

<b>Meeting</b>	GLOUCESTERSHIRE ECONOMIC GROWTH JOINT COMMITTEE (GEGJC)
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<b>Background documents</b>	Report and presentation
<b>Location/Contact for inspection of background documents</b>	All references are included in footnotes.
<b>Main Consultees</b>	This report has been produced by and for the Gloucestershire Food Partnership.
<b>Purpose of report</b>	For information To update the Joint Committee on the county's farming and food sector, its contribution to the local economy and the challenges and opportunities ahead.
<b>Recommendations</b>	The Committee notes the content of the paper and comments on progress so far.
<b>Reason for recommendations</b>	For information
<b>Resource Implications</b>	There are no further resource implications.

1.1	<p><b>Background</b></p> <p>This paper seeks to give an overview of the County’s farming and food sector as presented by the Gloucestershire Food Partnership.</p>
1.2	<p><b>Context</b></p> <p>The Gloucestershire agri-food sector is a significant contributor to the Gloucestershire economy in relation to its contribution to gross value added as well as employment base in the county. It has recently faced some significant challenges in changes to government policy largely but not exclusively as a result of Brexit. This paper and appendix from the Gloucestershire Food Partnership sets out core facts about the sector, a understanding of the strategic partners involved in supporting and developing the sector as well as a summary of the challenges and opportunities facing the sector and its supply chain.</p>
1.3	<p><b>Core facts about the sector:</b></p> <ul style="list-style-type: none"> <li>• The Gloucestershire agri-food sector representing the “end to end” food chain employs just over 50,000 people, or 14.9 % of the workforce compared to 13.2% nationally (DEFRA (2018), Agriculture in the UK 2017)</li> <li>• In 2019, the agriculture, forestry, fishing, mining and quarrying sectors contribute around £187 million to Gloucestershire's GVA, this equates to around 1.0% of total GVA which is more than the national average of 0.7% (Source: Source: Regional gross value added (balanced) by industry, ONS)</li> <li>• In 2019 there were around 7,000 people working in the agriculture sector, equating for 2.3% of employment, this is higher than the national average of 1.3% (Source: BRES, ONS)<sup>1</sup></li> <li>• In 2016 there were 2,529 farm holdings in Gloucestershire, up from 2,449 in 2013. This means the total farmed area in 2016 equated to 193,304 hectares, this was down from 204,345 in 2013. (Source: Structure of the agricultural industry in England and the UK at June, DEFRA)</li> </ul>
1.4	<p><b>Strategic Partners</b></p> <p>As identified in the evidence base for the local industrial strategy, there are a number of local strategic partners working to advance and support the wider sector. It identifies:</p> <p>Campden BRI is a world-leading research association in the agri-food space and member of the South West AgriTech Network. This network was inaugurated at Farm491 in Summer 2018 to connect research institutions across the South West with technological innovations and industry partners in agriculture.</p> <p>Hartpury University and College Hartpury University and College is a specialist</p>

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<sup>1</sup> Please note this is on a different basis to GVA which covers a broader sector including forestry, fishing, mining etc.

	<p>provider of high-quality applied education, training and research. Their industry-led research and commercial partnerships within the specialisms of animal, in particular equine, and sport, result in innovative solutions, which impact and influence locally, nationally and internationally the development of these same sectors. In addition, the Hartpury Agri-Tech Centre, provides farming professionals with access to the latest livestock technology, expertise and ideas, ensuring Hartpury University and College is at the heart of innovation in the agricultural sector.</p> <p>Royal Agricultural University (RAU) Innovation has been central to the RAU's purpose since 1845 and their alumni lead transformational change across the land-based sector. With the challenges of Brexit and food security, the RAU has never been more relevant, continuing to provide innovative, sustainable solutions for land managers, food producers and the wider rural economy. This is achieved through (i) innovative education programmes, supported by a government post-Brexit strategic initiative, co-designed with industry to ensure that businesses have the skills needed to face the future, (ii) a nationally recognised centre of excellence for student entrepreneurship, (iii) applied research, and (iv) a Knowledge Exchange Hub that pioneers farmer-led innovation and supports the agricultural and wider business sectors through the LEP-funded Farm491 project, as well as businesses of all types through the Cirencester Growth Hub.<sup>2</sup></p>
2.5	<p><b>Wider strategic activity to support the plan and further opportunities</b></p> <p>The rest of this document sets out the potential outcomes that could be delivered as a result of greater support to the sector, the current challenges facing the sector and the opportunities that are presented as a result.</p>
3.1	<p><b>Gloucestershire Food Partnership's briefing note on the County's Farming and Food Sector produced for the Gloucestershire Economic Growth Joint Committee</b></p> <p>This briefing summarises:</p> <ul style="list-style-type: none"> <li>- The direct and indirect economic contribution made by Gloucestershire's agri-food sector;</li> <li>- The opportunity to align initiatives and so simultaneously increase this contribution while also achieving environmental and social outcomes;</li> <li>- Current challenges facing the sector, and</li> <li>- Some of the opportunities to tackle those challenges and deliver multiple outcomes.</li> </ul> <p><b><u>Agri-food Sector's Current Economic Contribution</u></b></p> <p>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 economy<sup>3</sup>. These are both higher than the national average, demonstrating that the County has competitive advantage upon which to build.</p> <p>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.</p>

<sup>2</sup> [gloucestershire five-foundations-of-productivity\\_evidence-report\\_2019-updated.pdf \(gfirstlep.com\)](https://www.gfirstlep.com/downloads/2019/the-gloucestershire-agrifood-and-rural-economy-final-report-apr-2019.pdf)

<sup>3</sup> 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>

	<p>As an example of the sector’s indirect economic benefits, much of Gloucestershire’s tourism is driven by its attractive landscapes. In particular, it is vital to The Cotswolds’ economy where tourists spent over £326m in 2017, and where tourism employs over 14% of the workforce. Since farmers manage 61% of the County’s landscape, their practices are critical to sustaining a countryside that appeals to tourists. Tourism also makes a direct contribution to the sector, with 32% of tourists’ spending in Gloucestershire being devoted to food and drink, generating £340m annually.</p>
3.2	<p><b>Scope to achieve multiple, complementary outcomes</b></p> <p>In addition to economic development, the County’s agri-food sector has the potential to contribute to some of the greatest environmental and social challenges we face:</p> <ul style="list-style-type: none"> <li>➤ <i>Climate Change</i>: GCC has set a target of reducing the County’s GHG emissions by 80% by 2030. Since globally 26-34% of emissions come from the agri-food system<sup>4</sup>, 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.</li> <li>➤ <i>Social inequality</i>: In some parts of the County, over 10% of adults experience hunger because they cannot afford or are unable to access food<sup>5</sup>.</li> <li>➤ <i>Health</i>: More than 60% of adults in Gloucestershire are overweight, with nearly half of them being obese<sup>6</sup>. In addition to basic public health concerns, there are public finance consequences because people with severe obesity are three times more likely to need social care than those with a healthy weight. We need to ask how investments in improving the County’s health and eating habits can involve local farmers and food businesses.</li> <li>➤ <i>Nature recovery</i>: The UK is in the bottom 10% of countries in terms of biodiversity loss<sup>7</sup>. The Environment Bill is introducing duties on local authorities to restore nature, including through Local Nature Recovery Strategies and biodiversity net gain<sup>8</sup>. 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.</li> </ul>
3.3	<p><b>Current Challenges</b></p> <p><i>England’s new agricultural funding scheme</i>: 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. While these outcomes should be welcome, the transition is creating uncertainty and anxiety, and may herald restructuring. By 2028, ending BPS will remove nearly £40m of support every year for Gloucestershire farmers<sup>9</sup>, with 600 of our smaller farms</p>

<sup>4</sup> Ritchie (2021) How much of global greenhouse gas emissions come from food?  
<https://ourworldindata.org/greenhouse-gas-emissions-food>

<sup>5</sup> University of Sheffield (2021) UK Adult Food Insecurity: <https://www.sheffield.ac.uk/news/new-map-shows-where-millions-uk-residents-struggle-access-food>

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

<sup>7</sup> 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>

<sup>8</sup> 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>

<sup>9</sup> University of Gloucestershire (2021) Assessing the impact of Agricultural Transition in Gloucestershire

	<p>losing on average £16,000/year, and larger farms losing £50,000/year. While some of these losses will be offset by the introduction of the Environmental Land Management Scheme from 2024, more than 50% of the BPS reductions will have been implemented by then, and as yet there is no clarity over how the new scheme will operate, 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, with the inevitable economic, social, landscape and environmental impacts. This threat comes on top of recent consolidation, with the number of holdings halved from close to 5,000 in 1985 to about 2,500 in 2016, and with around half of farming businesses already having diversified.</p> <p><i>Local business support provision:</i> Currently, local business support offered via Growth Hubs and LEPs excludes farmers. The past and current programme of general business support delivered by the Growth Hub is funded by the EU Rural Development Fund. Primary producers are not eligible for support from these programmes.</p> <p><i>Capital Expenditure Support:</i> There is no replacement for farmers' capex support, which previously was available to rural businesses under programmes like the EU's LEADER programme<sup>10</sup>.</p> <p><i>Climate change adaptation:</i> 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.</p> <p><i>Labour shortages</i> (especially for horticulture): as a result of the end to free movement, disbandment of Seasonal Agricultural Workers Scheme and as a consequence of travel restrictions during the pandemic.</p>
3.4	<p><b>Current Opportunities</b></p> <p>Gloucestershire has leading expertise in the agri-tech sector and several specialist research organisations<sup>11</sup>.</p> <p>This provides a pathway to enlarging both export and domestic markets. There are particular opportunities for growth in food processing<sup>12</sup>. In addition, recent analysis concluded that expanding local food chains could create 200,000 jobs nationally<sup>13</sup>. 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. Initiatives could include:</p> <p><b>Improving business support to the farming sector:</b> Different farm business will respond to the challenges summarised above in different ways, and there is no single pathway to a more secure financial future. Equally, farming for the environment and</p>

<sup>10</sup> Cotswold LEADER: <https://www.cotswoldsaonb.org.uk/looking-after/cotswolds-leader/>; Forest of Dean and Tewkesbury LEADER: <http://forestandtewksleader.co.uk>

<sup>11</sup> For example, Farm 491, Campden BRI, Royal Agricultural University, Hartpury University, Countryside and Community Research Institute at the University of Gloucestershire, FarmEd

<sup>12</sup> 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>

<sup>13</sup> 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/>

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/new markets and to adapt their practices to deliver public goods.

**Innovative partnerships to enhance Gloucestershire's food supply chains through:**

- Opening public procurement and anchor institutions'<sup>14</sup> contracts to SME suppliers via the Dynamic Procurement Pilot for the South West initiative.
- Supporting enterprises that look to solve barriers to more localised food supply chains including: lack of processing capacity, low carbon local distribution channels and the helping Gloucestershire businesses access to new and existing value-added markets.
- Developing new pathways into careers in the farming and food sectors, including changing perceptions of those roles and providing skills training, and so retaining more young people in the County.
- Building baseline data for farming and environmental management in Gloucestershire including: food production, farming enterprises, processing, land use and land management data.

**Encouraging more demand for Gloucestershire produce:** by introducing a proven, council-led accreditation scheme based on Produced in Northumberland<sup>15</sup>, giving consumers and retailing and foodservice sectors confidence that they are buying and selling/serving authentic local produce.

**Increasing the demand for Gloucestershire's produce while improving children's health:** by implementing the tried and tested Food for Life (FFL) model<sup>16</sup> in primary schools outside the GCC catering contract. Adopting a whole school approach to food education, the scheme not only drives demand for local and more ecological produce, it 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.

**Ensuring climate crisis response and nature recovery are interwoven into these and other initiatives:** Gloucestershire has been leading the way on the environment for nearly 20 years, hosting one of the first Heritage Lottery Landscape scale partnership project in 2002. This Caring for the Cotswold project gave rise to the development of integrated local delivery, a framework for coordinating local environmental action, with all partners and stakeholders working in support. The approach, now evaluated as an international case study of best practice, has been strengthened by the ethos of valuing local knowledge from farming and local communities and partnership working through the Gloucestershire Local Nature Partnership. The approach has been further trialled in Gloucestershire for the new

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<sup>14</sup> 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. Whether public authorities keen to achieve multiple outcomes from taxpayers' money, or private companies looking to fulfil their CSR commitments, their procurement has the potential to significantly enhance their local area.

<sup>15</sup> <https://producedin.northumberland.gov.uk/Home.aspx>

<sup>16</sup> <https://www.foodforlife.org.uk/schools>

<p>Environmental Land Management Scheme, which has demonstrated how groups of farmers can come together to help communities build resilience for food security, biodiversity recovery, flooding, air quality and health and well-being<sup>17</sup>. 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 scope for systemic alignment to resolve food equality and produce nutrient-dense food from thriving businesses working in harmony with nature.</p>
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<sup>17</sup> <https://www.fwagsw.org.uk/environmental-land-management-system-trial>