

# FarmBusiness

FOR FARMING, FOOD AND RURAL ENTERPRISE

21st June 2013

**\$1.5tn**

VALUE OF CHINA'S GROCERY MARKET 2016 - IGD

**\$1.1tn**

VALUE OF US GROCERY MARKET 2016 - IGD

**\$3tn**

BRIC COUNTRIES' COMBINED GROCERY MARKETS 2016 - IGD



## Government under fire over handling of EU talks

The NFU has hit out at the handling of CAP negotiations while Sir Jim Paice has accused the Government of failing to understand farming, reports **Chris Lyddon**

Sir Jim Paice, the popular former minister for farming, is concerned that the UK Government isn't prepared to fight for UK farming in EU negotiations, according to a report from the BBC.

"I have little doubt that there's a huge section of Government that does not understand farming and has certainly not kept up to speed with the changes," he told the BBC's East of England political editor Deborah McGurran, citing the Treasury as the main culprit.

"Some of the rhetoric is still about surpluses, wanting to cut production and farmers being subsidised," Sir Jim said. "They haven't caught up with the fact that the last CAP round actually stopped subsidising production altogether.

### RHETORIC V REALITY

"Farmers get nothing now that's linked to how much they produce. They get a flat-rate payment - it's not subsidised production but the rhetoric hasn't caught up with reality."

The BBC said France had already gained an extra £1bn for its farmers, and the latest figures suggested that UK farmers already receive less per hectare than many European colleagues.

"I fear those decisions were taken at the behest of the Treasury rather than driven by what's in the best interest of British farmers and consumers," Sir Jim said. "I think the Government is going to have to realise that this is a pretty critical industry for everybody. We've got to feed our people."

The NFU says the Government had got a bad deal for rural development programmes. The UK will be allocated the lowest share of funds of all Member States on a per hectare basis and will face significant reductions compared with the current budget, the union says.

"Despite all of the rhetoric we have heard from Government about the importance of pillar two rural development and ministers' willingness to fight for a fair deal for English farmers, negotiators have

in the final year. That's 22% less over the seven-year period compared with rolling on the 2013 budget over that same period. By 2020, UK farmers will see less money coming back to the UK than they contributed across into the pot by way of the compulsory EU modulation transfers in 2013.

### FRANCE GETS €1BN

"At the same time as UK allocation has decreased, other countries like France, Italy and Ireland have successfully managed to secure special offerings

€600 million. What did the UK get? The power to mask these budget cuts by further disadvantaging UK farmers through increased voluntary modulation rates from their current levels of 9% up to a maximum of 15%, with no co-financing requirement.

"As the former agriculture minister, Sir Jim Paice, said on the BBC last week... 'the issue of a level playing field just will not exist,'" Mr Kendall said.

"DEFRA ministers' persistence in their determination to disadvantage English farmers through maximum voluntary modulation transfers in the next CAP may shore up budgets, but will also greatly exacerbate the difference in payment levels between us and our competitors.

"A Somerset or Shropshire dairy farmer is already disadvantaged to the tune of €235/ha compared with a Dutch dairy farmer. I just don't buy ministers' arguments that cutting English farmers payments by more than our competitors will leave us in a better position to compete.

"It will leave English farmers more vulnerable to the volatility we have seen in the markets and weather over the past few years and make their businesses less resilient compared to our European competitors."



come back from Europe with less than we started with," NFU president Peter Kendall told the Cereals event.

"In the first year of the new programme, we will see our allocation cut by 16%, rising to cuts of 27%

from Brussels," Mr Kendall said.

"The French got an extra €1 billion, the Italians €1.5bn and even the Finnish managed an extra



**Mitas**

www.mitas-tyres.com





# Supply chain cooperation can help minimise waste

Waitrose believes a better understanding of the pressures faced by their suppliers will help retailers do their bit to improve sustainability, **Heather Briggs** reports

Collaboration throughout the entire supply chain is the best way forward, with less judgement and greater instructive engagement, says Waitrose's technical manager, agronomy, Alan Wilson.

"The retailer's role is as a catalyst to instigate changes; but to do so there needs to be real understanding of what is going on at the 'coal face' of other members of the team," he says.

"The supermarket needs to have an in-depth understanding of the inhibitors of better quality."

He emphasises that Waitrose needs to know what is going on with suppliers so decisions can be made to work round any problems and minimise waste.

"For example, in the potato sector large amounts of water are used to prevent common scab, which is, after all, a superficial skin disease that does not reflect on the tuber quality underneath. Knowing when there is likely to be an issue can trigger a supermarket decision to move certain stocks earlier than others, helping to prevent losses."

Mr Wilson emphasises the need for adaptability in the industry so that it can become sustainable.

"There really isn't any doubt that climate change is occurring, with the bottom line being that there are more extreme weather incidents, and their intensity is causing a dramatic effect on growers, which then rebounds up the supply chain.

"For example, last year, the continual wet weather and floods led Waitrose to amend some of its criteria – such as vegetable shape – and ran a 'wonky veg' campaign that not only proved popular with consumers but also helped to support farmers who were having real difficulties.

"This year, most of the potato farms are two or three weeks behind, but as long as we don't have extreme weather events, we are expecting a good crop."

## OVERCOMING THE WEATHER

He emphasises the importance of sustainability in the sector and the need for investment in areas such as trickle irrigation rather than rain-guns. He also comments on the general movement towards growing more crops under protection such as polytunnels and greenhouses.

"These structures entail higher

start-up costs, but have lower cultivation risks, with growers having a much better idea of the yield – and quality – they will get," he points out.

"Few tubers actually end up in landfill as they will often be sold as animal feed. But top growers commit large sums of money to seed, inputs and their best land to grow crops for Waitrose, so downgraded tubers are regarded as waste, both physically and in terms of income."

## TEAMWORK

Mr Wilson emphasises improvement requires a high level of discussion and flexibility, consisting of improved crop programming, better packhouse scheduling and improved retail planning.

"Our planning process now includes a detailed linking of grower tonnages to predicted sales volume."

He says that for the first two years of the programme, many people who were approached about waste reduction were in denial, unable to see where waste was occurring, but they are now collaborating fully and enjoying the benefits.

"We are also working closely with the scientific community to

help us tackle really big needs – such as the need to improve crop water efficiency.

"Despite three wet summers, water shortage is still the biggest limiting factor and some of our growers are participating in trials."

In some of the Waitrose experiments, highly targeted irrigation is applied when the plant is less sensitive to water stress, or is distributed to just one small part of the root zone.

"The results so far are showing that quality is better with lower levels of water as that aids internal development," says Mr Wilson.

He recognises that for real sustainability, not only do all members of the supply chain need to improve communications, but they must also seek better connections with the scientific community.

"There is real value-added from everyone working together to improve our industry. The British supply chain does a great job and we look forward to working ever closer with them," he concludes.

Waitrose has a new website on sustainability and the work it is doing to ensure food supplies for the future – see <http://sustainableagriculturewaitrose.org>

## Entrepreneur targets waste in fresh produce sector

Heather Briggs talks to a man on a mission to increase the shelf life of fruit and vegetables

Waste means loss and that impacts directly on profits, says Roger Bierwas, who is so passionate about reducing waste he has set up a company that aims to help the fresh produce industry reduce waste by increasing shelf life and food safety.

"It's not only fundamental that the whole supply chain pulls together over waste reduction, but that consumers take it seriously as well," he declares. "The UK and Holland are in the vanguard, with Germany a little further behind, but there is plenty to be done everywhere."

"As an industry, there are some specific crops where losses are high, so, as professionals, we have started by targeting the fresh produce sec-

tor with a crop-by-crop strategy.

"Our fundamental idea is to help to increase shelf life as not only do the supermarkets then have more time to sell the product, they can offer the option of redistribution to other areas within the sector such as food service. In addition, once the consumer has bought the product and taken it home, it will last longer so there is more opportunity to eat it!"

Mr Bierwas claims that more transparency across the food chain would be helpful so that each part could understand where waste occurs and tailor solutions according to the particular problems.

"There is waste in each element of the chain – all the way from field to fork – and it makes eco-

nomically sense to reduce it," he says.

"Food waste creates additional demand, pushing prices [up] and therewith people into food insecurity."

Mr Bierwas is a keen advocate of benchmarking how much waste there actually is, so that any improvements can be clearly measured against criteria when best practice protocols are established.

"While things have improved and most councils are now able to do a certain amount of recycling, if you consider the time, inputs and transportation and overall carbon footprint in producing the food, it is certainly worth considering spending just a little more to move towards optimal shelf-life," he says, recommending the use of

badges on low-waste products.

His company has developed a pH5 buffer solution called Orgacure for washing fruit and vegetables, with the claim that it helps to slow down the ripening and decay process of the fruit by reducing superficial pathogens.

"Our product does not cause any problems with residues as it is an already-accepted food ingredient with an 'E-number' in the EU, so retailers and consumers can have confidence that it will not cause harm."

"We organised some trials to see whether it produced higher health standards – and we were pleased to find consistently positive results

*Continues on p26 →*



→ Continued from p24

on our initial target product, Galia melons from Brazil, which are distributed throughout the world. We are also working with bell peppers from Turkey.”

Apples were the next fruit to be tested and Mr Bierwas is delighted with the result. “An independent consumer testing panel under the supervision of SGS Lab Hamburg could not find any taste, smell and texture difference whether the test item [apple] was washed with Orgacure or without,” he says.

“In addition, the experiments

have shown washing apples with Orgacure can help reduce residual pesticides from the apple crop. We still need to do further research and testing on different crops such as grapes or celery but this is costly for a new and small company like ours, so we need to grow first.

“Our aim is to have a washing station at every fruit and vegetable hub in every major port in the world, so it will be easy and convenient for exporters to wash their fruit and improve its shelf life.” He is also keen to promote the product in the early stage of the supply

chain, particularly where infrastructure is poor and fruit and vegetables can be subject to warm, humid conditions that favour premature ripening. Treated produce would then be marked with a sticker that highlights the war on waste, so that consumers can feel pride that they are contributing.

“If we can help by giving produce some extra time, we will be helping to improve sustainability within the sector, and if everyone participates, then the whole planet will benefit.”

He draws attention to the fact

that in the UK and Europe there are a number of organisations and NGOs who are starting to become more transparent concerning waste issues, and giving advice on how to minimise losses, which is a step in the right direction.

“These organisations – such as WRAP [Waste & Resources Action Programme] – who are helping to turn the tide in the war on waste,” he says. “We need to be thinking about the food challenge of 2050 and not only how to produce enough food, but how to make sure it reaches the table.”

# New scheme to protect biodiversity

Vegetative buffer strips are the latest idea for helping to reduce pesticide run-off to watercourses and promote biodiversity. **Heather Briggs** reports on a Europe-wide trial of the system

Pesticide users are being encouraged to join a Europe-wide scheme to put vegetative buffer strips (VBS) between cropped areas and open water to reduce water pollution from pesticide run-off and promote biodiversity.

Spearheaded by the European Crop Protection Association (ECPA), the plan is designed to help reduce the amount of water polluted by pesticides around Europe and encourage greater biodiversity.

Stuart Rutherford, ECPA's director of Environmental Affairs, explains: “The VBS scheme is the latest addition to the sustainable agriculture initiatives of ECPA members, and contributes to the overall aim of protecting water from potential negative impacts of pesticide use.

“This programme is open to any company interested in joining and already has the commitment of key European crop protection companies.”

## ATTRACTING SUPPORT

The trial will be accompanied by a multilingual explanatory website and will commence in Spain and Portugal in 2014, with plans to expand the scheme throughout the European region by the end of 2015.

Participating companies will affix stickers to their product packaging as a way of raising awareness and encouraging farmers and other pesticide users to join the effort.

The VBS scheme has so far received official backing of ECPA member companies Bayer, BASF SE, DuPont, Dow Agrosciences, Makhteshim Agan, Monsanto and Syngenta. The scheme is open to

all relevant companies and is actively recruiting new participants.

## BEST PRACTICE

Hazel Doonan, head of the Agricultural Industry Confederation (AIC) crop protection sector, says: “AIC and AIC members have worked closely with the VI [Voluntary Initiative] over many years on the development and application at farm level of best practice to prevent the movement of pesticides to water. AIC hopes that the ECPA's vegetative buffer strip scheme, when rolled out in the UK, will help to emphasize VI messaging on the placement of buffer strips adjacent to water courses to protect water from pesticides.”

ECPA director-general Friedhelm Schmider comments: “The marketing and sales of crop protection products represents an excellent opportunity for our industry to pass on best practice advice to crop protection retailers, farmers and growers.

“The VBS stickers and training reflect the commitment of the crop protection industry to protect and enhance water and biodiversity in Europe. While implementing these projects is at times challenging, I am very pleased that our industry has found a way to work together in this genuinely Europe-wide exercise to help protect the environment and help ensure the sustainable use of crop protection products.”

## STEWARDSHIP

“We take the protection of water and biodiversity seriously; last month we published two comprehensive crop protection user guides for the prevention of water

## Understanding buffer strips

### The primary purposes of vegetative buffer zones are to:

- Provide infiltration areas for surface run-off water.
- Slow down surface run-off water through appropriate vegetation and catch sediments.
- Reduce nutrient and pesticide inputs to surface water.
- Stabilise soils with plant root systems.
- Reduce shoreline erosion due to wave action.
- Purify water with aquatic vegetation.
- Improve wildlife and fish habitat by providing food, shelter, and shade.

### Establishment and maintenance of VBS

- If possible, consult a professional and undertake a risk diagnosis.
- Liaise with neighbours and advisors and establish a joint

catchment run-off management plan.

- Develop and implement best management practices to mitigate contamination of water from pesticides.
- Position buffers to maximise impact with minimum land use.
- Once established, maintain buffer strips in good condition.
- Mow grass to approximately 25cm.
- To maintain effectiveness, remove or spread soil sediment.
- To help prevent soil compaction, minimize heavy machinery use on buffers and do not use for heavy livestock traffic or grazing.
- When possible, optimise timings of pesticide and fertiliser crop sprays to minimise the possibility of run-off.
- Avoid spraying the buffer zone unless essential for the establishment of the desired plants.

pollution from pesticides through run-off and drift.

“Stewardship activities are not new to our industry, and we are building momentum. Our experience with stewardship, together with renewed commitment to improving the performance and contribution of our industry is a productive combination. We see the protection of water as a key pillar of our work, and we are committed to work continuously to support the correct use of pesticides, as part of sustainable and productive agriculture.”

An ECPA review of scientific

studies has shown a wide variability in the effectiveness of buffer zones, suggesting that physical, chemical and biological factors are all involved in the functioning of grassed buffer zones.

The Association recommends that anyone interested in putting in place a buffer zone consults an appropriate specialist. Details to take into account include soil permeability, saturation, slope length and flood risk. The latter is a particular consideration for riparian buffers because water-logged soil cannot capture run-off water by infiltration.