

# REVIEW OF FOOD ASSURANCE SCHEMES

for the  
Food Standards Agency

by  
Ruth Kirk-Wilson

<b>INTRODUCTION</b>	<b>para</b>
Reason for review	1
Development of assurance schemes	4
Policy Commission on Farming and Food for England	10
Consumer expectations from assurance schemes	14
<b>GENERAL ASSESSMENT OF SCHEMES ON UK MARKET</b>	
Review process	19
Responsiveness to the consumer	25
Level of standards	
1. Baseline Schemes	35
<i>a) Food Safety</i>	
<i>b) Welfare</i>	59
<i>c) Environment</i>	70
2. Higher Level Schemes	73
Independence of schemes	81
Effectiveness of schemes	92
<i>Improving inspections</i>	93
<i>Control and funding of logos</i>	100
<i>Role of official enforcers</i>	104
Costs and benefits of schemes and competition policy	107
Role of imports	116
<b>NEED FOR FURTHER CHANGE IN ASSURANCE SCHEMES</b>	
Confusion between role of baseline and higher level schemes	112
Uneven development of baseline standards	123
Lack of clear consumer communication	128
Options for change	131
<i>Setting up an umbrella body</i>	133
<i>Constitution and role of umbrella body</i>	135
<b>CONCLUSIONS</b>	
Value of assurance schemes for consumers	145
Recommendation 1-Core scheme criteria	152
Recommendation 2-Development of umbrella body	153
<b>ANNEXES</b>	<b>page</b>
A. Details of assurance schemes.	32
B. Review questionnaire	80
C. List of organisations interviewed.	83
D. Glossary of acronyms.	85

# **REVIEW OF FOOD ASSURANCE SCHEMES**

## **INTRODUCTION**

### **Reason for Review**

1. The Food Standards Agency announced a wide-ranging review of food assurance schemes in November 2001. This followed research for its submission to the Policy Commission on the future of Farming and Food for England, which found low awareness among consumers of the schemes and confusion over their implications. The Agency considered this situation unhelpful for consumers because it prevented them making informed choices when purchasing food. The Agency also considered effective schemes could have an important role in raising UK production standards.

2. The Agency announced that existing schemes would be considered against the following principles:

- Transparency
- Higher food safety standards
- Independent and regular verification
- Consistent implementation
- Clear benefits for the consumer.

3. The objective of the review was to assess schemes against these principles and to recommend how they could be improved. The review was to cover schemes on the UK market, including members of “the Red Tractor” umbrella scheme and higher level schemes. It was asked to consider the criteria in each scheme relating to food safety, animal welfare and environmental implications. It was asked to identify consumer benefits and any available data on consumer price differentials.

### **Development of assurance schemes**

4. Assurance schemes have developed in the UK during the past decade. Until recently, development has been piecemeal. Some sector schemes have been under development for many years, others are more recent. Differing commercial pressures have meant that schemes are at different levels of development and consequently they are not a coherent whole. Schemes have generally been developed by retailers and producers based on their assessments of consumer needs and expectations. But there has been a general failure to consult consumers directly and more formally. Only recently has the consumer perspective begun to be seriously addressed.

5. One of the main drivers was the Food Safety Act (1990) and its creation of the defence of “due diligence”. An important piece of consumer legislation, the Act places a responsibility on food businesses to sell safe food and to take all reasonable precautions over the safety of their products and their raw material supply. Retailers developed their own control schemes with the result that manufacturers were faced with a multiplicity of retailer own brand control schemes. The British

Retail Consortium (BRC) therefore developed a technical standard for “companies supplying retailer branded food products”. For on-farm activity, however, retailers developed their own inspection systems. More recently, they have begun to insist that UK fresh products should be from assurance schemes. In parallel with this, producers began developing their own on-farm schemes. Increasing consumer concern about redmeat and its whole chain complexity, also led to the establishment of Assured British Meat (ABM) in 1998 by the Meat and Livestock Commission (MLC). This aimed to cover the whole red meat food chain from on-farm to retail point and to deal with the same problems identified in the BRC technical standard.

6. In March 2000 a meeting between the Prime Minister and the National Farmers’ Union of England and Wales (NFU) resulted in the launch in June 2000 of the “Red Tractor” logo. The aim was to ensure existing assurance schemes offered effective food safety to consumers.

7. Assured Food Standards (AFS), a non-profit making company, was set up at the same time by the NFU and the MLC, with official encouragement, as an umbrella body to administer the system. AFS has been responsible for ensuring that all schemes under the umbrella develop independent, third party inspection, a change that is important for consistent consumer protection. All schemes have to operate to the international standard for product certification, EN 45011. They must be accredited against this standard by the United Kingdom Accreditation Service (UKAS). Of the ten AFS schemes, four were accredited from the start, the majority has now achieved it and the remainder aim to achieve it in the near future.

8. AFS has also been assessing whether schemes offer consumer equivalent standards and operations. This too is important for consistent consumer protection, but it is not easy to compare sectors as different as horticulture, milk, eggs or meat, let alone to compare differing on-farm approaches within a sector. AFS has made considerable progress in this area.

9. A number of non-AFS schemes have applied for their standards and operating procedures to be recognised by AFS as equivalent. This would mean that retailers would accept their products as assured and that they would be able to use the Red Tractor if they wished. It is extremely important from the consumer point of view that AFS only recognises new schemes after careful analysis of their equivalence but AFS has attracted some criticism from applicant schemes that this is a slow procedure.

### **Policy Commission on Farming and Food for England**

10. In January 2002, the Commission on Farming and Food reported on farming and food in England. The report considered the role of assurance schemes. Schemes were regarded as useful in “communicating value to consumers” but their message was considered confused. The Red Tractor was regarded as “one of the more successful initiatives” although it had “a long way to go” before it achieved “the market penetration required for an industry-wide baseline scheme”. It could meet the consumer wish for a simple approval mark, but schemes needed to be assessed

to ensure they all met stringent and comparable criteria, while continuing to cover the majority of producers. Higher-level assurance schemes were seen as beneficial, provided that there were not too many of them.

11. The Commission recommended that:

- The Red Tractor should over the next two years become the baseline standard for all fresh food produced in England.
- Current schemes should be “rationalised” behind the Red Tractor mark so that all had equivalent standards and operations.
- AFS should continue to manage the schemes, but should review its constitution and board composition to ensure its independence so that it was “owned by the whole food chain” and received more funding from industry and government.
- Government, industry and industry levy bodies should fund more promotion.
- Assurance should be extended into processed foods, the independent and catering sectors.
- Higher-level schemes providing organic, welfare and environmental, as well as regional quality, benefits, should be encouraged, but they should co-operate to ensure consumers were not confused by too many initiatives. They should consider inclusion within the AFS umbrella.

12. The report draws a helpful distinction between two levels of schemes currently existing in the UK. It distinguishes “baseline” schemes from those it variously describes as “premium” and “higher level” schemes. The “*baseline*” concept aims at majority participation in each sector and an increase in standards across all producers, while avoiding “gold plating”. Schemes should include environmental and welfare standards and at least be at “Good Agricultural Practice” (GAP) level. The result should be an increase in UK fresh food standards for all consumers, not just for those seeking “premium” foods. The “*premium*” or “*higher level*” schemes were regarded by the Commission as those which “significantly exceed the Red Tractor baseline” in a field of clear consumer demand. This distinction has not been widely understood. There is some resistance to the use of the term “baseline” because it is sometimes perceived as describing basic standards rather than a benchmark of good practice. Similarly, there is criticism of the use of the term “higher” to describe schemes which may only offer special standards in one particular field. However, the review had found this a helpful distinction when assessing the value of assurance schemes for the consumer and the terminology has been used throughout the review.

13. There are similar schemes in particular sectors in some other EU countries but the UK probably has the most comprehensive range of assurance schemes. UK schemes are estimated to include about 78,000 members. Most of the baseline schemes are within the AFS umbrella but there are two outside, Lion Eggs and the

UKASTA feed schemes. In addition, there are a number of higher level schemes, some of which are considered in this review. The baseline schemes cover over 85% of production in the milk, eggs, chicken, pork and combinable crop sectors and over 65% for beef and lamb and horticultural produce.

### **Consumer expectations from assurance schemes**

14. Recent research into consumer attitudes towards assurance schemes has tended to be qualitative in its approach and tentative in its conclusions. It finds that consumers take some account of schemes in their purchasing patterns, but levels of awareness and trust are seen to be limited. There are also complaints about too much information and a lack of clarity and transparency in labelling.

15. In their submission to the Farming and Food Commission, the Consumer Association (CA) commented that “while the Farm Assurance schemes are to be generally welcomed, in many cases they *do not go as far as consumers expect*” (italics added). Elsewhere in their submission, the CA indicate that these expectations mean that consumers are “increasingly questioning the acceptability of modern agricultural production and food processing methods” and seeking reduced pesticide and minimum veterinary medicine usage. However, a recent National Consumer Council (NCC) consumer survey for the Agency found that taste and quality were the most important factors for consumers when buying food. Those purchasing assured food (47% of the sample of 1,000) did so for quality reasons and to ensure the food was safe, but also to buy British. Less quoted reasons included animal welfare, that the food complied with the legal minimum and that it was produced with fewer chemicals or less intensively.

16. One urgent requirement for the schemes is to improve communication with the consumer about the standards they enforce. In an article in *Which* magazine in April 2001, the CA concluded that schemes were not helpful to consumers because they did not provide simple explanations on the packaging nor contact details for more information. If this were available, schemes would receive more feedback on consumer preferences. The *Which* article said that many consumers thought government was involved in the schemes and were surprised to learn that schemes were run by particular sectors, such as the producers. *Which* concluded that the role of interested parties should be clear and that ownership of the standards and scheme operations must be seen as neutral and impartial.

17. The recent consumer survey undertaken for the Agency by the National Consumer Council (NCC) demonstrated limited awareness of the meaning of assurance and highlighted the need for clearer consumer information and education. The survey interviewed consumers who said they expected integrity and high visibility from the schemes and were looking for clear, honest and transparent food labelling. Many consumers were not clear who owned and ran the schemes and some questioned whether they really were independent or just marketing ploys.

18. This research indicates the broad nature of consumer concerns and confusion about the schemes. The review has examined how schemes might improve

communication with the consumer and increase confidence in their standards and delivery methods.

## **GENERAL ASSESSMENT OF SCHEMES ON UK MARKET**

### **Review process**

19. The review has concentrated on assurance schemes which have three characteristics:

- Declared food safety standards, usually accompanied by welfare and environmental requirements,
- A system of independent policing, and
- Voluntary membership.

The review refers to food assurance schemes simply as “schemes”, unless it is necessary to distinguish them from other schemes, such as those set up by retailers with their own specifications, sometimes supported by their own inspection arrangements.

20. The consumer is faced by many logos and labels, which may appear to be food assurance schemes. The review has not considered food which simply claims to be “quality assured”, retailer branding such as “healthy eating” and “recyclable”, logos such as “suitable for vegetarians” and religious qualifications such as halal and kosher. These have been considered by the NCC in an Agency-funded study of logos and voluntary labelling.

21. The review was asked to consider the schemes against the five principles set out earlier. However, these principles overlap and are not always directly applicable. For example, schemes must be transparent, but this results from many factors, such as responsiveness to the consumer, communication about scheme details and the effectiveness of their standard setting and operations. The review has separately considered scheme provisions for food safety, animal welfare and the environment. In practice, the three are not mutually exclusive. Space requirements, for example, developed for welfare reasons, will have food safety and indeed food quality implications. Environmental controls on pesticide and fertiliser usage may also have food quality as well as food safety implications.

22. For these reasons, while taking account of the principles set out in its remit, the review has assessed schemes under the following five headings:

- Responsiveness to the consumer
- Level of standards- baseline and higher level schemes
- Independence of schemes
- Effectiveness of schemes
- Costs and benefits and competition policy

23. The review has covered most of the baseline and some higher level schemes. Because the Red Tractor group and other baseline schemes cover the majority of UK fresh food sectors, the review has given most attention to these. The list of schemes is by no means exclusive but the review has aimed to be sufficiently wide to identify the benefits of assurance schemes and future challenges. The schemes covered are:

***Schemes eligible to use Red Tractor***

1. AFS- Assured Food Standards (umbrella body)
2. APS-Assured Produce Scheme (Horticulture)
3. ACCS-Assured Combinable Crops Scheme
4. NDFAS-National Dairy Farmers Assurance Scheme (Milk)
5. ACP-Assured Chicken Production
6. ABP-Assured British Pigs
7. ABM-Assured British Meat and FABBL-Farm Assured British Beef and Lamb
8. FAWL-Farm Assured Welsh Livestock
9. NIBL FQAS –Northern Irish Beef and Lamb Farm Quality Assurance Scheme.
10. Scottish Specially Selected Assurance Schemes, including Quality Meat Scotland (QMS) and Scottish Quality Cereals (SQC).
11. Genesis Quality Assurance Scheme (beef and lamb and combinable crops)

***Other baseline schemes***

12. Lion Quality Scheme(Eggs)
13. UFAS/FEMAS- UKASTA Feed Assurance and Feed Material Assurance Schemes
14. Danish Bacon

***Higher level schemes***

15. Freedom Foods
16. Organic bodies
17. Soil Association
18. LEAF-Linking Environment and Farming

24. Detailed information on each of these schemes is set out in Annex A. This information is based on responses to a general questionnaire (annex B), followed by meetings and discussions with relevant stakeholders (annex C). A glossary of terms is at annex D.

**Responsiveness to the consumer**

25. Most schemes developed to meet retailer/producer perceptions of consumer needs and aspirations. But most have been developed without any specific consumer input. Many schemes consider that the inclusion of retailers is sufficient. They argue that they consult consumer bodies extensively on the regular revisions of standards by their technical bodies before these come for board approval. The Lion scheme, which is extremely effective at consumer communication, has no direct

consumer input. It argues that it responds rapidly to consumer concerns through consumer marketing research.

26. AFS, the umbrella body, and the beef and lamb schemes in England, Scotland, Wales and Northern Ireland have a specific **consumer representative** on their governing boards and this review believes that other schemes should follow suit. Consumers and consumer bodies do not perceive retailers and their marketing expertise as adequate to represent their interests. There is also a wider need for the schemes to demonstrate that they are open to direct consumer influences. The appointment of a consumer representative on their decision making bodies would be an important indicator of their greater responsiveness in this area.

27. Schemes may point out that, where they specifically try to include such representation, such as on the Soil Association committees, they find it difficult to make an appointment. However, as schemes improve their communications with consumers, there should be more understanding of the benefits that schemes can bring them and therefore a greater willingness to take part.

28. All schemes have websites which have been developing rapidly in recent months to provide better consumer information. All recognise the need for **more focused consumer information** on schemes. The Red Tractor site gives clear, understandable information on the details of food safety and animal welfare such as space requirements and stocking densities. Only Genesis and FAWL, the Welsh beef and lamb scheme, which are both developing their sites, do not yet have any detail for the consumer.

29. Descriptions would benefit from clarification on where standards exceed the legal minimum. Information should be available on environmental arrangements, updated as schemes implement the results of the AFS-commissioned study (see para 71) expected in summer 2002. Most Red Tractor schemes, excluding Genesis and FAWL, include detailed standards on their site so that these are accessible to the consumer.

30. Consumers need to be reassured that schemes are fully accredited and standards are regularly assessed by independent third parties. Schemes should include information on inspection arrangements, which, without being too detailed, should cover details such as how often they occur, whether they include random or unannounced inspections and how schemes deal with issues of non-compliance. There should be a consumer helpline for enquiries about individual schemes. A few schemes have them but they are not immediately obvious. The Lion site is probably the most consumer friendly, with recipes and information, but it does not as clear as the Red Tractor site in giving information on the details of the Lion code itself.

31. Schemes should produce and publish data on food safety, animal welfare and environmental improvements they have brought about. They should produce regular updates for consumers on scheme changes and animal welfare and environmental developments. This should be available on their websites, through retailers and directly through pamphlets.

32. Retailers have become drivers in the spread of assurance schemes, in order to meet their due diligence obligations for on-farm production. Consumers gain from this situation because it gives retailers and scheme owners a common interest in increasing standards and a practical and efficient means of doing so. This exerts a major pressure on producers who might otherwise be unwilling to bear the costs of membership and of meeting scheme standards. Schemes give retailers an effective means of communicating their requirements to producers. This has permitted them to reduce the cost of their own involvement in inspection. However retailers have not made consumers aware of the increased use they are making of assured supplies. Some may use scheme logos. Some sell assured products under their own brand without any reference to the scheme or a logo. Some use scheme standards as a base, but add their own specifications. Retailers could be more transparent about the role of assurance in own brands and their detailed “add-on” specifications

33. If consumers are to gain more information about the scope of assurance schemes, **retailers should play a greater role.** They already provide some information about the schemes but, where they display the logos of schemes on products, they should be in a position to provide details to consumers on request. Further, where they are selling assured produce under their own logos, they should be able to explain how schemes link into their own brand specifications. The Red Tractor web site has links to all the retailers using its products, but it is noticeable that retailer sites do not give any easily accessible consumer information about the Red Tractor products they are selling on their own sites. This should be included. Schemes should cooperate closely with retailers to update them on scheme developments, to answer specific queries, and to seek consumer feedback.

34. The Agency has an important role in effective communication to consumers about schemes. It should never be seen as an apologist for assurance schemes but it should be a conduit for consumers to obtain neutral and updated information about them. It would enhance the role of the **Agency** in the food safety field if its website **could help consumers find accurate and impartial information about the schemes.**

## **Level of standards**

### **1. Baseline schemes**

#### ***a) Food Safety***

35. The review was asked to consider whether consumers benefit from schemes through the setting of higher food safety standards.

36. All schemes bring the benefit that they express legal requirements and official guidance in clear language that is understandable to producers and assessors. Schemes bring additional supervision on farm and, in some cases, further down the food chain to that provided by legal enforcers. Legal enforcers themselves accept and welcome this. All schemes incorporate official codes of practice (COPs).

Government has tended to use the development of COPs to clarify areas which are not easily amenable to legal definition. This is particularly relevant to food safety, animal welfare, and increasingly to environmental control. COPs are advisory and not legal requirements. All schemes require their members to be aware of and to implement COPs. Some scheme assessors have specific questions aimed at checking that members understand and are applying them.

37. The value of setting standards above the law is disputed. Consumer bodies tend to argue that, unless schemes are clearly above the law, they are only undertaking work that is more properly undertaken by government, perhaps by putting more effort into enforcement. This review does not share this view. If schemes are to raise standards for the majority of producers and so benefit consumers across the whole UK fresh food area, standards must remain fairly close to legal and official guidance levels. There is some reason to doubt their value where a scheme does little more than repeat the legal and official guidance position. Genesis, the new beef and lamb and crops scheme, is fairly close to this level but still manages to offer the consumer more than the basic legal position. Some retailers would have sympathy with the view that baseline schemes should stay close to the legal position, believing that it is their function to produce brands that occupy the ground above it. One major retailer summed up the value of scheme standards as “making legislation work” and regarded this a major step forward for consumers. In the long term, however, if schemes are to retain consumer confidence, they will have to deliver increases in standards while retaining support from the majority of producers and retailers will be pushing them to achieve this.

38. Some schemes incorporate important provisions that are clearly above the legal minimum. Examples include the **salmonella controls** in some schemes. The poultry scheme, ACP, requires the vaccination against salmonella of parent poultry flocks, salmonella monitoring of broilers pre-slaughter, monitoring to ensure that infected flocks are killed last and premises then subjected to special cleaning and disinfecting procedures. The Lion Quality scheme requires the compulsory vaccination against salmonella of all chicks in their laying flock. This became compulsory in mid 1998 which means that their entire laying flock has been completely vaccinated since the end of 1999. This situation is reinforced by extensive hygiene and environmental controls and salmonella monitoring along the egg production chain. As a result, official data shows there has been a substantial decrease in human illness caused by *salmonella enteritidis* since 1997.

39. The pig scheme, ABP, is moving in a similar direction through the current sampling project at abattoirs on levels of salmonella. ABP has committed itself to implementing the results of this project by restricting assured status to pigs with low contamination levels.

40. Most livestock schemes include **herd health plans** which incorporate standards above the legal minimum. These plans give a defined framework in non-legal language. This enables producers to implement more effectively legal and non-legal obligations concerning veterinary medicines and the associated withdrawal periods

before products can enter the food chain. It also gives assessors better information to check delivery of these obligations.

41. Herd health plans are considered under this section although they have major welfare implications. Indeed, FAWC (the Farm Animal Welfare Council) has referred to them as a “key development in terms of animal health and welfare”. The dairy scheme, NDFAS, has the most well known, sector-specific plan. This was developed with the British Cattle Veterinary Association (BCVA), drawing on the 1997 FAWC report on the welfare of dairy animals. NDFAS has evolved a simplified version which requires that a veterinary surgeon be involved and has laid down a draft sample plan for those wishing to produce their own plan without veterinary input.

42. The other livestock sectors, beef and lamb, pigs, poultry and eggs, require similar plans and provide members with similar outline sectoral plans. Involvement of a veterinary surgeon is not obligatory, but such involvement is encouraged as it is seen as producing more effective plans.

43. For example, ABP requires a pig veterinary health plan which it regards as a major component of scheme effectiveness. It is drawn up by a veterinary surgeon and updated quarterly, as well as annually. The plan was developed by the Pig Veterinary Society, although individual veterinary surgeons may make their own adjustments. The scheme undertakes its own additional monitoring of antibiotic residues to encourage the responsible use of veterinary medicines. This scheme also has strict biosecurity measures. ACP requires a written poultry health and welfare plan tailored specifically to the unit, covering the important poultry diseases. It must be annually reviewed and updated and a veterinary surgeon is usually involved. The Lion Quality egg scheme has taken a different approach. There is no specific flock health plan, but the detailed controls and monitoring of salmonella and other diseases produce health controls which in practice add up to one.

44. Scheme **controls on the use of fertilisers and pesticides** include standards above the legal minimum. Schemes such as APS and ACCS, the horticulture and combinable crops schemes, require minimum usage that is much stricter than the legal minima and the use of alternatives wherever possible, with clear food quality and environmental benefits. Other controls include the calibration of sprayers to minimise pesticide applications and the training of spray operators and stockmen. These changes were developed through the application of HACCP principles.

45. Livestock schemes impose **feed requirements** above the legal minimum. ABM, ABP, ACP and Lion, the beef and lamb, pigs, poultry and eggs schemes, only permit the use of compound feeds that are themselves assured under the UFAS feed scheme. Most have announced that they will restrict on-farm mixing to the use of assured components, as FEMAS, the feed materials scheme, becomes more widely available.

46. Consumers, if they consider it at all, assume the “**assured**” **meat** they buy means that animals have been produced under scheme conditions from birth, even if

they are moved between producer units. The pig and poultry schemes, ABP and ACP, where there is in any case very little trade in progeny between producers, require this.

47. The beef and lamb schemes in England, Scotland, Wales and Northern Ireland do not. Animals are commonly moved between breeders, store and fattening producers. These producers may well be of high standard, but they do not need to be assured and therefore are not subject to regular and independent inspection to assess herd health plans and welfare provisions, such as housing and space requirements. Cattle and sheep acquire assured status after fulfilling a 'residency period'. This means that animals become "assured" once on an "assured" production unit for a specified number of days. ABM recently increased this period from 90 to 180 days for cattle and from 60 to 90 days for sheep.

48. QMS in Scotland requires that any cattle or sheep produced under the scheme must come from an assured farm. The QMS "residency period" has a different purpose. It refers to the time on Scottish units for assured animals to acquire "Specially Selected Scotch" (SSS) status. This is still 90 days for cattle and 60 days for sheep. QMS has recently committed itself to seeking removal of this residency period from EU legislation and replacing it with a 'born, reared and slaughtered in Scotland' requirement. This would remove "SSS" status from about 5% of animals slaughtered in Scotland which are brought in from England and Wales to be fattened, or direct for slaughter in Scotland.

49. Livestock schemes recognise this consumer expectation. They are generally committed to moving from 'residency periods' to a requirement for 'assurance from birth'. Neither ABM nor QMS have committed themselves to a precise date. Similar considerations apply to FAWL, the Welsh beef and lamb scheme, and to the Northern Irish livestock scheme. They too are under consumer pressure. This review believes that beef and lamb schemes should in the longer term move to assurance from birth. In the short term, however, it is important that consumers are kept up to date on the situation and any proposed changes and timetable.

50. The pig scheme, ABP, includes "**whole chain**" standards. These cover transport, abattoirs and meat cutting plants. (The sector does not use auction markets and so has no market provisions.) In conjunction with the British Meat Manufacturers' Association (BMMA), it has food safety and quality standards for the preparation of pork products such as bacon, ham and sausages.

51. The beef and lamb schemes have "whole chain" standards from farm to retail outlets, with specific schemes for transport, auction markets, abattoirs and cutting plants and secondary wholesalers. There are already legal requirements for parts of this chain, but these specific schemes aim to set effective, integrated standards throughout the chain. Like the pigmeat sector, the standards for food production plants have demanded a HACCP based food safety system over and above legal requirements for several years. As one retailer commented, the introduction of these integrated standards has improved effective control along this critical food safety chain. Both the beef and lamb and pigmeat cutting plant standards have

requirements for “traceability” of assured product and these are verified as part of the plant audit.

52. The chicken scheme, ACP, tracks animal welfare to the slaughter point at the abattoir. After that, for purposes of the Red Tractor logo, AFS criteria are that the plant must meet the food safety requirements of the BRC standard. AFS also requires current certification against the BRC standard for any high-risk food processing operation in its other schemes, for example milk bottling or vegetable processing for the dairy and horticulture schemes.

53. BRC audits are highly regarded throughout the UK food industry (and indeed internationally) as verifying food safety along the food chain. However, it is **recognised that downstream standards need further precision**. BRC audits were not specifically designed to check the “traceability” of assured product throughout the chain. (Traceability is the term used by schemes to refer to record keeping that ensures the separation and integrity of assured products throughout the chain. The Agency would use the term “identity preservation”, but, while recognising that the latter is a more accurate definition, this review has used the term employed by the schemes for ease of communication.) AFS imposes a requirement for segregation and traceability of assured product as part of its licensing criteria. These criteria also establish the AFS right to inspect the plant to verify that the systems are operating effectively. AFS is currently reviewing the programme of inspections to check whether they can be improved.

54. The need will vary with the sector. Concerns have been expressed about the integrity of downstream assurance for some ACP broilers when assured and non-assured products are handled in the same production unit. This may be true in other sectors where the handling of two different product streams may lead to mislabelling whether by accident or design.

55. An enhanced BRC inspection might tighten effectiveness for all schemes. Lion Eggs is aware of this need and aims to improve record keeping and monitoring. The UKASTA feed schemes made major changes in January 2001 to improve traceability and to give greater definition to “non-GM” compound feeds. Imported components and additives are not as closely supervised. The scheme at present requires suppliers to obtain an annual written assurance but this will be tightened from July 2004 to require the use of assured feed ingredients. Danish bacon believes that official controls in Denmark provide sufficient traceability to ensure that product for the UK market is kept strictly separate from other product. The logo is well known in the UK and there are no reports of any control problems. The Soil Association and Freedom Food both use a legal agreement to ensure their high profile logos are correctly applied. There is no evidence of misuse but all schemes might consider enhanced logo controls to maintain effective traceability.

56. The Agency has declared that consumers would benefit from the **wider application of HACCP** (Hazard Analysis and Critical Control Point) principles. HACCP is well embedded in the food processing area. Retailers would welcome its extension to on-farm and near-farm activities, such as transport, auction markets and

slaughter at abattoirs. The Agency has undertaken a campaign driven by new EU regulations to extend HACCP into abattoirs and cutting plants, but EU regulation will not impose HACCP on primary food production on farm.

57. Many producers regard HACCP as too bureaucratic to apply to farming. However, schemes accept that risk is the major factor that needs to be addressed in order to raise standards. This means that in practice they acknowledge, and to some extent apply, the HACCP approach. AFS schemes have all taken their own approach to the use of HACCP as appropriate to the sector. Where this is possible, the scheme requires the individual farmer or grower to apply HACCP. This is the case for APS, the horticulture scheme. In most others, the scheme itself is using HACCP principles to develop scheme standards which then provide a model HACCP plan for the sector. ACCS, ACP and NDFAS, the combinable crops, chicken and dairy schemes have taken the latter approach. ABM, the beef and lamb scheme in England, has used HACCP as the driving force behind its recent scheme changes, as well as applying it to downstream schemes.

58. Among the schemes outside AFS, UFAS, the scheme for compound animal feed production, requires every plant to develop a HACCP plan. Lion Eggs has followed the model plan approach. Recent experiences, not least the foot and mouth outbreak in 2001, emphasise the need for improved biosecurity arrangements, which will also have an impact on food safety controls. The Danish Bacon scheme considers its food safety standards, such as controls on veterinary medicines and antibiotic growth promoters, are all risk-based. HACCP analysis has not had any declared impact on the development of Soil Association or Freedom Food scheme standards. Extension of HACCP based systems and standards would be beneficial for all schemes, not only to deal with microbiological threats but also other food safety problems.

### ***b) Welfare***

59. All livestock schemes have included welfare standards, based on the DEFRA animal welfare codes, following the Farm Animal Welfare Council (FAWC) reports on particular industries and problems. In many schemes some further development is needed if consumers are to be reassured about their animal welfare implications. However, there are **no clear baseline standards** for welfare and filling this gap will help meet consumer expectations.

60. The Farming and Food Commission recommended that schemes should review food safety, welfare and the environmental standards to ensure all baseline schemes have equally rigorous standards. AFS has begun this for food safety. With official encouragement, it has also commissioned a review to identify appropriate environmental standards (see para 71 below). In addition, AFS has appointed a Board Director with a background in animal welfare who has been asked to review the welfare standards of participating schemes and to advise on what further action, if any, may be necessary.

61. During the 1990s, FAWC produced many authoritative reports and detailed recommendations on the welfare of farmed animals and it is currently involved in an analysis of assurance schemes. In an interim report, published in August 2001, FAWC concluded that schemes, even with only the minimum welfare standards required by regulations and the codes, “have served a useful purpose in spreading awareness of animal welfare and improving welfare on a voluntary basis”. FAWC saw this as having the advantage of “thereby improving compliance without recourse to the state veterinary service and local enforcers”. As far as organic schemes are concerned, FAWC would expect them to meet baseline welfare standards of farm assurance schemes and to assess as a “ first priority... the animal welfare impact of the new European rules for livestock products”.

62. In its submission to the Farming and Food Commission in November 2001, FAWC recommended that “the provisions of the Welfare Codes should be enforced as the minimum acceptable welfare standards in all livestock production systems.” In practice, this indicates that they considered that these codes should be the minimum welfare standard for all baseline assurance schemes. So far as existing FAWC reports are concerned, it would be difficult for FAWC to reassess them to distinguish welfare improvements relevant to baseline schemes because welfare standards themselves are constantly evolving. But it would be useful if future reports take account of this distinction.

63. All schemes aim to give **additional welfare benefits** in areas of consumer concern, for example, in the treatment of livestock on farm, in transit, at the slaughter point and in stocking densities for poultry. The chicken scheme, ACP, has committed itself to implementing the outcome of current research by Professor Marion Dawkins on chicken stocking densities. It has also recently produced standards for free range broilers and associated lighting and access conditions.

64. The Lion Quality scheme includes welfare provisions for all types and stages of production. They include controls on the handling of end-of-lay hens, banning of induced moulting and controls on beak trimming for all systems. For free range and barn eggs, its standards mirror those of Freedom Food.

65. Reference has already been made to herd health plans and their welfare benefits. The NDFAS scheme requires records and plans for dealing with various dairy cow diseases, such as mastitis and lameness. It also establishes many welfare requirements such as those for calves and cows close to calving and sets down space requirements.

66. ABP includes scheme welfare standards for pigs that are above the UK legal minimum. The scheme health plan includes detailed medication controls and records. It prohibits castration and the sale of weaned pigs and store animals through auction markets. The scheme includes details on drinking provisions and loading arrangements at farms, proper welfare in transit and arrival at the abattoir. In addition, it has to be noted that the UK legal minimum is itself higher than EU law. The UK has unilaterally decided to adopt standards, for example restrictions

on stalls and tethers, which will only apply in the EU to new units by 2005 and existing units by 2013.

67. ABM has detailed requirements for the handling and separation of calves from cows and for the protection of sheep at lambing. It lays down detailed stocking densities for cattle and for sheep, according to their weight and the form of housing. The veterinary arrangements for animals suffering injury or ill health must be prescribed by a veterinary surgeon and carefully recorded. Transport details and densities have to be controlled and welfare at auction market and abattoirs are specified.

68. There have been several **media attacks in 2001/2 on schemes**, particularly the Red Tractor, but also on Lion Eggs, for promoting their products to consumers as meeting “exacting” welfare standards. The launch of AFS in June 2000 raised consumer and media expectations that the Red Tractor schemes would bring about significant change in the standards of UK fresh food. Some supporters of the new arrangements fuelled these expectations by emphasising that they would bring about “the highest possible standards of food safety, animal welfare and environment care.”

69. This over-selling of the schemes at the outset has resulted in continuing confusion, particularly in the media, about their real objectives. In October 2001, Friends of the Earth criticised the Red Tractor for not living up to its “promise to consumers”. In April 2002, Compassion in World Farming (CIWF) made the same criticism about the Red Tractor not meeting its promise of setting “exacting” welfare standards. However, baseline schemes are not aiming at the “highest standards” which they would regard as the province of the higher level schemes. Baseline schemes are aiming at gradually raising standards across the board which, if achieved, will help all consumers. Consumers willing to pay the higher production costs of higher welfare standards have other schemes that aim to meet their preference, for example Freedom Food products or free range Lion eggs.

### ***c) Environment***

70. Two schemes, ACCS and APS, covering crops and horticulture, have environmental standards which have been evolved with Linking Environment and Farming (LEAF) participation. These represent baseline standards and for example include controls on the use of pesticides and fertilisers for produce and combinable crops. Livestock schemes have more limited controls, for example implementing the DEFRA COPs on air, water and pollution, but they recognise that more needs to be done.

71. AFS has commissioned research into environmental standards with funding from DEFRA, the Countryside Agency, English Nature and the Environment Agency. The aim is to review existing environmental standards in all the AFS schemes and to develop credible and consistent baseline environmental standards. One of the research premises is that, consistent with environmental requirements, increased standards must only place minimal costs on producers. Scheme standards

in all schemes will need re-assessing after the research concludes in July 2002, but schemes have generally indicated their commitment to implementing the relevant parts of this research.

72. It is recognised that, where a consumer seeks environmental benefits significantly above the law, this will properly be met by a higher level assurance scheme, such as that being developed by LEAF. However, the outcome of the AFS research should be to identify baseline environmental standards which schemes can include. This will strengthen their credibility in this area.

## **2. Higher level schemes**

73. All these schemes have been developed to meet specific consumer preferences for higher level welfare or environmental standards from which the scheme member anticipates a price premium. However, it is important for the consumer that they provide information that allows them to be assessed against the standards set by the baseline schemes, particularly in the food safety area.

74. **Freedom Food** has applied higher welfare standards for livestock, as set out in the various FAWC reports for dairy cattle, laying and broiler hens, sheep and pigs kept out of doors. Food safety standards were not traditionally a part of this scheme but in recent years the scheme has aimed to include the baseline food safety standards from the relevant AFS schemes. It has done this for beef and lamb but it is not clear whether the process is complete for pigs and poultry.

75. **LEAF** has identified higher environmental standards for their integrated approach. They will be incorporating the AFS baseline food safety and, as appropriate, welfare standards. It is premature to assess their contribution to higher level environmental assurance. It is important that, as the scheme develops, LEAF provides clear consumer information about the higher standards to which they are committed.

76. **Organic schemes** have developed differently. Unlike other schemes, the organic farming and food production chain and its labelling is subject to EU legislation. In the UK, the EU regulation is administered by the UK Register of Organic Food Standards (UKROFS), an independent board appointed by DEFRA. Excluding UKROFS itself, there are ten organic certifying bodies, with different logos, of which the Soil Association is the best known. They are registered with UKROFS and inspected annually. Organic production is subject to minimum legal food safety, welfare and environmental requirements. Schemes set environment and welfare standards but they are reluctant to discuss their own standards in the same terms as those of baseline schemes.

77. The NCC consumer survey for the Agency in November 2001 suggests that consumers who purchase organic produce mostly do so to avoid residual fertiliser and pesticide residues and the use of veterinary medicines in livestock production. The same research indicates that the leading organic body, the Soil Association, has achieved great respect for the integrity of its products among organic buyers. The

relative **safety** of organic production, compared with non-organic product, continues to be the subject of debate but this review has not looked at the issue in any depth.

78. Organic **welfare** standards require that antibiotic veterinary medicines should never be used prophylactically but other veterinary medicines may be used if essential. If used, organic products may be subject to a number of time and withdrawal procedures. Organic producers may, therefore, be reluctant to use medicines for fear of a reduced price premium. In some rare cases, this has caused welfare problems. In its interim report of August 2001, FAWC expressed concern about restrictions on “ the use of conventional medicines for recurring problems like sheep scab and mastitis”. Organic schemes emphasise that they do all they can to ensure proper welfare.

79. Research commissioned by DEFRA has shown that organic farming has **environmental** benefits, including less reduction in habitat, less likelihood of water pollution and a reduction in soil erosion. But it also shows that other forms of farming can be equally environmentally responsible and sustainable.

80. Organic production is attractive to a growing number of consumers but there is an on-going debate about the food safety and welfare benefits that organic products bring compared with non-organic ones. Consumers would find it much easier to assess these relative benefits if organic bodies were able to communicate the similarities and differences between their standards and those of non-organic schemes. It would be helpful for the consumer if organic bodies could demonstrate that their implementation of EU organic standards meets baseline standards, particularly for food safety.

### **Independence of schemes**

81. Consumer research underlines the importance that consumers attach to being confident that schemes are truly independent and not simply marketing activities by retailers or producers. Independent, third party, inspection is now seen as critical. Operation to the standard EN 45011 linked to accreditation by the United Kingdom Accreditation Service (UKAS) has become the principal indicator of scheme independence and indeed of scheme effectiveness (see next section).

82. AFS has been responsible for ensuring that all schemes within its umbrella have achieved, or are seeking, this accreditation. Other schemes have taken a similar view. UKASTA has gained UKAS accreditation to EN45011 for nearly all its schemes. Certification against the 2002 BRC Technical Standard can only be performed by bodies with similar accreditation. Lion Eggs is aiming to achieve the same status.

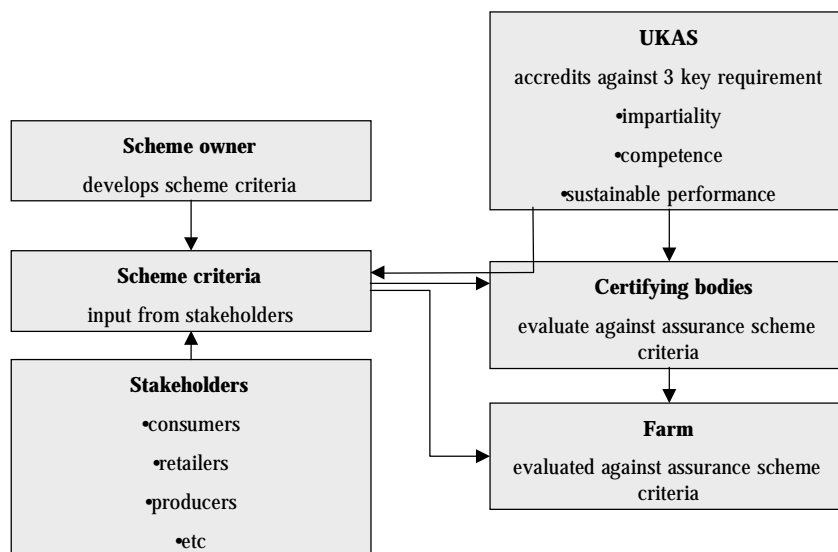
83. This is an important development for consistent consumer protection. UKAS is the sole accreditation body recognised by the UK government to assess and accredit organisations that provide certification, inspection, testing and calibration services. **Accreditation by UKAS** ensures that where organisations are accredited, the consumer can have confidence in their:

- independence and impartiality
- competence
- sustainable performance

Accredited bodies undergo an annual surveillance by UKAS and a four yearly reassessment.

84. Initial accreditation can be an extensive process and may take eight months or more. The UKAS role is illustrated below (see diagram). UKAS has to satisfy itself that the certification standards have been developed taking into account all stakeholders, including consumers, producers, manufacturers, wholesalers, retailers and other interested parties. UKAS requires evidence that all these stakeholders have been, and continue to be, involved in the schemes. UKAS assesses the scope of the scheme, the way in which the criteria are to be applied, the frequency of inspections, the seasonality of inspections, where relevant, and the skills required to assess performance against scheme objectives. This means that *schemes with UKAS accreditation are not identical*, particularly in their standard setting and their delivery arrangements.

#### Relationship between UKAS and assurance schemes



85. Operation of a scheme to EN 45011 with UKAS accreditation should provide consumers with reassurance that an authoritative body has checked scheme independence and effectiveness and that it has a management system to continue to deliver this. However, it *does not mean that UKAS has compared schemes one with another to ensure that their standards are equally rigorous and comparable* or that further improvement is unnecessary. UKAS does not have the detailed knowledge of different farming sectors to make such judgements. Nor does it see this as its remit. It is this gap that AFS has filled for the schemes under its umbrella.

86. It is noticeable that generally the composition of the governing boards gives greater emphasis to producers than to other stakeholders. In many cases, in fact,

they form the majority. This applies to most of the AFS schemes, Lion eggs and the UKASTA schemes. If the schemes are to achieve greater consumer confidence, boards should assess whether a **better balance** could be achieved between stakeholders. Retailers, welfare interests and academics are sometimes represented, consumers rarely included. As has already been noted in paragraph 26, only a few schemes have a consumer representative, such as AFS itself, ABM, the Scottish, Welsh and Northern Irish beef and lamb schemes.

87. Schemes should also consider the addition of official enforcers. The Local Authority Co-ordinators of Regulatory Services (LACORS), has a duty to reflect current consumer concerns in their enforcement activities. They are therefore very aware of such concerns and of practical means of meeting them. Their inclusion would benefit most standard setting bodies, especially those such as the crops, feed and livestock schemes which are highly technical and where LACORS already has an important and growing on-farm role.

88. Schemes should also ensure that independence is given greater priority. They should ensure that their **chairmen** regard themselves and are regarded as **independent**.

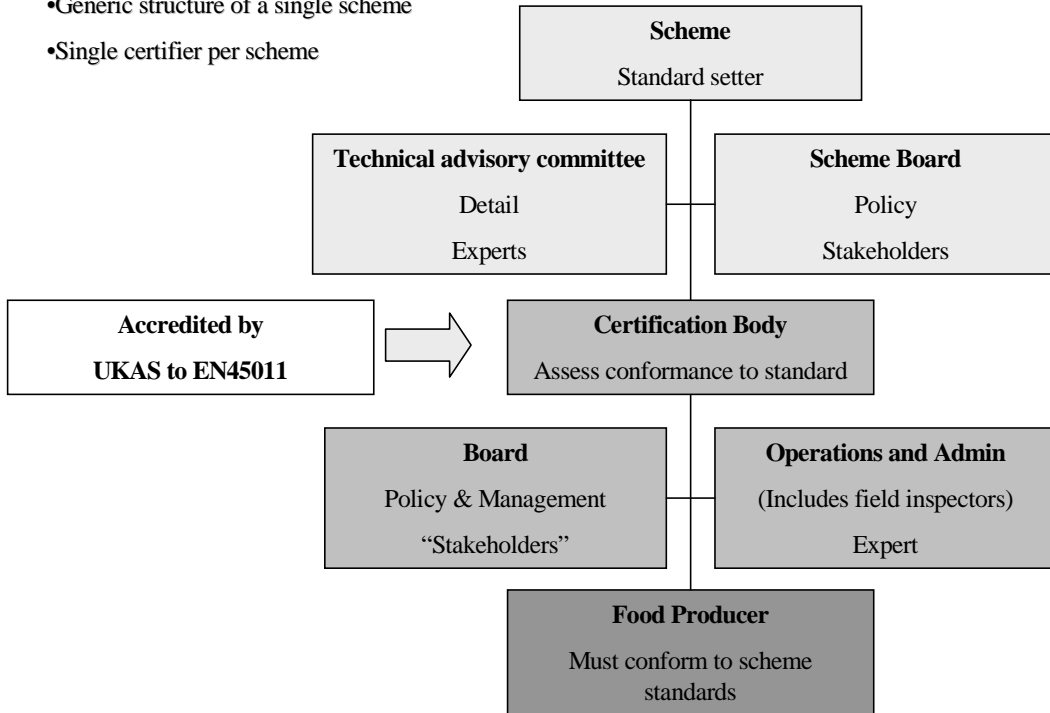
89. Stakeholder representation in Scotland and Wales for livestock and combinable crops already meets most of these specifications. Both schemes have a seven member standard setting panel with a broader stakeholder representation than many other schemes. Both have an independent chairman and six members who include a consumer representative, food sector and producer and processor representatives. Both have representatives from their certification body present at meetings in order to give operational advice. They are both considering the addition of other sectors, such as retailers in Scotland. Both might consider including an official enforcer.

90. The other concern about scheme independence has been to ensure **standard setting is demonstratively separate** from operations (see the following diagram for various scheme structures). As a result of UKAS accreditation requirements, most schemes either already achieve this or can be expected to do so. The scheme board sets standards after consulting all interested parties. The certifying body or bodies have an input generally limited to the practicality of implementing standards. They are solely responsible for implementing the standards and ensuring compliance.

91. The application of this principle differs in Scotland, Wales and Northern Ireland and to some extent in ABP, the pigs scheme. These do not have separate boards. Standards are set by technical committees, appointed by the certifying body. The final decision on standards is taken by an independent governing panel, which is set up by the certifier. QMS, the Scottish livestock scheme owner, recently considered appointing a second certifier, as is preferred by the AFS schemes. On this occasion, the Scottish schemes decided to remain with the existing body. This approach would seem to limit scheme flexibility to change their certifying body, a flexibility that is valued by other schemes as a means of maintaining efficiency and containing operational costs.

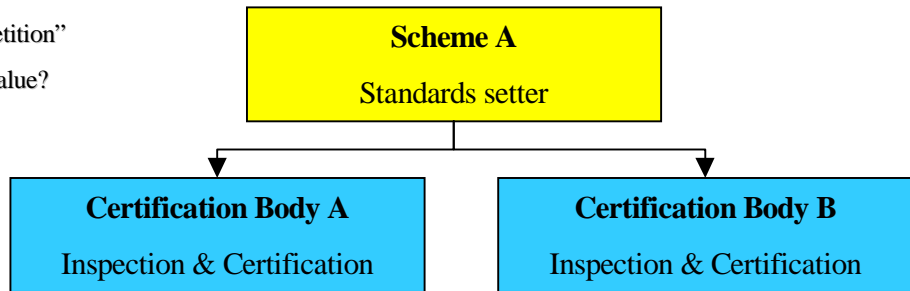
**Diagram 1: Generic**

- Generic structure of a single scheme
- Single certifier per scheme



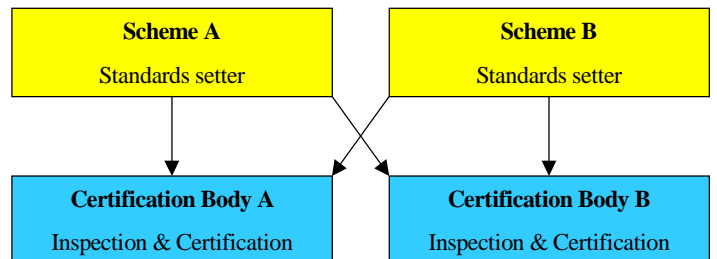
**Diagram 2: Competition**

- Scheme appoints >1 certifier
- Provides “competition”
- Therefore best value?



**Diagram 3: Cross-licensing of standards**

- Schemes licence >1 certifier
- Facilitates integrated inspections



## **Effectiveness of schemes**

92. Consumer research underlines the importance that consumers attach to being confident that schemes are properly administered. Scheme effectiveness derives mostly from the quality of the third party audit. Since the schemes and their certifying bodies have been UKAS accredited or are aiming to achieve this, it is a reasonable assumption that they are generally effective. This implies that they will have a sufficient number of assessors with relevant experience and the certifier will have management systems in place to assess reports, to ensure their consistency and to communicate non-compliance problems to members.

## ***Improving inspections***

93. There are a number of areas where improvements should be made as schemes gain more experience. One of these is **assessor expertise**. Some, like APS, the poultry scheme, have decided to require certifiers to have dedicated assessors. Others use independent consultants, particularly in the Scottish schemes. Most provide specialised training, for example, that developed by LANTRA for the dairy scheme. Most develop training on the application of HACCP principles or as standards evolve. Assessors tend to use product “traceability” to assess that the product remains assured throughout the chain.

94. Some schemes are aiming to provide integrated assessments in the future. This has the advantage for the producer of one assessment for several schemes and products. The consumer advantage is that it should be more thorough, avoid inspection duplication and reduce costs. Certifying bodies will need to review assessor expertise and training to meet these wider demands.

95. Reciprocal certification arrangements between ACCS and Assured Produce, the crops and horticulture schemes, were introduced in 2000 and between ACCS and FABBL, the crops and beef and lamb schemes, a year later. The former allows integrated inspections for these schemes while the latter has also provided farmers with a choice of certification arrangements. These efficiencies have helped to contain the cost of membership.

96. Some schemes may need to increase the regularity of their **inspections**. Generally schemes are committed to an annual or at maximum an eighteen month assessment. Some are only inspecting every two years, as a transitional measure as they move towards more frequent inspections. Consumer confidence will be increased if inspections can be made on an annual basis.

97. Most inspections are announced. Unannounced visits are not generally well regarded by scheme owners, producers or even retailers. They argue that they are disruptive for farmers, inefficient for inspectors if relevant staff are absent and do not bring results that cannot be achieved by an assessor trained to identify someone who has “put on a show.” Most schemes provide for random visits, which many consider more effective than unannounced visits, although they are not regularly undertaken. As one retailer pointed out “We will do unannounced visits but only

where we feel we have a problem. We have to work on trust to an extent but punish severely anyone who cheats". There is no evidence of widespread infringement, but consumer confidence would be improved if schemes made provision for some **random or unannounced visits as a means of policing difficult cases**.

98. Many schemes encourage the use of checklists as a means of preparation for membership or for farm inspections. But, unlike in the past, self-assessment does not in any way determine membership itself.

99. Certifying bodies have access to **information** about the most common forms of non-compliance and could make better use of it. For example, APS, the horticulture scheme, tends to alert its members to current problems through a newsletter. This approach could be adopted by other schemes to update members on compliance problems or encourage sectoral improvement in some identified area.

### ***Control and funding of logos***

100. Better **control over logos** is important if schemes are to improve their credibility with consumers. AFS has been developing its licensing system over the past eighteen months which requires those applying the logo to sign a contract agreeing to implement proper controls. Traceability requirements are already included within the red meat downstream schemes and checked during audits. AFS has recently written to all using its logo to say that traceability checks will be increased across all sectors. It is important that AFS ensures the logo is properly policed.

101. Lion Eggs has through the industry body, the BEIC, set up an effectively financed commercial licensing system. UKASTA schemes have a logo but these have no consumer face. Danish bacon believes that its logo is well known in the UK and there are no reports of any control problems. Higher level schemes have their own arrangements. The Soil Association and Freedom Food both use a legal agreement to ensure their logos are correctly applied. Freedom Food also uses RSPCA inspectors who see this as part of their wider welfare responsibilities. These schemes should, nevertheless, consider whether tighter controls would help maintain logo integrity.

102. One problem for the Red Tractor logo is that it is competing with the MLC marketing campaign for '**British Meat**', funded by MLC levy money. £25 million was spent in 1999/2000 by MLC on the marketing of red meat. About 60% or £15 million was spent on beef and lamb, not all of which was restricted to ABM produce (unlike the MLC promotion of about £8million on pork which is limited to assured product). This means that the consumer is more aware of the 'British Meat' logo than the Red Tractor which is restricted to assured beef and lamb. A further inconsistency is that MLC has recently devolved a proportion of its levy funds to Scotland and Wales who are using these solely for assured Welsh and Scotch promotions.

103. The MLC is committed to the Red Tractor scheme. It has a widely recognised expertise in red meat marketing. It is at present reassessing its marketing role in the light of devolution. Unless the devolved bodies continue to support “British Meat”, MLC may concentrate on English beef and lamb promotion. From the consumer point of view, there would be distinct advantages if MLC were to position its beef and lamb marketing solely behind assured product, as it has done for ABP, the pigs scheme. Consumers are confused about the number of logos on the market but this is an area where the industry itself can take action to reduce this confusion.

### ***Role of official enforcers***

104. Schemes are operating in some sectors where there is long established official enforcement. Examples include the 499 local authorities who are responsible for enforcement of food and feed legislation, the Dairy Hygiene (DHI) and Egg Marketing Inspectorates and the Meat Hygiene Service (MHS) which ensures hygiene and animal welfare at some 1400 licensed abattoirs and cutting plants. Scheme effectiveness would be improved if there were **more co-operation between schemes and official enforcers**. Official enforcers, represented by LACORS and the Chartered Institute of Environmental Health (CIEH) welcome the development of schemes. They see them as freeing their own scarce resources to concentrate on outlets assessed as carrying the greatest risk.

105. It has been suggested that there should be greater co-operation between DHI and NDFAS in co-ordinating the details of assessor manuals and on areas of non-compliance in the hygiene area. A similar exchange of information might be helpful in the feed area. This should be possible without compromising official enforcement or the commercial confidentiality of scheme members.

106. Greater exchange of information might also be helpful in areas such as spurious membership claims. Schemes find it difficult to take action against these, short of seeking local authority legal action. The **Agency should consider funding a contact point and database within LACORS** for schemes and enforcers to exchange significant non-compliance details.

107. Schemes which commit themselves to improvements in food safety should collect **data on measurable improvements** and publish it regularly. The authority of this would be significantly reinforced if, where appropriate, **Agency surveillance** of food safety hazards specifically considered the possibility of separate collection of **information for assured and non-assured product**. This will not always be deliverable, for example where non assured products form a tiny proportion of the field or where no check can be made on the accuracy of the assured claim, but the Agency should take it into account when surveillance is being formulated

### **Costs and benefits of schemes and competition policy**

108. Two schemes have attempted to assess the additional production costs of scheme membership. The dairy scheme, NDFAS, estimates that membership costs

about 0.0134p per pint. The Lion scheme estimates membership adds a penny a dozen to the cost of eggs at the packing stage but it says that this has not been reflected at the retail stage.

109. Though other schemes have not come up with precise figures, scheme membership fees seem relatively low compared with other producer costs, although the horticultural fees have attracted adverse comment. Fees also vary according to the size of the producer unit.

110. It is probable that for all sectors the investment costs required to meet scheme standards are more of a burden. This particularly applies to the smaller, marginal producer, (particularly in the horticultural sector), who already faces severe commercial pressures and has not developed a niche market such as selling to farmers' markets.

111. So far as can be assessed, increased costs are at present being borne by the production sector, rather than by the retailers or the consumers. This is suggested by the absence of evidence of price differentials between assured and non-assured products at the retail point. It is possible that non-assured product is being absorbed at a discount into the some retail outlets, catering or processing sectors.

112. The **Office of Fair Trading** (OFT) has taken an interest in the impact of these schemes on the competitive position of UK producers in the UK market. It has, for example, received complaints from small producers about the disproportionate burden of the membership fees and the required investment. They claim the situation is exacerbated by the fact that these standards do not apply to imported products of a similar nature. Retailer pressure on producers to join the schemes has also been a source of complaint.

113. The OFT has taken the view that the schemes are a constraint on trade and a distortion of competition but that the public interest in ensuring high quality food production and distribution standards is an overriding factor. Competition law exempts arrangements from anti-competitive controls if there is improved efficiency and benefits to consumers and the consumer gains a "fair share of the resulting benefit". However, any arrangement must be no more restrictive than is necessary to achieve its aims and its objective standards must be demonstrably non-discriminatory.

114. The OFT has also considered the difficult question of whether there can be any restriction on the number of standards for a particular sector. It will certainly be confusing for the consumer if schemes develop different safety standards for the same baseline product. Differing standards may be acceptable to the consumer for welfare, the environment or food quality standards but less comprehensible for safety. This is one of the reasons why livestock schemes for the various parts of the UK should maintain similar safety standards. The OFT tend to take the view that one standard for a sector is acceptable provided that standard is not exclusive to a scheme. In other words, provided new schemes have free access to use of the sectoral standard, then a body like AFS can aim to maintain a single standard.

However, the OFT interpretation of competition law has to be flexible and may well change as new schemes and situations develop.

115. Assurance schemes believe that further increases in standards are important to give consumers reassurance about fresh food. In the absence of any detailed research on the impact of baseline schemes on the different sections of the production chain, it is difficult to assess how easy this will be in the long term without retail price implications. It is possible that the new Food Chain Centre, recommended by the Farming and Food Commission, will produce evidence about this as part of its work on a more integrated supply chain.

### **Role of imports in assurance schemes**

116. There is official recognition that existing assurance schemes cannot be limited to UK fresh food. However, in practice there is no non-UK product in the Red Tractor or other baseline assurance schemes. Since imports play such an important role for the UK consumer, there would be food safety benefits if assurance were extended to imports. The most obvious sector where this could bring significant safety benefits is the **chicken scheme, ACP**. Imports meet 20% of the UK market. Individual retailers would then be able, if they wished, to declare that they only sold assured chicken. UK producers would be competing on a level playing field with foreign imports at an equivalent standard. The scheme would be more efficient with a larger membership base. However, if foreign producers were to become members of the scheme, it would be essential to ensure their product was clearly labelled to indicate origin. This would avoid any consumer confusion since the consumer has come to identify assurance with domestic products.

117. Retailers might be reluctant to source all fresh food from assured producers, even if this became possible, because it might restrict their freedom to source economy ranges from outside the UK. Some might fear this would impose UK standards, particularly those for welfare or the environment, on imports. Provided the origin is transparent to the consumer, this retailer attitude should not impede the expansion of scheme membership to include some importers.

118. The **Danish bacon** scheme has been assessed as part of this review because it plays an important role in UK bacon supplies. It has developed a special contract for the UK designed to meet UK welfare standards that are higher than EU levels. The scheme does not follow the UK pattern of a standard setting body reflecting all stakeholder interests. Its standard setting body comprises the Danish levy body, the Danish co-operative of abattoirs and the Danish agricultural advisory service. On-farm and downstream standards are currently under official control. The scheme is expecting early certification from the Danish equivalent of UKAS. It appears to be an effective industry scheme.

119. Another change in the assurance field which should be of benefit to the consumer has been the development of **EUREPGAP**. (It could also benefit the UK producer because it helps to create a more level playing field.) This is a European retailer-led development, based on but not identical to APS, the horticulture scheme.

It is a benchmark scheme without a logo. It will permit UK retailers to buy non-UK fresh produce under similar standards and independent third party inspection to those they use for UK produce. The initiative applies to third party as well as EU produce and has attracted considerable support in Europe and elsewhere, although France and Germany are not among the participants and the number of producers is so far small. The working group that developed this scheme, the Euro-Retailer Produce Working Group (EUREP), has begun work to assess whether a similar approach can be developed for European livestock and cereals. This could have similar benefits but much work has to be done to develop it.

120. UK retailers have also been working successfully with retailers on a world wide basis to develop a benchmark system, the Global Food Safety Initiative. This will enable them to judge whether non-UK food manufacturers audited under other systems elsewhere are equivalent to UK manufacturers and products which are assessed through the BRC audit. This has been undertaken through the French-based **CIES**, the international trade body for supermarkets. International inspections have for some years been undertaken by the main UK certifiers for UK retailers. This development opens up the market for inspections from other countries whilst maintaining standards and at the same time reducing costs.

121. The review has considered the relevance of the French “**Label Rouge**” for UK assurance. France has a number of voluntary schemes with specified standards and third party inspections. However, these serve a quality objective rather than aiming to raise standards among the majority of producers. They aim to meet consumer preferences for a particular geographical origin or method of production. Scottish smoked salmon is the only UK product within the Label Rouge range. These are generally of French origin, from a particular locality, such as chicken from the Pas de Calais or beef from a particular breed. Some retailers carry a few of these products but the NCC consumer survey suggested that UK consumers were as confused about these products as they were about any other logo on the UK market. The French schemes are closer to the higher assurance schemes and have little to offer in a discussion of baseline safety, welfare or environmental schemes.

## **NEED FOR FURTHER CHANGE IN ASSURANCE SCHEMES**

### **Confusion between role of baseline and higher level schemes**

122. Reference has been made (paragraphs 68 and 69) to raised consumer and media expectations about the Red Tractor schemes. This has resulted in continuing confusion, particularly in the media, about the real scheme objectives. AFS has regularly responded to these accusations, but it should consider early action to confront this communication confusion, perhaps by a specific issue paper on its web site underlining the objective of baseline schemes as gradually raising standards across the board which, if achieved, will help all consumers.

### **Uneven development of baseline standards**

123. Baseline schemes have opted for a gradual approach with a longer-term commitment from the majority of producers to continuing improvement, but progress has been uneven across sectors. It has been easier for schemes to raise standards more rapidly where industries are more integrated or where a smaller number of suppliers or processors account for a large percentage of the market. Examples include sectors such as eggs, poultry and pigs. Retailer pressure has also been a strong influence in this process.

124. In horticulture, retailer influence has been reinforced by competition from foreign produce. This has been a major factor influencing the APS scheme to increase standards rapidly and require substantial controls over residues and pesticides with resulting capital implications. This has caused commercial difficulties for some producers in sectors such as potatoes, soft fruit, apples and pears, who find it difficult to take on the investment and administrative controls now required to meet retailer and consumer expectations.

125. In the beef and lamb sector, strong retailer influence has been diffused by the large number of producers and the length and complexity of the food chain. In this sector, there is a tension between the scheme owners' desire to keep the majority of producers loyal to the scheme and their recognition that consumers expect standards to improve throughout the chain. The prolonged crisis in this sector, which has made higher standards crucial, has also increased producer financial difficulties which makes investment in higher standards more difficult to undertake.

126. There are also competitive pressures from imports. Scheme owners do not wish to price their own producers out of the domestic market, which is in any case very price-sensitive.

### **Lack of clear consumer communication**

127. Whatever the differences between the schemes, baseline schemes should offer clear consumer benefits and should be able to describe them clearly. They should avoid raising unrealistic expectations. They should be committed to addressing consumer concerns as these arise. At the moment, some schemes are less successful in achieving this objective and the result is consumer confusion about the overall impact of the baseline schemes. Scheme owners recognise that consumer confidence in the schemes will be improved if the standards of the different schemes are equally rigorous. If this can be achieved, the message to the consumer will be more direct and convincing.

128. Information about the role of baseline schemes is not easily communicable to consumers in the current situation. There is a multiplicity of logos on labels and shelves in retail outlets. Products within the AFS family do not all bear the Red Tractor logo. Some only bear retailer brands either because the retailer adds on particular specifications or because of retailer policy. Some, such as pork or beef and lamb, may display the British Meat Quality Standard Mark or British Meat logo, with or without the Red Tractor.

129. Scottish, Welsh and Northern Irish red meat products tend to use geographical logos even though their food safety standards reflect the baseline concept, with some specific additions. Lion eggs are a scheme that follows the baseline concept but with an entirely separate organisation and identity. The situation is further confused because it results from piecemeal interventions by different sectors of the food industry, often with conflicting problems and aims.

130. AFS has been working to bring order and consistency to the schemes under its umbrella. However, it has not been able to promote the Red Tractor as the only symbol of assurance across its different sectors nor to acquire the authority to be regarded as the proper body to assess any new logos. There are at present a number of different baseline schemes whose aims are broadly similar but who do not share a common identity. Some are within the AFS arrangements and some outside. Some seek to be included; others wish to remain separate. Some schemes are under commercial pressure to join the AFS arrangements, but regard these as unacceptable in their present form.

### **Options for change**

131. One alternative would be to accept the status quo, **leaving the market to decide** how the schemes develop, and to leave any overview of the schemes, as at present, to UKAS. This would not remove current consumer confusion about the assurance message or its implications for food standards.

132. The alternative is to **set up an umbrella body, representing all stakeholders**, whose role would be ensure that schemes improve standards and deliver equivalent standards between schemes as part of this process. This review supports this option. It considers that, in order to give the consumer confidence that schemes are operating to rigorous standards and increasing food safety, there is a need for a neutral and authoritative body which is accepted as such by consumers and by the food industry as a whole.

### ***Setting up an umbrella body***

133. A new organisation would face the difficult challenge of securing support from existing schemes. Lion Eggs value their own separate identity which they have created at considerable cost. The feed schemes see little in common with other sectors with a greater consumer face. AFS, with its ten member schemes, would see it as undermining the recognition it has achieved in the past two years. Retailers might not welcome it, given the resources they have spent promoting the existing schemes.

134. For reasons such as these, the Farming and Food Commission suggested an alternative approach: that AFS should be encouraged to grow into this new role. The Commission argued that building on what AFS has already achieved would provide core scheme support for such a body. However, it is clear that considerable change to the AFS constitution and board composition will be required for it to evolve into the neutral and authoritative assessment body that is required.

### ***Constitution and role of the umbrella body***

135. There would be a number of political and financial hurdles to be overcome in setting up such a body, but, if implemented, its **scope** could cover many areas of consumer concern across the food chain. It could encourage greater cohesion among member schemes and permit the emergence of new schemes and new standards. The body could set **common targets** for standard developments so that these more rapidly reflect changing understanding of food safety problems and associated safeguards. It could liaise with UKAS to ensure that standards of certification and verification are equally rigorous across all sectors.

136. Funding would come partly from producer membership fees and partly from processor/retailer use of the logo. The Commission suggests that the government should fund set-up costs to ensure the independence of the new body while it establishes its authority. Government might also contribute to promotional funding, matched by the industry and industry levy bodies.

137. A major objective of the umbrella body would be to give a **far greater role to consumers** in scheme development. It would need to communicate a more coherent message about the benefits of assurance. It would actively encourage improved consumer education about the schemes. It would provide objective consumer information about them and oversee the accuracy of any claims made about scheme improvements. It could build on the visibility already secured by the Lion and Red Tractor logos to give assurance increased coherence.

138. The umbrella body would require a balance between producers, processors and retailers on the one hand and consumers, welfare and environmental representatives, enforcers and academics on the other. Producers and the schemes themselves would need to be properly represented on the body but not necessarily by chairmen of the baseline schemes. Members should have expertise that covers the whole food chain and all stakeholder interests, without being nominated by any particular body. The body would require a high profile chairman able to command the respect of all these interests, but strong enough to be independent of them. Member schemes should similarly be headed by demonstrably independent chairmen. Their boards should also have a balance between sectoral experience and the interests of all stakeholders.

139. The umbrella body might find it easier to extend assurance into the **catering and independent sectors** where the current arrangements are finding access more difficult. AFS standards as presently defined restrict recognition of baseline products to those where at least 95% of the ingredients in a processed product are traceable to an assured product. A 5% tolerance is permitted. This excludes many processed products where the consumer seeks reassurance about their basic standards.

140. Scheme membership might be extended to include foreign producers that wish to join these schemes, provided product “traceability” can be preserved. This would have the advantage for the consumer that, where a retailer declares a

commitment to purchase assured products, this would apply equally to imported supplies. It would be a powerful defence against any challenge that state aid was being used to give domestic schemes a competitive advantage. This might become important if matching official funding were forthcoming to develop the schemes. However, if foreign product were to qualify for membership of assurance schemes, it would need to be clearly labelled, so as not to create confusion in the mind of the public.

141. If a neutral and authoritative body is to be set up, the Agency will have an important role in its development, in order to ensure that it brings improved consumer information and choice. The review recommends that the Agency should consult stakeholders on the need for such a body and the form that it should take.

## CONCLUSIONS

142. Assurance schemes now play an important role in UK food production and marketing. They account for at least 85% of production in the milk, eggs, chicken, pig and combinable crop sectors and over 65% for beef and lamb and horticultural produce. Without the consumer being aware of their development, they affect the quality and safety of fresh food in every family.

143. Twelve schemes aim to attract the majority of producers in different sectors. In setting standards, these schemes balance the benefits attaching to higher standards against the likely effect on uptake; their explicit aim is to raise standards across the whole sector. This concept has become known as a “baseline” standard, a term used by the Farming and Food Commission to distinguish the two general levels of schemes currently existing in the UK. Ten of these schemes – covering the livestock sector, combinable crops and horticulture – are within the scope of AFS. Lion Eggs and the UKASTA feed schemes are the main ‘baseline’ schemes outside AFS.

144. There are in addition a small number of “premium” schemes which set higher standards for welfare or organic production and obtain a higher price in the market. These cover a smaller part of the food market.

### Value of assurance schemes for consumers

145. Assurance schemes offer a number of potential benefits. All schemes deliver an **increased level of inspection on farms**. At very little cost to the consumer, on-farm inspection has been substantially strengthened, with about 400 independent assessors on farm, leaving official enforcers free to concentrate on the areas of greatest risk. Some of the schemes include specific **checks for the whole food chain** from farm gate to retail point. Others use BRC audits, which are being tightened to provide for the specific auditing of assured products.

146. All schemes aim to **increase standards** over time; consumers benefit from this continuing pressure on producers and suppliers to increase standards. Some have already introduced standards which are significantly higher than the legal

minimum for food safety, the most significant being the salmonella controls on chicken and eggs and those planned for pigs. Veterinary health plans bring higher safety and welfare benefits. All the AFS schemes will be reassessing the environmental standards appropriate to baseline schemes following the report due in summer 2002. DEFRA will be involved in this assessment.

147. Consumers have benefited because schemes give retailers an immediate means of communicating changing consumer preferences to the majority of fresh food producers. Some schemes, especially the 'premium' schemes, have **expanded the range of consumer choice**, meeting the demand of some consumers for food produced organically or to higher standards of animal welfare.

148. In addition there is potential for 'baseline' assurance schemes to act as a vehicle for delivery of policy objectives. For example, assurance schemes might incorporate elements which contribute to delivery of statutory controls, such as the likely future requirement for the supply of a wide range of information on issues such as health status and disease occurrence for animals destined for slaughter.

149. Because schemes represent such a large majority of producers in each sector, they **could discourage competition**, drive up production costs and reduce consumer choice. No evidence for such restraints on the market place emerged during the review. Fees for 'baseline' schemes are limited and have not been passed on to the consumer. Retailers have expressed concern that schemes could polarise the market into generic baseline products and a few premium products, leaving little space in the middle for schemes offering different standards and again reducing consumer choice. In practice, this demand is being met by many retailer own brands. As has been pointed out in the body of the review, retailers commonly use scheme standards as a base and add their own specifications to differentiate their own brand identity and extend consumer choice.

150. Consumers remain **confused about the assurance message**. Product from AFS schemes can carry the Red Tractor logo but does not necessarily do so. Despite evidence that the Red Tractor logo is recognised by some 30% of consumers, there is still little understanding of its implications for fresh food as a whole. It is often taken as an origin rather than an assurance mark.

151. The review has concluded that consumers must play a greater role in the schemes so that scheme benefits are better focused on consumer needs and better communicated. Two recommendations are therefore proposed:-

- Schemes should consider applying the following core criteria.
- An umbrella body should be developed.

### **Recommendation 1-Core criteria**

152. All schemes have a set of standards and a means of checking delivery. The way they do this varies substantially. It would not be appropriate to set out one scheme framework. Given the important role schemes are playing in increasing

food standards for the consumer, there is a need for more coherence and transparency. It is, therefore, important that schemes should be transparent about the level of standards they offer to consumers, effective in delivering them and responsive to consumer needs. The review has identified the following core principles which are aimed at improving their usefulness to the consumer.

**a) *Responsiveness to the consumer***

- Schemes should include consumer representatives on their standard setting bodies.
- Schemes should improve communications with consumers on their websites through descriptions of their standards and data on food safety improvements. They should also ensure there are effective consumer complaints mechanisms.
- Retailers should take a higher profile in communications about schemes.
- The Agency should use its website to help consumers find accurate and impartial information about assurance schemes.

**b) *Improving standards for consumers***

- Schemes should deliver standards that are more than the legal minimum for food safety, animal welfare and environmental protection and communicate these to consumers.
- Schemes should review downstream controls to ensure effective traceability of assured products and improved collaboration between inspection bodies.
- Schemes should apply HACCP to standard setting on-farm and downstream.
- Higher-level assurance schemes should be able to demonstrate that they meet baseline standards, particularly for food safety.
- Schemes should adopt the recommendations of the officially funded review of environmental standards.

**c) *Independence of schemes***

- Schemes should be UKAS accredited, to ensure independence and effectiveness
- Standard setting boards should represent all stakeholders- consumers, retailers, producers, enforcers and other relevant experts.
- Standard-setting boards should be independently chaired
- Certifying bodies should be demonstrably independent of the standard-setting body.

**d) *Effectiveness of schemes***

- Schemes should review the expertise of assessors, encourage annual inspections and some random or unannounced inspections.
- Schemes, particularly AFS, should improve controls on the use of logos.
- Links between schemes and official enforcers should be improved on significant non compliance issues.

- The Agency should fund a contact point and database in LACORS to facilitate this.
- Schemes should collect and publish data annually about measurable improvements in food safety they have brought about, for example on pesticide usage.
- Agency surveillance of food safety hazards should, wherever possible, consider the separate collection of data for assured and non-assured produce

## **Recommendation 2-Development of umbrella body**

153. The review recommends that a **neutral and authoritative umbrella body**, with a strong consumer focus, should be established. It should take proper account of consumer interests and tackle consumer confusion. This would involve reconsidering the balance among stakeholders on its Board, the recognition of the need for a high profile independent chairman and the inclusion under the umbrella body of as many schemes as possible. The decision making body should:

- Have an independent chairman.
- Its members should have expertise that covers the whole food chain and all stakeholder interests, without being nominated by any particular body. There should continue to be a specific consumer representative.
- Ensure sufficient flexibility to permit the emergence of new schemes.
- Improve consumer education through providing objective consumer information.
- Consider simplification of existing logos and a more common face for assured products.
- Oversee the accuracy of claims made about scheme improvements and the policing of schemes to ensure they are equally rigorous.
- Oversee continuing improvements in schemes, for example co-ordinating improvements in food safety and other areas of consumer concern across the food chain.

It might also:

- set targets across participating schemes.
- take the lead in strategic new developments, such as the extension of assurance into the catering and independent sectors, into processed products and cover imported products.

## **DETAILS of ASSURANCE SCHEMES**

### **Baseline schemes eligible to use the Red Tractor**

1. AFS- Assured Food Standards
2. APS-Assured Produce Scheme (Hort)
3. ACCS-Assured Combinable Crops Scheme (Feed)
4. NDFAS-National Dairy Farmers Assurance Scheme (Milk)
5. ACP-Assured Chicken Production
6. ABP-Assured British Pigs
7. ABM-Assured British Meat and FABBL-Farm Assured British Beef and Lamb
8. FAWL-Farm Assured Welsh Livestock
9. NIBL FQAS –Northern Irish Beef and Lamb Farm Quality Assurance Scheme.
10. Scottish Specially Selected Assurance Schemes- Quality Meat Scotland (QMS) and Scottish Quality Cereals (SQC)
11. Genesis Quality Assurance Scheme (beef and lamb and combinable crops)

### **Other baseline schemes**

12. Lion Quality Scheme(Eggs)
13. UFAS/FEMAS- UKASTA Feed Assurance and Feed Material Assurance Schemes
14. Danish Bacon

### **Higher Level Assurance schemes**

15. Freedom Foods
16. Organic schemes
17. Soil Association
18. LEAF-Linking Environment and Farming

## **BASELINE SCHEMES ELIGIBLE TO USE THE RED TRACTOR**

### **1. Assured Food Standards (AFS)**

#### **Background**

AFS is not itself a scheme. It was set up in June 2000 as the independent umbrella body which licenses and supports the British Farm Standard (BFS) logo, popularly known as the “Red Tractor”. AFS represents many, but not all, UK assurance schemes. It covers schemes in six sectors: combinable crops, such as cereals and oilseeds, horticulture, chicken, beef and lamb, pork and milk.

Ten schemes are eligible to use the Red Tractor logo. These are Assured Combinable Crops (ACCS), Assured Produce Scheme (APS), Assured Chicken Production (ACP), Assured British Meat and Farm Assured British Beef and Lamb (ABM/FABBL), Assured British Pigs (ABP), the National Dairy Farm Assurance Scheme (NDFAS), Genesis Quality Assurance for beef and lamb and crops, Farm Assured Welsh Livestock (FAWL), Northern Irish Beef and Lamb Farm Quality Assurance Scheme (NIBL FQAS) and Quality Meat Scotland Schemes for beef, lamb and pork.

Schemes generally cover all or most of the UK. In some sectors, such as beef and lamb, schemes operate on a geographical basis. Use of the logo may vary. Some food which has been produced under the assurance schemes is not marked either with the Red Tractor logo or with any other assurance statement or mark. Some schemes use logos other than the Red Tractor to identify 'assured' food, such as the pork Quality Standard Mark and the Specially Selected Scotch brand. In addition, some baseline schemes, such as Lion eggs and the UKASTA feed schemes, are outside AFS and have totally separate logos.

### **Responsiveness to consumer**

The AFS Board has a specific consumer representative. This is important as it is crucial that AFS is well regarded by consumer bodies.

AFS has developed an effective web site ([www.littleredtractor.org.uk](http://www.littleredtractor.org.uk)). This has descriptions about member schemes and links to them and relevant retailer sites. It would benefit from regular updates and progress reports on scheme developments. The site includes a facility for queries. Retailers should include links to this site on their own sites where they do not already do so. Retailers have developed consumer leaflets to publicise the development of the Red Tractor. AFS should ensure these are regularly updated.

### **Implications of standards**

Member schemes set their own standards and establish arrangements for inspection and certification. To be recognised as being at the Red Tractor level, AFS requires them to meet a number of criteria. Standards must include food safety, the environment, and, where relevant, animal welfare. They must be pitched at 'baseline' levels, which means that they must include as a minimum all legal requirements and codes of "good industry practice" as set out by DEFRA and other relevant Agencies. In practice, all schemes exceed the legal minimum requirements in at least some aspects. AFS also requires all schemes to operate as product certification schemes accredited by UKAS to EN 45011.

The main objective of AFS is that assurance schemes and the Red Tractor logo should be seen as the benchmark for UK fresh food by the whole food chain and particularly by consumers. AFS is committed to a gradual increase in standards to match consumer expectations, while aiming to avoid "gold-plating" and at a pace of change that 80% of producers can achieve. It describes this level as one "to which all producers" in a particular sector "should be able to aspire."

The establishment of the AFS forum has created peer review between the schemes which has given the consumer greater consistency of standards and delivery across the sectors within the Red Tractor umbrella, although AFS would accept that more is required. Comments on individual schemes are set out in separate scheme descriptions in this annex. AFS compares levels between schemes through its

Equivalence Committee, aiming to establish similarly rigorous and comparable standards and delivery mechanisms.

The Committee also assesses applications from schemes not currently participating in AFS to be recognised by the umbrella body. Such schemes are required to show “demonstrable equivalence”. The Committee considers scheme standards, operational arrangements, such as inspection and certification which must conform to UKAS EN45011 level and become UKAS accredited within a reasonable time frame. It benchmarks the applicant’s standards against other schemes in the same sector and its operating effectiveness against that of existing schemes for the Board’s final decision.

The Committee has attracted criticism from some applicant schemes, which complain of difficulties dealing with it. They fear that AFS is applying unfair restrictions on participation in the Red Tractor umbrella. Such action by AFS would not be acceptable to OFT. AFS would admit to some delays but argues that it is vital for the credibility of the initiative that it makes a thorough and detailed appraisal of any scheme wishing to participate and grants recognition only to those that fully meet its criteria. This activity is important for consumer confidence in the consistency of assurance schemes, but some change in AFS administrative practice is necessary. For example, its task might be facilitated if it gave no consideration to future applications unless their certification and inspection arrangements had first been approved by UKAS.

### **Independence of AFS**

AFS is a company limited by guarantee, set up in 2000 by the NFU, the MLC and some assurance schemes who form the Council of the company. Government gave some funding to support this development. AFS was not formally constituted until January 2001 when its Board became fully established, so it is still developing the details and independence of its role.

The Board has fourteen members. The Chairman is independent. There are four other independent members with expertise on consumer issues, animal welfare, environmental issues and food science. Four members have expertise from different parts of the food chain and include the NFU, the MLC, food processing and retailing. The Board also includes four chairmen of assurance schemes. The AFS Chief Executive is on the Board. The Farming and Food Commission suggested that the independence and constitution of the Board should be further reviewed. This is considered in more detail in the main body of the review.

Whatever the outcome of the review suggested by the Farming and Food Commission, the balance between producers and other interests should be reconsidered. The Board might for example include more independents, so that they are closer to being in the majority, perhaps by adding another consumer or an official enforcer.

AFS is funded primarily from contributions from member schemes and to a much lesser extent from those licensed to display the logo. It has DEFRA start up funding and in-kind support from the NFU. Its annual budget is approximately £350,000, an amount which funds its current activities. This may need to be increased if it is to undertake the wider range of tasks, including tighter controls of the use of its logo, as recommended by the report of the Farming and Food Commission.

### **Effectiveness**

AFS has worked to achieve greater effectiveness within schemes and greater equivalence between them. It requires schemes to operate as accredited product certification schemes and to be UKAS accredited, or to be seeking it in the very near future. AFS has pressed schemes to appoint more than one certifying body to help ensure competitive costs. It has also pressed schemes to collect data on improvements brought about by the schemes which can be used by the consumer to assess their impact on safety, welfare and the environment.

AFS recognises the need for better whole chain assurance through independent verification at critical steps in food chain. It has been supporting ABM in improvements in the red meat chain. It has introduced specific traceability measures to ensure that products sold as assured are entitled to carry the description.

The AFS logo licensing system was initially free to encourage its take-up. A fee is now required. Licensees must sign a legal undertaking that the logo will only be used where products meet AFS criteria for assurance on farm and at relevant critical points downstream. Precise criteria vary by sector and are laid out in the licence. Licences are required by those using the logo, such as abattoirs, cutting and further processing plants, produce packhouses and milk bottling plants. The licence agreement requires operators to check eligibility, to keep produce eligible for the logo segregated at all times and to maintain records to check traceability to ensure integrity and safety. AFS retains the right to check operator activities to ensure licence conditions are being met.

AFS is currently considering how to tighten these controls. In some sectors, such as red meat, where specific cutting plant standards apply, there is already a detailed traceability requirement that is verified by the plant audit. In other sectors, more verification of traceability may be introduced. For efficiency, AFS is exploring whether this might be linked to BRC audits which AFS already relies on for food safety. Ultimately, AFS reserves the right to commission stand alone third party inspection for this purpose. Whatever the outcome, it may involve some extra cost, but some extra controls are necessary to ensure the integrity and credibility of the system.

### **No apparent consumer cost from scheme**

It is important that AFS develops cost effective controls on the use of the Red Tractor logo. Even if fees increase, AFS charges are minimal compared with the

extensive range of products within its licensing system and therefore should not affect consumer prices.

## **2. Assured Produce Scheme (APS) - Horticulture**

### **Background**

This is a Red Tractor scheme. It is one of the earlier schemes, implemented in 1997 from a retailer-grower partnership begun ten years previously. It reflects this long established and close relationship covering all parts of the industry and is able to respond quickly to changes sought by consumers. It covers all types of fresh produce and potato crops grown in the UK.

It aims to cover most UK producers. The scheme in practice covers over 3,700 growers, or 77% of UK production (by area) of potatoes and fresh produce, varying with the crop. It covers 67% of fruit acreage, such as soft fruits and apples and pears, 74% of potatoes, 81% of field-grown vegetables, such as carrots and Brussels sprouts, and 95% of salads, such as lettuce, tomatoes and cucumbers. Its standards cover food safety and environmental management.

### **Responsiveness to consumer**

The scheme's main driver remains the grower-retailer relationship which it regards as the most immediate means of identifying consumer concerns. The scheme would benefit from the addition of consumer representation to its governing Board, and possibly at technical advisory committee level, to ensure better consumer input into a sector of considerable consumer interest.

The scheme is included on the red tractor web site ([www.littleredtractor.org.uk](http://www.littleredtractor.org.uk)) which sets out clear descriptions for the consumer covering crop production and environmental arrangements, with further details on its own site ([www.assuredproduce.co.uk](http://www.assuredproduce.co.uk)). It would benefit from more information at retailer point.

### **Implications of standards**

The scheme standards are above minimum legal requirements and apply relevant official COPs. They are set out in a general protocol, backed by detailed technical protocols for 44 different crops. Standards are based on "integrated crop management" (ICM), which is codified in a crop decision matrix aiming at maximum protection for the consumer, the environment, the crop and the operator. It works closely with LEAF, (Linking the Environment and Farming, see separate description) on the development of its environmental standards. Crop protocols are revised annually and aim to transfer the latest technology to the sector as speedily as possible so that UK growers can keep their use of pesticides and fertilisers to the minimum necessary for a healthy crop and, wherever possible, use alternative controls. The scheme regards this objective as one which is particularly important for the consumer.

The scheme uses a HACCP approach to identify critical control points for each stage of crop production and encourages members to produce a documented HACCP for their local circumstances. The standards require detailed information on each crop and field relating to the use of pesticides, such as the dose, the weather, operator protection, machinery and training. Some smaller producers have criticised these requirements as too bureaucratic, but the scheme believes that they are important for the strict controls on pesticide usage now expected by consumers.

Environmental controls include use of rotation, knowledge of soil and erosion, the managed use of water and fertilisers and alternatives to chemical pesticides (including biological control agents and pest and disease-resistant plant varieties). LEAF has recently assessed scheme standards for their environmental implications. The scheme is working with LEAF to facilitate joint assessment of APS and the new LEAF-Marque from 2003 onwards (see separate description). The scheme will also be considering the outcome of the AFS review of environmental standards due to be published later in 2002.

### **Independence of scheme**

The Assured Produce Board, the standard setting body, has a balanced membership representing most stakeholders. It has four Directors, two retailer representatives and two grower representatives nominated by the NFU. The independent Chairman is appointed by the Board and is currently a horticultural scientist and academic. The Company secretary also attends all Board meetings. At present, the Board has two additional co-opted members. These are the current Chairman of the Potato Processors' Association and the Chairman of the TAC who currently is a retailer. The Board might benefit from the inclusion of an enforcer as well as the consumer representative suggested above.

There are fourteen members on the TAC, six of whom are retailer-processors, three are growers representing the NFU horticultural sector committees, two are crop experts, one is from the Crop Protection Association, one from LEAF and one from the current certifying body. Individual crop protocols are developed and revised by authors with specialised knowledge and experience of the crops in consultation with industry bodies.

### **Effectiveness of scheme**

The current certifying body, CMi, is independent and has operated in this sector for some time. It was accredited to EN45011 for this scheme by UKAS in autumn 2001. This has involved some minor changes to the audit arrangements. The scheme requires an annual audit.

The scheme is currently implementing the licensing of other certifying bodies (with effect from October 2002), to help ensure inspection costs are competitive. The scheme has agreed that its current assessors can offer joint inspections for cereals

(the ACCS scheme) as well as for APS produce, in order to reduce assessment costs for producers.

Individual assessors have to have a relevant qualification in horticulture or a food-related discipline and at least three years' practical industry experience. The scheme requires that they are full time assessors and receive formal training in HACCP and food hygiene, as well as pesticide and fertiliser application (BASIS and FACTs accreditation). Assessors do not generally make unannounced and random visits. They tend to rely on an annual visit to members' holdings, when they undertake a detailed check of the extensive on-farm record requirements to ensure that APS standards are being met. The scheme uses traceability of produce from the retail point back to a member's holding as a important method of assessing overall effectiveness.

Producers are provided with a checklist of topics that will be covered by the annual assessment. There is no self-assessment of membership. Standards are divided into CCPs (critical control points) covering areas such as food safety where compliance is regarded as essential and non-compliance means membership suspension. Retailers can check membership on the scheme database as required. The scheme does not positively identify suspended members on the database, which might ensure retailers are quickly aware of any problems. The scheme keeps grower members updated on scheme developments through a newsletter which outlines standard changes and usefully sets out common non-compliance problems.

The scheme relies on BRC standards for packing and processing once produce leaves the farm. AFS licence controls or BRC audits might be tightened to ensure better traceability of assured produce. Some retailers use own brand audits, such as Tesco Nature's Choice. These are also independently audited. They provide the retailer with a method of fine tuning existing scheme standards. But retailers do not necessarily make the detail of these arrangements transparent, so it is not possible to judge the degree to which they bring additional benefits to the consumer.

The independent assessment is detailed and has focused growers on important issues of on farm safety such as the application of pesticides and operator skills. The scheme has not produced data on changes in pesticide residue levels brought about by it and is currently considering this. However, the annual report of the scheme does contain information on non-compliance on specific standards within the scheme. In the most recent annual report, all the trends showed reductions in non-compliance.

This scheme is exploring the possibility of extending into the catering sector, for example fast food outlets and hotels. The catering sector currently relies less on assurance than the big retailers. This would bring significant food safety benefits to the consumer.

**No apparent consumer cost from scheme**

The scheme is regarded as expensive by some growers, particularly for its operating and record administration requirements. However, retailers would probably require these even without the scheme. The scheme helps avoid specific retailer checks and duplication, which would otherwise occur and increase costs.

### **3. Assured Combinable Crops scheme (ACCS)-cereals**

#### **Background**

This is a Red Tractor scheme. It was set up in 1998 to address food safety concerns and to consolidate different buyer (miller and baker) requirements. It covers “combinable crops”, that is cereals grown for human consumption and crops used for animal feed, such as cereals, oilseeds and protein crops, like peas and beans. It aims to set standards for the safe production, handling and on-farm storage of these crops and to ensure producers meet them. It applies in England and Wales. (In Scotland and Northern Ireland there are similar schemes.) It aims to cover most producers. In practice it covers 12,600 producers or about 75-80% of the crop.

The standards relate primarily to food safety, but environmental issues play an important role. The scheme covers on farm growing and storing conditions. Downstream controls rely on inspections against the BRC standard.

#### **Responsiveness to consumer**

There is no consumer representation on the Board or its technical body. The scheme regards industry representatives, the millers, maltsters and feed compounders, as covering consumer concerns. This has an element of truth for such a technical sector, but it is undeniable that consumers take an interest in the safety of flour and feed and GM free issues. Although consumers do not need detailed information about this complex industry, improved communication is important for their reassurance. A specific consumer representative might help address this.

The scheme has a web site ([www.assuredcrops.co.uk](http://www.assuredcrops.co.uk)) which sets out the detailed standards. There is also a simple description on the Red Tractor web site ([www.littleredtractor.org.uk](http://www.littleredtractor.org.uk)).

#### **Implications of standards**

The scheme standards are above minimum legal requirements and apply relevant DEFRA COPs, such as those on air, soil, water, the safe use of pesticides and the control of salmonella. Health and safety concerns are also included.

The standards apply the concept of integrated crop management (ICM). This was developed with LEAF (Linking the Environment and Farming, see separate description), to protect the consumer, the environment, the crop and the operator. In addition, standards have been reviewed to ensure producers conform to a generic type of HACCP. The standards require detailed records, such as three year records of pesticide and fertiliser applications, including timing, wind, plant health

problems, operator skills and care of equipment. Storage records must include details of buildings, records of rodent and pest control, action against contamination, weekly records of the temperature and grain conditions, with bins labelled for content, with field and cleaning records.

Environmental standards are above the legal minimum. For example, producers are required to restrict pesticides and chemicals usage and, if possible, use other pest control methods. With the help of LEAF (Linking the Environment and Farming), standards have recently been assessed against its whole farm IFM (Integrated Farm Management-see separate description) standards. This has identified some detailed changes, which the scheme intends to make at the next review. These include identifying high pollution risk areas, better pesticide records and specific pesticide staff training. The scheme will also take account of the general AFS review of environmental conditions due to report later in 2002.

Standards are reviewed annually and agreed by June for application the following crop year.

### **Independence of scheme**

The ACCS Board has 13 members, five of whom are farmers, including the Chairman. Seven members represent the five industry sectors: grain merchants, compounders, millers, maltsters and oilseed processors. One is an environmental expert representing LEAF.

The Board represents industry stakeholders and is seeking to include a retailer representative. It benefits from having a specific environmental expert from LEAF, but has no independent members, representing consumers, enforcers or academics. An enforcer might be particularly useful in view of the increased on-farm role, covering feed components and feed storage. The TAC has ten members and includes independent industry members. It also has a LEAF representative.

The Board and the TAC are clearly separate from the certifying bodies, CMi and EFSIS. ACCS has a Certification Liaison Committee to act as the link between the Board, TAC and its Certification Bodies.

### **Effectiveness of scheme**

This scheme has two certifying bodies, CMi and EFSIS, which can certify producers either for combinable crops or for beef and lamb or for both. This helps to contain the cost of membership. UKAS accreditation was achieved by CMi in autumn 2001. There are 60 CMi assessors. They undertake announced annual inspections, once every crop year, but avoid the same time in the season and make occasional random visits. More recently, EFSIS has become active in this sector as a result of reciprocal arrangements between the scheme and FABBL, the on farm beef and lamb scheme.

On farm records and controls are very detailed and subject to the assessor audit. Producers undertake self-assessment but this is only a checklist and does not determine membership. Implementation is strict and a powerful incentive towards compliance. The standards are divided into essential and preferred CCPs (critical control points). CFPs (critical failure points), covering areas such as food safety, are regarded as essential. For example, wrong pesticide application or poor rodent control for stored crops means that all the other stored crops on the farm are no longer assured. Similarly, wrong applications or controls on any growing crops means that all the other growing crops on the farm are no longer assured.

In order to use the Red Tractor, food safety in processing operations would, where necessary, be inspected against the BRC standard. The ACCS logo is well known in this industry because it is used on grain passports to confirm that grain has come from an assured farm. Use of the logo on the passport is checked by end-users on delivery of loads. This system is supported by the development of an electronic membership database for purchasers. The scheme identifies suspended members (for the particular crop year) on the database, which is an additional assurance. Together, these measures provide reasonably tight traceability systems.

One of the certifying bodies, CMI, compared its 2001 inspection visit with farm inspection visits in 1998 inspections and found substantial improvement in producer compliance with the food safety aspects of the scheme: pesticide usage, plant and equipment hygiene, storage, vermin control and presence of foreign bodies, such as glass, in crops. This suggests a marked consumer benefit from the scheme, although there are no similar statistics for the industry as a whole.

It is noticeable that NABIM (the Incorporated National Association of British and Irish Millers) and MAGB (the Maltsters' Association of Great Britain), the associations with the greatest interest in consumers and consumer confidence in their product have been major drivers in scheme development. They consider that ACCS has made a significant contribution to the assurance of their raw materials (see data evidence below.). For example, NABIM samples post harvest wheat for pesticide residues above one hundredth of the relevant MRL (the officially set Maximum Residue Level). Only two samples between 1995 and 2000 were above the MRL and this was because these had used compounds not approved for wheat. For the rest, the results show a decline in residues for UK wheat used by millers. UK wheat represents about 80-85% of the total wheat used by millers. NABIM has said that the scheme has been "a very useful tool in this regard" and the decline in recorded residues since 1997 "coincides with the launch of the scheme".

### **No apparent consumer cost from scheme**

Membership fees are not considered high by producers, especially after the reciprocal certification arrangements between this scheme and APS, the horticulture scheme, in 2000, and a similar arrangements with FABBL in 2001. These allow integrated inspections and in the second case a choice of certifier which help to keep costs competitive.

#### **4. National Dairy Farm Assured Scheme (NDFAS)- milk**

##### **Background**

This is a Red Tractor scheme, launched in September 1999 to provide “reassurance” about the “safety and high quality of milk”. The outbreak of foot and mouth disease in February 2001 delayed the impact of the scheme on producers, but this should be showing results during 2002 as inspections are resumed.

The Red Tractor logo is at present only used for liquid milk. The scheme could be expanded to processed products such as cheese, which would be important for consumers. All the major retailers require their suppliers to be part of the scheme, although not all use the Red Tractor logo.

This scheme has a small number of members, like the Lion egg scheme. Its members are not primary producers, but the next stage, twenty-eight “first purchasers” who are milk groups and dairy companies. This is a “baseline” scheme as defined in the January 2002 Farming and Food Commission. It aims to be the “benchmark” for the dairy sector, covering the majority of producers and improving the ease and quality of pooling milk between first purchasers. Its rules mainly relate to food safety and animal welfare. The scheme only relates to on-farm production.

The scheme covers milk from Great Britain and the Isle of Man. It includes about 17,500 producers who provide about 85% of UK milk production. It includes some small producer members who are retailers or processors. Milk from other schemes, such as organic and Freedom Food schemes, may be included in milk pooling arrangements, provided the suppliers are assured producers.

##### **Responsiveness to consumer**

There is no consumer representation on the Board or its technical body, the Standards Working Party, although the scheme consults widely when reviewing its standards. Specific consumer representation on the Board is a consideration that the scheme plans to address in the near future.

The scheme has a lively web site ([www.ndfas.org.uk](http://www.ndfas.org.uk)) which includes detailed information on the standards and an interesting virtual farm. Information about the scheme is included on the Red Tractor web site ([www.littleredtractor.org.uk](http://www.littleredtractor.org.uk)), but little information about the scheme or website is available at retail level.

##### **Implications of standards**

This sector has long-established detailed official controls through the thirty inspectors in the Dairy Hygiene Inspectorate (DHI) who enforce the Dairy Product (Hygiene) Regulations. In Scotland, local authorities enforce the Dairy Product (Hygiene) (Scotland) Regulations. The sector is also regulated by national animal welfare legislation incorporated in the Prevention of Cruelty to Animals Act 2000.

Scheme standards have to reflect these legal requirements closely, but add practical and welfare requirements. These requirements cover all aspects of on-farm dairy production from housing facilities, stockmanship and herd health and are carefully codified under 'must' and 'should' headings. (Examples of these distinctions are given under the herd health plan.) The scheme has shown itself to be committed to regular updating of standards. Since its establishment in 1999, standards were adjusted in September 2001 and will be reviewed as part of the UKAS accreditation process.

Standards include details about safety in the dairy, bulk tank closures, the cleaning of the milk collection area and the regular testing and recording of milking equipment. It has paid particular attention to ensuring careful use and storage of veterinary medicines enforced through detailed record keeping. Feed plans must be set out and carefully recorded. Since April 2002, all compound feed must be purchased from mills approved to UFAS or an equivalent standard. From April 2003, it aims to have all straight feed materials sourced from a UFAS approved business (compounder or merchant) or an equivalent (see separate description). Requirements such as these provide an effective overall framework for the dairy producer which has not previously been available.

The main welfare requirement is the herd health plan. This can be a British Cattle Veterinary Association (BCVA) herd health plan, drawn up by a veterinary surgeon, or the producer's own plan, on lines set out in the scheme, which does not require veterinary supervision. The plan is reviewed annually. The herd health plan covers problems identified in the 1997 Farm Animal Welfare (FAWC) report on the welfare of dairy cattle. It requires records and plans for various important dairy problems such as lameness (which affects to a greater or lesser extent some 50% of UK dairy cattle) and mastitis, as well as fertility and reproductive disorders, which "must" be shown in health records. The scheme also includes welfare requirements for calves, for cows close to calving, general isolation arrangements, standards of stockmanship which "should" be included.

The scheme requires observation of the DEFRA code on water pollution, but sets no standards for slurry storage and disposal which could be environmentally significant. LEAF (Linking the Environment and Farming) has recently assessed scheme standards against its own whole farm IFM (Integrated Farm Management-see separate description) standards. This identified environmental changes that the scheme might consider, such as better nutrient and pesticide records, improved operator training and pollution controls. The scheme will be considering environmental standards as a whole in the light of the review of AFS schemes due in summer 2002.

### **Independence of scheme**

The NDFAS Board has nine members. Two of these represent the NFU, two represent FMG (the Federation of Milk Groups), the producer co-operatives, two represent DIAL (the Dairy Industry Association Limited) which represents processors of milk and manufacturers of dairy products, one the British Cattle

Veterinary Association (BCVA), one the Scottish Milk Forum. The Chairman is from either the NFU, FMG or DIAL. These members do not at present represent all industry stakeholders. Academic expertise comes from long established links through DRC (Dairy Research and Consultancy) with the Scottish Agricultural College (SAC). The scheme might benefit from wider representation on its standard setting body, particularly consumer, retailer, and enforcer input.

NDFAS is considering all its standards and operating arrangements as part of its application for UKAS accreditation which it hopes to achieve in 2002. Scheme administration is at present provided by DRC. Although it has a long association with the industry and is in practice independent of the scheme, it does not aim to specialise in certification. The scheme has therefore decided to appoint one or more certifying bodies from existing certifiers, who will be clearly seen as independent.

### **Effectiveness of scheme**

Official controls over dairy farms and dairies are extensive. The DHI registers dairy farms, while in Scotland it is the local authority that carries out registration and approval. It currently examines most closely farms assessed as being the highest hygiene risk, perhaps every five months, but for those assessed as posing less risk, inspection may only occur every three years. State veterinary surgeons check on-farm animal welfare. Local authorities check on farm feed and approve dairies. In addition, the purchasing dairies take daily milk samples which are checked weekly for milk quality.

Despite all these checks, dairies supported the establishment of the scheme in order to bring structured and regular on-farm dairy inspection. This brings together assessment of the overall impact of hygiene, welfare and feed requirements. For a small number of producers, conforming to scheme standards might involve capital investment varying from changed milking parlours to improved milk and feed storage. The 2001 foot and mouth disease outbreak interrupted the impact of scheme inspections. However, now they are resumed, dairy farm conditions should be more consistent, given that 85% of UK production is in the scheme.

There are 140 NDFAS full and part-time assessors, which the scheme calculates amounts to some 60-80 full time employees. (This compares with just under 30 DHI full time employees.) All have dairy experience, either through being dairy employees or being independent consultants. The scheme is careful to avoid commercial conflicts arising from this. Training requirements are provided through a LANTRA (the national training organisation for agriculture) approved qualification. Planned improvements in contacts between the DHI and the new certifier or certifiers, once appointed, will mean that the certifier can more easily ensure that assessor and DHI inspections are consistent.

Current inspection arrangements take place once every three years. The scheme is considering the need for more frequent inspections as part of its UKAS application.

Assessors undertake pre-announced audits of farms. There are at present no unannounced or random visits. Assessors avoid busy milking times so that they can properly assess the full scope of producer practice, for example by inspecting dairy hygiene and records. The new certifier may need to ensure some inspection of actual milking practice and some random visits. The scheme may also use assessor feedback for campaigns on particular problems as these are identified.

Producers are given 90 days to correct any non-compliance before they become assured. Where structural work is involved, they may be given longer, but will not become assured until this is undertaken. In subsequent assessments, assured producers also have 90 days to comply or lose their assured status, though dairies have their own contractual arrangements for enforcing immediate or more rapid compliance for urgent issues.

Downstream inspections are made against BRC standards. AFS has recently been tightening Red Tractor logo licensing requirements. AFS specifically requires, for example, that hygiene in processing and bottling plants must meet the BRC standard.

The scheme has not so far collected data on improvements it has brought about. This is mainly due to the 2001 outbreak of foot and mouth disease. The scheme expects data to be available in early 2003.

### **No apparent consumer cost from scheme**

It is not an expensive scheme. It costs the first purchaser £500pa, and £12 for each farm included, plus assessor training costs. The scheme has estimated that this means about 0.0134p a pint. Investment may be required for some producers to ensure conformance but only where they have fallen below acceptable standards.

## **5. Assured Chicken Production**

### **Background**

This is a Red Tractor scheme. It is the most recent scheme, launched in March 2000. It covers most stages of broiler chicken production and has specific rules for breeding flocks and hatcheries, broiler farms, transport up to and including the point of slaughter. In order to use the Red Tractor, food safety during dressing the carcase and processing the meat is assessed against the BRC standard.

It is UK wide in its coverage and aims to cover most producers. In practice it covers 90-95% of the UK broiler market on over 1700 farms. All the major retailers require their suppliers to be members of the scheme, although they may not all actually use the red tractor logo. Scheme rules mainly relate to food safety, but they also cover the nutrition and welfare of poultry and some environmental issues.

### **Responsiveness to consumer**

There is no consumer representation on the Board or its technical body. The scheme considers that the BRC represents the consumer interest, but a specific consumer representative would seem an appropriate addition.

The scheme is included on the red tractor web site ([www.littleredtractor.org.uk](http://www.littleredtractor.org.uk)) which sets out detailed descriptions for the consumer. These cover poultry housing, feed, poultry health and hygiene and welfare requirements all of which are of real concern to the consumer. It has its own site ([www.assuredchicken.org.uk](http://www.assuredchicken.org.uk)) which includes a facility to download its detailed manual. There might be more information on scheme details at retailer level.

### **Implications of standards**

This is one of two schemes, along with APS, the produce scheme, which has attempted to apply HACCP consistently. The industry identified its major hazards and constructed standards to control them. However, unlike more formal HACCP schemes, there is no individual production manual for each operation, but simply a generic model for the whole industry. This seems an effective means of applying HACCP to a sector such as this which is integrated and where there are few individual production differences.

One of the most important aspects of the scheme for consumers is its approach to salmonella. A major cause of UK foodborne infections is salmonella in poultry, which is not controlled by any legal provision. The scheme requires compulsory vaccination by breeders against the two most common types of salmonella in poultry and the testing of broilers for salmonella before they are slaughtered. Tests must be undertaken in a government-authorised laboratory. Where results are positive, those flocks must be slaughtered last to prevent cross contamination and the premises must then undergo special cleaning and disinfecting procedures. Compulsory vaccination and the testing and scheduling of slaughter have been identified by the Agency as among the most important disease control measures needed in this industry. The scheme also requires full records to ensure procedures are followed and review and adjustment takes place if failures occur. These controls are backed by practical details about building design, biosecurity and disinfection designed to implement the official DEFRA code on salmonella prevention.

Feed standards are above legal requirements. The feed must be UFAS assured (see separate description). The cereal must be acid or heat treated to kill the salmonella bug. Feed must not include antibiotic growth promoters, although these are legal. The aim is to reduce the risk of encouraging resistant strains of bacteria, according to the official code, RUMA, (Responsible Use of Medicines in Animals Alliance).

Welfare standards are above minimum legal requirements. They include provision for proper nutrition, adequate water, temperature and humidity and controls on lighting requirements. The scheme is currently considering various further welfare controls, such as extending the required hours of darkness from one to four every day, better ventilation, and improved litter conditions, stocking densities and space allocation. Detailed rules cover the humane capture and slaughter of chickens. The

scheme has drawn up standards for free-range chickens that apply from April 2002, detailing the size of the “free range” and access to it.

The scheme has declared it will be guided by the outcome of current research by Professor Marion Dawkins on stocking densities. It was among the livestock schemes criticised by Compassion in World Farming (CIWF) in April 2002 for their welfare implications. CIWF accepts that the scheme meets important welfare needs, such as proper stockmanship and the avoidance of rough handling. It does not accept the feed and other welfare details as adequate. CIWF made its report before the scheme had considered this research and its implications.

The scheme has environmental standards, such as pest control arrangements, carried out by trained operatives. It requires producers to have a written plan for waste management, including provisions for the storage of chemicals, restraints on atmospheric discharges and disposals of dead birds, litter and manure. The scheme will be considering environmental standards in the light of the AFS review due by summer 2002 (see AFS description).

Scheme standards are revised annually. One of the most important changes has been the salmonella vaccination of parent flocks.

### **Independence of scheme**

The Board has eight members, which includes two retailers representing the BRC, three producers, two from the British Poultry Council and one from the NFU and three academic experts. The latter includes the Chairman who is an independent academic expert. It might consider wider representation, such as an enforcer, a welfare representative and an environmental representative, as well as the consumer representative suggested above. An enforcer might be particularly appropriate, following recent media interest in enforcement controls.

Its certifying body, CMi, is separate from the Board. CMi has not yet achieved UKAS accreditation for this scheme, but this is being sought.

### **Effectiveness of scheme**

Retailers are very aware of consumer concerns about chicken which are reflected in their contracts with suppliers and their pressure on the scheme itself to amend standards. Commercial pressures therefore exist to continue to improve the scheme.

The scheme has reviewed assessment frequency and reduced this from every three to two years. It is now considering moving to an annual inspection. The scheme has six assessors. More will be required for the more frequent assessments. These are generally self employed and have experience in the industry.

The scheme gives a minimum of a week's notice of visits and does not undertake unannounced ones. It does however undertake random visits on 20% of members. Its approach is to rely on detailed standards and extensive record requirements to

ensure standards are enforced. Producers used to undertake self-assessment for their initial membership, but this is now only a checklist for membership conditions or for assessor audit.

The scheme applies only up to slaughter point and relies on conformance to the BRC standard for downstream food safety checks. It would benefit from enhanced controls to ensure product traceability either through the BRC audit or through additional AFS license controls on use of its logo. There appear to be no independent checks on the important requirement for the separate slaughter of infected broiler flocks. This too could be added to the BRC audit.

Retailers can check membership on the scheme register. (There is as yet no scheme electronic database.) The scheme does not positively identify suspended members on the register, which might ensure retailers were quickly aware of any problems.

Agency surveillance data published in August 2001 showed a substantial reduction in salmonella contamination in chickens at retail point. The scheme itself has not been running long enough for it to produce meaningful data. But this is an area where data could indicate how far it has contributed to this significant improvement in food safety. The Agency might also consider distinguishing between assured and non-assured supplies when it assesses progress in this sector on its salmonella targets.

This is a sector where there could be significant food safety benefits to consumers if importers became members. Imports meet 20% of the UK market. Individual retailers would be able, if they wished, to declare that they only sold assured chicken. UK producers would be competing on a level playing field with foreign imports at an equivalent standard. The scheme would be more efficient with the larger membership base. If foreign producers were members of the scheme, however, it would be essential to ensure their produce was clearly labelled to indicate origin. This would avoid any consumer confusion since the consumer has come to identify assurance with domestic product.

### **No apparent consumer cost from scheme**

This is not an expensive scheme for the producer. At present, it costs £250- £500 for each production unit and an annual membership fee of £25. This is being increased, because it is below operating costs and has required special retailer and poultry industry contributions to meet scheme financial shortfalls, to an annual membership fee of £80 and a fee of £200 for each site assessed.

## **6. Assured British Pigs (ABP) and British Meat Quality Standard Marks (BMQSM)**

### **Background**

This is part of the Red Tractor umbrella, but it has its own distinctive Quality Marks, the British Meat Quality Standard Marks (BMQSM), which it has been

using on pork products since 1999. It sets standards for the whole chain, from production to processing and, through the BMQSM, differentiates pork from other meats. It is an important scheme for consumers as it has extended standards and controls into the processing sector.

It covers England, Wales and Northern Ireland, but not the small amount of pork production in Scotland. It aims to cover most producers. In practice, it covers about 90% of UK production or about 2,100 producers. The on-farm component was developed from official pig industry schemes begun in the 1980s. Its rules relate to food safety and animal welfare.

Most of the major retailers require assured pork. This may be labelled with the BMQSM, bear a retailer logo, or perhaps the Red Tractor, which if used, is always with the BMQSM. The BMQSM cover pork, bacon, ham and, most recently, sausages.

The marketing support for the scheme and its quality mark benefits from MLC levy expenditure. A third of the £25 million spent on marketing in 1999/2000 by the MLC, or about £8 million, went on pork. Although not all of this marketing will necessarily be branded with the mark, it means that the pork scheme has more marketing funding than the well-funded Lion Scheme for eggs.

### **Responsiveness to consumer**

Unlike ABM, the beef and lamb scheme, it does not include a consumer representative among its various standard setting bodies. Given the importance of this sector for consumers, inclusion of a consumer might be beneficial for final decisions on standard setting.

Simple descriptions of the scheme, its standards and operational arrangements are on the Red Tractor web site ([www.littleredtractor.org.uk](http://www.littleredtractor.org.uk)). Full details of the ABP standard and its auditing arrangements are on the MLC web site ([www.mlc.org.uk](http://www.mlc.org.uk)) under the pig sector descriptions. More could be available at retail level to explain the various logos and to link pork products with assurance.

### **Implications of level of standards**

The Agency (FSA) and the MLC (Meat and Livestock Commission) are funding the introduction of a salmonella monitoring and control plan called ZAP Salmonella (Zoonosis Action Plan – Salmonella). The objective is to identify the current levels of salmonella in pig herds through detection of salmonella antibodies in the juice from meat samples collected at abattoirs. The scheme will subsequently only accept pigs with low infection levels and will aim to lower these over time, as research indicates how this is best implemented.

ABP regards its veterinary health plan as very important. It is drawn up by a veterinary surgeon and assessed annually, as well as updated quarterly. The model was developed by the Pig Veterinary Society (PVS), although individual veterinary

surgeons may make their own adjustments. The scheme undertakes its own antibiotic residue monitoring to encourage and verify the responsible use of veterinary medicines. Strict biosecurity arrangements are required which include documented, effective cleansing regimes and effective pest controls. The scheme has required the use of UFAS feed since July 2001.

It differs from ABM, the beef and lamb scheme, in that it requires pigs to be on assured farms from birth. Like ABM, it has used a risk-based approach to develop these on farm standards.

ABP has adopted a whole chain approach to assurance since 1995. For pigmeat to be sold with the BMQSM and Red Tractor logos, the pigs must be transported in vehicles assured under the ABM Transport Scheme and processed in assured abattoirs and cutting plants.

Further processing of pork into bacon, ham or sausages must be in accordance with the appropriate British Meat Manufacturers Association (BMMA) standard. These standards demand food safety controls based on HACCP plans throughout processing plants. The BMMA standards for bacon, ham and sausage include criteria for product eating quality as well as food safety assurance. In the case of bacon and ham, these are significantly above legal minima, for example with respect to the amount of water in the product after curing.

Welfare standards implement the UK legal minimum for breeding sows which is itself above the EU legal minimum. For example, elsewhere in the EU, legislation is being introduced which will in part meet UK standards, with new units having to comply by 2005 and all existing units by 2013. (However, close confinement of pregnant sows will continue to be permissible under this EU legislation for a period of around 10 weeks per year.)

ABP is above the UK minimum in areas such as its prohibition on castration and the sale of weaned pigs and stores through auction markets and discouragement of tail docking or teeth clipping. The health plan includes detailed medication controls and records. The scheme includes details for on-farm drinking and loading arrangements and proper welfare in transit and at the abattoir. The scheme considers that, although there are some real differences between it and Freedom Food, it delivers many of the welfare standards in that scheme.

Standards are reviewed annually and have changed over time, most recently in December 2001. The scheme has few environmental provisions, although it has restrictions on the disposal of fallen stock and used medical equipment. ABP will be considering implementing the outcome of the AFS review of environmental standards which is due to report in summer 2002.

### **Independence of scheme**

The scheme has an unusual arrangement with three bodies involved in standard setting: its Board, its technical advisory committee (TAC) and a third party

independent Certification Committee. The Board has delegated final control of standard setting, up to the processed product point, to its certification body, EFSIS, which set up this independent Certification Committee. Any changes which the Board proposes which do not follow those recommended by the TAC have to be approved by this Committee.

The Board and TAC have a strong industry influence. The Board has four members, one each from the NFU and the National Pig Association, the BMF, (British Meat Federation), the meat wholesalers' association, and the BMMA (British Meat Manufacturers Association).

The Certification Committee has nine members, representing a broad range of stakeholder interests. This includes two multiple retailers and an independent high street retailer, a local authority enforcement officer, a representative from the BMF, a representative from the BMMA, a livestock farmer, a crops farmer, and an EFSIS representative. The scheme might consider widening stakeholder coverage on this Committee. It has effective retailer and enforcer representation, but no consumer representative for such a major food sector. An animal welfare and an environmental representative might also be helpful, since these are areas of consumer concern about pork production.

The TAC has eight members, under a Chairman who is an agricultural academic. It includes two producers, a veterinary member, an MLC representative, an abattoir representative, a BRC member and a member from the inspection body, PAI. EFSIS provides the secretariat and certification advice to the committee.

EFSIS, the certifying body, was UKAS accredited to EN45011 for this scheme in 1999. It uses PAI which also has UKAS accreditation to EN 45004 for inspection.

The BMMA processed standards are developed by the trade association, BMMA, in consultation with the British Pig Executive, the industry wide body within the MLC. The ABP Board has no control over the BMMA standards, which are the product of industry expert analysis. EFSIS is currently seeking UKAS accreditation for these standards to EN 45011

### **Effectiveness of scheme**

PAI has 24 assessors who undertake annual inspections, which normally take about 3-4 hours per producer. Assessor reports are submitted to EFSIS for review and decisions on compliance and any corrective action that may be necessary. Producers receive a quarterly audit by their own veterinary surgeons to ensure continued compliance. The scheme gives about six weeks notice of an inspection. It does not undertake unannounced and random visits, although it retains the right to make short notice follow up inspections where appropriate. It believes that these quarterly veterinary inspections of every participant coupled with annual independent inspections gives it a very effective inspection programme. Producers undertake an initial self-assessment, as a checklist on scheme conditions, with the

help of their veterinary surgeon. Its aim is to help to determine readiness for the first inspection and it does not in anyway determine membership.

It is very significant that the scheme is extending assurance into processed products. EFSIS also undertakes the BRC and BMMA manufacturing audits to check controls and the use of the BMQSM logo on bacon, ham and sausages. It undertakes inspections to multiple standards through a single inspection of a meat plant. This improves cost effectiveness. It also undertakes traceability checks to ensure the integrity of product carrying the logo. Abattoirs and processing plants are subject to a six monthly traceability check by EFSIS inspectors. In addition they are required to organise weekly independent traceability checks, the results of which are sent in to EFSIS. This appears to be a rigorous inspection system for a complex sector. The scheme recognises that it may need to develop this for the smaller enterprises in the sector where the economies of scale of multiple inspections are less available.

The scheme collects data on veterinary residues through its own monitoring activity. This might be made more widely available to give greater consumer reassurance. Data from official salmonella monitoring will become available as current research progresses and that too might be used to indicate improvements brought about by the scheme.

### **No apparent consumer cost from scheme**

This is not an expensive scheme for the producer or manufacturer. Membership costs are not high, but there can be significant costs associated with compliance. The pace of change may be limited by competition from imports, which do not bear the same costs.

## **7. Assured British Meat (ABM) and Farm Assured British Beef and Lamb (FABBL)**

### **Background**

Both ABM and FABBL are part of the Red Tractor arrangements. Assured British Meat (ABM) is the standard setting body for beef and lamb for the whole production chain, that is from feed, on-farm production, slaughter and preparation up to the packing point. FABBL (Farm Assured British Beef and Lamb) and ACCS (Assured Combinable Crops Scheme) use ABM on-farm standards for beef and lamb under licence. Because of the close operational links between ABM and FABBL, they are considered here together. (ACCS is considered separately.)

FABBL, the beef and lamb scheme, began in 1992 and is among the early assurance schemes. It covers about 18,000 producers in England, which is approximately 75% of cattle and 65% of sheep slaughtered. From 1999 it was licensed by ABM to implement the ABM on-farm standards. These cover food safety, animal welfare and environmental protection.

ABM was established in 1998 to develop and promote core industry standards for all stages of the beef, lamb and pork chain. Pork has similar whole chain standards but is now separately organised in Assured British Pork, ABP, (see separate description). Most major retailers require assured beef and lamb and most use the British Meat logo, usually with the Red Tractor logo.

In Scotland, Wales and Northern Ireland, QMS (Quality Meat Scotland), FAWL (Farm Assured Welsh Livestock) and NIBL FQAS (Northern Irish Farm Quality Assurance Scheme) have evolved their own distinct, but similar schemes. These three beef and lamb schemes aim to project their separate origin to achieve a competitive advantage. They are responsible for their own whole chain schemes, but they do not intend adopting different beef and lamb food safety standards from those drawn up by ABM, which all would regard as confusing and unhelpful for the consumer.

### **Responsiveness to consumer**

The ABM Board is responsible for setting standards. It has a specific consumer representative among its eight members. Consumer representation is a feature of most of the beef and lamb schemes. ABM believes that, as a result, it benefits from clear consumer input.

It has five TACs (Technical Advisory Bodies) covering the feed, farm, auction markets, transport and abattoir sectors. Members include representatives from the sectors involved, as well as those from other sectors up and downstream. The on-farm, transport and market TACs include welfare representatives. There are no consumer members on these TACs, as these are expert bodies. Revisions to ABM standards are sent for very wide consultation which includes most recognised consumer bodies. ABM believes this produces worthwhile stakeholder feedback.

FABBL is run by a Board, which is owned by five industry associations: the NFU, the National Sheep Association, National Beef Association, Livestock Auctioneers Association and the British Meat Federation (meat processors/wholesalers). It has six members representing these organisations and one independent member representing the hauliers. Unlike ABM, it has no consumer member.

Both ABM and FABBL have their own websites ([www.abm.org.uk](http://www.abm.org.uk) and [www.fabbl.co.uk](http://www.fabbl.co.uk)). Both are largely aimed at producers and could do more to communicate with consumers. Full details of the ABM standards and operating arrangements are available on the ABM site for the consumer seeking more detail. They are also simple descriptions on the Red Tractor web site ([www.littleredtractor.org.uk](http://www.littleredtractor.org.uk)), which is regarded as the consumer face for these schemes. There is nothing about them on the MLC web site ([www.meatmatters.com](http://www.meatmatters.com)) or at retail level that easily connects beef and lamb to assurance.

Beef and lamb marketing in the UK benefits from the 'British Meat' campaign, funded by MLC levy expenditure. Of £25 million spent in 1999/2000 by MLC on

marketing, some 60% or £15 million was spent on beef and lamb, although not all of this was for assured product (unlike MLC promotion of pork which is limited to assured produce). It will be beneficial for the consumer if MLC decides to position its beef and lamb marketing solely behind assured product, as it has done for ABP.

### **Implications of standards**

ABM has standards above legal requirements and Codes of Practice. For example, from April 2002, its existing medicines and veterinary controls have been included in a requirement for a written herd and flock health plan. An outline plan is available in electronic format on its membership web site to help producers implement it easily and consistently. Producers are encouraged to seek veterinary advice and must have a named veterinary practice or surgeon. The plan has to be reviewed, preferably by a veterinary surgeon. Medicines and veterinary treatments are to be used only when necessary and only for treatment or preventative purposes. Controls ensure adherence to withdrawal periods and precise records. The scheme sets out monthly activities of crucial recurring treatments, such as worming or vaccination. This should improve veterinary medicine controls. It should also bring welfare benefits, such as minimum space requirements.

ABM has tightened its feed requirements. From April 2002, only UFAS compound feed may be used and records have to be kept proving this. It has announced tighter controls on feed mixed on farm and will no doubt develop these as the UFAS and FEMAS schemes progress (see separate description).

Animal passports are a major factor enabling this sector to trace and control livestock movements. They are increasingly handled electronically. Cattle have individual passports while sheep at present are marked at farm of birth. Assurance conditions have been strengthened. ABM changes announced in January 2002 increased the length of on-farm stay or “residency periods” of store animals bought in for fattening from 90 to 180 days for cattle and from 60 to 90 days for sheep, unless the animals were from other assured producers. This applies for stock slaughtered from March 2003.

ABM also announced that it would be moving from “residency periods” to requiring cattle and sheep to be on assured farms from birth. This is an important development which consumers, if they consider it at all, probably believe already applies. Without it, there is no guarantee that the animal has received scheme husbandry, feed and welfare standards from birth. However, ABM has not announced an implementation date as it may have unforeseen commercial implications for the industry, for example for breeders and store producers who are not yet members of ABM.

In line with this objective, ABM is currently assessing the dairy scheme, NDFAS, with a view to recognising it for the purposes of calves entering the beef chain from dairy farms. Once recognition is given it is proposed that calves of less than 3 months of age leaving an NDFAS assured dairy farm will be assured. This will reduce the requirement for calf producers to be both dairy and beef assured.

A HACCP approach has been the driver for recent ABM standard changes. CCPs (critical control points) have been identified at all stages on farm as well as in its downstream standards. ABM sees this as a means of raising on farm risk awareness. Risk becomes the producers' motivating force, while avoiding the need for individual on-farm HACCP manuals which producers would not readily accept. Scheme operators will need to ensure assessors are sufficiently HACCP sensitive so that they can readily apply this on any unit.

ABM has recently incorporated its environmental standards on waste, effluents, chemicals and biosecurity into a requirement for a written waste management plan. This should, like the health plan, help producers easily and consistently develop a structured plan to minimise pollution. An outline electronic plan has been developed which rates farmland according to risk and to proposed livestock usage. The scheme will be reassessing these standards following the AFS review due to be completed in summer 2002.

To deal with the complexities of the red meat production chain, ABM has established standards beyond the farm gate, covering auction markets, transport, abattoir and cutting plant, secondary wholesaler and catering butchers. These are a useful, integrated summary of the standards required throughout these diverse areas, where, with the important exception of the abattoirs, previously little had been readily available.

It is salutary to note that these standards were only drawn together as late as 1998. If improvements are to continue throughout the chain, further tightening will probably be needed in future reviews. The length of the red meat chain and its inefficiency in reflecting consumer concerns drew specific comment in the Farming and Food Commission report. This is the first issue proposed for analysis and benchmarking by the proposed Food Chain Centre.

### **Independence of scheme**

The ABM Board has eight members. There are three producer members, including the Chairman, and one representative from the processors, auction markets, transport and retail sectors, as well as the one consumer representative. The Board might consider the inclusion of an animal welfare and an environmental representative since these are areas of increasing consumer concern about beef and lamb production. Given the importance of on farm feed controls, it might also be beneficial to consider the inclusion of an official enforcer.

FABBL has a board of six, with three primary producers, including the chairman, as well as meat wholesaler and auction market representation. However, it has an independent representative. Although, unlike ABM, it does not set standards, it might also benefit from some widening of stakeholder input, such as the addition of an enforcer, retailer or consumer representative.

EFSIS is the independent, certifying body for ABM and FABBL and has been accredited by UKAS to EN45011.

### **Effectiveness of scheme**

For FABBL, the certifying body, EFSIS uses a separate company, FIS (Farm Inspection Services) for on farm inspection. FIS has UKAS accreditation for these activities. Inspections occur every eighteen months for beef and lamb. In addition there are 10% spot checks selected at random. The scheme has 75 inspectors who require knowledge of livestock (and crop) production, at least five years' practical experience and formal agricultural qualifications. A specific training course was developed in 1999 by the National Proficiency Tests Council (NPTC) to meet these developing farm inspection assessor needs.

The motivation behind the ABM whole chain scheme is integrated assurance. The various schemes cover food safety and welfare up to the pre-slaughter stage, such as haulage, auction markets and arrival at abattoirs. The MHS (Meat Hygiene Service) operates official food safety controls in abattoirs and cutting plants. At subsequent stages, the schemes mirror the food safety controls of the BRC audit (the two were being developed at the same time to meet similar needs), with specific additional standards designed to protect traceability which the BRC was not expected to tackle.

Retailers emphasise that they value the introduction of ABM downstream controls in areas where the BRC certification standard is not appropriate, such as transport and auction markets. The ABM abattoir and cutting plant standards should provide more detail and explanation on what the standard requires in this type of operation, together with requirements for traceability of assured product. This should reduce confusion during inspections and reduce inspection costs.

No data on improvements brought about by either ABM or FABBL has so far been collected.

### **No apparent consumer cost from scheme**

ABM's administration costs are met from fees from licencees, including FABBL and ACCS. FABBL is not an expensive scheme for the producer but because of low profitability in the sector, scheme membership remains more limited than that for other similar primary sectors. From 2001 reciprocal arrangements between ACCS and ABM/FABBL permitted a single inspection for crops and livestock which helped significantly reduce combined membership costs.

## **8. Farm Assured Welsh Livestock (FAWL) beef and lamb**

### **Background**

This is a Red Tractor scheme. FAWL covers the beef and lamb sector in Wales. It began in 1992. FAWL was set up by WLBP (Welsh Lamb & Beef Promotions Ltd), an agricultural co-operative of over 7,000 Welsh livestock farmers. All Welsh

farmers are eligible to be members. 6,704 of its members are in the FAWL scheme. They represent just over 60% of Welsh lamb output and nearly 70% of Welsh beef output. Membership may have been slightly reduced by the foot and mouth outbreak but the scheme believes that most of the 54 member affected have re-stocked.

The scheme only applies on farm. Its products are usually sold as farm assured Welsh beef and lamb, to most major retailers, sometimes with the Red Tractor brand. The future promotion of Welsh beef and lamb under a specific Welsh meat company (Antur Cig Cymru) is currently under consideration as a result of changes in the Meat and Livestock Commission (MLC), following devolution. This may result in a higher retail profile for FAWL.

### **Responsiveness to consumer**

The Governing Board for the scheme has a consumer representative from the Consumer Council for Wales. He has recently retired and a replacement is being sought. Consumer representation is a feature of most of the beef and lamb schemes. Consumers are not involved in technical discussions.

The scheme does not at present have a web site with consumer access although there is one for members. There is a simple outline of the scheme on the Red Tractor site. It would benefit the consumer if, as it expands its site, FAWL included consumer access, scheme details, a link to the Red Tractor, and a helpline.

Promotional material is produced by the marketing arm of WLBP. This situation may change once decisions are taken on the future of meat promotion and marketing in Wales. This seems likely to involve more consumer communication.

### **Implications of standards**

The scheme generally aims to implement legal requirements and official codes and guidance and is only above this level in a few specific areas. Its emphasis so far has been more on developing effective scheme operations. Standards are regularly reviewed. A new protocol is due this summer. The aim is to take account of developments in livestock standards, particularly those for food safety, in other parts of the UK.

Like other livestock schemes, its standards require proper housing and stock management for food safety and welfare reasons and detailed records to prove this. It encourages the use of feeds from UKASTA schemes such as UFAS. The scheme has not been risk-based in its approach but it is moving in that direction. Farms under the proposed new protocol will be assessed differently, with increased emphasis on the overall impact on producer practice of cattle and sheep health plans.

FAWL has "residency periods" of 90 and 60 days respectively for cattle and sheep to qualify as assured. It has not so far followed ABM in publicly announcing that

these will be increased, but it has indicated that its new standards will set out plans for introducing assurance from birth. Its environmental standards follow DEFRA codes but these will no doubt be reviewed in the light of the AFS review due later in 2002.

### **Independence of scheme**

The standard setting body is QWFC Ltd (Quality Welsh Food Certification), which is also the certifying body. WLBP has a 30% share holding in QWFC. QWFC has a separate, independent Governing Board responsible for ensuring compliance with UKAS requirements and for overseeing the certification process.

The Governing Board effectively reflects stakeholder interests. It has seven members, including two independents, the chairman and an academic, as well as the consumer representative. It also has a shareholder representative, a farmer, a meat processor and a FAWL representative. It might consider the inclusion of an official enforcer, given the increasing importance of the latter on farm for feed and biosecurity.

The Governing Board is advised by a Technical Committee of seven which has a broad membership. This includes three producers, a processor, a veterinary surgeon, an animal welfare specialist and a representative of FAWL. The Board consults widely with interested organisations before approving any amendments to the scheme protocol.

WLBP appointed QWFC as the certifying body. QWFC is accredited by UKAS to EN45011. It administers the scheme, inspects farms and issues certification.

### **Effectiveness of scheme**

FAWL has recently significantly developed its electronic operations, especially for farm assessment and monitoring. This is a particularly impressive part of the scheme. It permits QWFC to monitor assessor consistency and producer compliance very thoroughly. Examples include assessor benchmarking on a quarterly basis and evaluation of identified non-conformances against data for the scheme as a whole.

There are 53 assessors nearly all of whom are veterinary surgeons but the scheme is careful that they do not at any time assess their own clients. Producers are inspected every 18 months and 10% are spot-checked randomly every year. There are no unannounced visits. Producers are encouraged to assess their farms against the protocol before an assessor visit but this carries no weight in the assessment itself.

The penalty for non-compliance depends upon its seriousness. For example, the absence of a medicine book on a farm would be regarded as a major non-conformance, whereas the failure to record the batch number of medicine would be regarded as minor. A major non-conformance would mean refusal of certification

until the problem was rectified and an assessor had re-visited the farm. Failure to show that a minor non-conformance has been attended to can also lead to a refusal to certify that farm.

QWFC assesses standards and operations relating to safety and animal welfare to the farm gate. The scheme's main objective is to support Welsh lamb and Welsh beef marketing through strict farm assessment procedures and to promote a Welsh branding strategy that is separate from the Red Tractor scheme. FAWL relies on ABM downstream standards (such as those for haulage and auction markets) for those members that market their product through outlets that use the Red Tractor brand. AFS has been tightening logo licensing requirements to ensure this area is properly policed. QWFC may find it useful to undertake a similar exercise for its logo.

The scheme has not so far collected data on improvements but its electronic procedures should enable this to be achieved fairly easily.

### **No apparent consumer cost from scheme**

The current fee for the farmer is £60 per annum plus VAT. If the farm is particularly large with more than one unit, the cost will be higher. This is a very small percentage of total costs. There is a difference in the producer price for stock that is farm assured, compared with non assured stock. In spring 2002, this was around 5p per kilo (deadweight) for lamb and up to 15p per kilo for cattle. This has not been reflected at retail level, unless product is sold as a Welsh farm assured premium product.

## **9. Northern Irish Beef and Lamb Farm Quality Assurance Scheme (NIBL-FQAS)**

### **Background**

This is a Red Tractor scheme. The scheme covers the beef and lamb sector in Northern Ireland. It began in 1991. It was set up by LMC (the Livestock and Meat Commission for Northern Ireland), the official levy-funded beef and lamb industry body. The scheme is open to all producers in Northern Ireland. It has about 12,000 members. They represent about 75% of Northern Irish beef output and about 40% of Northern Irish lamb output.

The scheme only applies on farm. Its products are sold as farm assured Northern Irish beef and lamb to most major retailers, sometimes with the Red Tractor brand when product is processed in an ABM (Assured British Meat) abattoir, which includes most Northern Irish abattoirs.

### **Responsiveness to consumer**

The independent standard setting body for the scheme is the Technical Advisory Committee to the Certification Committee of the certifying body, Northern Ireland

Food Chain Certification (NIFCC). The Certification Committee has a consumer representative from the General Consumer Council of Northern Ireland. Consumer representation is a feature of most of the beef and lamb schemes. Consumers are not involved in the technical committee but are consulted when standards are reviewed.

The scheme is described on the LMC website ([www.lmcni.com](http://www.lmcni.com)). This includes the full versions of both the scheme standards and the operating rules of the Certification Body. The site has a helpline for consumers. There is a simple outline of the scheme on the Red Tractor site ([www.littleredtractor.org.uk](http://www.littleredtractor.org.uk)), which has a link to the LMC site. A link to the Red Tractor is planned. Promotional material is produced by the marketing arm of LMC.

### **Implications of standards**

The scheme generally aims to implement legal requirements and official codes and guidance and is above this level in a few specific areas at the request of retail customers. Its emphasis so far has been on best farming practice related to food safety, animal welfare and environmental care. Standards are annually reviewed, the last major review being in April 2001. A review is currently underway in mid 2002. The aim is to take account of developments in livestock standards, particularly those for food safety, in other parts of the UK. In some cases standards are above these levels.

Like other livestock schemes, its standards require controls on the sourcing of animal feed and the use of veterinary medicines, animal health plans, appropriate records and trained and experienced stockmen. Its welfare restrictions include the compulsory removal of horns, which is not a requirement of other livestock schemes. It encourages the use of feeds from UKASTA schemes such as UFAS, which it intends to make a compulsory requirement of the scheme from 1 April 2003. The scheme has not been risk-based in its approach but it is moving in that direction.

It has “residency periods” of 90 and 45 days respectively for cattle and sheep to qualify as assured. This is of importance for this scheme as traditional production in Northern Ireland is for short keep finishing of heavy store animals. The assured status of individual NI cattle is indicated on the central data base, APHIS (Animal and Public Health Information Service), which is operated by DARD (Department of Agriculture and Rural Development for Northern Ireland). In common with ABM, it has announced its intention of introducing assurance from birth. Its environmental standards follow DARD codes. These will be reviewed in the light of the AFS review due later in 2002.

### **Independence of scheme**

The scheme standards are owned by LMC. Scheme standards are drawn up by an independent technical advisory committee of 12 members, comprising four producers, 4 processors, a production scientist, a retailer and two independents. A

wide range of stakeholders is consulted including producer organisations, public bodies, processors, retailers, animal welfare and consumer organisations.

The registration, inspection and certification of participants in the scheme is currently administered by NIFCC, the independent certification body. Scheme standards are approved by the NIFCC Certification Committee, following industry consultation. This committee has seven members and is chaired by a former Chief Veterinary Officer. The Certification Committee is appointed by the NIFCC Board which considers any nominations received. It includes two producers nominated by the Ulster Farmers Union, a processor nominated by the Northern Ireland Food and Drink Association, a consumer representative nominated by the General Consumer Council for Northern Ireland, a retailer nominated by BRC and a food scientist. This represents most stakeholders. The NIFCC Board is considering the addition of a welfare representative, but it might also consider the addition of an official enforcer, given the increasing importance of on farm feed and biosecurity issues.

NIFCC was set up in April 2001 and accredited by UKAS to EN45011 in April 2002.

### **Effectiveness of scheme**

There are 24 assessors who have been appointed on the basis of their qualifications and farming experience. All NIFCC assessors are Lead Assessor trained to the International Register of Certified Auditors (IRCA) standard and have attained the Bristol University Animal Welfare Assessment Certificate. Producers are inspected every 18 months. 10% are spot-checked randomly every year and this can be done with or without prior notice. Producers are encouraged to assess their farms against the protocol before an assessor visit but this carries no weight in the assessment itself.

The penalty for non-compliance depends upon its seriousness. Serious breaches are concerned with issues such as the use of illegal substances, like growth promoters, false animal identification and animal movement records, animal welfare offences and environmental pollution. The absence of a medicine book on a farm, for example, would be regarded as a major non-conformance which would mean refusal of certification until the problem was rectified. One month is the norm to rectify non-compliance.

The scheme assesses standards and operations relating to safety and animal welfare to the farm gate. Its aim is to develop Northern Irish beef and lamb marketing through geographical branding but to ensure its members can use the Red Tractor for access to the UK mainland market, if retailers prefer. It intends to rely on ABM downstream standards, such as those for haulage and auction markets, for product that uses the Red Tractor brand. ABM has indicated that it intends "to deliver a fully integrated assurance chain so that animals can only be slaughtered as assured if they have been transported on approved transport and, if applicable, sold through approved auction markets". Currently the scheme is recognised by ABM as equivalent to other ABM schemes in meeting this requirement.

The scheme can list improvements which it has brought to consumers on food safety and welfare issues but it was not able to measure them until EN 45011 was achieved. Data will be available in the future.

### **Consumer cost from scheme**

The current total membership fee for the scheme equates to £70 per farmer. However, this charge is equally shared between NI processors and farmers so that the farmer only pays £35 plus VAT. There is a difference in the producer price for stock that is farm assured compared with non assured stock of approximately 5-6p per kilo carcass weight or £15-18 per beef animal and £1 per lamb. This is reflected at retail level in the NI market where the scheme logo has high recognition but not generally elsewhere in the UK. The scheme has some evidence of a seasonal or supply premium in mainland Britain for assured beef, since the introduction from January 2002 of new EU beef labelling rules.

## **11. Scottish Specially Selected Assurance Schemes –livestock and cereals**

### **Background**

There are a number of Scottish schemes owned by Quality Meat Scotland (QMS). Of these, the most important is Specially Selected Scotch Farm Assured Beef and Lamb (SSSB). Other Specially Selected Scotch (SSS) Assurance Schemes cover feed, pigs, as well as downstream schemes, including auction markets, abattoirs and processors. A haulage scheme was launched in January 2002. In addition, and separate from QMS, the Scottish Quality Cereals (SQC) scheme has close links with the red meat sector through joint on-farm inspections and supply of assured grain to the feed sector.

The SSS schemes have recently reached a recognition agreement with AFS that allows the meat to be sold under the Red Tractor brand if necessary. Retailers wish to be able to sell products from these schemes as assured, where they do not obtain a Specially Selected outlet.

These schemes were among the earliest in the UK and cover over 80% of beef and lamb and 95% of pig production in Scotland. Downstream schemes cover the majority of companies. On farm rules relate to food safety, animal welfare and environmental issues.

### **Responsiveness to the consumer**

The standard-setting Governing Board has a consumer representative from the Scottish Consumer Council. Consumer representation is a feature of most of the beef and lamb schemes,

The schemes have various web sites ([www.qmscotland.co.uk](http://www.qmscotland.co.uk), [www.speciallyselected.co.uk](http://www.speciallyselected.co.uk) and [www.sqcereals.co.uk](http://www.sqcereals.co.uk)) which are gradually

expanding, as schemes improve their consumer communications. Devolution is also influencing developments, particularly schemes in the redmeat food chain.

### **Implications of standards**

The on-farm schemes implement legal requirements as well as official codes of practice and guidance. They are generally around the same level as the Red Tractor schemes although they have been developed separately and are expressed differently. Like other UK red meat schemes aiming at origin differentiation, the schemes do not seek to compete on food safety standards although they continue to develop them.

For beef and lamb the scheme requires an annual inspection and incorporates a herd health plan. The scheme also requires produce to be reared from birth entirely on assured farms although this can include birth outside Scotland. The scheme has announced that it will over time require produce to be born, reared and slaughtered entirely in Scotland.

The Scottish pig scheme relies entirely on mandatory official residue testing, whereas ABP, the English scheme, requires some supplementary residue testing. As with ABP, pigs must be on assured farms from birth and the scheme will implement the conclusions of the current research at abattoirs into salmonella levels and subsequently exclude from membership the most infected herds.

The welfare situation in Scotland differs significantly from elsewhere in the UK. The SSPCA (Scottish Society for the Prevention of Cruelty to Animals) has chosen not to pursue the Freedom Foods route – the establishment of a separate premium welfare scheme. Instead it has co-operated closely with the Scottish Assurance schemes. SSPCA believes that welfare standards are best improved through raising the welfare standards of baseline schemes. Accordingly they have closely co-operated in setting on-farm standards as well as those for haulage and auction markets.

The schemes have so far incorporated limited environmental standards but have not yet participated in the current AFS review of environmental standards. The schemes are, however, committed to improving standards. A special group has been established, the Generation II Working Group, to advise on future strategy on environment and waste management, as well as food safety and traceability. This is a small group, under the chairmanship of a producer, with a food safety academic (who is also on the Joint Governing Board), an SSPCA representative and an independent veterinary surgeon. This group might benefit from the inclusion of an environmental expert.

### **Independence of schemes**

The scheme standards are owned by QMS and SQC. The standard setting body, the Joint Governing Board, which oversees the companies' operations, was established by the certifying body, SFQC (Scottish Food Quality Certification). The Board has

a membership of seven, reflecting broad stakeholder interests. It sees itself as consciously distancing itself from producer pressures. The chairmanship is currently vacant but was previously held by a former Scottish office official. Other representatives include one from the Scottish Consumer Council, a food-safety academic, an RSPCA expert, a food industry expert and two producers. The Board intends to add two retailer representatives in the near future, one a BRC representative and the other an EU retailer. Four SFQC representatives attend meetings to provide technical advice.

QMS has a Board of fourteen, including a Scottish Consumer Council and two retailer representatives. Other board members represent livestock producers, processors, and the MLC. QMS is a body set up in July 2000 to progress technical and marketing activities in Scotland, using official and levy funding, rather than scheme standard setting and delivery. It is still evolving its relationship with various industry sectors and the Scottish Executive.

Each scheme has a technical advisory committee. As with most baseline schemes, these represent all appropriate industry interests. They have extended an open invitation to the Scottish Consumer Council to attend meetings. The SSPCA is represented on the farm, market and haulage schemes, whilst the Scottish Consumer Council is represented on the abattoir scheme.

The schemes are UKAS accredited. The certifying body, SFQC, was established in 1995 and achieved accreditation in 1997, the first in the UK to achieve this. It has a long association with the schemes. It has not only been responsible for setting up the Joint Governing Board, but also the technical committees and developing operational manuals. However, this arrangement would seem to limit the flexibility of the Scottish schemes to change their certifying body, which in other schemes is seen as a way of containing operational costs.

In 2000, QMS put out a certification tender for all schemes, as a result of which SQFC/CMi were re-appointed. A further tendering exercise is planned for April 2003.

### **Effectiveness of scheme**

SFQC employs sixty assessors on contract and has developed their training which is soon to include a HACCP qualification. As new downstream schemes have been developed, SFQC has developed relevant training. The scheme owners are committed to integrated assessment in the longer term across all schemes because this will help contain producer membership costs. SFQC believes it can accommodate this development without compromising standards.

### **No apparent consumer cost from scheme**

Membership fees for all schemes are established by the TACs. Fees for cattle and sheep producers are banded according to the number of livestock and include a lower banding for crofters. Fees range from £60 to £125 for farm members and

from £40 to £105 for crofters. These represent a small percentage of total costs and should not affect retail prices. The Assurance Schemes underpin the SSS brand and QMS is committed to developing that brand, particularly in premium markets.

## **11. Genesis Quality Assurance (Genesis QA) Scheme**

### **Background**

Genesis QA was established in June 1999. It brings a distinctive modular approach to assurance which allows farms producing across several sectors to be “assured” in a single inspection. Two modules, beef and lamb and combinable crops, were included in the Red Tractor umbrella in July 2001. Subsequently, Genesis QA applied to AFS for recognition of the dairy and pig modules. It has 6,500 beef, lamb and crop members. Its standards relate to food safety, welfare and the environment.

### **Responsiveness to consumer**

There is no consumer representation on the standard setting Board or its technical bodies. Genesis QA considers that the retailer on the Board represents the consumer interest in the scheme, but this is not a view which consumer bodies would share and a specific consumer representative would seem an appropriate addition.

The scheme web site ([www.genesisqa.com](http://www.genesisqa.com)) currently lacks any information about the scheme but it is currently undergoing a major revision. Genesis QA aims to include simple descriptions of its standards and in addition will produce consumer leaflets about the scheme. It would be helpful for consumers if, as a result of this revision, the site included a link to the Red Tractor site (which already has a link to Genesis). It should also, like other schemes, include its scheme details, such as the scheme modules, and a consumer helpline.

Genesis QA has a registered trademark which its members can use on their products. Where produce is sold as assured, Genesis QA policy is to encourage use of the Red Tractor logo. Genesis recognises the benefits to the consumer of a single recognised logo.

### **Implications of standards**

The scheme has a common core module, with a number of specific crop/sector modules which the producer can adopt if he wishes a particular crop or sector to be covered. The beef, lamb and crops modules follow the basic legal requirements, codes of practice and guidance on food safety, welfare and environmental standards. There are additional requirements above this level, such as herd health plans, welfare standards and environmental waste plans. But the scheme has not yet committed itself to reassessing its environmental standards in the light of the AFS review due later in 2002.

The original core standards were developed using a HACCP approach to food safety but the emphasis is more on what Genesis QA calls 'whole-farm' risk assessment rather than on the development of specific risk-based HACCP plans for each sector. Genesis QA believes that this 'whole farm' approach can be used by insurance companies to assess insurance risks and that this results in increased cover and reduced costs.

Standards are subject to quarterly review and have been revised as sectors change.

### **Independence of scheme**

The standard setting body, the Technical Advisory Board, has 14 members. Its chairman and vice-chairman are agricultural academics. It has six members representing the main sectors covered by the scheme, an agricultural expert, a manufacturing expert, a veterinary surgeon, a retailer, an expert in assurance scheme administration and a representative of the certifying body, PAI. It is clearly important that the certifying body is present to give technical advice but less usual for the certifier to be a full member.

It is well supported by academic and non-producer expertise, but has a large scheme representation. It might benefit from the inclusion of specific welfare, environmental and official enforcer expertise, as well as the consumer representative already mentioned. Its two Technical Advisory Subcommittees are chaired by two academics and include representatives of relevant sectors and the certifying body.

PAI (Production Authentication International Limited), its certifying body, is long established. It is still awaiting UKAS accreditation for the two Genesis QA modules which are under the Red Tractor umbrella.

### **Effectiveness of scheme**

PAI has 15 assessors for beef, lamb and crops, who undertake annual integrated inspections, which can cover these and other non-assured modules. It can also draw on additional assessors who are involved in other sectors. Genesis QA does not distinguish clearly in its producer modules critical and non-critical areas of non-compliance, although these distinctions are dealt with in the assessor and certification guidance notes. Members have 30 days to rectify non-conformities. The modules make no reference to random or unannounced visits. Unlike other assurance schemes which have been operating longer in these sectors, Genesis QA is a relative newcomer and it is too early to assess the overall effectiveness of its approach.

The scheme has not so far collected data on improvements it has brought about. It intends, however, using its electronic data collection system to provide information for each scheme member. The aim is to allow it to benchmark individual performance against a sector norm to improve performance. This should in the longer term provide a basis for it to produce publicly available information for the consumer.

## **No apparent consumer costs from scheme**

The inclusion of Genesis QA among the AFS schemes has helped to increase competition for membership among producers. Genesis QA believes that its inclusion among the Red Tractor schemes has encouraged other schemes to reduce their subscription rates and points to recent reductions in fees in the arable sector in England. This review has not come to a conclusion on this point. However, greater competition between certifying bodies and increases in integrated inspection, which have brought efficiencies and reduced scheme costs across the board, must also have played a part.

## **OTHER BASELINE SCHEMES**

### **12. Lion Quality Scheme-eggs**

#### **Background**

This is a scheme for eggs for human consumption developed by the British Egg Industry Council (BEIC). It is outside the Red Tractor schemes.

The scheme was developed in 1993 to reduce salmonella in eggs throughout the food chain. It was substantially amended in 1998, to provide for a major salmonella vaccination programme. Its rules relate to food safety and animal welfare. All major retailers specify Lion eggs and display the Lion logo.

It is UK wide in coverage. It aims to cover most producers. In other words it is a baseline assurance scheme, as defined by the Farming and Food Commission, and aims to meet the needs of the majority of consumers. It calculates that it covers over 75% of UK egg production, that is 95% of free range, organic and barn egg production and 75% of cage egg production. It has over 1,200 registered sites, which include 10 hatcheries, 350 pullet rearing farms, 800 laying farms for cage, barn, free range and organic production, 40 feed mills and 45 packing centres.

The scheme is more like the dairy scheme, NDFAS, in that it only has 25 members, known as "subscribers". These operate 45 packing centres, have their own production and may buy in eggs from other Lion production units.

Members pay a voluntary levy to BEIC to use the Lion trademark. In return they sign a licence to comply fully with the Lion Code of Practice

#### **Responsiveness to consumer**

There is presently no consumer representation on either the BEIC Council or its Technical Committee. As part of its UKAS accreditation application, the scheme intends to establish a formal consumer advisory committee to include BEIC representatives and representatives from independent consumer organisations. The Council itself might also benefit from a consumer representative.

The scheme is backed by a significant marketing campaign. Its original market research found considerable consumer worries about the safety of eggs and their relevance to a modern convenience diet. This perception has been changed since 1998 with the help of an annual budget of £5m. Within three years, by summer 2001, its market research showed that 83% of all consumers recognised the Lion mark and that the safety of eggs was no longer a consumer concern. This was also reflected in the NCC research undertaken for the Agency in late 2001. Lion eggs were considered by most participants as “delivering a tangible consumer benefit”, including “freshness, goodness, quality, improved colour/taste, untampered yolks and salmonella free”.

The scheme is effective in responding to consumer concerns. Canthaxanthin, a yolk colourant, was withdrawn following consumer concerns. The scheme decided to withdraw this additive, even though it is legally permissible and there is no scientific evidence against its use in laying hens’ feed. Further, the scheme introduced a voluntary ban on the use of the “farm fresh” description on egg packs because consumers found this confusing when used for cage eggs, even though this too remains legal.

The scheme has a lively web site ([www.britegg.co.uk](http://www.britegg.co.uk)), which includes simple scheme descriptions, press notices and recipes. It produces attractive literature incorporating this information. It has a consumer telephone, post and email helpline, which is publicised at retail level.

### **Implications of standards**

This sector has long established official controls over egg quality standards. EU Egg Marketing legislation covers egg grading, packaging, labelling and marking, as well as hatching eggs and chicks.

The egg industry decided to develop its own code in 1998 to tighten these controls. The code includes impressive salmonella controls that are significantly above EU and UK law. Salmonella increased sharply in the late 1980s in the UK, with poultry and eggs seen as the main food source. The Lion code required compulsory vaccination of all chicks in the Lion laying flock from 1<sup>st</sup> August 1998. Because of the life cycle of a laying hen, this means that since the end of 1999, the scheme considers it has effectively eliminated salmonella from Lion eggs.

Vaccination is reinforced by extensive cleaning and monitoring. Hatcheries, pullet rearing and laying hen flocks are regularly tested. Feed is UFAS assured. Strict on farm rodent and biosecurity controls are enforced. Other controls ensure that the best before date on the egg and pack does not exceed 21 days from the date of packing and is kept at a temperature below 20°C. The scheme has a detailed passport system for birds, eggs and feed. It requires on shell date marking to avoid eggs removed from packs to the fridge losing their age mark. Since 1999, the scheme has tested over 150,000 eggs and all have been found negative for

salmonella. The scheme includes specific marketing standards for the use of terms such as free range, barn, and cage birds.

The scheme includes welfare standards that are above the legal minimum for all systems, such as the handling of end-of-lay hens, the banning of induced moulting for laying hens and controls on beak trimming. Staff welfare training is obligatory. The standards for cage hens are criticised by welfare interests for not being high enough for a baseline scheme. For non-cage production, the scheme mirrors the higher level, Freedom Food, standards and requires increased space allocation. However, the scheme provides consumers with clear distinctions between free range, barn and cage birds which mean that consumers can exercise their welfare choices, with consequent price implications, and the market automatically responds.

The code expects members to develop their own environmental policies above basic UK and EU legislative requirements. These are expected to cover manure disposal, disposal of dead hens, wastage and the environmental impact on the community. This situation will no doubt be reviewed in the light of the officially funded research being sponsored by AFS, even though this scheme is not an AFS scheme.

The code has been strengthened many times since 1993, most recently in March 2002.

### **Independence of scheme**

The scheme is not yet independent. The BEIC Council is the standard setting body. It has eleven members, all of whom are chairmen of the UK egg trade industry associations, representing breeders, hatcheries, pullet rearers, egg producers, egg packers, egg processors and feed mills. The Council covers the UK egg industry even where members are not part of the Lion scheme. The scheme has applied for UKAS accreditation to EN45011 and hopes to achieve this later in 2002. This will be an opportunity to broaden stakeholder representation on the standard setting body, such as the inclusion of UK consumers, welfare interests, retailers and enforcers.

The scheme has a TAC with fourteen specific experts representing all sections of the industry. It includes academic and technical experts on food safety, the environment, veterinary medicine and nutrition.

The Council will be establishing a clear separation between it and its independent certifying bodies.

### **Effectiveness of scheme**

The DEFRA Egg Marketing Inspectorate (EMI) has 30 inspectors, who work with local authorities to enforce legislation at all levels. There are similar enforcement arrangements in Scotland and Northern Ireland. These enforcers make official checks on Lion production to ensure that it meets minimum standards required by legislation.

The scheme itself previously used two auditing bodies, one of which was Procheck Food Safety Ltd, an EN45004 body, which also undertakes BRC audits. As part of the changes being made as a consequence of its UKAS application, a new independent body is being established, National Britannia Certification, (NBC Ltd). This will delegate scheme assessment to Procheck Food Safety Ltd. Procheck will expand its existing assessor training.

There is already an annual independent inspection of all packing centres, plus a random independent inspection of pullet rearing and egg laying farms and feed mills. The scheme finds the occasional random inspection effective. In addition, all parts of the industry undertake two self-audits a year, one being carried out with the scheme member, the “subscriber”, present. The aim is to obtain more consistent auditing and improved record keeping. Monitoring is to be increased. NBC will take on full independent inspection responsibility once the scheme operates fully under EN45011.

Official data shows that human outbreaks of *salmonella enteritidis* (which has been generally associated with eggs and poultry meat) fell by 54% between 1997 and 2000, in the latter year being below 1987 levels. The scheme believes it has had a significant influence on this reduction. The Agency is planning to undertake detailed tests to assess the overall situation for salmonella in eggs on the UK market.

### **No apparent consumer cost from scheme**

Lion licensees are required to pay a levy per case of 360 eggs. This is currently 36p a case or about 1p a dozen at the packing stage.

Despite the additional costs of the code, the scheme believes that there has been no increase in retail prices coupled with a substantial increase in retail egg sales. This suggests consumers have benefited from higher product standards and supplies without extra cost. The scheme has experienced a price premium at the wholesale stage, but this seems unlikely to produce longer term consumer price increases. Limited import competition should also help contain any undue consumer price increases.

## **13. UKASTA Feed Assurance scheme (UFAS) and Feed Material Assurance Scheme (FEMAS)-animal feed**

### **Background**

This is not under the Red Tractor umbrella, but Red Tractor schemes increasingly require UFAS and FEMAS feed for their produce. Schemes include the beef, lamb and pork schemes, the dairy and chicken schemes, as well as the Lion and some retailer own brand schemes. “Whole chain” for the feed sector is unique among assurance schemes, as it means all sectors *up to* the farmgate. It covers feed ingredients grown and processed in the UK and imported and additives used in

compound feed mills, packed and transported, up to the point where they are used on farm.

UFAS aims to ensure safe feed production conditions. It has 200 members who cover 90% of all UK commercial compound feed production. An associated scheme, UFAS-merchants, covers animal feed materials supplied directly to farms. This has 30 members but UKASTA has no estimate of their proportional importance. FEMAS is a new scheme covering the production of feed materials for compounders and merchants handling feed materials. No figures are yet available of its importance. The aim of these schemes is to cover the majority of UK feed businesses. They are backed up by TASCC (Trade Assurance Scheme for Combinable Crops), which covers the transport, storage and laboratory analysis of crops from the farm to the processor, including millers and maltsters. Rules mainly relate to feed safety, although they include some basic environmental controls.

### **Responsiveness to consumer**

The schemes began because of consumer concern about animal feeds affecting food safety, arising from BSE and salmonella contamination. They have been developed by the feed industry trade association, UKASTA. Consumer concern continues about feed issues, the most obvious being about GM feeds. The schemes would therefore benefit from specific consumer representation.

The UKASTA web site ([www.ukasta.co.uk](http://www.ukasta.co.uk)) includes a concise summary of these schemes for the concerned consumer under its “current issues” section. Although consumers do not need detailed information about this complex industry, improved explanations aimed at consumers would help to reassure them about the safety of feed. UKASTA might also include a cross reference to the Red Tractor site, since so many AFS schemes use UFAS feed, and the Red Tractor site might do likewise.

### **Implications of level of standards**

UFAS and FEMAS together cover feed materials, manufacturing and delivery of commercially produced compound animal feedingstuffs. The schemes clarify detailed legal requirements and industry codes. The codes cover the manufacturing of compound feeds, feed materials, supply, storage and packaging. The schemes go beyond legislation and lay down best practice for the transport of feed materials and finished compound feedingstuffs. These use the detailed application of HACCP to cover major consumer concerns such as contamination, pesticide residues and salmonella contamination. The scheme made major changes in January 2001 to improve traceability and to give greater definition to “non-GM” compound feeds. The schemes are regularly reviewed and have recently been extended to cover moist and liquid feedingstuffs, as well as the sourcing and use of non-GM feed materials.

The scheme requires the use of assured UK cereals (from ACCS, the Combinable Crops scheme, and their equivalents, Genesis and the Scottish and Northern Irish Quality Cereals schemes). Imported components and additives are not as closely supervised. The scheme at present requires suppliers to obtain an annual written

assurance but this will be tightened from July 2004 to require the use of assured feed ingredients. This is a system already in operation under the Dutch Animal Feed Product Board scheme (PDV) and is known as the "GMP+ "scheme.

The sector is subject to extensive official environmental control. It has some specific scheme controls, such as those on dust emission. These may need to be reassessed following the AFS review due to report in summer 2002.

### **Independence of scheme**

The UFAS standards are developed by UKASTA with the help of the ABM Technical Advisory Committee for feedingstuffs (which also covers red meat). This consults very widely. However, it might benefit from widening its membership to include an enforcer, since they are already involved in feed checks on farm. This might be from LACORS, the local authority association, or from the Royal Pharmaceutical Society of Great Britain (RPSGB) which supervises on farm use of medical feed components.

EFSIS is the certification body for UFAS. It is entirely independent of the scheme. The scheme is UKAS accredited to EN45011. PAI (Product Authentication Inspectorate) is the certification body for FEMAS. PAI has achieved EN45011 status for two of the three FEMAS standards, its core standard and that for fishmeal, and is awaiting approval for its non-GM standard.

### **Effectiveness of scheme**

EFSIS and PAI handle assessor independence and training. Inspections are annual. Random visits may be made if the certifier considers one necessary. The use of the UFAS logo has no consumer face and is limited to feed products.

The scheme has not so far collected data on improvements brought about by the scheme. This should be considered as it would be useful in reinforcing data from the assurance schemes which use its products.

### **No apparent consumer costs from scheme**

This is not an expensive scheme. Feed producers and merchants bear the investment and inspection costs. There is some variation in the latter for size of production unit.

## **14. Danish bacon scheme**

### **Background**

The UK is a major importer of fresh food. This is the only importer which has identified itself as having a scheme, Danish Quality Guarantee (DQG), of the kind increasingly expected by the UK consumer for UK produced food. Other EU

suppliers, such as Ireland or the Netherlands, New Zealand or Australia, have not so far given any evidence of similar controls.

Denmark is one of the world's largest exporters of pork and bacon. The UK is its main market, accounting for 20% of total exports. DQG has a special UK production contract which meets the higher UK welfare standards which are above those operating elsewhere in the EU. About 1,800 producers have chosen to be in this scheme which obtains a price premium in the UK market. Its rules relate to food safety, welfare and the environment.

### **Responsiveness to consumer**

Although the scheme consults Danish consumer bodies and consumer research information, consumers are not represented on its standard setting board. It has a web site ([www.ds-data.dk](http://www.ds-data.dk)) aimed mainly at trade customers. It plans to launch a new web site later in 2002 aimed at a wider audience. As this scheme has a history of responding to changing UK requirements, it may well follow the example of UK schemes in including a consumer representative on its board. It already produces effective consumer information at retail point.

### **Implications of standards**

DQG is not an assurance scheme as such. It is a collection of industry standards, as well as Danish legislative requirements, to which all Danish producers adhere. In many cases Danish legislation exceeds the EU minimum. It covers 95% of Danish pig producers supplying the major Danish co-operatives.

Scheme standards include strict salmonella controls and monitoring. The scheme has since 1995 been operating a similar system to the one the UK pig scheme is aiming to introduce later in 2002. Random samples are taken from pigs from all but the smallest producers to check salmonella levels. 97% of its herds are at the lowest of its three salmonella infection levels. The rest suffer price penalties and have to take immediate action to eliminate infection, including herd slaughter for the highest infection level.

The Danish government banned all antibiotic growth promoters in 2000, although four remain legal in the EU until 2006. This led in the short term to some increase in antibiotic usage for veterinary purposes, although over a longer period there has been a reduction in the overall use of antibiotics.

Most producers have veterinary health plans which are overseen by veterinary surgeons who by law must visit 10 times a year to inspect the pigs, records and residue test results. Veterinary and pharmacy controls encourage the minimum use of veterinary medicines. These controls are more stringent than those in the UK pig scheme, ABP.

The scheme has since 1997 incorporated UK feed restrictions on the exclusion of meat and bonemeal. Feed components are governed by the Danish Ministry of

Food and are subject to Danish and EU law. There is no formal code of practice along the lines of the UKASTA scheme, but there are detailed controls by the Danish Plant Directorate and the industry itself.

The welfare standards meet UK welfare standards for pregnant sows during confinement, unlike other imported bacon. The scheme has strict welfare haulage controls which compare favourably with the UK pig haulage requirements.

The scheme includes strict national environmental controls on slurry disposal, nitrogen application and ammonia and odour emission pollution controls. The scheme believes that these are among the strictest in the EU.

### **Independence of scheme**

The scheme is under the control of the Danish levy-funded, Danske Slagterier (DS), the Danish co-operative for abattoirs, which is also its standard setting body. DS has marketing activities, as well as operating the assurance scheme. Its members represent the pig industry. Its technical advisory body has a similar representation with experts from DS, the co-operative abattoirs and from the Danish Agricultural Advisory Service (DAAC). The governing body does not, at the moment, include all stakeholders.

### **Effectiveness of scheme**

Adherence to standards is backed either by the industry's own control procedures or by official control by the Danish authorities. DAAC, which is also the state veterinary service, carries out the on-farm audits required by the scheme. DAAC is currently seeking certification status from the Danish equivalent of UKAS, DANAK. DAAC has 30 pig specialists with formal audit training on its staff. They undertake annual inspections as well as random visits. The scheme also requires 10 health plan visits each year, which are carried out by a local vet. Welfare and environmental controls are reinforced by official and local authority inspections.

Unlike the UK pig scheme, ABP, the Danish scheme applies only on farm and does not include downstream controls. Abattoirs and processors come under official control. For transport, all hauliers must meet the standards required by an industry code of practice. It is the responsibility of the abattoir and the processors to ensure separation of raw materials produced under the UK contract. This process is also subject to regular audit by UK customers. The logo is well known in the UK and this review is not aware of any reports of any control problems.

The state veterinary service undertakes extensive residue sampling which indicates very low residue veterinary medicine levels. The scheme has calculated that Danish pig producers make up about 10% of EU pig producers, but use only 1.5% of total veterinary medicines. The scheme does not collect any data specifically relevant to the UK.

## **No apparent consumer cost from scheme**

The Danish pig producer pays the statutory levy. Those exporting to the UK are paid a premium of approximately 1.2p per lb at the slaughterhouse, which the Danish selling companies recover through a price premium in the UK market. The scheme believes that the UK price premium roughly covers the additional cost incurred to meet UK standards.

## **HIGHER LEVEL ASSURANCE SCHEMES**

### **15. Freedom Food**

#### **Background**

Freedom Food was set up in 1994 by the RSPCA (the Royal Society for the Prevention of Cruelty to Animals) to promote higher animal welfare standards in food production. It is a non-profit making charity and entirely independent of the food and livestock production industry.

Its schemes cover all major agricultural sectors, beef and dairy cattle, sheep and dairy sheep, pigs, laying hens, chickens, turkeys, ducks. It plans to extend into salmon and goats. It currently has about 2,300 producer, haulier and abattoir members. Its schemes cover on-farm production, transport and slaughter. Most major retailers sell some of its 200 logo bearing products and many other unlabelled retail and catering products originate from Freedom Food approved producers.

#### **Responsiveness to consumer**

The RSPCA's Farm Animal Department sets the welfare standards for each of the species covered. These are approved by the RSPCA's Scientific and Technical Committee and then endorsed by the RSPCA Council. There is no independent consumer input into this process. The scheme regards its large number of RSPCA representatives as meeting this need. However, due to the considerable non-specialist interest in this issue, a consumer addition could bring wider understanding of consumer aspirations.

The Freedom Food website ([www.freedomfood.co.uk](http://www.freedomfood.co.uk)) is also linked into the RSPCA web site ([www.rspca.org.uk](http://www.rspca.org.uk)). It outlines scheme objectives and includes a consumer helpline for queries.

The consumer has access to a summary of the welfare standards for each of the species covered by the scheme via the website. Consumers would benefit from access to comparisons of key welfare areas with other industry schemes. It is Freedom Food's intention to make this available on the web in the near future, covering such key areas as stocking densities, environmental enrichment, bedding requirements and veterinary health plans.

#### **Implications of standards**

Freedom Food focuses on welfare, but also undertakes to implement standards that incorporate legal requirements for food safety. This review considers that the consumer would benefit if schemes like Freedom Food were over time able demonstrate that their standards are at baseline levels, particularly for food safety.

It is in the welfare area that Freedom Food makes particular claims. Here it aims to be above legal requirements, and in some cases above the official FAWC (Farm Animal Welfare Council) recommendations. Indeed, FAWC, in their August 2001 interim report on farm assurance schemes commended Freedom Food “for providing a distinct lead in relation to the importance placed on the welfare component of its schemes, whilst delivering the core requirements of industry based schemes”. In addition, FAWC also stated that whilst the individual standards for each species “are on a par with other national farm assurance schemes on environmental and food safety requirements, the criteria for animal welfare is higher”.

It is helpful for the consumer that Freedom Food clearly lays down standards for indoor, as well as outdoor, systems. This is because it considers that it is the welfare standards, and whether or not they are being met, that is important. The RSPCA’s welfare standards prohibit, however, the use of certain types of indoor systems, such as battery cages, which it considers to have inherent welfare problems.

Freedom Food makes no claims for environmental standards but is working with other relevant organisations to provide Freedom Food members with enhanced standards in this area. The scheme aims to implement this either through becoming recognised under the Assured Food Standards (AFS) umbrella, or through collaboration with other industry schemes to set standards for non-welfare elements. Freedom Food is following this approach for all its species specific schemes.

### **Independence of scheme**

The Board has nine members, five of whom, including the Chairman, represent the RSPCA. It might benefit from a wider stakeholder representation, not only a specific consumer representative, but also enforcer and academic representation. The RSPCA undertakes wide consultations with veterinary surgeons, other welfare interest groups, scientists and the industry on the development of its welfare standards. Freedom Food, through its certifier, is submitting all its schemes to UKAS for accreditation to EN45011. To date, it has completed this procedure for its pig scheme and is hoping to achieve this for beef and lamb in summer 2002. It will be submitting its laying hens scheme after this.

CMi is Freedom Food’s certification body. It is wholly independent of both the RSPCA and the Freedom Food Board. Freedom Food has established a series of technical advisory groups (TAGs) to review and revise standard regularly. These do not include consumer representation as they concentrate solely on reviewing technical aspects of the standards and, with input from the Freedom Food

Compliance Manager and other inspection bodies, technical implementation on-farm issues.

### **Effectiveness of scheme**

The scheme has 7 permanent full-time assessors and 11 approved part time, self-employed assessors. Their training includes Lead Auditor Training and HACCP analysis. The scheme undertakes annual inspections of all members.

CMi and Freedom Food check assessor audits to ensure consistent activity. The Freedom Food scheme is also backed by RSPCA Farm Livestock Officers, who carry out random checks on a minimum of 30% of Freedom Food farms each year. All inspection reports are reviewed by the Freedom Food Certification Panel, which comprises Freedom Food Operations management and a representative from CMi.

Before a product can carry the Freedom Food label, the scheme requires that in its rearing the animal has benefited from RSPCA welfare standards on farm, in transit and at the abattoir. In addition, Freedom Food undertakes traceability audits of labelled products from retail shelf back to farm. Freedom Food believes that this is an important aspect of providing confidence to consumers. Freedom Food has introduced a special egg traceability protocol to reassure consumers that the product is properly labelled.

Like all assurance schemes, Freedom Food is committed to assurance from farm to plate. The scheme is therefore seeking, possibly under the AFS umbrella, to link on-farm assurance to other quality assurance schemes that focus on food safety and hygiene. To achieve this, Freedom Food will need to be granted upstream access for accredited animals.

The RSPCA and Freedom Food have commissioned important research at Bristol University to collect data on welfare 'outcomes' as opposed to 'inputs' – the traditional method of assessing standards. The aim is to examine not just what standards a producer should to apply, but to measure the actual welfare state of the individual animal. This will allow the scheme to verify the extent to which applied standards are achieving measurable welfare benefits. Data resulting from this research project will be available in 2003.

Freedom Food has provided a clear choice for consumers with concerns about the welfare issues surrounding battery caged hens. The scheme believes that the provision of this choice has contributed to the doubling of sales of barn and free range eggs from under a billion to over 2 billion between 1994 and 2001.

### **Consumer cost from scheme**

Scheme members can opt for combined inspections with other assurance schemes, to reduce dual inspection costs for producers and enable product to be marketed outside the scheme. Producers will be looking for a price premium at retail level

for Freedom Food products. However, the labelling introduced by the logo enables consumers to make a specific welfare choice.

## **16. Organic schemes**

### **Background**

This analysis covers organic production in general, its standards and inspection procedures. The Soil Association is considered in more detail in the following section because it is the largest and longest established organic body, it has higher standards and as a practical example of how organic certification bodies operate.

Organic bodies include a minority of producers who generally obtain a retail price premium, reflecting their increased production costs. Unlike other fresh food sectors, the whole organic farming and food production chain and its labelling is subject to EU legislation. The latest available official figures for this sector in December 2001 showed 3,981 producers and 2,029 processors and importers.

Excluding UKROFS (the UK Register of Organic Food Standards), which is also a certifying body in its own right, there are currently 10 approved UK organic certifying authorities. Their names and the number of their licensees, where available, at December 2001, are as follows:

- Soil Association Certification Limited (SA)- 3709 licensees
- Organic Farmers and Growers Ltd (OF and G)- 1204 licensees
- Scottish Organic Producers Association (SOPA)-589 licensees
- Organic Food Federation- 329 licensees
- Bio-Dynamic Agricultural Association- 138 licensees
- Irish Organic Farmers and Growers Association (IOFGA)- 16 licensees
- Food Certification (Scotland) Ltd
- Organic Trust Limited- 3 licensees
- Cmi Certification
- International Certification Service (GB) Ltd trading as Farm Verified Organic
- UKROFS- 11 licensees

These bodies are UK approved. SOPA includes most Scottish producers. The Organic Trust and IOFGA, both based in Ireland, mainly licence in Northern Ireland.

UKROFS was the subject of a quinquennial review during 2001 as is customary for all Non-Departmental Public Bodies (NDPBs). This recommended significant changes to the organisation of this sector, for example giving UKAS, the UK accreditation body, part of UKROFS's current role. The Soil Association strongly opposed the recommended changes, though other organic bodies may not share this view. The recommendations are subject to ongoing official consultations. Ministers are expected to decide on future arrangements later in 2002. This review therefore considers the organic sector against an administrative background that could be changed later in the year.

## **Responsiveness to consumer**

UKROFS is at present the official body responsible for this area. It has 14 members appointed by Ministers to cover all interested stakeholder interests, including two consumer representatives.

Most organic certifying bodies have web sites which set out details for both prospective members and for the consumer. These include descriptions for the consumer of the meaning of organic production. Some, such as Organic Farmers and Growers ([www.organicfarmers.uk.com](http://www.organicfarmers.uk.com)) include their manuals which can be downloaded by the interested consumer.

## **Implications of standards**

Organic food production has been strictly regulated by EU legislation (Council Regulation 2092/91) since 1993. The declared aim of organic farming is “the development of production systems designed to produce optimum quantities of food of good nutritional quality through management practices which aim to avoid the use of agrochemical inputs and to minimise damage to the environment and wildlife”. EU legislation is the “baseline” level for this sector, although some of the above bodies, such as the Soil Association and Bio-Dynamic Agriculture Association, require additional standards of their members.

EU rules cover all aspects of organic production to retail point. The sector is subject to minimum legal requirements. The risk analysis brought about by the application of HACCP is not used.

Because of their origin in precise EU legislation, organic standards are less flexible than they are in other sectors. The role of UK certifying bodies is to implement EU organic legislation with the help of the UK Register of Organic Food Standards (UKROFS), as described below. These bodies therefore differ from non-organic schemes. They exercise stringent controls over the implementation of standards set by the EU but do not generally set standards themselves.

The organic production system, as set out in EU law, covers all aspects of organic farming and food production, based on a distinctive set of principles and values. A leading organic body therefore considers that it is “difficult, if not impossible, to compare the organic production system with non-organic assurance schemes covering a single issue or product, or a limited range of issues”. This is because organic certification bodies only certify a product meets organic standards. They maintain that they are not in a position to demonstrate whether products meet food safety or other standards. Consumers, nonetheless, seek to compare organic products with non-organic products in order to decide whether to purchase them. This is an issue which needs to be addressed if consumer concerns are to be met.

Research commissioned by DEFRA has shown that there is a positive benefit to wildlife conservation on organic farms compared with conventional systems. Benefits include less reduction in habitat and food sources for birds and mammals,

less likelihood of water pollution and a reduction in soil erosion. It has not, however, shown that this is the only form of farming that is environmentally responsible and brings sustainable benefits.

### **Independence of schemes**

The 14 members on UKROFS include two academics, including the Chairman, two consumers, a veterinary surgeon and nine organic representatives. This is the stakeholder representation which Ministers will be reconsidering in the reassessment of the sector.

The official body, UKROFS, authorises certification bodies, following a strict assessment of the body's administrative structure and inspection procedures. These are subject to inspection by DEFRA auditors to show compliance with EN45011. It remains to be seen whether Ministers will decide they should be assessed by UKAS, as occurs for the non-organic schemes.

### **Effectiveness of schemes**

UKROFS is responsible for ensuring scheme effectiveness. This control extends along the whole organic food chain, not only over UK production but also to the authorisation of imports.

To be approved by UKROFS, a certifying body needs to show that it has standards complying with the EU Regulation and can demonstrate its competence to run an inspection and certification system. UKROFS inspects annually about 5% of operators certified by the body. These are compared with the annual inspection reports done by the body itself to ensure that it is correctly implementing the EU Regulation. UKROFS also checks that the administrative arrangements comply with EN 45011. It is outside the scope of this review to judge these activities.

These organic inspection bodies have been working to develop arrangements with non-organic certification bodies that will allow their members to use the same body for non-organic and organic production in order to reduce duplication and producer costs. During 2002, PAI (Product Authentication International Ltd) has agreed with SA Certification that it would carry out the non-organic certification on organic units on its behalf. EFSIS Certification Ltd. has made an arrangement with Organic Farmers and Growers (OF and G) that it would carry out on-farm inspections on their behalf.

### **Consumer costs and benefits from schemes**

The media continues to raise questions about organic food. A recent article in April 2002 in *Which* magazine, which examined processed organic foods, concluded: "There are persuasive arguments for buying most types of organic processed foods. These include environmental protection, animal welfare and avoiding artificial pesticides. But...Don't assume, as many of our shoppers did, that organic processed food is healthier or more nutritious. Check the labels if you are interested in fat,

sugar, salt and additives. And don't assume they're all produced to exactly the same standards."

The NCC consumer survey for the Agency in November 2001 found that non-organic buyers were ambivalent towards organic products because they were not convinced that the quality justified the price premium. Regular organic buyers purchased organic produce mostly to avoid residual fertiliser and pesticide residues and the use of veterinary medicines in livestock production. They were aware of a "worrying increase" in the imports of organic products, which made them value more highly Soil Association accreditation. They did not trust the use of "organic" when applied to highly processed foods. A minority of organic buyers, who took a holistic approach to food, suspected some foods were "more organic than others", but had faith in the Soil Association logo.

The NCC survey shows some continuing scepticism towards organic products. However, the sector clearly meets the wishes of an increasing number of consumers willing to pay a price premium for food from a system of farming that does not allow the use of GMOs, minimises pesticide usage and brings environmental and welfare benefits.

## **17. Soil Association**

### **Background**

The Soil Association (SA) is the oldest and the largest organic body, with over 14,000 members. Soil Association Certification Ltd, SA Cert, is a wholly owned subsidiary of the Soil Association and has 2,500 producer and about 1,400 processor licensed operators. It operates as an organic certification organisation covering farms, processing and importing. The Soil Association was founded in 1946 by a group of producers, scientists and nutritionists to improve links between farming, consumers and better food and animal and environmental health.

Most organic schemes generally consider EU legislation as the "baseline" standard. A few such as the Soil Association require additional standards of their members.

### **Responsiveness to consumer**

The SA has a standard setting process currently involving nine Standards Committees and a Standards Board. There is consumer representation on each of the Standards Committees.

The SA has an attractive, easy to use web site ([www.soilassociation.org](http://www.soilassociation.org)) with detailed information about production methods, downstream standards, including manufacturing, processing, retailing, catering and importing details, inspection arrangements and a helpline for inputting particular questions. It does not currently include its manuals, unlike some other organic bodies, but does include a number of forms.

The NCC consumer research for the Agency in November 2001, (outlined in the previous section), indicated some scepticism about organic products but found that shoppers with a holistic approach to food “had a huge respect for the Soil Association scheme”. The SA has commissioned a number of substantial pamphlets addressing the need for better consumer information about organic products, including one in 2001 from Sustain (the Alliance for better food and farming) examining the “Myth and Reality” of organic and non-organic farming. The most significant is the extensive 2001 “Organic farming, food quality and human health”.

### **Implications of standards**

The SA has controls that are additional to those required by UKROFS and the EU Regulation. These include tighter controls on GM planted land, on conversion to organic production, and for use in processing. They place restrictions on maximum heavy metal levels and the use of manure and plant waste (both of which are becoming a problem for some organic production). The controls are detailed on conservation and pest and disease problems.

As required by UKROFS, it has restrictions on livestock production, including a requirement that an operator must agree an animal health plan as part of conversion to organic production, greater restrictions for animal welfare and stricter withdrawal periods following the use of veterinary medicines. It does not permit the sale of organic calves through livestock markets. It favours the use of homeopathic products wherever possible. This is causing some problems with enforcers, as, although these products are subject to the controls in the Registration of Homeopathic Veterinary Medicinal Products Regulation 1997, they have generally not undergone the scientific testing procedures of conventional veterinary medicines.

### **Independence of scheme**

The SA standard setting board of 13 has two Council members, a representative of the certifying body, one Scottish member and nine representatives of its standards committees (horticulture, agriculture, specialist livestock, aquaculture, health products, catering, textiles, processing and conservation). Within these committees, there is consumer representation and in many cases academic representation. The standards setting process involves an extensive consultation stage with its members and licensed operators.

The board has its own independent certifying body, SA Certification Limited. SA Cert is in the process of obtaining formal accreditation with UKAS to EN 45011. During 2002, it agreed with PAI (Product Authentication International Ltd) that PAI would carry out any non-organic certification required on non-organic units on behalf of S.A. Cert, enabling operators to have a combined inspection.

### **Effectiveness of scheme**

SA Cert has about 30 full time assessors who undertake organic farm and processor inspections and are licensed by UKROFS as competent organic inspectors. They

inspect all operators at least once a year. They are employed and trained by SA Cert for this specialised area. Some also undertake downstream activities. This is not a large number to cover both on-farm and processing activities, but this review found no evidence that these inspections do not adequately cover the standards set by SA Cert. The inspection and certification processes are closely monitored by UKROFS who themselves re-inspect 5% of operators.

SA Cert undertakes random visits on about 10-15% of its operators annually. These are usually announced but it reserves the right to make unannounced visits. These are a useful backup if it is concerned about an operator and are seen as a deterrent by consumers. SA Cert publishes a list of terminated operators in its regular newsletter and has a database facility for enquiries about non-compliance.

SA Cert relies on UK food legislation and enforcement for its downstream activities. It reinforces this with its own certification process which includes traceability and inspections throughout the food chain.

SA Cert is sensitive to the need to control the use of its widely recognised logo. It uses a licensing control system which seems to be sufficient. SA Cert does not collect data on improvements brought about by its activities. This is an area where it could help clear up consumer confusion.

### **Consumer cost from scheme**

Producer costs are at least £400pa per farm, depending on the size of the holding, and can be significantly more. This compares reasonably with non-organic schemes, which are generally lower but relate to a single crop or in some cases combined schemes. Inspection costs increase for the organic producer who aims to sell into the assured market as well as the organic. The link with PAI is aimed at containing these costs. SA organic producers have the advantage of a price premium related to a respected logo.

## **18. LEAF Marque Scheme**

### **Background**

LEAF (Linking Environment and Farming) is developing a new higher-level environmental assurance scheme, with the help of an official grant of £175,000 over 3 years from April 2002 from the English Rural Development Programme. It aims to cover whole farm production. It will be open to any UK producer.

Where products meet its higher environmental standards, they will be able to be sold bearing the new logo, the LEAF Marque. The aim of the scheme is to inform consumers about the commitment of producers to protection of the environment. Several retailers have indicated an interest in carrying products with the proposed marque. The scheme may be used to strengthen existing retailer brands and products may not all carry the logo, but LEAF intends to produce information about the LEAF standard at the retail point.

## **Responsiveness to consumer**

The scheme will be run by the charity, LEAF, which will also be the owner of the standard. LEAF developed the current version of its standard, based on IFM, (Integrated Farm Management) through discussion with producers, processors, environmentalists and retailers. LEAF intends adding consumer representation in the near future to this group for discussion of the Marque.

The scheme will rely for its success on consumer understanding of its objectives. As this will probably involve a logo that is new to consumers in the food area (even if they are aware of LEAF's charitable activities), it will be important for the scheme to communicate its benefits effectively. Among other activities, it intends to develop its established web site to achieve this ([www.leafuk.org](http://www.leafuk.org)). LEAF will also extend its successful demonstration farm network to encourage consumers to visit farms.

## **Implications of standards**

LEAF intends to ensure that all the farms in the scheme are members of baseline schemes and meet baseline food safety and welfare standards. They will differ only in that they will meet standards developed by LEAF to give extra environmental protection and enhancement.

The standards will aim to encourage efficient farming systems which look after the land and the rural community. The scheme aims to increase its standards as new developments arise. Its underlying objective is to develop standards that are above baseline levels but are not aiming at meeting organic standards.

The standards will be based on IFM, the whole farm approach. LEAF regards this as a common-sense approach to farming, combining modern technology with basic principles of good farming practice. It covers areas such as soil management and crop nutrition, pesticide usage, pollution control, waste management, water and energy efficiency and the protection of wildlife and landscape. The current details of IFM are being developed into detailed scheme standards.

LEAF has been involved in developing the environmental requirements for schemes such as APS and ACCS, the produce and crops schemes (see separate descriptions). These were based on a similar LEAF concept, the Integrated Crop Management (ICM) system. ICM applies to single crop management and is closer to baseline standards. LEAF will also have input into the AFS review of environmental standards due to be published later in 2002.

## **Independence of scheme**

The scheme has developed a management group that represents all relevant stakeholders, including those already consulted: producers, processors, environmentalists and retailers. It has also included enforcers and academics.

LEAF has established a separate technical advisory body that sets the standards and will employ independent certifying bodies, which will seek UKAS accreditation.

### **Effectiveness of scheme**

It is too early to make any judgement of the scheme. It is expecting its certification body, when appointed, to use independent, trained assessors to undertake annual audits, while also undertaking baseline safety and welfare audits. It intends to establish a whole chain scheme with checks to retail outlets but here again details have still to be developed.

### **Consumer cost from scheme**

It is not yet possible to assess possible consumer costs. It remains to be seen whether the scheme will be able to establish a market for another logo to add to those already present on fresh food.

**QUESTIONNAIRE (26 January 2002)**

**Overview of scheme**

1. Sector covered?
2. Number of members? As proportion of all sector and of total production?
3. Objective of scheme-all/premium?
4. Objective-enforce/enhance law?
5. Standards-safety? Welfare? Environment? Other? Whole chain?

**Transparency**

***Q1 Is the scheme in the public domain?***

1. Are the details of the scheme accessible to consumers?
2. Is the scheme clearly set out for consumers to understand?
3. Is it reasonably well publicised-logo etc.?
4. Do you publish an Annual Report and Strategy Plan?
5. Are the results of inspection audits in the public domain?
6. Does the scheme owner or certification body profit from the operation of the scheme?

***Q2 What role do consumers play in the scheme?***

7. Do you have any links with consumers?
8. Are consumers consulted about the content and development of the scheme?
9. What role do consumers play in the operations of the scheme? Are they on the supervisory or other bodies? Are they a majority?
10. Is there a consumer complaints' mechanism? Is it used?

***Q3 How does the scheme meet consumer concerns?***

11. What are the main problems the rules aim to solve? Why do you believe these are priorities?
12. Do the details reflect consumer concerns? How is this known?
13. What do your standards mean to consumers?
14. Is there consistent application and enforcement across the whole food chain?
15. Can consumers be confident that the scheme considers its consistency with other schemes and sectors and what does about it?

***Q4 How flexible is the scheme?***

16. Does the scheme regularly review and upgrade its standards?
17. Is the scheme responsive to change? How has the scheme changed? What led to these changes?

**Verification and implementation**

***Q5 How effective is the scheme in delivering its standards?***

**Standard setting**

1. Is there a separate independent standard-setting body?
2. Who do its members represent? Consumer representatives?
3. How significant is it? How often does it meet? What are its powers?

**Certifying**

4. Is there an independent certifying body, separate from the standard setting body?
5. Who are its members and what are their qualifications?

6. How significant is it? How often does it meet? What are its powers?

**Technical advisory bodies**

7. Are there technical advisory bodies? Who are their members?

8. How significant are they? How often do they meet? What are their powers?

**General**

9. What are the relationships between these three bodies?

10. Is there any relationship with UKAS and what change has this brought about?

**Assessors/inspectors and members**

11. Who inspects applicants and members? How many inspectors are involved?

12. How often? Are there random checks and how many?

13. How far does the scheme rely on existing LA inspection for its effectiveness?

14. Are there central procedures to implement the results of the inspections?

15. What are the penalties for non-compliance? Give details (eg how many actual and threatened suspensions, remedial action and timescales).

16. Have any members been ejected from the scheme for non-compliance? How many (% of total members in last three years) and for what reason?

17. Have any members left the scheme voluntarily (%) and for what reason?

18. Do members undertake any self-assessment? How significant is this for the scheme?

19. Are the inspectors trained and updated regularly?

20. How do you judge the effectiveness of inspectors? Benchmarks? Feedback?

**Overall controls**

21. How tight are the controls on the final use of the logo?

22. Are the finances sufficient to implement the scope of the scheme?

**Q6 Is the scheme consistently applied?**

1. Is the scheme accredited to EN45011 or other certification standards?

2. Is there an independent audit?

3. Are the records required sufficient to implement the scheme?

**Costs and benefits to consumer**

**Q7 Does the scheme benefit consumers?**

1. Why was the scheme started? Were consumers an important consideration?

2. Can it be quantified? Has it been?

3. Who pays for the scheme?

4. Has an estimate been made of its cost to the consumer? How do they pay-through increased prices (or other)? Any estimates?

5. What is the cost of the scheme to the producer? What proportion of total production cost does it represent? Do producers regard this as a significant cost?

6. Is there a difference in the market place in the price of scheme produce compared with non-scheme produce? What is it?

7. What benefits do consumers believe come from the scheme? Has any analysis been undertaken?

8. Are there any other benefits for consumers?

**Standards above legal requirements**

**Q8 What does the scheme deliver that is above legal requirements?**

1. What food products and production sectors does the scheme cover?

2. Does the scheme aim to meet existing legal requirements or enhance them?

- ***Food safety***

**Q9 Does the scheme deliver enhanced food safety?**

1. What is this?

2. How significant is this for the scheme?

3. Is the scheme risk-based in its approach?

4. Does the scheme cover the whole food chain from on-farm to retailer? How?

5. Does the scheme require traceability? Details?

6. To what extent does the scheme deal with specific food safety issues –e.g. disease elimination?

7. Are scheme standards regularly reassessed?

- ***Animal welfare***

**Q10 Does the scheme deliver higher welfare benefits?**

1. What are they? Above the EU, or UK, minimum?

2. How significant are these for the scheme?

3. How are they controlled?

4. Are the standards regularly reassessed?

- ***Environmental controls***

**Q11 Does the scheme deliver environmental benefits?**

1. What are they?

2. How significant are these for the scheme?

3. How are they controlled?

4. Are they regularly reassessed?

- ***Other benefits***

**Q12 Does the scheme deliver any other benefits- e.g. enhanced food quality, health and safety or ethical trading benefits?**

1. What are they?

2. How significant are these for the scheme?

3. How are they controlled?

4. Are they regularly reassessed?

**LIST of ORGANISATIONS INTERVIEWED**

Asda plc  
Assured British Meat  
Assured British Pigs  
Assured Chicken Production  
Assured Combinable Crops  
Assured Food Standards  
Assured Produce  
British Egg Industry Council  
British Meat Manufacturers' Association  
British Retail Consortium  
Chartered Institute of Environmental Health  
Checkmate International  
Consumers' Association  
Dairy Hygiene Inspectorate  
Dairy Research and Consultancy  
Danish Bacon and Meat Council  
DEFRA  
Eastbrook Farm Organic Meats Ltd  
EFSIS Certification Ltd  
Farm Assured British Beef and Lamb  
Farm Animal Welfare Council  
Farm Assured Welsh Lamb  
First Milk  
Food Standards Agency  
Freedom Food  
Genesis Quality Assurance Limited  
Institute of Grocery Distribution  
Integra Food Secure Limited  
J Sainsbury plc  
LEAF  
Leavesley Group  
Local Authority Co-ordinators of Regulatory Services -LACORS  
Meat and Livestock Commission  
Meat Hygiene Service  
Midland Meat Packers Ltd  
Nabim  
National Dairy Farm Assurance Scheme  
National Farmers' Union  
National Consumer Council  
Northern Irish Beef and Lamb Farm Quality Assurance Scheme  
Office of Fair Trading  
Product Authentication International  
Quality Meat Scotland  
Quality Welsh Food Certification Limited

Robert Wiseman & Sons Limited  
Royal Society for the Protection of Birds  
Safeway plc  
Sainsbury plc  
Scottish Food Quality Certification Limited  
Scottish Quality Cereals  
Scottish Society for the Prevention of Cruelty to Animals  
Soil Association Certification Limited  
Somersfield Stores Limited  
Tesco Stores plc  
United Kingdom Accreditation Service  
UKASTA  
Unison  
Waitrose Limited  
Welsh Lamb and Beef Promotions Limited

**GLOSSARY of ACRONYMS**

**ABM** Assured British Meat  
**ABP** Assured British Pigs  
**ACCS** Assured Combinable Crops Scheme  
**ACP** Assured Chicken Production  
**AFS** Assured Food Standards  
**Agency** Food Standards Agency or FSA  
**APS** Assured Produce Scheme  
**BCVA** British Cattle Veterinary Association  
**BEIC** British Egg Industry Council  
**BMMA** British Meat Manufacturers' Association  
**BMQSM** British Meat Quality Standard Mark  
**BRC** British Retail Consortium  
**CA** Consumers' Association  
**CCP** Critical Control Point  
**CIEH** Chartered Institute of Environmental Health  
**CIWF**- Compassion in World Farming  
**COP** Code of Practice  
**CMi** Checkmate International  
**DEFRA** Department for Environment, Food and Rural Affairs  
**DHI** Dairy Hygiene Inspectorate  
**DRC** Dairy Research and Consultancy  
**EHOs** Environmental Health Officers  
**EFSIS** European Food Safety Inspection Service  
**EN 45004** European Standard for Inspection Bodies  
**EN 45011** European Standard for Product Certification  
**EUREP** Euro Retailer Produce Working Group  
**FABBL** Farm Assured British Beef and Lamb  
**FASL** Farm Assured Scottish Lamb  
**FAWC** Farm Animal Welfare Council  
**FAWL** Farm Assured Welsh Lamb  
**FEMAS** Feed Materials Assurance Scheme  
**FIS** Farm Inspection Service  
**FSA** Food Standards Agency  
**GAP** Good Agricultural Practice  
**HACCP** Hazard Analysis and Critical Control Points  
**ICM** Integrated Crop Management  
**IFM** Integrated Farm Management  
**IGD** Institute of Grocery Distribution  
**LACORS** Local Authority Co-ordinators of Regulatory Services  
**LANTRA** Lantra Trust - National Training Organisation for land-based industries  
**LEAF** Linking Environment and Farming  
**LMC** Livestock and Meat Commission for Northern Ireland  
**MHS** Meat Hygiene Service.  
**MLC** Meat and Livestock Commission  
**NABIM** Incorporated Association of British and Irish Millers

**NCC** National Consumer Council  
**NDFAS** National Dairy Farmers' Assurance Scheme  
**NIBL FQAS** Northern Irish Beef and Lamb Farm Quality Assurance Scheme  
**NFU** National Farmers' Union  
**OFT** Office of Fair Trading  
**PAI** Product Authentication Inspectorate  
**QMS** Quality Meat Scotland  
**QWFCL** Quality Welsh Food Certification Ltd  
**RSPCA** Royal Society for the Prevention of Cruelty to Animals  
**SFQC** Scottish Food Quality Certification Limited  
**SQC** Scottish Quality Cereals  
**SSPCA** Scottish Society for the Prevention of Cruelty to Animals  
**SVS** State Veterinary Service  
**TAC** Technical Advisory Committee  
**TSOs** Trading Standards Officers  
**UFAS UKASTA** Feed Assurance Scheme  
**UKAS** United Kingdom Accreditation Service  
**UKFQC** United Kingdom Food Quality Certification  
**UKROFS** United Kingdom Register of Organic Food Standards