

Gloucestershire Food Partnership's briefing note on the County's Farming and Food Sector produced for the Gloucestershire Economic Scrutiny Committee

November 2022

This briefing summarises:

- The economic contribution made by Gloucestershire's agri-food sector, and opportunities for growth
- Opportunities for the agri-food sector's to simultaneously contribute to social and environmental objectives
- How to align diverse policies, initiatives and funding to achieve multiple outcomes more effectively and efficiently

Agri-food Sector's Current Economic Contribution

Gloucestershire's agri-food sector employs over 50,000 people - 14.9% of the workforce - and generated a Gross Value Add of £1.39b in 2017, or 8.8% of the local economy¹. These are both higher than the national average, demonstrating that the County has competitive advantage upon which to build. More specifically, Gloucestershire's agriculture supports 6,280 jobs and generated £333m/year in 2017, with crops accounting for £116m and livestock £181m. This output translates into a GVA of £102m after direct production costs.

Opportunities to Grow the Agri-food Sector

Encouraging more demand for Gloucestershire produce through the GFirstLEP-led, GCC-funded Made in Gloucestershire scheme², which gives consumers and retailing and foodservice sectors confidence that they are buying and selling/serving authentic local produce. For example, this should help local companies capture more of tourists' spending, given that 32% of their spending in Gloucestershire goes towards food and drink, generating £340m annually. There is an exciting opportunity to expand this scheme, and also to use it as a mechanism to engage businesses on promoting healthier menus, and reducing food waste and carbon emissions.

Agri-tech: Gloucestershire has leading expertise in the agri-tech sector and several specialist research organisations³. This provides a pathway to enlarging both export and domestic markets. There are particular opportunities for growth in food processing⁴. In addition, recent analysis concluded that expanding local food chains could create 200,000 jobs nationally⁵. As identified above, with strategic coherence and coordinated delivery we can achieve transformational systemic change across economic development; responses to climate, nature and health crises, and social policies, especially levelling-up.

Business support and skills: Local business support offered via Growth Hubs and LEPs had excluded farmers because they were not eligible for support from the EU Rural Development programmes which funded supported Growth Hubs. However, the LEP's Agri-food and Rural Business Group is now examining the need for new skills, training and business support across the sector. Farming for the environment and nature as well as for food will require our farmers to acquire new knowledge and skills if they are to access the grants upon which for many their viability will depend. What is needed is a range of training, mentoring and small capex grants to support farming businesses to diversify, to serve established and new markets, and to adapt their practices to deliver public goods. The new Rural England Prosperity Fund offers one funding route, with £2.1m allocated to the County's four rural districts. The Fund offers a significant opportunity to support rural businesses, including farmers, and ensure that economic growth also delivers environmental and social priorities.

¹ Collison et al (2019) The Scale and Impact of the Farming, Food, Drink & Rural Economy in Gloucestershire:

<https://www.gfirstlep.com/downloads/2019/the-gloucestershire-agrifood-and-rural-economy-final-report-apr-2019.pdf>

² <https://www.madeingloucestershire.com>

³ For example, Farm 491, Campden BRI, Royal Agricultural University, Hartpury University, Countryside and Community Research Institute at the University of Gloucestershire

⁴ Collison et al (2019) *The Scale and Impact of the Farming, Food, Drink & Rural Economy in Gloucestershire*:

<https://www.gfirstlep.com/downloads/2019/the-gloucestershire-agrifood-and-rural-economy-final-report-apr-2019.pdf>

⁵ Sustain (2021) The case for local food: building better local food systems to benefit society and nature:

<https://www.sustainweb.org/publications/the-case-for-local-food/>

Contributing to Gloucestershire’s Climate Change Commitments: GCC has set a target of reducing the County’s GHG emissions by 80% by 2030. Since globally up to 34% of emissions come from the agri-food system⁶, and 10% of UK emissions come from agriculture alone, the sector has huge potential to contribute to this target through both reducing emissions and sequestering carbon. Even if Net Zero commitments are met, the County’s climate will change unavoidably, and farmers’ will need new techniques to adapt their practices and crops to these new conditions accordingly. Hence, there are opportunities to ensure these adaptations also contribute to decarbonisation through training and financial support.

Farms and food businesses contributing to healthier diets: More than 60% of adults in Gloucestershire are overweight, with nearly half of them being obese⁷. 26.9% of children in reception classes in the South West are overweight or obese, up from 22.8% pre-pandemic⁸. In addition to basic public health concerns and impacts of employability and productivity, there are public finance consequences. 10% of the NHS budget is spent on treating diabetes caused by obesity⁹, and the number of people in the County with non-diabetic hyperglycemia – and therefore at risk of developing Type-2 diabetes – rose by 40% from 2017-2020¹⁰. In addition, people with severe obesity are three times more likely to need social care than those with a healthy weight. Accordingly, investments in improving the County’s health and eating habits should involve farmers and food businesses producing and promoting local, health food.

Business and social enterprise helping to tackle food poverty and levelling-up: In some parts of the County, over 10% of adults experience hunger because they cannot afford or are unable to access food¹¹. Levelling-up initiatives are especially focusing on the 14 most disadvantaged communities in the County, and improving affordable access to healthy, local food is a critical part of that work.

Contributing to nature recovery: The UK is in the bottom 10% of countries in terms of biodiversity loss¹². The 2021 Environment Act introduced duties on local authorities to restore nature, including through Local Nature Recovery Strategies and biodiversity net gain¹³. Farmers and other land managers will be central to developing and delivering these policies, and downstream businesses and consumers will be critical to rewarding them for doing so by choosing their products.

England’s new agricultural funding scheme: This will end payment for land ownership (the Basic Payment Scheme or BPS), and significantly expand “public money for public good” support by funding activities which deliver better air and water quality, thriving wildlife, better soil health, reduced flooding and mitigating climate change. These outcomes should be welcome, although the transition is creating uncertainty and anxiety, and may herald significant restructuring. By 2028, ending BPS will remove nearly £40m of support every year for Gloucestershire farmers¹⁴, with 600 of our smaller farms losing on average £16,000/year, and larger farms losing £50,000/year. While some of these losses will be offset by the Environmental Land Management Scheme due to be introduced from 2024, more than 50% of the BPS reductions will have been implemented by then, and no expectation that levels of support will cover the loss of BPS, especially given the post-pandemic state of public finances. These changes jeopardise many farming businesses’ viability,

⁶ Ritchie (2021) How much of global greenhouse gas emissions come from food? <https://ourworldindata.org/greenhouse-gas-emissions-food>

⁷ GCC Adult Social Care and Communities Scrutiny Committee: Public Health Update by Executive Director of Adult Social Care and Public Health, 6 July 2021

⁸ NHS (2021) National Child Measurement Programme: <https://digital.nhs.uk/data-and-information/publications/statistical/national-child-measurement-programme/2020-21-school-year>

⁹ NHS Prevention Programme cuts chances of Types 2 diabetes for thousands (2022): <https://www.england.nhs.uk/2022/03/nhs-prevention-programme-cuts-chances-of-type-2-diabetes-for-thousands/>

¹⁰ NHS National Diabetes Audit, Non-Diabetic Hyperglycaemia, 2020-21: <https://digital.nhs.uk/data-and-information/publications/statistical/national-diabetes-audit/diabetes-prevention-programme-2020-21-underlying-data>

¹¹ University of Sheffield (2021) UK Adult Food Insecurity: <https://www.sheffield.ac.uk/news/new-map-shows-where-millions-uk-residents-struggle-access-food>

¹² Natural History Museum (2020) UK has led the world in destroying the natural environment: <https://www.nhm.ac.uk/discover/news/2020/september/uk-has-led-the-world-in-destroying-the-natural-environment.html>

¹³ Environment Bill Nature and Conservation Covenants: <https://www.gov.uk/government/publications/environment-bill-2020/10-march-2020-nature-and-conservation-covenants-parts-6-and-7>

¹⁴ University of Gloucestershire (2021) Assessing the impact of Agricultural Transition in Gloucestershire

with the inevitable economic, social, landscape and environmental impacts. This threat comes on top of recent consolidation, with the number of holdings halving from close to 5,000 in 1985 to about 2,500 in 2016, and with around half of farming businesses already having diversified.

Next steps

The Gloucestershire Food and Farming Partnership¹⁵ (GFFP) has been established to create innovative partnerships which collaborate to achieve multiple, diverse outcomes from the same initiative. Through discussions with local authorities, ideally with the Scrutiny Committee's advocacy, this could include:

- Supporting enterprises that solve barriers to more localised food supply chains including: lack of processing capacity, low carbon distribution channels and the helping Gloucestershire businesses exploit value-added markets. This should also contribute to Visit Gloucestershire's (VG) tourism strategy, including its initiative on promoting carbon-minimising menus, and will build on the joint VG and GFFP workshop with producers and caterers to explore what is needed to enable more local procurement.
- Gloucestershire has been trialling the new Environmental Land Management Scheme, which has demonstrated how farmers can collaborate to help communities build resilience for food security, biodiversity recovery, flooding, air quality and health and well-being¹⁶. By building soil health through increasing organic matter and sequestering carbon, farmers can be part of the partnership delivering multiple ecosystem services and public goods from their land. Working with scientists, there is further scope to resolve food poverty, and produce nutrient-dense food from thriving businesses working in harmony with nature.
- Developing new pathways into careers in the farming and food sectors, including creating a more positive perception of those roles and providing skills training, and so retaining more young people in the County. This will contribute to work already underway led by Visit Gloucestershire in promoting skills in the hospitality sector, and should be expanded to roles across the supply chain, from farm to fork.
- Opening public procurement and anchor institutions'¹⁷ contracts to local SME suppliers by rejuvenating the South West Regional Food Hub and working with Caterlink to further increase local food in school meals, in particular through adopting Dynamic Food Procurement system.
- Building on Caterlink's Food for Life Silver Award¹⁸, adopt other aspects of the scheme's whole school approach, which not only drives up demand for local and more ecological produce in school meals, but also contributes to the public health childhood obesity agenda. Currently, 1.7million FFL certified meals are served nationally every day in term time, and pupils in FFL schools eat around a third more fruit and vegetables at school, and significantly more fruit and vegetables at home, and 45% of their parents report eating more vegetables as a result of FFL.
- Establishing a long-term farming and food strategy by building baseline evidence on farming and environmental management in Gloucestershire, including food production, farming enterprises, processing, land use and land management data.
- GFFP supporting district councils' strategies for the new Rural England Development Fund. GFFP partners have specialist insights into the rural economy and could help ensure that grants deliver both local priorities and a coherent approach across the County.

¹⁵ <https://www.gloucestershirefoodandfarmingpartnership.org>

¹⁶ <https://www.fwagsw.org.uk/environmental-land-management-system-trial>

¹⁷ An anchor institution a large employer or large land/asset owner with significant spending power. Consequently, they can significantly influence the social, economic and environmental conditions in an area, acting as an 'anchor' to the health and prosperity of local people and communities. In particular, these institutions are unlikely to move (for example, schools, hospitals, prisons, universities and companies with large fixed assets) and so give suppliers more confidence in the long term business opportunity. .

¹⁸ <https://www.foodforlife.org.uk/schools>

Aligning the County's policies, initiatives and expenditure to achieve better outcomes, more efficiently

GFFP also recommends creating a comprehensive evidence base of the objectives, policies, initiatives and funding of County and District/Borough councils, health bodies, LEP etc, to which food and farming can contribute or benefit, and then to determine how to better align activities to deliver multiple outcomes more effectively and efficiently. This mapping exercise would mirror a recent study at national government level which found that 16 different Whitehall departments were involved in farming and food, across 80 different policy divisions.¹⁹ Similarly, while there is a lot of valuable work happening across the County, councils, health bodies, farmers, food and drink businesses, social enterprises and community groups inevitably struggle to coordinate between diverse departments, different organisations and distinct priorities. Building on work underway, the next step would be to map all the relevant policies and activities in Gloucestershire, and so reveal opportunities to improve alignment, and highlight how public funding can best be used. GFFP would be very keen to contribute to this exercise, which we believe would be first of its kind in the country to be undertaken at a county-level, and we encourage the Scrutiny Committee to support the proposal.

¹⁹ Parsons et al (2020) Who makes food policy in England – a map of government actors and activities:
<https://foodresearch.org.uk/publications/who-makes-food-policy-in-england-map-government-actors/>