House of Commons

Environment, Food and Rural Affairs Committee

Farmgate prices

Third Report of Session 2015–16

HC 474

House of Commons

Environment, Food and Rural Affairs Committee

Farmgate prices

Third Report of Session 2015–16

Report, together with formal minutes relating to the report

Ordered by the House of Commons to be printed 10 February 2016

HC 474
Published on 2 March 2016
by authority of the House of Commons
London: The Stationery Office Limited
£0.00

The Environment, Food and Rural Affairs Committee

The Environment, Food and Rural Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department of Environment, Food and Rural Affairs and associated public bodies.

Current membership

Neil Parish MP (*Conservative, Tiverton and Honiton*) (Chair)

Chris Davies MP (*Conservative, Brecon and Radnorshire*)

Jim Fitzpatrick MP (*Labour, Poplar and Limehouse*)

Simon Hart MP (*Conservative, Carmarthen West and South Pembrokeshire*)

Dr Paul Monaghan MP (*Scottish National Party, Caithness, Sutherland and Easter Ross*)

Rebecca Pow MP *(Conservative, Taunton Deane)*

Ms Margaret Ritchie MP (*Social Democratic and Labour Party, South Down*)

David Simpson MP (*Democratic Unionist Party, Upper Bann*)

Angela Smith MP *(Labour, Penistone and Stocksbridge)*

Rishi Sunak MP (*Conservative, Richmond (Yorks)*)

The late Harry Harpham MP (*Labour, Brightside and Hillsborough*) was also a member of the Committee during this inquiry.

Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via www.parliament.uk.

Publication

Committee reports are published on the Committee's website at www.parliament.uk/efracom and by The Stationery Office by Order of the House.

Evidence relating to this report is published on the Committee's website at www.parliament.uk/efracom.

Committee staff

The current staff of the Committee are David Weir (Clerk), Matthew Clay (Second Clerk), Sarah Coe (Committee Specialist), Anwen Rees (Committee Specialist), Ellen Bloss (Senior Committee Assistant), Holly Knowles (Committee Assistant), and Nick Davies (Media Officer).

Contacts

All correspondence should be addressed to the Clerk of the Environment, Food and Rural Affairs Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 5774; the Committee's email address is efracom@parliament.uk.

Contents

Summary

Farming and food are a fundamental part of the UK economy, worth more than £100 billion a year and supporting one in eight jobs. Over the last few years, volatility in the prices paid to farmers for their produce has caused significant difficulty to the farming industry.

In the twenty-first century, the agricultural economy cannot be considered in isolation, but must be seen in the context of global opportunities and threats. Increased production has occurred during a period of falling demand for UK and European products. While the global market will make it difficult for any one Government to significantly impact prices, it can play a facilitation role in enabling the agricultural industry and retailers to work together to secure an economically sustainable future. The agricultural industry has a significant responsibility for its own future and is generally better placed than the Government to lead change and build a strong resilient industry in the UK. While most farmers are sole traders, they must recognise and utilise the power they have in working together.

The Committee's key recommendations and conclusions are:

- Regional price disparities pose a threat to the economic sustainability of the national market, with regions receiving lower average prices being made more vulnerable to external price shocks and regions relying on an above average market price becoming vulnerable to undercutting over time. Claims from national retailers that there are 'sustainable economic reasons' justifying price differentials have not been fully accepted by many farmers, and retailers must do more to explain their reasoning and to ensure their prices adequately reflect the costs of production. More effective co-ordination between Defra and the devolved administrations is also necessary to prevent unsustainable price inequalities emerging at a national level.

- Farmers can give themselves greater power to negotiate the price of their produce and more power in the market place by coming together in Producer Organisations. Collective decision-making has not been the traditional model for UK farmers, but the modern supply chain means that attitudes have to change. Farmers must recognise the strength they can achieve through being part of a Producer Organisation.

- Futures markets for dairy and livestock could help the industry to lessen the impact of unanticipated price volatility. We encourage the industry to work with Defra to take forward work on futures markets.

- British farmers and producers must seize opportunities for domestic and global market growth. To be able to trade in a global economy, the agricultural industry needs to look at developing global products or adapting traditional products to meet changing demands. Opportunities exist for imports to be displaced and for new products to appeal to UK and global consumers. The whole supply chain needs to invest in continued improvement and productivity.

- The Rural Payments Agency must return to paying at least 90% of Basic Payments Scheme monies by the end of December each year—equalling its achievement under the previous scheme.

- We are concerned that the majority of the 25-year strategy for food and farming will be about developing a plan for England, while also including an export strategy for the UK as a whole. For the sake of clarity, we recommend that the Government publish its export strategy separately.

- We question assurance from the retail sector that there is no link between the price at which supermarkets sell to their customers and the price supermarkets pay to farmers. While farmers engaged in contractual arrangements with supermarkets, directly or otherwise, are guaranteed a price for their milk for specific periods, the chronic low price of milk sold through supermarkets inevitably disadvantages farmers in the longer term. Supermarkets may choose to sell milk cheaply as a loss leader, but farmers must not be the victims of the supermarket wars currently taking place in the UK. Progress is uneven amongst supermarkets and assurances must be met with action.

- We recommend that Defra encourage farmers, processors and retailers to agree more long-term contracts that provide predicable income levels to encourage secure financial planning and investment decisions.

- We recommend that Defra strengthen its guidelines so that customers know when they are buying British or non-British goods. We also recommend that the guidance is extended to more products, such as yoghurt, ice-cream, and processed foods, such as ready meals.

- We recommend that the Department for Business, Innovation and Skills consider urgently how to extend the Groceries Code Adjudicator's remit to incorporate, and thereby protect, both direct and indirect suppliers to the major UK retailers. We ask Defra to include this in their recommendations to the review of the role of the Groceries Code Adjudicator later this year.

1 Introduction

1. Farming and food are a fundamental part of the UK economy, worth more than £100 billion a year and supporting one in eight jobs.[1] Over the last few years, volatility in the prices paid to farmers for their produce has caused significant difficulty to the industry. During the summer and autumn of 2015, some farmers took direct action in protest over falling dairy and meat prices. High-profile protests saw supermarket shelves cleared of milk and New Zealand lamb and, in one case, cows paraded through a supermarket.

Our inquiry

2. As a result of increased calls for support to farmers, we launched an inquiry in September 2015 to examine the current situation in the dairy and red meat sectors, and to investigate measures that could be taken to improve prospects for the agriculture industry. This report builds on work undertaken by our predecessor Committee, which published an inquiry on Dairy prices in January 2015.[2] We also held a one-off oral evidence session on Dairy prices earlier this Parliament on 8 September 2015.[3]

3. We took oral evidence from industry representatives, processors, retailers, the Groceries Code Adjudicator, and the Department for Environment, Food and Rural Affairs (Defra). We are extremely grateful to those who provided oral and written evidence.

1 Department for Environment, Food and Rural Affairs (FGP0022) para 1
2 Environment, Food and Rural Affairs Committee, Fifth Report of Session 2014-15, Dairy prices, HC 817
3 Oral evidence taken on 8 September 2015, HC 425

2 Current situation

Global Market Place

4. In the twenty-first century, the agricultural economy cannot be considered in isolation, but must be seen in the context of global opportunities and threats. Today, national economies are no longer independent entities operating separately, but are interdependent.

5. Global production has been strong across major agricultural commodities, owing to an absence of significantly disruptive weather events in the last two or three years. Low oil prices have also meant lower input costs for many, encouraging production to expand further; for example, milk production in the 28 EU market states remains above 2014 levels, in spite of consistently low selling prices.

6. However, this increased production has occurred during a period of falling demand for UK and European products. The import ban on EU produce by Russia, in retaliation for the EU's sanctions over its actions in Ukraine, has had a significant impact. For example, Russia had been the EU's number one volume market for pork and beef until the ban. This has contributed to an increased supply of red meat in Western Europe, and increasing competition from cheap eastern European beef (that would usually be sent to Russia) has created more pressure on UK prices.[4]

7. In addition, at a global level, demand for dairy products in some EU key markets, such as China, has declined due to an economic downturn. Russia and China together account for 30% of the globally traded dairy products and therefore a sharp decline in demand has contributed to a "domino effect on global prices".[5]

8. Exchange rates have further increased the downward pressure on UK farmgate prices. A 'strong' pound makes imports cheaper and exports find it difficult to compete in large single-currency markets such as the US, China and the EU. Defra told us that this was particularly felt in the sheep sector, although it "exercised downward pressure on virtually every sector".[6]

9. Some farmers have questioned the impact of the global market place on the price of UK produce.[7] However, Paul Tompkins, a dairy farmer from York, acknowledged that international commodities were vulnerable to global supply and demand: "I no longer compete with the farmer next door: I compete on a worldwide stage".[8]

UK production and prices

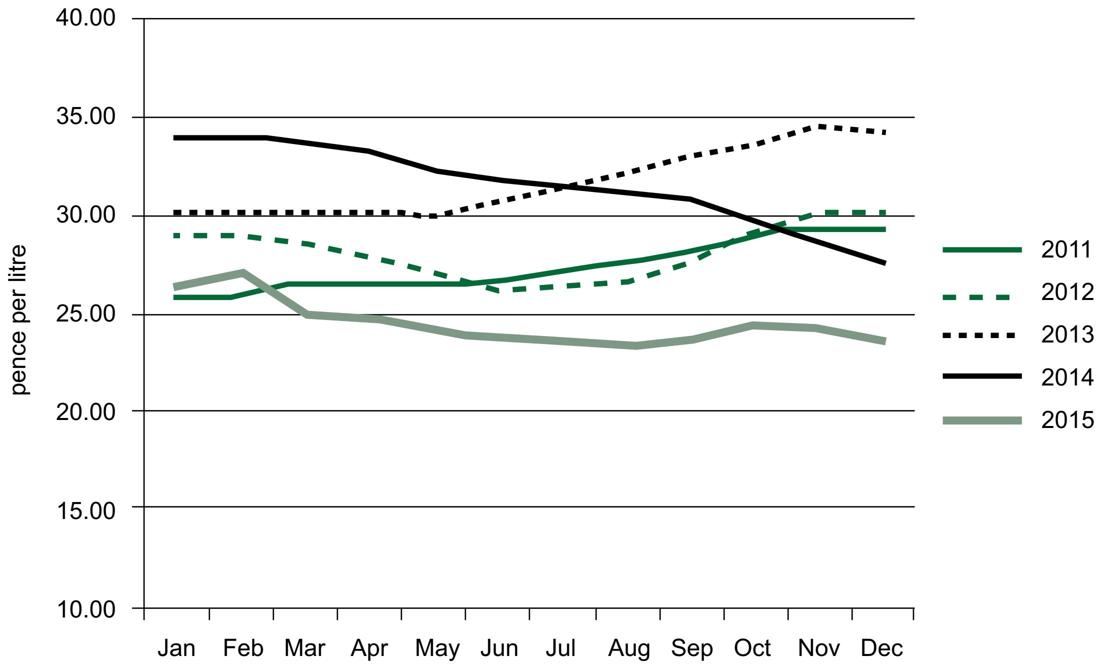
10. The last five years have seen an unprecedented period of price volatility with the most recent period showing a downward trend.[9] During the inquiry, we examined what has been happening in the dairy, lamb and pork industries in particular, in the UK.

4 Ulster Farmers' Union (FGP0035)
5 Arla Food UK Ltd (FGP0021)
6 Q387
7 Q100
8 Q105
9 Q2

Dairy

11. The average farmgate milk price has fallen by more than 10p per litre (ppl) from its peak in late 2013. In December 2015, the UK average farmgate milk price decreased to 23.71ppl. The cost of production varies from farm to farm, but 25p is an often-mentioned average or benchmark. In other words, average producers may be struggling even to cover the cost of production at present. This represents a 2.1% (0.51ppl) decrease on November 2015. The average price remains 14% lower than in December 2014. The graph below shows a comparison of the United Kingdom farmgate milk price for the last five years.

Figure 1: United Kingdom farmgate milk price (pence per litre)



Source: Defra statistics[10]

12. The British dairy market is somewhat unusual in that approximately 65% of production is sold as liquid milk, with only 25% being turned into cheese and 10% into powders and butter. By contrast, in the rest of Europe, approximately 30% of production is sold as liquid milk and the rest processed. This leaves British farmers more exposed to price volatility, as liquid milk cannot be stored as easily as cheese, butter or powder. Despite this UK milk production has continued to rise over the last few years.

13. In Northern Ireland, the situation in the dairy industry is exacerbated by the fact that, unlike other regions of the UK, it exports between 70%-85% of its milk produce, mostly as milk powders, and does not have a reliance on the liquid milk market.[11]

14. The National Farmers' Union (NFU) accepted that strong prices obtained in 2013 led farmers worldwide to raise production and that, allied with good weather conditions, led to overall milk supplies exceeding industry expectations.[12] The speed and variety of price changes in the dairy industry cannot be matched by equally quick change in

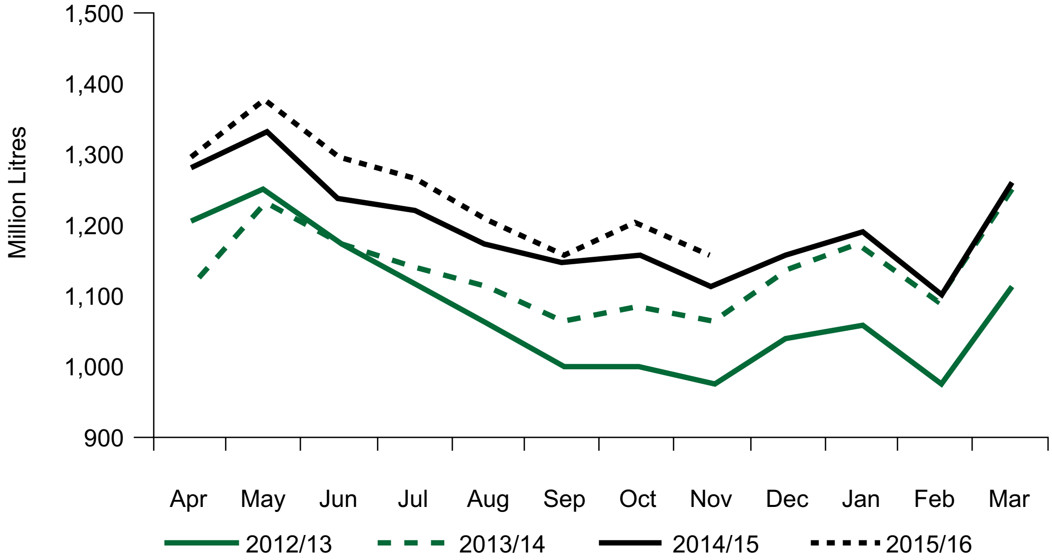
10 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/490107/milkprices-statsnotice-07jan16.pdf

11 Northern Ireland Assembly Committee for Agriculture and Rural Development (FG0003)

12 Q12

production capacity: supply reduction is usually too late as it is triggered by falling prices, and increases in supply to take advantage of higher prices may lag behind.[13] In addition, with the majority of farmers' sole traders, the response has been to produce more milk to secure marginal returns.

Figure 2: UK milk production



Source: Agriculture and Horticulture Development Board[14]

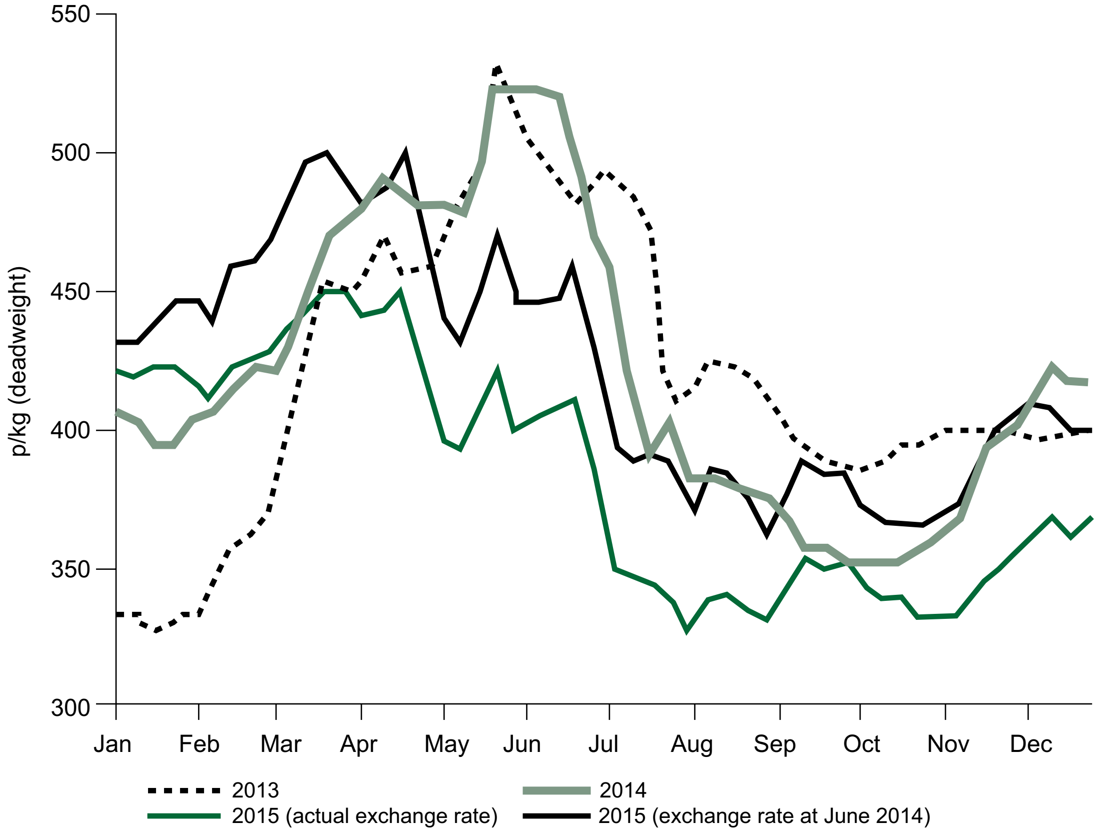
Lamb

15. The UK is Europe's largest producer of lamb. The UK sheep sector has been seriously affected by falling farmgate lamb prices with average prices approximately 20% lower than 2014 prices.[15] The National Sheep Association (NSA) told us that: "Over the last four years, we have seen the average deadweight prices drop from 423p a kilogram down to 413p a kilogram…"[16]

16. A key reason for low lamb prices is the strength of the pound against the euro and the New Zealand dollar.[17] Up to 40% of UK lamb is exported, mostly to the EU. The chart below illustrates how much impact the weak euro may have had on farmgate lamb prices owing to its effect on the closely related export price.

13 Q12
14 Agriculture and Horticulture Development Board, Monthly Milk Deliveries (January 2016)
15 National Farmers' Union (FGP0016) para 1
16 Q4
17 Q7

Figure 3: Potential impact of exchange rate movement on 2015 GB lamb price



Source: Agriculture and Horticulture Development Board, European Central Bank

Pork

17. The National Pig Association (NPA) told us that pig prices in the last few years had gone from "bust to boom and back to bust again"[18]:

> If you start in 2010, pig prices were around 140p per kilo, then in 2011 they rocketed up to 170p per kilo, 174p at its peak, and we are now back down at around 130p to 133p per kilo …[19]

18. Currently, British pig prices are about 15%-20% lower than they were a year ago.[20] At the beginning of our inquiry, the EU-spec SPP (Standard Pig Price) was 133p/kg. The cost of production was approximately 139p/kg. With an average carcass weight of 81.59kg this equated to a loss of approximately £6.10 per pig.[21] Following seven consecutive weeks of a drop in price, the EU-Spec SPP was 121.97p/kg in January. This illustrates how volatile prices are.

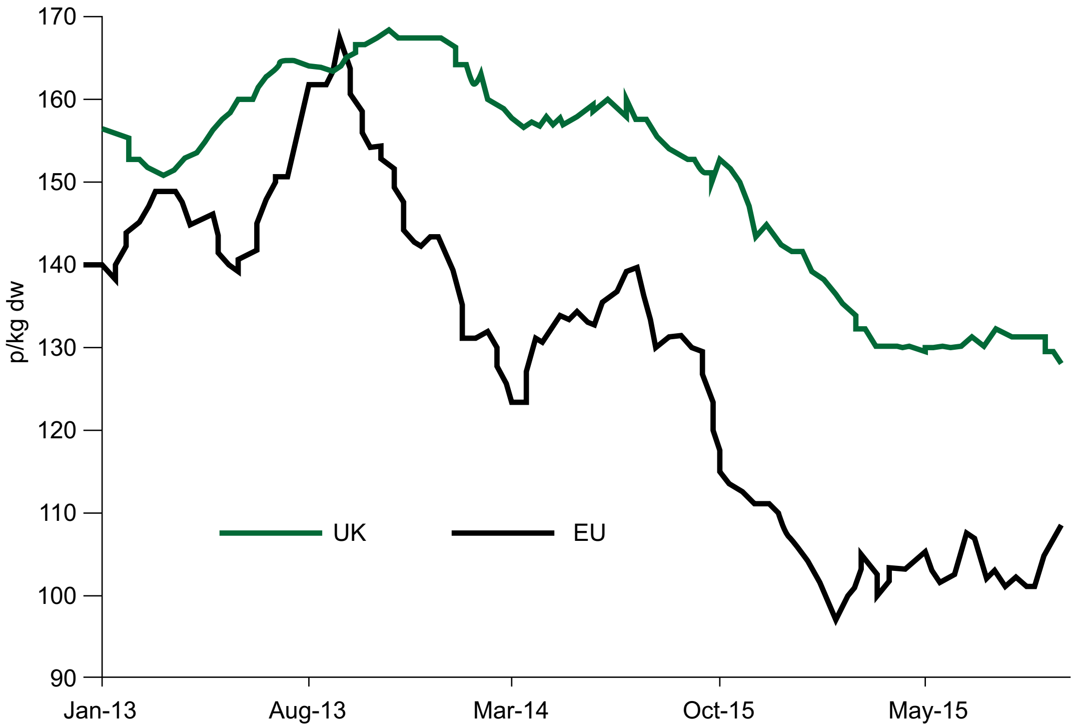
19. As with milk, this drop in price is due to an increase in supply while consumer demand has fallen. British pig meat production increased by 5% in 2015, due to improved productivity. Simultaneously, retail pork sales have been 5% lower than they were last

18 Q7
19 Q7
20 National Pig Association (FGP0015) para 1
21 Agriculture and Horticulture Development Board, Pig Prices

year, with consumers preferring to buy cheaper poultry meat, while export sales are also being constrained by the strong pound and low global prices.[22]

20. Adding to this, the EU pig price has fallen sharply since last year, maintaining a historically high gap between UK and EU prices (see graph below). EU production has increased at a similar rate to the UK's, with the Russian import ban adding to oversupply. The weak EU market has also meant that it is cheaper for processers and supermarkets to buy from the EU—the UK currently imports around 60% of the pig meat it consumes—creating additional pressure on domestic prices.

Figure 4: Comparison of UK and EU pig reference prices



Source: Agriculture and Horticulture Development Board Market Intelligence, EU Commission

Regional Price Differentials across the UK

21. While prices for farmers have tended to be volatile, a persistent factor in the price landscape is regional price differentials across the UK, which affect beef, pork and lamb, and make farmers in some areas more vulnerable to external market shocks. Figures provided by the Ulster Farmers' Union (UFU) on beef prices have shown that there is significant variation in the average pence per kilo across the regions of the UK, listed in the chart below:

22 National Pig Association (FGP0015) para 1

Table 1: Average pence per kilo across the regions of the UK

	GB	England	Scotland	Wales	N. England	S. England	Midlands	Northern Ireland
Topside	1076	1045	1215	1032	1118	1028	944	975
Sirloin Steak	2150	2077	2520	1917	2226	2010	1907	1754
Rump Steak	1487	1443	1680	1435	1520	1490	1328	1568
Fillet Steak	3501	3401	3998	3215	3659	3253	3087	3213
Diced Stewing Steak	911	857	1147	847	916	833	770	806
Braising Steak	965	921	1171	884	971	845	851	857
Premium Mince	773	757	870	668	809	645	704	700
Standard Mince	629	622	685	542	672	546	553	390
DW Steers	**346**		**366**		**348**	**331**	**332**	**314**
DW Heifers	**346**		**367**		**347**	**3292**	**329**	**316**

Source: Agriculture and Horticulture Development Board, Livestock and Meat Commission, Ulster Farmers' Union

22. The differences in price paid to farmers does not reflect differing quality of meat. As an example, the lowest pence per kilo paid is in Northern Ireland, despite the equivalency of the Red Tractor label standards used in Great Britain and the NI Farm Quality Assurance used in Northern Ireland, and that 80% of Northern Irish beef is exported to the British market under the Red Tractor label. Representations from the UFU have stated that this differential is costing NI beef farmers at least £17 million a year in lost revenue.

23. **Regional price disparities pose a threat to the economic sustainability of the national market, with regions receiving lower average prices being made more vulnerable to external price shocks and regions relying on an above average market price becoming vulnerable to undercutting over time. Claims from national retailers that there are 'sustainable economic reasons' justifying price differentials have not been fully accepted by many farmers, and retailers must do more to explain their reasoning and to ensure their prices adequately reflect the costs of production. More effective co-ordination between Defra and the devolved administrations is also necessary to prevent unsustainable price inequalities emerging at a national level.**

Price Volatility

24. The Government has recognised that many farmers have been suffering financial difficulty as a result of low farmgate prices.[23] Price volatility of the type currently experienced has had an impact on the viability of the agricultural sector, reducing profitability and confidence in the sector:[24] in 2000, it was estimated that there were 25,000 dairy farmers in the UK, while figures in 2015 show that there are now under 10,000 dairy farmers.[25]

25. Witnesses broadly accepted that fluctuations in farmgate prices are largely a matter of market forces.[26] However, what caused significant concern for farmers was the volatility of the market, with its dramatic high and lows, which was now "the norm".[27] Witnesses were concerned that producers should be given the "right set of tools" to manage that volatility.[28]

23 Department for Environment, Food and Rural Affairs (FGP0022) para 2
24 National Farmers' Union (FGP0016)
25 Cumbria Business Consultancy (FGP0011)
26 Qq7, 100
27 Agriculture and Horticulture Development Board (FGP0009)
28 Qq15, 16

3 Industry Initiatives

26. In this chapter, we examine what farmers and the agricultural industry can do to develop mechanisms and approaches which will help them to withstand market volatility. During our inquiry we focused on four specific ideas: producer organisations; the development of futures markets; value-added products; and marketing under the red meat levy.

Producer Organisations

27. Producer Organisations (POs) are legally constituted groups of farmers or growers who assist in the distribution and marketing of farm produce. Following the 2013 reform of the Common Agricultural Policy—in particular deregulation in the dairy sector and the removal of milk quotas—dairy producer organisations have been encouraged across Europe. In England and Wales, Dairy Crest Direct Ltd, representing 1,050 dairy farmers, was established in 2015. In Scotland, a group of 141 farmers have applied to be formally recognised as the first EU dairy Producer Organisation in Scotland.

28. Witnesses stated that Producer Organisations would give farmers greater collective bargaining power in negotiating prices with processors and retailers. The NFU described dairy Producer Organisations as a "potential win-win",[29] helping farmers to engage with the full length of the supply chain, and to better manage milk production in a post-quotas era.[30] The NSA told us that producer organisations could also work well in the red meat sector.[31]

29. The NFU acknowledged that it was up to farmers themselves to choose to co-operate. There was also a need to engage with retailers and processors. The NSA told us that previous initiatives had not come to fruition because of a lack of trust or support from retailers or processors, but that the current state of the market provided an opportunity to pursue this again.

30. Witnesses called on the Government to simplify the guidelines relating to Producer Organisations.[32]

31. **Farmers can give themselves greater power to negotiate the price of their produce and more power in the market place by coming together in Producer Organisations. Collective decision-making has not been the traditional model for UK farmers, but the modern supply chain means that attitudes have to change. Farmers must recognise the strength they can achieve through being part of a Producer Organisation**.

Futures Market

32. A futures market is an organised auction market for trading futures contracts—that is, contracts for future delivery of a product. A futures contract includes a commitment to accept or deliver a specified quantity of a commodity at a specified time, for a specific price. No actual commodity changes hands unless and until the contract comes due,

29 Q18
30 Q21
31 Q18
32 Q35

or matures. Agricultural futures markets already exist for a range of commodities; for example, the UK Feed Wheat futures contract is relied upon as the European benchmark for the pricing of physical feed wheat. It is actively traded by co-operatives, merchants, traders, exporters and processors.

33. Witnesses from both the dairy and livestock sectors spoke in favour of the establishment of futures markets for their produce. NFU Scotland told us that a futures market would allow producers to 'lock in' to a forward commodity price to ensure price stability.[33] The NPA said that the establishment of such a market should be a 'no-brainer' for a pig producer as it would remove the price volatility and increase confidence to invest.[34]

34. Arla told us that enthusiasm amongst farmers for futures markets changed according to market conditions, decreasing when commodity prices improved. A futures market can mean taking a gamble. Farmers agree a price today and get paid in six months or a year, on delivery. By then, average prices could be higher (and the farmer has lost by pre-agreeing a lower amount) or lower (which means the farmer has increased his profit). But the advantage is that farmers have been able to plan knowing what they will receive.

35. The Minister of State for Farming, Food and the Marine Environment, George Eustice MP, agreed that futures markets were a way to manage risk. However, he agreed with Dairy UK that technical challenges such as the lack of real-time data on production and pricing would need to be overcome. He told us that Defra was currently investigating possible solutions to this issue.[35]

36. **Futures markets for dairy and livestock could help the industry to lessen the impact of unanticipated price volatility. We encourage the industry to work with Defra to take forward work on futures markets.**

37. ***We recommend that Defra identify solutions to the problem of providing farmers with real-time data on production and pricing so that they may be encouraged to develop futures markets that allow predictable planning on the basis of guaranteed income for commodities.***

Value-added products

38. In the UK, more ice-cream and yoghurt are imported than are produced at home. The UK also imports significant amounts of cheese, including even home-produced varieties such as cheddar. Witnesses told us that substituting such imports for the home-made product could help promote British dairy farming. In particular, the NFU told us that own-label yoghurt was a specific opportunity for increased UK production.[36] It is estimated that almost two-thirds of British adults eat yoghurt at least once a week and one in five consume it on a daily basis.[37]

39. However, we heard that producers are often paid less for milk used in commodities than for liquid milk. Commodities (butter, milk powder, cheese etc) are widely traded and therefore are exposed to the volatility of global and European market. Waitrose told us

33 NFU Scotland (FGP0024)
34 Q20
35 Q395
36 National Farmers' Union (FGP0016)
37 Yoghurt Factsheet, The Dairy Council

that they paid 32.08ppl for milk,[38] while they paid 25ppl for milk for cheese—a difference of seven pence.[39] Arla explained the current situation:

> If you look at the mix of our business, approximately 30% goes into whole wealth commodities or ingredients-type markets. Some 70% of our business is retail business, and it is that milk that goes into ingredients and commodities that has collapsed in price. The price of a litre of milk that goes into commodities has gone down by over 20p. If you divide that by the third of our milk that goes into that, you can see that the vast majority of our milk price reduction is because of those markets.[40]

We welcome the commitment made by Tesco to pay more for milk used to make cheese. From 31 August 2015, it has paid its producers 29.93ppl for milk supplied for cheese. The price was set until 28 February 2016. The decision was hailed as a "significant move" by the NFU and Farmers for Action.

40. We heard how the red meat sector was looking at product development to add value to the supply chain.[41] Consumption of traditional cuts is low amongst the younger generation and the NSA identified the need to develop new and "more innovative" cuts.[42] The NSA explained the opportunities that existed:

> For too long, we have been selling lamb as lamb, and there is a lot of differentiation we could make. We are working on a mutton project and I am sure there is a lot more we could do to sell quality mutton in small volumes, which would help to buffer some of the volatility in prices for farmers.[43]

41. The NFU told us that there was a need for businesses to invest in the UK to develop and add value to the food supply chain.[44] Sainsbury's agreed that the manufacturing sector had been under-invested in over a long period. This was in contrast to mainland Europe, where investment into new areas such as whey protein powders and new products had increased.[45]

42. The Minister agreed that there was a need for the industry to look at ways to develop and add value to the supply chain. He told us that capital grants were available under the Rural Development Programme for England[46] to enable farmers to invest in new equipment.[47]

43. **British farmers and producers must seize opportunities for domestic and global market growth. To be able to trade in a global economy, the agricultural industry needs to look at developing global products or adapting traditional products to meet**

38 Q220
39 Q275
40 Q172
41 Q271
42 Q88
43 Q89
44 Q24
45 Q582
46 Under the Rural Development Programme for England (RDPE), the UK Government will invest £3.5 billion in rural development schemes until 2020. The RDPE is made up of four elements: Countryside Stewardship; Countryside Productivity; Growth Programme and LEADER.
47 The Countryside Productivity scheme allows farmers, foresters and land managers to apply for capital grants to invest in equipment and innovative technology.

changing demands. Opportunities exist for imports to be displaced and for new products to appeal to UK and global consumers. The whole supply chain needs to invest in continued improvement and productivity.

44. **There is a danger that the current low price for milk used in commodities could affect development within the dairy industry. While we welcome the short-term commitment made by some retailers, there must be a long-term commitment by purchasers to pay a fair price.**

45. ***We recommend that the Government improve farmers' awareness of the funds available to help them develop their business under the Rural Development Programme, and that Defra sets out what steps it will take to achieve this aim.***

Red Meat Levy

46. Witnesses highlighted the importance of marketing British goods to a domestic audience. The NSA told us the importance of building a domestic market which normally accounts for some 60% of UK lamb production to reduce some of the volatility experienced from global trading.[48]

47. The red meat levy is a levy paid by producers and slaughterers/exporters on all cattle, sheep and pigs slaughtered in Great Britain to the red meat levy boards to pay for promoting and marketing red meat. In England, the levy is collected by the Agriculture and Horticulture Development Board (AHDB). In Wales, the levy is collected by Hybu Cig Cymru, while money from animals slaughtered in Scotland goes to Quality Meat Scotland. Witnesses expressed concern in two areas: delay in the 2015 promotional campaign; and the amount spent on marketing.

48. AHDB attracted criticism in 2015 as a result of delays to a £1.6 million autumn promotional campaign for lamb and beef cuts. Defra and the Cabinet Office, who are required to sign off AHDB promotional spending, finally approved the campaign on 7 September. The proposal had been re-submitted by AHDB after the initial version, submitted months earlier, failed to achieve sign-off. AHDB said there were a number of reasons why there was a delay in sign-off:

> Part of that was a change in the required process that I understand took effect after the general election. There were some shortcomings in our own project management that we have looked at and identified […] Also, we identified the need for a better partnership-working relationship between ourselves and Defra in understanding the requirements that we need to be able to fulfil in order to ensure that the promotional sign-off takes place.[49]

49. Witnesses were concerned that the delay had had a negative impact on sales of red meat. The NSA told us that their producers "were seriously let down by the fact that our promotional activities in England have been so delayed, at a time when the seasonal product was coming through".[50] It called for improved communication between AHDB and Defra, with more preparatory work in discussing strategies.[51]

48 National Sheep Association (FGP0005)
49 Q128
50 Q65
51 Q71

50. Some witnesses questioned the Government's role in signing off the money. The NPA expressed concern that the AHDB levy and its use for marketing purposes and promotional activity in particular was increasingly being restricted and dictated by Government: "we question whether Ministers and civil servants have the necessary expertise to prejudge professional marketing campaigns".[52]

51. AHDB told us that no money was lost as a result of delaying the campaign. We do not know however how much was lost in sales as a result of the delay. The Government explained that as a public body AHDB's activities fell under Cabinet Office's Spending Controls. It explained that the delay was as a result of a "discussion with [AHDB] about achieving better value for money".[53]

52. **We are disappointed that there was a delay to the start of the lamb and beef promotional campaign in 2015. Defra and AHDB must ensure that any problems are identified and resolved sooner. There must not be a repeat of this delay in the future. It may also be timely for wider questions to be asked about the role of Government in signing off AHDB expenditure, and whether farmers and other levy payers should have the final say on expenditure.**

53. In a recent online FG survey[54], more than 60% of respondents said that AHDB, which plans to spend £5.4 million of its £65.5 million income on consumer promotion in 2015-16, should allocate more funding to this area.[55] The NPA told us about the impact a successful marketing campaign could have—a recent pulled pork campaign had increased volume sales of pork shoulder by 19.2% and there had been a 'halo effect' in sales of fresh pork, which increased by £7.8 million as a direct result of the campaign.[56] The NSA told us that there was a strong expectation from farmers that some of their levy payments should be spent on product promotion.[57]

54. We were surprised when AHDB seemed to downplay the impact that a successful marketing campaign could have on stimulating demand.[58] Its preferred route involved focusing on market development —both at home and abroad—to help farmers become more competitive and sustainable.[59]

55. **It is vital that UK products are promoted successfully in the market place, especially in a period of declining consumer demand. The Agriculture and Horticulture Development Group needs to ensure that products, such as lamb, are promoted at the peak period of production. We recommend that the Agriculture and Horticulture Development Board increase the proportion of its income spent on marketing, and work closely with its levy payers to consider their views.**

52 National Pig Association (FGP0015)
53 Department for Environment, Food and Rural Affairs (FGP0036)
54 FG is an online magazine for the agricultural industry
55 FG Insight 'FG insight survey shows levy payers want more spent on promotion' (September 2015)
56 Q64
57 Q63
58 Q134
59 Q129

Where payments are collected

56. At present, the levy is collected at point of slaughter regardless of where animals spent their lives. Over recent years, due to declining slaughtering in Scotland and Wales and a growing concentration of abattoirs in England, there have been increasing numbers of animals crossing the border to be slaughtered in England. Under current legislation, established by statutory instrument when the levy boards were set up, levy on these animals is collected in England.

57. Some producers and levy boards have stated that this is unfair as the levies paid by Welsh and Scottish producers are being used to fund the promotion of red meat from England, and vice versa. It is estimated that this results in a loss of approximately £1.6 million each year on Scottish livestock slaughtered in England and Wales. AHDB told us that there was on "ongoing discussion" regarding the allocation of levies.[60]

58. **The current system under the meat levy system means that levies collected from farmers and processors stay in the region in which animals are slaughtered rather than where they are reared. This has a significant impact on the budgets of levy boards in Wales and Scotland.**

59. ***We recommend that Defra amend current legislation to ensure that red meat levy funds raised are fed back to the regions in which the livestock were reared, not, as at present, those in which they are slaughtered.***

60 Q145

4 Government Support

60. In a global marketplace, the ability of any one national Government to have a significant impact on prices is likely to be limited. However, during our inquiry witnesses identified five areas where the UK Government could support the agricultural industry: reducing regulation; promoting EU enforcement of sow stalls ban; financial support; exploiting new markets; and providing a long-term vision for the industry. We cover each of these below.

Reducing regulation

Farm inspections

61. Under existing regimes, farmers have to deal with seven regulators carrying out more than 125,000 inspections a year across the agricultural industry. In the 2015 Spending Review, the Government confirmed the establishment of a Single Farm Inspections Taskforce by summer 2016 to reduce the burden on farmers. It aims to cut farm inspections by 20,000 by 2019–20.[61]

62. Farming representatives welcomed the news. However, they did express some concerns about the proposal. The NFU told us that many of the current inspections were carried out by local government, and it was therefore important that Defra co-ordinated with the Department for Communities and Local Government (DCLG).[62] The NPA told us that they were concerned that Defra officials had a lack of competence and experience in certain industries, and it was essential that there was a focus on information sharing.[63]

63. **We welcome the Government's proposal for a Single Farm Inspection Taskforce. We seek assurances that this will be established by September 2016, and that they will set out how they intend to ensure co-ordination across Departments. Defra must also co-ordinate with local government, to ensure the best benefit of this policy for farmers.**

Carcass Splitting

64. Lamb splitting is the requirement to remove the spinal cord from sheep carcasses (of sheep more than 12 months old) as a precaution relating to BSE controls under the EU Transmissible Spongiform Encephalopathy (TSE) regulations. The rules were brought in from 2000, following the mounting BSE concern of the 1980s and 1990s.

65. Witnesses told us that they wanted the government to change the costly rules on carcass splitting. The NSA told us that the controls were unnecessary and devalued the carcass. It argued that there had never been any evidence to demonstrate that there could be a transference of BSE from cattle to sheep in field conditions. It said that the TSE regulations for sheep were not regularly updated, in contrast to those for cattle which were updated in light of scientific evidence.[64]

61 HM Treasury, Spending Review and Autumn Statement 2015, Cm 9162 (November 2015)
62 Q51
63 Q51
64 Q53

66. In particular, the NSA told us that there should be a move to a different interpretation of when a sheep becomes 12 months old. Currently, the interpretation is that it is when the first two permanent incisors erupt. However, they told us that this can happen at any time, from 12 to 13 months right the way through to 20 months of age: "An awful lot of time and effort has been taken in terms of checking sheep, as to teeth eruption".[65] It has been estimated that the TSE controls are costing the industry approximately £24.5 million a year. Instead of checking lambs for the eruption of their first set of permanent incisors, there could be a simple cut-off date each year. The NSA told us that this change could be made at a UK level, and would not require agreement from the EU.[66]

67. The Minister agreed that the current regulations were "over the top".[67] He agreed that the two-tooth rule was arbitrary and that eruption could happen at different times. He said that he was supportive of changing the measure to one based on a calendar year. He told us that he would wish to seek "some kind of tolerance and acceptance" from the EU before changing the regulations.[68]

68. **Unnecessary regulations provide a heavy burden for farmers. The current regulations surrounding carcass splitting are unnecessary and cause delay, while also affecting the price of a carcass. Indeed, there are those who would argue that, with no evidence showing transference of BSE from cattle to sheep, there is no need to split the carcass at all.**

69. ***We recommend that, by the end of spring 2016, Defra amend regulations surrounding carcass splitting and move to use of calendar dates to determine the age of sheep.***

Sow stalls

70. Sow stalls are metal cages which female pigs are confined to during the duration of their pregnancy. They cause severe welfare problems as the sow is unable to turn around, take more than one or two steps forward or backward and most have no access to bedding throughout the majority of their pregnancy. Sow stalls have been banned in the EU since January 2013, although their use is allowed for up to four weeks after mating. They have been completely banned in the UK since 1999.

71. The NPA informed us that some countries were non-compliant with the ban, while they also expressed concern about the level of compliance in other EU countries. Running a stall system is cheaper than running a loose housing system, and therefore farmers operating sow stalls have cheaper costs. They expressed concern that UK farmers were at a competitive disadvantage. They were also critical of the action taken by the EU to enforce the ban:

> The Commission, because it is so poorly resourced, has done very little to actually inspect these various countries and compliance. They have very few food veterinary officers unfortunately. For particular countries, although they

65 Q53
66 Q53
67 Q447
68 Q447

> state that they are compliant, there is anecdotal evidence to suggest that they are not, but the Commission is doing nothing to confirm that in a robust manner.[69]

72. **Sow stalls cause severe welfare problems for sows and we welcome the ban across the EU. However, we are concerned that many countries are not enforcing this ban, resulting in a financial advantage for their farmers.**

73. ***We recommend that Defra works at EU level to ensure that the ban on sow stalls is enforced across all EU countries.***

Financial Support

74. Under the Common Agricultural Policy, the Basic Payments Scheme is the biggest of the European Union's direct rural grants and payments to help the farming industry. Farmers apply once a year, usually in May, and payments begin in December. A majority of producers still rely on support payments to produce a profit. In order to help cash-flow problems, the NFU told us that it was important that these payments were made without delay.

75. In the last Parliament, we examined the difficulties encountered in administering the 2015 payments when it became clear that new IT systems were not adequate to the task. On 1 December 2015, approximately 30,000 farmers received their 2015 Basic Payment Scheme, representing 35% of those who claimed. By 27 January 2016, 70% of farmers who were eligible had received their BPS 2015 payment.[70] Under the previous CAP scheme, payments made by the end of December had been over 90%.[71]

76. **Farmers must receive payments under the Basic Payments Scheme at the earliest possible opportunity. Despite repeated concerns voiced by the previous Committee, the RPA's new IT system was not fit for purpose. A delayed return to paper and pen applications led to confusion and delay. Farmers were let down by the system. We welcome the efforts made by staff and the Chief Executive to get a proportion of payments paid in December 2015. However, significant improvements must be made for 2016. Such a system failure must not be allowed to happen again.**

77. ***The Rural Payments Agency must return to paying at least 90% of Basic Payments Scheme monies by the end of December each year—equalling its achievement under the previous scheme.***

Driving export growth

78. In the UK, Defra and its agencies take the lead in promoting international exports (non-EU countries). International trade in the farming and food sector is key to boosting economic growth.[72] While European markets are currently the most significant for UK exports, they are well established and provide limited growth opportunity.[73] The Russian ban has also effectively wiped out EU dairy product exports.

69 Q13

70 'Further BPS 2015 payments are made to farmers in England', Defra, 27 January 2016

71 Oral evidence taken on 16 September 2015, HC (2015-16) 405, Q58 [Mr Grimshaw]

72 Q74

73 Qq 75, 196

79. Witnesses agreed that there was a need for Defra to identify and open new markets. Arla told us that developing nations, with an expanding middle class, could provide an attractive destination for dairy products.[74] The NPA said the exports provided an opportunity to sell parts of the carcass that were not popular with UK consumers, such as pig trotters and stomach.[75]

80. Arla told us that there was a need for Defra to help industry identify products that would make the greatest impact, and provide significant long-term growth opportunities:

> The key thing […] is to be able to produce products here that people actually want to buy and use. If you are selling to African consumers, they want to buy powder, but they cannot afford to buy bulk powder. You need to produce small 7-gram sachets, and they want that milk to be fortified, so they want extra vitamins in that product. If you are selling to the Chinese market, they are quite happy to buy UHT milk, so the key to the export thing is about being able to produce what people actually want to buy, not force on them what we consume over here.[76]

81. The Minister agreed that opening new export markets was important, and that the government was "opening on average, around 100 markets a year for agricultural products around the world".[77] The Secretary of State had undertaken a successful trade visit to China in November, and the post of Trade Commissioner had been established in China. We were concerned however, that the Government currently does not have specific targets against which to raise British produce sales within the next five years.

82. The UK is, however, to some extent playing catch-up in this field. Arla told us that the UK dairy industry had a history of being inward focused: "countries like Ireland, Denmark, New Zealand and the Netherlands, which have had an external view and an expansionary policy on farming, have actually grabbed the growth of the demand for dairy products".[78]

83. **Emerging economies provide opportunities for the greatest future growth potential. Farmers who move to non-traditional production of liquid milk could make significant in-roads into new and emerging markets.**

84. ***The need for a strategy for greater export is clear. Defra and the Agriculture and Horticulture Development Board must work together to promote exports. Defra must explore with the industry practical steps to ensure that export opportunities are identified for the industry to take advantage of.***

85. ***We recommend that Defra sets out how it is working in collaboration with the devolved administrations of Scotland, Wales and Northern Ireland to meet their export priorities.***

74 Arla Foods UK Ltd (FGP0021)
75 Q74
76 Q198
77 Q441
78 Q191

Protected name status

86. In 1993 EU legislation came into force which provides a system for the protection of food names on a geographical or traditional recipe basis. Under this system a named food or drink registered at a European level will be given legal protection against imitation throughout the EU.

87. Witnesses told us that producers who register their products for protection benefit from having a raised awareness of their product throughout Europe. However, Sainsbury's told us that the much of Europe was ahead of the UK in protecting products. It called for more support from Defra, as the process was "laborious".[79]

88. ***We recommend that Defra work more pro-actively with UK businesses to increase the number of foods with protected food name status.***

Export certificates

89. When goods are exported to non-EU countries, export certificate requirements are stipulated by the importing third country and vary depending on that country's assessment of risk. These certification requests can often be complex. Witnesses expressed concern about the level of support they received from the Defra market access team in this area. The International Meat Trade Association told us that there was a "handful of vets and other personnel available to work on drafting export health certificates and responding to the unwieldy questionnaires required by many export markets".[80] They continued:

> … for our sector the reality is that in order to increase exports we need more resource available in the practiced drafting of certificates and nuts and bolts market access work.[81]

90. Defra told us that it could often take months, if not years, to agree the export health conditions with the importing country, as a result of local political situations. Once agreed, the export health certificate would then be issued by Defra. Defra agreed that the department had had delays in issuing certificates in the past as a result of process issues, but that they now issued the certificates "pretty quickly".[82]

91. **It is important that the system to issue export certificates is as efficient as possible. The Government must improve the services offered by those who provide export certificate to the food and farming sector for non-EU country markets.**

92. ***Notwithstanding that there may be some complex claims, we recommend that the Government sets a time-specific target in discussion with the industry.***

Long-term vision

93. A 25-year strategy for food and farming was a key pledge in the Conservative manifesto ahead of the general election. Speaking in June 2015, the Minister for Food, Farming and the Marine Environment, said that Britain's declining self-sufficiency in food would be

79 Q601
80 International Meat Trade Association (FGP0006)
81 International Meat Trade Association (FGP0006)
82 Q443

reversed under government plans to introduce a long-term strategy for agriculture.[83] Since July 2015, Defra has had a number of meetings with representatives from the UK food and farming industry to develop that plan. At a discussion at the Institute for Government on 1 February 2016, the Secretary of State for Environment, Food and Rural Affairs, Rt Hon Elizabeth Truss MP, said that the plan would be published in early spring.

94. Witnesses welcomed the development of a long-term vision for food and farming. Arla told us that a clear policy was needed for Britain to be able to compete: "if you look at industries that have been successful globally, New Zealand, Denmark and Ireland, what is common between all of them is that there is a very clear policy around how to develop that industry".[84]

95. The majority of the plan is for England only. However, the food and farming plan will also look at increasing exports to "ensure British products are enjoyed by even more countries around the world".[85] This will involve a joined-up approach between England, Scotland, Wales and Northern Ireland.

96. **Defra must provide a clear direction for farming and food production in the UK. We look forward to the publication of the Government's 25-year strategy for food and farming. We welcome the communication that Defra has been having with industry representatives.**

97. ***We recommend that the Government publish its 25-year strategy for food and farming by 1 April.***

98. ***We are concerned that the majority of the 25-year strategy for food and farming will be about developing a plan for England, while also including an export strategy for the UK as a whole. For the sake of clarity, we recommend that the Government publish its export strategy separately.***

83 *Defra pledges to reverse food self-sufficiency decline*, Farmers Weekly, 12 June 2015
84 Q193
85 *Industry Kick-starts work on Great British Food and Farming Plan*, Defra Press Notice, 16 July 2015

5 Role of Retailers

99. In this Chapter, we examine the role of retailers as purchasers and sellers of produce to consumers. We discuss four areas in particular: the impact of the price wars; long-term contracts; the need for retailers to stock British goods; and the labelling of goods. We also look at the role of the Groceries Code Adjudicator.

'Price War'

100. The food industry is highly competitive. The grocery industry in the UK is dominated by four major retailers—Tesco, Asda, Sainsbury's and Morrisons, who account for approximately 70% of all sales in Great Britain— but pressure is being put on them by the discounters, such as Aldi and Lidl, which have seen their joint share of the groceries market double to 10% in three years. Waitrose, too, is gaining business having achieved a record gain of market share.

101. The discount chains have gradually eaten into the market share of the biggest supermarkets, and have provoked a fierce price battle among the top four chains. This can be seen as good news for consumers, even if it puts pressure on the producers of foodstuffs. According to Konter Worldpanel[86]: "Despite the accelerating British economy, like-for-like grocery prices are still falling, with a representative basket of everyday items now 1.7% cheaper than in 2014".[87]

102. Farming representatives told us that they had borne the brunt of falling retailer prices and supermarket 'wars'. NFU told us that "price is a key weapon and downwards pressure on many supply chains is the result".[88] In particular, witnesses expressed concern that milk was being sold at a price below its market cost to stimulate sales of other more profitable goods (a 'loss leader').

103. The Tenant Farmers Association told us that there was a lack of knowledge in relation to the extent to which each part of the supply chain was able to profit from the retail price of a product.[89] The NFU said:

> Ideally, all in the supply chain would commit to ensuring all food sold comes from a producer who has been paid a fair price. In practice, each retailer and processor has a different approach to sourcing policies and producer relationship of developing and implementing strategies.[90]

AHDB told us that it was difficult to precisely identify what happened where along the supply chain due to commercial confidentiality: "The ability of an organisation like AHDB to understand what happens in each individual segment of the supply chain can only take place on the basis of information that is published and a lot of this information is not published".[91]

86 Konter Worldpanel undertakes research into shopping habits
87 *Slower retailer growth continues as prices continue to fall*, Konter Worldpanel press notice, 25 August 2015
88 National Farmers' Union (FGP0016)
89 Tenant Farmers Association (FGP0027)
90 National Farmers' Union (FGP0016)
91 Q159

104. Witnesses told us that there was a lack of trust between supermarket chains and farmers. Paul Tompkins, from South Acre Farm, described the relationship between farmers and retailers as "shockingly poor".[92] David Christensen, a farmer from Arla, said that they were looking for a "good, sound commercial relationship".[93]

105. We heard how retailers have a different approach to sourcing policies and producer relationships. Within the dairy industry, Tesco, Sainsbury's, Marks & Spencer, Waitrose and the Co-op have long-established dedicated supplier groups that use cost-of-production based pricing mechanism for liquid milk. Only 7% of the milk produced in the UK is sold this way. Asda, Morrisons, Aldi and Lidl have all put in place a minimum floor price for liquid milk.

106. However, retailers agreed that the retail price was not linked to the price paid at farmgate. Tesco said that "dairy farmers can sleep easy knowing that the cost of their production is influencing their price, and not what is happening in the rather frenetic world of retail competitiveness".[94] Aldi also told us that there was no impact at any stage for any product that they bought based on the retail position that they chose to set within the market: "That is the absolute honest answer, and that is the way we operate our business".[95] If there is no link between farmgate prices and the low cost of milk, the direct action taking place against supermarkets is perhaps misguided.

107. Tesco told us that retail milk prices might fall as a result of the impact of price perception on customer behaviour, but that the amount of milk sold in the UK did not change dramatically depending on the prices that were set.[96] The Minister for Food, Farming and the Marine Environment agreed:

> People buy the amount of milk they need, and it is not that sensitive to price changes. What is really happening with the supermarkets is that they are in price wars with one another, so on some of those staple goods they are trying to have these loss leaders in order to win market share.[97]

108. **We question assurance from the retail sector that there is no link between the price at which supermarkets sell to their customers and the price supermarkets pay to farmers. While farmers engaged in contractual arrangements with supermarkets, directly or otherwise, are guaranteed a price for their milk for specific periods, the chronic low price of milk sold through supermarkets inevitably disadvantages farmers in the longer term. Supermarkets may choose to sell milk cheaply as a loss leader, but farmers must not be the victims of the supermarket wars currently taking place in the UK. Progress is uneven amongst supermarkets and assurances must be met with action.**

109. **There is no doubt that supply chain trust has been damaged over the past 10 years. This can be seen in the action taken by farmers towards supermarkets last summer. Trust between farmers and retailers must be restored and reinforced. Representatives must cooperate actively and transparently across the supply chain to build trust and**

92 Q154
93 Q201
94 Q497
95 Q215
96 Q496
97 Q397

add value. Retailers must adopt clear and transparent approaches to pricing and ensure that any regional price differentials for equivalent produce take into account the full costs of production and do not undermine the economic sustainability of farmers at a regional or national level.

110. ***Defra has a key role to play in promoting good relations between different parts of the supply chain. We recommend that Defra bring together representatives from across the supply chain to look at how relationships can be improved and how retailers can support the long-term future of the UK agricultural industry.***

Long-term contracts

111. Witnesses told us that long-term contracts (i.e. more than annual) between producers, processers and retailers would help combat volatility and share risk, particularly in the red meat sector. The NSA told us discussions were starting around long-term contracts for the sheep industry.[98]

112. AHDB told us that it was important to move towards a "contractualised industry".[99] As with a futures market, it "at least gives you some degree of predictability and certainty over what you need to produce, when you need to produce it for, to what quality and the price you receive...".[100] However, it recognised that not all farmers would want to enter into long-term contracts for fear it might limit their gains in a rising market. The NSA emphasised that allowing individual farmers the choice was important. [101]

113. Some retailers told us that they wanted to encourage long-term contracts. Waitrose agreed that long-term contracts were important in helping stability and reducing volatility.[102] Morrisons also said it was helpful to their business planning to ensure they had the right stock. Transparency about pricing and the cost of production were key features of long-term contracts.[103]

114. **Long-term contracts provide an opportunity to protect farmers from price volatility. They will also enable farmers to invest in their businesses in order for UK agriculture to remain competitive.**

115. ***We recommend that Defra encourage farmers, processors and retailers to agree more long-term contracts that provide predicable income levels to encourage secure financial planning and investment decisions.***

British Products on Shelves

116. Witnesses told us that retailers needed to take visible action to support the future of the British agricultural industry. The NFU called on retailers to increase their sourcing and selling of British products.[104] The Minister for Farming, Food and the Marine Environment told us he had recently written to the retailers to encourage them to increase the amount

98 Q31
99 Q107
100 Q107
101 Q31
102 Q259
103 Q500
104 Q92

of UK dairy products that they procure.[105] Following food scandals, such as the horsemeat scandal, there is evidence that British provenance is important to consumers.[106] However, as Sainsbury's told us, consumers were not prepared to pay more than a premium of 20% for British goods: "It is not British at any cost, but they are prepared to pay a small premium".[107]

117. Retailers have a strong record in selling 100% British milk. However, there is a more inconsistent record when it comes to other dairy products. Only half the butter and cheese eaten in Britain is made from British milk. Farmers welcomed the announcement by Tesco that all its own-brand yoghurt would be produced with domestic milk from March 2016 (it currently uses milk from Germany). Aldi told us that one of its suppliers was currently based in France. However, it was actively seeking to get a production facility in the UK: "it is a focus within the buying teams to do what we can to bring as much British as possible into our range".[108]

118. Within the meat sector, witnesses expressed concern over the sale of imported lamb in the UK. Imports of sheep meat for the first three months of 2015 were up by 12% on the previous year to 30,200 tonnes. Imports from New Zealand have also grown year-on-year. The country exported 23,600 tonnes to the UK during the first quarter of 2015, an increase over the previous year of 24%. NFU Scotland said that New Zealand lamb had displaced UK lamb, leading to higher local supply and pushing prices down.[109] NSA told us that: "Over the last two years, we have seen price promotions on New Zealand lamb without price promotions on UK lamb".[110]

119. Witnesses told us that retailers were failing to capitalise on a strong supply of British lamb and not giving their meat enough prominence on the shelves, in contrast to imported meat. The AHDB said that "fewer retailer promotions and reduced volume of product in store have […] become apparent".[111]

120. Some retailers have a strong record on British lamb. Waitrose told us it sold British lamb during the British season (March until early January) and then sold New Zealand lamb in the British off-season (February, March, April): "we do not sell one alongside the other".[112] Aldi told us that it stocked British lamb every month of the year: "We are 100% British, 100% of the time".[113] Other retailers source less British meat. Protests in Wales in August 2015 were targeted at Tesco and Asda stores in Bangor, where it was reported that there was no British lamb on the shelves.

121. Retailers should show support to the agricultural industry and demonstrate that they want to see a thriving, sustainable UK industry. Supermarkets must feel morally obligated to ensure that their produce is sourced from British farmers where possible.

105 Q397
106 Q93
107 Q468
108 Q272
109 NFU Scotland (FGP0023)
110 Q40
111 Agriculture and Horticulture Development Board (FGP0009)
112 Q252
113 Q255

Clarity of Labelling

122. In order to make it easier for consumers to choose British products, witnesses called for clearer labelling.

123. The Minister told us that in his recent letter to retailers he asked them to do more to promote the British brand on their products "so that rather than just having the Red Tractor logo tucked away somewhere on the label, we are using the Union Jack to really promote the product, because there is a lot of consumer interest in buying British".[114]

124. The overarching mandatory origin labelling legislation is from EU Regulations.[115] This has rules on mandatory origin labelling of fresh pork, lamb, poultry and goat meat. Origin-labelling legislation is also contained in other EU legislation e.g. for beef and veal, produce, wine, olive oil and fish.[116]

125. A UK origin claim for fresh meat may only be made where the animal was born, reared and slaughtered in the UK. However, Sainsbury's told us that EU Regulations on origin labelling of meat still allow for meat products to be labelled with the country where the last significant change in production took place - not necessarily where the animal has spent its entire life.[117]

126. The NPA expressed disappointment the EU regulations did not include whole-muscle products, such as ham, bacon and gammon, within country-of origin labelling. This would provide a "greater degree of clarity and transparency for the consumer, when they are purchasing the product".[118]

127. Defra has sought EU support in pressing for better labelling of dairy products. At a UK level, Defra published best practice labelling guidance on 'Principles on Country of Origin Information' for meat, meat products and certain dairy products. Sainsbury's told us that it did not believe the requirements "fully reflect what our customers understand by origin claims made".[119] The guidance allows companies to "label cheese and butter sold as such with the country of origin of the liquid milk or the place of manufacture". In other words, butter and cheese may be labelled as products of the UK even if the raw milk has come from another EU country but been processed here. The cost of milk production is typically lower overseas which in turn warrants a lower farmgate price. Waitrose said that the current situation on dairy product labelling put farmers at a:

> … major negotiating disadvantage as supermarkets can source cheese made with milk produced overseas at a significantly lower cost and still label it as British. This removes the incentive for supermarkets to buy cheese produced using UK-sourced milk and gives consumers the false impression that they are supporting British dairy farmers.[120]

114 Q397
115 FIR Regulation No. 1169/2011
116 Some are EU regulations and others are Directives incorporated into UK legislation.
117 Sainsbury's (FGP0041)
118 Q90
119 Sainsbury's (FGP0041)
120 Waitrose (FGP0020)

128. The NFU called for greater guidance around the use of different stickers on labels, such as flags. [121] The Red Tractor logo provides consumers with a single logo which denotes food production in accordance with standards of the main British assurance scheme. But the issue around the label on Morrisons' Milk for Farmers milk show how easily it for consumers to misunderstand: the logo on the milk showed that 10p per litre would go directly to the farmers supplying the store's processor, Arla. While consumers interpreted this to mean British farmers, Arla is a pan-European co-operative so not all the additional money necessarily went to UK members. As a result of customer feedback, Morrisons has changed the label.[122]

129. **There is growing interest in provenance of food and British products. It is unacceptable that consumers cannot buy British in confidence and could be misled as to country of origin when they are buying food from their supermarket. It is essential that labelling on produce is improved.**

130. ***We recommend that Defra strengthen its guidelines so that customers know when they are buying British or non-British goods. We also recommend that the guidance is extended to more products, such as yoghurt, ice-cream, and processed foods, such as ready meals.***

131. ***Defra must continue to work at EU level for agreement on clear country-of-origin labelling for dairy products. It must also seek improved country-of-origin labelling for whole-muscle products, such as ham, bacon and gammon.***

Groceries Code Adjudicator

132. The Groceries Code Adjudicator (GCA) is an independent adjudicator that oversees the relationship between the 10 largest UK supermarkets and their suppliers. The 10 supermarkets are Aldi, Co-operative, Iceland, Lidl, Marks & Spencer, Morrisons, Asda, Sainsbury's, Tesco and Waitrose. The GCA ensures that supermarkets treat their direct suppliers lawfully and fairly by upholding the Groceries Supply Code of Practice. The GCA does not cover issues such as price setting, the relationship between indirect suppliers and the large retailers, food safety or labelling.

133. The previous Committee considered the role of the GCA. Partly led by the Committee's work, legislation was introduced giving the GCA the power to fine supermarkets up to 1% of UK turnover for breaches of the Code. With a review of the post due this year, we took the opportunity to examine the role again. We looked at three areas in particular; the impact of the GCA on the relationship between retailer and supplier: the need to extend powers; and the knowledge that existed about the role.

Relationship between retailer and supplier

134. The British Retail Consortium told us that the Code and the presence of the GCA had strengthened the relationship between retailers and suppliers in the dairy and meat supply chains.[123] This view was repeated to us by individual retailers. Tesco told us that they now

121 Q90
122 Q478
123 British Retail Consortium (FGP0017)

had improved dialogue with their suppliers,[124] while Sainsbury's said that it had raised the "total level of professionalism in the way that the whole sector behaves".[125]

135. The GCA, Ms Christine Tacon, told us that she was trying to "change the culture of the sector".[126] She told us that there was evidence that some suppliers were currently afraid to raise concerns with her for fear of retribution.[127] She wanted to give suppliers the self-confidence to "challenge back and collaborate".[128] She explained that her role involved both arbitration and investigation.

136. On 26 January 2016, the GCA published the result of her first inquiry.[129] The GCA found that Tesco had breached the Groceries Supply Code of Practice in respect of Paragraph 5, which governs payment by the big retailers to their suppliers within a reasonable period and within the contract terms set out. She concluded that various misbehaviours had had a significant financial impact on some of Tesco's suppliers. The GCA was unable to fine for these breaches: the power to fine was introduced from 6 April 2015, and the offences investigated pre-dated this.

137. When publishing her report, the GCA said that Tesco had since improved its relationship with suppliers: "the majority of the suppliers I spoke to during my investigation told me that their relationship with Tesco were more positive today compared to during the period under investigation".[130]

138. The GCA found no evidence that Tesco required suppliers to make payments to secure better shelf positioning or an increased allocation of shelf space. However she announced she would launch a consultation on the practice of shelf positioning.

139. **We welcome the positive impact that the Groceries Code Adjudicator has had on the relationship between retailers and suppliers. We also welcome publication of the GCA's report into Tesco following her first investigation. The report shows that there have been serious breaches of behaviour between Tesco and suppliers. We hope that this will act as a warning to all large retailers. We welcome the GCA's assessment that Tesco has already moved to improve practices as a result of the investigation, even before the final report's publication. This demonstrates what the GCA can achieve.**

Extension of powers?

140. Witnesses called for the GCA's remit to be extended to include relationships all the way down the supply chain. The Tenant Farmers Association said:

> Given that the vast majority of farm produce passes through a processor before it hits supermarket shelves, the Adjudicator is therefore unable to consider the impact of retailer activity on farmers where there is a processor in between.[131]

124 Q596
125 Q596
126 Q315
127 Q346
128 Q345
129 Groceries Code Adjudicator, Investigation into Tesco plc (26 January 2016)
130 Groceries Code Adjudicator, Investigation into Tesco plc (26 January 2016) page 6
131 Tenant Farmers Association (FGP0027)

141. There was less support for an extension of powers amongst retailers. The British Retail Consortium told us that "Not only would it be ineffective in helping farmers, as many of them do not supply retailers, it would place an unfair regulatory burden on retailers".[132]

142. The Minister described an extension of powers to cover indirect suppliers as a "major step", saying: "you are suddenly going from talking about 10 supermarkets and their relationships to tens of thousands of companies potentially".[133] The GCA confirmed that an extension would be on a "different scale"; her current role of looking at 8,000 suppliers to 10 retailers would expand to looking at 150,000 suppliers to the 8,000.[134]

143. **We believe that the terms under which the Groceries Code Adjudicator may operate are too restrictive, and that a means must be found to protect suppliers of products to major retailers, whether or not they are direct suppliers.**

144. ***We recommend that the Department for Business, Innovation and Skills consider urgently how to extend the Groceries Code Adjudicator's remit to incorporate, and thereby protect, both direct and indirect suppliers to the major UK retailers. We ask Defra to include this in their recommendations to the review of the role of the Groceries Code Adjudicator later this year.***

Lack of knowledge about role

145. The GCA acknowledged that there was still a lack of knowledge about her powers within the industry. In particular, some farmers expressed disappointment that she was not doing enough to improve prices within the dairy industry, when the GCA clearly has no role in price setting. Ms Tacon told us that:

> What would make my life a lot easier is if people understood what my role was. I just feel that I am getting a lot of criticism for not doing a job that I was never set up to do, because I do think that it is making a difference, and if you do not mind me saying, it is quite a distraction, having to continually reinforce to people about when I cannot get engaged in things.[135]

146. **It is worrying that after three years, there is still a lack of understanding surrounding the role of the Groceries Code Adjudicator. Although the GCA is talking to retailers and direct suppliers about her role, we recommend that she also meet indirect suppliers to educate them about what she can and cannot do. This would go some way to clearing up confusion about her role.**

132 British Retail Consortium (FGP0017)
133 Q431
134 Q321
135 Q383

6 Conclusion

147. Farmers face uncertainty in the short-term, with unpredictable demand in global markets affecting worldwide prices for agricultural prices. None the less, the future picture is not all dark. There is a general expectation that worldwide demand will be driven by population size and economic growth.[136]

148. Farmers need to work together to create opportunities for themselves. The agricultural industry has a significant responsibility for its own future and is generally better placed than the Government to lead change and build a strong resilient industry in the UK.[137] While most farmers are sole traders, they must recognise and utilise the power they have in working together. In order to stop price volatility affecting them long-term, farmers may need to change their thinking and develop mechanisms that allow them to develop long-term stability, such as Producer Organisations or a futures market.

149. Opportunities exist for the UK agricultural industry to learn lessons and improve its returns as a result. British farmers and processors must seize opportunities for domestic and global opportunities. The agricultural industry must move to new and innovative products that respond to new consumer needs and add value to the benefit of the whole supply chain. Exports represents a huge opportunity for revenue expansion.

150. Producers, processors and purchasers must work together and develop a trust relationship. Now is the time for all parts of the supply chain to show their support for the agricultural industry. They must work together to develop a strategic relationship and to maintain a competitive edge.

151. We hope that the measures proposed give some indication of the way forward. There is no reason why the UK agricultural industry cannot seize the opportunities that are being made available.

136 Agriculture and Horticulture Development Board (FGP0009)
137 Q124

Conclusions and recommendations

Regional Price Differentials across the UK

1. Regional price disparities pose a threat to the economic sustainability of the national market, with regions receiving lower average prices being made more vulnerable to external price shocks and regions relying on an above average market price becoming vulnerable to undercutting over time. Claims from national retailers that there are 'sustainable economic reasons' justifying price differentials have not been fully accepted by many farmers, and retailers must do more to explain their reasoning and to ensure their prices adequately reflect the costs of production. More effective co-ordination between Defra and the devolved administrations is also necessary to prevent unsustainable price inequalities emerging at a national level. (Paragraph 23)

Producer Organisations

2. Farmers can give themselves greater power to negotiate the price of their produce and more power in the market place by coming together in Producer Organisations. Collective decision-making has not been the traditional model for UK farmers, but the modern supply chain means that attitudes have to change. Farmers must recognise the strength they can achieve through being part of a Producer Organisation (Paragraph 31)

Futures Market

3. Futures markets for dairy and livestock could help the industry to lessen the impact of unanticipated price volatility. We encourage the industry to work with Defra to take forward work on futures markets. (Paragraph 36)

4. *We recommend that Defra identify solutions to the problem of providing farmers with real-time data on production and pricing so that they may be encouraged to develop futures markets that allow predictable planning on the basis of guaranteed income for commodities.* (Paragraph 37)

Value-added products

5. British farmers and producers must seize opportunities for domestic and global market growth. To be able to trade in a global economy, the agricultural industry needs to look at developing global products or adapting traditional products to meet changing demands. Opportunities exist for imports to be displaced and for new products to appeal to UK and global consumers. The whole supply chain needs to invest in continued improvement and productivity. (Paragraph 43)

6. There is a danger that the current low price for milk used in commodities could affect development within the dairy industry. While we welcome the short-term commitment made by some retailers, there must be a long-term commitment by purchasers to pay a fair price. (Paragraph 44)

7. *We recommend that the Government improve farmers' awareness of the funds available to help them develop their business under the Rural Development Programme, and that Defra sets out what steps it will take to achieve this aim.* (Paragraph 45)

Red Meat Levy

8. We are disappointed that there was a delay to the start of the lamb and beef promotional campaign in 2015. Defra and AHDB must ensure that any problems are identified and resolved sooner. There must not be a repeat of this delay in the future. It may also be timely for wider questions to be asked about the role of Government in signing off AHDB expenditure, and whether farmers and other levy payers should have the final say on expenditure. (Paragraph 52)

9. It is vital that UK products are promoted successfully in the market place, especially in a period of declining consumer demand. The Agriculture and Horticulture Development Group needs to ensure that products, such as lamb, are promoted at the peak period of production. We recommend that the Agriculture and Horticulture Development Board increase the proportion of its income spent on marketing, and work closely with its levy payers to consider their views. (Paragraph 55)

10. The current system under the meat levy system means that levies collected from farmers and processors stay in the region in which animals are slaughtered rather than where they are reared. This has a significant impact on the budgets of levy boards in Wales and Scotland. (Paragraph 58)

11. *We recommend that Defra amend current legislation to ensure that red meat levy funds raised are fed back to the regions in which the livestock were reared, not, as at present, those in which they are slaughtered.* (Paragraph 59)

Reducing regulation

12. We welcome the Government's proposal for a Single Farm Inspection Taskforce. We seek assurances that this will be established by September 2016, and that they will set out how they intend to ensure co-ordination across Departments. Defra must also co-ordinate with local government, to ensure the best benefit of this policy for farmers. (Paragraph 63)

13. Unnecessary regulations provide a heavy burden for farmers. The current regulations surrounding carcass splitting are unnecessary and cause delay, while also affecting the price of a carcass. Indeed, there are those who would argue that, with no evidence showing transference of BSE from cattle to sheep, there is no need to split the carcass at all. (Paragraph 68)

14. *We recommend that, by the end of spring 2016, Defra amend regulations surrounding carcass splitting and move to use of calendar dates to determine the age of sheep.* (Paragraph 69)

Sow stalls

15. Sow stalls cause severe welfare problems for sows and we welcome the ban across the EU. However, we are concerned that many countries are not enforcing this ban, resulting in a financial advantage for their farmers. (Paragraph 72)

16. *We recommend that Defra works at EU level to ensure that the ban on sow stalls is enforced across all EU countries.* (Paragraph 73)

Financial Support

17. Farmers must receive payments under the Basic Payments Scheme at the earliest possible opportunity. Despite repeated concerns voiced by the previous Committee, the RPA's new IT system was not fit for purpose. A delayed return to paper and pen applications led to confusion and delay. Farmers were let down by the system. We welcome the efforts made by staff and the Chief Executive to get a proportion of payments paid in December 2015. However, significant improvements must be made for 2016. Such a system failure must not be allowed to happen again. (Paragraph 76)

18. *The Rural Payments Agency must return to paying at least 90% of Basic Payments Scheme monies by the end of December each year—equalling its achievement under the previous scheme.* (Paragraph 77)

Driving export growth

19. Emerging economies provide opportunities for the greatest future growth potential. Farmers who move to non-traditional production of liquid milk could make significant in-roads into new and emerging markets. (Paragraph 83)

20. *The need for a strategy for greater export is clear. Defra and the Agriculture and Horticulture Development Board must work together to promote exports. Defra must explore with the industry practical steps to ensure that export opportunities are identified for the industry to take advantage of.* (Paragraph 84)

21. *We recommend that Defra sets out how it is working in collaboration with the devolved administrations of Scotland, Wales and Northern Ireland to meet their export priorities.* (Paragraph 85)

22. *We recommend that Defra work more pro-actively with UK businesses to increase the number of foods with protected food name status.* (Paragraph 88)

23. It is important that the system to issue export certificates is as efficient as possible. The Government must improve the services offered by those who provide export certificate to the food and farming sector for non-EU country markets. (Paragraph 91)

24. *Notwithstanding that there may be some complex claims, we recommend that the Government sets a time-specific target in discussion with the industry.* (Paragraph 92)

Long-term vision

25. Defra must provide a clear direction for farming and food production in the UK. We look forward to the publication of the Government's 25-year strategy for food and farming. We welcome the communication that Defra has been having with industry representatives. (Paragraph 96)

26. *We recommend that the Government publish its 25-year strategy for food and farming by 1 April.* (Paragraph 97)

27. *We are concerned that the majority of the 25-year strategy for food and farming will be about developing a plan for England, while also including an export strategy for the UK as a whole. For the sake of clarity, we recommend that the Government publish its export strategy separately.* (Paragraph 98)

'Price War'

28. We question assurance from the retail sector that there is no link between the price at which supermarkets sell to their customers and the price supermarkets pay to farmers. While farmers engaged in contractual arrangements with supermarkets, directly or otherwise, are guaranteed a price for their milk for specific periods, the chronic low price of milk sold through supermarkets inevitably disadvantages farmers in the longer term. Supermarkets may choose to sell milk cheaply as a loss leader, but farmers must not be the victims of the supermarket wars currently taking place in the UK. Progress is uneven amongst supermarkets and assurances must be met with action. (Paragraph 108)

29. There is no doubt that supply chain trust has been damaged over the past 10 years. This can be seen in the action taken by farmers towards supermarkets last summer. Trust between farmers and retailers must be restored and reinforced. Representatives must cooperate actively and transparently across the supply chain to build trust and add value. Retailers must adopt clear and transparent approaches to pricing and ensure that any regional price differentials for equivalent produce take into account the full costs of production and do not undermine the economic sustainability of farmers at a regional or national level. (Paragraph 109)

30. *Defra has a key role to play in promoting good relations between different parts of the supply chain. We recommend that Defra bring together representatives from across the supply chain to look at how relationships can be improved and how retailers can support the long-term future of the UK agricultural industry.* (Paragraph 110)

Long-term contracts

31. Long-term contracts provide an opportunity to protect farmers from price volatility. They will also enable farmers to invest in their businesses in order for UK agriculture to remain competitive. (Paragraph 114)

32. *We recommend that Defra encourage farmers, processors and retailers to agree more long-term contracts that provide predicable income levels to encourage secure financial planning and investment decisions.* (Paragraph 115)

Clarity of Labelling

33. There is growing interest in provenance of food and British products. It is unacceptable that consumers cannot buy British in confidence and could be misled as to country of origin when they are buying food from their supermarket. It is essential that labelling on produce is improved. (Paragraph 129)

34. *We recommend that Defra strengthen its guidelines so that customers know when they are buying British or non-British goods. We also recommend that the guidance is extended to more products, such as yoghurt, ice-cream, and processed foods, such as ready meals.* (Paragraph 130)

35. *Defra must continue to work at EU level for agreement on clear country-of-origin labelling for dairy products. It must also seek improved country-of-origin labelling for whole-muscle products, such as ham, bacon and gammon.* (Paragraph 131)

Groceries Code Adjudicator

36. We welcome the positive impact that the Groceries Code Adjudicator has had on the relationship between retailers and suppliers. We also welcome publication of the GCA's report into Tesco following her first investigation. The report shows that there have been serious breaches of behaviour between Tesco and suppliers. We hope that this will act as a warning to all large retailers. We welcome the GCA's assessment that Tesco has already moved to improve practices as a result of the investigation, even before the final report's publication. This demonstrates what the GCA can achieve. (Paragraph 139)

37. We believe that the terms under which the Groceries Code Adjudicator may operate are too restrictive, and that a means must be found to protect suppliers of products to major retailers, whether or not they are direct suppliers. (Paragraph 143)

38. *We recommend that the Department for Business, Innovation and Skills consider urgently how to extend the Groceries Code Adjudicator's remit to incorporate, and thereby protect, both direct and indirect suppliers to the major UK retailers. We ask Defra to include this in their recommendations to the review of the role of the Groceries Code Adjudicator later this year.* (Paragraph 144)

39. It is worrying that after three years, there is still a lack of understanding surrounding the role of the Groceries Code Adjudicator. Although the GCA is talking to retailers and direct suppliers about her role, we recommend that she also meet indirect suppliers to educate them about what she can and cannot do. This would go some way to clearing up confusion about her role. (Paragraph 146)

Formal Minutes

Wednesday 10 February 2016

Members present:

Neil Parish, in the Chair

Chris Davies
Jim Fitzpatrick
Simon Hart
Dr Paul Monaghan
Ms Margaret Ritchie
David Simpson
Angela Smith
Rishi Sunak

Draft Report *(Farmgate prices)*, proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 151 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Third Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available (Standing Order No. 134).

[Adjourned till Wednesday 24 February at 2.00 p.m.

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the Committee's inquiry page at www.parliament.uk/efracom.

Wednesday 28 October 2015

Question number

Phil Bicknell, Head of Food and Farming, National Farmers Union, **Phil Stocker**, Chief Executive Officer, National Sheep Association and **Lizzie Wilson**, Policy Services Officer, National Pig Association — Q1–95

Wednesday 4 November 2015

Tom Hind, Chief Strategy Officer, Agriculture and Horticulture Development Board, **Stephen Wyrill,** National Chairman, Tenant Farmers Association and **Paul Tompkins**, South Acre Farm, York — Q96–160

Afshin Amirahmadi, Vice President, Milk and Member Services and **David Christensen,** Member of the Board of Representatives, Arla Foods UK — Q161–202

Wednesday 25 November 2015

Heather Jenkins, Director of Buying for Meat, Poultry, Fish, Frozen Food and Dairy, and Agriculture Strategy, Waitrose, and **Julie Ashfield,** Group Buying Director, Aldi — Q203–311

Wednesday 2 December 2015

Christine Tacon, Groceries Code Adjudicator — Q312–386

George Eustice MP, Minister of State for Farming, Food and the Marine Environment, **Mark Filley**, Head of Livestock, Dairy and Genetic Resources, and **Tim Mordan,** Deputy Director, Farming Sectors Team, Defra — Q387–450

Wednesday 16 December 2015

Tim Smith, Tesco Group Quality Director, Tesco, **Alex Brown,** Fresh Trading Director, Morrisons, and **Judith Batchelar,** Director of Sainsbury's Brand, Sainsbury's — Q451–617

Published written evidence

The following written evidence was received and can be viewed on the Committee's inquiry web page at www.parliament.uk/efracom. FGP numbers are generated by the evidence processing system and so may not be complete.

1 Agriculture and Horticulture Development Board (FGP0009)

2 Agriculture and Horticulture Development Board (FGP0030)

3 Aldi UK (FGP0013)

4 Arla Foods UK Ltd (FGP0021)

5 Arla Foods (FGP0037)

6 Asda (FGP0007)

7 British Retail Consortium (FGP0017)

8 British Veterinary Association (FGP0008)

9 Cumbria Business Consultancy (FGP0011)

10 Dairy UK (FGP0014)

11 Defra (FGP0022)

12 Defra (FGP0036)

13 Groceries Code Adjudicator (FGP0019)

14 Morrisons (FGP0032)

15 Morrisons (FGP0033)

16 Morrisons (FGP0039)

17 Mrs Susan Atkinson (FGP0002)

18 National Farmers' Union (FGP0016)

19 National Pig Association (FGP0015)

20 National Sheep Association (FGP0005)

21 NFU Scotland (FGP0024)

22 Northern Ireland Assembly Committee for Agriculture and Rural Development (FGP0003)

23 Northern Ireland Meat Exporters Association (FGP0031)

24 Paul Tompkins (FGP0025)

25 Sainsburys (FGP0041)

26 School and Nursery Milk Alliance (FGP0010)

27 Stable Farming (FGP0001)

28 Tenant Farmers Association (FGP0027)

29 Tesco (FGP0028)

30 Tesco (FGP0038)

31 The International Meat Trade Association (FGP0006)

32 Ulster Farmers Union (FGP0012)

33 Ulster Farmers Union (FGP0035)

34 Ulster Farmers Union (FGP0040)

35 Unite The Union (FGP0018)

36 Waitrose (FGP0020)

37 Waitrose (FGP0034)

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the Committee's website at www.parliament.uk/efracom.

Session 2015–16

First Report	Defra performance in 2014–15	HC 443
Second Report	Greyhound welfare	HC 478