

Feeding the nation: shaping the first national food strategy in a generation

Blog post by Senior Associate Johnny Luk, 8 October 2021

In 1947, Clement Atlee was UK prime minister, the UK's NHS was yet to be established and the Second World War still scarred the landscape, with rationing in force. That was the last time England's food and drink policy underwent major reform, with that year's Agriculture Act.

That food and drink policy has gone unexamined since then seems a glaring omission in light of the transformed society, economy and environment that has evolved over the last seven decades. It was this observation that led to Michael Gove, the then-environment secretary, commissioning a formal UK National Food Strategy in 2019. Another two years on, a government white paper is due to be published in the coming months.

As part of this process GC has been working with the UK Food and Drink Sector Council (FDSC) as it formulates a major new statement of the sectors ambition for the whole UK supply chain, from farmers to restaurants, small manufacturers to global food brands and retailers. The report aims to stand alongside food entrepreneur Henry Dimbleby's report published in July 2021, which offered a number of significant proposals for reform, and with which the FDSC shares much of its analysis, vision, and prescription - particularly on food education, the need to improve our food culture and the question of farming subsidies.

To my mind, a coherent government strategy needs to answer three questions: how can we make the sector more productive and competitive? How do we make the sector more environmentally sustainable? And how does the sector add even more to our wellbeing?

On the first question, it is clear there is consensus from industry and in the government that productivity, people, and innovation are key to achieving the sectoral GVA increase of a third by 2030 that the FDSC advocates. One opportunity is tapping into the government's commitment to spend £22 bn per year on R&D by 2027, but the sector recognises it needs to be better at advocating and pitching for its fair share of funding.

Similarly, the report identifies the need to better attract talent and upskill colleagues, helping them to embrace the opportunities that come from innovative use of tech and data. The fragmented nature of the sector and the slim margins it operates on compound these challenges. The government will have an important role to help tackle these challenges as part of its levelling up agenda.

A similar approach, of collaboration between the government and industry, needs to be taken to boost exports. The sector is keen to sell their quality products worldwide. Yet at present just 1% of

exporting businesses account for over half of the UK's total food and drink exports, meaning most SMEs are barely exporting at all.

The paper advocates support to help identify opportunities to change this, reducing trade frictions with existing agreements with the EU and emerging deals such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The creation of a novel agri-food export body for England that works closely with the devolved administrations to develop a more collaborative approach to export promotion is also advocated in the paper.

On sustainability, a pressing issue is taking the opportunity provided by Brexit to replace the UK's current subsidy system, which is based on acreage farmed, with a system of financial support for farmers that recognises environmental goods instead. Farmers see themselves as stewards of their environment and should be championed and supported in this task, but the FDSC report also urges that subsidy encourages sustainable food production.

However, sustainability needs greater emphasis across the entire food chain and not just on farms. The FDSC report advocates the whole food chain doing more to reduce plastic packaging, limit food waste, and use new energy sources, including hydrogen, to lower carbon emissions. Consumers will also need to be equipped to make informed purchasing decisions, and so information displays, whether digital or through clear labelling, will also play a role.

Informed choice is also crucial for the third question, on improving wellbeing. The covid-19 pandemic provided a jolting reminder of the importance of public health. The industry is navigating a narrow path between consumer choice and having a longer-term healthy diet. Ideally, those two objectives are not mutually exclusive, with voluntary reformulation from the industry making encouraging progress without compromising on taste, essential in taking customers with them through the journey. At the root of the FDSC's recommendations in this area is a new ten-year government strategy encompassing obesity and balanced diets focused on changing the food culture in the UK to improve diet and nutrition based on insights of what we eat, why we eat it and how change can be delivered.

Many of the issues facing us in developing a coherent national food strategy are interconnected. Increasing innovation is fundamental to boosting productivity and sustainability, but neither can be achieved without motivated and skilled people. Empowering consumers to make healthy choices without penalising those on low incomes, also means working closely with the community and addressing larger societal issues. These interconnected relationships show the need for the government to work closely with industry, just as it has done during the pandemic successfully, where it helped unblock supply chains and enabled easier outdoor trading, providing positive lessons for the future.

While these questions are challenging, there is good reason to be optimistic, considering the way the food system has met the challenges thrown at it in the last 75 years. But companies in the sector and investors in them also need to recognise and embrace the need for change, evolving regulation and a changing approach to sectoral support. The next ten years will be an interesting time to be feeding the nation. You can read the full FDSC report [here](#), and the press release [here](#).