

Written evidence submitted by Cranswick plc (FR0068)

Cranswick plc – Submission of Evidence – Farming Rules for Water 10.12.21

Background

- Cranswick is a leading and innovative British supplier of premium, fresh and added value food products with annual revenues approaching £1.9bn. Its core market is the United Kingdom where it produces a range of high quality, predominantly fresh products ranging from fresh pork and poultry, gourmet sausage and bacon to premium cooked meats continental foods and gourmet pastry. It operates from 16 well-invested, highly efficient production facilities in the UK, with a workforce of over 12,500 people. Today, Cranswick is one of the largest food producers in Britain, but it stayed true to its simple ethos - to create authentically made, sustainably produced British food, without compromise.
- Of the pigs processed, a third come from our three owned farming businesses based in Yorkshire and Norfolk. Cranswick plc is one of the largest pig farmers in the UK, with a combined breeding herd of over 40000 sows. Two are RSPCA & Red Tractor Assured, straw based, outdoor bred and reared. The other business is a Red Tractor Assured indoor based production business.
- All three businesses rely on third party, independent farmers (over 250) to provide finishing accommodation, bedding straw and labour. This “bed & breakfast” contract has been a business model of success over the last 25 years, allowing outdoor premium pork to meet the increasing demands of the retail customer, whilst also allowing independent arable farmers to benefit from a long - term additional income stream with a relatively low level of investment.
- One of the main reasons it has been so successful is the closed loop straw for muck arrangement. The independent producer supplies all the straw required on an annual basis, and in return they receive the muck back, which ensures they derive maximum value back. For example, all nutrient content is retained locally, and no external weed seed is imported onto the farm. (With changes in herbicide legislation, and therefore reduced ability to grow higher yielding weed free crops, this is becoming increasingly important to cereal farmers.)
- Given the recent and rapid increases (150% increase in Ammonium Nitrate) in the cost of synthetic fertiliser, the value of organic manures has increased substantially. Subsequently, crop producers are focussed on achieving maximum utilisation and value out of organic manures, and future policy should encourage this via an outcome-based approach rather than regulatory.

Reasons for Submitting Evidence

- Cranswick plc do not see the practice of spreading organic manures as a significant risk.
- The pig sector is already permitted by the EA and focussed on more sustainable and regenerative farming practice in line with future UK Government agricultural policy.
- Cranswick plc is investing and expanding its UK pig farming operations to meet the demands of its retail and food service customers for British pork, we see the proposed “Farming Rules for Water” as a significant threat to the UK pig sector and ultimately will result in a contraction of UK pig supply in future.
- The sector has had to restructure significantly over the last 22 years, due to significant changes in legislation that have ultimately made UK pig production increasingly uncompetitive versus EU producers. This proposed regulation adds further financial pressure to the sector.
- The traditional seven-year financial pig cycle of profit to loss, is now two to three years, and the peaks and troughs are far more extreme. The outcome of this extreme volatility is making producers very risk averse both in terms of future investment strategies and potential changes to legislation and the impact to their business.
- The pig sector is in crisis currently due to lack of skilled labour both within the pig processing sites and on farms. Current forecasts suggest that the current UK breeding herd will decline by 32000 sows,

reducing weekly finished pig numbers by 16000. This will reduce organic manure production and reduce the perceived risk posed by the sector.

1. What impact, if any, are the EA 's implementation of FRFW Regulation preventing farmers from spreading organic fertiliser?

Farming Operational Impact

- Oilseed Rape area has declined over recent years due to changes in pesticide legislation that historically was able to control cabbage stem flea beetle. The cropped area was always far lower than cereals anyway, and whilst that is suggested as a crop that needs autumn nitrogen, the land area is small and not always near livestock housing.
- There is not enough spreading capacity to spread all the muck in the Spring, there is barely enough as it stands to spread all the necessary muck in the autumn and spring.
- Whilst the liquid slurry from indoor pig units can be spread using dribble bars and tankers onto a growing crop, straw based muck needs to be incorporated into the soil to deliver organic matter and organic nutrients. One cannot incorporate straw based muck into a growing crop without destroying it.
- The weather in the in Spring is notoriously unreliable, so there is no guarantee all muck could be applied during that period. A cereal crop in the spring needs nitrogen quickly at certain growth stages and organic manures will not be able to supply enough, and crop yields will therefore be compromised.
- Most organic manure (particularly solids) spreading equipment, cannot be spread beyond 18 m. Many cereal growers will be running 24m tramlines, and up to 36m, and therefore a huge amount of damage will be done to growing crops in the Spring, compromising yields and soil structure.
- Whilst liquid slurry can be injected between crop rows, working width is not much wider than the tractor, so compaction will be significant, not to mention the umbilical cord being dragged across growing crop damaging plants and crop yield.
- Organic manure spread in the autumn and incorporated into the soil will still provide nitrogen to the crop in the Spring, and organic matter for the longer-term benefit of soil health and wider crop rotation.
- From a practical perspective, on heavy land, the only time you should be travelling with heavy slurry application equipment is in July, August, and September. Any other time will cause compaction damage, previously referenced. White Rose would need in the region of 2000 hours to empty all storage tanks in the Spring. A time when labour is already in tight supply.
- Anaerobic Digesters are already at full capacity and this is not a practical solution.
- To build new AD plants and / or new storage for slurry takes considerable time. Planning for new sites or rebuilding existing sites is taking 4 – 5 times longer than 5 years ago. A recent site in Norfolk that we converted from indoor breeding to straw based barn finishing took 3 years from initial application to filling with pigs.

Financial Impact

- Over the last ten years the pig sector has restructured toward a more integrated model, with large processors owning a significant percentage of their overall pig supply and this will continue to evolve. Smaller independent producers may not have succession plans nor the funds to invest in new buildings for example. With increasing demand from our retail customers, our owned farms continue therefore to expand. We contract independent farmers and producers to finish our pigs in straw-based barns. This is not only a valuable source of additional income for independent farmers at a time when support payments are reducing quickly, but also a valuable source of organic manure to

incorporate into the soil via straw from cereal crops grown on their own land. A very sustainable business model.

- We have already been given notice by a number of these independent contract finishers, stating that the FRFW will compromise their ability to carry on. In many cases, they have finished pigs for as long as 50 years on the same site with no pollution issues.
- Within our White Rose indoor pig business, based in Yorkshire, we have assessed both the cost and practical implications of increasing our slurry storage by 100% so that we can store 12 months of production. The total additional cost is £3.5 million at current pricing, we anticipate this increasing significantly due to the proposed regulation.
- There is only just enough capacity to spread all slurry currently, limiting the spreading window will cause massive issues and the storage will not be built in time.
- White Rose would need in the region of 2000 hours to empty all storage tanks in the Spring. A time when labour is already in tight supply. We estimate that this will increase cost of spreading by at least 100%. Experience suggests there will not be the available fine weather days to achieve this, even if labour and equipment is readily available.
- Within our Norfolk based outdoor reared pig business, the cost of not being able to spread in the autumn would equate to an additional cost of £390 000 for our finishing farms. For our breeding and weaner sites, this would equate to an additional cost of £645 000.
- Within our Yorkshire based, outdoor bred pig business, the cost of not being able to spread in the autumn would equate to an additional £585 000. For our breeding and weaner sites, this would equate to an additional £967 500 per year (at current prices).
- The costings above are based on exporting the organic manure off site only, they do not include offsite storage. We are not aware of any suitable sites that would be fit for purpose, ie sealed and bunded. We are concerned that, if such sites existed, they would potentially increase the risk of point source pollution significantly.
- Under EA guidance Cranswick plc has invested over £4.5m in a waste-water treatment plant at our Norfolk processing site. Previously this effluent has been spread to land, displacing a substantial amount of synthetic fertiliser within the respective following crops. Whilst we appreciate some of the reasons why we were guided to this intervention, influencing a more holistic land use approach based on outcome measures within the surrounding area would have ensured any risk was mitigated against whilst continuing to deliver significant agricultural benefit. As referenced elsewhere, technology is emerging to reprocess this type of waste stream to ensure nutrient value is maximised and not lost, there needs to be more Government support in this area alongside the proposed regulation.

Environmental & Animal Welfare Impact

- If we lose independent contract finishers due to the proposed regulation within the next few weeks, it will cause significant welfare issues and additional cost as we are already short of finisher space due to lower pig processing throughput (referenced earlier in the document).
- During the drier summer and autumn months, there is the biggest area of bare land to spread muck and the land is generally drier and able to take the weight of spreading equipment without causing compaction (one of the biggest influences on reduced crop yields).
- The future Government pig welfare policy clearly indicates a move to higher welfare systems. Whilst indoor pig production, largely based on concrete slatted floors, is very much in line with higher pig welfare standards the consumer research widely supports outdoor systems. The ability to inject liquid slurry from indoor systems direct into the ground gives more flexibility under the proposed FRFW, but from a consumers' perspective it favours a "lower welfare method of production."
- If straw-based organic manure is to be stored on field edges and on concrete pads for ten months of the year (for example), the risk of point source pollution incidence has been increased significantly. The muck heaps will also continue to emit GHG s for that period, as opposed to being incorporated into the soil and buried under current best practice guidelines.

- We have several years of data highlighting the positive impact of outdoor pigs and straw based pig muck being applied to land. We routinely see increases of up to 10% in soil organic matter over two years. This improves the ability of the soil to hold water during drought periods, preserving crop yields and making best use of reservoir water pumped into storage during the winter months.
- Crop producers will move back to using more synthetic fertilizers, at a higher cost and higher carbon footprint than organic manures which contradicts and significantly undermines the UK Government carbon net zero commitments.
- By proposing that most organic manure is to be spread in the Spring, the EA is encouraging producers to go against agricultural best practice as outlined in the DEFRA / AHDB soil, water and air guidance document.

Implementation Concerns

- A very high percentage of farmers and pig producers have always spread organic fertiliser in the autumn, and it is a well-established part of good soil management, as reflected in the AHDB's Nutrient Management Guide. In the last 10 years an increasing number of farm managers have also become independently FACTS qualified, and the machinery available to spread manures increasingly accurate, thereby reducing the risk of diffuse pollution. The understanding and the perceptions are that the proposed FFRW is going against good agricultural practice. We accept there may be a very small minority of farmers that do not adhere to best practice, but it is unfair to assume everyone does the same.
- Best practice in on-farm nutrient management must be defined. Once an agreed framework for best practice exists, this should be the standard for compliance on a risk-based approach. The alternative, as defined in RPS252, is using a figure (5kg/ha) for nitrate leaching tolerance which gives no practical means of accurately measuring at a catchment scale. Thus, placing the onus of evidence on farmers. The prohibitively costly nature of proving a negative, is a huge blocker to continuing all best practice work completed to date.

2. Are there changes that should be made to the rules or how they are applied?

- The EA should provide clear evidence (country wide) to demonstrate that current agricultural best practice guidelines are wrong in the first instance.
- The EA needs to adopt a clear and consistent regulatory approach across the country.
- The regulations should be phased in over a long period of time, 5 – 10 years, with complimentary schemes supporting them such as funded training and capital investment grants that are tiered to reflect the size of production sites and that contribute financially to a proposed storage scheme (for example.)
- The EA should acknowledge existing production assurance standards within the sector, such as Red Tractor, RSPCA Assured and Linking the Environment and Farming. These schemes already include detailed soil management and manure plans, and these should form part of an earned recognition scheme that allows the EA to focus its resources more effectively.
- The regulations should be dynamic enough to acknowledge the wider Government Agricultural Strategy and put a carbon value to muck and its correct application, to ensure it is displacing as much synthetic fertiliser as possible, and by continuing to support the long established good agricultural practice of muck incorporation during the drier seasons of the year, GHG emissions are vastly reduced.
- Guidance should be clearer and provide more detail, for example provide clear periods by date rather than stating "autumn / winter."

3. What are the best ways / methods of preventing agricultural diffuse pollution?

- Introduce additional training and guidance for both producers and spreading contractors to increase awareness and knowledge. This could be linked to a “contractor license to spread” and / or the existing permitting regulations for a pig production site.
- Deliver guidance on “lower risk” feed diets in combination with the above. We have several examples of this already happening within our own farms and this should contribute toward earned recognition and ability to continue to spread in the same manner.
- Across our own farms we have worked with The Rivers Trust for the last 5 years. They now carry out detailed assessments of the fields we propose to use and advise on the topography, soil type and model groundwater and surface water run off using digital mapping software. We then write a management plan in conjunction with them that incorporates extensive buffer strips around field margins and even 20 m strips along contours to mitigate any risks. Supporting the work of The Rivers’ Trust would deliver very positive results against the EA’s longer term strategy.
- Influencing positive changes in land use within river catchments will mitigate much of the perceived risk the FRFW is aiming to control.
- Support more structured R & D in organic manure reprocessing and dewatering. We are aware of technologies available, but they are a long way from being commercially available. More support should be given to getting these affordable, with grants easily available to those producers willing to commercially test them. The opportunity to de-water, dry and pelletise the nutrients within organic manure is significant, with opportunities to reduce labour requirements and add value to a “waste” product.
- Easily accessible grants to support large scale capital investment in slurry and straw based organic manure storage. Any future regulations need to acknowledge that a long lead time and transition period is required to deliver some of these plans. The EA need to ensure that local planners are aware of the immediacy in delivery of these projects.
- There is software available that supports best practice on farm. Via the AHDB, ensure that all producers of organic manure (and contract spreaders) get free access and training to use the tool.

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