

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:



Coffee is bought and shipped for Starbucks from more than 25 countries and roasted locally in our Amsterdam roasting plant.

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 now 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^o 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^o producers get a larger share of the final consumer value

Debate (1)

What is the food sector growth potential in your area?

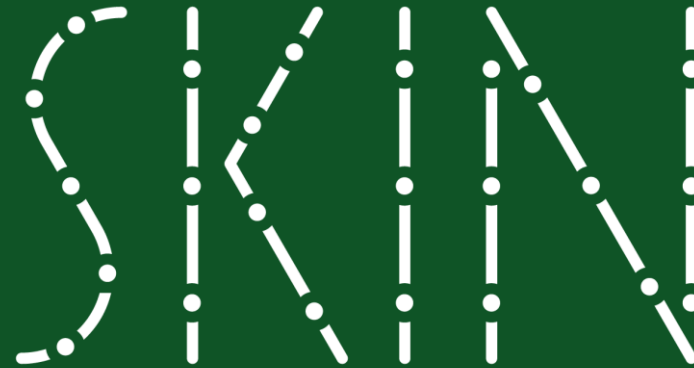
- Farming / commodity production
- Adding value to food through processing, marketing, distribution, niche markets, exports
- And/or a focus on productivity & efficiency

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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