

SUPPLEMENTARY INFORMATION IN SUPPORT OF RED APPLICATION

Scottish Quality Farm Assured Combinable Crops Limited (SQC) was formed on 29 April 1994 to launch an on-farm Assurance Scheme for initially cereals, but expanded in 2007 to include all combinable crops, with independently audited Standards. The Scheme was the first of its kind anywhere in the world, and was followed by similar Assurance Schemes in the United Kingdom and elsewhere. SQC is a Company Limited by Guarantee, with the members/guarantors comprising National Farmers Union of Scotland, Agricultural Industries Confederation, Scottish Flour Millers Association, Scottish Agricultural Organisation Society Limited, Maltsters Association of Great Britain, The Scotch Whisky Association, The Malt Distillers Association of Scotland and The Scottish Agricultural College. The Company is controlled by a Board of Directors, responsible for the direction, overall management and administration of the business. SQC operates fully independently and on a not for profit basis.

The initial SQC Standards were drawn up in consultation with maltsters, distillers, millers and feed compounders, the end users of the Scheme, and are designed to increase consumer and trade confidence in both home and export markets by:

- Improving food safety and meeting the requirements of the Food Safety Act 1990.
- Responding pro-actively to consumer concerns about combinable crop production.
- Addressing the environmental responsibilities of combinable crop production.
- Providing provenance and full traceability to the point of first buyer.

The purpose of the Scheme is to ensure that consumers and the trade have confidence that crops are grown on farms with a high standard of management, especially of farm operations which might affect the wholesomeness or safety of the food produced, or the health of the environment and countryside. The Scheme therefore assists farmers to meet their obligations under the Food Safety Act 1990. In 2007, SQC introduced a generic Hazard Analysis and Critical Control Point (HACCP) Plan, upon which all the Standards are now based. HACCP identifies hazards that can occur at any stage in food production, to evaluate the level of risk, to put in place control measures to reduce or remove the risk, and then to monitor that these controls are properly implemented.

Participation in the Scheme is voluntary and open to all producers of combinable crops in the North of Great Britain, an area covering from Durham, Northumberland and Cumbria in England, through mainland Scotland, to the Western Islands and Orkney and Shetland off the North of Scotland. There are currently approximately 3,500 growers participating annually in the Scheme, representing circa. 90% of the total production of combinable crops grown in this area. The remaining combinable crop production tends to be undertaken by smaller scale producers, predominantly for on-farm feeding to cattle, pigs and sheep. Farm Assurance is now a pre-requisite for the majority of users of combinable crops grown in Scotland and the North of England, for example, maltsters, distillers and feed compounders.

SQC ensures that the farms of these participating growers operate production systems encouraging high standards of crop management, operating to the Standards, and subject to an independent annual assessment procedure. Scottish Food Quality Certification Limited (SFQC), a body Accredited to the European Standard EN 45011 (ISO/IEC guide 65: 1966), is the sole Independent Certification Body appointed by SQC to provide the inspection and certification services for the Scheme. The accreditation to EN 45011 is carried out by the United Kingdom Accreditation Service (UKAS). SFQC operates the SQC Technical Advisory Committee (TAC), which is responsible for advising SFQC on all technical matters relating to the Scheme and the Standards.

New growers wishing to participate in the Scheme apply on the SQC Application Form, enclosing the appropriate annual payment. On receipt of the application, a new grower pack is issued, and arrangements are made for an assessment of the applicant's farm. Before the first assessment a new grower will be contacted and an explanation will be given on site or by telephone of the requirements of the scheme and the obligations which will have to be given. This is in effect a pre-audit.

Each participating grower is subject to an annual audit inspection by SFQC, at a different part of the season each year. When the appointment is made growers are reminded of any changes to the scheme and any new documentary evidence which will be required. The purpose of this visit is to provide a Report on the applicant's capability to produce combinable crops in a way that conforms to SQC Standards.

Additional standards have been added to Part II, Standards for the Production and Harvesting of Combinable Crops to enable the accreditation of crops which may be used as raw materials for the production of liquid biofuels, complying with the land based sustainability requirements of Article 17 (3) to 17(6). of the Renewable Energy Directive 2009/28/EC¹. Additional questions will be asked at assessment as to the land classification criteria at 1st January 2008, details of any additional land taken on since that date, and any land converted from protected status at 1st January 2008. The evidence required will be by reference to the Field Data Sheets (IACS 4) submitted with the Single Application Form in 2008, or maps or farm records. From these areas a calculation is made of the area of land which complies with the sustainability criteria of Articles 17(3) to 17(6) of the Renewable Energy Directive 2009/28/EC. Growers must be either fully or partially compliant. This information is held on the SQC database and is made available to traders and processors on the weekly status list referred to above.

Growers will be required to keep a record of crops delivered for liquid biofuel use. These records will be audited at the next assessment, to confirm that all the production for liquid biofuel use came from compliant land. These records must be kept for five years.

The decision to approve participation is on the basis of a review of this Assessment Report, undertaken by an independent and trained Certification Officer. A further 100

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:140:0016:0062:en:PDF>

additional spot-checks are also carried out to ensure that the agreed corrective actions have been taken to rectify non-compliances.

Assessors require either five years industry experience or three years if an appropriate qualification is held, e.g. degree or HND. They complete a training course and undergo a witnessed assessment before being approved to carry out assessments. Approval must be ratified by the TAC and the SFQC Council. Existing assessors undergo refresher training twice a year and are shadow audited on an annual basis. Performance at the shadow assessments is recorded by the Scheme Technical Manager and entered on the assessor's personal file kept in the SFQC Offices. Any improvement required is agreed and monitored. In particular, specific training for the assessors in connection with the RED was given on 6th October 2010, 12th January and 28th September 2011.

The standards are based on Hazard Analysis and Critical Control Point (HACCP) principles. The SQC Generic HACCP Plan can be found in Part IV of the Standards Manual. The Standards, which include environmental criteria, are under the following headings:

1. Standards for the use of fertilisers and manure
2. Standards for crop protection practices
3. Standards for the production and harvesting of combinable crops
4. Standards for the storage and haulage of combinable crops

It is considered a given that growers operate within the Statutory Management Rules and Good Agricultural & Environmental Conditions implemented by the Scottish Government and inspected by Officials of the Government.

Record keeping

SQC supplies a "Scottish Quality Crops Farm Record Book" to all growers to assist them to comply with the Standards of the Scheme. Records may be kept in this book or any similar written or electronic system. The records include sections for:

- General information
- Farm emergency plan
- Guidelines for secure storage of fertiliser on farm
- Pesticide store and stock list
- Rodent records and bait point location plan
- Grain store – Pre harvest hygiene checks
- Glass management plan
- Grain stores – weekly/monthly checks
- A mass balance record (only if partially compliant with RED)
- Grain movement record
- Sprayer self assessment & calibration checks
- Mycotoxins risk assessment for wheat Annual checks
- Machinery Annual Checks
- Field records
- Complaints register

Traceability

Growers are supplied every year with SQC Passports which provide details of the crop type, vehicle and trailer identity, date of loading and other relevant information, including the result of a Fusarium Mycotoxin risk assessment for wheat. The colour of the Passport is changed each year to readily identify the harvest year. The Passport is unique to each grower, showing the name, address and membership number of the grower. The location of the farm can also be identified by the post code.

The membership status of every grower can be confirmed at the point of first delivery by reference to a list updated weekly and sent to participating merchants and processors, or by contacting the SFQC office, or by prior arrangement and by secure password on the SQC web site. The addresses of all growers are included in the weekly list and by cross referencing the county in which the farm is located with the NUTS 3 list attached to the weekly list the NUTS 2 region can be found. The Regional emissions from biofuels cultivation of each NUTS 2 is available to all on the SQC web site. Purchasers use these SQC Passports as evidence that produce is of assured status, and in the case of crops destined as raw material for liquid biofuel, that the crop meets the requirements of Directive 2009/28/EC of the European Parliament and the Council, the Renewable Energy Directive² (Renewable Energy Directive 2009/28/EC).

With the increasing utilisation of arable crops in the production of biofuel, SQC is therefore now applying for recognition by the EU Commission as a Voluntary Scheme in accordance with the land based sustainability criteria of Articles 17(3) to 17(6), 18.1(a-c) and 19(4) of Directive 2009/28/EC of the European Parliament and of the Council, the Renewable Energy Directive, and in particular the following aspects:

- Regional/location identification of feedstock cultivation for use of greenhouse gas default, in accordance with Article 19(4) of the Renewable Energy Directive 2009/28/EC
- Feedstock compliance with Article 17(3) of the Renewable Energy Directive 2009/28/EC on land with high biodiversity value
- Feedstock compliance with Article 17(4) of the Renewable Energy Directive 2009/28/EC on land with high carbon stock
- Demonstration of broader sustainability of the feedstock for biofuels and bioliquids, including soil and water protection, in accordance with Article 17(5) and Article 17(6) of the Renewable Energy Directive 2009/28/EC
- Use of a mass balance system as described in Article 18.1 (a – c) of the Renewable Energy Directive 2009/28/EC with a time period of three months, and any balances being carried forward to the next period.
- Green House Gas (GHG) calculations using default values as far as the point of first delivery, which is also the end point of the chain of custody covered by the SQC scheme

² <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:140:0016:0062:en:PDF>

In summary therefore:

1. Geographical Scope. The North of Great Britain, covering an area from Durham, Northumberland and Cumbria in England, the whole of the Scottish mainland, the Western Isles, Orkney and Shetland.
2. Crops Covered. Winter Wheat and Oil Seed Rape and Maize.
3. Aspects Covered. Environmental and sustainability.
4. Audit Standards. Annual inspections certified by an Independent Certification Body, with up to 100 additional spot-checks to ensure agreed corrective actions have been carried out to rectify non-compliances. New applicants receive an initial assessment visit, to assess their capability to produce combinable crops in a manner that conforms to the SQC Standards.

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