

Written evidence submitted by The Wildlife Trusts (FFS0009)

Submission to the EFRA Committee 2025 Fairness in the food supply chain Inquiry by The Wildlife Trusts

Vicki Hird MSC FRES 23 January 2025

1. We welcome the Committee's inquiry, and the topics covered, which reflect our concerns and interest in the issue, given that farming occupies 70% of UK land and significantly impacts nature and ecosystems. We are pleased that the inquiry will refer to the considerable evidence gathered by the previous EFRA Committee on the topic.
2. The Wildlife Trusts is a movement made up of 46 Wildlife Trusts: independent charities with a shared mission to bring wildlife back, to empower people to take meaningful action for nature, and to create an inclusive society where nature matters. We submitted Writtenⁱ and Oral evidenceⁱⁱ by Vicki Hird in 2023/4 which we hope will be taken into consideration. We would like to add the following brief comments in reference to the current Inquiry and would be happy to provide oral evidence.

On the effectiveness of the Groceries Code Adjudicator and the potential merits and demerits of expanding the scope of the Groceries Supply Code of Practice

3. We believe considerable reform and expansion of the scope of the GCA is needed to ensure a sustainable and secure food supply. The evidence of harm to farming and food supply from climate instability and ecosystem decline is growing rapidly and we have seen a major flooding incidences which have contributed to England having its second worst harvest in 2024 since 1983 after record-breaking wet weather last winter.ⁱⁱⁱ
4. Currently, 74% of our total floodplain area is agricultural land, including 60% of our best and most versatile land for growing food.^{iv} The strategies employed by retailers are squeezing farmers' incomes as identified in Sustain's *Unpicking Food Prices* work with Portsmouth University, with farmers receiving less than 1% share of the overall profits for their produce. Current practices, since the hike in inputs causing cost price requests, have been described as 'warfare' by the Groceries Code Adjudicator.^v
5. Yet the risks and costs involved in finding lasting solutions to this, including building multifunctional, nature-based farming systems, alongside wider nature-based approaches, is greater when the farmgate deal, specifications, price and negotiations are unfair. This is seen repeatedly in the GCA annual surveys.
6. There is a case for more retailers to come in the GCA scope (NFU suggests £500,000 turnover, not the current £1bn). This would require more GCA capacity but as much of the food chain which farmers supply directly is not currently covered, it would help to expose and tackle more unfair, harmful activities.

On the adequacy of reviews into contractual practices in agricultural sectors and effectiveness of introduction of fair dealing powers under the Agriculture Act 2020.

7. There are significant problems in food chain contractual practices, and this led to the successful insertion of the Clause 29 on the Agriculture Act. A sector-based approach is

useful given the wide differences in the sector in terms of contracts and arrangements. However, the process is taking too long to dress immediate concerns and there are concerns that the SI's are being weakened by post farmgate industry pressure. The Dairy Code is not as strong as it should be for instance in covering all farmers, on exclusivity, tiered pricing provisions so these need to be rectified in the SI.

On the scope for collaboration between the Agricultural Supply Chain Adjudicator and Groceries Code Adjudicator.

8. To add to our oral evidence comments, the risks of a separate body, operating in a different department with a different staff body and operation, are considerable. It is vital that the two bodies work together closely, operate accessible systems to allow confidentiality, and ensure the evidence base on where drivers of bad practice are carefully assessed and recognised. There is a huge risk that problems emerging via the ASCA operations have their roots in the major multiple retailer practices (such as on variable pricing, timings, standards, negotiations), yet intermediaries could be penalised instead of the true companies.
9. The new DEFRA adjudicator must have the capacity and mandate to share pertinent information with the GCA to prevent a fragmented approach that fails to hold retailers accountable for initiating unfair purchasing practices. Ultimately, what is needed is an integrated cohesive regulatory framework incorporating the sector-specific fair dealing codes with the GCA.

Ensuring buyer practices are not major barriers to farm transition

10. In short, the regulators and underpinning legislation must ensure the market plays fair so that farmers can take the right actions on farm without being penalised at the farmgate. Price squeezes and demands of the food industry, such as on standards, make it hard for farmers to consider new measures - such as changing stock levels, breeds or using crops rotations to help soil recovery, leaving some land aside for nature or flooding, producing food to more appropriate cosmetic standards to reduce chemical use and waste. All these should be supported food buyers with the GCA and ASCA providing the underpinning regulations on contracts and negotiations.
11. We face a time of serious uncertainty about food system resilience given climatic, environmental stresses and geopolitical upheavals. Nature and natural ecosystems represent key assets that need to be protected. So, all buyers of food, must be prevented from using abusive practices that could lead to harm, in dealing with farmers and growers of all types and sizes across the UK and overseas.

Contact Vicki Hird, Strategic Lead on Agriculture

ⁱ <https://committees.parliament.uk/writtenevidence/122936/html/>

ⁱⁱ <https://committees.parliament.uk/event/19404/formal-meeting-oral-evidence-session/>

ⁱⁱⁱ <https://eciu.net/media/press-releases/2024/confirmed-england-has-second-worst-harvest-on-record-with-fears-mounting-for-2025>

^{iv} https://assets.publishing.service.gov.uk/media/602f99a8d3bf7f721b700f13/Developing_the_evidence_base_to_describe_the_impact_of_FCERM_on_agricultural_land_use__Technical_Report.pdf

^v <https://www.thegrocer.co.uk/news/groceries-code-adjudicator-accuses-supermarkets-of-warfare-on->

