



Guidance and Rules Relating to Contract Farming Memberships in the Combinable Crops and Sugar Beet

Introduction

This document provides guidance in relation to the Red Tractor membership options for those who work on a contractor basis and the businesses and/or landowners they work with. It should be read in conjunction with the detailed Red Tractor Membership Rules and the membership rules FAQs Document which can be found.

Red Tractor is focused on ensuring:

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

Red Tractor understands that combinable crops and sugar beet farming businesses and trading arrangements can be complex. Contract farming is widespread throughout the industry, and agreements range from contractors doing some, to all day-to-day management on behalf of another landowner or business.

For this reason, we have two types of memberships within the Combinable Crops and Sugar Beet sector:

- Full membership, which is available to landowners and businesses that are responsible for any or all parts of the establishment, management, harvesting or storage of the crop. Full members are assessed against all applicable Red Tractor standards
- Owner membership, where a landowner/business contract **all** establishment, crop management, harvesting and storage activities to another Red Tractor Assured member. In these circumstances, the contractor takes responsibility for meeting the applicable Red Tractor standards.

The contractor provisions apply only to arrangements, where the contractor undertakes the day-to-day management of the farming operation on behalf of the landowner. They do not apply to businesses providing individual services, such as spraying, drilling or harvesting.

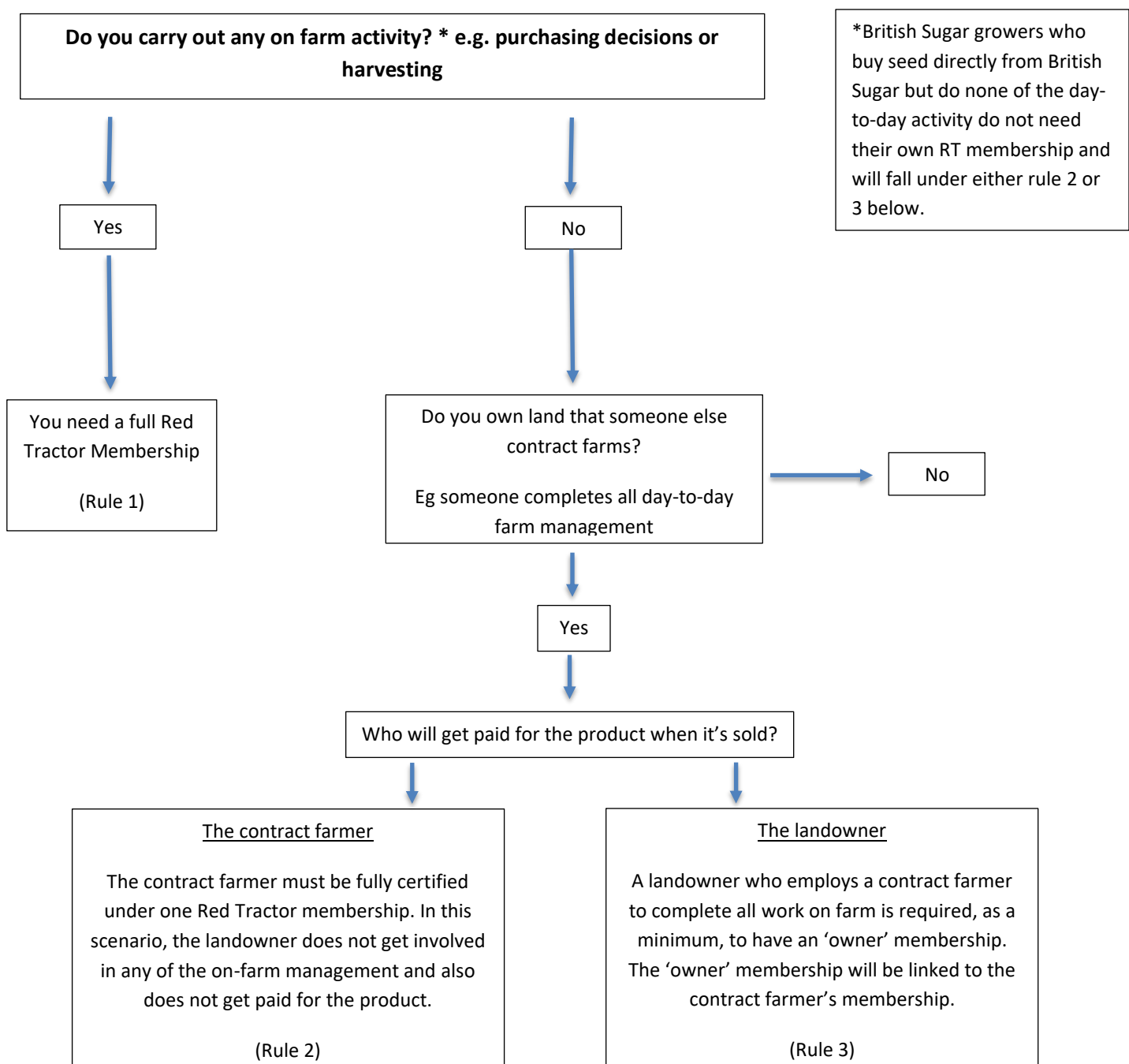
Contractors undertaking contract farming arrangements for Red Tractor members must themselves be Red Tractor Assured and have land entered the scheme.

Landowners or businesses may choose to hold Full Membership even where farming operations are contracted out. However, they will be required to undergo a full Red Tractor assessment and pay the associated membership and assessment costs.

All contractors must have their own land under arable crops to apply to be contractors for other RT members.

The following pages outline the rules, provide example scenarios, and include a flow diagram to help producers identify if a contractor and owned membership set up suits their farming arrangements.

Decision Flow Diagram of Farming Scenarios



Guidelines

1. Farm businesses or landowners carrying out any activity relating to the Combinable Crops and Sugar Beet standards are required to be a fully certified Red Tractor member (even if they use a contractor to carry out some activities, e.g. spraying). *This means they must apply, be fully assessed, and have their own membership number and certification.*

2. Contractors who own land and who carry out all activities relating to the Combinable Crops and Sugar Beet standards on behalf of a landowner or farm business, who in turn are not involved with any of the management, are required to be fully certified under one Red Tractor membership. *This means they must apply, have an assessment covering all aspects of their activities including those done on behalf of another landowner or farmer, all crops' stores and have their own membership number and certification. Details of each landowner or farmer for whom they work must be confirmed to their certification body at the time of application/renewal.*

3. Landowners or farm businesses selling crops under their name, but which have all been grown or managed by a contractor are required as a minimum to have an 'owner' membership. The RT 'owner' membership:

- a. Application must be made to the same certification body as the contractor and at the same time
- b. Must be linked to the contractor's Red Tractor certification – the relationship will be verified during the contractor's assessment to ensure all aspects of the 'owners' crop production are assessed. This means that any change to the contractor's Red Tractor certificate will affect all linked 'owner' memberships. E.g. if the contractor's certificate is suspended for any reason, then all linked RT 'owner' memberships will also be deemed to be suspended.
- c. Is allowed to sell combinable crops and sugar beets as RT assured if the contractor certification to whom they are linked is valid and the appropriate renewal fees have been paid.

Under these rules, if the contractual relationship changes between a contractor and landowner or farm business, then both the contractor and the RT 'owner' must inform their certification body. e.g. the landowner or farm business changes contractor.

A site visit will be carried out on the contractor's membership if a new linked 'owner' membership is added if:

- The new 'owner' was not previously covered under a Red Tractor membership.
- There is something physical on site which needs to be checked, for example a grain or spray store.

- Should an owner member revert to undertaking some/all the operations themselves, then they will be required to have a full Red Tractor membership in their own right.

Charges

The contract farmer will be required to pay an assessment fee and complete a single assessment which will cover the management and spray, fertiliser and crop stores of all the owners' crops. The 'owner' member will be required to pay an RTA royalty fee. Certification Bodies may also charge an admin fee. The table below helps to explain what fees need to be paid by the contract farmer and the 'owner'.

Owner Type	Royalty Fee
Contract Farmer	Yes – Based on own land area.
Owner Members	Yes – Based on area owned

A list of the Royalty Fees can be found [here](#).

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 spray 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. with 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 harvest which is done by a neighboring farmer who also markets his own crops. *Both the farmer and the neighbor are required to have full RT membership and separate assessments.*
3. A landowner rents his land to a contractor who does all day-to-day work on the farm and 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.*

FAQS

A list of FAQs can be found.