CONSULTATION QUESTIONS

Becoming a Good Food Nation: Discussion Document

1. SCDI is an independent membership network that strengthens Scotland’s competitiveness by influencing Government policies to encourage sustainable economic prosperity. SCDI’s membership includes businesses, trades unions, local authorities, educational institutions, the voluntary sector and faith groups.

Q1. How important do you think it is that we aim to be a Good Food Nation?

2. SCDI welcomes the progress that the food and drink sector has achieved since the launch in 2009 of the first National Food and Drink Policy - Recipe for Success. The food and drink sector has displayed some of Scotland’s strongest growth in recent years, as the strategy recognises:
   - Growth in turnover of 14.4% between 2008 and 2011
   - 51% growth in export value between 2007 and 2013
   - 32% rise in retail sales across Great Britain between 2007 and 2013

3. There is a growing recognition, however, that too narrow a number of sectors and companies are delivering Scotland’s exports. In 2012, for example, Scotland’s largest exporting industry was ‘food and beverages’ at £4.7 billion – with distilled spirits making up £3.9 billion of this total1. More companies must start exporting if the sector is to continue growing, but too few companies feel able to take advantage of the opportunities, especially in higher-growth emerging markets. As such, SCDI welcomes this reaffirmation of the Scottish Government’s “commitment to promoting the sustainable economic growth of the food and drink industry”.

4. Unlike ‘Recipe for Success’ however, the Good Food Nation Discussion Document outlines a new aspiration to widen ambitions around the food and drink strategy to encompass social and environmental factors. SCDI agrees that, if implemented well, the focus on economic, social and environmental factors can ensure a coherent response to issues which maximises the benefit to each. However, there will be challenges in aligning all the aspirations laid out in the strategy. A clear vision of what success looks like in each area will be needed, and how each area will impact on other aspirations; for example, how can the desire to shorten supply chains while promoting greater exports be pursued simultaneously? SCDI agrees there are merits to each aim, but a clear approach is needed to avoid conflicting targets and confusing messages from government.

Q2. How would we know when we had got there? What would success look like?

5. Success would entail a strongly performing food and drink sector in Scotland with a wider export base and enhanced international reputation for ‘Scotland the Brand’ leading to further increases in export rates. Dietary-related disease such as obesity, cancer and heart disease should be significantly reduced across all sections of society i.e. irrespective of income, age, and geographic location, with a linked reduction in health and welfare costs over the long-term. The environmental impact of individual consumption must also be reduced, through education and local distribution, and following the example of the Scottish whisky sector more companies must emerge as leaders in the circular economy/sustainable production of food and drink.

6. In economic terms, success should continue to be measured against the metrics agreed by Recipe for Success, and further action is needed in those areas which have yet to be improved. ‘Food and drink labour productivity’, in particular, decreased 3.8% between 2008 and 20102. Based on 2012 figures, Scotland was ranked 17th, of 32 countries, for productivity levels amongst OECD countries. The Scottish Government’s National Performance

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Framework has set a target to rank in the top quartile by 2017 and a focus on improving productivity in the food and drink sector is needed to support this.

7. It is also essential that progress is made against ‘research and development spend as a proportion of food and drink manufacturing GVA’. Investment in new ideas and equipment are key drivers of growth - however, R&D spend in the food and drink sector as a percentage of GVA has only increased from 0.19% in 2008 to 0.28% in 2010. There have been some recent positive interventions which seek to address this, for example, in 2011 Interface launched its ‘Food and Drink’ partnership with Scotland’s 17 universities, Scotland Food and Drink, Highlands and Islands Enterprise, the Scottish Funding Council and trade bodes, who together will invest £10m in cash and in-kind over 5 years to boost collaboration and innovation in the sector. Initiatives like this must continue to be supported by government and should be central to Good Food Nation.

8. Thus, a successful food and drink economy in particular will see a stronger export base with more companies internationalising, and improved productivity levels and R&D spend across the sector.

Q3. Do you agree with the proposed vision? How would you improve it?

9. SCDI agrees that the vision captures the holistic focus and ambition of Good Food Nation. The role of people as producers as opposed to just consumers which is present in Good Food Nation can perhaps be better captured by the vision, particularly given the need to encourage more young people to consider production and food processing as careers and ensure a future skills pipeline which can implement the aspirations of Good Food Nation.

Q4. How would your life be better? What does being a good food nation mean in your locality?

10. As a national, representative body SCDI cannot comment on any particular locality.

Q5. Are there any other essential steps we need to take before setting out on this journey?

11. The academic and research excellence of our universities should be harnessed before setting out on this journey. Input from academics across various fields such as health and nutrition, agriculture, economics and sociology should be used to set the high-level parameters of what a Good Food Nation is. This would provide an impartial understanding of what success looks like in each of the core areas of the Good Food Nation strategy, which would then allow Scottish Government, the Food Commission and wider Scottish civic society work out which practical steps can best help us through the journey.

12. A thorough review of existing food and drink related activity would be valuable in ensuring that all relevant activities can be accounted for and where appropriate supported by the Good Food Nation strategy. It will also be necessary to map out the significant number of Scottish Government policy areas which will be affected by and should account for Good Food Nation. This will include the Procurement Reform Act and Community Empowerment Bill, particularly in regards to allotments and Community Planning Partnerships. Good Food Nation will not be as effective unless it can be tied to the ongoing reform of these policy areas.

13. For some regions, particularly remote rural and island communities, there may be some initial consideration and support required to create local distribution networks. This will be necessary to allow those aspects of the strategy which rely on such networks to be pursued, such as the ‘local food’ and ‘public sector food’ focuses.

Q6. How do you think a Food Commission could best help?

14. SCDI support in principle the creation of a Food Commission which can provide strong leadership on the food and drink strategy, and add further impetus to the promotion of a better food culture within Scotland. It will be essential, however, to ensure that the remit of this commission does not duplicate the role of the new Food Standards Scotland, as well as existing organisations such as Scotland Food and Drink and other relevant trade associations and representative bodies. Its focus instead should be on identifying gaps, making
recommendations on what existing organisation or government agency/policy area/legislative piece is best placed to take action forward, and fostering collaboration.

15. In order to give it the necessary profile across a range of policy areas, it would be appropriate for the Food Commission to be chaired by a Scottish Minister.

Q7. In what areas should indicators be set to check we are on track towards achieving our goals?

16. In order to retain continuity between the respected Recipe for Success strategy and a Good Food Nation strategy, it would seem logical to continue using the same headline and supporting indicators. Recipe for Success already includes social and environmental indicators - including on ‘food packaging and waste’, ‘GHG emissions from food and drink manufacturing’, and ‘participation in food and environment topic of Eco-schools Scotland’ – and further indicators to measure additional aims can be added to complement this core set.

17. Some indicators from Recipe for Success will perhaps need reconsidering in light of the wider aspirations of Good Food Nation. In particular, the supporting ‘food and drink manufacturing businesses by size’ outlines the desire for a higher share of the food and drink sector to be large businesses, stating this can be used as an indication of how competitive the sector is. While SCDI would support actions which support Scottish SMEs to scale-up, this indicator may not align with the aspiration to create more local and community enterprises.

18. The GHG emission indicator currently measures the total emissions of production taking place in Scotland. An indicator measuring the per head GHG emissions arising from individual consumption should also be included, as ultimately consumer choices can have a greater impact on total global emissions.

19. Recipe for Success also included ‘Scottish Dietary Targets’ as a headline indicator, which monitors progress against individual food and nutrient based targets in an effort to tackle obesity. Given that our understanding of what constitutes a healthy diet changes over time in response to new research findings, Good Food Nation offers an opportunity for an impartial review of these individual targets, and adjust where necessary.

20. It is important that the indicators do not become too granular and result in certain aspects of the strategy being prioritised over others due to target-setting. Indicators should also be aligned to and track progress of other Government initiatives and legislation, for example, increasing allotment provision and reducing waiting lists for space as provided for under the Community Empowerment Bill.

Q8. What are your views on the different approaches that could be taken to help us become a Good Food Nation?

21. There have been several pieces of recent legislation which can be seen to support the Good Food Nation aims such as those relating to Procurement Reform, Community Empowerment, and Regulatory Reform. SCDI would suggest that the initial focus of Good Food Nation should be coordinating policy strands and sectoral initiatives in order to maximise their overall impact.

Q9. Do you agree with the proposed initial focus on:

22. Food in the public sector SCDI agrees this focus will be an important step in providing leadership for the wider change needed across Scottish civic society. Public sector procurement can also provide important support for industry and can stimulate innovation if applied intelligently. While innovation was one of the major priorities of the recent Procurement Reform (Scotland) Act, there was little discussion of this aim during its passage and there is a need to ensure that public bodies focus on and are able to deliver, such as through the development of the necessary skills among procurement professionals.

23. A children’s food policy: SCDI agrees that it is important that school children are educated about where food comes from. An early appreciation of food production could also have later benefits in terms of educational choices and employment opportunities.
24. **Local food**: SCDI agrees that local food initiatives can generate local economic opportunities, such as community enterprise, and can be an effective way of boosting participants’ skills and confidence and empower participants not just to make better food choices but also apply this enterprising attitude to addressing other challenges in their own lives and their communities.

25. SCDI appreciates that the ‘Local Food’ section is more focused on what can be termed ‘community initiatives’ rather than larger-scale food production and consumer perceptions, however, it does state it is ‘in part’ about encouraging the production and sale of locally grown food. As such, there will need to be some further discussion around what ‘local’ means, particularly if the there is a need to track progress against this metric. For example, many of Scotland’s onshore fishfarms are located in rural and island communities in the North West of Scotland. While it is entirely commensurate within the economic aspirations of the strategy to develop a stronger home market for Scottish salmon products, it must be recognised that this will not coincide with every communities understanding of what is ‘local’ to them.

26. This area of initial focus should be aligned with the provisions set out in the Community Empowerment (Scotland) Bill in order to maximise the opportunities generated from both.

27. **Good food choices**: Consumer behaviour is arguably the most important factor in realising the wider aims of Good Food Nation; however, the complexity of this must not be underestimated. Changing food behaviours will require a holistic and sophisticated response which draws from international research and best practice. Retailers, and the wider food marketing profession, will also have crucial insight into the drivers of consumer choices, and SCDI agrees that they can provide crucial support in driving real change in regards to social aspects of Good Food Nation.

28. The strategy rightly identifies that “poor diet can often be as much about a lack of empowerment to make choices as about a lack of available (and affordable) choices”. Much of our food choices are related not to our knowledge of what is healthy and how to prepare this cheaply, but are dictated by a fast-paced culture and the requirements placed upon us by work and family which restrict many people’s ability to prepare meals at least some of the time. Food waste is similarly impacted by fundamental issues surrounding lifestyles, aspirations and attitudes.

29. With regards to health, transparent labelling can better empower individuals to make good food choices. Clear nutrition signposting has been proven to help people make healthier food choices. The Food Standard Agency’s voluntary traffic light scheme, for example, has been adopted by a number of businesses and proved effective across all socioeconomic groups, as opposed to only the most food literate/numerate individuals. The further voluntary uptake of this standard by Scottish producers should be encouraged, however, it would not be appropriate to set compulsory standards at a Scottish level only, as this may disrupt cross-border flows.

30. **Continued economic growth**: SCDI has long supported increased exports as a means to rebalance the economy away from consumption, both through policy and directly through its international trade work, and agrees that increased internationalisation, along with improving innovation and productivity, is essential over all areas of the Scottish economy to ensure its longer-term prosperity.

31. Diversification will continue to be a priority for some areas of the Scottish economy, and primary and secondary producers should be supported to consider new market opportunities, particularly related to low volume/high value niche products which perform well in export markets, or indeed diversification which widens the variety of local food available to consumers and allows producers to establish steady local demand. Rural development should also form part of the focus on continued economic growth. This could include youth enterprise training and support specifically targeting rural opportunities in the food and drink industry.

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32. The cost of transporting processed or value added products from peripheral areas is a constraint for business located in remote communities. Current operating models in many sectors promote the transportation of raw materials to central processing elsewhere in Scotland, UK or even Europe. Opportunities to promote local processing as well as production should be considered to ensure remote communities receive maximum economic benefit in terms of employment opportunities and investment.

33. With regard to maximising new market opportunities, the use of the term primary production in relation to beef, dairy, poultry and seafood may be confusing. Primary production is commonly understood as arable production, or the transformation of chemical or solar energy into biomass via photosynthesis.

34. The visibility and availability of local food must also be raised at every opportunity if it is to become a normal expectation for consumers, as well as enhance visitor experience and satisfy visitor expectations. As the strategy recognises, the Scottish food and drink sector shares close links with the tourism and leisure sector, and these can be built upon for the benefit of both sectors. Some flagship leisure and cultural destinations, however, do not provide any locally sourced food and drink. Visit Scotland’s ‘Taste Our Best’ programme aims to improve the quality of food and drink at all visitor touch points. They have a target of 1000 Scottish businesses achieving the Taste Our Best award by December 2015, which undoubtedly supports the Good Food Nation aspiration. Scottish Government should continue to support initiatives like this, which support the joint aspirations of multiple stakeholders in the Scottish economy.

35. The Good Food Nation document quotes a forecast of 5,600 extra jobs by 2018 as companies expand. As well as job creation, and the provision of skills to meet this demand, SCDI would also assert that the nature and quality of jobs should be a priority. SCDI is aware of anecdotal evidence which suggests that traditional rural jobs in the food and drink sector are being eroded by mechanisation, which has been enabled by the introduction of broadband. As the rollout of broadband is progressed it may be necessary to monitor the job market profile of rural areas, and where mechanisation has replaced jobs ensure that local people are provided with skills and opportunities to access the more skilled and higher value opportunities enabled by technology.

Q10. Which other areas would you prioritise?

36. Food production is inextricably linked with the sustainability of society, and reducing emissions, halting the loss of biodiversity and improving water quality all depend on progressing sustainable models of agricultural production. This is relevant to each of the focuses outlined above, and therefore, rather than being added as a sixth area of focus, it would be most appropriate to clearly reference how each section must contribute towards environmental aims.

37. SCDI would suggest that Good Food Nation must also encompass the principles of a circular economy, in line with wider Scottish Government priorities around reducing waste and securing future business resilience. Again, rather than be a specific area of focus, this could pervade throughout the strategy.

38. Circular economy interventions within the food and drink sector can be broken down into two categories. First are those interventions focused on the quick wins of resource efficiency, most notably in waste but also around water and energy-use. Secondly, there are the interventions with much broader potential, which address market needs through innovative circular processes.

39. At a Scottish, EU and global level, one of the biggest resource risks that our food system and society faces is the depletion of nitrogen, phosphorous and potassium (NPK) from soil. If we do not overcome the shortfall in phosphorous in particular the cost of inputs into food production systems will increase, which in turn will increase food prices and the cost of living. In terms of food waste, its best use from an environmental perspective is for its nutrients to be returned to the food cycle via soil and land. While there are already efforts to return nutrients to the soil through Anaerobic Digestion, to date these have been primarily driven by waste management approaches which do not produce a product of high enough standard to
displace the use of chemical fertilisers. It is important that interventions start with market needs and develop bio-based products to meet this.

40. Keltic Renewables, for example, have demonstrated the mutual benefits of a circular economy approach to multiple sectors through their innovative process, which takes the by-products of whisky production, which previously went straight to animal feed, and extracts bioethanol from the sugars in the waste creating a fuel and an animal feed which is higher in protein and of a better quality. Good Food Nation must support further innovation of this kind.

Q11. What other steps toward achieving a Good Food Nation would you recommend?

41. It is essential that Scottish Ministers take ownership and progress the aims of Good Food Nation. It may be appropriate to introduce a duty on Scottish Ministers to ensure they develop Scotland as a Good Food Nation, reporting progress to Scottish Parliament every three years, as required by the Hydro Nation strategy.

Q12. What else should be considered?

42. Across Scottish Government policy, including land use and planning policy spheres, there is an arguable lack of focus on food security. Food security is a global issue which is likely to impact developed nations through increased food prices, which will have subsequent impacts on quality of life etc. While many of the aims set out in the Good Food Nation would help to address food security risks, this issue has not explicitly been considered.

Q13. What steps do you plan to take to help Scotland on the journey toward becoming a Good Food Nation – in the next month and in the next 12 months?

43. Three years ago, SCDI’s Young Engineers and Science Clubs (YESC) launched the Science on the Menu project using Scottish Government funding, which for the past two years has come through the Food for Thought Fund. Science on the Menu uses food and drink as a context for learning about science and technology and, with input from business, promotes the range of skilled STEM employment opportunities in the sector.

44. In 2013/14 YESC worked with every primary school Moray, North Ayrshire, East Ayrshire and South Ayrshire, and this academic year will be working with every primary in Dumfries and Galloway, South Lanarkshire, Western Isles as well as 40 primaries in Perth and Kinross. In total, therefore, YESC has now engaged over 600 primary schools with Science on the Menu.

45. In each case YESC is working through the Quality Improvement Team in each education authority who applied for the funding with SCDI as partners. Each authority also has to work with a Business Partner from the food and drink sector, for example, DuPont Teijin Films in Dumfries and Galloway, and Finsbury Food Group in South Lanarkshire.

46. SCDI hopes to continue rolling out this successful programme to other local authority areas across Scotland next year.

47. Next year has also been designated as the ‘Year of Food and Drink’ 2015, and SCDI can play a role in involving wider Scottish civic society in this debate and promoting the benefits of becoming a Good Food Nation strategy to its membership, as it has done with previous Scottish Government ‘focus years’.