



House of Commons:

DEFRA

NATIONAL FOOD STRATEGY

Consultation Response:

**Submission from the Agriculture and Horticulture Development Board
(AHDB)**

17 October 2019

Introduction - AHDB

AHDB's purpose is to inspire our farmers, growers and industry to succeed in a rapidly changing world. We are the independent go-to source of trustworthy information and evidence-based research. We equip the primary food production industry with easy-to-use, practical know-how and market insight which farmers and processors can apply straight away to make better decisions and improve their performance.

We are at a defining time for UK agriculture and horticulture. Technological change, as well as consumer demands, will inevitably change what it means to be a food producer. [Brexit will bring new opportunities and major challenges as the industry transitions to a world post-CAP.](#) Leaving the environment in a better state than we inherited it, while playing a bigger role in sustainably feeding the nation is a massive opportunity for us all, and AHDB has a vital role acting as a catalyst for success. Our independent and evidence-based approach provides critical insight and information in these unprecedented times.

AHDB's consultation response

1. *Consumer insight and industry reputation*

2. Understanding the needs, wants and drivers of modern consumers is paramount to any future food strategy. Consumer preferences will play the biggest part in determining how the whole food system works. We have to consider what insight tells us about how consumer preferences and buying habits will evolve in order that our food industry is best positioned to meet their demands.
3. Our insight, supported by that of other organisations such as the IGD, tells us that the key themes influencing consumer behaviour now will remain relevant in coming years – convenience, value for money and trust in the products they're buying. These and other trends are explored further in the [Retail and Consumer Insight section of the AHDB website](#).
4. In the domestic market, understanding the consumer, building farming industry reputation, increasing trust in products and farming systems all have a role to play. Continued delivery of this work will be crucial in underpinning demand for home-produced goods from domestic consumers. Consumers are prone to various influences about what they should or shouldn't buy or eat. Making sure they can trust in the information and science around what they eat is vital, as is the availability of industry evidence to help underpin its reputation.
5. Consumers are increasingly concerned about the overall impact of foods they buy, but value and cost remain critical in making decisions to purchase. Whilst we must nurture and underpin our high standards, in a fiercely competitive market, there is a risk of eroding off-shoring our environmental impact and ethics if we do not have a competitive industry.

6. *Growing productivity – Research & Development and Knowledge Exchange*

7. Improving productivity of food production will be pivotal to meeting the multiple challenges of reducing our environmental impact, maintaining our competitive position in the market and nurturing vibrant rural communities. Critically, with the decline and removal of EU support payments, many farmers will be more dependent than ever on the market place. A step change in agricultural productivity is required to meet these demands. Currently, UK farming productivity growth falls short of its potential and our rate of growth is lower than many of our main competitors. The causes of low productivity growth and how they could be tackled are examined further in the [AHDB Horizon Report – Driving productivity growth together](#).
8. Tackling low productivity growth in agriculture and horticulture has been the focus of the Food and Drink Sector Council (FDSC) working group on Agricultural Productivity. Its recent report to the FDSC highlights five key areas – data, innovation, knowledge exchange, skills and infrastructure. Lifting the performance of the middle 50% towards that of top performers will be vital, a theme explored in our report [Preparing for change: The characteristics of top performing farms](#). Central to improving performance is motivating farmers and growers to manage what they measure through benchmarking and the use of key performance indicators (KPIs). AHDB's Farmbench tool enables businesses to understand more about their costs and to pinpoint opportunities for improvements. In addition, the development of the Livestock Information Programme (LIP) could be transformative for the livestock sector in facilitating the integration of useful management data for farmers.
9. The role of new technology such as innovation in robotics and artificial intelligence could also be transformative in terms of productivity and sustainability. Already, the UK government and its agencies invest over £400 billion a year in agriculture research and development. Currently the investment is predominantly directed towards fundamental research. Funding opportunities to 'pull through' science from the fundamental research base into practical application have been more limited, albeit recent developments such as the Agritech Strategy and the Industrial Strategy Challenge Fund herald a positive shift towards applied research and translation. A related issue is the need to ensure that fundamental research is informed by the challenges facing the industry and producers.
10. Achieving impact at scale through the acquisition of new knowledge and innovation is vital to transforming the industry's sustainability and performance. One way this could be amplified is through

more farmer-to-farmer learning. From our experience of running a network of Monitor and Strategic Farms (demonstration farms), farmers are inspired by seeing innovation in practice in a working farm context. Our current network extends to over 60 farms but could be greatly enhanced by increasing the reach and scale of the network.

11. *International trade*

12. The UK is a significant net food importer on account of our small land area and large population. This makes the domestic market core to the industry's fortunes. However, exports are also vital to the profitability and viability of our agriculture sectors. Having export markets for surplus production, be it wheat or potatoes, helps balance supply and demand around harvest time, for example. Also, achieving carcase balance for the livestock sectors plays an important role in the UK finding markets for products that do not have structural demand domestically. This also reduces risk to the industry posed by price volatility. The UK Government investment in developing opportunities for British food abroad is not of the scale of countries such as New Zealand, Denmark the USA and Ireland who have teams of Agricultural Consuls in their embassies to develop export and international opportunities.
13. Businesses exporting to non-EU markets currently have to go through a complex manual procedure to obtain export health certification which is both cumbersome and slow. This is an issue which pre-dates the UK's vote to leave the EU. It is clear this system needs to be significantly streamlined and speeded up and we are aware that progress is being made on a semi-electronic system that we fully support. Other countries in the EU already employ significantly more technology in this area than the UK.

14. *Further information*

15. Any queries relating to this submission should, in the first instance, be directed to Andy Hutson, AHDB Public Affairs Manager, Agriculture and Horticulture Development Board, Stoneleigh Park, Kenilworth, Warwickshire CV8 2TL. T: 024 7647 8822 E: andy.hutson@ahdb.org.uk