they began with used wild harvested brambles, elderberries, elderflowers and oak leaves as well as locally grown berries. They use all local produce for their wine and cider making, *“we thought let’s just use the stuff that is round about us and so we’ve pretty much stuck to that”*, and they are one of the only producers of oak leaf wine in the UK. A full list of Cairn O’Mohr’s products can be found in Appendix A.

Whilst, making fruit wine is an ancient tradition and a fairly common hobby, it is unusual to find a successful fruit wine business in Scotland. Fruit wines are seen as an unconventional product and are rarely produced at a commercial level in Scotland. Cairn O’Mohr are the most prolific and successful producers of country wine in Scotland. Other fruit wine companies have existed but these have either folded, remained very small scale or been bought over by English companies and are no longer produced in Scotland. Two other country wine initiatives in Scotland are looked at in additional supporting reports.

Ron and Judith, are the driving force behind everything and now presently employ 10 staff. As well as producing the wine and cider, over the years they have added other ideas and aspects to their business – guided winery tours, a café, a monthly wine club and an annual bottle-smashing competition, all of which bring in interest and income for their business.





Cairn O'Mohr labels have a strong identity and a sense of humour which also gives them an added edge of innovation when it comes to marketing.

The more recent innovation of selling bag in a box still cider has cut their processing and packaging costs and been very successful, *"it's been great, really quite a revelation"*.

2.2 Chronology *("Chronology of the innovation process")*

1983 - Ron and Judith started making country fruit wines together on Ron's family farm, whilst running a shed-selling business.

1983-1987 - They did both shed and wine making together, each year increasing the volume of wine they made and started selling to local licensed grocers.

1987 - Cairn O'Mohr, the commercial company, was born in a converted cart shed where a small winery was built. Started to make wine full-time, brother took over shed business. A friend started to promote and distribute the wine to off-licences. Started selling at shows and public events.

1990 - Employed first staff - pickers

1992 - Stables were turned into a Cairn O'Mohr shop

1994 - First big supermarket contract, with Asda

1994 - Custom built winery constructed

1996 - Casual tours of winery began

1999 - Official guided tours of winery started

2002 - Farmers markets started on nationwide scale. Cairn O'Mohr start selling at the markets.

2009 - Café created on the farm

2010 - Started making cider product

2013 - Appeared on BBC programme, "Pies and Puds"

2013 - Gained supermarket contracts with Aldis, Sainsburys

2014 - Begin selling "bag in a box" still cider





3.0 Information

3.1 Sources of Idea

("How was the idea generated? Where did it come from?")

"I got given a book, that's how it all started", Ron was given a book about country wines as a Christmas present from his brother and decided to start making country wines for his own personal consumption. Ron and Judith met and carried on making and drinking wine together. As Ron already had a business selling sheds, they started to try to sell the wine too, *"people seemed to like it"*. They decided to go into business with the wines and chose to use local fruit, flowers and leaves. Both Ron and Judith came from a background and grew up in a time when it was commonplace to make everything yourself and use wild-picked ingredients.

More recently, the idea for starting to produce and sell cider came from, *"our friends on the Heritage Orchard Forum"*, and a local pub owner, Nigel Large, highlighted the potential for using bag in a box for still cider.

3.2 Sources of knowledge

("Which kinds of knowledge and which information sources were of importance?")

Their knowledge of fruit wine making all came from books, *"when we started making wine you were on your hobby books, there was a couple of good books about commercial wine making on a small scale, so it was books"*, Judith. Sometimes they would ask advice from other winemakers.

Formal sources of knowledge on fruit wine making were non-existent, all courses available for wine making were to do with grape wine making and still are.

Ron and Judith visited a research place in 1985, the Longashton Research Centre, near Bristol. This was a horticultural and agricultural government research centre, created to study and improve the cider industry but expanded to fruit research. This centre has now been closed. Ron and Judith's information and knowledge in cidermaking in more recent years has come from online sources written by people who used to work at the research centre.

In terms of business knowledge, both Ron and Judith accredit the shed-selling business as giving them important experience and knowledge in how to run a business, *"making sheds was very good as it taught us about running a business"*.





4.0 Finances

4.1 Sources of funding, *(“How was it funded?”)*

The business has been self-funded from the beginning, started on a shoestring budget, *“no money borrowed at all, nobody would have lent us money”*. Ron and Judith both invested a few thousand pounds each at the beginning and used money they were making in the shed business, *“it gave us the cash to start up the wine because the wine you had to make up and leave it... cash flow was difficult so we financed it from the sheds”*.

Over the past 27 years they have had a few small pots of funding granted, *“we got a couple of thousand pounds somewhere along the way, “some small grants over the years nothing much to speak of”*. Ron has found that *“funding is time-consuming... and there’s many conditions surrounding it and you wish you’d never bothered... in the meantime we’ve just been getting on with it.”*

4.2 Profitability *(“How is it maintained?”)*

Cairn O’Mohr has grown slowly and gradually, growing their customer base and gaining big contracts which gives them distribution nationwide. The opening of the shop, café, the wine club and charging for guided tours of the winery have all added extra income and helped maintain the business over the years.

The money made is invested into equipment and staff so they can produce larger quantities and be able to produce the product at a competitive price *“with good bits of equipment you can multiply the work of the people employed, it makes a huge difference, you then become affordable and people will stock you”*, Judith.

Cairn O’Mohr now have widespread distribution through large supermarket chains, farm shops, wholefood shops and still continue to do all the farmers markets and shows across the country.





5.0 Co-ordination, co-operation and conflicts

5.1 Co-ordination of actors

(“How was the interaction of actors? Who had a special role in coordinating the interaction of actors?”)

Informal processes of co-ordination were integral for developing this business, Ron and Judith have a strong network of family and friends who helped with the process. Ron’s brothers rented them the buildings for the winery very cheaply which was crucial for them to be able to start up. Cheap rent was essential as was the help and support of friends to build the premises – plumbing, electricians and building work were all done by friends with the necessary skills and family, *“the family they were all great, they all piled in, helping us build”*. All the picking/harvesting and producing/distributing was done by Ron and Judith, *“we did everything ourselves”*.

A friend Stewart offered in the beginning to go around and start selling the product for them, *“so we got a van and he went round in the van to all the wine shops”*

Co-ordination is still ongoing as they develop new products, for example, Nigel Large, a pub owner who has a history in the cider business, is assisting them in promoting and getting new customers for their new still cider bag in the box.

5.2 Co-operation

(“What was the role of business co - operations?”)

Co-operation and building good relationships over time with landowners and neighbouring estates has been important when it comes to picking/harvesting local oak leaves and elderberries, Cairn O’Mohr give the folk cases of wine in exchange for letting them harvest. Since they’ve been producing cider they have a similar relationship with the owners of the apple trees.

The co-operation of the local businesses that first stocked Cairn O’Mohr was very important for the business, Aitkens the licensed grocer, *“he said yeah I’ll put it on the shelves, what a nice guy”*, Colin Howie at the Spar in the local village, *“he stocked it on his shelves and people were very receptive”* and the wine shop chain Threshers took it, this was before they became centralised, in the days were managers had more say about produce, *“the Threshers in Dundee sold a huge amount, really popular”*.





5.3 Conflicts

(“Which latent or obvious conflicts existed and what were conflict solving strategies and solutions?”)

There appears to have been little conflict over the years. There could have been potential conflict with landowners but Ron and Judith have done well at building up relationships and now give wine in exchange for being able to pick in certain places. One unresolved misunderstanding was highlighted between a landowner and one of their pickers, this has resulted in them not being able to pick on a certain estate.

6.0 Summary analysis

6.1 Results and outcomes of the innovation

(“Success and future prospects? Which other positive or negative effects did the innovation have (e.g. conflicts, social innovations, economic benefits in the region, ecological impacts?)”)

Cairn O’Mohr have become a successful speciality wine business that has organically and gradually grown from strength to strength and continues to grow, they are still increasing the volume of wine they are producing and the range of their products.

Formerly thought to be a “strange wine business” by big companies such as Sainsburys, the renewed interest in foraging and more unusual local products championed in recent years by the media and celebrity chefs has seen what was once deemed as odd and unusual now starting to enter the mainstream market. Cairn O’Mohr had already managed to establish a strong, loyal customer base through their channels of attending farmers markets, shows and events, letting people taste their product and buy it, and they are now attracting new customers and markets as a direct result of media coverage and foraging becoming “fashionable”. Some of the products are more mainstream because people are used to these ingredients now, *“elderberry wine seems to be a particularly well known wine”* whilst others will remain on the sidelines for longer, *“the oak leaf...people have to taste it and then discover it isn’t that strange”*.

Ron and Judith have learnt about their craft, product and market as their business developed and still continue to be experimental, making Meadowsweet wine last year for the BBC, and remain very hands-on in the business. In order for their business to grow, they commented that learning the





skill of employing people is important because without employees your business can't grow, *"you get more people and build, you can only get so far just yourself"*, that alongside having the equipment to make larger volumes of wine has enabled them to expand. *"We never imagined we would get this big, you can cope... as long as you grow slowly because there's huge potential"*, Judith.

Their product line grows, with cider being the most recent addition, they still have lots of ideas and would like to finish the new winery, *"because we've been doing it as we earn it, you know there's still some things that the winery needs. We could do with a bit more investment."*Ron

The area benefits from the attraction of the winery as a destination, people come to have a tour of the winery, *"the visitor side is growing because people like to see that (making your own stuff from scratch)"*, Judith, bringing more visitors into this area of Scotland.

Ron and Judith appear to have a strong understanding of their ingredients, their ecology and are looking to find ways to sustain the amounts they need for their business and address any environmental impacts harvesting may have. They pick from different oak trees in spring/summer rotation and give the trees rest years. Both Ron and Judith have noticed a reduction in the amount of wild produce there is, such as elderberries, suggesting maybe through use of spraying pesticides they're getting sick, and Ron expressed concern that through picking the elderberries they are taking the seeds and there is less chance for them to regenerate. He is looking for ways to try to address this.

Having their business grow has also meant they have had to look at growing their own crops rather than relying on wild produce, *"if you depend on what's out in the wild and you want to grow a business out of it then you find yourself having to travel further and further afield... it was then I realised we were going to have to grow them ourselves... but I like to have them out there too... we still do depend on wild stock a fair bit"*, Ron.

Ron now has an elder plantation on the farm, this has been planted from cuttings. The cuttings have been taken from all the high-producing elders they have harvested from over the years. He also planted oak trees on the farm which they harvest from now.

Last year they didn't get as many apples as they had hoped, *"the trees were resting"*, to deal with this, there are plans to try to get some funding so people can start planting orchards and supplying apples.





6.2 **Success factors: What were fostering and hindering factors?** (“Success factors: What were fostering and hindering factors in your case and for innovation in NWFP in the region?”)

As Cairn O’Mohr began 27 years ago, the economic, social, environmental, administrative and consumer landscape has changed over time, this is touched upon when looking at the affecting factors.

At the time when Cairn O’Mohr began there were some supporting factors that applied to NWFP innovation in Scotland. The economic and social landscape in the late 80s was a fostering factor, people were affluent, had stopped making their own beer and wine and now had the money to spend on quality products, *“In the 80s affluence started... and people stopped bothering to make their own... No way when I grew up in the 60s would anyone have bought fruit wines... it was only in the 80s I feel people had the cash to buy... I don’t think we could have started any earlier, there wasn’t the market for it, certainly in Scotland”*, Judith. It became fashionable to try new, interesting, locally-made products, because of this receptive consumer market it was an opportune time to begin a small NWFP business.

In the 80s and 90s, there were fewer regulations, fewer restrictions, making it easier for small NWFP businesses to get started. Now, *“there is not much support apart from turning a blind eye until people get up the ladder a bit”*, Judith.

In the Cairn O’Mohr case, more specific fostering factors are evident. The support and assistance from family and friends, especially in the early stages. Having cheap rent on a farm in the Central Belt of Scotland, the farm is in an excellent central location in terms of access to countryside fruit and wild harvests. This part of Scotland is a major area for commercially cultivated soft fruit and these fruit farms are an example of long-established cultivation of what were once wild NWFPs.

Over the years good relationships with the owner of the neighbouring estate and other landowners where they have harvested elderflower, elderberries and oak leaves have reduced sources of conflict, though of course many times they have picked and have had no contact with the landowners. In relation to ease of harvesting, a forestry tax break given in the 80s by the government at the time meant that people planted lots of woodlands, which was good for the expansion of woods and made the harvesting of young oak leaves much easier. Young woodland meant they could reach the branches easily for the next ten years.





Cairn O'Mohr have always been able to attract the attention of the media, due to them being an innovative and unusual business. The cumulative effect of this exposure has supported the business in a positive way.

The slow, organic growth of the business has allowed them time to expand gradually, experiment, be creative, keep a sense of humour and create a strong identifiable brand for their product, all of which seem to be integral to their success.

A major hindering factor for Cairn O'Mohr is the conservatism of the wine making industry and the big market actors and buyers, *"we're still pretty much rubbished by the wine making industry and people within it"*. Country wine was not seen as a commercially viable product, unlike grape wine, country wine was *"a strange wine"*. *"I think the main problem is it's a niche. It's a niche because no-one's trained to do it"*. There are no courses or training available other than for grape wine making, *"I would like to go on a course of improving and things... a bit more tutored tasting about faults and things like that... I mean the knowledge is probably there in the grape wine people... if they just did a course"* Judith.

There seems to be little business support and accessing funding can be seen to be difficult and time-consuming. In the current economic landscape unless you can produce enough volume for your product to be sold at a competitive price and in widespread outlets such as supermarkets it's very difficult to grow, *"Really it's the only way to grow, get volume, get your money back so you can invest in your business, it's quite expensive selling to small places... the supermarkets have pinched all the good stuff as well. It's very hard to compete with. It's the volume it makes a huge difference"*, Judith.

The other evident hindering factor is the abundance of local wild produce is diminishing. There is a lack of knowledge or motivation for land and woodlands to be managed for NWFPs and through agricultural practices, pesticide, weed spraying, trees and branches being removed for ease of using machinery, wild resources are being lost.

Only using local produce, cultivated and wild, can at times limit the volume of product made – the past year there was a shortage of local apples whereas in Europe there was a glut because of sanctions and the apples went unpicked. This is a very real limit that businesses that only use local produce face constantly.





Appendix A

List of Cairn O'Mohr Products

(Products highlighted in green are tree-based ingredients)

CORE WINES

Elderberry – wild harvested

Bramble

Oak Leaf – wild harvested

Strawberry

Raspberry

Gooseberry

OCCASIONALS/LIMITED EDITION – released every 3 or 4 years

Rhubarb

Clever Currant – Blackcurrant and Redcurrant

Shrubbery – Blackcurrants and elderberries – wild harvested

Millenium Banana wine

25th anniversary citrus wine

(The Banana and Citrus wine are the only two products they have made using non-local produce)

SEASONALS

Summer – Berry

Winter – Mulled Elderberry, Berry Christmas, Mulled Cider

SPARKLING

Strawberry

Oak and Elder – wild harvested

NON ALCOHOLIC

Sparkling Elderflower – wild harvested

Sparkling Elderberry – wild harvested

Apple Juice

CIDER

Vintage Cider

Cider Punch – Cider with Strawberry, Raspberry and Elderflower

