

Consultation on food supply chain quality schemes and branding

Response from LEAF (Linking Environment And Farming)

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Please find to follow our comments for the AHDB consultation.

General Comments

This is not an easy consultation to respond to as there are bigger consequences which could arise from levy payers money being spent on quality standard promotion that this consultation does not address. We would welcome a meeting at the earliest opportunity to discuss this.

To follow are some key points we would like to make at this stage:

- The Red Tractor was not accepted as a quality mark under state aid rules in Scotland – LEAF Marque and QMS were
- The RTL does a very important job at ensuring food safety standards and basic legislative requirements are met. This standard is enough for some farmers and for consumers. For others they need more scope and choice, this is where the other schemes such as LEAF Marque and RSPCA Freedom Foods come in.
- £500 000 is not a large promotion budget for the scheme
- If the scheme falls under state aid rules – one of the consequences will be that other farmers from other European countries are eligible to use the RTL. This would then mean that UK Levy payers could end up promoting the RTL France, RTL Germany, etc and all the associated schemes that would be eligible in other countries – would this really be what the Levy payers are under the impression that their money would be used for?
- Has there been enough discussion on the consequences of the UK farmers falling under state aid rules. Are we going to see processors who currently actively promote British Produce taking the decision to drop the RTL as they will no longer be able to make the British claims? Will we see British producers and retailers move more towards the use of Global – GAP when they trade?
- The RTL is owned partly by the NFU (the logo) and partly by the scheme sectors under RTL. If AHDB took over this role who would own this?
- Have the Levy payers been fully consulted and made aware of these potential conflicts?
- A lot of the details are highly specialised when working with the farm assurance schemes and their management – how would AHDB expect to run any new or existing scheme?
- We **must** think of the consumer here, are any representatives being consulted?
- Consumers must be given the opportunity to choose and have choice for what they buy and eat. We cannot take away the freedom of choice for consumers who want to pay more and those who want to pay less. We need to get better at supporting and promoting existing schemes which provide this choice, not take this opportunity away from our industry and encourage shopping habits elsewhere where foreign food producers see this as an opportunity to fill a gap in the market.
- Farmers must be given the choice too, to differentiate themselves in the market place.
- We could see climate change consequences as shopping habits encourage more food imports as consumers search for higher quality abroad if they can't find it in the UK.

Question 1

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

No.

If a decision was made that investment is available then other schemes should also be eligible, such as LEAF Marque. One scheme should not be favoured about the other. It should encourage smaller higher quality schemes so sectors or individuals in that sector can differentiate themselves in the market whilst improving production systems, the environment and animal welfare. Giving the consumer choice and the ability to support and buy into a better production system or quality standard is critical.

Question 2

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

The use of multiple marks on some products can be rationalized where the same standards occur under the different marks. However this must be left to the retailer who we hope is giving the consumer the information that they require on pack. The UK retailer industry and AHDB should back existing schemes and allow for higher level schemes to flourish (LEAF Marque and RSPCA Freedom Food) as stated in the Policy Commission on the Future of Farming and Food.

Question 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).

Much of this is done through the schemes, the certifiers, UKAS, and the retailers. A stronger united approach of the values of all the schemes would be useful, but we would welcome discussion with the AHDB on which organisation should be doing this, and what feedback AHDB receive from their levy payers.

Question 4

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

- a) Create a new scheme? No
- b) Adopt the RTL scheme as it is now? Yes, as well as supporting other existing higher level schemes.
- c) Integrate existing standards in the beef and sheep sector into the RTL scheme? (Note: pig sector standards already integrated) No

Question 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 definition of quality characteristics need to be clarified here – as a generic approach to promotion may end up being very divisive to farmers not in the scheme or in 'higher' quality schemes.

Question 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?

No.- this would set a difficult precedence for collaboration among the AHDB members

Question 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?

This is where we think there could be huge consequences as to where Levy payers money is going, so we would not support this investment unless it was clearly supporting an added value or strong business benefit to the farmers. Such an example would be with LEAF Marque and preferred suppliers through other quality schemes.

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