



NATIONAL PIG ASSOCIATION

AHDB CONSULTATION ON FOOD SUPPLY CHAIN QUALITY SCHEMES AND BRANDING

The National Pig Association (NPA) is the representative trade association for British commercial pig producers and is affiliated to the National Farmers Union (NFU) and represents the pig interests of NFU members. We welcome the opportunity to respond to the following questions posed in the consultation.

Q1. Should AHDB invest levy payers money to promote the quality and standards of its sectors products?

There is a potential benefit for AHDB sector companies to promote their products and it is appropriate to use levy monies for this purpose. However, there is also potential benefit in promoting both quality and origin of a wide range of British agricultural products, including many that are not currently covered by the Statutory levy.

It will therefore be important to bring to the table, at the earliest opportunity, those sectors already using the Red Tractor Logo and those which are outside the Statutory levy system. It is recognised that difficulties may arise in determining the contribution levels from each sector, particularly of those not currently using the logo.

Q2. Does there need to be a rationalisation of existing quality marks?

There is significant retail pressure to simplify product labelling in the face of requirements to carry increasing amounts of consumer information on pack. It is also argued that a wide range of logos/labels can lead to consumer confusion, therefore from a retail and consumer point of view the simplification of quality marks is likely to be welcomed. The pig sector agrees there is merit in a single, well promoted logo such as the RTL, providing its attributes can be clearly understood, and are consistent across the range of products on which it is displayed.

The pig sector is proud of its Quality Standard Mark which signifies traceability throughout the chain, from farm to fork, as well as quality assurance. The industry has worked hard to promote the Mark and what it stands for to consumers. However, we are willing for the QSM to be replaced by the RTL or its equivalent, providing EU confirmation is given that all Assured products carrying the logo meet State Aid guidelines. This includes products from sectors outside the Statutory levy system.

It is vital that the reputation built by the QSM is not diluted by any consumer perception that the RTL promotes lower quality or a lesser degree of traceability or food safety. As such, we believe that in harmonising the

standards, the highest sector standards should be adopted, rather than the lowest. This might need to be a stepped process but should be achieved within a reasonable timescale. We look forward to satisfactory completion of the harmonisation of Standards between all Assured sectors within AFS, and a satisfactory report from both Defra and the EU Commission on the AHDB application for permission to use Statutory levy funds for promotion.

Q3. 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).

The sector companies should use levy funds to promote the scheme and police the standards. It is implicit in our responses to questions 1 and 2 that the pig sector agrees the need to build consumer awareness about the quality and Standards of all products carrying the same mark, and to ensure that the use of this mark is not abused.

Clearly a negotiation will be necessary between the various sectors within AHDB on how to apportion the cost of this work, but there should also be parallel discussions with non-levy paying sectors which also benefit from the use of the Logo, to ensure an equitable funding solution. There will also need to be real commitment from all parties to ensure that certain sectors are not unfairly financially burdened if others subsequently pull out.

Q4. 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

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

We believe it would be right to adopt the current RTL scheme. The logo is already carried on more than £7.5bn. value of product per annum, and it has growing consumer awareness. The pig sector became a subsidiary company of AFS during 2008, and is now keen to see the beef and sheep sectors take this step as soon as possible, taking account of the points made in the answer to question 2.

Q5. 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 pig sector currently promotes the QSM on Pork, Bacon and Ham. Subject to appropriate schemes being drawn up and agreed by the whole industry sector we are keen to see as wide a range of pigmeat and pigmeat products as possible covered by this logo or its successor. Whatever the

over-arching mark looks like, it should refer to pork, bacon and ham in the way our current Quality Standard Mark does. For example, if the Red Tractor Logo is used, reference to the product (pork, bacon or ham) should feature somewhere on that logo.

It is logical that the promotion costs of the logo should be funded by the sector body however we believe that it would be inappropriate to use the same level of funding that currently supports the QSM by BPEX to fund the RTL, as the difference should be given to supply chains. The issue of funding general RTL promotion is more difficult as clear cost allocation has to be agreed between sectors.

We concur that the logo is designed to impart 'secondary messages' to consumers about quality and provenance, and that there may be significant scope for individual sectors to help market specific product by a variety of complementary means. The budget for promotion of the 'secondary logo' will, therefore be limited, but sufficient (shared between sectors) to maintain and to grow consumer understanding and acceptance. Co-ordination of this activity between the sectors is essential to help the best use of funds to drive the common messages.

Q6. 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 applicable.

Q7. 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 pig sector already works within EU guidelines. We hope other sectors will accept the same conditions to allow effective and comprehensive cross-product promotion of the kind envisaged by both AHDB and AFS.