

Tesco welcomes the opportunity to respond to the consultation 'A Healthier Scotland: Consultation on Creating a New Food Body'.

With a team of over 30,000 colleagues in Scotland, working in 194 stores, Tesco is Scotland's leading grocery retailer – in stores and online. We are proud to be a major investor and job creator in Scotland, including in business functions which work across the whole of the UK, and our systems and processes, for example in IT and distribution, reflect this. Scotland is home to our Livingston Distribution Centre and our Dundee Customer Service Centre, and is where our Tesco Bank and Dobbies Garden Centre businesses are headquartered.

Tesco is committed to supporting the Scottish food and drink sector. We work with over 155 Scottish producers - many of whom work with growers, farmers, dairies, creameries and distilleries across the country, supplying our Scottish stores with over 1,600 individual Scottish products. Our Scottish sourcing office in Livingston is dedicated to finding and supporting local Scottish suppliers, and helps provide a route to market for Scottish food manufacturers and growers across our stores in Scotland and our wider UK business. Last year sales of Scottish products totalled over £320m in Scottish stores and over £2.1bn in UK stores, and we are proud that sales continue to rise year on year.

We know that the last few months have been an exceptionally difficult time for the food supply chain, and we are working hard to play our part in ensuring customers have trust in the food they eat. In response to the horsemeat contamination, we made four promises to our customers, and have already made significant progress in delivering on these:

We'll introduce better controls

- We have started a full review of our meat supply chains, examining how we can shorten supply chains, remove traders and increase cooperation between producers, processors and retailers.
- We have implemented a world class DNA testing routine and have already tested well over 1,200 products.
- We are doubling the number of specification checks and microbiological and chemical tests we complete.
- We are doubling the number of visits we make to all sites supplying Tesco products.

We'll bring food closer to home

- We have worked with our suppliers so that we can offer 100% fresh Scottish chicken in all of our ranges in our Scottish stores; the Tesco brand, Everyday Value, Finest and Organic.
- We are conducting detailed customer research to find out what customers want to see on food labels. If our customers want it, we will declare where meat in products was born, reared, killed, processed and packed.

We'll build better relationships with our farmers

- We are progressing with plans for a Finest lamb producer group, giving farmers a guaranteed premium above the market price. This is in addition to our existing

Sustainable Farming Groups for milk, pork and beef farmers, all of which include either a price premium or a price linked to production costs.

- We are finalising the details of new two year contracts for any suppliers that want them, and are now in a position to discuss them with processors and farmers.

We'll create more transparency

- We have launched our Food News website at www.tescofoodnews.com, designed to offer customers greater insight into how their food is produced.
- We have identified potential members and created the terms of reference for an independent panel which will scrutinise our supply chain. The panel will represent the interests of customers and other stakeholders and will publish its reports on our website.

The scope of a Food Standards Agency for Scotland

The key attribute for any government body which provides consumer advice on food safety and standards is trust. The FSA has built an enviable reputation for basing their policies on science and evidence. We therefore believe that any new FSAS should focus on food safety and hygiene, as the FSA does, and operate a science and evidence led approach to build and maintain trust in its advice to consumers. Their various advisory committees, consisting of key representatives from industry, academia, government, health protection and consumers, help build an evidence and factual base for new approaches to be taken, sometimes on extremely technical and complex areas. A new FSAS should work closely with the UK FSA advisory committees and continue an approach of evidence based policy. In doing so, it will be important that the FSAS avoids unnecessary duplication between itself and the work of the FSA. Such an overlap could lead to an overall reduction in funds available in Scotland for FSAS's core purpose of research and surveillance.

To ensure it is seen as a trusted source of science-based food safety and hygiene advice, crucial in the area of food safety policy, the FSAS will also need to ensure it is clearly viewed by consumers as independent of government.

We understand that the FSAS will continue to have responsibility for nutrition policy, as distinct from the FSA, but we believe that broader issues of public health policy should remain within the remit of the Scottish Government. We have been working closely with the Scottish government on issues of public health and health public policy development for many years, and continue to actively engage in policy formation and implementation - for example on alcohol policy, obesity, pharmacy, nutrition and physical activity. Government departments, accountable to the electorate, should take the lead on formulating policy and making policy decisions. Government-led policy making should also ensure policy decisions are taken as part of the Government's broader public health policy strategy, and are coordinated across all departments.

FSAS and our customers

FSAS, like the FSA, must focus on ensuring consumer trust in the food we eat which will only be achieved by employing an evidence based approach, independent of politics. Simply doing things differently in Scotland, to help establish the status the FSAS, risks creating substantial customer confusion, and being counterproductive by weakening trust in food. FSAS must be clear on its approach and purpose at all times.

The independence of the FSAS from government is important and we support the appointment of non-executive members with a consumer interest. Given retailers' extensive expertise in engaging with customers, we hope that the retail sector will be represented.

FSAS and our operations

We are a UK business, providing Scottish suppliers access to the UK market and our operational infrastructure reflects this. We are therefore concerned about the lack of clarity over how a new FSAS will operate and the implications of where it will differ from the FSA in England, and its relationship with regulators at a European level. For example, a key issue for DG SANCO will be satisfactorily resolving the issue of where accountability lies under the EU Competent Authority regime. This should be rectified quickly.

We welcome the commitment in the consultation to work with the FSA and DEFRA and would further welcome the opportunity to work closely with Ministers in the coming months, to assist in the development of FSAS. It will be important that any changes proposed in how FSAS would operate will not disadvantage businesses that have operations across the UK, and must allow for a workable lead in time for retailers.

FSAS and our suppliers

We would urge Ministers to take all reasonable steps to ensure that Scotland's rich and diverse base of suppliers continue to flourish under a new regulatory regime, and the new FSAS is a facilitator of the continued development of Scotland's food and drink sector, particularly in exports, including to the rest of the UK. Different regulatory approaches in the domestic and export markets for Scottish suppliers could add to their cost base, which would put them at a competitive disadvantage.

Should separate approaches for Scotland versus the rest of the UK be adopted, suppliers in Scotland whose main volume of business is outside of Scotland would need to consider which regulatory regime they would work to, which could perversely mean they opt not to supply Scottish consumers, and would mean suppliers would need to choose which market(s) to target.

We would welcome the opportunity to continue to discuss with Scottish government the development of the new FSAS in the coming months, and do not hesitate to get in touch should you have any further questions.