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29<sup>th</sup> October 2008

Guy Attenborough  
Interim Head of Communications  
AHDB  
Area 2B  
Nobel House  
17, Smith Square  
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Dear Mr Attenborough

### **Consultation on food supply chain quality schemes and branding**

AIC is the primary industry organisation for the agri-supply sector, representing companies involved in seed multiplication and distribution, fertiliser manufacture and distribution, agrochemical advice and product distribution, trading and storage of combinable crops and the manufacture and distribution of animal feeds. The combined annual turnover of member companies is estimated at over £7 billion.

In addition to this, AIC manages 4 assurance schemes covering combinable crops, fertiliser and animal feed. Three schemes are predominantly involved in domestic production whilst the fourth has an international reach in respect of feed materials.

AIC has an involvement with AHDB primarily through HGCA Ltd and has representation on the HGCA Board although our interests stretch to encompass many of the other sector bodies.

### **Should AHDB invest levy payers money to promote the quality and standards of its sectors products?**

AIC would support the concept which is referenced in paragraph 16 of the consultation, namely that there should be a single quality framework across all sectors which would underpin the promotional message around the quality of the products from the respective sectors. We would however very much wish to ensure that the system was flexible enough to allow specific levels of investment at sector body level appropriate to the needs of the sector. The consultation recognises there are differences in terms of current sector objectives in this area. We believe there are sound reasons for those differences and would not wish to see sector bodies forced into a level of commitment or funding which was inappropriate.

### **Does there need to be a rationalisation of existing quality marks?**

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Through previous research, by IGD among others, evidence exists to show that a number of quality marks have little public recognition in terms of what they represent in terms of both product and standards. With this in mind rationalisation has to be seen as a positive move forward although we recognise achievement of this aim is unlikely to be straightforward.

This does however raise other issues and brings into question what level of funding is appropriate for the support of a single quality mark and what it is expected to achieve. For many sectors the use of quality marks at the retail level is obviously a competitive point and we would suggest great care is needed to ensure money is utilised in an appropriate manner. It may be that a single quality mark is something which is aimed at the retail chain as a standard rather than something for which wide public recognition is the mark of success.

**Should AHDB invest levy funds to promote uptake within the industry, police the proper use of a mark and build consumer awareness of the quality and standards of all sector products?**

AIC would be concerned at a level of funding being diverted into this work as we do not believe it would be necessary or appropriate for all sector bodies. It is perhaps therefore an action whereby decisions could be made at sector body level. In terms of the building of consumer awareness on quality and standards of sector products we would question whether delivery of this would be best handled in a sector specific way and funding therefore delivered via the sector bodies as appropriate. For some sectors this could be an action which would tie in with existing promotional activity – the HGCA funded Breakfast week being one example, and we would not wish to see these sorts of activities compromised.

**If levy payer money was to be invested, should AHDB: a) create a new scheme; b) adopt RTL as it is now; or c) Integrate existing beef and sheep standards into RTL?**

We would be wholly opposed to the idea of creating a new scheme. The consultation recognises the difficulties in gaining consumer awareness in a marketplace awash with quality and other marques. To begin again would seriously damage the legitimate work programmes of levy bodies from a financial perspective.

Unfortunately our knowledge of the current beef and sheep standards is insufficient to comment on which of the remaining two options would be the most appropriate. We would suggest however that a specific evaluation might be appropriate before a final decision is taken.

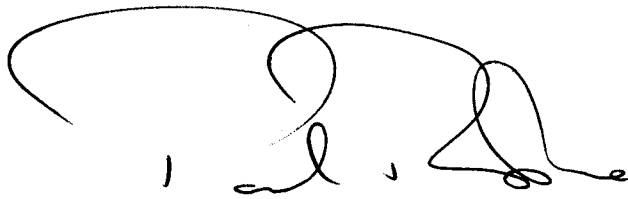
**Which products or markets segments do you believe would most benefit from the promotion of quality characteristics? Would you support levy payers' money being invested in this promotion?**

Within the grain sector we would suggest most benefit comes from the promotion of RTL through the processing chain to ensure its uptake on processed products at the retail level. This perhaps relates more to a baseline investment than specific promotional work. The system could permit additional work to be undertaken within other sectors however funding streams should be specifically developed for this where the benefit is accrued to specific sectors/products only.

**Do you support levy-funded investment even though this will mean EU guidelines for promotion need to be observed by all parties?**

We accept this is a restriction which would apply.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Rooke', with a large, sweeping flourish at the beginning.

Paul Rooke  
Head of Policy-External Relations

