

31st October 2018

Food Board Member Agenda & Briefing Note

5.00-6.00pm **Greater Lincolnshire LEP Food Board Reception**
Dining Room D
Palace of Westminster
Westminster
London
SW1A 0AA

Note Enter via the Cromwell Green visitor entrance marked 8 on the enclosed map. Wednesday's are busy so aim to allow 45 minutes to access the building. A temporary visitor pass will be allocated on arrival.

Dress Business

6.30-7.00pm **Arrival Drinks**
7.00-9.00pm **Dinner**
Farmers Suite
Farmers Club
3 Whitehall Court
London
SW1A 2EL

Note The Farmers Club is a 10 minute walk or 5 minute taxi ride away. Drinks will be served from 6.30pm for dinner at 7pm. Please make your way over following the reception.

Transport Nearest tube is Westminster

Contacts

David Sergeant	John Hayes' office
Kate Storey	LEP
Martin Collison	Collison & Associates
Reception	Farmers Club

LEP House of Commons Reception Continued

Aim:

By the 31st October, Brexit will be just under 5 months away and we believe it is important to focusing on the most pressing issues for the food chain with Lincolnshire MPs as the final shape of a Brexit deal is emerging. We are proposing to focus the discussions on the issues of food trade and workforce supply and skills, with the subsequent dinner focusing on infrastructure.

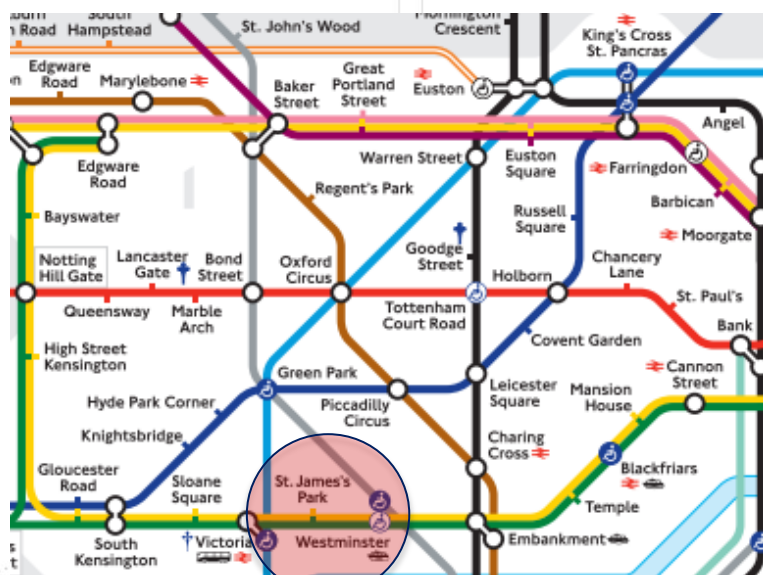
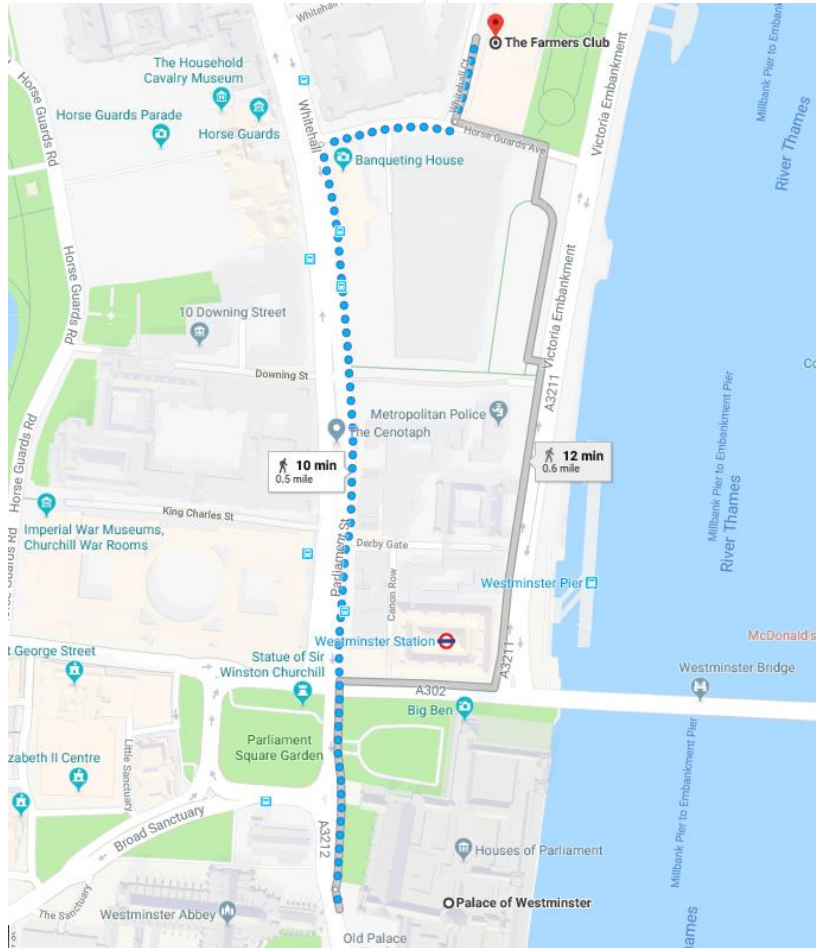
Objectives:

- Give board members the chance to meet with a group of MPs from across Greater Lincolnshire
- Promote the issues which are critical to the success of our food industry: trade; workforce supply and skills; infrastructure.

Agenda:

Palace of Westminster/ Dining Room D		
5.00pm	Welcome by John Hayes GLLEP response: link to Food & Drink Sector Council for all LEPs, Local Industrial Strategy	Rt Hon. John Hayes MP Ursula Lidbetter, MBE
5.10pm	Workforce and Skills	(3 minutes each)
	Workforce supply & skills	Will Naylor, Bakkavor Robert Smith, Danish Crown
	Automation potential & constraints	David May, Lincoln Institute for AgriFood Technology (LIAT)
5.20pm	Open Q&A session on workforce and skills issues with MPs	Chaired by Ursula Lidbetter
5.30pm	Trade	(3 minutes each)
	Imports and Frictionless Free Trade Export potential	Jonathan Oldfield, Moy Park James Dallas, Openfield Simon Dwyer, Humber Seafood sector
5.40pm	Open Q&A session on trade issues with MPs	Chaired by Ursula Lidbetter
5.50pm	Open Q&A session on any other issues Conclusions Next steps	John Hayes Ursula Lidbetter
6.00pm	Close, networking and move to Farmers Club for dinner	
6.45 for 7.00pm	Dinner with discussion on infrastructure: roads, power, water and telecoms	Hosted by John Hayes and Ursula Lidbetter

LEP House of Commons Reception Continued



Greater Lincolnshire LEP Food Board - House of Commons 31st October 2018 - summary notes

The Food Board met in the House of Commons followed by a dinner at the Farmers Club to debate key issues for the food chain with MPs, Lords and officials from DEFRA.

A very positive discussion on the future of the food chain was led by Ursula Lidbetter MBE, Chair of Greater Lincolnshire LEP and Rt. Hon John Hayes MP, with Melanie Onn MP, Nic Dakin MP, Martin Vickers MP, Dr Caroline Johnson MP, Cllr Baroness Redfern and Lord Haskins meeting Food Board members.

Discussions focused on three major areas:

Workforce supply and skills

- Will Naylor of Bakkavor and Robert Smith of Danish Crown both spoke about the challenges associated with securing the skilled workforce needed for current operations and to facilitate growth. Both spoke eloquently about the potential to improve productivity and working conditions through automation, but explained that this requires considerable investment in physical facilities and training and will therefore take time to implement;
- Furthermore, there remains a large number of roles which cannot currently be automated and thus there is a need to have access to a workforce to bridge the gap until automation is available;
- This same theme was picked up by David May of the Lincoln Institute for AgriFood Technology (LIAT) who explained that whilst there are automation solutions available for some jobs, notably areas such as handling and loading, in other areas such as crop harvesting or sandwich making the technology is not yet available.

Trade

- Jonathan Oldfield of Moy Park explained that in the meat sector trade was a major issue, not only for the end product, but also in terms of inputs such as livestock feed. The meat trade is truly global and both imports and exports need to enable. Simon Dwyer of Seafood Grimsby and Humber and Simon Smith of Seachill explained that in the fish sector 90% of the seafood processed is imported mostly from EEA states although much of this fish transits the EU to get to the UK. Frictionless trade is therefore essential to the continuation of the trade in meat and fish products, as well as the food chain more generally;

- James Dallas of Openfield explained that Brexit does provide the potential to improve the ease with which the UK can trade by reducing regulation if approached correctly. In the grain sector this should include focusing on targeting higher value markets and added value products.

Infrastructure

- Over dinner the need for competitive infrastructure was discussed. This focused on electricity supplies and water resources;
- On water resources the need to unite flood prevention and water supply to provide holistic landscape scale water management was debated. The potential to develop a water grid and to move water was also seen as being a good way to meet future water supply challenges;
- Similarly on energy it was recognised that rural growth is being constrained by a lack of grid capacity. University of Lincoln explained some of the work they are undertaking to develop a smart grid programme for Lincolnshire with the LEP, which is also intending to include rural smart grids in its Local Industrial Strategy;
- The potential for the food industry to contribute to this was discussed, with the potential use of demand side response in the cool chain identified as a major opportunity which can reduce energy costs and improve environmental performance. The potential to link water and energy by flexing when water is pumped to help balance the grid was also discussed and is a major opportunity.

Greater Lincolnshire Agriculture, Food and Technology

Background

The UK food chain is the UK's largest manufacturing sector, **employs 3.9million people**, has a **consumer value of £203 billion** and **GVA of £108billion**. Most value is added beyond the 'farm gate', with only £1 in every £6 spent by consumers on food and drink reaching farmers. Of the total gross value added created in the food chain in the UK, approximately 10% is generated by farmers and fishermen, 40% by food processing, marketing and logistics and 50% by catering and food retail.

Greater Lincolnshire is the largest food producing region in the UK and over **30% of all UK food transport travels through or starts in Lincolnshire**. In total **the food chain provides 24% of Greater Lincolnshire's jobs** (13% nationally) and **21% of its economic output** (7% nationally). The future of the food chain is more important to Lincolnshire than any other LEP area.

Greater Lincolnshire is the **largest processor of fish with 70% of the UK market**, **produces over 25% of the potatoes and vegetables** and is a major producer of processed food. Greater Lincolnshire is the largest UK producer of cereals, chickens, ducks, potatoes, vegetables, salads, flowers and bulbs. Lincolnshire is leading work on food for the Midlands Engine on Future Food Processing in a region which has 28% of all UK food processing and the largest concentration of food distribution centres.

The sector's strength in Greater Lincolnshire is based on both a vibrant farming (over 4,300 farms) and SME food business base and more than 70 larger food chain companies which add value to food. Many of these larger companies are international, both those which are owned overseas (e.g. Moy Park) and local businesses which trade nationally and internationally (e.g. Frontier).

Progress

Primarily through the **Single Local Growth Fund**, and with additional funding from European and other funds, the LEP has been a significant enabler in the development of a specialist **Centre of Excellence for the Agri-food Industry**, with a focus on higher level skills, agri-tech, and food manufacturing research. The aim of this facility is to strengthen research, technological development and innovation in Lincolnshire's agri-food industry to aid competitiveness. Once complete, the centre will act as a gateway for collaboration between the university and local industry, strengthening partnerships and contributing to regional competitiveness.

The LEP was also ambitious in supporting partners to bid for three unique and complementary **Food Enterprise Zones**, strengthening Greater Lincolnshire's position as a key player in the agri-tech sector, and positioning the Midlands Engine as a national leader within this field.

The development of these Food Enterprise Zones is supporting both existing agri-food businesses as well as those looking to invest and relocate to the area. Food Enterprise Zones (FEZs) will unleash food entrepreneurs, bringing together researchers, farmers, manufacturers, distributors and retailers in order to improve productivity.

The Central Lincolnshire site at Hemswell Cliff, will support the growth of the arable food sector, whilst the Holbeach location, close to the National Centre for Food Manufacturing, further builds on the national importance of this location -focusing on the high value food chain, and part of the Peppermint Park project which completed earlier this year. The third site in North East Lincolnshire is focusing on supporting growth of the existing seafood and value-added food processing cluster on the Humber.

Each Food Enterprise Zone is developing its own unique offer and is keen to support those involved in the agri-food supply chain from start-ups, growing businesses, to larger anchor companies, and to encourage and maximise on inward investment.

In addition to the LEP work locally, in collaboration with partners it has been making the case for the industry nationally. The LEP Chair and CEO of the Lincolnshire Co-Operative; Ursula Lidbetter MBE, was also appointed to the **Food and Drink Sector Council** established by DEFRA earlier this year, as the representative for all 38 LEPs across the country.

The Food and Drink Sector Council is one of several sector councils government has recently set up to advise them on how to grow important sectors. This one is jointly chaired by industry and a DEFRA Minister and includes representatives of major food chain companies such as Coca Cola, Sainsburys and the Stobart Group as well as the Food and Drink Federation and NFU. Seven working groups are now focused on topics such as workforce supply and skills, innovation, and trade, and will report to government in early 2019 with recommendations on how government can support the growth of the food chain.

Future Focus

The LEP Food Board is pushing for a free trade deal and frictionless trade with Europe at the same time as we start to build new trade links with other parts of the World.

The food chain is heavily reliant on migrant labour with over **25% of the food processing workforce currently EU migrants** with some Lincolnshire businesses employing over 50% of their workforce from the EU in both food processing and distribution. The food sector will therefore be forced quite quickly, to increase labour productivity, and invest in automation, and will need a different, skilled workforce to enable this in the very near future.

More automation throughout the food chain and the need for new skills to design, install, manage and maintain automated processes is the reason that the LEP has championed the need to embrace new technology and has worked closely with local partners, notably the University of Lincoln, to support food chain technology.

The **University of Lincoln now has the largest agri-food robotics team in Europe** and the innovative work there is testing how robots can be used to undertake repetitive manual tasks freeing staff to add more value and to focus on more complex procedures. Based on new vision technology, soft robotics - which allows robots to grasp delicate food products - and robots which work alongside humans, the development of robotics is progressing quickly.

The University working alongside the LEP, has also led the food strand of the **UK Made Smarter Review** published in 2017 which looked at how digital technologies will impact industry.

The LEP has therefore asked Greater Lincolnshire MPs to support two agri-food programmes that are currently under active discussion with HM Treasury for the Autumn Budget round that will benefit Greater Lincolnshire, further supported by the **Midlands Engine**.

The **Made Smarter 2** pilot programme will accelerate the development and diffusion of industrial digital technologies (Industry 4.0) across the Greater Lincolnshire LEP alongside the Derbyshire and Nottingham LEP regions. Investment of £5.9M is being requested to support 800 businesses, leading to a cumulative GVA impact of £31M over 4 years.

Developed at the request of the CEO at Siemens UK, as a result of the Industrial Digitalisation (Made Smarter) Review, the activity to drive this ambition will include; awareness raising to promote early stage involvement; innovation finance support to enable businesses to acquire or co-develop new technology based solutions; co-financing graduate internships to inject higher level skills in SMEs;

enabling access to specialist equipment and facilities; and championing and promoting emerging best practice.

The second programme is the **UK Food Chain Automation Centre**, also promoted by the Midlands Engine. Led by the University of Lincoln, the Manufacturing Technology Centre and industrial partners - including local food businesses; Bakkavor; Moy Park; and Tulip Group, this £15M investment will create a 2000m² UK Food Chain Automation Centre on the Holbeach Food Enterprise Zone, providing highly flexible food factory grade workshops to enable research and trials to be conducted. The Centre will bring the LEP and wider Midlands Engine food processing clusters closer together by integrating within a world-class research and innovation base to create a globally unique centre for food chain automation, robotics and digital systems.

Greater Lincolnshire is committed to promoting economic growth in the whole food chain by responding to growth in the global food economy where spending is growing at a compound annual growth rate of 6% in an industry worth £8trillion - five times the size of the automotive sector.

Competitive pressure is driving new business models and innovation in the food chain focused on:

- Increasing labour efficiency and promoting the use of robots and automation
- Reducing waste and addressing resource constraints including water and energy supplies
- Improving traceability, provenance and quality assurance in the food chain

Greater Lincolnshire is of national importance to the food sector.