

OCTOBER 2018 FREQUENTLY ASKED QUESTIONS Crops and Sugar Beet Membership guidelines

As previously communicated, Red Tractor have created new membership rules which will affect contract farmers who do all the day to day farm management on behalf of a landowner/ farm business. This will ensure:

- all assessments are credible and robust focussing on all aspects of the day to day management of the crop production
- assessments are carried out efficiently and without duplication whilst maintaining the integrity of the Red Tractor scheme
- transparent identification of all RT certified businesses for the whole supply chain

Red Tractor have created this FAQ document which covers frequently asked questions on the new membership rules. More information on the new membership rules and a flow diagram of different example farming scenarios can be found here, we suggest you read the guidance document before reading the FAQ document.

1. As a contract farmer, I complete all the day to day farm management on behalf of a farmer/ landowner. Do these rules apply to me?

Yes, the new Red Tractor rules apply to contract farmers who do all the day to day farm management but do not apply to contractors who simply provide services to arable farms e.g. contract spraying. The rules also apply to the farmer/landowner for whom you contract farm (see question 3).

2. I am a farmer/ landowner who shares the day to day farm management with a contract farmer. Do these rules apply to me?

Yes, if you do any day to day farm management these rules will apply to you. You are not classed as an 'owner' member but instead you will need a full Red Tractor membership which will require a separate assessment and the full membership fee.

3. I am a farm business owner/ land owner who does none of the day to day work on the farm as it is carried out by a contract farmer. Do these rules apply to me?

Yes. You have two options:

a. You can have a full Red Tractor membership which requires an assessment and full membership fee. You should arrange this with your Certification Body of choice.

b. Or you can have an 'owner' membership which requires no assessment as it will be linked to a contractors assessment and full Red Tractor membership. With your permission your contractor can make the arrangements for you with the Certification Body.

4. As an 'owner' member what fees do I have to pay and will I have a full inspection?

'Owner' membership requires payment of a Red Tractor royalty fee but no assessment fee. CBs may also charge an admin fee. The 'owner' membership must be linked to a contractors Red Tractor membership whose assessment will cover all the management of all the associated 'owner' crops. The table below helps to explain what fees need to be paid by the contract farmer and the 'owner'.

Owner type	Inspection fee	Royalty fee
Contract farmer	Yes	Yes – Based on own land area. If contract farmer does not own any land then they are charged the lowest royalty rate
Owner members	No	Yes – Based on area owned

5. When will the new rules be implemented?

Red Tractor understands that some members whose renewal was due in October 2018 may have missed the communication on the new rules and already renewed their membership for another year. It is vital to Red Tractor, our members and the trade that these rules are implemented smoothly. We are therefore extending the dates of the new rules by 1 month to November 2018.

As renewals come up over the next 12 months members will at that point transition to the new rules so that by 1st December 2019 all members will be operating on the new rules. This will ensure that all members are given the appropriate opportunity to make the changes to their membership at the time of their next renewal.

6. If I think the new rules affect my farming business, who do I need to contact?

The new rules are being phased in over the course of the next year and are effective for applicable members at the point of their next Red Tractor renewal. Certification bodies will be highlighting the new rules to all members in their renewal communication and those members affected will be asked to change their memberships accordingly. If members have any questions they should contact their certification body who will be able to help them. Contractors can make the arrangement's for the farm businesses / landowners that he contract farms for with their permission.

7. Can the trade continue to accept grain/ sugar beet from landowners/ farm businesses which don't have their own Red Tractor membership?

Yes. Between now and 1 December 2019 it is important to remember that there may still be members operating under the old membership format. Therefore, the new rules should only be implemented for farm suppliers who have an expiry date from 1 December 2019

onwards. All suppliers who have an expiry date before 1 December 2019 should be permitted to continue to sell grain and sugar beet as they have done in the past.

8. Are the Red Tractor grain passport stickers going to be different for an 'owner' member compared to a full member?

No, the grain passport stickers will remain unchanged. Both contractors and 'owners' will be issued with grain passport stickers with their associated Red Tractor membership number detailed.

9. What will 'owner' and contractor memberships look like on Red Tractor industry checker?

All types of Red Tractor membership can be found using the Red Tractor industry checker for Combinable Crops and Sugar Beet. Searching using a contract farmers membership number will display their full Red Tractor certification status and also list all the 'owner' memberships which are linked to that Red Tractor membership. Searching using an 'owners' membership number will display the 'owners' certification status and details of the contractor to whom that 'owner' membership is linked. Therefore searching using either membership number will display the information required by the trade to verify the relevant farm assurance for the business selling the grain or sugar beet.

10. If the Red Tractor certification for the contract farmer is suspended, will all the associated 'owner' memberships be suspended?

Yes. As each 'owner' Red Tractor membership will be linked to their contract farmer's membership then if the contract farmer becomes suspended, each linked 'owner' membership will also be suspended.

11. Can a contract farmer add a new 'owner' membership as a linked membership between renewals?

Yes, a new Red Tractor 'owner' membership can be created or an existing one transferred and added as a linked membership to a contract farmer's membership between renewals. A site assessment will be carried out if a new linked 'owner' memberships is added which was not previously covered under another Red Tractor membership and there are physical elements to be checked eg a grain or pesticide store. This will be required to check the Red Tractor standards are being complied with.

Under these new rules if the contractual relationship changes between a contract farmer and land owner / farm business then both the contract farmer and the 'owner' are required to inform their certification body. e.g. the land owner/ farm business changes contractor. The certification body will help the member through this process.

Example scenarios

The following provides some examples of how the rules affect different contractor arrangements.

- 1. The farmer completes all the work on the farm apart from the pesticide application and drilling, which is done by a contract sprayer who doesn't market any crops himself. The farmer is required to have a full RT membership. The contractor does not need to be RT assured but he will need to provide his qualifications etc to the farmer so the assessor can check under the PPP standards.
- 2. The farmer completes most of the work on the farm apart from the harvesting which is done by a neighbouring farmer who also markets his own crops. Both the farmer and the neighbour are required to have a full RT membership and separate assessments.
- 3. A landowner rents his land to a contractor who does all the day to day work on the farm, markets and is paid for all the crops. The landowner doesn't get paid for any of the crops produced. The landowner does not need to be RT assured.
- 4. A farmer doesn't complete any of the day to day work on the farm, employing a contractor, but gets paid for the crops. The contractor and farmer will have their own Red Tractor memberships, with the farmer being classed as an 'owner'. Both the memberships will be linked.