

British Meat Processors Association  
12 Cock Lane, London EC1A 6BU

Tel: 020 7329 0776  
Fax: 020 7329 0653  
info@bmpa.uk.com  
Website: www.bmpa.uk.com



31 October 2008

Guy Attenborough  
Interim Head of Communications  
AHDB  
Area 2B  
Nobel House  
17 Smith Square  
London  
SW1P 3JR

Dear Guy

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

Thank you for the opportunity to respond to the consultation on food supply chain quality schemes and branding. The BMPA is a trade association representing a wide range of red meat slaughtering and meat manufacturing companies in the UK. In making our comments on the consultation it is worth highlighting that we are also the owners of the slaughter and processing elements of the pork standard as well as the processing standards for the bacon, ham and sausage schemes.

Before answering the specific questions in the consultation document it is worth highlighting that we believe levy money should be invested where it achieves maximum return for levy payers (farmers and processors). In the past too much levy money has been focussed on promotion which has benefited a minority of levy payers particularly in the beef and lamb sector where there has been minimal take up of the QSM by the multiple retailers who supply the majority of UK consumers. AHDB should focus effort on better returns and knowledge transfer and spend minimal amounts of expenditure on marketing and promotion unless it can provide significant benefits to levy payers.

It must be remembered that a mark is purely a public manifestation of a standard and as such it is vital that the standards which underpin any mark whether it be QSM or RTL are robust and have a high degree of integrity. Whilst we do not wish to see additional burdens being put in place we would be concerned if, to increase the volume of product carrying a mark, the standards were reduced. It is also important in taking this work forward that AHDB and AFS manage the situation we currently have where the standards required for a product to carry the mark are very different depending on which sector concerned. BMPA along with BPEX and others have heavily invested in building

a robust standard with good integrity and we would not wish to see this damaged in anyway by a move to a common logo.

**1. Should AHDB invest levy payers money to promote the quality and standards of its sector's products?**

The AHDB should invest on the basis of a cost / benefit analyses in the promotion of the quality and standards of it's sectors products. However marketing should not dominate the expenditure of the levy money and whilst a limited amount should be focus in the area of domestic promotion the majority of money should be targeted at Knowledge transfer, better returns, exports and generally improving the productivity and competitiveness of domestic production.

**2. Does there need to be a rationalisation of the existing quality marks?**

There are currently a number of marks in the market place with varying degrees of recognition and consumer understanding. Current retail packaging incorporates a plethora of messages which dilutes established messages, has the potential to confuse consumers. As such a simplification of the current marks is a sensible approach. It is also worth noting that our members deal with multiply retailers on a daily basis and we believe they would very much prefer to see a rationalisation under a single mark.

**3. Should AHDB invest levy funds to promote uptake within the industry, police the proper use of a mark and build consumer awareness about the quality and standards of all sector products? (The cost of this is estimated to be about £0.5m. per annum to AHDB and would be apportioned back to AHDB sector organisations).**

In principle we believe that the AHDB should invest a small amount of funding to promote uptake within the industry, police the proper use of a mark and build consumer awareness. However this should only be the case if there is a strong demand for this from the multiple retailers who supply the majority of UK product. If retailers do not embrace the use of a mark then investing money into a mark which will not be available to the majority of consumers would not be a sensible use of levy money.

**4. If levy payer money was to be invested, should AHDB;**

**a) Create a new scheme?**

Creating a new scheme will have a number of negative issues attached to it. Firstly the creation of any new scheme will incur development costs which would not be incurred if an alternative approach is possible. Secondly, any new scheme will by definition start from a base of zero consumer recognition and whilst this can

be built over time a significant effort will be needed for the recognition to reach the level of any of the existing marks.

**b) Adopt the RTL scheme as it is now? or**

Given the high consumer recognition of the red tractor it would be sensible to use this mark as a unifying kite mark for future activity. However AHDB may need to consider carefully how different sectors may be able to distinguish their product from other red tractor product to help their own sector based promotional work and to try and avoid the problems which could occur where one sector is hit with bad publicity e.g. a food scare and other sectors do not want to be faced with being damaged by association.

If the RTL is the preferred approach it would also be worth considering whether the RTL's ownership should be transferred from the NFU to the industry as a whole.

**c) Integrate existing standards in the beef and sheep sector into the RTL scheme? (Note: pig sector standards already integrated)**

If a single mark is to be used then it is vital that all standards which support the mark are integrated in to one scheme. The more important issue to consider is the fact that currently the different schemes all have different levels of standards attached to them. We would be concerned if the integration of the current standards that relate to pork products were undermined by a potentially weaker standards in other sectors

**5. In your sector, which products or market segments do you believe would most benefit from the promotion of quality characteristics (either general quality characteristics common to your sector and other sectors or ones specific to your sector)? Would you support levy payers' money being invested in this promotion?**

Decisions about what sectors should be promoted should always be based on the philosophy of maximising returns for that sectors levy payers. Decisions should be driven by market analysis and a cost benefit analysis of the options available and the prioritisation of AHDB funding should be kept under review.

**6. If in your view, no products in your sector would benefit from promoting such a scheme (beyond a baseline investment outlined in paragraph 21), would you accept other AHDB sectors working together at a sector level on such a scheme through AHDB?**

Not a relevant question for our sector but on a general point would be that no one AHDB sector should be able to veto joint activity by other sectors.

**7. Do you support levy-funded investment even though this will mean that EU guidelines for promotion would need to be observed by all parties participating in the scheme throughout the supply chain even where private funds were invested?**

Whilst the constraints of the EU guidelines should not be overlooked the benefits of using a small amount of money to promote a mark would in our view outweigh the problems presented by EU guidelines.

Yours sincerely,

**Stuart Roberts**  
**Director**