SKIN

SHORT SUPPLY CHAIN KNOWLEDGE AND INNOVATION NETWORK

Rural Services Network Conference Cheltenham
Food Enterprise Zones in Practice
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SKIN project

SKIN is an EU Thematic Network, which over 3 years will share knowledge on Short Food Chains across Europe

It builds on a Focus Group run in 2014/15 by the EU on Short Food Chains (SFCs)

SFCs are where the end consumer and farmer/food producer are in closer contact and more value is created for the primary producer

The opposite of long supply chains which led to Horsegate …

Short Food Chains

Stansted airport summer 2017 - power of local food:

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Local Food

Lots of definitions for local, regional, speciality etc. food ……

… but businesses are interested because consumers are increasingly keen on provenance & locality

Martin's background

Farmer, wholesaler, consultant, academic and policy

Food Chain work includes:

- Food chain development for farms and food cos.
- Every level from farms and district councils to EU
- East of England Local Food Campaigns 2002-08
- DEFRA local food group 2005/08
- Local to London Food Group 2006/08
- Norfolk Food Hub since 2008, now Norfolk FEZ
- Lecture at National Centre for Food Manufacturing
- EU Focus Group on Short Food Chains 2014/15
- Greater Lincolnshire agrifood lead since 2014
- SKIN project since late 2016

Food Enterprise Zones (FEZs)

FEZs were proposed by then DEFRA Secretary of State Liz Truss in autumn 2015 with a very short window to bid

In Greater Lincolnshire we bid for 3 FEZs:

- Europarc 4 in Grimsby
- Central Lincolnshire Hemswell Cliff (former MOD site)
- Holbeach

A 2nd round in spring 2016 led to the Greater Norwich FEZ including the Norfolk Food Hub, taking the total to 17 FEZs across the country

Focus

DEFRA was (deliberately) vague & open about what a FEZ should be … quite rightly in my view as there are so many different needs

All, however:

- Are focused on food chain development & growth
- Based on a Local Development Order (LDO) to accelerate & de-risk planning for food companies
- Encourage co-location & cluster development

All have adopted a different focus to food chain development

What they are not

They are not full Enterprise Zones with the rate relief & other incentives that come with these – although a few have now via Growth Deals gained this status

But, local partners: landowners, councils, LEPs, skills providers & grant bodies can choose to provide incentives for companies in or linked to FEZs

This is what we have chosen to do in Greater Lincolnshire & are not seeking to develop in Norfolk

What are the challenges (1)

Getting the LDO approved is not a quick process – because once approved planners lose some control … but for companies & developers they do de-risk & speed up development once in place

Competing with full Enterprise Zones can be a challenge given the incentives in EZs especially if a FEZ has an EZ in the nearby area

They require partners to come together to promote the food chain & this needs to start early & continue for years to make a real impact

What are the challenges (2)

As with any big development:

- Highways
- Power & in some cases water, telecoms etc.
- On site infrastructure
- Speculative builds create finance & revenue issues (e.g. rates)
- CIL & other infrastructure charges add costs

Food chain uses need a lot of space & food/rural rents lower – thus the business case for the developer can be poor & can need assistance

Where are the opportunities in the food chain?

UK Consumer spending on food now over £200bn & rising 2-3% per annum

UK's largest manufacturing sector

Global spending is circa $8trillion (5 times as large as the automotive sector) & growing at 6% per annum

UK ratio consumer value to farmgate value 6:1 – globally 2:1, but will rise as wealth continues to grow

UK food exports now over £20billion & have risen every year since 2004, but still a big trade gap

Where are the opportunities in the food chain? (2)

Brexit means a focus on both import substitution & global exports

Competitiveness means we need more efficient food chains – short food chains reduce the steps in the chain & get more value back to the 1° producer

Consumers in the UK & globally want more traceability, provenance, convenience & quality

The Opportunity

FEZs are not the answer on their own, but as part of a package of investment in the regional food chain can work well to create the physical space to support food chain growth

Need to be aligned with other incentives, business support & skills

The SKIN network aims to promote exemplars of what works from across Europe to help 1° producers get a larger share of the final consumer value

Debate (1)

What is the food sector growth potential in your area?

- Farming / commodity production
- Adding value to food through processing, marketing, distribution, niche markets, exports
- And/or a focus on productivity & efficiency

What are the constraints on moving the food industry forward?

Debate (2)

What can you do to grow your food economy?

- Premises & planning
- Business support
- Skills
- Innovation
- Networks & best practice
- Grants for investment

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THANK YOU !

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