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**Assessment of  
introducing  
Gatekeeping  
assurance into the  
UK**

# Competition Law

## COMPETITION LAW COMPLIANCE

It is the policy of the AIC and its Members to comply with competition law. The guidelines below are intended to assist members in their participation in coalition meetings. The consequences of ignoring the law are extremely serious and include fines of up to 10% of worldwide turnover and a prison sentence of up to 5 years.

### DO

- Review the agenda before the meeting
- Object in advance or during the meeting to any item or discussion that you consider may raise competition law concerns
- Ensure that accurate minutes or notes of the meeting are taken
- Review notes and minutes to ensure that they reflect what was discussed



### DO NOT

- Discuss the following topics without taking legal advice:
  - Selling prices including price changes, discounts, rebates and allowances
  - Any other commercially sensitive data
  - Costs
  - Commercial actions of competitors
  - Terms of sale including credit terms
  - Allocation of customers, territories and contracts
  - Tenders or any other bids for contracts
- Forget that competition law applies outside of the formal meeting itself. This includes discussions pre or post meeting and any follow up actions.

### GENERAL DATA PROTECTION REGULATIONS COMPLIANCE

Meeting attendees acknowledge it is necessary to use their personal identifying data to carry out legitimate business activities on behalf of AIC. AIC's full Privacy Notice can be found at <https://www.agindustries.org.uk/legal>

If you have any concerns or need specific guidance, please contact AIC Compliance Officer or consult external legal advisers.

# Background

Some farmers have looked at imported crop standards where “gatekeeping” is used as opposed to farm assurance that is in place in the UK

- Limited farm assurance within the countries where crop is imported from

AIC scheme rules (specifically UFAS) require farm assurance for UK crops

- Some farmers believe this puts them at a disadvantage

Red Tractor/ NFU have asked AIC to consider allowing non-assured UK crops as another route to market via the Gatekeeper assurance route

# Assessment of introducing Gatekeeping assurance into the UK – areas considered

- How would this new arrangement meet assurance requirements of the UK agri-food supply chain ?
- What are the advantages and disadvantages of this approach?
- What are the cost implications to UK farmers?
- What are the cost implications to the agri-food supply chain?

# Current rules for imported crops 1

## Gatekeeping from first collection

- Collector certified to recognised scheme and knows all farms
- Has supply agreements with all farms covering agronomy, pesticides etc.
- Collector responsible for all storage – will be audited even if on farm
- Routine sampling, analysis, farm audits

## Example: Farmer Co-op in France

- Only grain from members goes into stores
- Co-op responsible for all drying and storage
- Usually supplies seed, agrochemicals
- Local knowledge of weather, mycotoxin risks etc.

# Current rules for imported crops 2

## Gatekeeping further down the chain

- First collection not certified under recognised scheme
- Gatekeeping happens at later step in supply chain
- Auditing farms/ original storage not feasible
- 100% sampling and analysis

## Example: Grain from Hungary

- First collection/ storage happens inland
- Certified gatekeeper purchases at port of loading
- Multiple regions/ farms/ collectors in common bulk at port store
- Independent sampling and testing at loading to monitor compliance

# GMP+ International example

## First Collection – Option 1

- Storage and transport can only be outsourced to GMP+-certified companies (or those with an equivalent certificate)
- There must be a quality assurance agreement between the gatekeeper and the grower / grower-collector. See for an example support document S 9.10 Common daily practice company documents.
- Gatekeeper must retain as documented information:
  - name and address details of the grower/collector from whom products are purchased.
  - the purchased batches of unprocessed agricultural products, including hay and straw
  - results of analysis

## Gatekeeper – Option 2

- Sampling
  - Each batch.
- Requirements for sample takers:
  - Transport per ship or train or in storage: independent superintendent organization accredited according to ISO 17020 or ISO 9001 in combination with a GAFTA approval.
  - Road transport: the certified company applying this protocol.
- Testing
  - For delivery by truck: **every 20th sample must be analysed**
  - Each sample must in any event be analysed for the parameters which are summarised below. If the hazard analysis shows that other parameters deserve attention then these must be analysed as well.
  - **The whole batch must be kept segregated from the other batches**, unless these are tested and approved or GMP+ assured.
- Parameters
  - Salmonella, Mycotoxins, Heavy metals, pesticides, dioxins, PCBs, PAHs

# How could Gatekeeping work in the UK?

Gatekeeping is a part of FEMAS

- Anyone wishing to gatekeep UK crops would need FEMAS

FEMAS would need to expand current sector notes

- Detailed approach as per GMP+ (as a minimum)
- Only allow it at point of first collection?
- Auditing of on farm storage

We must be able to demonstrate that safety is not undermined



# Areas to note

Gatekeeping would be an additional option for UK crop assurance

- Current farm assured route would remain

No business could be compelled to do it

- No customer could be compelled to accept the grain

It would effectively transfer onus from farm scheme/ farmer to gatekeeper

- Legal responsibilities unchanged, but verification of compliance falls to gatekeeper

# So why do it?

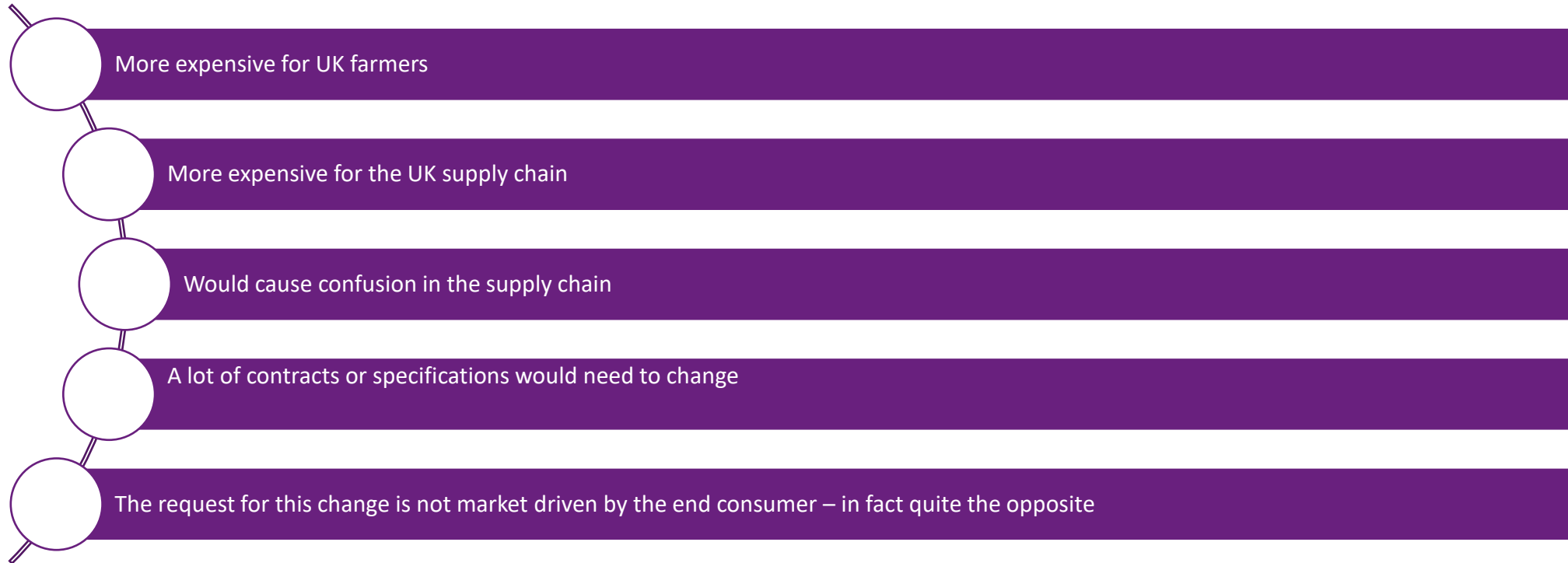
Current rules could be considered unfair/ anti-competitive by some

- Differing legal opinions, only a tribunal could decide

Farming organisations have publicly asked AIC, particularly RTA and NFU

- AIC continually review standard setting and auditing

# Assessment of introducing Gatekeeping into the UK – Summary



# Summary of costs to UK Farmers of NEW Gatekeeper assurance

	RTA audit approx. cost (£)	Gatekeeper cost approx. (£) Option 1	Gatekeeper cost approx. (£) Option 2
Audit cost	500	300	0
Testing & Analysis*		1000	1000
Other costs	Sprayer calibration 100 - 150	Sprayer calibration 100 - 150	Sprayer calibration 1 year in 3
Total costs	600 approx.	1400	1100

\* Source AHDB, all costs would be within a range

# Summary of costs to UK Feed merchants/compounders

	RTA – current system approx. cost (£)	Gatekeeper cost approx. (£) Option 1	Gatekeeper cost approx. (£) Option 2
Audit cost	possible costs depending on contract	FEMAS 1500 p/a ISCC 3000p/a	FEMAS 1500 p/a ISCC 3000p/a
Testing & Analysis*	some analysis	1000 per batch	1000 per batch
Other costs	administration	additional staff, auditing growers/ stores	additional staff, independent sampling
Total costs	500 approx.	4500 approx. p/a + analysis	4500 approx. p/a + analysis

# Advantages and disadvantages of current system i.e. use of farm assurance for combinable crops

Advantages	Disadvantages
One on farm audit only	Perceived lack of fairness by some UK farmers – compared with imported crop assurance
Open access to food, feed and biofuel markets	
Whole of UK agri-food supply chain is based upon this system	
Relatively low cost	

# Advantages and disadvantages of NEW system i.e. use of UK gatekeeper assurance

Advantages	Disadvantages
Equal assurance with imported crops standards	Market confusion with introduction of new assurance option
Offers choice of assurance to farmers	Higher costs for supply chain, passed on to farmers
	Limited markets
	Multiple contracts update
	No access to biofuel market without additional ISCC auditing
	Gatekeeper approach may not be universally accepted – not market driven by end consumer

# Conclusion

Based on the assessment carried out within AIC \*, it is the sector's view that due to the reasons outlined i.e. no customer demand, cost and complexity, UK gatekeeping does not fit well into the current agri-food supply chains for the UK.

As shown, the disadvantages of introducing the gatekeeping approach to UK cereal crops outweigh the advantages at the current time.

\* Discussions have been held with a range of committees within AIC, members of which represent in excess of 90 – 95% of the UK Arable & Marketing and Feed Sector of the UK



# Footnote – open question

Realise this may not resolve Red Tractors/NFU's request.

However, if the driver by some parts of the industry is for alternative farm assurance schemes to give farmers a choice, then maybe this route should be considered by the industry?

Any approach of this nature would have to be acceptable by the end user.

# Footnote – Invasion of Ukraine

We are all painfully aware that since the invasion of the Ukraine by Russia on the 24 February 2022, the worlds priorities have changed.

This is particularly relevant for our members who are now prioritising the smooth running of the agri-supply chain for UK farmers and the agri-food supply chain in these uncertain and turbulent times.

Food security and safety are now of paramount importance, without which the implications would be dire.

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