# 25 Year Food and Farming Plan
# Summary of Stakeholder Events

**Events:** London Launch Event – 16/07/15
Farming Stakeholder Forum – 4/08/15
Regional Event: Bristol – 15/09/15
Regional Event: Manchester – 24/09/15
Regional Event: Peterborough – 29/09/15

**Summary of discussions:**

# Project Team's Summary

For us, July's launch event in London marked the beginning of a journey – a journey that we believe will make British food and farming a world leader. It is a huge ambition, but it is one we are confident about. The London event was followed by three regional events in Bristol, Manchester and Peterborough during September. It was fantastic to see such a broad range of people from the food and farming sectors coming together to discuss how we can create a compelling vision for the food and farming sector, and make it a reality.

Please accept our sincerest thanks for giving up your time to join us and making the events so positive and full of ideas.

It was clear from our discussions that the road to 2040 is one that industry and government must walk together. We know that government has an important role in articulating a clear and ambitious vision for British food and farming, and in offering a real sense of long-term direction. That is exactly what we will be doing through this work.

We are clear, however, that this vision will only be achieved if you - the people directly involved in the industry– are able to take the lead in delivering the real-world action that is needed. It is your knowledge, creativity and dynamism that will be essential in rising to the challenges and taking advantage of the opportunities that lie ahead.

Clearly, this means that wherever government can get out of the way or **break down barriers** it should. The clear message coming from the events was that much has already been done in this area, but there is still work to do. In the first instance, this means fulfilling the programme of reforms already in train. More generally, it means taking an evidence-based, common-sense approach to regulation across the board.

Still, we recognise that there are areas where government can add real value to the work of industry, especially by acting as an encourager and enabler. This is certainly true on **exports and branding**. There were lively discussions at all the events on this, looking at both how to encourage more exports and how to build a stronger British brand at home and abroad. It is clear from those discussions that a lot more can be done on raising awareness about export opportunities among SMEs, and that government, trade partnerships and levy boards all have a role to play. We are renowned the world over for the quality and integrity of our produce and should be proud of our food heritage. We need to work to ensure the prominent positioning of British food in supermarkets worldwide as well as in the hearts and minds of consumers. To do this we need to adopt a multi-faceted approach to improve this positioning, working through the GREAT campaign and the Great British Food Unit to deliver a clear and consistent message.

Even with the awareness and the willingness to expand horizons, our entrepreneurs will need the capital and investment to enable them to do so. The London launch event included a pair of really positive discussions on **stimulating investment.** Here - amidst a background of spiralling land prices and volatility - the big theme was confidence and how to boost it. Outcomes focus largely on working toward a more ‘helpful’ fiscal and regulatory environment, as well as government ‘dragging’ investment to the UK before it goes elsewhere.

A major theme of the vision is to maximise **productivity** right across the food chain. For this, we need the possible innovation and R&D. This requires a joined-up approach across the whole of government, industry and academia to ensure new ideas and innovations become realities. Related to this is the need to ensure that highly skilled and knowledgeable people are at the forefront of all that is good about British food and farming. The ideas that emerged from the discussions on skills and apprenticeships were extremely valuable. Improving the image of the industry, mapping and promoting the opportunities for progression, and generating a more competitive environment are massive parts of ensuring a dynamic industry that is able to compete on the world stage.

We recognise that industry will face substantial challenges over the next 25 years, so the need for the industry to be resilient is more important than ever. There were very useful discussions at all the regional events about **risk management**, which highlighted the big issues which the industry will need to respond to over the medium to long-term. It is clear that the government needs to encourage an evidence-based and collaborative approach to minimising the environmental, economic and disease-related risks.

The need for government to be joined up and consistent was a common theme throughout all the groups, as was the need for all government departments to practice what they preach. The discussion at the London event on **procurement** took stock of some of the great progress that has already been made in this area, but also highlighted areas where we as a government – and as a client - could do better.

For us, “doing better” as government is what this plan is all about – getting out of the way where we need to, getting involved where we have to, and acting as a unifying force wherever we can. We know that in order to be effective in bringing together those outside of government, we have to be effective at bringing together those inside of it. So let us take this opportunity to reinforce our commitment to ensuring complete coherence and complementarity between this work and that of the 25 year environment plan, and other departmental strategies such DoH’s work on obesity.

These events have allowed us to listen to your views and we are now working to ensure the plan reflects what you have told us. We will continue to work with industry to create a jointly-led plan, both in terms of long-term vision and shorter-term actions to achieve that vision. We hope to publish the plan at the start of 2016.

What we are sharing with you today is a compilation of the views and ideas expressed at the different events. It will influence the contents of the plan, and the nature of the actions that will ensure we see the vision made a reality.

We want to thank you for taking the time to be part of this conversation. It is your insight and experience that make it a conversation worth having. We would also like to take this opportunity to reinforce our gratitude to our industry chairs for making the events such a success.

The FF25 Team

# Barriers to Growth

**Summary**

The challenge was to identify the barriers to progress and then think about how we can remove them. Government and industry have done a lot already – the Red tape review, the MacDonald review and smarter guidance – but can do more. For example: the new Defra strategy on reducing regulation will be part of £10bn savings across government in this parliament. The issue was discussed by groups at all the stakeholder events. An outline of the main points is below, followed by a more detailed summary.

**Headlines**

- Although it was agreed that barriers to growth can vary between sectors, a number of main barriers were identified:
    - Financial, including difficulties accessing grants or funding
    - Inflexible business structures making it difficult for younger entrants to the industry
    - Lack of infrastructure and knowledge-sharing.
    - Regulatory burden and political inconsistencies.
    - Lack of innovation.
    - Consumer trends and perceptions leading to frequent changes in produce demands.
- Potential solutions include:
    - Evidence-based policy to ensure proportionate regulatory requirements.
    - Strong relationships between industry and government, with government providing support, training and a consistent approach to grants and initiatives.
    - Fairer and longer contracts with retailers and smaller public procurement contracts; greater collaboration and benchmarking, possibly through ‘share farming’ structures.
    - Increased funding for long-term sustainability projects and rural infrastructure.
    - Incentives for innovation and development of skills.
    - Influencing consumer trends e.g. encouragement to eat fresh produce and reduce waste.

- There was discussion at the Manchester regional event about potential industry-led solutions, including loyalty with suppliers, providing training, ensuring courses are fit for purpose, promotion of the industry and conducting and funding innovation.
- Overall, it was felt that Defra can take a strong role across government to provide a consistent strategy towards overcoming some of the barriers to growth. While there are some barriers which industry should be tackling, there are others which government is best placed to address, and a clear strategy for this would be welcomed by industry.

**Barriers to Growth:**

- Financial barriers:
    - In a very competitive marketplace, farmers don't receive enough for their end products and therefore have no money to invest. Given the market dynamics, producers have very little bargaining power over the much smaller number of buyers.
    - Contract farmers are often on very short contracts, which discourages investment in innovation.
    - Market volatility and lack of control of variables, e.g. exchange rates – which leads to financial insecurity.
    - Barriers for small farms – under capitalisation, machinery, RDP payments not going towards key farm costs – cow shed, tractors etc.
    - Access to domestic markets can be difficult – public procurement contracts are too big
- Grants and access to funding:
    - Grants not spent in the right way on the right technologies, lack of financial rigour in the investment - lack of effectiveness of grants. Grants and initiatives are often very short-term.
    - Unable to access funding, e.g. if a farm has fewer employees due to increasing automation and improving productivity this can hinder access to grants.
    - There is a volatility and lack of business confidence in the livestock industry, which makes access to finance difficult.
- Business structure and succession
    - Business dynamic for farming is different to other sectors. It encourages a static no change mentality. To drive productivity and growth, succession and mobility is required in the industry.

    - Farms are often too small to be able to invest in building business skills. It is difficult and time-consuming to understand and implement changes/research to look for changes and improvements.
    - The 25 year plan needs to encourage new entrants to the industry by making it more attractive and overcoming problems such as access to land and start-up capital.
    - Often current business structures don't allow a good exit from the sector. The Crown Estates have introduced a scheme to help some of their tenants make a voluntary (assisted) exit so that farm units can be re-tenanted with new entrants and/or more forward thinking farmers.
- Lack of infrastructure and knowledge sharing:
    - Lack of broadband is a problem and makes tasks like registering cattle difficult. It is hoped that new technology (4G/satellite) will bring the cost of installing broadband down.
    - Lack of priority on infrastructure, roads, housing, broadband, mobile infrastructure.
    - Supply of water for crop growth and water as drainage
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    - The knowledge transfer network should be picking up on the excellent work which has been done which could help farmers grow, e.g. in the academic community.
- Regulation and political barriers:
    - A perception of excessive regulation and a lack of support with regulatory requirements. Planning regulations, EU regulations and food labelling regulations were mentioned as particular areas of concern.
    - Lack of communication between departments particularly between DfE and Defra (particularly on skills)
    - Worry about competition with introduction of TTIP, risk of undercutting prices
    - Environmental schemes can put limits in place that act as barriers to growth
- Lack of innovation:
    - Lack of promotion of agri-tech. Lack of private sector money in innovation – in this country private sector money goes into land investment.
    - CAP support for inefficient farming is a big problem – there is not a competitive, efficient market which promotes innovation.
    - More should be done to support local initiatives by LEPs, FEZs and AHDB.
- Customer trends, demands and perceptions:

    - Trends in food buying are significant, e.g. within 5 years a demand for premium burgers at premium prices rose. The current trend is for more ready-to-go food.
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**Potential solutions**

- Political:
    - Scientific evidence-based policy - regulation and schemes have to show that they are worthwhile and having impact based on scientific evidence.
        - Europe - we need to be bringing influence to bear at the early in the commission's better regulation packages, working together in Europe to stem the flow of new regulatory barriers.
    - Government should be forward-thinking and a support mechanism for farmers and producers dealing with regulation.
    - Need more government programme and grant consistency.
- Financial:
    - Fair, transparent and longer contracts with retailers that minimise volatility. A guaranteed fair price for products.
    - Grocery adjudicator should re-look into contracts retailers are allowed to form with processors and producers. Strengthen the power of grocery code adjudicator.
    - Smaller public procurement contracts and better training for procurement officers.
- Collaboration:
    - Joining up research and college establishments, universities and land colleges with farmers on the ground to enable a sharing of knowledge and expertise.
    - More Benchmarking. AHDB should be supporting it. Need to identify local leaders.
    - 'Share farming' structures to reduce problems associated with the farmer perception of being in competition with each other (See NZ case studies).
    - Sectorial analysis – different sectors respond differently to barriers/regulation. Sector analysis could help target where barrier-breaking efforts will bring the most value for effort.
- Investment and funding:
    - Conditions on funding from enterprise zones e.g. funding based on health and sustainability criteria.

    - Land drainage infrastructure investment. Need incentives to achieve sustainability to ensure long-term productivity.
    - Make telecommunications companies act to roll out mobile infrastructure coverage across rural areas.

- Innovation and skills:
    - Chunk of agri-tech should go to farmer innovation that smaller scale farms are involved in, e.g. environmental farming etc. Possibility of smaller pots of grant money available.
- Influencing consumer habit:
    - Encouraging people to eat more fresh produce as part of a healthy diet.
    - Reduction of food waste will help reduce the need to produce more.

**Potential Actions from Industry**

- Loyalty with suppliers.
- Industry led training.
- Adopting standards.
- Conduct and fund some of the innovation.
- Making sure courses available are fit for purpose and what the industry need and wants.
- Industry led activity to promote agri-food as a career of choice, better consistency and more coherence of message.

# Exports and Branding


**Summary**
Promoting food and drink exports is a key Government priority. Boosting our international presence and maximising our export potential will be reflected in the plan. Alongside this will be a drive to accelerate the growth of the British brand, both abroad and domestically. These sessions sought to understand how government and industry can help remove any barriers and help promote this growth.


**Headlines**

- More information and support is needed for businesses to understand what export opportunities are available.
- There are role for both industry and the government in raising exports. Industry can focus on mentoring and training, whereas government can facilitate business' entry into the new market, provide them with guidance with certification requirements and help develop the skills required for success in the new markets.
- Competitiveness is a concern with production costs being lower in other countries. Products must be chosen carefully, building on British strengths.
- As well as opening new markets, Government has a role in research and knowledge of the markets to help businesses with their strategy.
- There needs to be clarity on what exactly the British brand represents, including how it related to Welsh and Scottish products, and a consistent approach for the branding chosen. The British brand benefits from high standards, trust and integrity.
- A multi-faceted approach is needed, with government investing in bringing a strong brand and a communication strategy to educate businesses and consumers as to the strength of the brand. A cultural change is required, with consumers prioritising value over price.

**Increasing Exports**

- <u>Issues with export:</u>
    - Currency exchange rates can have an impact on exports.
    - Problems caused because UK has a history of disease outbreaks so it can be difficult to get certification in place.
    - Many businesses are busy focussing on maintaining domestic markets and that makes it difficult to also focus on exports.

- <u>Information and awareness-raising:</u>
    - There is work to be done to educate businesses, especially smaller businesses, about the opportunities overseas, providing guidance, and instilling confidence. UKTI needs to do more.
    - Businesses would benefit from government sharing market data so that they know where the opportunities are internationally to export.
    - Encourage a focus on Europe for first time exporters.
- <u>Industry support:</u>
    - Successful exporting case studies would create a sense of pride and confidence, and businesses looking to export would benefit from mentoring from those who already do.
    - Trade associations and levy boards have a role to play and should be training members to export.
- <u>Collaboration:</u>
    - Co-ops can work when it comes to meeting the scale of demand for exports.
    - Encourage some altruism and recognise the export cake is big enough for everyone to succeed.
- <u>Government support:</u>
    - Government needs to provide facilitation and expertise to help industry to meet country specific data and other information needs. Government needs to have dedicated teams and better ways of working across Departments.
    - Need to build up demand in the country before seeking certification – requires government and industry to work together.
    - Reduction in red tape is needed to allow more exports, e.g. costs of certificates.
    - Businesses lack language, marketing and export-related skills and this must be addressed.
- <u>Choice of products:</u>
    - Exports should be prioritised to reflect British strengths e.g. lamb and where most impact can be achieved.
    - Global competitiveness a top concern. It might be necessary to focus more on differentiating UK products or to focus supply more on particular consumers, but there are risks in trying to produce for niche markets.
- Innovation is needed in the perishable food sector in order to address issues of export. UK producers cannot afford to use air transport as other countries do. *[P]*

**Building the British Brand**

- What is the British Brand?
    - Red Tractor? Labelling confusion.
    - English, Welsh, Scottish distinction? Is it regional?
- Use of flag:
    - The GREAT programme benefits from using the British flag. It represents British to people which is linked to ethical standards, high standards, trust, integrity.
    - Important to stick with chosen branding long-term and have a common approach to how it is displayed. People understand the British flag.
- Strengths of British Brand:
    - British heritage and its beautiful landscapes are assets when selling products overseas. The GREAT branding can play to its strengths.
    - British produce is renowned for its high quality.
    - There is great trust in British products internationally, largely down to the welfare standards and checks.
    - Consumers focus on freshness which helps the British brand.
    - It's important to make sure the British brand reflects the characteristics underpinning it, e.g. quality, values, a fair price for farmers.
- UK market:
    - The British brand needs to have a domestic focus as well as an international one.
    - UK products need to be part of a total supply business for UK customers so that products from abroad can be sourced when the UK season for a product ends.
- Devolution:
    - Primary products cannot get a price premium unless they are branded with their origin or are value-added. Scottish and Welsh beef/lamb will be branded with their origin but other beef/lamb is not branded British.
    - The British brand would be stronger if all DAs came together under one British banner.
- Find what Britain is best at and promote that, instead of trying to sell everything British (e.g. in the same way that France has wine and cheese).
- Multi-faceted approach:
    - Government needs to invest in building a strong brand, and provide support to businesses in building their brand and making it ready to export *[B]*
    - Communication: managing the media, using it to educate the public about the good things that are happening in the industry *[L]*.

    - There needs to be a marketing campaign demonstrating the strengths of the British brand alongside getting trade agreements.
- <u>Culture-shift:</u>
    - Longer-term strategy involves a cultural change: people buying not for price, but for value (which includes quality).
    - Building a sense of authenticity, quality, pride and honesty about the British brand, as well as a connection to producers (support the farmers).
- Focus on accessing discretionary spend for high value/'treat' products. Where the market is competing with other sectors such as leisure e.g. cinema.

**Market Access**

- Knowledge of markets and market research are key to success. Need to focus on key markets and be ready to exploit when they are open.
- It is vital that Defra has the necessary resources and staff to be able to deal with export certification, open markets and negotiate FTAs. There is a need for government representatives on the ground to speed up market access.
- <u>Which markets?</u>
    - Government are asking industry which markets to open but industry would prefer for Government to decide what the opportunities are to industry and work towards achieving these.
    - Breaking into countries like China is really important, but it can only be made possible by top level/ senior ministerial support on the ground, visiting the countries. Other important markets mentioned are Brazil, Russia, India, Turkey, sub-Saharan Africa, Middle East and Europe.
- <u>Issues:</u>
    - Doing business in international markets is difficult when there is uncertainty over the future of the UK in Europe.
    - Concerns raised around TTIP, and that introducing cheaper products into our market will disadvantage farmers here. This could be mitigated by a strong British brand.

# Investment

*[NB: Investment was only discussed as a separate topic at the London event]*

**Summary**

The food and farming sectors offer good long-term opportunities, and investment should be encouraged. Farmers and food businesses must be willing and able to make the right investments to improve competitiveness. The discussion focussed on how to build investors' confidence and willingness to invest in British food and farming.

**Confidence of a return on investment**

- How to mitigate the impact of poor risk, market volatility and cyclical nature of the businesses. If industry and government work together agriculture can offer a good risk profile.
- More confidence in sectors where you have more control over outcomes – e.g. dairy, although prices are low, the influence of weather, pests is less pervasive.
- Want to see 'match funding' of available grants, e.g. from the EU central Bank. Don't turn away money.
- Venture capital has dried up in this sector; Why? What does the auto sector have that we don't?

**A helpful regulatory and planning environment**

Problem of planning regime stifling expansion. In particular buildings exemption – we need to be able to increase storage capacity for example, to be able to sell into the right market at the right time, but are prevented from doing so.

**A helpful fiscal environment**

- Tax regimes could encourage the right kind of investment (eg reservoirs in the dry East of England, buildings, innovation and science)
- 'Businesses ecosphere' bringing together hothouse of businesses, research, training and academia will also attract investment.
- Patent protection. Intellectual property. There's a mood in the EU against this - that needs to be challenged.

**Government should drag investment to the UK, otherwise it's dragged elsewhere**

- Netherlands, Denmark, Ireland are examples of countries that put proportionately far more resource into getting the trade deals and investment.

- We are competing against many other countries which set their offer out much better (and often have a better offer). There is the substantive work to do to improve our offer, but in addition the feeling was that we don't present our offer well. In particular, multinationals may be deciding in which country to base cross-country production – the UK needs to make itself the best choice.

**Market capacity**

- Domestic market is and will remain the largest market – still some scope to increase capacity
- Export market currently a fraction of, for example, NL. Huge scope for increased capacity for UK food.

**Businesses need to be better**

- Weather events in Australia dwarf our occasional flood or drought, yet they are punching significantly above their weight in terms of innovating, producing, exporting.
- Bottom line, as with any businesses, great product, quality suppliers, loyal customers, up-to-date plant.

# Productivity

**Summary**

Boosting productivity is a priority for the whole economy and there are particular opportunities to do this across the food chain. Innovation, research and development, and development of skills will be central to success. The aim of these discussions were to identify the big productivity opportunities for the industry as well as to identify actions which will increase apprenticeships and support training to ensure the industry has sufficient skills to maximise productivity.

**Headlines**

- The plan must consider what agriculture will need to look like in 25 years, considering that the industry will need to be focussed on sustainability in order to remain productive and competitive. It must be a cross-government plan, co-owned by industry and academia.
- There are economic barriers to increased productivity, with low prices meaning farmers are unable to innovate. Also, the structure of the industry means there is a lack of younger people coming in and a resulting lack of new skills in business management and innovation.
- Better collaboration within the industry and with academic research and advice are essential to boosting productivity, skills and innovation. There needs to be greater investment in R&D, especially in the areas of health and nutrition, food safety, automation and long-term resilience.
- More innovation is needed. It was suggested that there were not sufficient incentives for innovation to be the norm in the sector.
- Resources and training needs to be provided to schools to ensure a good level of education about farming, health, nutrition and the links to science, as well as promotion of career in the industry.
- Quality apprenticeships at level 2 and 3 are important but they need to be made as easy as possible for businesses, for example by cutting the red tape associated with them.
- STEM skills are lacking in the food and farming sectors, as are practical skills needed for work on the farm. Colleges and apprenticeship programmes should address this. Training should be easily available to workers, including self-employed, throughout their career.

**Relevance to the plan**

- Government policy needs to be joined up. There should be a seamless approach across policy, research and regulation and across the current silos of agriculture vs food. We need to ensure an evidence-based approach to the use of technology to ensure investment.
- It is important that we take a future back approach, looking at what agriculture will need to look like in 2040. Agriculture needs to be sustainable and it is important to see competitiveness in terms of dealing effectively with climate change, need for reduced water use, retaining biodiversity and effective waste prevention. Resource protection and natural capital needs to be part of the Plan as they cannot be divorced from growth.
- Environmental issues should be addressed in the Plan rather than in the proposed separate environmental strategy.
- Productivity needs to be market driven. It needs to be connected to end product yield, quality, end user/consumer needs. To achieve this we need a 25 yr plan which is relevant to business, how it operates and in the timescales of business (working to 5 year business plans). Productivity needs to focus on small improvements in lots of areas/sectors to drive a big impact ie not a 'silver bullet' approach.
- Strong decisive leadership is the key – a long term plan is great but it needs the time to be thought about properly. There needs to be a reason for people to get involved – a burning platform – food security is a good example. The concern is that Defra (FF plan) has a very narrow focus – where are public health, animal Health and environmental health? It does need to be broader.

**What is productivity?**

- Farmers often think of profitability as a driver – productivity is no use to a farmer if the benefit of increased productivity goes to the processor or supermarket. Need to ensure productivity doesn't raise risk and that businesses remain stable.
- Competitiveness is the key issue – we need to be more efficient and also be sustainable.
- Banks have the power to drive efficiency (e.g. driving up yields) by refusing more money because of inefficiency.
- The plan needs to provide pragmatic help – look at the plan in 5 year chunks and take a business plan approach to tackling the plan. How we measure success is crucial.

**Barriers to Productivity**

- Economic:
    - When the price is low, farmers are looking for ways to cut money, which means crops are not as well protected and little is invested in raising productivity.
    - Small businesses find it hard to negotiate good deals. Single farmers, for example, are unable to take time out to learn the skills to negotiate.
- Nutrition:
    - Food is an increasingly smaller proportion of spend for families, but the quality of the product being consumed is important. We have to aim for the right nutrition in the right foods at the right price.
    - Improved productivity needs to also into account of the obesity agenda and this demonstrates the need to take a whole Food System approach. Food production is important to deliver nutritious food. The Food System nourishes the whole of society.
- Structure of industry:
    - The ageing farming population are closed to new ideas, and the young, who have been kept out too long, and aren't therefore engaged. Barrier to retiring from the industry is not having a 'dignified exit' – in the past, the herd was the retirement benefit but the value of animals now means they can't provide such a sufficient economic benefit.
    - Some in industry that shouldn't be there; there are too many average producers. For example, need to avoid giving farmers new shiny kit if they're still unproductive with it.
- Must not increase productivity at the expense of soil.

**Communication and advice to farmers**

- Better communication and knowledge transfer between and with farmers was vital to boost productivity, innovation and skills.
- Advice to farmers needs to be zero cost to the farm getting the advice otherwise it will not be used – particularly for those most in need, e.g. farms in the bottom quartile and below average efficiency. The knowledge and economic gap between the top quartile and the rest e.g. tenanted farmers is getting wider.
- Collaboration:
    - Need to improve discussion and share ideas with farmers *[B]*
    - One solution was a virtual network of farmers set up to help resolve issues through other farmers, e.g. distribution of a YouTube clip. A farmer had

joined such a Group called *OKNatArable* and wanted to see this rolled out more widely.

- Farmers still have a very basic level of knowledge – large number of farmers who have email won't share this as they don't want to be in the information loop.
- Contracts from HMG need to include requirements to talk to farmers and reflect this in relevant documents, papers etc. that are produced.

**Research and Development**

- Historically investment in R&D been poor so productivity is less than other countries – need better/more effective investment in R&D. Challenge between industry and academia collaborating – need to address this in the plan.
- Proposed R&D priorities:
    - Automation needs greater investment both on farm and in food manufacture.
    - Focus on long term questions e.g. Crop protection, resilience to increasing frequency of climate extremes, loss of pesticides.
    - Food safety is a huge issue.
    - Need research to influence behaviour change to achieve societal health goals on dietary related disease. R&D needs to look at global issues, obesity and link to broader challenges and nutrition agenda.
    - Focus on nutritional enhancement and link to productivity, needing joined up funding strategies on productivity and nutrition. Breeding needs to help reduce the costs of production and improve quality.
- Farmers need to respond to the market – e.g. producing out of season, producing more efficiently to complete with food from overseas – and need science to underpin.
- The Horticulture Innovation Partnership highlighted as a good e.g. of bringing science and businesses together.

**Innovation**

- Farmers are resistant to innovation and trying things outside their comfort zone. There were links to the succession issues and age profiles. Farmers had to become more efficient and for farming to be more than a lifestyle. The Agri-Tech Strategy was trying to address these issues.
- The metrics and indicators for a sustainable intensification (SI) platform are useful so that production was framed within the SI context.
- Increased productivity was not just about innovation. Farmers need business and management skills so that they can identify innovation, use it effectively and continue to develop it.

- Disease eradication could make a big contribution.  Scotland, Wales and Northern Ireland had a more effective approach.  Need data on the level of endemic disease and a long term eradication plan.
- Data management could be key in 25 years.  The new Informatics Centre will be a very important first step.

**Skills and Apprenticeships**

- Promotion of industry:
    - There needs to be better promotion of opportunities in the industry to schools and colleges, and a drive to make careers in the sector attractive. Often agri-food is perceived as a lower grade industry. Young farmers, LEPs and Brightcrop can help with this promotion.
    - Need more recognition and focus on applied science by HEFCE and research institutes and to support this as a recognised career path – need to promote applied science career.
    - A professional framework for agriculture is needed, and this needs to be more than a portal.
- Education in schools:
    - We need to educate about farming, health and nutrition and look at curriculum to ensure it covers food and farming at all levels. We also need to ensure that schools have resources to educate on food and farming. Currently children education on food and farming stops in secondary schools –we need opportunities to showcase innovation and attract young people into agri-food careers. 30,000 STEM ambassadors across UK but only 300 from food industry (which is our biggest manufacturing sector).
- Apprenticeships:
    - Need to get the quality as well as the numbers right.  Apprenticeships in farming too often used as cheap form of labour – need to avoid this.
    - Quality apprenticeships were not just at level 3 and higher – bulk of industry was level 2 and these were good quality/
    - Finding the right people to do the training of apprentices was an issue.
    - Calls for focus on an older age group, as 16/18 year olds do not have the skills to deal with mechanised farming which means industry has to invest time in training students when they join the business.
    - Calls to consider the amount of red tape around apprentices, which impacts the ability of SMEs to consider having an apprentice.
- Skills:

- The translational research base has fallen away.  Need to develop skills for understanding agricultural systems, for example by encouraging research councils to provide doctoral opportunities on food science to facilitate translational activity.
- Current skills offer needs to reflect farming realities. As technology increases and the sector becomes more mechanised, young people often don't have the practical skills to use the mechanised equipment. This needs to be addressed in colleges and apprenticeships.
- In the food industry STEM skills, as well as those of management, are lacking.
- There is a skills mismatch between young people in schools (DfE), apprenticeships (BIS) and skills funding (DWP).
- If we want to increase inward investment into the sectors, and exports, then we need to have stronger language skills in those entering the workplace.

- Training:
    - The Land-based Colleges were good at launching young people into industry but bad at picking them up during their career. The National College initiative seeks to remedy that e.g. through interactive on-line learning.
    - Need to think about farming and land management in 2040 as this will decide what skills are needed in next 25 years – could link farming and land management as an exciting career in food and drink.
    - Important that standards were defined and were recognised and that farmers could access the right training that was properly integrated – HMG could help employers through e.g. tax incentives to provide more funding for training.
    - Farmers need an offer that they can access in terms of training etc. – problem with mixed farmers and livestock who are surviving on CAP – questions on how farmers can reduce costs, change to robotics etc. when they don't know how to access the right info that would help them up-skill.
    - Composition of labour – self-employed were a large number in the industry – so access to and lack of appropriate skills, accountability, security, career development for them were issues.

# Risk Management

*[NB: Risk Management was not discussed as a separate topic at the London event]*

**Summary**

The Government wants to work with industry to build resilience of the food and farming sector and support farmers in dealing with volatility. The aim of these sessions was to understand the big issues which will most influence the industry over the next 25 years, short and long term, and begin to identify ways forward.

**Headlines**

- Disease was identified as one of the major risks. Potential solutions included calls for an evidence-based policy to plant protection products, research and development of durable breeds with high disease resilience and a joined up government approach to tackling disease.
- Environmental risks include water management and soil erosion. There were calls for improved water management techniques, including investment in large-scale infrastructure and more collaboration between industry and water authorities.
- Economic risks include price volatility, effects of an EU exit on labour market and subsidies, and rising land and energy prices. A more flexible, business-orientated structure in the farming industry was proposed as an important solution, with government advice playing a part. It was felt changes in this area should be market-driven.
- More collaboration would help mitigate economic and environmental risks.

**Risks**

- Disease (linked to climate change and increased trade):
  - TB is continuing to spread through the country, is problematic for livestock, and requires continued focus, particularly in 'edge' areas.
  - Exotic diseases, which will also come from different directions (e.g. African Swine Flu is now a problem from the north).
  - Increasing limitations on pesticides, herbicides, etc. that are available to farmers.
- Environmental risks: farmers are now used to dealing with occasional extreme weather risks, but not yet with regular ones (e.g. consecutive years of drought):
  - Water risks (flooding and drought) - New extraction licencing regime was highlighted as a potential risk.
    - Drought affects both quantity and quality of produce.

        - As southern Europe is able to produce less food (they have depleted their aquifers), there may be pressure on us to compensate (possibly an economic opportunity as well).
    - Soil loss and poorer quality of soils is a major risk to our ability to manage climate change, and soil management needs to rebuild soil resilience.
- <u>Economic/Market risks</u>:
    - Reliance on Eastern European workers, and to a lesser extent Spanish and Portuguese, for manual labour, particularly within horticulture. Risk of leaving the EU if the movement of labour was then restricted.
    - Volatility on global markets, e.g. Russia (due to sanctions) and China (due to recent crisis).
    - TTIP could allow US to sell us food at prices we cannot compete with.
    - Risk of long-term profitability of industry if prices of e.g. dairy do not increase.
    - Power of supermarkets over suppliers.
    - Long-term competition to agriculture from biofuels.
    - Energy prices – rising prices will impact on transport/refrigeration etc.
    - Rising land prices, which could see farmland used for other purposes, such as housing.
- <u>Political risks</u>:
    - Defra seen to have environment-focus, as opposed to being more supportive of growth.
    - Long-term lack of understanding between urban and rural communities
- <u>Risks related to farming culture</u>:
    - Succession – difficulty of getting the young into farming. The risks of this were seen as particularly high in the uplands where the associated risks to landscape were cited.
    - Poor image of farming, with disconnect between urban and rural cited. Demands on teachers presented by national curriculum seen as a risk to raising awareness of food and the countryside.
- Long-term international population growth: in 25 years there will not be enough food for the global population.

**Potential solutions**

- We need an evidence-based approach to policy throughout.
- Need for strategic direction in farming, including dealing with short-term issues (e.g. dairy), number of farmers in the future, and whether we want to see larger farms.
- <u>Disease</u> – response must be long-term to encompass all of these areas:

    - Government needs to ensure that sufficient plant protection resources are available to control disease. This must be done on an evidence-basis.
    - Genetic resource needs to be preserved and utilised in breeding programmes. We should also target the creation of breeds/varieties with durable resistance.
    - Government should manage a risk register of diseases, which is evidence-based and uses industry input to assess the economic impacts of various disease scenarios.
    - We need a joined-up government response to disease. E.g. camphylobacter costs the NHS millions, but preventing it is not led by the NHS.
    - No country has successfully tackled TB without culling of disease reservoir in wild animals (i.e. badgers in UK).
- Environment (water)*:*
    - We need better water management techniques
        - Better water infrastructure (e.g. ability to transfer water between areas, more reservoirs). This would need a long-term vision as larger collaborative schemes are more resilient and cost effective.
        - Better management of extraction licences – not all are currently used.
        - More joined-up water authorities and links between water using sectors.
        - Implementing a hierarchy of water use: where do you turn the water off first – golf courses or irrigation for food production? *[M]*
    - The link between water and food security needs to be made clear in the plan. With some of the most water efficient farming globally the UK could grow its fresh produce sector if water is secured.
    - A landscape scale response is needed on water.
    - Growing crops which cope with excess water, e.g. bulrush, arrowhead.
    - Better collaboration, which will help our responses both to climate change and to volatility. E.g. co-operatives. Could be encouraged through tax incentives. Food Enterprise Zones will help collaboration further.
- Economic:
    - The market should lead change.
    - Strong UK branding will protect from cheaper international produce.
    - Innovative contracts can help, e.g. short-term special offers in retailers to reflect farms' surpluses of certain products in a short time-frame (within days).

    - We need to accept that there will always be unpreventable price volatility (e.g. due to weather extremes or because of political risks) and industry needs to build resilience into its planning to allow for this..
    - Fewer subsidies would encourage structural change and poorer producers would be replaced with new entrants and more productive businesses.
    - Farming needs to be structured to be able to expand and contract in response to market forces. This requires liberalisation around e.g. land tenure.
    - Negotiation of TTIP that will not undermine British food and farming.
- Use of futures markets to offset risks.

# Procurement

*[NB: Procurement was only discussed as a separate topic at the London event]*

- Government must be the exemplary client it needs to be: fully commit and deliver.
- Agri-tech steered toward helping Balanced Scorecard standards to be met. Unlock and enable innovation
- Back and nurture task groups in place to fully unlock goodwill and energy.

**Summary**

- Agri-tech research funding should be used to help develop the competitiveness of the British farming community.
- Problems with the score cards system as it could draw in local produce into the local supply system at the expense of competitiveness. The local market needs to be competitive. The focus should be in making the raw materials meet the standards.
- We have a world class farming system and we should use the Food Enterprise Scheme to promote UK farming and show the produce on offer.
- Better learning is linked to better food and with the use of score card in procuring food for school meals and the help of ‘food for life’ we could improve food in school.
- Would like to see case studies to should how the score card had worked to involve other government departments. A network of regional food groups could be developed across the UK so they could share knowledge and help in the procurement of local food.
- Any score card system should embrace local and devolved differences.
- Shouldn’t see the score card as the final solution. It should be the minimum. We should try to develop the system to find the people willing to go the extra mile and encourage difference. Retailers should be able to have points of difference.
- Score card system should not be looked at uncritically. We should want a system that rewards British farmers that were improving welfare standards, improving environmental standards (especially around soil quality) and improving public health and nutritional quality of the food. We should be critical around support for the Agritech community and it should be linked to improvements in welfare standards. He asked the question: “What would welfare standards look like in 25 years’ time?”.
- Secretary of State may wish to visit a gold standard hospital. It would send the correct message to the procurement community in rewarding excellence. The balanced score card approach should be promoted across Government. Defra should renew its efforts on promoting proper procurement procedures for all food eaten out of the home.