

# A five-point plan for a resilient, affordable food system

The food and drink sector is the UK's largest manufacturing industry, worth at least £153 billion to the economy and supporting 4.1 million jobs – one in nine jobs in the UK. At the centre of this complex food supply chain are millions of working people feeling the effects of an ongoing cost of living crisis.

Government policy, regulations and taxes influence costs across the entire supply chain. They affect how expensive it is to produce high quality, nutritious food and, in turn, how affordable that food is for UK consumers. Policy can lower cost pressures through changes to tax and regulation, and it can support investment that boosts production, grows the economy and strengthens long term resilience and food security.

The sector has real potential for growth in every postcode and should be a driving force behind Britain's economic renewal. But it can only do this if businesses have the confidence to invest for the long term stimulated by coherent cross-government policymaking as a powerful framework to raise confidence and boost investment.

This five-point plan outlines key areas where we can work with government now to help secure a sustainable future for food and drink production and relieve some of the financial pressure being faced by consumers.

## Delivering value for the public

Backing our food businesses, from production and manufacturing to out of home eating, will ensure consumers have access to a resilient, long-term supply of affordable, high-quality domestically produced food that is less exposed to global price shocks. Businesses have faced sustained cost pressures driven by rising energy costs, increased taxation and additional regulation and government needs to proactively work with the entire food supply chain to reduce these pressures. A resilient and sustainable food system will deliver better outcomes for consumers than one constrained by short-term decision-making and rising costs.

## EU realignment

Efforts to reduce the friction in trade between the EU and UK are welcome, but the government must negotiate terms that minimise possible disruption to the cost of producing food in Britain and ensure there is a genuine decision-shaping role for UK government and stakeholders. With more time now to consider its final negotiating position, it is vital a meaningful transition period for the farming and food sector is secured.

## Planning

The current planning and environmental permitting systems are a significant barrier to investment, growth, adaptation, diversification and decarbonisation in the sector. Businesses face complex, fragmented and unpredictable processes, characterised by excessive delays and inconsistent decision making. The planning system undervalues the economic, food security, animal welfare and employment benefits of development relative to other considerations which hinders growth across the country. A more permissible planning system that supports businesses across the entire food chain, and that recognises the importance, value and growth potential of food production, would help change this.

## People

Ongoing challenges, including persistent skilled and seasonal labour shortages, lack of clarity over seasonal worker visa allocations, skills gaps and an ageing workforce, are limiting the food supply chain's potential to drive employment and economic growth. This risks undermining domestic food production, investment and resilience across the supply chain. A UK-wide food and drink sector workforce strategy, developed in partnership between government and industry, would allow us to build a strong domestic pipeline of talent and skills across all age groups.

## Investment & growth

Investment and growth are critical to a successful food system. Government should work with industry on all available options to drive private investment, including looking at incentives in the tax system, supporting research and development and the adoption of technology, and helping businesses from farm to fork decarbonise. Regulation need not impose additional unnecessary costs that add to food price inflation for hard pressed consumers. Driving investment will directly benefit consumers and tackle the cost-of-living challenges hitting many households.