

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

29 October 2008

Dear Mr Attenborough,

Food Supply Chain Quality Schemes and Branding

The Country Land and Business Association Ltd (CLA) welcomes the opportunity to comment on the above consultation. I will do this by responding to the questions put.

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

The simple answer is yes. We believe that it is vital for the industry to be able to demonstrate the quality of particular products to the consumer. We are mindful of the plethora of quality schemes already in the market place and the element of confusion that can exist in the minds of the consumer. However, one of the main advantages of a quality scheme should be one of educating the buying public through ensuring that purchasing decisions are based on an understanding of all available information.

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

The implication from the answer to question 1 above is yes. Confusing the public can do significant damage to a brand, to the extent that sales of that brand fall because of the confusing message being promoted.

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 ?

In a sense, this relates to the ability of AHDB to manage an overall quality scheme. We are of the view that AHDB should have this ability and that an industry agreed scheme should come under the auspices of the AHDB, rather than any other organisation.

4. If levy payer money was to be invested, should AHDB: a) create a new scheme; b) adopt the RTL scheme as it is now; or, integrate existing standards in the beef and sheep sector into the RTL scheme ?

The CLA has always had reservations regarding the effectiveness of the Red Tractor Logo (RTL). There remains significant anecdotal evidence that the consumer still does not understand what the RTL stands for or the rules relating to its use.

However, despite this, we can see no reason, very much in a practical sense, not to use the RTL system as the basis for a comprehensive quality scheme. We fully understand

the concerns of other organisations within the beef and sheep sectors as to their reluctance to abandon their own quality marks. One also has to remember that certain products have attained EU PDO and PGI status, thus, having the right to use this logo as a marketing advantage. Given this, we would advocate the integration of existing standards within the RTL system.

We also wish to make clear that a revised RTL system must come under the auspices of the AHDB. We would have to reconsider our support for RTL if it was found that the AHDB did not have overall control of the revised system.

- 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 ?**

The CLA, in its original evidence to the Radcliffe Review, believed that the use of funds for generic promotion failed to secure a necessary return. We still believe that to be the case. However, there are particular sectors where more general promotional activity can actually achieve its objective. This is very much the case in the beef and sheep sectors, not so much in the liquid milk sector given its very nature. We would have no reservations in AHDB funding such a promotion as long as it was properly targeted.

- 6. If, in your view, no products in your sector would benefit from promoting such a scheme (subject to para 21) would you accept other AHDB sectors working together at sector level on such a scheme through AHDB ?**

Not relevant as all sectors should benefit.

- 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 ?**

The key word here is “participating”. There is clearly a choice to make. Any new scheme will make clear the rules underpinning it. Although there would be a concern that EU rules maybe seen as restrictive and so potentially lessen the amount of private sector finance, it should also be the case that the potential value return from participating in the scheme should outweigh this “problem”. Therefore, we would support such investment.

If you have any questions, please do not hesitate to contact me via e-mail (charles.trotman@cla.org.uk).

Yours sincerely,

Dr Charles Trotman
Head of Rural Business Development