

CERES RURAL RESPONSE TO: COMBINABLE CROP CONTRACTS SURVEY



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INTRODUCTION

Ceres Rural welcomes the opportunity to respond to Defra's public consultation on contractual practice in the UK combinable crops sector, launched on 10 December 2025. This consultation seeks evidence on how contracts for wheat, barley, oats, oilseed rape and other combinable crops operate in practice, with a particular focus on fairness, transparency and the balance of bargaining power across the supply chain.

Considering the period of volatile markets, challenging growing conditions, rising input costs and tight margins, we welcome this consultation to clarity standards, sampling and testing procedures, supply volumes and data/pricing transparency.

Drawing on our work supporting over 1,100 farmers and landowners, this response summarises the themes emerging from grower feedback and identifies practical measures that could strengthen a fairer, more resilient and more transparent supply chain for combinable crops.

BARGAINING POWER & MARKET DYNAMICS

We generally see that growers have access to multiple merchants, allowing them to compare prices and choose between buyers. However, they consistently note that bargaining power shifts significantly when produce issues arise. While merchants frequently apply deductions for grain that falls slightly below specification, growers rarely receive premiums when grain exceeds specification, and there is no averaging mechanism to balance loads that are above and below spec. Although relationships between growers and merchants are often positive, tensions can develop when disputes arise or quality concerns lead to financial penalties.

CONTRACT FAIRNESS & TRANSPARENCY

We feel that most key contract information – such as contract number, dates, addresses, specifications, movement windows, price and payment terms – is clearly presented and relatively standard across merchants. However, transparency issues persist, particularly where additional terms are hosted on merchant websites that are difficult to locate or not kept up to date. While we agree that all agreements should be written, we would emphasise that the longstanding trust – based culture in agriculture should be respected and not undermined by overly rigid processes.

EMPOWERMENT & NEGOTIATION ABILITY

Most growers feel sufficiently empowered to select contract types that best suit their business needs and confirm that some negotiation is possible on terms and conditions, although the degree of flexibility varies by merchant. Negotiating sale prices is typically feasible but limited to a relatively narrow range. Growers generally consider current quality assessment and data provision processes acceptable but highlight that sampling services previously offered by all merchants are now less commonly available, placing greater responsibility on growers to gather representative samples themselves.

MANDATORY & PROHIBITED CLAUSES

We believe that certain clauses should be mandatory in all contracts, including core contract details such as specifications, quantities, movement dates and payment terms. We also emphasise the need for clear expectations regarding ergot management, given the high cost and limited control growers have over its presence. Many argue that mills and maltsters should be required to install colour sorters to manage ergot contamination more efficiently and fairly. Mandatory inclusion of robust dispute resolution procedures is also strongly supported. Conversely, we feel that hidden or implied data – sharing requirements – particularly relating to carbon auditing or provenance information – should be prohibited unless clearly stated and fairly compensated, as such data holds significant value and should not be provided without clear purpose or agreement.

DISPUTE RESOLUTION, DATA PROVISION & WIDER IMPACTS

Growers frequently resolve disputes informally, often absorbing financial losses themselves, and there is a perception that larger merchants can dominate outcomes. There is strong support for ensuring that timely, transparent data – covering weight, quality results, deductions and pricing rationale – is provided consistently for both compliant and non – compliant deliveries. Where independent testing is required, we argue that costs should be shared fairly when both parties rely on the same sampling method. We express no particular strong views on whether regulatory approaches should differ across UK nations and do not anticipate significant negative impacts on businesses or consumers. While contractual elements of new regulations could be implemented relatively quickly, measures involving infrastructure changes – such as mandating colour sorters – would require longer lead times. Finally, we stress the importance of maintaining trust – based relationships across the sector and ensuring that new regulations support, rather than erode, existing positive practices.