



House of Commons
Environment, Food and Rural
Affairs Committee

2 Sisters and Standards in Poultry Processing

First Report of Session 2017–19

*Report, together with formal minutes relating
to the report*

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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.

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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.

Publications

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

Evidence relating to this report is published on the inquiry publications page of the [Committee's website](#).

Committee staff

The current staff of the Committee are Eliot Barrass (Clerk), Sian Woodward (Clerk), Daniel Schlappa (Second Clerk), Sarah Coe (Senior Committee Specialist), Anwen Rees (Committee Specialist), Victoria Honour (Specialist Assistant), Eleanor Beecham (Specialist Assistant), Ian Hook (Senior Committee Assistant) and Ian Blair (Committee Assistant).

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1 Background

1. On the weekend of 29 September, *The Guardian* newspaper and ITN released undercover footage of activities in a poultry plant in West Bromwich run by 2 Sisters Food Group (2 Sisters). This footage was filmed in July 2017 and purported to show various examples of poor food hygiene practices and breaches of food safety legislation, including:

- Workers altering the slaughter date of poultry thereby extending its “best before” and “use by” dates;
- Chicken portions returned by supermarket distribution centres being repackaged by 2 Sisters and sent out again to other major retailers;
- Workers altering records of where chickens were slaughtered, potentially hindering authorities from recalling contaminated meat during food scares;
- Chickens slaughtered on different dates mixed on the production line; and
- Chickens dropped on the floor of the processing plant and returned to the production line.

2. Following release of that footage, the Food Standards Agency (FSA) launched an inquiry into the plant (known as “Site D”). Separate investigations were launched by the five major retailers who contract with 2 Sisters.¹

3. The initial findings of the FSA investigation identified “management issues” around stock management and staff training but no regulatory breaches. Nevertheless, on 6 October the FSA’s investigation was expanded to include all eleven 2 Sisters plants in England and Wales (Food Standards Scotland separately investigating the 2 Sisters plant in Dundee).

4. 2 Sisters processes around 6 million chickens each week, which is approximately one-third of the total produced in the UK. Given the importance of the 2 Sisters food group, and Site D, to the poultry food chain, the implications of the FSA’s investigation for the operation of the whole sector and the public interest in the particular case on 11 October, we agreed to hold a short inquiry into the 2 Sisters plant in West Bromwich. Decisions about whether 2 Sisters is in breach of food hygiene standards or safety regulations is properly a matter for the FSA and not for this Committee to judge. Instead, we wished to use the evidence as a case study for the performance of the regulatory system as a whole and to use this inquiry as case study of the performance of the FSA and relevant local authority in inspecting and auditing such plants.

5. We were keen to take evidence on as many different aspects of the food accreditation and regulatory supply chain as possible to encompass not just the work of the FSA but also the private sector organisations which separately audit food producers and processors in order to investigate how the FSA received and acted upon intelligence gathered elsewhere.

1 Tesco, Sainsbury’s, Marks & Spencer, Aldi and Lidl.

Accordingly, on 25 October we took evidence from three panels of witnesses:

- Richard Griffiths of the British Poultry Council, Jim Mosely and Sue Lockhart of Assured Food Standards (Red Tractor), and Mark Proctor and David Brackston of BRC Global Standards, representing private sector organisations maintaining standards in food;
- Jan Britton and Bob Charnley of Sandwell Metropolitan Council, and Jason Feeney and Jose Gomez-Luongo of the Food Standards Agency to investigate the work of the regulatory and investigatory bodies both before and after the allegations against 2 Sisters were made public; and
- Ranjit Singh Boparan and Chris Gilbert-Wood, on behalf of the 2 Sisters Food Group.

6. We also received four pieces of written evidence from interested parties. We are grateful to all those who gave evidence to our inquiry.

2 Our findings

7. Our inquiry had two main objectives. We were keen to investigate both how the FSA received intelligence about practices in major food processing facilities — how, for example, the FSA interacted with the major accreditation bodies and drew on their findings — and what steps were being taken in response to the recent allegations made in the media against the 2 Sisters plant in West Bromwich. By investigating the particular issues around that plant in West Bromwich, we sought to highlight lessons applicable throughout the sector and make public the changes in process being made to restore consumer confidence.

Trade and accreditation bodies

8. We began our evidence gathering by hearing from the trade bodies and accreditation companies who aim to ensure that standards are maintained across the industry and throughout the food chain. These are private sector companies, rather than public sector organisations, but our expectation was that they would play an intelligence-gathering and knowledge-sharing role on behalf of the Food Standards Agency, as well as acting as a further guarantor of standards. Our assumption was that they would and could act as the “eyes and ears” of the FSA.

9. We took evidence from the British Poultry Council, the trade association of the UK poultry industry. We also heard from Assured Food Standards (often known as “Red Tractor”) and BRC Global Standards. Both companies run quality assurance schemes. Food suppliers and processors who wish to be accredited with these firms must pass regular audits of their performance against certain centrally-mandated standards. These standards govern the quality of applicants’ processes and hygiene practices, for example on the storing of meat or cleaning of appliances.

10. Both Red Tractor and BRC Global Standards had accredited the 2 Sisters plant in West Bromwich. We wished to explore whether the picture painted by the released footage was an accurate representation of the plant and, if it was, how this had not been noted during the accreditation process; we were further interested in the degree to which the findings of such firms were automatically shared with the FSA as part of that body’s intelligence-gathering process.

11. The transcript the session is published with this report but we present the key points of what we heard below as indicative of our session and the somewhat patchwork nature of both the food accreditation system and such firms interaction with the Food Standards Agency:

- There is no systematic process for bringing together the various audits and assessments conducted by different accreditation and regulatory bodies; as such there is no single overarching view about standards in a particular plant or facility.² According to Mark Proctor of BRC GS “there are probably confidentiality issues [about the sharing of audit data]”;³

2 Q10

3 Q8

- The 2 Sisters plant in West Bromwich remained accredited by Red Tractor until 2 October, when its accreditation was suspended. On 9 October, following an inspection by Assured Food Standards, accreditation was reinstated because, “Our certification body was not able to find anything at the time of that visit that demonstrated that the issues were still occurring. We understood the training that had been given and our auditors did a thorough assessment of the process, and on that basis, we were able to continue their certification”;⁴
- After Assured Food Standards suspended 2 Sisters’ Red Tractor accreditation it did not immediately and especially inform the Food Standards Agency;⁵
- Following this incident, Assured Food Standards are increasing the frequency of “unannounced visits across the whole of the 2 Sisters estate”.⁶ However, unannounced visits are not completely a surprise; even an unannounced visit gives processors a period of around 30 minutes’ grace before the inspection begins and as a result “people will tend to be on their best behaviour.”⁷
- Despite its size and importance to the food chain the West Bromwich plant (and three other 2 Sisters facilities) were able to opt-out of unannounced accreditation audits;⁸
- Our witnesses were of the opinion that an ultimately fool-proof system of inspection would require mandatory CCTV in all cutting plants (in line with regulations for slaughterhouses) and an inspector present “every day of every hour”; full-time inspection would therefore be unaffordable.⁹ The consensus was that rather than a wholly new system, better application of existing risk management processes and work to change the culture of food processing organisations would be necessary to prevent a reoccurrence of this particular case.¹⁰

12. For an industry which takes pride in the quality of its produce, we were surprised to hear of the apparently patchwork nature of the accreditation process. It appears relatively simple for someone to game the system and hide infractions – by opting out of unannounced visits by the accreditors for example – and the lack of joined up intelligence and knowledge-sharing seemingly presents many gaps into which misdemeanours can fall.

13. We trust that all accreditation firms, not just those who appeared before us, will use this incident as a wake-up call to tighten their processes and remove some of the more obvious loopholes. We further trust that the confidentiality issues which apparently prevent the systematic sharing of data and intelligence can be worked around so that a single unified record of standards and hygiene practices can be kept to better identify failings. We recommend that the FSA takes steps in this direction and works with food accreditation companies towards a solution, and updates us on its progress within six months of publication of this report.

4 Q4 [Jim Moseley], Q17 [David Brackston]

5 Q36–37

6 Q34 [Sue Lockhart]

7 Q12

8 Q87–88 [David Brackston], Q99 [Mark Proctor]

9 Q79 [Mark Proctor] and Q104 [Jim Mosley]

10 See Q91 [Richard Griffiths]

Regulatory agencies

14. Hearing from our first panel highlighted several areas of inquiry to pursue with the FSA and the relevant local authority, in this case Sandwell Metropolitan Council. We were especially concerned with the degree to which different auditing bodies kept the results of their investigations to themselves and to inquire how their processes and audits had not found safety violations where an undercover journalist apparently had.

15. Enforcement of food safety regulation is broadly split between the FSA and the relevant local authority. The FSA is responsible for food authenticity, food fraud and the traceability aspects of food regulation, while the local authority is responsible for labelling, food hygiene and the veracity of the claims made of the product.¹¹

16. As before, the full transcript of our session is published with this report, but our key findings from this panel are presented below:

- The FSA “had had no intelligence on this particular site that would give us any cause for concern prior to these allegations” and, as a result, the story published in the media was a surprise. The FSA was only made aware of the potential closure of an important part of the poultry supply chain between 9 and 10pm on the Tuesday before the story was published (Tuesday 26 September);¹²
- There was no indication of potential problems at Site D before publication of the undercover footage. The previous audit of the plant took place on 19 July - around the same time as the undercover footage of the plant was gathered - and nine “minor discrepancies were found”.¹³ As a result, “it was not showing up as a high-risk plant”. The last unannounced inspection of the plant by the FSA took place in November 2016.¹⁴
- Jason Feeney, Chief Executive of the Food Standards Agency, hinted at an unwillingness from the major retailers and others to share intelligence with the FSA, perhaps because of concerns of how this information would be used. The issues raised by this incident had highlighted the need for greater: “We need co operation. We do not need regulation”;¹⁵
- The Food Standards Agency’s Food Crime Unit remains purely an intelligence gathering unit, in line with the recommendations of Professor Chris Elliot following the “horsemeat scandal” of 2013. To increase its powers to encompass investigation, as well as intelligence gathering, would require additional funding from the Treasury. To date, that funding has not been forthcoming,¹⁶ and
- Sandwell Council acknowledged that “perhaps we did not know this company as well as we thought we did”, and that the frequency of inspection was too

11 Q188 [Jan Britton]. However, responsibility for hygiene in meat packing plants such as that at Site D is the responsibility of the FSA.

12 Q108–109 [Jason Feeney]

13 Q157 [Jose Gomez-Luengo]

14 Q123 and Q149

15 Q114 and Q116

16 Q136 and Q141

low. Despite the plant's importance locally and nationally it was last inspected by the council in March 2017. The local authority was presently reviewing the frequency of its inspections.¹⁷

17. The problems identified at the 2 Sisters plant at West Bromwich are not a one-off. The past record of the 2 Sisters Food Group is far from pristine and there are valid questions to be asked of its corporate governance structure. That being the case, we are concerned at the apparent laxity of the oversight of the Site D facility, an incredibly important part of the poultry food chain. Any risk management assessment which did not give this plant the highest priority and the most stringent levels of scrutiny is flawed. The Food Standards Agency's investigation into the case must examine the quality of its risk assessment to take better account both of its management's history and the facility's role in the food chain and the number of farmers and suppliers who rely on it.

18. During our inquiry we heard concrete suggestions for reform which we consider necessary to re-establish consumer confidence in the food chain. The value of CCTV in cutting plants to act as a permanent inspector of practices was repeatedly mentioned. We are aware that CCTV is planned to be made compulsory in slaughterhouses. We recommend that Defra both launch a consultation on extending these measures to cutting plants and produce an impact assessment of the likely costs and benefits to the industry of introducing such measures.

19. The Food Standards Agency Food Crime Unit was initially established as an intelligence-gathering unit. The FSA is keen to upgrade its role to include an investigatory function. We are concerned at the suggestion from the FSA that the funding necessary to complete this upgrade has not been immediately forthcoming from the Treasury and is instead seemingly stuck in limbo. We would like to assume that this recent incident, and our subsequent inquiry, has provided the impetus for the necessary funding to be made available. We recommend that Defra and the FSA confirm to us in response to this Report that this is the case and the required funds have been released.

2 Sisters Food Group

20. We concluded our evidence-gathering by hearing from the 2 Sisters Food Group, the owners of the West Bromwich plant. We wanted to explore their relationship with the FSA and the local authority both before and after the media stories about the plant were published, and to hear from them the steps they were taking to restore consumer and retailer confidence in their product.

21. It is the role of the FSA to assess the veracity of the allegations made against the 2 Sisters plant in West Bromwich. We do not propose to examine in depth whether 2 Sisters has been in breach of food safety regulation or food hygiene best practice, neither will we suggest sanctions. Instead, this section of our Report focuses on the steps to be taken by 2 Sisters to prevent a re-occurrence of such incidents in future.

22. Ranjit Singh Boparan, the Chief Executive of the 2 Sisters Food Group, told us of his actions in immediate response to the allegations made against his plant, as well as his medium, and longer-term ambitions to re-establish consumer and retailer confidence in his product. These measures include:

- A 600% increase in training offered to staff, from four hours every three years to eight hours a year;¹⁸
- The installation of CCTV in every part of the plant. Previously, CCTV covered only a portion of the cutting floor. This had allegedly allowed misdemeanours to take place unseen;¹⁹
- The making available to the Food Standards Agency of three months' worth of CCTV footage. In addition, any future requests by the FSA for CCTV footage would be met positively;²⁰ and
- An open invitation for the Food Standards Agency to install food safety inspectors in the plant in future. This would mirror current arrangements for slaughterhouses.²¹

In short, according to Mr Boparan, “anything that brings confidence to the consumer, we will do”.²²

23. In our evidence session we asked Mr Boparan whether the promises made to us had yet translated into increased confidence from the big retailers about the safety of his products. As of 25 October, that had not been the case and retailers were not buying product from the West Bromwich plant; each retailer seemed to be in the position of waiting for the others to make the first move. Other plants in the 2 Sisters Group were attempting to meet some of the orders but there remained a shortfall between what was requested by the retailers and what could be supplied by 2 Sisters and, as a result, ultimately what could be bought from farmers and producers.²³

24. On 10 November, Mr Boparan wrote to us with an update on the commitments he had made in our session on 25 October. In that letter he confirmed that:

- “Full installation” of CCTV would be complete in 120 days;
- A full-time FSA inspector is now based at the West Bromwich cutting plant; and
- “Mystery workers” would be based in 2 Sisters poultry factories by the end of January 2018.

25. The modern food supply chain is incredibly fragile and sensitive. A failure in a single section of the chain can have catastrophic effects on hundreds of small suppliers and farmers. As well as the personal cost to Mr Boparan of the temporary suspension of Site D, many others have lost out from the failings highlighted in his plant. In that

18 Q224

19 Q270–272

20 Q280

21 Q283

22 Q295

23 In the week beginning 6 November production restarted at the 2 Sisters plant. Tesco, Marks and Spencer and Aldi all announced the resumption of their supply deals at this time.

context we were pleased to hear of the short and medium-term steps he is taking to prevent a re-occurrence and future stoppages in his plant. We request that Mr Boparan continues to update us on his progress in both installing these new measures and on re-establishing his supplier relationship with the main retailers.

3 Our future work

26. We note the commitments made to us. They are a matter of public record. We trust that they will be acted upon in the same good faith in which they were received. At the same time, all those involved in the food chain require confirmation that changes have been made and incidents such as these prevented. We recommend that the FSA provide us with a written assurance that each reform promised to us by the accreditation agencies, 2 Sisters Food Group and the FSA itself has been made, no later than six months from publication of this report. We further request an interim update no later than three months from publication of this report. Upon receipt of that update we will consider our future action, including whether to re-open this inquiry and take further evidence from those involved.

Conclusions

Trade and accreditation bodies

1. For an industry which takes pride in the quality of its produce we were surprised to hear of the apparently patchwork nature of the accreditation process. It appears relatively simple for someone to game the system and hide infractions - by opting out of unannounced visits by the accreditors for example - and the lack of joined up intelligence and knowledge sharing seemingly presents many gaps into which misdemeanours can fall. (Paragraph 12)
2. We trust that all accreditation firms, not just those who appeared before us, will use this incident as a wake-up call to tighten their processes and remove some of the more obvious loopholes. We further trust that the confidentiality issues which apparently prevent the systematic sharing of data and intelligence can be worked around so that a single unified record of standards and hygiene practices can be kept to better identify failings. We recommend that the Food Standards Agency takes steps in this direction and works with food accreditation companies towards a solution, and updates us on its progress within six months of publication of this report. (Paragraph 13)

Regulatory agencies

3. The problems identified at the 2 Sisters plant at West Bromwich are not a one-off. The past record of the 2 Sisters Food Group is far from pristine and there are valid questions to be asked of its corporate governance structure. That being the case, we are concerned at the apparent laxity of the oversight of the Site D facility, an incredibly important part of the poultry food chain. Any risk management assessment which did not give this plant the highest priority and the most stringent levels of scrutiny is flawed. The Food Standards Agency's investigation into the case must examine the quality of its risk assessment to take better account both of its management's history and the facility's role in the food chain and the number of farmers and suppliers who rely on it. (Paragraph 17)
4. During our inquiry we heard concrete suggestions for reform which we consider necessary to re-establish consumer confidence in the food chain. The value of CCTV in cutting plants to act as a permanent inspector of practices was repeatedly mentioned. We are aware that CCTV is planned to be made compulsory in slaughterhouses. We recommend that Defra both launch a consultation on extending these measures to cutting plants and produce an impact assessment of the likely costs and benefits to the industry of introducing such measures. (Paragraph 18)
5. The Food Standards Agency Food Crime Unit was initially established as an intelligence-gathering unit. The Food Standards Agency is keen to upgrade its role to include an investigatory function. We are concerned at the suggestion from the FSA that the funding necessary to complete this upgrade has not been immediately forthcoming from the Treasury and is instead seemingly stuck in limbo. We would like to assume that this recent incident, and our subsequent inquiry, has provided

the impetus for the necessary funding to be made available. We recommend that Defra and the Food Standards Agency confirm to us in response to this Report that this is the case and the required funds have been released. (Paragraph 19)

2 Sisters Food Group

6. The modern food supply chain is incredibly fragile and sensitive. A failure in a single section of the chain can have catastrophic effects on hundreds of small suppliers and farmers. As well as the personal cost to Mr Boparan of the temporary suspension of Site D, many others have lost out from the failings highlighted in his plant. In that context we were pleased to hear of the short- and medium-term steps he is taking to prevent a re-occurrence and future stoppages in his plant. We request that Mr Boparan continues to update us on his progress in both installing these new measures and on re-establishing his supplier relationship with the main retailers. (Paragraph 25)

Our future work

7. We note the commitments made to us. They are a matter of public record. We trust that they will be acted upon in the same good faith in which they were received. At the same time, all those involved in the food chain require confirmation that changes have been made and incidents such as these prevented. We recommend that the Food Standards Agency provide us with a written assurance that each reform promised to us by the accreditation agencies, 2 Sisters Food Group and the FSA itself has been made, no later than six months from publication of this report. We further request an interim update no later than three months from publication of this report. Upon receipt of that update we will consider our future action, including whether to re-open this inquiry and take further evidence from those involved. (Paragraph 26)

Formal Minutes

Wednesday 15 November 2017

Members present:

Neil Parish, in the Chair

Alan Brown

Mrs Sheryll Murray

Paul Flynn

David Simpson

Dr Caroline Johnson

Angela Smith

Sandy Martin

Draft Report (2 Sisters and Standards in Poultry Processing), proposed by the Chair, brought up and read.

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

Paragraphs 1 to 26 read and agreed to.

Resolved, That the Report be the First 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, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Wednesday 15 November at 2.30pm]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Wednesday 25 October 2017

Morning

Question number

Richard Griffiths, Chief Executive, British Poultry Council; **Jim Moseley**, Chief Executive, Red Tractor; **Sue Lockhart**, Head of Assurance, Red Tractor; **Mark Proctor**, CEO, BRC Global Standards; **David Brackston**, Technical Director, BRC Global Standards

[Q1–106](#)

Afternoon

Jan Britton, Chief Executive, Sandwell Metropolitan Council; **Bob Charnley**, Trading Standards Officer, Sandwell Metropolitan Council; **Jason Feeney CBE**, Chief Executive, Food Standards Agency; and **Jose Gomez-Luengo**, Audit Veterinary Leader, Food Standards Agency

[Q107–217](#)

Ranjit Singh Boparan, Chief Executive, 2 Sisters Food Group, and **Chris Gilbert-Wood**, Technical Director, 2 Sisters Food Group

[Q218–324](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

2SP numbers are generated by the evidence processing system and so may not be complete.

- 1 Association of Independent Meat Suppliers ([2SP0002](#))
- 2 British poultry council ([2SP0003](#))
- 3 Stoke Ferry Restored ([2SP0001](#))
- 4 Unite ([2SP0004](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

Session 2017–19

First Special Report	Food waste in England: Government Response to the Committee's Eighth Report of Session 2016–17	HC 444
Second Special Report	Forestry in England: Seeing the wood for the trees: Government Response to the Committee's Fifth Report of Session 2016–17	HC 445
Third Special Report	Feeding the nation: labour constraints: Government Response to the Committee's Seventh Report of Session 2016–17	HC 446
Fourth Special Report	Post-legislative scrutiny: Flood and Water Management Act 2010: Government Response to the Committee's Sixth Report of Session 2016–17	HC 447