

Title: Review of quality assurance schemes and audits

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Acronyms

ACCS	Assured Combinable Crops Scheme
AFS	Assured Food Standards
AP	Assured Produce
APPS	Assured Plant Propagation Scheme
APS	Assured Produce Scheme
BFS	British Farm Standard
BOPP	British Ornamental Plant Producers Scheme
BRC	British Retail Consortium
BSI	British Standards Institution
CPMP	Crop Protection Management Plan
Defra	Department for Environment, Food and Rural Affairs
EMA	Environmental Monitoring in Agriculture
ETI	Ethical Trading Initiative
Eurep	Euro Retailer Produce Working Group
EurepGAP	Euro Retailer Produce Working Group for Good Agricultural Practice
FSA	Food Standards Agency
GAP	Good Agricultural Practice
HACCP	Hazard Analysis and Critical Control Point
HDC	Horticultural Development Council
LEAF	Linking Environment and Farming
NFU	National Farmers' Union of England and Wales
MPS	Milieu Programma Sierteelt
NRoSO	National Register of Sprayer Operators
NSTS	National Sprayer Testing Scheme
PHSI	Plant Health and Seeds Inspectorate (Defra)
PPL	Plant Propagators Ltd
UKAS	United Kingdom Accreditation Service
VI	Voluntary Initiative

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EXECUTIVE SUMMARY

Purpose and scope

This study has been undertaken for the Horticultural Development Council in order to address the concerns of UK horticultural producers over the increasing burden of assurance schemes and associated audits and evaluations. The focus has been on the schemes and standards some or all of which apply to the majority of growers: the Assured Produce Scheme; the British Retail Consortium Technical Standard; the British Ornamental Plant Producers Scheme; the Assured Plant Propagation Scheme; the LEAF (Linking Environment and Farming) Marque; retailers' own schemes; organic schemes; and EurepGAP (the Euro Retailer Produce Working Group standards for the global certification of Good Agricultural Practice).

Approach

Through consultation with growers and others in the industry, the current position has been established with regard to audit effort, sectoral differences, effect of size of business and costs and benefits. Overlap and repetition between existing schemes and audits has been assessed.

Summary and main conclusions

(i) Assurance schemes and their associated audits and evaluations are a necessary part of modern farming. They have resulted in higher standards of production and safety of product and contribute to more responsible farming. Growers recognise the value of schemes and third party audits and membership of baseline schemes has helped businesses to improve and to develop.

(ii) The original concept of assurance schemes, as far as growers were concerned was:

“to establish a common set of (production) standards that would enable scheme members to market their produce to all retailers, with no further proliferation of quality assurance audits” C.C. Payne, 2004.¹

As Professor Payne points out in the same article, this has proved, certainly in the present climate:

“to be a challenging or even impossible objective to achieve.”

A proliferation of audits has indeed occurred, including so-called higher level schemes, retailers' own schemes and audits by agents/category managers. It is unrealistic at the present time to expect that retailers will give up their own schemes and audits that they believe give them a “point of difference” and appeal to particular consumer groups. A recent addition to the audit burden is that of ethical trading audits, individual audits being required by increasing numbers of retailers. As social and corporate responsibility and labour issues become increasingly important, ethical trading audits are set to proliferate.

(iii) Most schemes are about continuous improvement. Schemes have continued to develop and expand to the point where there is now increasing concern over the contribution of some changes to genuine improvement. The process is seen as becoming an industry in itself.

(iv) The costs of assurance schemes are borne entirely by producers and, as might be expected, smaller growers are most affected by continuing expansion of the schemes. As schemes continue to develop, the main beneficiaries are seen as not only the consumer, but also the retailer whose risk of damage to brand continues to reduce.

(v) The upsurge in retailers' own prohibitions and restrictions on the use of plant protection products that are legal for use in the UK presents another layer of requirements and can cause problems for growers when alternatives are unavailable. It sends a confusing message to consumers and undermines the existing regulatory system in the UK.

(vi) Despite most schemes being administered by UKAS-accredited certification bodies, the approach of individual auditors varies considerably. The audit process itself is described variously as productive and helpful through to a "test" that must be passed, with little or no feedback.

(vii) There is considerable duplication, overlap and repetition between schemes and with Government codes of practice and other initiatives. Positive steps are, however, being taken by scheme owners and administrators (i.e. certification bodies) to reduce the burden on growers by developing common data forms and synchronous multi-scheme audits where possible.

(viii) The Terms of Reference for the review specifically require that consideration is given to the usefulness of bringing together some or all of the schemes under a collective umbrella. With respect to horticultural assurance schemes, in practice the schemes are coming together under Eurep. This makes Recommendation 2, Action (i) of importance. The Policy Commission on the Future of Farming and Food² recommended that Assured Food Standards should be encouraged to develop into a neutral and authoritative assessment body for farming as a whole. The review concludes that an additional umbrella to serve horticulture is unnecessary, but support should be given to the Curry Commission recommendation.

Recommendations and action points

(presented in more detail in Section 6 of the main report)

Recommendation 1: consider the value of an over-arching industry standard for ethical trading

Action (i): It is recommended that the HDC should facilitate a discussion between stakeholders including retailers, Ethical Trading Initiative alliance members, producer/marketing organisations and growers to assess the current position regarding ethical trading codes of practice and audits, and including the role of Sedex, in the UK horticultural industry. The value and scope of a common, over-arching multi-stakeholder standard for the industry should be considered. If the HDC's constitution allows it, such a standard could be owned by the HDC, representing the whole UK industry and based on the generic ETI Base Code minimum standards for a code of labour practice.

Action (ii): The area of ethical trading is one with which many HDC members are unfamiliar. In parallel with the above, the HDC should consider raising awareness amongst its members of their responsibilities in this area through publicity in HDC News and also possibly through workshops.

Recommendation 2: enhanced independent/industry representation on standard-setting/scheme development boards

Action (i): It is recommended that the HDC initiates and facilitates an assessment of the effectiveness of independent and producer representation on standard setting boards and committees, including Eurep, and also retailers' committees. Supplements to schemes should be evaluated by a board that is sufficiently independent and sufficiently close to the industry to ensure that further developments to schemes are genuinely improving safety, efficiency or standards or contributing to regulatory compliance. As Eurep schemes increase in importance, it is essential that the whole of the UK industry is adequately represented on Eurep committees, possibly by HDC itself. The HDC (and its counterpart bodies in other Eurep member states) would be able to bring an objective and independent perspective to Eurep, which is seen as particularly important as horticultural schemes all follow the trend to benchmarking with EurepGAP and EurepGAP is required by UK retailers for global supply.

Action (ii): It is recommended that, in the short term, the HDC, in consultation with other industry bodies, begins a dialogue with major retailers to establish enhanced input from growers/appropriate experts to the processes by which the major retailers draw up and amend their lists of UK-approved pesticides that are either prohibited by them or can only be used following justification. The appropriate expertise is available within the HDC and HDC technical managers would be well placed to supply this input.

In the longer term, it is also recommended that the HDC continues its support/actively promotes the coming together of retailers/the industry/NFU/consumer bodies/regulatory bodies and Government to develop a harmonised way forward to reduce/eliminate residues across farming and thus remove the need for individual retailer lists.

Recommendation 3: monitor the quality of audits and assessments

Action (i): It is recommended that the HDC supports the AFS initiatives to "audit the auditors" through publicity in HDC News and (in consultation with the AFS, NFU) possibly through facilitation of "grower satisfaction" surveys of its members and collation of data for feedback to scheme owners and certification bodies.

Action (ii): It is recommended that the HDC consults with the main scheme owners and scheme administrators to see if a system of three consecutive audits by the same individual auditor could become the norm for horticultural producers (see paragraph 6.10 of the main report).

Recommendation 4: modularisation of documentation

Action (i): Overlap between baseline and higher level assurance schemes and with Government initiatives, codes of practice and other schemes and requirements that growers have to meet should be examined through a scoping study to identify cross over areas in documentation. A guidance document would result that should help growers in data management. The review recommends modularisation of documentation to simplify data management for growers. Sections in the various protocols could be clearly identified as generic, relevant to several schemes/initiatives or specific to a particular crop or to a particular scheme. The possibility of developing software to assist the process should be considered.

Action (ii): It is recommended that the HDC monitors the development of the Whole Farm Appraisal (and Cross-Compliance/Environmental Stewardship conditions) and supports the AFS/lobbies Defra to ensure that there is minimal repetition between Government initiatives and assurance schemes and that modularisation is used where possible.

Action (iii): It is recommended that the HDC keeps abreast of the developments initiated by Assured Produce and LEAF on the concept of an environmental module that could be added to the Red Tractor: the “Green Trailer” concept.

MAIN REPORT

1. Introduction

1.1. Food assurance schemes are well established as necessary components of modern farming, ensuring the safety and traceability of food from production through to the consumer. They promote the adoption of good agricultural practices, ensuring that agriculture is undertaken in a responsible manner with regard to the use of pesticides and fertilisers, environmental protection and worker and livestock welfare.

1.2. However, in recent years the proliferation of schemes and audits and the ever-increasing scope of some schemes has led to concerns, both from farmers over the cost implications for their business and from consumers confused by the plethora of logos. In the horticulture sector, growers' concerns have been articulated through their representatives on the Horticultural Development Council (HDC). This resulted in the HDC commissioning an independent review of quality assurance schemes and audits, the objective of which was to critically examine the current situation and to make recommendations to improve efficiency of audit effort whilst meeting the needs of scheme owners (see Terms of Reference at Annexe 1).

2. Background

2.1. The development of quality assurance schemes in the UK food industry stems from the introduction in 1990 of the Food Safety Act which requires that retail businesses must be in a position to present a "due diligence" defence of their products. A "due diligence" defence is the taking of all reasonable precautions by identifying the existence of risk, having in place the means of preventing or reducing it (that is, the use of Hazard Analysis and Critical Control Point - HACCP - principles) and ensuring that records are available to prove actions taken to remove or reduce hazard. It is also necessary to be able to trace the source of the product throughout its journey from grower to consumer. This requirement of "due diligence" defence on the retailer, together with increasing consumer awareness of safety and quality issues, led to the widespread establishment of quality assurance systems designed to ensure that product is "safe, legal and wholesome" as well as meeting product specifications.

2.2. Initially, retailers developed their own control systems and in the early 1990s the British Retail Consortium (BRC) developed a technical standard for companies supplying retailers in order to stem the multiplicity of retailer schemes. However, at the on-farm production end, individual retailers carried out their own supplier audits, usually against a general HACCP approach to quality assurance. Tesco was the first major retailer to introduce its own audited assurance scheme for fresh produce, "Nature's Choice", in the early 1990s. The NFU-Retailer Partnership was established in 1991 to develop production standards for all fresh produce crops grown in the UK and, in 1997, the Assured Produce accreditation scheme (APS) was launched. The mid-late 1990s also saw the development of schemes for pot and bedding plants, flowers and for plant propagation, as well as similar assurance schemes across the whole of food production. At around the same time, the Euro Retailer Produce Working Group (Eurep) began work on its EurepGAP documents, designed to enable farmers in all sectors worldwide to demonstrate achievement of Good Agricultural Practice (GAP). In 2000, the "Red Tractor" scheme was launched with NFU and Government support, its aim being to ensure that assurance schemes under its umbrella offered effective standards of food safety to consumers, being third party audited and accredited by the United Kingdom Accreditation Service (UKAS) as operating to an international standard of certification.

Assured Food Standards (AFS) was set up as the umbrella body to administer the system.

2.3. The role of assurance schemes was highlighted in the 2002 report of the Policy Commission on the Future of Farming and Food², recommending that the Red Tractor initiative (of which APS is a founder member) should become the so-called “baseline standard” for all fresh food produced in England and that all schemes using the Red Tractor logo should have equivalent standards. It also encouraged the development of “higher level” schemes that provide significantly higher standards than the Red Tractor baseline in areas such as the environment and welfare, where there is clear consumer demand, whilst warning against the confusion likely to be caused by too many initiatives. Defra embraced these concepts in its 2002 Strategy for Sustainable Farming and Food³ and has supported the recent re-launch of the Red Tractor and the bringing together of all baseline food assurance schemes under the umbrella of the AFS.

2.4. Assurance schemes across the whole of farming have continued to expand and include heightened rigour, focussed in the horticultural sector on environmental concerns and pesticide-related issues and, more recently, on social responsibility. Baseline schemes all express legal requirements and will continue to evolve to reflect developments in EU and UK legislation and to demonstrate implementation of official government codes of practice. Higher level and retailers’ own schemes extend consumer choice and, in the latter cases, focus on risk reduction and response to consumer and pressure group concerns, as well as product differentiation and market positioning.

3. Horticultural assurance schemes and audits: the current situation

3.1. Schemes

Assurance schemes are voluntary, with the exception of organic schemes whose minimum standards are regulated by EU legislation. Organic schemes have been included in this review because their purpose aligns with that of other assurance schemes in that they offer products linked to specific production standards and verified through regular independent inspection. The information contained in this section of the report has been provided through consultation with grower members of the HDC, scheme owners, others in the industry and from publicly available sources. At HDC’s request, there has been no consultation with retailers. HDC staff provided guidance to ensure that a representative sample of HDC members were consulted in order to consider the effect of sector, size, diversity and type of business and customer base.

The following schemes currently operating in the UK horticultural sector have been considered in this review.

3.1.1. Assured Produce Scheme (APS)

The principal baseline production scheme for the industry for edible crops, required by all major customers. APS has a generic crop protocol and individual protocols covering some 45 crops, including salads, vegetable crops and fruit. In 2002, APS benchmarked its standards to those of EurepGAP (see 3.1.3. below) and became an approved scheme for the UK, meaning that accredited members of APS are automatically compliant with EurepGAP. In October 2004, EurepGAP issued a new standard, to which APS is currently re-benchmarking. APS is a member of Assured Food Standards (AFS) and accredited growers are therefore able to use the British Farm Standard Red Tractor

logo on their products. Assured Produce is currently considering how best to combine assurance schemes for its members who also produce ornamentals (see 3.1.5. and 3.2.2.1 below).

3.1.2. British Retail Consortium (BRC)

Packhouse and other operations to the point of purchase are covered by the British Retail Consortium Technical Standard and Protocol for Companies Supplying Retailer Branded Food Products (BRC Food Technical Standard). HDC members with packhouse operations for their own production and/or packing for others will usually undergo a BRC audit although this can be replaced by direct audit by their agent/producer/marketing organisation, who will in turn undergo a BRC audit. The BRC standard can be considered as the essential baseline packhouse standard, in a similar way to the APS being the baseline production standard for edible crops.

3.1.3. Euro Retailer Produce Working Group (Eurep) for Good Agricultural Practices (GAP)

The EurepGAP standards have been adopted by most major UK retailers to apply, in theory, to all produce retailed through Eurep members, irrespective of country of origin. In the horticulture sector, there are EurepGAP standards for Fruit and Vegetables and for Flowers and Ornamentals. The former was initially based on the APS. The British Ornamental Plant Producers (BOPP) scheme (see 3.1.5. below) and the Assured Plant Propagation Scheme (APPS) (see 3.1.6. below) are in the process of benchmarking standards to EurepGAP to ensure that accreditation by BOPP/APPS will confer automatic compliance with EurepGAP, as is the case with APS. Any UK growers who are members of the Dutch scheme MPS-GAP (see 3.1.4. below) are already EurepGAP compliant through benchmarking of MPS-GAP in 2004 with the EurepGAP Flowers and Ornamentals scheme.

3.1.4. Milieu Programma Sierteelt (MPS)

MPS is a Dutch organisation that runs a number of certification schemes, primarily for flowers and plants. Its standards are internationally recognised and MPS is favoured by some UK supermarkets for flowers and plants, although for UK production, the BOPP scheme (see 3.1.5. below) is now widely accepted/preferred. MPS-GAP is benchmarked with EurepGAP Flowers and Ornamentals and is a broad scheme that incorporates a number of other separately available MPS schemes e.g. MPS-Mind (an assessment system for use of crop protection agents) and MPS-Socially Qualified.

3.1.5. British Ornamental Plant Producers Scheme (BOPP)

This scheme arose from recognition by the British Bedding and Pot Plant Association that its members needed an assurance standard that was appropriate to the industry and satisfied customers' requirements. The HDC co-financed the development of a Code of Practice (led by ADAS) to cover Bedding and Pot Plant production. The scheme has now been extended to include Cut Flowers and Bulbs and Hardy Nursery Stock. BOPP "silver grower standard" is currently being benchmarked against the EurepGAP Ornamentals standard and also with APS in order to investigate how audit procedures for producers who grow both APS crops and ornamentals could be simplified. UKAS accreditation of BOPP is also being sought in parallel with these initiatives. The scheme is currently audited by ADAS but the certification body for the standards in future is expected to become UKAS-accredited EurepGAP-approved

National Britannia Certification Ltd. ADAS is expected to remain part of the evaluation process through a sub-contract.

The BOPP Code of Practice originally went further than many assurance schemes, being a guide to quality management across the whole business. Under EurepGAP, BOPP will have silver and gold grower standards, and the BOPP ornamentals packhouse standard. Successful silver standard and packhouse standard evaluations will equate to compliance with EurepGAP standards. The gold standard will include a second audit and consultation and advice on business development.

3.1.6. Assured Plant Propagation Scheme (APPS)

The assurance scheme of Plant Propagators Ltd (PPL), the APPS was set up to develop and promote the quality of plant propagation and satisfy customer requirements. The scheme is currently being benchmarked to EurepGAP Fruit and Vegetables. Previously it was audited by PPL-trained staff of the Plant Health and Seeds Inspectorate (PHSI) of Defra (who contributed to the development and revisions of the scheme). The scheme will be audited/operated by CMI (Checkmate International) to comply with EurepGAP regulations.

3.1.7. Linking Environment and Farming (LEAF)

The LEAF Marque is described as a higher level, environmentally focussed scheme designed to meet specific consumer preferences. In order to qualify for LEAF accreditation, growers must also be fully certified members of an appropriate assurance scheme such as APS. It aims to “provide the environmental complement to crop and livestock assurance schemes”. Currently, of the major supermarkets, Waitrose is the only one to ask for LEAF Marque accreditation as a prerequisite to supply, with Marks & Spencer at present recommending that suppliers apply LEAF practices. LEAF is also at present advisory for growers of arable crops under the Assured Combinable Crops Scheme (ACCS), which will apply to some HDC members with mixed farms.

3.1.8. Retailer schemes

Many retailers, searching for their “point of difference” in a highly competitive environment, impose their own standards over and above the baseline APS and BRC standards. Some operate their own full schemes: examples include Tesco’s “Nature’s Choice” and Marks & Spencer’s “Field to Fork”. Tesco is also introducing a new scheme “Wildlife Choice” to parallel Nature’s Choice but focussing on biodiversity. This will include wildlife management plans and is scheduled for implementation in 2004/2005. No horticultural producers consulted during this review were involved in this new scheme.

There are also controls on the use of certain pesticides by a number of supermarkets, despite the pesticides being currently approved for use in the UK. Marks & Spencer and the Co-op (CWS) have publicly available lists; Tesco has recently undertaken a wide-ranging study to prepare lists of pesticides used by crop and country of origin and is currently finalising its “Red Amber Green” Plant Protection Products Lists (PPPLs) for suppliers; B&Q also provide suppliers with lists of pesticides not to be used on products grown for them, or only allowed following justification. Most other major retailers are also increasingly placing restrictions on the use of some UK-approved pesticides, driven by customer and pressure group concerns.

3.1.9. Organic schemes

Unlike most other food assurance schemes, organic production is subject to statutory control. There are several bodies operating organic certification schemes in the UK, the largest and best known of which are the Soil Association and Organic Farmers and Growers Ltd. The minimum standards to be applied by certification bodies in the UK are now set out in the Compendium of UK Organic Standards that replaced the UK Register of Organic Food Standards in mid 2004. Soil Association certification is considered to be a higher level than the baseline. Organic certification bodies only certify that a product meets organic standards, which means that organic certification does not demonstrate that the product meets other assurance standards such as food safety.

3.2. Implications of scheme membership for growers

3.2.1. *Audit effort*

Number of audits – edible crops

3.2.1.1. The basic criteria for supply to the major retailers in the UK are EurepGAP (APS) accreditation and BRC packhouse accreditation. EurepGAP also requires an annual self audit as well as third party audit.

3.2.1.2. Growers of edible crops whose customers do not include any own-scheme retailers or retailers asking for ethical trading audits may undergo only one APS and one BRC audit annually. If the grower has no packhouse, then APS assessment may be the only audit.

3.2.1.3. Full retailer scheme audits will be required at least annually if any customers are own-scheme retailers, and for LEAF Marque accreditation if supplying Waitrose. Some major retailers allow self-audit for some crops.

3.2.1.4. In addition, growers of organic produce will have their organic status verified through a full inspection by their chosen certification body at least annually.

3.2.1.5. Starting in around 2004, ethical trading audits are increasingly required by individual retailers. This is an area that is destined to increase in importance with legislative developments and as customers become increasingly aware of the need to demonstrate social and corporate responsibility to consumers. At present, some individual retailers are insisting on separate ethical trading audits from their suppliers, being unwilling to accept third party audits if prepared for a competitor and despite efforts being made to make use of the labour standards database, Sedex⁴, itself supported by four leading retailers.

3.2.1.6. Most major retailers now place the responsibility for audit on their primary suppliers/category managers. Growers supplying through agents/producer/marketing organisations will therefore also usually be audited by their agent. The frequency of audit varies with the individual agent and will depend on crop, customer base and individual agreements with customers. Some audit packhouse operations only, some do both a production and packhouse audit annually, or more or less frequently. Others will audit their members/contractors pre-season and regularly throughout the season.

3.2.1.7. Thus, at one end of the scale, a grower who does not pack may have only one (APS) audit per year. However, a rough average for many HDC members with medium-sized businesses is around four or five audits per year, including APS and BRC plus two

or three customer or agent audits. Several growers have reported an additional two or three ethical trading audits in 2004, depending on customer base.

3.2.1.8. A diversified business that grows arable crops or ornamentals as well as horticultural produce will have additional audits if accredited under the ACCS and BOPP, and, if livestock are also kept, there will be other audits (usually under the Red Tractor AFS umbrella).

Number of audits – ornamentals

3.2.1.9. Pot and bedding plant and flower or nursery stock producers may be BOPP or MPS accredited. Benchmarking of BOPP against EurepGAP and BOPP's covering of environmental concerns has increased confidence amongst retailers who find that BOPP practices meet their requirements.

3.2.1.10. Growers of ornamentals supplying direct to major retailers report that accreditation to BOPP has reduced audit burden from four or five annual audits to one (EurepGAP) BOPP production and one BOPP packhouse, although some retailers still do their own audit. Growers supplying via an agent or as contractors will usually undergo an additional agent audit. In common with growers of edible crops, ethical trading audits are becoming a requirement for a number of retailers.

Number of audits – seedlings

3.2.1.11. Producers of seedlings who are APPS accredited are audited annually and, when the benchmarking process is complete, will be EurepGAP compliant. Those growing for the organic market will also undergo audit by their certification body on an annual basis. An additional audit by the grower's agent(s) is usual.

Methodology and content

3.2.1.12. Assurance schemes all operate in a similar manner, providing a protocol or code of practice that sets out the standards to be met and the documentation required. Third party audits are required and most schemes have one or more certification companies licensed to operate the scheme and undertake their audits. All schemes indicate which activities or statements in the protocol are major non-compliance or critical failure points, and which are minor, or strongly recommended. All show which will be verified and how non-compliance will be dealt with.

3.2.1.13. Higher level schemes and supermarket own schemes require a full set of information, in their own format. However, there is often considerable overlap with the baseline schemes and most records and documentation can be used for baseline and customer audits. Once the data and systems are in place for the baseline scheme, some growers report that meeting the needs of specific schemes is not unduly burdensome. Others, however, find the process very time-consuming and repetitive, particularly if they are operating several higher level schemes. Retailers not operating their own schemes may use the baseline scheme and add some additional points in the audit, or accept the baseline scheme accreditation without further audit.

3.2.1.14. As mentioned above (3.1.8), consumer concern and pressure group activities have led several retailers to introduce their own specific prohibitions and controls on the use of certain pesticides that can at present be legally used in the UK (see Annexe 2 for details of publicly available information). Growers supplying these companies must comply with these controls. The derivation of these lists of pesticides varies widely between retailers, some being well reasoned, while others appear to represent a "knee-jerk" reaction to consumer or media pressure and are imposed without due regard to

actual use or adequate thought to the consequences for growers. Most retailers have, to a greater or lesser extent, consulted growers in drawing up their lists. There remains a degree of scepticism over the weight given to growers' views and, more fundamentally, to the need for these lists in addition to the UK's regulatory system. With a few notable exceptions, the lists are not considered to have caused growers much difficulty to date, apart from the need to keep abreast with the current restrictions for each retailer. Retailers have, on the whole, proved receptive to properly argued cases for continued use.

3.2.1.15. Most protocols and codes of practice are reviewed annually by committees and/or the board of the standard setting body. Representation usually includes a mix of growers, retailers, academics or other experts, NFU, certification body representatives and, in some cases such as APS, levy boards. Retailer schemes generally include suppliers, academics and auditors alongside their technical managers. A 2002 review of food assurance schemes undertaken by the Food Standards Agency (FSA)⁵ concluded that few standard setting boards include adequate consumer representation which has led to consumer confusion over what the schemes and logos mean, and, according to the FSA, have not taken proper account of consumer interests. The Eurep Steering Committee has poor producer representation, members being drawn largely from retailer members of Eurep and scheme owners.

3.2.1.16. The review process is a continuing drive to improve standards. Whole new areas may be introduced and there may be an increase in the degree of compliance required for activities already covered by the standards. In general, growers are given adequate notice of changes to protocols. Schemes should continue to be realistic, reflecting good agronomic practice and be developed with a knowledge of the likely impact of changes on production and profit. However, there is concern that the process is inexorable and has become an industry in itself.

The audit process

3.2.1.17. Each scheme has approved or licensed certification bodies from which the grower's agent or customer makes a selection. Currently, BOPP is audited by ADAS and APPS by Defra (PHSI), but as both schemes achieve EurepGAP status this will change to Eurep- and UKAS-approved certification bodies National Britannia and CMI respectively. Retailers' own schemes are third party audited in a similar way.

3.2.1.18. Retailers rarely conduct their own audits. Customer visits are made to suppliers and although these no longer take the form of a "supplier audit", there may be a strong audit content to the visit. Visits vary considerably, both in frequency and focus, influenced by the individual retailer and the current incumbent technical manager. Large suppliers will be responsible to the customer for ensuring that all their contractors/members meet the appropriate standards. (For category managers this will include overseas suppliers who should meet EurepGAP standards.)

3.2.1.19. The quality of the third party audit is a key factor in the effectiveness of assurance schemes. Certification bodies operating schemes in the UK should be UKAS accredited, meaning that they demonstrate independence, impartiality, competence and sustainable performance, and can therefore be assumed to be generally effective. However, servicing the large number of schemes now operating has led to a rapid expansion of certification bodies and not all audits are undertaken by dedicated assessors of the certification company. Many use independent consultants. The time spent by an assessor on a baseline scheme varies between 2-4 hours and 8-9 hours. Anecdotal evidence suggests that the time spent on an audit is dependent on the

auditor's status with the company, consultants being paid per audit. This is not necessarily to suggest that the audit is any less thorough, or conversely that audit company staff are less efficient. It does, however, flag an area of inconsistency and grower concern.

3.2.1.20. With the requirement from 2005 for members of Eurep to use only EurepGAP suppliers worldwide, the certification industry in countries unused to these systems has grown very large, very quickly. The numbers of staff that certification bodies now need raises concern over the competency of audit staff as well as the consistency in interpretation of standards, particularly as the scope of audits broadens. There are two effects of these factors on UK producers: one is the inequality in standards achieved in practice by EurepGAP-accredited producers in the UK compared with similarly accredited producers in some other countries; secondly, UK growers who are also category managers for retailers experience difficulties and additional costs if they are to ensure that all product sourced through them meets the standards required by their customers.

3.2.1.21. Opinions differ widely on the actual audit experience. Some growers comment that the standard of competency is high and the approach consistent. These growers find the process generally useful and helpful. Others, particularly those who see a different auditor each time, comment that each new auditor puts different emphases on the audit process. The result is inconsistency from one audit to the next. Growers with this experience look on the audit process as a test that has to be passed, with no useful feedback from their auditor. Whilst recognising the potential for bias if an individual auditor "gets too close" to a business, other growers who have seen the same individual for a series of audits find that the audit process can be productive and helpful.

3.2.1.22. Steps have been taken by a number of schemes and certification bodies, notably CMI, to enable multi-protocol audits, thereby reducing audit downtime for the grower. The same individual doing a multi-protocol audit on the same visit is seen as particularly helpful. This is a successful development, especially for bigger growers supplying a number of customers who use the same certification body. APS and ACCS audits can be combined, along with Nature's Choice (Tesco) and baseline organic. APS and LEAF have also agreed that their audits may be synchronised.

3.2.2. *Sectoral differences*

3.2.2.1. The main sectoral difference that emerged from discussions with representatives across the sectors covered by HDC was the enthusiasm of those using the BOPP scheme compared with others. BOPP members were the only growers who felt that their audit burden had reduced in recent years (since their adoption of BOPP). This was particularly so for those supplying direct to retailers who accepted BOPP and did not impose their own schemes or audits. However, BOPP membership remains relatively low and, for those APS-accredited growers who also produce ornamentals, a full BOPP audit is inappropriate. Steps are being taken by APS/BOPP to address this issue (see 3.1.1. and 3.1.5. above).

3.2.2.2. Otherwise, all producers face similar issues and, as might be expected, the real differences in audit burden relate to size of business (see below). Some issues, such as environmental and countryside/wildlife protection concerns, whilst affecting all producers, are of more significance to, for example, farmers whose land includes water courses, sites of special scientific interest or habitat diversity, than to large growers of glasshouse crops. Similarly, ethical trading issues are different for those sectors where

a large seasonal workforce is needed compared to those where a constant workforce is employed. Diversity within a business also increases audit burden, not just within horticulture for APS crops and ornamentals, but more so where non-horticultural crops and livestock are also farmed.

3.2.3. *Effect of business size*

3.2.3.1. It comes as no surprise that large businesses have the resources to deal with scheme and audit requirements and changes whilst smaller businesses struggle to keep up. Medium sized businesses supplying several own-scheme retailers are perhaps hardest hit, particularly if they supply via an agent who also imposes their own audit.

3.2.3.2. Smaller growers who do not pack for themselves are in a better position from the perspective of auditing than those of a similar size with a packhouse (see section 3.2.1.).

3.2.3.3. The time needed to maintain the existing scheme documentation and routine monitoring puts a strain on small businesses and the continual development of schemes to include new areas and up-grade others hits these smaller businesses with fewer staff the hardest. Larger concerns with several sites maybe better placed in terms of resource, but have different issues relating to scale and ensuring that systems are consistent across all sites.

3.2.4. *Costs and benefits to the grower*

3.2.4.1. The overriding benefit to growers of membership of a baseline assurance scheme is market entry. The current schemes (APS, BRC, BOPP, APPS) provide a sound business baseline, drawing in Government codes of practice and ensuring the business is operating within the national law. The “due diligence defence” provided through use of the schemes is protection against litigation. There is also a general acceptance in the industry that it should be seen to be responsible and that membership of recognised accreditation schemes is a good internal policing mechanism and can be useful as a public relations tool.

3.2.4.2. The discipline of assurance schemes and audits has raised standards and is a positive aid to good management. This is considered to be particularly true in the packhouse where setting up management and quality assurance schemes are seen to have been beneficial in establishing and maintaining good practice. On the production side, however, whilst the baseline schemes have the important advantage of ensuring that the grower is conforming with regulation and current Government advice and meeting the expected safety standards, particularly in relation to pesticide issues, growers argue that membership of the schemes *per se* has not significantly improved their production practices, nor are the changes and expansions to the schemes improving the quality or safety of their product.

3.2.4.3. With the exception of organic schemes where price reflects the increased costs of production, accreditation to schemes does not attract any price premium. However, there appear to be sectoral differences in own-scheme retailers who, in some reported cases, do pay a higher return for product meeting the quality requirements of their scheme.

3.2.4.4. Joining a higher level scheme is driven by customer demand. Obtaining LEAF Marque accreditation is only seen as worthwhile if it is a requirement for supply

and more growers are only likely to join the scheme if their agent/customers demand accreditation.

3.2.4.5. In organic production, certification by the Soil Association is taken as a higher standard than baseline organic. In this case, however, growers may choose Soil Association certification even if their customer does not demand it because it is the most respected and recognised organic system as far as consumers are concerned.

3.2.4.6. The introduction of grading systems within schemes may be used to inform retailers' commercial decisions on placing business volumes, which may in turn lead to growers aiming for a "gold" standard rather than baseline accreditation. BOPP already runs gold and silver production standards and some retailers are introducing "points" systems to their audits in order to classify their suppliers.

3.2.4.7. It was not possible to obtain a reliable estimate of the costs involved over the years in bringing a business up to the standard of a baseline scheme. For many businesses the changes in practices and philosophy have been huge. Once accredited, there are continuing costs related to keeping up with the developing requirements of the schemes. In addition to the cost of scheme membership and direct audit cost, the time and effort required to maintain records and implement changes to the schemes is substantial. Representative estimates of the time spent by medium-sized business on accreditation schemes and audits in a year are around 4-6 full weeks of farm manager/owner time, plus secretarial support and routine monitoring. Large concerns often employ one or more full-time quality assurance staff and many medium-sized growers will employ quality assurance staff who work full time during their harvesting and packing season.

3.2.4.8. All costs relating to assurance schemes are borne by producers. The introduction of new areas, continual upgrading of standards and increasing rigour of audits put added pressure onto all growers, particularly smaller concerns without the staff available to dedicate to this area. The introduction of ethical trading audits and lack of harmonisation amongst retailers is an additional financial and time cost.

3.2.4.9. On the positive side, growers who are able to take advantage of a multi-scheme audit see this as an important improvement. BOPP-accredited growers also report an improvement in their audit burden, some quoting a reduction from five separate audits to one BOPP production and one BOPP packhouse. This situation may change if retailers begin to require their own audits in addition to BOPP.

4. Overlap and repetition between existing schemes and audits

4.1. In the case of BOPP, scheme accreditation is at present accepted by many UK retailers without the imposition of their own schemes or audits. Some still do their own audit, but many suppliers in this sector find that this single standard satisfies all their customers. Because producers will choose to do either BOPP or MPS, the issue of overlap does not arise between these schemes.

4.2. Retailers without their own schemes do not issue a full protocol to their suppliers but will require copies of records, generally readily available from APS/BRC documentation. The audit procedure will tend to follow APS/BRC, with perhaps some additional points. Overall there is not significant repetition for an APS/BRC accredited grower in meeting the requirements of these customers.

4.3. The main area of overlap in accreditation schemes is between the baseline APS/APPS/BRC schemes and retailers' own schemes, and between APS/ACCS and LEAF. There is also overlap between APS and ACCS for HDC members with more diverse farms. As has already been mentioned (3.1.1, 3.1.5 and 3.2.2.1 above), APS members who also grow ornamentals would suffer considerable repetition if they were also to go for full BOPP accreditation. AP has recently taken steps to solve this issue by, with funding from the HDC, benchmarking the BOPP code of practice against the APS generic protocol to consider the feasibility of an "add-on" module or a multi-protocol audit. The outcome of this exercise is awaited.

4.4. The formats of retailers' protocols all differ, as might be expected, from each other and from the baseline schemes. Essentially the same questions may be asked, but in different ways, covering more or less the same ground, resulting in considerable overlap with baseline schemes.

4.5. The original intention was that LEAF Marque accredited farms met the baseline standards of APS/APPS/ACCS but differed in that they also met the additional environmental protection and management standards synonymous with the LEAF Marque. This implies that LEAF would be an "add-on" to the basic APS generic protocol. In practice, in terms of audits that are now synchronous, this is the case. However, in terms of the protocol, there is considerable repetition and overlap of the generic APS and EurepGAP in LEAF. For example, many of the Crop Protection points are identical in both protocols, even to the degree of compliance required. Some other statements/questions are common but differ in compliance e.g. a documented pollution management plan is "strongly recommended" by APS (Oct 2004 version) and is a Critical Failure Point in LEAF. The format of the protocols differs substantially, making it difficult to pick out common areas.

4.6. Although demonstrating that standards are met in practice on farm and in the packhouse through audit is key, efficient management of scheme data is also critical. This is a considerable task for all growers, particularly as schemes introduce new areas or change the degrees of compliance, or introduce new pesticide prohibitions. Some growers already operate their own "modular" approach by storing their computerised data in such a way that they can easily extract what is needed to satisfy different protocols and slot into the format required. Some specialist software producers such as Muddy Boots also provide programmes that can help in data management for multiple schemes, as well as producing software that helps primary suppliers/agents in auditing their growers. Certification bodies who undertake multi-scheme audits, notably CMI, issue standard record-keeping forms that members can use for several different schemes and provide guidance on the data requirements for the respective schemes.

4.7. Ethical trading audits are becoming an issue in that retailers are starting to ask for individual audits and are unwilling to accept Sedex membership. This has resulted in businesses being repeatedly audited against company protocols incorporating and largely derived from the Ethical Trading Initiative (ETI) Base Code⁶, but differing in details. The Sedex initiative was launched in mid 2004 with a similar philosophy to the original APS: that is, to make it easier for companies to provide information on labour standards in the supply chain in order to reduce duplication of assessments and audits. The development of Sedex was supported by Marks & Spencer, Tesco, Waitrose and Safeway. It is a web-based system on which companies can post data on labour standards at all their production sites and can control the availability of this data to its customers. Audit reports can also be included. The system has various limitations, not

least the cost of membership for smaller producers and it is clear that it is not satisfying the needs of retailers for social responsibility assurance of their suppliers.

4.8. Although not an assurance scheme, the recent Voluntary Initiative⁷, led by the Crop Protection Association and accepted temporarily by Government in place of a proposed tax on agricultural and horticultural pesticides, overlaps baseline schemes and has been dismissed by many growers as more bureaucracy. It has three main elements for farmers: one, join the National Register of Sprayer Operators (NRoSO) and two, have sprayers tested under the National Sprayer Testing Scheme (NSTS). These elements are both included in the 2004 version of APS's Generic Protocol, but as "strongly recommended" and "should" respectively rather than as Critical Failure Points. The third element, also supported by but not at present a specific requirement for APS is the adoption of a Crop Protection Management Plan (CPMP). Many of the activities and "levels of (good) environmental practice" in the VI's CPMP proforma repeat APS standards and this is indicated on the proforma. Completing a LEAF audit is taken as meeting the VI CPMP requirement, as is completing an Environmental Monitoring in Agriculture⁸ (EMA) self-audit. A CPMP is likely to be a requirement of the new Government Entry Level Stewardship scheme.

5. The need for an "umbrella body" for horticultural assurance schemes

5.1. The Terms of Reference for the present review specifically require that consideration is given to the usefulness of bringing together some or all of the schemes under a collective umbrella. With respect to horticultural assurance schemes, in practice the schemes are coming together under Eurep as both BOPP and the APPS benchmark against EurepGAP. Although Eurep was not intended to be an independent body representing all stakeholders, it does aim to improve standards and also to deliver equivalent standards in global production.

5.2. The Policy Commission on the Future of Farming and Food² recommended that Assured Food Standards should be encouraged to develop into a neutral and authoritative assessment body for farming as a whole.

5.3. The FSA report⁵ on UK food assurance schemes across the whole of farming took up the Curry Commission's view, making extensive recommendations as to how such an umbrella body should evolve, including a proposed constitution and role for such a body.

5.4. The review concludes that an additional umbrella to serve horticulture is unnecessary, but supports the Curry Commission recommendation and the subsequent FSA report.

6. Conclusions and recommendations

6.1. Assurance schemes have become an essential element of modern farming, endorsed by Government. Growers recognise the value of both third party and self-audit to individual businesses and to the industry as a whole. Membership of baseline schemes has helped businesses to improve and develop. These schemes are seen as useful and necessary. Schemes such as BOPP and APPS that were initiated from within particular sectors of the industry have enthusiastic support from their members and are seen as positive aids to business.

6.2. Ideally, this review would like to recommend that, for supply to any UK retailer, growers would have to meet the standards of just three comprehensive third party audited schemes: production, packhouse and ethical trading. The schemes would be scored or graded to encourage businesses to develop and to allow retailers some “point of difference”.

6.3. However, the purpose of the review is to suggest pragmatic interventions that will be beneficial to growers whilst remaining acceptable to scheme owners. At the present time it would be unrealistic to expect that retailers will give up their own schemes and audits that they believe set their product apart and appeal to their consumer base. In such a competitive market, “point of difference” and brand identity are too important, as is protection of the brand from damage. Nor is it realistic to expect primary suppliers/agents, on whom the responsibility for assurance of supply now rests, to give up their own audits of their suppliers/members. Although the UK industry has achieved much already, the push for further improvements will continue, most likely focussed on safety issues related to pesticide use, microbial contamination, agro-environmental issues and labour relations and social issues.

Recommendation 1: consider the value of an over-arching industry standard for ethical trading

6.4. As social responsibility issues come to the fore, retailers are increasingly asking their suppliers to provide evidence of ethical trading practices through an ethical trading audit. Despite the Sedex initiative (see paragraph 4.7.) many retailers appear to be approaching ethical trading differently: some currently accept a Sedex subscription, but increasingly individual third party audits by a UKAS accredited body are required. The audit protocols generally cover the same ground as the ETI Base Code but with company-specific additions. For many smaller growers, this is an area that is unfamiliar to them and where there is a lack of appreciation of legislative responsibilities and employment law. Government moves with regard to gangmasters and the whole area of casual employment and foreign workers are set to complicate matters and it is important that growers understand what their responsibilities are.

Action (i): It is recommended that the HDC should facilitate a discussion between stakeholders including retailers, Ethical Trading Initiative alliance members, producer/marketing organisations and growers to assess the current position regarding ethical trading codes of practice and audits, and including the role of Sedex, in the UK horticultural industry. The value and scope of a common, over-arching multi-stakeholder standard for the industry should be considered. If the HDC’s constitution allows it, such a “publicly available standard” could be developed with assistance from an organisation such as BSI (for details of the process see the BSI web site⁹). The standard would be owned by the HDC, representing the whole UK industry and based on the minimum requirements of a code of labour practice as set out in the ETI Base Code.

Action (ii): In parallel with the above, the HDC should consider raising awareness amongst its members of their responsibilities in this area through publicity in HDC News and also possibly through workshops.

Recommendation 2: enhanced independent/industry representation on standard-setting/scheme development boards

6.5. It is important for the viability of the industry that scheme expansions bring real benefits and do not result in prohibitive costs to the producer. This has been recognised and articulated in an extensive review of environmental standards in farm assurance schemes¹⁰ undertaken in 2002 on behalf of the AFS, funded by Defra, the Environment Agency, the Countryside Agency and English Nature. The review made the point that the introduction of baseline environmental standards must “result in minimal costs for producers consistent with environmental requirements being met”. Baseline schemes are well aware of the need to balance scheme development such that statutory requirements are met and standards improved, but at a pace and cost that the industry can absorb.

6.6. Although, as noted above, growers have seen benefits from adopting baseline assurance scheme practices, the consumer is said to be the main beneficiary. However, few are aware of the schemes or what they mean. This has been highlighted by the need to re-launch the Red Tractor scheme in order to raise consumer awareness and appreciation. In practice, although in terms of food safety and quality the consumer undoubtedly benefits, the retailer gains much, particularly from growers meeting the requirements of retailers’ own schemes. In essence, the “due diligence” and risk reduction that accreditation ensures limits the likelihood of damage to the brand. The expansion of schemes and increasing rigour all work to the advantage of the retailer by reducing risk even further.

6.7. This continuing expansion of standards was mentioned by all those consulted during this review as a cause for concern. The Guidance¹¹ issued in 2003 by the FSA following its review of food assurance schemes⁵ recommended that standard-setting boards should “have a strong independent element and effective representation of consumers’ interests”. The purpose of the guidance was to provide advice to schemes on good practice. Although, because of the FSA’s remit, the guidance is heavily biased towards what is best for the consumer, the present review supports the important principle of the independent element of the boards.

Action (i): It is recommended that the HDC initiates or facilitates an assessment of the effectiveness of independent and producer representation on standard setting boards and committees, including Eurep, and also retailers’ committees. Supplements to schemes should be evaluated by a board that is sufficiently independent and sufficiently close to the industry to ensure that further developments to schemes are genuinely improving safety, efficiency or standards or contributing to regulatory compliance. As Eurep schemes increase in importance, it is essential that the whole of the UK industry is adequately represented on Eurep committees, possibly by HDC itself. The HDC (and its counterpart bodies in other Eurep member states) would be able to bring an objective and independent perspective to Eurep, which is seen as particularly important as UK horticultural schemes all follow the trend to benchmarking with EurepGAP.

6.8. The plethora of retailer lists of “allowed” pesticides is as confusing for the consumer at whom they are aimed as for the grower trying to meet his/her customer’s requirements. The issue of elimination/reduction of residues is already a policy objective for Defra and the FSA, with initiatives and specific projects underway in both organisations. Although retailers’ own initiatives have the same overall aims, discrepancy between what is legally banned for use in the UK and what is banned or severely restricted by an individual retailer sends a mixed message to consumers as well as complicating growers’ lives. A harmonised approach is needed, involving

retailers working together with the industry, consumer, regulatory and advisory government bodies to improve practices and develop a system that would address consumer concerns and communicate a simple, consistent message to consumers wherever they choose to shop.

Action (ii): It is recommended that, in the short term, the HDC, in consultation with other industry bodies, begins a dialogue with major retailers to establish enhanced input from growers/appropriate experts to the processes by which the major retailers draw up and amend their lists of UK-approved pesticides that are either prohibited by them or can only be used following justification. The appropriate expertise is available within the HDC and HDC technical managers would be well placed to supply this input.

In the longer term, it is also recommended that the HDC continues its support/actively promotes the coming together of retailers/the industry/NFU/consumer bodies/regulatory bodies and Government to develop a harmonised way forward to reduce/eliminate residues across farming. Success in the latter should obviate the need for individual retailer lists.

Recommendation 3: monitor the quality of audits and assessments

6.9. Inconsistency in audits was raised on several occasions during this review and has also been recognised as a grower concern by Assured Produce. The AFS has acknowledged the need to “audit the auditors” and is believed to be about to introduce two pilot schemes: a “grower satisfaction” form to be completed by the grower following an audit; and spot checks on auditors.

Action (i): It is recommended that the HDC supports this initiative through publicity in HDC News and (in consultation with the AFS, NFU) possibly through facilitation of “grower satisfaction” surveys of its members and collation of data for feedback to scheme owners and certification bodies.

6.10. Good audit practice recommends that certification bodies use the same auditor for up to three consecutive inspections. This allows the audit to be a productive process for the recipient, rather than merely a “test”.

Action (ii): It is recommended that the HDC consults with the main scheme owners and scheme administrators to see if this system could become the norm for horticultural producers, in order to make the audit process more productive and useful to growers.

Recommendation 4: modularisation of documentation

6.11. There is substantial overlap and repetition between assurance schemes and Government and other requirements on growers.

Action (i): It is recommended that overlap between baseline and higher level assurance schemes and with Government initiatives, codes of practice and other schemes and requirements that growers have to meet should be examined through a scoping study to identify crossover areas. A guidance document would result that should help growers in data management. The review recommends modularisation of documentation to simplify data management for growers. Sections in the various protocols could be clearly identified as generic, relevant to

several schemes/initiatives or specific to a particular crop or to a particular scheme. The possibility of developing software to assist the process should be considered.

6.12. The Government itself, through Defra's Whole Farm Approach and Whole Farm Appraisal, is aiming to help farmers to deal with regulation by avoiding duplication of data requirements and records and providing a single data set that identifies regulatory requirement and actions needed to fulfil that requirement. The AFS is in discussion with Defra to reduce overlap of the Whole Farm Appraisal with assurance schemes by suggesting that reference to membership of a scheme should be introduced at an early stage in the Appraisal, membership then being taken as compliance with a module of relevant areas covered by both the scheme and the Appraisal.

Action (ii): It is recommended that the HDC monitors the development of the Whole Farm Appraisal (and Cross-Compliance and Environmental Stewardship conditions) and supports the AFS/lobbies Defra to ensure that there is minimal repetition between the Government initiatives and assurance schemes and that modularisation is used where possible.

6.13. There is also overlap between the LEAF Marque scheme and baseline schemes. With the increasing emphasis being put by Government on environmental management and enhancement and impending EU legislation, it is difficult to predict how the baseline schemes will change in order to encompass legislative developments and Government initiatives, including the Environmental Stewardship Entry Level and Higher Level schemes and the Environment Agency's initiatives.

6.14. As it stands at the time of writing, LEAF could be made much more accessible to growers if its protocol were to be re-formatted such that it formed a separate module that could be added to a (e.g. APS) base module without repetition. Where LEAF degrees of compliance are higher, these could be clearly indicated in the base module. However, preliminary discussions are taking place between AP and LEAF on the concept of an environmental module that could be added to the Red Tractor: the "Green Trailer" concept. It is unclear if the intention is to replace the existing LEAF Marque with the Green Trailer and have a new, up-graded LEAF Marque. The first meeting between AP and LEAF on this subject is scheduled for 4 April.

Action (iii): It is recommended that the HDC keeps abreast of these developments and if necessary influences the initiative in order that any environmental add-on module developed for baseline schemes is done in a manner that supports growers' interests.

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Annexe 1

Review of quality assurance schemes and audits – Terms of Reference

The Council agreed at its January 2004 meeting to commission an evaluation of the increasing burden on growers caused by the proliferation of audits and assessments related to quality assurance and accreditation schemes. The perception is that these audits frequently cover the same or very similar ground and thus are unnecessarily costly to the industry in both financial and efficiency terms. Whilst acknowledging the paramount importance of properly audited quality assurance, and the need to demonstrate that production is safe and environmentally friendly, there is a need to critically examine and review the current situation.

The HDC review proposes to address the issues and concerns of growers in the following way.

1. Establish the current position

The first phase of the review will consult selected growers (Council members) in order to establish the number, timing, nature, methodology and content of audits and accreditations/certifications; the efficiency of execution of audits; the financial costs (including time and efficiency losses); the gains/benefits; particular grower concerns in relation to how the size/diversity of the individual businesses and the sector affects the relative burden of audits. Among others the review should include; APS, EurepGap, LEAF, BOPP, Plant Propagators scheme, and various organic accreditation schemes.

It will also include individual retailer audits and will specifically identify chemicals that are now banned by some retailers despite their use in the UK being legal.

2. Compare and assess the various schemes (in consultation with the British Standards Institution)

The audit protocols and accreditation assessment criteria for each scheme will be compared. Duplication, repetition and overlap both within each scheme and between schemes will be assessed alongside the rationale of each scheme.

3. Report

The information and analysis resulting from the first two phases will be reported to the Council and recommendations for future possible structures made. These should include how a modular approach to audits might be used to minimise audit effort whilst satisfying the need for a number of schemes. Recommendations should also be made on whether or not a number of schemes could be usefully brought together under a collective umbrella. The output from the report will be used as a basis for dialogue with various stakeholders.

Timing: 1 October 2004 – 31 March 2005

Annexe 2

Retailers' pesticide restrictions

Note: the information contained in this annexe should be taken as indicative only, being based solely on publicly available information at March 2005.

1. In July 2004, the environmental campaigning organisation, Friends of the Earth, published a briefing paper on pesticides in supermarket food. Analyses for the period 1998-2003 indicated the presence of pesticide residues in around 40% of fruit and vegetables sampled from all the major UK multiple retailers. Marks & Spencer topped the list with 47%. Subsequently, supermarkets have taken steps to address the consumer concerns publicised by this report. This has resulted in prohibitions and restrictions on the use of many pesticides that are legal for use in the UK. Many retailers now provide their suppliers with "Red Amber Green" (RAG) lists of banned, restricted and allowed products.

2. Marks & Spencer and the Co-op are the only ones to publish their lists on their web sites. Others make public reference to particular chemicals. Tesco has recently undertaken a comprehensive review of pesticides that its suppliers worldwide may use (by crop). The resulting lists (Plant Protection Product Lists) are not yet available to the public. Growers of ornamentals are also subject to restrictions on the use of legal pesticides by their retailer e.g. B&Q provide suppliers with RAG lists that are updated annually. Inclusion in these lists is said to be on the basis of demonstrated harm to humans, in particular to vulnerable groups such as babies and infants, or to the environment in terms of persistence and toxicity.

3. Table 1 summarises the information available to this review. **It should be emphasised again that the information is incomplete, reflecting only that available from public sources at March 2005. Retailers regularly update their lists, and UK approvals change with time.**

Some of the listed chemicals that will soon lose their UK approval are marked *. Others for which some UK essential uses only exist for a limited period are marked †. B=ban (Red list); R=restricted (Amber list).

Pesticide	Asda	B&Q	Co-op	M&S	Sainsbury's	Waitrose
Alachlor		B				
Aldicarb†			R	B	R	
2-Aminobutane				B		
Amitrole		R				
Atrazine†		B		B		
Benomyl		B	R			
Bromoxynil		B		B		
Captan		R	R			
Carbamates		R				
Carbendazim	B?	R	R		R	R
Chorothalonil		B				
Chlorpyrifos				B		
2,4-D		R				
Daminozide			R			
Dicofol		B	R			
Dichlorvos				R		
Diquat		R				
Dimethoate				R		
Disulfoton			R			
Dithiocarbamates		R				
Diuron		R				
Endosulfan†		B	R	R		
Ethoprophos			B			
Fenbutatin oxide		B				
Fentin acetate/hydroxide		B	R	B		
Isoproturon		B				
loxynil		B				
Lindane*			B			B
Linuron		B	R			
Malathion				R		
Mancozeb			R			
Maneb			R	R		
Namab			R			
Organophosphates		R				R
Paraquat		R				
Permethrin		R				
Propineb			R			
Phorate			B			
Rotenone		R				
Simazine†		B		R		
Thiophanate methyl			R			
Thiram			R			
Triazoxide			B			
Trifluralin		B				
Vincozolin*			R	R	R	R
Zineb			R			
Ziram			R			