

# TENANT FARMERS ASSOCIATION

## **Response to Agriculture and Horticulture Development Board (AHDB) Consultation on Food Supply Chain Quality Schemes and Branding**

### **Introduction**

The Tenant Farmers Association (TFA) welcomes the opportunity of responding to the AHDB consultation document on “Food Supply Chain Quality Schemes and Branding”. The Tenant Farmers Association is the only organisation dedicated to the interests of the tenanted sector in agriculture in England and Wales. Our members, as levy payers to the AHDB sector companies, come from all production sectors of the industry.

Our response to the consultation document follows the seven questions set out at the end of the document issued by AHDB. However, given the answers we have supplied to questions one to four, we do not believe that the final three questions are relevant.

### **Question 1: Should AHDB invest levy payers money to promote the quality and standards of its sector’s products?**

The TFA believes that one of the core functions of AHDB is to use levy payers money to promote quality, standards and branding across the production sectors for which it is responsible. However, we do not believe that this should be achieved through the creation or development of a standard quality scheme to cover all production sectors. Our preferred approach would be for AHDB to grant aid producers whether individually, co-operatively or in farmer controlled businesses to assist them in the development of their own brands and brand image which they can own, support and develop themselves. Part of this strategy could involve working with the English Food and Farming Partnerships (EFFP) to assist in the development of cooperative and collaborative thinking amongst levy payers in this area.

The problem, as we see it, with a common assurance scheme like the red tractor logo (RTL) is that it homogenises products on retail shelves and therefore works only to the advantage of the retailer and not to the producers. Retailers are able to pitch one producer against another to achieve the lowest cost of supply which has the RTL. Therefore, whilst the RTL may appear on £7.5 billion worth of produce, the TFA does not believe that farmers have seen much of the benefit of this. The RTL is not owned in the same way as a brand is owned. Producer owned brands allow for improvements in the value of market share to be passed to the producers themselves in a way the RTL will never do. As shoppers develop individual brand awareness and increasingly demand specific brands within retail stores, retailers in turn will have to do market driven deals with brand owners to meet that demand.

Also, the fact that it covers a range of product categories makes it difficult for consumers to differentiate between the qualities of, for example, a lettuce bearing the RTL on the one hand and a sirloin steak bearing the RTL on the other. Whilst accepting that this may be improved through a coherent communications strategy

for the RTL, the other shortcomings as noted above will not be overcome in the same way.

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

The TFA does not believe that there needs to be a rationalisation of existing quality marks. As noted above, we believe that if the industry should be encouraged to develop its own brands and quality assurance, with assistance from AHDB, which will lead to a greater proliferation of brand images. Indeed, as a general trend over recent years, in addition to the standards required by things like RTL and the Quality Standard Mark Scheme (QSMS), we have seen a significant increase in the number of retailer and processor quality schemes which all appear to use some form of "assurance plus" criteria. Therefore, even if it were beneficial to attempt a rationalisation the TFA does not believe it would be successful.

**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 TFA agrees that AHDB should be investing in quality assurance and brand awareness but not in a single mark or within a single scheme. AHDB should be focusing on assisting producers in the development of their own brands as set out above.

**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? or**  
**c) Integrate existing standards in the beef and sheep sector into the RTL scheme?**

As noted above, the TFA believes that AHDB should use a completely new approach to this area of work through core funding to individual producers or producer groups rather than creating a new national scheme under a single identity or adopting an adapting RTL for AHDB use.

Tenant Farmers Association  
5 Brewery Court  
Theale  
Reading  
Berkshire  
RG7 5AJ

t: 0118 9306130  
f: 0118 9303424  
w: [www.tfa.org.uk](http://www.tfa.org.uk)

31 October 2008  
gwd/1220