3. Promotion and marketing of dairy and beef products

Introduction

3.1 Agricultural goods have traditionally been sold by individuals, private traders and producers’ cooperatives. In addition, from the late 1930s to the late 1960s, statutory arrangements were used to foster effective production and marketing techniques and to promote sales of specific types of agricultural product. Under these arrangements the Milk Marketing Boards and the MLC were created and given powers with respect to cattle products. Such statutory arrangements provide another example of the long-standing partnership between government and the farming industry.

3.2 At the time BSE emerged there were five Milk Marketing Boards, which were producers’ organisations (each including a minority of independent members appointed by Agriculture Ministers) with statutory powers to buy from producers. This chapter looks at the Boards’ functions and at changes during the 1990s which led to their abolition by 1995.

3.3 The chapter also outlines the MLC’s functions in relation to livestock farming. The MLC’s responsibilities in relation to human and animal health are discussed in vol. 14: Responsibilities for Human and Animal Health. The active role it played throughout the BSE story, mainly in the field of marketing beef products, and the views it offered to government on a number of aspects of handling BSE, are covered in vol. 5: Animal Health, 1989–96 and vol. 6: Human Health, 1989–96. The role of the MLC and Milk Marketing Boards in livestock improvement is looked at in Chapter 5.

3.4 The chapter concludes with a brief review of recent developments between producers and retailers in beef marketing.

Milk Marketing Boards

3.5 In 1986 the five Milk Marketing Boards in the UK together comprised the Federation of United Kingdom Milk Marketing Boards (the Federation). The Federation was formed in 1962 to help establish and develop general UK dairy policy, and to present a united case in discussions with the Government.

3.6 The Milk Marketing Boards’ main statutory responsibility was to regulate the marketing of milk, as past experience had shown that individual and

---

21 The Milk Marketing Board of England and Wales; the Scottish Milk Marketing Board; the Aberdeen and District Milk Marketing Board; the North of Scotland Milk Marketing Board; and the Milk Marketing Board for Northern Ireland. The Boards themselves were established in the Agricultural Marketing Acts of 1931 and 1933 (1955 in Northern Ireland), and their ‘Schemes’ were subsequently amended by the Government to meet changing conditions.

22 Dairy Facts and Figures 1986

23 First established in the Agricultural Marketing Acts of 1931 and 1933.
uncoordinated efforts of farmers to obtain fair prices for their product were ineffectual in maintaining their incomes. The Boards purchased all milk produced, and sold it for liquid consumption or manufacture. Income was pooled and distributed to producers in proportion to the milk they had consigned to the Boards.

3.7 The Boards also offered farm management services to farmers to help increase efficiency on the farm; milk recording schemes to enable farmers to plan breeding, culling and feeding; and general management and herd health schemes. They provided artificial insemination services as well and maintained bulls at stud for this purpose.

3.8 Legislation to abolish the Boards was passed in 1993, and the revocation of their Milk Marketing Schemes took effect from 1 November 1994 (1 March 1995 in Northern Ireland). Since November 1994, it has been open to producers to join voluntary farmer-owned cooperatives which purchase milk from producers. In addition, many dairy companies buy milk from producers, and various independent producer groups have been set up to market their members’ milk. The other functions of the Boards have either ceased, or have been taken over in by the private sector. The breeding and production services were taken over in 1994 by Genus Limited in England and Wales and by the Scottish Livestock Services in Scotland. The Milk Development Council (Great Britain) was set up in 1995 to support on-farm research and livestock improvement work, to prepare industry statistics and to provide market information.24

Meat and Livestock Commission

3.9 The MLC is a non-departmental public body, established under the Agriculture Act 1967, with its members appointed by the Minister of Agriculture. Its activities are confined to Great Britain and relate to cattle, sheep and pigs, and products derived from those animals other than milk and fleece wool. Schedule 1 of the Act sets out detailed functions of the Commission. Those relevant to livestock farming include:

i. promoting or undertaking arrangements for assessing the breeding qualities of livestock and the management of herds to which they belong on the basis of information derived from the keeping of records;

ii. promoting or undertaking performance and progeny testing of livestock, and acquiring and maintaining establishments where such testing may be carried out;

iii. promoting or undertaking provision of artificial insemination services;

iv. maintaining and publishing registers of herds that appear to the Commission to be efficiently managed and conform to standards specified by the Commission;

v. promoting sires of a quality approved by the Commission for breeding purposes;

vi. giving advice and information to livestock producers on commercial and technical aspects of introducing and developing cooperative arrangements for the production and marketing of livestock; and

vii. advising on contracts for sale of livestock and meat.

**Developments between producers, retailers and consumers in beef marketing**

3.10 One of the consequences of the UK population’s increased urbanisation over the last 150 years has been the loss of direct contact between farmers and consumers. However, over the last 10 to 15 years, public interest in the source and handling of foodstuffs has grown – prompted, among other things, by the ‘salmonella in eggs’ crisis in the late 1980s and by BSE. Thus meat retailers, particularly supermarkets, are increasingly interested in quality assurance and controls of various sorts. They have introduced schemes that provide an audit trail from farm to consumer and assurance about the origin, husbandry and health of the cattle and other livestock.\(^{25}\)

3.11 Before the introduction of such quality assurance schemes in the mid-1980s, cattle and beef were largely traded as a commodity product, with little regard paid to the farm of origin. Assurance schemes initially did not make much progress other than in Scotland. However, by 1995 about 30 per cent of all beef produced in Great Britain and about 50 per cent in Scotland came from assurance schemes.\(^{26}\) The MLC has played an active role in fostering and seeking to standardise such schemes.\(^{27}\)