



## **KEB Food Production, Horticulture & Agriculture Business Growth Consultation Event – 19<sup>th</sup> January 2011**

### **Event Report**

The Kent Economic Board (KEB) hosted this event at the East Malling Research Conference Centre, in partnership with Kent County Council, the NFU, CLA and Hadlow College.

Some 122 people attended 85% of whom were Rural Businesses.

The Business Champion for this sector consultation was Jon Regan. Jon is a Director of Hugh Lowe Farms Ltd and Weald Granary Ltd. He is also a member of the KEB Business Advisory Board and a member of the LEP Interim Board.

The Speakers were Paul Carter, Leader of Kent County Council, William White, Regional Director of the NFU in the South East, Nick Holmes, Specialist Accountant and Tax Advisor in Agriculture, Horticulture and Estates, Chavereys, Oliver Doubleday, Managing Director, GH Dean & Co Ltd – with concluding remarks from Kevin Lynes, KCC Cabinet Member for Regeneration and Economic Development.

Below is a brief summary of the key points made in the presentations (the full presentations can be viewed on the KEB website [www.keb.org.uk](http://www.keb.org.uk)), and a summary of the points that were raised in the table discussions and feedback. We received written submissions on the discussion questions from 20 individuals (some of whom were commenting on behalf of their discussion group) detailed feedback questionnaires were returned from 32 individuals – and in addition general comments on the value of the event from a further 10 individuals. This high level of participation from attendees has provided a rich contribution to setting the priorities for business growth for this sector.

The conclusions that have been drawn from the event and the submissions received will be informing the KEB and KCC Business Growth Programme and the LEP priorities.

### **Speakers Headline Points**

#### Paul Carter

Paul emphasised the importance he placed on the programme of Business consultations – this being the first in the series – and the priority he places on growing the rural economy.

He explained that these events are an integral element of the County Councils approach to support the Kent Economy; they follow through on the commitment in the Kent Regeneration Framework to create a new relationship with business, and the first ambition in Bold Steps for Kent which is “Growing the Kent economy”.

He encouraged delegates during the workshop session to be solutions orientated – stating that the hoped for outcome from these events are a limited number of grounded, deliverable, intelligent and common sense actions - that when acted on will be able to significantly help the growth of the sector.

He ran through his top ten drivers for change – over-regulation, employment law/flexible workforces, planning issues, broadband connectivity, skills, transport infrastructure, bank lending policies to SMEs, local procurement, communication & marketing – and asked delegates to identify theirs.

### William White

Outlined the strategic importance of the sector – value to the UK economy – and some key stats for Kent eg 2,200 farms, 13,000 employees, 12.4% of GVA – in addition farming is a primary industry with complex multipliers in the local economy.

William flagged some of the current economic challenges in terms of – farm income – differential yield across sectors (wheat versus livestock) – and the volatility of commodity prices impacting on input costs.

He quoted the work of Professor John Beddington's "perfect storm" forecast re food security becoming an increasing issue for national security in the face of rising population, finite land resource, diminishing water supplies and increased population pressure etc.

81% of fruit and vegetables is imported – this is a global market, governed by global patterns of supply and demand and price differentiation.

Growth in the market will be achieved via increasing competitiveness via increased R&D to improve productivity, attracting skilled entrants to the sector - an estimated 60,000 new employees required nationally – retaining and developing research capacity.

William particularly made the point that Planning is widely seen by this sector as not being consistent, supportive to accommodating the needs of modern farming, or fast enough to respond to needs – in addition there is growing concern that localism will result in more planning delays and failed applications.

Williams's key priorities for the LEP were:-

- A long term vision for the sector
- Increasing productive capacity
- Import substitution
- Foreign direct investment
- New product development for export

### Nick Holmes

Nick argued strongly for the strategic importance of this sector to be better recognised and appreciated. Food production in the face of rising population figures, locally, nationally and globally can only become increasingly important – and recent rises in commodity prices and food price inflation demonstrate the importance of the sector in terms of food security and economic contribution/influence.

He classified agriculture and horticulture as a "primary" industry because of its significant multiplier effect in the economy – stating that some 14,202 people

employed in agriculture in the County with 85,000 people employed overall with some involvement in the Food Chain.

He advocated that Kent has particular market strength in horticulture which it should deliberately be exploiting for growth, given that it also enjoys the location advantages of relatively close proximity to London and UK markets and of course near Europe.

Nick identified that there are a range of means to exploit this strength including more collaboration with the supply chain (lateral economic development) maintain and strengthen R&D capacity and tap into the global market for food production technologies and production processes that are being sought in response to rising population, climate change and increasing input prices.

His recommendations included:-

- Creating a better statistical evidence base for the sector – the production of an annual report – which would help support investment
- A strategic plan for long term food and supply chain security
- Development of the R&D base and promotion of centres of excellence

### Oliver Doubleday

Oliver started his presentation with a quote from Socrates:-

*“Nobody is qualified to become a statesman who is entirely ignorant of the problems of wheat”*

He also spoke about the global market context giving this strategically important sector added significance as concerns about food security become an increasing reality – quoting a number of recent incidents around the world where food shortages were sparking civil unrest and political change.

A responsible response to the emerging market dynamic in food – which is subject to price inflation due to increased demand from rising populations, climate change and extreme weather events, volatile commodity prices – is to adopt a strategy that relies less on imports – but rather focuses on increasing production.

He suggested that given the global nature of the challenge there is a real and urgent need to raise productive capacity and quoted the 2009 Royal Society report “Reaping the Benefits” – which called for action to increase research into sustainable intensification.

He cited East Malling as key exponent of the development of sustainable intensification – exploiting wildlife solutions to control pests, better management of water resources through effective irrigation scheduling and the development of plant strains that require less chemical pesticides or fertilizers as they are adapted to local climate and geology.

## Plenary discussion

In the Plenary discussion the following issues were picked up by the delegates for further discussion

- Concerns about Planning becoming less accommodating to Farm Development as an increased focus on Localism will encourage opposition – regardless of the economic and strategic importance of the sector.
- A sense that the image and profile of Agriculture and Horticulture needs to be raised in order for its role and contribution to be understood – to encourage investment – and to attract new entrants to the workforce.
- Water scarcity, management and storage – was also mentioned as a key concern.
- Some felt that the skills base for the industry needs strengthening – and greater efforts should be made to expose the range of occupational and technical skills that the sector offers for young people.

## Summing Up

### Kevin Lynes

Kevin said the importance of the sector and the critical role it plays in the Kent economy is recognised – the Kent food chain is estimated to be worth £2.6 billion per annum and accounts for 15% of the County's workforce.

KCC has established a Food Sector Advisory Group – who are helping develop a Food Sector Strategy for Kent which aims to

- Champion the strategic importance of food production in Kent
- Create an enabling policy environment for the future development of the sector
- Identify a range of key actions – around infrastructure, research and labour force issues – to unlock future growth.

He also mentioned the Produced in Kent initiative and the efforts that are underway to secure greater investment in superfast broadband infrastructure that would significantly benefit rural businesses and communities.

## Summary of key points from the Table discussions

Delegates were asked to consider the following three questions – under each is a short summary of the headlines from the feedback

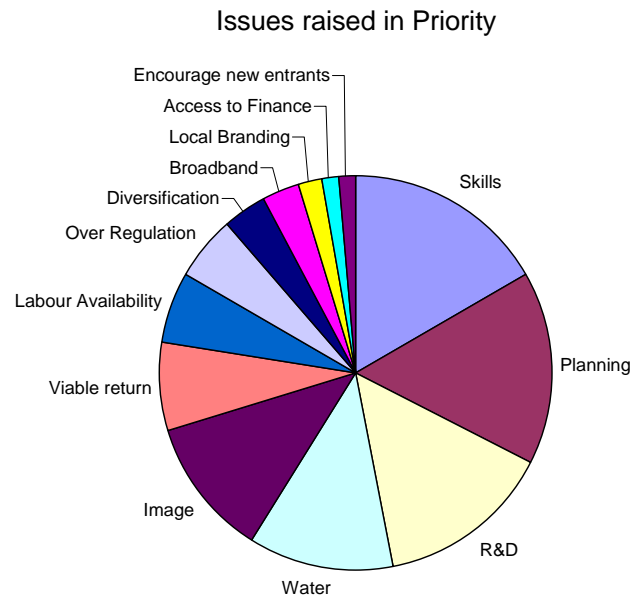
### **1. What does the future look like – and where do you think the key opportunities for growth for this sector lie?**

- Horticulture and top fruit production was seen by many as having real growth potential – but to increase productive capacity farm units are likely to need to become bigger either through merger or acquisition in order to achieve economies of scale and derive financial benefit from technology and an investment in intensification.

- Strong promotion of the sector was thought by many to be the key to securing the future and encouraging growth – increasing demand for locally produced and procured food, investment in R&D, and ultimately increased employment opportunities.

## 2. What would be your top ten issues to address in order to unlock growth

Each top ten was slightly different in order – so using an algorithm they have been prioritized (note: more than 10 as some new ideas were added).



## 3. What influence would you like to have on skills provision to better support this sector

- Address the current mismatch of provision and needs – less emphasis on provision of management skills and more on technical skills and skills manual labour
- Creation of a world class academy for food production, agriculture and horticulture in Kent
- Stronger links between schools, colleges and careers advisors to improve understanding of academic, vocational and professional needs of the sector.

## 4. Re concerns about Planning – what are the key policy areas

- Combating nimbis with some consistent clear policies to support this strategically important sector.
- Replacement of Agricultural Building Policy.
- Allowances for housing/tied cottages & social new builds in rural areas.

Finally some 23 delegates indicated that they would like to be actively involved in follow-up activities from the event.