

Cross-Party Group on Food

April 27th 6pm (held virtually)

Minutes

Present

MSPs

Annie Wells (Chair)
Rhoda Grant
Jim Fairlie
Brian Whittle

Invited Guests

Chris Elliott

Queens University Belfast

Non-MSP Group Members

David Thomson	Food and Drink Federation Scotland
Kirsty Tinsdale	Food and Drink Federation Scotland
Mary Lawton	CPG Food Secretariat
Lucy Ozanne	QMS
Tilly Robinson-Miles	Eatwell Age Well
Geoff Ogle	FSS
Ruth Watson	Keep Scotland the Brand
Ann Packard	RSA
Christine Fraser	Food Training Scotland
Liz Barron-Majerik	Lantra
Sandra Williamson	REHIS
Jackie McCabe	REHIS
Martin Meteyard	Consultant
Ceri Ritchie	SAC Consulting
David Watts	Aberdeen Uni
Jayne Jones	Argyll and Bute Council
Cate Devine	Journalist
Orchid Liu	UK Chinese Times
Vivian Maeda	Business in the Community
Patricia Abel	Transition Edinburgh South
Rachel Mirfattahi	IFST
Fran Throw	Food Train
Kirsty Jenkins	OneKind
Charlotte Maltin	Biomics Ltd
Margaret Smith	Scottish Wholesale Assn

Ylva Haglund
Luisa Riascos Caipe
Laura-Alexandra Smith
Pete Ritchie
Josephine Heger
Martin Morgan
Dan Yaxley
Gerry McBride
Judith Bryans

Zero Waste Scotland
SAC
Royal Society of Chemistry
Nourish
SRUC
Scottish Assn Meat Wholesalers
Scottish Food Coalition
Skills Development Scotland
Dairy UK

1. Apologies

These were received from Cat Hay, Lorna Dawson, Wendy Barrie, Bosse Dahlgren, Colin Smith, Uel Morton, Katy Clark MSP, Iain Clunie and James Withers.

2. Minutes of the Last Meeting (January 26th 2022)

These were proposed by David Thomson, seconded by Rhoda Grant and approved.

3. Matters Arising

There were no matters arising.

4. The Impact of Ukraine War on Food Security and Supply

Annie Wells MSP (AW) introduced the main theme and said that we all stood with Ukraine during this tragic and devastating time. James Withers could no longer attend but David Thomson FDFS who is also on the Scottish Government's Short Life Taskforce had agreed to present in his place.

David Thomson (DT)

DT agreed that everyone was shocked and appalled by events in Ukraine but he was relieved with the speed and shared approach being taken on thinking through the impact on Scotland. One way of collaboration was through the Short Life Task Force (STF) on food security and supply. A link giving details of the Group including remit would be sent out with the minutes.

Action: DT/ML

[Note: Remit and membership here.](#)

STF

The STF is co-chaired by James Withers, Scotland Food and Drink and by Mairi Gougeon, the Cabinet Secretary. There are representatives from a range of food and

drink industry bodies; SAOS, Seafood Scotland, NFU, AIC, IGFS, QMS, SRC, FSS FDFS and Scottish Government. They are midstream in the work at the minute, having had 3 meetings.

The remit in short is to analyse the disruption of the war in Ukraine to food supply chains and in particular how this affects Scotland and identify the potential impact of the disruption on food and drink supply to consumers, to the public sector food supplies and to overall business resilience. There were other issues such as animal welfare.

The STF will recommend short, medium and long term action to mitigate impacts for government and for businesses. Future structures and policy measures needed to monitor to address and strengthen food security and supply in Scotland are also being considered. Finally the STF are also exploring the opportunity for humanitarian aid for food supplies and potential employment opportunities for those who arrive from the Ukraine.

DT stressed the need to think long term about how to develop food security monitoring and action in Scotland.

Impact

DT highlighted the supply of food from Ukraine/ Russia, impacts on prices and energy costs, packaging, labour and cash flow as areas where recommendations are being discussed.

Ukraine and Russia are major suppliers of food oils and raw materials to the UK with 27% of maize, 36% of sunflower oil and products coming from Ukraine. Russia has 40% of the global whitefish production. It is a global issue, not just UK/Scotland.

Animal feed, fuel and fertilizer have all seen huge price impacts as a result of the war in Ukraine partly due to increased gas price. However other actions have had an impact. The UK tax changes on red diesel have added costs of £1.00 per pig in pig production, which is a 32% increase in fuel costs. Pig farmers are currently reporting that they're losing £50/pig. The fuel costs also impacted rural transport and logistics.

Animal daily feed has gone up at least 40%. There are huge price increases in volatility in some of the fundamentals that we need for our food system to raise animals, grow and distribute and cook food. **DT** reported that one FDF member had reported that they expect a 500% increase in their energy costs come the end of the year. The red meat sector has said that energy costs have gone up by 25% since January. In chilled food, one business thinks energy costs will go up from £40,000 a year to £100,000 a year. These are big costs that will have impact on what businesses do and how they plan for the future.

There were also issues such as packaging and labour shortages. There needed to

be labelling changes so companies could substitute oils. These regulation changes are expected next week.

Many growers had secured contracts in Q4 2021 but can't now supply this year at the agreed price because of the massive, unprecedented inflation in prices. In wholesale prices have risen by up to 60%, causing concern about how they're going to fulfil long term public sector contracts.

Going Forward

The STF is looking at

- Individual business support across food chain (many SMEs in Scotland), how we build their resilience
- Financial or other support for those directly affected by Ukraine war –what would this look like?
- Is there an opportunity for import substitutions? Not protectionism, but a different way of providing raw materials we need
- Are we planting the right crops for Scotland in the 2020s? What advice are we giving farmers and are subsidies and support needed?
- Future structures to monitor and strengthen food security in Scotland

DT said the food system works well in many circumstances. However the unprecedented circumstances over the past few years had shocked the system. It was positive that the STF allowed for sharing intelligence and finding ways to work collaboratively.

Chris Elliott (CE)

CE said he had joined the STF and was in awe at the joined up approach in Scotland and how connected people were across the food chain.

Global Perspective

CE noted that the UN definition of food security was:

“When all people, at all times have physical, social and economic access to sufficient safe and nutritious food that meets their dietary needs and food preferences for an active healthy life.”

He felt this was out of date, but was the current one. **CE** he gave the following statistics:

- The world's population is close to 8 billion people with the expectation by the middle of this century that it will be between 9- 10 billion people.
- Ukraine's population is about 44 million people, which represents about 0.5% of the world's population. However it produces enough food to feed 600 million people - 7% of the world's population.
- Currently about 10% of the world population (700 million) is in hunger (418 million in Asia, 282 million in Africa)

With Ukraine producing so much of the world's food that will not be replaced for the foreseeable future, the amount of hunger in the world will be catastrophic. The World Food Programme is talking about starvation in terms of biblical scale, particularly in Asia and Africa, because of the situation in Ukraine.

CE noted that Russia is setting out to systematically annihilate the agriculture and food industry in Ukraine ruining all of the farm equipment and bombing where the Ukrainians hold their seeds. They are trying to destroy the economy of the country.

Whatever happens in Ukraine, there will be no quick fix in terms of their food system. It's going to take them a very long time to recover. So suddenly we've got a major shock in the world about a massive shortage of food which is due to the conflict.

CE said he established the Institute for Global Food Security at Queens University Belfast ten years ago to look at the global food supply system.

Supply Networks

Whilst we often talk about food supply chains they are actually supply networks. The impact of these networks in terms of Ukraine is important. These are incredibly complex and he gave examples of the network for barley in Ireland and that for red meat in the UK. This complexity means lots of things can go wrong.

When considering how the supply chain networks linked to Ukraine and Russia are going to cause major failures there are two ways we look at this. One is cascading failures and the other is single point failures.

Cascading Failures

This is when you have interconnected parts of supply chains, and whenever one starts to fall, then other parts of the network start to fall as well. The longer you have these failures, more and more parts of the system start to collapse until the whole network fails. Sunflower oil is an example with global food exports for sunflower oil 42% from Ukraine and 21% from Russia. There are similar examples for wheat, barley, maize and fish. The question is where will replacements come from?

This cascading failure for sunflower oil has led to shortages, some rationing and is affecting fish and chip shops. One in three may close because of lack of sunflower oil.

Rapeseed can be substituted for sunflower oil, with labelling changes but there's a finite amount of rapeseed and olive oil and supermarkets are already experiencing shortages.

Indonesia, the world's top cooking oil exporter has announced it will ban exports of the oil this week, sending global prices up. Palm oil is widely used, not just in food. This network failure had huge implications for food manufacturing.

Single Point Failure

We need to be more aware where our food comes from, how it's produced, where it's produced, the manufacturing processes and the supply chain networks. For example:

- Russia and Ukraine produced 60% of the of the world's sunflower oil.
- China produces 80% of all the garlic in the world
- Vietnam produces 80% of all the black pepper
- California produces 80% of the world's almonds.

A lot of agriculture is very intensive and in particular parts of the world. Any conflict or climate issue in another part of the world will cause these types of commodity failures.

There are examples non- food commodities that will have a major impact on food security at a national level.

- Carbon dioxide failure -very small number of manufacturing plants of carbon dioxide. This is linked to manufacture of fertilizer
- Current shortage of aluminium in the world because of issues about aluminium mining in Australia –led to shortages of aluminium for cans , could lead to impact on canned food, beer etc
- Shortage of vitamin E in the world due to a factory fire. This is important for animal nutrition.

Resilience

The STF must think about resilience in relation to food security, building resilience is about building strength to your food system against shocks. The biggest one is climate change. Building resilience in our food systems helps to develop strengths against shocks such as climate change, urbanization, natural disasters, disease outbreaks, financial and political crises.

Open Debate

Brian Whittle MSP asked about the role of food waste given we throw over a third of our food away. **CE** agreed this was an issue and thought there was a huge role for science and technology. He suggested we should be thinking about gene editing and

how it can have an influence on food waste. This would mean thinking about our views on new technology.

The main food waste problem is the consumer, but with food prices going up this could lead to less. **CE** also thought we needed to consider using food that isn't useful or fit for human consumption, to feed livestock. **DT** agreed that with price inflation this could lead to less wastage but was also aware of problems for the most deprived in society.

Rhoda Grant MSP thought we should be looking at making Scotland more self-sufficient and able to cope with shocks. There was a need to look at shorter supply chains and diversity. **DT** said that this is a key theme of Scotland Food and Drink, trying to provide commercial opportunities and creating relationships. Cost was always a factor. However the various recent crises had brought people's attention to food and the advantage of shorter supply chains. We need to build on that and not lose anything when things revert back to more "normal".

CE said that the UK as a whole is only 50% self-sufficient in food. That was the same 100 years ago. When there were massive food shortages after the Second World War, there was a big drive to become more self-sufficient in food and we only imported 30% of our food and then the country became less prone to shocks and more resilient. Now we have lost that knowledge with the whole globalization of the food supply chain. We need to realise the importance of food production and also consider climate change impacts. It would be useful for the devolved nations to talk about this together.

Pete Ritchie Nourish asked what we could do to keep people in business in the food sector. There has been Brexit, Covid and the war and wondered what opportunities there were to kick start recovery. There were ideas out there such as making ammonia with renewable energy, investing in glass houses for growing, extending our market gardens to shorten the supply chains and not being so reliant on labour from abroad. Also, we could upscale hemp production as another oil substitute and in terms of waste stop feeding grain to ruminants. **DT** said that carbon dioxide production from renewables was one ongoing project. He thought the test for this has always got to be, it may make sense now, but can we find a way to make it make sense in three to five years' time, when hopefully things are less turbulent.

Ann Packard RSA (AP) asked about the impact this would have on the pilots for regional land use partnerships that were already under resourced and on a tight timetable and wondered if they could be redesigned to have an emphasis on food supply and food security in addition to issues around climate change and biodiversity. **AP** also asked to what extent can or should government now invest heavily in vertical farming and other innovation practices? **DT** said he was not up to date on the land use partnerships and asked **AP** to write to him, with any suggestions so he could raise at STF as appropriate. **CE** said in Ireland they were

trying to understand the health of the soil farm by farm because that would be the major driver for increasing productivity. The difficulty with vertical farming was that its energy intensive so a really good energy strategy is needed. This illustrated **DT**'s earlier point in that the costs involved have to be viable in the marketplace in 3 years' time.

Geoff Ogle FSS referred to a comprehensive report by [DEFRA on UK food security](#) published in December 2021. He noted that the sector had an advantage in that we had worked on contingency plans for Brexit and Covid. The problem particularly from Covid is the impact on cash flow for business and Ukraine was now a continuum of that.

There could be a negative effect on the health of the nation as a consequence of food inflation particularly for the lower social economic groups, because less healthy, high fat salt and sugar food is cheaper. Another outcome would be the speeding up of technology and innovation. He wondered how we take consumers with us on this journey, for example some thought alternative proteins a solution.

CE thought alternative proteins was a red herring rather we needed to concentrate on producing good quality sustainably produced food. This will come from transforming farming through use of science and technology and having healthy soils. **DT** thought informing and supporting the consumer was extremely important and the STF should maybe think about some form of public engagement.

ACTION: DT

Martin Morgan SAMW said that the possibility of reintroducing the feeding of food waste to pigs had been raised but noted that this was banned as a consequence of the food and mouth outbreak in 2001. Other regulatory costs were imposed on the meat sector due to BSE and asked if now was the time for a radical review of all these controls to concentrate on present day public health risks from modern day practices rather than outbreaks that happened 20-30 years ago. The industry is picking up considerable costs for little, if any, public health benefit? **CE** agreed and said the reason we don't use food waste for feeding livestock is because of historical incidences. He thought the science had moved on and there were much safer ways to recycle food so it can be used in animal production. It should be reconsidered as it is an important source of nutrition that we are not utilising properly. **DT** noted the need for smart regulation that also supported the high standards we have in Scotland.

Tilly Robinson-Miles Food Train agreed with **CE** comments on the definition of food security needing to be changed to recognise the social and cultural value of food. The Scottish Social Renewal Advisory Board explored that in their recommendations to Scottish Government and asked if the STF would too. **CE** said that the definition also needed to protect people producing food and really this was food ethics.

Christine Fraser Food Training Scotland asked about food sustainability and keeping breed and crops that are suitable for Scotland. **DT** said they were waiting for the new agricultural policy from Scottish Government which should answer some of these questions. There was a lot of activity on-going in particular with relation to climate change. The STF wanted a flourishing farming sector.

Vivien Maeda Business in the Community (VM) asked if at the STF they were discussing fair inclusion, just transition and education. **DT** said that as it was a short life group, education was not currently being discussed, but he would feed comments in. The Scotland Food and Drink Partnership had set out their net zero ambition last year and just transition was very important give the time frame and support needed for businesses. Ambition 2030 will be revised over the next few years. **CE** noted work on educating children on the dangers of smoking had led to pressure on families to stop. We should teach children about food production, about sustainability, about the environment, and then they will have that as part of their culture. He has seen success in a project they in Northern Ireland where thinking was transformed.

Jayne Jones Argyle and Bute Council (JJ) was pleased to hear the impact on public sector food was discussed. The costs Councils are absorbing could not be passed on to pupils, hospitals and care homes as funding allocation is part of a general allocation award and generally based on last year's spend. This meant the shocks were difficult to manage. Many of the staff are part time and adversely affected themselves. The Councils are also being asked to deliver Good Food Nation. **DT** said that Scottish Government procurement had been brought into the STF and would feed **JJ**'s comments and get back to her.

ACTION: DT/JJ

Laura-Alexandra Smith Royal Society of Chemistry (LS) asked how we get good people who are passionate about food into the industry and particularly food production. The curriculum has been revamped, there are food technology courses and modern apprenticeships, but uptake is still not good. **CE** said students want purpose and we need to show that actually food science has a huge role in society. Rebranding is needed to show this. **LS** agreed they wanted to "fix the world" but that the older generation needed to be convinced too so as to support these career choices.

Jim Fairlie MSP (JF) said the impacts of the Ukraine war had been discussed at the RAINE Committee that day. He wanted to highlight 2 items. One was food waste where a business was taking food waste and turning it into fertilizer. It was an expensive process to set up but good in terms of investment for resilience.

JF said supermarkets have got a massive role to play in the short term situation of where we are right now. They control about 90% of the food that's consumed in this country. We've got a real opportunity right now to make a huge difference to our food

system and hopefully we've got the courage and the ingenuity to actually grab that opportunity. **DT** said supermarkets shape the market, shape the way that people behave and they shape what food companies and farmers produce. So they definitely had to be part of the solution. **CE** pointed out that during Covid we were praising the supermarkets for keeping us fed. Not all supermarkets were the same; some were good in terms of looking at sustainability and food waste and working towards having integrated supply chains, which are absolutely the right thing to do.

He agreed that the model where you buy the cheapest possible and put as much pressure on your suppliers with massive cost tensions and sustainability issues meant that ultimately the consumer lost out. Best practices should be studied.

5. AOB

VM is organising an online raffle with the support from food and drink producers with all proceeds going to DEC Ukraine Appeal. Further information about donating prizes or buying tickets is here. <https://app.galabid.com/fundsforukraine>

6. Date of Next meeting

This will be the AGM on Wednesday September 21st at 6pm. and hopefully be live.

Mary Lawton said she would not be standing as Secretary again. FDF Scotland has kindly supported the Secretariat for many years and indicated they are willing to continue. Kirsty Tinsdale Communications Executive FDFS has offered to stand for election.