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RURAL POLICY CENTRE CONSULTATION RESPONSE



Choosing the Right Ingredients

The Future for Food in Scotland

A Response from SAC Rural Policy Centre

Summary

- SAC is highly supportive of the Government's intention of moving from a sectoral approach to food policy towards a more integrated approach.
- Recognition of the global context of Scottish food production is important. It may be difficult to achieve the goals of a new food policy if the growing world population and the restriction of supply of grain (because of the diversion to fuel) conspire to increase food prices, thereby affecting the affordability of the healthy choices that might be encouraged. Global developments could have very real implications for the implementation and achievability of any future food policy.
- A national food policy could usefully build upon and embrace the action areas and philosophy contained in *A Forward Strategy for Scottish Agriculture: Next Steps*.
- The drink sector should feature prominently in a national food policy. The economic importance of the sector, the direct linkage with agriculture and the health issues surrounding alcohol consumption are a clear illustration of the potential opportunities of a more integrated policy.
- Including support for local food supply systems within a national food policy is important for social, economic and environmental reasons.
- Any future food policy should recognise the importance of consumer insight for the development of agri-food business and marketing activities.
- Delivering an integrated national food policy will require enhanced co-ordination and collaboration at a high level.
- Attempts to change behaviour through communication and advice need to acknowledge recent learning from environmental campaigns and adopt innovative methods to engage the public in the issues.
- Education has an important role to play, but while there is much emphasis on schools we must not lose sight of the wider education and training issues. The education dimension of food policy is not only about using school education as a means of developing a healthier population; it must also be about ensuring the appropriate provision of education and training opportunities that will support the competitiveness of the food industry in Scotland.

INTRODUCTION

SAC (The Scottish Agricultural College) welcomes the opportunity to contribute to the national discussion on food and supports the Government's efforts to engage a wide range of stakeholders at an early stage in the development of an important policy area. As an innovative, knowledge-based organisation that supports the rural sector through research, education and expert consultancy services, we operate in many fields relevant to food policy and are keen to play our part in delivering a joined-up food supply chain that works to make Scotland wealthier, healthier and greener.

SAC is highly supportive of the Government's intention of moving from a sectoral approach to food policy towards a more integrated approach. We warmly welcome the development of an approach to food production that integrates agricultural and food policy with environmental, health, education and social justice concerns. The sectoral approach has provided an efficient means of addressing the needs of the food industry, but it is increasingly recognised that many of the broader problems in society (such as ensuring wider economic growth and sustainable rural communities, maintaining a high quality environment and tackling obesity) are complex issues that require integrated solutions. The development of a national food policy that brings a wide range of stakeholders together from a range of sectors is therefore timely and important.

SAC recognises that this is a discursive consultation and that there are no concrete proposals to comment upon. As such, this response picks up on some of the issues raised in the discussion paper, but also highlights some difficult issues that must be addressed if a coherent and integrated national food policy is to be developed.

TOWARDS A NATIONAL FOOD POLICY

Over recent years the nature of food production and consumption in contemporary Scotland has changed and several trends have prompted a reassessment of policy. Consumer spending on food products as a percentage of total expenditure has been declining, hitting a low in 2000¹. The number of people classified as overweight and obese has been steadily increasing². In agriculture, the early emphasis of the Common Agricultural Policy was on increasing food production in order to secure food supply through the application of intensive production. Gradually, however, the problems of over-production and the historic decline of biodiversity (which is being addressed at present) have contributed to a rethink by government of the role of agriculture in the UK. At the same time, however, changing consumption patterns around the world and the increasing production of non-food crops for fuel are putting pressure on supply and driving dramatic rises in food prices, prompting concern over food security and a renewed focus on agricultural productivity. Climate change is also putting the spotlight on both the impact of future change on the food sector and the mitigation strategies that could be adopted to reduce the sector's carbon

¹ <http://www.lupg.org.uk/PDF/Paper%203%20full%20paper%20final%20std%20format.pdf>

² <http://www.scotland.gov.uk/Topics/Statistics/Browse/Health/TrendObesity>

emissions. The increasingly complex food supply chains through which we distribute and obtain our food are being challenged as pressure to reduce emissions points to the need for more localised production and consumption.

There is, then, a set of interconnected issues – ranging from public health to climate change to economic growth – relating to food and in this context the discussion paper – *Choosing the Right Ingredients* – clearly sets out the vision for a food policy in Scotland. The Scottish Government want a food policy that encompasses all parts of the food supply chain and ensures sustainable economic growth of the food industry whilst promoting healthy eating and maintaining a high quality environment.

SAC sees this attempt to move towards a more integrated form of policymaking as a welcome development. While there will always be a need for sector specific policy, a national food policy could usefully address the areas where the food and drink industry, agriculture, health and the environment overlap.

Developing an integrated food policy that ensures the sustainable economic growth of the food industry whilst also promoting healthy eating and maintaining a high quality environment will be, however, no small or easy task. Achieving the goal of an integrated policy will require action on a range of fronts including a reassessment of the Common Agricultural Policy, improving collaboration in supply chains and finding ways of changing public behaviour. In what follows, we highlight a series of issues prompted by *Choosing the Right Ingredients*.

KEY ISSUES

The global context

There is little in the discussion paper that acknowledges the importance of the global context. While the emphasis is on bringing agendas on food, health and environment together, and on the roles of different actors, there is little recognition of the way that major changes in one part of an integrated system can have serious implications for the other parts.

The issues of global food supply and national food security, for example, are back on the agenda as large areas of land are used for biofuels and as consumption patterns change in the developing world. A growing world population, an increased demand for animal products and a restriction of supply of grain, because of the diversion to fuel, all conspire to increase food prices. In the long-term, these trends are likely to be exacerbated by climate change (making agricultural production in already hot regions increasingly tenuous) and economic growth in developing nations. Crucially, higher food prices are already having an impact on the affordability of the healthy choices that would be encouraged in any future policy. Thus global developments could have very real implications for the implementation and achievability of any future food policy.

Similar issues relate to the recent rises in fuel prices (if not matched by rises in receipts from outputs). If global fuel prices stay high there could be important consequences for the shape of agriculture in Scotland. Global climate change could also drive change in Scottish food production with a growing interest in

local production as a means of reducing food miles and the carbon emissions associated with food. International trade liberalisation and CAP reform are likely to have significant consequences for the food sector because changes in agriculture could affect trends in consumption and the issues that need to be addressed in terms of health and environment. As such, some recognition of the interconnection of Scottish agriculture in an international context would be useful.

Ensuring continuity

A national food policy that integrates agricultural and food policy is welcome because although Scotland has long had an agricultural strategy working in tandem with CAP support and alongside the Food and Drink Strategy, there has been a lack of integration between agricultural policy and that relating to food. Thus a whole chain approach to agri-food development has not prevailed.

The integration of agricultural and food policy is important because it will provide a means of developing a coherent approach to agri-food development. To date, Scotland has chosen to place the emphasis of support on its major agri-food exporting sectors. Whilst this has been entirely appropriate to date, policy has perhaps not given national recognition to the importance and development of micro, small and medium-sized enterprises and local food supply systems. Indeed, there has not been widespread support for local and regional foods or support for supply chain development, as has been the case in England and which could have generated considerable benefit to the Scottish agri-food sector.

Policy priorities change and policy often has to be altered or adapted to retain its relevance in a new context. Climate change and the desirability of reducing the distance that food travels in our complex supply chains is providing a new context and the development of a national food policy at this time provides an opportunity to ensure that these issues are incorporated. It will be important, however, to retain a commitment to the action areas and philosophy contained in *A Forward Strategy for Scottish Agriculture: Next Steps*. The actions identified in this strategy, and their rationale, were generally very sound and the question arises as to how the national food policy will relate to the ideas promoted in the *Forward Strategy: Next Steps*. It would be beneficial if those relating to food production and marketing, rural development and environment were embraced by a future food policy.

The importance of the drink sector

Whilst the document makes reference to the 'Scotland Food and Drink' organisation, it is not clear that drink is to be part of a national food policy. Given the economic importance of the drink industry in Scotland, the direct linkage with the agricultural sector and the health issues surrounding excessive alcohol consumption, it would seem appropriate that drink should feature in the policy. This will help in securing the inclusive and joined-up approach that is sought with respect to food and drink.

Market support tools – one size does not fit all

The discussion paper correctly recognises the variety of markets served by Scotland's agricultural and food industries, including the UK and export markets, the public sector and the tourism industry. This variety of markets requires a variety of development support mechanisms. The retention of a system which

recognises regional priorities and which encourages engagement with the policy by the full spectrum of business sizes is important.

Supporting local and regional foods

The discussion paper recognises the importance of the range of speciality and direct marketing outlets which supply food, and the larger retailers which have become more active in promoting local, healthy and environmentally friendly food. SAC research has identified the importance of the independent retail sector in the Highlands and Islands, and the role of direct and local food marketing systems in supporting farm diversification and farmers' incomes, widening the skill base and opportunities in rural areas and widening food availability. Including support for local food supply systems within a national food policy is important for social, economic and environmental reasons.

Supporting local and regional foods through public procurement is one way of leading by example and directly influencing the market. Public procurement bodies may need, however, to accept that price should not necessarily be the leading factor in negotiation. While public procurement should always consider value for money, it may be that wider policy objectives could be achieved more cheaply in the long run by paying more in particular instances.

Local government needs to work with producers to understand each other's needs. This has worked well in the East Ayrshire pilot where the council and producers sat down to understand the requirements of both parties in supplying all local schools with local foods, although rolling this out to other areas has met with limited success to date and greater effort will be required on the part of both procurement agencies and enhancing producer skills to make this more effective.

The difficulties of promoting local foods must not, however, be under-estimated. It may be that local also means more expensive. Equally, we cannot assume that local produce is available locally since farmers choose their markets and can choose to supply distant buyers. Further work will also be required with farmers to influence their choice of market.

The importance of understanding consumer needs

The discussion paper emphasises the importance of understanding what consumers and businesses want and need and any future food policy should recognise the importance of consumer insight for the development of agri-food business and marketing activities. Whilst larger businesses can seek such information through market mechanisms and their own capabilities (e.g. store cards), smaller ones, including farmers, may require assistance in both accessing such information and translating it into business development action. Measurement of consumer preferences is often carried out at a UK level, and few studies have been conducted to analyse the market potential of the retail sector in Scotland, or in particular the market size and growth in the foodservice sector.

Implementing a national food policy - coordination

Given that there are in excess of 150 organisations in Scotland with a food system interest and that an integrated policy will need the involvement of a diverse array of government Directorates and Agencies, it is important to ask

how a new policy will be implemented. SAC has welcomed and joined Scotland Food and Drink and will play its part in bringing everyone involved in food and drink together to work to a common and shared agenda. But delivering a multifaceted food policy that engages the whole of the food system will present a significant resource and implementation challenge. It will be important to ensure that all relevant government-funded institutions operate in a manner which serves the policy and that industry and consumer groups are also drawn into the process as much as possible (their engagement in policy development and delivery will be vital).

Implementing a national food policy – on the ground

For a national food policy to be implemented effectively, our food industry (which means everyone in the supply chain from farmers, through retailers to consumers) must run smoothly. This is recognised in the discussion paper, which states that the key strategy for improving supply chain efficiency and effectiveness is greater cooperation and collaboration from primary production to final market. Evidence from SAC research, however, suggests that there is considerable scope for improvement:

- At the farm level by increasing productivity, market orientation and customer awareness.
- Within the supply chain in terms of reducing waste and adding value (the priority area of Scotland Food and Drink of developing collaborative value networks is fully supported); improving market-related business to business communication (assisting greater collaboration and integration of decision-making and activity); and ensuring that demonstrable commercial benefit is derived by all participants in supply/value chain development and activity.
- At the retail level in terms of improving relationships within the supply system, which can offer benefits to all concerned. At present high levels of mistrust exist between supply chain participants in several of the sectors. As such, issues regarding the use of market power (i.e. the power of major players to dictate the market) within the food supply chain need to be considered as these not only affect the trust along the chain but also the distribution of the benefits generated by the chain.

Communication – tackling the value-action gap

The discussion paper repeatedly highlights the importance of communication. Important tasks include giving clear advice to consumers on nutrition and healthy eating and providing clear information on where food comes from, on where to get it and on what to do with it. It must be recognised, however, that, as previous research on environmental behaviour has demonstrated, it is not enough to provide information and advice. The conventional model of influencing behaviour change that has been adopted time and again by government (where experts provide knowledge to an uninformed population, who are then expected to see the self-evident truth of the matter and change their behaviour) has been shown to have limited success. Even when people are informed on an issue they do not necessarily change their behaviour: there can be a gap between values and knowledge and action or behaviour.

It is necessary, therefore, to recognise the importance of issues such as the relationships between those giving advice and those receiving advice (if there is no trust, advice may not be heeded) and structural issues that affect the practicality of adopting new behaviour. If any future food policy is to be implemented and achieve its goals, it will be important to ensure that enough attention is paid to the complexity of achieving social change through communication.

Education and Skills

Education will be vital in delivering the objectives of any future food policy. It will be important to build on current good practice and ensure that food, health, diet and nutrition is included in school curricula and that schools lead by example by providing healthy, locally sourced food. However, while the emphasis on schools is entirely appropriate, we must not lose sight of the wider education and training issues. The education dimension of food policy is not only about using school education as a means of developing a healthier population; it must also be about ensuring the appropriate provision of education and training opportunities that will support the competitiveness of the food industry in Scotland. We need to ensure that people working in the food sector have the appropriate skills and access to appropriate training. Thus it will be vital to ensure that educational courses and training are cross-cutting, highlighting the interconnection of land-use, environment, supply chains and health. It is only by supporting the food sector in this way that we will be able to deliver an integrated food policy.

Two key issues stand out as needing attention. Firstly, there is a dearth of graduates and school leavers either entering or wanting to enter the food and drink industry. There is a requirement to make the food industry more attractive as a career path and to stimulate the industry in recruitment while encouraging higher education provision in both vocational courses and skills training to the food and drink sector. Secondly, there is also a training need within these sectors, especially in food hygiene, food safety and general management and communication, but it is often difficult for staff to be released for CPD purposes (a situation that is increasingly exacerbated by the high level of transient labour in these sectors). If we want to ensure high quality produce and high standards of service, and if Scotland is to develop a world-renowned food industry, then further work will be required to maintain and enhance the skills level of the food sector workforce.

Developing an integrated food policy will therefore require investment, but it is important to note that investment in education and training for the food sector will deliver wider benefits because a thriving food sector will contribute to the sustainable development of rural communities and enhance social cohesion. Fostering the creation of and supporting small and medium sized food sector businesses in rural areas will require appropriate business support infrastructure and training. In the future, there will be many opportunities for business development as improving information and communication technologies lower barriers to entry and improve access to markets for those in remote rural areas. If prospective food sector entrepreneurs are to be supported in making the most of these opportunities – and in the process contributing to local economies and communities – it will be important to ensure sufficient educational support and training.

CONFLICTS AND BARRIERS

If an integrated national food policy is to be developed there are several conflicts that will need to be resolved and barriers overcome.

Ensuring both a competitive agricultural sector and a high quality environment

Historically, increased food production has been achieved at the expense of the environment. As agriculture has intensified so we have witnessed a decline in farmland biodiversity (although we should be wary of any blanket denouncement of intensive agriculture because intensive farming practices can also reduce adverse environmental impact). Today, though, many farmers and crofters are demonstrating their commitment to the environment, with government support, through practical on-the-ground action. Indeed, a central element of the new Scotland Rural Development Programme is the protection and enhancement of the environment. There remains, however, a tension between competitiveness and environmental protection. It can be difficult, for example, for Scottish farmers to compete with farmers of other countries that are subject to smaller costs resulting from different environmental regulatory regimes. As we move towards evermore trade liberalisation, this will only become more evident. While this should not be seen as an argument for less environmental regulation – both competitiveness and environmental protection are important – it highlights that it can be a difficult task to achieve both at the same time. As such, continuing to help land managers deal with this tension will need to be part of any truly integrated food policy.

Collaboration between UK and Scottish Governments

At present the UK, Scottish and Welsh Assembly Governments are addressing the issue of food policy. Each administration is approaching the issue in a slightly different way, at a different speed and largely independent of each other. While the nature of our devolved administrations makes this inevitable, it remains the case that many of the issues that each administration is seeking to address are cross-border issues. While there are differences between the countries in their agricultural sectors, supply chains, population health statistics etc., there are also many similarities and lines of continuity that link them. There is also a need for consistent messages in communication across the different countries (for example, in nutrition advice). Collaboration between UK and Scottish Governments will therefore be important.

A related issue concerns the scales of decision and policymaking. Many of the significant actors in the food and agriculture sectors – supermarkets and large retailers, for example – operate on a UK basis. Thus there could be a mismatch between the scales of policymaking and company decision making. Since large companies can make decisions at a UK level, the ability of the Scottish Government to influence these decisions is potentially limited. Again collaboration and co-ordination between the UK administrations will be vital.

Collaboration within the food and related sectors

The discussion paper highlights all the different actors in the food policy arena that will have to work towards a common goal or to a common agenda if a

coherent food policy is to be developed. Achieving this commonality will require significant collaboration, co-ordination and information sharing.

Collaboration is, however, very difficult to achieve, especially in a climate of competition. Taking the agricultural sector as an example, NGOs are competing with each other for members and would wish to retain their identity and research institutions (while encouraged to collaborate through the research programme work packages) still compete for research tenders and for reputation etc. Organisations can take part in policy processes out of self-interest rather than out of a desire to serve the general public interest.

A key question that will need to be addressed revolves around the degree to which a range of organisations and interests can collaborate and work to a common agenda in a productive way whilst retaining identity and distinctiveness.

Integrating research programmes

The development of an integrated approach to food policy is likely to mean that policymakers will be asking different questions and require a new knowledge base. An important question that needs to be asked, however, is whether or not the research institutions and their current sectoral arrangement will be able to meet policymakers needs. Since governments have adopted a sectoral approach to policy, research has also been divided along sectoral lines. Environmental, biological and agricultural research, for example, has been developed and undertaken largely without significant interaction with health research. The development of an integrated approach to policymaking therefore suggests a greater need for integrated research programmes that will support policy. The forthcoming review of the current research programme for the environmental, biological and agricultural sciences (which ends in 2010) presents an opportunity to explore other linkages.

The future for GM food products

Within a dynamic agri-food environment with changing food supply and demand patterns, and with climate change having significant consequences for agricultural production, food security is likely to return as a major European political issue over the next 25 years. In these circumstances, it is appropriate that the potential of GM food to make a significant contribution to food production in Scotland should not be hampered. Thus the capabilities which exist in Scotland to further GM research should be retained and permitted to operate within approved guidelines.