

Media Release



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NPA calls for supply chain reforms to save pig industry's bacon

The NPA has called on the Government to introduce essential reforms across the pork supply chain to avert the collapse of the industry and protect the UK's food security.

The association's submission to Defra's consultation on Contractual Practice in the UK Pig Sector sets out a blueprint for a fairer, more transparent and, ultimately, more sustainable pork supply chain.

Key asks include the introduction of legislation to underpin new pig contracts, which would allow producers, marketing groups and pork processors to negotiate terms that work for all parties, including ensuring a fair price for producers.

The NPA is also calling for better forecasting to improve business planning, as part of a wider drive to increase transparency across the chain, and for pork buyers to make better use of the entire pig carcase, rather than just selective cuts.

The NPA's submission to the consultation, which closed on October 7, comes against the backdrop of a catastrophic 18 months for the industry that has seen producers rack up losses, collectively, of more than £600 million.

Many have been forced out of business, with official Government figures highlighting an 18% decline in the pig breeding herd over the year to June 2022. With average pig prices still well below average production costs, many more producers currently stand on the brink.

NPA chairman Rob Mutimer, a Norfolk pig producer, said: "We believe this process offers real hope for the British pig sector, which has taken an absolute battering over the past 18 months.

"It has become fairly obvious to all involved that the supply chain, as it stands, is broken. Contracts, where they exist, have proved to be not worth the paper they are written on for many, and those producers have been left powerless as their pigs have been rolled week after week.

"Allied with other factors such as Brexit-related labour shortages and soaring feed and energy costs, driven by the war in Ukraine, the situation has left the pig sector hugely damaged to the extent that our capacity to produce pork in this country is now under threat.

"We believe the measures that we and others who have responded are calling for will, if implemented, form the basis of a stronger, more coherent supply chain where all parts have the opportunity to thrive.

“But the Government must act decisively and quickly before it is too late for the pig sector – and in order to fulfil its stated aims of reinforcing the UK’s food security.”

The NPA’s response

The NPA team gathered extensive member feedback from focus groups, online surveys and direct conversations with producers, marketing groups, processors and allied members.

There was a clear acknowledgement from producers and the allied industry that the current contractual system does not function properly and that there is a disproportionate spread of risk through the supply chain that must be addressed.

Our response stressed that change is needed throughout the wider supply chain, including the retail sector, not just between producers and processors.

We made eight headline asks:

1. Contractual practice needs to be underpinned by legislation to ensure accountability and deliver change for all producers and processors.
2. Contracts should follow a framework to allow producers and processors/marketing groups to negotiate terms that work for both parties. We outlined four principles for contracts in line with the powers within the Agriculture Act 2020:
 - Price needs to be fair, transparent and negotiable
 - All parties should be able to negotiate a contract fairly
 - One-sided clauses should be removed
 - A mechanism for dispute resolution is essential.
3. Penalties for out of specification pigs should not deliver a negative or zero value when contracted pig numbers have not been fulfilled.
4. Better forecasting is needed to help inform business planning, including a mandatory monthly pig weaning survey.
5. Processors should submit details of their contracted pig numbers to Defra for price reporting purposes.
6. Full transparency is needed for price reporting mechanisms.
7. Retail, food service and wholesale businesses should formally report the volume of cuts, carcass utilisation and origin of pork on a regular basis.
8. Retail and food service companies need to commit to buying a reasonable proportion of the pig carcass and utilising more British pork from it for products within their supply chains to help improve carcass balance.

Notes to editors

- Read the summary of the NPA’s response [HERE](#)
- More information on Defra’s most recent pig census can be found [HERE](#)
- More information on the UK pig sector’s financial situation can be found [HERE](#)

More information

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