

October 31, 2008

Guy Attenborough
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Dear Guy

Consultation on food supply chain quality schemes and branding

Quality Meat Scotland is the levy funded body with responsibility for promoting the products of the Scottish red meat industry. Many of our customers are in England and we are consequently appreciative of the opportunity to comment on the consultation presented by AHDB on food supply chain quality schemes and branding.

Scotland has a worldwide reputation for the quality of its livestock and the meat produced from them. Over the past two decades this reputation has been formalised through the use of whole chain quality assurance, including eating quality measures, and the use of PGI protection for beef and lamb.

We believe strongly that it is prudent use of levy payer's money to promote the quality of products and the standards to which they are produced. We would expect our sister organisation to adopt a similar view.

We would not wish to comment on the need to rationalise quality marks within England for red meat. However, our experience would lead us to conclude that it is important that quality marks have credibility and critical mass. Equally we consider it important that individual species are capable of differentiation and have easily identifiable marks. To have a single mark across several sectors may dilute some of the strength of individual schemes.

One of the challenges of an overarching quality assurance scheme is that of achieving an agreed common standard; what suits arable production, or intensive livestock production, for example, may not suit extensive livestock production. In some cases an overarching scheme may, by dint of covering several sectors, be less rigorous than individual sector schemes. In which case a duplication of schemes, and labelling, may continue to exist despite the presence of one overarching scheme. Nevertheless, if a single scheme is to be adopted it would seem sensible to build on the existing model of the RTL.

A further challenge is that of policing and promoting the mark however, without such activity the credibility of any scheme is compromised and its success threatened.

This is much easier to achieve with general industry support for the scheme but, nevertheless, is a costly and time-consuming exercise but fundamental to a schemes' success. While promoting the uptake and awareness of a scheme may be a suitable use of levy funds, it may be argued that policing the scheme should be financed out of scheme membership fees.

Our experience suggests that working within the State Aid Rules can be challenging. The greater the coverage of the scheme the greater these challenges will become and it is important that all stakeholders recognise these challenges and the limitations they can sometimes create for activities. Nevertheless, if it is accepted that using levy funds in this way provides value for money for the industry, which we consider they do, then the inevitability is that State Aid Rules are a consequence of the decision.

I hope you find these comments and observations of relevance to your deliberations. If you wish to discuss the contents of this letter further please do not hesitate to contact me.

Yours sincerely



Stuart Ashworth
Head of Economic Services