A Recipe for Growth, Prosperity and Sustainability

The UK Food and Drink Industry's Plan for Success

About Us

As the leading voices of the UK's food and drink industry, we are proud of the contribution we make to the UK's economy and to our country's cultural fabric.

Across every community in the UK, four million people play a part in producing a fantastic range of food and drink that is enjoyed at home and around the globe.

Ours is a uniquely national industry with a footprint in every constituency. Vibrant sectors in England, Northern Ireland, Scotland and Wales demonstrate our geographical diversity.

The wide range of small, medium and large businesses comprise a thriving and sustainable industry which enhances the reputation of the country as a whole.

Our industry is a global leader in its commitment to delivering a positive environmental impact, ensuring high standards of animal welfare, minimising waste, utilising responsible packaging, prioritising quality and ensuring safety, choice, innovation and value for consumers.

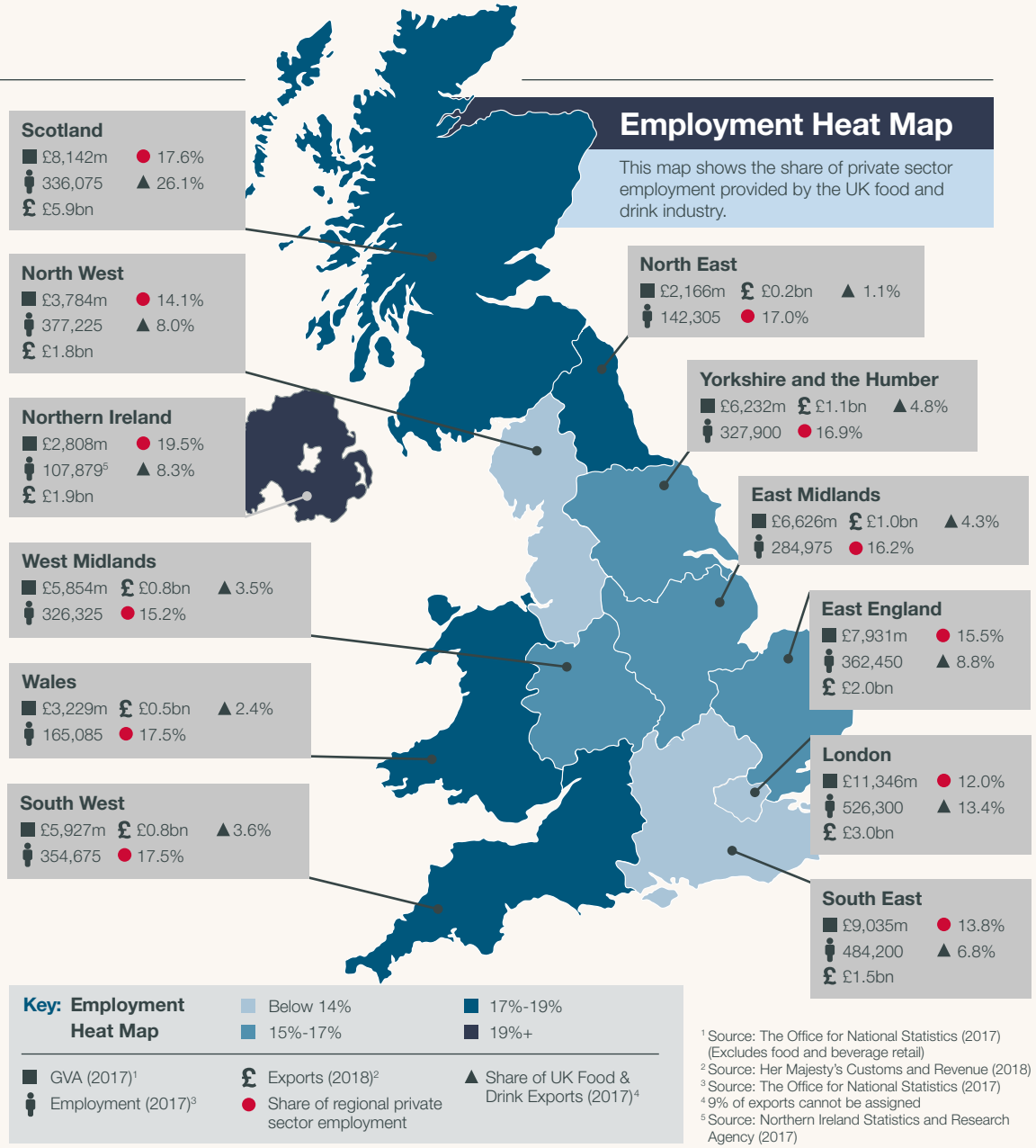
Different parts of the UK support the industry in different ways. We must take the best of these approaches with governments across the UK working collaboratively to drive profitable, sustainable growth.

We do not know what the future holds – but our request is clear:

Champion UK food and drink as an economic and cultural powerhouse and work with us to create the right conditions in which we can thrive.

The UK's food and drink industry is larger than both automotive and aerospace combined in terms of:

1. Employment
2. Gross Value Added (GVA)
3. Turnover



[1] Source: The Office for National Statistics (2017) (Excludes food and beverage retail)
[2] Source: Her Majesty's Customs and Revenue (2018)
[3] Source: The Office for National Statistics (2017)
[4] 9% of exports cannot be assigned
[5] Source: Northern Ireland Statistics and Research Agency (2017)

UK food and drink

Food is a matter of national security and is part of the UK's Critical National Infrastructure. Food is a major public good and one that governments should be proud to support. A government's first duty is to feed the country – *if you can't feed a country you don't have a country.*

This is the first time partners across the supply chain have joined forces to collectively set out our policy priorities to elected politicians across the United Kingdom.

The UK's food and drink supply chain contributes more than **£121 billion annually to the economy.** It employs more than four million people – 14 per cent of the total UK workforce. 99 per cent of our firms are micro to medium-sized.

Our industry ensures UK consumers can reliably access **safe, affordable and nutritious** food and drink at all price points.

UK consumers and shoppers enjoy **unprecedented choice and value.**

Innovation in production, highly competitive just-in-time supply chains and rapid export growth to a record £22.6 billion in 2018 meant **consumers benefited from a 6.7 per cent reduction in real terms prices over the last decade**.

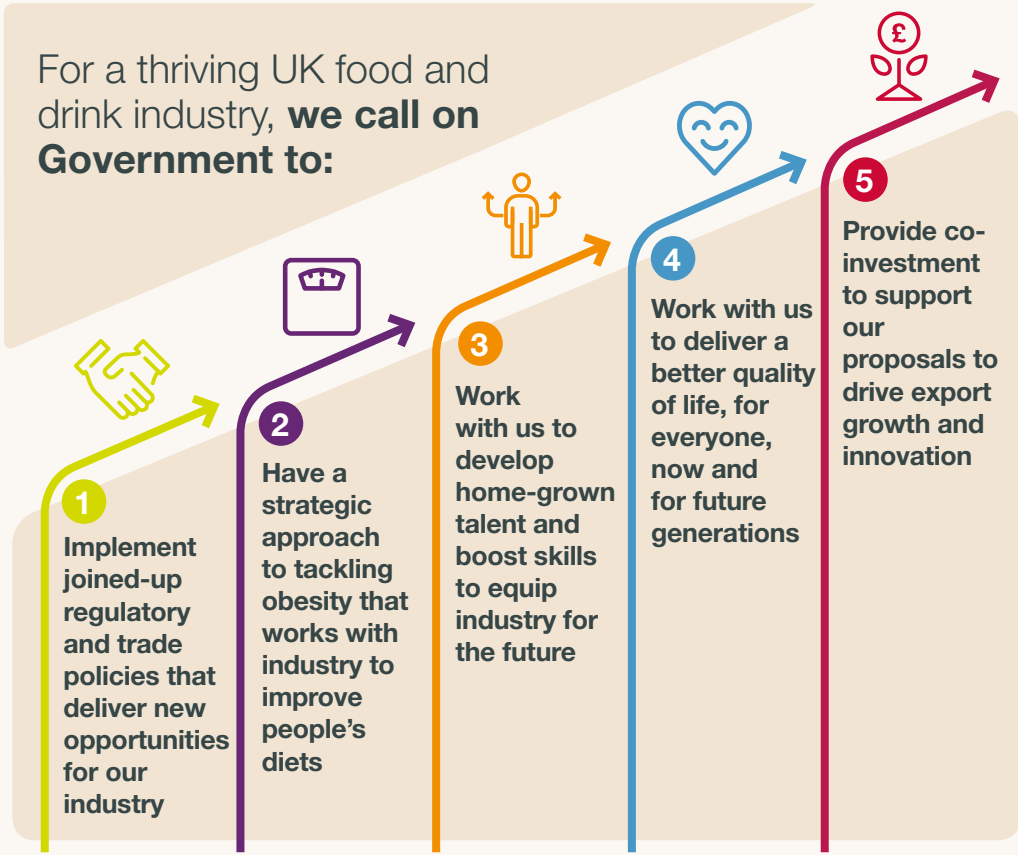
Production is so widely dispersed that it touches **every community of the UK.** Every constituency in the country has a substantial workforce directly employed in the food and drink sector.

A dedicated strategy that encourages growth in our industry, respect for food as an essential resource, and both healthier consumption and production, **could add billions to our economy.**

We ask government to join us in our shared mission: to continue to provide consumers with safe, affordable, nutritious and sustainable food and drink and unlock our growth and productivity potential.

Our plan for growth

We address our proposals to policy-and-lawmakers across the UK. This is our shared plan for governments to work in partnership with the UK's food and drink industry to ensure it continues to lead the world and meet the needs of UK consumers and shoppers.



1. Implement joined-up regulatory and trade policies that deliver new opportunities for our industry

We need governments to put in place a trading environment that meets the needs of industry. One that provides seamless access to the most important markets for exports, while recognising the essential role imports play in UK production and the supply chain, and in providing consumer choice.

The regulatory approach that underpins UK food and drink policy determines our ability to meet the needs of UK consumers and whether we can take advantage of growth opportunities. Consumer confidence is industry's number one priority.

Better regulation principles should be intrinsic to all policymaking. Where new regulation is required, policies should always be subject to consultation with industry and policymakers must consider the cumulative burdens on business.

The production, processing, distribution, retail, packaging and labelling of our products is governed by a wealth of laws, regulations, codes of practice and guidance, the majority of which are in place at an EU-wide level.

Our ability to grow exports and create new jobs also depends on the tariffs we face, our access to preferential trade agreements and the ease of moving goods across borders.

We depend on a stable and sustainable supply base with continued access to imports that complement domestic UK production. Any loss of overseas market access will trigger severe market disruption that undermines the viability of many of our businesses and would lead to significant consumer price rises.

Our recommendations:

1. **Maintain** a stable and consistent regulatory framework between the UK and EU which makes the UK highly competitive and encourages business investment.

2. **Undertake** comprehensive consultations before leaving the EU on the UK's import tariffs and trade strategy to develop a dedicated trade policy for UK food and drink.

3. **Establish** principles of transparent, evidence-based policy making that incentivise innovation and maintain the highest levels of trust in the food we eat.

4. **Minimise** regulatory fragmentation within the UK, with the UK Government working with the Devolved Administrations to benefit consumers and the industry.

5. **Provide** a clear and unambiguous commitment that UK food and drink standards will not be sacrificed to secure market access for other industries.

6. **Ensure** that changes to our future agricultural and fisheries policies maintain fair terms of competition with EU and other trading partners.

2. A strategic approach to tackling obesity that works with industry to improve people's diets

The food and drink industry takes very seriously its responsibility to help consumers make informed diet choices and achieve healthier lifestyles.
We agree with leading experts that there is no silver bullet to tackle the complex issue of obesity and diet-related diseases. Success depends on many co-ordinated interventions across the food chain, in homes, communities and workplaces.

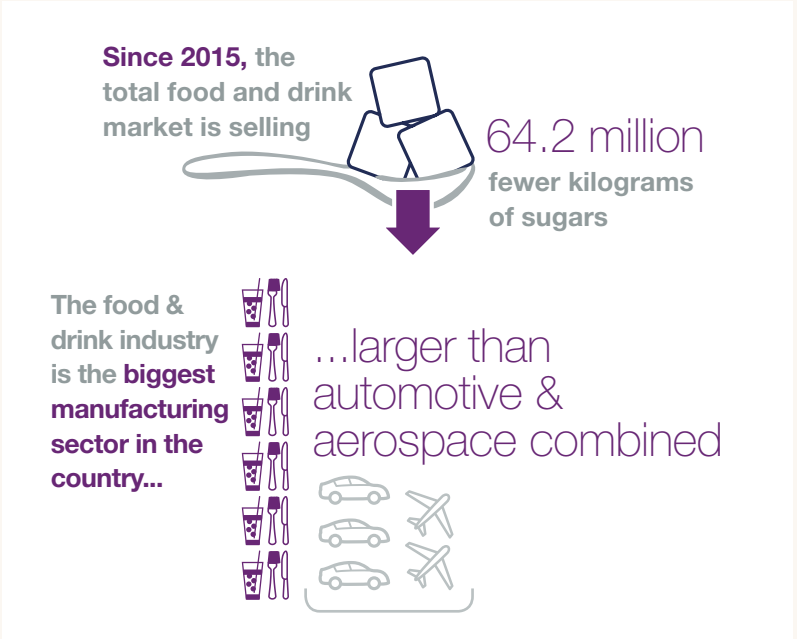
We are proud of our record in voluntary salt reduction, the virtual elimination of artificial trans fats, and a world-leading sugars reduction programme.

But we know more needs to be done to transform the nation's diet, which is why we continue to take bold steps.

We will continue to help everyone make more informed and healthier choices. To achieve this, we need a proportionate, evidence-based policy framework that avoids costly new regulatory barriers or restrictions that threaten both future investments and the launch of reformulated and smaller portion sized products.

We believe strong progress on diet and health can be made through close partnership with government's to deliver a long-term, voluntary programme of work, including through the Food and Drink Sector Council and equivalent bodies in Devolved Administrations.

We urge policy makers and legislators to work with us to make this happen.



Our recommendations:

1.
Recognise that tackling obesity requires a range of interventions. Our industry is already playing its part, but progress will only be accelerated when governments implement a truly holistic broad based programme.

2.
Develop a realistic multi-faceted, long-term calorie reduction programme to provide clarity for industry, recognising that reformulation and portion size are key areas of industry action.

3.
Promote an environment in which our industry has the financial certainty to commit funding to long-term, costly reformulation programmes by confirming there will be no further additional marketing restrictions nor nutrient taxes.

4.
Support industry innovation by funding fundamental and applied research, including improving technology transfer provisions, for example by understanding how healthier foods can be made the foods of choice.

3. Work with us to develop home-grown talent and boost skills to equip industry for the future

Over four million people (14 per cent of the national workforce) are employed by our industry, spread across every nation, community and constituency in the UK. Our employment levels have grown by eight per cent over the last ten years.

UK food and drink manufacturing alone needs 140,000 new recruits by 2024 to feed an expected population of 70 million people. This is against a backdrop of an ageing workforce, historically low unemployment rates, and a shortage of qualified people coming through the education system with the skills that our businesses need to innovate and compete successfully.

We expect to grow higher skilled, better paid employment as the sector adopts more automation and digitalisation.

The challenges we face could be exacerbated if our immigration system doesn't allow businesses throughout the food chain to access the workers they need. Over a quarter of our workforce are EU nationals (operating at all skills levels) and net workforce growth in food and drink since 2012 has been entirely driven by EU nationals.

To realise our growth and productivity potential, we need:

- **access to a secure supply of highly motivated talent, at all skill levels**
- **a future immigration system that takes account of the needs of the labour market (nationally and regionally) and is user-friendly for both employers and migrants**

The food supply chain employs almost

4 million

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£100 billion

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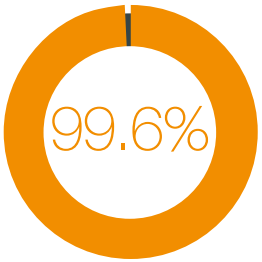


of UK food and drink industry businesses are SMEs

Our recommendations:

1. **Work with us** to promote the food chain as an attractive sector to new entrants, influencers and investors.

2. **Deliver** a more flexible apprenticeship levy and support the development of sustainable training provision in our industry.

3. **Raise awareness** of T levels and equivalent devolved qualifications and apprenticeships among employers and support them to offer and deliver work placements.

4. **Support** key skills development within our industry, in particular essential leadership, management and exporting skills.

5. **Deliver** a future UK immigration policy that is attractive to workers and allows the food chain to recruit workers they need to develop and grow.

6. **Provide** a route into the UK for work at all skills levels, remove the Immigration Skills Charge and lower the salary threshold for skilled non-graduate roles.

4. Provide co-investment to support our proposals to drive export growth and innovation

Food and drink's wide geographic footprint means our industry is uniquely placed to support governments in spreading wealth and opportunity across the UK. We are ambitious to deliver transformational outcomes in skills, innovation and export growth.

Co-investment would ensure:

- **our consumers have continued great choice and quality products**
- **our businesses have the certainty and confidence to invest for the long-term**
- **the next generation benefits from better, higher-skilled jobs in every part of the UK**

The food and drink industry has set out detailed proposals that have the support of the whole supply chain to deliver 1.5 per cent above trend GVA growth by 2030, adding an extra £8 billion to UK GVA.

These proposals would help drive growth in productivity, the creation of higher value more productive jobs, increased export growth and, at the same time, would deliver social and environmental benefit. If taken forward by the UK Government they should build on and support similar current commitments to growth and partnership that exist with the Devolved Administrations.

Now is the time to harness the expertise of industry and the UK Government and take forward our proposals to build a long-term vision for food, farming and fisheries which boosts productivity and unlocks the great potential in our sector.

Our recommendations:

1. **Support** our proposals to deliver transformational outcomes in skills, innovation and export growth for our industry.

2. **Co-invest** in specialist support to take advantage of export growth opportunities, supporting a move to a genuinely business-led approach.

3. **Co-invest** in a programme to support productivity growth in SMEs by encouraging increased uptake of automation.

4. **Support** the Food and Drink Sector Council and relevant partnerships within Devolved Administrations for a more productive and sustainable industry.

5. **Improve** access to public funds to boost innovation – for example R&D tax credits and funding through UK Research and Innovation.

5. Work with us to deliver a better quality of life for everyone, now and for future generations

The global food system is set to face unprecedented pressures over the coming decades as demand for resources and the effects of climate change intensify. We are fully committed to cutting CO_2 emissions, promoting more efficient water use, building a more circular economy for packaging, embedding environmental standards in transport practices and reducing food waste.

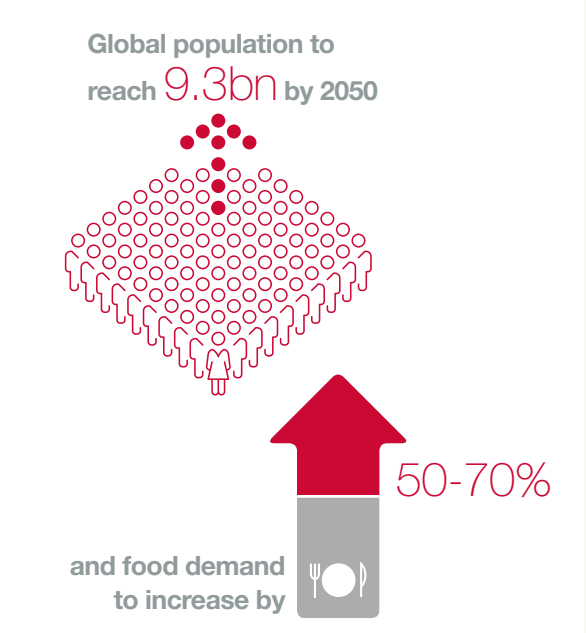
The global food value chain faces risks from growing pressures on natural resources, soil degradation, biodiversity loss and global warming.

Industry and governments have a shared responsibility to provide consumers with safe, secure, affordable and nutritious food – and help them make more sustainable choices.

Our industry is aware that these challenges will require a transformation in the way we do business at all levels – from the ingredients used and products made, to how they are packaged and transported.

Reducing food waste and improving resource efficiency across supply chains and in the home is a good starting point. Our industry has come together at an unprecedented pace on the environment agenda. This must be embraced and continued, for example to deliver improved refuse collections, a reformed Extended Producer Responsibility system and a UK-wide deposit return scheme.

These are complex issues which require a cross-cutting strategic response to deliver system change for food and farming. This will require vision and leadership from governments working together and putting the UK at the forefront of international efforts to produce more, from less and with less impact. This will require innovative, holistic thinking that considers further adaption of legislation as it relates to the maintenance of food safety and standards.



Our recommendations:

1.

Work with us to deliver environmental legislation (in each nation) that considers industry's ability to adapt and consider the environment in long-term planning and decision making.

2.

Focus on long-term decarbonisation, especially in heat whilst maintaining a clear carbon price and signals whilst continuing with Climate Change Agreements to drive energy productivity.

3.

Harness the benefits of the circular economy, using future energy and climate policy to deliver decarbonisation while improving long-term competitiveness.

4.

Deliver an holistic approach across governments to shape legislation and guidance that simultaneously supports innovation in sustainability, food safety and standards.

5.

Recognise industry engagement on key environmental debates. For example, implementing a new and effective resource and waste system by 2023 which includes a Deposit Return Scheme that is compatible across the whole of the UK.

6.

Support industry innovation through the Industrial Strategy Challenge Fund and other future opportunities to explore new opportunities and infrastructure.

Food and Drink Industry Plan for Success

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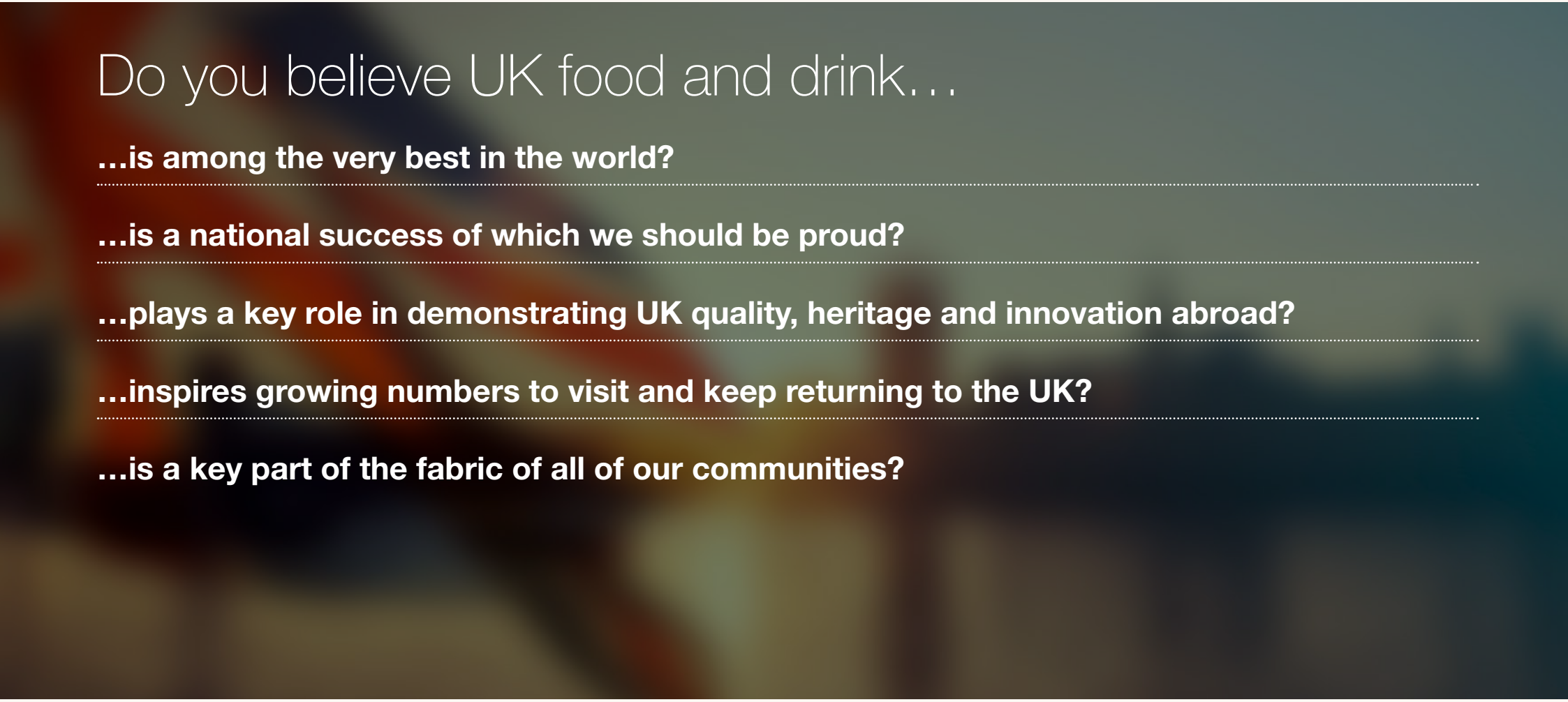
The UK's food and drink industry is critical to our economic future



Do you believe UK food and drink…

…is among the very best in the world?

…is a national success of which we should be proud?

…plays a key role in demonstrating UK quality, heritage and innovation abroad?

…inspires growing numbers to visit and keep returning to the UK?

…is a key part of the fabric of all of our communities?

Support the UK's largest industry - **food and drink**

The UK's food and drink industry is critical to our economic future

Do you want…

…the price of UK food and drink to remain competitive?

…the UK to have access to the labour and skills that businesses desperately need?

…the UK to grow its exports around the world?

…to give SMEs the chance to prosper through access to funding?

…to harness the benefits of the circular economy?

Support the UK's largest industry - **food and drink**

www.fdf.org.uk
020 7836 2460
@Foodanddrinkfed