

MP Briefing: Westminster Hall Debate on Local Food Infrastructure

Debate Summary

This is a great chance for MPs to discuss opportunities to invest in local food infrastructure and networks, following the Government's food strategy and Levelling Up programme. This debate could explore how boosting food security, resilience and localised routes to market are an important part of building prosperity, unlocking opportunity, and restoring pride in place.

MPs will examine the need for investment from public money to catalyse the types of local supply chains and infrastructure - such as food hubs, abattoirs, distribution units - as well as private investment that would better support farmers and fishers. For instance, how can the Levelling Up funding package deliver this, and what is the role of local food and Enterprise partnerships in developing and coordinating this effectively?

Finally, MPs will discuss the ways in which public sector procurement reform can unpack the Government's recently announced target of 50% public sector spend on local and quality food.

Background

- The nine largest food retailers control over 90% of the market.
- The groceries market was worth over £200 billion in 2020.
- On average, farmers get just 9% of the agri-food Gross Value Added.
- 2021 Groceries Code Adjudicator survey showed a backwards slide on fairness.
- 39% of fish caught by UK boats is landed and processed abroad.

Summary of Research

Local food systems create a better environmental, economic and social return in comparison to supermarkets.

- A job is created for every £42,000 turnover at an SME food businesses compared to £124,000 turnover at a supermarket - [reference](#).
- If the market share of local, SME food retailers increased to 10%, this would create 200,000 new jobs across the UK.
- For every £1 spent in a veg box or farmers' market there is £3.70 in economic, social and environmental [returns](#) (based on Growing Communities example).

There are many tools to catalyze growth in local, shorter supply chains and innovation in such approaches at the national and local levels.

- Public money - such as start-up funding for a new businesses to get established - would act as a catalyst for private sources of investment.
- Business tax relief and low rent on local authority controlled property for local, SME food businesses to help them establish in the first couple of years.

Our market research with 500 English and Welsh farmers shows that most farmers want to supply into a more local route to market. ([Source](#))

- The main barriers are a lack of affordable finance, limited access to infrastructure and networks, and little time and know-how to do things differently.
- Farmers want to change because they will get a fairer price, have a better connection with their community, and do more for climate, nature and health.
- Farmers told us that they would prefer to sell to food hubs, through direct sales and sell to independent retailers.

Our supply chain mapping in Lancashire and East Sussex highlights the lack of infrastructure and enterprise opportunities at the local level. [\(Source\)](#)

- From this, we have identified the need for a local and national growth plan to present opportunities that make sense at the local level for those food and farming businesses.

Our research also found that investing in coastal infrastructure could be an incredibly powerful part of levelling up coastal communities. [\(Source\)](#)

- Investing in more local facilities, such as processing, transport and storage, would allow the UK's fishing industry to benefit from the value added from processing and keep the value of locally caught fish within communities.

Recommendations and next steps

- The UK Government should use existing budgets and pots of funding, such as the UK Shared Prosperity Fund and the Community Ownership Fund (COF), to **create a £300-500 million Local Food Investment Fund (LFIF)** to provide strategic support across the UK for investment in localised agri-food infrastructure and enterprise. This would help to deliver on the growth action plan.
- **Better resource the Groceries Code Adjudicator** and roll out the new supply chain sector codes, such as on dairy, to tackle bullying and unfairness in the whole food system
- **Expand the roll-out of the [dynamic food procurement](#) model** across all public sector food procurement so that smaller local farmers and food businesses can access contracts, and therefore, find a wider range of markets.
- All local authorities who do not currently have a food partnership, **should aim to start one in collaboration with the [Sustainable Food Places \(SFP\)](#) network** by 2025. These partnerships can provide networking opportunities at a local level.
- A wider plan to **develop and celebrate the food and fishing heritage of the locale** – celebrate traditional local recipes and engage local food partnerships in embedding food and fishing culture into communities, so the wider community benefits.

Types of infrastructure needed (not exhaustive)

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| <ul style="list-style-type: none"> • Hubs for collaborative produce aggregation, marketing, retail, etc • On and off farm processing (milling, drying, part processing eg vegetables) • Storage (cold store, refrigeration, warehouse etc.) • Abattoirs, small scale and cutting rooms [ref the abattoir docs] | <ul style="list-style-type: none"> • Dairy/creamery facilities • Marketing, transport and logistics • Better signage and promotion for markets • Digital tools IT systems/software and dynamic procurement systems • Established box scheme/food hub/farmers' market • Grain mill/oilseed presser |
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