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To: Regeneration and Economic Development Policy Overview and Scrutiny Committee 24th June 2011

Subject: Food Sector Action Plan

Classification: Unrestricted

Summary: This paper outlines the emerging priorities of the food sector action plan for Kent which has been developed with a range of partners.

1. Introduction

- 1.1 Food production plays a critical role in Kent's economy. The Kent food chain is worth £2.6 billion per annum and accounts for 15% of Kent's workforce. Agriculture and horticulture represent the lynch pins of this sector, providing many of the primary inputs for Kent's food manufacturing – along with a range of wider environmental services and benefits.
- 1.2 Furthermore, Kent remains one of the UK's top food producing counties. Almost two-thirds of the UK's top fruit (apples, pears etc) is grown in Kent and it is estimated that a third of the UK's strawberry production is also located in the county.
- 1.3 Nationally, the strategic importance of the food sector is being reappraised due to escalating concerns over future global food security. Factors such as climate change, global population growth, loss of productive agricultural land, changing diets in emerging economies leading to volatility in food prices, emphasises the strategic and political importance of agriculture, horticulture and food production.
- 1.4 As one of the UK's key food producing regions, and through being home to a significant share of the UK's specialist agricultural and horticultural R&D base, Kent is well based to play a major role in delivering solutions – at both a national and international level.
- 1.5 As a result, Kent County Council, in partnership with the Kent Rural Board has established a 'Food Sector' Advisory Group to develop an action plan to sustainably grow Kent's food sector. The group comprises senior representation from KCC, academics, the National

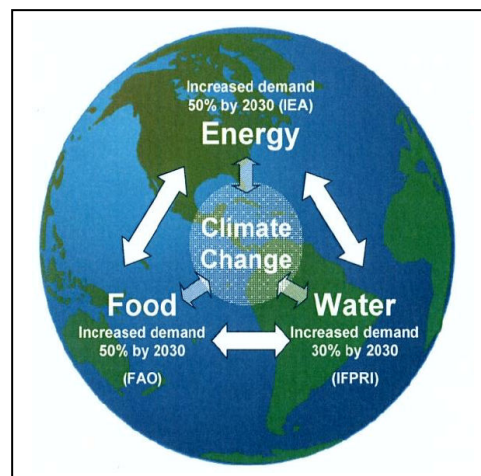
Farmers Union, Country Land and Business Association, East Malling Research, farming and food producing businesses.

- 1.6 The action plan is currently being developed to identify the key strategic actions required to support future growth within the sector.

2. National and international context

- 2.1 In recent years there has been growing concern over the UK's future food security¹.
- 2.2 Within their 2009 report, 'Reaping the Benefits', the Royal Society state that 'food security will be one of the century's global challenges'. This stance has been subsequently supported by the Government's Chief Scientific Advisor, Professor Sir John Beddington.
- 2.3 The unprecedented combination of pressures around food security, climate change, population growth and the need to sustainably manage the world's rapidly growing demand for energy and water has been described by Sir John Beddington as 'the perfect storm of events'.
- 2.4 The perfect storm scenario (see figure 1) predicts that by 2030 the world will require 50% more food and energy, 30% more available fresh water, whilst mitigating and adapting the challenge around climate change. Furthermore the United Nations have estimated that food production will need to increase by 70% by 2050.

Figure 1: The Perfect Storm Scenario (Beddington 2009)



- 2.5 The impact of these pressures is already being felt within the global food system. After 20 years of low food commodity prices, the food shock of 2007/8 and the marked volatility in food prices over the subsequent years have elevated concerns over food security – whilst emphasising the strategic and political importance of agriculture and food production.

¹ access to a secure, affordable and sustainable domestic food supply

- 2.6 A recent report by the UN's Food and Agricultural Organisation has documented substantial price increases across a range of agricultural commodities. The impacts of high food prices on driving inflation, protectionism (i.e. export bans) and global unrest (i.e. food riots) have been very well documented in the media.
- 2.7 Whilst the UK is relatively well placed for food security, we remain vulnerable to the increasing practice of export bans and global price volatility. These trends are set to deepen in future years.
- 2.8 As a result, there is a recognised need to focus on sustainably enhancing and conserving our food production capacity. This has been referred to as a 'sustainable intensification' of agriculture. New knowledge, technologies and systems will all be required to increase yields on reduced inputs (water, fertiliser etc), minimise impacts on the environment and counter the threat of new pests and diseases which are rising at an alarming rate.

3. Growing Kent's food sector: emerging priority areas for action

- 3.1 Given its strategic and economic value, agricultural, horticulture and food production has been identified as one of the Regeneration Framework's priority sectors for growth.
- 3.2 As highlighted above, the Food Sector Advisory Group is currently drafting an action plan. This will identify the key strategic actions required to support future growth within the sector.
- 3.3 Extensive research and dialogue with the industry is being used to inform the development of the action plan, particularly the outcomes of the food production, horticulture and agriculture sector consultation event at East Malling on the 19th January.
- 3.4 In particular, the action plan will seek to build upon Kent's strong asset base, particularly East Malling Research (who specialise in innovative horticultural research) and Hadlow College who are now the UK's leading land-based sector college.
- 3.5 Whilst the action plan will be completed this summer, the priority areas for action are:

a) Establishing Kent as a leading centre for R&D in agriculture, horticulture and food production

The Government's Chief Scientific Advisor, Professor Sir John Beddington, has called for greater investment in agricultural and horticultural research and development to enable the 'sustainable intensification' of agriculture.

Historically Kent has a well established academic-led R&D base, particularly in the field of horticulture and remains well-placed to deliver solutions. Researchers from East Malling research, for example, have shown it is possible to produce one tonne of Grade 1 potatoes using just 23 tonnes of water – significantly less than the current 42-60 tonnes industry average for the same yield. Similarly, biological control research being undertaken at East Malling has a significant role to play in current and future pest and disease risks.

Work is currently being undertaken to scope opportunities to exploit these strengths and to broaden the extension of R&D into Kent's agricultural and horticultural businesses.

b) Generating wider awareness of the strategic importance of Kent's £2.6 billion food sector

The strategic and economic importance of Kent's food production sector is often underestimated within policy frameworks, and it was widely highlighted at the food sector consultation event that the industry suffers from a poor image which hampers recruitment and investment.

An enhanced local evidence base that will highlight the economic significance of the sector and its linkage and multiplier effects within the local economy will be developed. Best practice models are currently being researched, such as the East Midlands Grow Report, to help inform the project scope.

c) Enabling the development of business critical infrastructure

i) Planning - Defra's Fruit and Vegetable Taskforce has highlighted that a conducive regulatory environment, that recognises food security concerns, is key to enabling the future prosperity of the sector. Access to critical business infrastructure, for instance glasshouses, storage, processing facilities, accommodation for key workers, winter storage reservoirs, crop covers and broadband will be critical to ensuring the ongoing commercial viability of the sector. We are working with the Kent Planning Officers Group to address these key issues.

ii) Planning for future water needs – Nationally, the horticultural and agriculture sectors are minor users of water and account for 1% of total water abstracted. Water used for irrigation is essential to ensure crop yield and quality, yet at times of drought, irrigated food production is viewed as a low priority in the allocation of available water supplies. A task and finish group is being set up to further investigate the risk of water resource constraints, and identify potential mitigation measures and actions to ensure the long-term sustainability of the sector.

iii) Accommodation for workers – providing suitable accommodation can act as a further barrier in the recruitment of staff for many

horticultural and agricultural businesses. There is frequently a business need for this accommodation to be located on, or in close proximity, to the farm due to long working hours during the season. The importance of providing good quality accommodation for agricultural and horticultural workers needs to be considered within the development and implementation of local housing and planning policy. There is clearly a distinction, in this context, between temporary and permanent workers. With respect to the latter, the new Kent Rural Housing Protocol encourages local authorities to consider the needs of local businesses within the development of their local connection criteria regarding who is eligible when local needs (affordable) housing schemes are developed in rural areas.

iv) Broadband – Kent’s food sector is dependent on high quality broadband infrastructure. Currently, over a third of Kent’s rural businesses do not have access to a basic broadband service of 2mbps, whilst virtually all of rural Kent is in areas of market failure for ‘next generation access’ (i.e. superfast) broadband provision. This represents a key constraint for the future development of the rural economy – and Kent’s food sector and is being factored into Kent’s Broadband Delivery UK bid for accelerating investment in rural broadband infrastructure. Meetings are being held with BDUK to take the Kent and Medway bid forward.

d) Enabling Workforce Development and Availability

The need to attract more young people to work in the horticultural and agricultural sectors, and to raise skills throughout the supply chain, has been well-documented. Career opportunities tend to be poorly promoted and there is a pervasive perception that horticulture and agriculture are low skilled and low paid sectors – despite there being many jobs requiring a high degree of skill and commanding high salaries. National estimates suggest that the industry will require around 60,000 new entrants over the next ten years, all requiring a higher level of skills than the workers they replace.

Developing a new generation of ‘food entrepreneurs’ therefore, represents a key challenge. We are currently working with the KCC 14-19 team to scope effective workstreams to highlight the range of job opportunities within existing career advice provision (e.g. U-Explore website, learning day at Kent Showground) and are in dialogue with the Kent Association of Further Education Colleges about producing a guide to highlight the range of career opportunities across Kent’s agriculture, horticulture and food production sectors. KCC’s Skills for Business Growth Group is also establishing three task and finish groups to focus on key common issues emerging from the sector conversations.

4. Wider Linkages

- 4.1 Although the Food Sector Advisory Group has been tasked with developing an action plan identifying strategic actions for sustainable economic growth within the sector, a number of links with other priority issues have been identified. These include the impact of rising food costs on low income households and links to public health strategies. These will be raised with agenda leads as the plan develops.

5. Next Steps

- 5.1 The Kent Rural Board will finalise and approve the action plan in the summer which will include timescales and responsibilities for delivery.

6. Recommendation

- 6.1 Members are asked to note progress on how KCC is working with industry partners to shape a food sector action plan for Kent.

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Background Documents:

None