



## Local food processing and supply: Challenges and Opportunities

19<sup>th</sup> April 2016 @ the University of Birmingham

The Local food processing and supply: Challenges and Opportunities workshop was held at the University of Birmingham on Tuesday 19<sup>th</sup> April. The workshop is part of a larger research feasibility project funded by the EPSRC titled: Local Nexus Network. The Local Nexus Network team who delivered the workshop were Prof. Lisa De Propris, Dr Pamela Robinson, Dr. Jane Glover (University of Birmingham) and Dr. Laura Purvis (Cardiff University). Working on the policy and society, including public procurement feasibility project were Prof. Andy Pike and Dr David Bradley from Newcastle University.

The main aim of this workshop is to identify the challenges and opportunities to increase local food processing and supply. The sustainability of local food supplies is becoming a concern for policy makers in relation to issues including traceability, quality, customer safety and the resilience of the rural economy. The workshop sought to gain as many different viewpoints as possible and to bring together stakeholders to discuss local food processing and supply, including public procurement purchasing. This meant exploring under what conditions localised food processing chains are desirable as well as feasible, and identify if there are any trade-offs or constraints to local food processing and supply. The emphasis was on the design and management of food value chains and specifically the design of business models for sustainable localised food processing and supply, including public procurement purchasing.

The workshop was attended by 35 individuals from stakeholders such as local food organizations, environmental based groups, a range of businesses from small to multinational and individuals involved in influencing policy diverse stakeholders interested in the concept of local food. The three very thought provoking speakers which began with a very interesting presentation by Kate Cooper from the Birmingham Food council. Kate's presentation talk about food, the city and its citizens with a thought provoking framework exploring consumers, producers and controllers and multipliers. She talked about the costs of poor diet and linked to consumer spending on nutrient poor foods. Her presentation certainly showed the importance of food and the role of certain manufactured food products on health. Mark Pettigrew Agricultural Sustainability Manager, PepsiCo Europe, talked about agriculture and the challenges faced with having to feed more people yet use less resources, he detailed how they have grower relationships and try to help farmers with local challenges. He talked about sustainable farming practices and the need for innovation, precision in growing and the use of varieties that suit local climates and growing conditions with the aim of being low carbon. This was followed, with a detailed look at the firms role with engaging farmers who produce potatoes for their processed crisps market. Finally Robin Gourlay gave an interesting presentation on what was happening in Scotland through the national food and drink policy, with a particular focus on public procurement and also identified some of the issues small firms have in obtaining public procurement contracts. He also highlighted some of the issues with the food system including health problems, financial issues, climate change affecting production levels, consumption changes and increasing population.

All three presentations were well received with members of the audiences raising some interesting questions for each speaker; after the presentations participants split into four groups to discuss questions devised by the LNN team at University of Birmingham, Cardiff University and Newcastle University. The first session talked about the challenges for local food processing and participants. For the second session participants were asked to think about opportunities to relocalising food processing. The final session explored the policy changes required to enable increased localized food processing.

# Local Food Processing: Challenges

## Questions

1. What are the challenges for their organisations in engaging with local food production?
2. What are the costs of local food both for your organisation and the supply chain? Economic, social, cultural?
3. What challenges do you see for the food supply chain in your sector in seeking local food production and supply?
4. What changes to existing business models are needed to create a demand for more localised food manufacturing / processing?

## Discussion

1. Need to define what is local and discuss what the British diet will look like in 2050
2. Local producers need information and support to access public sector or large buyers
3. Need for collective distribution and cold chain infrastructures
4. Need to understand how to scale down efficiently (Industry 4.0)
5. Local food might cost more but better quality- cost might be weighed against wider economic, environmental, social (including health) and cultural benefits
6. Strong local ties might lead to over dependence on local supplier or local purchaser
7. Consistency of supply- quality and volume
8. Purchasing power of big companies has to shift – smaller local buyers have to make do with produce that is left
9. Need to have clear but affordable health and safety standards in small scale, local food processing
10. Need to broaden the appeal of farm produced food to increase & reduce costs
11. Need to (re)educate consumers about traditional seasonal dishes
12. Local producers need to learn how to manage risks
13. Changing mindsets in connecting diets, food and production
14. A role for localisation intermediaries
15. A role for business to business marketing, labelling for provenance and quality. What food processing sectors can be localized → Jam, brewery, bread, dairy, charcuterie, honey,
16. Better information on public procurement rules – streamline processes, business friendliness, online portal, alerts on contracts, reporting requirements, Government buying standards
17. Public plate providers- notably schools- could rediscover significant economies from single / no choice menus to compensate for greater quality
18. How do we value food in terms of economic, social and environmental benefits

## Local Food Processing: Opportunities

1. What would the benefits of local food processing both for your organisation and the supply chain? Economic, social, quality, variety?
2. Who would benefit from more localized food processing?
3. What opportunities do you see for the entire food supply chain in seeking local food production and supply?
4. Does local food production have to be profit seeking? And what role do community based initiatives have to play?

### Discussion

18. Local food chains can lead to local food economy and then local economic growth
19. Stronger local communities, local employment, regenerative effect in rural and semi-rural economies
20. Local production linked to local consumption
21. Institutional innovation:
22. Experimental business models: social enterprises, cooperatives, food hubs, buyer-seller communities (Manchester Veg People)
23. Support of family, lifestyle business ethos
24. Buy local wholesalers (in Scotland wholesale butchers)
25. Creation of local food production clusters
26. Lower transaction costs and lower transportation costs
27. Local food value chains would provide quicker or more tailored response to local market demand, more adaptability, more product innovation
28. Potential health benefits to local population thanks to shift towards foods with better nutritional quality
29. Growers and small scale food processing businesses would have a local market and potential greater returns
30. Commercially, new distribution channels can be experimented, e.g. pop-up shops/kitchens, Tiffin system, street shops, farmers' markets, kitchen surfing,
31. Business led social organisation solutions rather than technological fixes
32. Leverage Industry 4.0 (e.g. ICT in smart systems for distribution ordering, paying, tracking)
33. For public procurement → experimental solutions that see plural models applied to the food system partly centralized (for scale) and partly distributed (quality and sustainability)

## Local Food Processing: Policy Changes

1. Has policy to date impacted the level of local food production and supply (for certain regions)?
2. What policies have had most impact on levels of local food manufacturing?
3. Can public procurement impact on levels of local food manufacturing?
4. What other effects can public procurement have? (e.g. on attitudes and tastes?)
5. What changes are required in order to increase the level of local food production and processing?

### Discussion

34. Push for localism and sustainability agenda drawing on EU agenda, e.g. Milan Urban Food Policy Pact
35. CAP and national farming support programmes have had a range of impacts on the scale and mix of agricultural products
36. Government needs to a clear food agenda linked to the food sector and shape private/public sector and better policy information
37. Public sector menus needs to be revised to balance nutritional content, quality, costs and provenance
38. Scotland is miles ahead with national policy framework; Scottish Food
39. Linking aims and objectives around food and local food processing across policy domains such as planning, procurement, regulations, economic development, training and skills, finance (e.g. industrial land allocation; permitted development rules)
40. Policy and Regulation – using rules, laws, frameworks as instruments of change and shapers of incentive systems for actors e.g. signalling what matters and encouraging/forcing change amongst relevant actors e.g. via the tax system, accreditation, reporting requirements, etc.

