

Date : 31 October 2008
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FOOD SUPPLY CHAIN QUALITY SCHEMES AND BRANDING

1. NFU Scotland (NFUS) is replying to the consultation on food supply chain quality schemes and branding.
2. In summary, the view of NFU Scotland is:
 - At this time NFUS does not believe that there is widespread support for the diverting of levy payer funds to promote a quality and standards mark such as the Red Tractor Logo.
 - In general the promotion of the quality of the food we produce and the standards by which they are produced is a good thing. However, the needs of the sectors do differ and require to be taken into account.
 - The needs of the markets in which the products are sold should be the driver to determine the need and extent of quality marks.
 - The credibility of any mark is dependent upon ensuring its effective and proper use. Policing of a mark is important.
 - It is for individual sector boards to identify the products or market segments that would benefit from the promotion of quality characteristics. There will be some sectors that will not want to invest in additional promotional activity. This should not stop those sectors that wish to collaborate.

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

3. NFUS recognises that it is important to differentiate domestic produced product from imports. The promotion of the quality and standards of our domestic products can often play a part in this differentiation. While in general promotion for all sectors is a good thing the needs of the sectors do differ. Some of the ‘old levy bodies’ were not involved in this type of activity and producers belonging to these levy bodies may not support a change that diverts spending in this direction.
4. Scotland has developed its own quality marks that are recognised and widely supported by the industry. For instance in Scotland there is limited enthusiasm, for any additional expenditure to that already outlined in the HGCA Ltd business plan.
5. Work is being undertaken in Scotland on behalf of the Scottish Government to review perceptions about labelling and branding in the industry with respect to the attributes of Scottish products, including; provenance, quality, health and environmental

6. At this time NFUS does not believe that there is widespread support for the diverting of levy payer funds to promote a quality and standards mark such as the Red Tractor Logo.

Question 2 – Does there need to be a rationalisation of existing quality marks?

7. The needs of the markets in which the products are sold should be the driver to determine the need and extent of quality marks. All parts of the supply chain need to be considered. For some products it is the home consumer that should be used as the gauge for the role of quality marks. For other products it is the intermediate consumer for example processor whose needs must be considered. NFUS does not believe that there needs to be a rationalisation for all the sectors covered by the AHDB.

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?

8. The credibility of any mark is dependent upon ensuring its effective and proper use. Policing of the mark is vitally important. NFU Scotland accepts the principle that any mark must be effectively policed but the policing of the mark needs to be paid for by the sectors which gain benefit. Before we can comment on specifically the sum of £500,000 that is quoted we would require more information on how this is to be spent.

Question 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?; c) Integrate the existing standards in the beef and sheep sector into the RTL scheme?

9. NFU Scotland cannot see benefit in re-inventing what already exists. In Scotland we have our own quality mark for our beef and sheep sectors and therefore it is not for us to comment on what should happen to the beef and sheep schemes elsewhere in the UK. In the case of cereals we understand that the view of the Board of SQC is that there is no need for further investment as far as cereals and oilseeds are concerned on top of the quality mark already used in Scotland

Question 5 – In your sector, which products or market segments do you believe would most benefit from the promotion of quality characteristics?

10. It is for individual sector boards to identify the products or market segments that would benefit from the promotion of quality characteristics.

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 sectors of AHDB working together at a sector level on such a scheme through AHDB?

11. There will be some sectors that will not want to invest in additional promotional activity. This should not stop those sectors that wish to collaborate. This decision should be left to the individual sector companies.