

Are there contracts between arable farmers and buyers?

Yes. Most growers in the UK combinable crop sector operate to clear and consistent contracts. AIC provides a number [of standardised trading contracts](#) for buyers of crops to use with their farming customers. Whereas livestock and dairy sectors are generally more reliant on abattoir/processing facilities and the constant need for throughput of goods throughout the year, this is very different in the combinable crop sector, which has a long tradition of clear, consistent and standardised contracts, with end markets that are more flexible, and traded within the UK and around the world, with demand.

How do contracts work between arable farmers and their buyers?

All AIC contracts are kept under regular review by the AIC Contracts Committee in conjunction with the appropriate sector. Most importantly, AIC contracts are agreed in conjunction with farming unions such as NFU and NFU Scotland, to ensure clear and transparent terms between buyers and sellers. For arable farmers selling a commodity, a contract will typically cover quantity, price, variety, quality specification, and payment terms. If there is anything agreed between the buyer and the seller specific to the farm, that would also be noted.

All contracts will also include standard terms which cover insolvency, sampling and quality issues. For some commodities e.g. malting barley, an individual business may set special or additional terms for related to quality or specification issues.

Are there standard contracts used for the supply of inputs to farms?

Yes, AIC contracts also cover the supply of inputs to all farm types (including livestock). Standardised contracts cover the sale of animal feed, seed and fertiliser.

What advice is available to arable farmers in understanding the terms in their contract?

All farmers selling combinable crops in the UK have access to [detailed advice from AHDB](#) and from independent private sources over contracts with grain buyers. In addition, AHDB provides guidance on obligations placed upon grain buyers, and key facets of a contract including:

- The price, the calculation method and payment terms
- Any special terms and conditions
- Agreeing discount scales
- Setting a clear delivery period
- Potential weighbridge charges
- Any potential replacement costs

As a result, an open and competitive market exists in the combinable crops sector that allows farmers to access a range of customers, including directly to merchants (large and small) or directly to end users (millers, animal feed mills etc), as well as to seed buyers and co-operatives.

What happens in the case of a dispute?

Where there is a dispute between two parties, [AIC sets out arbitration rules](#) which outline the procedure for appointing arbitrators in the event of a dispute over a contract. Arbitrators are also available as nominated by the UK farming unions. Usually, an issue can be solved before it reaches arbitration, and this has only been necessary in a handful occasions over the past decade.

What is the role of retailers in the combinable crop sectors?

Unlike other farm sectors such as dairy or livestock, there are very few direct contracts with farmers of combinable crops. Most typically, farmers will sell their cereals, oilseeds or pulses to a combinable crop merchant, who in turn will sell to end customers such as food manufacturers, millers, maltsters or animal feed companies. This can be for the UK domestic or for international market, depending on factors such as supply, demand, prices and trade. A key feature of the UK combinable crop sector is that it has the flexibility to supply these different markets as and when circumstances change.

How is risk shared across the supply chain?

Risk is prevalent across the whole supply chain. AIC members, from seed, animal feed, fertiliser and crop protection supply businesses, right the way through the merchants and buyers of combinable

crops have to operate in the same market uncertainty as farming businesses, who in turn are buying inputs or selling goods.

Some end food companies or retailers do offer input price tracker contracts as a way of sharing the risk with their farming suppliers, however because combinable crops are globally traded commodities, UK farmers and the supply chain compete in an open global market. The UK is a small part of that global production system – representing about 1% of all global cereal grains produced and 1% of total fertiliser use.

How do UK arable farmers ensure best income for their crops?

UK growers have a number of risk management tools available to them. On top of professional advice from grain marketing companies, the AHDB provides considerable analysis and market data to farmers as well as ongoing outlooks of the grains market, and advising farmers and growers about the prospects for selling grain forward. As crops can generally be sold ‘spot’ or forward, and marketed many years ahead, it generally provides a more resilient market for growers, in comparison to livestock, horticulture or dairy producers who are often on shorter term, aligned contracts. The futures market is also available as a transparent pricing mechanism to hedge or manage their risk.

Given the importance of domestic cereals to the UK animal feed sector (around 50% of UK animal feeds are supplied from UK growers), AHDB also provides timely advice to livestock producers on grain and oilseed markets and how they impact the animal feed sector. This includes analysis on projections on feed prices to help inform livestock farmers better understand the dynamics of the feed market and potentially buy forward.

How does quality impact the combinable crop supply chain?

In the combinable crops sector, a required specification of goods is a key part of any contract between a producer and the buyer as outlined above. This is not a simpler case of aesthetics; specification is vital for food and feed safety, and for end markets to have a product that is able to make an end product, such as flour for bread or malting barley for whisky/beer. AIC, alongside industry bodies such as AHDB and farming unions provides guidance and advice on ensuring farmers can help meet their required specification, how to meet compliance with relevant assurance schemes and how to [sample](#)

[their grains and follow best practice](#) in maintaining optimum grain quality. Videos, manuals and talks are regularly made available to growers in order to ensure they can meet quality requirements set upon them either by their buyers or by the requirements of assurance schemes.

Where product does not meet required specification, the resilience of the supply chain often allows for these products to still find a market. For a product such as wheat grown for milling purposes, it may be the case that it does not meet the required protein or 'Hagberg Falling' number that millers require in which to ensure a high milling quality content. In this case, grain marketing companies would usually still be able to find a market for the produce, such as for biofuels or animal feed. This fungibility is key for the sector's resilience.

Has the sector been impacted by EU Exit?

Although combinable crops benefit from this flexibility in the supply chain, we should not be complacent, however. There are a number of areas in which the UK needs to work harder to improve its competitiveness to ensure that it can still find these markets. The UK's ongoing divergence from the EU means that the sector still has to navigate a number of non-tariff barriers, such as administrative burdens sending grains from GB to NI, the turnaround times of phytosanitary certificates by APHA to allow goods to be exported, and divergence in the EU's recognition of schemes accredited to send cereals for biofuels in Europe.

How does the UK cereals supply chain support overall domestic food security?

Suppliers to UK markets must balance a number of competing issues. UK consumer demand is always changing, and this impacts on goods we can and cannot produce here. In the UK, there are certain commodities that have more stable trade flows throughout the year – for example meat products such as pork (until recently) and poultry have a generally stable production output and import demand. Meanwhile, the domestic production of cereals and oilseeds is more variable year on year because of external factors. Balancing consumer and businesses interests towards food availability can only be achieved through a trade and domestic agricultural policy that is dynamic, and able to respond quickly to changing circumstances in domestic and global production systems.

Despite external challenges, the supply of food and inputs to the UK has remained resilient. However, Government must be absolutely clear on what it truly wants from its own domestic land use, and how serious it is about losing productivity domestically. AIC is clear that whilst Government has provided supportive words on domestic food production, this is not met by actions. Risks to domestic food production arises from poor regulatory choices such as burdensome and costly regulation on seed imports, the approach to GB's REACH regime, available chemistry for crops and divergence with the EU leading to a loss of market access and exporting our productive capacity elsewhere. The decline in the UK oilseeds sector is one such example.

How are combinable crops assured in the UK for feed and food safety?

Combinable crops are assured under the Trade Assurance Schemes for Combinable Crops (TASCC). This scheme covers the areas of storage, merchanting, testing and haulage from farm to the end consumer (such as millers, maltsters or feed mills). The scheme is written by the industry for the industry and is managed by AIC Services, which is part of AIC.

Scheme participants are certified by an independent audit body on the basis of meeting set criteria in a standard. If participants do not meet the standard, they receive non-conformances which can lead to a suspension from the scheme if not corrected. TASCC has earned recognition with the UK Government and mutual recognition with EU Schemes.

Why does the UK import crops?

Countries around the world constantly manage their food stocks for human consumption and feed for animals. Merchants monitor global and domestic supply and demand for crops, trading stocks accordingly. Over the years, the UK's domestic consumption has grown to meet national requirements. In years when production exceeds domestic consumption, surpluses can be exported. The UK climate means certain varieties of cereals and other crops have to be imported. When domestic crops don't meet yield or quality expectations, further imports may be required to cover these deficits. This is why buyers, and the end-users of the crops employ the principle of "as local as possible, and as global as necessary" to their businesses.

How are crops imported to the UK?

To import any crop to the UK, traders will typically use internationally-recognised assurance schemes to verify that a crop has been grown to equivalent food and feed safety standards as UK-produced crops. This gives confidence that the imported crop meets the UK's food and feed safety standards, as set out in law. Additional checks and balances are sometimes required to satisfy a buyer, and these form part of the legally binding contract between two trading parties. This involves rigorous testing to establish whether it meets the UK's legal food and feed safety standards. Incremental samples are taken as a ship is loaded at an overseas port to collect a representative sample for the entire consignment.

Do imported crops meet equivalent UK standards?

Yes, as a minimum all crops that are imported from overseas must meet the same legally defined food and feed safety standards as UK-produced crops. Other factors such as sustainability, health and safety, and modern slavery law are also vital considerations. Farmer and grower members of some UK voluntary assurance schemes may also be required to comply with other standards which are not part of the UK's food and feed safety laws. The UK has a high market coverage of farms which are members of voluntary farm assurance schemes, such as [Red Tractor Assurance](#) and [Scottish Quality Crops](#). These farm assurance schemes provide a due diligence defence in many areas, including feed and food safety. Other countries may also have some farm-level standards, but these do not have the same market coverage as in the UK. This is why additional testing and monitoring is applied to imported crops to make sure these meet the UK's legal food and feed standards.

What are the main challenges to the combinable crops supply chain?

One of the core challenges to the sector lies in a decline of cropping diversity. It is of great concern to the wider supply chain that the arable sector is seeing a contraction in the variation of crops grown. Most significant has been the decline in the pulses and oilseeds, which in 2025 are forecast to decline further across the UK. Oilseed output is set to drop below 1m tonnes (0.7mt) for the first time in over 15 years, having been at a level of 2.4m tonnes 12 years ago. This matters, because there is a strong demand for oilseeds and pulses in human food and animal feed sectors, for farmers to grow them to assist with their rotation and deliver financial resilience. Both crop types also have significant

environmental benefits, however such is the perceived risk of growing these crops that UK growers are choosing not to grow them, and put land into environmental schemes, or take land out of production together in favour of energy or housing schemes.

How is the supply chain addressing sustainability issues and data reporting?

Environmental outcomes demanded by end businesses ultimately need be paid for by the market or by way of Government intervention. The role of AIC Members is to help facilitate supply of goods either pre-farm or post-farm and if a new environmental or social standard is sought then it can usually be provided by suppliers, however any cost has to be considered and paid for. There is a role for Government in addressing how to ensure that data on inputs, such as fertiliser, are accurately and consistently reporting across the supply chain, reflecting the variation in fertilisers that are used, as well as their use in imported or embedded commodities.

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