



## DEBATE PACK

Number CDP 2016/0003, 5 January 2016

# Debate pack: Food security

This pack has been prepared ahead of the debate on Food Security to be held in Westminster Hall on Wednesday 6 January 2016 at 2.30pm. The Member in charge is Derek Thomas.

The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

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# 1. Library briefing: Food security

## Overview

**“Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life”. (UNFAO definition, World Food Summit, 1996)**

*...In the UK we cannot take food security for granted as it is inextricably linked to global production, demand and supply. The UK has a small land area and a large population to feed, which requires well-functioning markets and a vibrant farming and food industry, both of which make a significant contribution to our economy.<sup>1</sup>*

*(Sir Mark Walport, Government Chief Scientific Adviser, November 2013)*

- Defra is the lead Department for food security and takes responsibility for ensuring that it is a priority across all relevant policy areas throughout Government.<sup>2</sup>
- Food supply in the UK is classed by the Government as a critical national infrastructure (CNI) sector. Defra prepares a sector resilience plan annually.
- Agriculture and the implementation of the CAP is a devolved whilst overall food security planning is a UK issue and Devolved Administrations work with Defra to ensure that the Resilience Plan covers the entirety of the UK.<sup>3</sup>
- Over half of the food consumed in the UK is UK grown and the nation has a good diversity of suppliers from Europe and around the globe.
- The UK Government considers UK food supply to be resilient because of the size, diversity, and strong contingency planning in the food industry sectors which has responded well to potential disruptions to supply in recent years e.g. flooding.
- The House of Commons Environment, Food and Rural Affairs Committee has considered all aspects of UK food security in its reports, [Food Security](#) (June 2014), [Food Security: Demand, Consumption and Waste](#) (January 2015), [Securing food supplies up to 2050: the challenges faced by the UK](#) (2009)
- The Committee has highlighted that the UK currently enjoys a high level of food security, but that this situation will not last unless the Government plans now for future changes in UK weather patterns and the changing global demand for food.
- Under the Climate Change Act 2008, the Government has a statutory role to produce, on a five-yearly cycle, an assessment

<sup>1</sup> Global Food Security, *Global Food Security Strategic Plan 2011-2016* (updated November 2013), Foreword

<sup>2</sup> HC243 Fourth Special Report, Food Security: [Government response to Committee's Second report of Session 2014-15](#), 1 July 2015, para 1

<sup>3</sup> Cabinet Office, [Sector Resilience Plans 2014](#), August 2014, p.5

of the risks and opportunities for the UK arising from climate change.

- The Committee on Climate Change's latest report to Parliament, 2015 [\*Progress in Preparing for Climate Change: 2015 Report to Parliament\*](#) (June 2015) highlights that there has been a decline in investment in England into research and development of new approaches and technologies that would boost the resilience of agriculture and forestry to climate change:<sup>4</sup>
- Farmers hit by the 2015 Xmas floods in Lancashire and Yorkshire will receive emergency funding of up to £20,000 each for uninsurable losses from an extended Farming Recovery Fund. The grants can be used to help restore soils, rebuild farm tracks and repair flood channels.<sup>5</sup>

### Self-sufficiency<sup>6</sup>

- 54% of the food eaten in the UK in 2014 was grown here
- 22 countries (including the UK) together accounted for 90% of UK food supply in 2014
- The leading foreign suppliers were: The Netherlands (5.6%), Spain (5.1%), Germany (3.1%) and the Irish Republic (3.0%)
- The self-sufficiency ratio in 2014 was 62% for all food and 76% for indigenous type food. This is akin to 2012 figures after a weather related dip in 2013.
- The Food Production to Supply Ratio (commonly referred to as the "Self-sufficiency Ratio") is a broad indicator of the ability of UK agriculture to meet consumer demand.
- The ratio is calculated as the farmgate value of raw food production (including for export) divided by the value of raw food for human consumption.
- The ratio was at a peak of almost 87% in the early 1990s declining to 77% in 2012. The UK Government attributes this to the overproduction caused by CAP subsidies linked to production in the 80s and believes that the ratio has been relatively stable as this effect has receded. Levels in the 40s, 50s and 60s were lower than they are today.
- The National Farmers Union would like this figure to be higher and has been raising concerns about the long term trend for declining self-sufficiency in terms of the Food Production to Supply Ratio.
- However, there is no universally accepted optimum level of self-sufficiency.<sup>7</sup>

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<sup>4</sup> Committee on Climate Change, [\*Progress in Preparing for Climate Change: 2015 Report to Parliament\*](#), June 2015

<sup>5</sup> Defra Press Release, [\*Farming Recovery Fund extended to all parts of Lancashire and Yorkshire\*](#), 31 December 2015

<sup>6</sup> Defra Food Statistics Pocketbook 2015, September 2015

<sup>7</sup>ibid

- The UK Food Security Assessment (2010) noted that UK food security depended on being able to source food from a variety of countries and that this diversity of supply enhanced security by spreading risks, widening options and keeping prices competitive.<sup>8</sup> This need for resilience is also acknowledged by stakeholders such as the Country Landowner's Association (CLA).<sup>9</sup>

### Improving self-sufficiency in indigenous fruit and vegetables

- There will always be UK food imports - the UK does not have the growing conditions to supply all types of produce or some produce as cheaply or for as long a growing season as a country where growing conditions are always more favourable.
- However, it is widely acknowledged that there is an opportunity for the UK to import less indigenous fruit and vegetables. The UK only supplied 23% of its fruit and vegetable needs in 2014.<sup>10</sup>
- 'Fruit and vegetables' has the largest trade deficit. In 2014 imports cost £8.7 bn while exports were worth £0.9 bn, giving a trade gap of £7.8 bn.<sup>11</sup>
- The UK's production to supply ratio is 55% for fresh vegetables and 10% for fresh fruit. This rises slightly to 57% for indigenous vegetables, but more markedly for indigenous fruit to around 34%.
- This issue was flagged by the House of Commons EFRA Committee in its 2014 report on [Food Security](#) and acknowledged by the Government in its response.
- To address this situation, the Agriculture and Horticulture Development Board has been helping farmers to extend UK growing seasons for cherries, strawberries and asparagus.<sup>12</sup>

### UK Productivity

- [Defra statistics](#) from October 2015 confirmed a decline in the profitability of almost all farming sectors between March 2014 and February 2015.<sup>13</sup>

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<sup>8</sup> HM Government, Food 2030: How we get there, January 2010

<sup>9</sup> Cm 243, [Second report of the House of Commons Environment, Food and Rural Affairs Committee: Food Security](#), Session 2014-15, July 2014, paras 14-16

<sup>10</sup> Defra, [Food Statistics Pocketbook 2015](#), September 2015

<sup>11</sup> Defra, [Agriculture in the United Kingdom](#), May 2015

<sup>12</sup> HC243 Fourth Special Report, Food Security: [Government response to Committee's Second report of Session 2014-15](#), 5 September 2014

<sup>13</sup> Defra, [Farm business income by type of farm in England 2014/15](#), 29 October 2015

- In 2014 the United Kingdom was the largest producer of sheep meat and goat meat, accounting for around 40% of EU production. The UK was the third largest producer of wheat (2013), milk and beef and veal in 2014 in the EU behind France and Germany.
- Although the UK has its share of star performers, a recent [report](#) to the 2015 Oxford Farming Conference indicated that overall UK farming competitiveness and productivity was declining. It cited a range of factors which included a lack of research investment.<sup>14</sup>
- A variety of factors are in play from the price of inputs, and currency changes. Countries such as Australia and New Zealand have high meat production and little state support so they often sell produce at near world market prices and are seen as very competitive although longer food supply chains bring more uncertainty and risks.

### Commodity prices

- The FAO Food Price Index is a measure of the monthly change in international prices of a basket of food commodities.<sup>15</sup> After a major spike in 2007 and 2012 the index has been falling in recent years. See Fig 1 below.
- In the UK there have been particular concerns about the milk and lamb prices this year putting pressure on farmers.
- In October 2015 the UK average farm gate milk price increased to 24.23p per litre. This represents a 2.6% (0.62p per litre) increase on September 2015 (this increase is partly affected by bonus payments to some producers). The average price remains 18% lower than in October 2014.<sup>16</sup>
- [Data from ADHB Dairy](#) based on actual contracts shows a range of average annual prices ranging from 33.38p per litre down to 16.65p per litre.<sup>17</sup>
- Some farmers have said that they are being paid below the price of production with the pressures on global dairy prices. However, this tends to be farmers who are not supplying directly to supermarkets or supplying niche markets e.g. organics.<sup>18</sup> Those supplying directly to supermarkets are paid according to formulas based on the price of production.

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<sup>14</sup> Oxford Farming Conference Report OFC 15, [The Best British farmers- What gives them the edge?](#) January 2015

<sup>15</sup> . It consists of the average of five commodity group price indices, weighted with the average export shares of each of the groups for 2002-2004.

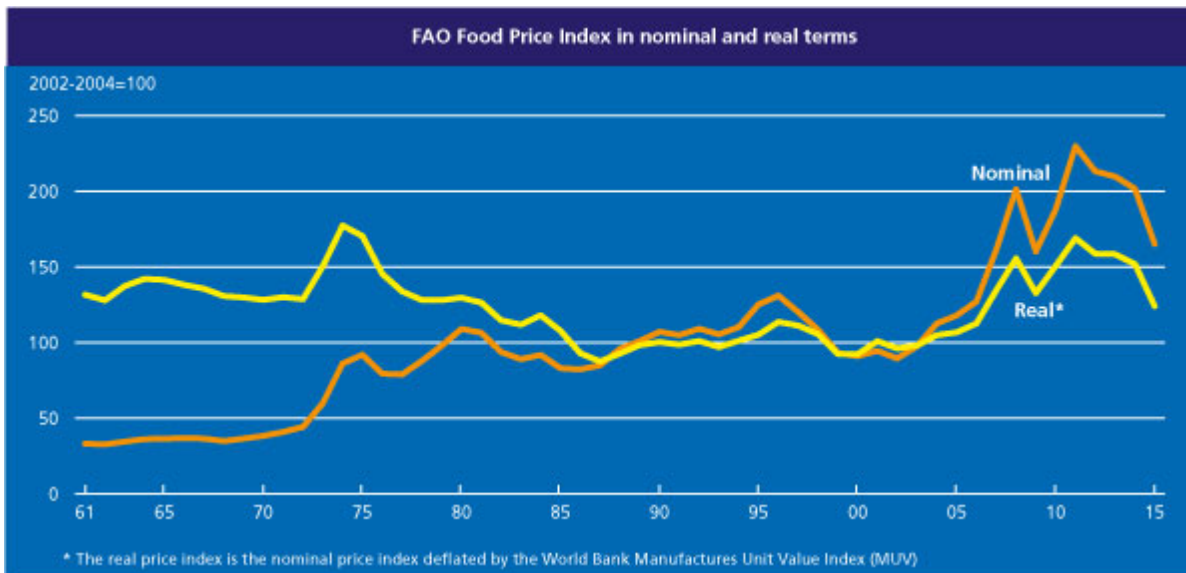
<sup>16</sup> Defra, [UK milk prices and composition of milk statistical notice](#) (data to October 2015), 26 November 2015

<sup>17</sup> ADHB Dairy, [Milk: League Table](#), 7 December 2015

<sup>18</sup> NFU Online, [Sector review of the year: A roller coaster ride for dairy](#), 22 December 2015

- Lamb prices have tracked well below the five-year average this year. Strong sterling and lower demand in the UK and in Europe put the lamb price under pressure as well as increased UK production (up 4%) and New Zealand lamb displacing British lamb in the peak season.<sup>19</sup>

**Figure 1: FAO Food Price Index 1961-2015 (Source: FAO)**



### Food Prices<sup>20</sup>

- UK food prices on the whole are the lowest in the world after America.<sup>21</sup>
- Food prices rose 11.5% in real terms between 2007 and their peak in June 2012 as measured by the Consumer Price Index, following a long period in which they had fallen. However, gradual price reductions since 2013 have reduced that real terms increase to 8% compared to 2007.
- Successive spikes in the price of agricultural commodities since 2007 have led to higher retail food prices. They have not returned to low price levels pre-2007.
- From June 2014-15 food price inflation has fallen in real terms by 2.1%
- Those on lower incomes tend to buy different food items to those on average or high incomes but Defra estimates that

<sup>19</sup> NFU Online, [Sector review of the year: 12 months of momentous challenges in livestock](#), 22 December 2015

<sup>20</sup> Defra, Food Statistics Pocketbook 2015, September 2015

<sup>21</sup> Oral Evidence to the House of Commons Environment, Food and Rural Affairs Committee: [Farmgate Prices \(HC 474\), Q455](#), 16 December 2015

these different shopping baskets have risen at about the same rate.

- Averaged over all households 11.4% of spend went on food in 2013 but 16.5% for households in the lowest 20% (by income).
- A rise in food prices is more difficult for low income households to cope with because those on low incomes spend a greater proportion of their income on food. A rise in food prices has a disproportionately large impact on money available to spend elsewhere.
- A 2011 Foresight report on food and farming noted the difficulties of formulating a policy response to food price volatility without distorting markets and suggested that food affordability issues were best dealt with by creating safety nets for those most impacted.<sup>22</sup>
- Library briefings [Food Banks and Food Poverty](#) (April 2014) and [Food Prices and Affordability](#) (October 2012) provide further details on these issues and the impact of previous spikes in food prices.

### **Buying British**

- All of the large UK supermarkets have initiatives to support UK farmers in different ways and many seek to particularly promote UK food when it is in season e.g. apples and fresh lamb.
- The National Farmers Union (NFU) has acknowledged that UK retailers are seeking longer term relationships and contracts with UK farms.
- An NFU survey in 2014 found that all nine of the major retailers it surveyed stocked 100% British eggs and milk. Morrisons had the biggest commitment across more categories than any other retailer with 100% British milk, eggs, fresh chicken, beef and pork. Some retailers e.g. Asda were also starting to source more British food for ready-made meals.<sup>23</sup>
- Defra launched a 5 year Great British Food Campaign in November 2015
- Secretary of State Liz Truss has pledged to make 2016 the Year of British Food, with a series of celebratory events. She has also confirmed the creation of a Great British Food Unit early next year, joining together Defra and UKTI's work to more effectively promote

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<sup>22</sup> Government Office for Science, Foresight, *The Future of Food and Farming: Challenges and Choices for Global Sustainability- Final project report*, 2011, para 4.1

<sup>23</sup> [Wide gap in supermarket commitments to sourcing British produce](#), *Farmers Weekly*, 5 March 2014



exports, support inward investment and champion the excellence of British food and drink.

- NFU Scotland recently observed that:<sup>24</sup>

...the Scottish and UK rhetoric on exports, branding and growth has not matched up with the level of promotion funds going to the UK, and this needs to change.

UK Government should draw down EU promotion funds in order to meet this end, as well as engaging and integrating UK Trade and Investment with the Scottish trade promotion bodies, in order to open and promote Scottish produce in new and emerging export markets.

- The dairy industry is advocating mandatory Country of Origin Labelling (COOL) to help consumers buy British. The Government is supporting such labelling at EU level but in the meantime is encouraging existing voluntary labelling codes to be more widely used.

### Assistance to dairy farmers

- This year the farming unions across the UK have highlighted that the farming sector, particularly the dairy industry has been hard hit by volatility in global commodities and depressed prices.
- In November 2015, the European Commission reacted to the situation by providing a EURO 5 billion aid package to the industry.
- The UK received the third highest allocation from this package at £26.2m (2.3m share for Scotland).
- Payments to farmers have been allocated in all parts of the UK according to milk production. Scottish farmers are getting the largest payments, around £2,500, because they have larger dairy units on average.
- Tesco, Morrison's and Sainsbury's have all confirmed to the Commons EFRA Committee that their retail price of milk is decoupled from the price they pay their farmers. Hence, the retail price does not reflect the price that they pay their farmers.<sup>25</sup>

### 25 year food and farming plan

- Defra is currently working with the farming industry to develop a 25-year food and farming plan to increase competitiveness across the entire food chain, "helping the UK to become one of the most innovative food nations in the world".

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<sup>24</sup> NFU Scotland, [Parliamentary Officer's blog](#), 14 September 2015

<sup>25</sup> Oral Evidence to the House of Commons Environment, Food and Rural Affairs Committee: [Farmgate Prices \(HC 474\)](#), 16 December 2015

### **Agri-tech support**

- The Government invests £450m on food research. Additionally, the UK Strategy for Agricultural Technologies (2013) is supported by £160 million of Government investment to be matched by private sector funding.

### **CAP Support**

- The UK will receive from the CAP, €25.1 billion in the form of direct payments and €2.6 billion in funding for rural development programmes under Pillar 2, between 2014 and 2020.
- The allocations of funding across the UK were made on the basis of the previous round. However, the Scottish Government believes that Scotland should have received a higher share to reflect the fact that its low per hectare payments helped the UK to qualify for an extra CAP payment by lowering the overall UK average payments.

## **Self-sufficiency: Imports and Exports**

The UK food and farming industry operates in a complex, global commodities market affected by the uncertainties of global geopolitics, currencies, and the weather. Suppliers and buyers can switch their market strategies to accommodate these changing tides and therefore import and export balances will reflect supply and demand around the world at any given time.

The UK Food Security Assessment (2010) noted that UK food security depended on being able to source food from a variety of countries and that this diversity of supply enhanced security by spreading risks, widening options and keeping prices competitive.<sup>26</sup>

There is no universally accepted optimum level of self-sufficiency.<sup>27</sup> However, the National Farmers Union (NFU) has been raising concerns about the long term trend for declining self-sufficiency in terms of the Food Production to Supply Ratio (see below).

### **Food Production to Supply Ratio**

The Food Production to Supply Ratio (commonly referred to as the "Self-sufficiency Ratio") is a broad indicator of the ability of UK agriculture to meet consumer demand.

The ratio is calculated as the farmgate value of raw food production (including for export) divided by the value of raw food for human consumption. It provides a broad indicator of the ability of UK agriculture to meet consumer demand.

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<sup>26</sup> HM Government, Food 2030: How we get there, January 2010

<sup>27</sup>ibid

Defra's UK Food Security Assessment (January 2010) notes that:

- a high production to supply ratio fails to insulate a country against many possible disruptions to its supply chain.
- sourcing food from a diverse range of stable countries, in addition, to domestically enhances food security.

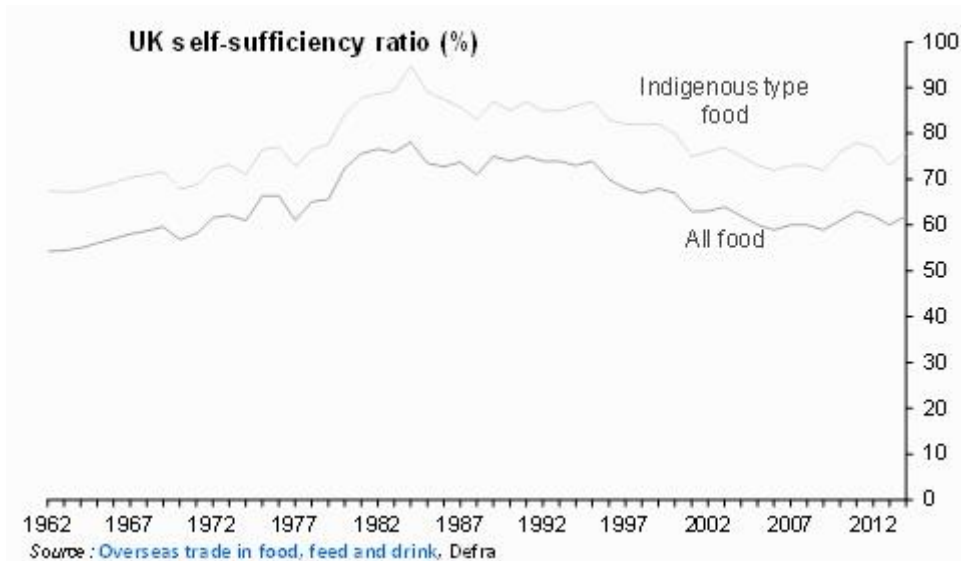
Defra's [Food Statistics Pocketbook 2015](#) details the current trends in UK food production:

- The self-sufficiency ratio in 2014 was 62% for all food and 76% for indigenous type food (i.e. excluding those that cannot be economically produced in the UK –bananas, tea, coffee, chocolate, spices etc). This is akin to 2012 figures after a weather related dip in 2013.
- The ratio in 2013 was 60% for all food and 73% for indigenous type food. This compares with 62% and 77% respectively in 2012 with the reduction due to significant increases in imports of feed and seed and a reduction in imports of these due to bad weather.
- Production potential is more relevant at EU level than UK level and the EU as a whole has a food production to supply ratio of around 90%

Based on the farm-gate value of unprocessed food:

- In 2014, 22 countries accounted for 90% of UK food supply
- The leading foreign supplies were: The Netherlands (5.6%), Spain (5.1%). France (3.1%), Germany (3.1%) and Irish Republic (3%)
- Three countries accounted for 90% of dairy product and egg supply (UK supplied 86%).
- Three countries accounted for 90% of meat and meat preparation supply (UK supplied 84%).
- Twelve countries accounted for 90% of supply of cereals and cereal preparations (including rice). The UK supplied 56% (up on 2013 which was 49%)
- Twenty-four countries accounted for 90% of fruit and vegetable supply (UK supplied 23%)

**Figure 2: Long term trends in UK self-sufficiency ratio**



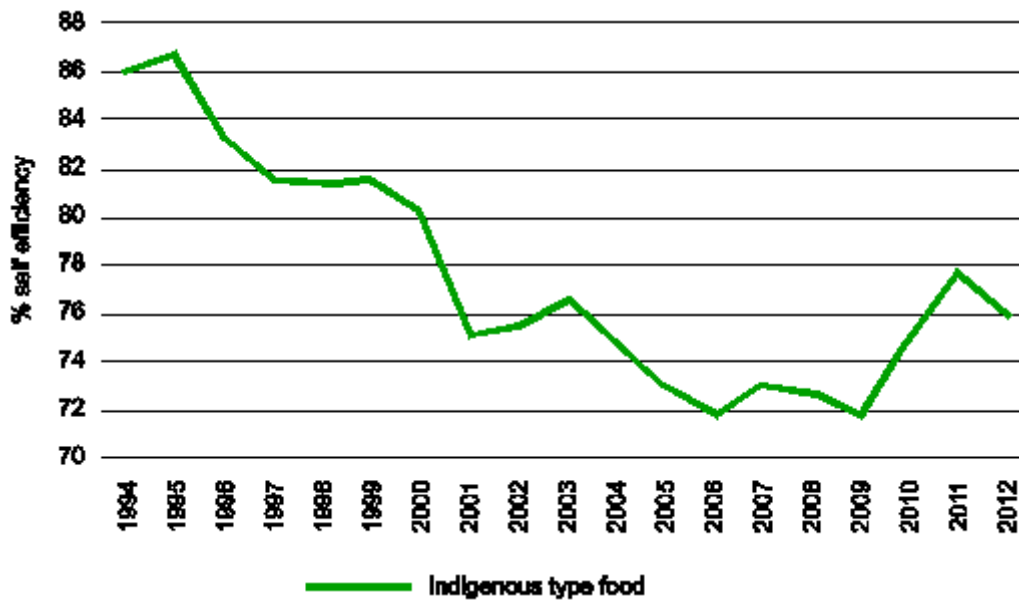
The NFU has long been arguing for the self sufficiency levels to be increased through the UK increasing production levels of what it grows best, accepting that we will always have to import food that due to temperature, sunshine or soil type etc we cannot grow.

In January 2014, the then Secretary of State, Rt Hon Owen Paterson MP supported the NFU messages, and told the Oxford Farming Conference that he wanted British consumers to purchase more seasonal British produce. He said:<sup>28</sup>

By buying seasonal fruit and veg we can improve the nation's health, help the environment and boost the economy. [...]As British farmers and food producers you know that we grow some of the best food in the world here - so why is 24% of the food eaten in the UK imported when it could be produced here? [...]We have a top-class fruit and veg sector which produces everything from green beans to strawberries, yet we imported £8bn of fruit and veg in 2012.

<sup>28</sup> BBC News online, [Buy British fruit and veg to help economy Minister says](#), 7 January 2014

**Figure 3: Self sufficiency levels since 1994 for indigenous foods**



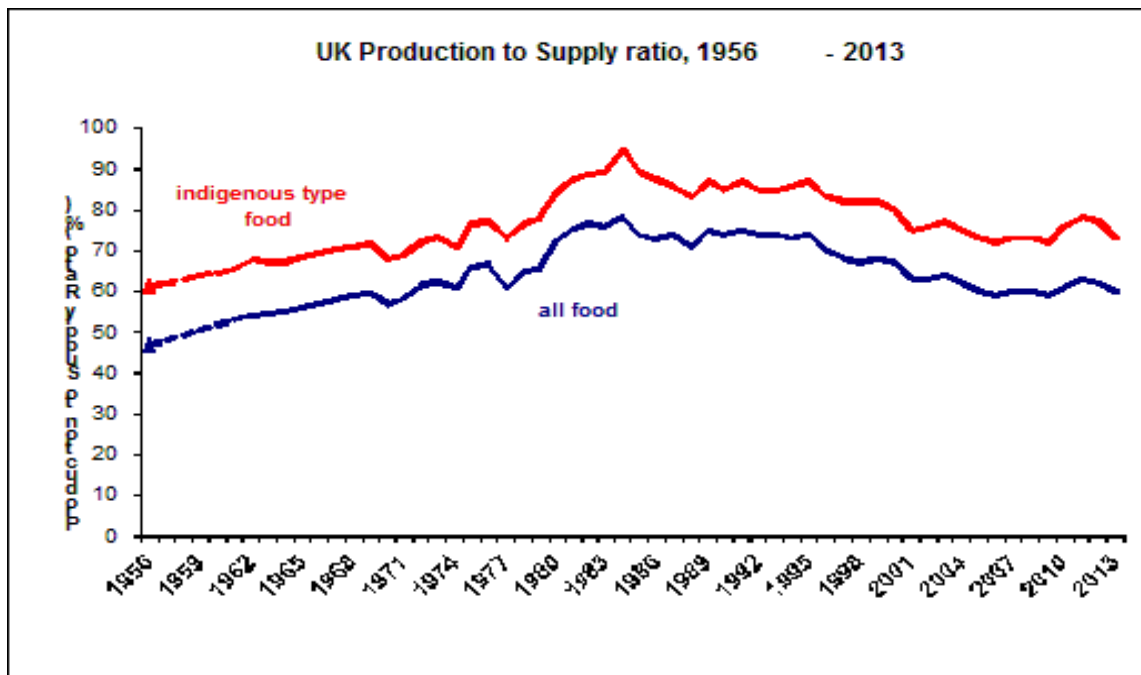
Source: House of Commons EFRA Committee 2014, This chart was been created using data provided by DEFRA at <https://www.gov.uk/government/collections/overseas-trade>

The House of Commons EFRA Committee commented on this statement in its June 2014 report [Food Security](#). The Committee noted that this figure of 24% is based on the ratio of indigenous-type food produced to indigenous-type food supplied into the market, and thus a measure of the amount of food available for consumption which could be produced here. The "self sufficiency ratio" or "food production to supply ratio" for indigenous foods has declined from a peak of almost 87% in the early 1990s to 77% in 2012.

However, the Government has pointed out that "self-sufficiency" in the 1980s and early 1990s was inflated through a version of the Common Agricultural Policy (CAP) which distorted markets and encouraged over-production. The self-sufficiency ratio has been relatively stable since this unwound. The following graph shows the post-war evolution in the ratio.<sup>29</sup>

<sup>29</sup> HC243 Fourth Special Report, Food Security: [Government response to Committee's Second report of Session 2014-15](#), 1 July 2015

**Figure 4: Post war trends in the UK Production to Supply ratio**



The extract from the EFRA Committee's report below gives a good overview of the current issues.

15. We note the low levels of self-sufficiency in the UK fresh fruit and vegetables sectors, at 12% and 58% respectively. While most of these imports, by volume, occur in the out-of-season months of November to June, as the graph below illustrates, import levels of apples, potatoes, peppers, onions and tomatoes remain still relatively high at the height of UK seasonal production. It is likely that the majority of these imports come from other EU Member State which experience similar seasons to the UK.

Even if productive capacity in the UK were to be at its maximum level, it is unlikely that the UK would be fully self-sufficient in indigenous food. This would also be a risky strategy....

In evidence to the Committee, the Government suggested that there may be sectors where the UK could increase the production-to-supply ratio through greater competitiveness. The Government is also looking at areas where there may be obstacles which prevent UK producers from fully exploiting their comparative advantage, as well as barriers to UK food and drink exports in those parts of the world where demand for food is increasing.

The UK Government feels that it has been particularly successful in opening markets in China to British pork and in Russia for British lamb. A key element of the Transatlantic Trade and Investment Partnership

(TTIP) negotiations is also to ensure that the US market will be opened to European beef.<sup>30</sup>

### Value of imports and exports

The latest UK agriculture statistics are set out in [Agriculture in the United Kingdom 2014](#). This reports that:

- The value of UK food and drink imports is greater than the value of exports in each of the broad categories of food, feed and drink except 'Beverages' which had a trade surplus of £1.27 bn in 2014, largely due to exports of Scotch Whisky.
- After Beverages, Cereals is the second largest export group with a value of £1.9 bn, followed by the meat and fish categories at £1.7 and £1.6 bn respectively.
- 'Fruit and vegetables' has the largest trade deficit. In 2014 imports cost £8.7 bn while exports were worth £0.9 bn, giving a trade gap of £7.8 bn.
- The second largest groups in terms of imports in 2014 were meat and beverages with imports of £6.0 and £5.2 bn respectively.

### UK Production Levels

Final output of UK agriculture is a proxy for UK food production. The Defra [Food Statistics Pocketbook 2015](#) (September 2015) reported:

- The overall volume of all outputs increased by 6.5% between 2013 and 2014 driven by large increases in the volumes of crops produced in 2014.
- The volume of final output remained largely unchanged between 2012 and 2013, increasing just 0.5%.
- Longer term trends have also shown little variation.
- Total UK cereal production has fluctuated, with significant dips in 2001, 2007, 2012 and 2013 linked to adverse weather conditions in those years.
- In 2014, there was an increase in production driven by a 39% rise in production of wheat compared to 2013.
- Since 1990 there have been large increases in production levels of poultry meat, part of a longer term upward trend since the late 1970's. Although production dipped during the 2000's,

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<sup>30</sup>Cm 243, [Second report of the House of Commons Environment, Food and Rural Affairs Committee: Food Security](#), Session 2014-15, July 2014, paras 14-16

it reached a record level in 2013 with the broiler sector seeing further increases in production. This was followed by a slight decrease in 2014 as the growth in the sector seen in recent years steadied.

- Red meat production showed a downward trend through much of the 1990's, driven by a combination of factors including the beef export ban. Since 2002 there has been a slight upward movement but levels still remain lower than those in the early 1990s

According to [Agriculture in the United Kingdom 2014](#):

For the EU-28 member states:

- In 2014 the United Kingdom was the largest producer of sheep meat and goat meat, accounting for around 40% of EU production.
- The UK was the third largest producer of wheat (2013), milk and beef and veal in 2014 in the EU behind France and Germany.
- In 2014 almost a quarter of all pig meat production came from Germany.

## Promoting British brands

- All of the large UK supermarkets have initiatives to support UK farmers in different ways and many seek to particularly promote UK food when it is in season e.g. apples and fresh lamb. The National Farmers Union (NFU) has acknowledged that UK retailers are seeking longer term relationships and contracts with UK farms.
- Supermarket sourcing figures for UK produce is not comprehensive but the NFU prepares its own 'report cards' on retailer commitments to supporting British producers. An NFU survey in 2014 found that all nine of the major retailers it surveyed stocked 100% British eggs and milk. Morrisons had the biggest commitment across more categories than any other retailer with 100% British milk, eggs, fresh chicken, beef and pork. Some retailers e.g. Asda were also starting to source more British food for ready-made meals.<sup>31</sup>
- Defra launched a 5 year Great British Food Campaign in November 2015
- Secretary of State Liz Truss has pledged to make 2016 the Year of British Food, with a series of celebratory events. She has also confirmed the creation of a Great British Food Unit early next year, joining together Defra and UKTI's work to more effectively promote exports, support inward investment and champion the excellence of British food and drink.

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<sup>31</sup>[Wide gap in supermarket commitments to sourcing British produce](#), *Farmers Weekly*, 5 March 2014



- NFU Scotland recently observed that:<sup>32</sup>

...the Scottish and UK rhetoric on exports, branding and growth has not matched up with the level of promotion funds going to the UK, and this needs to change.

UK Government should draw down EU promotion funds in order to meet this end, as well as engaging and integrating UK Trade and Investment with the Scottish trade promotion bodies, in order to open and promote Scottish produce in new and emerging export markets.

## Country of Origin Labelling

- Dairy UK supports mandatory country of origin labelling (COOL) to provide clearer information for consumers as a means to help the UK dairy industry to showcase its products and reassure customers about their provenance.<sup>33</sup>
- The EU has an ongoing programme of “mandatory indication of the country of origin or place of provenance” associated with the Food Information for the Consumer (FIC) Regulation (No. 1169/2011).
- New EU rules are already being implemented in the UK regarding country of origin labelling for: unprocessed pork, lamb and poultry meat. Similar rules for beef have been in place for over ten years.
- The latest foods that the Commission has looked at are milk and milk used as an ingredient in dairy products.
- However, a [report](#) published on 20 May 2015 by DG Agriculture covering dairy (and some remaining meat which is not already covered) indicated that introducing such a measure would prove too costly and bureaucratic. It also highlighted that consumers were not willing to pay more for the additional information. On balance it suggests that there would be an uneven impact on producers.<sup>34</sup>
- A recent (15 October 2015) [opinion of the EU Committee](#) on Environment, Public Health and Food Safety, advocated that CO labelling was part of market transparency in agriculture.
- Farming Minister, George Eustice commented that he did not accept the Commission's argument when he gave evidence to the House of Commons Environment Food and Rural Affairs Committee on 2 December 2015 for their inquiry on Farmgate Prices:

...I do not accept the Commission's argument that it would be too complicated and too difficult to do this on dairy products. It might on some dairy products, but on butter, on cheese, on some of the staple dairy products you could deliver country-of-origin labelling relatively inexpensively. We will continue to put that pressure on the Commission. The commission is very

<sup>32</sup> NFU Scotland, [Parliamentary Officer's blog](#), 14 September 2015

<sup>33</sup> [EC rejects country-of-origin labelling proposals](#), The Grocer, 20 May 2015

<sup>34</sup> The Commission's [Milk and Milk Products](#) page provides more detail

resistant to going this way, so we are not going anywhere fast on this agenda, but in the meantime we have switched our focus to retailers. It is one of the reasons the Secretary of State wrote to them; it is one of the reasons I am ringing them now. We are encouraging them to do more on the voluntary country-of-origin labelling scheme that we have on dairy.<sup>35</sup>

### ***Voluntary Standards***

- The dairy industry believes that consumers will opt for British produce when given a choice. However there are already UK initiatives to support voluntary information on country of origin and the majority of dairy products already do this.
- The UK food industry put in place voluntary standards to provide clearer country of origin information to consumers in November 2010. This work involved Dairy UK and the British Retail Consortium.
- The UK Government commissioned its own research into country of origin labelling and announced the results in May 2011. See [.gov.uk, \*Research into Country of Origin labelling announced\*](#). This showed that the majority of UK meat and dairy products already featured information on where their ingredients came from or where they were produced.
- In terms of dairy, some key findings were:
  - All butter in the survey was labelled with either the origin of the milk or the place where it was manufactured, or both, while 77% of cheese showed the origin of the milk or the place it was manufactured.
  - For liquid milk, 86% of products sampled had some form of origin labelling, with half of all milk showing the origin of the milk, while just over a third showed where it was manufactured.
  - However with fresh cream, a third of products showed no origin statement, and only one sample in six showed where the milk came from, with half showing where it was manufactured.
  - All retailers' own-label liquid milk included a statement about where the milk came from, while 59% of branded milk met the same standards.

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<sup>35</sup> HC474 [Oral Evidence to the House of Commons Environment, Food and Rural Affairs Committee](#), 2 December 2015

## General Assistance to the Dairy Industry

- Milk prices are at a very low level and this prompted 2 farming crisis summits of the UK farming unions and Ministers in the summer and a special meeting of EU Agriculture Ministers in September 2015.
- A number of global commodity factors are in play for all milk producers including the on-going Russian trade embargo, a weak Euro, high milk supply and weak demand from Chinese buyers due to China seeking to become more self-sufficient in dairy products.
- However, as noted by the EU Commission and the UK Government, the long-term prospects for the dairy industry are good. The UK Government has there is great potential for significant long-term growth in the UK dairy sector with the global market expected to grow at a rate of more than 2% a year for the next 10 years.<sup>36</sup> UK dairy exports are at record levels topping £1.4 billion in 2014, a 51% increase since 2009.
- Following the summits, Asda, Morrisons, Aldi and Lidl announced long-term minimum pricing for liquid milk, and Tesco extended their cost of production pricing to cheese.<sup>37</sup>
- In October 2015 the UK average farm gate milk price increased to 24.23p per litre. This represents a 2.6% (0.62p per litre) increase on September 2015 (this increase is partly affected by bonus payments to some producers). The average price remains 18% lower than in October 2014.<sup>38</sup>
- Until 2007, the trend was towards declining prices, from around 25 pence per litre in 1997 to 18 pence per litre in November 2007. There was a sharp upturn in prices in late 2007 and a sustained rise from 2010 onwards,<sup>39</sup> This period was followed by sharp decreases in prices during 2014 to 29 pence per litre.
- Some farmers have said that they are being paid below the price of production with the pressures on global dairy prices. However, this tends to be farmers who are not supplying directly to supermarkets or supplying niche markets e.g. organics.<sup>40</sup> Those supplying directly

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<sup>36</sup> [Sixth Special Report of the House of Commons Environment, Food and Rural Affairs Committee: Dairy Prices](#), March 2015 and European Commission Press Release, [Speech by Vice President Jyrki Katainen, at the Extraordinary Agriculture and Fisheries Council](#), 7 September 2015

<sup>37</sup> NFU Online, [Sector review of the year: A roller coaster ride for dairy](#), 22 December 2015

<sup>38</sup> Defra, [UK milk prices and composition of milk statistical notice](#) (data to October 2015), 26 November 2015

<sup>39</sup> [Dairy Industry in the UK Statistics](#), House of Commons Library [Standard Note](#) 0272, 29 January 2015

<sup>40</sup> NFU Online, [Sector review of the year: A roller coaster ride for dairy](#), 22 December 2015

to supermarkets are paid according to formulas based on the price of production.

- The Agriculture and Horticulture Development Board for Dairy (ADHB Dairy) prepares a league table of prices paid to UK producers on a contract basis. This reflects prices actually paid and is usually 2 months behind. The league table for 7 December 2015 can be viewed at:

<http://dairy.ahdb.org.uk/market-information/milk-prices-contracts/milk-calculator-and-contracts/league-tables/#.VfGThMpwa1s>

- This shows a range of average annual prices ranging from 33.38p per litre down to 16.65p per litre.
- The UK Government introduced some measures in the April 2015 budget to help ease the general business environment for dairy farmers allowing farmers to tax average their profits over 5 years not 2 and permitting an Annual Investment Allowance of £200,000.

### **EU Dairy Package**

On 7 September 2015, the EU Commission announced a €500 million package to alleviate the pressure in the farming sector. The UK package is the third largest allocation for Member States.

- The UK allocations of this fund are:

England £15.5 million

Northern Ireland £5.1 million (to reflect some of the lowest milk prices across Europe)

Wales £3.2 million

Scotland £2.3 million

- Ministers in Scotland, Northern Ireland and Wales had flexibility about how to allocate their share of the UK's £26.2 million overall direct aid package but all opted to pay in line with England i.e. according to milk production. This meant that the Rural Payments Agency (England) could organise all payments.
- In England and Wales, for an average-sized dairy farm this means a one-off payment of around £1,800.<sup>41</sup>
- In Northern Ireland farmers will be allocated, on average, just short of £2,000. In Scotland, because they have larger dairy units on average, it will be just over £2,500.
- The UK Government announced on 16 November 2015, that the first payments had been made to over 10,000 farmers across

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<sup>41</sup> Defra, [EU farming support package allocation announced](#), 24 September 2015

England, Scotland, Wales and Northern Ireland – three-quarters of all eligible farmers and amounting to almost £19.2 million. Payments continued through November and December. Further details are here: [EU Dairy Support Payments come early for UK farmers](#).

- The focus of the EU response to the farming crisis centres on three areas:
  - (1) addressing the cash-flow difficulties farmers are facing
  - (2) stabilising markets and
  - (3) addressing the functioning of the supply chain.<sup>42</sup>
- The NFU has welcomed this money as a “welcome cash boost” but feels that more action needs to be taken in order to make a long term difference to many British dairy farmers “struggling to keep their businesses afloat”. It is also keen to see more attention paid to the contribution of the food service industry and manufacturing to support the UK dairy industry, not just the top 10 retailers.<sup>43</sup>
- The Commission has also allowed early CAP payments. However, the RPA told the Commons EFRA Committee recently that the majority of payments will be in December 2015, with the vast majority by the end of January 2016. They will not be making payments earlier, despite the concession. (Mainly because of the risk of fines for not making correct payments).
- The [House of Commons EFRA Committee reported on dairy prices](#) in January 2015.<sup>44</sup> The Committee recommended a number of short term and long term measures where the UK Government could better support the dairy industry, even within the context of a volatile, global market. These included: extending the role of the Groceries Code Adjudicator (GCA), encouraging the spread of Producer Organisations, a review of the EU intervention price for milk and clearer regulation on the labelling of dairy products. The NFU (England) expressed its full support for the Committee’s findings.
- EFRA Secretary of State, Liz Truss recently summarised the UK Government’s help for the farming industry, recognising their immediate financial difficulties but also offering support to help the industry to become more resilient and ready to take advantage of the growing demand for British dairy both at home and overseas:<sup>45</sup>  
This includes:

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<sup>42</sup> EU Commission, [European Commission presents EURO 500m package of measures to support EU farmers](#), 7 September 2015

<sup>43</sup> NFU online, [Blog: What’s the story on Milk for Farmers?](#), 11 November 2015

<sup>44</sup> EFRA Committee, [Dairy prices](#), Fifth Report of Session 2014–15, 14 January 2015, **HC 817**

<sup>45</sup> Defra, [EU farming support packages allocation announced](#), 24 September 2015

- Developing a futures markets to manage volatility – the EU Commission is taking this forward
- Working with the Commission to look at ways of bringing greater fairness and transparency to the supply chain using the success of the Groceries Code Adjudicator as a model that could benefit the whole of Europe.
- Defra is particularly working with the food industry on more consistent labelling and branding of British dairy products, improving transparency across the supply chain and allocating more space on shop shelves. The idea is that this will make it easier for consumers and food businesses to know when they are buying British dairy products.
- There is an urgent industry-led review of best practice in the dairy supply chain facilitated by the Agriculture and Horticulture Development Board.
- A commitment to publish details of central government catering contracts, including their renewal dates, to bring transparency to the market and allow dairy farmers the opportunity to prepare and compete for contracts.
- The Environment Secretary led a trade delegation to China in November 2015 including eight British dairy businesses to promote British products in China's growing market for dairy products (although China is also looking to become more self-sufficient in such products).

### **Role of the Groceries Code Adjudicator**

- The [Groceries Code Adjudicator](#) is the independent adjudicator that oversees the relationship between supermarkets and their suppliers. It ensures that large supermarkets treat their direct suppliers lawfully and fairly by upholding and enforcing the Groceries Supply Code of Practice.
- The short term problems with milk prices have caused farmers to look to the Groceries Code Adjudicator (GCA) to have a greater role in ensuring fair contracts with suppliers. This is because some farmers are being paid below the costs of production for their milk.
- However, the dairy industry already has a voluntary code to cover contracts with suppliers and the Government wants dairy farmers to use their code rather than the GCA. Although GCA duties relate to direct, not indirect suppliers, the evidence from indirect suppliers can inform its investigations.
- The GCA itself recently highlighted that some of the problem is that farmers do not know enough about the overall Groceries

Code to enforce their rights. The NFU started training courses in summer 2015 for its members to overcome this.<sup>46</sup>

- The Government's March 2015 [response](#) to the EFRA Committee's February 2015 Dairy Prices confirmed that Defra is facilitating an industry-led group to look at contracts in the dairy sector, the findings of which will feed into the statutory review of the GCA in 2016.
- Ultimately the Government believes that concerns about fairness and transparency in the dairy supply chain should be addressed through an industry-led approach and wants to build on the existing voluntary, dairy code of practice

## UK Government Food and Farming Plans

### England

Defra is currently working with the farming industry to develop a 25-year food and farming plan to increase competitiveness across the entire food chain, "helping the UK to become one of the most innovative food nations in the world".

The project started with a [meeting of 80 leading representatives from the UK food and farming industry in July 2015](#) with Environment Secretary of State, Liz Truss to discuss ways to promote a British brand, grow exports, improve skills, attract high flyers and harness data and technology so that the industry can innovate, grow and create jobs<sup>47</sup>.

This was the first of several meetings, convened by Defra and led by industry to share ideas on how to encourage enterprise and boost productivity.

There are seven key themes:<sup>48</sup>

- Strengthening the British brand to ensure our quality produce is celebrated both at home and abroad.
- Increasing exports to ensure British products are enjoyed by even more countries across the world.
- Breaking down barriers to trade that will enable budding food entrepreneurs to unleash their full potential and access new markets.
- Increasing procurement of British produce including in schools and hospitals.

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<sup>46</sup> HC 817, Environment, Food and Rural Affairs Committee, Fifth Report of Session 2014-15, [Dairy prices](#)

<sup>47</sup> Defra, News story, [Industry kick-starts work on Great British Food and Farming Plan](#), 16 July 2015

<sup>48</sup> .GOV.UK, [Industry kick-starts work on Great British Food and Farming Plan](#), 16 July 2015

- Attracting investment into the industry.
- Boosting skills and apprenticeships to ensure the industry has the confidence and capacity to meet the growing demand for British produce.
- Increasing productivity through innovation, research and development and sharing data.

## Scotland

- *The future of Scottish Agriculture - A discussion document* (June 2015) sets out a vision for Scottish agriculture which includes contributing to global food security:<sup>49</sup>

*Scotland has a green, innovative and profitable agriculture industry which is outward looking and resilient, supporting our economic growth, environment and communities and contributing to global food security.*

- Scottish CAP payments account for over 70% of overall net profit from Scottish agriculture. CAP support is expected to decline in the long term, and therefore the Scottish Government has said that the industry must increase its profitability to remain competitive.<sup>50</sup>

## Wales

- The Welsh Government's consultation document [A Strategic Framework for Welsh Agriculture](#) (June 2015) sets out a future vision of a prosperous and resilient Welsh farming sector developed with stakeholders. It outlines how the proposals could be realised with more joint working and co-ordination across sectors and with government. It follows a previous strategic vision, the 2009 [Farming Food and Countryside: Building a Secure Future](#).

## Northern Ireland

- In April 2013, the Northern Irish Agri-Food Strategy Board published [Going for Growth: A strategic action plan in support of the Northern Irish agri-food industry](#).
- The strategy recognises the agri-food industry as a strategically important industry with the potential to help accelerate recovery and to make a "huge contribution to the Northern Ireland Executive's focus on rebalancing the economy into one driven by an much stronger and more dynamic private sector."<sup>51</sup>

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<sup>49</sup> Scottish Government, [The Future of Scottish Agriculture: A discussion document](#), June 2015

<sup>50</sup> Scottish Government, [The Future of Scottish Agriculture: A discussion document](#), June 2015, p.4

<sup>51</sup> NIAR 266-15, Paper 75/15, [Background overview and progress on Going for Growth](#), June 2015



## Research and Development

- At the [Inaugural Meeting of the APPG on Science and Technology in Agriculture](#) (July 2015), Dr Paul Burrows, Director, Corporate Policy and Strategy, Biotechnology and Biological Sciences Research Council (BBSRC) noted that the world needed to produce as much food over the next 40 years as it had over the past 10,000 years. He highlighted three key research areas which would play a key role in meeting that goal:<sup>52</sup>
  - (i) **Precision farming** – combining advances in biological science with engineering applications such as sensors, robotics and imaging to improve efficiency and accuracy of input use, automation and new applications such as robotic weeding. This area offered particular opportunities for SMEs and start-up tech companies to apply their new technologies in the agri-tech sector.
  - (ii) **Combating plant and animal diseases** – the impact of climate change and the effects of living in an increasingly interconnected world meant that diseases were increasing their range. This challenge was exacerbated by increasing restrictions on crop protection products and the build up of resistance to existing molecules. This would require increased research focus on improved sources genetic resistance, as well as the development of new active ingredients.
  - (iii) **Breeding the next generation of crops and livestock** – to improve yield and resource use efficiency, and to develop greater resilience to climate extremes such as drought and flooding. Such traits were extremely complex and rarely dependent on single gene changes.
- At the same meeting, Prof. David Leaver noted that the UK's position as a global leader in science was not translating into productivity improvement at the farm level, which was falling behind other parts of the world. This situation had not changed in over a decade.

Representatives from BIS and Defra highlighted that identifying gaps in translation and on-farm application was a key focus of the UK Agricultural Technologies Strategy (see below). However, there was the overall issue that CAP support for agriculture provides a safety net not available to other small businesses and it is recognised by economists that this can inhibit innovation and change.

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<sup>52</sup> All-Party Parliamentary Group on Science & Technology in Agriculture, [Notes of Inaugural Meeting](#), 6 July 2015

### Agri Tech Strategy (July 2013)

- The Government published a [UK Strategy for Agricultural Technologies](#) in July 2013 developed with the scientific community and the food and farming industry. This is part of the overall industry strategy.
- The overall industry strategy is backed by £1.6 bn over the next 10 years, including £1bn new money from Treasury and over £500m from BIS. The aim is to at least double this amount with industry funding.<sup>53</sup>
- The Government's vision set out in the strategy is:

That the UK becomes a world leader in agricultural technology, innovation and sustainability; exploits opportunities to develop and adopt new and existing technologies, products and services to increase productivity; and thereby contributes to global food security and international development.<sup>54</sup>
- Ultimately, the UK Government's aim is to "help unlock a new phase of global leadership in agricultural innovation."<sup>55</sup>
- The UK Government wants to ensure that the UK continues to be well positioned to take advantage of the fast growing agricultural science and technology market, particularly the "sustainable intensification" of agriculture which aims to produce more but with less inputs and impacts.
- The strategy seeks to better integrate the scientific community, food and farming businesses and the Government's support for trade, investment and international development.
- However, in the Strategy the Government also notes that:

...The infrastructure to support industry in applying science and technology to help modern farming and food production has declined over the past 30 years. UK agriculture's productivity growth has declined relative to our major competitors.
- The Implementation of the agri-tech strategy is overseen by the [Agri-tech Leadership Council](#). The council is made up of senior figures from organisations across the agri-tech sector.<sup>56</sup>
- The strategy sets out a range of actions for the Leadership Council, industry, Government and the science base to deliver changes for the agri-tech sector:
  - improve the translation of research into practice through a £70 million Government investment in an Agri-Tech Catalyst which will provide a single fund for projects, all the

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<sup>53</sup>[HC Deb 18 March 2013 c.32WS](#)

<sup>54</sup> HM Government, [A UK Strategy for Agricultural Technologies](#), July 2013

<sup>55</sup> Ibid

<sup>56</sup> BIS & Defra, Policy paper, [Agri-tech Leadership Council: membership](#), 27 March 2015

way from the laboratory to market. This will include £10 million to deliver international development objectives

- increase support to develop, adopt and exploit new technologies and processes through £90 million of Government funding for Centres for Agricultural Innovation
- help the UK exploit the potential of big data and informatics and become a global centre of excellence by establishing a Centre for Agricultural Informatics and Metrics of Sustainability
- provide stronger leadership for the sector. The Leadership Council gives industry a stronger and more cohesive voice with Government and the science base
- build a stronger skills base through industry-led actions to attract and retain a workforce who are expert in developing and applying technologies from the laboratory to the farm
- increase alignment of industry research funding with public sector spend by increasing understanding of what is being spent and where
- increase UK export and inward investment performance through targeted sector support<sup>2</sup>

### **2013 Agri-Tech Catalyst**

In October 2013, as part of the Agri-Tech Strategy, the Government launched an Agri-Tech Catalyst to support joint industry-academic research and development and mirroring a similar approach in the biomedical sector. At the [Inaugural Meeting of the APPG on Science and Technology in Agriculture](#) ( July 2015), Dr Stephen Axford, Head of Agri-Tech at BIS reported that the programme had been extremely successful in attracting good quality bids and innovative projects from a broad range of applicants (in geography and business size).<sup>57</sup>

### **Sustainable Intensification Research Platform (SIP)**

The £90m (over 5 years) Sustainable Agriculture and Food Innovation Platform finished last year and there is now the Sustainable Intensification Research Platform (SIP). This is a 3 year Platform, which started in May 2014, with £4.5m from Defra to investigate ways to increase farm productivity while reducing environmental impacts and enhancing ecosystem services that land provides to society.

### **Scotland**

The Scottish Government's [Strategic Research Strategy 2011-2016](#) identifies food security as one of its themes. The Food, Land and People Programme represents an investment of £19.4m per annum. It includes research deliverables aimed at optimising the use of Scotland's natural assets and is aligned with the UK Global Food Security programme led by the Biotechnology Sciences Research Council (BBSRC).

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<sup>57</sup> All-Party Parliamentary Group on Science & Technology in Agriculture, [Notes of Inaugural Meeting](#), 6 July 2015

One of the features of the programme is an theme of "Efficient and resilient supply chains for food". This aims to produce scientific evidence and techniques to make Scotland's food and drink supply chains more resource efficient and more resilient to change. This includes improving the performance of livestock production and crop resilience with breeding techniques.<sup>58</sup>

## Food security planning

- Food supply in the UK is classed by the Government as a critical national infrastructure (CNI) sector.
- Defra leads on the policy and prepares a sector resilience plan annually. The overall planning process is co-ordinated by the Contingency Planning Secretariat in the Cabinet Office.
- The plan sets out the background to resilience of the sector, an assessment of risk, and a plan for mitigation action.
- A summary of the plan is provided in Sector Resilience Plans 2014 (August 2014) on the Cabinet Office website.<sup>59</sup> The full plans are classified.
- The food plan highlights potential risks from floods and plant disease but also notes that the resilience of the sector has been demonstrated by the response to potentially disruptive challenges in recent years. It does not highlight any problems with current levels of UK food production.
- The UK Government considers UK food supply to be resilient because of the size, diversity, and strong contingency planning in the food industry sectors. There is a clear recognition of the dependency on other critical sectors such as energy, transport, and communications, and Defra works closely with the industry sectors and with other lead Government Departments to mitigate risk.<sup>60</sup>

## How is climate change expected to affect UK food security?

- Under the Climate Change Act 2008, the Government has a statutory role to produce, on a five-yearly cycle, an assessment of the risks and opportunities for the UK arising from climate change.
- The first Climate Change Risk Assessment (CCRA) was published in 2012. It included consideration of impacts on on our food production. The CCRA used the 2009 UK Climate Change

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<sup>58</sup> Scottish Government Rural Affairs and Environment, [Strategic Research Strategy 2011-2016](#) ( web version published in February 2014).

<sup>59</sup> Cabinet Office, [Sector Resilience Plans 2014](#), August 2014

<sup>60</sup> [House of Commons Written Question 19453, 14 December 2015](#)

Projections to assess risks under different emissions scenarios up to the 2100s.

- The National Adaptation Committee report (Defra, July 2013) sets out how the UK is preparing for the impacts of climate change. This sets out more than 370 actions across key sectors involving government, business, councils, civil society and academia.<sup>61</sup>
- The Committee on Climate Change's latest report to Parliament, 2015 [Progress in Preparing for Climate Change: 2015 Report to Parliament](#) (June 2015) highlights that there has been a decline in investment in England into research and development of new approaches and technologies that would boost the resilience of agriculture and forestry to climate change.<sup>62</sup>

Climate change presents potential opportunities for agriculture and forestry from faster growth of crops and trees and extended growing seasons. But climate change also poses challenges that could limit these potential opportunities. Projected rises in temperatures and reduced summer rainfall will increase the need for irrigation of crops and water for livestock. Drier soils are more likely to erode, losing organic content and releasing carbon dioxide to the atmosphere. Flooding of farmland in some areas could become more frequent and new pests and diseases could pose additional risks to trees, crops and livestock.

Although some progress is being made with reducing demand for water and ensuring the climatic suitability of trees planted in the public forest estate, many aspects of the agriculture and forestry sectors are ill-prepared for a changing climate. Reforms to the water abstraction licencing regime are long overdue, farming practices in some areas are exacerbating flood risk, high-grade productive soils are being lost to erosion, and incidents of pests and diseases are increasing. Despite these trends, there has been a decline in investment into research and development of new approaches and technologies that are needed to boost the resilience of agriculture and forestry in England

- The [Global Food Security](#) programme recently launched a joint research council five-year £15 million research call on resilience of the food supply chain, in partnership with Defra and the Food Standards Agency.

## UK support under the Common Agricultural Policy

- UK farmers receive subsidies under the EU Common Agricultural Policy.

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<sup>61</sup> [House of Commons Written Question 18280, 9 December 2015](#)

<sup>62</sup> Committee on Climate Change, [Progress in Preparing for Climate Change: 2015 Report to Parliament](#), June 2015

- Each Member State receives an allocation and has some flexibility within certain rules how they allocated their payments to farmers.
- In the latest CAP reform round 2014-2020 there is the most flexibility there has ever been for Member States to tailor a CAP package to best suit their farming systems.
- The UK negotiated for each Devolved Administration to also have the option of acting as Member State in implementing the CAP requirements.
- This means that there are very different CAP packages in place for England, Wales, Scotland and Northern Ireland as very few common decisions have been taken on the 80 decision points open to each administration on CAP.
- There are two types of CAP subsidy/payment:

**Direct payments (Pillar 1)** under the Basic Payment Scheme introduced in the latest CAP reform for 2014-2020 (formerly known as the Single Payment Scheme). 30% of the allocation to each holding is linked to mandatory agricultural practices which are deemed beneficial for the climate and the environment.

**Rural Development Programme (Pillar 2)** funding tends to be used to fund public "goods" which the market does not naturally provide.

Payments are available on successful application. These include a variety of payments for countryside management and environmental protection (e.g. the Countryside Stewardship Scheme) and a variety of grants for capital investments. The RDP is for the wider rural economy so also includes funding for rural tourism, rural broadband etc.

Member States can choose from a range of measures in designing their domestic Rural Development Programmes under the latest CAP reforms. The only requirements are that they must spend at least 30% on measures to protect and enhance the environment and at least 5% of their EU funds through the local delivery mechanism known as the [LEADER](#) approach.<sup>63</sup>

- The CAP, Common Market regulation also allows for **emergency intervention mechanisms** e.g. for milk as a safety net for prices.
- House of Commons Library briefing (RP14/56) [CAP reform 2014-20: EU Agreement and Implementation in the UK and in Ireland \(updated\)](#), 30 October 2014 provides full details of all of the decisions on CAP across the UK. (However, a Welsh legal decision

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<sup>63</sup> Defra, [Implementation of CAP reform in England: Consultation paper](#), October 2013

on payments has overtaken the section on payment areas for Wales).

### **UK CAP Budget Allocation 2014-2020**

- Over 2014-2020 the UK is expected to receive €25.1 billion in direct payments and €2.6 billion in Pillar 2 (rural development) funds for the environment and rural development (see Table 1)
- This represents a reduction in real terms of 12.6% and 5.5% respectively compared with CAP payments to the UK in the period 2007-2013. The Scottish Rural Affairs Minister, Richard Lochhead described the budget negotiated by the UK Government as “atrocious”.
- In terms of indicative receipts from the EU budget in 2008/09, agricultural fisheries funding per head of population was as follows: Wales £95, England £38, Scotland £99 and Northern Ireland £162.<sup>64</sup>

### ***Review of Scottish allocation***

- The UK receives an uplift in its Pillar 1 budget from 2014-20 under the external convergence mechanism. This uplift complicated the intra-UK negotiations as the Scottish Government had been arguing that the full uplift should be allocated to Scotland because it is Scotland’s own existing low payments which enable the UK to qualify for the uplift.
- This mechanism seeks ensure that where Member States receive less than 90% of EU average payment per hectare the gap is closed between their average payment and 90% of the EU average by one-third by 2019.
- The lower than EU average per-hectare payments in Scotland helped the UK Government to qualify for this payment. This uplift is worth around EURO 10m in 2015 rising to EURO 60m in 2019. This is a total of EURO 230m over the period.
- The UK Government decided to allocate the UK’s CAP funding across the Devolved Administrations in the same proportions as it had for the last CAP. This position was supported by the Welsh and Northern Irish and farming unions in these administrations. However, the Scottish Government argued strongly that Scotland should receive the uplift payment amount as Scotland has the lowest per-hectare payment in the UK.

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<sup>64</sup>House of Commons Library briefing, *EU exit in Key Policy Areas*, 9 June 2015

- The Scottish Government remains unhappy about the allocation but has agreed with the UK Government to a review of the allocation of CAP funds in 2016-17. However, that review is supposed to only consider allocations in the next EU funding period from 2021 onwards not the current allocation. The Scottish Government is lobbying for a correction to be made towards the end of the current reform period.

**Table 1: UK CAP allocations 2014-2020**

	<b>Pillar 1 / € million (approx non-inflation adjusted)</b>	<b>% share</b>	<b>Pillar 2 / € million (approx non-inflation adjusted)</b>	<b>% share</b>
England	16,421	65.5	1,520	58.9
Northern Ireland	2,299	9.2	227	8.8
Scotland	4,096	16.3	478	18.5
Wales	2,245	8.96	355	13.7
<b>Total UK allocation</b>	<b>25.1 billion</b>		<b>2.6 billion</b>	

Note: Figures are in nominal terms (i.e. they have not been adjusted for inflation over the period)

Source: UK Government, November 2013.

### CAP payments

- The Rural Payments Agency (RPA) paid over 33,000 farmers their full 2015 Basic Payment Scheme claim on day 1 of the payment window representing at least 38% of those who claimed.<sup>65</sup>
- As of 4 January 2015, the RPA had paid over 51% of claimants (44,400 farmers) amounting to £425m.<sup>66</sup>
- Wales and Northern Ireland both had targets to pay 95% of farmers by the end of December 2015.<sup>67</sup>
- Scotland has to move to an area-based CAP direct payment system from its current historic approach. This means future uncertainty for farmers about the timing and value of their CAP payments.
- NFU Scotland reports that by the end of this year, only a quarter of Scottish farmers and crofters will have received 70% of their support payment with others receiving part payment in January, February or March. This is likely to have knock-on effects to other payments e.g. agri-environment scheme payments.

<sup>65</sup> CAP Reform Blog, [RPA confirms BPS payments are already hitting farmers bank accounts in England](#), 1 December 2015

<sup>66</sup> Defra Press Release, [Majority of BPS 2015 claimants have now been paid](#), 4 January 2016

<sup>67</sup> E.g DARD, [2015 CAP scheme payments commence](#), 1 December 2015



- The Scottish Government's CAP payment timetable is set out in [Farm Payments Timetable](#) (17 November 2015)
- NFU Scotland has been engaging with banks and others who supply goods and services to the agricultural sector to ensure that they are well aware of the cashflow issues that lie ahead for Scottish farmers because of reduced and delayed payments.<sup>68</sup>

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<sup>68</sup> NFU Scotland, [President's blog](#), 28 December 2015

## 2. News Articles

### **2015 has seen British farming face massive challenges, but hope remains for future growth**

FarmingUK.com 17 December 2015

[http://www.farminguk.com/News/2015-has-seen-British-farming-face-massive-challenges-but-hope-remains-for-future-growth\\_38096.html](http://www.farminguk.com/News/2015-has-seen-British-farming-face-massive-challenges-but-hope-remains-for-future-growth_38096.html)

### **Clearly British campaign: Morrisons increases milk price to support farmers**

Yorkshire Post 7 December 2015

<http://www.yorkshirepost.co.uk/news/clearly-british-campaign-morrisons-increases-milk-price-to-support-farmers-1-7611567#ixzz3wlaNdOCD>

### **Prince Charles urges people to buy British food**

BBC Online 10 November 2015

<http://www.bbc.co.uk/news/uk-34773358>

### **British milk crisis: what can you do to help dairy farmers?**

Daily Telegraph 17 August 2015

<http://www.telegraph.co.uk/foodanddrink/foodanddrinkadvice/11807334/British-milk-crisis-what-can-you-do-to-help-dairy-farmers.html>

### **Future of British food supply at risk**

Farming Online 10 August 2015

<http://www.farming.co.uk/news/article/11557>

### **UK will need to import over half of its food within a generation, farmers warn**

Guardian 24 February 2014

<http://www.theguardian.com/environment/2015/feb/24/uk-will-need-to-import-over-half-of-its-food-within-a-generation-farmers-warn>

## 3. Press releases

### **Tenant Farmers' Association**

#### **New Strategy for the Dairy Sector Needed Urgently**

**14 December 2015**

The Tenant Farmers Association is calling for a new strategy for the dairy sector to help hard-pressed dairy farmers faced with current low prices and little prospect of immediate improvement.

TFA National Chairman, Stephen Wyrill said "At least half of all dairy farms are reliant either wholly or significantly on a tenanted holding and many of them are facing severe cash flow and income deficits. As a tenanted dairy farmer myself I know, first-hand, exactly how difficult things are. We have had our expectations both raised and dashed so many times over past months but there is little which appears to be giving any confidence for the future".

"David Handley from Farmers for Action has been doing a sterling job in negotiating a greater share of retail and wholesale prices going back to farmers in a difficult market place, but we desperately need to move to a position where dairy farmers are able to take control of their production and pricing. This is a complex area but we must grasp the nettle," said Mr Wyrill.

"The old saying that even the longest march starts with the first step is so apt for the current situation within the dairy sector. I would argue that the most important first step to make is import substitution. It is estimated that an additional one billion litres of domestic milk could be utilised through import displacement. We have seen consumers voicing their support for British dairy farmers and demonstrating that through, for example, sales of the new 'Milk for Farmers' brand from Morrisons. However, I have been frustrated to hear stories of how significant consumers of milk and milk products in the food manufacturing sector find it difficult to source British product even when they specify it. This must change," said Mr Wyrill.

"As the TFA has said before, the Government should take the lead on this by changing its public procurement policies in line with the previously agreed principles set out in the Government's own report which could see a significant increase in the amount of British product used in the public sector," said Mr Wyrill.

"On the back of that, we need retailers and the food service sector to use their power in the marketplace to require their suppliers to enter into producer organisation arrangements with dairy farmers to provide better balance within the supply chain and more sustainable returns for all parties. At the same time we also need to be looking at better contract models including more sustainable A/B style models which have not been handled well to date," said Mr Wyrill.

## **DEFRA**

### **Pioneering a British food and drink revolution**

**4 November 2015**

The country's brightest food pioneers are being brought together to help Britain become a Great Food Nation.

Links to the transcript of the speech, photos, and social media content from the event, are at the end of this article.

Britain's food and drink pioneers will be brought together for the first time to help Britain become a Great Food Nation, Environment Secretary Elizabeth Truss announced today.

Top chefs Raymond Blanc OBE and Ken Hom OBE will join entrepreneurs like Leon's Henry Dimbleby and a new generation of food leaders including culinary architects Sam Bompas and Harry Parr to help Elizabeth Truss launch the five-year Great British Food campaign.

The country's brightest food pioneers, who are spearheading a food revolution, will drive the campaign to champion our delicious produce and shift perceptions through leading trade missions, food festivals and sharing their knowledge and ideas.

In a speech at the new British Museum of Food in London's iconic Borough Market, Elizabeth Truss will praise the contribution of these pioneers who have transformed the food landscape and set out the government's wider ambition for our food and drink industry.

Speaking ahead of the event, she said:

The UK has emerged from a dark age in food where too often taste and quality were ignored. We are now transforming ourselves and taking our place as one of the most exciting food cultures in the world – a unique blend of tradition, innovation and openness.

I want to harness the talent of the UK's food pioneers to banish outdated stereotypes and ensure that British produce is people's first choice to eat here and abroad. With the help of our pioneers, we can continue to build on the success of our food and drink exports, which have doubled over the past decade, to encourage even more companies to sell Great British produce around the world.

As leaders of the campaign, the pioneers will help share ideas to inspire people to take real pride in our food and drink. To highlight how the British diet has evolved in the last 40 years, Defra will soon be releasing the most detailed data on families' eating habits ever published. This will include a breakdown of every Food Survey since 1974, showing how spaghetti hoops have fallen out of favour, fresh fruit has toppled tinned and our appetite for butter has revived.

The pioneers will work together to make 2016 the Year of British Food. A series of events throughout the year will be backed by the launch of a new Food is GREAT campaign to celebrate the very best in British food across the country and overseas, and inspire people everywhere to choose British food for the best in taste and quality.

To deliver on a manifesto commitment to promote British food abroad and back British food at home, early next year will see the launch of the Great British Food Unit, joining together Defra and UKTI's work, including through their international network in embassies, to make the government better coordinated and more effective at promoting exports, supporting inward investment and championing the excellence of British food and drink worldwide. The unit will also be supported by the work of the Food Pioneers.

The unit will work to:

- Drive-up our food and drink exports by helping more UK businesses to sell their top quality produce around the world.
- Treble the number of apprenticeships in the food and drink industry to bring new skills and ideas to ensure the pace of innovation continues to accelerate.
- Increase the number of Protected Food Names from 64 to 200 to celebrate the rich heritage and iconic traditions of with British food and build on the importance consumers place on provenance.

Keith Davis, Managing Director at Borough Market, said:

Borough Market has been at the forefront of the British food revolution and is home to the highest quality food - food that is made or sourced with pride. Through our pioneering traders and their wealth of artisan skills and expertise, Borough Market is a place where people come to be inspired and learn about food and sustainability.

*Further information*

You can also:

- read the [Secretary of State's speech](#)
- see [some pictures from the event](#)
- a [selection of social media content from the event](#)

## **DEFRA**

### **Great British Food and Farming Plan events held across the country**

**From:**

**15 September 2015**

Work continues on a new industry-wide 25-year plan to grow more, buy more and sell more British food.

Sixty farmers and food businesses across the south-west will meet today to discuss the future of food and farming as work continues to develop a new industry-wide 25-year plan setting out how we can grow more, buy more and sell more British food.

Today's meeting in Bristol kick starts a series of three events across England bringing representatives from food and farming together to have their say on their industry's future. This follows meetings earlier this summer where attendees including family businesses, supermarkets, multinational companies, farming bodies, trade associations and academics discussed how to unleash the country's ambition for food and farming with a long-term plan for success.

Speaking ahead of the event, Environment Secretary Elizabeth Truss said:

Food and farming are cornerstones of our communities, providing one in eight jobs and generating billions for our growing economy. We are working with industry to develop a long-term plan to ensure a bright future for food and farming that supports a One Nation economy.

We are hugely ambitious for the industry's future—we want to champion technology, build skills and bring a new generation into food and farming by trebling apprenticeships. British food already enjoys a world-beating reputation for quality, traceability and fantastic taste, but there is more we can do to boost our global brand. We're asking those at the heart of UK food and farming to lead the way to ensure the industry can thrive.

Eighty industry representatives met in July at Defra's headquarters to discuss ways to ensure a bright future for food and farming, including developing a British brand, boosting food and drink exports, encouraging entrepreneurship, attracting investment and ensuring the industry has the right skills. In August, Defra hosted the Farming Stakeholder Forum which saw forty farming representatives meet to discuss the future of UK farming.

Now, views are being sought across England, with events in Manchester, Peterborough and Bristol to ensure input from the local farmers and food businesses who will own the plan.

The UK food chain is worth over £100bn to the UK economy, and food and drink remains the country's biggest manufacturing sector—bigger than cars and aerospace combined.

The stakeholder events will be held in Bristol on 15 September, Manchester on 24 September and Peterborough on 29 September.

If you would like more information on the 25-Year Food and Farming Plan please email [foodpolicyunit@defra.gsi.gov.uk](mailto:foodpolicyunit@defra.gsi.gov.uk).

## **Tenant Farmers' Association**

### **Public Sector Food Procurement Failing British Farmers**

#### **9 September 2015**

The Tenant Farmers Association has accused the UK Government of failing to support British agriculture through its lack of commitment to source food for the public sector from British farmers.

TFA National Chairman Stephen Wyrill said “Sadly, to date, the British Government has been all mouth and no trousers on its food procurement policy”.

It is just over a year since the publication of Dr Peter Bonfield’s report commissioned by the last Conservative led Government to produce a plan to ensure that public sector procurement of food and catering services maximised the health outcomes of those people affected by it, in a way that boosts support for a vibrant and competitive UK food and farming sector.

At the launch of the report Prime Minister David Cameron said ‘I want to ensure that money is spent on nutritious and sustainable food, delivered by Britain’s thriving rural economy’.

“Despite this rhetoric, absolutely no progress has been made in implementing the recommendations of the Bonfield report which set out a framework for ensuring that decisions about food procurement were made not just in relation to price but against a balanced set of criteria including health and wellbeing, resource efficiency, quality of service, farm assurance, food waste management, engagement with SMEs, animal welfare, nutrition, and energy management,” said Mr Wyrill.

“British farmers are best placed to provide food to the public sector which matches these important criteria. Too often we have heard stories of public sector establishments providing low grade, cheap food to its clients because of inadequate sourcing policies. The food in our hospitals, schools and other public sector outlets, often dealing with some of the most vulnerable members of our society, should be of the highest quality,” said Mr Wyrill.

“British farmers feel let down by the Government. We can only wait and see if there will be more action on this front now that DEFRA Secretary of State Liz Truss MP has been forced to announce again yesterday that she wanted to improve public sector food procurement policy. Let’s hope that over the next year we see some concerted effort from the Government to achieve this,” said Mr Wyrill.

## **DEFRA**

### **Industry kick-starts work on Great British Food and Farming Plan**

**16 July 2015**

Eighty leading representatives from food and farming join Environment Secretary Elizabeth Truss today to discuss the future of the industry.

Eighty leading representatives from the UK food and farming industry will help develop a long-term plan for the future of food and farming at a meeting with Environment Secretary Elizabeth Truss today.

The industry-led 25-year plan will up the country’s ambitions for food and farming, setting out how we can grow more, buy more and sell

more British food. Today's event kick-starts the plan's development, discussing ways to promote a British brand, grow exports, improve skills, attract high-flyers and harness data and technology so the industry can innovate, grow and create jobs.

Speaking ahead of the event, Environment Secretary Elizabeth Truss said:

We are hugely ambitious for the future of food and farming and its potential to drive growth—that's why we are bringing together industry to set out a vision for the future with a long-term plan to grow more, buy more and sell more British food. This event is the first step to make our ambition a reality.

Our food and farming industry is already an economic powerhouse, worth over £100 billion a year and supporting one in eight jobs. By championing the latest technology, building skills and creating jobs and apprenticeships we will create a stronger brand for British food and drink that will see our quality produce enjoyed at home and exported around the globe.

The event, the first of several convened by Defra and led by industry, brings together a range of organisations in food and farming—including major trade associations, farming businesses, retailers, food manufacturers and the research community—to share ideas on how to encourage enterprise and boost productivity.

The outcomes of today's event will form a key part of a 25-year food and farming plan to increase competitiveness across the entire food chain, helping the UK to become one of the most innovative food nations in the world.

Defra will work with industry around seven key themes to help shape the direction, actions and ideas that will create a strong future for British food and farming:

- Strengthening the British brand to ensure our quality produce is celebrated both at home and abroad.
- Increasing exports to ensure British products are enjoyed by even more countries across the world.
- Breaking down barriers to trade that will enable budding food entrepreneurs to unleash their full potential and access new markets.
- Increasing procurement of British produce including in schools and hospitals.
- Attracting investment into the industry.
- Boosting skills and apprenticeships to ensure the industry has the confidence and capacity to meet the growing demand for British produce.
- Increasing productivity through innovation, research and development and sharing data.



The UK's food and farming industry contributes more than £100 billion a year to our growing economy and employs one in eight people. Over 16,000 new food and drink products are introduced every year—second in the world only to the United States of America. Food and drink remains the UK's biggest manufacturing sector, bigger than cars and aerospace combined.

If you would like more information on Defra's food and farming strategy or would like to participate in future industry events, please email [foodpolicyunit@defra.gsi.gov.uk](mailto:foodpolicyunit@defra.gsi.gov.uk).

## 4. Parliamentary material

### **Westminster Hall debate: Food security**

**HC Deb 27 November 2014 | Vol 588 cc337-358WH**

<http://www.publications.parliament.uk/pa/cm201415/cmhansrd/cm141127/halltext/141127h0001.htm#14112773000001>

### **Select Committee statement: Food Security**

**Select committee on Environment, Food and Rural Affairs**

**HC Deb 03 Jul 2014 | Vol 583 cc1094-9**

*Select Committee statement*

**Mr Speaker:** We now come to the first of two Select Committee statements. The Chair of the Select Committee on Environment, Food and Rural Affairs, Miss Anne McIntosh, will speak on her subject for no more than 10 minutes, during which no interventions may be taken. At the conclusion of her statement, I will call Members to put questions on its subject, and call Miss Anne McIntosh to respond to them in turn. Members can expect to be called only once. Interventions should be questions and should be brief. Front Benchers may take part in the questioning.

**Miss Anne McIntosh (Thirsk and Malton) (Con):** On behalf of the Environment, Food and Rural Affairs Committee, may I say how delighted we are to have secured this time to launch our report on food production and the supply dimensions of food security? I welcome the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for North Cornwall (Dan Rogerson) to his place. The Committee would like to thank all those who contributed to the inquiry, submitted evidence or appeared before us. I give special thanks to the Committee staff who drew all the evidence together and helped us to reach our conclusions.

We believe that the Department for Environment, Food and Rural Affairs is the key to providing leadership on long-term food security. I should say at the outset that the food and drink sector accounts for 3.7 million jobs and 7% of the overall economy. Food security has been described by the UN Food and Agriculture Organisation as

“when all people, at all times, have physical and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life”.

That implicitly includes future generations and requires food security methods in the UK and elsewhere to be sustainable.

The UK currently enjoys a high level of food security, but we believe that there is no room for complacency. I would like to take this opportunity to thank and pay tribute to all the farmers across the land who work so hard in all weathers to ensure that we have food on our plates. Food security is under severe challenge from changes in weather patterns, growing populations and rising global demand for food. The report therefore focuses on what food production, supply and systems we need to ensure that we have long-term food security.

What can we do? Our core recommendation is to have a single champion for farming and food security, and we believe that it should be the Department for Environment, Food and Rural Affairs. While it is right that other Departments are involved, such as the Department for Business, Innovation and Skills and the Department of Energy and Climate Change, there is a real need for cross-departmental communication, and DEFRA should step up to the plate and take the lead. We also urge DEFRA to appoint a food security co-ordinator from the Department to ensure a coherent and co-ordinated approach.

Self-sufficiency is in decline. Over the past 20 years, it has reduced from some 75% to around 62%. We need to stem and reverse that decline. We need to look to become more self-sufficient in food, but also aim to be a major exporter in those products that we can afford to export and that are surplus to demand in this country.

We applaud DEFRA's efforts and congratulate it on its budget and on the work of the Secretary of State and Ministers here and in the other place in leading a vibrant export campaign to ensure that our farmers export more. On a visit to Denmark that the Committee undertook during the Danish presidency, we were struck by the ability of Danish farmers, often working through co-operatives, but with Government support, to export, particularly milk, cheese and other dairy products. We therefore applaud the Department's efforts to open up new markets where demand is growing.

However, barriers remain, not least in certain emerging markets. I do not wish to single out China, but let me give a particular example. There is a joint operation between the Malton bacon factory and the Cookstown plant, and there will be many pig parts, such as pigs' feet, that humans do not eat in this country but for which there is wide demand in China. That is a wonderful opportunity for export and we urge the Government—whether DEFRA, the Foreign Office or the Department for Business, Innovation and Skills—to intervene. Having just removed the barriers to cheese exports, we must act urgently to remove the very real barriers to pigmeat. In my constituency alone, in Malton and the hinterland, that will mean thousands, if not millions of pounds every year. We urge the Government to press for opening up those markets to allow such exports to grow.

The boost to food security is challenged by some food production systems and threats such as the impact of extreme weather events. We call for several measures. We need supermarkets to use shorter supply chains, and we applaud efforts on that and look forward to Professor

Elliott's final report and recommendations. We need to diversify if supply is to be safeguarded against disease, severe weather or other domestic supply disruption, and we must be open to imports where they are needed.

We also call on UK farmers to satisfy home consumer tastes and extend seasonal production of fresh fruit and vegetables in co-ordination with the Agriculture and Horticulture Development Board, and working with central and local government. We urge the Government to work hard to reduce dependence on imported soybean or animal feed, as increased demand for protein from emerging economies threatens current supply lines.

I ask the Government to produce a detailed emissions reduction plan for the UK agriculture sector. Agriculture currently accounts for 9% of all greenhouse gas emissions, and livestock production accounts for a staggering 49% of farm-related emissions. The headlines this week mentioned flatulence from animals, and we wish to reduce that wherever we can. The report applauds the work that is going on, particularly that being trialled by Sainsbury's and other supermarkets, as well as the research that we have heard about to grow high sugar grass that will singlehandedly reduce such emissions.

We also welcome the £410 million that the Government are currently spending on agricultural research, and the £160 million for agri-tech strategy. We urge the Government to act, perhaps as a sort of Cilla Black, and to unite, go out and find partners and bring them to the marketplace—a sort of "Blind Date", urging research institutes in this country to find other such institutes, including across Europe and internationally, and to ensure that farmers benefit and that research is brought to farmers and to the marketplace.

We believe that there needs to be an urgent public debate to allay public concerns about genetically modified crops, and the Government are best placed to do that. On extreme weather events, thousands of acres of land were flooded and taken out of production during the recent flooding, and we need better long-term forecasting so that farmers know what crops to grow and when. We welcome new entrants and believe that with land in limited supply, and with its conflicting uses such as for housing as well as farming, younger farmers and new entrants will embrace the technology available.

This is the first of two reports and it draws on the work of the previous Government, on which the Committee reported in 2009. I believe that it will be warmly welcomed by farmers, supermarkets and retailers. First and foremost, it is a vote of confidence in British farming, and places DEFRA as the champion for farming and food security.

**Mr Speaker:** I am most grateful to the hon. Lady for her comprehensive statement, and the House is obliged to her for providing Members with a helping hand through her graphic descriptions of what she had in mind. It is always useful, in my experience, to have a bit of information.

**Huw Irranca-Davies (Ogmore) (Lab):** There is much to be commended and debated in this welcome report, and I hope we will

have the opportunity to do so in short order, not least the acknowledgement that:

“Food security is not simply about becoming more self-sufficient in food production.”

as well as the imperative for the UK to boost its productivity for domestic and export reasons.

Why does the Committee feel it necessary, as its first recommendation, to urge the Government to

“identify Defra as the lead Department for food security”

given that that should be the Department’s *raison d’être* and a core part of its mission? Why is it necessary to highlight that, even though it is welcome?

**Miss McIntosh:** I welcome the welcome from the hon. Gentleman, and we are grateful to BBC 5 Live for using such graphic language, which I felt would also be acceptable in the Chamber. We stated that DEFRA should be a champion and a lead Department because in areas such as farming and—dare I say it?—also outside farming in tourism, which impacts on the rural economy more broadly, policy often cuts across many different Departments. In this instance, the agri-tech strategy is important in promoting and boosting food security and increasing self-sufficiency, and it potentially goes to the heart of exports, and cuts across the three Departments I mentioned. We just want to give DEFRA a little bit of welly to go out and be confident in discussions with other Departments. Farming remains at the heart of DEFRA. It is our fourth priority to grow the rural economy, and I believe that DEFRA is best placed to lead on that.

**Neil Parish (Tiverton and Honiton) (Con):** As a member of the Committee, I very much welcome my hon. Friend’s report. It is right for us to talk about food security not only in this country, but throughout the world, because the world population is 7 billion and will rise to 9 billion by 2050. We can grow good grass, good meat and good vegetables in this country along with cereals, but with climate change, we will need to be able to adapt our crops more and more. Biotechnology is out there—there is a blight-resistant potato that does not need spraying—but we close our minds to it. We need the Government to be much more proactive so that people can believe they are safe, and so that we can produce more food in this country using fewer chemicals to do so.

**Miss McIntosh:** My hon. Friend makes a valid point. I should take this opportunity to thank him for the expertise and knowledge he brings to the Committee. On precision technologies and new technologies such as genetically modified foods, we must ensure that the public have an open mind. If it is the case that there is no cross-contamination, we need to go out there and sell the message. I believe it is for the Government to lead in that regard. Denmark is probably more focused on organic crops, but the UK has many producers in a niche market of organic foods. They need to know that their crops will not be cross-

contaminated in that way. An interesting piece of research that the Department for Environment, Food and Rural Affairs could ask for is precisely on the yields compared with organic production—my hon. Friend gave an example. I understand that that work has never been conducted.

**Fiona O'Donnell (East Lothian) (Lab):** I congratulate the hon. Lady and her Committee on the report. I am glad she raised the rather uncomfortable issue—it is uncomfortable for some of us—of the lack of progress in reducing emissions in the agricultural sector. She mentioned a taskforce and spoke of a wind of change running through the sector—that is just a pun—but what action could the taskforce take? Does she have any evidence that DEFRA and the Department of Energy and Climate Change are working together well to bring about further progress?

**Miss McIntosh:** I am grateful to the hon. Lady for her question and her eloquent description of the problem—it was much more eloquent than the one I was able to come up with in the time available. There is evidence that DEFRA, DECC and the Department for Business, Innovation and Skills are working closely together. The evidence we received in writing and on the visit to the Rothamsted institute showed the long lead times needed in respect of research on the long grass with the extra sugar content that can lead to the wind of change to which she referred. I make a plea to the Department for Environment, Food and Rural Affairs and the Department for Business, Innovation and Skills: we need longer-term security of research funding. That was the plea of the Rothamsted institute in its evidence to the Committee. If no other good comes from the report, it would be a positive step if we left that message with the House today.

**Mr Philip Hollobone (Kettering) (Con):** I hope you have had your Weetabix this morning, Mr Speaker—if you had Weetabix, it came from the Weetabix plant located in Burton Latimer in my constituency. In congratulating my hon. Friend on her Committee's excellent report, and with specific reference to the parts of the report that focus on supply chains and export opportunities, will she join me and take this opportunity to congratulate Weetabix, which sources all the wheat for its products from farms within a 50-mile radius of the Burton Latimer plant, and which is increasingly looking to export its product to help the British balance of payments?

**Miss McIntosh:** I congratulate my hon. Friend on his work, and I also congratulate Weetabix. The price of wheat was the talk of the barbecue held by the National Farmers Union and Morrisons this week. It is worrying indeed. It is to be commended that Weetabix turned to British producers to source its wheat.

## 5. Food security: Government response to the Committee's Second Report of Session 2014-15 - Environment, Food and Rural Affairs Committee

### **Food security: Government response to the Committee's Second Report of Session 2014-15 - Environment, Food and Rural Affairs Committee**

#### **Introduction**

The Government welcomes the Environment, Food and Rural Affairs Committee's report on Food Security which is supportive of key elements of Government policy, including:

- UK food security built on access to a wide variety of markets including domestic, the EU and an open, rules-based world trading system;
- The importance of sustainable intensification;
- Making the most of our productivity potential through the Agri-Tech Strategy.

The Committee asked to ensure policy coherence on food security across Government, which ought to be led by Defra. The Government can assure the Committee that Defra is the lead Department for food security and takes responsibility for ensuring that it is a priority across all relevant policy areas throughout Government.

The Committee has also asked for a better understanding of the focus of the Government's research initiatives into food security. Recommendation 30 explains the work currently underway to map the research landscape in the UK and internationally. It also describes the Global Food Security Programme's recently refreshed mapping of research priorities across the major public sector funders, which brings coherence by aligning individual activities with shared goals.

Food and drink is the UK's biggest manufacturing industry, with gross value-added of £24.3 billion.

#### **UK food security policy priorities**

We have outlined the Government's general approach to food security in our written evidence to the Committee. The key things that we are doing to ensure continued food security in the UK are:

- Pursuing policies across Government to ensure continued economic growth and higher levels of income for all UK households;
- Removing barriers to competitiveness and enhancing the productivity of the agricultural and food sectors in the UK and globally, to help meet rising global demand;

- Pressing for reform of agricultural and trade policies, such as the Common Agricultural Policy, which distort markets both at home and abroad;
- Ensuring that the UK food sector continues to foster healthy competition and delivers real benefits for UK consumers.

### **The UK food system**

**1. In order to clarify the resourcing, commitment and prioritisation of food security across government we request that the Government set out the financial contributions and support of each department to the goals and delivery of the Government's food security strategy. The Government should identify Defra as the lead Department for food security and appoint a Food Security Coordinator within it to ensure policy coherence across Government departments. (Paragraph 11)**

The Government agrees with the Committee's recommendation that Defra should be the lead Department, and is happy to confirm that it is.

#### TAKING THE LEAD ON FOOD SECURITY

Defra is the lead Government Department for food security. The Food Policy Unit within Defra, under the direction of the Parliamentary Under Secretary of State for Farming, Food and Marine Environment, George Eustice, ensures that food security is a priority across the range of relevant policy areas within Government.

Across Government, food security issues relating to developing countries belong to the Department for International Development (DFID). The Agri-Tech Strategy is a joint Business, Innovation & Skills (BIS), Defra and DFID programme. Policy officials across Whitehall collaborate on policy priorities, and the evidence base, science and technological innovation which underpins this (delivered by Research Councils, Departments and industry) is coordinated through the Global Food Security Programme coordination group and the Food Research Partnership, which is chaired by Defra's Chief Scientific Advisor.

#### FINANCIAL CONTRIBUTIONS OF GOVERNMENT DEPARTMENTS TO THE FOOD SECURITY STRATEGY

The Government invests £450m on food research (see Fig 1.) Additionally, the UK Strategy for Agricultural Technologies is supported by £160 million of Government investment to be matched by private sector funding.<sup>[1]</sup> Also, the UK will receive from the CAP, €25.1 billion in the form of direct payments and €2.6 billion in funding for our rural development programmes under Pillar 2, between 2014 and 2020.



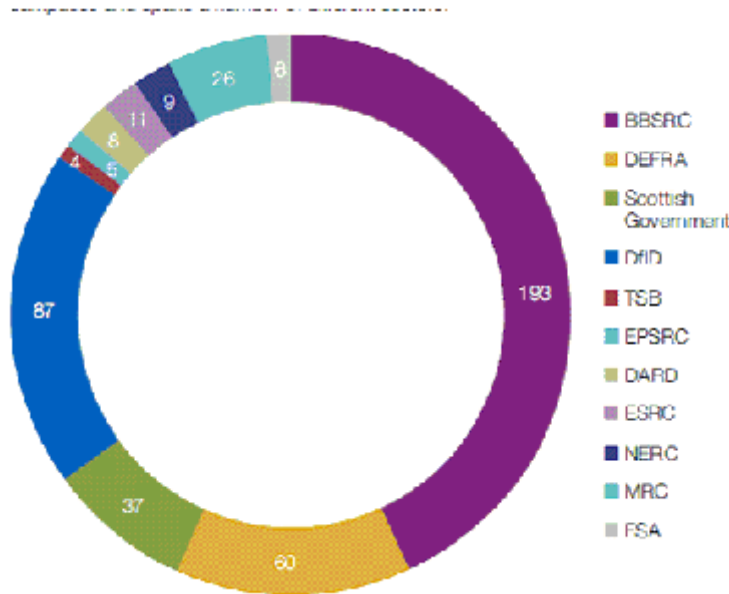


Fig 1 Breakdown of £450 million spend on R&D on agricultural and food by public sector bodies in 2011/12 (A UK Strategy for Agricultural Technologies, p21)

Organisation	How Funding is Used
BBSRC	Bioscience research relating to food security
EPSRC	Engineering and physical sciences research relating to food security
ESRC	Economic and social research relating to food security
MRC	Medical research relating to food security
NERC	Environmental research relating to food security
Defra	Research relating to food security ensures its policies are based on a sound, comprehensive understanding of current evidence
Scottish Government	Research relating to food security plays an important role in shaping their policies
DFID	Research relating to food security is aimed at directly improving people's lives and outputs are available to those who can use it around the world
FSA	Research relating to food security is focused around food safety and ensures advice is based on the best and most up-to-date science
DH	Research relating to food security is focused around health and ensures a high-quality evidence base

DARD	Research relating to food security helps achieve strategic goals and objectives in the areas of agriculture, fisheries and food
TSB	Research relating to food security is aimed at accelerating economic growth by stimulating and supporting business-led innovation

**2. Food security is not simply about becoming more self-sufficient in food production. A diversity of supply is an important safeguard against diseases, severe weather or other domestic disruptions. There are opportunities to extend the seasonal production of non-tree crop fresh fruits and vegetable products. We would like to see a more coordinated and positive approach by retailers, the Agricultural and Horticultural Development Board and local and central Government to examine ways to encourage greater domestic production in these sectors. (Paragraph 18)**

*The Government agrees with the Committee that food security is not about self-sufficiency alone but that an element of UK food security is instead built on access to a wide variety of markets including domestic, the EU and an open, rules-based world trading system.*

*The increasing demand of UK consumers for British food and drink is a huge opportunity. The Government is working with farmers, manufacturers and retailers to enable UK producers to grow and compete. This includes enabling consumers to select products through country of origin labelling, supporting industry to develop a skilled workforce and increase innovation, freeing farmers from red tape to help them seize economic opportunities that arise and improving public procurement of food and catering services so that it contributes to a competitive UK food and farming sector.*

#### **ENCOURAGING DOMESTIC PRODUCTION IN THE FRUIT AND VEGETABLE SECTOR**

*The UK's production to supply ratio<sup>[2]</sup> is 55% for fresh vegetables and 10% for fresh fruit. This rises slightly to 57% for indigenous vegetables, but more markedly for indigenous fruit to around 34%.*

*In 2010, the Fruit and Vegetable Taskforce Action plan was agreed by industry, the Agricultural and Horticultural Development Board (AHDB) and Government with specific actions aimed at removing barriers to increased productivity in the sector. We established a Grocery Code Adjudicator, streamlined the approval process for plant protection products, increased funding for reservoirs and otherwise clarified rules on water extraction, modernised planning rules, reduced waste.*

*The AHDB's work in horticulture, storage and soils has resulted in successfully extending growing seasons. Examples include strawberries, asparagus and cherries, due to both variety development and new production techniques. AHDB's cross-sector soils research and development platform is helping optimise availability at either end of*

the season, and best practice long term soil management allows land conversion from marginal to viable.

Thirty years ago, the UK strawberry season lasted for about six weeks. Now, due to modern growing practices, improved varieties and the use of polytunnels and glasshouses, domestically produced fruits are available from April until November (Fig 2). Since 2009, market share of home grown strawberries has been stable.

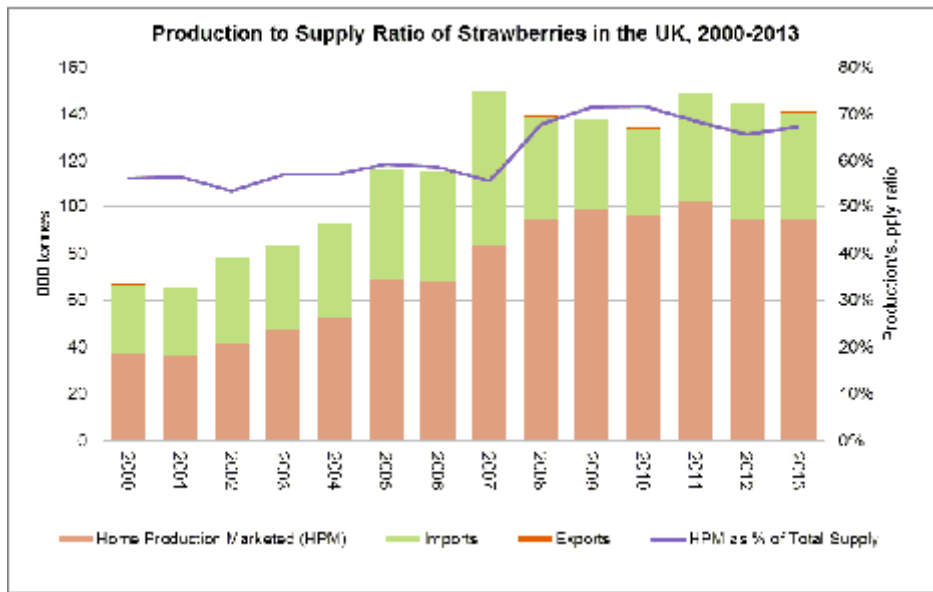


Fig 2: In the five year period 2008-2012, home production supply of strawberries was on average 69%, which compared to 58% in the five year period 2003-2008.

2014 saw the first substantial volume of British-grown apricots on the market, from a partnership between Tesco and fruit growers. Traditionally, the UK climate has not been suitable for growing apricots, but with the help of breeders and agronomists studying the climate changes and the varieties available, they launched major scale English apricot production with a growing season that extends to September (a time when no other country produces apricots.) This could result in demand from other countries including France, Spain and Portugal for the UK-grown fruit.

## RESEARCH

Defra has funded research projects to address the issue of extending seasonal production of fruits and vegetables. The Vegetable Genetic Improvement Network and the Pulse Crop Genetic Improvement Network bring together academia, industry, farmers and end users to discover and characterise new sources of breeding material required to produce novel vegetable and pulse crop varieties. These are tailored to UK production requirements against the background of a changing climate and changing consumer demands.

**3. We should also export, where possible, those products which are surplus to demand in the UK and can be produced competitively for export, as this will help boost our production.**

**We are pleased that the Government is seeking to do this. The Government must redouble its efforts to negotiate the export of products such as pigmeat and cheese to China and demonstrate reciprocity in trade. (Paragraph 20)**

*The Government agrees that increasing food and drink exports is key to ensuring continued expansion of the sector. In 2013 UK exports of food and drink reached £18.9bn, an increase of £1.2bn since 2010. There is room to grow even further, particularly in emerging markets. This is why Defra and UKTI launched a refreshed food and drink Export Action Plan in October 2013, which aims to add £500m to the UK economy by October 2015 through a range of ambitious joint Government-industry targets.*

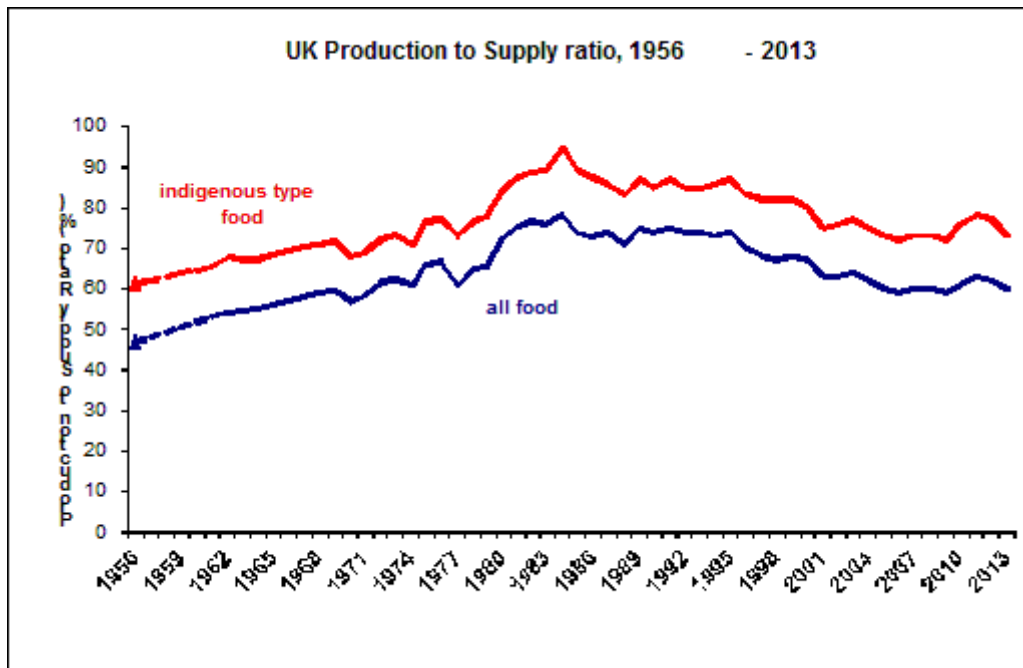
*We are already delivering on our commitments to increase exports. In 2013 Government reached 112 new market agreements for animals and animal products, helping increase exports outside the EU by £179m to £1.35bn. Government is also working hard to secure better deals for UK food and drink through EU Free Trade Agreement negotiations with the USA, Japan and Vietnam and elsewhere.*

*The UK gained access for pigmeat to China in 2012, and industry is already capitalising on this with exports totalling £20m in 2013. We are now focusing on extending the Chinese pork market to cover offal and pigs trotters and lifting their bans on British beef and lamb. Exports of cheese to China have resumed following the short temporary suspension imposed by the Chinese authorities earlier this year.*

**4. It is right that the Government keeps track of levels of self-sufficiency in indigenous products—which will vary from time to time. While the UK may be food secure at present, it would be unwise to allow a situation to arise in which we were almost entirely dependent on food imports given future challenges to food production arising from climate change and changing global demands. (Paragraph 20)**

*Increasing domestic production remains a priority for Defra. This may increase the production to supply ratio ("self-sufficiency")<sup>[3]</sup> whether the produce is consumed domestically or exported. Whilst we agree with the Committee that we should monitor self-sufficiency, we do not believe it should be regarded as a primary indicator of food security.*

*The UK's current production to supply ratio—73% for indigenous-type foods and 60% for all foods—is not low in the context of the last 150 years<sup>[4]</sup>—in the inter-war period, the rate was as low as 30-40%. "Self-sufficiency" in the 1980s and early 1990s was inflated through a version of the Common Agricultural Policy (CAP) which distorted markets at considerable cost to consumers and taxpayers. The self-sufficiency ratio has been relatively stable since this unwound. The following graph shows the post-war evolution in the ratio.*



*The UK's current positive food security position depends on access to global markets and diverse supply options, including domestic production. As noted by the EFRA Committee, a higher production to supply ratio does not necessarily improve food security, given the opportunity for domestic supply variability as a result of weather variability and disease risk, and especially if it entails significant additional consumer costs. Further, it does not insulate the UK market from any global price variations. We are working with farmers, manufacturers and retailers to enable UK producers to grow and compete. Through improving productivity, UK producers can better compete in domestic and international markets. Improvements in productivity and competitiveness are beneficial for the UK, but to ensure the UK's food security, integration into global markets remains paramount.*

**5. The CAP has changed significantly over the years, and now has many more objectives including environmental protection and conservation. Nevertheless, its original objective of helping to ensure EU consumers have access to stable food supplies at reasonable prices remains important particularly in the context of projected increased global demand for food and potential supply disruptions. The farming sector also provides public goods which, by their very nature, have no market value. Some remuneration through direct payments is warranted, as such provision may entail specific costs in order to meet environmental or strategic objectives and targets. (Paragraph 28)**

*A productive EU agricultural sector and open competitive markets are major contributors to delivering global food security and ensuring EU consumers have access to stable food supplies at reasonable prices. CAP, through tariffs and market intervention, serves to increase prices for consumers. The Organisation for Economic Co-operation and Development (OECD) report that on average, prices received by farmers*

were 4% higher than those on the world market in 2010-12, down from 1986-88 when EU prices were 71% higher than world market prices. However, for some products the price gap between European and world prices is still very significant.

Some further limited reform continues into the 2014-20 EU Multi Annual Financial Framework (MFF) period. For example, there was agreement to abolish from 2017 one of the last production controls, on sugar. However, Pillar 1 of the CAP still undermines the performance of the agricultural sector, at great cost, and is still in need of fundamental reform. Recent changes to the CAP have added complexity linked to conditions for receiving direct payments. Greening is a blunt environmental tool with limited potential for benefits, whilst direct payments will continue to slow the process of structural change in the agricultural industry. Such structural change is an important element of ensuring the long term productivity and competitiveness of European agriculture.

The Government continues to believe that expenditure on market price support and direct payments to farmers under Pillar 1 of the CAP represent very poor value for money. The Government's position is that the best value for money with regard to environmental benefit can be obtained in Pillar 2.

**6. The UK Government must ensure a joined-up approach to food security within the EU across different policy areas, and particularly in relation to CAP, to ensure policy coherence. The Government should set out how it will use the flexibility provided by the new CAP agreement to help meet the objective of food security. (Paragraph 29)**

The CAP as presently configured is not an effective tool for delivering food security. Indeed, given the negative impact of Pillar 1 on structural change, the CAP operates contrary to the food security interests of the UK, and the rest of the EU. Additionally in other areas, such as trade and biofuels, EU policies can push up the price of agricultural goods to the detriment of manufacturers and food consumers.

We recognise that there are challenges in securing policy coherence at an EU level where 28 Member States must agree collective measures. Respondents to Defra's recent Balance of Competences Review for Agriculture questioned the effectiveness of EU policy making processes. Many criticised the CAP for its cost to taxpayers and consumers and its unclear objectives.

The UK has argued for CAP reform to help deliver an efficient and responsive agricultural sector in the EU and globally, moving away from subsidies and market interventions. There is scope for using taxpayers' money to pay farmers for public goods that the market otherwise would not reward, such as protecting the natural environment and supporting biodiversity.

During the CAP reform negotiations we achieved greater CAP regionalisation, providing flexibility for the Devolved Administrations to implement the new CAP according to their own priorities.

*In England, we have made the greening rules as flexible and simple as we can for farmers to meet, so farmers can concentrate on producing food and helping to grow the economy. To help farmers meet the EFA criteria, we are offering the inclusion of hedges towards their requirement. Within the Nitrogen-fixing crops option, we will allow the widest range of crop types.*

*We argued hard to ensure that crop diversification was more appropriate for UK conditions. We are exploring what further flexibility might be possible and will be seeking changes to the 3 crop rule when the opportunity arises in Brussels.*

*The UK, working with like-minded Member States, negotiated hard for a final outcome that was a significant improvement on the Commission's original proposals. However, it is still very disappointing and does not move CAP as far as we would have wanted in the direction of reform.*

**7. There is a significant challenge to feed a growing global population in a sustainable manner. The key question for us, is how the UK responds to that challenge—that is, what role it plays in global markets given that it is both a small part of the global food economy, and its agriculture is a relatively minor contributor to global GHG emissions. (Paragraph 37)**

*The Government agrees with the Committee that increases in global population and income will increase demand for food, and increase pressure on scarce inputs such as land, water and soil. The UK represents a small proportion (approximately 1%) of global food production and consumption.*

*However, we can demonstrate leadership through our strengths in agricultural research, our dynamic food and farming sector, our work internationally to promote transparent open global markets, and through reducing emissions and waste.*

#### AGRICULTURAL RESEARCH

*Through the Agri-Tech Strategy we are seeking to match our world-leading basic research capability with a renewed focus on applied research in order to bring innovations onto farms and raise productivity. Such applied research can help improve productivity in the UK and overseas.*

#### WORKING INTERNATIONALLY

*The UK is pushing for an ambitious set of new universal Sustainable Development Goals to take effect when the Millennium Development Goals expire in 2015. The UK is advocating for a dedicated goal on food security, nutrition and sustainable food systems, underpinned by a set of ambitious targets to drive delivery on the ground.*

*The UK Government collaborates with the Food and Agriculture Organization and other Rome-based UN agencies (IFAD and WFP) across a range of policy areas to ensure sustainable food security. We also engage on these issues in discussions in the G7/8 and G20.*

*The UK will chair the Agricultural Markets Information System (AMIS) group from October 2014. AMIS is an inter-agency platform agreed as part of the 2011 G20 Action Plan to help address food price volatility. It aims to enhance market transparency and improve policy coordination in response to market uncertainty.*

*Economic growth and poverty reduction alongside sustainable agricultural practices, robust supply chains and open, fair and well-functioning markets and trade policies are essential to achieve long-term food security for all people. The UK directly supports developing countries to increase agricultural outputs in a sustainable way,<sup>[5]</sup> and is also engaged in the Climate Smart Agriculture Alliance of countries working together to share expertise and technologies to deliver a food secure world.*

*The UK is a leader in responding to the challenge of food waste. Working with industry under the voluntary Courtauld Commitment, we have reduced supply chain food and packaging waste, and total household food waste is down by 15% since 2007. In June 2012 an agreement with the hospitality and food service sector was launched to support the sector in preventing and recycling food and packaging waste.*

*Defra is co-ordinating work with key UK palm oil using sectors towards achieving 100% sourcing of credibly certified sustainable palm oil by the end of 2015.<sup>[6]</sup>*

**8. Consumers should be able to make informed choices about what and how much they consume, and health and resource impacts should play a part in these choices. There is an important role for protein from a variety of sources in our diet, and some of the animals we consume—for example, cattle and sheep—also play a vital role in ensuring our hillsides and upland farms remain viable. The production of protein, whether from animals or plants, must make efficient use of land and water, and discourage waste and reduce harmful emissions. (Paragraph 38)**

*Food security is dependent on access to a variety of affordable food of good nutritional quality, and meat is a valuable source of nutrients in a balanced diet. Through the Green Food Project Sustainable Consumption report, Defra brought together a wide range of stakeholders to engage in a debate across the food chain and civil society, about the role of diet and consumption in the sustainability of the food system, and the roles of different sectors in addressing consumption patterns.*

*We are improving labelling, including introducing mandatory country of origin labelling for the first time for pork, poultry, sheep and goat meat from April 2015 in order to respond to consumer demand to know where their meat comes from.*

*We are committed to supporting and developing the UK livestock farming sector and sustainable food production is a priority. We are working with the farming industry to improve the productivity and*



*competitiveness of food and farming businesses, with better environmental performance.*

*We agree with the Committee that well-managed livestock farming contributes significantly to preserving the landscape and biodiversity, particularly in the uplands and on permanent grazing less suited to other forms of agriculture.*

*The sustainable intensification platform aims to make the best use of land available while addressing environmental impacts.<sup>[7]</sup> Initiatives to reduce emissions are discussed under Recommendation 13.*

*Fish and seafood constitute approximately 20% of the global supply of animal proteins and are an important and affordable source of protein. Living marine resources are globally important both from a food security as well as a nutritional perspective.*

**9. We are concerned about the potential impact of projected rising trends in global demand for animal protein on the price of animal feeds and the cost of production. The Government is aware of this issue and has funded some research in this area. (Paragraph 39)**

**10. In view of the significant strategic risk and cost the UK is exposed to in relation to its animal feed imports, we recommend that the Government give higher priority to research to enable us to source more of our animal feed from within the EU. The Government must promote the growth of more legumes which ensure greater output per hectare. Additionally, the Government should monitor the demand for soya and other animal feeds at the global level and ensure that there is a long term "Plan B" for animal proteins within the EU. (Paragraph 40)**

*The Government continues to monitor developments in agricultural global markets, including production and trade of animal feed. The UK uses a wide variety of ingredients for animal feed produced domestically and from abroad, worth £5.6bn. Cereals make up at least 40% of total feed used in the UK (mainly wheat), while soybean makes up around 10%. The UK is typically a net wheat exporter but is a net importer of animal feed, importing around £2.1 billion (with imports of soya cake and meal being the single largest category) in 2013.*

*Soya bean meal can make up around 15 to 25% of diets fed to young pigs and poultry, as it is a rich source of high-quality protein providing a balanced source of essential amino acids. Replacing soya with domestically-produced vegetable proteins without having negative impacts on animal productivity and economic performance represents a significant technical challenge. Nonetheless, industry is taking action, and there has been a drop in soya bean use in the pig sector due to increased use of alternative home produced proteins, such as rapeseed meal, increased use of synthetic amino acids and reductions in the protein content of pig diets.*

*Two major bioethanol production facilities have recently been established in the UK. Whilst the public policy debate around supporting*

*biofuel consumption in the EU is still live, such facilities also produce high-quality animal feed protein in the form of distillers dried grains. Industry estimates indicate that the UK biofuels industry could reduce animal feed import dependency by around 1.5 million tonnes when operating at full capacity.*

*The Technology Strategy Board (TSB), in partnership with Defra, the Biotechnology and Biological Sciences Research Council (BBSRC) and the Scottish Government is investing £16m in industry-led collaborative R&D to address the challenges of sustainable protein production.*

*BBSRC provides long term strategic funding for research on crop genetics, genomics and germplasm at the Institute of Biological, Environmental and Rural Sciences (IBERS) at Aberystwyth University, to inform breeding of new and improved varieties of forage grasses and legumes for cultivation in the UK.*

*The new greening requirement introduced as part of CAP reform from 2015 can be expected to result in an increase in domestic protein crop production. The new Crop Diversification requirements can be expected to drive a broader range of crops to be grown. In addition, the Ecological Focus Area requirements can be met by growing a nitrogen fixing crop (e.g., broad beans).*

### **The challenge of climate change**

**11. Climate change will have significant implications for our agricultural production in the long run. While it may be that the UK climate becomes better suited to particular types of agriculture, farmers will need the know how to adapt their crops or livestock without productivity losses and in a sustainable manner. Farmers would be greatly assisted by having access to more reliable long range weather predictions so that they can be better prepared for extreme weather events and conditions. (Paragraph 50)**

**12. We urge the Government to explore the cost implication for farmers of access to more long term weather forecasts as a first line of defence against extreme weather. (Paragraph 51)**

*The Government recognises the impacts climate change will have on agricultural production and the resulting need for adaptation.*

*The demand to increase the accuracy of long-range weather forecasting is not peculiar to the farming industry. Doing so would have obvious benefits for the decision-making processes of numerous types of business, the public, and the government itself.*

*In the UK, the Met Office already runs the most detailed operational long-range forecasting system in the world. These seasonal and monthly predictions can provide useful guidance for decision makers, and recent progress in science and modelling means they can be expected to accurately predict seasonal weather patterns 60% of the time (the rate for short-term forecasts is closer to 90%[\[8\]](#)). However, uncertainties will always exist, and they will always be greater the longer the range of the forecast.*

*Given this, it is important to recognise that it is not enough to increase scientific capability and translate this into an operational service. That service must also be tailored to its audience. It is known that demand for improved longer-range forecasts is particularly pronounced among the farming community. That is why, through Defra's Farming Resilience Group, work is ongoing with farming stakeholders (including major industry bodies, charities, high street banks, and others) and the Met Office to improve the way in which forecasts are communicated to farmers.*

*The Met Office has already made significant improvements to its forecast services, as well as supporting the National Farmers Union in the creation of its online weather pages, and producing its own webpage (part of the "Get Ready" web campaign) focused specifically on providing advice and tips to the farming community on improving their resilience to weather. Discussions are taking place with a number of organisations about the development of bespoke services for the agricultural community, with the Met Office due to host a working group. As a one off in response to the severe flooding experienced by many farmers over the winter of 2013/14, Defra also provided a £10 million Farming Recovery Fund to financially support farmers to recover from the floods and get their land back into production as quickly as possible.*

**13. Building on the Climate Change Evidence Plan, the Government must produce an up-to-date action plan for reducing UK emissions. This should draw on the conclusions of the latest IPCC Report and on the methodologies for risk assessment outlined in it. (Paragraph 52)**

*(Note: An action plan resulting from the Climate Change Evidence Plan would not be an action plan for reducing UK emissions. The focus of the evidence plan was on adaptation and ensuring mitigation activity is sustainable. In addition, the IPCC report advocated a risk-based approach to decision making in face of uncertainty, but it did not set out risk assessment methodologies.)*

*Under the Climate Change Act the whole UK economy must reduce its emissions by 80% by 2050, and agriculture must play its part. Not all sectors have equal capacity to reduce emissions. The Carbon Plan published in 2011, described how Government intends to meet its budgets in each sector. Government will set the fifth carbon budget in 2016 and will publish updated plans shortly afterwards.*

*Defra is working with industry to achieve cost-effective reductions in emissions from agriculture by 3Mt CO<sub>2</sub>e by 2022 in line with the Industry GHG Action Plan. A Defra-led review of the action plan in 2012 concluded that the industry aspirations were reasonable and achievable.<sup>[9]</sup> Defra will review the action plan again in 2016.*

*The Government is working with the food and drink sector (along with seven other industry sectors) to develop a roadmap for carbon emissions reduction out to 2050. Lead trade associations and major businesses*

*have also developed sustainability strategies which tackle emissions reduction.*<sup>[10]</sup>

*The ambitious GHG Inventory Research and Development Platform, valued in excess of £12m over five years, aims to improve our understanding of UK agriculture's contribution to climate change, and to identify ways of reducing this.*

*Through the Sustainable Intensification Research Platform, Defra is continuing to support industry efforts to reduce agriculture's contribution to climate change. This work will include climate change mitigation and adaptation as part of an integrated approach to increasing food production whilst improving the economic, social, and environmental performance of UK agriculture.*

*Defra is currently developing the next Rural Development Programme for 2014-20. This will be a major opportunity to invest in the rural environment and farming competitiveness and has climate change adaptation and mitigation embedded as a cross-cutting theme.*

**14. We were impressed with the range of practical research we saw at Rothamsted Research Institute. There is an important role for ruminant livestock on less intensively-farmed and environmentally valuable hills and uplands in the UK where a significant reduction in livestock numbers would have negative consequences for these environments. (Paragraph 57)**

*The new Rothamsted Research, North Wyke farm platform provides unique research capabilities for the UK which help to address some of agriculture's most pressing challenges.*

*Hill farming is an important contributor to the national livestock industry by providing breeding and finishing stock to lowland farming systems. Through appropriate land management practices, it can also contribute to a wide range of public benefits including uplands landscapes, ecosystem services, biodiversity, and cultural and natural resources.*

*The Government recognises these benefits and through its Uplands Policy Review gave a clear message of support for England's hill farmers who are highly dependent on livestock.*

**15. The bulk of our meat and dairy however is produced on lowlands, and if this is to continue, there is a need for greater research effort and funding directed at reducing emissions from more intensive beef, sheep and dairy farming systems. Given the limited projected progress made in reducing emissions from the agricultural sector as a whole, the Government should identify, as a priority, specific actions which will ensure the sector can meet national greenhouse gas reduction targets. (Paragraph 58)**

*Within the overarching framework set by the Climate Change Act, the Government is committed to taking a whole-government approach. Tackling climate change and demonstrating leadership through action is the responsibility of every part of government, central and local, and the wider public sector. DECC is responsible for coordinating overall*

*compliance with carbon budgets, and Defra is responsible for mitigation of emissions from waste, agriculture, and fluorinated greenhouse gases.*

*As discussed under Recommendation 13, there are no specific national GHG emissions reductions targets for the agricultural sector as yet, but Defra is working with industry to achieve cost-effective reductions in agricultural GHG emissions in line with the Industry GHG Action Plan.*

#### **RESEARCH INTO REDUCING EMISSIONS**

*Under the Government's UK Agricultural GHG R&D Platform,<sup>[11]</sup> researchers have been measuring methane emissions from ruminant livestock. The results will help to identify ways of reducing GHG emissions and climate change mitigation.*

*Defra is funding a major £3.5m project to explore if protein intake can be reduced in high-yielding dairy cows to reduce GHG and other emissions, but without having negative impacts on milk productivity and the economic sustainability of the UK dairy industry.*

*The Sustainable Intensification Platform is examining how production can be increased while simultaneously reducing GHG emissions and enhancing the environment under a variety of agricultural systems, including lowland grazing.*

*The environmental performance of agriculture would be significantly improved by reducing the incidence of common (endemic) diseases, enabling production with lower GHG emissions per unit of output, or the same total output to be obtained from fewer animals. BBSRC supports research to counter the effects of widespread animal diseases that undermine animal health and the efficiency and sustainability of livestock production in the UK.*

*Under the Livestock Research Group of the Global Research Alliance, the UK is leading an international network on Animal Health and Greenhouse Gas Emissions Intensity, which brings together researchers to investigate links between efforts to reduce livestock disease and GHG emissions intensity reductions.*

*Defra is supportive of and keeps under review the roadmaps developed by the dairy, and sheep and beef industries which are helping them to develop a more efficient and profitable livestock sector whilst reducing GHG emissions. For example, a large body of evidence is being transferred from Defra's applied Sustainable and Competitive Farming research programme, which includes the UK Agricultural GHG Research Platform and provides evidence to show that improvements in the efficiency of production from lowland grazing systems can be made through (i) more resource-efficient fertiliser and feeding regimes and (ii) improved genetics. These can have a significant impact on reducing emissions per unit of product as well as increasing productivity.*

#### **Sustainability and sustainable intensification**

**16. We need to increase agriculture output without increasing the amount of land used. It is clear that in some key crops this is not happening and yield levels have stagnated. We also need to**

**ensure our agricultural production systems preserve the soil on which these crops are grown and ensure it retains key nutrients. (Paragraph 66)**

**17. Sustainable intensification in relation to key UK cereal crops has made limited progress. The plateauing of yield levels in wheat must be addressed as a matter of urgency. As part of its efforts towards sustainable intensification, we recommend the Government also direct greater funding to research on maintaining and improving soil quality. (Paragraph 67)**

*Defra's statistics suggest that average wheat yield has not increased in the past decade and on some measures may have fallen.[\[12\]](#)*

*Defra directly funds or co-funds a number of projects aimed at improving cereal yields, both through increasing genetic potential and reaching existing yield maximum. The flagship project is the Wheat Genetic Improvement Network (WGIN). This is a wide network of stakeholders (UK plant breeders, farmers, agri-food industry) to provide a 'platform' supporting applied pre-breeding genetics research to increase yield, nitrogen and water use efficiency, and pest and disease resistance in wheat. WGIN together with Wheat 2020, carried out by Rothamsted Research, are looking at increasing the genetic potential of wheat and making improved varieties available to growers.*

*BBSRC has led the development of the recently launched International Wheat Yield Partnership[\[13\]](#) which aims to increase the genetic yield potential of wheat by up to 50% in 20 years. IWYP will support both core infrastructure and facilitate transnational open calls for research, all targeted at raising the yield potential of wheat.*

*BBSRC has also led a £7M research industry club, Crop Improvement Research Club[\[14\]](#), to improve productivity and resource use efficiency. Research is already delivering tools to enable better trait selection for improved yields.*

*The Sustainable Intensification Platform is investing £4.5m over three years to establish collaborations between researchers from multiple disciplines and institutions to identify ways to increase farm productivity, reduce environmental impacts, and enhance ecosystem services.*

*Sustainable intensification in agriculture goes beyond increasing output per hectare, and the Rural Development Programme for England targets important measures such as labour productivity through investments in farmer education and skills, and encouraging uptake of best practice through demonstration farms, discussion groups and benchmarking exercises. We are also concerned with the overall ratio of outputs to inputs, known as total factor productivity, and will work with farmers, the AHDB and the agri-tech industry to improve this by linking farmers more closely with agricultural research.*

#### SOIL

*The Government continues to work with the Research Councils to increase levels of funding for soil research. Defra has a soils research programme, to improve soil protection, enhance quality and minimise*

*environmental consequences of soil erosion, such as flooding. Last year, the Global Food Security Programme brought together BBSRC and NERC to create the joint Soil and Rhizosphere Interactions for Sustainable Agri-ecosystems call, a £5M programme to provide an improved understanding of agricultural soil and rhizosphere interactions to underpin the development of agricultural ecosystems. A second £5M Soil Security Call is currently being developed by NERC in collaboration with BBSRC and Defra.*

*BBSRC and NERC have also launched the £10M Sustainable Agriculture and Innovation Club[15], successfully engaging with a broad range of industry to address water and nutrient related challenges to deliver resilient and robust crop and livestock production systems.*

**18. Organic production uses fewer pesticides and inorganic fertilisers and, in so doing, makes an important contribution to environmental stewardship. We believe organic production also has a place in the market in adding to consumer choice. However, organic yields—certainly for extensive crops such as cereals and also for potatoes and some fruit—are generally lower than those for conventional agriculture. (Paragraph 73)**

*The Government agrees that organic yields are generally lower than those for conventional agriculture, and notes the conclusion of the 2011 Foresight report that organic agriculture could not be adopted as the main strategy to achieve sustainable and equitable global food security[16].*

*We also agree that organic farming delivers a wide range of environmental benefits, including water quality, soil improvement, reduced nitrate and pesticide pollution, and nutrient balance. Organic farming also offers greater consumer choice and certified animal welfare standards. Organic conversion and maintenance is supported through the Organic Entry Level Stewardship scheme (OELS). Support under the scheme was maintained for the 2014 transition year and around 14,000ha of land will convert to organic under Agreements struck this year. Organic conversion and maintenance will also be supported in the new Rural Development Programme, and specific agri-environment options will be available for organic farmers in the successor scheme to environmental stewardship.*

### **Supply Chain Resilience**

**19. Shorter supply chains minimise the threat of disruption and therefore help food security. As we said in our Report on Food Contamination, we are concerned about the length of supply chains, particularly for processed and frozen meat products, and we welcome the efforts made by some retailers to shorten these. As a result of horsemeat contamination in 2013 the Government commissioned a review of supply chain resilience. We look forward to the final report on this matter, and to receiving any evidence that supply chains in general are becoming shorter. (Paragraph 84)**

*All food businesses are responsible for ensuring that the food they sell meets the required standards and that there is effective traceability throughout the supply chain. Last year's horsemeat fraud highlighted the need to review food supply systems which is why the Government asked Professor Chris Elliott to lead a Review into the integrity and assurance of food supply networks. The final report of the Review was published on 4<sup>th</sup> September 2014.*

*The Review examines the strengths and weaknesses of food supply networks in the UK. It recognises that current systems for safeguarding food safety and public health in this country are robust and that UK consumers have access to some of the safest food in the world.*

*The review highlights the complexity of the food chain that gives consumers access to all kinds of seasonal and unseasonal products and identifies ways to help make systems providing assurance about food integrity as robust as those for food safety.*

*The Government agrees that audit and assurance regimes should be strengthened to remove duplication and to cover food fraud prevention.*

*Professor Elliott reports a concerted effort by industry to simplify supply chains where possible. We will continue to support the actions being taken by the British Retail Consortium (BRC) to review the BRC Audit Standard to provide an additional food fraud module, and to encourage an approach by its members to reduce the overall number of supply chain audits whilst increasing their effectiveness in addressing potential food fraud. One suggested mechanism promoted by Professor Elliott is shifting the balance towards unannounced audits and including food sampling as part of the process.*

*We will also support the work of the Food and Drink Federation and the British Hospitality Association to update guidance to the manufacturing, food service and catering sectors on protecting themselves against food fraud in recognition of the large proportion of SMEs operating in the sector.*

*We will look for further opportunities to reduce regulatory burden on food businesses by building on the benefits of the Primary Authority Partnership Scheme which reduces the need for regulatory inspections and by expanding earned recognition across the sector for businesses which can demonstrate a good compliance and audit record.*

*Co-funded by Defra and FSA, the British Standards Institute will be publishing an updated version of Publicly Available Specification (PAS) 96 (Defending Food and Drink) which will provide guidance and advice to food and drink industry sectors about defending supply chains against malicious attack. This incorporates an "all-threats" approach to include economically motivated adulteration and cyber threat as well as the traditional focus on deliberate contamination with intent to cause harm to human health. The updated PAS will be freely available via a link on the FSA website which will make it easily accessible for small and medium sized businesses.*



**20. We want to ensure that the role of the Grocery Code Adjudicator works for farmers and buyers, and therefore ultimately the consumer, so that the farming industry remains both sustainable and efficient. If farm incomes are squeezed unduly, farmers are unlikely to make the necessary investments in sustainable production. The creation of the role is welcome and must be properly resourced as part of a wider effort to promote security. (Paragraph 91)**

*The Government agrees farming must be sustainable and efficient but the GCA has no role in relation to prices or farm incomes. Its role is to ensure the large supermarkets act fairly towards direct suppliers.*

*The Government agrees that the GCA Office must be sufficiently resourced and understands this is now the case.*

**21. We recognise that assessing "fairness" in relation to producer and consumer prices is fraught with difficulty, not least those of determining whether markets are working efficiently and transparently. However, we fully support the role of the Adjudicator in assessing whether contractual and other commercial practices may be unfair within the supply chain, or prejudicial to farmers and the longer run visibility of their businesses, and whether there is evidence of abuse of market power in the supply chain. (Paragraph 92)**

*The Government agrees that it is difficult to assess fairness in relation to producer and consumer prices. However, food prices do not fall within the GCA remit. Although the GCA is not directly concerned with farmers unless they directly supply the large retailers, the GCA is required to act on evidence of market power abuse brought to its attention. Some of the actions the Adjudicator has taken over the past year are set out in the response to Recommendation 22 below.*

**22. We request an update on progress made and outcomes achieved to date from the Office of the Grocery Code Adjudicator. We suggest that it would be better if the Office had the power to initiate an investigation. (Paragraph 93)**

*In its first Annual Report issued on 23 June 2014, the GCA set out the progress it had made since June 2013.<sup>[17]</sup>*

*Regarding the power to initiate investigations, the GCA is governed by the GCA Act 2013 which makes no provision for a GCA investigation without a formal complaint, which can be anonymous. Changes to this procedure require a change to the GCA Act.*

### **Harnessing technology**

**23. We support the Agri-Tech Strategy as a bold and innovative response to the need to ensure our agricultural production methods are modern and sustainable. The Government must ensure that it creates new partnerships between academia and those involved in developing technology. It should identify alternative funding mechanisms with the Technology Strategy Board in case adequate industry co-funding is not forthcoming,**

**particularly where technology can deliver significant public benefit. We also recommend that the Government monitor the early competitive rounds of catalyst funding to assess whether there could be justification for expanding the funding base. (Paragraph 99)**

*We welcome the Committee's support for the Agri-Tech Strategy. We believe that the funding available under the Agri-Tech Strategy can leverage private investment which will make the UK farming and agri-tech sectors more competitive.*

*As the Committee recommends, we are monitoring uptake of the Agri-Tech Catalyst. Awards have been made under the first round. Applications received under the second round are currently being assessed. The response to date has been high, both in terms of numbers and quality.*

*We are also monitoring the success of the catalyst as it relates to other funding streams, such as the TSB's Sustainable Agriculture and Food Innovation Platform (SAF-IP), and work funded through the Research Councils, to ensure that there is a range of funding available for basic and applied research in this area.*

**24. We were impressed by some of the possibilities provided by precision technology to make farming easier and more efficient. There are, for example, already sensor technologies which have the potential for development in a range of engineering and other precision farming applications where quick-wins could be achieved for UK farming. (Paragraph 105)**

**25. As the Government's new Agri-Tech Strategy addresses technological developments that are close to being brought to commercial reality, research funding bodies should place additional emphasis on pre-commercial and multidisciplinary applied research into precision farming technologies. (Paragraph 106)**

*The possibilities of precision agriculture are firmly embedded in the delivery of the Agri Tech Strategy. Successful projects in the first round of the Agri Tech Catalyst included several on sensor and other engineering solutions. This builds on the success of the sensor and engineering calls run through the TSB over the last couple of years.*

*The Agri-Tech Strategy's prospectus on Centres for Agricultural Innovation highlighted the possibilities for bringing together public and private sector funding to address issues in a range of farming systems. The Centres will link into publicly funded pre-competitive work, such as that which we are supporting through our involvement with the Europe-wide Joint Programming Initiative on Food Security, Agriculture and Climate Change.[\[18\]](#)*

*BBSRC also runs a stand-alone LINK scheme which supports pre-competitive research with industry.[\[19\]](#) Research that is strategically important to industry is also supported under the BBSRC research and technology clubs.[\[20\]](#)*

**26. UK agriculture must embrace new technologies which are consistent with the principles of evidence and balanced risk-based assessment whilst meeting criteria of both economic and environmental sustainability, if it is to meet the challenges to food security in the future. (Paragraph 111)**

**27. Given the evident concern about the way in which the EU regulatory framework operates and its potential implications for the future productivity and competitiveness of our agricultural sector, the Government should tell us what conclusions it has drawn regarding its scope for unilateral action on the EU regulatory regime for crop protection and GM crop approval as part of its wider review of the Balance of Competences between the UK and EU. (Paragraph 112)**

*The Government agrees that it is vital for UK farmers to be able to adopt new technologies, and that there are instances where EU regulations are failing to operate appropriately, in particular for pesticides and GM crops. This is prejudicing the ability of our farmers to remain competitive and achieve sustainable increases in production. The Government will continue to argue for the EU to take a risk rather than hazard-based approach to regulation, firmly grounded on the scientific evidence. The aim must be to allow predictable and timely access to the market for safe and beneficial products.*

*The Government's thinking on the EU regime for GM crops is given in response to Recommendation 29, below. Regarding pesticides, the EU regulation on plant protection products includes a requirement for the Commission to report to the European Parliament and Council by the end of 2014 on the functioning of several key aspects of the regime. The Government believes that this review should be assigned a high priority. All parties need a clear and evidence-based picture of the regime's impact, to ensure that it supports a competitive and productive agriculture sector, while protecting human health and the environment. The review should also look closely at the impact of current legislation on the future availability of pesticides for EU farmers.*

*The Review of the Balance of Competences provides an informed and objective analysis of where the EU helps and where it hampers. It is not designed to make specific policy recommendations or draw conclusions, although it will set out some of the challenges and policy options that will face future decision-makers.*

### **Genetically modified food**

**28. The technology involved in the production of genetically modified crops generates public concern. In particular there are concerns that there may be unknown implications of this technology. In relation to the consumption of GM foods many people in other countries, and a large percentage of our poultry and livestock, consume GM products with no known or documented ill-effects. This should offer some reassurance to the wary. In terms of concerns about the production of GM crops, the EU process for approval of such crops is, as noted, extremely**

**rigorous, and appropriate regulations can be put in place to guard against cross-contamination. (Paragraph 131)**

*As the Committee suggests, there is no reliable evidence that existing GM foods or animal feeds pose a serious health risk. The independent and science-based EU assessment procedures for GM products are robust, and the Government is confident that this offers sound assurance that they will only be authorised for use if it is clear that safety will not be compromised. In this context, the potential for cross-contamination from GM crops should not be seen as a safety issue, but the Government recognises that measures will be needed to segregate GM and non-GM production to facilitate choice and protect economic interests. Defra will ensure that pragmatic and proportionate 'coexistence' measures are in place before GM crops are grown commercially in England.*

**29. The Government should do more to inform the public about the potential beneficial impacts of growing GM crops in the UK. It should encourage an evidence-led public debate about GM crops and also counter food safety fears about the consumption of GM. In order to give consumers the opportunity to make informed choices, GM foods should be labelled as such, in the same way as organic produce. The Government must continue to work within the EU to argue for a system which is more flexible for those member states that wish to take advantage of GM technology, while still ensuring that all EU consumers are protected, in the same way it does with non-GM technologies. Progress towards this objective must be research and science-led. The Government must also ensure that any GM products grown legitimately in any member state may be freely traded across the EU. (Paragraph 132)**

*A fair appraisal of the evidence supports the view that responsible use of GM technology can help alongside other options to make agriculture more efficient and sustainable. This is the conclusion reached by the European Academies of Science Advisory Council, representing national science academies of EU Member States and by the Council for Science and Technology who advise the Prime Minister. The Government is clear that given the challenges ahead on food security, this technology is not something we can afford to ignore. Ministers have spoken out to highlight the potential benefits of GM crops and the robustness of the safety controls. The Government will continue to encourage a more informed, evidence-led debate, although everyone has a role to play in this, including farmers, scientists, NGOs, the media and the general public.*

*It is already an EU requirement for any food or feed made from an approved GM crop to be clearly labelled, so that consumers can decide for themselves whether or not to buy them.*

*In June EU Environment Ministers reached political agreement on a proposal that would give Member States more power to decide whether to accept commercial GM cultivation in their own territory, whilst*

*retaining the existing EU-level safety assessment and decision-making process. This proposal should make it easier to reach EU decisions to authorise GM cultivation, allowing it to take place in those Member States or regions that are open to this possibility. It would not affect the free trade of authorised GM products throughout the EU single market. The proposal still has to be agreed with the European Parliament, which means that it may not be finally adopted until late this year or next year. The Government will continue to support these negotiations, and more generally for the EU to follow a proportionate and science-led approach to GM regulation.*

### **Securing food for the future**

**30. We recommend that the Government, through its Global Food Security Programme, undertake a themed mapping of the current scientific research programmes, projects and reports that are directed specifically towards enhancing our food security either publically funded or co-funded, and of those which might exert a potentially important indirect impact on food security. This would provide a first line of co-ordinated communication of research to potential users, and indicate more transparently where current priorities lie. (Paragraph 136)**

*The Global Food Security (GFS) programme coordinate food-related research and innovation across major public sector funders through its high-level strategy. The programme builds on partners' existing activities, and helps to ensure alignment of activities with shared goals, providing a platform for partnership working nationally and internationally.*

*The programme's refreshed themes represent a high-level mapping of priorities across the major public sector funders, based on those set out in the UK Cross-Government Food Research and Innovation Strategy.<sup>[21]</sup> The priority research themes for the programme are (i) resilience (ii) sustainable production and supply and (iii) nutrition, health and wellbeing.*

*GFS has undertaken two '100 questions' activities, building on the 2010 Foresight Report's challenges to help funders and stakeholders develop research priorities on food security in terms of the future of global agriculture,<sup>[22]</sup> and research priorities for the UK food system.<sup>[23]</sup> These exercises were used to develop the GFS Strategy refresh and GFS activity.*

*More broadly, the UK has agreed to lead a review of international research priorities in sustainable agriculture at the recent Meeting of Chief Agricultural Scientists, and the GFSP will coordinate this work for the UK.*

*The RCUK Gateway to Research portal also enables any interested party to search Research Council funded projects for publications, people, organisations and outcomes.<sup>[24]</sup>*

**31. UK research councils should encourage the research-intensive universities and institutes which they fund to explore**

**opportunities to extend the scope for farm-level research through greater co-operation with specialist land-based sector universities and colleges, thereby bringing the scientific research closer to application and the farming community, and ensuring best use of scarce and expensive resources. The Government should recognise the contribution made by our universities and research institutes and ensure the long term security of their funding. (Paragraph 139)**

*Research Councils encourage universities and institutes to maximise the impact of their research by working with relevant partners, including those in specialist land-based sectors.*

*In 2012, Rothamsted Research North Wyke launched the BBSRC-funded Farm Platform to bring together scientists from across disciplines and countries to spark new ideas to meet the food security challenge. Three farmlets will compare the benefits of different production systems.*

*BBSRC also funds research utilising research farms in the HEI sector and field-based studies at BBSRC strategically funded research institutes. It also runs the BBSRC Advanced Training Partnership scheme to provide a range of specialist high level training to meet industry needs in partnership with the higher and further education sectors.*

**32. There are gaps in the co-ordination and flow of knowledge from research institutes to the farmers who would use and benefit from it. We recommend that the Government develop an integrated knowledge transfer strategy and action plan, which can be delivered and co-ordinated within the present funding frameworks, to ensure engagement between researchers and the relevant end users. (Paragraph 147)**

*The flow of knowledge from research to farmers is a key component in driving sustainability and growth in the agricultural sector. We know from the Farm Business Survey that there are differences among farmers and between farm-types in the degree to which they access advice through technical services, discussion groups and demonstrations.*

*The investment in the Centres for Agricultural Innovation through the Agri-tech Strategy is designed to be part of the solution to this issue. Each centre is expected to have a programme of outreach to farmers to allow information to flow between them and the research base (as there are benefits to be gained from knowledge transfer in both directions.)*

*The Government will also be supporting the European Innovation Partnership for agricultural productivity and sustainability (EIP-Agri) in the next Rural Development Programme from 2015. The EIP-Agri is a new European Commission initiative which will boost innovation. It is intended to foster a resource-efficient, productive and low-emission agricultural industry by bringing together researchers and farmers to apply technologies on farm and exchange knowledge. RDP funds will support the setting up and running of Operational Groups to conduct projects. The topic will be chosen by Group participants, mainly farmers.*

*This will be integrated with support for knowledge transfer, advice and skills in the next RDP, and will build on the results of the implementation of the Agri-tech strategy.*

*Previous work on advice and incentives to farmers has shown this to be a complex landscape and one where peer to peer information exchange is one of the most effective methods of knowledge transfer. Based on this, our approach to providing such advice is to simplify the landscape of advice to farmers, and make sure that Government communicates only on issues where it will have most impact, working with other partners, especially in the private sector, to provide advice and enable knowledge transfer on other topic.*

*We do not feel that a Government Strategy and action plan on knowledge transfer would add value to the initiatives we already have in place. However, we are closely monitoring the impact of the Agri Tech Strategy over the next five years and into the long term. We will use this information and direct feedback from the industry via the Agri Tech Leadership Council to understand the reasons behind any areas of the industry where the uptake of new technologies is not as high as anticipated, so that we can base any further initiatives on robust evidence of barriers to uptake.*

**33. Our food security depends on a vibrant, innovative and professional UK farming sector. This in turn requires a regular inflow of new entrants to the sector. Farming in the UK does not have this and efforts must be made to encourage new entrants who are willing and able to take advantage of new technologies in order to ensure the sector is modern and competitive. We are pleased that the Government is examining ways to do this in conjunction with the industry which can also help with the costs associated with entry into farming. (Paragraph 152)**

**34. We recommend that the Government update us on its efforts and on the likely actions that will emerge from the Future of Farming Review. It should also clarify whether any Rural Development Programme funding will be made available to support the implementation of the recommendations arising from the Future of Farming Review. (Paragraph 153)**

*The industry-led Future of Farming Review published its findings in July 2013, which centred on the themes of skills and professionalism in the industry, flexible routes into farming professions, affordable housing, succession planning and access to finance. These actions were for both industry and Government to address, in some cases working jointly, and we have begun to do so.*

*For example, Defra is reviewing all agri-tenancy legislation to modernise and simplify the legislative framework between landlords and tenants, through a Red Tape Challenge process. We are supporting the National Federation of Young Farmers Clubs through a grant of £60,000 to develop training programmes and promote awareness of careers opportunities. Government has also transformed apprenticeships to make them more rigorous and responsive to the needs of employers.*

*Employer-led Trailblazers are leading the way in piloting the changes and one of the Trailblazers is developing the standard for a Land-based Engineering Technician.*

*We are considering the design of the new Rural Development Programme so that the younger generation of farmers can access support, training and advice to innovate and become more competitive. We are also considering how to encourage robust business and succession planning, and effective investment during the early years of business operation. This will complement the new CAP Pillar 1 arrangements which enable us to make a top up to the basic payment for new entrant young farmers aged 40 or under.*

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1 This consists of: (i) £90m to establish Centres for Agricultural Innovation to support wide-scale adoption of innovation and technology across key sectors (ii) a £70m Agri-Tech Catalyst to help commercialise new agri technologies and innovations, co-funded with industry. [Back](#)

2 The 'production to supply ratio' measures domestic production (including exports) as a proportion of domestic consumption (including imports). At the product level (e.g. fruit, vegetables), this calculation is in volume terms. [Back](#)

3 Depending on trends in consumption [Back](#)

4 Food Security and the UK: An Evidence and Analysis Paper (Defra, 2006). Available online at: <http://archive.defra.gov.uk/evidence/economics/foodfarm/reports/documents/foodsecurity.pdf> [Back](#)

5 For example, through supporting implementation of low carbon techniques by smallholder farmers in Brazil to increase yields and profits whilst reducing emissions and avoiding deforestation. [Back](#)

6 This is set out in the UK statement on the sustainable production of palm oil, published in October 2012. [Back](#)

7 This is discussed under Recommendation 17. [Back](#)

8 As at May 2014 90.6% of Met Office maximum temperature forecasts are accurate to within +/- 2°C on the next day (36-month average). <http://www.metoffice.gov.uk/about-us/who/accuracy/forecasts> [Back](#)

9 <https://www.gov.uk/government/publications/2012-review-of-progress-in-reducing-greenhouse-gas-emissions-from-english-agriculture>. [Back](#)

10 For example, the British Retail Consortium's 'A Better Retailing Climate', and the Food and Drink Federation's 'Five-fold Environmental Ambition' both include industry targets for reducing emissions. [Back](#)

11 This is jointly funded by Defra and the Devolved Administrations of Scotland and Northern Ireland. [Back](#)

12 This is particularly important when, although the aggregate land use for agriculture has increased over recent years, the FAO estimate



that per capita agriculture land will continue a downward trend due to pressure on land for other uses, e.g. urbanisation. Fig 1, <ftp://ftp.fao.org/agl/aglw/docs/ResourceOutlookto2050.pdf> [Back](#)

13 <http://iwyp.org/> [Back](#)

14 <http://www.bbsrc.ac.uk/circ> [Back](#)

15 <http://www.bbsrc.ac.uk/saric> [Back](#)

16 *The Future of Food and Farming: Challenges and Choices for Global Sustainability Final Project Report*, Government Office for Science, Jan 2011. Page 82 [Back](#)

17 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/322415/10143-GCA-Annual\\_Report\\_2014.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/322415/10143-GCA-Annual_Report_2014.pdf) [Back](#)

18 <https://www.facceji.com/Strategic-Research-Agenda/First-Biennial-Implementation-Plan-2014-2015> [Back](#)

19 A number of relevant case studies can be found here: [www.bbsrc.ac.uk/business/collaborative-research/stand-alone-link.aspx](http://www.bbsrc.ac.uk/business/collaborative-research/stand-alone-link.aspx) . [Back](#)

20 [www.bbsrc.ac.uk/business/collaborative-research/industry-clubs/industry-clubs-index.aspx](http://www.bbsrc.ac.uk/business/collaborative-research/industry-clubs/industry-clubs-index.aspx) [Back](#)

21 <https://www.gov.uk/government/publications/food-research-and-innovation-strategy> [Back](#)

22 [www.tandfonline.com/doi/abs/10.3763/ijas.2010.0534#.U4c5VfldXz4](http://www.tandfonline.com/doi/abs/10.3763/ijas.2010.0534#.U4c5VfldXz4) [Back](#)

23 <http://link.springer.com/article/10.1007%2Fs12571-013-0294-4> [Back](#)

24 <http://gtr.rcuk.ac.uk/> [Back](#)

## 6. Useful links and further reading

NFU: How can I back British farming?

<http://www.nfuonline.com/back-british-farming/how-can-i-back-british-farming/>

*Leading the Way The British Dairy Industry's Sustainable Growth Plan*  
June 2014

<https://www.nfuonline.com/leading-the-way-uk-dairy-growth-plan-booklet-final/>

DEFRA *A plan for public procurement: food and catering* 21 July 2014

<https://www.gov.uk/government/publications/a-plan-for-public-procurement-food-and-catering>

### **House of Commons Environment, Food and Rural Affairs Committee**

Current inquiry: *Farmgate prices*

<http://www.parliament.uk/business/committees/committees-a-z/commons-select/environment-food-and-rural-affairs-committee/inquiries/parliament-2015/farmgate-prices/>

*Food Security* HC243 2014-15 July 2014

<http://www.publications.parliament.uk/pa/cm201415/cmselect/cmenvfru/243/243.pdf>

Government response HC702 October 2014 [text included in full elsewhere in this Pack]

<http://www.publications.parliament.uk/pa/cm201415/cmselect/cmenvfru/702/702.pdf>

*Food Security: Demand, Consumption and Waste* HC703 2014-15  
January 2015

<http://www.publications.parliament.uk/pa/cm201415/cmselect/cmenvfru/703/703.pdf>

Government Response, HC 1148 2014-15 March 2015

<http://www.publications.parliament.uk/pa/cm201415/cmselect/cmenvfru/1148/1148.pdf>

*Dairy Prices*, HC817 2014-15 January 2015

<http://www.publications.parliament.uk/pa/cm201415/cmselect/cmenvfru/817/817.pdf>

Government Response, HC1147 March 2015

<http://www.publications.parliament.uk/pa/cm201415/cmselect/cmenvfru/1147/1147.pdf>

*Securing food supplies up to 2050: the challenges faced by the UK*  
HC213 2008-09 July 2009

<http://www.publications.parliament.uk/pa/cm200809/cmselect/cmenvfru/213/21302.htm>

Government Response October 2009

<http://www.publications.parliament.uk/pa/cm200809/cmselect/cmenvfru/1022/102204.htm>

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