

Local Food Growth Briefing

September 2025

This briefing is put together from insights gathered during the creation of the Local Food Growth Plan¹ – an ambitious and collaborative plan to grow the UK Local Food Sector. It outlines topline evidence and a number of policy-based and practical solutions to help grow the sector and local food resilience. Some of these policy solutions are existing calls from Sustain or other organisations and campaigns, while some are specific to the Local Food Growth Plan. All are necessary to grow the local food sector.

What is local food and what are the benefits?

People define local food in different ways but through our work on the Local Food Growth Plan Sustain worked with partners to develop the following simple definition:

'Local food is food that is produced, processed, sold and eaten within the same region (or local administrative area) through transparent SME-focused supply chains.'

- Our definition doesn't set a fixed geography, as this necessarily must flex according to location across the UK and to the type of food.
- It does, however, specify the scale of food business as small and medium sized enterprises (SMEs). A 'Review of Local Food Definitions'² by Sustainable Food Trust found SMEs are more likely to be rooted in a specific location in a way that larger national or multinational businesses are not and are more effective at delivering benefits to the local area (i.e. the 'local multiplier effect').

Local food can deliver a myriad of economic, resilience, environmental and placemaking benefits. See Table 1 for some of those most relevant.

Table 1: Summary of local food benefits

Key benefit	Details
<p>Stronger Local Economies</p> <p>Compared with supermarkets, buying from smaller local food businesses creates multiplier effects that circulate more wealth locally, strengthening the local economy and tackles economic disparities.</p>	<ul style="list-style-type: none"> • Increased income. The Preston model³ exemplified these multipliers; redirecting £200 million back to the local economy, resulting in Preston moving out of the top 20% most deprived local economies and halving its rate of unemployment. These multipliers apply to food (e.g. income from organic veg box schemes generating twice as much for the local economy as supermarkets)⁴ and investment in local food systems could deliver £2.7 billion a year in sales across some 750 towns (up from the current £68 million a year) and once re-circulated this would contribute £6.75 billion to local economies.⁵ • More jobs. Pound for pound, spending in smaller independent food outlets supports three times the number of jobs than at national grocery chains (one job for every £46,000 of turnover vs £144,000 for a supermarket).⁶ A shift of 10% of supermarket trade to smaller independent outlets could provide a further 200,000 jobs⁷ in retail, and more in farming.⁸
<p>Resilience</p> <p>Strong local food systems create a diversity of food supply, which in the face of climate and geo-political instability creates resilience.</p>	<ul style="list-style-type: none"> • The UK's food supply is vulnerable to shocks⁹. Around 40% of our food is imported (87% for fruit and 47% for vegetables)¹⁰, making our food supply dependent on geopolitical and environmental stability in other countries and therefore vulnerable to disruption and inflationary increases. Climate change is already raising food prices¹¹ and will continue to do so. • Local food brings supply diversity. While local food supply is not immune to shocks, it can strengthen the UK against them e.g. UK veg box sales increased 111% in the first six weeks of the Covid-19 pandemic.¹² 82% of box schemes had waiting lists and with further investment that demand could have been met.
<p>Placemaking</p> <p>Local food can revive our town centres and create better places to live, in a way that supermarket supply chains can't.</p>	<ul style="list-style-type: none"> • Declining high streets breed discontent. High streets are struggling and, being one of the most highly visible signs of local economic decline, can play a significant result in electoral results¹³ • Local food revitalises communities. Community-owned food businesses such as Carrickfergus Greengrocers¹⁴ can bring fresh vibrancy and local autonomy to an area. They foster direct connection between producers and consumers, building trust in supply chains, unlike the <u>'farmwashing'</u>¹⁵ that supermarkets have recently been challenged on.

A note on price

Local food is often seen as unable to compete on price when compared with standard supermarket produce, but this simplification hides a more nuanced picture.

Local Food is not always more expensive: At certain times of year when particular foods are in season, local food supply chains can already price match and even beat supermarkets on price¹⁶.

Supermarket supply chains are vulnerable to ongoing inflationary increases: A dependency on imports has meant supermarket food prices have risen in response to geopolitical disruption. These rises will only increase further as climate change takes hold¹⁷, likely reducing or in certain cases eliminating price gaps between supermarket and local supply.

The price of local food would reduce with sector investment: The local food sector is currently under-resourced. Investment in local food infrastructure (processing, aggregation, distribution) would deliver efficiencies and economies of scale that could enable more competitive pricing, further reducing any price gap.

Local food builds in the true cost of food which benefits the public purse elsewhere: Supermarket supply chains fail to account for externalities that are raising costs elsewhere¹⁸. They drive down the prices of key lines, especially staple foods such as fresh fruit and vegetables, which are undermining farm profitability and indeed viability. Sustain's Unpicking Food Prices report revealed that farmers can receive three times the income from alternative routes to market, securing their future¹⁹, whilst in mainstream supermarket supply chains they may be receiving less than 1p in profit per standard pack of staple foods.

Local food is being made accessible to those on low incomes: The pro-social values that motivate many working in the local food sector mean that they are actively working to improve price accessibility²⁰ to those on lower incomes. Sustain's Bridging the Gap²¹ programme exists to demonstrate that local food trading schemes can provide healthy and sustainably produced food to low-income communities.

Table 2: Summary of policy recommendations

This is an overview of policy recommendations to grow the local food sector, which also references the Good Food Cycle outcomes they deliver on. Detail is provided in the following pages.

Policy recommendations	Good Food Cycle outcome
1) Increase the supply of local food	
Increase horticultural production at scales appropriate to local markets <ul style="list-style-type: none"> • Ensure planning policy safeguards local food production • Build on Defra New Entrants scheme through further investment in training and equipment for a new generation of growers • Provide tailored and appropriate support for small-scale farmers and growers 	Good growth 1. 2. Sustainable and resilient supply 3. 4.
Establish better routes to market through local food infrastructure <ul style="list-style-type: none"> • The Department for Environment, Food & Rural Affairs (DEFRA), the Department for Science, Innovation and Technology (DSIT) and the Ministry of Housing, Communities & Local Government (MHCLG) to commission research into local food infrastructure requirements • DEFRA and MHCLG to establish a dedicated Local Food Infrastructure Fund 	Good growth 1. 2. Sustainable and resilient supply 3. 4.
Ensure a fairer market for producers <ul style="list-style-type: none"> • Provide the Groceries Code Adjudicator (GCA) and Agricultural Supply Chain Adjudicator (ASCA) the resources necessary to fully achieve their objectives to improve fairness 	Good growth 1.
Provide support to local food businesses <ul style="list-style-type: none"> • Provide grants and investment to stimulate entrepreneurship in the local food market • HM Treasury (HMT) to mandate business rates relief and other support for local food SMEs • HMT to provide tax breaks for those offering training • The Department for Energy Security and Net Zero (DESNZ) to support food SMEs with energy efficiency and microgeneration 	Good growth 1. 2. Sustainable and resilient supply 1. 3. 4. Vibrant food cultures 1.

2) Ensure accessibility to local food across the UK to build resilience

Require and resource a Food Partnership in every place

- Mandate the development of local or regional food strategies in every authority
- Provide long-term core funding to support the coordination of Food Partnerships
- Ensure devolved governments and combined authorities are empowered and resourced to invest in sustainable, localised food systems

Sustainable and resilient supply 1. 3. 4.

Vibrant food cultures 1. 2.

Require a Local Food Growth Plan in every region to grow and strengthen supply of domestic food production

Good growth 1. 2.

Ensure planning policy strengthens local food systems

- MHCLG to develop a refreshed National Planning Policy Framework (NPPF) to give statutory duties, guidance and powers for Local Planning Authorities to better support local food and meet infrastructure requirements

Sustainable and resilient supply 1. 3. 4.

3) Facilitate and grow the demand for local food

- Use public sector procurement to deliver local and sustainable food
- The Department of Health and Social Care (DHSC) and DEFRA to fund a large-scale national pilot for prescriptions of fresh, locally sourced produce
- DEFRA to support national and regional public engagement efforts on local food

Healthier and more affordable food 1.

Sustainable and resilient supply 1. 3. 4.

Policy recommendations to grow the local food sector

The Local Food Growth Plan identified three key areas where the UK Government should help build innovative solutions to grow the local food sector. These areas are:

- 1) Increasing the supply of local, sustainable food**
- 2) Ensuring accessibility to local food across the UK**
- 3) Facilitating the demand for local food**

Work to enable these outcomes must be done by a combination of the local food sector itself, Food Partnerships, academics and private investors as outlined in the Local Food Growth Plan²², but government also has to play a significant role in making these changes happen, as set out below.

1. Increase the supply of local food (production and infrastructure)

While demand for local food is strong amongst retailers, caterers and public institutions, the supply is currently insufficient to meet that demand and opportunities for local economic are being missed. Supply must be increased by both removing barriers to increased production and increasing access to local markets through appropriate local food infrastructure. Issues of the price paid to farmers, and supply chain fairness, also affect supply and must be addressed. Government can help in the following ways:

A) Increase horticultural production at scales appropriate to local markets

Sustain laid out its recommendations for a UK Horticulture Strategy in its Home-grown report²³. Of those, the most relevant to local food are the following:

- **Ensure planning policy safeguards local food production:** To safeguard the future of urban and peri-urban farming, the UK Government should prioritise keeping appropriate land available for agroecological farming rather than for development – particularly when it comes to high grade soils, such as Grade 1 and 2 and those found in the green belt. This production must also happen at scales that are appropriate to supplying local markets (i.e. smaller farms). This would support local food production, as well as opportunities for new entrants in urban and peri urban areas. The government could also incentivise farmers and councils to release smaller areas of land near urban areas to create market gardens that increase our ability to meet domestic current and future demand for fruit and veg.

- **Train and equip a new generation of growers:** Build on the success of the New Entrant Support Scheme, including training, funded mentoring and a 'LandMatch' programme, to connect prospective growers with landowners offering opportunities, thereby to catalyse a dramatic increase in the number of new and scaling-up growers. Adapt the Farm Equipment and Technology Fund to increase flexibility on equipment that can be purchased, reduce the capital contribution required by beneficiaries (either in terms of % contribution or by dropping the spending threshold) and allow funds to be spent on second-hand equipment.
- **Provide tailored support for small-scale farmers and growers:** The Sustain alliance welcomes the removal of the 5-hectare rule in new financial support schemes, allowing any farming business to apply for Sustainable Farming Incentive and Countryside Stewardship schemes from summer 2024. However, questions remain around how appropriate the existing payment system will be for farms below 5 hectares – payments per hectare would likely overlook the nutritional, community and environmental value of their outputs. Given the multitude of public goods delivered by small-scale horticulture, tailored support should be available to these farms, ensuring they are fairly rewarded and have opportunities to scale up.

B) Establish better routes to market through local food infrastructure

Many producers would like to supply more directly into local markets to boost their connections and profitability but cannot do so due to a lack of local food infrastructure that would enable this. Processing equipment, food hubs, distribution depots, low-carbon distribution networks and digital systems are all needed to optimise supply chain efficiency and make local food systems work.

- **The Department for Environment, Food & Rural Affairs (DEFRA), the Department for Science, Innovation and Technology (DSIT) and the Ministry of Housing, Communities & Local Government (MHCLG) to require research into Local Food Infrastructure.** Research is needed to establish the specific infrastructure requirements within regions. Sustain has begun this work through our regional approaches to local food, working with regional cohorts of Food Partnerships to map what is needed where, but this must be expanded across the UK to provide a clear national picture. One or more of these departments should provide a Grant Letter to UKRI to set this as a research priority, or commission this via Innovate UK or other Research Councils.
- **DEFRA and MHCLG to establish a dedicated Local Food Infrastructure Fund** to support the creation or expansion of infrastructure. This would be a ring-fenced fund for Local Authorities or Food Partnerships to apply for to stimulate the establishment of new infrastructure. It could use replacement to the Shared Prosperity or Levelling Up funds to target regional disparities, and/or the

National Wealth Fund could be utilised. While some government grants for local food projects exist across the four nations, these are small and not sufficient to build resilient local food systems systematically.

C) Ensure a fairer market for producers

One of the primary hindrances to the ability of small local producers to grow and succeed is the power of the supermarkets to set terms. They often engage in practices that create challenging, if not impossible, conditions for new businesses to break through. The powers of the Groceries Code Adjudicator (GCA) and the Agriculture Supply Chain Adjudicator (ASCA) need to be expanded to properly deliver against their objectives.

- **Give the GCA and ASCA the resources necessary to fully achieve their objectives to improve fairness** within the food supply chain, specifically ensuring fair negotiations of cost price changes and preventing retailers from imposing undue requirements on suppliers.

D) Provide support to local food businesses

Local food infrastructure is critical to UK food security and resilience, but these SMEs face tough market conditions in becoming established. Government can stimulate and de-risk the development of local food infrastructure in the following ways:

- **Provide grants and investment schemes to stimulate entrepreneurship in the local food market**, particularly those looking to develop social enterprises or coops. This would cover initial set up costs like digital infrastructure, marketing and technology adoption. These funds will help start-ups grow and innovate, ensuring they can compete in the local food economy. While some government grants for local food projects exist across the four nations, these are small and insufficient to establish resilient local food systems.
- **HMT and MHCLG to provide business rates relief** (and require reduced rents and fixed rental periods) for SMEs that provide a certain level of local food (criteria to be determined, with opportunities to link to the local public health agenda by focusing on fresh, healthy produce such as fruit and vegetables). This could be done by amending the Local Government Finance Act 1988 to create a new mandatory relief for local food businesses, framed around resilience and food security.
- **HMT and the Department for Education (DfE) to provide tax breaks or financial incentives for those offering training** This could be similar to the funding offered for Abattoir Worker Apprenticeships but could focus particularly on supply chains that need to be expanded such as horticulture or legumes.
- **DESNZ to support food SMEs with energy efficiency and microgeneration** through grants and capital support like devolved nations do (e.g. SLES Capital Grants in Wales, Green Fund Grant in Scotland, Energy Efficiency Capital in

Northern Ireland). This could be similar to what the Energy Transformation Fund has done for large-scale energy users. Local Food businesses could explicitly be added as a priority sector in a similar scheme for resilience and food security purposes.

2. Ensure accessibility to local food across the UK

At present access to local food is a postcode lottery determined by regional history and cultures, the persuasions of certain local authorities and whatever entrepreneurial spirit and voluntary power exists in an area. To ensure widespread food resilience, the government must work to remove the disparities that exist by supporting regions to develop their own place-based approaches.

A) Require and resource a Food Partnership in every place

The Sustainable Food Places²⁴ network has become a cornerstone of the sustainable food movement. The power of Food Partnerships to transform places for our health, sustainability and resilience is significant. Sustain has set out a full set of policy recommendations related to Food Partnerships in our Food Strategy briefing²⁵ but most relevant to the local food agenda are:

- **Mandate the development of local or regional food strategies in every authority** across the UK, supported by national frameworks that allow for place-based tailoring. The Scottish Good Food Nation Act 2022 requires local authorities and health boards to prepare Good Food Nation Plans and something similar is required for the other nations.
- **Provide long-term core funding to support the coordination of cross-sector food partnerships**, recognising them as key infrastructure for local delivery. The Welsh Government funds Food Partnerships and has near universal coverage.
- **Ensure devolved governments and combined authorities are empowered and resourced to invest in sustainable, localised food systems**, including through agricultural, public health, and economic levers.

B) Require a Local Food Growth Plan in every region

Local food systems will be practically planned and built at the regional and local level. Sustain recently demonstrated the ability of regional cohorts of Food Partnerships to come together to develop specific plans for local food growth in their areas. This work must be done in every region to deliver investment-ready solutions across production, infrastructure and promotion that can drive local resilience and growth.

- **Mandate and resource the development of Local Food Growth Plans in every region.** The government should introduce new legislation (or amend existing

legislation) to create a legal duty for national government, and for local authorities to prepare and publish a Local Food Growth Plan for their region, similar to what was achieved with the Environment Act 2021 for Local Nature Recovery Strategies. This duty could be tied to an investment or devolution deal to resource it. The Scottish Government already has a legal requirement for authorities to produce Food Growing Strategies, but this could go further to look at whole food systems.

C) Ensure planning policy strengthens local food

Planning can be a powerful tool to support local food systems. At present, planning policy commonly fails to include local food systems and may even actively obstruct its development. Although planning policy is devolved, national government still has the means to lever the power of local planning policy to support local food systems:

- **MHCLG to develop a refreshed National Planning Policy Framework (NPPF) to give statutory duties, guidance and powers for Local Planning Authorities to:**
 - Invest in training and resources for planners to build understanding of the role of planning in food production
 - Work with Food Partnerships to identify under-utilised land and spaces for market gardens, food hubs, distribution centres, markets and retail spaces within town centres with high footfall (duty)
 - Include local food production, infrastructure and retail in Spatial Development Strategies and Local Plans, and safeguard existing assets such as markets (duty)
 - Remove planning-related barriers to allow on-site housing for agricultural workers' dwelling and operational infrastructure on small farms (see Horticulture Across Four Nations²⁶ for more detail).
 - Require space for local food production and infrastructure as part of all new developments and leveraging Community Interest Levies to support this (duty).

3. Facilitate and grow the demand for local food

Though demand for local food is strong, a range of administrative, financial and awareness barriers prevent that demand from translating into sales. Government can facilitate that demand to support sector growth in a number of critical ways:

A) Use public sector procurement to deliver local and sustainable food

This includes clarifying the approach to deliver 50% local or sustainable in public sector food that was committed to in the Government's election manifesto (and in the manifestos of the other main political parties). It should also include:

- Expand the Government Buying Standards to include all schools in England and integrate them with school food standards, while also improving them to deliver on climate and nature targets. Monitor these buying standards through mandatory reporting that is monitored and enforced by Ofsted.
- Require all schools to have a food policy and food skills and education on the curriculum.
- Relax the requirement on schools to serve meat three times per week, making more space for fruit, vegetables, legumes and plant-based protein on school menus.

B) DHSC to create a national pilot for prescriptions of fresh, locally sourced produce

Evidence of, and enthusiasm for, the benefits of social prescribing and fruit and veg on prescription has been growing, with pilot programmes recommended in previous Food Strategy processes. Targeting vouchers for people with poor health and/or low incomes, and distributed by public health professionals (GPs, health visitors, community carers), also improving engagement in other support, could have a beneficial health impact. Linking vouchers with SMEs could ensure that economic benefit is felt and promoted locally.

- **Develop a pilot programme for agroecological fruit and veg on prescription with a view to redirecting public health funding to support this long term. This pilot would:**
 - Build on the learnings from Alexandra Rose Charity pilots and Cardiff Plant Card pilots
 - Work with social and healthcare prescription settings on prescription models
 - Work with farmers' markets and greengrocers selling agroecological produce
 - Monitor and evaluate health and social benefits as well as farmer and local retailer benefits.

C) Support national and regional public engagement efforts around local food

Research shows that consumers want to buy local food, but a critical awareness barrier exists. Many would-be customers are not aware of local food retailing in their area, or the personal or societal benefits that that food delivers. Local food retailers lack the marketing power that supermarkets have and need support to turn latent demand into sales. Government can:

- Ensure any public engagement campaign on 'Buying British' that the UK Government creates or supports **includes a focus on local food systems made up of SMEs.**
- Provide **match funding** to a national category campaign looking to raise awareness of local food to grow the sector.

Contact: Rachel Jones, Local Food Retail Coordinator, Sustain.
rachel@sustainweb.org

Sustain is a powerful alliance of organisations and communities working together for a better system of food, farming and fishing, and cultivating the movement for change.
www.sustainweb.org

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⁶ CPRE, 2012. From Field to Fork: The Value of England's Local Food Webs https://www.cpre.org.uk/wp-content/uploads/2019/11/From_field_to_fork_The_value_of_Englands_local_food_webs_interactive.pdf

⁷ CPRE (ibid no. 6)

⁸ CPRE (ibid no. 6)

⁹ 2025, Lang, T. Just In Case: 7 Steps to Narrow the UK Civil Food Resilience Gap <https://nationalpreparednesscommission.uk/publications/just-in-case-7-steps-to-narrow-the-uk-civil-food-resilience-gap/>

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